



Swallowfield plc 24th AGM

4th November 2010

This presentation contains strategic targets which, for the avoidance of doubt
are not intended to be forecasts.



Shena Winning Chairman

“Welcoming Address and Opening Remarks”

- Fire exits are situated behind you and to your left. If the alarm sounds please leave by the nearest exit - the assembly point is at the front car park.
- Please ensure mobile phones are switched off.
- Questions will be taken after the presentations.
- Buffet lunch will be served the end of the meeting.
- Product development presentation during lunch
- There will an opportunity for a factory tour after lunch. More details at the end of the meeting.
- “Goodie” bags will be handed out at Reception, by the car park, as you leave.

Order for the Day

- Voting on the proposed resolutions
- Corporate presentation
 - FY2010 background
 - Financial results FY2010
 - Looking forward
- Questions from the floor

Resolution 1

To receive and adopt the annual statement of accounts and the reports of the directors and auditors for the year ended 30 June 2010

Directors voting recommendations

Resolutions 1 to 8 – For (in favour)

Resolution 9 – withdrawn

Resolution 10 – For (in favour)

Resolution 11 - Against

Resolution 1

➤ For	8,266,194
➤ Against	1,817,649
➤ Abstain	2,000

Resolution 2

To approve the directors' remuneration report for the year ended 30 June 2010

Resolution 2

➤ For	4,915,919
➤ Against	1,823,087
➤ Abstain	3,346,837

Resolution 3

To declare a final dividend of
4.1p per ordinary share

Resolution 3

➤ For	10,083,843
➤ Against	0
➤ Abstain	2,000

Resolution 4

To re-elect J M Fletcher as a
director

Resolution 4

➤ For	8,263,388
➤ Against	0
➤ Abstain	1,822,455

Resolution 5

To re-elect M W Warren as a
director

Resolution 5

➤ For	4,920,888
➤ Against	0
➤ Abstain	5,164,955

Resolution 6

To re-elect F P Berrebi as a
director

Resolution 6

➤ For	8,112,888
➤ Against	1,500
➤ Abstain	1,971,455

Resolution 7

To authorise the directors to determine the auditors' remuneration

Resolution 7

➤ For	4,916,794
➤ Against	1,823,549
➤ Abstain	3,345,500

Resolution 8

To re-appoint Grant Thornton UK LLP
as auditors to hold office until the
conclusion of the next Annual
General Meeting of the Company

Resolution 8

➤ For	4,921,544
➤ Against	1,817,999
➤ Abstain	3,346,300

Resolution 9

To renew the Directors' powers
to allot relevant securities

Withdrawn

Resolution 9

➤ For	4,874,604
➤ Against	5,167,299
➤ Abstain	2,000

Withdrawn

Resolution 10

As a Special Resolution, to authorise the directors to purchase its own shares

Resolution 10

➤ For	8,226,162
➤ Against	1,845,049
➤ Abstain	14,500

Resolution 11

As a Special Resolution, to
appoint additional non-
executive director

Resolution 11 (corrected)

➤ For	5,183,238
➤ Against	4,890,405
➤ Abstain	10,950

Although not impacting the outcome, this poll result as announced at the AGM incorrectly included the “discretion” votes with the “for” when they should have been added to “against” in line with the Board recommendation, these are the corrected totals

Ian Mackinnon
Chief Executive Officer

Mark Warren
Group Finance Director

Jane Fletcher
Group Sales & Marketing
Director

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swallowfield



Highlights

- Turnover up 6.8%
- Total dividend declared for the year up 7%
- EPS 8.2p v's 9.6p (9.7p basic) last year
- Strong balance sheet

