

Preliminary Announcement of Results for the year ended 31 March 2002



Overview

- Financial highlights
- Improving operational effectiveness
- Building the global brands

Financial Highlights

- Full year results in line with expectations
- Core businesses growing at over 4%, with key brands growing at a higher rate
- Net debt reduced from £381 million to £308 million
- Positive free cash flow generated
- Significant improvement in working capital ratio
- Maintenance of dividend

Operational Highlights

- Elimination of trade loading
- Major simplification of business
 - Customer distribution and brand rationalisation
 - Non-core disposals programme
- UK Customer Service levels improved to 90%+
- Roll out of customer service project to rest of the Group
- Significant increase in regulatory capacity

Operational Highlights

- Major European cost restructuring programme under way
- Review of supply chain to be completed by end of 2002
- Substantial investment in IT
- Employee development initiatives:
 - Strengthening of executive management team
 - Senior management training programme
 - Expanded employee share save plan

Brand Building

- Focus on four key brands: Durex, Scholl, Regent and Hibi
- Increase in advertising and promotion of 18%
- Increase in R&D expenditure of 25%
- Search for complementary acquisitions

Brand Development

- Durex (+5%)
 - Growth driven by France and developing markets (Eastern Europe and Far East)
 - Launch of entire new range (Easy-On)
 - Television and cinema advertising
 - Youth dance culture promotions
- Scholl (+7%)
 - Growth driven by Flight Socks and footwear
 - Successful roll-out of Flight Socks
 - Launch of new toiletries range with repositioned TV advertising

Brand Development

- Regent (+5%)
 - USA remains the key growth market
 - Strong market share growth in synthetics arising from the roll-out of Regent Biogel Skinsense N
 - Development of Skinsense N Universal
- Hibi (+16%)
 - Integration of Hibi antiseptics range into medical business

Summary

- Results achieved alongside major operational improvements
- Cost savings will come from rationalisation and refocus
- Core brands remain strong
- Brand building activities will receive necessary attention and investment

Financial Review

- Underlying sales analysis
- Sales by region and category
- Key market data
- Operating profit
- Exceptional items
- Interest and taxation
- Earnings and dividends
- Balance sheet highlights
- Cash flows

Underlying Sales

	Underlying 31\3\02	Underlying Growth	Underlying 31\3\01
Consumer Healthcare	352.0	4.2%	337.7
Medical #	207.5	4.1%	199.3
Total Core Business	559.5	4.2%	537.0
House & Industrial Gloves	50.7	2.0%	49.7
Other Products	18.9	(10.0)%	21.0
Total Underlying Sales	629.1	3.5%	607.7

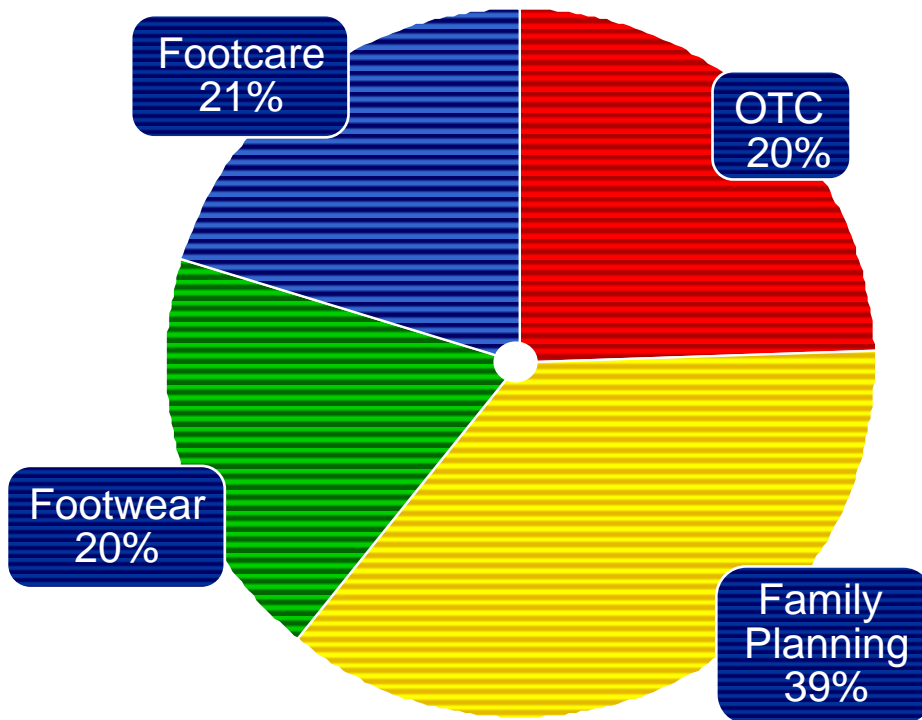
Hibi sales for 2000/1 included in the medical division have been derived from the results of the period from acquisition
An adjustment to reflect the estimated effect of the elimination of trade loading has been made in the 2001/2 results

