



VICTORIA PLC

Preliminary results

*For the year ended
31 March 2012*

26 June 2012

Agenda

“Victoria’s strategic objective is to become the leading quality floorcovering brand in Australasia and the United Kingdom”

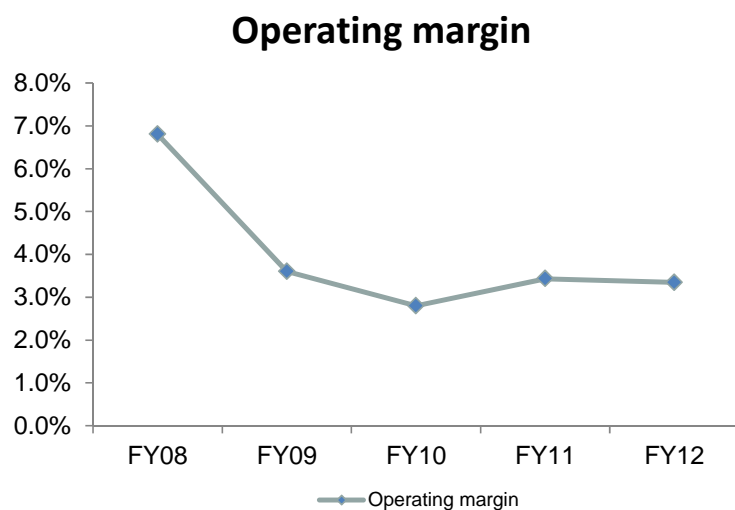
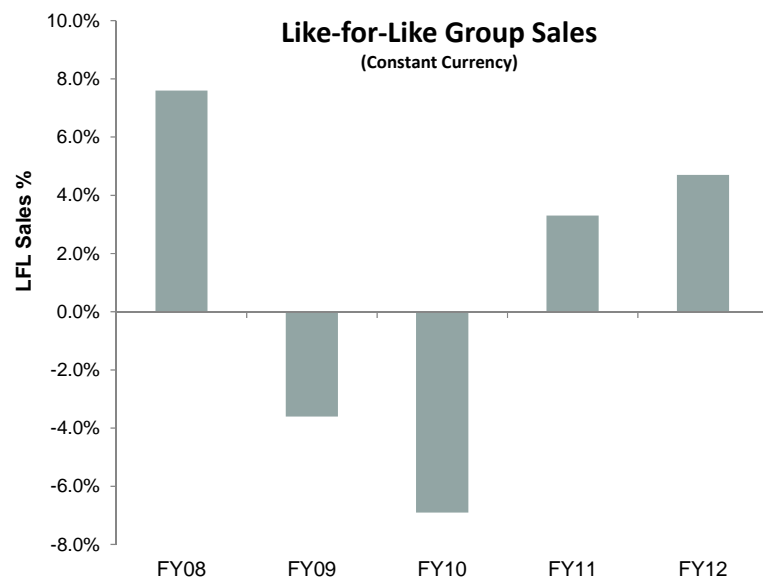
- Introduction - **Alan Bullock, Group Managing Director**
- Financial review - **Ian Davies, Group Finance Director**
- Operational review - **Alan Bullock**
- Outlook - **Alan Bullock**
- Question and answer session
- *Appendices:*
 - *Our Business model and “Fast Facts”*
 - *Financials summaries*

Financial Review

Ian Davies

Group Finance Director

Financial highlights



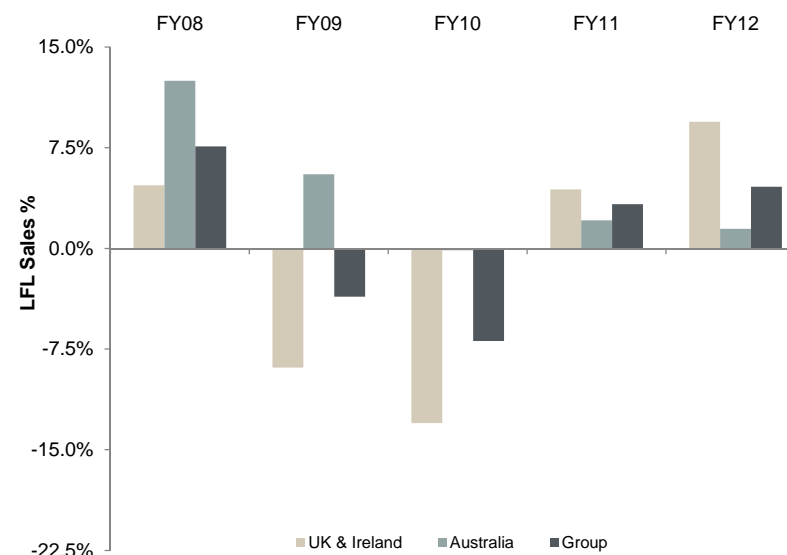
£'m	FY12	FY11	Change
Revenue	77.13	70.50	+9.4%
Operating profit *	2.58	2.42	+6.8%
PBT *	2.21	1.92	+14.7%
Operating margin *	3.3%	3.4%	-10bps
Basic adjusted EPS (pence) *	23.71p	18.35p	+29.2%
Total interim and proposed dividend	10.50p	9.00p	+16.7%

* adjusted to exclude exceptional costs

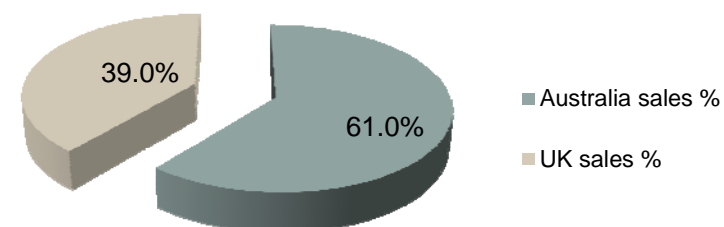
Segmental performance

£'m	Revenue			Operating profit		
	FY12	FY11	Change %	FY12	FY11	Change %
UK & Ireland	30.08	27.49	9.4%	0.31 <i>1.0%</i>	(0.28) <i>(1.0%)</i>	+210.7% <i>+200bps</i>
Australia	47.05	43.01	9.4%	3.13 <i>6.7%</i>	3.53 <i>8.2%</i>	-11.1% <i>-150bps</i>
Central Costs	-	-	-	(0.86)	(0.76)	-12.3%
Goodwill impairment	-	-	-	-	(0.07)	n/a
Group (Pre Ex)	77.13	70.50	9.4%	2.58 <i>3.3%</i>	2.42 <i>3.4%</i>	+6.8% <i>-10bps</i>
Exceptionals	-	-	-	(0.66)	-	n/a
Group	77.13	70.50	9.4%	1.92	2.42	-20.5%

