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News release via Canada NewsWire, Calgary 403-269-7605

Attention Business/Financial Editors:

CE Franklin Ltd., Canada's largest supplier to the energy industry, announces growth in profit from new business initiatives

(all results in Canadian Dollars)

CALGARY, July 19 /CNW/ - CE FRANKLIN LTD. (TSE.CFT, AMEX.CFK) announced today its results for the second quarter ended June 30, 2001.

Sales for the second quarter ended June 30, 2001 increased 12.9% to \$88.9 million compared to the same period in 2000.

Sales from new business initiatives, primarily the Company's Piping Resources and CEF Technologies operations increased by \$8.1 million (95.8%) and \$2.0 million (53.6%), respectively, for the quarter as compared to the same period in the prior year. Piping Resources' sales increase was due to a large contract in the oil sands with a major international energy company. CEF Technologies' sales increase resulted from increasing market acceptance of the Company's proprietary line of small wellsite gas compressors and heavy oil progressive cavity pumps which have been developed over the past year.

Sales of the Company's traditional general oilfield supplies increased by \$4.4 million (14.5%) to \$34.8 million for the quarter ended June 30, 2001 reflecting an increase in oil and gas well completions, as compared to the second quarter of 2000. This was offset by a decrease in tubular sales by \$4.3 million (12.7%) to \$29.6 million as a result of the Company's larger E & P customers not actively drilling during spring breakup.

Operating earnings (EBITDA) for the Company's new initiatives, for the second quarter increased to \$1.4 million or 8.9% as compared to the three months ended June 30, 2000 reflecting the increase in sales during the quarter. EBITDA for new initiatives has grown steadily over the past four quarters from \$364,000, \$453,000, \$1.1 million and to \$1.4 million, respectively.

EBITDA for the Company's traditional businesses declined to \$678,000 for the three months ended June 30, 2001 from \$948,000 for the comparable period in 2000 due primarily to the decrease in tubular sales for the quarter coupled with increased SG&A due to the increase in general supplies activity levels.

Net income for the quarter was \$43,000 or \$0.01 (diluted) per share.

"Our new initiatives are starting to generate increased sales and earnings", commented John Gilbank, Chairman and Chief Executive Officer. "They are complementing our traditional business very well, and we expect they will give us growth opportunities in some of the most promising sectors of the industry."

Future Outlook

In the third quarter of 2001, the Company is expecting improved activity levels for its businesses, as spring break-up conditions experienced during the second quarter are no longer in effect.

About CE Franklin

CE Franklin, is Canada's largest distributor of supplies for the drilling, production, processing and pipelining of hydrocarbons. In addition to its complete range of production equipment, including artificial lift technology, the company sells pipe, valves, fittings and maintenance supplies and provides complete customer inventory procurement and management services through its 41 locations across Canada. The Company also manufactures and packages specialized products for the energy industry and provides supply packages for projects in the hydrocarbon processing industry through its Piping Resources Division. CE Franklin's common stock trades on The Toronto Stock Exchange under the symbol CFT and on the American Stock Exchange under the symbol CFK. For additional information visit the website at

Conference Call and Webcast Information

CE Franklin has scheduled a conference call for Friday, July 20, 2001 at 11:00 a.m. EDT (9:00 a.m. MDT) during which the second quarter 2001 results will be discussed. Please phone the conference call operator at 1-888-280-8277. John Gilbank, Chairman and Chief Executive Officer will chair the call. Sam Secreti, Chief Financial Officer will also accompany Mr. Gilbank. A question and answer session will be included in the call. A taped version of the call will be available until midnight on Friday, July 27, by calling 1-888-509-0081. The call will also be webcast live at either <http://www1.newswire.ca/webcast/pages/CEFranklin20010720/> or <http://www.cefranklin.com>.

This news release includes forward looking statements within the meaning of section 27A of the United States Securities Act of 1933 and Section 21E of the United States Securities Exchange Act of 1934. Although the Company believes that its expectations are based on reasonable assumptions, it can give no assurance that expected results will be achieved. Important factors that could cause actual results to differ materially from those in the forward looking statements herein include economic conditions, seasonality of drilling activity, commodity prices for oil and gas, currency fluctuations and government regulations, and other risks and uncertainties as described in the Company's 2000 Annual Report on Form 20-F as filed with the United States Securities and Exchange Commission.

Financial Statements Attached

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CE Franklin Ltd.

