



# Investor Briefing First Half FY 2011

February 2011

**This presentation contains strategic targets which, for the avoidance of doubt  
are not intended to be forecasts.**



# Highlights

- Revenue up 7.4%
- Net debt £2.5m (first half 2010: £2.2m) down from £4.3m at last year-end
- Interim dividend 2.2p per share (2010:2.2p)
- EPS 4.6p v's 4.7p last year
- Continue to manage overheads tightly

# Further recent strengthening of the Board

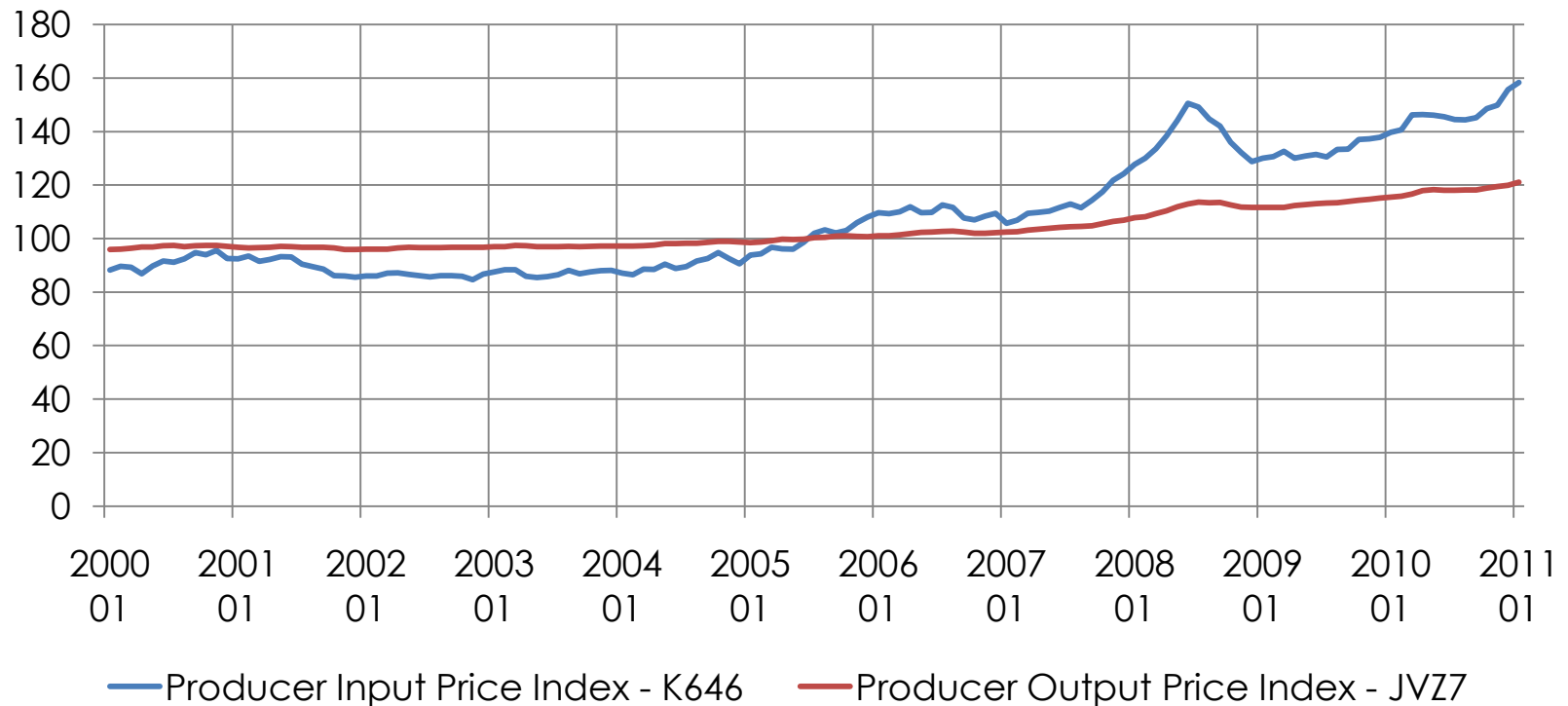


**Martin Hagen**  
**Non-Executive**  
**From 19 Jan 2011**



**Richard Organ**  
**Non-Executive**  
**From 19 Jan 2011**

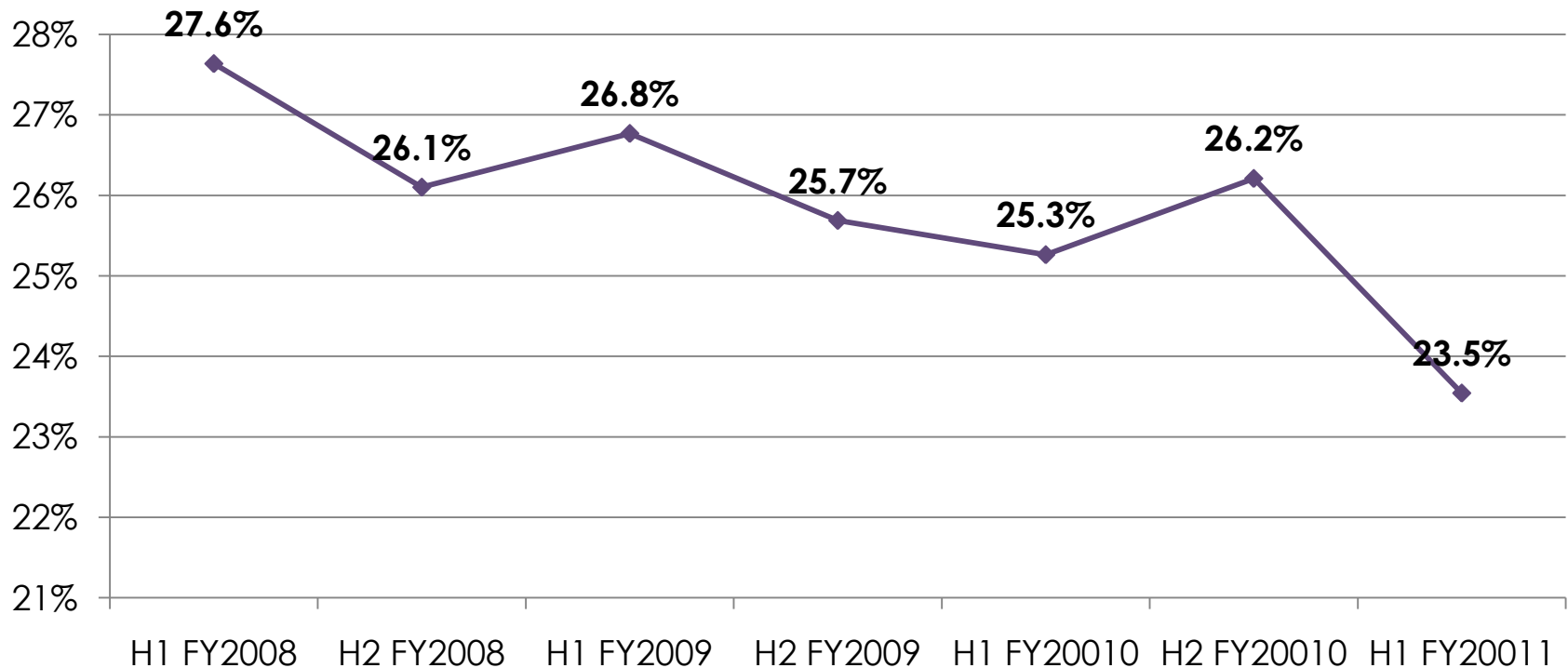
# Rapid increases in UK input costs have been difficult to pass on...



