

SSL International plc

Preliminary Announcement of Results
for the year ended 31st March 2003



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Overview

- Summary of Results

	31/3/03 £'m	31/3/02 £'m
Sales	623.9	592.4
Operating Profit*	82.0	54.1
Operating Margin*	13.1%	9.1%
Free Cashflow	39.1	7.1
EPS	13.1p	(7.0p)

* Pre exceptionals

- Outcome of strategic review

SSL as a Consumer Healthcare Company

- The power of Durex and Scholl brands
 - Durex
 - 26% share of global branded condom market;
 - No 1 in 23 markets worldwide
 - Scholl
 - World's leading footcare brand
- Focus on pharmacy and mass market
- Exploit management expertise
- Leverage brand strength and distribution capability

Durex (1)

Underlying Sales			Annualised Growth
31/3/03 £'m	31/3/02 £'m	31/3/01 £'m	
143.8	135.2	134.1	3.6%



- Developed markets

- Recruit new users

- Provocative advertising
- Novel product innovation
 - Performa
 - Sensation
 - Chocolate

Durex (2)

- Stretching the brand
 - Play



- Developing markets

Scholl Footcare

Underlying Sales			Annualised Growth
31/3/03 £'m	31/3/02 £'m	31/3/01 £'m	
77.9	75.8	72.1	4.0%



- Rediscover Dr Scholl's passion
 - Product innovation
 - Hydragel
 - Extended toiletries range
 - Footfiles
 - Class 1 Flight Socks & Knee Highs
 - Insoles/Deodorants
 - Leading the category
 - Reinforce our bond with consumers
 - Advertising
 - Expertise

Scholl Footwear

Underlying Sales			Annualised Growth
31/3/03 £'m	31/3/02 £'m	31/3/01 £'m	
74.7	72.4	67.8	5.1%

- Complex category
- Improved range selection
- Supply chain rationalisation
- Expansion and margin improvement



Other

Underlying Sales		Growth %
31/3/03 £'m	31/3/02 £'m	
80.9	82.9	(2.4%)

- UK OTC business up 2.8% to £40m; improved advertising support to continue
- Scholl medical compression sales up by 6% to £11m as refocused marketing begins to take effect
- Sauber and Mister Baby decline by £1m in Italy to £17m in face of increasing competition and a weak pharmacy market, especially in the second half

Financial Highlights

- Sales ahead 5%
- Gross profit improvement of 10.4%
- Brand contribution growth of 16.3%
- Pre-exceptional operating profit up by 51.6%
- Exceptional costs down, £20m against £36m
- Free cashflow of £39m (2002: £7m)
- Net debt reduced by £16m to £292m
- EPS 13.1p compared with loss per share of 7.0p

Profit & Loss Account

	31/3/03 £'m	31/3/02 £'m
Sales	623.9	592.4
Gross Profit	361.0	327.0
A&P	(70.4)	(70.8)
Variable Selling Expenses	(40.0)	(40.8)
Brand Contribution	250.6	215.4
R&D	(13.0)	(11.6)
SG&A	(159.6)	(152.1)
Associates	4.0	2.4
Operating Profit	82.0	54.1

Sales

	Reported		Underlying	
	31/3/03 £'m	31/3/02 £'m	31/3/02 £'m	Growth %
Consumer	377.3	349.3	366.3	3.0%
Medical	181.8	174.3	184.6	(1.5%)
Other	64.8	68.8	72.5	(10.6%)
TOTAL	623.9	592.4	623.4	0.1%

Consumer Division H1/H2 Sales Growth

	Reported Sales 31/3/03	H1 2002 - 2003	H2 2002 - 2003	FY 2002 - 2003
Family Planning	143.8	12.6% ⁽¹⁾	1.0%	6.4%
Footcare	77.9	6.0% ⁽¹⁾	(1.2%) ⁽²⁾	2.7% ⁽²⁾
Footwear	74.7	0.7%	5.1%	3.1%
Other Consumer	80.9	4.7%	(8.3%)	(2.3%)
TOTAL CONSUMER	377.3	7.1%	(0.7%)	3.0%