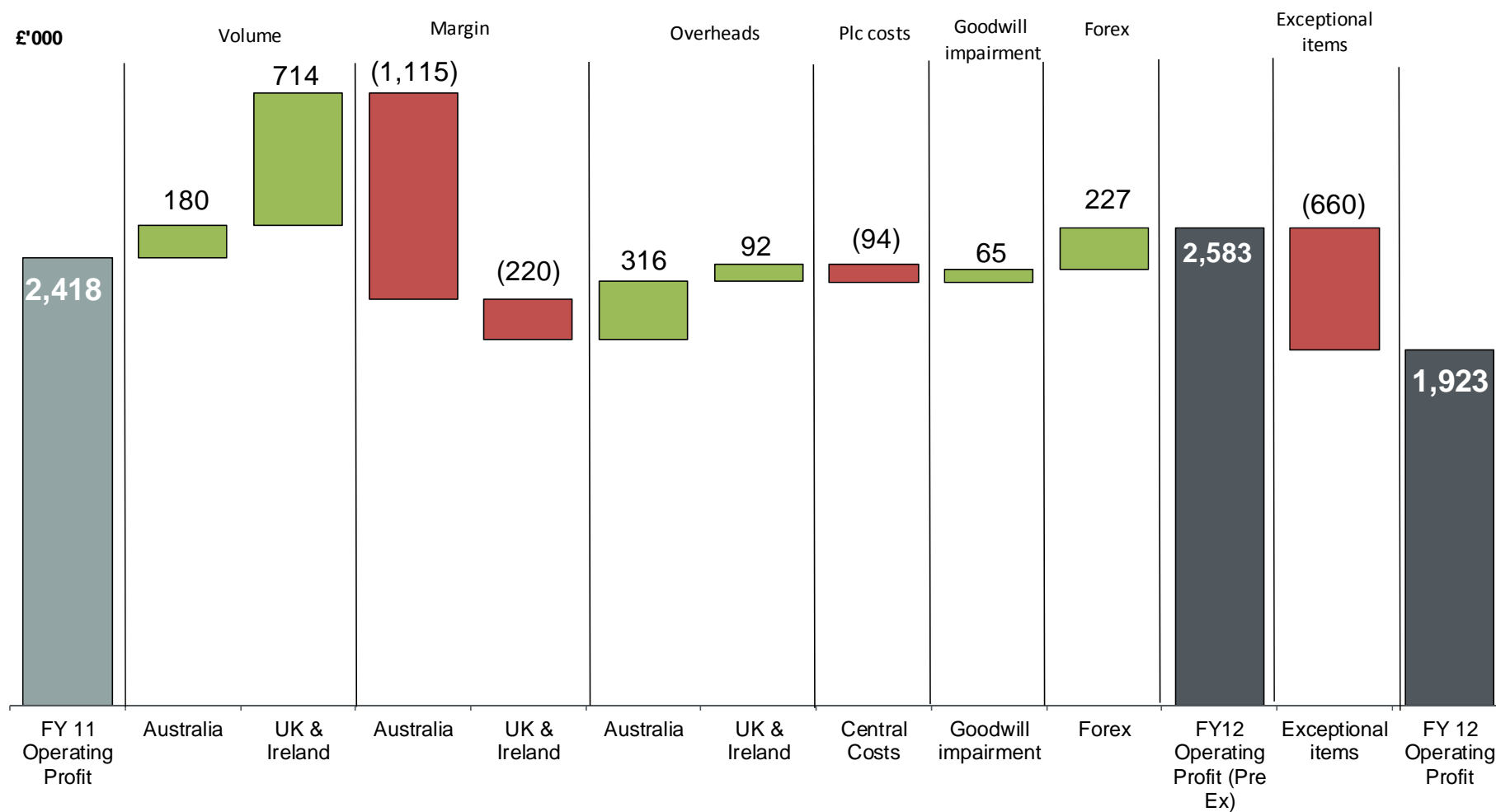
Segmental LFL Sales (constant currency)



