

PRELIMINARY RESULTS PRESENTATION
YEAR TO 29 AUGUST 2009

A satisfactory year in the circumstances



CARR'S
MILLING INDUSTRIES PLC



Overview

- Pre-tax profit £7.0m (2008:£12.9m) down 45%
- Fully diluted EPS 50.3p (2008:91.2p) down 45%
- Full year DPS 23.0p (2008:23.0p) unchanged
- Profit reduction entirely in Agriculture, nearly all in Fertiliser
- Gearing reduced to 65% despite £4.3m acquisition

Results down due to fertiliser pricing



Divisional Structure

Agriculture

Revenue £255m (2008:£276m) Operating profit £6.0m (2008:£11.7m)

Animal Feed

- UK Dairy, beef and sheep compound and blended animal feeds
- UK Speciality feed ("Aminomax")
- UK/ USA / Germany Feed blocks ("Crystalyx", "Smartlic")

Fertiliser

- UK Standard fertiliser
- UK Speciality fertiliser (AVAIL)

Agriculture retailing

- UK farm supplies / farm machinery / oil distribution

Food

Revenue £79m (2008:£86m) Operating profit £2.3m (2008:£2.0m)

Flour Mills – 230,000 tonnes

- Top 3 independent UK flour miller

Engineering

Revenue £16m (2008:£11m) Operating profit £1.4m (2008:£1.1m)

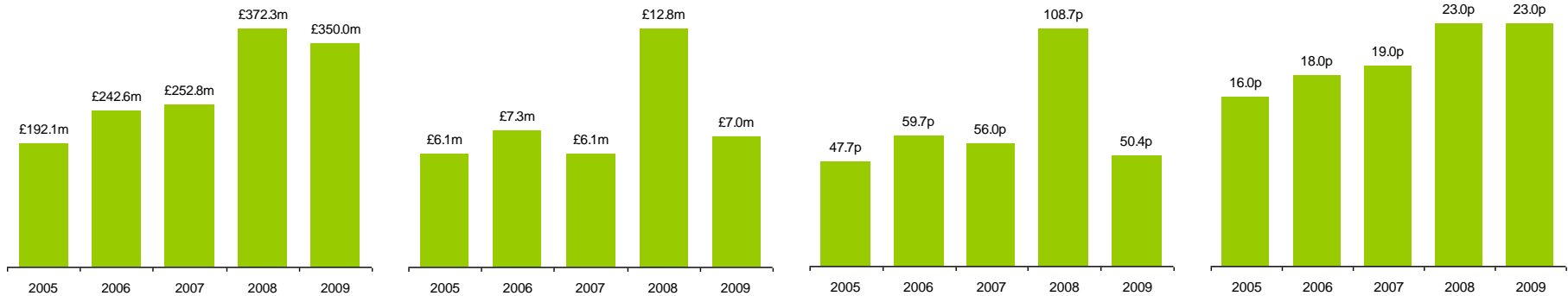
Nuclear and petrochemicals

- Small, profitable UK and German business, with increasing strategic value

Leading agriculture and flour businesses



Carr's Five Year Record



Revenue £m

Profit before tax* £m

Adjusted earnings per share* (p)

Dividends per share (p)

*excludes non-recurring items and amortisation of intangible assets

Overall, a good 2 years



FINANCIAL HIGHLIGHTS

Ron Wood
Finance Director



Income Statement

Year ended August	2009		2008	
	Revenue £m	Op. Profit £m	Revenue £m	Op. Profit £m
Agriculture	255.0	6.1	275.8	11.8
Food	79.0	2.3	85.6	2.0
Engineering	15.9	1.4	10.7	1.1
Other	0.1	(0.9)	0.2	(1.0)
	350.0	8.9	372.3	13.9
Non-recurring items		–		0.1
Pension costs		(1.6)		(1.1)
Associate & JV's (PAT)		1.0		1.6
Operating profit		8.3		14.5
Interest		(1.3)		(1.6)
PBT		7.0		12.9
EPS (p)		50.4		92.7
Adjusted EPS (p)*		50.4		108.7
DPS (p)		23.0		23.0

