

Carr's Milling Industries PLC

A Year of Achievement

PRELIMINARY RESULTS PRESENTATION

NOVEMBER 2008



**CARR'S
MILLING INDUSTRIES PLC**



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Sustained growth and profit maximisation

- Coherent diversified platform
- 10 out of 11 years of consistent growth in earnings, cash and dividends against difficult market backdrop, particularly in UK farming
- Grown both organically and through targeted acquisitions
- Track record of innovative product development
- Successful international expansion (Germany in 2006 and USA in 1997)



Carr's Divisional structure

Agriculture

Sales £276m FY'08

Animal Feed

- UK Dairy, beef and sheep animal feeds – 500,000 tonnes
- UK Crystalyx feed blocks – 18,000 tonnes
- USA Smartlic feed blocks – 50,000 tonnes
- Germany Crystalyx feed blocks – 5,700 tonnes
- UK AminoMax by pass protein – 11,000 tonnes

Fertiliser

- Dominant market position in northern England and Scotland due to innovative niche products – 300,000 tonnes

Agriculture supplies

- Supplies retail and other products to the farming industry from 15 retail outlets

Food

Sales £86m FY'08

Flour Mills – 230,000 tonnes

- Top 3 independent flour miller
- Profitability on improving trend due to benefits of cost reduction programme

Engineering

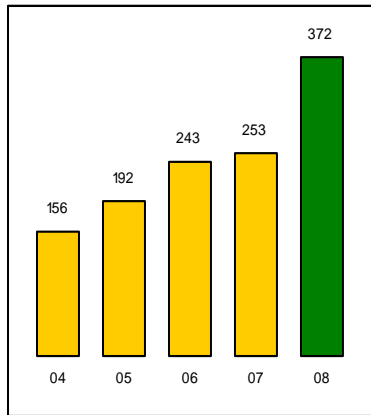
Sales £11m FY'08

Nuclear and petrochemicals

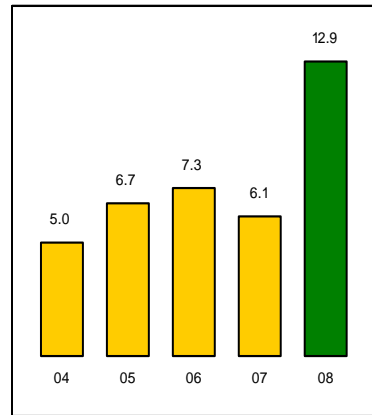
- Small, profitable non-core business



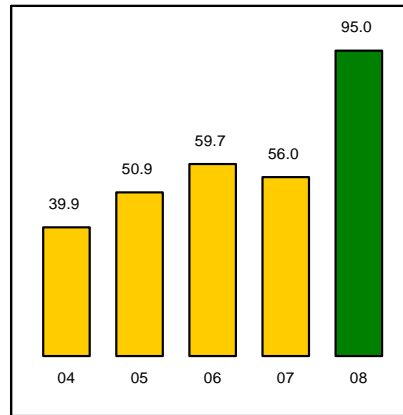
Carr's Five Year Record



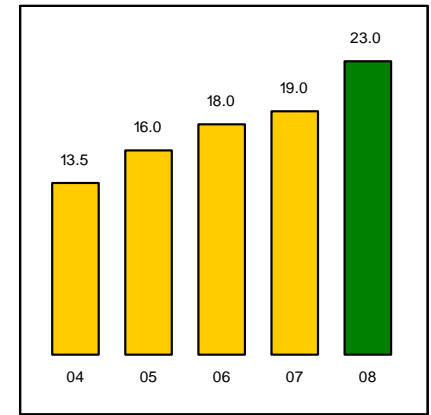
Revenue £m



Profit before tax* £m



Earnings per share* (p)



Dividends (p)