We have also strengthened the Board during the year

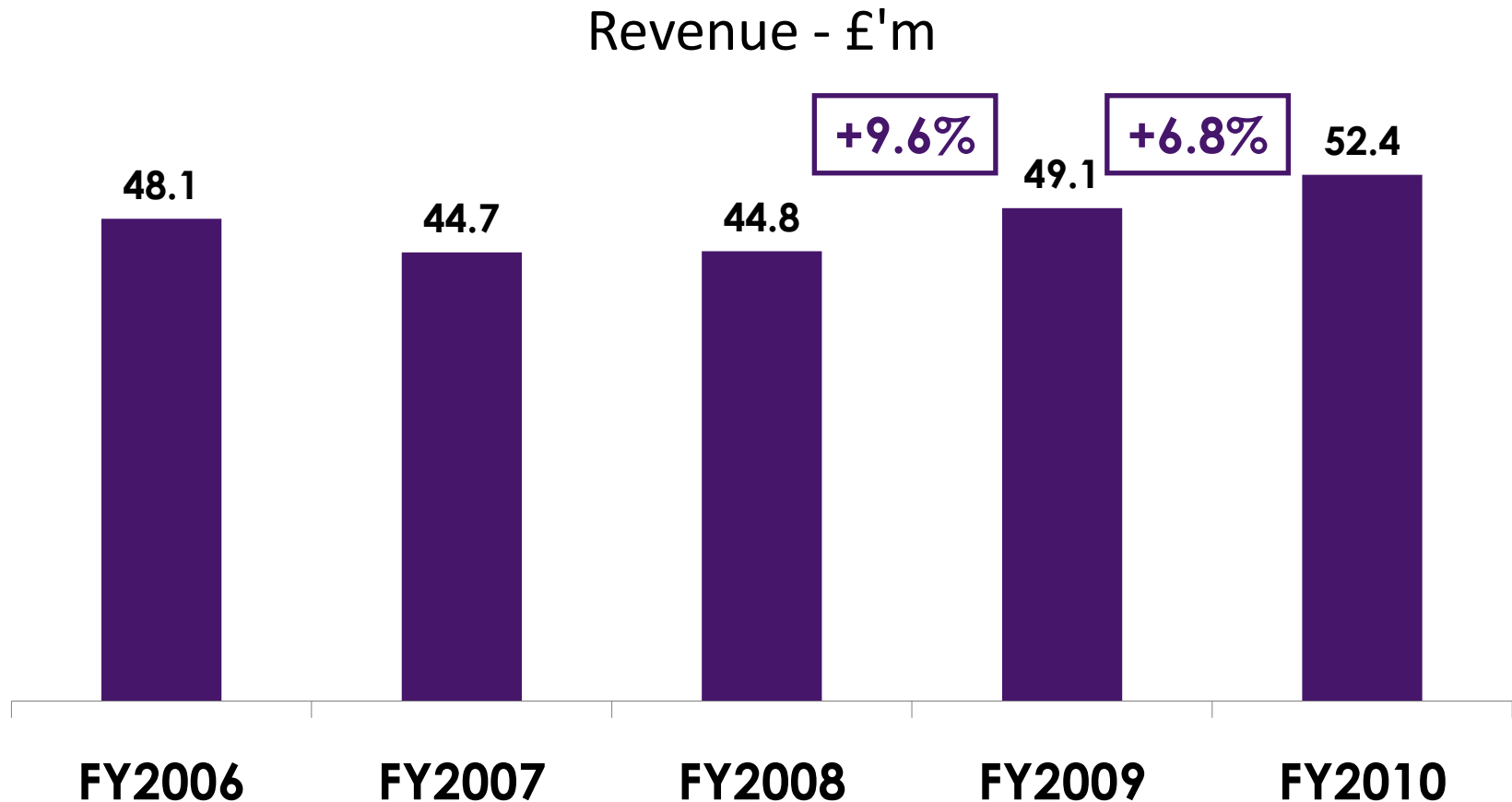


Mark Warren
Group FD
From 1 Jan 2010



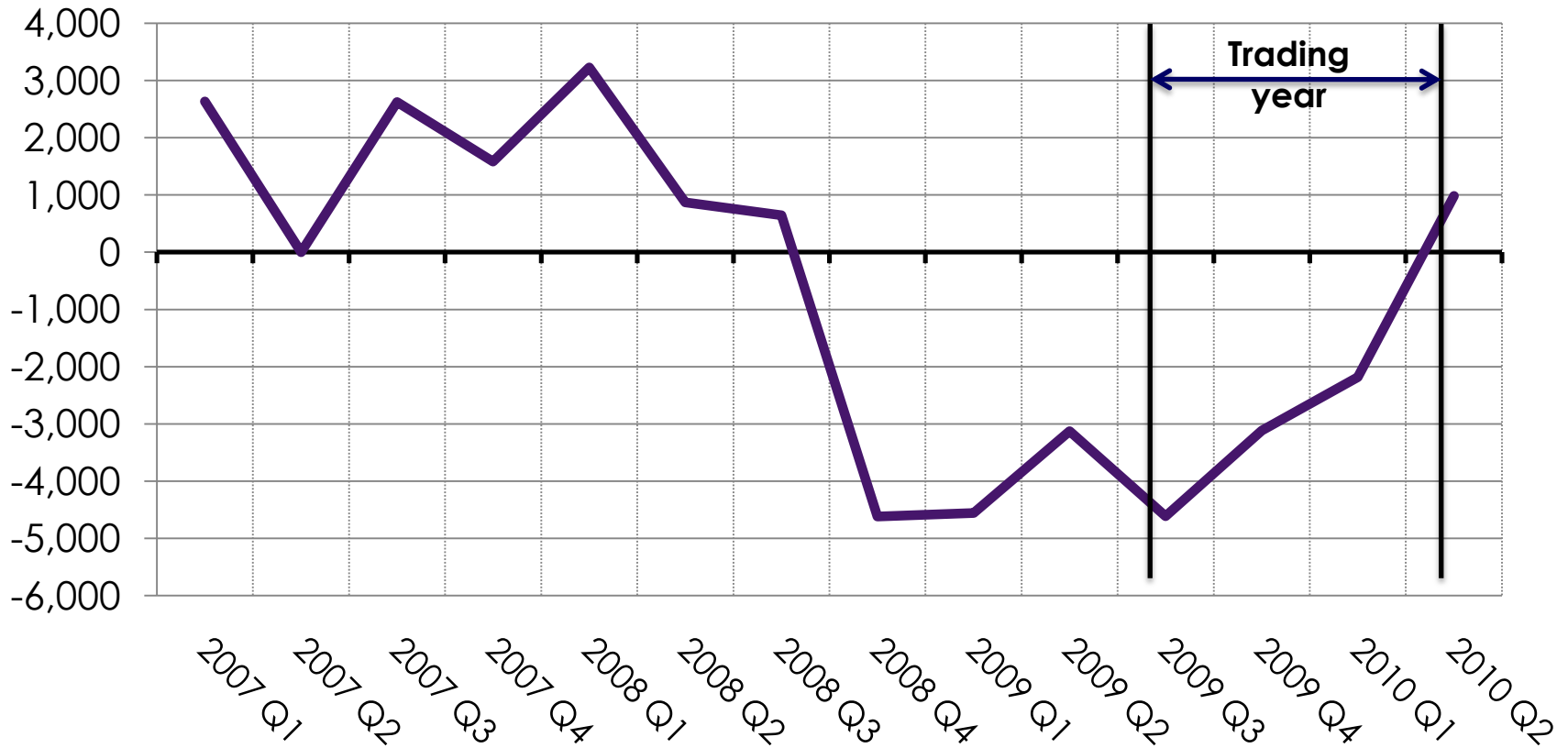
Franklin Berrebi
Non-Executive
From 29 Jul 2010

Revenue growth counteracts the challenging background ...



