



Growing internationally; continuing investment

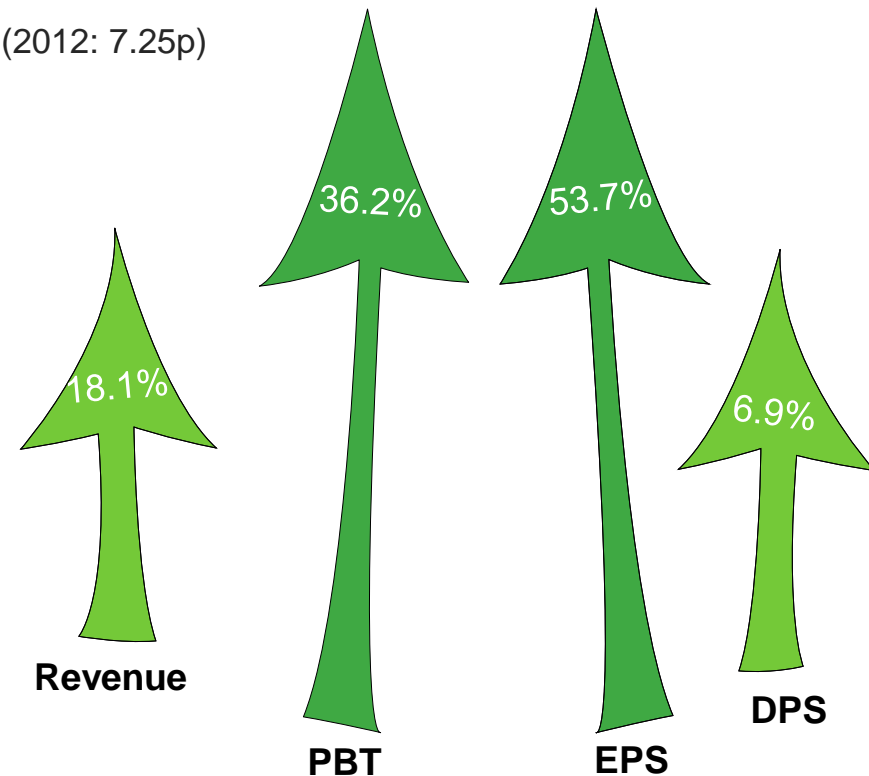
Interim results presentation
April 16th 2013





Results Overview

- Revenue **increased** 18.1% to £231.6m (2012: £196.0m)
- Pre-tax profit **increased** 36.2% to £10.1m (2012: £7.4m)
- Adjusted EPS **increased** 53.7% to 79.9p (2012: 52.0p)
- First interim dividend **increased** 6.9% to 7.75p (2012: 7.25p)
- £19.0m **net debt** (2012: £1.6m net debt)
- NAV per share £8.45 (2012: £7.36)





Trading Overview



Agriculture

- 'Perfect storm' – £1.1m profit benefit
- Underlying growth in feed block sales continues, reflecting product quality and marketing
- Compound feed sales up
- Retail sales up, machinery sales down
- Prolonged winter weather in the UK boosts fuel sales



Food

- Trading environment in Scotland improving
- Location of mills at ports considerably beneficial as wheat imports soar
- New £17 million replacement mill at Kirkcaldy on track




Engineering

- Momentum from step change in sales growth and profitability in 2012 maintained
- High demand for specialist remote handling equipment and fabrications continues
- Large contracts completed in UK and abroad and order book continues to build through to end 2014



Agriculture

- Animal Feed
- Retail & Farm Machinery
- Fuel

 Carr's Milling Industries PLC

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Animal Feed



Weather patterns have created favourable market conditions for demand - £1.1m one off benefit

Low moisture feed block

- High demand in both the UK and overseas – sales up by 24%
- Production capacity increased at South Dakota plant
- Demand continues to be strong in New Zealand
- Other overseas territories being actively pursued

High moisture feed block

- Scotmin expand distribution network in the UK
- JV plant in Tennessee now profitable



Animal Feed



Weather patterns have created favourable market conditions for demand - £1.1m one off benefit

- Increases for compound feed largely volume related, benefitting our feed manufacturing associate company (Carrs Billington Operations, 49% owned)
- AminoMax plant (50% JV) in New York State operating near capacity and generating profits
- New AminoMax plant (100% owned) being constructed in UK to serve UK and Ireland markets



