



McBride plc Half-Year Report 2014

Passionate about Private Label

"Our plan to deliver improved UK profitability is on track and it is pleasing to deliver a first half performance in line with expectations.

Many of McBride's key markets and categories have continued to experience weak trading environments. The business has worked hard to deliver growth from a number of new territories balancing declines seen in our more traditional markets. Against this backdrop, it is encouraging that the Group has stabilised its revenue base on a constant currency basis.

I welcome Rik De Vos and Chris Smith to the McBride Board and look forward to working with them to develop further the future direction and strategy for the Group."

Iain Napier
Chairman

Headlines

UK improvement drives increased Group profits

- Private Label revenue growth of 0.6% in this first half year.
- Group revenue 0.2% higher on a constant currency basis than the prior year.
- Strong growth in Germany derived from prior year business wins, offset by a weaker performance in Italy and Spain and subdued revenues in UK and France.
- Group adjusted operating profit increased by 45.3% on a constant currency basis (22.5% as reported), with most of improvement as a result of stronger UK profits.
- The UK restructuring project is progressing well and remains fully on track with timetable.
- Net debt at £86.0 million represents 1.9x annualised adjusted EBITDA5. The Group's balance sheet remains strong with committed headroom6 of £103.1 million.
- Interim payment to shareholders maintained at the same level as the prior year.
- New management team appointed: Chris Smith joined the Board as Chief Financial Officer on 7 January 2015 and the new Chief Executive Officer, Rik De Vos joined the Board on 2 February 2015.

£m unless otherwise stated	2014	2013[1]	Change
Revenue	**364.7**	380.3	(4.1)%
Revenue (constant currency)[2]	**364.7**	364.1	0.2%
Operating profit	**11.1**	7.0	58.6%
Adjusted operating profit[3]	**12.5**	10.2	22.5%
Adjusted operating profit (constant currency)[2]	**12.5**	8.6	45.3%
Adjusted operating margin[3]	**3.4%**	2.7%	0.7ppts
Profit before tax	**7.3**	3.7	97.3%
Adjusted profit before tax	**8.7**	7.0	24.3%
Diluted earnings per share	**2.8p**	1.6p	75.0%
Adjusted diluted earnings per share[3]	**3.4p**	3.0p	13.3%
Interim payment to shareholders (per ordinary share)	**1.7p**	1.7p	–
Cash flow from operations before exceptional items	**30.7**	23.5	30.6%
Net debt	**86.0**	84.7	(1.5)%
Return on capital employed[4]	**16.4%**	10.9%	5.5ppts

1 Net debt comparative is as at 30 June 2014, all other comparatives refer to the six months ended on 31 December 2013 unless otherwise stated.
2 Comparative revenue and adjusted operating profit translated at 2014 exchange rates.
3 Adjusted operating profit and adjusted diluted earnings per share are stated before those items of financial performance that the Group believes should be separately disclosed to assist in the understanding of the underlying performance achieved by the Group ('adjusting items'). Adjusting items include amortisation of intangible assets, exceptional items, changes in estimates of contingent consideration arising on business combinations, any non-cash financing costs from unwind of discount on initial recognition of contingent consideration and any related tax. Adjusted operating profit is used to calculate return on capital employed.
4 Adjusted operating profit as a percentage of average period-end net assets excluding net debt.
5 Annualised adjusted EBITDA equates to the rolling 12 months to 31 December 2014.
6 Committed headroom equates to available headroom from committed facilities after drawn downs as at 31 December 2014.

Business and financial review

Despite trading conditions continuing to be difficult in the Group's main developed markets, first half constant currency revenues were marginally ahead (+0.2%) of the prior year and Private Label sales grew 0.6% overall. UK revenues whilst lower by 3.9% compared to the first half last year showed modest growth (+1.1%) when compared to the preceding six months. In Western Europe, weaker activity levels in France, Italy and Spain were mitigated by continued strong growth in Germany.

Group results are now starting to reflect benefits from the UK restructuring project that was announced in June 2014. The project remains fully on track to deliver the annualised benefits of £12.0 million by 30 June 2016 with savings in the first half year of £1.5 million. The run rate in this first project year is ahead of the £3 million target as a result of phasing changes to the plan.

Margins have improved during the first half from a combination of factors including operational efficiency in production, product re-formulation and innovation, improved product sales mix and softer raw material prices.

Total operating costs, before the impact of profit based incentives and one off severance costs, were £3.6 million lower, with the UK restructuring project contributing £1.5 million and depreciation £1.6 million of this total.

Adjusted operating profit[3] for the first half was £12.5 million (2013: £10.2m) with adjusted operating profit[3] margin increasing to 3.4% (2013: 2.7%) and return on capital employed improving to 16.4% (2013: 10.9%).

The Group has seen a significant step up in technical activities during the period reflecting our focus on New Product Development ('NPD') programmes, cost re-engineering and the impact of increasing legislation and regulatory compliance. In the autumn of 2014, the NPD programme saw the successful launch in France of the first Private Label compressed Aerosol Body Spray, with further rollout in Europe planned for the second half. The Group's technical, operations and commercial teams are heavily engaged in the substantial change process related to classification, labelling and packaging (CLP) regulations due to come into effect on 1 June 2015. Costs of £0.8 million in the six months to December 2014 associated with this program have been classified as exceptional costs, as outlined at the time of our 2014 full year results.

Cash generated from operations before exceptional items was £30.7 million (2013: £23.5m). The cash outflow in relation to exceptional items was £5.8 million (2013: £3.0m). Period end net debt increased slightly to £86.0 million (30 June 2014: £84.7m).

The Group's balance sheet remains strong following the refinancing in the prior financial year, with significant borrowing headroom of £103.1 million on committed borrowing facilities.

Segmental performance, including market review

Revenue by reportable segment was as follows:

	Unaudited 6 months to 31 Dec 2014 £m	Unaudited 6 months to 31 Dec 2013 £m	Audited Year ended 30 Jun 2014 £m
United Kingdom	**127.6**	132.8	259.0
Western Europe	**205.5**	214.3	419.5
Rest of the World	**31.6**	33.2	65.7
Total segment revenue	**364.7**	380.3	744.2

UK

Reported segmental revenue decreased by 3.9% to £127.6 million (2013: £132.8m), compared with a decrease in 2013 of 11.5%. Private Label sales declined by 3.1% in the period, compared to a market average for the period of 3.9% with good improvement in Machine Dishwash offset by a fall in specialist cleaners. Trading profits improved from £2.1 million in the first half of the last financial year to £5.3 million this half year as a result of improved margins, lower depreciation and the benefits of the UK restructuring project.

