

Date: Embargoed until 07.00am, Thursday 4 August 2011

Contacts: John Nichols, Non-Executive Chairman
Brendan Hynes, Group Chief Executive
Tim Croston, Group Finance Director
Nichols plc
Telephone: 01925 222222
Website: www.nicholsplc.co.uk

Alistair Mackinnon-Musson
Nathan Field
Hudson Sandler
Telephone: 020 7796 4133
Email: nichols@hspr.com

Mark Brady
Brewin Dolphin Ltd
(Nominated Adviser)
Telephone: 0845 213 4729
Website: www.corporatefinance.brewin.co.uk

Nichols plc

INTERIM RESULTS

“Excellent Results – Sales up 14% and Profits up 20%”

Nichols plc, the soft drinks group, announces its Interim results for the period ended 30 June 2011.

Nichols plc is a highly focused soft drinks business. Its brand portfolio includes **Vimto**, which is sold in over 65 countries and **Levi Roots** (soft drinks), **Sunkist & Panda** which are sold in the UK. The Group has a leading market position in both the “Stills” and “Carbonates” drinks categories and also in the soft drinks on dispense market, where its brands include **Cabana**, **Ben Shaws & Dayla**.

Highlights:

- Group sales up 14.4%
- Profit before tax up 20.4%
- EPS up 23.8%
- Interim dividend up 12.4%
- UK volumes up 11% against a market up only 1% (source: AC Nielsen)
- UK sales up 13% / International sales up 13%
- Net cash of £14.4m (2010: £11.7m)

Commenting John Nichols, Non-Executive Chairman, said:

“I am delighted to be announcing such excellent results, strongly ahead of last year’s outstanding performance. We have again grown our UK market share and our international business continues to thrive. We expect full year profits will be significantly ahead of last year.”

Chairman's Statement

On the back of last year's excellent results, I am extremely pleased to report the Group has once again delivered significant growth in both sales (up 14%) and profit before tax (up 20%) in the first half.

In context, our strong performance was also achieved against the well documented economic challenges affecting the consumer, compounded by almost unprecedented raw material cost inflation in the food & drinks sector. I am therefore delighted to be announcing these excellent Interim results.

Results

	Half Year ended 30 June 2011	Half Year ended 30 June 2010	% movement
	£m	£m	£m
Group Revenue	50.5	44.2	14.4%
Operating Profit	7.2	6.0	20.5%
Profit Before Tax	7.2	6.0	20.4%
EPS (basic)	14.62p	11.81p	23.8%
Net Cash	14.4	11.7	23.2%

Trading

Volumes in our UK soft drinks business were 11% up on last year, delivering a 13% sales increase to £28.3m, against a UK soft drinks market which grew by only 1% in volume terms and 6% in value (AC Nielsen 26 weeks to 9 July 2011).

In April we launched our Levi Roots branded range of Caribbean soft drinks and we are pleased to report that sales to date are in line with our expectations.

Our International sales grew by 13% in the first half of the year, with sales to the Middle East up 11% and sales to Africa up 14%, following a strong performance last year.

In March 2011 we acquired the remaining 50% equity of Dayla Liquid Packing Ltd (Dayla), this has generated additional revenue of £1.4m, which contributed to a 20% increase in sales at the half year for our Dispense business. Like for like sales without the incremental Dayla revenues increased by 5% year on year.

I am pleased to report that whilst our gross margin in the UK business is under pressure from the challenges of raw material cost inflation in the food and drinks sector, we have maintained our Group operating margin at the half year. This has been achieved by a combination of price increases, cost efficiencies, new product development and international business growth, which has mitigated the adverse impact.

Dividend

Based on these robust results at the half year and our ongoing confidence for the future, the Board has approved an Interim dividend of 5.00 pence (2010: 4.45 pence), an increase of 12.4%.

The Interim dividend will be paid on 9 September 2011 to shareholders registered on 12 August 2011.

Outlook

The period of economic uncertainty and cost inflation is likely to continue in the UK for the remainder of the year and into 2012. We are confident, however, of maintaining our growth momentum by continuing to invest in our existing brands, developing new products and expanding our International business, whilst keeping a strong control over costs.

At this stage, we expect full year profits will be significantly ahead of last year.

John Nichols
Non-Executive Chairman
4 August 2011

CONSOLIDATED INCOME STATEMENT

	Unaudited	Unaudited	Audited before exceptional items	Audited after exceptional items
	Half year ended 30 Jun 2011	Half year ended 30 Jun 2010	Full year ended 31 Dec 2010	Full year ended 31 Dec 2010
	£'000	£'000	£'000	£'000
Revenue	50,493	44,151	83,899	83,899
Operating profit	7,252	6,019	15,117	14,824
Finance income	45	71	129	129
Finance expense	(60)	(81)	(163)	(163)
Profit before taxation	7,237	6,009	15,083	14,790
Taxation	(1,876)	(1,694)	(4,042)	(3,966)
Profit for the financial period	5,361	4,315	11,041	10,824
Earnings per share (basic) - all activities	14.62p	11.81p		29.63p
Earnings per share (diluted) - all activities	14.59p	11.66p		29.59p
Dividends paid per share	9.10p	8.10p		12.55p

