DAIRY CREST GROUP PLC

St Hubert Site Visit

30 June 2008

Agenda

• Welcome and introduction	Mark Allen
• Dairy Crest Foods	Martyn Wilks
• St Hubert Overview	Patrick Cahuzac
• Ludres Site	Fabien Hamon
• Site Tour	

Dairy Crest Strategy

- Build market leading positions in branded and added value markets
- Invest in industry leading facilities to create competitive advantage
- Downsize commodity risk to improve quality of earnings
- Strategic acquisitions
  - branded and added value markets
  - opportunities for synergistic acquisitions in Dairies division
- Deliver excellent value to our shareholders and other stakeholders

Prelims 2008 - Highlights

- Strong financial results benefiting from good strategic progress
- Investment in brands driving strong revenue and profits growth in Foods division
  - St Hubert continues to deliver on expectations in France
  - most key brands have increased market share with strong growth
  - new healthier variants making good progress
  - Clover on track to recover strongly in 2008/09
- Improved performance by Dairies division
  - manufacturing efficiencies being delivered
  - integration of Express Dairies completed
- Significant price increases achieved across the Group to offset substantial raw milk and commodity cost inflation

Strong Brand Performance

Brand	Market	Market growth*	Brand growth†
	UK Cheese	7%	23%
	UK Dairy Spreads	3%	29%
	UK Dairy Spreads	3%	11%
	UK Spreadable Butters	21%	25%
	French non butter spreads	0%	17%
	Chilled Yogurts and desserts	4%	25%
	Chilled Yogurts and desserts	4%	34%
	Flavoured Milk	7%	10%

Source: †DC sales growth by value, * AC Nielsen or IRI or TNS 52 week MAT value growth to March 2008

Prelims 2008 - Outlook

- Key brands are continuing to make good progress
  - everyday market leading products
  - further focus on development of healthier variants
  - brand stretch to meet changing consumer lifestyles
- Clover on track to recover strongly in 2008/09
- Price increases implemented to offset rises in both milk and commodity costs
- Focus on further cost reduction programmes
- Trading at the start of the new financial year is in line with our expectations

AGM and Interim Management Statement – 17 July 2008

Dairy Crest Foods Division

Focus on Butter & Spreads

June 30 2008

Organisational Structure

Foods				Dairies		
St Hubert	UK Dairy Spreads	UK Cheese	YDC ("Yoplait Dairy Crest") (49%)	Liquid Products	Household	Ingredients
French and Italian spreads	UK spreads and butters	UK branded, retailer brand and speciality cheeses	Chilled yogurts and desserts 49% share	Fresh and branded milk, potted cream and flavoured milk to major supermarkets	Doorstep deliveries, middle ground and foodservice	Bulk and specialist dairy products

Foods

f/y/e March 31, 2008

Revenue[1]:	£566.5m
Operating Profit[1] :	£80.6m
Operating Margin:	14.2%

Dairies

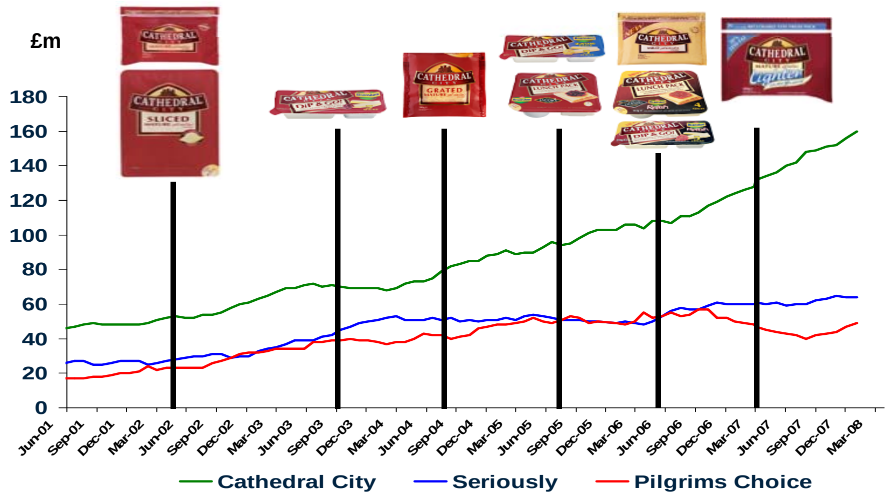
f/y/e March 31, 2008

Revenue:	£1,070.1m
Operating Profit[1]:	£31.6m
Operating Margin:	3.0%

[1] Operating profit before exceptional items and amortisation of acquired intangibles

Dairy Crest Cheese - Overview

- UK's leading manufacturer of branded and added value cheddar
- UK cheese market is worth £2bn with 2% volume growth
- Developed £160m+ leading cheddar brand in Cathedral City
  - significant marketing and promotional activity
  - strong volume and value growth
  - recent launches of Mild and Lighter (30% less fat) variants
- Major investment of c. £50m in new creamery at Davidstow completed in 2005
- Exit from majority of retailer own brand cheese in 2006
- £25m investment in Nuneaton cheese packing site



Source: TNS (MAT)

Yoplait Dairy Crest

- Joint venture partnership with Yoplait SA of France
  - Yoplait is number 2 yogurt brand worldwide
  - JV agreement runs until at least 2012
  - Product manufactured by Yoplait in France. Distribution supplied by Dairy Crest.
- UK chilled yogurts and desserts market is worth £1.9bn
- Yoplait brands have a track record of delivering impressive growth.
  - Petits Filous, Frubes, Wildlife, YOP and Weight Watchers
  - number one in children's sector with 52% share

UK Spreads

- Butter and spreads market currently worth £1bn
  - limited volume growth
- Dairy Crest is number three (by value) with 19% market share
- Main competitors are:
  - Arla with Lurpak and Anchor (31% market share)
  - Unilever with Flora and ICBINB (26% market share)
- Acquired St Ivel brands (Utterly Butterly, Vitalite, St Ivel) in 2002 from Uniq for £86m
- Acquired full ownership of Country Life brand in 2004 for £4m
- Focus marketing investment behind three core brands

Brand		Market Segment	Brand Size	NPD
Clover		No 1 in Dairy Spreads	£59m	Launch Lighter in 2008/09
Utterly Butterly		No 2 in Dairy Spreads	£63m	Launch of Omega 3 in August 2007
Country Life		No 3 in Packet & Spreadable butter	£50m	Launch of Lighter in April 2007

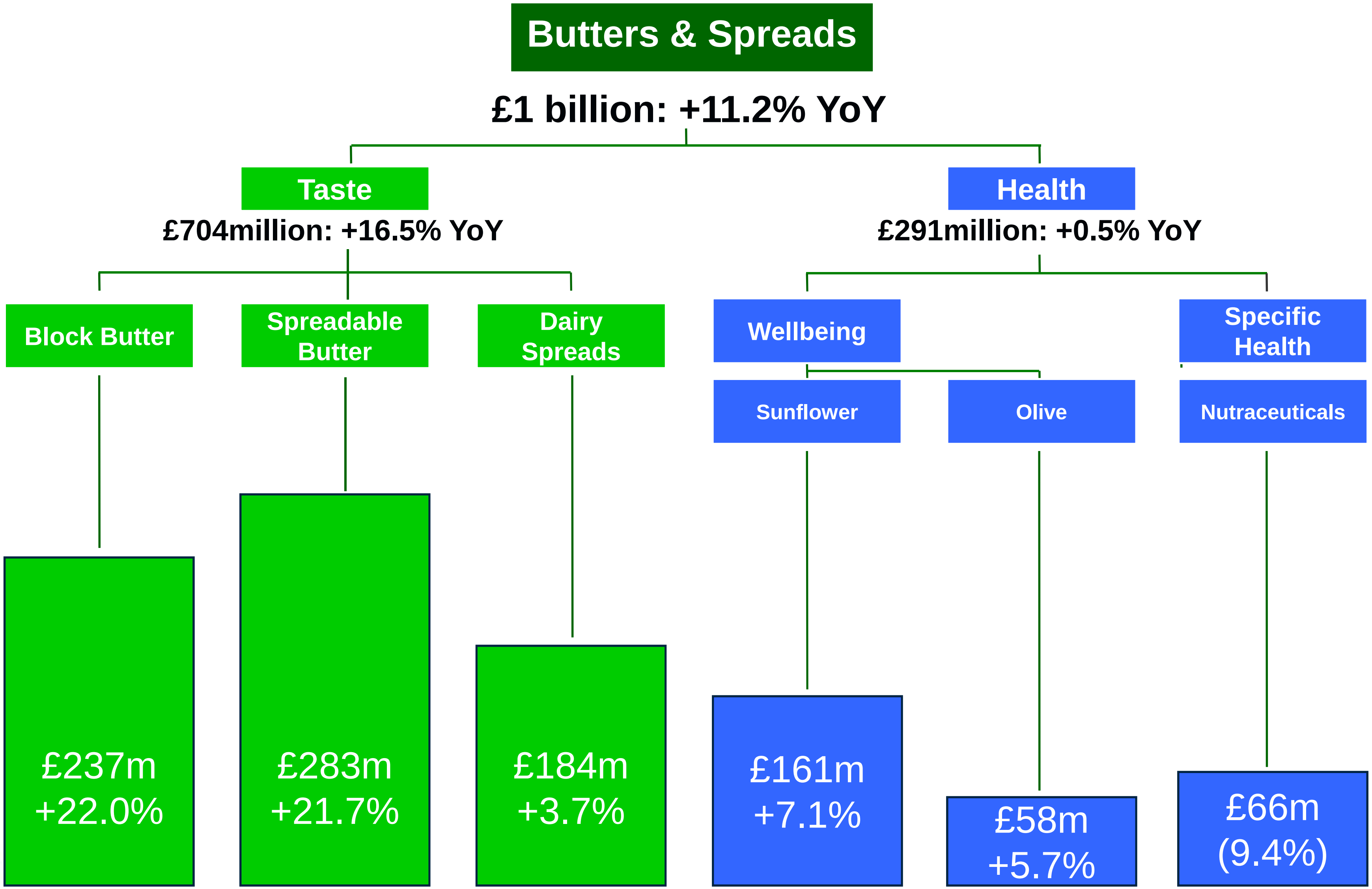
Source: AC Nielsen 52 w/e 22 March 2008

Butters & Spreads Market - Segmentation

- **Butters & Spreads**
  - **Taste**
    - Block Butter
    - Spreadable Butter
    - Dairy Spreads
  - **Health**
    - Wellbeing
      - Sunflower
      - Olive
    - Specific Health
      - Nutraceuticals

