Interim Results

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Acal PLC
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Press Release

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ACAL PLC

Unaudited Interim Results for the Six months to 30th September 2000

The key points are:

Turnover has increased from £110.6million to £151.8million	up 37%
Profit before tax, goodwill amortisation and exceptionals has increased from £5.8million to £10.2million	up 76%
Profit after tax has increased from £3.6million to £5.5million	up 52%
Earnings per share has increased from 14.7p to 21.2p	up 44%
Underlying earnings per share before goodwill amortisation and exceptionals has increased from 15.1p to 25.9p	up 72%
Interim dividend increased from 4.6p to 5.5p per share	up 20%

Commenting on the outlook, John Curry, the Chairman of Acal plc said: -

'High order growth year-on-year has been maintained through the first seven months and the industry remains buoyant...We look forward to a record level of demand for the second half of the financial year'.

Notes to Editors:

1 The Acal Group is a leading European, value-added distributor providing

specialist design-in, sales and marketing services for international suppliers in the fields of Electronic Components, Information Technology Products, IT Parts Services and Industrial Controls. Its value-added philosophy and geographic coverage enables Acal to provide specialist knowledge and support to customers on a pan-European basis.

2 Design-in is the process by which Acal's sales engineers work with customers and suppliers to procure components which meet the specific technical and performance needs of the customers.

3 Acal has operating companies in the UK, Netherlands, Belgium, Germany, France, Italy, Scandinavia and the USA.

Chairman's Statement

Results

In June this year when I wrote the Chairman's Statement for the Annual Report, I forecast strong growth for the current year, and my optimism was well founded. We issued a trading update statement on 25th September to indicate that results would be above the market expectation and I am pleased to report a material growth in the business for the first six months of the year. Turnover has increased from £110.6million to £151.8million, up 37%. Organic growth provided an increase of 28%, after a 5% negative currency translation impact and also allowing for the fact that the acquisition of Sedgemoor was only included in last year's accounts from 1st June 1999.

Total operating profit increased from £5.5million to £10.2million, an 86% increase. Profit before tax is up 53% at £9.0m (£5.9m) and after effective tax at 34.5% (34.1%), earnings per share are 21.2p (14.7p), an increase of 44%. The underlying earnings per share before goodwill amortisation and exceptional items are up 72% at 25.9p (15.1p).

Review of Operations

The growth has been driven by the Electronic Components Division in all the countries of Continental Europe, where customers in the market for cellular base stations, data communications, wireless and high speed networks have provided strong demand levels. In our Information Technology Division we have also seen rapid growth in network product sales, particularly in the Netherlands, and fibre channel products for storage area networks throughout Europe. We are also seeing a sound recovery in the IT Parts Services Division (previously known as the PC Spare Parts Division) from the level of the second half of last year.

In summary, it has been a very satisfactory half-year for all divisions in spite of the continued weakness of the Euro, and strength of the dollar. The growth in Continental Europe has resulted in approximately 60% of our business now being outside the United Kingdom.

Net debt at £28.6million has remained at a similar level to last year at £ 27.7million because of a major increase in inventories from £26.3m to £34.4m in the last six months. This increase was due to the growth of the business and because of the need to carry greater stocks to cope with the current shortages in the component industry.

Dividend

The Board has declared an interim dividend of 5.5p per share (4.6p), an increase of 20%. This reflects our confidence in the current year and will be paid on 25th January 2001 to shareholders on the register on 15th December 2000.

Prospects

High order growth year-on-year has been maintained through the first seven months of the year, and the industry remains buoyant. There are signs that this growth will continue though perhaps at a more moderate rate. We look forward to a record level of demand for the second half of the financial year.

John Curry
4th December 2000

ACAL plc

Unaudited Summary Profit and Loss Account for

Six Months ended 30th September 2000

	Six Months ended 30 September		Year ended 31 March (audited)
	2000 £'000	1999 £'000	2000 £'000
Turnover	151,758	110,627	245,360
Operating Profit			
Excluding exceptional items and goodwill amortisation	10,363	6,236	15,558
Exceptional items	-	(82)	(726)
Goodwill amortisation	(1,235)	(839)	(2,076)
Group Operating Profit (excluding associated undertakings)	9,128	5,315	12,756
Group Share of Operating Profits of Associated Undertakings	1,044	145	434
Total Operating Profit (including associated undertakings)			
Excluding goodwill amortisation	11,408	6,300	15,268
Goodwill amortisation	(1,236)	(840)	(2,078)
	10,172	5,460	13,190
Net profit on disposal of investments and tangible fixed assets	-	1,014	1,014
Net interest payable - group	(1,116)	(556)	(1,592)
Net interest payable - associated undertakings	(49)	(16)	(32)
Profit before Taxation:			
Excluding exceptional items and goodwill amortisation	10,243	5,810	14,370
Exceptional items	-	932	288
Goodwill amortisation	(1,236)	(840)	(2,078)
Profit on Ordinary Activities before Taxation	9,007	5,902	12,580
Tax on Profit on Ordinary Activities:			
United Kingdom	(1,361)	(1,470)	(2,384)
Overseas	(1,855)	(769)	(1,756)
Associated undertakings	(319)	(62)	(129)
	(3,535)	(2,301)	(4,269)
Profit on Ordinary Activities after Taxation	5,472	3,601	8,311
Minority Interests - equity	-	(81)	(79)
Profit Attributable to Ordinary Shareholders	5,472	3,520	8,232
Dividends on Ordinary Shares	(1,427)	(1,185)	(3,558)
Retained Profit for the Year	4,045	2,335	4,674
Earnings per Share	21.2p	14.7p	33.1p
Diluted Earnings per Share	21.0p	14.6p	33.0p