*excludes non-recurring items and amortisation of intangible assets



Carr's Income Statement

	2008		2007	
	Sales £'m	Op. Profit £'m	Sales £'m	Op. Profit £'m
Agriculture	275.8	11.0	185.9	5.2
Food	85.6	2.0	57.0	1.4
Engineering	10.7	1.1	9.6	1.0
Other	0.2	(0.4)	0.2	(0.3)
	372.3	13.7	252.7	7.3
Non-recurring items		(0.1)		(0.4)
Pension Costs		(1.0)		(1.1)
Associate & JV's		1.7		0.7
Operating Profit		14.3		6.5
Interest		(1.5)		(1.0)
		12.8		5.5



Carr's Income Statement

"One Off" Items – 2008

£m

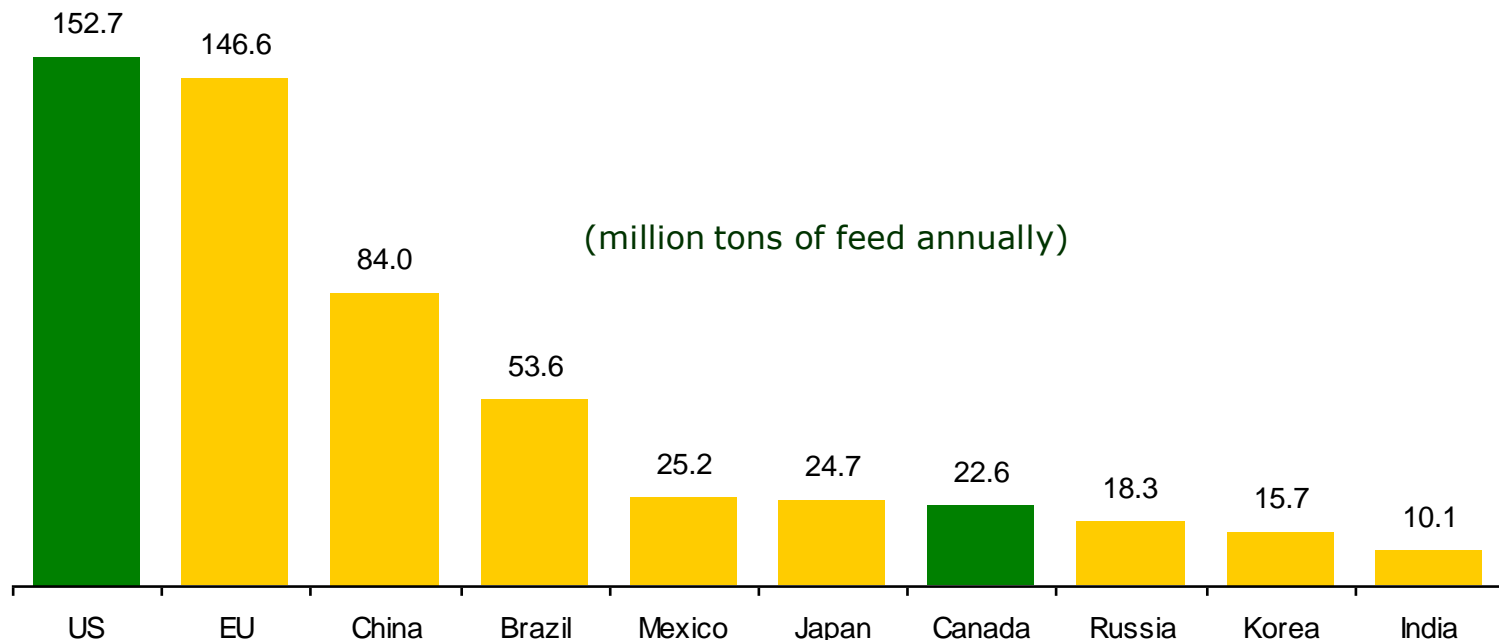
Reported Profit		12.8
Amortisation	0.1	
Deferred Pensioner buy-out	(0.4)	(0.3)
Adjusted Profit		12.5
Fertiliser		
Inventory gain	2.5	
Forward contracts (FX)	0.5	
Early Autumn sales	0.6	3.6
Feed		
Inventory Gain		0.2
PBT (excl "one off" items)		8.7