Retail & Farm Machinery



- Retail products achieved 33% sales growth, reflecting enlarged branch network and extended product ranges
- Laycocks, acquired in July 2012, generating incremental profit
- Machinery sales depressed at present but workshops and parts holding up well (inventory impact)
- Redevelopment of flagship Carlisle branch completed this month
- New branches to open at Kendal and Annan in 2013 and 2014




- Prolonged winter increased demand – volumes up 10%
- Margins restored following fall in 2012
- Cockermonth branch, opened February 2012, generates incremental profit
- Benefit of cross-selling being realised in retail branches



Food



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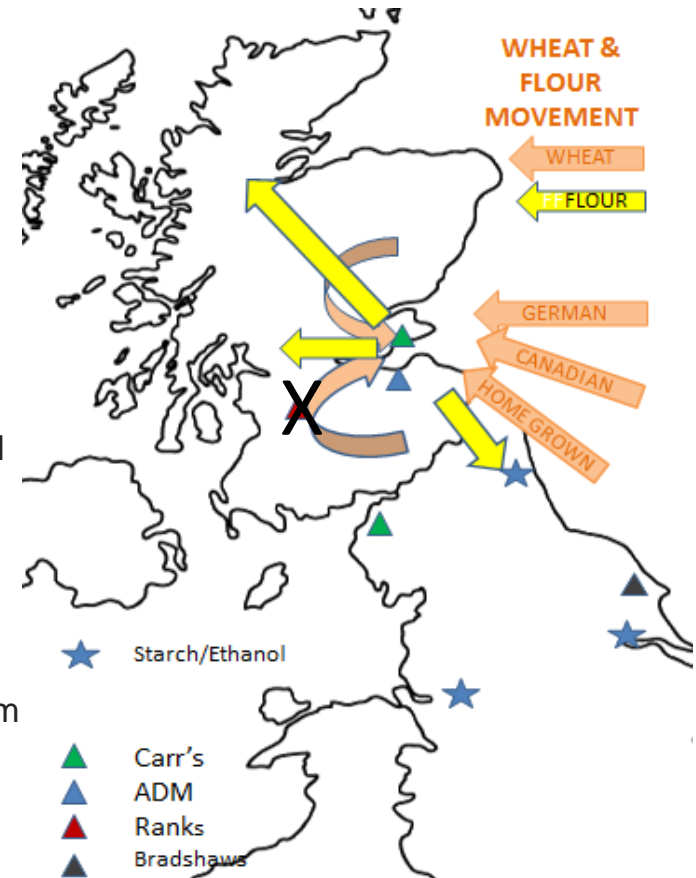


- Revenues up 8% and operating margins improved
- Poor UK wheat harvest has benefited our mills located at ports
- Competitor capacity exited from our core Scottish market in March
- New £17m mill at Kirkcaldy progressing on schedule and due to begin operation in September
- 2014 UK harvest forecast to be poorer than 2013. Imports will be a key feature of the market and continue to benefit Carr's



Strategic Reason for Investment

- Existing mill is close to end of natural life – capex for new mill £17m
- Port project makes Kirkcaldy a good location for wheat sourcing
- Port mills benefit from poor UK harvest
- CFM has strong customer base across Scotland and N England (70% share of free market)
- Food safety and customer demands
- Step up in profitability on completion of mill coming from greater flexibility, operational efficiencies, and raw material cost savings






Engineering

- UK
- WÄLISCHMILLER



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UK

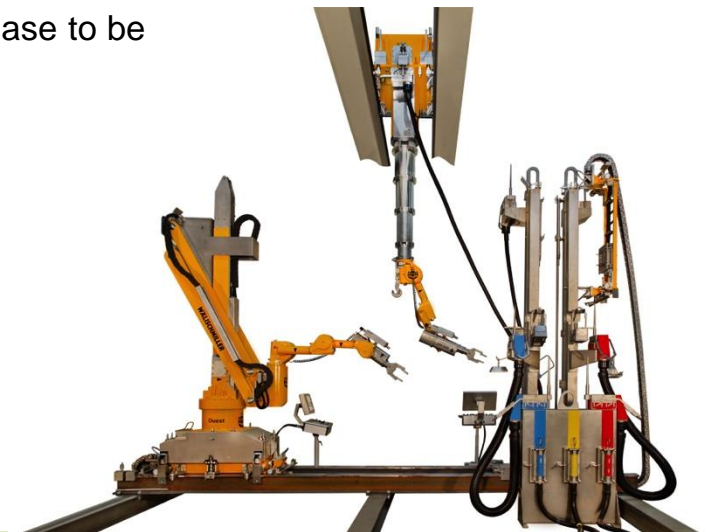


- Carrs MSM 6 months record result – life of plant contract at Sellafield to supply critical parts
- Clive Walton Engineering, precision machinery specialist, expands Bendalls capabilities – now successfully integrated
- Bechtel contract issues resolved
- UK nuclear contracts slow to be awarded, but order book benefitting from oil and gas