- Impact: margins excluding overheads down 1.8%

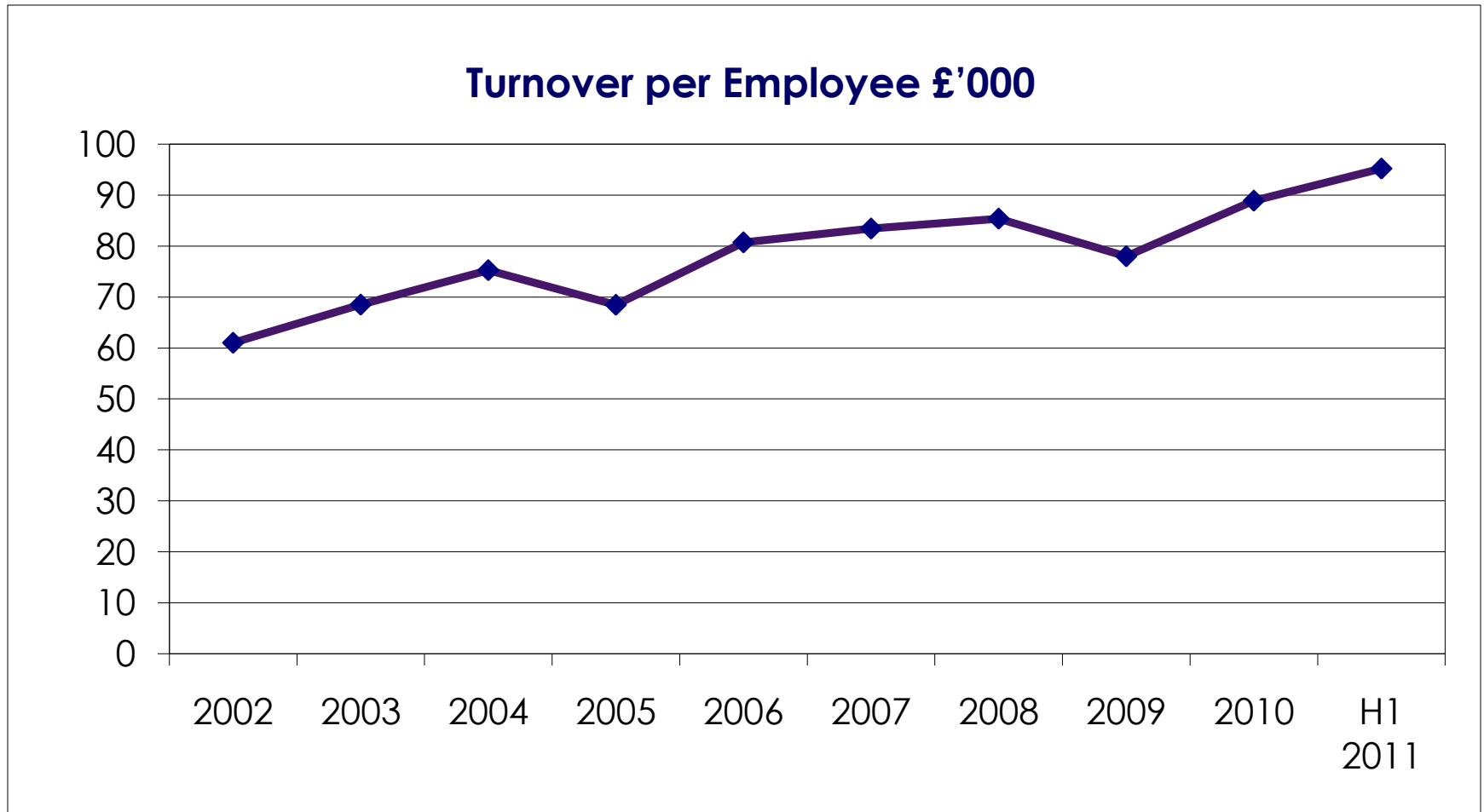
Source: ONS – UK data

# ... but Continued improvements in cost base help offset ...



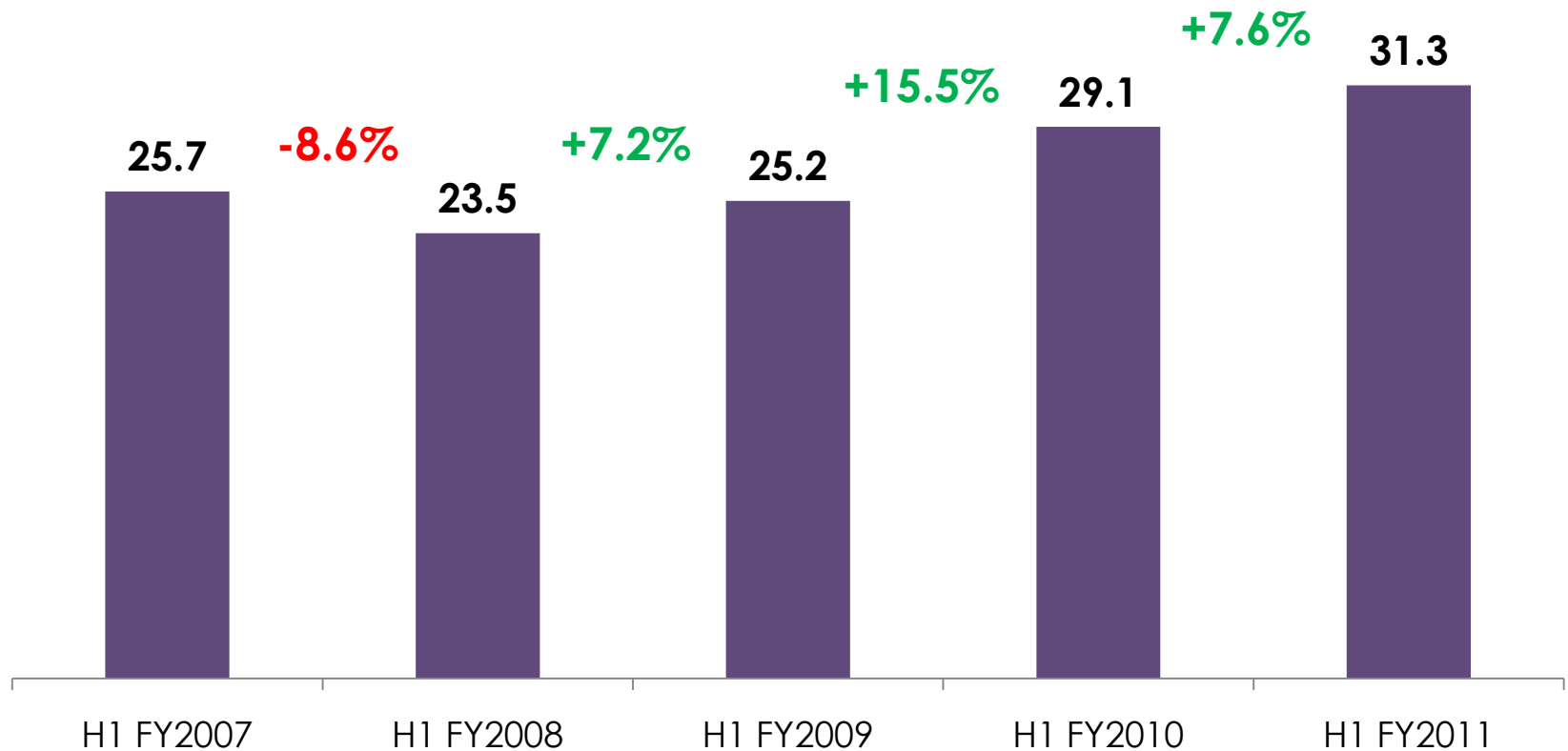
