

**McBride plc**

**Interim Results**

**6 months ending - 31st Dec 2002**



## KEY MESSAGES

- Private Label market growing
- Sales Growth 4.0%
- Continued margin improvement
- EDITDA up 13.4% to £24.5m
- PBT up 44% to £11.8m
- Strong Cash generation
- Continuing Net Debt reduction
- Interim Dividend up 14% to 0.8p per share

# TRADING HIGHLIGHTS

- Strong Continental European and Overseas sales growth of 7.1%
- UK sales improvement despite price deflation.
- Continuing sales development in Central and Eastern Europe
- Manufacturing efficiencies helped offset selling price pressure



# FINANCIAL HIGHLIGHTS

- Reported sales up 4.0% at £249.3m (£239.6m)
- EBITDA before goodwill amortisation and share of Joint Venture up 13.4% at £24.5m (£21.6m)
- ROS % of 5.9% compared to 5.2% last year
- Trading cash flow £18.6m (£4.3m)
- Net Debt reduced to £76.6m
- Basic Earnings per share up 42% to 4.7p (3.3p Dec 2001)
- Interim Dividend up 14% to 0.8p



# UNDERLYING FINANCIAL PERFORMANCE

## (Before Goodwill and Joint Venture)

6 months to 31st Dec

£m	<u>2002</u>	<u>2001</u>
Sales	<u>249.3</u>	<u>239.6</u>
Operating profit	14.7	12.4
Interest	<u>(2.2)</u>	<u>(2.4)</u>
Profit before tax	12.5	10.0
Taxation	<u>(3.5)</u>	<u>(2.7)</u>
Profit after tax	<u>9.0</u>	<u>7.3</u>
Interest cover (times) *	6.7	5.2
EPS (Underlying basis)	5.1p	4.1p
Dividend	0.8p	0.7p
Cash Flow per share	11.2p	2.4p

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\* 6 months basis



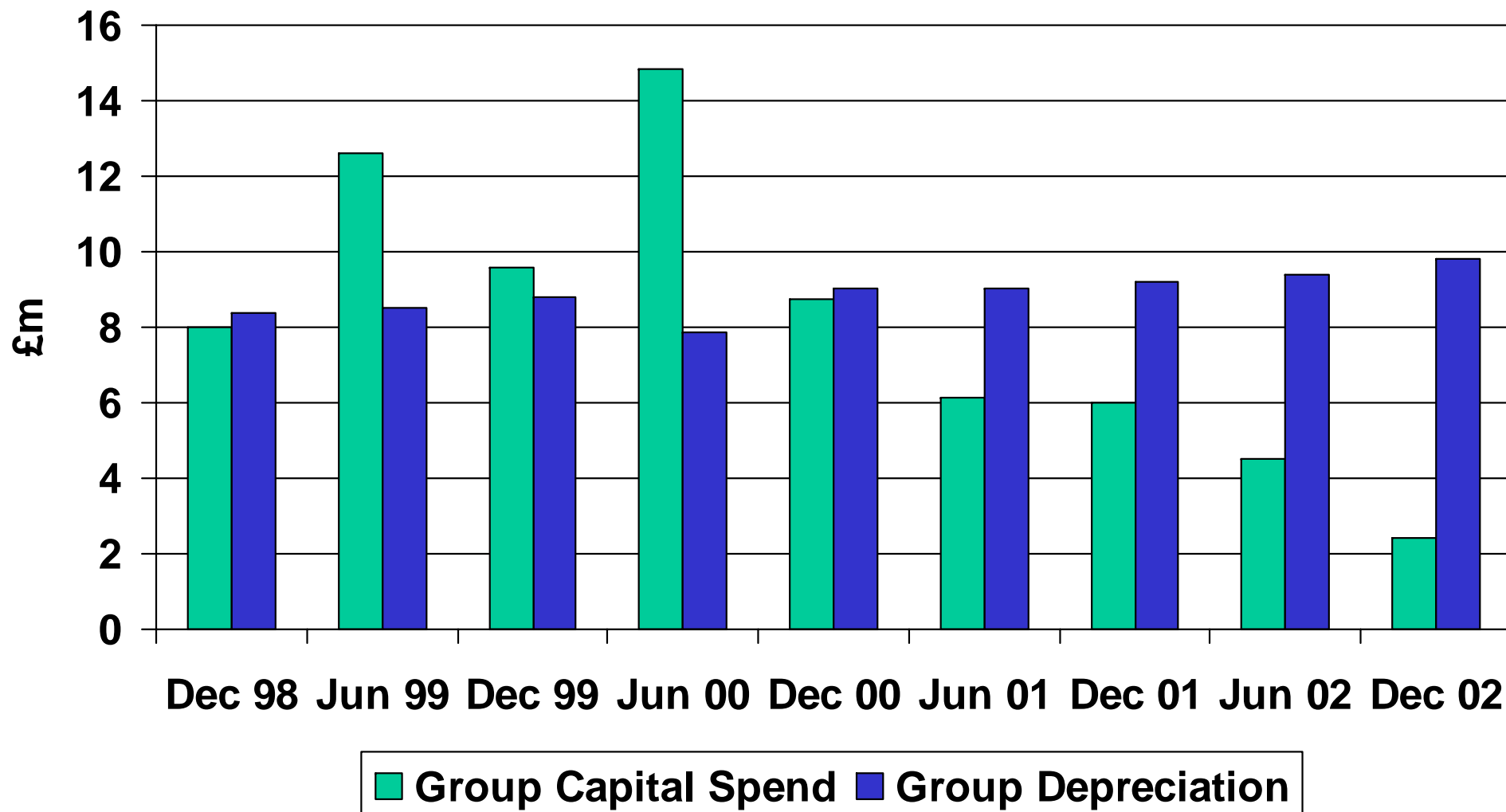
# £14.3m IMPROVEMENT IN OPERATING CASH FLOW