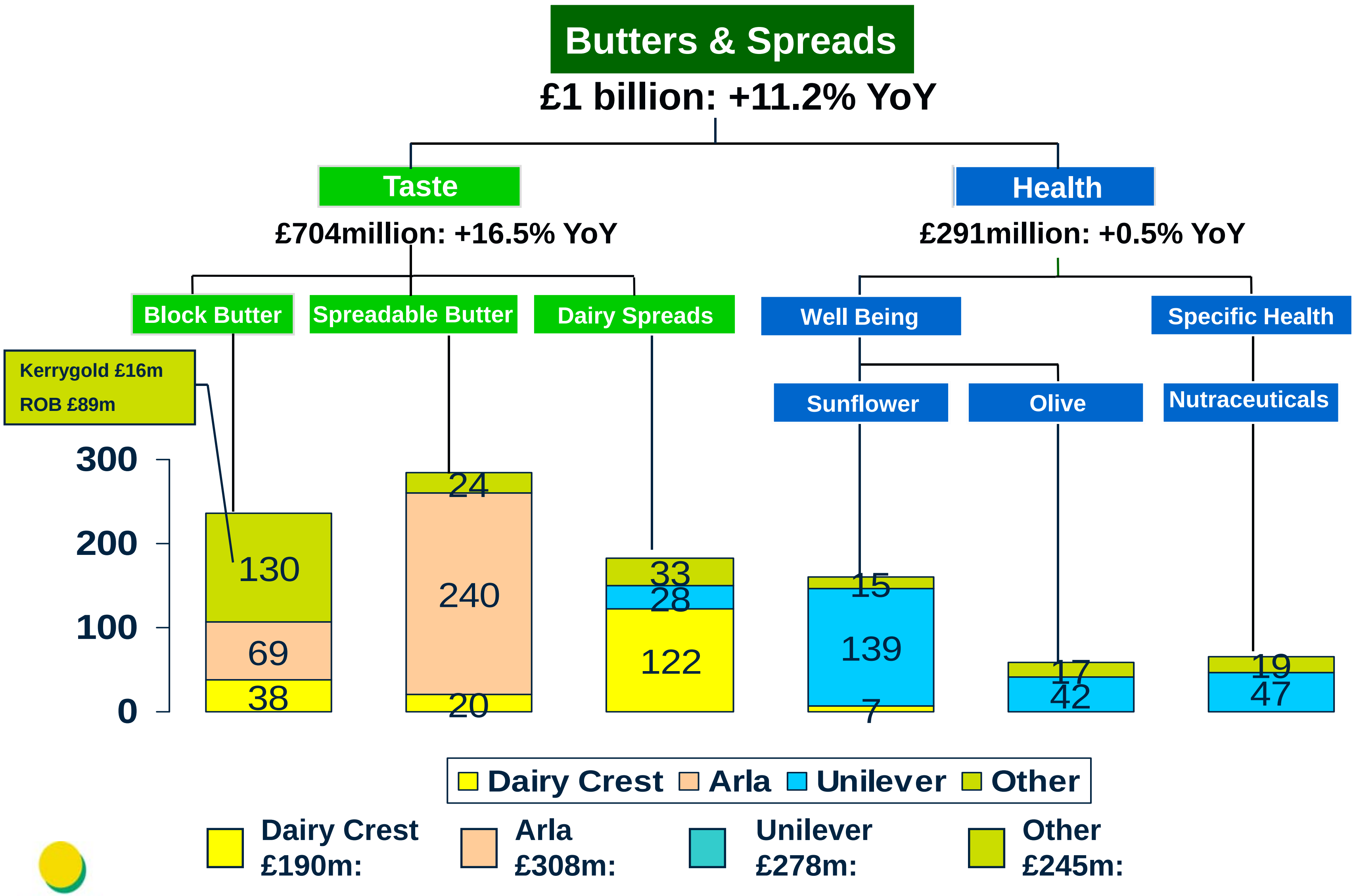
Source: Traction 2007

Butters & Spreads Market – Segment Size & Growth



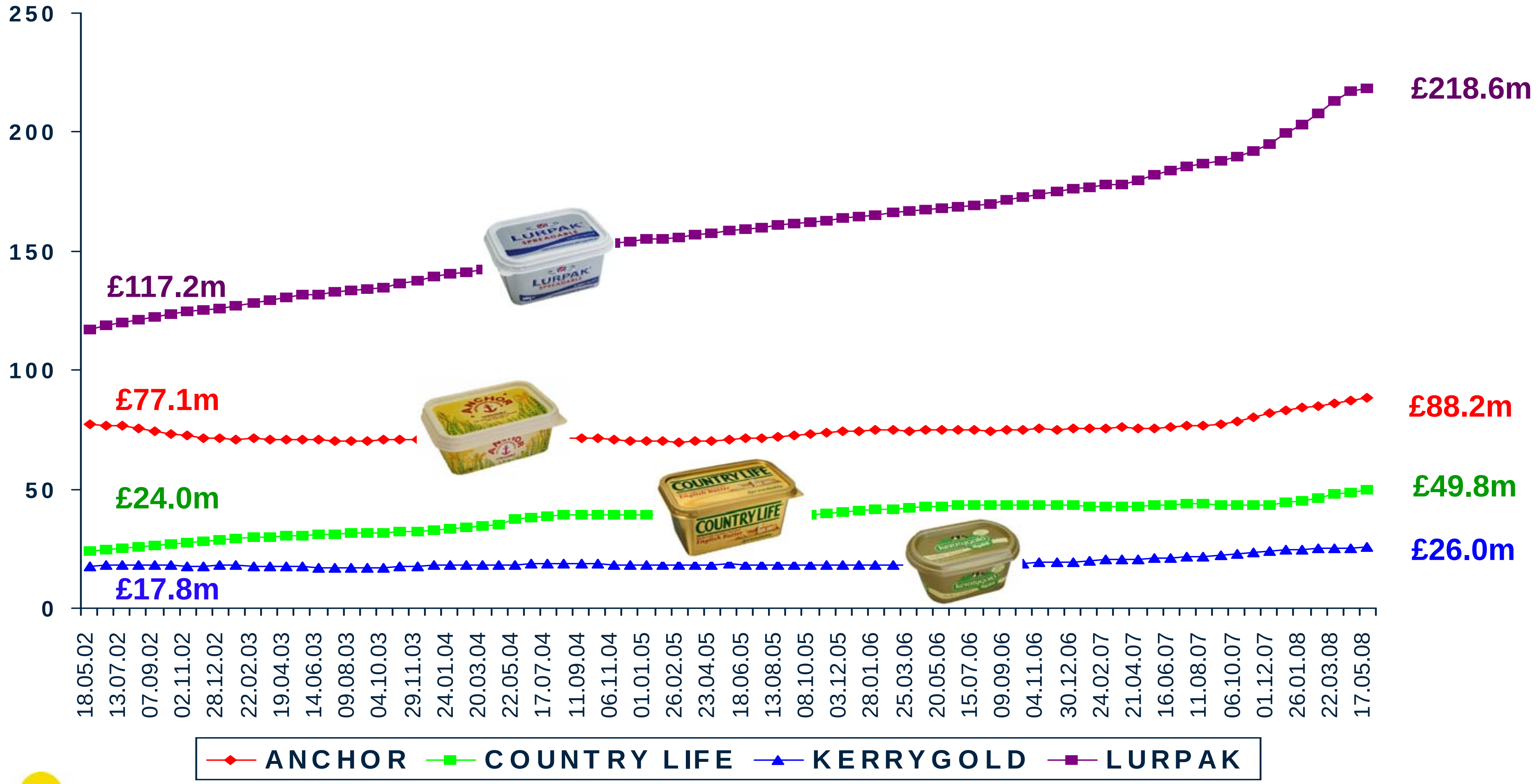
Source: Deep Blue Shopper Research / AC Nielsen MAT June 2008

