McBride plc
Interim report 2006

Behind the label

Who we are and what we do

McBride is Europe's leading provider of Private Label household and personal care products, and we are totally dedicated to the sustained growth of Private Label category sales.

Working closely with our customers, we develop products to meet their demands for price, service and innovation. Our technical expertise ensures that our retail customers' Private Label products can match or exceed the performance of major brand equivalents.

Our company culture strives to promote team working, open-mindedness and respect for colleagues, customers and suppliers. This helps us deliver on our commitment to continuous improvement and delivering on our promises.

It's what happens behind the label that sets us apart

Highlights

- Results in line with market expectations
- Group revenue up 3% at £278.2m (2005: £270.4m) with UK sales up 9%
- Profit before tax up 5% to £15.6m (2005: £14.9m)
- Basic earnings per share up 9% to 6.3p (2005: 5.8p)
- Underlying cash flow* at £12.2m (2005: £11.7m)
- Net debt of £25.1m, a reduction of £4m
- Interim dividend per share of 1.7p, up 6% (2005: 1.6p)
- Acquisition of Dasty Italia SpA, Italian Private Label household liquid business, for €29m (£19m)

*Cash flow before financing activities excluding exceptional items and acquisition of subsidiaries

"These results show good progress for the Group as a whole despite very competitive market conditions. Strong performance in the UK, Spain, Italy as well as in personal care has more than offset continued weakness in the French household products market. We continue to focus our efforts on improving innovation, service and efficiency throughout the Group.

We have today announced the acquisition of Dasty Italia SpA. This acquisition furthers our ambition to become the clear leader in the Italian market with a particular focus on the fast growing discount retail sector. The more modest acquisitions made during the last year have been successfully integrated and are performing to plan. We continue to seek further value enhancing acquisitions to strengthen our overall European market position.

Trading since the end of December has been in line with our expectations".

Miles Roberts, Chief Executive

Overview

- >> Personal care sales were up 6% at £56.9m, with continued growth in all key markets, whilst operating profit improved from £4.7m to £4.9m.
- >> Household product sales were up 2% with strong growth in the UK, Italy and Spain partly offset by a decline in France. Household sector operating profits grew by 5% in line with this change in geographic mix.
- >> UK revenue increased 9% to £134.6m (2005: £123.5m) comprising 5% from the recent Sanmex/Coventry acquisitions and 4% of organic growth. UK operating profit grew 17% to £12.3m (2005: £10.5m).
- >> The operating margin improved to 5.9% from 5.7% despite continuing increases in material input and energy costs, driven by synergies, product reformulations and overhead savings.
- >> Western Continental Europe revenue declined 2% to £138.3m (2005: £141.5m), or down 1% excluding exchange impacts, as growth in personal care, Spain and Italy was offset by a reduction in French household sales. Operating profit was £3.9m (2005: £4.6m).
- >> Revenues in Eastern Continental Europe were up 4%, to £11.8m (2005: £11.4m). However an organisational restructure and additional expenditure to facilitate our developments in the broader Eastern Continental Europe market resulted in operating profit reducing from £1.1m to £0.8m.

Acquisitions

The Group today announced the acquisition of Dasty Italia SpA, a manufacturer of household liquid products for the Italian market specialising in discount retailers. This acquisition offers us the opportunity to become the clear market leader in the growing Italian market.

The Sanmex International and Coventry Chemicals acquisitions in 2006 have both been integrated into the UK division's household liquids business and are contributing as planned.

The acquisition of Schneider, a household liquids business in Poland with turnover of around £2.0m, was completed in January 2007.

We continue to seek further value enhancing acquisitions to strengthen our overall European market position.

Current trading and outlook

Trading since the end of December has been in line with our expectations and the Group expects to maintain its progress in the second half. The focus on marketing, new product development and cost reduction initiatives, as well as considering potential value enhancing acquisition opportunities, will continue.

Dasty Italia SpA head office and production facility, Bergamo, Italy.

Automated production of trigger cleaners at Dasty.