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

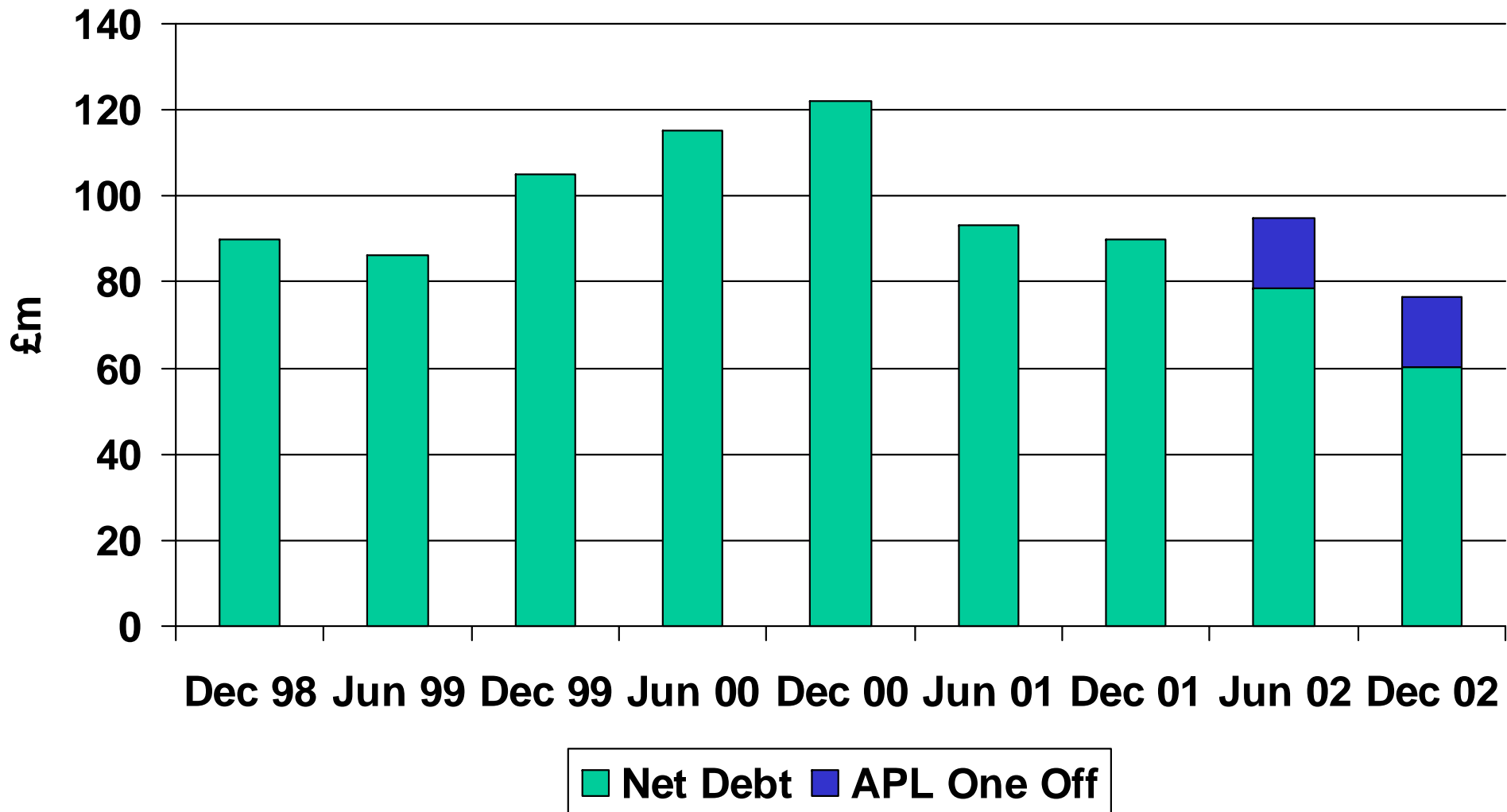
£m	<u>2002</u>	<u>2001</u>
Trading profit	14.7	12.4
Depreciation	9.8	9.2
Capital expenditure	(2.4)	(6.0)
Working capital	<u>1.3</u>	<u>(6.2)</u>
Operating cash flow	23.4	9.4
Other Items	<u>(4.8)</u>	<u>(5.1)</u>
Free cash flow	<u>18.6</u>	<u>4.3</u>
Operating cash flow as % of Trading Profit	159%	76%