Market data for the UK for the 24 weeks to 30 November 2014 showed the following trends:

The overall UK household segment (excluding bleach) saw Private Label volume share decline slightly to 25.1% (2013: 25.6%). Private Label volumes declined 3.9% in the period with total volumes of all products down 2.2%. Private Label volume share in the household cleaners category declined to 28.1% (2013: 30.6%) driven by branders' promotional activity. The Private Label volume share of the machine dishwashing category improved more strongly to 30.2% (2013: 28.6%). In Personal Care, the market was also influenced by promotional activity with Private Label volume share in our selected Personal Care segments declining to 7.9% (2013: 8.9%). (Source: Nielsen).

Western Europe

Constant currency revenues rose 2.7% with the impact of a weaker Euro meaning that reported revenues decreased by 4.1% to £205.5 million (2013: £214.3m). Private Label revenue at constant currency grew by 2.8% with good growth in Laundry, Dishwashing and Handwash categories. Profits at constant currency improved by 9.7% as result of improved sales and margins.

Strong growth in Germany, derived from prior year business wins, was offset by revenue falls in France due to the effect of branded promotion activity and weaker performance in Italy attributable to generally weak economic conditions. In Spain, revenues fell as a result of weaker trading at a number of our key customers.

In France, the overall market for household products grew by 1.7% by volume in the 24 weeks to 30 November 2014, with Private Label volumes remaining flat in the period, resulting in Private Label volume share of household products in France slightly lower at 41.0% (2013: 41.7%). (Source: Nielsen).

Business and financial review continued

In Germany, the largest Private Label market in Europe, Private Label sales were marginally down whilst the overall sector grew 1.5% resulting in Private label volume share decreasing to 44.5% (2013: 45.3%). (Source: Nielsen).

The Italian market is still characterised by weak consumer demand, with the overall market for household sector down 0.8% in volume terms for the 24 weeks to 30 November 2014. Private Label volumes were down 3.6% in the period resulting in Private Label volume share in Italy falling slightly to 24.6% (2013: 25.3%). (Source: Nielsen).

In Spain, the demand for Household products is showing early signs of a return to growth with the overall market for household products growing by 1.2% in volume terms and Private Label volumes increasing by 2.0%. Private Label volume share continued to grow to 53.2% (2013: 52.8%) as consumers still continue to seek value offers. (Source: Nielsen).

Rest of the World

Reported segmental revenue decreased by 4.8% to £31.6 million (2013: £33.2m). However, revenues at constant currency grew by 1.3% mostly as a result of improved sales in Australia with new business wins in all three key retailers. Our key market in this segment, Poland, disappointingly delivered only 0.4% growth in its growing domestic market.

In Poland, the overall market for the household products sector in the six months to 31 October 2014 declined by 2% in volume terms whilst demand for Private Label products remained strong with volumes up 6% in the period with Private Label volume share increasing to 24.9% (2013: 23.1%). The improvement in Private Label share was driven by strong Private Label performance in both the laundry detergent and machine dishwashing segments. (Source: Nielsen).

Financial review

Group operating results

Revenues reported at £364.7 million compares with first half sales in 2013 of £380.3 million (-4.1%) at actual rates and £364.1 million (+0.2%) at constant currency. Operating profit of £11.1 million was £4.1 million ahead of the £7.0 million reported in the first half of last year due to savings from the UK restructuring project, lower depreciation, improved gross margins and lower exceptional items. Adjusted operating profit of £12.5 million compares with £10.2 million in 2013. The Group's adjusted operating margin increased to 3.4% from 2.7%.

In the first half year, whilst there was a small level of organic sales growth at constant currency, the reported revenues reduced by just over 4% and profit by 15% as a result of a weaker Euro. We expect the Group's full year consolidated revenues and profits, based on current exchange rates, to see a similar negative translation impact.

Adjusted operating profit can be reconciled to operating profit as follows:

	Unaudited 6 months to 31 Dec 2014 £m	Unaudited 6 months to 31 Dec 2013 £m	Audited Year ended 30 Jun 2014 £m
Operating profit/(loss)	**11.1**	7.0	(13.9)
Amortisation of intangibles assets	**0.6**	0.6	1.4
Exceptional items	**0.8**	2.6	34.5
Adjusted operating profit	**12.5**	10.2	22.0

Exceptional items

During the period ended 31 December 2014, the Group recognised exceptional costs of £0.8 million in relation to managing the substantial change process concerning CLP compliance by 1 June 2015. Further exceptional costs are expected in the second half year, the majority of which relates to incremental payroll costs and external charges.

Net finance costs

Net finance costs were £3.8 million (2013: £3.3m) with the year on year increase a result of the new long term private placement borrowing facilities which were fully drawn for the full six months this half year, but were only instigated in full late in the first half of 2013. Net finance costs include a cost of £0.6 million (2013: £0.6m) in relation to the post-employment benefit scheme.

Profit before tax and tax rate

Reported profit before tax was £7.3 million (2013: £3.7m) with adjusted profit before tax totalling £8.7 million (2013: £7.0m). The tax charge for the first half of 2014/15 of £2.2 million (2013: £0.7m) represents a 30% effective tax rate. This compares to an effective tax rate of 34% for the year ended 30 June 2014, the decrease being due to a change in the jurisdictions in which Group profits arise, derived mainly from an improvement in UK profitability.

Earnings per share

Basic earnings per share (EPS) was 2.8 pence (2013: 1.6p) and adjusted basic EPS increased to 3.4 pence (2013: 3.0p). On an adjusted basis, diluted EPS increased by 13% to 3.4 pence per share (2013: 3.0p). The weighted average number of shares in the period used in calculating basic and diluted earnings per share was 182.2 million (2013: 182.2m) and 182.4 million (2013: 182.9m) respectively.

Payments to shareholders

The Board's policy with regard to payments to shareholders is that they should be sustainable and paid out of earnings, and will, where possible, be progressive given the cyclical nature of the markets in which the Group operates. An interim payment to shareholders of 1.7 pence (2013: 1.7p) is proposed and it is intended this will be issued using the company's B share scheme.

The UK Government is currently consulting on changes to tax legislation, both for shareholders and the Company, which may affect the Company's use of the B share scheme. When final legislation is known, the Board will review the impact of any legislation change on the use of the B share scheme.

Business and financial review continued

Cash-flow, net debt and borrowing facilities

Net cash generated from operations, excluding cash flows relating to exceptional items, was £30.7 million (2013: £23.5m). There was a net working capital inflow in the first half of £9.2 million (2013: £2.6m) mostly as a result of lower inventories. Capital expenditure in the period was £10.0 million (2013: £8.6m). Net cash-flow overall was £2.6 million (2013: £0.4m outflow) offset by a net foreign exchange translation difference on non-sterling based net debt of £3.9 million resulting in overall net debt at 31 December 2014 of £86.0 million compared to £84.7 million at 30 June 2014.

