

**COSALT PLC**  
**(“Cosalt” or “the Group”)**

**Preliminary Results for 61 weeks ended 28 October 2001**

*Cosalt, which specialises in industrial services and leisure products, announces pre-tax profits of £6.11 million. The results are for the 61 weeks ended 28 October 2001, following the acquisition of SEET plc.*

- Profit before tax up to £6.11 million after charging exceptional costs of £0.61 million (2000: £5.92 million – 12 months)
- Turnover of £136.32 million (2000: £98.74 million – 12 months)
- Earnings per share for the period up by 0.5% to 33.63p (2000: 33.45p – 12 months)
- Final dividend of 11.50p per share, making a total dividend for the period of 16.75p (2000: 15.75p) – the eighth consecutive year that the dividend has been increased
- Integration of SEET businesses progressing well: combination of Ballyclare business with Workwear operations producing a range of new opportunities.
- Safety & Protection operations achieved record profitability
- Holiday Homes maintained market share in difficult trading environment
- Prospects for continued pattern of growth remain bright

**Gerry Camamile, Chairman of Cosalt, said today:**

*“Despite the continuing background of economic uncertainty, I believe that Cosalt is well placed to maintain its record of growth. I have already paid tribute to the strength of management across all our businesses and that will remain a fundamental strength. The changing nature of Cosalt, both in terms of better business mix and improving quality of earnings, gives us further grounds for optimism.”*

**29 January 2002**

**ENQUIRIES:**

**Cosalt plc**  
Bill Wood, Managing Director  
Neil Carrick, Finance Director

**Tel: 020 7457 2020 (today)**  
**01472 504504 (thereafter)**

**College Hill**  
Archie Berens

**Tel: 020 7457 2020**  
**Email: [archie.berens@collegehill.com](mailto:archie.berens@collegehill.com)**

## **COSALT PLC**

### **Preliminary Results for 61 weeks ended 28 October 2001**

#### **CHAIRMAN'S STATEMENT**

##### **Introduction**

The acquisition of SEET plc in April 2001 resulted in Cosalt changing its financial year-end to October from August in view of the seasonal nature of one of SEET's main businesses. The results now reported are therefore for the 61 weeks ended 28 October 2001 and include exceptional provisions for the costs of some of the changes which have been necessary following that acquisition.

##### **Results**

Turnover for the 61 weeks ended 28 October 2001 was £136.32m. Profit before tax but after making the exceptional provisions referred to above totalling £606,000 was £6.11m (for the year ended 27 August 2000 - £5.92million). Earnings per share after making those provisions and after tax were 33.63p (year to 27 August 2000 - 33.45p).

##### **Dividend**

Notwithstanding the difficult trading conditions which have been experienced and which are forecast to continue to affect the economy generally, the Board believes that Cosalt has both the management strength and the market opportunities to enable it to continue its growth. We are therefore able to recommend an increase in the final dividend to 11.50p per ordinary share, making the total dividend for the 61 week period 16.75p, compared with 15.75p for the year ended on 27 August 2000.

##### **Integration of SEET**

As we believed at the time of the acquisition, the principal businesses acquired in the purchase of SEET plc fit well with Cosalt and have opened the door to opportunities which might otherwise have been out of reach. Cosalt's management, as can be seen from the Group Managing Director's review of operations, has been well satisfied, not only with the new additions to Cosalt in terms of the acquisition itself, but also with the progress made so far in implementing the changes that are required to realise the potential of those businesses and to integrate them into the Cosalt Group. We are particularly appreciative of the way in which the management of SEET's continuing businesses has co-operated with Cosalt's own management. It is always difficult when new personnel come into an existing business and in SEET, Cosalt has been most fortunate to have found people who have fitted in and contributed actively to a programme of substantial yet beneficial change.