(1) H1 reported results include launch of new condom and toiletries ranges

(2) UK Flight Socks down by £0.8m or 2.4% of H2 sales; FY adjusted 4%

Medical Sales

	Underlying		Growth %
	31/3/03 £'m	31/3/02 £'m	
<i>Infection Control</i>			
US Surgical Gloves	59.5	59.4	-
ROW Surgical Gloves	41.8	40.2	4.0%
Hibi	22.7	25.7	(11.6%)
Total Infection Control	124.0	125.3	(1.0%)
Other	57.8	59.3	(2.5%)
TOTAL MEDICAL	181.8	184.6	(1.5%)

Profit & Loss Account

	31/3/03 £'m	31/3/02 £'m
Sales	623.9	592.4
Gross Profit	361.0	327.0
<i>As a % of Sales</i>	57.9%	55.2%
A&P	(70.4)	(70.8)
Variable Selling Expenses	(40.0)	(40.8)
Brand Contribution	250.6	215.4
<i>As a % of Sales</i>	40.1%	36.4%
R&D	(13.0)	(11.6)
SG&A	(159.6)	(152.1)
Associates	4.0	2.4
Operating Profit	82.0	54.1
<i>As a % of Sales</i>	13.1%	9.1%

Margin Analysis

Gross Profit		
Incremental Sales (£31.5m @80%)		£25.2m
Actual gross margin improvement		£34.0m
Cost of Sales "Saving"		£8.8m
Operating Expenses		
	£'m	£'m
	31/3/03	31/3/02
Total SG&A	159.6	152.1
Insurance	(5.8)	(2.6)
IT	(10.4)	(8.1)
	143.4	141.4
		(£2.0m)
Cost Inflation @4% on £141.4m		£5.7m
Operating Expense "Saving"		£3.7m
Total "Saving"		£12.5m

Exceptional Costs

	Cash £'m	Non-Cash £'m	Total £'m
Manufacturing Restructuring	1.1	0.5	1.6
Commercial Restructuring	2.7	5.7	8.4
European Logistics & IT	4.5	2.7	7.2
Other	2.7	0.5	3.2
Total	11.0	9.4	20.4

Interest & Tax

	31/3/03 £'m	31/3/02 £'m
Interest		
Closing net debt	292.0	307.9
Net interest charge for the period	22.5	25.6
Interest cover (times)	3.6	2.1
Interest cover/EBITDA	4.7	3.0
Net Debt/EBITDA (times)	2.75	4.0
Taxation		
Pre-exceptional tax charge in the period	17.9	8.7
As a % of pre-exceptional profit	30%	30%

Earnings & Dividends Per Share

	31/3/03 pence	31/3/02 pence
Earnings/(loss) per share		
Basic and fully diluted	13.1	(7.0)
Basic, adjusted for amortisation	16.2	(0.1)
Earnings/(loss) per share (pre-exceptional)		
Basic and fully diluted	22.0	10.4
Basic, adjusted for amortisation	25.1	13.3
Dividends per share		
Final	8.4	8.4
Interim*	3.9	3.9
Total	12.3	12.3

* As disclosed at 30th September

Working Capital Ratios

	31/3/03 £'m	31/3/02 £'m
Sales	623.9	592.4
Stock	106.9 <i>(17.1%)</i>	110.7 <i>(18.7%)</i>
Debtors	185.5 <i>(29.7%)</i>	181.2 <i>(30.6%)</i>
Creditors	(162.5)	(164.0)
Net Working Capital	129.9 20.8%	127.9 21.6%

Cash Flow Highlights

	31/3/03 £'m	31/3/02 £'m
Operating inflow pre-exceptional	104.2	119.7
Exceptional cash costs	(16.4)	(28.1)
Capital investment (net)	(18.2)	(39.8)
Operating cash flow	69.6	51.8
Interest & tax	(30.5)	(44.7)
Free cash flow	39.1	7.1
Dividends Paid	(23.2)	(23.2)

Key Objectives

- Complete disposals
- Grow brand contribution
- Rationalise consumer infrastructure

Appendix

Underlying Sales Calculation

	Consumer £'m	Medical £'m	HAIG £'m	Other £'m	Total £'m
Reported Sales at 31/3/03	377.3	181.8	46.2	18.6	623.9
Reported Sales at 31/3/02	349.3	174.3	47.2	21.6	592.4
Foreign Exchange	2.6	(4.5)	(0.2)	0.7	(1.4)
Less: Disposals	(5.6)	(11.8)	-	(0.3)	(17.7)
Add: Trade Load Adjustment*	20.0	26.6	3.5	-	50.1
Adjusted Base	366.3	184.6	50.5	22.0	623.4
Underlying Sales Growth	3%	(1.5%)	(8.5%)	(15.0%)	0.1%