Business overview
continued

Market and Commercial review

The UK household products market grew by nearly 4% in value for the 52 weeks ending 31 December 2006. In the same period Private Label sales increased by 6%, with particular strong performances in laundry up 8%, washing up liquids up 5%, household cleaners up 9% and air fresheners up 18%.

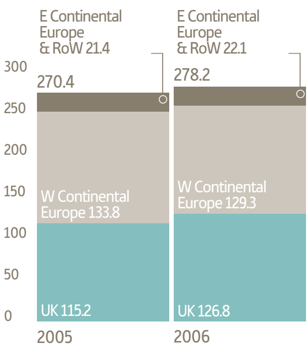
The UK personal care market was up 2% but several sectors demonstrated strong growth such as skincare up 8%, mouthwash up 15% and liquid soap up 10%. Private Label share of this market fell 2% compared to the prior year although volumes were mainly flat.

McBride gained share in the period with UK sales up 9% overall. Key developments included the launch of new products and formats in the growing ecologically sensitive and premium household and personal care ranges. We are well placed to benefit from the continuation of this trend.

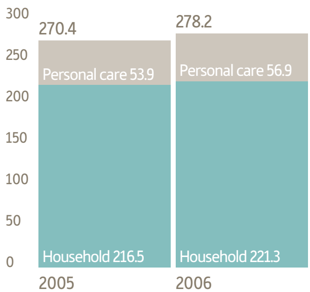
France is the Group's second largest market where we have annual revenues in the region of €240.0m (£160.0m). The French grocery market remains highly competitive partly following the introduction last year of the Loi Dutreil which encompasses supply and promotional agreements between manufacturers and retail chains. The overall value of the French household product market for the 12 months ending December 2006 was flat with 2005, this compared to a decline of 5.5% in 2005. During 2006 the market value of household Private Label products started to grow again after 2 years of falls, increasing by 1% with laundry liquids and air fresheners being the best performing sectors with value sales up 6% and 5% respectively.

Our strategy to improve returns in this market has been to focus on cost controls, product development and particularly to work with selected retailers on the marketing of their Private Label household and personal care ranges. Where we have given this focus, the initial signs are encouraging with our sales to these retailers increasing ahead of the market. The outlook for innovation is encouraging particularly in product categories such as machine dishwash, liquid textile wash and cleaners. Growth of discount retailers was flat during the year but the outlook is for further growth over the next years. The average headcount in the Western Continental European division during the half year was nearly 10% below the comparative period last year.

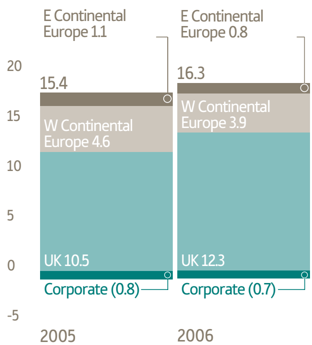
Revenue by destination (£m)
6 months to 31 December



Revenue by class of business (£m)
6 months to 31 December



Operating profit (£m)
6 months to 31 December



In Italy, the overall household cleaners and laundry products market saw growth of 3% with Private Label household cleaners up 5% and Private Label laundry products up 0.5%. Private Label products now account for 1 in every 5 products sold in Italy and the overall Private Label volume share increased from 21% to 22%. The discount sector in Italy has been a major factor in this growth of Private Label.

In the Polish household market, the overall Private Label share remains low at about 5% aimed primarily at the low value end of the market. Work is well in progress to expand and improve the current range of household and personal care products for the Polish market and we see this as a significant opportunity to build our business over the coming years. The development of our new management team for the Eastern Continental European region has been completed during the first half.

Group financial review

Overview

Profit after tax for the half year ended 31 December 2006 was £11.2m, an 8% increase over the prior year (2005: £10.4m). Key drivers included a continuing increase in personal care revenue across the Group, growth in underlying UK household sales, first time contribution and synergies from the Sanmex International and Coventry Chemicals acquisitions, continuing operational efficiencies and overhead savings. These factors were partially offset by lower French household sales as well as higher material and energy costs.

Underlying cash flow before financing and excluding acquisition of subsidiaries and exceptional items was strong at £12.2m (2005: £11.7m) and net debt declined £4.0m in the half year to £25.1m.

