

# BOOKER

## Booker Group plc Interim Results

24 Weeks ended 12 September 2008

9 October 2008

# HIGHLIGHTS

## Financial Highlights

- Total sales £1.5 billion, +2.1%
- Like-for-like sales in the half were:
  - non-tobacco +4.1% (vs +3.5% last year)
  - tobacco -3.2% (vs -3.9% last year)
  - total +1.1% (vs +0.4% last year)
- Operating profit up to £30.5m from £24.1m (+26.6%)
- Profit before tax of £26.5m versus £20.6m last year (+28.6%)
- Profit after tax up to £22.0m from £16.8m (+31.0%)
- Basic earnings per share at 1.48 pence up from 1.17 pence last year
- Net debt reduced to £28.9m from £46.9m last year
- The Board declares an interim dividend of 0.2 pence per share (2007: nil) to be paid on 28 November 2008

## Operating Highlights

- Customer satisfaction for choice, price and service has improved
- Conversion of another 11 branches into 'Extra' format, taking the total number of 'Extra' branches to 45. An additional 21 are planned for the second half
- Internet sales increased to £96m from £34m last year
- Booker Direct (formerly Blueheath) is making good progress

# RECOVERY PLAN UPDATE

# BOOKER IS THE UK'S LARGEST WHOLESALER TO SMALL BUSINESS

	<b>CUSTOMERS</b> <b><u>000's</u></b>	<b>FY08 SALES</b> <b><u>£bn</u></b>
Caterers	258	0.85
Retailers	72	2.07
Others	76	0.08
Direct	1	0.08
<b>Total</b>	<b><u>407</u></b>	<b><u>3.08</u></b>

# THE BOOKER RECOVERY PLAN (NOV 2005)

ACTION	RESULTS
<b>FOCUS</b> (Mar '06)	Focus on £ Cash – tighten stock management New Organisation Simplify the Business: "less is more"
<b>DRIVE</b> (Mar '07)	Choice up Prices down Better service
<b>BROADEN</b> (Mar '08)	On the way to being the UK's best and biggest supplier to small businesses Be the suppliers preferred route to market in UK New products & services

