

Norcros plc - Interim Results

Six months to 30th September, 2007





Introduction

John Brown
Chairman

2007 H1 : Highlights

- Significant increase in trading performance
- Sales +7.4% at constant currency
- Listed July 2007; net debt significantly reduced
- Profit before tax and exceptionals +48.8%
- Strong operating cash generation
- Interim dividend of 0.56p per share
- Trading since the end of September in line with expectations



Financial Review

Nick Kelsall

Group Finance Director

Financial Highlights

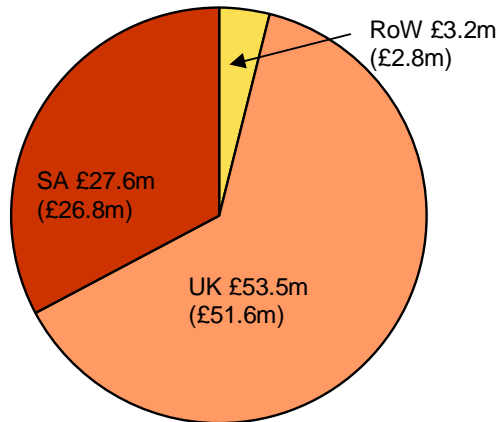
- Revenue and profit growth across all regions
 - Revenue of £84.3m, +7.4% at constant currency (2006: £78.5m)
 - Trading profit of £9.2m, +17.9% at constant currency (2006: £7.8m)
- Profit before tax, exceptionals and legacy PE finance costs; £7.2m
- Strong cash generation
 - Cash generated from operations £10.8m (2006: £6.3m)
 - Investment in growth and efficiency capex
 - Cash interest costs on pro forma basis reduce significantly to c.£4.3m
- Strong financial position
 - £72m debt repaid from IPO proceeds
 - Net debt £44.5m at 30 Sept 07
 - Equity gearing of 39%
 - Interest cover of 2.8x; pro forma basis > 4 x
 - Libor hedge to March 08

Summary Income Statement

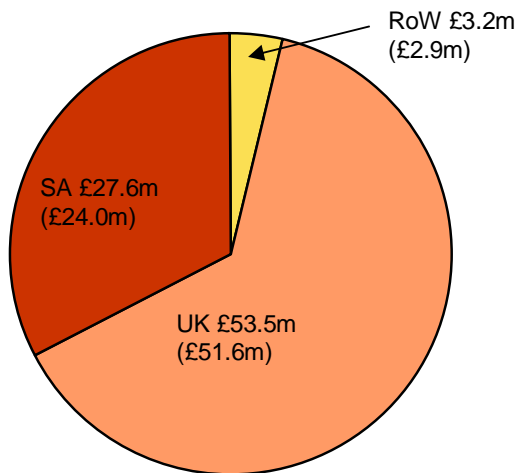
	H1 2007 £m	H1 2006 £m	Change	
			£m	%
Revenue	84.3	81.2	+3.1	+3.8
Group trading profit	9.2	8.0	+1.2	+15.0
Other operating income	0.1	0.2		
Group operating profit	<u>9.3</u>	<u>8.2</u>	+1.1	+13.4
Share of profit from associates	0.1	0.3		
Net finance costs	<u>(2.2)</u>	<u>(4.4)</u>		
Pro forma PBT - underlying	7.2*	4.1	+3.1	+75.6
Legacy private equity interest costs	(1.1)	-		
Exceptional finance costs	<u>(3.8)</u>	-		
Profit before tax - reported	<u><u>2.3</u></u>	<u><u>4.1</u></u>		
Interest cover	4.2x*	1.9x		