The Group's committed headroom on its funding facilities amounts to £103.1 million (30 June 2014: £96.4m) and is summarised below:

	Facility £m	Drawn £m	Headroom £m
Committed facilities:			
– US Private Placements	57.7	(57.7)	–
– Revolving credit facility (RCF)	109.0	(23.4)	85.6
– Invoice discounting facilities	48.4	(28.4)	20.0
– Other	2.2	(2.2)	–
	217.3	(111.7)	105.6
Uncommitted facilities	50.4	(2.5)	47.9
Total facilities	267.7	(114.2)	153.5
Less: Uncommitted facilities			(50.4)
Committed headroom			103.1

The RCF and US Private Placements are subject to covenants, representations and warranties that are customary for unsecured borrowing facilities, including two financial covenants: Debt Cover (the ratio of net debt to EBITDA) may not exceed 3:1 and Interest Cover (the ratio of EBITDA to net interest) may not be less than 4:1. For the purpose of these calculations, net debt excludes amounts drawn under the invoice discounting facilities. The Group remains comfortably within these covenants. At 31 December 2014, the Debt Cover ratio was 1.4:1 (2013: 1.3:1) and the Interest Cover ratio was 10.1:1 (2013: 13.7:1).

Pensions

The Group operates a funded defined benefit scheme in the UK. At 31 December 2014, the Group recognised a deficit on its UK scheme of £29.7 million (30 June 2014: £28.4m); the increase during the period is principally due to a fall in the applied discount rate offset by a reduction in expectations of long term inflation.

The Group also has other unfunded post-employment benefit obligations outside the UK that amounted to £1.8 million (30 June 2014: £2.0m).

Going concern

The Group meets its funding requirements through internal cash generation and bank credit facilities, most of which are committed until April 2019. At 31 December 2014, committed undrawn facilities amounted to £103.1 million. The Group's forecasts and projections, taking account of reasonably possible changes in trading performance, show that the Group will be able to operate comfortably within its current bank facilities.

The Group has a relatively conservative level of debt-to-equity gearing. As a result, the Directors believe that the Group is well placed to manage its business risks successfully despite the current uncertain economic outlook. After making enquiries, the Directors have a reasonable expectation that the Company and the Group have adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis.

Principal risks and uncertainties

The Group is subject to risk factors both internal and external to its business, and has a well established set of risk management procedures. The following risks and uncertainties are those that the directors believe could have the most significant impact on the Group's business:

- Market competitiveness
- Input costs
- Legislative compliance
- Business interruption
- Financial risks (including currency risk)
- Human resource and employee retention

For greater detail of these risks, please refer to page 28 to 29 of the McBride plc Annual Report and Accounts 2014 – Strategic Report, which is available on the Group's website **www.mcbride.co.uk**.

Related parties

Related party disclosures are provided in note 12.

Forward looking statements

Certain statements in the interim report are forward looking. Although the Group believes that the expectations reflected in these forward looking statements are reasonable, it can give no assurance that these statements are reasonable, it can give no assurance that these expectations will prove to be correct. Because these statements involve risks and uncertainties, actual results may differ materially from those expressed or implied by these forward looking statements.

The Group undertakes no obligation to update any forward looking statements whether as a result of new information, future events or otherwise.

Outlook

The early part of the second half has demonstrated the ongoing challenge in most of our markets to deliver substantial sales growth. We continue to see progress in the markets that performed well in the first half and UK revenues are expected to continue the stabilisation seen in the first six months of the year.

Our focus of profit improvement lies with ongoing and future cost actions, including the full year benefits of the UK restructuring project and further initiatives to improve the 'cost of product' across the Group. Raw material input costs are expected to deliver some net benefits to profit in the second half, although currency volatility and the competitive environment are likely to limit this to a certain extent.

Our full year outlook remains unchanged, with the scope for the Group to benefit from lower costs in the second half tempered by the extent to which Private Label can hold or grow volumes against branded promotions.

Responsibility statement

The directors confirm that to the best of their knowledge:

- The condensed set of financial statements has been prepared in accordance with IAS 34 Interim Financial Reporting as adopted by the EU;
- The interim management report includes a fair review of the information required by:

  (a) DTR 4.2.7 of the Disclosure and Transparency Rules, being an indication of important events that have occurred during the first six months of the financial year and their impact on the condensed set of financial statements; and a description of the principal risks and uncertainties for the remaining six months of the year; and

  (b) DTR 4.2.8 of the Disclosure and Transparency Rules, being related party transactions that have taken place in the first six months of the current financial year and that have materially affected the financial position or performance of the entity during that period; and any material changes in the related party transactions described in the last annual report that could do so.

Board

Chris Bull, Chief Executive Officer, resigned with effect from 18 December 2014 following four and a half years' service with the Company. The Board would like to thank Chris for his contribution during this time and wish him well for the future. Chris has been replaced by Rik De Vos who joined the Board on 2 February 2015.

Chris Smith joined the Board as Chief Financial Officer on 7 January 2015. The Board would like to express its thanks to David Main who acted as Interim Chief Financial Officer in the period before Chris joined the company.

On behalf of the Board

Iain Napier, Chairman
Rik De Vos, Chief Executive Officer
Chris Smith, Chief Financial Officer

4 February 2015

Independent review report to McBride plc

Introduction
We have been engaged by the company to review the condensed set of financial statements in the half-year report for the six months ended 31 December 2014, which comprises the Condensed Interim Consolidated Income Statement, the Condensed Interim Consolidated Statement of Comprehensive Income, Condensed Interim Consolidated Balance Sheet, the Condensed Interim Consolidated Cash Flow Statement, the Condensed Interim Consolidated Statement of Changes in Equity and related notes.

We have read the other information contained in the half-yearly financial report and considered whether it contains any apparent misstatements or material inconsistencies with the information in the condensed set of financial statements.

Directors' responsibilities
The half-yearly financial report is the responsibility of, and has been approved by, the directors. The directors are responsible for preparing the half-yearly financial report in accordance with the Disclosure and Transparency Rules of the United Kingdom's Financial Conduct Authority.

As disclosed in note 1, the annual financial statements of the group are prepared in accordance with IFRSs as adopted by the European Union. The condensed set of financial statements included in this half-yearly financial report has been prepared in accordance with International Accounting Standard 34, 'Interim Financial Reporting', as adopted by the European Union.

Our responsibility
Our responsibility is to express to the company a conclusion on the condensed set of financial statements in the half-yearly financial report based on our review. This report, including the conclusion, has been prepared for and only for the company for the purpose of the Disclosure and Transparency Rules of the Financial Conduct Authority and for no other purpose. We do not, in producing this report, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Scope of review
We conducted our review in accordance with International Standard on Review Engagements (UK and Ireland) 2410, 'Review of Interim Financial Information Performed by the Independent Auditor of the Entity' issued by the Auditing Practices Board for use in the United Kingdom. A review of interim financial information consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (UK and Ireland) and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion
Based on our review, nothing has come to our attention that causes us to believe that the condensed set of financial statements in the half-yearly financial report for the six months ended 31 December 2014 is not prepared, in all material respects, in accordance with International Accounting Standard 34 as adopted by the European Union and the Disclosure and Transparency Rules of the United Kingdom's Financial Conduct Authority.