*excludes non-recurring items and amortisation of intangible assets



Cash Flow

Year ended August	2009 £m	2008 £m
Operating profit	7.3	12.9
Depreciation/amortisation	3.5	3.5
Working capital outflow	(2.7)	(10.6)
Interest paid	(1.3)	(1.6)
Tax paid	(3.0)	(0.6)
Other non-cash items	1.8	(0.6)
From operating activities	5.6	3.0
Used in investing activities	(6.6)	(2.8)
From financing activities	10.0	0.4
Net cash increase	9.0	0.6
Opening cash	0.1	(0.5)
Closing cash	9.1	0.1
Debt balances	(28.4)	(17.5)
Net debt	(19.3)	(17.4)



Summarised Balance Sheet

	29 August 09	30 August 08
	£m	£m
Non-current assets	44.6	40.9
Current assets	77.4	86.7
Current liabilities	(46.9)	(70.1)
Non-current liabilities	(41.8)	(29.9)
Net assets	33.3	27.6
Minority interests – equity	(3.4)	(2.6)
Equity shareholders' funds	29.9	25.0
Net debt	19.3	17.4
Interest cover	5.6 x	8.0 x
Gearing	64.7%	69.8%
Net assets per share	340p	298p
Pension deficit (gross)	£14.7m	£16.6m



MACRO BACKDROP

Chris Holmes
CEO



Key Macro Drivers for Carr's

Activity

Key Cost Inputs

Key Demand Driver

Agriculture

Animal Feed

Feed wheat, proteins,
molasses (etc)

Milk price

Fertiliser

Nitrogen, phosphate, potash

Milk price and wheat price

Agricultural supplies

N/A

Overall farming profitability

Food

Flour

Milling wheat

Volatility in wheat prices

Engineering

Nuclear and petrochemical

Steel

c.£1bn p.a. British Nuclear
Fuels spend/oil price
Nuclear plant build (global)



Macro Backdrop: Global Agriculture

Global food market being driven by

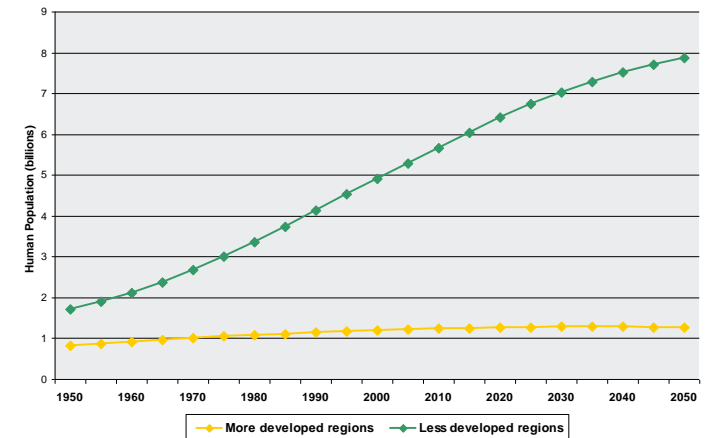
- Rising population
- Increased standards of living
- Move to a “western” diet in Asia

