Being the best at what we do ...everyday!

McBride

McBride plc
Half-Year Report 2011

About McBride

We are Europe's leading provider of Private Label Household and Personal Care products developing, producing and selling our products to leading retailers throughout Europe and beyond. With our market knowledge, product development skills, manufacturing scale and technical know-how, we are dedicated to supporting the changing needs of our retail customers and consumers.

Highlights

- 2% revenue growth at constant currency with 3% revenue growth in our selected core growth categories.
- Adjusted operating profit in line with expectations with the year-on-year reduction reflecting the previously announced increase in raw material costs and the time lag in recovery.
- Operating profit impacted by a £6.3m exceptional charge relating to previously announced re-structuring plans.
- Adjusted operating profit is 17% higher than H2 of last year as cost recovery measures take hold.
- Net debt of 1.9x annualised adjusted EBITDA [1].
- Implementation of 'Refresh' strategy continues leading to an expectation of continued progress in the second half.

£m unless otherwise stated	2011	2010	Change
Revenue	423.1	407.9	+4%
Revenue (constant currency)	423.1	412.8	+2%
Operating profit	2.7	18.8	-86%
Adjusted operating profit [1]	10.3	20.2	-49%
Diluted (loss)/earnings per share	(0.2)p	6.4p	-103%
Adjusted diluted earnings per share [1]	3.0p	6.9p	-57%
Return on capital employed [1]	10.3%	20.7%	-10.4pts
Interim dividend per share [2]	2.0p	2.0p	–
Net debt	85.2	72.2	+18%

[1] Adjusted operating profit and adjusted diluted earnings per share are calculated before adjusting items. See page 3 for definition of adjusting items. Adjusted operating profit is used to calculate return on capital employed.
[2] See Page 5.

Business review

"Our first half performance has been in line with our expectations. We delivered revenue growth in a challenging economic environment and, with the continued implementation of the 'Refresh' strategy expected to drive growth in the second half of the year, the Board has maintained the interim dividend.

The increase in Private Label share in our core markets over the last few months has been particularly pleasing, and reflects the sustainable value that Private Label offers to consumers. The economic environment will lead consumers to continue to be price-sensitive without wanting to sacrifice quality. By investing in product innovation and improving our competitiveness, we expect to be able to continue to take market share."

Chris Bull
Chief Executive

Outlook

Whilst some volatility in the global commodity and currency markets remains, trading since the end of December has been in line with the Board's expectations, and we expect to see continued progress for the remainder of the year. Our re-structuring activities are being implemented to plan and will lead to total exceptional charges of around £21m and annualised savings of £7m as previously announced. We continue to look for further value-enhancing cost reduction opportunities.

Overview

Overall the Group has delivered a performance in line with the Board's expectations, achieving revenue growth despite the weak economic environment.

- → Reported revenue increased by 4%, and on a constant currency basis increased by 2%.
- → The Group continues to focus on cost efficiency with administrative costs 2% lower than prior year.
- → Adjusted operating profit (1) for the first half was £10.3m (2010: £20.2m), reflecting the time-lag in recovering material cost increases experienced earlier in 2011. As a result, adjusted operating profit (1) margin fell to 2.4% (2010: 5.0%) and return on capital employed (1) fell to 10.3% (2010: 20.7%).
- → Cash generated from operations, before exceptional items, was £17.3m (2010: £27.2m).
- → The UK division's revenue increased by 3% to £163.5m (2010: £159.0m) reflecting the benefits of selling price increases. Adjusted operating profit (1) declined 35% to £5.4m (2010: £8.3m) driven by higher material input costs.
- → The Western Continental Europe division's revenue increased by 4% to £211.4m (2010: £203.4m) and increased by 2% on a constant currency basis. Adjusted operating profit (1) declined 52% to £6.2m (2010: £12.8m), driven by higher material input costs.
- → Central and Eastern Europe divisional revenues increased by 5% to £71.3m (2010: £67.6m) and increased by 5% on a constant currency basis, while adjusted operating profit (1) declined 32% at £2.3m (2010: £3.4m).

(1) Adjusted operating profit, adjusted EBITDA and adjusted 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.

Strategy

The Board completed a review of McBride's business and strategy in early 2011. It identified opportunities to deliver more sustainable EPS growth through: organisational changes; growth in selected core categories; supply chain re-structuring; and geographic expansion. Considerable focus has been placed on the rigorous implementation of this strategy, with tangible benefits already being delivered.

- → Organisational changes have been completed with Group leadership teams for R&D and supply chain appointed. An operational excellence programme has been implemented in all factories supported by a standardised approach to realising benefits and a rigorous measurement system. Current year benefits are expected to be around £5m, which will more than offset £4m of supply chain inflation and incremental costs.
- → Retail sales growth continues to be exhibited by our selected Core and Future Growth categories. McBride's revenue from those groups of categories increased by 3% and 11% respectively during the period as our strategy has started to take effect. Our belief that consumers will increasingly recognise that Private Label offers sustainable value and quality has been re-enforced by an increase in Private Label share in several core markets. In the UK, Private Label volume share of the Household categories has increased to 31.4%, and value share to 19.9%, the highest levels since July 2010 and July 2009 respectively. In Italy, Private Label volume growth of the Household categories was 3% compared to the overall market which was down 2% and Private Label value growth was 4% against a flat overall market.
- → The re-structuring of the Group's supply chain is being implemented to plan and we continue to look for opportunities for further cost reduction.
- → The Group's expansion into its developing and emerging geographies is progressing steadily. Overall revenue growth in these territories at constant currency was 3%, with revenue growth in Poland remaining in double-digits at 11%. New customers have been won in Australia and Vietnam as the Private Label concept takes hold internationally.

The strategic actions that we have taken will ensure that McBride continues to be the leading provider of Private Label Household and Personal Care products in Europe and with an increasing presence in Asia. The Group's core strengths are a strong commitment to Private Label category and product development, the scale and flexibility of our operations, strong operational and cash management, and our people.