Butters & Spreads – Company Shares



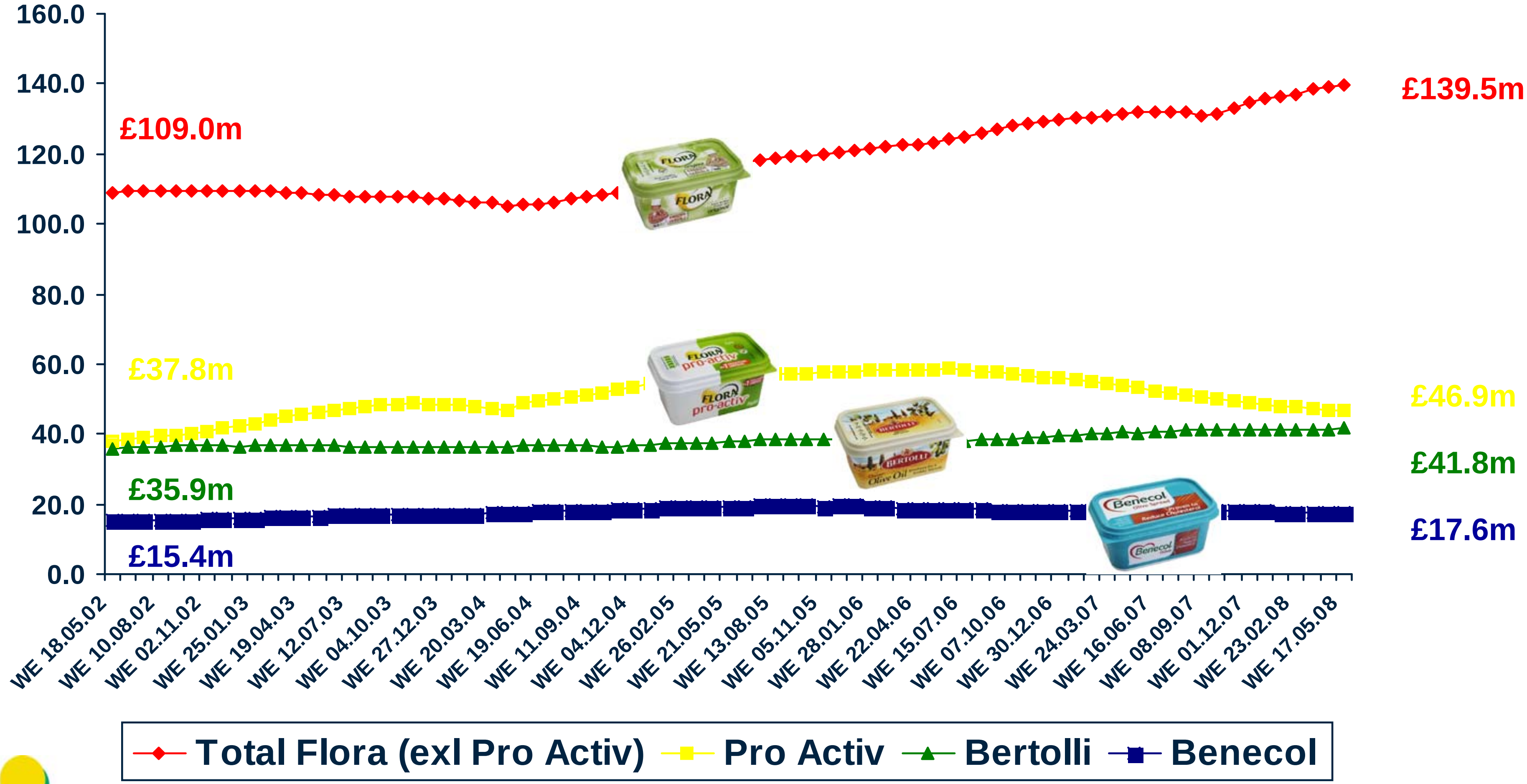
Source: AC Nielsen MAT May 08

Leading Block & Spreadable Butters – Value Sales



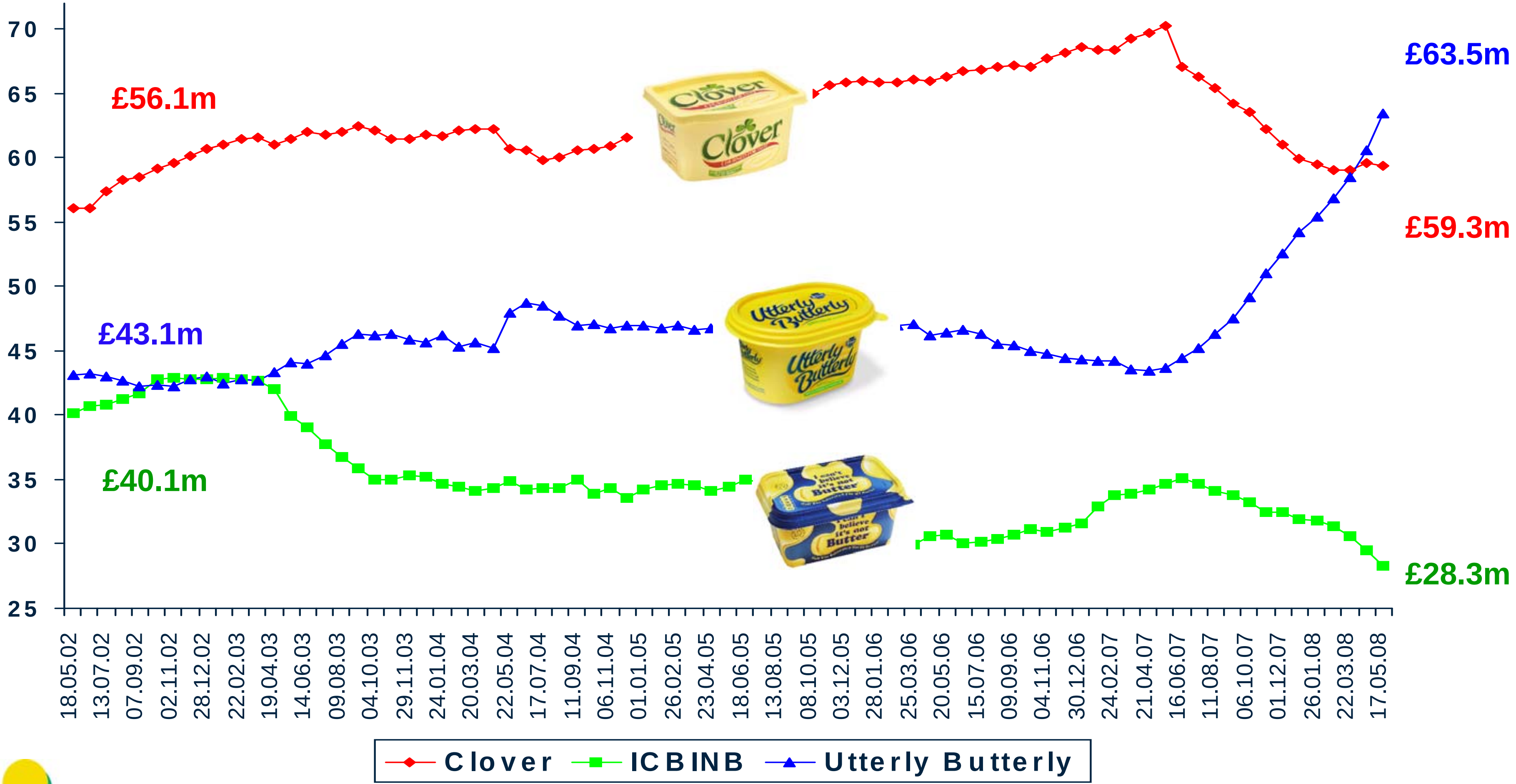
Source: Nielsen Scantrack

Leading "Health" Spreads – Value Sales



Source: Nielsen Scantrack

Leading - Dairy Spreads – Value Sales



Source: Nielsen Scantrack

Dairy Crest – Spreads Strategy

- Build Clover to strong #1 brand in Dairy Spreads (#2 to Flora in total Spreads)
  - Increase advertising support
  - Restart promotional support, but below pre-recall levels.

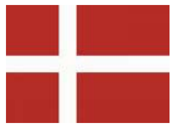
- Re launch Country Life to achieve a premium position as the only British Butter (Challenge to Anchor as #2)
  - New brand positioning and new TV campaign
  - New packaging
  - Evolve to premium pricing

- Hold Utterly Butterly, but reduce depth of promotions

Country Life positioning is…

We're the only leading butter brand made exclusively from the milk of our British dairy farms. It's this milk that produces the fresh creamy taste of our Country Life.

….And our competitors could never say this



Innovation

- Major upgrade to our innovation compatibility through process improvement, better use of metrics, and investment in resource.

- Following “Dairy for Life” study we have conducted extensive ethnographic research, leading to key innovation missions

UK Butters & Spreads - Summary

- We are winning in Dairy Spreads
- We are closing the gap in Butter
- Our strategy is to focus on Clover and Country Life
- Innovation remains key to our future

St Hubert Rationale

- Meets strategic objective to invest in leadership positions in branded and added-value markets in the dairy sector
- Increases proportion of Group profits derived from brands and therefore improves the quality of Group earnings
- Secures 100% branded business with market leading positions in France and Italy
- A good fit with existing operations providing further scale and diversity whilst leveraging existing spreads experience
- Move into continental Europe should provide opportunities for future growth

Dairy Crest / St Hubert Synergy

- Procurement
- Consumer Insight
- Innovation
- Manufacturing Best Practice

WELCOME TO ST HUBERT

30 JUNE 2008

Agenda

- St Hubert overview
- Our Business Model
- France
- Italy
- Strategy 2008/10

Today

DAIRY CREST FRANCE

NON-BUTTER SPREAD

NON-BUTTER SPREAD

DOUGH

CONVENIENCE

Our locations

St Hubert

Head Office

Paris

Factory

Ludres

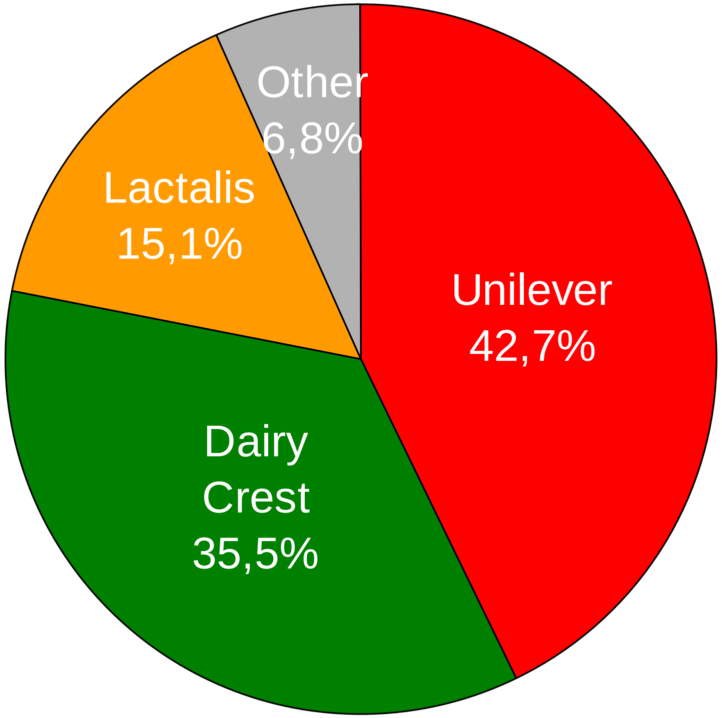
valle'