Rising end product prices driving farming industry to

- Improve yields
- Improve animal welfare
- Improve quality

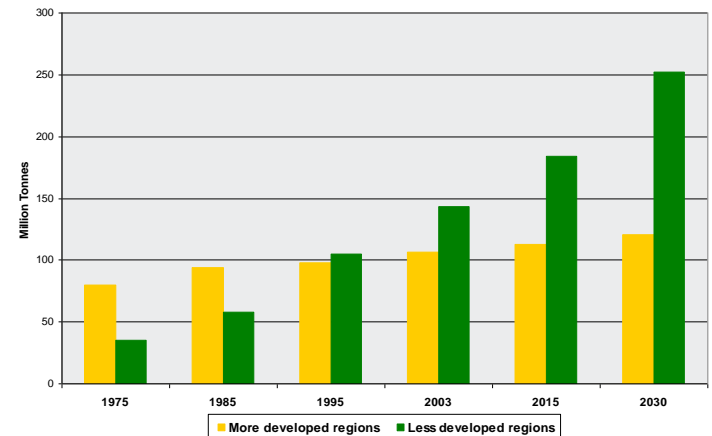
Strong long run macro drivers

World Population Prospects



Source: United Nations 2009

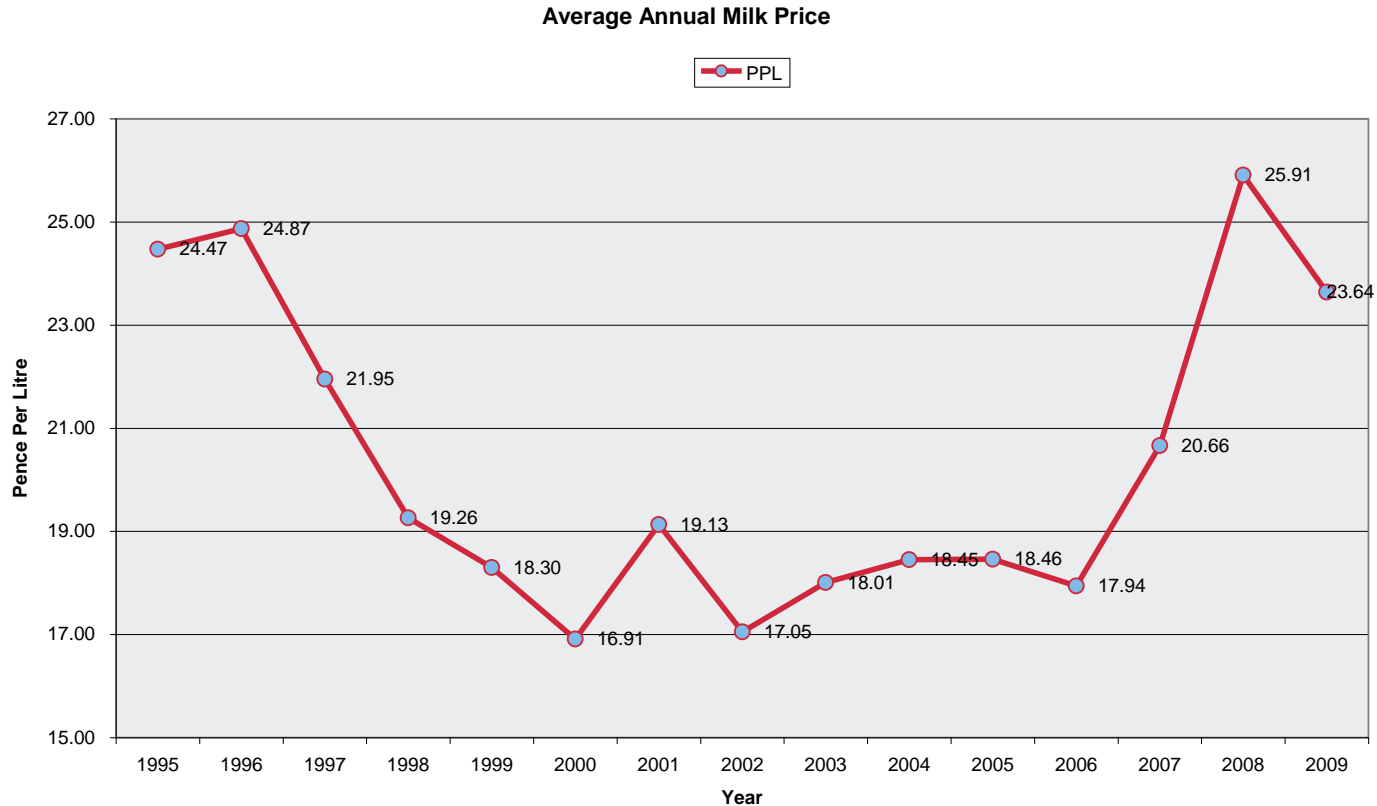