Interim Consolidated Statements of Operations

(Unaudited)

Three Months Ended June 30 (in thousands of dollars)	2001 U.S. \$ (note 3)	2001 Cdn. \$	2000 Cdn. \$

Sales			
General supplies	34,909	53,494	40,999
Tubulars	19,337	29,632	33,944
CEF Technologies	3,751	5,748	3,743
	57,997	88,874	78,686

Gross profit			
General supplies	5,660	8,673	7,279
Tubulars	920	1,410	1,860
CEF Technologies	1,134	1,738	1,524
	7,714	11,821	10,663

Selling, general and administrative expenses	6,363	9,750	8,435

Earnings before interest, tax, depreciation, amortization and other expenses (EBITDA)	1,351	2,071	2,228

Other Expenses (Income)			
Depreciation and amortization	799	1,225	1,071
Interest expense	484	742	854
Other	(31)	(47)	137

Income before income taxes	99	151	166
Income tax expense			
Current	174	266	44
Future	(103)	(158)	-
	71	108	44
Net income for the period	28	43	122
Net income per share (note 4)			
Basic	0.00	0.01	0.01
Diluted	0.00	0.01	0.01
Weighted average basic number of shares outstanding	17,158,091	17,158,091	16,867,427

CE Franklin Ltd.
Interim Consolidated Statements of Operations
(Unaudited)

Six Months Ended June 30 (in thousands of dollars)	2001 U.S. \$ (note 3)	2001 Cdn. \$	2000 Cdn. \$
Sales			
General supplies	79,508	121,838	91,564
Tubulars	49,791	76,299	75,786
CEF Technologies	7,124	10,917	8,690
	136,423	209,054	176,040
Gross profit			
General supplies	12,195	18,688	15,865
Tubulars	2,548	3,905	4,252
CEF Technologies	2,202	3,374	3,177
	16,945	25,967	23,294
Selling, general and administrative expenses	12,895	19,761	16,963
Earnings before interest, tax, depreciation, amortization and other expenses (EBITDA)	4,050	6,206	6,331
Other Expenses (Income)			
Depreciation and amortization	1,573	2,411	2,125
Interest expense	965	1,479	1,695
Loss (gain) on disposal of capital assets	(26)	(40)	37
Other	120	184	24
Income before income taxes	1,418	2,172	2,450
Income tax expense			

Current	448	687	1,034
Future	125	192	-
	573	879	1,034
Net income for the period	845	1,293	1,416
Net income per share (note 4)			
Basic	0.05	0.08	0.08
Diluted	0.05	0.08	0.08
Weighted average basic number of shares outstanding	17,155,818	17,155,818	16,867,427

CE Franklin Ltd.
Interim Consolidated Balance Sheets

	June 30, 2001 U.S. \$ (unaudited) (in thousands of dollars)	June 30, 2001 Cdn. \$ (unaudited)	December 31, 2000 Cdn. \$
ASSETS			
Current assets			
Accounts receivable	32,484	49,779	63,805
Inventories	42,618	65,308	64,815
Income taxes recoverable	-	-	4,094
Other	564	865	2,337
	75,666	115,952	135,051
Capital assets			
Goodwill	12,564	19,253	19,523
Other assets	7,119	10,909	11,066
	334	512	512
	95,683	146,626	166,152
LIABILITIES			
Current liabilities			
Bank overdraft	2,073	3,176	5,929
Bank operating loan	25,581	39,200	48,000
Accounts payable	14,803	22,686	41,395
Accrued liabilities	17,429	26,709	17,900
Current portion of long-term debt	164	251	322
	60,050	92,022	113,546
Long-term debt	486	744	280
Future income taxes	2,107	3,229	3,037
	62,643	95,995	116,863
SHAREHOLDERS' EQUITY			
Capital stock	12,520	19,186	19,137
Contributed surplus	8,853	13,566	13,566
Retained earnings	11,667	17,879	16,586

	33,040	50,631	49,289
	95,683	146,626	166,152

CE Franklin Ltd.
Interim Consolidated Statements of Cash Flows
(Unaudited)

Three Months Ended June 30 (in thousands of dollars)	2001 U.S. \$ (note 3)	2001 Cdn. \$	2000 Cdn. \$
Cash flows from operating activities			
Net income for the period	28	43	122
Items not affecting cash -			
Depreciation and amortization	799	1,225	1,071
Future income taxes	(103)	(158)	-
Increase of inventory reserves	156	239	89
	880	1,349	1,282
Net change in non-cash working capital balances related to operations -			
Accounts receivable	11,348	17,390	10,900
Income taxes recoverable	-	-	27
Inventories	901	1,380	(6,148)
Other current assets	(333)	(511)	(282)
Accounts payable	(12,278)	(18,815)	(861)
Accrued liabilities	3,300	5,057	2,772
	3,818	5,850	7,690
Cash flows from financing activities			
Issuance of shares	-	-	735
Increase (decrease) in bank operating loan	(3,002)	(4,600)	3,800
Increase (decrease) in bank overdraft	(76)	(116)	(10,503)
Decrease in long-term debt	(42)	(65)	(75)
	(3,120)	(4,781)	(6,043)
Cash flows from investing activities			
Purchase of capital assets	(698)	(1,069)	(1,647)
	(698)	(1,069)	(1,647)
Change in cash and cash equivalents during the period			
Cash and cash equivalents - Beginning of period	-	-	-
Cash and cash equivalents - End of period	-	-	-
Cash paid during the period for:			
Interest on bank operating loan	474	726	840
Interest on long-term debt	11	17	15
Income taxes	110	168	298