Sales Split

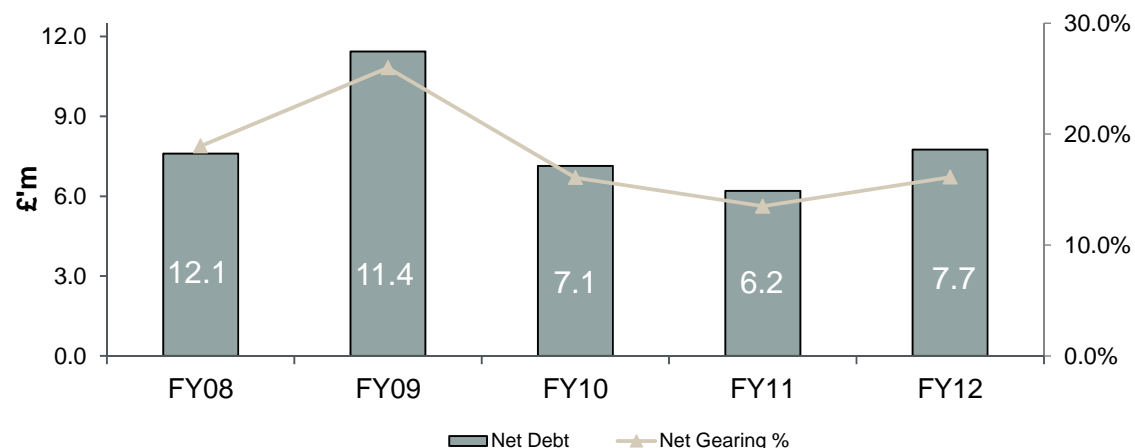


Operating profit bridge



Cash flow and net debt

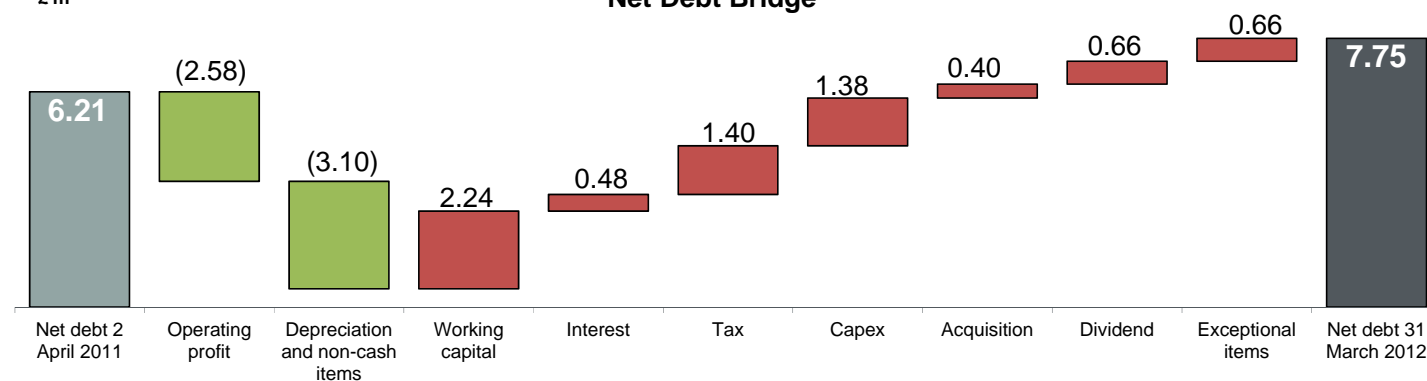
Evolution of Net Debt



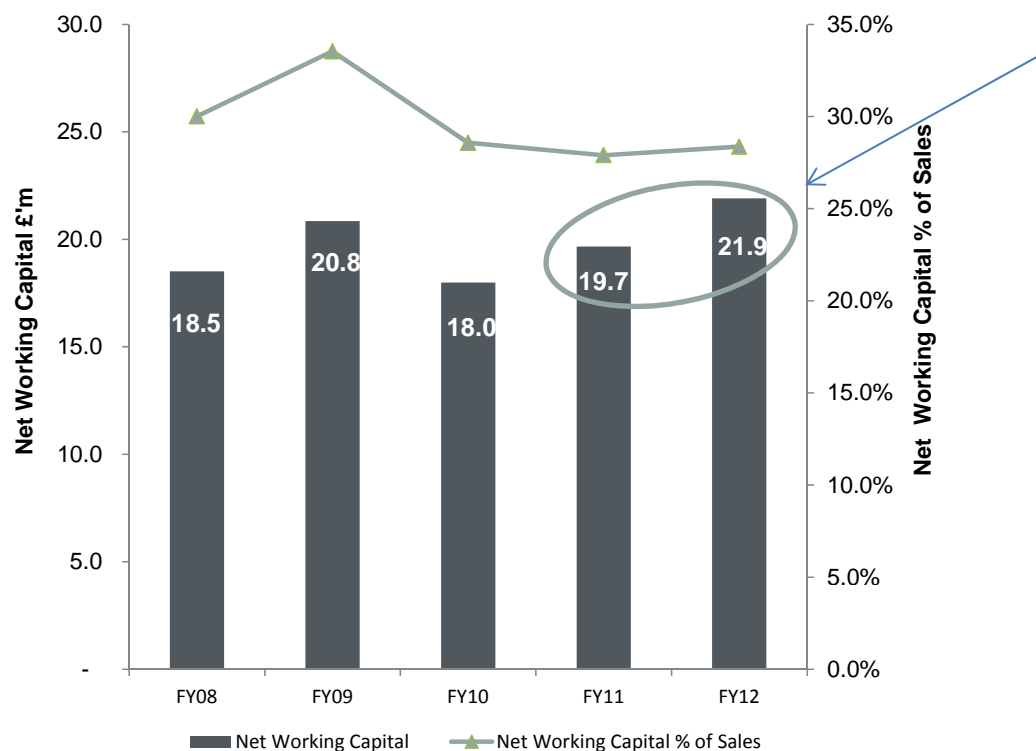
Cash Flow (£'m)	FY12
Operating profit (pre exceptionals)	2.58
Depreciation and non cash items	3.08
Working capital	(2.24)
Interest	(0.48)
Tax	(1.40)
Exceptional items	(0.66)
Cash from operating activities	0.88
Capital expenditure	(1.38)
Acquisition	(0.40)
Dividends	(0.66)
Foreign exchange	0.02
Movement in net debt	(1.54)

£'m

Net Debt Bridge



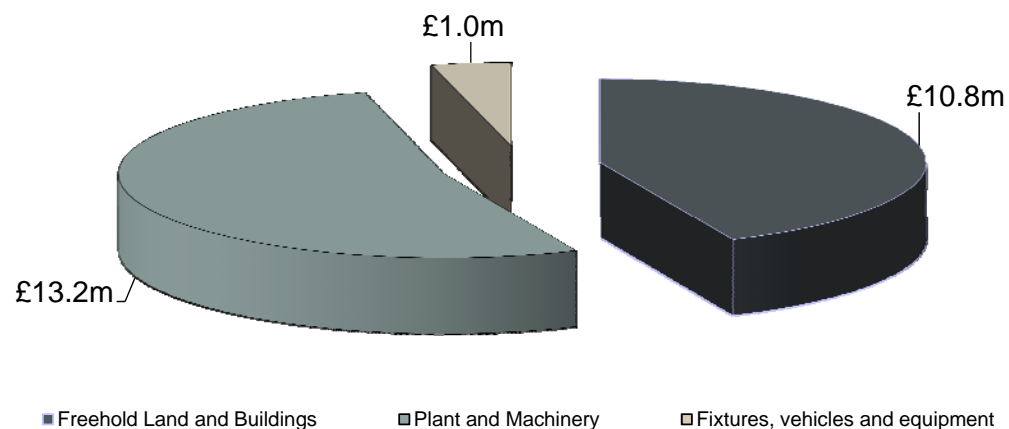
Net Working Capital ('NWC')