# DRIVE: CHOICE UP

## Euro Shopper



= £500k per week

## Basics



= £750k per week

# DRIVE: PRICES DOWN

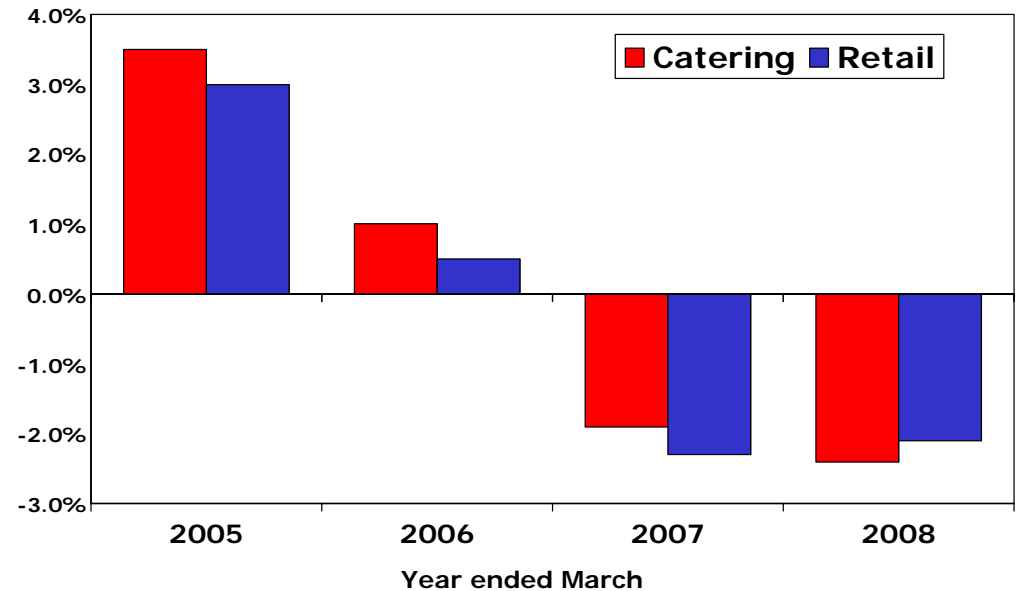
## Everyday Essentials



## Cheaper by the Case



## Booker's Pricing vs Cash & Carry Market



Versus published list price on a basket of goods

# DRIVE: BETTER SERVICE

## Free Delivery



## Availability



## Premier

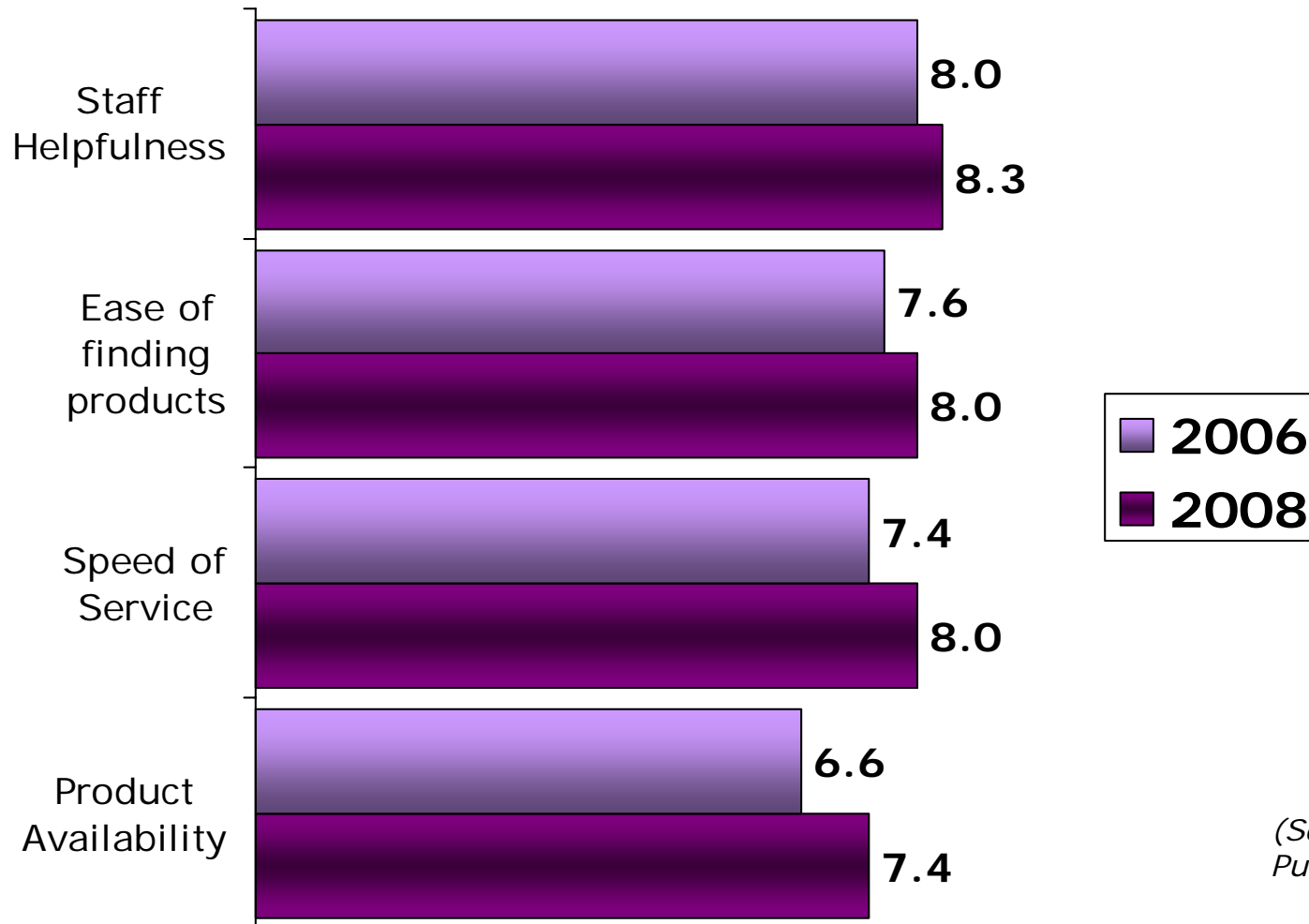