... despite continued destocking ...

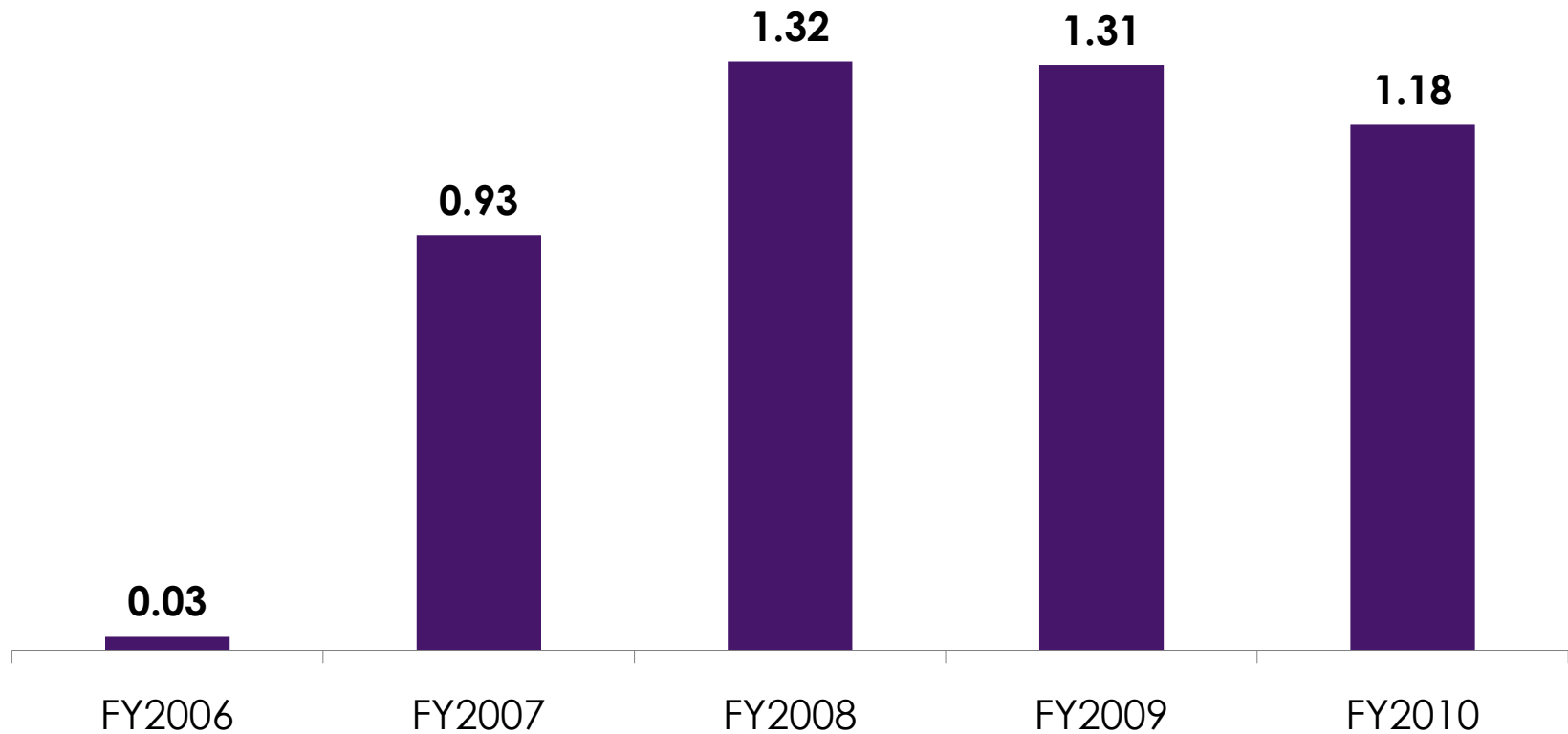
Change in UK inventories - £'m



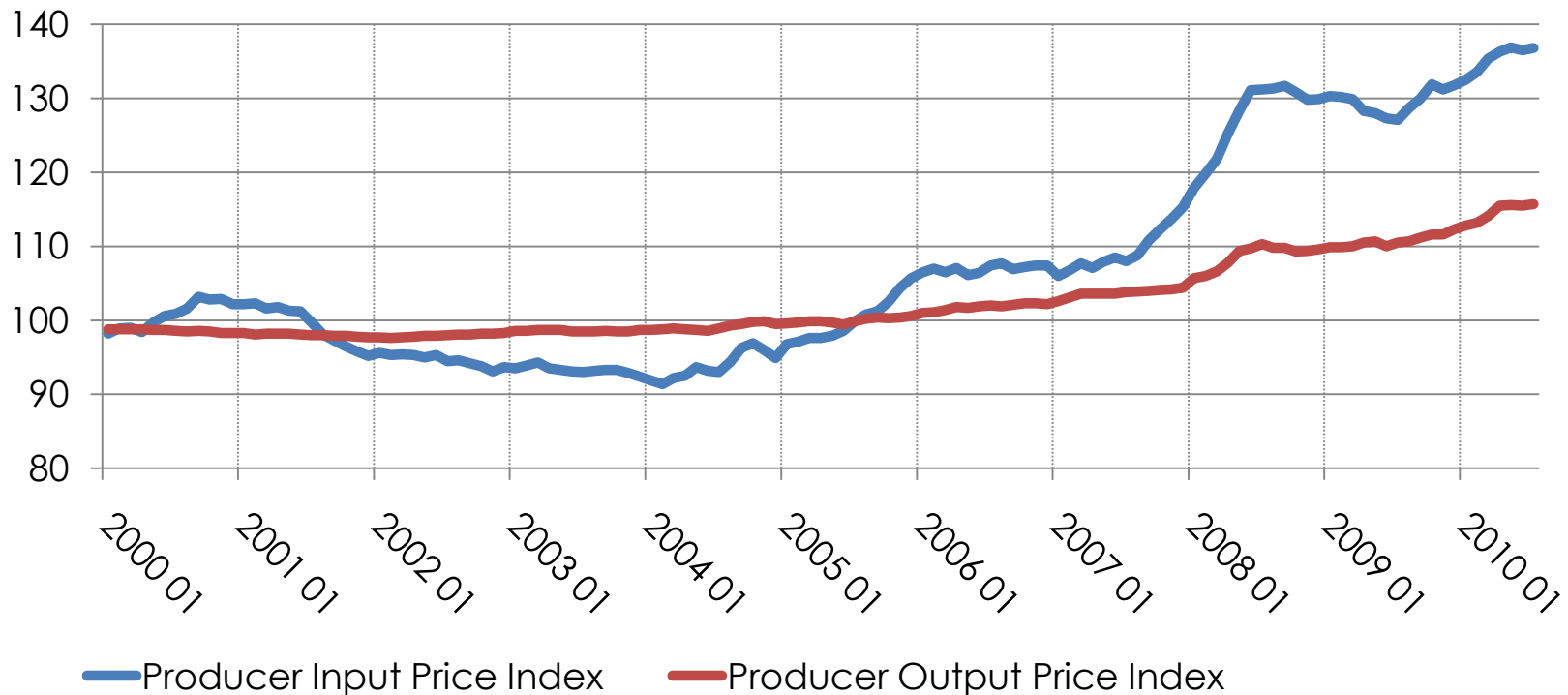
Source: ONS series NATPG

... whilst delays, economy and investment impact on profits

Profit Before Tax (excluding exceptionals) - £'m



Cost increases have been difficult to pass on ...