Reconciliation of adjusted results to statutory results

	Operating profit			Diluted adjusted earnings per share		
	Unaudited 6 months to 31 Dec 2011 £m	Unaudited 6 months to 31 Dec 2010 £m	Audited Year ended to 30 June 2011 £m	**Unaudited 6 months to 31 Dec 2011 p**	Unaudited 6 months to 31 Dec 2010 p	Audited Year ended to 30 June 2011 p
Adjusted result	**10.3**	20.2	29.0	**3.0**	6.9	9.3
Less:						
Amortisation of intangible assets	**(0.9)**	(1.1)	(2.9)	**(0.4)**	(0.4)	(1.2)
Exceptional items	**(6.3)**	(0.3)	(12.3)	**(2.6)**	(0.1)	(5.1)
Unwind of discount on initial recognition of contingent consideration	**–**	–	–	**–**	–	(0.1)
Changes in estimates of contingent consideration arising on business combinations	**(0.4)**	–	–	**(0.2)**	–	–
Statutory result	**2.7**	18.8	13.8	**(0.2)**	6.4	2.9

Business review
continued

Material cost management
McBride's strategic sourcing capability remains essential to the performance of the Group and has been further strengthened. Our ability to establish long-term arrangements with large-scale suppliers has allowed us during 2011 to bring some stability to material costs. The scale of material cost reduction and re-engineering projects has been considerably expanded and, for the first time, Group-wide indirect procurement projects are realising significant savings. Our scale made possible a supplier conference in late 2011 that has resulted in some 100 suppliers being engaged in McBride's development plans.

Current trading and outlook
Whilst some volatility in the global commodity and currency markets remains, trading since the end of December has been in line with the Board's expectations, and we expect to see continued progress for the remainder of the year. Our re-structuring activities are being implemented to plan and will lead to total exceptional charges of around £21m and annualised savings of £7m as previously announced. We continue to look for further value-enhancing cost reduction opportunities.

UK business review
The UK market has been characterised by a weak retail environment with subdued demand and branded promotional activity affecting some categories. Despite this, the UK business achieved revenue growth of 3%.

Private Label's volume market share at the end of December 2011 was 31.4%, compared to 28.1% at December 2010. The strongest performing Private Label sectors included machine dish-wash tablets, laundry tablets and trigger cleaners.

The re-structuring programme announced in the UK in June 2011 is nearing completion. The operational excellence programme remains a priority, as does a focus on new product development.

(Source of market data: McBride estimates based on Kantar Europanel data.)

Western Continental Europe business review
Reported revenue for the Western Continental European business increased by 4% to £211.4m (2010: £203.4m), and increased by 2% on a constant currency basis, with particularly strong growth achieved in Italy.

Whilst many markets in Western Europe are experiencing the impact of a weak economic environment, Private Label has continued to perform strongly. Italy is McBride's second largest market in Western Continental Europe. In the year to December 2011, the total Household market was broadly flat and was outperformed by Private Label which saw value share growth of over 4%. Trigger cleaners and laundry liquids were amongst the best performing Private Label categories with volumes up 6% year on year.

The business is also heavily focused on cost reduction with the Group operational excellence programme having been implemented in all its factories during the period.

(Source of market data: IRI Symphony.)

Central and Eastern Europe business review
Reported revenue for the Central and Eastern Europe division increased 5% to £71.3m (2010: £67.6m), and at constant currency increased by 5%. We expect the ongoing development of retail chains in the region, combined with the focus brought about by McBride's internal re-organisation of its regional team in 2010/11, to lead to sustained growth in Private Label market share. Growth was particularly strong in both Poland and Germany.

Group financial review
Revenue
Group revenue increased 4% to £423.1m (2010: £407.9m) which includes organic revenue growth in the period of 2% and 2% positive currency impact.

UK revenues increased by 3% to £163.5m (2010: £159.0m). Western Continental Europe's revenues were up 4% to £211.4m (2010: £203.4m) reflecting organic growth of 2% and a positive currency variance of 2%. Central and Eastern Europe's revenues increased by 5% to £71.3m (2010: £67.6m), with strong growth in Poland and Germany and higher sales from the Dermacol acquisition. Asia revenues were £5.1m (2010: £5.3m).

Adjusted operating profit
Group adjusted operating profit (see note 2) decreased 49% to £10.3m (2010: £20.2m). The operating margin reduced from 5.0% to 2.4% reflecting increases in raw material prices, partly offset by selling price increases.

UK adjusted operating profit decreased 35% to £5.4m (2010: £8.3m) and the operating margin fell from 5.2% to 3.3%. In Western Continental Europe, adjusted operating profit declined 52% to £6.2m (2010: £12.8m) and the margin fell from 6.3% to 2.9%. In Central and Eastern Europe, adjusted operating profit fell 32% to £2.3m (2010: £3.4m) and the margin decreased from 5.0% to 3.2%.

Finance costs
Net finance costs decreased to £3.1m (2010: £3.3m) mainly reflecting lower charges related to the UK defined benefit pension scheme.

Adjusting items
There were exceptional charges of £6.3m in the period in relation to the restructuring of the Group's supply chain. Of this charge £4.8m was incurred in relation to the restructuring in the Western Continental Europe and Central and Eastern Europe divisions and consisted of £2.4m for redundancy and £2.4m of other charges, mainly fees for consultancy and legal work and costs in relation to logistics and storage. The remaining £1.5m was incurred in relation to the UK divisional restructuring programme which consisted of £0.3m for asset write offs and £1.2m of other charges, mainly consultancy, logistics and storage costs.

In the period to 31 December 2010 there was a charge of £0.3m relating to a restructuring programme in the Western Continental Europe division.

The charge in relation to amortisation of intangible assets in the period was £0.9m (2010: £1.1m). There was a charge in relation to revision of estimates of contingent consideration of £0.4m (2010: £nil) and a non-cash finance charge from the unwind of initial recognition of contingent consideration of £0.1m (2010: £nil).

Loss/profit before tax and tax charge

There was a loss before tax of £0.4m (2010: profit of £15.5m) and, excluding adjusting items, adjusted profit before tax decreased 57% to £7.3m (2010: £16.9m). The £0.1m tax credit (2010: £3.9m charge) reflects a 25% effective rate (2010: 25%).