*pro forma basis

Revenue Growth



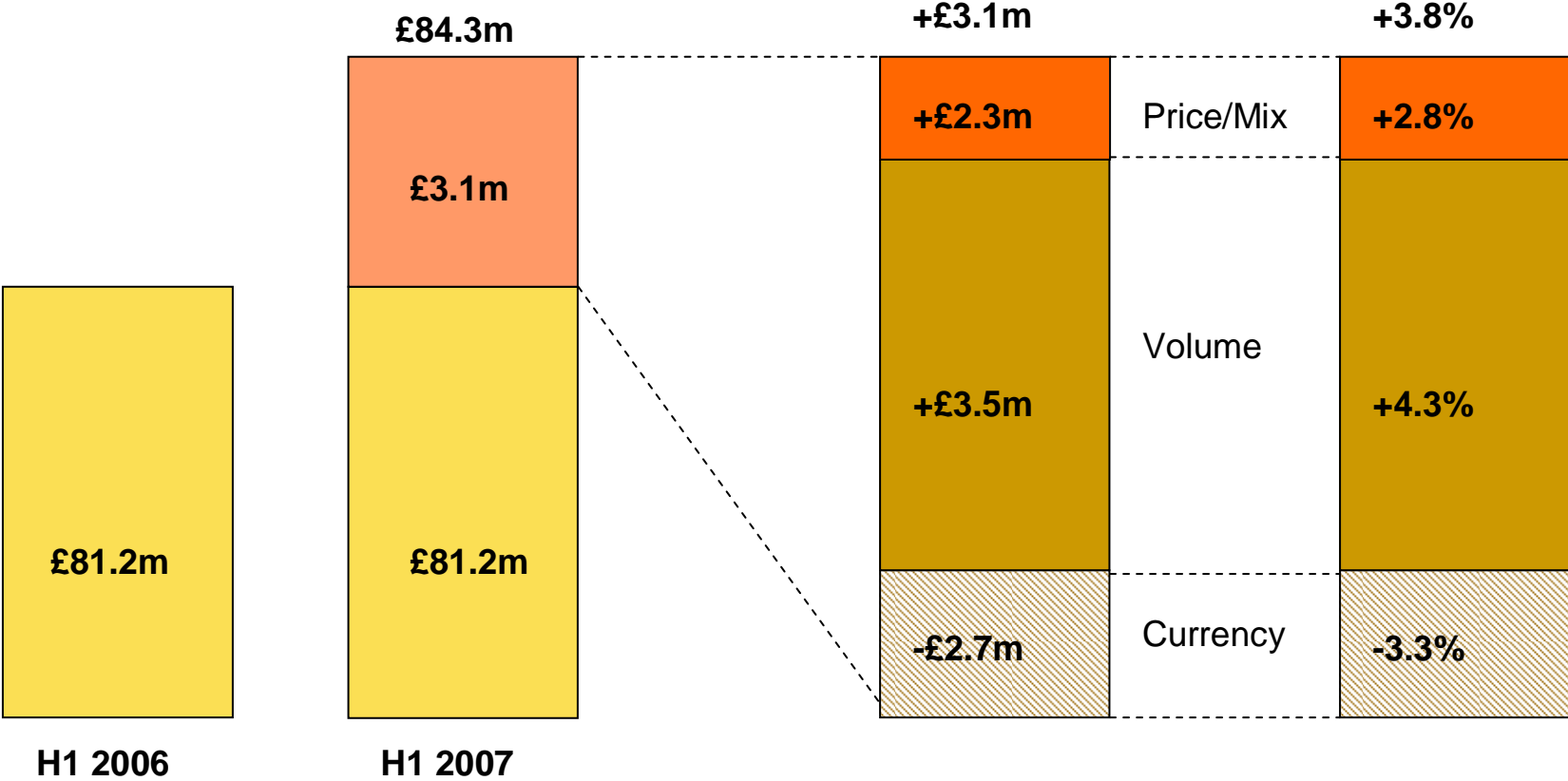
As reported + 3.8%



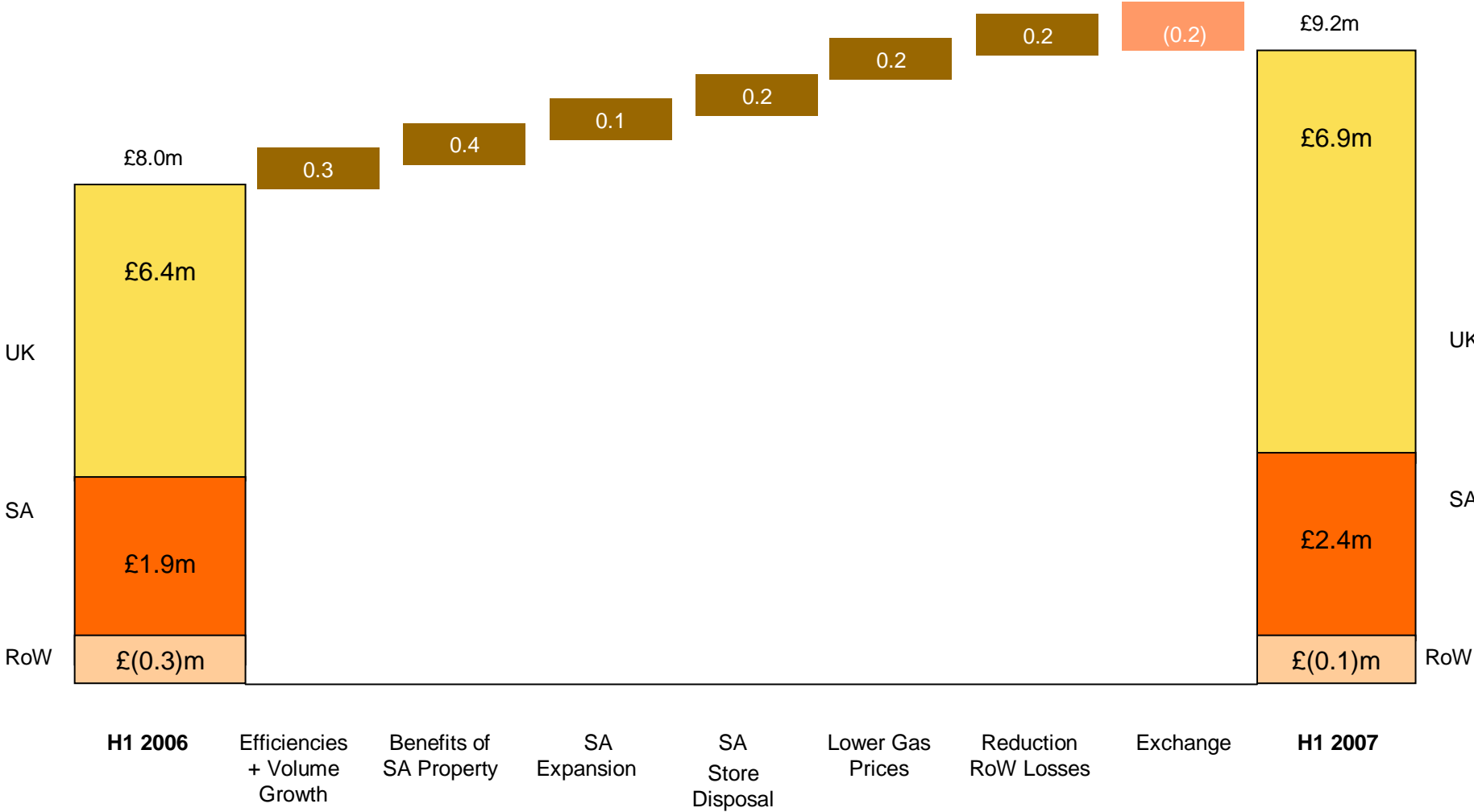
At constant currency + 7.4%

- Revenue growth across all segments
- Strong underlying growth in constant currency
 - UK +£1.9m; + 3.7%
 - SA +£3.6m ; + 15.0%
 - RoW +£0.3m ; + 10.3%