## Total Overheads as % of Revenue

# ... and productivity is increasing.

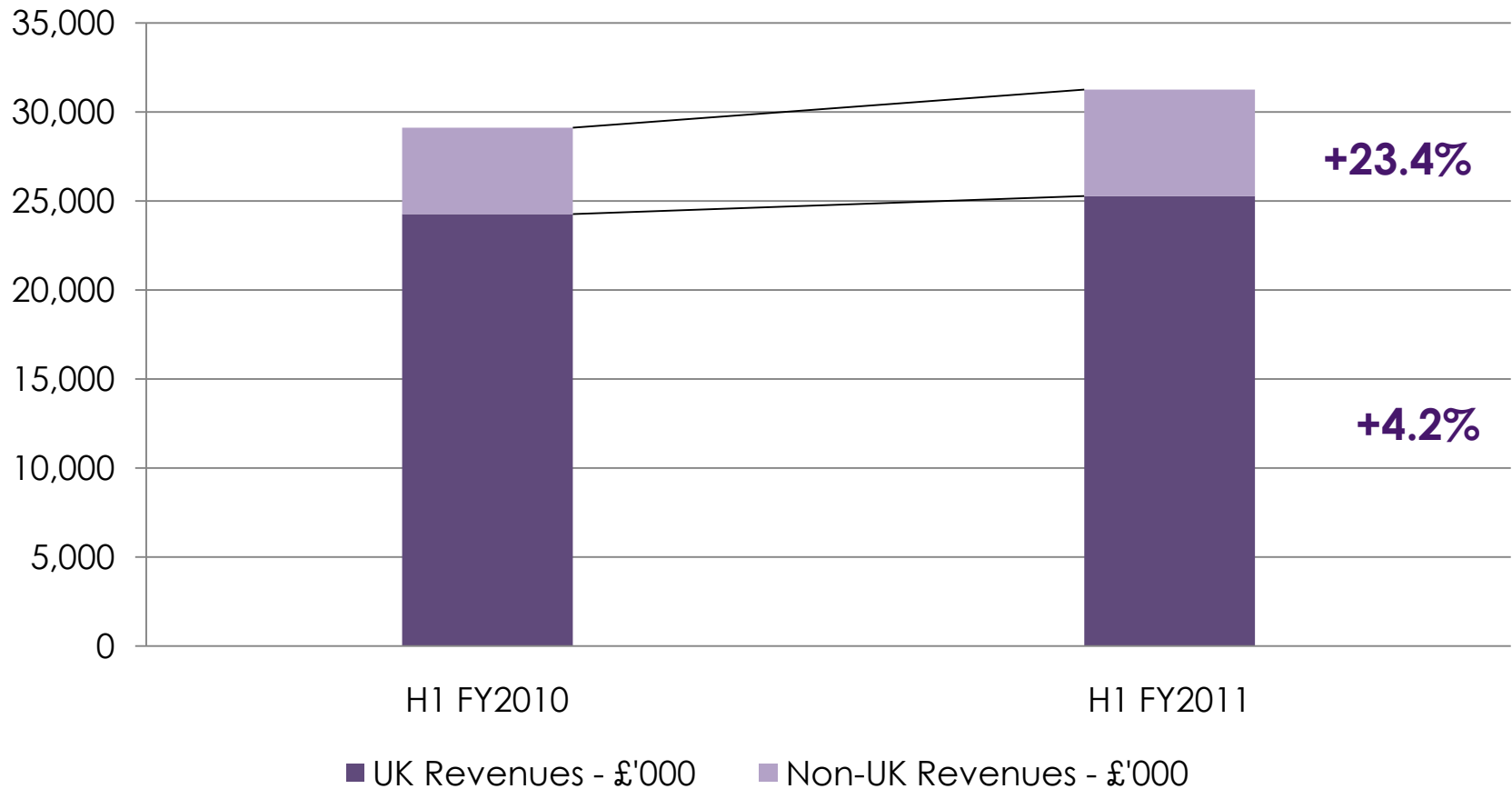


# Revenue growth also counteracts the challenging background ...

Revenue - £'m



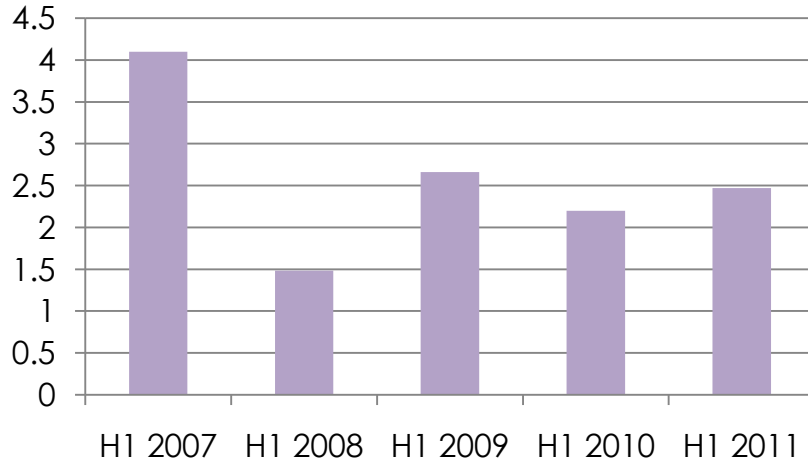