* Stated after adjustment for disposals, foreign exchange and de-stocking

Major Sales Territories – Durex

	Underlying Sales £'m	Market Growth £'m	SSL Market Share	
			31/03/03 %	31/03/02 %
UK	37.4	1.3	80	80
Italy	18.4	3.1	58	59
France	6.4	18.0	38	34
USA	25.2	3.5	15	14
Other	56.4	*	*	*
Total Durex	143.8			

Major Sales Territories – Scholl Footcare

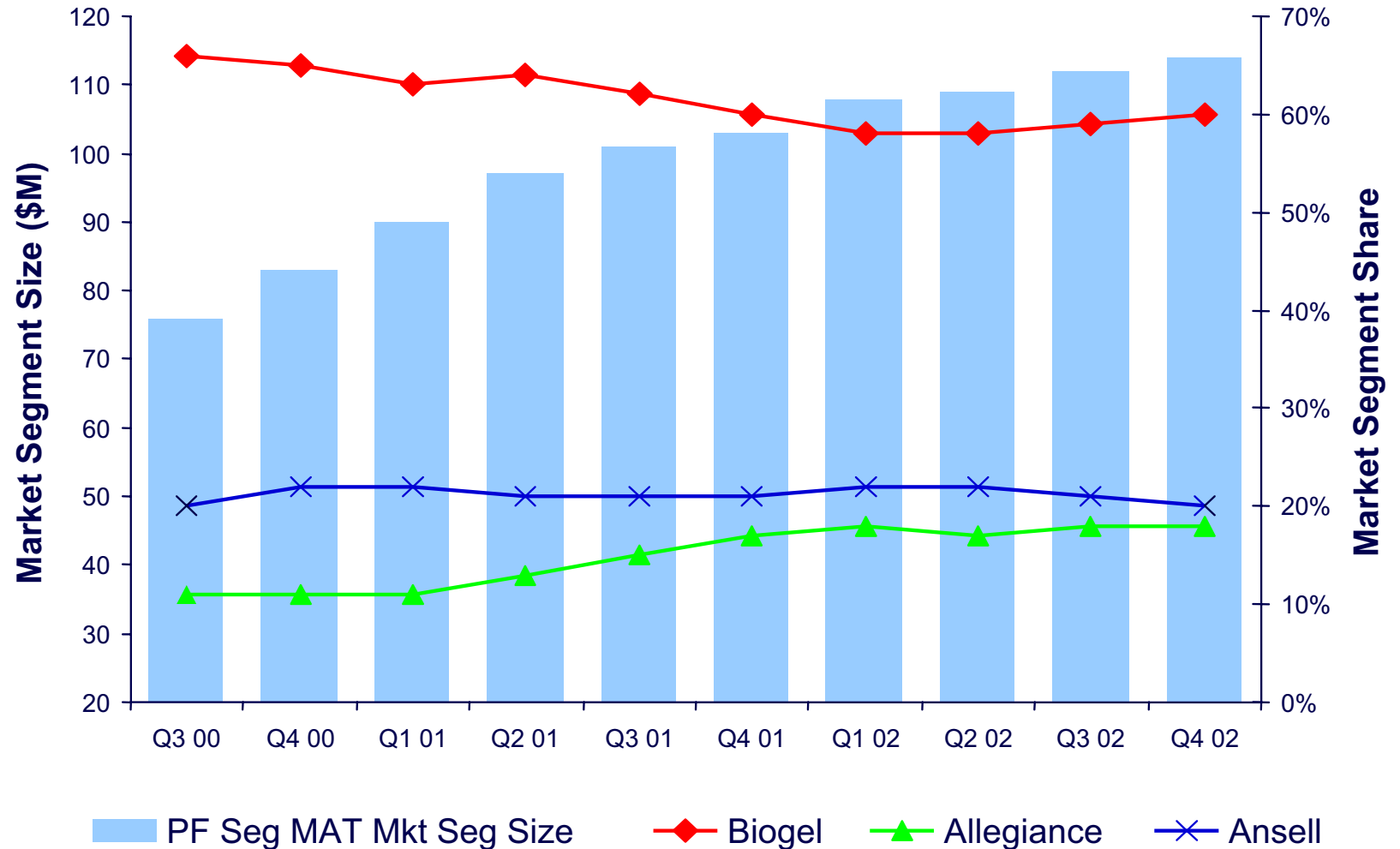
	Underlying Sales £'m	Market Growth £'m	SSL Market Share	
			31/03/03 %	31/03/02 %
UK	18.0	5	41	44
Italy	9.1	5	31	31
France [#]	9.0	7	54	51
Other	41.8	*	*	*
Total Scholl	77.9			