CE Franklin Ltd.
Interim Consolidated Statements of Cash Flows
(Unaudited)

Six Months Ended June 30 (in thousands of dollars)	2001 U.S. \$ (note 3)	2001 Cdn. \$	2000 Cdn. \$
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Cash flows from operating activities			
Net income for the period	845	1,293	1,416
Items not affecting cash -			
Depreciation and amortization	1,573	2,411	2,125
Loss (gain) on disposal of capital assets	(26)	(40)	37
Future income taxes	125	192	-
Increase of inventory reserves	414	634	406
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	2,931	4,490	3,984
Net change in non-cash working capital balances related to operations -			
Accounts receivable	9,153	14,026	1,980
Income taxes recoverable	2,672	4,094	1,109
Inventories	(735)	(1,127)	(11,209)
Other current assets	961	1,472	(527)
Accounts payable	(12,209)	(18,709)	11,703
Accrued liabilities	5,748	8,809	(5,918)
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	8,521	13,055	1,122
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Cash flows from financing activities			
Issuance of shares	32	49	934
Increase (decrease) in bank operating loan	(5,743)	(8,800)	7,900
Decrease in bank overdraft	(1,797)	(2,753)	(7,350)
Decrease in long-term debt	(96)	(147)	(150)
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	(7,604)	(11,651)	1,334
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Cash flows from investing activities			
Purchase of capital assets	(1,010)	(1,547)	(2,526)
Proceeds on disposal of capital assets	93	143	70
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	(917)	(1,404)	(2,456)
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Change in cash and cash equivalents during the period			
	-	-	-
Cash and cash equivalents - Beginning of period	-	-	-
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Cash and cash equivalents - End of period	-	-	-
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Cash paid during the period for:			
Interest on bank operating loan	1,061	1,626	1,666
Interest on long-term debt	17	26	29
Income taxes	547	838	298
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CE Franklin Ltd.
Interim Consolidated Statements of Changes in Shareholders' Equity
(Unaudited)

(in thousands of dollars)	Capital Stock		Contributed surplus Cdn. \$	Retained earnings Cdn. \$	Shareholders' equity Cdn. \$
	Number of Shares	Cdn. \$			
Balance - December 31, 1999	16,725,961	17,709	13,566	15,086	46,361
Issue of shares for cash	6,580	25	-	-	25
Stock options exercised	326,213	909	-	-	909
Net income	-	-	-	1,416	1,416
Balance - June 30, 2000	17,058,754	18,643	13,566	16,502	48,711
Balance - December 31, 2000	17,149,153	19,137	13,566	16,586	49,289
Stock options exercised	8,938	49	-	-	49
Net income	-	-	-	1,293	1,293
Balance - June 30, 2001	17,158,091	19,186	13,566	17,879	50,631

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CE Franklin Ltd.
Notes to Consolidated Financial Statements (unaudited)

Note 1

These interim consolidated financial statements are prepared following accounting policies consistent with the company's consolidated financial statements for the years ended December 31, 2000 and 1999. These financial statements are in accordance with those in the United States, except as outlined in note 2.

The information presented as at June 30, 2001 and for the interim periods ended June 30, 2001 and 2000 is unaudited. These unaudited interim financial statements reflect all adjustments which are, in the opinion of management, necessary to a fair statement of the results for the interim periods presented; all such adjustments are of a normal recurring nature.

Note 2 - U.S. GAAP net income per share (Cdn. \$)

U.S. GAAP primary net income per share was \$.11 and diluted \$.10 for the six months ended June 30, 2001.

Net income for the period as determined in accordance with Canadian GAAP differs from that determined in accordance with U.S. GAAP, due principally to the recording of certain restructuring expenditures as goodwill, the realization of certain deferred tax benefits and the effect of changes in tax rates. Under U.S. GAAP, the restructuring expenditures and the changes in tax rates would have been recorded in the statement of operations and the benefit of the deferred tax assets would have been recorded as a reduction of goodwill.