Feed Industry Overview

- Global population growth and trends in consumption of meat, milk and egg products are driving increased production of animal feed in North America
- The North American feed industry is large, representing 175 million tons or 25% of world feed population

World Feed Production by Country and Region



Growth:

	US	EU	China	Brazil	Mexico	Japan	Canada	Russia	Korea	India
2005	1.7%	4.0%	15.5%	13.6%	3.7%	7.4%	0.9%	5.8%	9.8%	5.2%
2001	5.7%	5.9%	35.0%	38.9%	20.8%	(15.8)%	9.8%	17.9%	4.4%	13.1%

Source: Feed International, January 2008



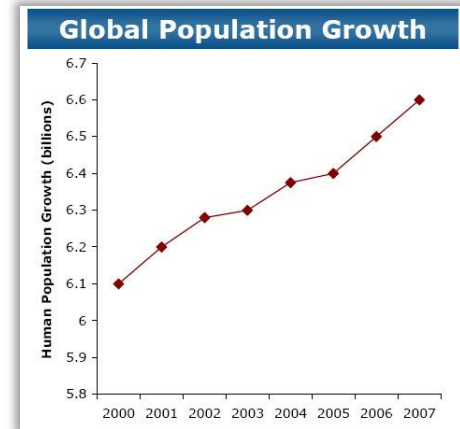
Market drivers: Animal feed

Global food market being driven by

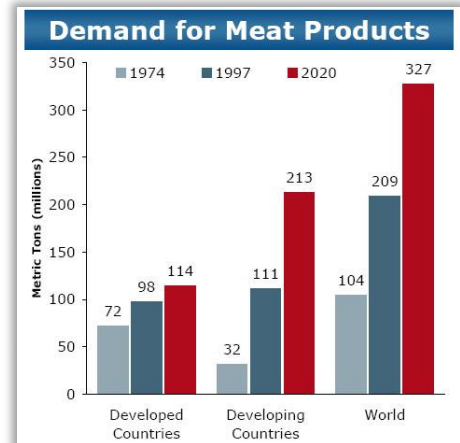
- Rising population
- Increased standards of living
- Move to a “western” diet in Asia