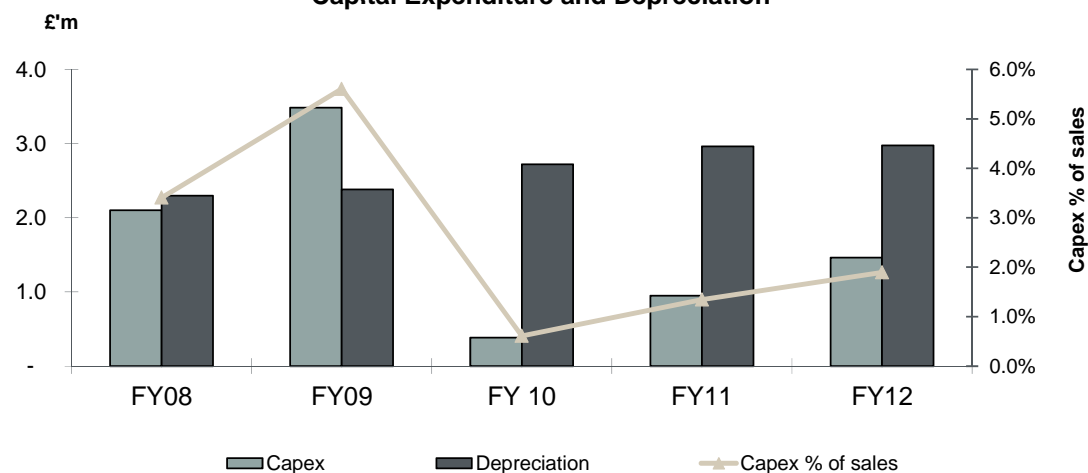
£'m	2 Apr 2011	31 Mar 2012	Movement
Inventory	22.9	25.9	3.0
Trade and other receivables	11.8	11.7	(0.1)
Trade payables	(15.0)	(15.7)	(0.7)
Working Capital	19.7	21.9	2.2
NWC % Sales	27.9%	28.4%	0.5%

Capital expenditure

Tangible Fixed Assets by Category at 31st March 2012



Capital Expenditure and Depreciation

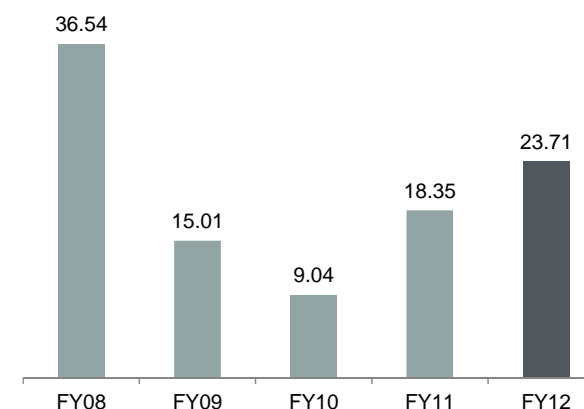


Financial summary

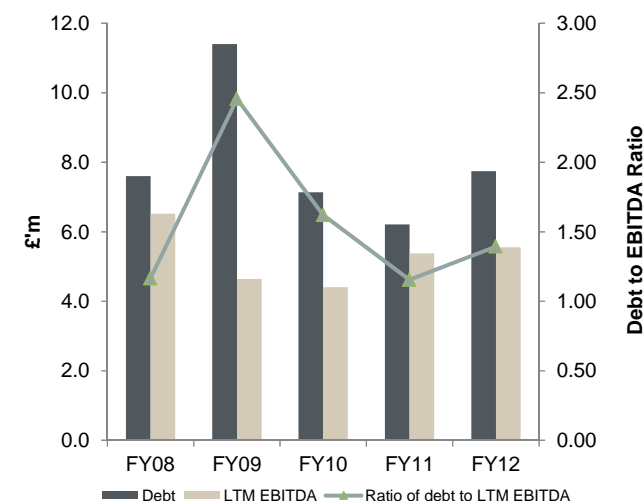
- Group underlying performance improvement:
 - Revenue up 9.4%, and 4.6% in constant currency.
 - Operating profit* up 6.8%.
 - Profit before tax* up 14.7%.
 - Basic adjusted EPS* up 29.2%.

** Before exceptional items*
- Investment in new ranges and products:
 - Cost impact in FY12 and FY13.
 - Cost management and working capital remain key focus.
 - Increase in net debt.
 - Net gearing remains relatively low.
- Solid year for the Group:
 - Challenging consumer environment.
 - Growth in underlying PBT (Pre Ex).
 - Investment for future growth.
 - Progress on strategy.

Basic adjusted EPS (pence)



Ratio of Debt to EBITDA



Operational Review

Alan Bullock

Group Managing Director

Divisional review - Australia

“Despite significant deterioration in market conditions in H2, revenue growth of 1.5% was achieved”

Market background

- Economy has turned down sharply since November 2011.
- Increased consumer cautiousness leading to reduced retail spend.
- Real estate and construction activity also softened during the year.
- Economy forecasting modest growth of 3% over the coming year.



Sales performance

- Australia represents 61.0% of overall Group revenue.
- Revenue up 1.5% against prior year at A\$71.84m (FY11: A\$70.80m).
- Strong sales growth in Commercial Contract market which we entered in 2010.

Divisional review - Australia

Commercial points

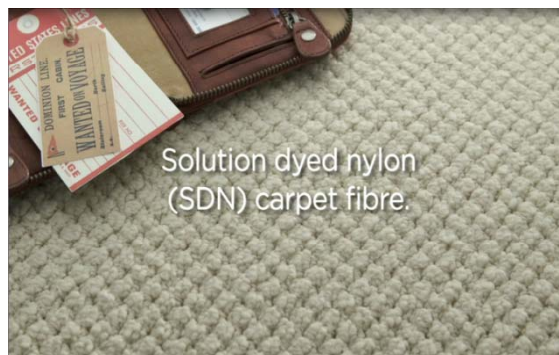
- Volumes and margins came under pressure from increased levels of carpet imports due to the strength of the Australian Dollar.
- Continued market trend away from wool carpets and growth in synthetics. This has led to lower capacity utilisation at the spinning mills, impacting overall profitability.
- Capital expenditure of A\$1.66m, principally for an in-line latex compounding system and a new tufting machine.
- In light of this trend and softer market conditions, two strategic actions have recently been implemented:
 - Restructuring of the spinning mills operations; and
 - Launch of a new Solution Dyed Nylon (SDN) range.