Loss/earnings per share and payments to shareholders

Basic loss per share was 0.2 pence (2010: earnings per share (EPS) of 6.4p) and adjusted basic EPS fell to 3.0 pence (2010: 7.0p). On an adjusted basis, diluted EPS decreased 57% to 3.0 pence (2010: 6.9p). The weighted average number of shares in the period used in calculating basic and diluted earnings per share was 179.6m (2010: 180.4m) and 180.6m (2010: 182.6m) respectively.

The Board is again intending to utilise the 'B Share' scheme as a mechanism for making payments to shareholders. Accordingly, the Board is recommending the allotment of 20 B shares (2010: 20), equating to an interim dividend payment of 2.0 pence per share (2010: 2.0p). The B shares would be issued and credited as fully paid to shareholders who are on the register on 27 April 2012 such that they would receive 20 B Shares having an aggregate nominal amount of 2.0 pence for each ordinary share held. This would be coupled with an offer to elect to redeem B shares for cash at their nominal value on 25 May 2012. These elections must be made by 11 May 2012.

Cash flow and net debt

Net cash generated from operations, excluding cash flows relating to exceptional items, was £17.3m (2010: £27.2m). There was a net working capital outflow in the first half of £3.8m (2010: £6.0m).

Capital expenditure in the period was £10.8m (2010: £12.3m). Overall net debt at 31 December 2011 was £85.2m compared to £83.7m at 30 June 2011. The £1.5m increase included a £1.9m payment for the acquisition of Dermacol a.s. and a cash outflow of £2.3m relating to exceptional items. There were favourable currency related movements of £7.0m.

Balance sheet

Group net assets of £107.6m were £17.8m lower compared to 30 June 2011. This was mainly due to provisions recognised in relation to the ongoing supply chain restructuring, an increase in the deficit in the UK pension scheme and currency movements.

The pre-tax return on average capital employed, before adjusting items was 10.3% compared to 20.7% for the first half of the prior year and 14.7% for the full year. This reduction was caused by a reduction in operating profit margin, due to increased raw material input costs.

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. These risks, along with events in the financial markets and their potential impacts on the wider economy, remain the most likely to affect the Group in the second half of the year.

→ Unrecovered cost inflation
→ Serious loss of volume
→ Increasingly competitive market
→ Supplier failure
→ Insufficient liquidity and capital resources

For greater detail of these risks, please refer to page 56 to 57 of the McBride plc Annual Report and Accounts 2011, which is available on the Group's website **www.mcbride.co.uk**.

The Board has reviewed the company's funding and liquidity at 31 December 2011. A number of forward looking down-side scenarios have been examined, including one that considers a further significant increase in raw material prices to unprecedented levels. In each case, there would be sufficient headroom within the company's credit facility to accommodate the impact of the scenario, and still allow sufficient contingency headroom. The facility expires in June 2015.

The Board has also considered the impact of a worsening Eurozone crisis. The Company is not exposed through significant trading in Greece, Ireland or Portugal, but would be exposed to a significant worsening of the crisis in Italy. The company would be exposed, along with many other manufacturing companies, to a sustained weakening of the Euro versus the US dollar, which would be expected to have the effect of stimulating material cost inflation in Europe. The extent of this cannot be meaningfully estimated at present.

Responsibility statement

We confirm that to the best of our 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 4.2.7R 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 4.2.8R 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 changes in the related party transactions described in the last annual report that could do so.

The Board

The Board of Directors that served during the six months to 31 December 2011 and their respective responsibilities can be found on pages 58 and 82 of the McBride plc Annual Report and Accounts 2011.

Signed on behalf of the Board

C D Bull
Chief Executive
8 February 2012

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 2011, which comprises the Condensed Consolidated Income Statement, the Condensed Consolidated Statement of Comprehensive Income, Condensed Consolidated Balance Sheet, the Condensed Consolidated Cash Flow Statement, the Condensed Consolidated Statement of Changes in Equity and related notes. We have read the other information contained in the half-year 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-year report is the responsibility of, and has been approved by, the directors. The directors are responsible for preparing the half-year report in accordance with the Disclosure and Transparency Rules of the United Kingdom's Financial Services 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-year 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-year 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 Services 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-year report for the six months ended 31 December 2011 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 Services Authority.

PricewaterhouseCoopers LLP
Chartered Accountants
St Albans
8 February 2012

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 consolidated income statement

	Note	Unaudited 6 months to 31 Dec 2011 £m	Unaudited 6 months to 31 Dec 2010 £m	Audited Year ended 30 June 2011 £m
Revenue	3	**423.1**	407.9	812.4
Cost of sales		**(294.3)**	(268.5)	(547.6)
Gross profit		**128.8**	139.4	264.8
Distribution costs		**(28.2)**	(27.4)	(54.3)
Administrative costs:				
Before adjusting items		**(90.3)**	(91.8)	(181.5)
Amortisation of intangible assets		**(0.9)**	(1.1)	(2.9)
Exceptional items		**(6.3)**	(0.3)	(12.3)
Changes in estimates of contingent consideration arising on business combinations		**(0.4)**	–	–
Administrative costs including adjusting items		**(97.9)**	(93.2)	(196.7)
Operating profit	3	**2.7**	18.8	13.8
Operating profit before adjusting items		**10.3**	20.2	29.0
Financial income		**2.5**	2.1	4.3
Financial expenses				
Before adjusting items		**(5.5)**	(5.4)	(10.8)
Unwind of discount on contingent consideration		**(0.1)**	–	(0.2)
Net financing costs including adjusting items		**(3.1)**	(3.3)	(6.7)
(Loss)/profit before tax	3	**(0.4)**	15.5	7.1
Taxation	6	**0.1**	(3.9)	(1.8)
(Loss)/profit for the period		**(0.3)**	11.6	5.3
(Loss)/earnings per ordinary share (pence)	7			
Basic		**(0.2)**	6.4	2.9
Diluted		**(0.2)**	6.4	2.9

