



Chamberlin + *hill*

Results for the year ended 31 March 2001

CHAMBERLIN & HILL PLC 17 May 2001

PRELIMINARY ANNOUNCEMENT OF RESULTS FOR THE YEAR ENDED 31 MARCH 2001

Financial Highlights	2001 £000	2000 £000
Turnover	32,521	31,531
Operating profit before exceptional item	2,965	3,308
Profit before tax	2,593	3,301
Headline earnings per share (before exceptional item)	28.20p	30.88p
Dividend per share	11.50p	11.00p

Chairman's Statement

Turnover for the year rose by 3% from £31.5 million to £32.5 million. Whilst first half sales rose by 9% the second half saw a significant decline and this, together with higher operating costs, led to a fall in margin from an average of 10.5% to 9.1% year on year. Operating profit for the year was down 10% at £2.96 million and headline earnings per share fell from 30.88p to 28.20p.

Operating cash flow was strong, financing gross capital expenditure of nearly one and a half times depreciation, and leaving us with net borrowings of £326,000 (2% geared).

The Directors are recommending a final dividend of 7.75p (7.45p) making a total for the year of 11.50p (11.00p), an increase of 4.5%. The dividend will be covered 2.2 times.

We have taken the opportunity to complete restructuring programmes in Walsall foundry and at PFP. We have also integrated Webb Lloyd into the Fred Duncombe site at Cannock and unified the two managements. This programme gives rise to an exceptional charge of £340,000 and reduces basic earnings per share to 24.92p. It will prove to be good value for money.

After six years of progress we have had a more difficult year. Yet we have achieved a return on operating capital employed of 21.8%, and with a strong balance sheet are ready to take any opportunities which emerge from the present uncertainties. We can continue both capital expenditure and product development without cash constraints.

After more than 17 years as a Director, Alf Edwards will retire from the Board at the Annual General Meeting, and we wish him well in his retirement.

At the start of the new year markets remain volatile, but there are signs of better levels of activity. We view the future with confidence, knowing that the Company is in good shape.

John Eccles
Chairman

Summarised Group Profit And Loss Account

	2001	2000
	£000	£000
Turnover	32,521	31,531
Operating profit before exceptional item	2,965	3,308
Exceptional item - restructuring costs	(340)	-
Operating profit after exceptional item	2,625	3,308
Interest (payable)/receivable	(32)	(7)
Profit before taxation	2,593	3,301
Taxation	(781)	(1,017)
Profit after taxation	1,812	2,284
Dividend	(836)	(800)
Retained profit	976	1,484
Basic earnings per share	24.92p	30.88p
Adjusted for exceptional costs	28.20p	30.88p
Fully diluted earnings per share	24.83p	30.74p
Dividend per share:		
proposed final	7.75p	7.45p
interim already paid	3.75p	3.55p

Summarised Group Balance Sheet

	As at		As at
	31 March 2001		31 March 2000
£000	£000	£000	£000
Fixed assets	9,567		9,014
Current assets			
Stock	3,323	3,336	
Debtors	6,922	6,635	
Cash at bank and in hand	177	1,091	
	10,422	11,062	
Creditors - under one year	(6,292)	(7,355)	
Net current assets	4,130		3,707
Provisions for liabilities & charges	(78)		(78)
Net assets	13,619		12,643
Capital and reserves			
Called up share capital	1,818		1,818
Share premium account	625		625
Reserves	11,176		10,200
	13,619		12,643

Reconciliation of Movement in Shareholders' Funds

	2001	2000
	£000	£000
Profit for the year	1,812	2,284
Dividends	(836)	(800)
Arising on purchase of own shares	-	(908)
Goodwill on acquisition eliminated	-	96
Net movement in the year	976	672
Opening shareholders' funds	12,643	11,971
Closing shareholders' funds	13,619	12,643

Summarised Cash Flow Statement

	2001	2000
	£000	£000
Net cash inflow from operating activities	3,548	4,442
Return on investments and servicing of finance	(32)	(7)
Taxation paid	(1,016)	(1,173)
Net capital expenditure and financial investment	(1,945)	(1,040)
Dividends paid	(814)	(810)
Net cash flow before financing	(259)	1,412
Financing: redemption of loan notes	(654)	-
repurchase of shares	-	(908)
Increase in cash and bank balances	(913)	504

Reconciliation of operating profit to net cashflow from operating activities

	2001	2000
	£000	£000
Operating profit	2,965	3,308
Exceptional item - restructuring costs	(217)	-
Depreciation	1,474	1,448
Profit on disposals	(9)	(25)
Government grants credited	(10)	(10)
Decrease/(Increase) in stocks	13	(217)
(Increase) in debtors	(303)	(677)
(Decrease)/Increase in creditors	(365)	615
	3,548	4,442

Notes:

- The results for the year to 31 March 2001 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 2000 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.
- The calculation of basic earnings per share is based on a profit of £1,812,000 (2000: £2,284,000) and a weighted average of 7,272,158 shares (2000: 7,396,398) in issue during the period. Adjusted earnings per share is after adding back the effect of the exceptional item which was £238,000 (net of tax).
- A copy of the Annual Report and Accounts for the year ended 31 March 2001 will be posted to shareholders in the week commencing 25 June 2001. The Annual General Meeting will be held on Friday, 27 July 2001.

4. The dividend will be paid to ordinary shareholders registered at the close of business on Friday, 6 July 2001 and will be posted immediately after the Annual General Meeting.

If you would like to receive a copy of the Annual Report and Accounts please e-mail, telephone, fax or write to the address below.

*Chamberlin & Hill plc
Chuckery Road
Walsall WS1 2DU
England*

Telephone : 01922 721411. Facsimile : 01922 638370. e-mail : plc@chamberlin.co.uk.

International Telephone : +44 1922 721411. Facsimile : +44 1922 638370.