



CHAMBERLIN & HILL PLC

PRELIMINARY RESULTS 2006



C&H GROUP STRUCTURE

- Light Castings (£15m revenue)
- Heavy Castings (£18m revenue)
- Engineering (£8m revenue)



RECENT DEVELOPMENTS

- Further progress in 2005/06
- Improved profits and cash generation
- Reduced pension scheme deficit
- Restructuring the foundry businesses
- Changes in ownership profile
- Board changes
- Continuing positive outlook



PRELIMINARY RESULTS 2006

- Underlying operating profit up 15.8% to £2.4m
- Underlying EPS up 18.6% to 21.5p
- Equity up £1.6m to £13.5m
- Cash up £0.6m to £0.6m
- Dividend maintained at 11.85p; 1.8 times cover
- At 210p share price, dividend yield = 5.6%



INCOME STATEMENT SUMMARY

	Year ended 31 March 2006			Year ended 31 March 2005		
	Before excep.s £000	Excep.s £000	Total £000	Before excep.s £000	Excep.s £000	Total £000
Revenue	41,435	-	41,435	41,970	-	41,970
Cost of sales	(33,515)	-	(33,515)	(34,831)	-	(34,831)
Gross profit	7,920	-	7,920	7,139	-	7,139
Operating expenses	(5,522)	104	(5,418)	(5,068)	292	(4,776)
Operating profit	2,398	104	2,502	2,071	292	2,363
Finance costs	(134)	-	(134)	(171)		(171)
Profit before tax	2,264	104	2,368	1,900	292	2,192
Income tax expense	(679)	(31)	(710)	(570)	(88)	(658)
Profit for the year	1,585	73	1,658	1,330	204	1,534



BALANCE SHEET - ASSETS

	31 March 2006	31 March 2005
	£000	£000
Non-current assets		
Intangibles	483	253
Property, plant and equipment	8,206	8,990
Deferred tax assets	497	1,047
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	9,186	10,290
Current assets		
Inventories	5,308	5,055
Trade and other receivables	7,942	9,325
Cash and cash equivalents	593	1
	<hr/>	<hr/>
	13,843	14,381
	<hr/>	<hr/>
Total assets	23,029	24,671



BALANCE SHEET - LIABILITIES

	31 March 2006 £000	31 March 2005 £000
Capital and reserves		
Called up share capital	1,840	1,840
Share premium account	743	743
Capital redemption reserve	109	109
Retained earnings	10,850	9,246
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	13,542	11,938
Current liabilities		
Bank overdraft	-	43
Trade and other payables	7,501	7,550
Income taxes payable	237	638
	<hr/>	<hr/>
	7,738	8,231
Non current liabilities		
Deferred tax	1,262	1,182
Pension scheme deficit	487	3,320
	<hr/>	<hr/>
	1,749	4,502
	<hr/>	<hr/>
Total equity and liabilities	23,029	24,671



SEGMENTAL ANALYSIS

Continuing operations	Foundries		Engineering	
	2006	2005	2006	2005
	£000	£000	£000	£000
Revenue				
Total sales	33,815	34,040	7,800	7,969
Inter-segment sales	(180)	(39)	-	-
Sales to third parties	<u>33,635</u>	<u>34,001</u>	<u>7,800</u>	<u>7,969</u>
Profit				
Trading profit	<u>2,328</u>	<u>1,821</u>	<u>552</u>	<u>694</u>
R.O.S.	6.9%	5.4%	7.1%	8.7%



FOUNDRY RESTRUCTURING

- Closure of Bloxwich site
- Light castings to Walsall
- Chamberlin & Hill Castings Limited
- Planned closure of Leicester site
- Heavy castings to Scunthorpe
- Russell Ductile Castings Limited
- Major capital investment
- Financed by internal cash generation
- Significant fixed cost savings



ENGINEERING

- PFP Electrical Products (hazardous area lighting)
- Fred Duncombe (Exidor and hardware products)
- Divisional turnover £8m
- Core niches; proprietary products
- Markets driven by safety and security regulations
- Cash generation



CHANGES IN OWNERSHIP

- Bather family shares placed 12/05 - 18.6%
- Main new/increased shareholders
 - Henderson 7.5%
 - Framlington 5.4%
 - Brewin Dolphin 5.0%



MAJOR SHAREHOLDERS

	Number	%
Rights & Issues	1,000,000	13.6%
Discretionary Unit Fund	<u>500,000</u>	<u>6.8%</u>
	1,500,000	20.4%
Schroder Investment	560,397	7.6%
Henderson Global	555,555	7.6%
Framlington	400,000	5.4%
Brewin Dolphin	369,065	5.0%
Perfecta	275,000	3.7%
Quilter	<u>223,800</u>	<u>3.0%</u>
	<u>3,883,817</u>	<u>52.8%</u>



BOARD CHANGES

- 2004
 - Tom Brown becomes Chairman
 - Simon Duckworth joins as Finance Director
- 2005
 - John Bather retires ending family involvement
 - Keith Jackson succeeds him as a non-exec
- 2006
 - Barrie Williams retires
 - Tim Hair succeeds him as Chief Executive