PricewaterhouseCoopers LLP
Chartered Accountants
London

Notes:
(a) The maintenance and integrity of the McBride plc website is the responsibility of the directors; the work carried out by the auditors does not involve consideration of these matters and, accordingly, the auditors accept no responsibility for any changes that may have occurred to the financial statements since they were initially presented on the website.
(b) Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Condensed interim consolidated income statement

	Note	**Unaudited 6 months to 31 Dec 2014 £m**	Unaudited 6 months to 31 Dec 2013 £m	Audited Year ended 30 Jun 2014 £m
Revenue	5	**364.7**	380.3	744.2
Cost of sales		**(240.6)**	(253.9)	(494.7)
Gross profit		**124.1**	126.4	249.5
Distribution costs		**(24.8)**	(26.3)	(49.0)
Administrative costs		**(88.2)**	(93.1)	(214.4)
Operating profit/(loss)	5	**11.1**	7.0	(13.9)
Net finance costs		**(3.8)**	(3.3)	(7.4)
Profit before tax/(loss)		**7.3**	3.7	(21.3)
Taxation	8	**(2.2)**	(0.7)	2.2
Profit/(loss) for the period attributable to owners of the Company		**5.1**	3.0	(19.1)

	Note	**Unaudited 6 months to 31 Dec 2014 £m**	Unaudited 6 months to 31 Dec 2013 £m	Audited Year ended 30 Jun 2014 £m
Operating profit/(loss)	5	**11.1**	7.0	(13.9)
Adjusted for:				
Amortisation of intangible assets		**0.6**	0.6	1.4
Exceptional items		**0.8**	2.6	34.5
Adjusted operating profit	5	**12.5**	10.2	22.0

	Note	**Unaudited 6 months to 31 Dec 2014**	Unaudited 6 months to 31 Dec 2013	Audited Year ended 30 Jun 2014
Earnings/(loss) per ordinary share	7			
Basic		**2.8p**	1.6p	(10.5)p
Diluted		**2.8p**	1.6p	(10.5)p

Condensed interim consolidated statement of comprehensive income

	Unaudited 6 months to 31 Dec 2014 £m	Unaudited 6 months to 31 Dec 2013 £m	Audited Year ended 30 Jun 2014 £m
Profit/(loss) for the period attributable to owners of the Company	**5.1**	3.0	(19.1)
Other comprehensive (expense)/income			
Items that may be reclassified to profit and loss:			
Currency translation differences on foreign subsidiaries	**(7.6)**	(3.4)	(10.7)
Gain on net investment hedges	**7.3**	2.7	10.3
Gain/(loss) on cash flow hedges	**0.9**	(2.6)	(4.6)
Gain/(loss) on cash flow hedges transferred to profit or loss	**0.2**	0.4	(0.3)
Taxation relating to items above	**(1.3)**	0.5	0.5
	(0.5)	(2.4)	(4.8)
Items that will not be reclassified to profit or loss:			
Net actuarial loss on post-employment benefits	**(1.7)**	(5.1)	(5.2)
Taxation relating to item above	**0.3**	0.3	0.1
	(1.4)	(4.8)	(5.1)
Total other comprehensive expense	**(1.9)**	(7.2)	(9.9)
Total comprehensive income/(expense) for the period	**3.2**	(4.2)	(29.0)

Condensed interim consolidated balance sheet

	Note	**Unaudited as at 31 Dec 2014 £m**	Unaudited as at 31 Dec 2013 £m	Audited as at 30 Jun 2014 £m
Non-current assets				
Goodwill		**23.7**	30.6	23.9
Other intangible assets		**2.0**	3.0	2.4
Property, plant and equipment	6	**139.7**	165.5	143.4
Derivative financial instruments	4	**4.2**	–	–
Deferred tax assets		**13.5**	8.8	14.1
Other non-current assets		**0.5**	0.6	0.5
		183.6	208.5	184.3
Current assets				
Inventories		**69.1**	81.4	66.6
Trade and other receivables		**133.5**	133.0	142.5
Derivative financial instruments		**0.9**	0.5	0.2
Cash and cash equivalents	10	**25.7**	16.3	34.9
Assets classified as held for sale		**1.2**	1.3	1.2
		230.4	232.5	245.4
Total assets		**414.0**	441.0	429.7
Current liabilities				
Trade and other payables		**184.2**	186.1	180.2
Borrowings	4	**29.6**	47.5	33.1
Derivative financial instruments	4	**1.3**	0.9	0.8
Current tax liabilities		**4.8**	6.0	6.4
Provisions		**3.8**	1.7	8.9
		223.7	242.2	229.4
Non-current liabilities				
Trade and other payables		**0.5**	5.3	0.4
Borrowings	4	**82.1**	53.6	86.9
Derivative financial instruments	4	**0.2**	2.8	3.9
Pensions and other post-employment benefits	13	**31.5**	30.5	30.4
Provisions		**2.5**	0.5	2.5
Deferred tax liabilities		**7.7**	9.5	7.6
		124.5	102.2	131.7
Total liabilities		**348.2**	344.4	361.1
Net assets		**65.8**	96.6	68.6
Equity				
Issued share capital		**18.3**	18.3	18.3
Share premium account		**105.5**	114.6	111.5
Other reserves		**31.6**	25.9	26.5
Accumulated loss		**(90.2)**	(62.8)	(88.3)
Equity attributable to owners of the Company		**65.2**	96.0	68.0
Non-controlling interests		**0.6**	0.6	0.6
Total equity		**65.8**	96.6	68.6

