



Chamberlin & Hill PLC
14 November 2001

CHAMBERLIN & HILL PLC

INTERIM RESULTS - SIX MONTHS ENDED 30 SEPTEMBER 2001

CHAIRMAN'S STATEMENT

Looking back it is clear that trading conditions began to deteriorate this time last year following a strong six months to 30 September 2000. In the current year operating profit for the first half was £1.39 million (2000: £1.68 million) and this follows the half year to 31 March 2001 when operating profit was £1.28 million. Whilst turnover continued to decline, margins improved as a result of timely management action and improving productivity. The balance sheet remains strong with net debt of only £0.56 million.

The two volume producing foundries at Walsall and Bloxwich saw lower sales in the six months, while in contrast, Ductile Castings increased its turnover in line with our ongoing expansion plans for this business. Sales in our engineering operations also declined in the period. Full integration of Webb Lloyd into the operations of Fred Duncombe at Cannock was completed, and we expect to finalise the sale of the previous site at Sutton Street, Birmingham shortly.

Adam Vicary, managing director of Ductile Castings, was appointed to the Board with effect from 27 September 2001. He will add further strength to the manufacturing experience available to the Board.

The Board has decided to declare an interim dividend of 3.85p per share (2000: 3.75p) payable on 19 December 2001 to all shareholders on the register on 23 November 2001. We are continuing with our capital expenditure and product development programmes; we are gaining new business and, with two relatively minor exceptions, our chosen markets are well defended against imports. Trading conditions have yet to improve as business worldwide watches developments in a period of uncertainty. Whilst there are predictions of a restocking upturn it is difficult to be confident about the immediate future. We have every confidence in our medium and long term prospects.

John Eccles
Chairman

14 November 2001

Group Profit And Loss Account

	Unaudited 6 months to 30 September 2001 £000	Unaudited 6 months to 30 September restited 2000 £000	Year ended 31 March restited 2001 £000
Turnover	15,485	16,398	32,521
Operating profit	1,390	1,684	2,965
Exceptional Item - Restructuring Costs	-	-	(340)
Profit before interest and taxation	1,390	1,684	2,625
Interest payable	(17)	(23)	(32)
Profit before taxation	1,373	1,661	2,593
Taxation	(412)	(499)	(783)

Profit after taxation	961	1,162	1,810
Dividend	(280)	(273)	(836)
Retained profit	681	889	974
Earnings per share			
- basic	13.21p	16.00p	24.92p
- excluding exceptional item		-	28.20p
- fully diluted	13.20p	15.93p	24.83p
Dividend per share	3.85p	3.75p	11.50p

Statement of total recognised gains and losses

	Unaudited 6 months to 30 September 2001 £000	Unaudited 6 months to 30 September restated 2000 £000	Year ended 31 March restated 2001 £000
Profit after taxation	961	1,162	1,810
Prior year adjustment - adoption of FRS 19	(752)		
Total recognised gain	209		

Summarised Group Balance Sheet

	As at 30 September 2001 £000	As at 30 September restated 2000 £000	As at 31 March 2001 restated £000
Fixed assets			
Tangible assets	8,882	8,906	9,324
Intangible assets	237	251	243
Current assets			
Stock	3,185	3,171	3,322
Debtors	8,017	8,306	6,922
Property held for sale	126	-	-
Cash at bank	-	-	178
	11,328	11,477	10,422
Creditors - under one year			
Bank Overdraft	(558)	(785)	-
Other	(5,485)	(6,099)	(6,292)
Net current assets	5,285	4,593	4,130
Creditors - after one year	(53)	(139)	-
Provisions for liabilities and charges	(803)	(829)	(830)
	13,548	12,782	12,867
Capital and reserves			
Called up share capital	1,818	1,818	1,818
Share premium account	625	625	625
Capital redemption reserve	109	109	109
Revaluation reserve	603	611	607
Profit & loss account	10,393	9,619	9,708
	13,548	12,782	12,867