Head Office

Milan

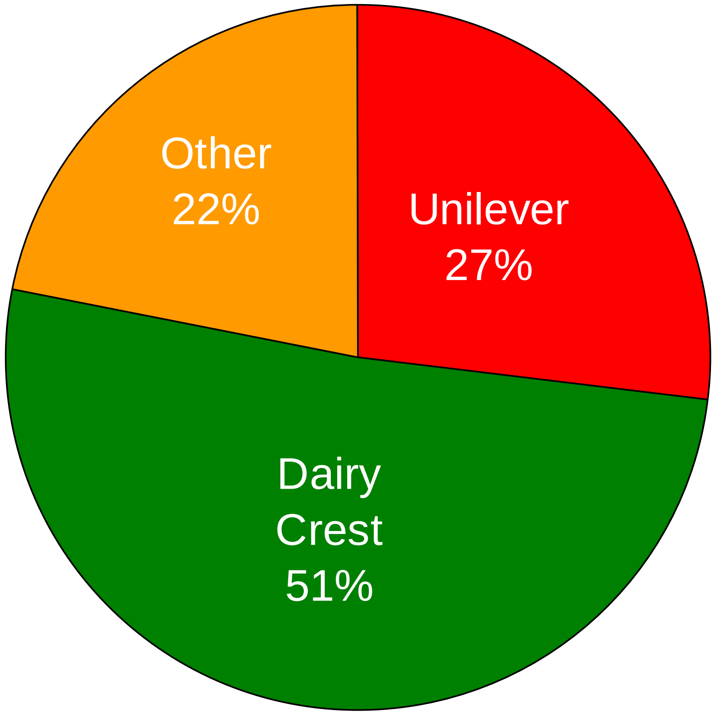
Focus on spreads

France: a 391 m€ market



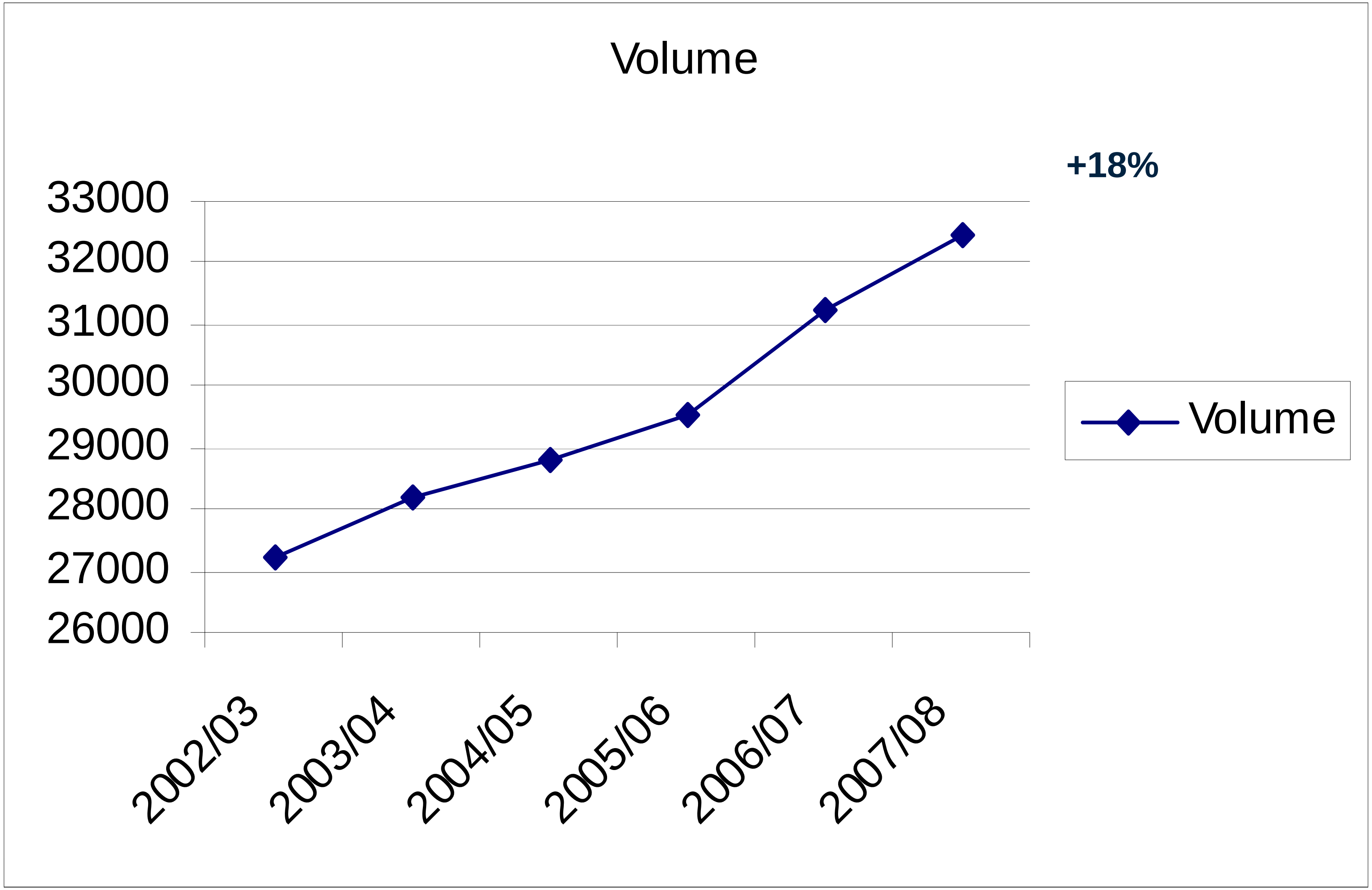
MAT May 2008

Italy: a 44 m€ market

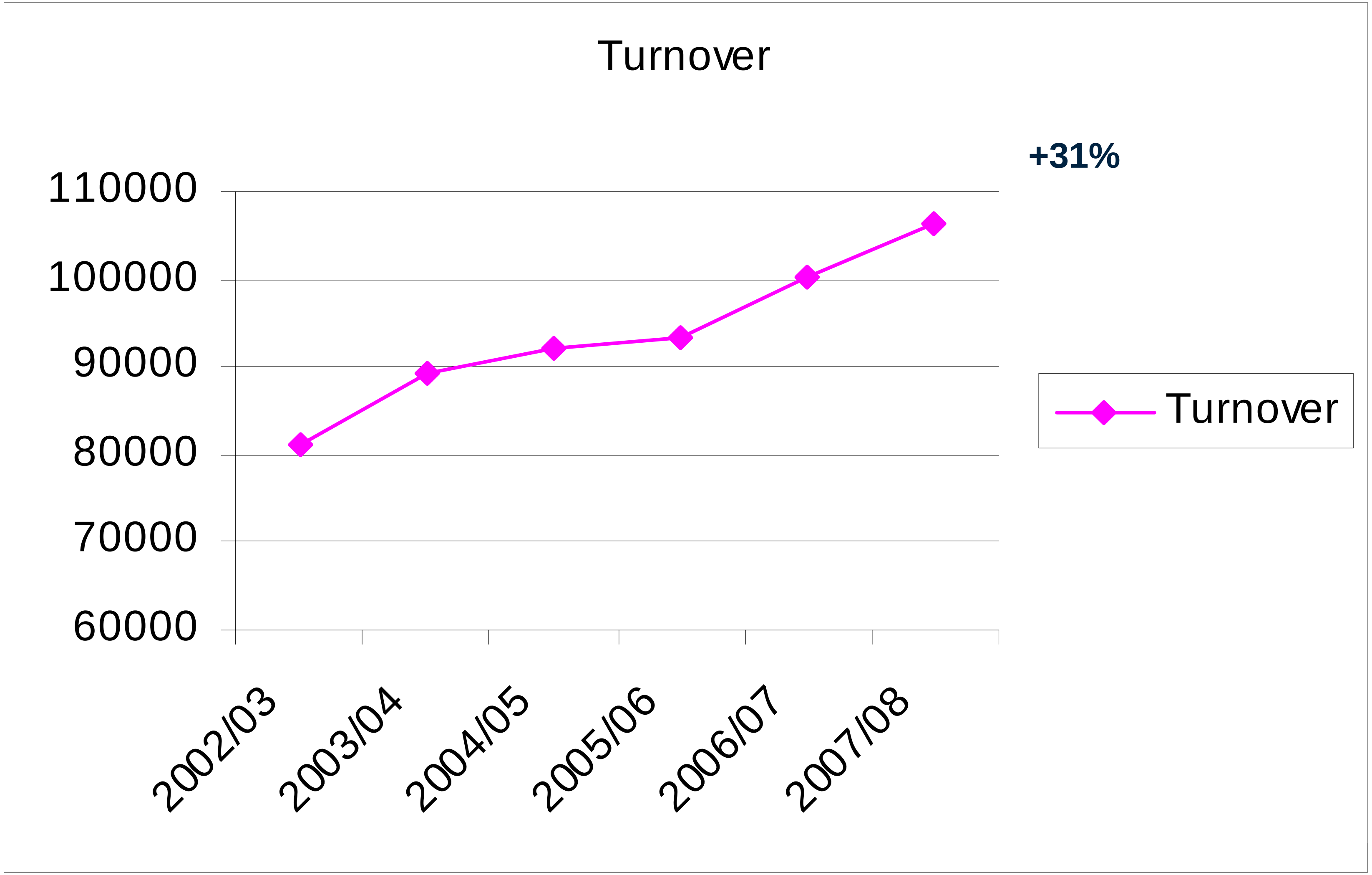


MAT May 2008

A constant growth - Volume



A constant growth - Turnover



Management structure

CEO
Patrick Cahuzac
+ 1 employee

HUMAN RESOURCES & GENERAL SERVICES
Pascal Arens
+ 1 employee

FINANCE, LEGAL AND IT
Elisabeth Bouges
+ 11 employees

SUPPLY CHAIN AND PROCUREMENT
Mireille Besson
+4 employees

SALES
Yves Pouilly
+ 46 employees

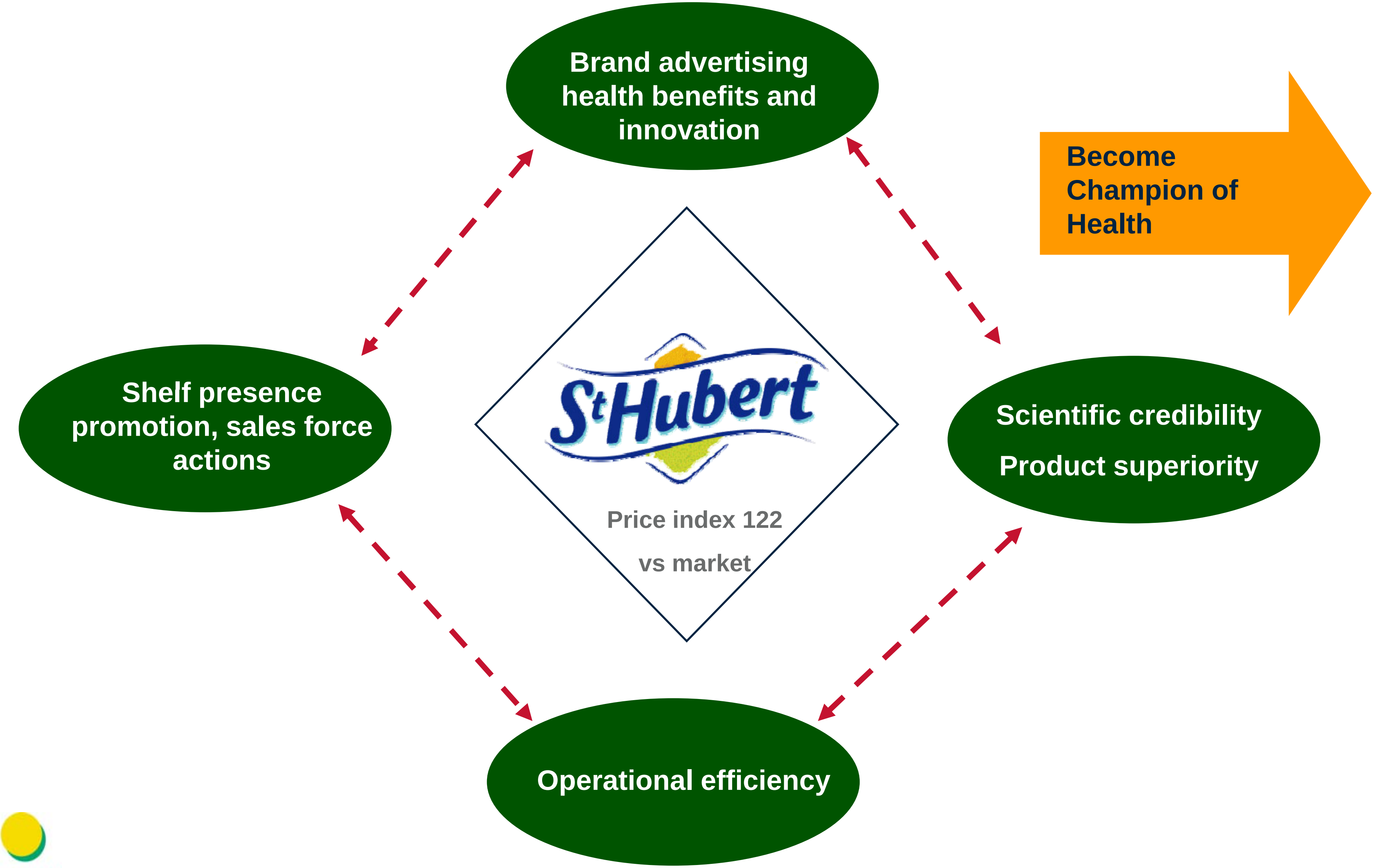
MARKETING
Adeline Hervouet
+6 employees

ITALY & GREECE
Paolo Migliavacca
+3 employees

R&D AND QUALITY
X
+5 employees

PRODUCTION
Fabien Hamon
+91 employees

Key drivers


Brand advertising health benefits and innovation
Become Champion of Health
Shelf presence promotion, sales force actions
StHubert
Price index 122
vs market
Scientific credibility