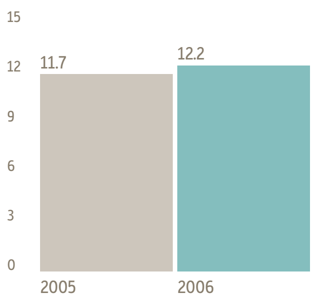
Revenue

First half revenue improved £7.8m or 3% to £278.2m (2005: £270.4m).

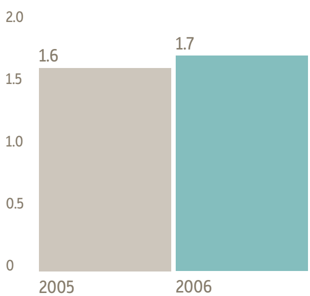
Household revenues were up 2% from £216.5m to £221.3m with acquisitions contributing £6m in the period. Organic household revenues were broadly flat with UK growth offset by lower Western Continental Europe revenues. There was also a £1m adverse currency impact due to a modest weakening of the Euro versus Sterling.

Personal care revenues were up 6% reaching £56.9m or 20% over total revenue for this half year (2005: £53.9m) with increases in both the UK and Western Continental Europe.

Underlying cash flow (£m)
(Cash flow before financing activities excluding exceptional items and acquisition of subsidiaries)
6 months to 31 December



Dividend pence per share
6 months to 31 December



Business overview
continued

By geographic region, UK revenues grew 9% to £134.6m (2005: £123.5m), with 5% from acquisition contribution and the remainder from organic growth, this comprised household up £2.5m and personal care up £2.2m. Western Continental Europe revenues contracted 2% to £138.3m (2005: £141.5m), with lower French household revenues and £1m from currency movements accounting for the adverse variance. This was partially offset by growth in household sales in Italy (up 6%) and Spain (up 8%) and personal care sales (up 1%). Eastern Continental Europe's revenues improved 4% from £11.4m to £11.8m.

Operating profit
Despite an environment of higher material, energy and packaging costs operating profit grew to £16.3m (2005: £15.4m). This £0.9m increase was driven by revenue growth from acquisitions and personal care, product reformulations and purchase savings, and from reduced overheads. The UK's operating profit increased £1.8m to £12.3m reflecting both organic growth and a contribution from acquisitions.

The 2006 full year announcement last September referred to measures taken to improve Western Continental Europe's performance. However, despite several cost reduction initiatives and improving customer service Western Continental Europe's operating profit reduced £0.7m to £3.9m primarily due to the continuing tough retail environment in France. Efforts in these and other areas will continue in the second half.

Profit before tax and tax charge
Profit before tax for the period was £15.6m (2005: £14.9m) after net financing costs of £0.7m (2005: £0.5m). The £4.4m taxation charge represents a 28% effective rate, 2% less than the prior half year and 1% less than the prior full year following changes in Belgian tax law.

Cash flow
Underlying cash flow – before financing, acquisitions and exceptional items – remained strong at £12.2m. This was an improvement on the prior year, £11.7m in the first half and £8.3m in the second half. There was a small working capital outflow of £2.3m (2005: £1.4m), with the increase reflecting higher volumes and the impact of acquisitions. Capital expenditure was slightly below depreciation at £8.0m, although this is not expected to continue in the second half when several cost saving projects will occur.

The net debt level reduced by £4.0m in the half year, to close at £25.1m. The £8.2m of non underlying net outflows included £2.7m on acquisitions, primarily Coventry Chemicals, £0.5m on 30 June 2006 exceptional items and £6.2m on dividends less £0.7m from executive share options exercised and translation movements.

Balance sheet
Net assets have risen to £108.9m from £103.9m at June 2006. The Coventry Chemicals acquisition is included within non-current assets, inventory was slightly higher and net debt has reduced. Property, plant and equipment reduced from £130.6m to £128.8m because of the weaker Euro and depreciation exceeding capital expenditure.

The average return on capital employed declined slightly to 24.4% (2005: 25.3%) despite a higher operating profit and because of the higher capital base.