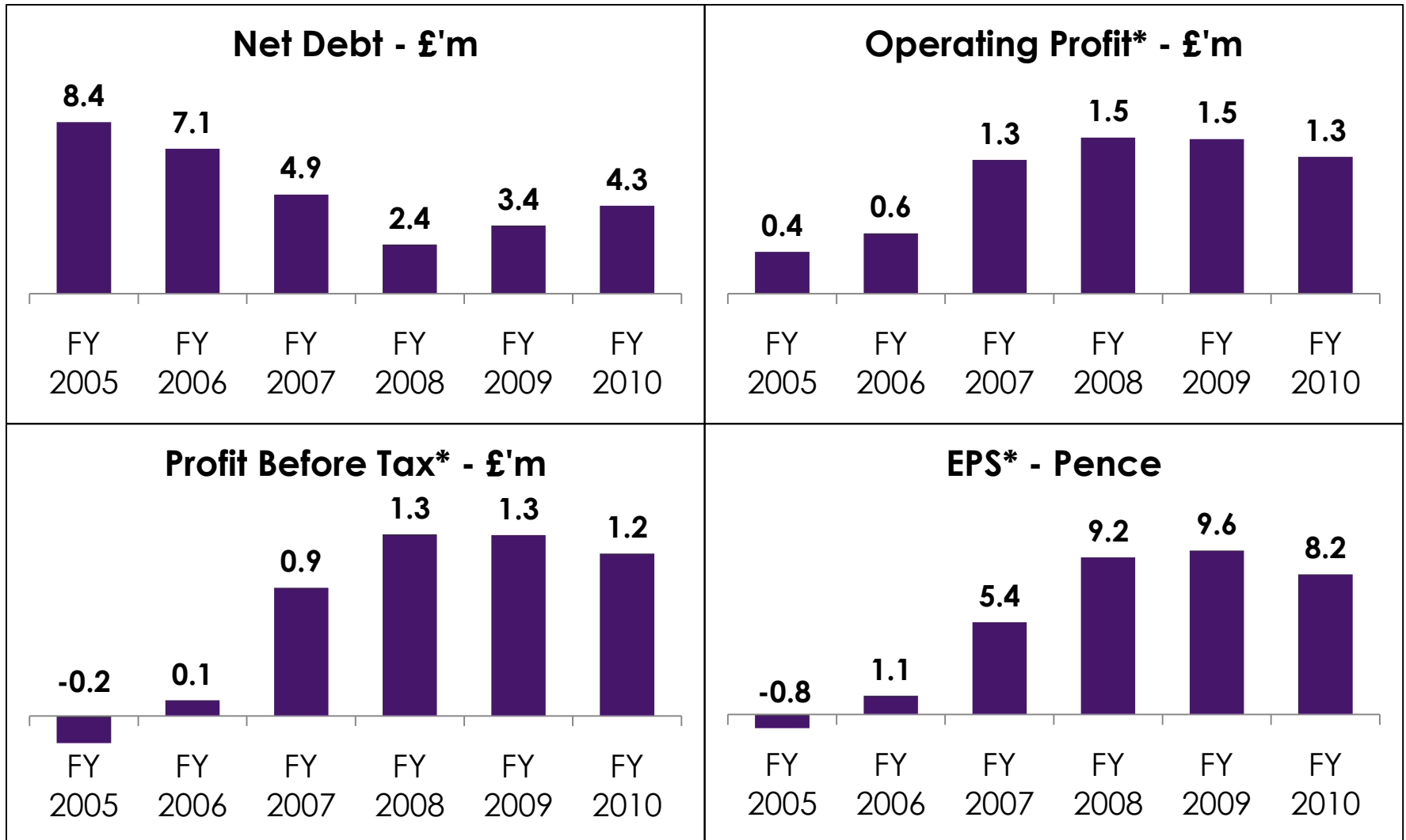
Source: ONS series RNNQ, PLLV

- Impact: margins excluding controllable overheads down 1%

... but we have continued to invest carefully for growth

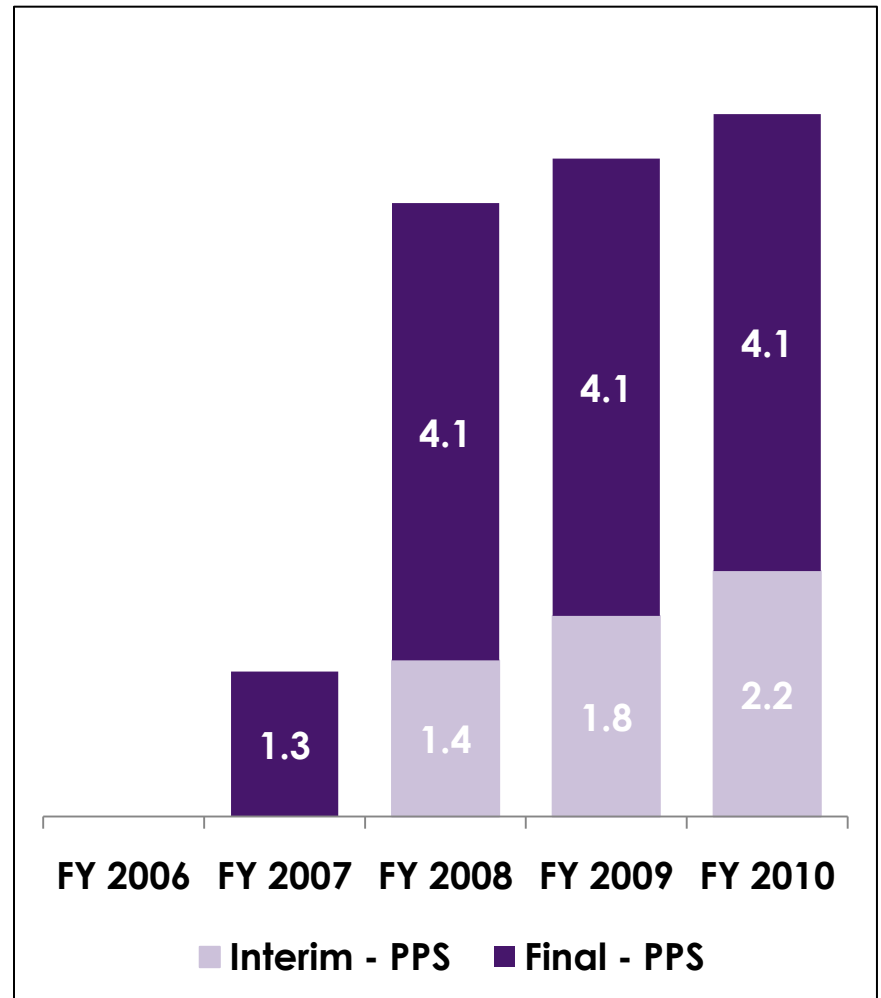
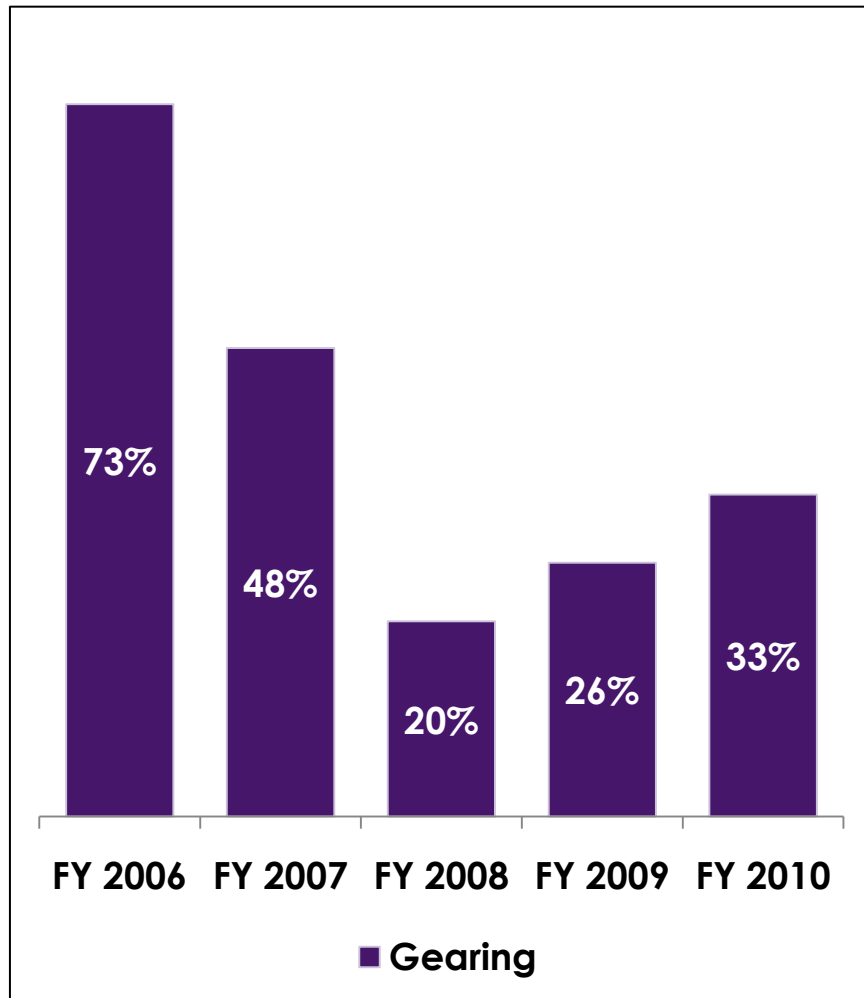
- Sales support offices in Paris & New York and others to support sales drive
- Technical & New Product Development
- Additional bulk manufacturing personnel
- Rental of warehouse extension
- Loss of pension credit amortisation costs £76k