Product superiority
Operational efficiency

Operational Efficiency

Line efficiency > 85%

Service rate > 99%

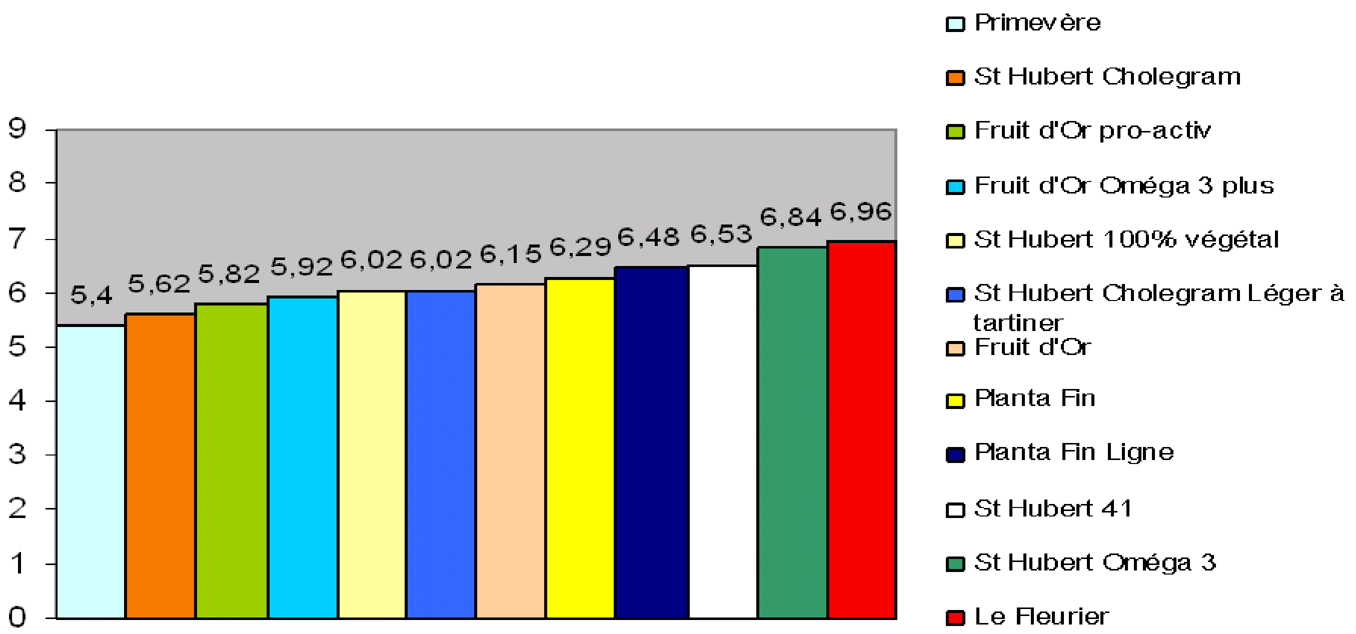
High level of rationalisation

Scientific Credibility / Product Superiority

- R&D organisation based on
  - high competencies and dedicated internal resources
  - specific research programs with Institutes or Universities + other partnerships
- St Hubert products are top-ranked among the preferred products in terms of taste and quality

RANKING OF SPREADS BRANDS BY TASTE (2005)

Source: Management (consumer survey)



St Hubert brand

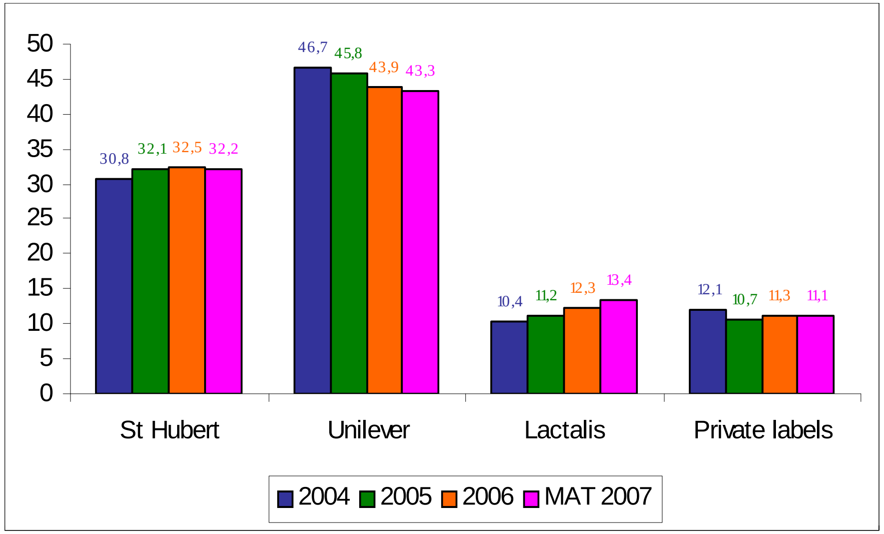
Brand advertising health benefits and innovation

- St Hubert 95% total awareness
  - 37% spontaneous, +5pts vs year ago
- Serious, quality, healthy products
- 35% SOV , in line with SOM

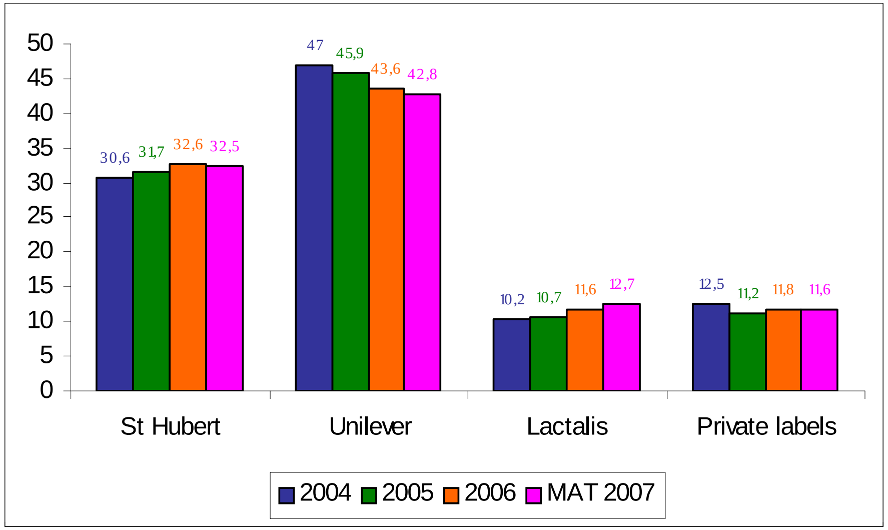
Dedicated sales force

Shelf presence, promotion, sales force actions

Share of sku's by brand (%)