Condensed consolidated statement of comprehensive income

	Unaudited 6 months to 31 Dec 2011 £m	Unaudited 6 months to 31 Dec 2010 £m	Audited Year ended 30 June 2011 £m
(Loss)/profit for the period	**(0.3)**	11.6	5.3
Other comprehensive (expense)/income			
Foreign exchange translation differences	**(10.0)**	5.1	11.0
Net gain/(loss) on hedge of net investment in foreign subsidiaries	**7.0**	(3.9)	(8.5)
Effective portion of changes in fair value of cash flow hedges	**(1.8)**	(0.1)	1.8
Net changes in fair value of cash flow hedges transferred to profit or loss	**(1.4)**	2.2	2.1
Actuarial (loss)/gain	**(2.2)**	3.7	4.5
Taxation relating to components of other comprehensive income	**0.3**	(1.6)	(2.3)
Total other comprehensive (expense)/income	**(8.1)**	5.4	8.6
Total comprehensive (expense)/income for the period	**(8.4)**	17.0	13.9

Condensed consolidated balance sheet

	Note	Unaudited as at 31 Dec 2011 £m	Restated Unaudited as at 31 Dec 2010 £m	Audited as at 30 June 2011 £m
Non-current assets				
Intangible assets		**37.8**	39.5	38.6
Property, plant and equipment		**177.1**	192.0	190.9
Other non-current assets		**0.6**	0.6	0.6
Deferred tax		**2.7**	1.7	2.5
		218.2	233.8	232.6
Current assets				
Inventories		**77.4**	75.7	81.6
Trade and other receivables		**148.4**	141.5	154.6
Derivative financial instruments		**1.9**	0.3	1.5
Current tax recoverable		**–**	0.9	–
Cash and cash equivalents		**5.1**	3.1	9.6
Assets classified as held for sale		**4.4**	3.0	4.8
		237.2	224.5	252.1
Total assets	3	**455.4**	458.3	484.7
Current liabilities				
Interest bearing loans and borrowings		**43.8**	25.4	47.3
Trade and other payables		**201.8**	205.0	221.6
Derivative financial instruments		**4.5**	2.7	3.0
Current tax payable		**5.0**	0.1	0.9
Provisions		**14.5**	2.3	6.1
		269.6	235.5	278.9
Non-current liabilities				
Interest bearing loans and borrowings		**46.5**	49.9	46.0
Pensions and other post-employment benefits		**17.1**	19.6	16.2
Trade and other payables		**6.3**	5.9	6.3
Provisions		**0.5**	0.8	0.5
Deferred tax		**7.8**	12.7	11.4
		78.2	88.9	80.4
Total liabilities	3	**347.8**	324.4	359.3
Net assets		**107.6**	133.9	125.4
Equity				
Issued share capital		**18.1**	18.1	18.1
Share premium account		**131.3**	143.5	139.9
Other reserves		**8.2**	(0.5)	6.1
Retained earnings		**(50.6)**	(27.8)	(39.3)
Equity attributable to owners of the Company		**107.0**	133.3	124.8
Non-controlling interests		**0.6**	0.6	0.6
Total equity and reserves		**107.6**	133.9	125.4

Condensed consolidated cash flow statement

	Unaudited 6 months to 31 Dec 2011 £m	Unaudited 6 months to 31 Dec 2010 £m	Audited Year ended 30 June 2011 £m
(Loss)/profit before tax	**(0.4)**	15.5	7.1
Net financing costs	**3.1**	3.3	6.7
Pre-tax exceptional charge in the period	**6.3**	0.3	12.3
Changes in estimate of contingent consideration	**0.4**	–	–
Share based payments	**–**	0.8	0.3
Profit on sale of property, plant and equipment	**–**	–	(0.5)
Depreciation	**12.0**	12.4	24.8
Amortisation of intangible assets	**0.9**	1.1	2.9
	22.3	33.4	53.6
Decrease/(increase) in receivables	**2.4**	0.7	(7.9)
Decrease in inventories	**(0.1)**	(2.6)	(5.9)
(Decrease)/increase in payables	**(6.1)**	(4.1)	5.4
Additional cash funding of pension scheme	**(1.2)**	(0.2)	(2.6)
Cash outflow in respect of exceptional items	**(2.3)**	(3.5)	(7.4)
Cash generated from operations	**15.0**	23.7	35.2
Interest paid	**(2.9)**	(2.3)	(4.6)
Taxation received/(paid)	**1.4**	(7.4)	(7.6)
Net cash from operating activities	**13.5**	14.0	23.0
Cash flows from investing activities			
Proceeds from sale of non-current assets	**–**	0.1	1.2
Acquisition of property, plant and equipment	**(9.8)**	(12.2)	(24.1)
Acquisition of intangible assets	**(1.0)**	(0.1)	(0.7)
Acquisition of businesses, net of cash acquired	**(1.9)**	(2.2)	(2.2)
Interest received	**0.1**	–	–
Settlement of forward contracts used in net investment hedging	**1.4**	0.2	(0.9)
Net cash used in investing activities	**(11.2)**	(14.2)	(26.7)
Cash flows from financing activities			
Proceeds from issue of share capital	**–**	–	0.1
Repurchase of own shares	**(1.1)**	–	(1.3)
Redemption of B shares	**(8.3)**	–	(3.5)
Increase in borrowings	**8.8**	19.3	55.3
Repayment of borrowings	**(9.8)**	(11.7)	(33.6)
Payment of finance lease liabilities	**(0.3)**	(0.4)	(0.6)
Dividends paid	**–**	(8.7)	(8.7)
Net cash used in financing activities	**(10.7)**	(1.5)	7.7
Net (decrease)/increase in cash and cash equivalents	**(8.4)**	(1.7)	4.0
Cash and cash equivalents at start of period	**2.6**	(1.1)	(1.1)
Effect of exchange rate fluctuations on cash and cash equivalents	**0.5**	(0.5)	(0.3)
Cash and cash equivalents at end of period	**(5.3)**	(3.3)	2.6
Reconciliation of cash and cash equivalents per the balance sheet and cash flow statement			
Cash and cash equivalents per the balance sheet	**5.1**	3.1	9.6
Overdrafts	**(10.4)**	(6.4)	(7.0)
Cash and cash equivalents per the cash flow statement	**(5.3)**	(3.3)	2.6