Condensed interim consolidated cash flow statement

	Note	**Unaudited 6 months to 31 Dec 2014 £m**	Unaudited 6 months to 31 Dec 2013 £m	Audited Year ended 30 Jun 2014 £m
Operating activities				
Profit/(loss) before tax		**7.3**	3.7	(21.3)
Net finance costs		**3.8**	3.3	7.4
Exceptional items	11	**0.8**	2.6	34.5
Share-based payments		**0.1**	0.1	–
Loss on sale of non-current assets		**–**	0.1	–
Depreciation of property, plant and equipment	6	**10.2**	11.8	23.5
Amortisation of intangible assets		**0.6**	0.6	1.4
Operating cash flow before changes in working capital		**22.8**	22.2	45.5
Decrease/(increase) in receivables		**5.9**	8.9	(3.2)
(Increase)/decrease in inventories		**(3.9)**	2.0	15.3
Increase/(decrease) in payables		**7.2**	(8.3)	(14.9)
Operating cash flow after changes in working capital		**32.0**	24.8	42.7
Additional cash funding of pension schemes		**(1.3)**	(1.3)	(2.1)
Cash flow from operations before exceptional items		**30.7**	23.5	40.6
Cash outflow in respect of exceptional items		**(5.8)**	(3.0)	(4.2)
Cash generated from operations		**24.9**	20.5	36.4
Interest paid		**(3.0)**	(2.4)	(5.6)
Taxation paid		**(4.1)**	(5.0)	(8.3)
Net cash from operating activities		**17.8**	13.1	22.5
Investing activities				
Proceeds from sale of non-current assets		**0.2**	0.1	0.5
Purchase of property, plant and equipment		**(9.8)**	(8.3)	(18.2)
Purchase of intangible assets		**(0.2)**	(0.3)	(0.6)
Settlement of derivatives used in net investment hedging		**0.2**	0.9	1.3
Net cash used in investing activities		**(9.6)**	(7.6)	(17.0)
Financing activities				
Redemption of B Shares		**(5.6)**	(5.9)	(8.9)
Drawdown of bank loans		**54.5**	59.9	134.7
Repayment of bank loans		**(65.9)**	(38.1)	(87.6)
Capital element of finance lease rentals		**(0.2)**	–	–
Net cash generated/(used in) from financing activities		**(17.2)**	15.9	38.2
(Decrease)/increase in net cash and cash equivalents		**(9.0)**	21.4	43.7
Net cash and cash equivalents at start of the period		**34.9**	(8.3)	(8.3)
Currency translation differences		**(0.2)**	–	(0.5)
Net cash and cash equivalents at end of the period		**25.7**	13.1	34.9
Net cash and cash equivalents comprise:				
Cash and cash equivalents		**28.2**	16.3	35.3
Overdrafts		**(2.5)**	(3.2)	(0.4)
Net cash and cash equivalents at end of the period		**25.7**	13.1	34.9

Condensed interim consolidated statement of changes in equity

	Issued share capital £m	Share premium account £m	Other reserves: Cash flow hedge reserve £m	Other reserves: Currency translation reserve £m	Other reserves: Capital redemption reserve £m	Accumulated loss £m	Equity attributable to owners of the Company Total £m	Non-controlling interests £m	Total equity and reserves £m
At 1 July 2013	18.3	120.6	(1.4)	(0.7)	24.5	(55.2)	106.1	0.6	106.7
Loss for the period	–	–	–	–	–	3.0	3.0	–	3.0
Other comprehensive (expense)/income									
Items that may be reclassified to profit or loss:									
Currency translation differences on foreign subsidiaries	–	–	–	(3.4)	–	–	(3.4)	–	(3.4)
Gain on net investment hedges	–	–	–	2.7	–	–	2.7	–	2.7
Loss on cash flow hedges in the period	–	–	(2.6)	–	–	–	(2.6)	–	(2.6)
Loss on cash flow hedges transferred to profit or loss	–	–	0.4	–	–	–	0.4	–	0.4
Taxation relating to items above	–	–	0.5	–	–	–	0.5	–	0.5
	–	–	(1.7)	(0.7)	–	–	(2.4)	–	(2.4)
Items that will not be reclassified to profit or loss:									
Net actuarial loss on post-employment benefits	–	–	–	–	–	(5.1)	(5.1)	–	(5.1)
Taxation relating to items above	–	–	–	–	–	0.3	0.3	–	0.3
	–	–	–	–	–	(4.8)	(4.8)	–	(4.8)
Total other comprehensive expense	–	–	(1.7)	(0.7)	–	(4.8)	(7.2)	–	(7.2)
Total comprehensive expense	–	–	(1.7)	(0.7)	–	(1.8)	(4.2)	–	(4.2)
Transactions with owners of the Company									
Issue of B Shares	–	(6.0)	–	–	–	–	(6.0)	–	(6.0)
Redemption of B Shares	–	–	–	–	5.9	(5.9)	–	–	–
Share-based payments	–	–	–	–	–	0.1	0.1	–	0.1
At 31 December 2013	**18.3**	**114.6**	**(3.1)**	**(1.4)**	**30.4**	**(62.8)**	**96.0**	**0.6**	**96.6**

Condensed interim consolidated statement of changes in equity continued

	Issued share capital £m	Share premium account £m	Other reserves: Cash flow hedge reserve £m	Other reserves: Currency translation reserve £m	Other reserves: Capital redemption reserve £m	Accumulated loss £m	Equity attributable to owners of the Company Total £m	Non-controlling interests £m	Total equity and reserves £m
At 1 July 2013	18.3	120.6	(1.4)	(0.7)	24.5	(55.2)	106.1	0.6	106.7
Profit for the year	–	–	–	–	–	(19.1)	(19.1)	–	(19.1)
Other comprehensive income/(expense)									
Items that may be reclassified to profit or loss:									
Currency translation differences on foreign subsidiaries	–	–	–	(10.7)	–	–	(10.7)	–	(10.7)
Gain on net investment hedges	–	–	–	10.3	–	–	10.3	–	10.3
Loss on cash flow hedges in the year	–	–	(4.6)	–	–	–	(4.6)	–	(4.6)
Loss on cash flow hedges transferred to profit or loss	–	–	(0.3)	–	–	–	(0.3)	–	(0.3)
Taxation relating to items above	–	–	0.5	–	–	–	0.5	–	0.5
	–	–	(4.4)	(0.4)	–	–	(4.8)	–	(4.8)
Items that will not be reclassified to profit or loss:									
Net actuarial loss on post-employment benefits	–	–	–	–	–	(5.2)	(5.2)	–	(5.2)
Taxation relating to items above	–	–	–	–	–	0.1	0.1	–	0.1
	–	–	–	–	–	(5.1)	(5.1)	–	(5.1)
Total other comprehensive expense	–	–	(4.4)	(0.4)	–	(5.1)	(9.9)	–	(9.9)
Total comprehensive expense	–	–	(4.4)	(0.4)	–	(24.2)	(29.0)	–	(29.0)
Transactions with owners of the Company									
Issue of B Shares	–	(9.1)	–	–	–	–	(9.1)	–	(9.1)
Redemption of B Shares	–	–	–	–	8.9	(8.9)	–	–	–
At 30 June 2014	**18.3**	**111.5**	**(5.8)**	**(1.1)**	**33.4**	**(88.3)**	**68.0**	**0.6**	**68.6**