## **Business Review**

### Industrial Services

The **Safety and Protection** operation, with its emphasis on all aspects of marine safety, has had a good trading period and now looks set for a new period of growth and development. This business has achieved record levels of profitability in the last trading period, and is now showing the benefits both of the careful re-organisation of its management during the last few years and the impetus provided by recent changes and promotions, together with some important new acquisitions. This part of our Industrial Services Division is now well placed to play a leading part in what we expect will become a co-ordinated industrial service activity, combining the skill and expertise of businesses which, in the past, have functioned more independently of each other. We have great hopes and expectations for our Safety and Protection activities.

Cosalt's original **Workwear** activity was slower to develop its potential during the period under review than we had hoped, but the acquisition of Ballyclare (part of SEET) came at a time when the original Workwear activity had already made considerable progress in solving some of the problems which had beset it in the earlier part of the trading period. The addition of Ballyclare to the Cosalt portfolio has meant that advances can now be made in both Cosalt Workwear and Ballyclare as a result of their combined efforts in a market which is full of opportunity, notwithstanding the fear of recession which seems to live in much of industry. We believe that the acquisition of SEET and its integration into our existing businesses will contribute significantly to the transformation of Cosalt.

**Knox Fibres** operates in a very competitive, specialised market and has continued to improve its ability to cope with the fluctuations in demand which make the management of its business such a demanding task. The **Knox Netting** business, on the other hand, has had an excellent trading period, although the level of expenditure by its customers in future is likely to be dictated, or at least strongly influenced, by the price of farmed salmon.

### Leisure Products

**Cosalt Holiday Homes** has had a disappointing result for the period, but finished it in very good shape for the coming year. Stocks in the industry generally are much lower than they were a year ago, and the stocks in our own business are also low, so that the level of activity in the commencing months of the current year has been very encouraging. It looks as though economic conditions will not be favourable in the coming year, but the order book at Holiday Homes is such as to give us confidence that this business will do well, even in a difficult market.

**Cosalt Lighting** continues to need attention but we have contained its problems and expect to overcome them in the course of the next year.

## **Finance**

The acquisition of SEET has, of course, resulted in much higher borrowings than in previous years. The acquisition was, however, made in close co-operation with our bankers and our performance to date has been closely in line with our forecasts and our bankers' expectations. We are comfortable, therefore, that we will be able to finance the continued development of Cosalt, not least because of our ability to satisfy the internal demand for capital from our businesses in a prudent and controlled manner. It is perhaps also worth mentioning in this context that we expect to be able to make some modest realisations of property in the course of the next two years, which should free up more capital for growth.

## **FRS 17**

The Group's final salary defined benefit pension scheme was closed to new entrants on 25 July 2000 as part of the Group's overall pension strategy. Increased life expectancy and falling interest rates, amongst other things, have created and increased an actuarial deficit in that scheme. A note to the detailed accounts will show that deficit in accordance with FRS17 as measured on 28 October 2001

That deficit, which represents the difference between the market value of the scheme's assets and the actuarially calculated present value of anticipated future pension and other benefit payments is, at 28 October 2001, shown at £4.97m after deferred tax credit.

The Company's contributions to the scheme are reviewed annually and, at 28 October 2001, represented 23.1% of the members' pensionable salary bill. Whilst this percentage may increase, the cost of funding any deficit will fall upon the Group, spread over future years. The actuarially calculated deficit will change up or down, principally, in response to the investment performance of the scheme's assets and the interest rate (i.e. the discount rate) which the Actuary is obliged to use in valuing the scheme's liabilities. An increase in this rate (other things being equal) will reduce the deficit and a decrease in the rate will enlarge it. These and other factors, therefore, alter the actuarial deficit or surplus without there being any corresponding change in the actual benefits provided which are essentially fixed under the defined benefit promise. Any such actuarial deficit or surplus at the date of the Group's accounts at October 2003 will be incorporated in the Group's Balance Sheet at that date, in accordance with FRS17.

## **Management**

We are very fortunate to have such an excellent management team at the centre of our Group - with modest central costs. That strength is mirrored in all of our underlying activities and I have been fortunate, during my time as Chairman, to be able to count all of our people not only as excellent colleagues and professionally talented managers, but also as respected friends. We have an open system of management, accepting as well as making critical assessments of management decisions. Most recently, and importantly, we have welcomed our new colleagues from SEET, for whose willingness to join us and accept our methods we are particularly grateful.