Condensed consolidated statement of changes in equity

	Issued share capital £m	Share premium account £m	Other reserves £m	Retained earnings £m	Total £m	Non-controlling interests £m	Total equity and reserves £m
At 1 July 2010	**18.1**	**143.5**	**(3.8)**	**(33.7)**	**124.1**	**0.6**	**124.7**
Half-year to 31 December 2010							
Profit for the period	–	–	–	11.6	**11.6**	–	**11.6**
Other comprehensive income/(expense):							
Foreign exchange translation differences	–	–	5.1	–	**5.1**	–	**5.1**
Net loss on hedge of net investment in foreign subsidiaries	–	–	(3.9)	–	**(3.9)**	–	**(3.9)**
Effective portion of changes in fair value of cash flow hedges	–	–	(0.1)	–	**(0.1)**	–	**(0.1)**
Net changes in fair value cash flow hedges transferred to profit or loss	–	–	2.2	–	**2.2**	–	**2.2**
Actuarial gain on defined benefit pension schemes	–	–	–	3.7	**3.7**	–	**3.7**
Taxation relating to components of other comprehensive income	–	–	–	(1.6)	**(1.6)**	–	**(1.6)**
Total comprehensive income	–	–	3.3	13.7	**17.0**	–	**17.0**
Transactions with owners of the Company:							
Share based payments	–	–	–	0.4	**0.4**	–	**0.4**
Equity dividends	–	–	–	(8.7)	**(8.7)**	–	**(8.7)**
Related tax movements	–	–	–	0.5	**0.5**	–	**0.5**
At 31 December 2010	**18.1**	**143.5**	**(0.5)**	**(27.8)**	**133.3**	**0.6**	**133.9**
Half-year to 30 June 2011							
Loss for the period	–	–	–	(6.3)	**(6.3)**	–	**(6.3)**
Other comprehensive income/(expense):							
Foreign exchange translation differences	–	–	5.9	–	**5.9**	–	**5.9**
Net loss on hedge of net investment in foreign subsidiaries	–	–	(4.6)	–	**(4.6)**	–	**(4.6)**
Effective portion of changes in fair value of cash flow hedges	–	–	1.9	–	**1.9**	–	**1.9**
Net changes in fair value cash flow hedges transferred to profit or loss	–	–	(0.1)	–	**(0.1)**	–	**(0.1)**
Actuarial gain on defined benefit pension schemes	–	–	–	0.8	**0.8**	–	**0.8**
Taxation relating to components of other comprehensive income	–	–	–	(0.7)	**(0.7)**	–	**(0.7)**
Total comprehensive income/(expense)	–	–	3.1	(6.2)	**(3.1)**	–	**(3.1)**
Transactions with owners of the Company:							
Share based payments	–	–	–	0.2	**0.2**	–	**0.2**
Issue of B Shares	–	(3.6)	–	–	**(3.6)**	–	**(3.6)**
Redemption of B Shares	–	–	3.5	(3.5)	**–**	–	**–**
Own shares acquired and held as Treasury shares	–	–	–	(1.3)	**(1.3)**	–	**(1.3)**
Shares issued to satisfy share option exercises	–	–	–	0.1	**0.1**	–	**0.1**
Related tax movements	–	–	–	(0.8)	**(0.8)**	–	**(0.8)**
At 30 June 2011	**18.1**	**139.9**	**6.1**	**(39.3)**	**124.8**	**0.6**	**125.4**
Half-year to 31 December 2011							
Loss for the period	–	–	–	(0.3)	**(0.3)**	–	**(0.3)**
Other comprehensive income/(expense):							
Foreign exchange translation differences	–	–	(10.0)	–	**(10.0)**	–	**(10.0)**
Net gain on hedge of net investment in foreign subsidiaries	–	–	7.0	–	**7.0**	–	**7.0**
Effective portion of changes in fair value of cash flow hedges	–	–	(1.8)	–	**(1.8)**	–	**(1.8)**
Net changes in fair value cash flow hedges transferred to profit or loss	–	–	(1.4)	–	**(1.4)**	–	**(1.4)**
Actuarial loss on defined benefit pension schemes	–	–	–	(2.2)	**(2.2)**	–	**(2.2)**
Taxation relating to components of other comprehensive income	–	–	–	0.3	**0.3**	–	**0.3**
Total comprehensive income/(expense)	–	–	(6.2)	(2.2)	**(8.4)**	–	**(8.4)**
Transactions with owners of the Company:							
Share based payments	–	–	–	0.3	**0.3**	–	**0.3**
Issue of B Shares	–	(8.6)	–	–	**(8.6)**	–	**(8.6)**
Redemption of B Shares	–	–	8.3	(8.3)	**–**	–	**–**
Own shares acquired and held as Treasury shares	–	–	–	(1.1)	**(1.1)**	–	**(1.1)**
Related tax movements	–	–	–	–	**–**	–	**–**
At 31 December 2011	**18.1**	**131.3**	**8.2**	**(50.6)**	**107.0**	**0.6**	**107.6**

Notes to the consolidated interim financial statements

1. Basis of preparation

This Half Year Report has been prepared in accordance with the Disclosure and Transparency Rules of the United Kingdom Financial Services Authority. The Half Year Report has been prepared in accordance with IAS 34 'Interim Financial Reporting' and on the basis of the accounting policies and the recognition and measurement requirements of IFRS applied in the financial statements at 30 June 2011 and those standards that have been endorsed and will be applied at 30 June 2012. This report should be read in conjunction with the financial statements for the year ended 30 June 2011.

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 financial information has been reviewed, not audited. The comparative figures for the financial year ended 30 June 2011 are not the Group's statutory accounts for that financial year. Those accounts have been reported on by the KPMG Audit Plc and delivered to the registrar of companies. The report of KPMG Audit Plc 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. Comparative figures for the periods ended 31 December 2010 have been restated so as to be consistently presented with those of the period end.