During the three months ended June 30, 2001 both Canadian federal and Alberta tax rates received Royal Assent, thereby eliminating any differences between Canadian and U.S. GAAP. The effect on U.S. GAAP net income for the three months ended June 30, 2001 was an increase of \$539,000 and for the six months ended June 30, 2001 was an increase of \$649,000.

Note 3 - United States dollar amounts

The financial statements presented herein are expressed in Canadian dollars, and, solely for the convenience of the reader, have been translated into United States dollars for the quarter ended June 30, 2001 at the rate of Cdn. \$1.5324 equals U.S. \$1.00, the prevailing rate on June 30, 2001. This translation should not be construed as a representation that the Canadian dollar amounts shown could be so converted into U.S. dollars at Cdn. \$1.5324 equals U.S. \$1.00 or at any other rate.

Note 4 - Share data

At June 30, 2001 the company had 17,158,091 common shares and 1,171,098 options to acquire common shares outstanding. 542,597 of those options were currently vested and exercisable.

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CE Franklin Ltd.

Supplemental 2001 Information - Quarterly Financial Data
(Unaudited)

(IN MILLIONS OF CDN DOLLARS)	Q1	Q2	6 Months 2001
Sales			
General Supplies	68.3	53.5	121.8
Tubulars	46.7	29.6	76.3
CEF Technologies	5.2	5.7	10.9
Total Sales	120.2	88.9	209.1
Number of Oil Wells Drilled (excluding dry/service)			
	1,216	1,229	2,445
Number of Gas Wells Drilled (excluding dry/service)			
	2,002	3,448	5,450
Gross Profit			
General Supplies	10.0	8.7	18.7
% of Sales	14.7%	16.2%	15.3%
Tubulars	2.5	1.4	3.9
% of Sales	5.3%	4.8%	5.1%
CEF Technologies	1.6	1.7	3.4
% of Sales	31.7%	30.2%	30.9%
Total Gross Profit	14.1	11.8	26.0
% of Sales	11.8%	13.3%	12.4%
Selling, General & Administrative	10.0	9.7	19.8
% of Gross Profit	70.8%	82.5%	76.1%
Earnings before interest, tax, depreciation, amortization and other expenses (income)			
EBITDA	4.1	2.1	6.2

Net Income	1.3	0.0	1.3
% of Sales	1.0%	0.0%	0.6%

EPS			
Basic	0.07	0.00	0.08
Fully Diluted	0.07	0.00	0.08

Total Assets	164.7	146.6	146.6

Total Financed Debt	44.3	40.2	40.2

Total Capitalization (Average)			
Average Financed Debt	48.7	42.5	45.6
% to Total Capitalization	49.3%	45.6%	47.5%
Average Equity	50.1	50.6	50.4
% to Total Capitalization	50.7%	54.4%	52.5%
Total Capitalization	98.8	93.1	96.0

Current Assets % of Total Assets (Average)			
Average Current Assets	140.7	118.9	129.8
Average Total Assets	171.2	149.6	160.4
%	82.2%	79.5%	80.9%

Days Sales Outstanding (DSO) (1)			
Average Accounts Receivable - Trade	61.5	49.2	55.3
Sales - annualized	480.7	355.5	418.1
DSO	46.7	50.6	48.3

(1) (Average A/R/Sales)(x)365 days			

Bad Debt % to Accounts Receivable			
Bad Debt	0.2	0.2	0.4
Average Accounts Receivable - Trade	61.5	49.2	55.3
%	0.3%	0.4%	0.7%

Inventory Turns			
Cost of Sales	106.0	77.1	183.1
Cost of Sales - annualized	424.1	308.2	366.2
Average Inventory	68.1	64.9	66.5
Inventory Turns	6.2	4.7	5.5

Inventory Writeoff %			
Inventory Writeoffs	0.2	0.2	0.4
Average Inventory	68.1	64.9	66.5
%	0.2%	0.4%	0.6%

ROI (after tax) equals Return on Investment (2)			
Interest after tax	0.5	0.2	0.7
Interest after tax - annualized	1.8	0.8	1.3
Net Income - annualized	5.0	0.2	2.6

ROI (after tax) 6.9% 1.1% 4.1%

(2) Net Income + Interest After Tax

Average (Equity + Financed Debt)

ROE (after tax) equals Return on
Equity (3) 10.0% 0.3% 5.1%

(3) (Net Income/Average Equity)

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(CFT. CFK)

CO: CE Franklin Ltd.

ST: Alberta

IN: OIL

SU: ERN

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