Underlying Sales by Region – Total Group

Sales for the year ended 31 March 2002						
	UK and Eire (£M)	Continental Europe (£M)	Americas (£M)	Asia Pacific and ROW (£M)	Total (£M)	2000/1 Total (£M)
Consumer Healthcare	102.1	173.6	27.1	49.2	352.0	337.7
Medical	73.6	35.9	86.0	12.0	207.5	199.3
House & Ind Gloves	18.7	19.8	10.5	1.7	50.7	49.7
Other	4.8	12.1	0.0	2.0	18.9	21.0
Total Group	199.2	241.4	123.6	64.9	629.1	607.7
2000/1 Sales	200.6	227.8	119.2	60.1	607.7	

An adjustment to reflect the estimated effect of the elimination of trade loading has been made in the 2001/2 results

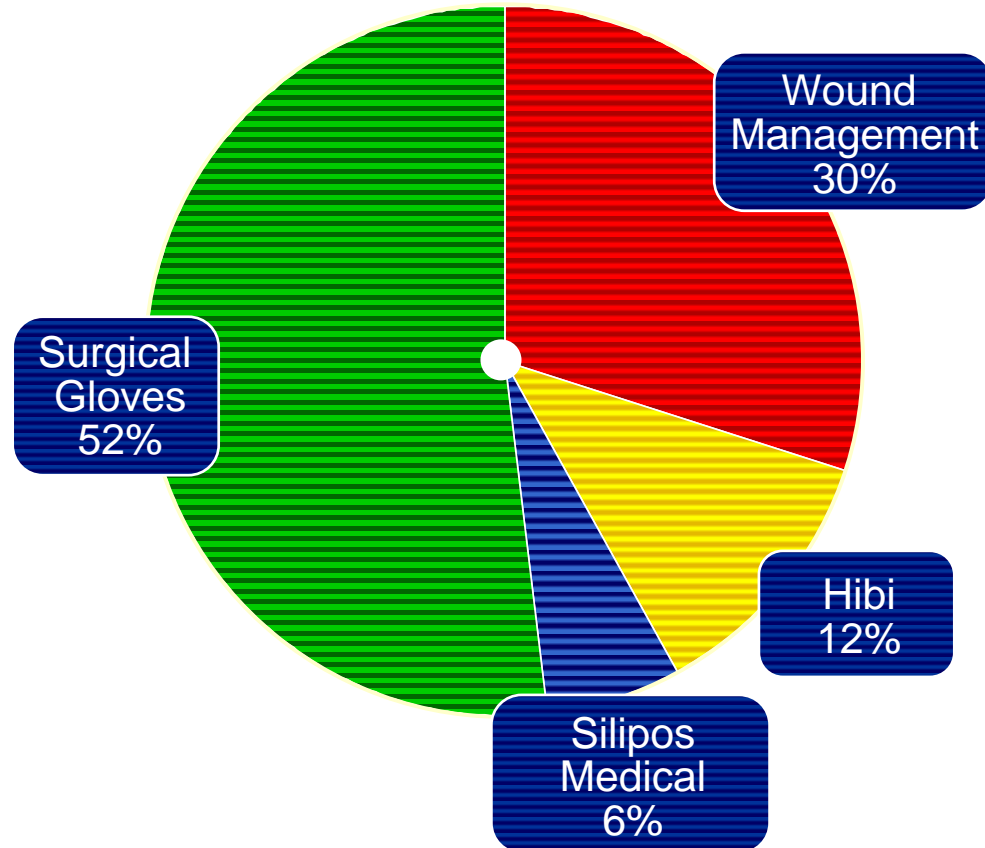
Consumer Healthcare Sales - £352m



- Scholl footcare growth of 8%, driven by Flight Socks
- Scholl footwear growth of 7% partly due to excellent sales in Asia Pacific
- Durex underlying growth of c5%, all volume driven
- Challenging OTC markets in both UK and Italy

An adjustment to reflect the estimated effect of the elimination of trade loading has been made