Going concern basis

The Group has a robust business model with 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 climate. After making enquiries, the directors have a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future. Accordingly, the consolidated financial statements are prepared on the going concern basis.

The comparative information has been restated as follows:

→ Acquisition accounting adjustments have been finalised in relation to the acquisition of Dermacol a.s. The comparative information for 31 December 2011 has been restated in accordance with IFRS 3 'Business Combinations' and the impact of this restatement is to decrease trade and other payables and goodwill by £2.4 million.

The interim financial statements were approved by the Board on 8 February 2012.

2. Accounting policies

The accounting policies adopted are consistent with those of the annual financial statements for the year ended 30 June 2011, with the exception of the adoption of the following amendments to Standards and interpretations:

→ The minor amendments to a number of standards set out in the IASB's 2010 Annual Improvements project, including consolidation, business combinations and financial instruments;
→ Amendment to IAS 24 'Related Party Disclosures';
→ Amendment to IFRS 7 'Disclosures –Transfers of financial assets';
→ IFRIC 14 'Prepayments on a Minimum Funding Requirement.

The adoption of the above has had no significant impact on the Group's results or net assets.

Adjusted results

The Group believes that adjusted operating profit and adjusted earnings per share (see note 7) 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.

3. Segment information

In accordance with IFRS 8 'Operating Segments', the identification of the Group's operating segments is based on internal management reporting as reviewed by the Group Management Team in order to assess performance and allocate resources. Transfer prices between segments are set on an arm's length basis. Segment revenue and profit include transfers between segments, which are eliminated on consolidation.

Notes to the consolidated interim financial statements continued

3. Segment information continued

Segment operating profit is determined on an underlying basis, excluding adjusting items as set out in note 2 and unallocated corporate expenses, as this is believed to be more representative of the underlying performance of the Group.

	Revenue by geographic origin		
	External revenue £m	Inter-segment Revenue £m	Total segment revenue £m
6 months to 31 December 2011			
United Kingdom	**160.3**	**3.2**	**163.5**
Western Continental Europe	**190.6**	**20.8**	**211.4**
Central and Eastern Europe	**68.4**	**2.9**	**71.3**
Eliminations/Asia*	**3.8**	**(26.9)**	**(23.1)**
	423.1	**–**	**423.1**
6 months to 31 December 2010			
United Kingdom	155.8	3.2	159.0
Western Continental Europe	183.3	20.1	203.4
Central and Eastern Europe	64.7	2.9	67.6
Eliminations/Asia*	4.1	(26.2)	(22.1)
	407.9	–	407.9
Year ended 30 June 2011			
United Kingdom	304.6	6.1	310.7
Western Continental Europe	366.2	39.5	405.7
Central and Eastern Europe	133.9	5.8	139.7
Eliminations/Asia*	7.7	(51.4)	(43.7)
	812.4	–	812.4

* Includes Asia sales of £5.1 million, of which £1.3 million are intergroup (6 months to 31 December 2010: £5.3 million of which £1.2 million were intergroup. Year ended 30 June 2011: £9.3 million of which £1.6 million were intergroup).

	Segment profit		
	6 months to 31 Dec 2011 £m	6 months to 31 Dec 2010 £m	Year ended 30 Jun 2011 £m
By geographic origin			
United Kingdom	**5.4**	8.3	11.9
Western Continental Europe	**6.2**	12.8	15.4
Central and Eastern Europe	**2.3**	3.4	8.9
Eliminations/Asia	**0.1**	0.1	–
	14.0	24.6	36.2

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

	6 months to 31 Dec 2011 £m	6 months to 31 Dec 2010 £m	Year ended 30 Jun 2011 £m
Total segment profit	**14.0**	24.6	36.2
Amortisation of intangible assets	**(0.9)**	(1.1)	(2.9)
Corporate costs	**(3.7)**	(4.4)	(7.2)
Changes in contingent consideration	**(0.4)**	–	–
Exceptional items	**(6.3)**	(0.3)	(12.3)
Reported operating profit	**2.7**	18.8	13.8
Net financing costs	**(3.1)**	(3.3)	(6.7)
Reported (loss)/profit before tax	**(0.4)**	15.5	7.1

Segment assets

	6 months to 31 Dec 2011 £m	Restated 6 months to 31 Dec 2010 £m	Year ended 30 Jun 2011 £m
United Kingdom	**153.1**	160.7	164.7
Western Continental Europe	**212.4**	212.7	226.3
Central and Eastern Europe	**74.9**	70.1	76.6
Segment assets	**440.4**	443.5	467.6
Corporate assets	**15.0**	14.8	17.1
Total assets	**455.4**	458.3	484.7

3. Segment information continued

Segment liabilities

	6 months to 31 Dec 2011 £m	Restated 6 months to 31 Dec 2010 £m	Year ended 30 Jun 2011 £m
United Kingdom	**(108.6)**	(101.5)	(113.3)
Western Continental Europe	**(135.7)**	(120.4)	(143.2)
Central and Eastern Europe	**(35.6)**	(32.7)	(37.3)
Segment liabilities	**(279.9)**	(254.6)	(293.8)
Corporate liabilities [1]	**(67.9)**	(69.8)	(65.5)
Total liabilities	**(347.8)**	(324.4)	(359.3)

[1] Corporate liabilities include external debt and tax liabilities.

	6 months to 31 Dec 2011 £m	Restated 6 months to 31 Dec 2010 £m	Year ended 30 Jun 2011 £m
Capital expenditure [1]			
United Kingdom	**4.8**	4.6	9.5
Western Continental Europe	**4.4**	6.1	11.8
Central and Eastern Europe	**1.1**	10.0	11.8
Corporate	**0.1**	0.1	0.3
Total	**10.4**	20.8	33.4
Amortisation and depreciation			
United Kingdom	**4.9**	5.0	9.8
Western Continental Europe	**5.9**	5.9	12.4
Central and Eastern Europe	**1.9**	2.4	5.1
Corporate	**0.2**	0.2	0.4
Total	**12.9**	13.5	27.7

[1] Capital expenditure includes property, plant and equipment, intangible assets and amounts payable (including contingent consideration) in respect of acquisitions. For the 6 months to 31 December 2010 and 2011 and the year ended 30 June 2011 the amounts payable in respect of the acquisition of Dermacol a.s. are shown in Central and Eastern Europe.