Rising end product prices driving farming industry to

- Improve yields
- Improved animal welfare
- Improve quality



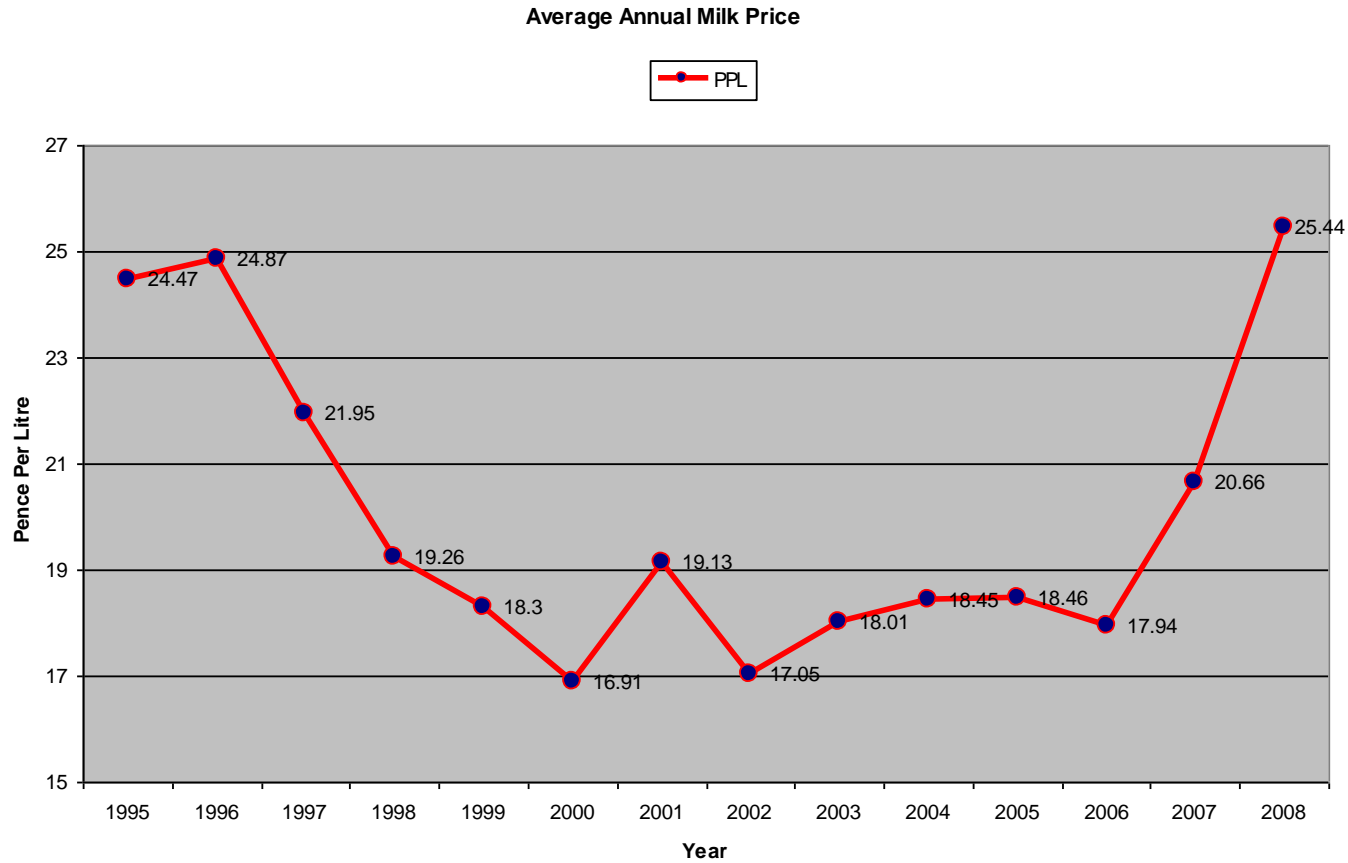
Source: United Nations, January 2008



Source: Feed International, January 2008



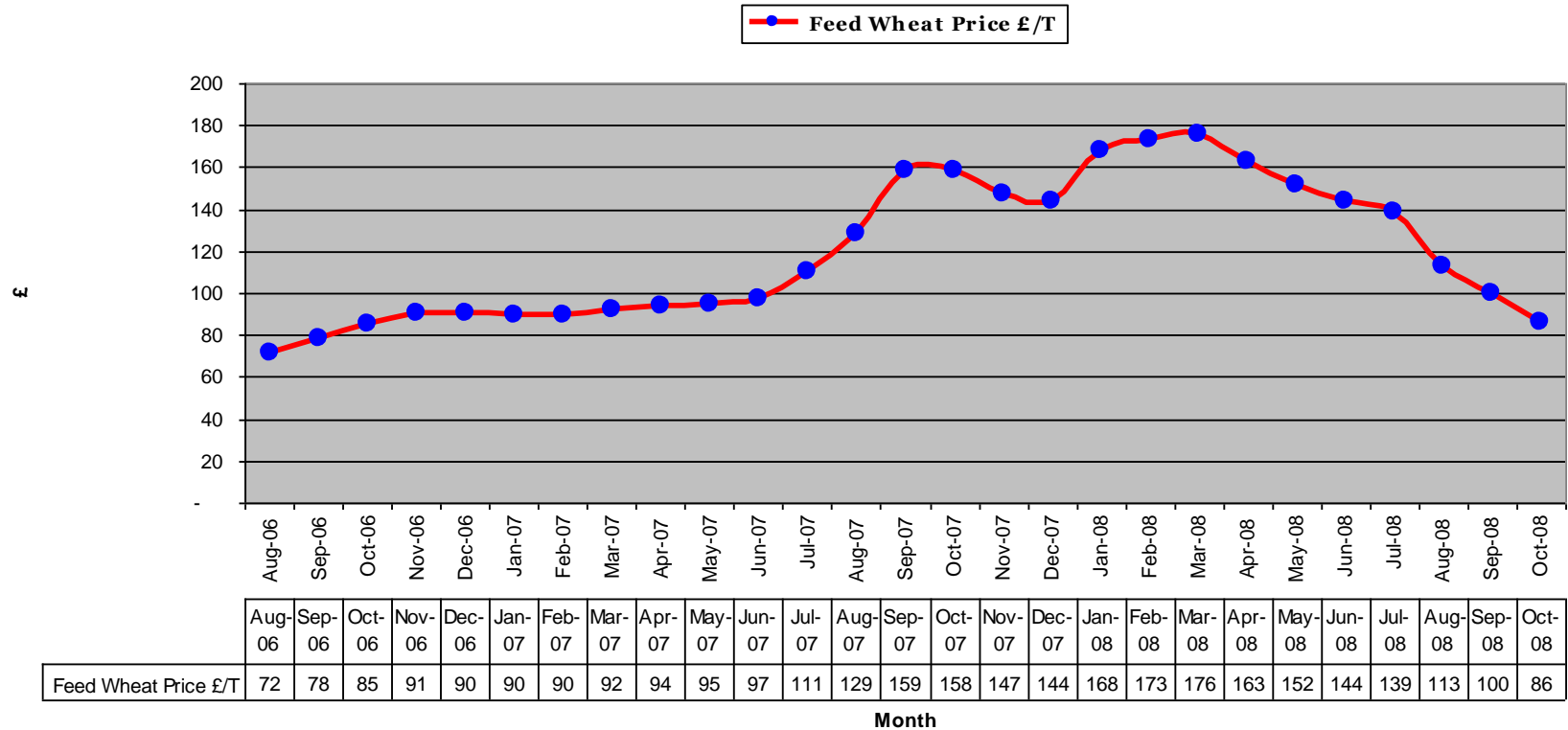
Agriculture – Farm Gate Milk Price





Agriculture – Feed Wheat Price

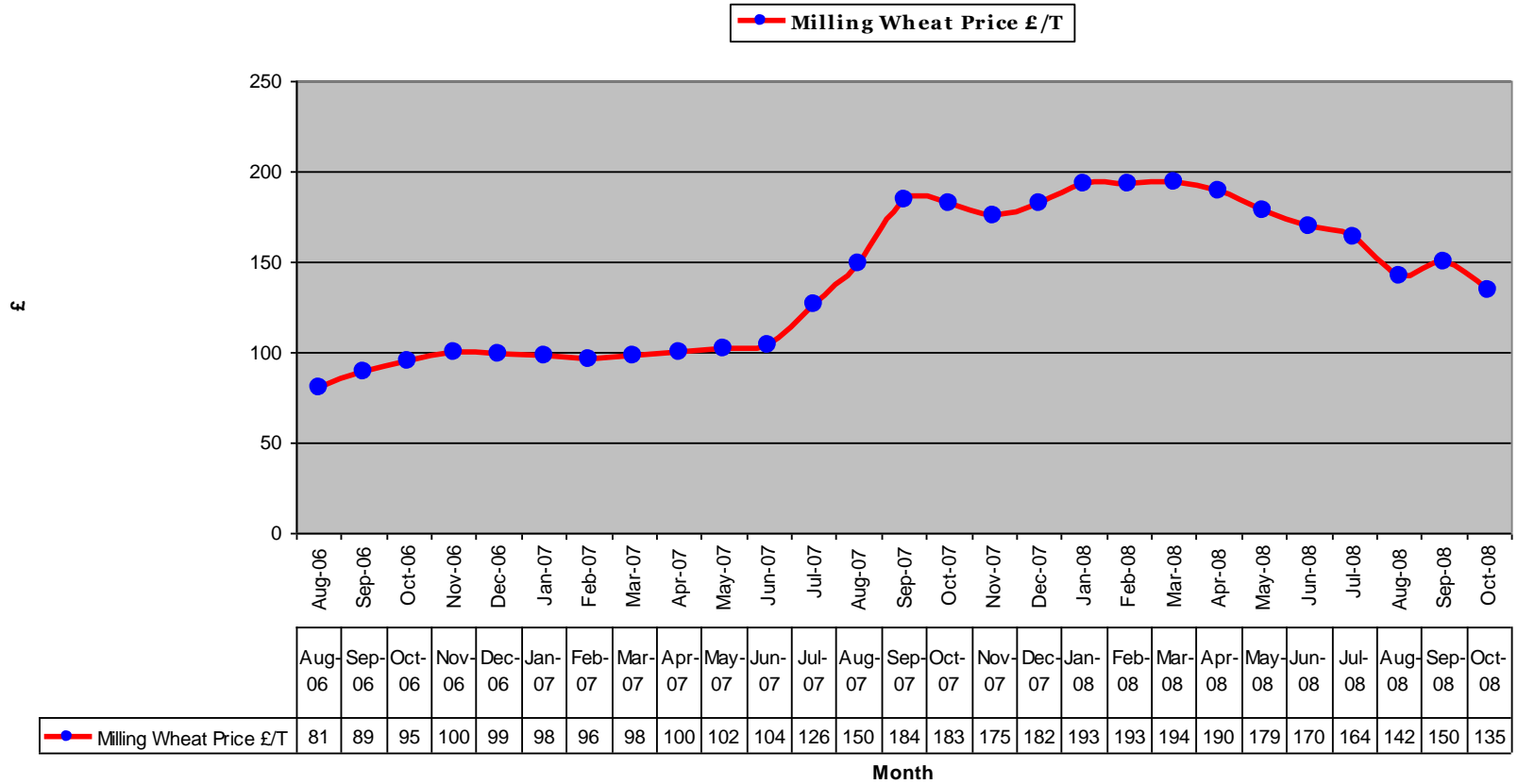
Feed Wheat Prices August 2006 - October 2008





Agriculture – Milling Wheat Price

Milling Wheat Prices August 2006 - October 2008





Block and specialist feed; the solution

Low moisture feed blocks:

- Improve both health and growth of animal
- Improve returns for the farmer
- Versatile across ruminant livestock range
- Increased use in growing leisure market

Specialist feeds:

- Improve performance, yield and cost efficiency
- Technology led
- Carr's at forefront of development (AminoMax)



Summarised Income Statement

Summarised income statement 12 months ended

	2008	2007	Increase
Revenue (£m)	372.3	252.8	47.3%
PBT - adjusted (£m)	12.9	6.1	111.5%
- reported (£)	12.8	5.5	132.7%
EPS - adjusted (p)	95.0	56.0	69.6%
- reported (p)	93.7	50.7	84.5%
DPS (p)	23.0	18.0	27.8%



Summarised Balance Sheet

Balance Sheet	31 August 08	01 September 07
	£m	£m
Non-current assets	42.0	37.8
Current assets	86.8	51.8
Current liabilities	(70.1)	(39.8)
Non-current liabilities	(29.9)	(20.9)
Net assets	28.8	28.9
Minority interests – equity	(2.6)	(2.1)
Equity shareholders' funds	26.2	26.8
Net debt	17.5	15.4
Gearing	66.8%	57.0%
Net assets per share	299p	324p



Acquisition

- Acquiring Wälischmiller for €5.9m
- Leading supplier of remote handling equipment to Europe and Japan's nuclear industry
- Acquired fixed assets and goodwill
- Expected to be eps enhancing in year 1
- Good fit with Carrs MSM based in UK
- Strengthens our Engineering capabilities