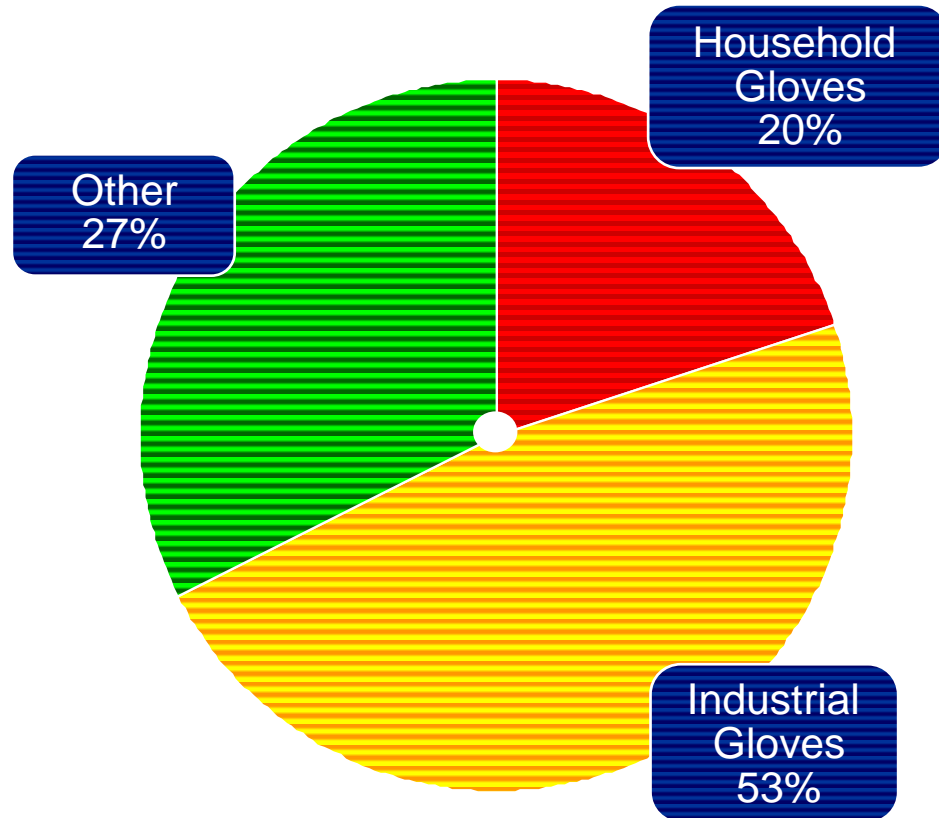
Medical Sales - £207m



- US Surgical gloves growth of 8%; volume gains outpace price erosion
- UK surgical gloves price decline of c7%
- Small decline in wound management category
- Excellent growth in Silipos Medical
- Hibi sales of £26 million

An adjustment to reflect the estimated effect of the elimination of trade loading has been made

Marigold Gloves and Other Sales - £70m



- Growth in Marigold Industrial of 5%
- 6% decline in household gloves
- Other sales £19 million

An adjustment to reflect the estimated effect of the elimination of trade loading has been made

Major Sales Territories – Summary

	Underlying Sales (£M)	%
Total UK	199.2	31.7
Total USA	123.6	19.6
Total Italy	72.2	11.5
Other Territories	234.1	37.2
Total Group	629.1	100.0

An adjustment to reflect the estimated effect of the elimination of trade loading has been made

Major Sales Territories – UK

	Underlying Sales (£M)	Market Growth (%)	SSL Market Share 2002 (%)	SSL Market Share 2001 (%)
OTC	43.5	4.0	10	10
Family Planning	32.4	(1.2)	80	79
Footcare	20.7	5.5	50	52
Wound Management	44.5	7.9	20	20
Surgical Gloves	21.8	3.0	75	75
Other	36.3	*	*	*
Total UK	199.2			

* Market data not available

An adjustment to reflect the estimated effect of the elimination of trade loading has been made

In some cases, the basis of market share data has changed; the figures shown are on a comparable basis for both years

Major Sales Territories – USA

	Underlying Sales (£M)	Market Growth (%)	SSL Market Share 2002 (%)	SSL Market Share 2001 (%)
Family Planning	25.4	1.0	14	16
Surgical Gloves ¹	67.3	7.0	33	29
Other	30.9	*	*	
Total USA	123.6			

¹ Market data relates to total market (powdered and powder-free)

* Market data not available

An adjustment to reflect the estimated effect of the elimination of trade loading has been made

In some cases, the basis of market share data has changed; the figures shown are on a comparable basis for both years

Major Sales Territories – Italy

	Underlying Sales (£M)	Market Growth (%)	SSL Market Share 2002 (%)	SSL Market Share 2001 (%)
OTC (HABA)	18.0	1.9	38	40
Family Planning	20.5	(1.4)	59	59
Footwear	17.9	*	*	*
Other	15.8	*	*	*
Total Italy	72.2			

* Market data not available

An adjustment to reflect the estimated effect of the elimination of trade loading has been made

Underlying Divisional Results

	Sales (£m)	Gross Margin (£m)	Market Contribution (£m)	Divisional Operating Profit (£m)	2001 operating profit (£m)
UK and Eire	199.2	103.6	85.1	37.4	43.1
Continental Europe	241.4	136.9	110.9	43.6	56.4
Americas	123.6	72.2	61.0	26.3	17.1
Asia Pacific and ROW	64.9	38.2	30.8	16.9	18.1
Divisional Results	629.1	350.9	287.8	124.2	134.7
2001 Results	607.7	362.0	309.1	134.7	