# CAPITAL SPEND RUNNING BELOW DEPRECIATION



# STRONG CASH GENERATION SEES NET DEBT FURTHER REDUCED TO £76.6m





# BALANCE SHEET

£m	31 <sup>st</sup> Dec <u>2002</u>	31 <sup>st</sup> Dec <u>2001</u>
Intangible fixed assets	9.7	11.5
Tangible fixed assets	128.3	136.6
Investment in joint venture	<u>0.0</u>	<u>4.9</u>
Fixed assets	138.0	153.0
Working capital	17.0	23.2
Investment in Joint Venture	(1.8)	(7.9)
Provisions	(4.9)	(2.8)
Net Debt	(76.6)	(89.8)
Net assets	<u>71.7</u>	<u>75.7</u>
ROCE annualised *	19.5%	15.5%
Gearing	107%	119%

\* PBIT exc. Goodwill amortisation / (Opening net assets + Opening net debt ) Excluding Goodwill



# BUSINESS HIGHLIGHTS

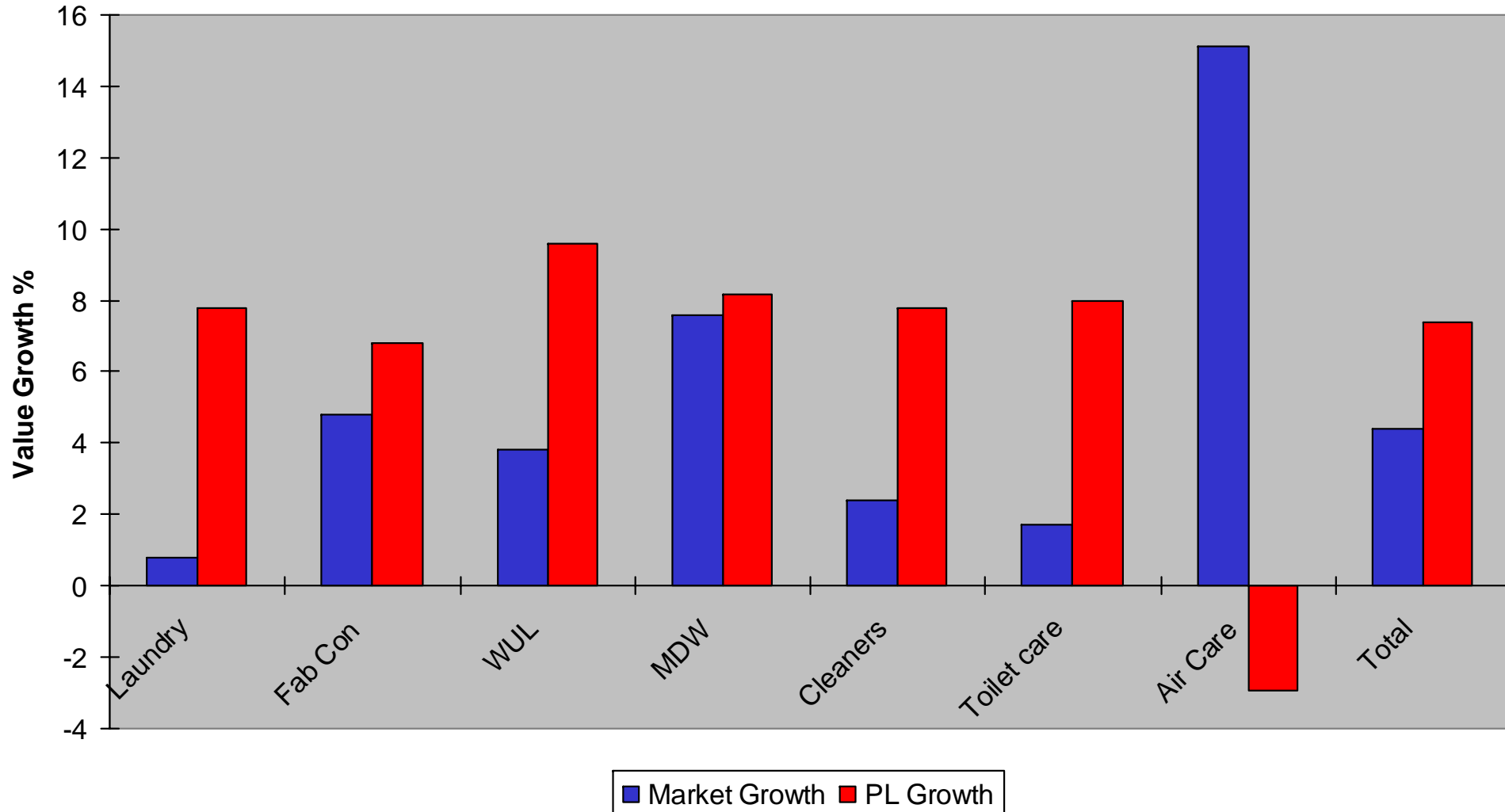
- Continental Europe (CE)
  - Record sales levels
  - Private Label market growth
- Central and Eastern Europe (CEE)
  - Poland sales £ Stg result impacted by weak Zloty
  - Czech & Hungary continued growth and now profitable
  - Polish liquid products now being exported
- United Kingdom (UK)
  - Laundry packfill change implemented successfully
  - Minor Brands: Household +9% Y on Y; Personal Care +10% Y on Y
  - APL trading profitably and Cash generative