Financial summary

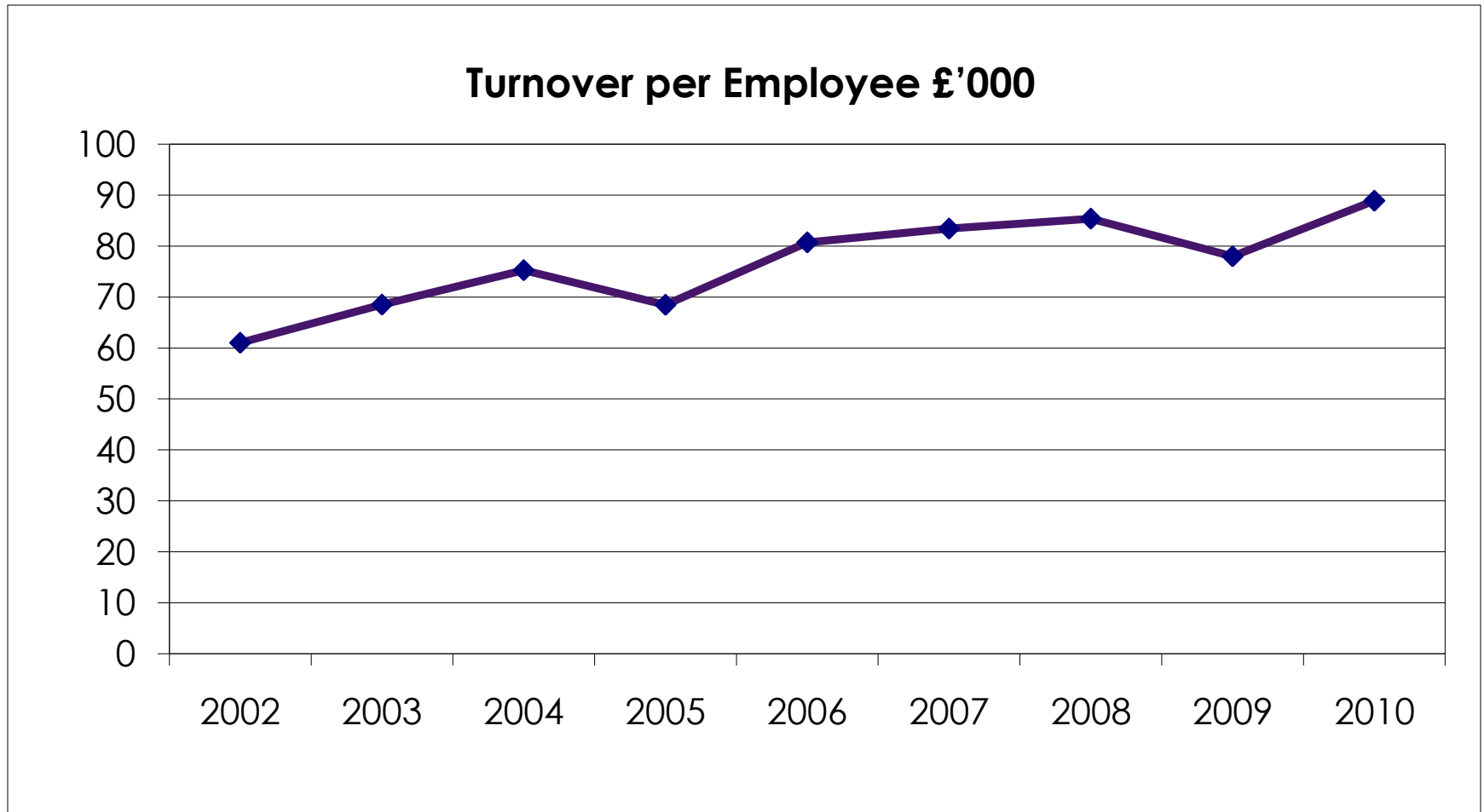


* Before exceptional items

Financial strength and dividend policy



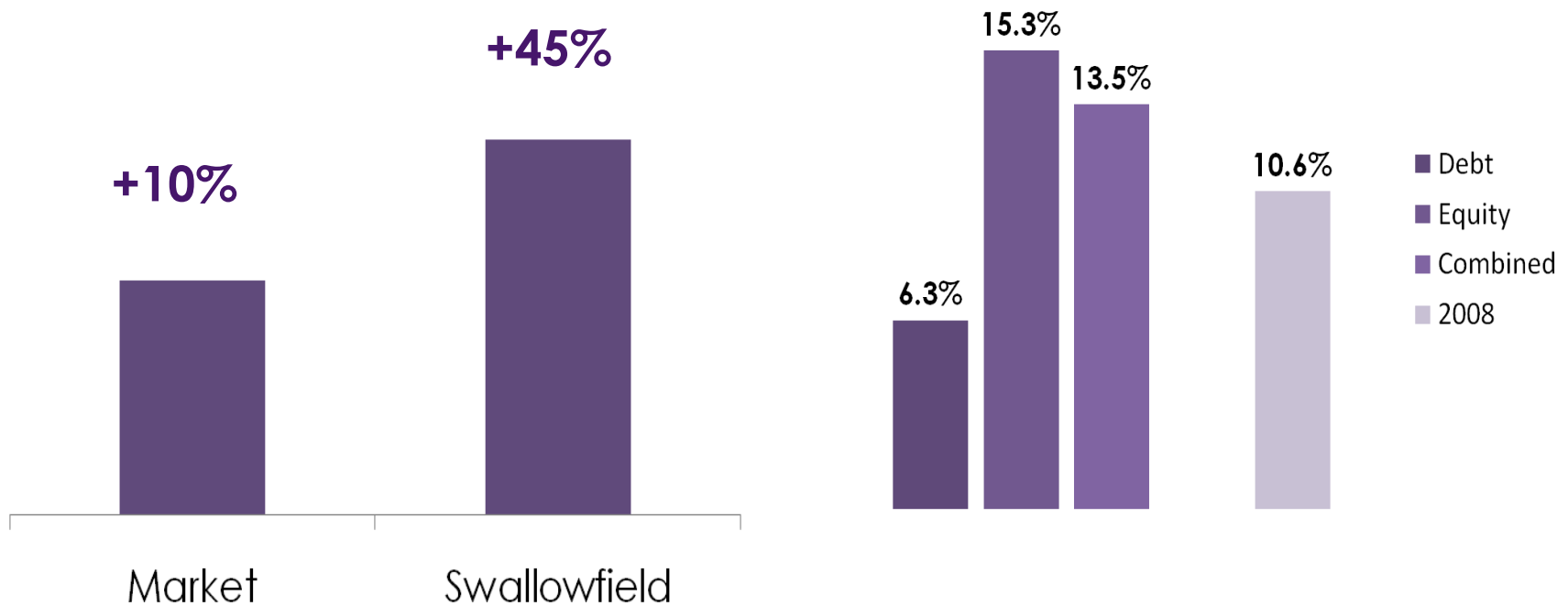
Productivity increasing



Strategic plan summary (1)

Aim to grow organically
in excess of the market
over a three year period:

Improved profitability:
Target pre-tax ROCE = 13.5%



Strategic plan summary (2)

4 Key activities to support the strategic plan:

- Widening our geographic footprint
- Broadening our product technologies
- Driving competitive improvements in our cost structure
- Driving Growth

Progress v's strategic objectives: Growth

Progress

First direct sales to India & orders from South Africa

New presentation material including pencils

Order book +14% on last year (at end of August)