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Unaudited Half year ended 30 Jun 2011	Unaudited Half year ended 30 Jun 2010	Audited Full year ended 31 Dec 2010
	£'000	£'000	£'000
Profit for the financial period	5,361	4,315	10,824
Other comprehensive income:			
Defined benefit plan actuarial gain	0	0	74
Deferred taxation on pension obligations	0	0	28
Other comprehensive income for the year	0	0	102
Total recognised income and expense for the period	5,361	4,315	10,926

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Unaudited 30 Jun 2011	Unaudited 30 Jun 2010	Audited 31 Dec 2010
	£'000	£'000	£'000
ASSETS			
Non-current assets			
Property, plant and equipment	1,524	1,665	1,288
Goodwill	13,482	11,711	11,914
Deferred tax assets	2,587	2,829	2,587
Total non-current assets	17,593	16,205	15,789
Current assets			
Inventories	6,108	5,002	3,418
Trade and other receivables	25,552	21,207	16,272
Cash and cash equivalents	14,414	11,695	14,967
Total current assets	46,074	37,904	34,657
Total assets	63,667	54,109	50,446
LIABILITIES			
Current liabilities			
Trade and other payables	25,168	21,612	14,165
Current tax liabilities	1,945	1,659	1,533
Provisions	172	185	365
Total current liabilities	27,285	23,456	16,063
Non-current liabilities			
Pension obligations	4,135	4,744	4,135
Deferred tax liabilities	93	99	72
Total non-current liabilities	4,228	4,843	4,207
Total liabilities	31,513	28,299	20,270
Net assets	32,154	25,810	30,176
EQUITY			
Share capital	3,697	3,697	3,697
Additional paid in capital	3,255	3,255	3,255
Capital redemption reserve	1,209	1,209	1,209
Other reserves	(629)	(357)	(629)
Retained earnings	24,622	18,006	22,644
Total equity	32,154	25,810	30,176

CONSOLIDATED STATEMENT OF CASH FLOWS

	Unaudited Half year ended 30 Jun 2011		Unaudited Half year ended 30 Jun 2010		Audited Full year ended 31 Dec 2010	
	£'000	£'000	£'000	£'000	£'000	£'000
Profit for the financial period		5,361		4,315		10,824
Cash flows from operating activities						
Adjustments for:						
Depreciation	200		308		542	
Loss/ (profit) on sale of property, plant and equipment	3		(1)		241	
Equity-settled share based payment transactions	0		0		(627)	
Finance income	(43)		(71)		(129)	
Finance expense	60		81		0	
Taxation expense recognised in the income statement	1,876		1,694		3,966	
Change in inventories	(2,011)		(2,308)		(724)	
Change in trade and other receivables	(8,533)		(5,572)		(886)	
Change in trade and other payables	10,331		9,363		2,439	
Change in provisions	(192)		(70)		110	
Change in pension obligations	0		0		(534)	
		1,691		3,424		4,398
Cash generated from operating activities		7,052		7,739		15,222
Tax paid		(1,464)		(1,594)		(3,777)
Net cash generated from operating activities		5,588		6,145		11,445
Cash flows from investing activities						
Finance income	43		47		139	
Proceeds from sale of property, plant and equipment	0		5		5	
Acquisition of property, plant and equipment	(142)		(405)		(503)	
Acquisition of subsidiary, net of cash acquired	(2,300)		0		0	
Acquisition of subsidiary's net overdraft	(24)		0		0	
Acquisition of business trade and assets	0		(2,300)		(2,733)	
Net cash used in investing activities		(2,423)		(2,653)		(3,092)
Cash flows from financing activities						
Finance expense	0		(49)		0	
Repayment of borrowings	(365)		0		0	
Dividends paid	(3,353)		(2,963)		(4,601)	
Net cash used in financing activities		(3,718)		(3,012)		(4,601)
Net (decrease)/ increase in cash and cash equivalents		(553)		480		3,752
Cash and cash equivalents at beginning of period		14,967		11,215		11,215
Cash and cash equivalents at end of period		14,414		11,695		14,967

NOTES

1. Basis of Preparation

The financial information set out in this Interim Report does not constitute statutory accounts as defined in Section 434 of the Companies Act 2006. The Group's statutory financial statements for the year ended 31 December 2010, prepared under IFRS, have been filed with the Registrar of Companies. The auditor's report on those financial statements was unqualified and did not contain a statement under Section 498 (2) or (3) of the Companies Act 2006.

The Interim financial information has been prepared in accordance with the recognition and measurement principles of International Financial Reporting Standards (IFRS) and on the same basis and using the same accounting policies as used in the financial statements for the year ended 31 December 2010. The Interim Report has not been audited or reviewed in accordance with the International Standard on Review Engagement 2410 issued by the Auditing Practices Board.

2. Dividends

The Interim dividend of 5.00p (2010: 4.45p) will be paid on 9 September 2011 to shareholders registered on 12 August 2011. The ex dividend date is 10 August 2011.

3. Earnings Per Share

Basic earnings per share are based on the weighted average number of shares in issue in the six months to 30 June 2011 of 36,678,398 (six months to 30 June 2010 of 36,522,046 and 12 months to 31 December 2010 of 36,531,394).

Cautionary Statement

This Interim Report has been prepared solely to provide additional information to shareholders to assess the group's strategies and the potential for those strategies to succeed. The Interim Report should not be relied on by any other party or for any other purpose.