Shareholders will see that I am seeking re-election at the forthcoming Annual General Meeting, notwithstanding my age. I hope to remain as Chairman of the Group only for a further seven months and to retire on the 31 October 2002 at the conclusion of the current financial year, by which time, the reorganisation following the SEET acquisition is expected to have been largely completed. David Bolton has agreed to succeed me as Chairman and the Board is confident that he will bring a new talent, as well as considerable experience of this Group to an office in which it has been my pleasure as well as privilege to serve.

## **Outlook**

Despite the continuing background of economic uncertainty, I believe that Cosalt is well placed to maintain its record of growth. I have already paid tribute to the strength of management across all our businesses and that will remain a fundamental strength. The changing nature of Cosalt, both in terms of better business mix and improving quality of earnings, gives us further grounds for optimism.

**G.H. Camamile**  
**CHAIRMAN**

**28 January 2002**

## COSALT PLC

### Preliminary Results for 61 weeks ended 28 October 2001

#### Group Managing Director's Review of Operations

##### Overview

The Group's activities focus on two business areas: Industrial Services and Leisure Products.

	61 weeks ended 28 October 2001 £m	52 weeks ended 27 August 2000 £m
<b>Turnover:</b>		
Industrial Services	<b>78.48</b>	46.43
Leisure Products	<b>57.84</b>	52.31
	<b>136.32</b>	98.74
<b>Operating Profit:</b>		
Industrial Services	<b>5.35</b>	3.16
Goodwill and exceptionals	<b>(0.67)</b>	-
Total Industrial Services	<b>4.68</b>	3.16
Leisure Products	<b>3.11</b>	3.78
	<b>7.79</b>	6.94

We have experienced a period of significant change with the acquisition of SEET plc in April 2001 and three smaller businesses within the Safety & Protection activity – Kenmore, Lewis and Marlift.

The Group's year end has been changed to October in order to accommodate the seasonal nature of SEET and the resulting period under review is therefore 61 weeks ended 28 October 2001.

##### Acquisition of SEET plc

I am pleased with progress to date. We purchased this quoted company in April 2001 following a very thorough review process.

The initial attraction of SEET was Ballyclare, its leading UK specialist protective clothing supplier to military, fire fighting, utilities and police personnel. This business is being integrated with our existing Workwear activity.

Cosalt Workwear, based at Atherton, has been able to provide Ballyclare with additional sources of procurement, warehousing and improved logistical support. The combined entities have significant prospects for increasing business, in particular, through providing a fully managed maintenance care package of high performance garments and personal protective equipment. On this basis, we believe that an exciting future lies ahead.

I am also very pleased that the acquisition of SEET brings to the Group three of the leading brands of school uniforms: Banner, Beau Brummel and Distinctive, which command an important market position in supplying independent schools. We have scaled down manufacturing and will service their extensive customer base through a combination of flexible, multi-skilled UK manufacturing and overseas procurement.

This Schoolwear activity is complemented by Banner Childrenswear, but the future of Banner Fashionwear, incorporating Menswear and Ladieswear, is currently under review. We have already sold two of SEET's small loss-making businesses - Glory Years and Leda Workwear.

So, all in all, with a cost reduction programme, improved logistical support and increased overseas procurement, the SEET businesses are expected to contribute significantly to the future profitability of the Industrial Services Division.

## **Review of Other Operations**

### **Industrial Services**

Our **Safety & Protection** business is involved in the manufacture, supply and servicing of marine and industrial safety products and apparel, with the principal brands being Cosalt, Perry, Crewsaver and Yak.

This business, including Crewsaver, which manufactures the leading brand of inflatable lifejackets, has achieved record levels of profitability in 2001 with an operating profit for the period of £1.89m (2000 - £1.47m). Whilst I do not usually refer to individuals, I would like to record my appreciation of Paul Bradbury's management of this business over the last ten years. Paul inherited a troubled business with poor morale in 1990 and now hands over to Winston Phillips, a well managed, thriving operation with the scope and ambition to achieve further growth.