Analysis of Revenue Growth



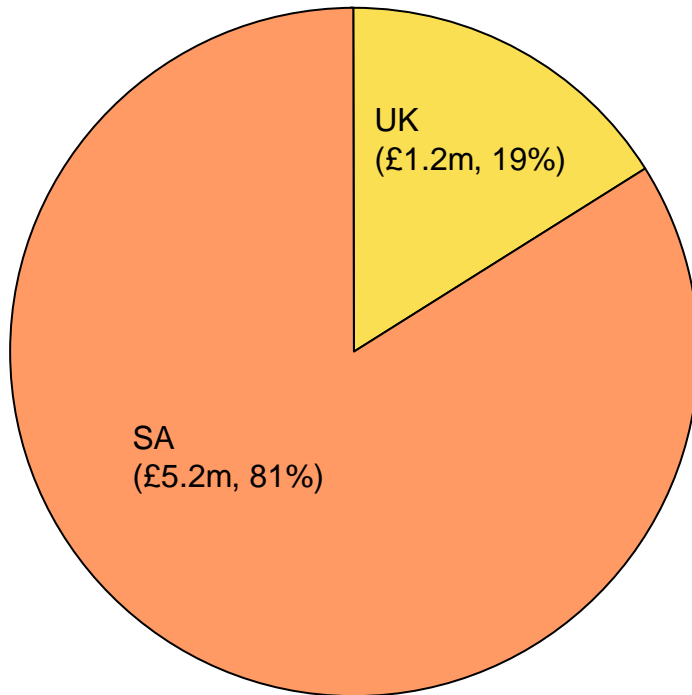
Trading Profit Bridge



Summary Cash Flow

	6 months September 2007 £m	6 months September 2006 £m	12 months March 2007 £m
Cash generated from operations	10.8	6.3	14.1
Capex – Purchase of SA leaseholds	(3.8)	-	(1.4)
Capex - other	(2.6)	(2.5)	(4.8)
Net asset disposals & Div's rec'd	<u>0.3</u>	<u>0.5</u>	<u>0.6</u>
Free cash flow, pre financing	4.7	4.3	8.5
Interest and tax	(3.7)	(4.2)	(7.9)
Share issues	<u>72.2</u>	-	-
Net cash flow	73.2	0.1	0.6
Exchange + non cash changes	<u>(4.8)</u>	<u>(0.2)</u>	<u>(2.5)</u>
Dec/(inc) in net debt	<u>68.4</u>	<u>(0.1)</u>	<u>(1.9)</u>

Capex H1 2007



■ Highlights

- Purchase of SA stores previously leased - £3.8m
- Fit out costs new SA retail stores
- Investment in new product tooling & efficiency improvements
- Hot melt adhesive plant commissioned in SA

Equity Placing / Capital Structure

- Admission 16 July 2007
- Placing of 128,802,669 ordinary shares
- Placing Price – 78p
- Net proceeds of £72m received by Company
- Debt repaid £72m
- £80m multi-currency, 5 year debt facility
- Significant benefit to ongoing finance costs and earnings

Balance Sheet Highlights

	September 2007	September 2006	March 2007
Trade working capital (£m)	27.2	26.6	28.1
Working capital / Revenue	16.4%	16.4%	17.3%
Capex / Depreciation	2.3 ^{*1}	0.93	1.1
Net debt (£m)	44.5	111.1	112.9
Equity Gearing ^{*2}	39%		

^{*1} Includes strategic purchase of SA leaseholds

^{*2} Net debt/ Market capitalisation @ 28.09.07

Summary

- Underlying first half trading profit +17.9%
- Trading profit margins increased to 10.9% from 9.9%
- Strong operating cash generation
- Continued investment for future growth and efficiency
- Interim dividend of 0.56p per share, payable Jan 2008

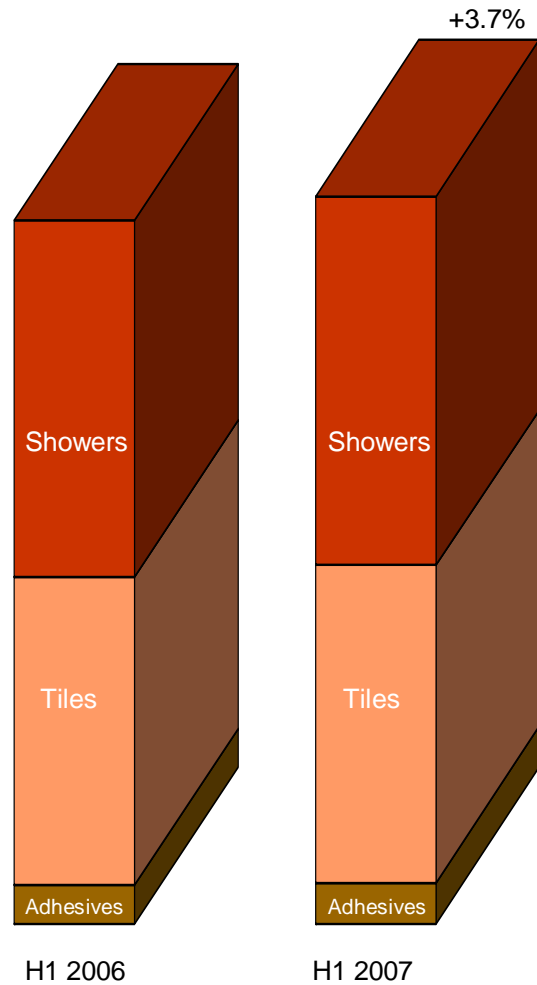


Operating Review

Joe Matthews

Group Chief Executive

UK Revenue



Triton

- Overall revenue + 3.8%
UK +6.5%; Exports -6.0%
- UK driven by volume growth; trade and retail
- Overall market share increased