## PRIDE





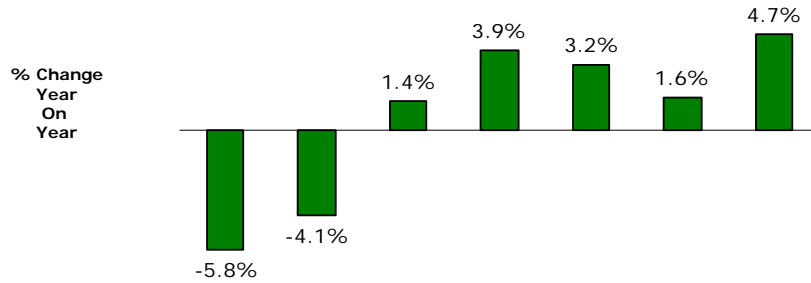
# BETTER SERVICE: BOOKERS RATING BY CUSTOMERS



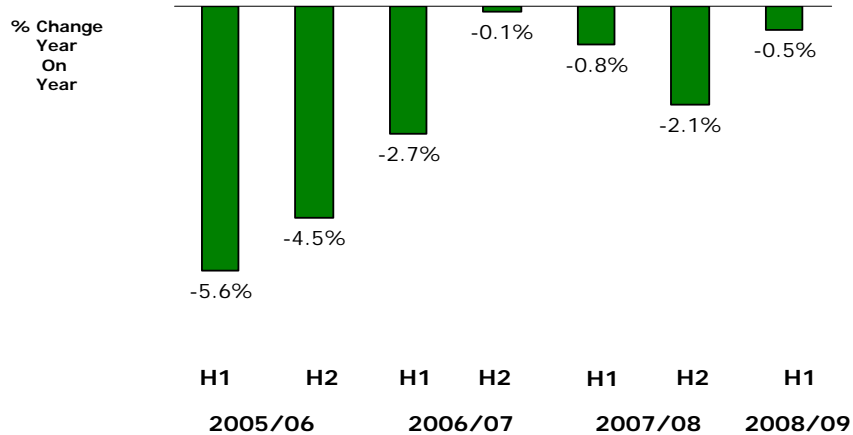
*(Source: HIM)  
Published biannually*

# DRIVE IS WORKING

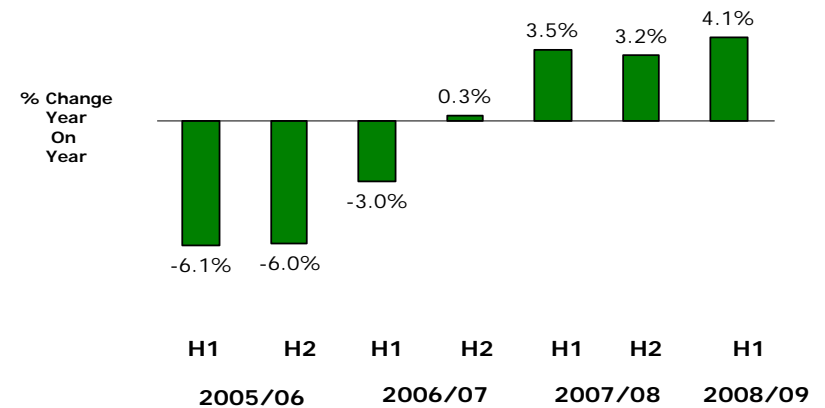
LFL Sales to Caterers (inc Tobacco)



LFL Sales to Retailers (inc Tobacco)