The well executed acquisitions of W & R Lewis Limited (rope distribution and rigging) in Glasgow and Grimsby, Marine & Lifting Services Limited (lifting and rigging services) in Plymouth, and Kenmore Technical Services Limited (supply and servicing of fire protection equipment) in North Shields, strengthen our market penetration. Kenmore is particularly interesting in that this specialist team, inspecting and servicing fire safety equipment and breathing apparatus, can facilitate the development of this activity in most of Cosalt's thirteen Safety branches in the coming year to serve both industrial and marine markets.

Prospects for the Safety & Protection business are therefore good.

Our **Workwear** business designs, manufactures and distributes workwear, corporate wear and high visibility protective clothing under the brand names of Cosalt Workwear and Cosalt Clothing Solutions.

2001 has been a testing period for this committed management team. The standard workwear market continues to be competitive and in steady decline. Whilst corporate wear has contributed well, we have not grown in line with budget expectations in a period of fierce price competition. However, important progress continues to be made in the rail maintenance activity where safety is of paramount importance and our market leading motor-link activity is doing well. Additionally, as I said above, the team are providing vital logistical support to Ballyclare.

Going forward, we intend to focus the enlarged Workwear business' efforts increasingly on providing a high quality service to a growing customer base, supported by our established technical, procurement and logistical strengths. In this way, we believe that there is a clear opportunity for this business to move away from being a simple commodity provider, vulnerable to the unpredictable actions of our competitors, and to become a service provider which enjoys long term relationships with its customers, thereby achieving a higher quality of earnings.

**Knox Netting and Fibres** manufactures and supplies industrial, sporting, camouflage, safety and fish farming nets, in addition to processing synthetic carpet yarns and fibres.

Knox Fibres has improved its performance this year through better factory efficiencies, enabling it to service its customers in the contract carpet market with a wide variety of small lots, processed invariably on a shorter lead time.

Knox Netting has maintained its position as market leader in providing net cages to the UK fish farming industry. Valued customers are provided with a complete supply and service package second to none.

### **Leisure Products**

**Cosalt Holiday Homes** designs and manufactures caravan holiday homes, leisure custom homes and residential park homes. Kingsform, a small business, makes furniture doors and panels for both internal use and third parties.

Operating profits at Holiday Homes were significantly lower in the 61 week period at £3.13m (2000 - £4.10m).

As outlined in the April Interim Statement, the industry over-produced in the year 2000, leaving high stocks in the hands of park operators and distributors. We, in line with our principal competitors, have consequently produced fewer units during the 2001 season, resulting in lower profitability.

I am pleased to report, however, that we have maintained our UK market share and enter the 2002 season with low stocks, capital employed in line with budget, an excellent product range and a good order book – a tribute to the management team and reason for us to be optimistic about prospects for this business.

**Cosalt Lighting** designs, manufactures and sells commercial lighting and décor, complemented by stained and coloured glass windows and door furniture.

Through a combination of sales initiatives in the USA market and overhead reduction, the company has performed much better than last year, when it incurred an operating loss of over £300,000. The UK market, however, continues to be difficult and the results are still not acceptable. A further review of this activity is therefore taking place at the present time.

### **Capital Expenditure**

Capital expenditure in the 61 weeks to October 2001 was £1.72m compared with £1.45m incurred in the year to August 2000. The depreciation charge was £2.15m.

We anticipate a similar level of expenditure in the coming year.

## **Balance Sheet - Borrowings**

The balance sheet of the Group continues to strengthen and Shareholders' Funds increased during the period by £2.1m to £26.0m. Cash control continues to be first class and borrowings, which have increased significantly as a result of the four acquisitions during the year, are in line with budget expectations with year end gearing at 68%.

£6.3m of the new acquisition funding has been arranged through a seven-year term loan at commercial margins with interest rates capped.

We have an excellent working relationship with our bankers, who continue to be very supportive of the recent acquisitions and our style of management.