Condensed interim consolidated statement of changes in equity continued

	Issued share capital £m	Share premium account £m	Other reserves: Cash flow hedge reserve £m	Other reserves: Currency translation reserve £m	Other reserves: Capital redemption reserve £m	Accumulated loss £m	Equity attributable to owners of the Company Total £m	Non-controlling interests £m	Total equity and reserves £m
At 1 July 2014	18.3	111.5	(5.8)	(1.1)	33.4	(88.3)	68.0	0.6	68.6
Profit for the period	–	–	–	–	–	5.1	5.1	–	5.1
Other comprehensive income/(expense)									
Items that may be reclassified to profit or loss:									
Currency translation differences on foreign subsidiaries	–	–	–	(7.6)	–	–	(7.6)	–	(7.6)
Gain on net investment hedges	–	–	–	7.3	–	–	7.3	–	7.3
Gain on cash flow hedges in the period	–	–	0.9	–	–	–	0.9	–	0.9
Gain on cash flow hedges transferred to profit or loss	–	–	0.2	–	–	–	0.2	–	0.2
Taxation relating to items above	–	–	(0.2)	(1.1)	–	–	(1.3)	–	(1.3)
	–	–	0.9	(1.4)	–	–	(0.5)	–	(0.5)
Items that will not be reclassified to profit or loss:									
Net actuarial loss on post-employment benefits	–	–	–	–	–	(1.7)	(1.7)	–	(1.7)
Taxation relating to items above	–	–	–	–	–	0.3	0.3	–	0.3
	–	–	–	–	–	(1.4)	(1.4)	–	(1.4)
Total other comprehensive expense	–	–	0.9	(1.4)	–	(1.4)	(1.9)	–	(1.9)
Total comprehensive expense	–	–	0.9	(1.4)	–	3.7	3.2	–	3.2
Transactions with owners of the Company									
Issue of B Shares	–	(6.0)	–	–	–	–	(6.0)	–	(6.0)
Redemption of B Shares	–	–	–	–	5.6	(5.6)	–	–	–
At 31 December 2014	**18.3**	**105.5**	**(4.9)**	**(2.5)**	**39.0**	**(90.2)**	**65.2**	**0.6**	**65.8**

Notes to the condensed interim financial statements

1. Basis of preparation

McBride plc ('the Company') is a company incorporated and domiciled in the United Kingdom. The Company's ordinary shares are listed on the London Stock Exchange. The registered office of the Company is Middleton Way, Middleton, Manchester, M24 4DP.

The Company and its subsidiaries (together, 'the Group') comprise Europe's leading provider of Private Label Household and Personal Care products to major retailers.

This Half Year Report has been prepared in accordance with the Disclosure and Transparency Rules of the United Kingdom Financial Conduct Authority; IAS 34 'Interim Financial Reporting' as adopted by the European Union; on the basis of the accounting policies and the recognition and measurement requirements of IFRS applied in the financial statements at 30 June 2014 and those standards that have been endorsed by the European Union and will be applied at 30 June 2015. This report should be read in conjunction with the financial statements for the year ended 30 June 2014.

The results for each half-year are unaudited and do not represent the Group's statutory accounts within the meaning of Section 434 of the Companies Act 2006. The interim financial information has been reviewed, not audited. The Group's statutory accounts were approved by the Directors on 2 September 2014 and have been reported on by PricewaterhouseCoopers LLP and delivered to the Registrar of Companies. The report of PricewaterhouseCoopers LLP was (i) unqualified, (ii) did not include a reference to any matters to which the auditors drew attention by way of emphasis without qualifying their report and (iii) did not contain a statement under section 498 of the Companies Act 2006.

Going concern basis

The Group meets its funding requirements through internal cash generation and bank credit facilities, most of which are committed until April 2019. At 31 December 2014, committed undrawn facilities amounted to £103.1 million. The Group's forecasts and projections, taking account of reasonably possible changes in trading performance, show that the Group will be able to operate comfortably within its current bank facilities.

The Group has a relatively conservative level of debt-to-equity gearing. As a result, the Directors believe that the Group is well placed to manage its business risks successfully despite the current uncertain economic outlook. After making enquiries, the Directors have a reasonable expectation that the Company and the Group have adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis.

The condensed interim consolidated financial statements were approved by the Board on 4 February 2015.

2. Accounting policies

The accounting policies adopted are consistent with those of the annual financial statements for the year ended 30 June 2014, except for:

- IFRS 10, 'Consolidated financial statements'
- IFRS 11, 'Joint arrangements'
- IFRS 12, 'Disclosures of interests in other entities'
- IAS 27 (revised 2011), 'Separate financial statements'
- IAS 28 (revised 2011), 'Associates and joint ventures'
- Amendments to IAS 32 on financial instruments asset and liability offsetting
- Amendment to IAS 36, 'Impairment of assets' on recoverable amount disclosures
- Amendment to IAS 39, 'Financial instruments: Recognition and measurement' on novation of derivatives and hedge accounting
- Annual improvement projects 2012 and 2013

All of the above changes to accounting policies will have no financial effect on the consolidated financial statements for the year ended 30 June 2014.

Adjusted results

The Group believes that adjusted operating profit and adjusted earnings per share provide additional useful information to shareholders on the underlying performance achieved by the Group. These measures are used for internal performance analysis and short- and long-term incentive arrangements for employees. Adjusting items include amortisation of intangible assets, exceptional items, changes in estimates of contingent consideration arising on business combinations, any non-cash financing costs from unwind of discount on initial recognition of contingent consideration and any related tax.

Notes to the condensed interim financial statements continued

Segment reporting
For segment reporting purposes the Board, designated as Chief Operating Decision Maker ('CODM'), regularly reviews the adjusted result described above as the profit measure by operating segment – excluding unallocated corporate expenses, to assess performance and allocate resources. Therefore, the segment profit measure is defined as adjusted results excluding unallocated corporate expenses. This measure is believed to be the most representative of the underlying performance of the Group.

Taxation
Taxation in the interim period is accrued using the tax rate that would be applicable to the expected annual profit or loss.

3. Critical accounting judgements and estimates
The preparation of the condensed interim financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

In preparing these condensed interim financial statements, the significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those applied to the consolidated financial statements for the year ended 30 June 2014.

4. Financial risk management
The Group's activities expose it to a variety of financial risks: market risk (including currency risk, fair value interest rate risk, cash flow interest rate risk and price risk), credit risk and liquidity risk.

The condensed interim financial statements do not include all financial risk management information and disclosures required in the annual financial statements and they should be read in conjunction with the Group's annual financial statements as at 30 June 2014. There have been no changes in the risk management policies since the year end.

The table below analyses financial instruments carried at fair value, by valuation method. The different levels have been defined as follows:

- Level 1 – Unadjusted quoted prices in active markets for identical assets or liabilities.
- Level 2 – Inputs other than Level 1 that are observable for the asset or liability, either directly (prices) or indirectly (derived from prices).
- Level 3 – Inputs that are not based on observable market data (unobservable inputs).

	Unaudited 6 months to 31 Dec 2014 £m	Unaudited 6 months to 31 Dec 2013 £m	Audited Year ended 30 Jun 2014 £m
Assets			
Level 2:			
Derivative financial instruments			
– Forward currency contracts	**0.5**	–	0.2
– Cross currency interest rate swaps	**4.2**	–	–
– Average rate options	**0.4**	0.3	–
– Interest rate caps	**–**	0.2	–
Total assets	**5.1**	0.5	0.2
Liabilities			
Level 2:			
Derivative financial instruments			
– Forward currency contracts	**(0.7)**	(0.9)	(0.8)
– Cross currency interest rate swaps	**–**	(1.3)	(2.7)
– Interest rate swaps	**(0.8)**	(1.5)	(1.2)
	(1.5)	(3.7)	(4.7)
Level 3:			
Contingent consideration	**(0.5)**	(5.3)	(0.4)
Total liabilities	**(2.0)**	(9.0)	(5.1)

Notes to the condensed interim financial statements continued

Derivative financial instruments
Derivative financial instruments comprise the foreign currency derivatives and interest rate derivatives that are held by the Group in designated hedging relationships. Foreign currency forward contracts are measured by reference to prevailing forward exchange rates. Foreign currency options are measured using a variant of the Monte Carlo valuation model. Interest rate swaps and caps are measured by discounting the related cash flows using yield curves derived from prevailing market interest rates.