Segmental information is also presented below in respect of external revenue by destination.

	6 months to 31 Dec 2011 £m	6 months to 31 Dec 2010 £m	Year ended 30 Jun 2011 £m
External revenue by destination			
United Kingdom	**144.7**	144.3	284.8
Foreign countries:			
France	**115.2**	111.2	220.2
Italy	**42.0**	36.2	73.3
Other Western Continental Europe	**43.1**	42.4	79.5
Central and Eastern Europe and Rest of World	**78.1**	73.8	154.6
	423.1	407.9	812.4

4. Acquisitions

6 months ended 31 December 2010 (Restated) and year ended 30 June 2011

On 1 September 2010, the Group acquired a 70% of the share capital of Dermacol a.s., a manufacturer of Skincare products based in the Czech Republic, for an expected consideration of £6.1 million (CZK 183 million), of which £2.3 million (CZK 70 million) was paid on completion, £2.0 million (CZK 60 million) is payable within one year and a further five payments are payable from 2013 to 2017 inclusive, based on Dermacol's sales during the period. The Group has also agreed to purchase the remaining 30% of the shares in late 2017 for a consideration based on the operating profit of Dermacol a.s. in the 2017 financial year. The total consideration cannot exceed a maximum of £21.7 million (CZK 650 million). At the acquisition date, the amount accrued by the Group which discounts future contingent cash payments to their fair value at the date of acquisition was £7.0 million (CZK 208 million).

Notes to the consolidated interim financial statements continued

4. Acquisitions continued

As noted above, the Group has committed to the purchase of the 30% of shares in Dermacol a.s. that it did not legally acquire at the acquisition date and has recognised a financial liability in relation to the contingent consideration payable for the purchase of the remaining shares. The Directors have elected to account for the non-controlling interests in Dermacol a.s. under the anticipated acquisition method. Under the anticipated acquisition method the interests of the non-controlling shareholder are derecognised when the Group's liability relating to the purchase of its shares is recognised. The recognition of the financial liability implies that the interests subject to the forward purchase are deemed to have been acquired already. Therefore the corresponding interests are presented as already owned by the Group even though legally they are still non-controlling interests. The £3.6 million (CZK 107 million) financial liability recognised by the Group forms part of the contingent consideration for the acquisition. All components of contingent consideration will be carried at fair value in accordance in future accounting periods and any adjustments arising reflected in the income statement.

All incremental transaction costs related to the acquisition have been recognised in the income statement. The goodwill arising on the acquisition of Dermacol a.s. is mainly attributable to the workforce in place, a base for future growth of the Group's skincare business and access to a low cost location for production. Intangible assets acquired with Dermacol a.s. mainly relate to the fair value placed on customer relationships and software.

The contribution of Dermacol a.s. to the revenue and operating profit of the Group for periods between the date of acquisition and the comparative period/year end are shown below:

	6 months to 31 Dec 2010 £m	Year ended 30 Jun 2011 £m
Revenue	**2.5**	7.0
Operating profit	**<0.1**	<0.1

The contribution of Dermacol a.s. to the revenue and operating profit of the Group if the acquisition had been completed on the first day of the financial year/period are shown below:

	6 months to 31 Dec 2010 £m	Year ended 30 Jun 2011 £m
Revenue	**3.8**	8.3
Operating profit	**0.1**	0.1

The acquisition had the following effect on the Group's assets and liabilities on the acquisition date:

	Dermacol a.s.		
	Book value £m	Fair value adjustments £m	Fair value £m
Net assets acquired:			
Property, plant and equipment	9.2	(1.7)	7.5
Intangible assets	0.2	0.3	0.5
Working capital	1.0	(0.2)	0.8
Cash and cash equivalents	0.2	–	0.2
Debt	(0.9)	–	(0.9)
	9.7	**(1.6)**	**8.1**

Fair value of assets acquired	8.1
Goodwill on acquisition	1.2
Total	**9.3**
Satisfied by:	
Cash paid	2.3
Contingent consideration	7.0
Cash consideration	**9.3**

5. Goodwill

	6 months to 31 Dec 2011 £m	Restated 6 months to 31 Dec 2010 £m	Year ended 30 Jun 2011 £m
Cost			
At 1 July	**34.9**	32.9	32.9
Acquisitions (see note 4)	**–**	1.2	1.2
Exchange movements	**(0.8)**	0.5	0.8
At 31 December/30 June	**34.1**	34.6	34.9

6. Taxation

	6 months to 31 Dec 2011 £m	6 months to 31 Dec 2010 £m	Year ended 30 Jun 2011 £m
UK tax	**0.8**	(0.5)	2.2
Overseas tax	**(0.7)**	(3.4)	(4.0)
Tax credit/(charge)	**0.1**	(3.9)	(1.8)
Effective tax rate	**25%**	25%	25%

7. (Loss)/earnings per ordinary share

		6 months to 31 Dec 2011	6 months to 31 Dec 2010	Year ended 30 Jun 2011
Total (loss)/earnings (£m)	a	**(0.3)**	11.6	5.3
Weighted average number of ordinary shares (million)	b	**179.6**	180.4	180.4
Basic (loss)/earnings per share (pence)	a/b	**(0.2)**	6.4	2.9

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 2011	6 months to 31 Dec 2010	Year ended 30 Jun 2011
Weighted average number of ordinary shares (million)	b	**179.6**	180.4	180.4
Effect of dilutive share awards (million)		**0.2**	1.1	1.1
Effect of dilutive SAYE scheme shares (million)		**0.8**	1.1	0.9
	c	**180.6**	182.6	182.4
Diluted (loss)/earnings per share (pence)	a/c	**(0.2)**	6.4	2.9

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.