Divisional review - Australia

EverSoft™

- Successfully concluded an extended period of product development with INVISTA®, one of the world's major nylon producers.
- Now launching a new generation of Solution Dyed Nylon (SDN) carpets.
- Licensed exclusively to Victoria Carpets under the STAINMASTER® with EverSoft™ brand.
- The 'soft handle' synthetic yarn is a key differentiator.



Divisional review – UK (Including Ireland)

“Solid revenue growth of 9.4% in the period outperforming the general market”

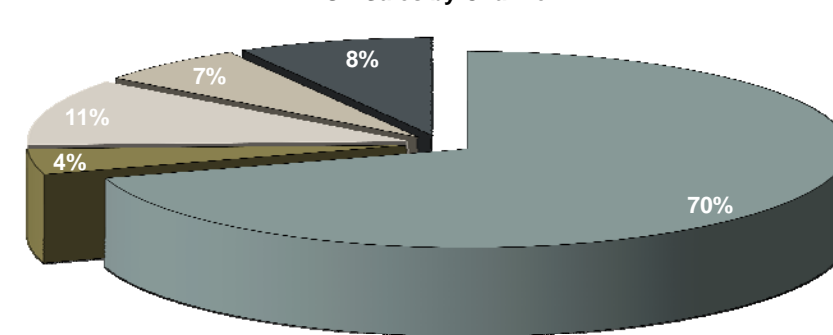
Market background

- UK economy contracted in H2. Irish economy also remains weak.
- Housing market activity remains sluggish.
- Retail trade remains difficult with weak consumer sentiment.

Sales performance

- UK represents 39.0% of Group revenue.
- UK revenue up by 9.4% from £27.49m to £30.08m.
- Carpet and other floorcovering sales were up by 12.1%.
- External yarn sales were down by 42.4%.

UK Sales by Channel



Independent retailers
 Wholesale
 Major Groups
 Contract
 Export

Channels to Market	% of Sales FY12	Growth + / -
Independent Retailers	70.1%	19.8%
Wholesalers	4.2%	13.4%
Major Groups	11.0%	11.4%
Contract	6.5%	14.8%
Export	8.2%	14.8%

Divisional review – UK

Commercial points

- Strong growth in business with both The John Lewis Partnership and the insurance replacement market.
- A number of prestigious contracts secured in the year contributed to export sales growth, coupled with sales into Ireland via an agency model from July 2011.
- Entry into the Luxury Vinyl Tile market in September 2011.
- Launch of new LVT range and new twist pile carpet range called 'Options 288' early in the new financial year.
- Victoria has invested in the development of a multi-channel e-Commerce selling platform.



Luxury Vinyl Tile (LVT)

- Acquisition of the brand and certain assets of C&H Distribution for £0.4m in September 2011 in line with Victoria's stated objective of "becoming the leading quality floorcovering brand in Australasia and the UK".
- Established a new division called **Victoria™ Luxury Flooring**, recruiting a new MD and marketing manager with combined LVT experience of over 40 years.
- A new LVT product offer is being rolled out into the market:
 - Through our existing residential sales force to selected independent retailers; and
 - Through our existing and newly recruited contract sales force to end users directly and the A&D community
- Up front investment in people, stock and POS units impacted borrowings and profitability in the period. This will have further impact in H1 of the new period before sales build to target levels. High margins and good growth potential should improve quality of earnings beyond this short term horizon.



Divisional review - Canada

“Our associate achieved strong growth in both revenue and profitability”

Market background

- Both the US market and the Canadian interior design markets remain soft.

Sales performance

- Revenue increased by 18.5% from C\$6.43m to C\$7.62m.
- Increased contract residential market share and growth in rug sales

Profitability

- Pre tax profit of C\$0.31m versus a loss of C\$0.09m last year



COLIN CAMPBELL
BROADLOOM ■ AREA RUGS

Outlook

Alan Bullock

Group Managing Director

Outlook

UK

- No significant improvement in underlying economic or market conditions are expected in the short term.
- The introduction of the LVT product offers significant future growth potential and enhanced quality of earnings

Australia

- The outlook for the Australian economy is for modest overall growth of approximately 3% over the coming year. We do not expect retail or housing activity to improve until at least the second half of the coming year
- The Group's strategic actions have positioned our Australian business extremely well for the challenges and opportunities that will present themselves in the coming year.

Summary

"We expect the consumer environment to remain challenging, but we have already demonstrated that we can achieve good progress in these conditions. Our strong customer relationships, on-going actions to reduce costs and improve working capital utilisation will provide us with a strong platform for medium term growth"

Disclaimer

This presentation, which has been prepared by Victoria PLC (“the Company”), includes statements that are, or may be deemed to be, “forward-looking statements”. These forward-looking statements can be identified by the use of forward-looking terminology, including the terms “believes”, “estimates”, “plans”, “projects”, “anticipates”, “expects”, “foresees”, “intends”, “may”, “will” or “should” or, in each case, their negative or other variations or comparable terminology. These forward-looking statements include matters that are not historical facts and include statements regarding the Company’s intentions, beliefs or current expectations. By their nature, forward-looking statements involve risk and uncertainty because they relate to future events and circumstances. A number of factors could cause actual results and developments to differ materially from those expressed or implied by the forward looking statements. Any forward-looking statements in this presentation reflect the Company’s view with respect to future events and other risks, uncertainties and assumptions relating to the Company’s operations, results of operations, growth strategy and liquidity. The Company undertakes no obligation publicly to release the results of any revisions or up-dates to any forward-looking statements in this presentation that may occur due to change in its expectations or to reflect events or circumstances after the date of this presentation.

This presentation comprises information which is already in the public domain, and includes extracts from the Preliminary Announcement of the 2012 year-end results on 26 June 2012. You should read the whole of the Preliminary Announcement of the 2012 year-end results and, when available, the full annual report and accounts for 2012. No reliance may be placed for any purposes whatsoever on the information contained in this document or on its completeness. None of the Company, its advisers, or any other party is under any duty to update or inform you of any changes to the information contained in this presentation.

