



**McBride plc**  
**Interim Results**  
**6 months Ending 31st Dec 2003**

**12 Feb 2004**

# *Key Message*

Business Strategy has delivered First Half Profit, Cash and Dividends ahead of market expectations

# *Strategic Objectives*

To:

- Build on No 1 Private Label household & personal care position
- Be Retail Partner of choice
- Focus on profitable sales
- Improve operational efficiency and increase asset utilisation
- Maintain focus on cash generation

# *Strong Results*

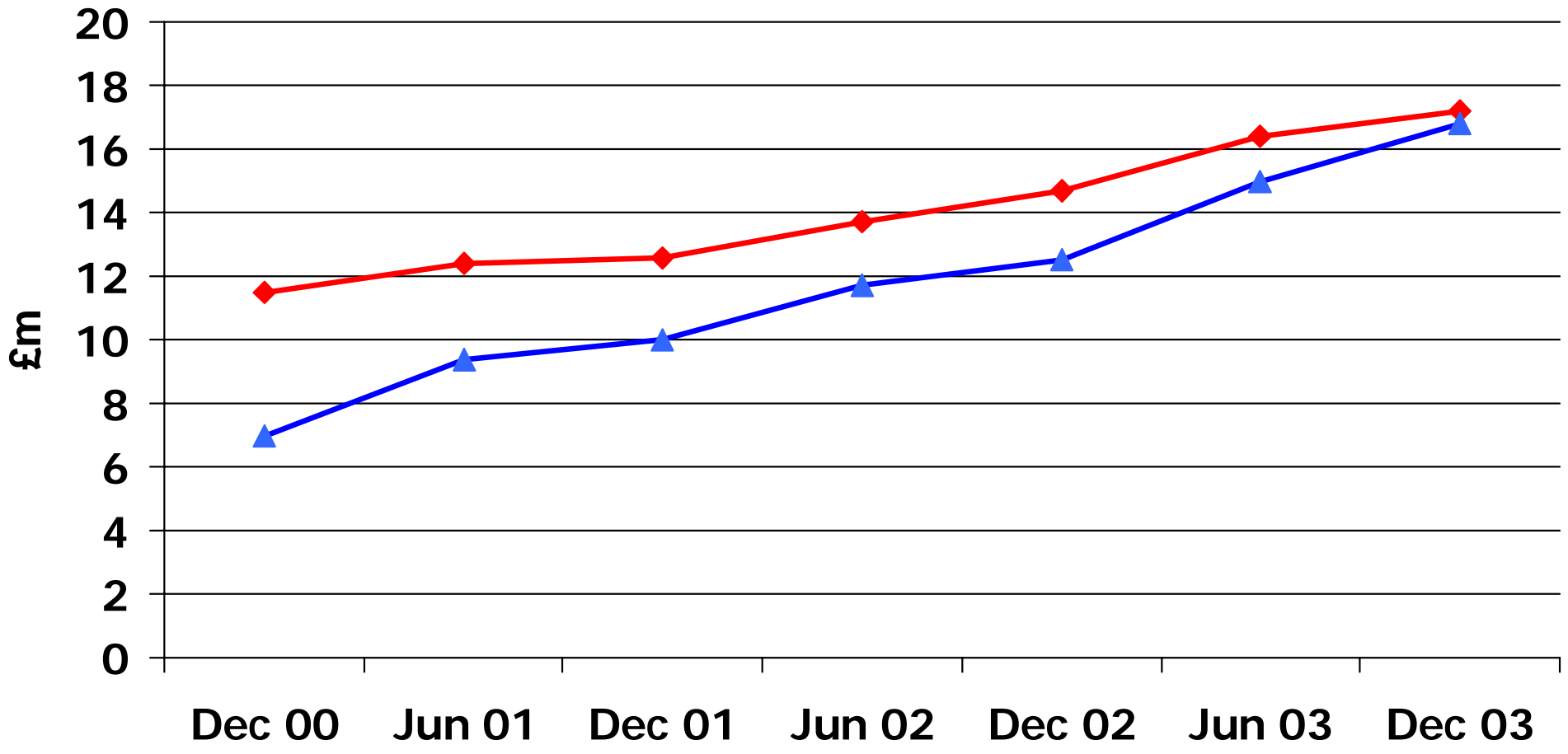
- **Sales up 6.1%** (£254.0m vs £239.5m)
- **Operating Profit\* up 17.0 %** (£17.2m vs £14.7m)
- **Operating margin\*** 6.8% vs 6.1%
- **Strong Cash Generation** - Lower Debt, Reduced Gearing
- **EPS up 30%** (6.1p vs 4.7p)
- **Interim Dividend up 50%** (1.2p vs 0.8p)