Future

Work with Global brands to drive growth overseas

Direct sales to India, Middle East, South Africa & develop China route

Selected retail accounts in UK, Europe and North America

Progress v's strategic objectives: Overheads

Progress

Single customer facing sales team

Creation of single supply chain group

Total manageable overheads 25.6% v's 26.1% of revenue

Future

Continued careful investment to support growth

Generate revenue growth in excess of overhead growth

Utilise Bideford to manufacture creams & lotion products

Progress v's strategic objectives: Product technology

Progress

New lotion manufacturing rooms under construction at Wellington and Bideford

First sun care aerosols manufactured

Innovation days twice per year

Future

Develop new skin care formulations

Continue to expand sun care technology

Continue to develop other specialist formulations



Progress v's strategic objectives: Geographies

Progress

New York sales support office opened

French sales support office progressing

Development of other overseas markets

Future

Develop footprint in North America & Europe

Develop direct sales into China

Utilise Czech Republic for expansion into Central Europe

We now have a global presence locations all around the world

SWALLOWFIELD PLC

AIM Listed

USA

- New York

UK

- Bideford
- Wellington

FRANCE

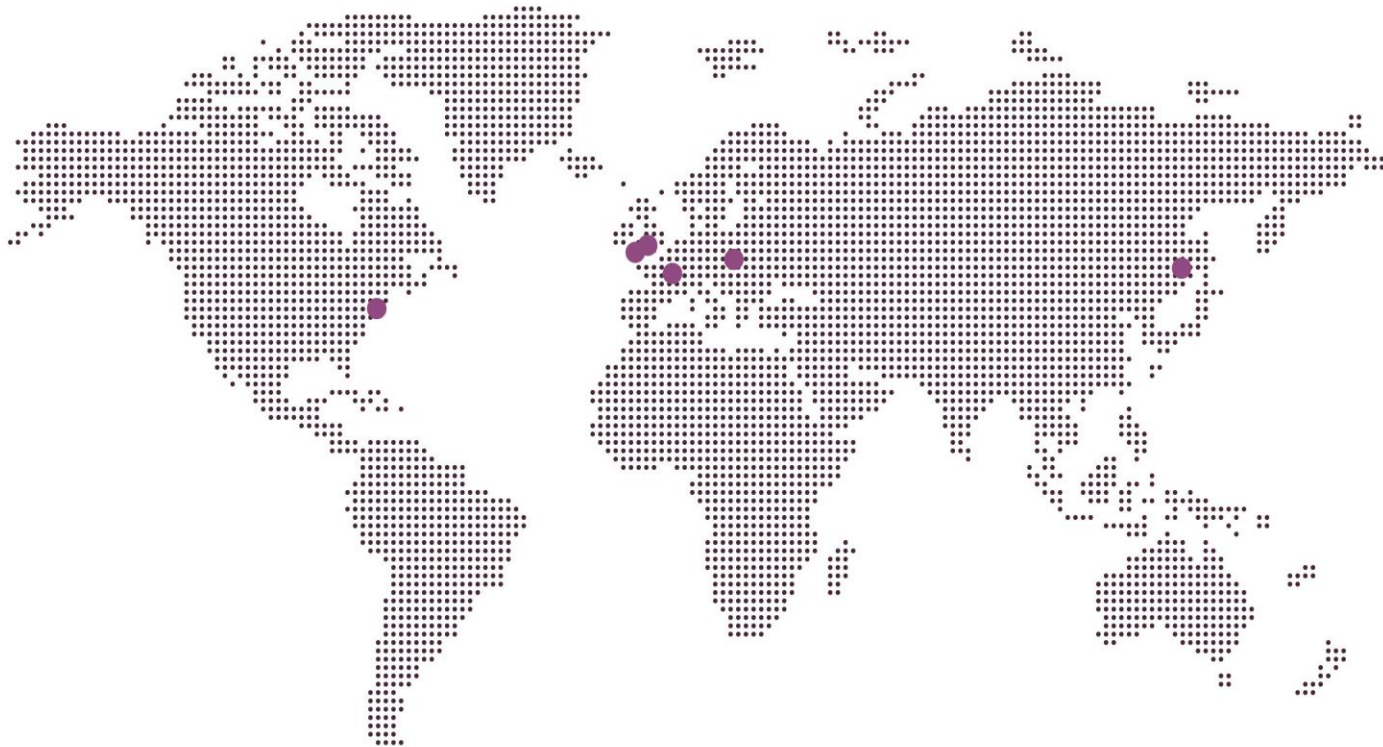
- Ile de France

CZECH
REPUBLIC

- Tabor

CHINA

- Shanghai