## **Outlook**

As I have said before, and repeat again, the key strength of the Cosalt Group is the way in which it functions with a small central team supporting the very best endeavours of loyal, highly motivated and very committed management teams across the activities, linked to prudent cash control and judicious financial planning.

We have handled the acquisition of SEET well. Results to date have been in line with our forecasts, the acquisition has been earnings enhancing as we expected and the key people have responded positively to our management style and approach. There are therefore good prospects for improving profitability.

Whilst, understandably, the Group's rate of growth has slowed in the last two years, we have just completed our ninth consecutive year of profit increase. In addition, we continue to invest prudently, increase dividends and add to reserves.

In SEET we have acquired valuable brands in both schoolwear and fire protection, adding to our important position in the markets of caravan holiday homes, marine safety, fish farming and workwear. There is potential to increase market share in all of these activities and I am confident of our ability to increase overall profitability.

**BILL WOOD**  
**Group Managing Director**

**28 January 2002**

**COSALT PLC**

**Preliminary Results for 61 weeks ended 28 October 2001**

**Consolidated Profit and Loss Account**

	61 weeks ended 28 Oct 2001			52 weeks ended 27 Aug 2000
	Before goodwill amortisation and exceptional items £000s	Goodwill amortisation and exceptional items £000s	Total £000s	Total £000s
<b>Turnover</b>				
Continuing operations	113,387	-	113,387	98,736
Acquisitions	22,928	-	22,928	-
	<b>136,315</b>	<b>-</b>	<b>136,315</b>	<b>98,736</b>
<b>Operating profit</b>				
Continuing operations	6,704	-	6,704	6,944
Acquisitions before goodwill				
Amortisation and exceptional items	1,756	-	1,756	-
Goodwill amortisation	-	(60)	(60)	-
Reorganisation and redundancy costs	-	(606)	(606)	-
Total Acquisitions	1,756	(666)	1,090	-
<b>Total operating profit before interest</b>	<b>8,460</b>	<b>(666)</b>	<b>7,794</b>	<b>6,944</b>
Interest payable (net)	(1,682)	-	(1,682)	(1,028)
<b>Profit on ordinary activities before taxation</b>	<b>6,778</b>	<b>(666)</b>	<b>6,112</b>	<b>5,916</b>
Taxation on ordinary activities	(2,103)	188	(1,915)	(1,751)
<b>Profit after taxation</b>	<b>4,675</b>	<b>(478)</b>	<b>4,197</b>	<b>4,165</b>
Preference dividends (non-equity shares)	(4)	-	(4)	(4)
<b>Profit attributable to ordinary shareholders</b>	<b>4,671</b>	<b>(478)</b>	<b>4,193</b>	<b>4,161</b>
Ordinary dividends (equity shares)	(2,088)	-	(2,088)	(1,967)
<b>Retained profit</b>	<b>2,583</b>	<b>(478)</b>	<b>2,105</b>	<b>2,194</b>
<b>Earnings per share</b> - basic	<b>37.46p</b>		<b>33.63p</b>	33.45p
- diluted	37.43p		33.60p	33.40p
Dividend per share	16.75p		16.75p	15.75p

The group has no recognised gains or losses other than the profits for the periods disclosed above; accordingly, a statement of total recognised gains and losses has not been included in these financial statements.

There is no material difference between the reported results and those prepared on a historical cost basis.

# COSALT PLC

## Preliminary Results for 61 weeks ended 28 October 2001

### Consolidated Balance Sheet

	28 October 2001		27 August 2000	
	£000s	£000s	£000s	£000s
<b>Fixed assets</b>				
Intangible assets - goodwill		2,368		-
Tangible fixed assets		17,316		15,561
		19,684		15,561
<b>Current assets</b>				
Stocks	21,434		13,862	
Debtors	30,224		19,607	
Bank and cash balances	2,710		4,184	
		54,368		37,653
<b>Creditors</b>				
Amounts falling due within one year	39,290		25,490	
<b>Net current assets</b>		15,078		12,163
<b>Total assets less current liabilities</b>		34,762		27,724
<b>Creditors</b>				
Amounts falling due after more than one year		7,358		2,722
		27,404		25,002
<b>Provisions for liabilities and charges</b>	1,228		902	
<b>Deferred income:</b>				
Grants not yet credited to profit	152	1,380	181	1,083
<b>Net assets</b>		26,024		23,919
<b>Capital and reserves</b>				
Called up share capital		3,167		3,167
Share premium account		2,321		2,321
Revaluation reserve		470		470
Investment property revaluation reserve		67		67
Other reserves		1,148		1,148
Profit and loss account		18,851		16,746
<b>Shareholders' funds</b> (including non-equity interests)		26,024		23,919