\* Before amortisation of goodwill £0.7m (£0.7m)

# *Trading Highlights*

- C E Core sales up 4.8% at constant currency
- CE/ROW now accounts for 59% of Sales (56%)
- Spain & France sales up 8% and 7% respectively
- Household & Personal Care sales and profit growth
- UK Sales stable in face of continued price pressure
- Increased Contribution from APL
- Continuing focus on operating efficiencies and asset utilisation

# Consistent Profit Growth - 6 Half Years



◆ Operating Profit ▲ Pre Tax Profit

Excluding JV and Goodwill



# *Financial Highlights*

- Pre tax profit £16.5m up 39% (£11.8m)
- Operating Cash Flow £32.3m up 19.6% (£27.0m)
- Net Debt at £43.6m vs. £61.1m at 30th June 03
- APL Profit Before Tax £0.4m (Nil), McBride Group share
- Basic Earnings per Share 6.1p, up 30% (4.7p)
- Average ROCE 24.2% vs. 19.6% year to 30th June 03
- Change in Accounting Policy- FRS5 Application Note G

# *Underlying Financial Performance*

6 months to 31st Dec

£m	<u>2003</u>	<u>2002</u>
Sales	<u>254.0</u>	<u>239.5</u>
Operating Profit *	16.5	14.0
Interest	<u>(0.4)</u>	<u>(2.2)</u>
Profit before tax	16.1	11.8
Taxation	<u>(5.6)</u>	<u>(3.5)</u>
Profit after tax	<u>10.5</u>	<u>8.3</u>
EPS (Underlying basis)	6.1p	4.7p
Dividend	1.2p	0.8p
Cash Flow per share	13.1p	11.2p

\* Excluding JV

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# Operating Cash Flow

6 months to 31<sup>st</sup> Dec

£m	2003	2002
Operating profit *	17.2	14.7
Depreciation	<u>10.2</u>	<u>10.3</u>
<b>EBITDA</b>	<b>27.4</b>	<b>25.0</b>
Working Capital Movement	4.9	2.0
Interest & Taxation	<u>(3.0)</u>	<u>(3.5)</u>
Operating Cash Flow (after tax and finance)	29.3	23.5
Net Capital Expenditure	<u>(6.1)</u>	<u>(3.6)</u>
Free Cash Flow	23.2	19.9