Share of shelf place by brand (%)



- Increase share of shelf space and share of SKUs
- Improvement of products' store display

FRANCE

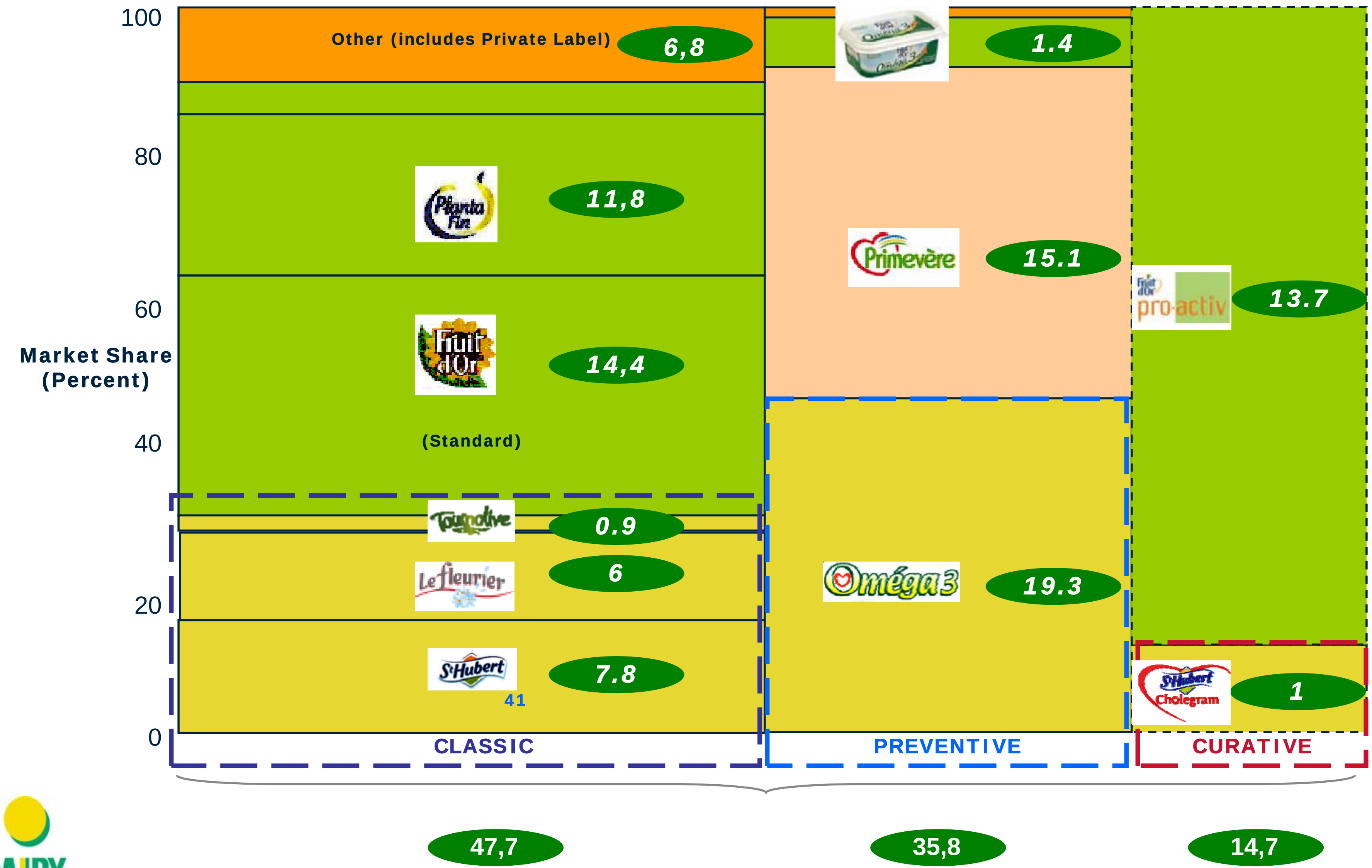
A broad product portfolio

Brand	Market Segment	Market Position	Brand Value
St Hubert 41	Classic	No 3	€31m
St Hubert Oméga 3	Healthy Preventative	No 1	€75m
St Hubert Cholegram	Healthy Curative	No 2	€4m
Le Fleurier	Classic	No 4	€23m
Valle' Italia	Italian spreads	No 1	€21m

Source: IRI May 2008 (retail sales value)

60 SKU and only 2 shapes of tubs

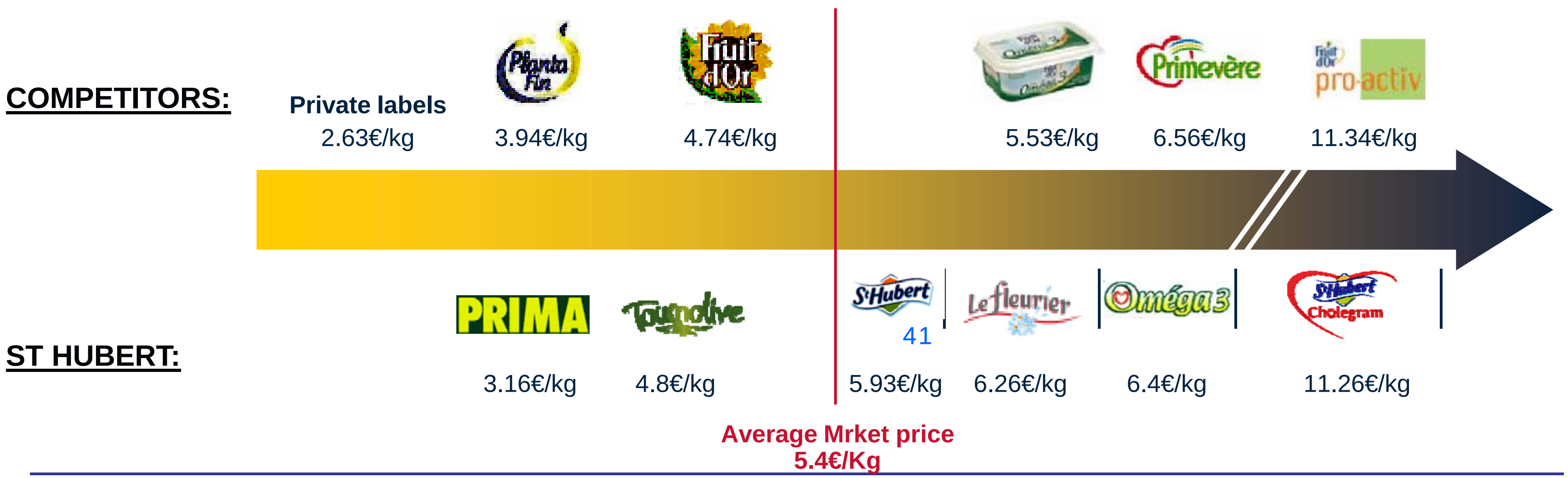
Position by segment



Price Positioning

- St Hubert, Unilever and Lactalis operate with products ranging from €3 per kg to €11 per kg

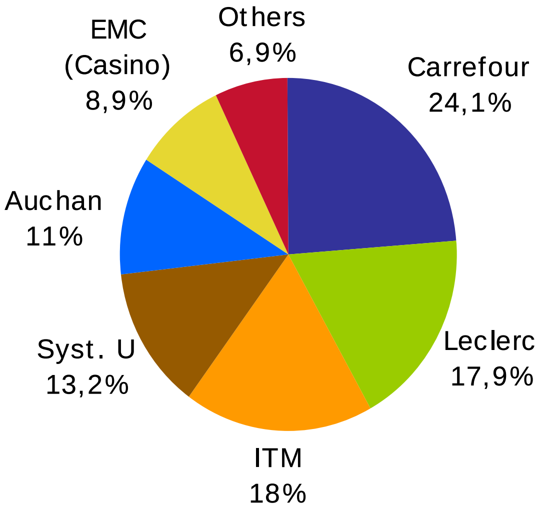
PRICING POSITIONING (2008) - €/kg



St Hubert benefits from a particularly attractive price positioning

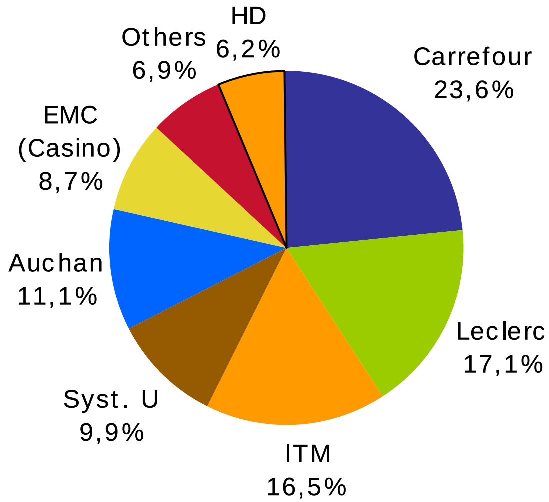
St Hubert products are sold to all French hypermarkets and supermarkets

ST HUBERT CUSTOMERS (FY07)



Source: Management

RETAIL MARKET SHARE[1] (FY07)