LFL Sales Non Tobacco



# BROADEN: BE THE UK'S BEST AND BIGGEST SUPPLIER TO SMALL BUSINESS

- Choice Up / Prices Down / Better Service
- Drive Catering
- Expand Premier / Retail Clubs
- Sell new products and services
- Roll out 'Extra' branches
- Increase delivery
- Develop internet business

# EXTRA: ARDWICK BEFORE



# EXTRA: ARDWICK AFTER



# EXTRA - STATUS

**45** Complete

**6** In Progress

**15** Rest of 2008/09

**66** Total

- Extra branches non tobacco sales are +5% vs non-converted. In addition, year 2 out-performed by a further 3%
- Payback 12 months
- 59% of profit growth from caterers, 34% retailers, 7% other

# BOOKER DIRECT UPDATE: NEW CUSTOMERS

Retail

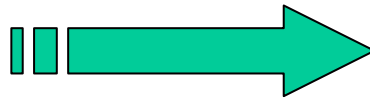


M&S

*Rippleglen Ltd.*



Leisure



vUE

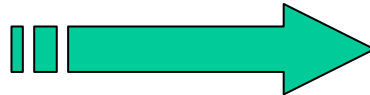
ODEON  
FANATICAL ABOUT FILM



APOLLO  
CINEMAS

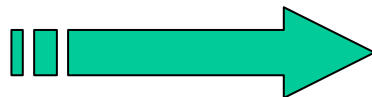
REEL cinema

Public Sector



NHS

Foodservice/  
Pub Co.



= Annual Sales c£70m

BOOKER

Slide 15



# INTERNET



BOOKER



# SUSTAINABILITY

## CARBON NEUTRAL

- Convert to green and “local” energy – 1 to 5 years
- Use of sustainable bio-fuels – 12 to 18 months
- Reduce energy consumption
- Increase recycling
- Recover used cooking oil

**= Carbon Footprint -10% in 2008**

# FINANCIAL PERFORMANCE

# FINANCIAL SUMMARY

	24 weeks 12-Sep-08 £m	24 weeks 14-Sep-07 £m	%
Revenue	1,496.9	1,465.4	2.1%
EBITDA	37.2	31.8	17.0%
Operating profit	30.5	24.1	26.6%
Profit before tax	26.5	20.6	28.6%
Profit after tax	22.0	16.8	31.0%
Basic earnings per share (pence)	1.48	1.17	26.5%
Net debt	(28.9)	(46.9)	38.4%
Shareholder Funds	259.0	249.7	3.7%

# PROFITS

	24 weeks 12-Sep-08 £m	24 weeks 14-Sep-07 £m	%
Gross Profit	50.3	44.4	13.3%
<i>Gross Profit % of Sales</i>	<i>3.4%</i>	<i>3.0%</i>	
Operating Profit	30.5	24.1	26.6%
<i>Operating Profit % of Sales</i>	<i>2.0%</i>	<i>1.6%</i>	
Interest on borrowings	(3.2)	(3.9)	
Other interest (non cash)	(0.8)	0.4	
Profit before tax	<hr/> 26.5	<hr/> 20.6	28.6%
Tax	(4.5)	(3.8)	
<b>Profit after tax</b>	<hr/> <b>22.0</b> <hr/>	<hr/> <b>16.8</b> <hr/>	31.0%