## COSALT PLC

### Preliminary Results for 61 weeks ended 28 October 2001

#### Consolidated Cash Flow Statement

	61 weeks ended 28 October 2001		52 weeks ended 27 August 2000	
	£000s	£000s	£000s	£000s
<b>Net cash inflow from operating activities</b>		<b>8,070</b>		6,756
<b>Returns on investments and servicing of finance:</b>				
Interest paid	(1,482)		(886)	
Interest received	13		14	
Interest element of finance lease payments	(169)		(178)	
Non-equity dividends paid	(4)		(4)	
		(1,642)		(1,054)
<b>Taxation:</b>				
Corporation tax paid		(2,254)		(1,498)
<b>Capital expenditure and financial investment:</b>				
Sale of investment	-		42	
Government grants	-		30	
Purchase of tangible fixed assets	(1,512)		(1,019)	
Purchase of intangible fixed assets	(10)		-	
Sale of tangible fixed assets	588		121	
		(934)		(826)
Acquisitions and disposals		(12,506)		-
<b>Equity dividends paid</b>		(2,076)		(1,855)
Net cash (outflow)/inflow before use of liquid funds and financing		(11,342)		1,523
<b>Financing:</b>				
Issue of share capital	-		81	
New bank borrowings	7,800		500	
Repayment of bank and other borrowings	(3,196)		(1,917)	
Capital element of finance lease rental payments	(941)		(679)	
		3,663		(2,015)
<b>Decrease in cash</b>		(7,679)		(492)
<b>Reconciliation of net cash flow to movement in net debt</b>				
Decrease in cash		(7,679)		(492)
Cash (inflow)/outflow from (increase)/decrease in debt and lease financing		(3,663)		2,096
		(11,342)		1,604
Loans and finance leases on acquisition of subsidiary undertakings		(823)		-
Inception of new finance leases		(242)		(517)
		(12,407)		1,087
Movement in net debt in period		(12,407)		1,087
Net debt as at 27 August 2000		(3,614)		(4,701)
		(16,021)		(3,614)
Net debt as at 28 October 2001		(16,021)		(3,614)

## COSALT PLC

### Preliminary Results for 61 weeks ended 28 October 2001

The turnover and results of the main activities were as follows:

#### Turnover

	Continuing operations £000s	Acquisitions £000s	<b>2001 Total £000s</b>	2000 £000s
Industrial Services	55,550	22,928	<b>78,478</b>	46,426
Leisure Products	57,837	-	<b>57,837</b>	52,310
	113,387	22,928	<b>136,315</b>	98,736

#### Operating Profit

	Continuing operations £000s	Acquisitions £000s	<b>2001 Total £000s</b>	2000 £000s
Industrial Services	3,598	1,756	<b>5,354</b>	3,165
Exceptional items	-	(606)	<b>(606)</b>	-
Goodwill amortisation	-	(60)	<b>(60)</b>	-
Total Industrial Services	3,598	1,090	<b>4,688</b>	3,165
Leisure Products	3,106	-	<b>3,106</b>	3,779
Operating profit	6,704	1,090	<b>7,794</b>	6,944
Interest payable (net)			<b>(1,682)</b>	(1,028)

Profit on ordinary activities before taxation	<b>6,112</b>	5,916
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The operating assets of the main activities at 28 October 2001 were as follows:

	Operating capital employed	
	<b>2001 £000s</b>	2000 £000s
Industrial Services	<b>28,765</b>	17,876
Leisure Products	<b>13,382</b>	11,798
	<b>42,147</b>	29,674
Non-operating assets and liabilities *	<b>(1,880)</b>	(4,410)
Net borrowings	<b>(14,243)</b>	(1,345)
Total net assets	<b>26,024</b>	23,919

\*Non-operating assets and liabilities principally represents taxation, dividends and finance leases.