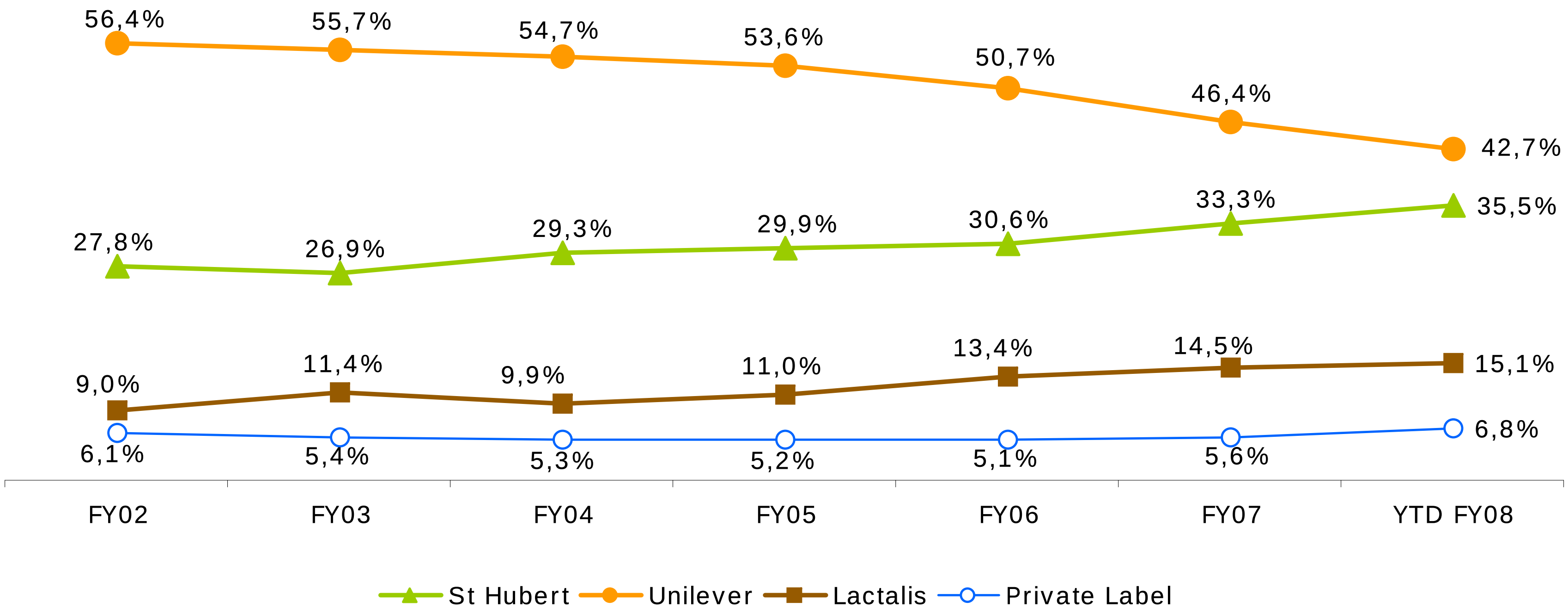
Source: IRI, (1) value French non butter tubs market

St Hubert customer portfolio mirrors the French food retailer market

Portfolio rationalisation & health focus

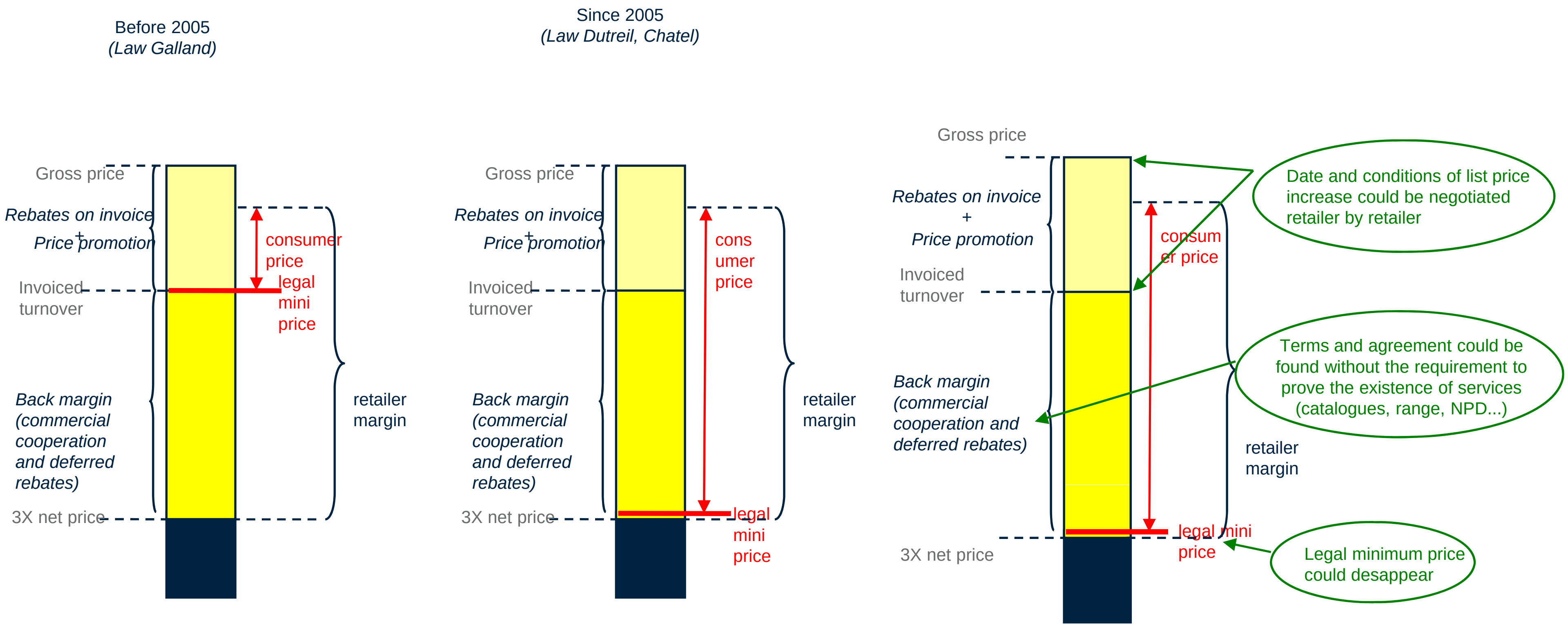
2001/02	2006/07
6 brands • Brand St Hubert market share 12.7% • Total St Hubert market share 27.2%	**1 major brand + 1 flanker** • St Hubert brand 29% • Total company 35.5%
Health segment 22% • No St Hubert product • Turnover : 3.26 €/kg	**Health segment 52%** • St Hubert Omega 3 leader • Turnover : 4.04 €/kg

A constant growth - Market share



MAT May 2008

Trade negotiations: change of law



ITALY

Kraft partnership

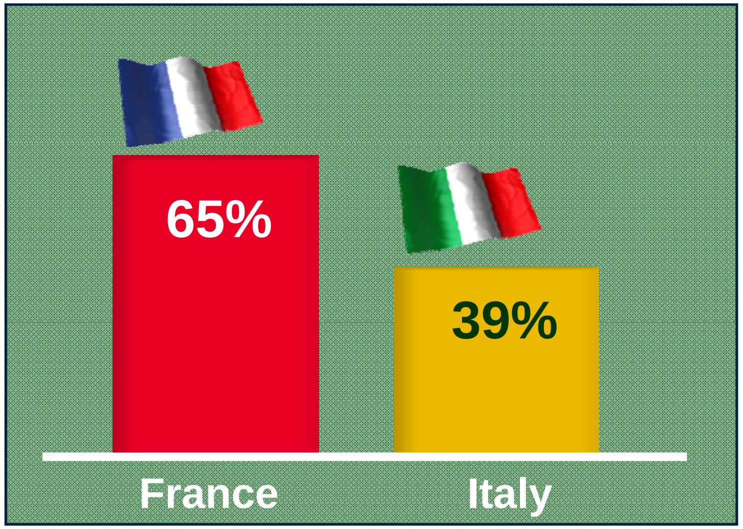
- St Hubert entered the Italian market in 1996 with the acquisition of Kraft's fat business (Vallé)

- Following this acquisition, St Hubert established a distribution agreement with Kraft:
  - Kraft is the exclusive agent for the sale and distribution of St Hubert's products in Italy
  - Kraft provides access to extensive retailer coverage with a comprehensive distribution network in Italy for Vallé products
  - St Hubert benefits from Kraft's commercial capabilities (key accounts, logistics, sales force, etc…)
  - The distribution agreement also encompasses legal assistance, marketing & media advisory and knowledge inputs

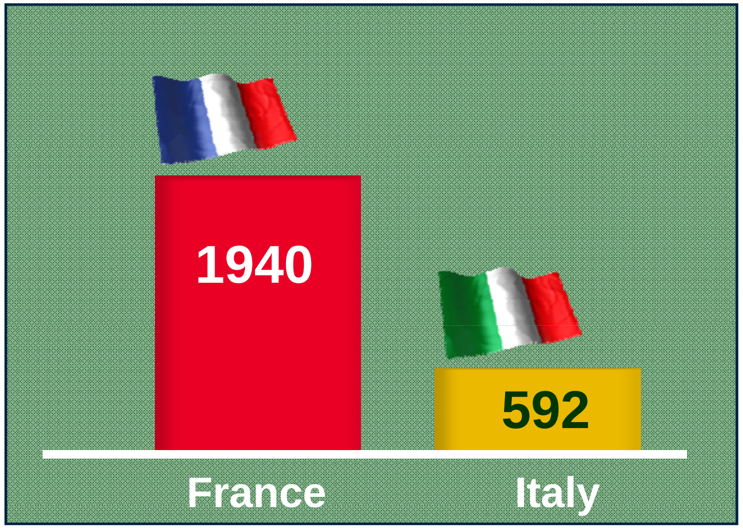
- Under the agreement, once the products are delivered to the retailers, Kraft invoices the retailers and then St Hubert invoices Kraft on a weekly basis

Key Features of the Italian Spreads Market

Household Penetration %



Consumption of Spread per user (gr)