Demand for Meat Products



Source: United Nations 2009



Agriculture – Farm Gate Milk Price

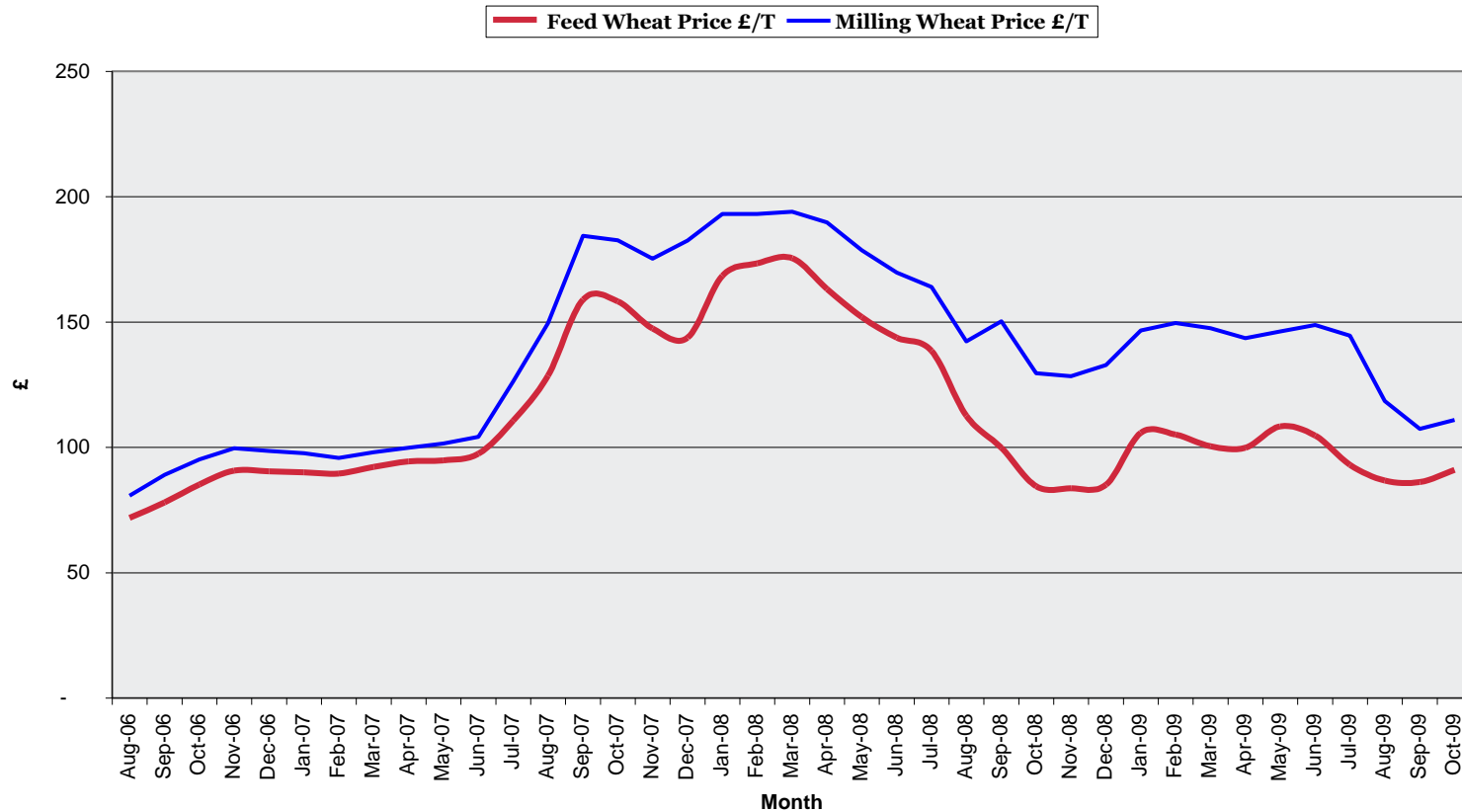


- Higher milk prices from October 2007 but falling from January 2009
- Lower milk prices cause uncertainty and lower fertiliser use
- Milk price appears to have bottomed out