H&R Johnson

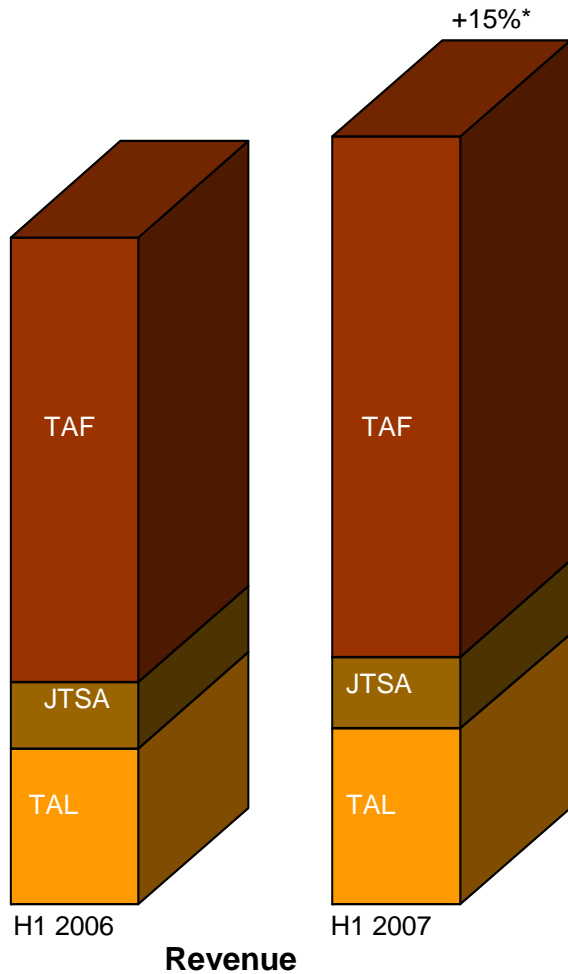
- Overall tile revenue + 2.9%
UK tile +8.4%; Exports -20.3%
- UK growth in both DIY and Trade channels
- UK adhesives revenue +32%; new accounts and specification gains

UK Profits

	Sept 07	Sept 06	Change %
Trading Profit (£m)	6.9	6.4	+7.8
ROS %	12.9	12.5	+40 bpts

- Improvement across all three businesses
- Increased profitability in Triton driven by
 - UK volume growth; margins maintained
 - Price increases and tight cost control
- Tile profits increased due to
 - UK volume growth
 - Higher margins
- UK Adhesives
 - Good progress; close to break even

South Africa Revenue



- Strong revenue growth in all businesses
- Buoyant LFL growth in Tile Africa retail
 - Store upgrades
 - Improved product offering
 - Investment in training and systems
- New store programme
 - Rivonia new concept store opened Aug 07
 - George franchise purchased Sept 07
- Johnson Tiles modest revenue growth
 - Delay in product development
- Adhesive revenue strong
 - Market share gains
 - New product introductions

* Growth at constant currency

South Africa Profits

	Sept 07	Sept 06	Change %
Trading Profit (£m)	2.4	1.7*	+41.2
ROS %	8.7	7.1	+160 bpts