Earnings per share and dividends
Basic earnings per share were 6.3p, a 9% increase on the prior year (2005: 5.8p). The weighted average number of shares in issue in the period used in calculating the earnings per share was 177,144,652 (2005: 177,575,301).

An interim dividend of 1.7p per share, a 6% increase on 2005, 1.6p, will be paid on 25 May 2007 to shareholders on the register on 27 April 2007.

Independent review report to McBride plc

Introduction

We have been instructed by the company to review the financial information for the six months ended 31 December 2006 which comprises the consolidated income statement, the consolidated balance sheet, the consolidated cash flow statement, the consolidated statement of recognised income and expense and the related notes. We have read the other information contained in the interim report and considered whether it contains any apparent misstatements or material inconsistencies with the financial information.

This report is made solely to the company in accordance with the terms of our engagement to assist the company in meeting the requirements of the Listing Rules of the Financial Services Authority. Our review has been undertaken so that we might state to the company those matters we are required to state to it in this report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company for our review work, for this report, or for the conclusions we have reached.

Directors' responsibilities

The interim report, including the financial information contained therein, is the responsibility of, and has been approved by, the directors. The directors are responsible for preparing the interim report in accordance with the Listing Rules of the Financial Services Authority which require that the accounting policies and presentation applied to the interim figures should be consistent with those applied in preparing the preceding annual accounts except where any changes, and the reasons for them, are disclosed.

Review work performed

We conducted our review in accordance with guidance contained in Bulletin 1999/4: Review of interim financial information issued by the Auditing Practices Board for use in the UK. A review consists principally of making enquiries of group management and applying analytical procedures to the financial information and underlying financial data and, based thereon, assessing whether the accounting policies and presentation have been consistently applied unless otherwise disclosed. A review excludes audit procedures such as tests of controls and verification of assets, liabilities and transactions. It is substantially less in scope than an audit performed in accordance with International Standards on Auditing (UK and Ireland) and therefore provides a lower level of assurance than an audit. Accordingly, we do not express an audit opinion on the financial information.

Review conclusion

On the basis of our review we are not aware of any material modifications that should be made to the financial information as presented for the six months ended 31 December 2006.

KPMG Audit Plc
Chartered Accountants
8 Salisbury Square
London
EC4Y 8BB

9 February 2007

Consolidated income statement

	Note	Unaudited 6 months to 31 Dec 2006 £m	Unaudited 6 months to 31 Dec 2005 £m	Audited Year ended 30 June 2006 £m
Revenue	1	**278.2**	270.4	540.1
Cost of sales		**(185.0)**	(178.3)	(355.8)
Gross profit		**93.2**	92.1	184.3
Distribution costs		**(18.9)**	(17.7)	(35.2)
Administrative costs:				
Before exceptional items		**(58.0)**	(59.0)	(118.1)
Exceptional items (note 1(a))		**–**	–	(3.8)
Administrative costs including exceptional items		**(58.0)**	(59.0)	(121.9)
Operating profit	1	**16.3**	15.4	27.2
Financial income		**2.4**	2.2	3.9
Financial expenses		**(3.1)**	(2.7)	(5.2)
Net financing costs		**(0.7)**	(0.5)	(1.3)
Profit before tax		**15.6**	14.9	25.9
Taxation	3	**(4.4)**	(4.5)	(7.5)
Profit for the period	1	**11.2**	10.4	18.4
Attributable to:				
Equity holders of the parent		**11.1**	10.3	18.2
Minority interest		**0.1**	0.1	0.2
Profit for the period		**11.2**	10.4	18.4
Earnings per ordinary share (pence)	4			
Basic		**6.3**	5.8	10.3
Diluted		**6.1**	5.7	10.1
Dividends				
Paid in period (£m)		**6.2**	5.9	8.7
Paid in period (pence per share)		**3.5**	3.3	4.9
Proposed (£m)		**3.0**	2.8	6.2
Proposed (pence per share)		**1.7**	1.6	3.5

