

CARR'S MILLING INDUSTRIES PLC

“...profitable growth...”

Interim Results Presentation

24 April 2012

RESULTS OVERVIEW*

- Revenue **increased** 11.7% to £196.0m (2011: £175.5m)
- Pre-tax profit **increased** 30.8% to £7.4m (2011: £5.7m)
- EBITDA **increased** 22.0% to £8.9m (2011: £7.4m)
- Fully diluted EPS **increased** 29.2% to 52.2p (2011: 40.4p)
- First interim DPS **increased** 11.5% to 7.25p (2011: 6.5p)
- £1.6m **net cash** (2011: £28.2m net debt)
- NAV per share £7.36

*Continuing operations

Strong first half performance

TRADING OVERVIEW

Agriculture

Food

Engineering

- Double-digit revenue and profit growth reflects excellent feed block sales and strong retail performance
- Continued downward pressure on margins although sales resilient
- Excellent demand backdrop, both nuclear and non-nuclear

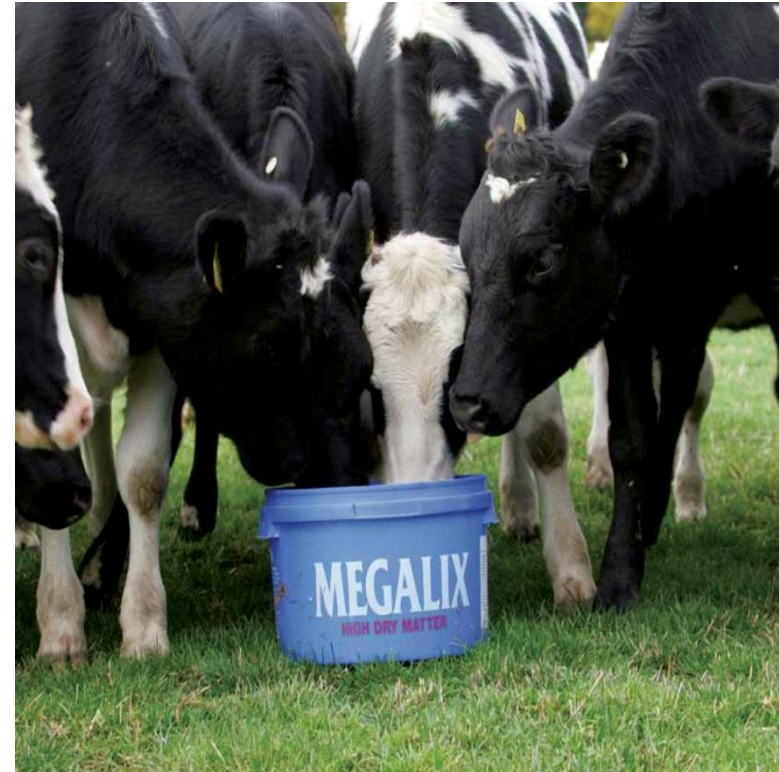
AGRICULTURE – ANIMAL FEED

- Mixed UK trading environment
 - Pricing background supportive
 - Ruminant animal feed sales volume lower – mild weather
- AminoMax plant at Watertown, New York State now in production after short delay
- Contribution of Bibby Agriculture (JV) up 34%



AGRICULTURE – ANIMAL FEED

- Low moisture feed block
 - Strong recovery in demand in US – sales up 40%
 - UK sales volumes maintained despite mild winter
 - Strong demand continues for Crystalyx in Europe and New Zealand
- High moisture feed block
 - Production efficiencies achieved from investment last year
 - Sales growth benefits from re-launch of Megalix and Megastart
- Prospects – new markets



AGRICULTURE – RETAIL AND FARM MACHINERY

- Record H1 sales growth reflects increased range of animal health products
- Safe at Work, acquired April 2011, product range of specialist protective clothing extended to branch network
- New retail branch opened at Stirling
- Machinery sales growth with larger range of franchises