# ...and strategy to develop overseas revenues is beginning to pay off.



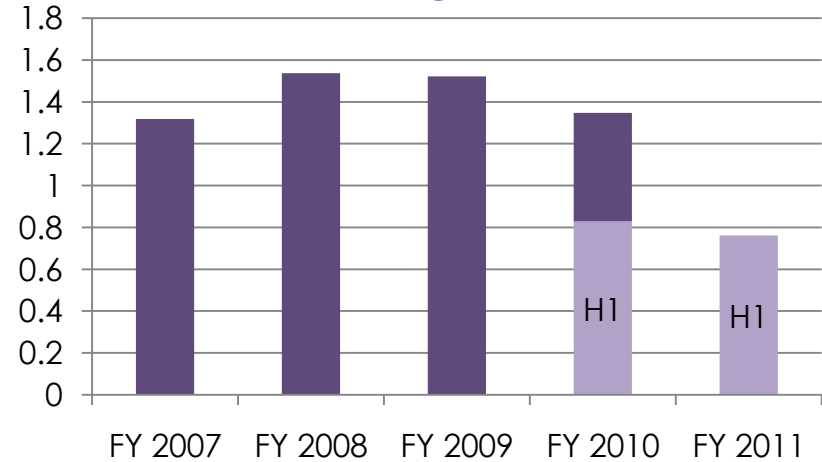
**Note: UK Revenues include indirect exports i.e. sales to UK customers who then export**