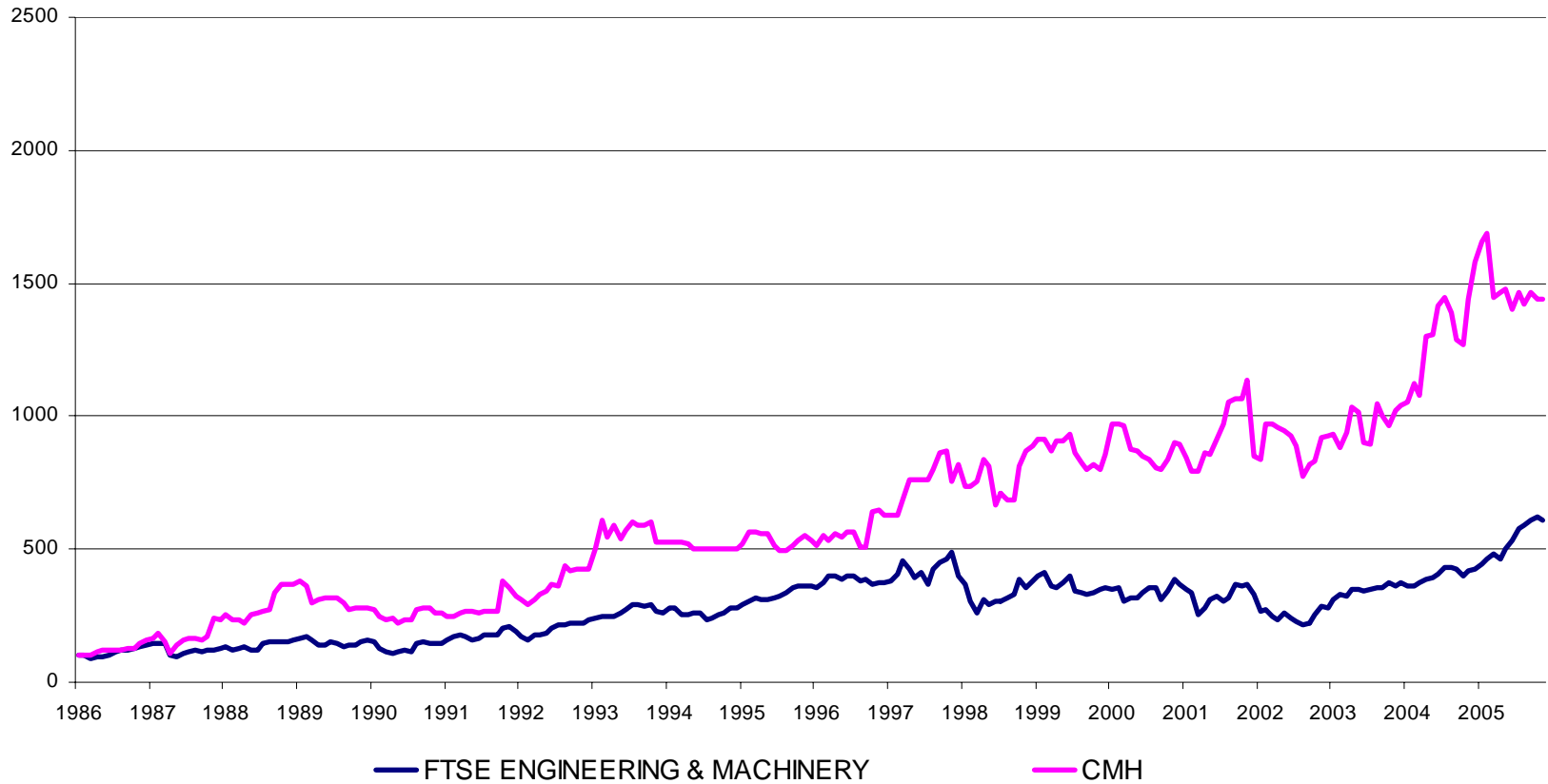
CURRENT OBJECTIVES

- Improving margins across the group
- Maintaining and improving cash generation and dividend
- Benefiting from foundry consolidation opportunities
 - Relocation of Russell to Scunthorpe
 - Other opportunities
- Developing appropriate Stock Market presence



TOTAL SHAREHOLDER RETURN

Engineering & Machinery Total Shareholder Return





Appendix 1 – Light Castings

- Revenue £15m
- Iron castings ranging from 0.1 - 30kg in medium to high volumes
- Market applications mainly automotive: turbochargers, hydraulics, pumps
- Major customers in the UK and Europe
- Growth achieved in recent years
- Future growth niches: thin section, complex shapes, multi-cored
- Improve profitability through site consolidation



Appendix 2 – Heavy Castings

- Turnover £18m
- Iron castings ranging from 30 – 5,000kg in low volumes
- Market applications: power generation, industrial equipment, steel, construction
- Major customers mainly in the UK but some exports
- Good margins
- Significant growth achieved both organically and from acquisitions
- Future growth niches: Austempered Ductile Iron
- Cost saving opportunities from site consolidation (07/08)