Consolidated balance sheet

	Note	Unaudited as at 31 Dec 2006 £m	Unaudited as at 31 Dec 2005 £m	Audited as at 30 June 2006 £m
Non-current assets				
Intangible assets		**17.1**	9.0	15.4
Property, plant and equipment		**128.8**	127.6	130.6
Other non-current assets		**0.5**	0.5	0.5
Deferred tax		**4.6**	6.5	5.1
		151.0	143.6	151.6
Current assets				
Assets classified as held for sale		**–**	1.5	–
Inventories		**48.9**	46.1	41.3
Trade and other receivables		**104.8**	99.1	106.6
Cash and cash equivalents		**2.8**	0.2	1.3
		156.5	146.9	149.2
Total assets	1	**307.5**	290.5	300.8
Current liabilities				
Interest bearing loans and borrowings		**2.6**	7.3	5.2
Trade and other payables		**145.0**	140.9	141.7
Current tax payable		**2.9**	2.8	1.7
Provisions		**0.6**	1.0	1.3
		151.1	152.0	149.9
Non-current liabilities				
Interest bearing loans and borrowings		**25.3**	15.4	25.2
Pensions and other post-employment benefits		**14.4**	16.9	13.7
Provisions		**0.7**	0.7	1.0
Deferred tax		**7.1**	7.1	7.1
		47.5	40.1	47.0
Total liabilities		**198.6**	192.1	196.9
Net assets		**108.9**	98.4	103.9
Equity				
Issued share capital		**17.8**	17.7	17.7
Share premium account		**141.8**	141.8	141.8
Other reserves		**(0.9)**	(0.2)	(0.8)
Retained earnings		**(50.4)**	(61.7)	(55.2)
Total equity attributable to equity holders of the parent		**108.3**	98.0	103.5
Minority interest		**0.6**	0.4	0.4
Total equity and reserves		**108.9**	98.4	103.9

Consolidated cash flow statement

	Note	Unaudited 6 months to 31 Dec 2006 £m	Unaudited 6 months to 31 Dec 2005 £m	Audited Year ended 30 June 2006 £m
Profit before tax		**15.6**	14.9	25.9
Net financing costs		**0.7**	0.5	1.3
Pre-tax exceptional charge in the period		**–**	–	3.8
Profit on sale of property, plant and equipment		**(0.1)**	–	(0.3)
Depreciation & amortisation		**8.4**	9.1	18.0
Operating cash flow before changes in working capital		**24.6**	24.5	48.7
Decrease in receivables		**–**	8.5	2.1
(Increase)/decrease in inventories		**(7.6)**	(4.4)	1.5
Increase/(decrease) in payables		**5.3**	(5.5)	(6.4)
Cash outflow in respect of exceptional items		**(0.5)**	(2.2)	(5.5)
Cash generated from operations		**21.8**	20.9	40.4
Interest paid		**(1.1)**	(0.9)	(2.4)
Taxation paid		**(2.4)**	(3.1)	(6.5)
Net cash from operating activities		**18.3**	16.9	31.5
Cash flows from investing activities				
Proceeds from sale of land and buildings		**0.1**	–	2.2
Acquisition of property, plant and equipment		**(8.0)**	(7.2)	(19.1)
Acquisition of intangible assets		**–**	(0.3)	(0.4)
Acquisition of subsidiaries		**(2.7)**	–	(7.3)
Interest received		**1.3**	0.1	0.3
		(9.3)	(7.4)	(24.3)
Cash flows from financing activities				
Proceeds from issue of share capital		**0.7**	0.6	0.6
Repurchase of own shares		**–**	(2.0)	(3.3)
(Repayment of)/increase in borrowings		**(0.6)**	(5.3)	6.0
Payment of finance lease liabilities		**(0.2)**	(0.2)	(0.4)
Dividends paid		**(6.2)**	(5.9)	(8.7)
		(6.3)	(12.8)	(5.8)
Net increase/(decrease) in cash and cash equivalents		**2.7**	(3.3)	1.4
Cash and cash equivalents at start of period		**(1.3)**	(2.7)	(2.7)
Effect of exchange rate fluctuations on cash held		**(0.1)**	(0.1)	–
Cash and cash equivalents at end of period		**1.3**	(6.1)	(1.3)
Reconciliation of cash and cash equivalents per the balance sheet and cash flow statement				
Cash and cash equivalents per the balance sheet		**2.8**	0.2	1.3
Overdrafts		**(1.5)**	(6.3)	(2.6)
Cash and cash equivalents per the cash flow statement		**1.3**	(6.1)	(1.3)

