

CHAMBERLIN & HILL PLC

PRELIMINARY ANNOUNCEMENT OF RESULTS FOR THE YEAR ENDED 31 MARCH 2000

| Financial Highlights | 2000 | 1999 |
|-----------------------------|---------------|--------|
| | £000 | £000 |
| Turnover | 31,531 | 30,061 |
| Operating Profit | 3,308 | 3,026 |
| Profit before tax | 3,301 | 3,054 |
| Basic Earnings per share | 30.88p | 26.67p |
| Dividends per share | 11.00p | 10.20p |

Chamberlin & Hill made further progress in the year to 31 March 2000. Sales were up from £30.1 million to £31.5 million. Operating profit rose by 10% from £3.0 million to £3.3 million. Earnings per share rose by 16% or 4.21p from 26.67p to 30.88p. Improved after tax profits contributed 3p of the increase and the reduction in share capital resulting from the share repurchases accounted for the rest.

Share repurchases cost £908,000 and, with a strong flow of funds, cash and bank balances increased by £504,000 reflecting an operating cash flow of £1.4 million after capital expenditure. The directors are recommending a final dividend of 7.45p (6.90p) making a total for the year of 11.0p (10.20p). The dividend cover is 2.9 times.

Last year I referred to the market view of companies of our size and in our sector. It seems as though we are seen as “old economy” and therefore unlikely or even unable to grow shareholder value at a reasonable rate. Yet to us a 16% earnings increase appears to be a robust performance, coming as it does after a period in which we doubled profits over five years. We shall continue talking to shareholders to see whether we can improve our understanding of their views.

The Board has been strengthened by the addition of Nick Kuenssberg and it will be concentrating upon further improving performance. We have the market positions, the management and the financial potential to do so.

This year has started with strong order books. The three foundries are particularly busy in contrast to this time last year. Given their record, Barrie Williams and his team will continue to find new markets to enter and will improve both products and productivity. They and all who work at Chamberlin & Hill are to be thanked and congratulated on last year. We continue to be well positioned to make further progress.

John Eccles
Chairman

Summarised Group Profit and Loss Account

| | 2000 | 1999 |
|------------------------------------|----------------|---------|
| | £000 | £000 |
| Turnover | 31,531 | 30,061 |
| Operating profit | 3,308 | 3,026 |
| Interest (payable)/receivable | (7) | 28 |
| Profit before taxation | 3,301 | 3,054 |
| Taxation | (1,017) | (1,003) |
| Profit after taxation | 2,284 | 2,051 |
| Dividend | (800) | (788) |
| Retained profit | 1,484 | 1,263 |
| Basic earnings per share | 30.88p | 26.67p |
| Fully diluted earnings per share | 30.74p | 26.58p |
| Dividend per share: proposed final | 7.45p | 6.90p |
| Interim already paid | 3.55p | 3.30p |

Summarised Group Balance Sheet

| | As at | | As at | |
|---|----------------|---------------|---------------|--------|
| | 31 March 2000 | | 31 March 1999 | |
| | £000 | £000 | £000 | £000 |
| Fixed assets | | 9,014 | | 9,292 |
| Current assets | | | | |
| Stocks | 3,336 | | 3,119 | |
| Debtors | 6,635 | | 5,972 | |
| Cash at bank and in hand | 1,091 | | 587 | |
| | 11,062 | | 9,678 | |
| Creditors – under one year | (7,355) | | (6,921) | |
| Net current assets | | 3,707 | | 2,757 |
| Provisions for liabilities & charges | | (78) | | (78) |
| Net assets | | 12,643 | | 11,971 |
| Capital and reserves | | | | |
| Called up share capital | | 1,818 | | 1,927 |
| Share premium account | | 625 | | 625 |
| Reserves | | 10,200 | | 9,419 |
| | | 12,643 | | 11,971 |

Reconciliation of Movement in Shareholders' Funds

| | 2000 | 1999 |
|------------------------------------|---------------|--------|
| | £000 | £000 |
| Profit for the year | 2,284 | 2,051 |
| Dividends | (800) | (788) |
| Issue of share capital | - | 64 |
| Arising on purchase of own shares | (908) | - |
| Goodwill on acquisition eliminated | 96 | 248 |
| | <hr/> | <hr/> |
| Net movement in the year | 672 | 1,575 |
| Opening shareholders' funds | 11,971 | 10,396 |
| Closing shareholders' funds | 12,643 | 11,971 |

Summarised Cash Flow Statement

| | 2000 | 1999 |
|--|----------------|---------|
| | £000 | £000 |
| Net cash inflow from operating activities | 4,441 | 3,976 |
| Return on investments and servicing of finance | (7) | 28 |
| Taxation paid | (1,173) | (846) |
| Net capital expenditure and financial investment | (1,039) | (1,139) |
| Acquisition | - | (1,076) |
| Dividends paid | (810) | (735) |
| | <hr/> | <hr/> |
| Net cash flow before financing | 1,412 | 208 |
| Financing: | | |
| Bank loan repayments | - | (20) |
| Finance lease payments | - | (10) |
| Issue of shares (inc. premium) | - | 64 |
| Repurchase of shares | (908) | - |
| | <hr/> | <hr/> |
| Increase in cash and bank balances | 504 | 242 |

Reconciliation of operating profit to net cashflow from operating activities

| | 2000 | 1999 |
|----------------------------------|--------------|---------|
| | £000 | £000 |
| Operating profit | 3,308 | 3,026 |
| Depreciation | 1,449 | 1,406 |
| Profit on disposals | (25) | (5) |
| Government grants credited | (10) | (10) |
| (Increase) in stocks | (217) | (57) |
| Decrease/(Increase) in debtors | (677) | 1,081 |
| (Decrease)/Increase in creditors | 613 | (1,465) |
| | <hr/> | <hr/> |
| | 4,441 | 3,976 |

Notes:

1. The results for the year to 31 March 2000 have been extracted from the financial statements for the year which have been audited and will be filed with the Registrar of Companies. The results for the year to 31 March 1999 are an abridged version of the Company's full accounts for that year which received an unqualified report by the auditors and have been filed with the Registrar of Companies.
2. The calculation of basic earnings per share is based on a profit of £2,284,000 (1999: £2,051,000) and a weighted average of 7,396,398 shares (1999: 7,691,539) in issue during the period.
3. A copy of the Annual Report and Accounts for the year ended 31 March 2000 will be posted to shareholders early in July 2000. The Annual General Meeting will be held on Friday, 28 July 2000.
4. The dividend will be paid to ordinary shareholders registered at the close of business on Friday, 5 June 2000 and will be posted immediately after the Annual General Meeting.