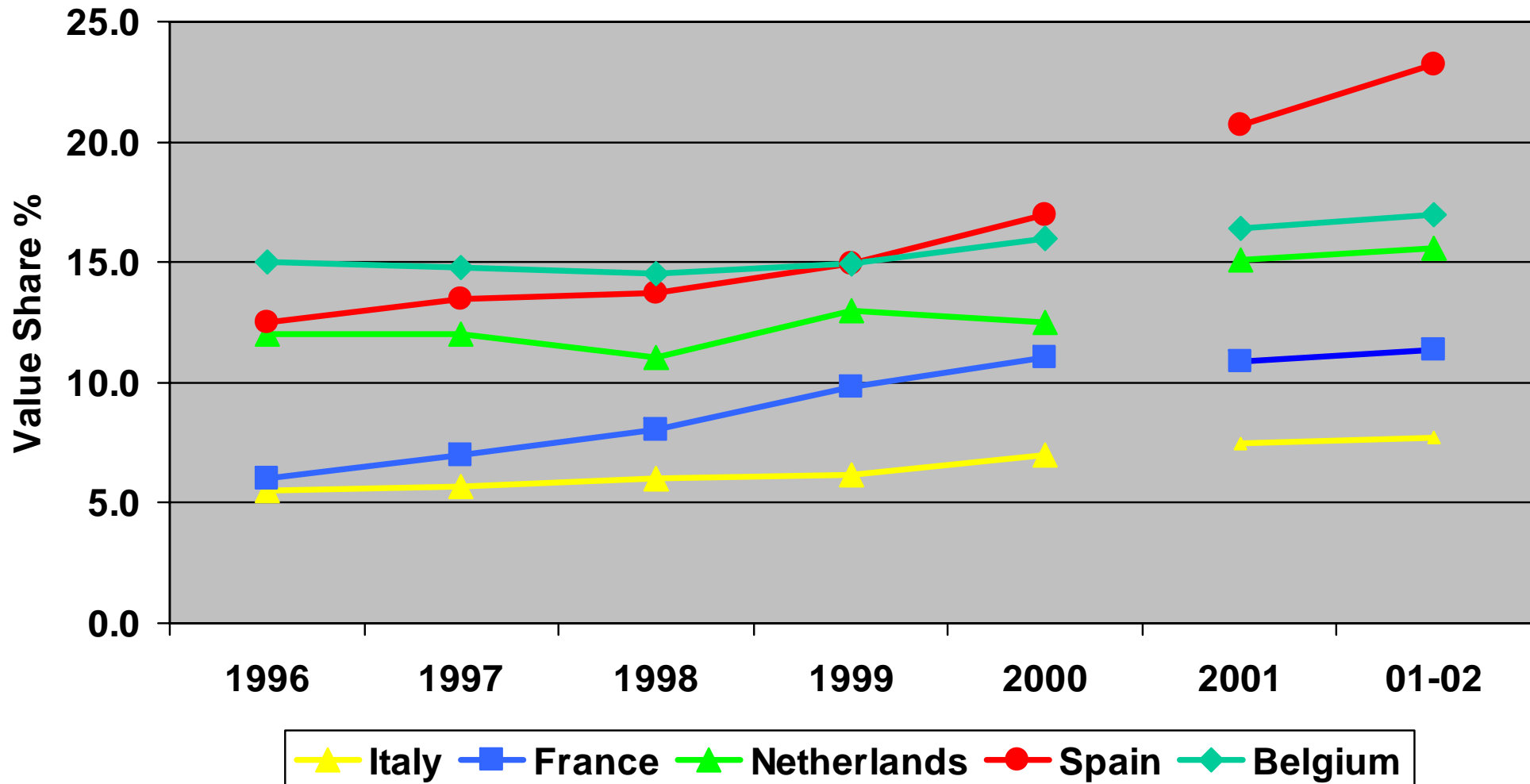
# STRONG SALES GROWTH FROM EUROPE

<b>£m</b>	<b><u>H 1</u></b> <b><u>2001</u></b>	<b><u>H 1</u></b> <b><u>2002</u></b>	<b><u>+/- %</u></b>
UK	119.1	<b>120.3</b>	<b>+1.0%</b>
Europe	120.5	<b>129.0</b>	<b>+7.1%</b>
<b>Group</b>	<b>239.6</b>	<b>249.3</b>	<b>+4.0%</b>

# THE UK HOUSEHOLD PRIVATE LABEL SHARE OUT PERFORMED THE MARKET



# IN EUROPE HOUSEHOLD PRIVATE LABEL INCREASED SHARE IN ALL COUNTRIES



Source: 96-00 Nielsen  
01-02 IRI



# STRONG PROFIT GROWTH IN EUROPE SUPPORTED BY GOOD UK RESULT

<b>£m</b>	<b><u>H 1</u></b> <b><u>2001</u></b>	<b><u>H 1</u></b> <b><u>2002</u></b>	<b><u>+/- %</u></b>
UK	7.0	8.1	<b>+15.7%</b>
Europe	5.4	6.6	<b>+22.2%</b>
<b>Group</b>	<b>12.4</b>	<b>14.7</b>	<b>+18.5%</b>
<b>ROS%</b>	<b>5.2%</b>	<b>5.9%</b>	