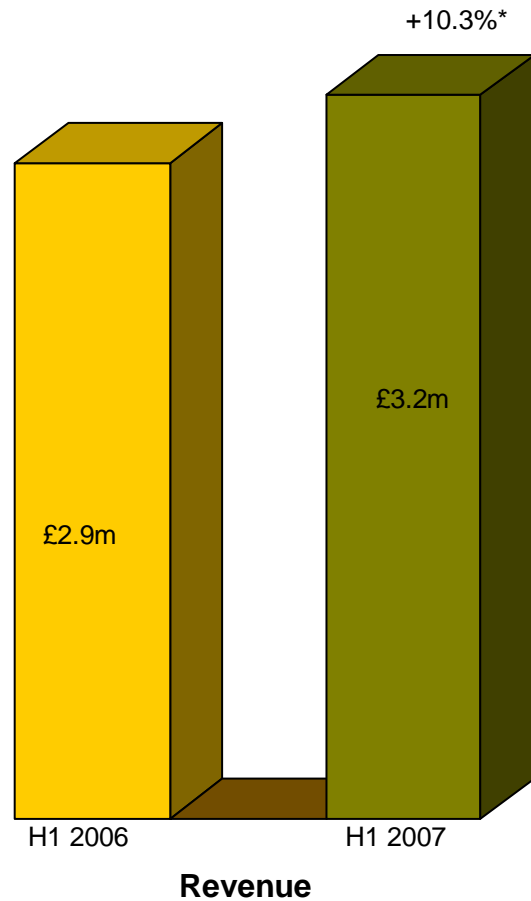
*at constant currency

- Substantial uplift in profits at Tile Africa
 - Volume growth
 - Trading up
 - Operational efficiencies/ sourcing benefits
 - Benefits of leasehold purchase

- Johnson Tiles; difficult trading period

- Adhesive profits and margins maintained at high level
 - Strong revenue growth
 - Tight cost control
 - Investment in new hot melt plant

Rest of World



- Strong revenue growth
- Benefits of new tile ranges and product extensions
 - Underfloor heating/ heated towel rails
 - New accounts/ specifications
- Substantial turnaround following reorganisation last year
- Business back into monthly profit

*Growth at constant currency



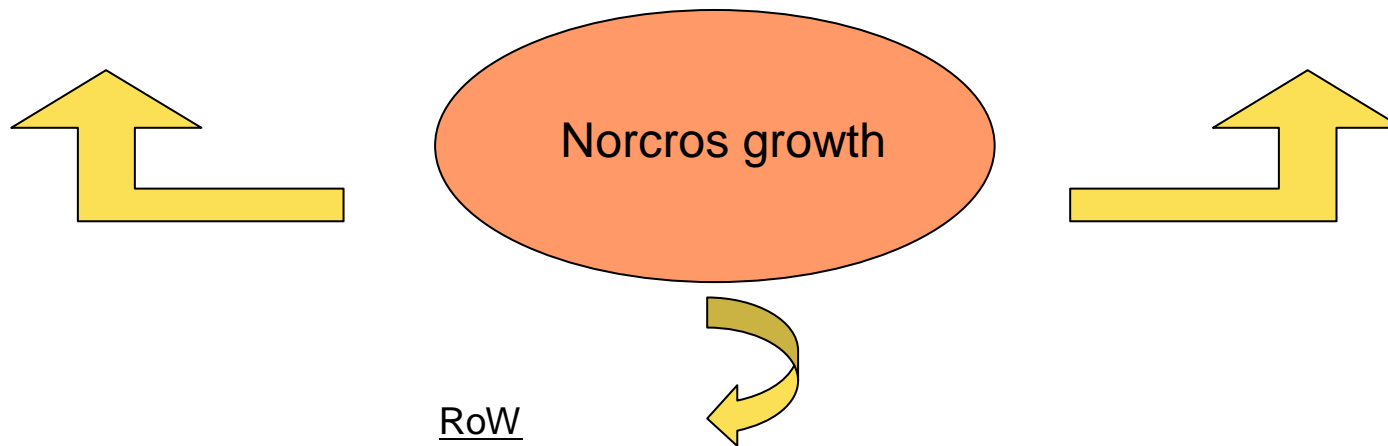
Growth Drivers

UK

- Good medium/ long term market prospects
- Market share opportunities mixers and trade
- Continued penetration of contract specifications and social housing
- Reinforce “system sell” concept with tiles and adhesives
- Benefits of investment programmes

SA

- Rapidly expanding market
- Existing store refurbishment
- New store opening programme
- New product development
- Increased marketing investment and training



RoW

- Focus on housebuilder and specification markets
- Enhanced PoS investment
- Product line extension

Outlook

Overall

- Confident of further progress despite housing market and consumer sentiment
- Importance of replacement and RMI markets
- Commercial sectors remain positive

UK

- UK businesses well positioned to take advantage of market opportunities
- Recent and planned new products; increasing specifications
- Commissioning of adhesives manufacturing facility

South Africa

- Market still growing
- New store roll-out and refurbishment programme well advanced
- New product programme

RoW

- Growth in house builder and commercial sector
- New product extensions

STRONGLY POSITIONED : WELL INVESTED : CONFIDENT OF FURTHER PROGRESS

Q & A