		6 months to 31 Dec 2011 £m	6 months to 31 Dec 2010 £m	Year ended 30 Jun 2011 £m
Earnings used to calculate basic and diluted EPS	a	**(0.3)**	11.6	5.3
Exceptional items after tax		**4.7**	0.2	9.2
Amortisation of intangible assets after tax		**0.7**	0.8	2.2
Unwind of discount on contingent consideration after tax		**–**	–	0.2
Changes in estimates of contingent consideration arising on business combinations		**0.3**	–	–
Earnings before adjusting items	d	**5.4**	12.6	16.9
Adjusted basic earnings per share (pence)	d/b	**3.0**	7.0	9.4
Adjusted diluted earnings per share (pence)	d/c	**3.0**	6.9	9.3

Notes to the consolidated interim financial statements continued

8. Payments to shareholders

	6 months to 31 Dec 2011 £m	6 months to 31 Dec 2010 £m	Year ended 30 Jun 2011 £m
Issue of B shares in lieu of final dividend	**8.6**	–	–
Issue of B shares in lieu of interim dividend	**–**	–	3.6
Dividends paid in period	**–**	8.7	8.7
	8.6	8.7	12.3
Proposed issue of B shares in lieu of final dividend	**–**	–	8.6
Proposed issue of B shares in lieu of interim dividend	**3.6**	3.6	–

On 24 March 2011, shareholders approved proposals for the implementation of a 'B Share' scheme as a mechanism for making payments to shareholders. This involves the issue of non-cumulative redeemable preference shares (known as 'B shares') in place of income distributions. Shareholders are able to redeem any number of their B Shares for cash. Any B Shares retained attract a dividend of 75 per cent of LIBOR on the 0.1p nominal value of each share, paid on a twice-yearly basis.

Movements in the B Shares were as follows:

Issued and Fully paid	Number	Nominal value £m
Year ended 30 June 2011		
At 1 January 2011	–	–
Issued to equity shareholders	3,607,902,100	3.6
Redeemed	(3,471,530,095)	(3.5)
At 30 June 2011	**136,372,005**	**0.1**
Half year to 31 December 2011		
Issued to equity shareholders	8,621,426,688	8.6
Redeemed	(8,326,131,133)	(8.3)
At 31 December 2011	**431,667,560**	**0.4**

9. Reconciliation of net cash flow to movement in net debt

	6 months to 31 Dec 2011 £m	6 months to 31 Dec 2010 £m	Year ended 30 Jun 2011 £m
(Decrease)/increase in cash and cash equivalents in the period	**(8.4)**	(1.7)	4.0
Cash outflow/(inflow) from movement in debt	**1.0**	(7.6)	(21.7)
Movement on finance leases	**0.3**	0.4	0.6
Change in net debt resulting from cash flows	**(7.1)**	(8.9)	(17.1)
Debt acquired with subsidiaries	**–**	(0.9)	(0.9)
Translation differences	**5.6**	(2.4)	(5.7)
Movement in net debt in the period	**(1.5)**	(12.2)	(23.7)
Net debt at the beginning of the period	**(83.7)**	(60.0)	(60.0)
Net debt at the end of the period	**(85.2)**	(72.2)	(83.7)

10. Related party transactions

In the course of normal operations, related party transactions entered into by the Group have been contracted on an arm's length basis.

(i) Transactions with key management personnel, pensions and post-employment schemes

Key management compensation and transactions with the Group's pension and post-employment schemes for the financial year ended 30 June 2011 are detailed in note 5 (page 100) and note 19 (page 108) respectively of McBride plc's 2011 Annual Report. A copy of McBride plc's Annual Report is available on McBride's website at www.mcbride.co.uk.

10. Related party transactions continued

(ii) Transactions with non-wholly owned subsidiaries

The Group entered into the following transactions with McBride Czech a.s. of which the Group owned 70% at 31 December 2011 (30 June 2011: 70%):

	6 months to 31 Dec 2011 £m	6 months to 31 Dec 2010 £m	Year ended 30 Jun 2011 £m
Nature of transactions:			
Recharge of costs	**0.1**	–	0.2
Sale of goods	**–**(1)	–	0.1
Management charges	**–**	–(1)	0.1
Interest on funding loan	**–**(1)	–(1)	–(1)
Total	**0.1**	–	0.4

(1) Amounts are less than £0.1m.

	6 months to 31 Dec 2011 £m	6 months to 31 Dec 2010 £m	Year ended 30 Jun 2011 £m
Balances (owed by)/ due to the Group			
Recharge of costs	**–**	–	0.2
Sale of goods	**–**	–	–
Management charges	**–**	–(1)	0.1
Funding loan	**0.6**	0.2	0.5
Interest on funding loan	**–**	–(1)	–
Total	**0.6**	0.2	0.8

(1) Amounts are less than £0.1m.

Financial calendar for the year ending 30 June 2012

Payments to shareholders		
Interim	Announcement	9 February 2012
	CREST accounts credited with B Shares	30 April 2012
	Redemption of B Shares	25 May 2012
Final	Announcement	September 2012
	CREST accounts credited with B Shares	October 2012
	Redemption of B Shares	November 2012
Results		
Interim	Announcement	9 February 2012
Preliminary statement for full year	Announcement	September 2012
Report and Accounts	Circulated	September 2012
Annual General Meeting	To be held	October 2012

Exchange rates

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

	6 months to 31 Dec 2011	6 months to 31 Dec 2010	Year ended 30 June 2011
Average rate:			
Euro	**1.15**	1.18	1.17
Polish Zloty	**4.95**	4.71	4.63
Czech Koruna	**28.7**	29.4	28.7
Hungarian Forint	**334**	330	320
Malaysian Ringgit	**4.91**	4.91	4.90
Closing rate:			
Euro	**1.20**	1.17	1.11
Polish Zloty	**5.34**	4.63	4.41
Czech Koruna	**30.5**	29.3	26.9
Hungarian Forint	**377**	325	294
Malaysian Ringgit	**4.93**	4.83	4.85

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- An A.I.S.E. voluntary sustainability initiative -
www.cleanright.eu

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