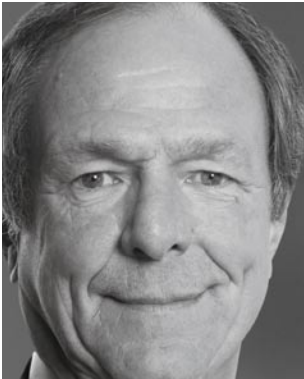


INTERIM REPORT 2012



CHAIRMAN'S STATEMENT



"THE GROUP
IS VERY WELL
PLACED TO
CONTINUE ITS
PROFITABLE
GROWTH"

JOHN NICHOLS

NON-EXECUTIVE CHAIRMAN

A handwritten signature in black ink, which appears to be "P. J. Neel".

I am delighted to report another strong first half year performance from the Group, delivering healthy sales growth, a significant increase in profits and earnings per share along with extremely strong cash generation.

Sales growth has again been delivered across all our routes to market, led by our export sales which recorded a 14% increase on last year. Given the ongoing economic uncertainty, the UK retail environment in particular continues to be challenging resulting in an extremely competitive UK soft drinks market. Notwithstanding this, our UK business achieved solid sales growth of 8%.

In addition, profits before tax and earnings per share increased by 14% and 15% respectively.

Net cash generation was also very strong resulting in our net cash position increasing by £3.5m from the year end to £23.6 million as of 30 June 2012.

RESULTS

	Half year ended 30 June 2012 £m	Half year ended 30 June 2011 £m	% movement
Group Revenue	55.4	50.5	+10%
Operating Profit	8.3	7.2	+14%
Operating Profit R.O.S.	15%	14%	
Profit Before Tax	8.3	7.2	+14%
EPS (basic)	16.88p	14.62p	+15%
Interim Dividend	5.62p	5.00p	+12.4%

TRADING

Growth in our UK soft drink sales has continued to significantly outperform the market despite the poor weather and extremely challenging market conditions. This is driven by the ongoing strength of our Vimto brand and our investment in NPD products under the Levi Roots and Weight Watchers brands, both of which have added incremental sales. These factors have helped to deliver total sales growth of 8% against last year, which is significantly ahead of the overall UK soft drinks market growth of 2.4% as measured by AC Nielsen.

In the UK, the combination of increased promotional activity and raw material cost inflation continues to exert pressure on our UK gross margins. Ongoing productivity improvements and the strength of our international business have allowed us to maintain our Group operating profit margins at 15%.

At our AGM in May 2012 we were delighted to announce that Nichols plc had been awarded the Queen's Award for International Trade and during the first half of the year our export business again proved to be a considerable strength of the Group with international sales at the half year up 14% on 2011.

This growth is primarily driven by our two key international markets, with sales to the Middle East 12% ahead of 2011 and sales to Africa 27% ahead of the prior year.

DIVIDEND

Based on the Group's performance at the half year, its strong cash generation and the Board's

ongoing confidence for the future, we are pleased to approve an interim dividend of 5.62 pence per share (2011: 5.00 pence), representing an increase of 12.4%.

This interim dividend will be paid on 31 August 2012 to shareholders registered on 3 August 2012.

OUTLOOK

As expected, the challenging UK retail environment experienced in 2011 has continued into the first half of 2012 with the resulting low market growth prompting frequent and deep cutting promotional activity by both retailers and soft drinks brand holders.

Despite this, the Group has continued to deliver profitable growth at the same time as investing in our brands and successfully growing our market position both in the UK and internationally.

Whilst we do not anticipate any real improvement in the UK economy in the short to medium term, with our strong balance sheet, continued investment in our brands and a healthy export market, the Group is very well placed to continue its profitable growth trend for the second half of 2012 and beyond and we anticipate the full year outturn will be in line with expectations.

