



## CHAMBERLIN & HILL PLC

### INTERIM RESULTS – SIX MONTHS ENDED 30 SEPTEMBER 2002

#### CHAIRMAN'S STATEMENT

At our AGM in July we advised shareholders that profits for the first half year would be lower than those achieved in the corresponding period last year. In the event, turnover fell by 10.8% to £13.81 million compared to £15.49 million last time, generating operating profit for the six months ended 30 September 2002 of £0.72 million (2001: £1.39 million). In addition to the decline in volume, margins came under pressure from unavoidable cost increases and continuing demands for price down. The balance sheet remains strong with net debt of only £0.45 million (2001: £0.56 million) after capital investment of £1.42 million (2001: £0.49 million).

With the exception of Ductile Castings, all businesses in the Group saw lower sales in the first half of the year. At Walsall foundry the fall was a mixture of lower volume and lower selling prices, whilst at Bloxwich foundry and PFP Electrical, global competition and a dull market for conduit fittings reduced demand. In contrast, sales grew at Ductile Castings, due largely to the commencement of production of steel castings in June following the installation of the plant and equipment acquired from Bingham. Inefficiencies in this period of expansion and start up resulted in some decline in margins here. At Fred Duncombe, whilst sales fell, we realised further benefits from the integration of the Webb Lloyd handle business into the Cannock factory with an improvement in net margins.

The Board has decided to declare an unchanged interim dividend of 3.85p per share payable on 19 December 2002 to all shareholders on the register on 8 November 2002.

We continue to refine our market positions, with a view to obtaining new customers, focussing new product development, and maintaining impetus for ongoing productivity improvement. Trading conditions remain uncertain and we have not so far seen an improvement in demand. Whilst there are expectations that this will occur in the coming months, the timing is difficult to predict. We remain fully confident of our medium and longer term prospects.

John Eccles  
Chairman

29 October 2002

## Group Profit And Loss Account

	<b>Unaudited 6 months to 30 September 2002</b>	Unaudited 6 months to 30 September 2001	Year ended 31 March 2002
	<b>£000</b>	£000	£000
<b>Turnover</b>	<b>13,806</b>	15,485	30,548
<b>Operating profit</b>	<b>715</b>	1,390	2,545
Interest payable	<b>(11)</b>	(17)	(19)
<b>Profit before taxation</b>	<b>704</b>	1,373	2,526
Taxation	<b>(211)</b>	(412)	(778)
<b>Profit after taxation</b>	<b>493</b>	961	1,748
Dividend	<b>(282)</b>	(280)	(866)
<b>Retained profit</b>	<b>211</b>	681	882
<b>Earnings per share - basic</b>	<b>6.72p</b>	13.21p	24.00p
<b>Earnings per share - fully diluted</b>	<b>6.70p</b>	13.20p	24.00p
<b>Dividend per share</b>	<b>3.85p</b>	3.85p	11.85p

## Summarised Group Balance Sheet

	<b>As at 30 September 2002</b>	As at 30 September 2001	As at 31 March 2002
	<b>£000</b>	£000	£000
<b>Fixed assets</b>			
Tangible assets	<b>9,528</b>	8,882	8,892
Intangible assets	<b>223</b>	237	229
<b>Current assets</b>			
Stock	<b>3,305</b>	3,185	3,362
Debtors	<b>6,783</b>	8,017	6,634
Property held for sale	-	126	-
Cash at bank	-	-	626
	<b>10,088</b>	11,328	10,622
<b>Creditors - under one year</b>			
Bank Overdraft	<b>(449)</b>	(558)	-
Other	<b>(4,559)</b>	(5,485)	(5,124)
<b>Net current assets</b>	<b>5,080</b>	5,285	5,498
<b>Creditors - after one year</b>	-	(53)	-
<b>Provisions for liabilities and charges</b>	<b>(761)</b>	(803)	(790)
	<b>14,070</b>	13,548	13,829

**Capital and reserves**

Called up share capital	1,835	1,818	1,830
Share premium account	718	625	693
Capital redemption reserve	109	109	109
Revaluation reserve	595	603	599
Profit & loss account	10,813	10,393	10,598
	<b>14,070</b>	<b>13,548</b>	<b>13,829</b>

**Consolidated Cash Flow Statement**

	Six months ended 30 September 2002 £000	Six months ended 30 September 2001 £000	Year ended 31 March 2002 £000
<b>Net cash inflow from operating activities</b>			
Operating profit	715	1,390	2,545
Non cash items - depreciation and amortisation - other	776 -	794 -	1,541 (105)
Changes in working capital	(188)	(1,115)	(395)
	<b>1,303</b>	<b>1,069</b>	<b>3,586</b>
<b>Returns on investments and servicing of finance</b>			
Interest paid	(16)	(19)	(23)
Interest received	5	2	4
	<b>(11)</b>	<b>(17)</b>	<b>(19)</b>
<b>Corporation tax paid</b>	<b>(405)</b>	<b>(248)</b>	<b>(778)</b>
<b>Investing activities</b>			
Purchase of tangible fixed assets	(1,424)	(493)	(1,366)
Proceeds from sale of tangible fixed assets	18	21	293
	<b>(1,406)</b>	<b>(472)</b>	<b>(1,073)</b>
<b>Equity dividends paid</b>	<b>(586)</b>	<b>(564)</b>	<b>(844)</b>
<b>Net cash inflow/(outflow) before financing</b>	<b>(1,105)</b>	<b>(232)</b>	<b>872</b>
<b>Financing</b>			
Repayment of loan notes	-	(504)	(504)
Issue of shares (incl. Premium)	30	-	80
	<b>30</b>	<b>(504)</b>	<b>(424)</b>
<b>Increase/(decrease) in cash</b>	<b>(1,075)</b>	<b>(736)</b>	<b>448</b>

## Reconciliation of net cash flow to movement in net debt

Increase/(Decrease) in cash in the period	(1,075)	(736)	448
Repayment of loan notes 2001/2002	-	504	504
Movement in net debt	(1,075)	(232)	952
Opening net debt	626	(326)	(326)
Closing net debt	(449)	(558)	626

### Notes

#### 1. Preparation of interim accounts

This interim statement has been prepared on the basis of the accounting policies set out in the 2002 Annual Report & Accounts.

The results for the year to 31 March 2002 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 2001 and 30 September 2002 have not been audited.

#### 2. Dividend

The interim dividend of 3.85p per share will be paid on 19 December 2002 to all shareholders registered at the close of business on 8 November 2002.

#### 3. Earnings per share

The calculation of basic earnings per share is based on the profit after tax of £493,000 (2001: £961,000) and the weighted average of ordinary shares in issue and ranking for dividend of 7,331,994 shares (2001: 7,282,327).

Diluted earnings per share is based on 7,362,681 shares (2001: 7,282,327) 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. Reconciliation of movement in shareholders' funds

	As at 30 September 2002 £000	As at 30 September 2001 £000	As at 31 March 2002 £000
Profit after tax	493	961	1,748
Dividends	(282)	(280)	(866)
Issue of share capital	30	-	80
	<b>241</b>	681	962
Opening shareholders' funds	<b>13,829</b>	12,867	12,867
Closing shareholders' funds	<b>14,070</b>	13,548	13,829

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.