Consolidated Cash Flow Statement

	Six months ended 30 September 2001 £000	Six months ended 30 September 2000 £000	Year ended 31 March 2001 £000
Net cash inflow from operating activities			
Operating profit	1,390	1,684	2,965
Non cash items - depreciation and amortisation	794	778	1,474
- other	-	-	(19)
Exceptional item - restructuring costs	-	-	(217)

Changes in working capital	(1,115)	(1,899)	(655)
	1,069	563	3,548
Returns on investments and servicing of finance			
Interest paid	(19)	(31)	(43)
Interest received	2	8	11
	(17)	(23)	(32)
Corporation tax paid	(248)	(299)	(1,015)
Investing activities			
Purchase of tangible fixed assets	(493)	(927)	(1,974)
Proceeds from sale of tangible fixed assets	21	6	28
	(472)	(921)	(1,946)
Equity dividends paid	(564)	(542)	(814)
Net cash inflow/(outflow) before financing	(232)	(1,222)	(259)
Financing			
Repayment of loan notes	(504)	(654)	(654)
Increase/(decrease) in cash	(736)	(1,876)	(913)
Reconciliation of net cash flow to movement in net debt			
Decrease in cash in the period	(736)	(1,876)	(913)
Issue of loan notes 2001/2002	-	(504)	(504)
Repayment of loan notes 2000/2001	-	654	654
Repayment of loan notes 2001/2002	504	-	-
Movement in net debt	(232)	(1,726)	(763)
Opening net debt	(326)	437	437
Closing net debt	(558)	(1,289)	(326)

Notes:

1. Preparation of interim accounts

This interim statement has been prepared on the basis of the accounting policies set out on page 20 of the 2001 Annual Report and Accounts with the exception of the policy on deferred tax. Financial Reporting Standard ('FRS') 19, 'Deferred Tax' has been adopted with effect from 1 April 2001. FRS 19 requires that full provision is made for deferred taxation on all timing differences, replacing the previous partial provisioning policy. The comparative figures have been restated in accordance with this change in policy. The effect on the balance sheet at 31 March 2001 and 30 September 2000 is to increase the deferred tax provision and reduce reserves by £752,000 and £751,000 respectively.

The results for the year to 31 March 2001 are an abridged version of the full accounts which have been filed with the Registrar of Companies. The report of the auditors was unqualified and did not contain a statement under section 237(2) or (3) of the Companies Act 1985. The figures for the six months ended 30 September 2000 and 30 September 2001 have not been audited.

2. Dividend

The interim dividend of 3.85p per share will be paid on 19 December 2001 to all shareholders registered at the close of business on 23 November 2001.

3. Earnings per share

The calculation of basic earnings per share is based on the profit after tax of £961,000 (2000: £1,162,000) and the weighted average of ordinary shares in issue and ranking for dividend of 7,272,158 shares (2000: 7,272,158).

Diluted earnings per share is based on 7,282,327 shares (2000: 7,302,742) after adjusting for the dilutive effect of the potential exercise of share options where the prices at which they are exercisable are below the weighted

average share price during the year.

4. Analysis of net debt

	1 April 2001 £000	Cash Movement £000	Non Cash Movement £000	30 September 2001 £000
Cash at bank and in hand	178	(736)	-	(558)
Loan Notes 2001/2002 repaid	(504)	504	-	-
Net debt	(326)	(232)	-	(558)

5. Reconciliation of movement in shareholders' funds

	30 September 2001 £000	30 September 2000 £000	31 March 2001 £000
Profit after tax	961	1,162	1,810
Dividends	(280)	(273)	(836)
	681	889	974
Opening shareholders' funds	12,867	12,643	12,643
	13,548	13,532	13,617
Prior year adjustment	-	(750)	(750)
Closing shareholders' funds	13,548	12,782	12,867

A copy of the interim results will be sent to shareholders and further copies will be available from the Company's registered office: Chuckery Foundry, Walsall WS1 2DU