AGRICULTURE - FUEL

- Sales volumes similar to H1 last year despite milder winter weather, reflecting market share gains
- New depots opened at Hexham (August 2011) and Cockermouth (February 2012)
- Oil price more stable and margin lower
- Cross-selling with retail branches operating well



FOOD

- Profit down 39% in 1H on sales up 8%
- Wheat price volatile during H1 – fluctuation c.£35/tonne
- New wheat handling facility re-opened in August 2011 at Kirkcaldy is working well
- Consolidation and rationalisation with UK milling industry continues



ENGINEERING - UK

- Profit up 175% to £1.6 million reflects strong H1 activity
- Bendalls, specialist fabricators, benefits from major contracts for pressure vessels, contract won for platform being built for BP Quad 204 area
- Bendalls Evaporator D project (Sellafield) to be completed H2, Handford, Washington State contract completed H1
- Carrs MSM achieves sales growth following 18 months of inventory reduction by major customer



ENGINEERING - WÄLISCHMILLER

- Strong demand in France, Germany, Japan, Korea and Russia
- Strong H1 – increased design and production team
- Significant contracts to be completed H2
- Order book grown to over €40 million
- Phase 1 of the new €4m replacement factory in Markdorf on schedule to complete in August 2012



Segmental Analysis – Continuing Operations

	H1 2012		H1 2011	
	Revenue	PBT	Revenue	PBT
	£m	£m	£m	£m
Agriculture	147.2	5.2	131.6	4.4
Food	41.4	0.4	38.3	0.7
Engineering	7.4	1.6	5.6	0.6
Other	-	(0.6)	-	(0.6)
	196.0	6.6	175.5	5.1
Retirement Benefit		(0.3)		(0.3)
Profit on disposal of fixed assets		0.3		-
Associate & JVs (post tax)		0.8		0.9
		7.4		5.7
EPS (p) – basic		54.0p		40.6p
EPS (p) - adjusted		52.0p		41.3p

Balance Sheet		
	H1 2012	H1 2011
	£m	£m
Non-current assets	48.5	48.0
Current assets (excluding cash)	89.7	116.8
Cash	28.2	11.6
Total assets	166.4	176.4
Loans and borrowings	(26.6)	(39.8)
Trade & other payables	(63.3)	(77.1)
Tax & deferred tax	(5.7)	(6.8)
Retirement benefit obligation	(5.5)	(6.7)
Total liabilities	(101.1)	(130.4)
Net assets	65.3	46.0
Gearing	-	69.6%

Cash Flow Statement

	H1 2012	H1 2011
	£m	£m
Profit before tax	7.4	5.7
Interest	(0.5)	(0.5)
Non-cash adjustments	2.0	1.8
Pension contributions	(2.4)	(1.4)
Working capital	(2.4)	(2.0)
Cash generated from operations	4.1	3.6
Tax paid	(1.4)	(0.7)
Investing activities	(2.5)	(2.1)
Financing activities	(4.0)	2.0
(Decrease)/increase in cash (before disposal)	(3.8)	2.8
Cash used in discontinued operations	(0.4)	(11.7)
Decrease in cash in the period	(4.2)	(8.9)

Banking & Net Cash/(Debt)

	Expiry	Facility	H1 2012
		£m	£m
Working capital facilities (UK)	12 month rolling	(24.0)	(12.4)
Working capital facilities (US)	12 month rolling	(0.6)	-
Term loan	November 2014	(5.0)	(5.0)
Revolving credit facility	November 2014	(10.0)	(5.8)
Other loans		(1.2)	(1.2)
Cash		-	28.2
		(44.8)	3.8
Finance leases			(2.2)
Net cash			1.6

TRADING AND GROWTH PROSPECTS

Agriculture

- Focus on feed blocks/supplements
- Product developments/new markets
- Strength of retail/fuel network in its market underpins growth

Food

- Benefit of investment at Kirkcaldy port
- Sustain H1 performance at best

Engineering

- Strong order book through to 2014
- Life of plant contract (Sellafield) – 8 years
- New markets

Other

- Funding available for acquisitions