# Financial summary

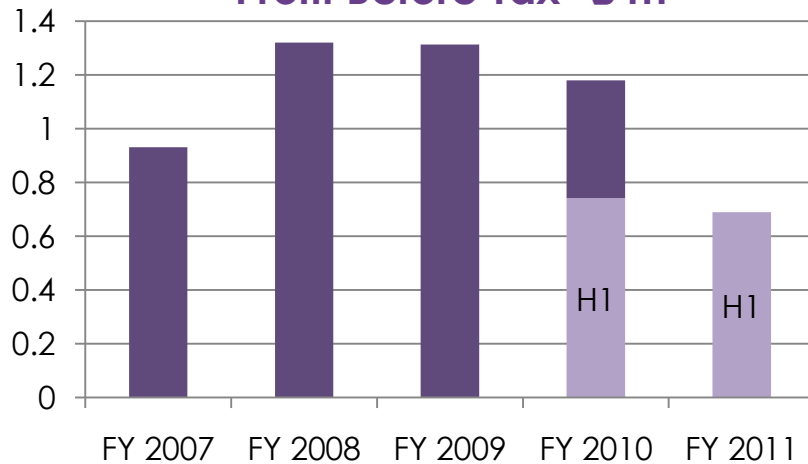
## Net Debt £'m



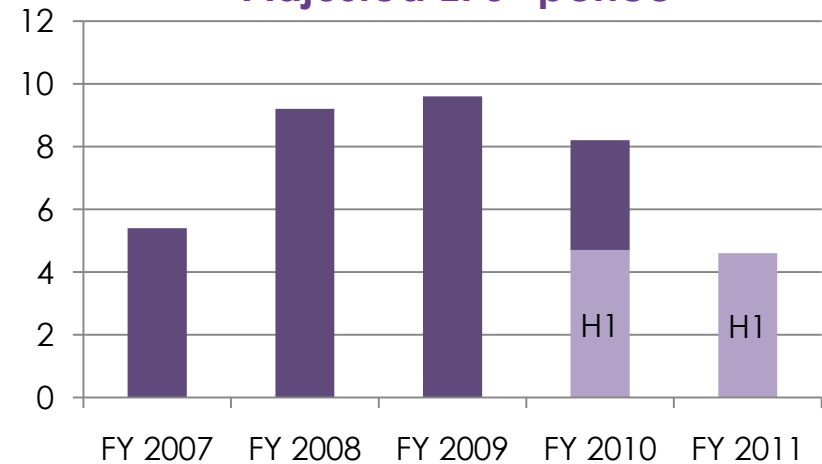
## Operating Profit\* £'m



## Profit Before Tax\* £'m

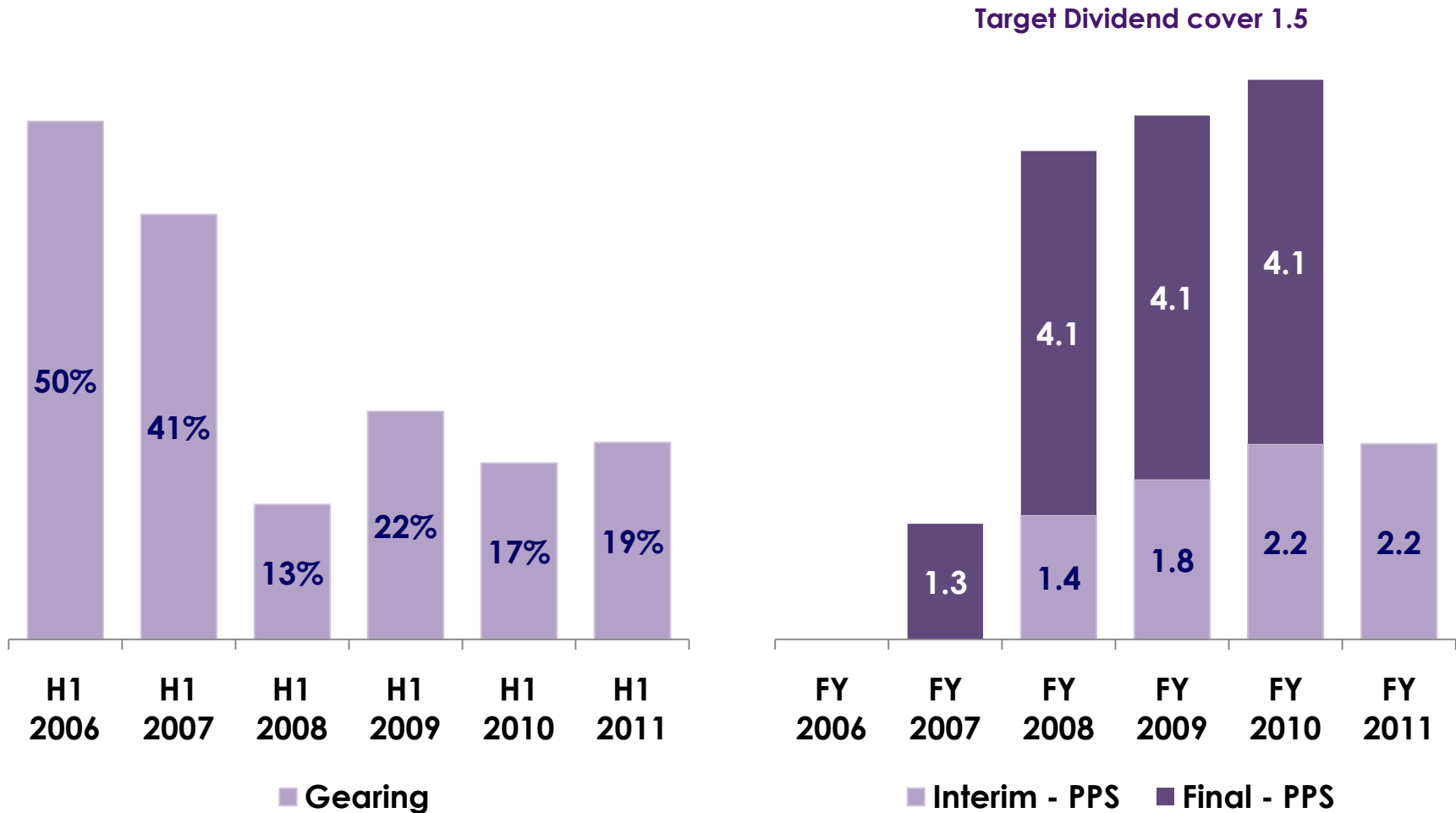