Reconciliation of net cash flow to movement in net debt

	Unaudited 6 months to 31 Dec 2006 £m	Unaudited 6 months to 31 Dec 2005 £m	Audited Year ended 30 June 2006 £m
Increase/(decrease) in cash and cash equivalents in the period	**2.7**	(3.3)	1.4
Cash outflow/(inflow) from movement in debt	**0.6**	5.3	(6.0)
Movement on finance leases	**0.2**	0.2	0.4
Change in net debt resulting from cash flows	**3.5**	2.2	(4.2)
Translation differences	**0.5**	(0.3)	(0.5)
Movement in net debt in the period	**4.0**	1.9	(4.7)
Net debt at the beginning of the period	**(29.1)**	(24.4)	(24.4)
Net debt at the end of the period	**(25.1)**	(22.5)	(29.1)

Consolidated statement of recognised income and expense

	Unaudited 6 months to 31 Dec 2006 £m	Unaudited 6 months to 31 Dec 2005 £m	Audited Year ended 30 June 2006 £m
Profit for the period	**11.2**	10.4	18.4
Foreign exchange translation differences	**(1.0)**	(1.2)	0.7
Net gain/(loss) on hedge of net investment in foreign subsidiaries	**0.9**	1.1	(0.7)
Cash flow hedge reserve movement	**(0.3)**	0.3	0.4
Tax on items taken directly to equity	**–**	–	(0.1)
Actuarial loss net of deferred tax	**(0.3)**	(3.0)	(0.6)
Total recognised income and expense for the period	**10.5**	7.6	18.1
Attributable to:			
Equity shareholders of the parent	**10.4**	7.4	17.9
Minority interest	**0.1**	0.2	0.2
	10.5	7.6	18.1

Notes to the interim financial statements

1. Segment reporting

Segment information is presented below in respect of the Group's geographic, UK, Western Continental Europe and Eastern Continental Europe, and business, household and personal care, segments. The primary format, geographic segments, is based on the Group's operating divisions and internal reporting structure.

Prior to 30 June 2006 there were two reported geographic segments with Western and Eastern Continental Europe consolidated as Continental Europe. The 31 December 2005 numbers below have been restated onto the new basis.

Geographic segments

	Segment revenue			Segment profit		
	6 months to 31 Dec 2006 £m	6 months to 31 Dec 2005 £m	Year ended 30 June 2006 £m	**6 months to 31 Dec 2006 £m**	6 months to 31 Dec 2005 £m	Year ended 30 June 2006 £m
UK	**134.6**	123.5	249.8	**12.3**	10.5	21.8
Western Continental Europe	**138.3**	141.5	280.3	**3.9**	4.6	9.0
Eastern Continental Europe	**11.8**	11.4	21.9	**0.8**	1.1	1.6
Total reporting segments	**284.7**	276.4	552.0	**17.0**	16.2	32.4
Inter segment revenue	**(6.5)**	(6.0)	(11.9)			
Exceptional items (note 1(a))				**–**	–	(3.8)
Corporate*				**(0.7)**	(0.8)	(1.4)
Revenue/operating profit	**278.2**	270.4	540.1	**16.3**	15.4	27.2
Net financing costs				**(0.7)**	(0.5)	(1.3)
Taxation				**(4.4)**	(4.5)	(7.5)
Profit for the period				**11.2**	10.4	18.4

*Corporate relates primarily to head office costs that are not allocated to one of the geographic segments.