**Note:** 'Operating Profit' includes property related profit of £1.1m (2007:nil)

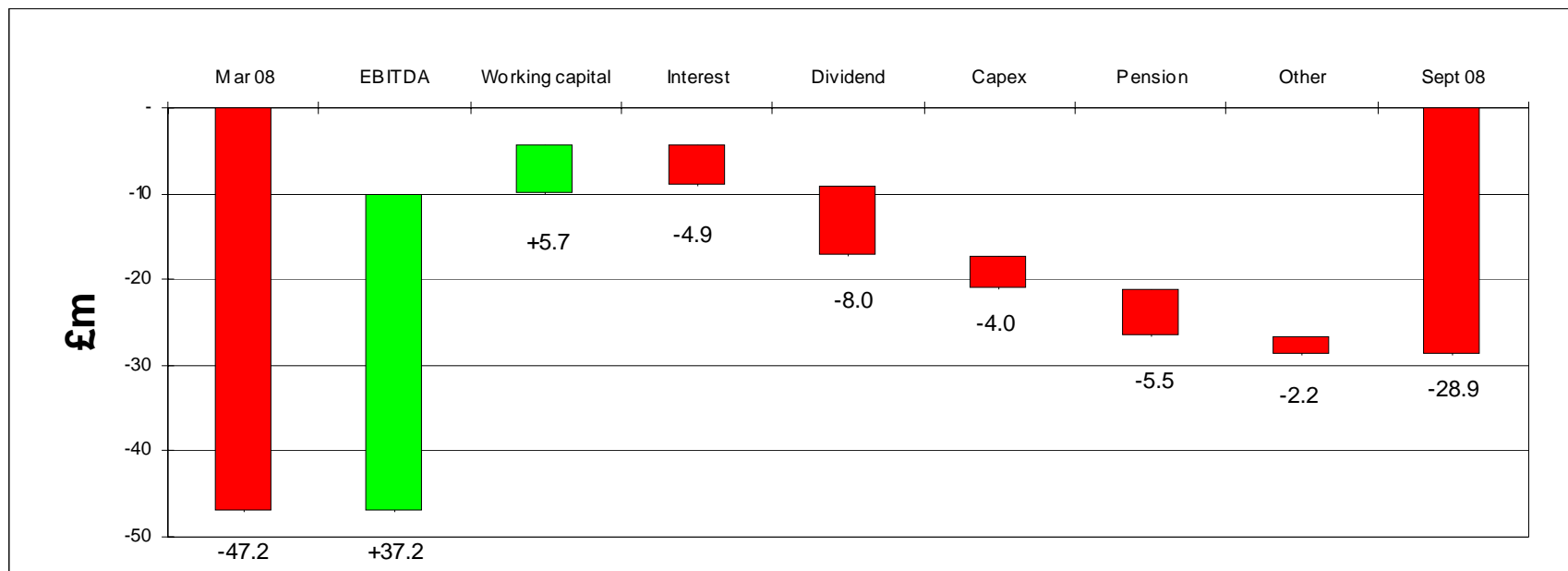
# NET FINANCING COSTS

	24 weeks 12-Sep-08 £m	24 weeks 14-Sep-07 £m
Interest on borrowings (cash)	(3.2)	(3.9)
Other interest (non cash)		
Pensions credit	1.0	2.4
Unwinding of discount on provisions	(1.2)	(1.1)
Amortisation of financing costs	(0.8)	(0.8)
Gain/(loss) on interest rate swap	0.2	(0.1)
	<hr/> (0.8)	<hr/> 0.4
<b>Net financing cost</b>	<hr/> <b>(4.0)</b> <hr/>	<hr/> <b>(3.5)</b> <hr/>

# CONSOLIDATED BALANCE SHEET

	12-Sep-08 £m	14-Sep-07 £m
Fixed assets	57.3	60.2
Goodwill	423.9	423.2
Stock	189.0	181.2
Debtors	58.8	62.4
Creditors	(388.6)	(384.7)
Net debt	(28.9)	(46.9)
Provisions & tax	(54.1)	(52.8)
Pensions	1.6	7.1
<b>Net assets</b>	<b>259.0</b>	<b>249.7</b>

# NET DEBT MOVEMENT



# SUMMARY

6 Month Period		Sept 2005	Mar 2006	Sept 2006	Mar 2007	Sept 2007	Mar 2008	Sept 2008
Sales Change	%	(5.9%)	(5.9%)	(2.5%)	+0.6%	+2.5%	+2.1%	+2.1%
Operating Profit	£m	13	9	20	16	24	22	31
Operating Profit Change	%	(54%)	(44%)	+54%	+78%	+20%	+38%	+27%
Net Debt	£m	361	125	70	77	47	47	29

Note: Figures stated for operating profit are under UK GAAP to March 2006 and under IFRS thereafter



# SUMMARY

**FOCUS**



**DRIVE**



**BROADEN**