Appendices

Our Business Model

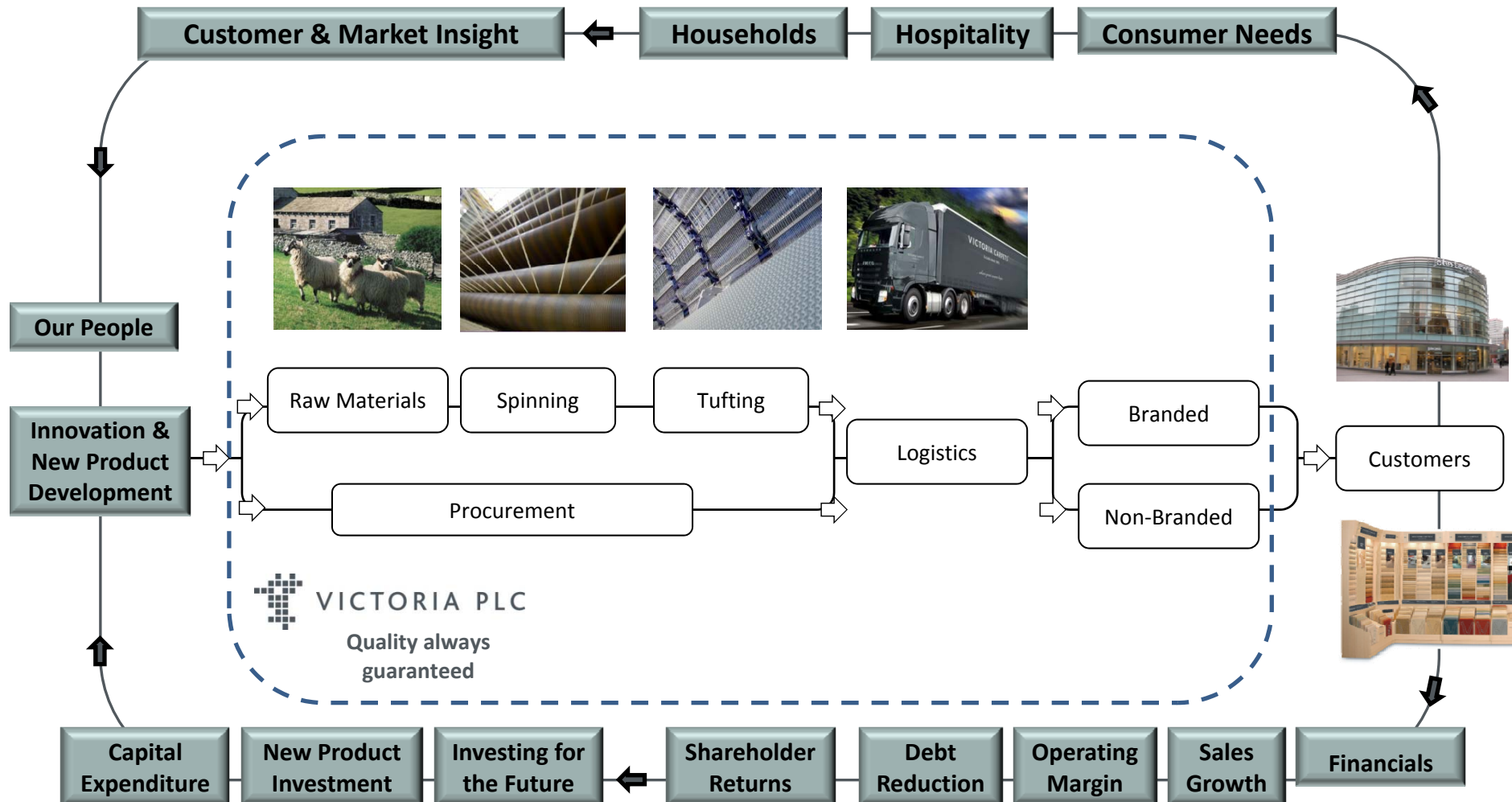
"Innovation & Quality"

Channels

- Major Retailers
- Independent Retailers
- Insurance
- Wholesalers
- Contract
- Export

Territories

- Australia
- UK
- Canada



Fast facts



“Victoria’s aim is to be the leading quality floorcovering brand in Australasia and the United Kingdom.”

Listed on London Stock
Exchange: **VCP**
6.94 million shares in issue.

Key Financials FY12

Group Revenue	£77.13m
PBT <i>(pre-exceptionals)</i>	£2.21m
EPS <i>(basic adjusted)</i>	23.71p
Net debt	£7.75m
Total Dividend for the year	10.50p



Revenue FY12
£47.05m

Average No. of employees
287



Revenue FY12
£30.08m

Average No. of employees
344

Time Line

2012	In the UK, the new LVT product range and latest carpet range, “ Options-288 ”, are launched to retailers. In Australia, our exclusive STAINMASTER EverSoft ™ range is launched.
2011	Victoria UK acquires certain assets of C&H Distribution Limited, widening our product offering and creating a new division: “ Victoria Luxury Flooring ”, distributing luxury vinyl tiles (LVT) to the Residential and Contract market in the UK.
2010	Agreement signed supply carpet to the insurance replacement market. Australia attained ISO 14001 Environmental Certification.
2009	Victoria Carpets UK secured new agreements with Greendale Buying Group and the John Lewis Partnership.
2008	Victoria expands sales into the Contract carpet market in the UK.
2003	Victoria acquires ‘Navan Carpets’, the leading residential and contract carpeting brand in Ireland.
2002	Victoria buys the leading Irish carpet brand ‘Munster Carpets’.
1995	Victoria acquires Castlemaine Spinning, a dry woollen mill in Australia, as part of its plan to own its own supply chain.
1989	Victoria acquires Westwood Yarns in Yorkshire.
1963	Victoria shares are first quoted on the London Stock Exchange.
1954	First overseas manufacturing plant established in Dandenong, a suburb of Melbourne Australia.
1895	Victoria Carpets is founded in Victoria Street, Kirkcaldy, Scotland.