	Segment assets			Segment liabilities		
	As at 31 Dec 2006 £m	As at 31 Dec 2005 £m	As at 30 June 2006 £m	**As at 31 Dec 2006 £m**	As at 31 Dec 2005 £m	As at 30 June 2006 £m
UK	**127.3**	110.4	119.1	**(73.5)**	(72.8)	(70.1)
Western Continental Europe	**161.1**	159.1	163.2	**(82.9)**	(88.6)	(85.0)
Eastern Continental Europe	**13.3**	14.3	12.1	**(3.4)**	(3.2)	(4.0)
Total reporting segments	**301.7**	283.8	294.4	**(159.8)**	(164.6)	(159.1)
Corporate*	**5.8**	6.7	6.4	**(38.8)**	(27.5)	(37.8)
Total	**307.5**	290.5	300.8	**(198.6)**	(192.1)	(196.9)

*Corporate liabilities include external debt and tax liabilities.

1. Segment reporting (continued)

	Segment capital expenditure*			Segment amortisation and depreciation		
	6 months to 31 Dec 2006 £m	6 months to 31 Dec 2005 £m	Year ended 30 June 2006 £m	**6 months to 31 Dec 2006 £m**	6 months to 31 Dec 2005 £m	Year ended 30 June 2006 £m
UK	**3.7**	3.4	8.7	**3.8**	4.5	9.0
Western Continental Europe	**3.0**	3.8	10.1	**4.3**	4.3	8.4
Eastern Continental Europe	**1.3**	0.3	0.7	**0.3**	0.3	0.5
Total reporting segments	**8.0**	7.5	19.5	**8.4**	9.1	17.9
Corporate	**–**	–	–	**–**	–	0.1
Total	**8.0**	7.5	19.5	**8.4**	9.1	18.0

*Capital expenditure on property, plant and equipment and intangible assets.

Business segments

	Segment revenue			Segment profit		
	6 months to 31 Dec 2006 £m	6 months to 31 Dec 2005 £m	Year ended 30 June 2006 £m	**6 months to 31 Dec 2006 £m**	6 months to 31 Dec 2005 £m	Year ended 30 June 2006 £m
Household	**221.3**	216.5	434.9	**12.1**	11.5	23.2
Personal care	**56.9**	53.9	105.2	**4.9**	4.7	9.2
Total reporting segments	**278.2**	270.4	540.1	**17.0**	16.2	32.4
Exceptional items (note 1(a))				**–**	–	(3.8)
Corporate*				**(0.7)**	(0.8)	(1.4)
Revenue/operating profit	**278.2**	270.4	540.1	**16.3**	15.4	27.2
Net finance costs				**(0.7)**	(0.5)	(1.3)
Taxation				**(4.4)**	(4.5)	(7.5)
Profit for the period				**11.2**	10.4	18.4

*Corporate relates primarily to head office costs that are not allocated to one of the business segments.

	Segment assets			Segment capital expenditure*		
	6 months to 31 Dec 2006 £m	6 months to 31 Dec 2005 £m	Year ended 30 June 2006 £m	**6 months to 31 Dec 2006 £m**	6 months to 31 Dec 2005 £m	Year ended 30 June 2006 £m
Household	**231.5**	223.2	229.7	**6.0**	6.1	14.5
Personal care	**70.2**	60.6	64.7	**2.0**	1.4	5.0
Total reporting segments	**301.7**	283.8	294.4	**8.0**	7.5	19.5
Corporate	**5.8**	6.7	6.4	**–**	–	–
Total	**307.5**	290.5	300.8	**8.0**	7.5	19.5

*Capital expenditure on property, plant and equipment and intangible assets.

Notes to the interim financial statements
continued

1. Segment reporting (continued)
External revenue by destination
Segmental information is also presented below in respect of external revenue by destination.

	6 months to 31 Dec 2006 £m	6 months to 31 Dec 2005 £m	Year ended 30 June 2006 £m
UK	**126.8**	115.2	233.7
Western Continental Europe	**129.3**	133.8	263.9
Eastern Continental Europe and Rest of World	**22.1**	21.4	42.5
Total	**278.2**	270.4	540.1

1(a). Exceptional items
The Group presents certain items as 'exceptional'. These are items which, in management's judgement, need to be disclosed by virtue of their size or incidence in order to obtain a proper understanding of the financial information.