\* Before Goodwill amortisation

# Balance Sheet

£m

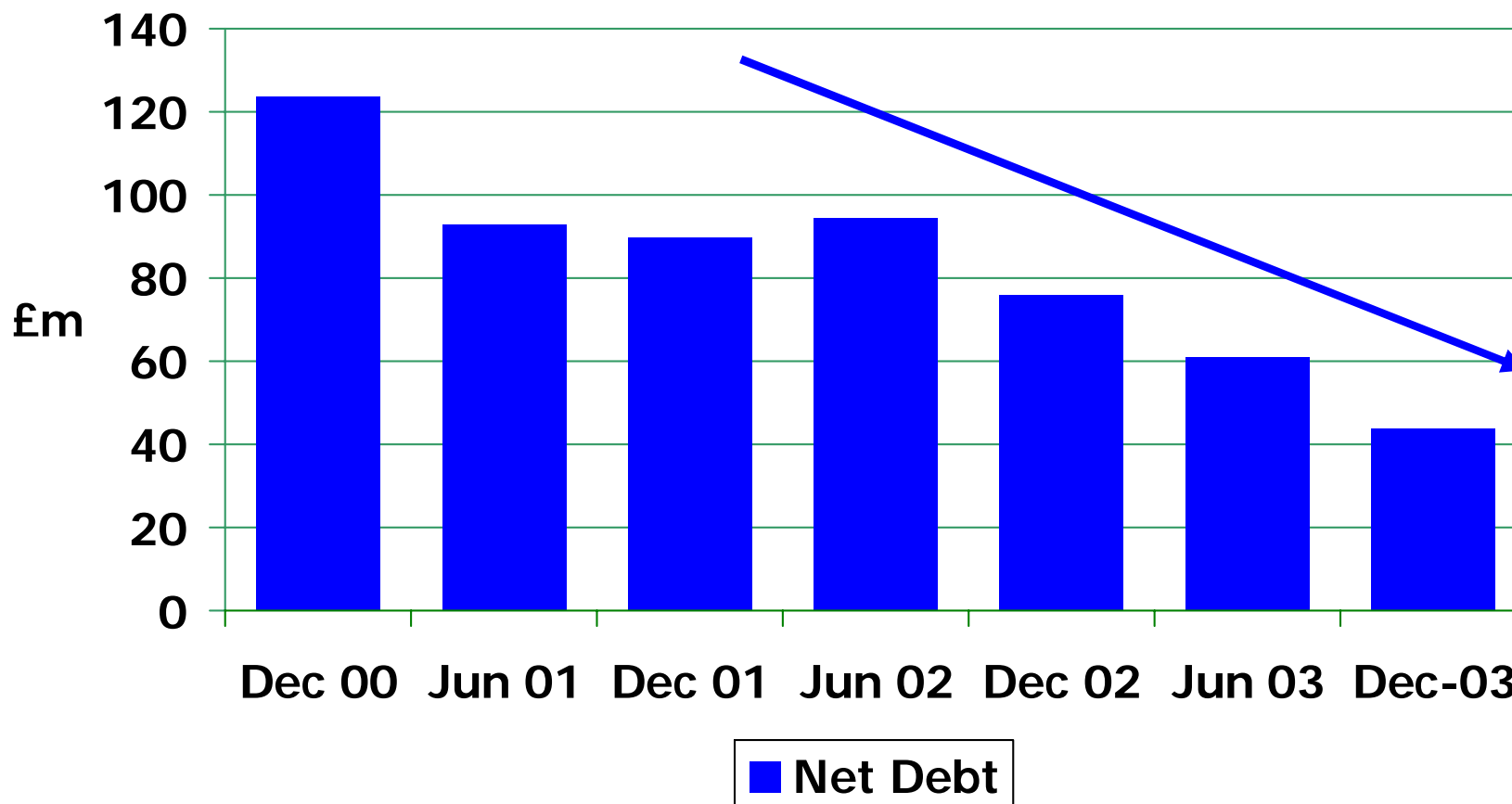
31<sup>st</sup> Dec  
2003

31<sup>st</sup> Dec  
2002

Intangible fixed assets	8.3	9.7
Tangible fixed assets	125.0	130.1
Fixed assets	133.3	139.8
Working capital	6.1	15.2
Investment in Joint Venture	(1.4)	(1.8)
Provisions	(7.6)	(4.9)
Net Debt	<u>(43.6)</u>	<u>(76.6)</u>
Net assets	<u>86.8</u>	<u>71.7</u>
Average ROCE annualised *	24.2%	18.0%
Gearing	50%	107%

\* Operating Profit / average (net assets + net debt + JV investment)

# Net Debt



Cash per Share (p) 0.5      2.4      9.8      11.2      12.2      13.1

# *Underlying PL/MB sales up 2.6%*

## *Currency Benefit £11.9m*

<b>£m Constant Currency</b>	<b><u>H 1</u> <u>2003</u></b>	<b><u>H 1</u> <u>2002</u></b>	<b><u>+/- %</u></b>
<b>PL/MB Household</b>	<b>209.8</b>	<b>203.9</b>	<b>+2.9%</b>
<b>PL/MB Personal Care</b>	<b>33.6</b>	<b>33.2</b>	<b>+1.2%</b>
<b>Total PL/MB Retail</b>	<b>243.4</b>	<b>237.1</b>	<b>+2.6%</b>
<b>Contract</b>	<b>10.6</b>	<b>14.3</b>	<b>-25.9%</b>
<b>Total</b>	<b>254.0</b>	<b>251.4</b>	<b>+1.0%</b>
<b>Europe</b>	<b>143.7</b>	<b>128.6</b>	<b>+11.7%</b>
<b>Exchange Impact</b>	<b>-</b>	<b>11.9</b>	
<b>Europe at actual rates</b>	<b>143.7</b>	<b>140.5</b>	<b>+2.2%</b>
<b>UK</b>	<b>110.3</b>	<b>110.9</b>	<b>-0.5%</b>
<b>Total</b>	<b>254.0</b>	<b>251.4</b>	<b>+1.0%</b>

# Accounting Policy Changes to align with FRS5 Application Note G

- Turnover excludes discounts/rebates,

£m	2002 Restated	2002 Original	Change
Turnover	239.5	249.3	(9.8)
“Operating Costs”	<u>(225.5)</u>	<u>(235.3)</u>	<u>9.8</u>
<b>Group Operating Profit</b>	<b>14.0</b>	<b>14.0</b>	<b>0.0</b>

- Blow moulding Equipment reclassified to fixed assets from stock

Balance Sheet	<b>Stock</b>	<b>(1.8)</b>	<b>Fixed Assets</b>	<b>1.8</b>		
Profit & Loss account	<b>Admin</b>	<b>0.5</b>	<b>Depreciation</b>	<b>(0.5)</b>		
Cash Flow	<b>Capex</b>	<b>(1.2)</b>	<b>Depreciation</b>	<b>0.5</b>	<b>Stock</b>	<b>0.7</b>