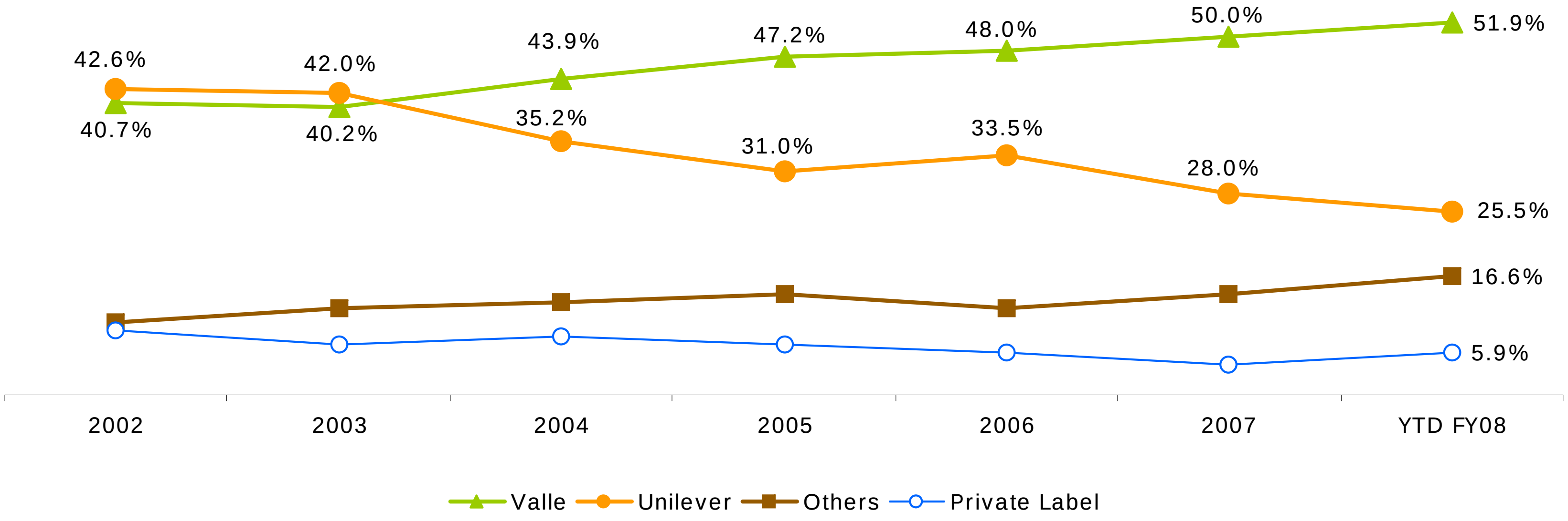


Adding value and Brand stretching

2001/02	2006/07
100 % turnover with basic product (2.25 €/kg)	50% turnover with basic product (2.78 €/kg) 50% turnover with more value added product (3.98 €/kg)

A constant growth - Market share

Spreads Value Market Shares (%)



MAT May 2008

STRATEGY 2008/10

Our convictions

- St Hubert has not reached its maximum potential in the Non Butter Tub market…

BUSINESS PLAN GENERAL OBJECTIVE	• Saint Hubert aims to become the undisputed champion of healthy and tasty spreads • The company must be identified by its customers and partners as ambitious and a source of added value • And we believe that there are opportunities over the medium/long term to stretch the St Hubert brand to other neighboring categories

Our focus

- Spreads will remain our core business:

It is our know-how

It is our brand heart land

It will remain our best pay back

- Our brands are our key assets:

We will focus our resources on our brands

We will not develop private labels

Strategy France

- Become the French NBB market leader in three years
  - Focus on core brands St Hubert Omega3 and St Hubert 41
  - Entering in new distribution channel
  - Innovating in new concepts
  - Increasing marketing support
- Prepare an extension to other shelves

Strategy Italy

- Become the Italian total spreads market leader
  - Focus on core brands Valle Omega3 and Valle Piu Burro
  - Extending WD
  - Extension line
  - Increasing marketing support

- Accelerate growth developing a profitable niche

Welcome

at

LUDRES

Plant specialised in spreads production

History

- 1904 : Launch of the first activity at Nancy
- 1973 : New plant building by St Hubert company at Ludres.
- 1995 : St Hubert joined UNIQ group.
- 1998 : Automation of packaging area
- 1999 : Campden accreditation
- 2001 : Shape packaging standardisation (1 shape vs 3 shapes), Sprinkler system implementation
- 2002 : Launch of Omega 3, SAP implementation, Continuous improvement programme implementation
- 2003 : Logistic organisation change, Health & Safety programme implementation
- 2006 : IFS / BRC accreditation
- 2007 : Dairy Crest completed St Hubert acquisition
- 2008 : Chilled warehouse project, Pilot equipment project

Management system

- Participative management organised in continuous improvement programme drive by Kaisen system (5S, SMED, …)
- 3 years plan elaboration: September
- Budget elaboration with balance score card: January
- Management system with targets display process and a weekly and monthly reviews system
- Monthly meeting with other departments of the company : R&D, marketing, Supply chain, Purchasing
- Monthly meeting with work council
- Monthly business communication made by the factory manager

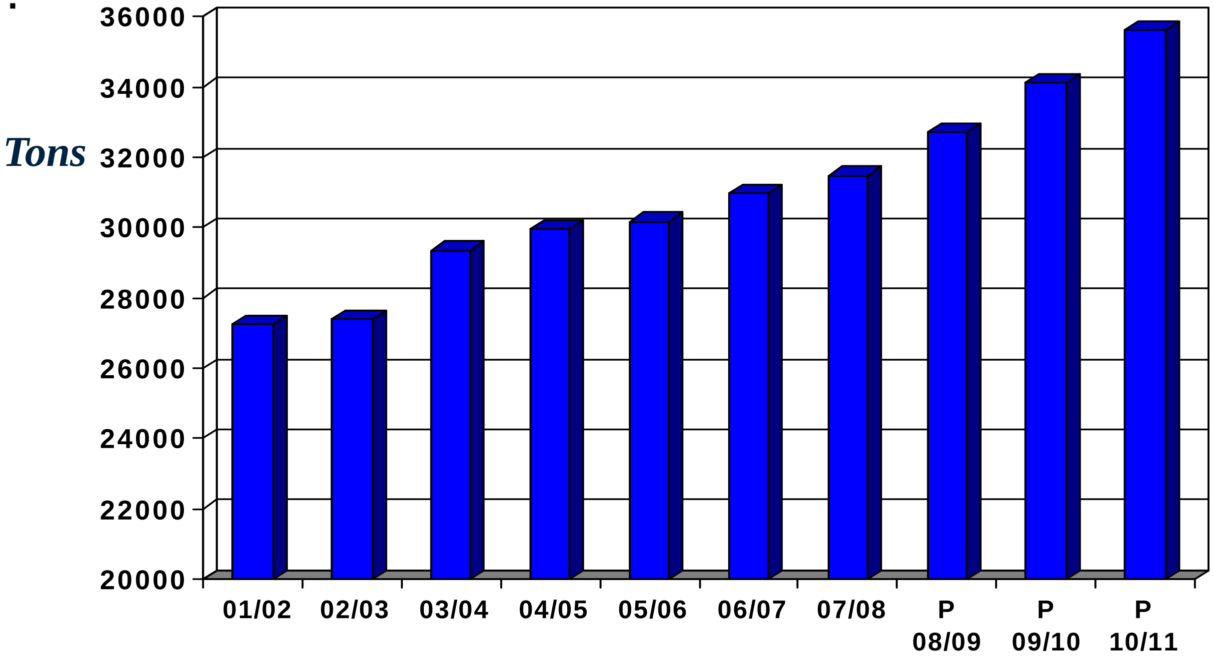
Plant results

	03/04	04/05	05/06	06/07	A 07/08
Volume	27 474	28 082	28 521	30 600	31 015
Staff *	112	113	113	114	112
Line efficiency	84%	86%	83.6%	83.1%	86.2%
Wastage (%)	1.09	1.05	1.25	1.65	1.00

*** Temporary and trainee included**

Key figures

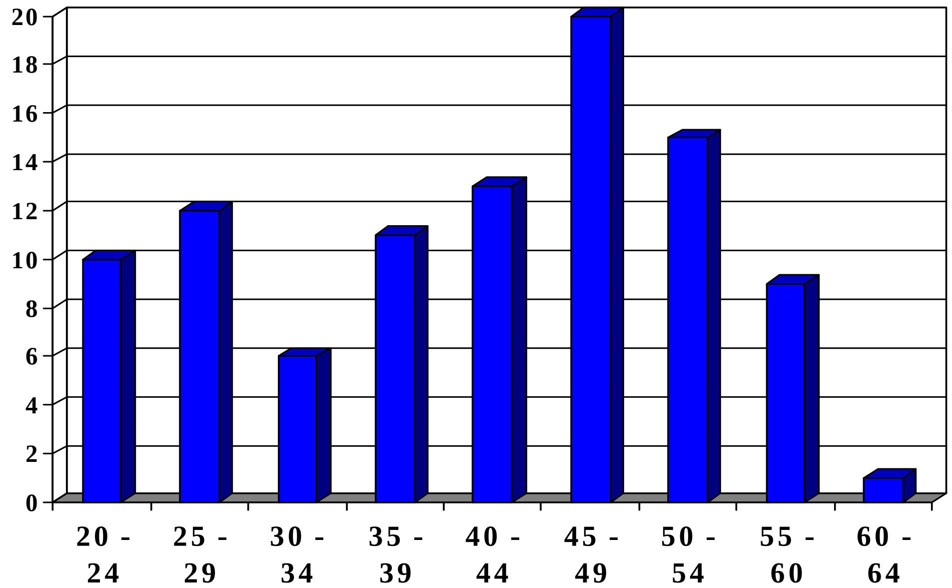
- Volume evolution :



- Recipes number : 17
- SKU number :
  - Raw material and packaging : 200
  - Finished products : 47

Key figures

- Population pyramid :



- Average age : 41 years
- Average background : 16 years
- Women/Men distribution : 19 / 76
- Workers representation : CE / DP / CHSCT
  Trade union : CFDT – CGT - CGC

Priority projects

- ✓ To carry on the continuous improvement programme by the display of the targets
- ✓ To strengthen the close collaboration between headquater and factory teams
- ✓ To protect the site against main disasters
- ✓ To build a back up solution
- ✓ To anticipate the evolutions to adapt the site:

Industrial tools

- Fully automated process **with a supervision system**
- **3 filling lines with automated palletization**