Contingent consideration
Contingent consideration is measured at fair value based upon management's estimates of the future sales and profitability of the acquired business.

On 1 September 2010, the Group acquired 70% of the share capital of Dermacol a.s., a manufacturer of Skincare products in the Czech Republic. Under the terms of the acquisition, the Group agreed to pay fixed installments on completion and within one year of completion and further installments based on Dermacol's revenue in each financial year in the five-year period ending 30 June 2017. The Group also agreed to purchase the remaining 30% of the share capital of Dermacol in 2017 for consideration based on Dermacol's operating profit for the financial year ending 30 June 2017.

Valuation levels and techniques
There were no transfers between levels during the period and no changes in valuation techniques.

Financial assets and liabilities measured at amortised cost
The fair value of borrowings are as follows:

	Unaudited as at 31 Dec 2014 £m	Unaudited as at 31 Dec 2013 £m	Audited as at 30 Jun 2014 £m
Current	**29.6**	47.5	33.1
Non current	**82.1**	53.6	86.9
Total borrowings	**111.7**	101.1	120.0

The fair value of the following financial assets and liabilities approximate to their carrying amount:

- Trade and other receivables
- Other current financial assets
- Cash and cash equivalents
- Trade and other payables

5. Segment information
While the Group is managed on a functional basis, its markets are defined by geography. Accordingly, the Group's operating segments continue to be determined on a geographical basis.

	Unaudited 6 months to 31 Dec 2014 £m	Unaudited 6 months to 31 Dec 2013 £m	Audited Year ended 30 Jun 2014 £m
United Kingdom	**127.6**	132.8	259.0
Western Europe	**205.5**	214.3	419.5
Rest of the World	**31.6**	33.2	65.7
Total segment revenue	**364.7**	380.3	744.2

	Unaudited 6 months to 31 Dec 2014 £m	Unaudited 6 months to 31 Dec 2013 £m	Audited Year ended 30 Jun 2014 £m
United Kingdom	**5.3**	2.1	4.2
Western Europe	**10.2**	10.8	19.8
Rest of the World	**0.4**	0.4	4.2
Total segment profit	**15.9**	13.3	28.2

Notes to the condensed interim financial statements continued

Reconciliation of segment profit to profit/(loss) before tax

	Unaudited 6 months to 31 Dec 2014 £m	Unaudited 6 months to 31 Dec 2013 £m	Audited Year ended 30 Jun 2014 £m
Total segment profit	**15.9**	13.3	28.2
Corporate costs	**(3.4)**	(3.1)	(6.2)
Adjusted operating profit	**12.5**	10.2	22.0
Amortisation of intangible assets	**(0.6)**	(0.6)	(1.4)
Exceptional items	**(0.8)**	(2.6)	(34.5)
Operating profit/(loss)	**11.1**	7.0	(13.9)
Net financing costs	**(3.8)**	(3.3)	(7.4)
Profit/(loss) before tax	**7.3**	3.7	(21.3)

	Unaudited as at 31 Dec 2014 £m	Unaudited as at 31 Dec 2013 £m	Audited as at 30 Jun 2014 £m
United Kingdom	**145.1**	162.9	162.1
Western Europe	**210.6**	219.3	229.0
Rest of the World	**35.2**	56.1	35.7
Total segment assets	**390.9**	438.3	426.8
Corporate	**23.1**	2.7	2.9
Total assets	**414.0**	441.0	429.7

	Unaudited as at 31 Dec 2014 £m	Unaudited as at 31 Dec 2013 £m	Audited as at 30 Jun 2014 £m
United Kingdom	**(113.9)**	(118.9)	(120.1)
Western Europe	**(139.6)**	(134.3)	(145.0)
Rest of the World	**(18.3)**	(18.4)	(14.2)
Total segment liabilities	**(271.8)**	(271.6)	(279.3)
Corporate	**(76.4)**	(72.8)	(81.8)
Total liabilities	**(348.2)**	(344.4)	(361.1)

6. Property, plant and equipment

	Total £m
Net book value at 1 July 2014 (audited)	143.4
Exchange movements	(2.7)
Additions	9.2
Depreciation charge	(10.2)
Net book value at 31 December 2014 (unaudited)	**139.7**

Capital commitments as at 31 December 2014 amounted to £6.7 million (2013: £7.0m).

7. Earnings/(loss)per ordinary share

		Unaudited 6 months to 31 Dec 2014	Unaudited 6 months to 31 Dec 2013	Audited Year ended 30 Jun 2014
Earnings (£m)	a	**5.1**	3.0	(19.1)
Weighted average number of ordinary shares in issue (million)	b	**182.2**	182.2	182.2
Basic earnings/(loss) per share	a/b	**2.8p**	1.6p	(10.5)p

Notes to the condensed interim financial statements continued

Diluted earnings per share is calculated by adjusting the weighted average number of ordinary shares in issue on assumption of conversion of all potentially dilutive ordinary shares. During the period, the Company had equity settled LTIP awards with a nil exercise price that are potentially dilutive ordinary shares.

		Unaudited 6 months to 31 Dec 2014	Unaudited 6 months to 31 Dec 2013	Audited Year ended 30 Jun 2014
Weighted average number of ordinary shares (million)	b	**182.2**	182.2	182.2
Effect of dilutive LTIP awards (million)		**0.2**	0.7	–
Weighted average number of ordinary shares for calculating diluted earnings per share (million)	c	**182.4**	182.9	182.2
Diluted earnings/(loss) per share	a/c	**2.8p**	1.6p	(10.5)p

Adjusted basic earnings per share applies to earnings excluding adjusting items as defined in note 2 since the directors consider that this gives additional information as to the underlying performance of the Group.

(£m)		**Unaudited 6 months to 31 Dec 2014**	Unaudited 6 months to 31 Dec 2013	Audited Year ended 30 Jun 2014
Earnings used to calculate basic and diluted EPS	a	**5.1**	3.0	(19.1)
Amortisation of intangible assets		**0.6**	0.6	1.4
Exceptional items		**0.8**	2.6	34.5
Unwind of discount on contingent consideration		**–**	0.1	0.2
Taxation relating to the above items		**(0.3)**	(0.8)	(7.3)
Earnings for calculating adjusting earning per share	d	**6.2**	5.5	9.7
Adjusted basic earnings per share	d/b	**3.4p**	3.0p	5.3p
Adjusted diluted earnings per share	d/c	**3.4p**	3.0p	5.3p

8. Taxation

The £2.2 million (Year ended 30 June 2014: £2.2m) tax charge reflects an effective tax rate of 30% (Year ended 30 June 2014: 34%), the decrease is due to a change in the jurisdictions in which Group profits arise, derived mainly from an improvement in UK profitability.