Our drive to develop business overseas has been recognised externally



Outlook

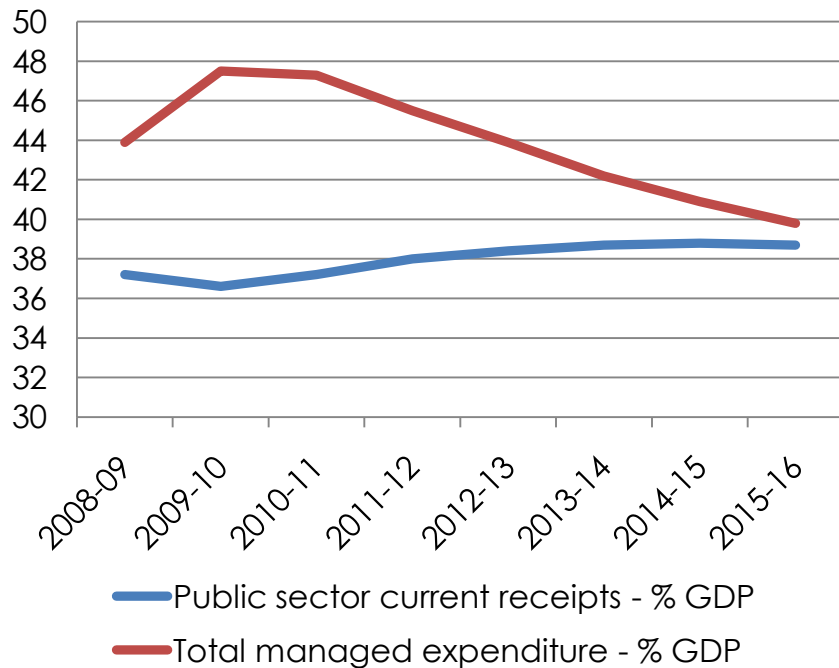
Ongoing work to develop the business continues at pace

- Order book + 14% (at end of August)
- Sales + 6.1% in first 8 weeks
- Good level of enquiries
- Investment in new skincare facilities underway

Margin improvement projects underway to offset continued cost pressures

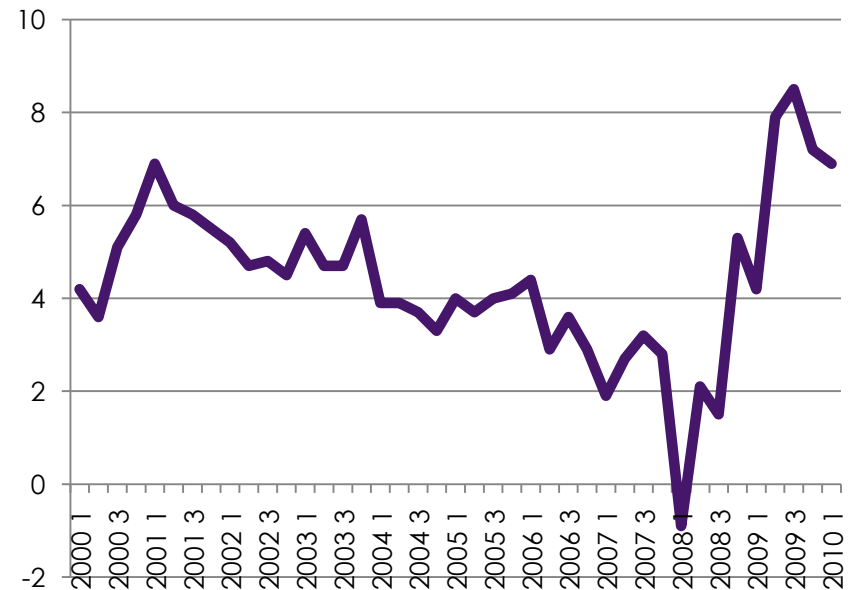
- Value engineering products
- Implementing cost avoidance strategies
- Passing on cost increases
- Additional purchasing resource to allow greater focus on supplier strategies

We think UK consumption will remain weak ...



Source: Office of Budget responsibility

Savings Ratio



Source: ONS series natpj3



... but are more positive about the global consumer:

- Many of our products are indirectly exported
- Specifically targeting:
 - Heritage markets of Western Europe and North America
 - Global Brands to take our products into the global supply chain plus selected retail opportunities
 - Additional specific countries:
 - South Africa, India, Middle East, China

Overall we remain positive.

QUESTIONS?

Factory Tour Information

- All mobile phones, watches, cigarette lighters, jewellery must be removed before entry into the factory.
- Secure envelopes will be available for storage of valuables.
- Personal protective equipment must be worn at the times indicated by your guide.
- No open-toed shoes permitted in factory



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