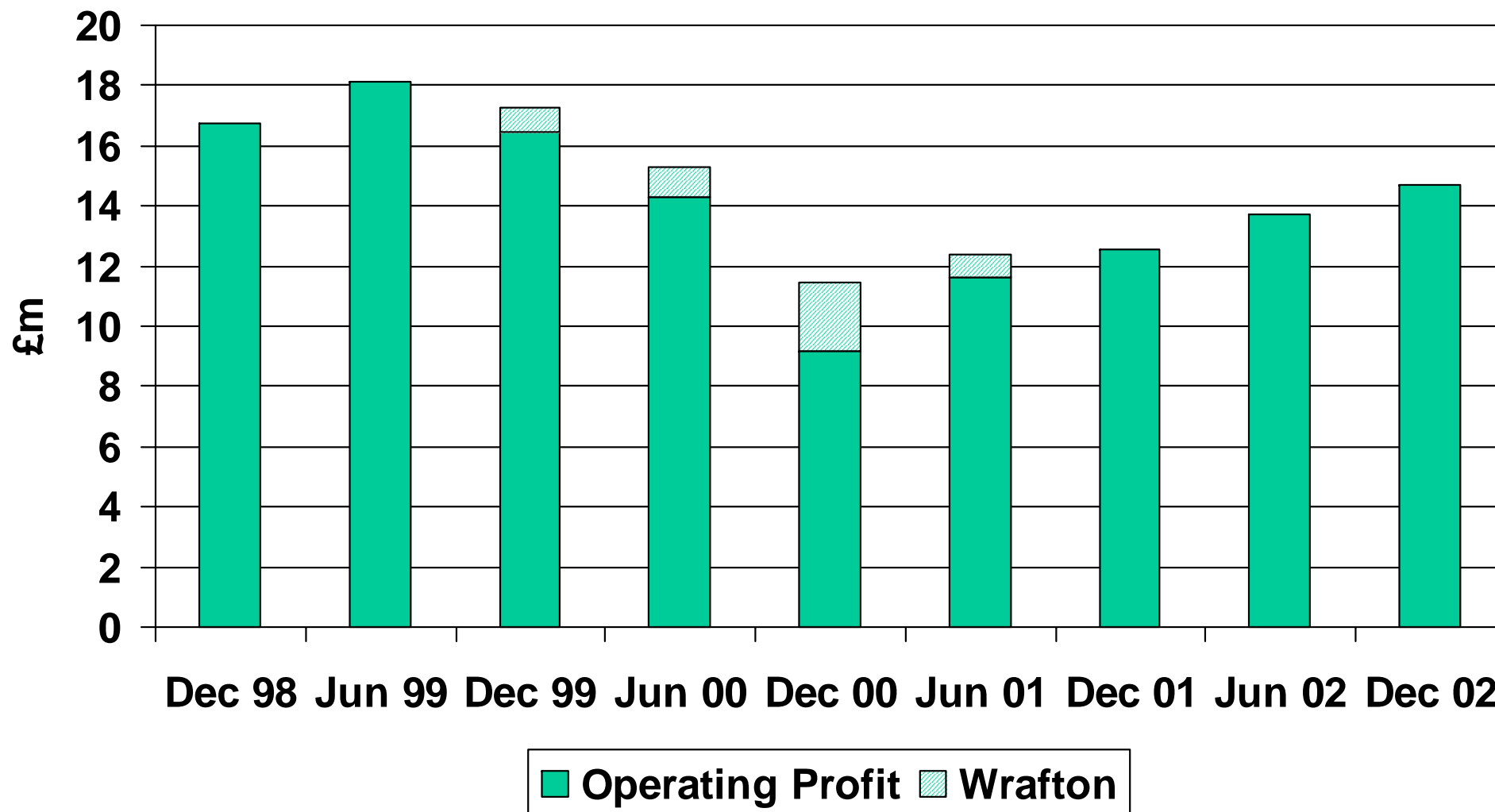
Pre Joint Venture & Goodwill amortisation



# COST CONTROL COUNTERS PRICE PRESSURES

- Mass Balance / Labour efficiencies:
  - Measurement systems / Performance targets
- Transportation and warehousing costs reduced
- Blow moulding - reduced the share of bought in bottles
- Douai production transferred, site converted to distribution center
- Raw material management

# GROUP TRADING PROFIT CONTINUOUS IMPROVEMENT FOR 4 HALF YEARS





# CURRENT TRADING

- Demand for private label products remains strong
- The market conditions in both the UK and Continental Europe are challenging with input price uncertainty.
- Sales momentum continuing.
- Combined cost and cash focus expected to deliver second half progress.



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