WÄLISCHMILLER

- Significant contracts completed 1H
 - Japan – Telbot with telescope and crane
 - South Korea – Standard A100 MSM
- Order book strong through 2013/2014
- Telbot development agreement – Norwegian consortium – new market
- Phase 2 factory at Markdorf now complete – final phase to be completed November 2013



 Carr's Milling Industries PLC



Segmental Analysis

Segmental Analysis				
	1H 2013		1H 2012	
	Revenue	PBT	Revenue	PBT
	£m	£m	£m	£m
Agriculture	173.4	6.3	147.2	5.2
Food	44.7	0.4	41.4	0.4
Engineering	13.5	2.2	7.4	1.6
Other	-	(0.4)	-	(0.2)
	231.6	8.5	196.0	7.0
Retirement Benefit		(0.1)		(0.3)
Associate & JVs (post tax)		1.7		0.7
		10.1		7.4
EPS (p) – basic		80.8p		54.0p
EPS (p) – adjusted		79.9p		52.0p



Balance Sheet

Balance Sheet		
	At 2 March 2013	At 1 September 2012
	£m	£m
Non-current assets	63.2	54.6
Current assets (excluding cash)	113.2	86.8
Cash	19.8	23.3
Total assets	196.2	164.7
Loans and borrowings	(38.8)	(25.8)
Trade & other payables	(72.7)	(60.4)
Tax & deferred tax	(6.7)	(5.3)
Retirement benefit obligation	(3.0)	(5.3)
Total liabilities	(121.2)	(96.8)
Net assets	75.0	67.9
Gearing	28.4%	4.1%



Cash Flow

Cash Flow Statement

	Half Year to 2 March 2013	Half Year to 3 March 2012
	£m	£m
Profit before tax	10.1	7.4
Share of profit from associate and JV's	(1.7)	(0.8)
Depreciation and amortisation	2.6	2.3
Non-cash adjustments	(0.1)	(0.1)
Pension contributions	(1.4)	(2.4)
Working capital	(12.7)	(2.4)
Tax paid	(0.9)	(1.4)
Cash generated from operations	(4.1)	2.6
Investing activities	(10.3)	(2.8)
Financing activities	11.1	(4.0)
Decrease in cash in the period	(3.3)	(4.2)



Working Capital Movements

				£m	Comments
			Agriculture	(4.9)	Quantity £4.7m – high machinery and retail products inventory
	Inventory	(6.6)	Food	(2.0)	Quantity £1.7m – more imported wheat and low August 2012 inventory
			Engineering	0.3	
(12.7)	Receivables	(18.6)	Trade	(14.8)	Sales activity up 32% = £15.1m
			Other	(3.8)	Increase in VAT due to high purchases (inventory and capex)
	Payables	12.5	Trade	13.2	Capex £4.0m Trade (activity) £8.0m
			Other	(0.7)	Lower payments on account £2.8m Offset by higher tax and other £3.5m



Banking & Net Debt

Banking & Net Debt			
	Expiry	Facility	2013
		£m	£m
Working capital facilities (UK)	12 month rolling	(32.0)	(19.7)
Working capital facilities (US)	12 month rolling	(0.7)	(0.2)
Working capital facilities (Eu)	12 month rolling	(1.7)	-
Term loans	Up to January 2016	(7.3)	(6.0)
Revolving credit facility	November 2014	(15.0)	(10.0)
Other loans		(1.2)	(1.2)
Cash		-	19.8
		(57.9)	(17.3)
Finance leases			(1.7)
Net debt			(19.0)



Trading & Growth Prospects



Agriculture

- Weather related benefits continuing into Q3, but unlikely to be repeated to same extent next year
- Investment in UK AminoMax plant will capture market share
- New retail branches will further enhance profitability



Food

- Poor harvest expected again this season which benefits our mills at port locations
- Competitor capacity exited from our core Scottish market
- Realisation of efficiencies from investment in new mill from next year



Engineering

- Strong order book through 2013/2014
- High activity from decommissioning nuclear plants set to continue
- On-going development of Telbot – remote handling manipulator – new applications

Other

- Acquisitions being actively sought across all three divisions



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