## COSALT PLC

### Preliminary Results for 61 weeks ended 28 October 2001

#### Reconciliation of operating profit to cash flow from operating activities

	<b>2001</b>	2000
	<b>£000s</b>	£000s
Operating profit	<b>7,794</b>	6,944
Depreciation	<b>2,152</b>	1,381
Amortisation of goodwill	<b>60</b>	-
(Gain)/Loss on property disposal	<b>(59)</b>	30
Capital grants income release	<b>(33)</b>	(29)
Decrease/(increase) in stocks	<b>2,859</b>	(2,814)
(Increase) in debtors	<b>(2,099)</b>	(388)
(Decrease)/increase in creditors	<b>(2,418)</b>	1,926
(Decrease) in provisions	<b>(186)</b>	(294)
<b>Net cash inflow from operating activities</b>	<b>8,070</b>	6,756

#### Analysis of changes in net debt

	At 27 August 2000 £000s	Cash Flows £000s	Subsidiaries Acquired £000s	Other Non Cash Changes £000s	At 28 October 2001 £000s
Cash in hand and at bank	4,184	(1,474)	-	-	<b>2,710</b>
Overdrafts	(884)	(3,594)	-	-	<b>(4,478)</b>
Advances due within one year	(2,232)	(2,611)	-	-	<b>(4,843)</b>
	1,068	(7,679)	-	-	<b>(6,611)</b>
Debt due within one year	(1,238)	3,196	(615)	(2,684)	<b>(1,341)</b>
Debt due after one year	(1,175)	(7,800)	-	2,684	<b>(6,291)</b>
Finance leases	(2,269)	941	(208)	(242)	<b>(1,778)</b>
<b>Total</b>	<b>(3,614)</b>	<b>(11,342)</b>	<b>(823)</b>	<b>(242)</b>	<b>(16,021)</b>

## COSALT PLC

### Preliminary Results for 61 weeks ended 28 October 2001

#### Notes to the Accounts

1. The financial information set out above does not constitute the Company's statutory accounts for the 61 weeks ended 28 October 2001 or 52 weeks ended 27 August 2000 but is derived from those accounts. Statutory Accounts for 2000 have been delivered to the Registrar of Companies, and those for 2001 will be delivered following the Company's Annual General Meeting. The Auditors have reported on those accounts; their reports were unqualified and did not contain statements under Section 237(2) or (3) of the Companies Act 1985. Full accounts for Cosalt plc for the period ended 28 October 2001 will be sent to shareholders during February 2002 and will be available after that time from the Company Secretary, Cosalt plc, Fish Dock Road, Grimsby, N.E. Lincolnshire, DN31 3NW. Copies of this announcement are available from the same address.
2. The figures of basic earnings per share are calculated on the profit attributable to ordinary shares of £4,193,000 (2000: £4,161,000), divided by the average number of shares in issue during the period, being 12,468,353 (2000: 12,440,265).

For diluted earnings per share, the weighted average number of ordinary shares is adjusted for the dilutive effect of potential ordinary shares. The Group has only one category of dilutive potential ordinary shares which is that of share options granted to employees. Those options which have an exercise price which is less than the daily average mid-market price of the Company's ordinary shares during the period are considered dilutive.

	<b>28 October 2001</b>	<b>27 August 2000</b>
Weighted average number of shares in issue	12,468,353	12,440,265
Weighted average number of dilutive share options	19,100	17,981
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Total number of shares for calculating diluted earnings per share	12,487,453	12,458,246

3. A final dividend of 11.50p per share is proposed and if approved will be payable on 27 March 2002 to shareholders on the register on 15 March 2002, absorbing £1,433,861.
4. This preliminary announcement was approved by the Board on 28 January 2002.