

DOWTY ROTOL NEWSLETTER

Issue 4
July 1986

Message from the Managing Director

'The 1985/86 financial year is now closed, the results are in and the auditors satisfied. In the near future we shall be able to publish these accounts but I wanted to take this opportunity to let you know, in general terms, how we performed.

Last year was a good year for the company. The £95 million target which we set for sales turnover was achieved. We made satisfactory progress, particularly in the latter part of the year, on the many new projects coming into the company. The determination shown by so many employees is a great asset to the company and is essential if we are to sell our products in an increasingly competitive world.

We were not able to meet our forecast for profit. The reason for this was our success in winning new long-term orders at a much higher rate than we expected. This meant that we had to spend more than was forecast on engineering, development hardware and free prototype equipment for new customers. This is the price it has been necessary to pay in order to provide the security which comes from a high future order book.

During the year there were some notable achievements:-

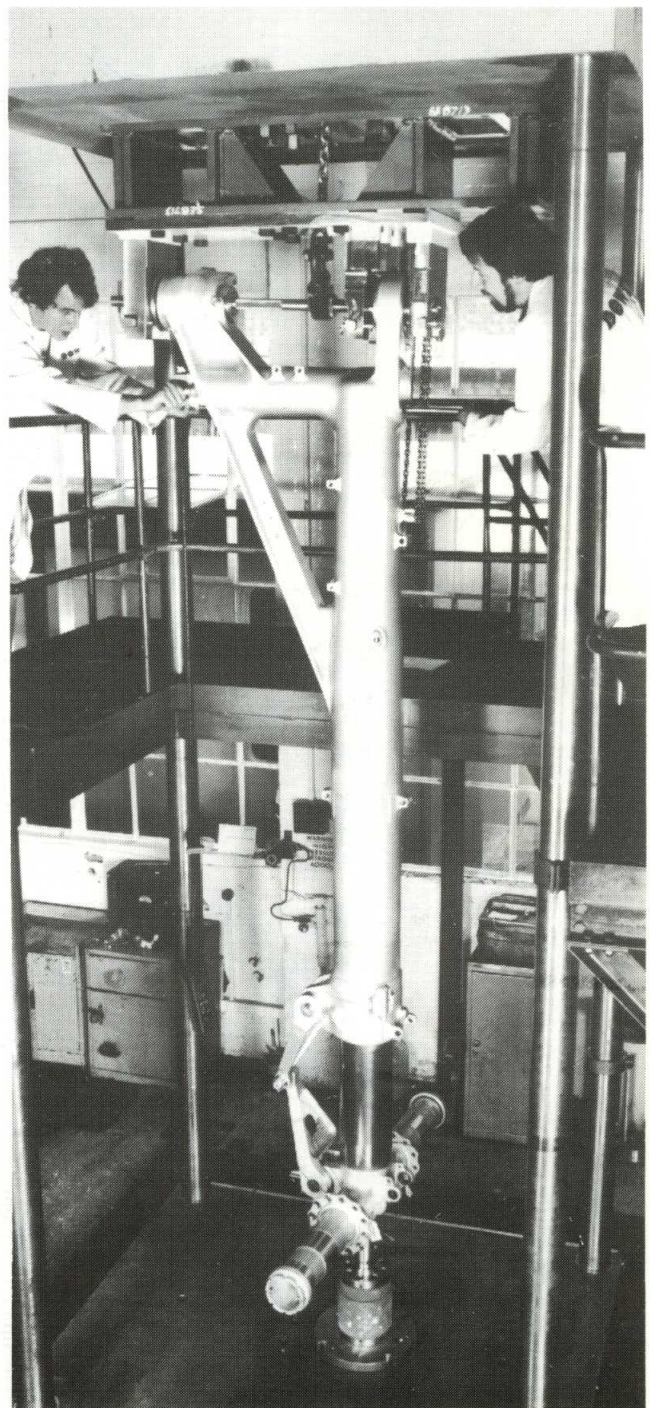
- The monthly rate of sales increased by 15% and our future orders rose to match this rate.
- New prototype equipment was delivered for the Fokker 50, the British Aerospace experimental fighter and a host of other new projects.
- Major new projects such as the Airbus A320, Fokker 100 and the BAe ATP progressed through design and prototype build.
- The capital investment made last year was the highest for many years. New computers were provided for CAD/CAM and new machine tools to increase productivity.

Our results for 1985/86 were not achieved without difficulty. We had to squeeze the proverbial "quart from a pint pot", especially on the design and prototype build of so many new projects. With the benefit of our experience there are, no doubt, further improvements which can be effected. We also need to increase our profitability in order to justify the substantial investments being made in the company.

In spite of the difficulties I feel that Dowty Rotol employees can be proud of the overall result achieved in 1985/86.

Thank you for your efforts.'

JIM LIGHTFOOT



Assembly of first main landing gear for Airbus A320