Fast facts *(Continued)*

Key products



**Woven & Tufted
broadloom carpet**



Carpet Tiles



Luxury Vinyl Tiles



Rugs

Brands



Australia

- Established in 1954 in Melbourne and today is the second largest supplier of carpets in the market, with a strong presence in New Zealand.
- Victoria is vertically integrated, owning two spinning mills close to the carpet plant.
- The company uses the very latest state of the art equipment to manufacture its carpets.
- Victoria has a strong brand in the residential carpet market, selling primarily to the Independent Retail trade through the nation's major buying groups.
- The company has recently expanded into the Contract carpet market with Tufted broadloom and modular carpet tiles.

UK

- Victoria Carpets UK, established in 1895, is in Kidderminster, Worcestershire and has its own yarn spinning mill, Westwood Yarns Ltd, in Holmfirth, West Yorkshire.
- Victoria is one of the leading carpet manufacturers in the UK.
- The company manufactures both traditional woven Wilton and modern Tufted carpets and has its own liveried delivery fleet.
- Victoria is a major supplier to the UK Independent Retail sector, the insurance replacement market, as well as to the John Lewis Partnership.
- The Company entered the Luxury Vinyl Tile (LVT) market in September 2011, widening our product offering into both retail and commercial markets.

Fast facts *(continued)*

The Board



Katherine Innes Ker
Chairman,
Appointed to the Board in
March 2012



Alan Bullock
Group Managing Director
Appointed to the Board of
Victoria PLC in September
1996 as Group Managing
Director



Ian Davies
Group Finance Director
Appointed to the Board of
Victoria PLC in March 2007



Barry Poynter
Executive Director
Appointed to the Board in
August 2006



Terry Danks
Company Secretary
Appointed as Company Secretary
to Victoria PLC in 1993



Sir Bryan Nicholson
Senior Independent
Non-executive Director
Appointed to the Board in
March 2012.



Alexander Anton
Non-executive Director
Appointed to the Board in
March 2012.



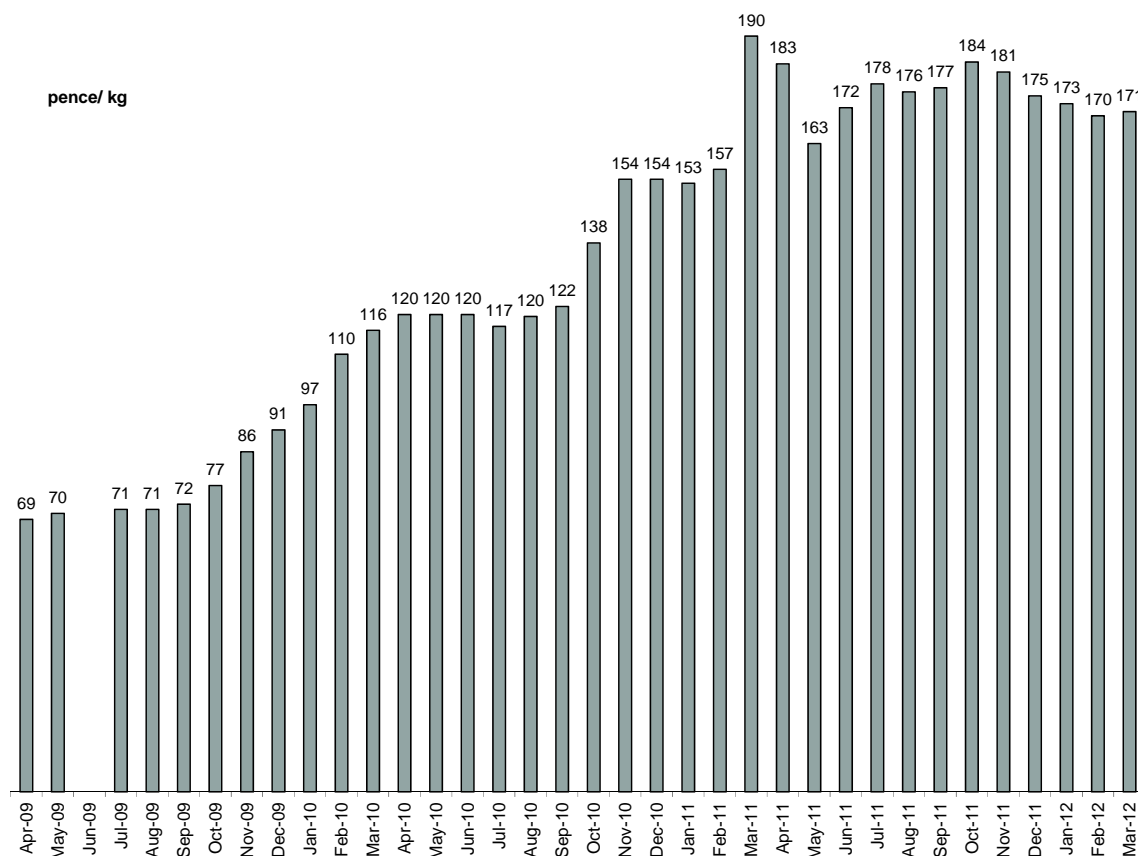
Geoff Wilding
Non-executive Director
Appointed to the Board in
March 2012.

Our Brands



UK – wool prices

Average Greasy British Wool Price Indicator (pence/Kg)