Agriculture – Wheat Prices

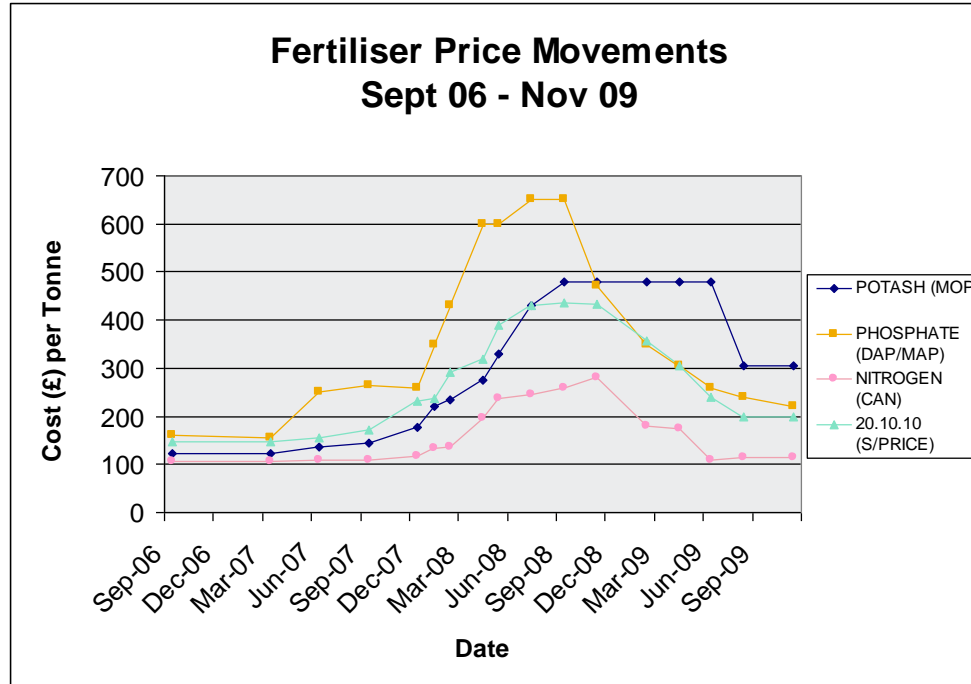
Feed Wheat Prices August 2006 - October 2009



- Fall in wheat price facilitated price decreases in animal feeds
- High yield harvest in 2008 resulted in use of home grown cereals in 2009
- Lower demand for fertiliser as a result of lower output prices (grain and milk)



Agriculture – Fertiliser Raw Materials



- Exceptional sharp price deflation of fertiliser raw materials
- Weak demand for fertiliser caused by falling prices and uncertainty
- Carr's inventory devalued to market prices

Volatile 24 months



A better year

- Top quality flour milling
 - Extensive R and D programme
 - Customers include Warburtons, United Biscuits, Greggs
- Low risk business with potential to grow
- Product innovation
- Strategic value



Pressure Vessels

- Produce vessels for petrochemical, oil and gas industries
- High skills base

Nuclear

- Global energy programme
- Expanded remote handling equipment business - Wälischmiller
- Excellent gross margins
- Tier 2 supplier on decommissioning contracts



Outlook

Agriculture

- Fertiliser margin improvement a priority
- New value added fertiliser product - AVAIL
- AminoMax USA
- Global growth in Carr's feed blocks

Food

- Margin improvement a priority

Engineering

- New contract opportunities

Improvement in fertiliser, otherwise broadly stable