Earnings per Share Excluding Goodwill Amortisation and Exceptional Items	25.9p	15.1p	40.3p

ACAL plc

Unaudited Balance Sheet
as at 30th September 2000

	At 30 September		At 31 March (audited)
	2000	1999	2000
	£'000	£'000	£'000
FIXED ASSETS			
Intangible assets	46,152	48,542	47,388
Tangible assets	9,619	9,445	9,342
Investments	3,685	2,577	2,957
	59,456	60,564	59,687
CURRENT ASSETS			
Stocks	34,438	23,844	26,284
Debtors	61,286	48,760	52,021
Cash at bank and in hand	4,505	4,851	8,461
	100,229	77,455	86,766
CREDITORS:			
Amounts falling due within one year	(95,360)	(54,388)	(64,503)
NET CURRENT ASSETS	4,869	23,067	22,263
TOTAL ASSETS LESS			
CURRENT LIABILITIES	64,325	83,631	81,950
CREDITORS:			
Amounts falling due after more than one year	(895)	(26,072)	(22,926)
PROVISIONS FOR LIABILITIES			
AND CHARGES	(4,565)	(4,995)	(4,942)
NET ASSETS	58,865	52,564	54,082
CAPITAL AND RESERVES			
Called up share capital	1,298	1,287	1,289
Share premium account	36,290	35,504	35,586
Revaluation reserve	289	313	290
Profit and loss account and other reserves	20,988	15,460	16,917
	58,865	52,564	54,082

ACAL plc

Unaudited Summary Cash flow Statement for
Six Months ended 30th September 2000

	Six Months ended 30 September		Year ended 31 March (audited)
	2000	1999	2000
	£'000	£'000	£'000
OPERATING ACTIVITIES			
Operating profit	10,172	5,460	13,190
Depreciation and other non cash items	2,604	2,080	4,619
Share of profits of associates (before interest)	(1,044)	(145)	(434)
Increase in working capital	(9,563)	(6,014)	(3,417)

NET CASH INFLOW FROM OPERATING ACTIVITIES	2,169	1,381	13,958
Net interest paid	(1,116)	(556)	(1,592)
Tax paid	(2,228)	(920)	(6,061)
Net expenditure on tangible fixed assets and investments	(1,905)	(1,686)	(4,194)
Net cash flow from acquisitions and disposals	-	(32,813)	(31,885)
Equity dividends paid	(2,362)	(2,069)	(3,253)
NET CASH OUTFLOW BEFORE FINANCING	(5,442)	(36,663)	(33,027)
(Decrease)/increase in debt and finance leases	(2,069)	25,192	22,019
Issue of share capital	713	55	138
NET DECREASE IN CASH	(6,798)	(11,416)	(10,870)
Reconciliation of net cash flow to movement in net (debt)/cash			
NET DECREASE IN CASH	(6,798)	(11,416)	(10,870)
Cash outflow/(inflow) from decrease/ (increase) in debt and lease financing	2,069	(25,192)	(22,019)
Lease financing acquired with subsidiary	-	(22)	(89)
Translation differences	106	(29)	67
MOVEMENT IN NET (DEBT)/CASH	(4,623)	(36,659)	(32,911)
Net (debt)/cash at beginning of the period	(23,938)	8,973	8,973
Net (debt) at end of the period	(28,561)	(27,686)	(23,938)

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES

	Six Months ended 30 September		Year ended 31 March (audited)
	2000 £'000	1999 £'000	2000 £'000
Profit attributable to shareholders	5,472	3,520	8,232
Net gain/(loss) on currency translation	26	(432)	(1,372)
Total recognised gains and losses for the financial period	5,498	3,088	6,860

NOTES:

1. The financial information set out above does not constitute the company's statutory accounts for the year ended 31st March 2000, but is derived from those accounts. Statutory accounts for 2000 have been delivered to the Registrar of Companies. The auditors have reported on those accounts; their reports were unqualified and did not contain a statement under section 237 (2) or (3) of the Companies Act 1985.

2 The interim dividend of 5.5p (1999:4.6p) is payable on 25th January 2001 to shareholders on the register on 15th December 2000.

3 Earnings per share for the half year to 30th September 2000 have been calculated on the profit attributable to ordinary shareholders of £5,472,000 using the weighted average number of ordinary shares in issue during the period.

4 The Company's interim report is being sent to shareholders by post. Copies will also be available from:

Acal plc, 39 Guildford Road, Lightwater, Surrey GU18 5SA

The interim results will not be advertised in any newspaper