John Nichols
Non-Executive Chairman
26 July 2012

CONSOLIDATED INCOME STATEMENT

	Unaudited Half year ended 30 Jun 2012	Unaudited Half year ended 30 Jun 2011	Audited Full year ended 31 Dec 2011
	£'000	£'000	£'000
Revenue	55,357	50,493	98,912
Operating profit	8,280	7,252	18,149
Finance income	39	45	72
Finance expense	(61)	(60)	(116)
Profit before taxation	8,258	7,237	18,105
Taxation	(2,043)	(1,876)	(4,779)
Profit for the financial period	6,215	5,361	13,326
Earnings per share (basic) - all activities	16.88p	14.62p	36.28p
Earnings per share (diluted) - all activities	16.86p	14.59p	36.25p
Dividends paid per share	10.30p	9.10p	14.10p

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Unaudited Half year ended 30 Jun 2012	Unaudited Half year ended 30 Jun 2011	Audited Full year ended 31 Dec 2011
	£'000	£'000	£'000
Profit for the financial period	6,215	5,361	13,326
Other comprehensive income/ (expense)			
Defined benefit plan actuarial loss	0	0	(2,926)
Deferred taxation on pension obligations	0	0	842
Other comprehensive income/ (expense) for the year	0	0	(2,084)
Total recognised income and expense for the period	6,215	5,361	11,242

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Unaudited 30 Jun 2012	Unaudited 30 Jun 2011	Audited 31 Dec 2011
	£'000	£'000	£'000
ASSETS			
Non-current assets			
Property, plant and equipment	1,240	1,524	1,374
Goodwill	13,658	13,482	13,658
Deferred tax assets	2,579	2,587	2,579
Total non-current assets	17,477	17,593	17,611
Current assets			
Inventories	5,559	6,108	5,790
Trade and other receivables	22,413	25,552	21,118
Cash and cash equivalents	23,563	14,414	20,111
Total current assets	51,535	46,074	47,019
Total assets	69,012	63,667	64,630
LIABILITIES			
Current liabilities			
Trade and other payables	21,898	25,168	20,073
Current tax liabilities	1,944	1,945	1,752
Provisions	84	172	139
Total current liabilities	23,926	27,285	21,964
Non-current liabilities			
Pension obligations	6,313	4,135	6,313
Deferred tax liabilities	51	93	51
Total non-current liabilities	6,364	4,228	6,364
Total liabilities	30,290	31,513	28,328
Net assets	38,722	32,154	36,302
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	(546)	(629)	(546)
Retained earnings	31,107	24,622	28,687
Total equity	38,722	32,154	36,302

CONSOLIDATED STATEMENT OF CASH FLOWS

	Unaudited Half year ended 30 Jun 2012		Unaudited Half year ended 30 Jun 2011		Audited Full year ended 31 Dec 2011	
	£'000	£'000	£'000	£'000	£'000	£'000
Profit for the financial period		6,215		5,361		13,326
Cash flows from operating activities						
Adjustments for:						
Depreciation		221		200		467
Loss on sale of property, plant and equipment		0		3		26
Finance income		(39)		(45)		(72)
Finance expense		61		60		0
Taxation expense recognised in the income statement		2,043		1,876		4,779
Change in inventories		231		(2,011)		(1,674)
Change in trade and other receivables		(1,295)		(8,533)		(4,069)
Change in trade and other payables		1,825		9,966		4,794
Change in provisions		(55)		(192)		(226)
Change in pension obligations		0		0		(748)
		2,992		1,324		3,277
Cash generated from operating activities		9,207		6,685		16,603
Tax paid		(1,850)		(1,464)		(3,794)
Net cash generated from operating activities		7,357		5,221		12,809
Cash flows from investing activities						
Finance income		39		45		72
Proceeds from sale of property, plant and equipment		1		0		1
Acquisition of property, plant and equipment		(150)		(142)		(302)
Acquisition of subsidiary, net of cash acquired		0		(2,300)		(2,300)
Acquisition of subsidiary's net overdraft		0		(24)		(24)
Net cash used in investing activities		(110)		(2,421)		(2,553)
Cash flows from financing activities						
Disposal of own shares		0		0		83
Dividends paid		(3,795)		(3,353)		(5,195)
Net cash used in financing activities		(3,795)		(3,353)		(5,112)
Net increase/(decrease) in cash and cash equivalents		3,452		(553)		5,144
Cash and cash equivalents at beginning of period		20,111		14,967		14,967
Cash and cash equivalents at end of period		23,563		14,414		20,111

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 2011, 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 2011. 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 5.62p (2011: 5.00p) will be paid on 31 August 2012 to shareholders registered on 3 August 2012. The ex dividend date is 1 August 2012.

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 2012 of 36,826,338 (six months to 30 June 2011 of 36,678,398 and 12 months to 31 December 2011 of 36,728,932).

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.



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