## Adjusted EPS\* pence

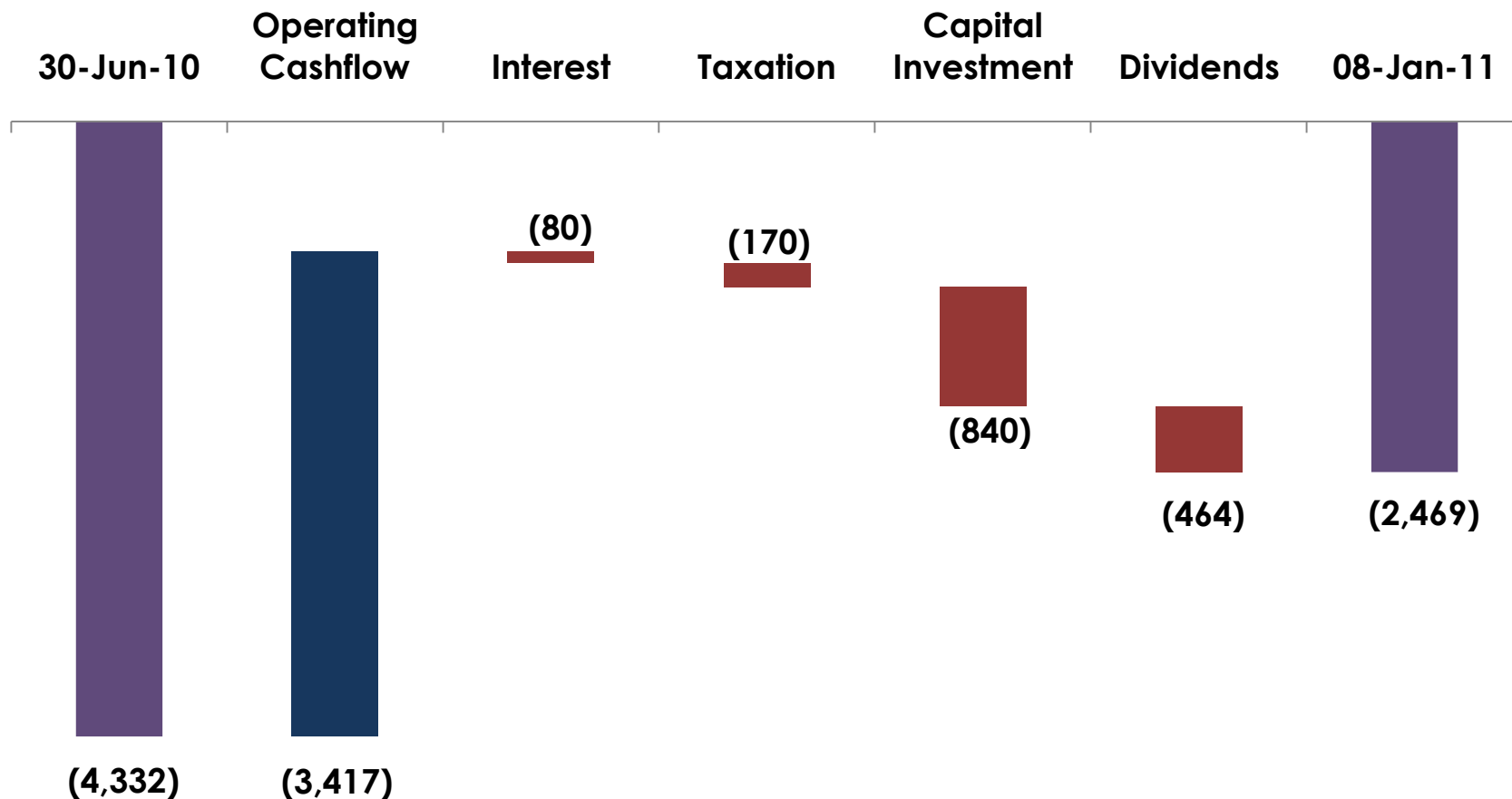


\* Pre Exceptional items

# Financial strength and dividend policy



# ... Whilst we have reduced Net Debt from last year-end ...

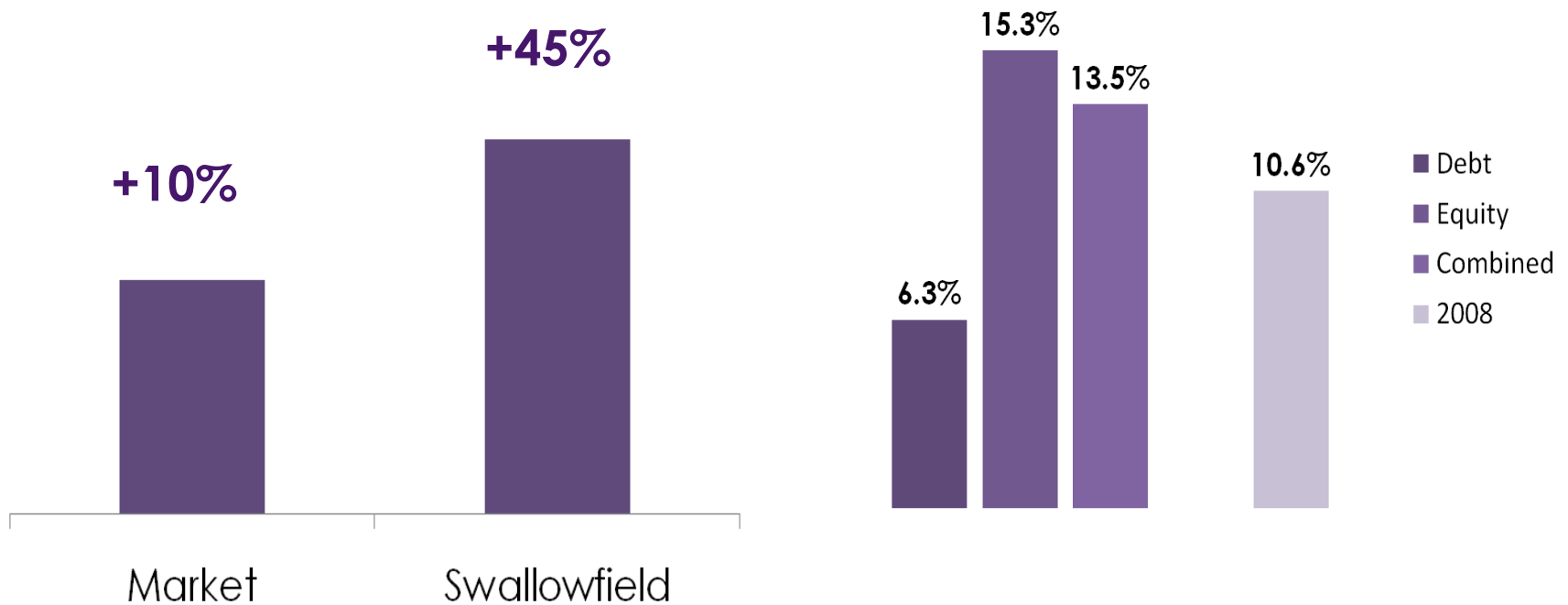


# Reminder of strategic plan

(1)