There was a £3.8m pre-tax operating exceptional charge to the income statement in the year ended 30 June 2006. This related primarily, £2.5m, to a programme to reduce administrative costs in the Group's Western Continental Europe division, that enabled a reduction of 85 jobs without significant change in support provided to the business. The remainder of the exceptional charge related to restructuring the UK division, £0.5m, and a termination payment and related costs, £0.8m, for the previous Chief Executive.

2. Basis of preparation
These financial statements have been prepared on the basis of the recognition and measurement requirements of IFRS applied in the financial statements at 30 June 2006 and those standards that have been endorsed and will be applied at 30 June 2007.

The results for each half-year are unaudited and do not represent the Group's statutory accounts. The comparative figures for the year ended 30 June 2006 have been abridged from the Group's financial statements for that year, which have been delivered to the Registrar of Companies. The auditors have reported on those financial statements; their report was unqualified and did not contain statements under section 237 (2) or (3) of the Companies Act 1985. Comparative figures for the period ended 31 December 2005 have been restated so as to be consistently presented with those of the year end.

The interim financial statements were approved by the Board on 9 February 2007.

3. Taxation

The £4.4m tax charge for the half year ended 31 December 2006 (2005: £4.5m) consists of £3.3m (2005: £2.4m) of UK tax and £1.1m (2005: £2.1m) of overseas tax.

4. Earnings per ordinary share

Basic earnings per ordinary share is calculated on profit after tax and minority interest, attributable to equity holders of the parent, divided by the weighted average number of ordinary shares in issue during the period in accordance with IAS 33.

	6 months to 31 Dec 2006 £m	6 months to 31 Dec 2005 £m	Year ended 30 June 2006 £m
Total earnings (£m)	**11.1**	10.3	18.2
Weighted average number of ordinary shares	**177,144,652**	177,575,301	177,364,227
Basic earnings per share (pence)	**6.3**	5.8	10.3

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. The Company has two categories of potentially dilutive ordinary shares; share awards with no option price and shares allocated to an approved Save As You Earn scheme.

	6 months to 31 Dec 2006 £m	6 months to 31 Dec 2005 £m	Year ended 30 June 2006 £m
Weighted average number of ordinary shares (million)	**177.1**	177.6	177.4
Effect of dilutive share options (million)	**0.3**	0.9	0.9
Effect of dilutive share awards (million)	**0.7**	–	0.2
Effect of dilutive SAYE scheme shares (million)	**2.7**	2.5	2.5
	180.8	181.0	181.0
Diluted earnings per share (pence)	**6.1**	5.7	10.1

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

	6 months to 31 Dec 2006 £m	6 months to 31 Dec 2005 £m	Year ended 30 June 2006 £m
Earnings used to calculate Basic and Diluted EPS	**11.1**	10.3	18.2
Exceptional items after tax	**–**	–	2.6
Earnings before exceptional items	**11.1**	10.3	20.8
Basic earnings per share before exceptional items (pence)	**6.3**	5.8	11.7

Financial calendar for the year ending 30 June 2007

Dividends		
Interim	Announcement	12 February 2007
	Payment	25 May 2007
Final	Announcement	September 2007
	Payment	November 2007
Results		
Interim	Announcement	12 February 2007
Preliminary statement for full year	Announcement	September 2007
Report and Accounts	Circulated	September 2007
Annual General Meeting	To be held	October 2007

Exchange rates

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

	Unaudited 6 months to 31 Dec 2006	Unaudited 6 months to 31 Dec 2005	Audited Year ended 30 June 2006
Average rate:			
Euro	**1.48**	1.47	1.46
Polish Zloty	**5.77**	5.82	5.74
Czech Koruna	**41.74**	43.27	42.40
Hungarian Forint	**396.6**	364.8	372.1
Closing rate:			
Euro	**1.48**	1.46	1.45
Polish Zloty	**5.68**	5.59	5.90
Czech Koruna	**40.85**	42.27	41.30
Hungarian Forint	**373.1**	367.4	409.7

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Printing: This report has been printed by Colourhouse, one of the most environmentally friendly printers in the UK. Under the framework of ISO 14001 a structured approach is taken to measure, improve and audit their environmental status on an ongoing basis.

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