Excludes central costs

An adjustment to reflect the estimated effect of the elimination of trade loading has been made

Central Costs and Group Operating Profit

	2001/2 (£m)	2000/1 (£m)
Operating profit from divisions	124.2	134.7
Group marketing costs	(9.3)	(7.9)
Group R&D	(11.6)	(9.3)
Group administrative expenses*	(22.4)	(16.7)
Underlying group operating profit	80.9	100.8

An adjustment to reflect the estimated effect of the elimination of trade loading has been made

* 2001/2 reflects increases in Hibi amortisation and pension costs

Exceptional Items

	Cash (£m)	Non-cash (£m)	Net (£m)
Total merger costs	(124.1)	(85.3)	(209.4)
Previously charged	111.0	82.0	193.0
Current year charge	(13.1)	(3.3)	(16.4)
Trade Loading	(11.9)	-	(11.9)
Intangible write offs	-	(8.6)	(8.6)
Effect of disposals	92.6	(87.7)	4.9
Scunthorpe factory	4.1	(3.5)	0.6
Total p&l impact for the year	71.7	(103.1)	(31.4)

Interest and Taxation

	Year ended 31/3/02 (£m)	Year ended 31/3/01 (£m)
Interest		
Closing net debt	307.9	380.9
Net interest charge for the period	25.6	24.7
Interest cover (times)	2.1	4.7
Interest cover / EBITDA	3.0	5.5
Net debt / EBITDA (times)	4.0	2.8
Taxation (Pre-exceptional)		
Tax charge for the period	8.7	22.8
As a % of pre-tax profit	30.0%	25.0%

Earnings and Dividends per Share

	Year ended 31/3/02 (pence)	Year ended 31/3/01 (pence)
Earnings per share		
Basic and fully diluted	(7.0)	13.5
Basic, adjusted for amortisation	(0.1)	16.1
Earnings per share: pre-exceptional		
Basic	10.4	36.3
Basic, adjusted for amortisation	13.3	38.9
Dividends per share		
Interim	3.9	3.9
Final	8.4	8.4
Total	12.3	12.3

Balance Sheet Highlights

	As at 31/3/02 (£m)	As at 31/3/01 (£m)
Net Borrowings	307.9	380.9
Net Assets	87.9	47.4
Working Capital / Sales Ratio	21.6%	29.0%
Net Working Capital	128.0	188.6

Cash Flow Highlights

	Year to 31/3/02 (£m)	Year to 31/3/01 (£m)	13 m to 31/3/00 (£m)
Operating income pre-exceptional	119.7	106.3	110.5
Exceptional cash costs	(28.1)	(45.4)	(63.7)
Capital Investment (net)	(39.8)	(51.7)	(31.6)
Operating cash flow	51.8	9.2	15.2
Interest and taxation	(44.7)	(40.1)	(29.3)
Free cash flow	7.1	(30.9)	(14.1)

Current Year Agenda

- Delivering promised results
- Timely realisation of cost reductions
- Supply Chain rationalisation
- Continued focus on brand building

Appendix

Underlying Growth

	Reported 31\3\02 (£M)	Trade loading Estimate	Acquisitions & Disposals (£M)	Underlying 31\3\02	Underlying Growth	Underlying 31\3\01	Acquisitions & Disposals (£M)	FX Calculation	Reported 31\3\01 (£M)
Consumer Healthcare	336.1	21.6	(5.7)	352.0	4.2%	337.7	(22.2)	0.3	359.6
Medical	188.4	31.0	(11.9)	207.5	4.1%	199.3	(13.6)	1.7	211.2
House & Industrial Gloves	47.2	3.5	-	50.7	2.0%	49.7	-	0.4	49.3
Other Products	20.7	-	(1.8)	18.9	(10.0)%	21.0	(7.5)	(0.7)	29.2
Total Sales	592.4	56.1	(19.4)	629.1	3.5%	607.7	(43.3)	1.7	649.3
Operating Profit	54.1	32.3	(5.5)	80.9	(19.7)%	100.8	(16.0)	0.8	116.0

Trade Loading – Sales Estimate

	UK and Eire (£M)	Americas (£M)	Continental Europe (£M)	Asia Pacific (£M)	Total (£M)
OTC	11.5	-	-	-	11.5
Condoms	4.0	1.7	0.8	1.0	7.5
Footcare	2.0	-	0.6	-	2.6
Surgical gloves	4.3	18.3	0.3	-	22.9
Wound management	8.1	-	-	-	8.1
Household Gloves	0.2	-	-	-	0.2
Industrial gloves	-	-	3.3	-	3.3
Total	30.1	20.0	5.0	1.0	56.1