Aim to grow organically  
in excess of the market:

Improved profitability:  
Target pre-tax ROCE = 13.5%



# Reminder of strategic plan (2)

4 Key activities to support the strategic plan:

- Widening our geographic footprint
- Broadening our product technologies
- Driving competitive improvements in our cost structure
- Driving Growth

# Progress v's strategic objectives: Growth

## Progress

Close to winning first new product with major brand

H1 Revenue +7.4%

Order book significantly up on last year, some lead time increases

Business development scorecard in place

## Future

Work with Global brands to drive growth overseas

Direct sales to India, Middle East, South Africa & develop China route

Selected retail accounts in UK, Europe and North America

# Progress v's strategic objectives: Overheads

## Progress

Integration of single supply chain group progressing

Reduction in total overheads as % of revenue

Total overheads down year-on-year.

Capacity utilisation increased

## Future

Continued careful investment to support growth

Utilise Bideford to manufacture creams & lotion products

Generate revenue growth in excess of overhead growth



# Progress v's strategic objectives: Product technology

## Progress

New lotion manufacturing rooms nearing completion at Wellington and Bideford

Additional sun care aerosol manufacture won

Innovation days complemented by product champions

## Future

Develop new skin care formulations

Process to gain further market penetration from product developments

Continue to develop other specialist formulations



# Progress v's strategic objectives: Geographies

## Progress

New York sales support office presenting new products and working on tenders

French sales support office wins new business

Awaiting confirmation of orders from second South African customer

## Future

Develop footprint in North America & Europe

Develop direct sales into China

Utilise Czech Republic for expansion into Central Europe



# Outlook

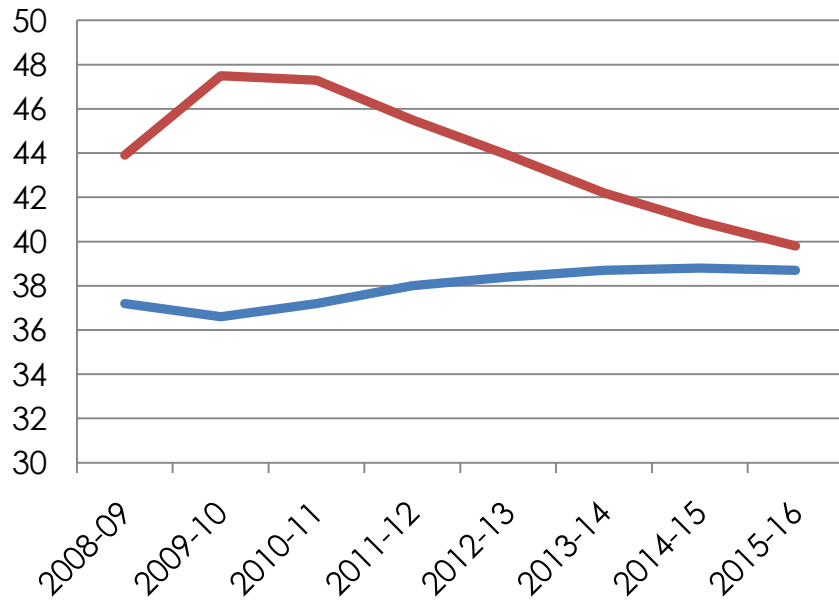
# We continue to develop the business for the long-term ...

- Significant increase in current order book
- Enquiry levels remain good
- Hopeful that recent new product developments will launch with major brand
- Investment in new skincare facilities to be completed this half

# ... and work to recover margins, but recognise this will take some time.

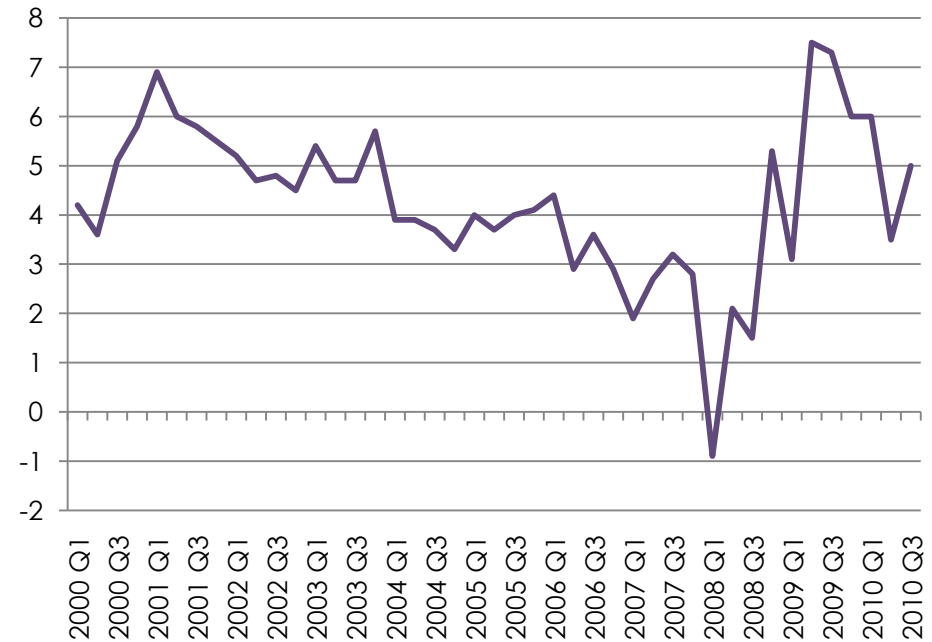
- Additional purchasing manager started recently; and
- As last time we are:
  - Value engineering products
  - Implementing cost avoidance strategies
  - Passing on unavoidable cost increases where possible