9. Payments to shareholders

Payments to ordinary shareholders are made by way of the issue of B Shares in place of income distributions. Ordinary shareholders are able to redeem any number of the B Shares issued to them for cash. Any B Shares that they retain attract a dividend of 75 per cent of LIBOR on the 0.1 pence nominal value of each share, paid on a twice-yearly basis.

Payments to ordinary shareholders made or proposed in respect of each period were as follows:

	Unaudited 6 months to 31 Dec 2014*	Unaudited 6 months to 31 Dec 2013	Audited Year ended 30 Jun 2014
Interim	**1.7p**	1.7p	1.7p
Final	**n/a**	n/a	3.3p

* Interim payment to shareholders that is not recognised within these condensed interim consolidated financial statements.

Movements in the B Shares were as follows:

	Number	Nominal value £m
At 1 July 2013 (audited)	394,892,632	0.4
Issued	6,012,907,197	6.0
Redeemed	(5,918,285,044)	(5.9)
At 31 December 2013 (unaudited)	**489,514,785**	**0.5**
Issued	3,097,558,253	3.1
Redeemed	(3,008,622,119)	(3.0)
At 30 June 2014 (audited)	**578,450,919**	**0.6**
Issued	6,012,907,197	6.0
Redeemed	(5,580,803,984)	(5.6)
At 31 December 2014 (unaudited)	**1,010,554,132**	**1.0**

Notes to the condensed interim financial statements continued

10. Net debt

	Audited as at 30 Jun 2014 £m	Cash flow £m	Exchange differences £m	**Unaudited as at 31 Dec 2014 £m**
Cash and cash equivalents	35.3	(6.8)	(0.3)	**28.2**
Overdrafts	(0.4)	(2.2)	0.1	**(2.5)**
Net cash and cash equivalents	34.9	(9.0)	(0.2)	**25.7**
Bank and other loans	(119.3)	11.4	(3.7)	**(111.6)**
Finance lease liabilities	(0.3)	0.2	–	**(0.1)**
Net debt	(84.7)	2.6	(3.9)	**(86.0)**

11. Exceptional items

Exceptional items are presented separately as, due to their nature or the infrequency of the events giving rise to them, this allows users of the financial statements to understand better the elements of financial performance for the year, to facilitate comparison with prior periods, and to assess the trends of financial performance.

During the period ended 31 December 2014, the Group recognised exceptional costs of £0.8 million in relation to managing the substantial change process concerning CLP compliance by 1 June 2015.

12. Related party transactions

Transactions between the Company and its subsidiaries, which are related parties of the Company, have been eliminated on consolidation and, therefore, are not required to be disclosed in these condensed interim financial statements.

Key management compensation and transactions with the Group's pension and post-employment schemes for the financial year ended 30 June 2014 are detailed in note 28 (page 78) McBride plc's Annual Report and Accounts 2014. A copy of McBride plc's Annual Report and Accounts 2014 is available on McBride's website at **www.mcbride.co.uk**. Although there have been changes in the composition of the Executive Management Team since the year end, there are no other related party transactions.

13. Pensions and post-employment benefits

The Group operates a number of post-employment benefit arrangements. In the UK, the Group operates a defined benefit pension scheme and defined contribution schemes. Together, these schemes cover most of the Group's UK employees. Elsewhere in Europe, the Group has a number of unfunded post-employment benefit arrangements.

During 2014, a triennial valuation of the Robert McBride Pension Fund ('the Fund') as at 31 March 2012 was finalised. The valuation for the purpose of the Fund showed a deficit in the Fund of £32.7 million. The Group has agreed with the Trustees that it will aim to eliminate the deficit in the Fund by 2026 and increase its monthly deficit-funding contributions with effect from July 2013. Overall, the Group expects to contribute £3.9 million to the Fund during 2015.

For accounting purposes, the Fund's benefit obligation as at 31 December 2014 has been calculated based on data gathered for the triennial actuarial valuation and by applying assumptions made by the Group on the advice of an independent actuary in accordance with IAS 19 'Employee Benefits'. The next triennial valuation of the UK defined benefit scheme will have an effective date of 31 March 2015.

14. Key Performance Indicators (KPIs)

Management uses a number of KPIs to measure the Group's performance and progress against its strategic objectives. The most important of these are noted and defined below:

- Organic revenue growth – Change in revenue adjusted for the effect of exchange rate movements (constant currency).
- Adjusted operating profit – Operating profit before adjusting items.
- Adjusted operating margin – Adjusted operating profit as a percentage of revenue.
- Adjusted diluted earnings per share – Profit attributable to shareholders before adjusting items divided by the weighted average number of ordinary shares used for calculating diluting earnings per share.
- Return on capital employed – Adjusted operating profit as a percentage of average year-end net assets excluding net debt.

Other information

Financial calendar for the year ending 30 June 2015

Payments to shareholders		
Interim	Announcement	5 February 2015
	Entitlement to B Shares	24 April 2015
	Redemption of B Shares	29 May 2015
Final	Announcement	3 September 2015
	Entitlement to B Shares	October 2015
	Redemption of B Shares	November 2015
Results		
Interim	Announcement	5 February 2015
Preliminary statement for full year	Announcement	3 September 2015
Annual Report and Accounts 2015	Circulated	September 2015
Annual General Meeting	To be held	20 October 2015

Exchange rates

The exchange rates used for conversion to sterling were as follows:

	Unaudited 6 months to 31 Dec 2014	Unaudited 6 months to 31 Dec 2013	Audited Year ended 30 Jun 2014
Average rate:			
Euro	**1.26**	1.18	1.20
Polish Zloty	**5.30**	4.98	5.03
Czech Koruna	**34.91**	31.00	32.22
Hungarian Forint	**392.20**	351.32	362.67
Malaysian Ringgit	**5.33**	5.11	5.28
Australian Dollar	**1.83**	1.72	1.77
Chinese Yuan	**10.01**	9.68	9.99
Closing rate:			
Euro	**1.28**	1.20	1.25
Polish Zloty	**5.49**	4.98	5.19
Czech Koruna	**35.61**	32.90	34.25
Hungarian Forint	**405.11**	356.29	385.90
Malaysian Ringgit	**5.45**	5.42	5.47
Australian Dollar	**1.90**	1.85	1.81
Chinese Yuan	**9.67**	10.01	10.57

Shareholder information

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McBride has been accepted into the FTSE4Good Index Series of leading companies which meet globally recognised corporate responsibility standards.

McBride has been a leading contributor in the development of the A.I.S.E. Charter for sustainable cleaning and was the first Private Label company to achieve Charter status.