Major Sales Territories – OTC

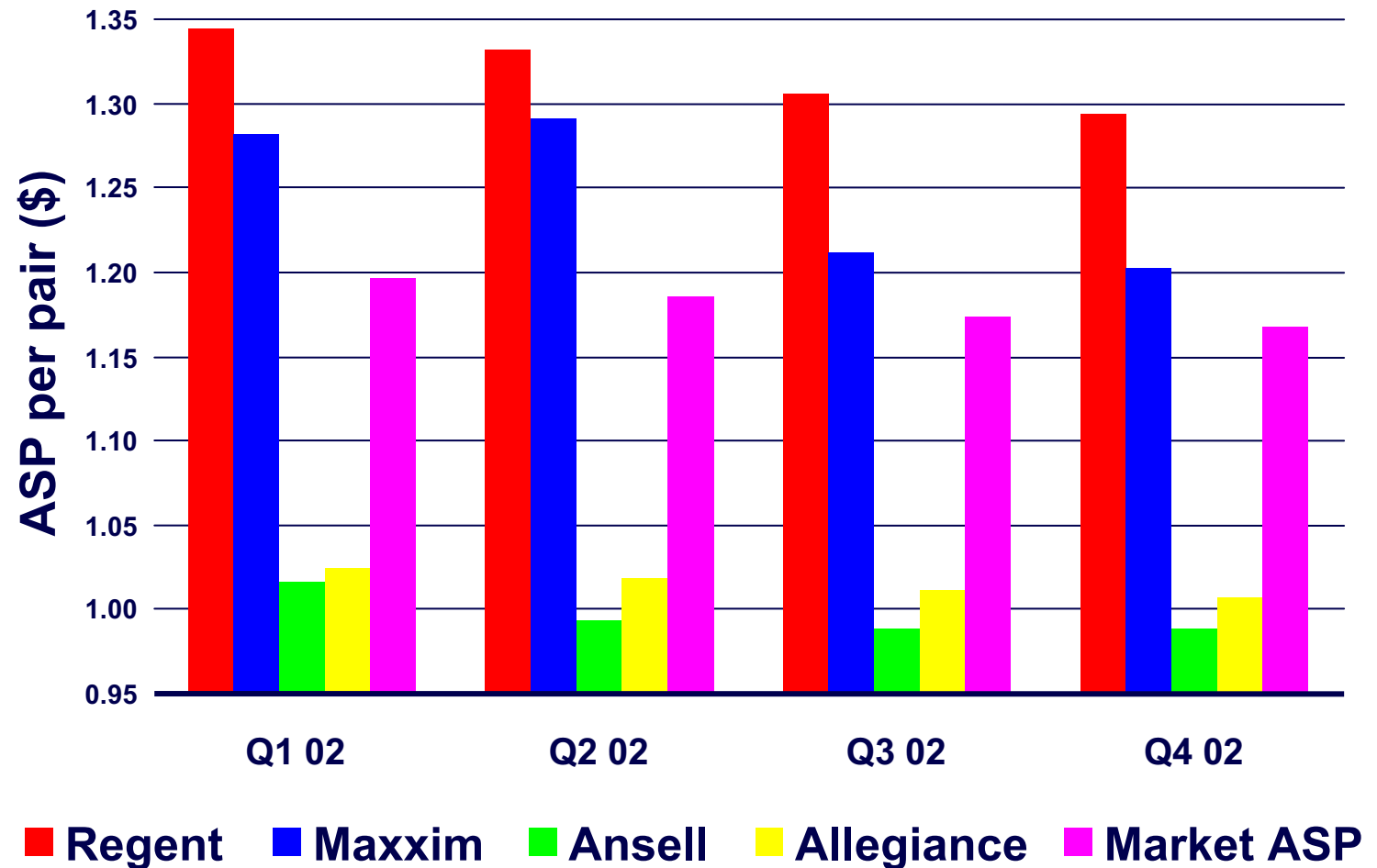
	Underlying Sales £'m	Market Growth £'m	SSL Market Share	
			31/03/03 %	31/03/02 %
UK	40.2	5	8	8
Italy	16.9	(2.1)	39	38
Other	13.0	*	*	*
Total OTC	70.1			