# We still think UK consumption will remain weak ...



— Public sector current receipts - % GDP  
 — Total managed expenditure - % GDP

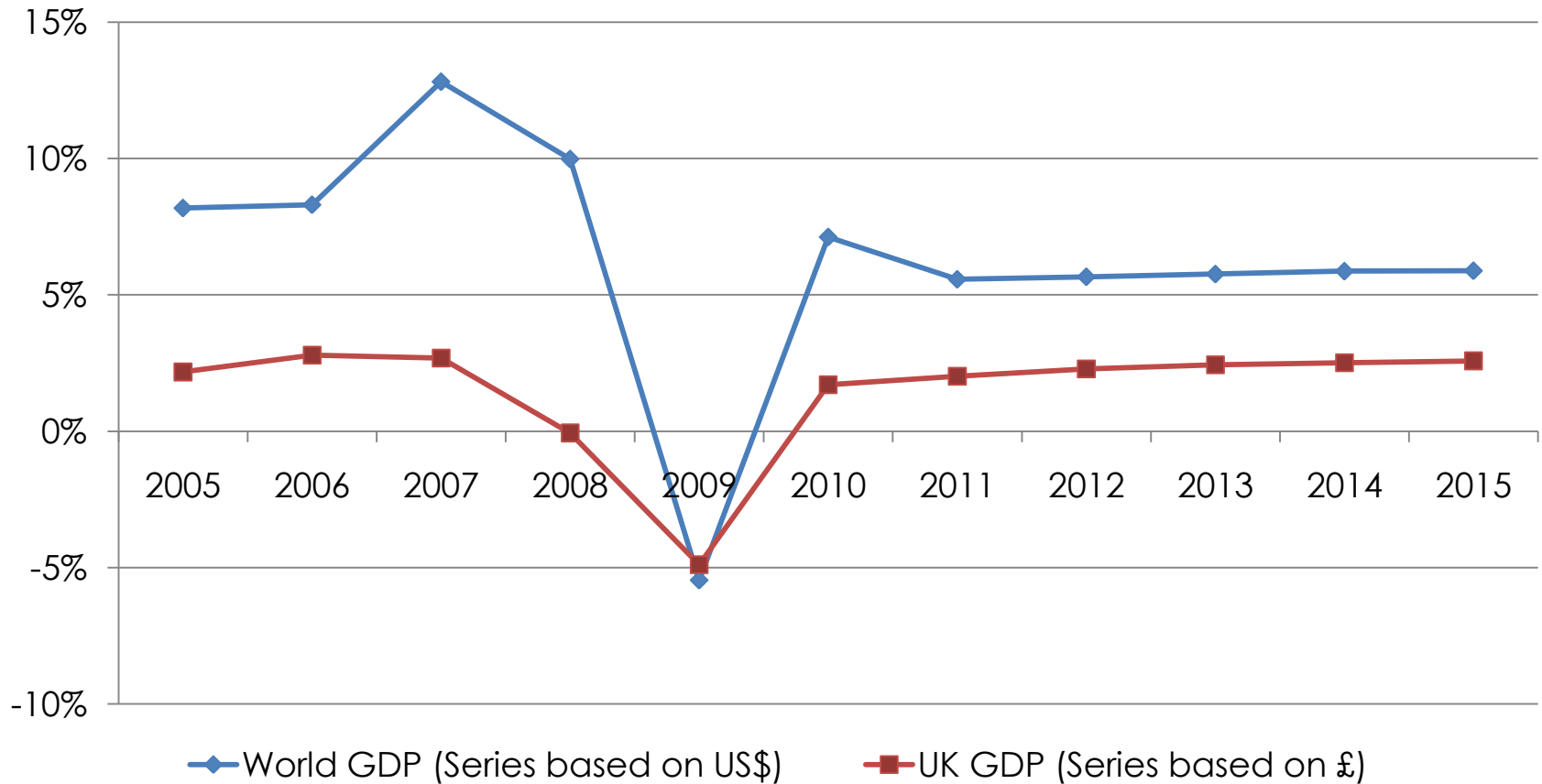
Source: Office of Budget responsibility



## Savings Ratio

Source: ONS

# ... but we remain more positive about global prospects...



Source: IMF

# ...and are actively targeting the global consumer:

- Through indirect exports from current customers
- And specific targeting of:
  - Global brands
  - European, US retailers
  - Specific countries such as South Africa, India, Middle East and China

**Overall we remain positive.**

# Appendices

# Investor contacts

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- JBP Public Relations
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# Financial calendar

Announcement of 2011 interim results	24 February 2011
Interim Dividend	27 May 2011
FY 2011 year-end	30 June 2011
Preliminary 2011 Results	September 2011
AGM	3 November 2010

# Financial results

28 Weeks	H1 FY2010 £000's	H1 FY2011 £000's	%
Revenue	29,116	31,269	7.4%
EBITDA*	1,576	1,382	(12.3)%
Operating Profit*	829	762	(8.1)%
Exceptional Items	-	-	-
Net Interest	(88)	(73)	17.0%
Profit before taxation	741	689	(7.0)%
EPS*	4.7p	4.6p	(3.1)%
Net Debt	2,199	2,469	12.3%

\* Pre Exceptional items