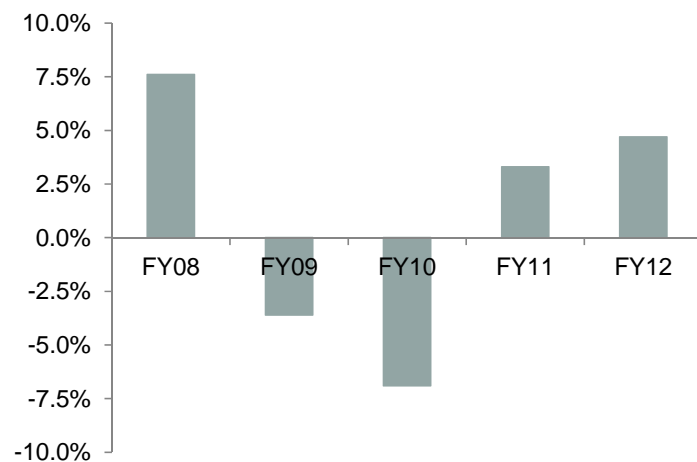


Source: British Wool Marketing Board price indicator for greasy wool

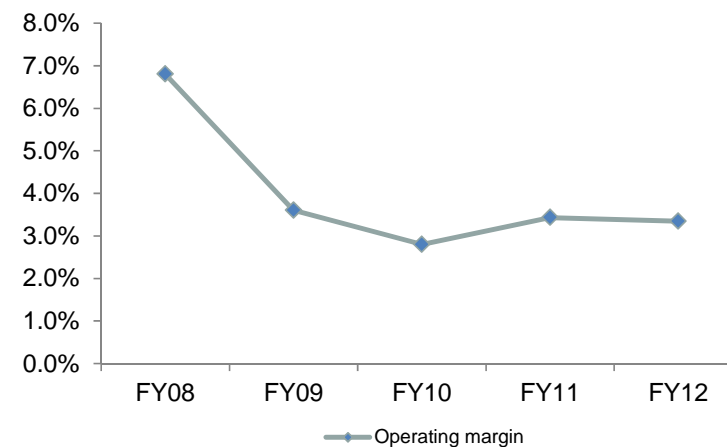
- The Greasy British wool price has reduced 10% from the peak of 190p/kg seen in March 2011 to 171p/kg at March 2012.
- The price has further eased in the new financial period to date, with the latest price in June 2012 at 143p/kg.
- New Zealand wool prices have also eased in the current reporting period, falling by 16% in sterling terms over the 12 month period.

Financial summary

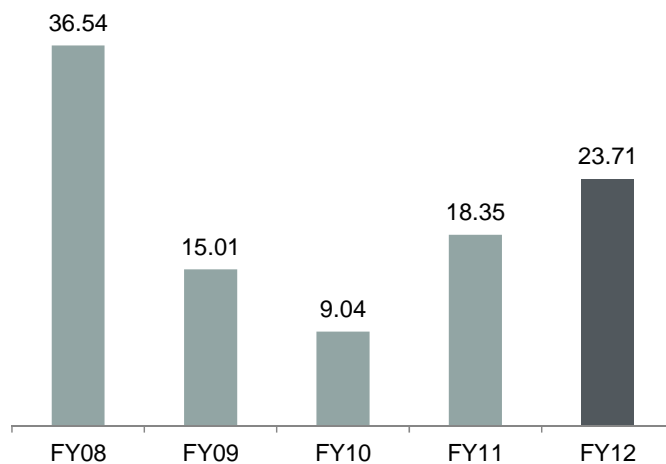
Like for Like Group Sales



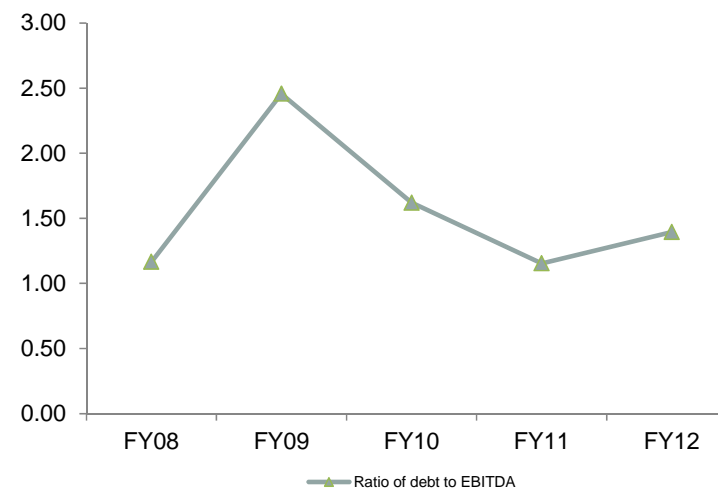
Operating margin



Basic adjusted EPS (pence)



Debt to EBITDA Ratio



Group balance sheet and cash flow

Balance Sheet £'m	31 Mar 2012	2 April 2011
Intangibles, investments and deferred tax asset	2.29	1.91
Property, plant & equipment	24.98	26.54
Non-current assets	27.27	28.45
Current assets	38.44	36.35
Current liabilities	(21.66)	(19.42)
Non-current liabilities	(3.73)	(5.62)
Net assets	40.32	39.76

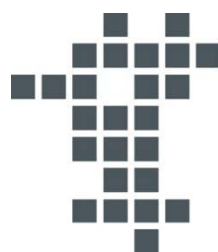
Cash Flow £'m	FY12	FY11
Operating profit (Pre Exceptionals)	2.58	2.42
Depreciation and non cash items	3.08	3.03
Foreign exchange	0.00	0.12
Working capital	(2.24)	(1.67)
Interest	(0.48)	(0.51)
Tax	(1.40)	(0.89)
Exceptional items	(0.66)	-
Cash from operating activities	0.88	2.50
Capital expenditure	(1.38)	(0.89)
Acquisition	(0.40)	-
Dividends	(0.66)	(0.58)
Foreign exchange	0.02	(0.10)
Movement in net debt	(1.54)	0.93

Glossary & Currency Movements

Glossary

A&D	Architecture and Design
EBITDA	Earnings before interest, tax, depreciation and amortisation
Exceptionals	One off non-recurring items
EPS	Earnings per share
Forex	Foreign exchange
FY12	Financial year ended 31 March 2012
FY11	Financial year ended 2 April 2011
H1 / H2	First half / Second half of the financial year
LFL Sales	Like for like sales against same period last year
LTM	Last twelve months
LVT	Luxury vinyl tile(s)
NWC	Net working capital
PBT	Profit before tax
Pre Ex	Pre Exceptional Items
VLF	Victoria™ Luxury Flooring

Currency	Average exchange rates			Period-end exchange rates		
	FY12	FY11	%	FY12	FY11	%
Euro	1.1559	1.1688	(1.1)	1.1998	1.1333	5.9
Australian Dollar	1.5270	1.6460	(7.2)	1.5423	1.5465	(0.3)
Canadian Dollar	1.5870	1.5831	0.2	1.5969	1.5461	3.3



VICTORIA PLC

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