# UK PL Household saw Volume and Value growth

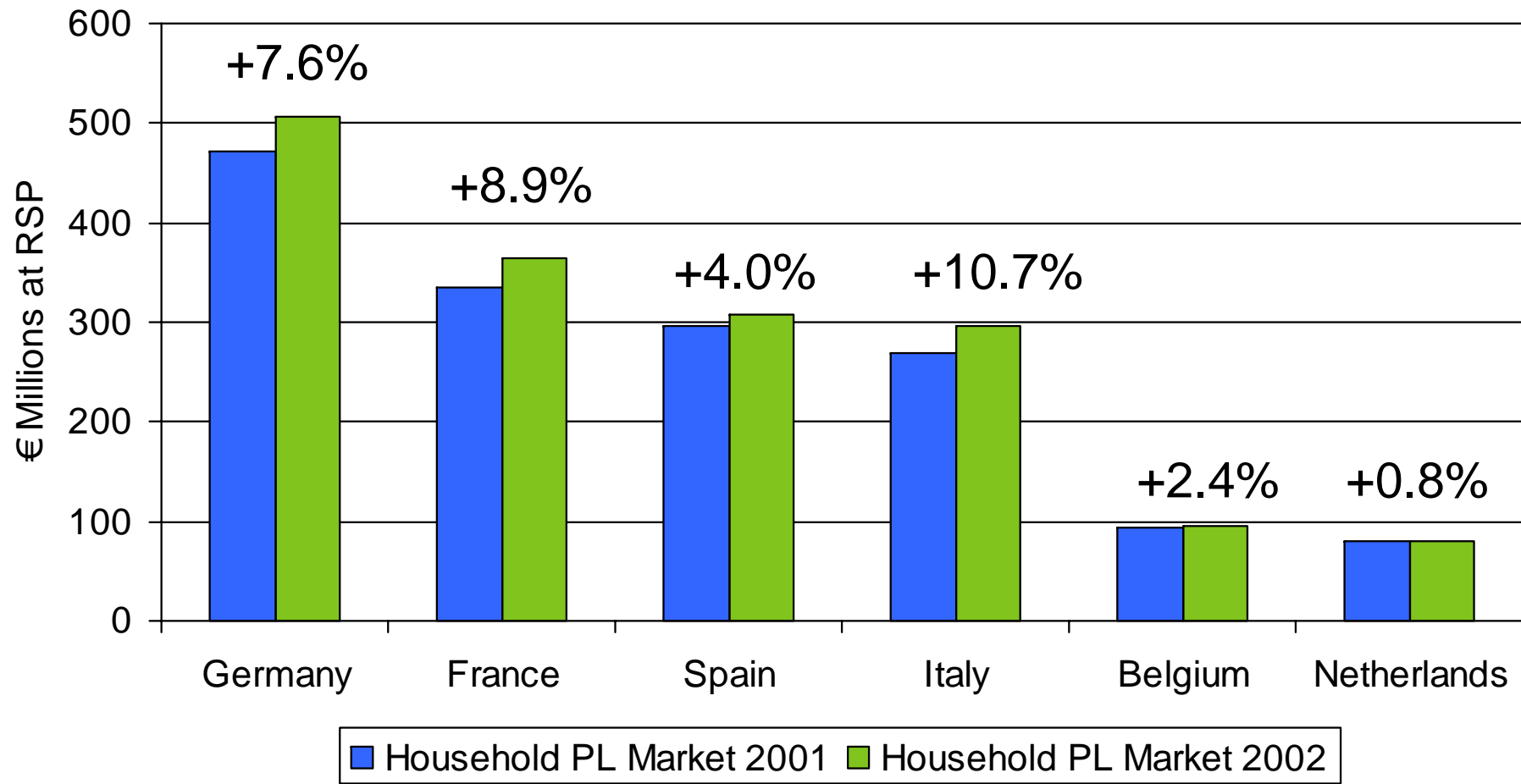


TNSofres data: 52 weeks ending 31 Dec

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# European PL Household continued to grow in all McBride's core markets



Euromonitor July 2003 Reports 12 month to End Dec

# *Business Strategy*

- Household and personal care - Private Label focus
- Europe main growth opportunity
- CSL/ speed to market -competitive edge
- Flexible large scale supply- efficiency gains
- Lowest cost asset base - rationalisation
- Scope and Resources for disciplined expansion
- Maintain Cash / Average ROCE focus



# *Cost Control Efficiency Benefits*

- Mass Balance / Labour efficiencies:
  - Measurement systems / Performance targets
- Transportation and warehousing costs reduced
- Exit from European Industrial and Institutional Contract business
- Further rationalisation opportunities
- Raw material management
- Asset utilisation

# Summary

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# *Current Trading*

The Company has had a satisfactory start to the 2nd half and the Board remains confident for the year as a whole