Market Share Data

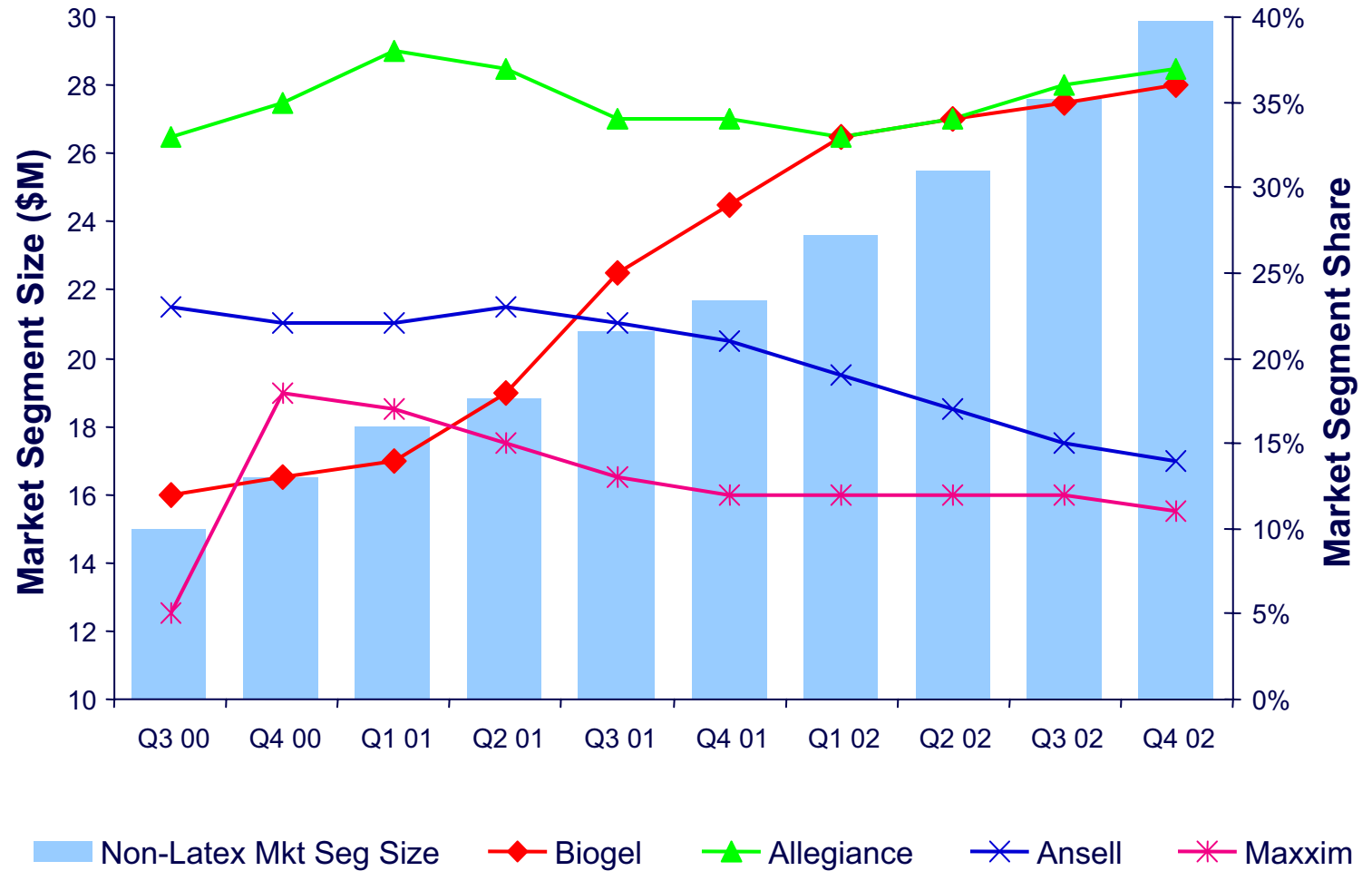
US Powder-Free Latex Surgical Gloves



ASP Data US Powder-Free Surgical Gloves



Market Share Data US Synthetic Surgical Gloves



ASP Data US Synthetic Surgical Gloves

