

## **Robinson plc**

### **INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 JUNE 2008**

Robinson plc ("Robinson" or "the Group"; AIM: RBN), the custom manufacturer of plastic and paperboard packaging, announces its unaudited interim results for the six months ended 30 June 2008.

#### **Key features:**

- Paperboard revenues improved by £1m with both North America and UK gaining new business whilst Plastics revenues declined by £2m as expected
- Transfer of plastics division activities to Poland continues successfully
- Margins improved by 1.8% of revenues as a result of reduced manufacturing expenses, exiting low margin business and successfully passing on increased costs
- Improved underlying profit after tax of £20,000 (2007: profit £940,000, which included £1,091,000 exceptional gains)
- Interim dividend maintained at 1.5 pence per share

#### **Commenting on the results, Chairman, Richard Clothier said:**

*"Although this is a modest improvement in profits, the £1m increase in revenues in Paperboard and higher margins are encouraging for the Group. As usual, stronger revenues are expected in the second half, but margins will remain under pressure due to increasing input costs. Despite this, we expect further improvements in profits."*

#### **About Robinson**

Based in Chesterfield, with additional manufacturing facilities in Kirkby-in-Ashfield and Stanton Hill (Nottinghamshire) in Toronto (Canada) and in Lodz (Poland), Robinson currently employs around 400 people. It was formerly a family business, with its origins dating back some 165 years. Today the Group's main activities are in the manufacture and sale of injection moulded plastic and rigid paperboard packaging. Robinson operates primarily within the food, drink, confectionery, cosmetic and toiletry sectors, providing niche or custom manufacture to major players in the fast moving consumer goods market, such as Proctor & Gamble, Nestlé, Cadbury, Northern Foods, Masterfoods, Bakkavor, Unilever, Avon and Chivas. The Group also has a substantial property portfolio with significant development potential.

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# **CHAIRMAN'S STATEMENT**

**Six months ended 30 June 2008**

I am pleased to report a continued improvement in the underlying trading performance in the first six months of 2008. Despite an expected reduction in revenues and substantial input price increases, margins have improved by 1.8%. The underlying profit after tax of £20,000 showed a modest improvement (2007: profit £940,000, which included £1,091,000 exceptional gains).

The decline in revenues was in our plastics business and was due mainly to withdrawing from low margin activities in the UK and reduced demand arising from customers' delayed transfer of production to the Group's Polish factory. The 1.8% improvement in our margins was due to successfully passing on the increased costs, improved sales mix and reduced manufacturing expenses.

## **Plastics**

Revenues in the division decreased by nearly £2m in comparison with the first half of last year. However, revenues in Poland doubled as further business was transferred from the UK. Aside from this, revenue reductions in the UK mainly related to low margin contracts, which came to an end in 2007.

Plastic resin prices have increased by 12% in the first half compared with the average 2007 price. It is anticipated that these will increase further during the second half of the year. Electricity costs in the UK have increased by over 50% from April 2008 and are at a significant premium to those in Continental Europe. In addition to our efforts to improve efficiency, it remains an important task to continue to pass the impact of these increases onto our customers.

## **Paperboard**

Revenue in our Paperboard businesses showed a £1m improvement on the same period last year. Both our North American and UK based operations have gained new business.

## **Property**

The proposed sale of the Walton Works site for residential development in Chesterfield has stalled following the collapse in house building programmes in the UK. Since market conditions appear unlikely to improve in the near future it is intended to maximise income and minimise the ongoing costs of ownership of surplus properties. The objective remains to dispose of these sites in due course to optimise shareholder value.

## **Dividend**

The Board has approved an unchanged interim dividend of 1.5 pence per share. The dividend is payable on 1 October 2008 to shareholders registered on 29 August 2008.

## **Outlook**

The seasonality of our market normally results in stronger revenues in the second half of the year and we anticipate this will be the case in 2008. However, the increasing input costs will continue to place pressure on margins. The Group's establishment in Poland continues to provide the scope for profitable growth. Overall, we expect continued improvement in the profitability of the business.

**Richard Clothier**  
Chairman

20 August 2008  
**Robinson plc**

# Robinson plc

## Group Income Statement

For the six months ended 30 June 2008

		Unaudited six months to 30.06.08	Unaudited six months to 30.06.07	Audited year to 31.12.07
	Notes	£'000	£'000	£'000
<b>Revenue</b>		<b>11,303</b>	12,131	25,505
Cost of sales		<b>(9,809)</b>	(10,759)	(22,457)
<b>Gross profit</b>		<b>1,494</b>	1,372	3,048
Operating costs		<b>(1,691)</b>	(1,799)	(3,415)
<b>Operating loss before exceptional items</b>		<b>(197)</b>	(427)	(367)
Exceptional items	2	-	1,091	(197)
<b>Operating (loss)/profit after exceptional items</b>		<b>(197)</b>	664	(564)
Finance costs		<b>(144)</b>	(211)	(371)
Finance income in respect of pension fund		<b>468</b>	636	1,280
<b>Profit before taxation</b>		<b>127</b>	1,089	345
Taxation	3	<b>(107)</b>	(149)	(149)
<b>Profit after taxation</b>		<b>20</b>	940	196
Earnings per ordinary share (basic and diluted)	5	<b>0.1p</b>	5.9p	1.2p
<b>Group statement of recognised income and expense</b>				
Actuarial loss on retirement benefit obligations		<b>(103)</b>	(1,259)	(1,373)
Currency translation differences		-	80	537
<b>Net expense recognised directly in equity</b>		<b>(103)</b>	(1,179)	(836)
Profit for the period		<b>20</b>	940	196
<b>Total recognised expense for the period</b>		<b>(83)</b>	(239)	(640)

# Robinson plc

## Group Balance Sheet

at 30 June 2008

	Unaudited six months to 30.06.08 £'000	Unaudited six months to 30.06.07 £'000	Audited year to 31.12.07 £'000
<b>Non-current assets</b>			
Property, plant and equipment	14,341	15,425	14,350
Deferred taxation	365	236	365
Pension asset	7,281	6,334	7,281
	<u>21,987</u>	<u>21,995</u>	<u>21,996</u>
<b>Current assets</b>			
Inventories	2,108	2,341	1,680
Trade and other receivables	5,779	5,207	4,928
Cash and cash equivalents	391	290	301
	<u>8,278</u>	<u>7,838</u>	<u>6,909</u>
<b>Non-current assets held for sale</b>	<u>2,954</u>	<u>2,954</u>	<u>2,954</u>
<b>Total assets</b>	<u>33,219</u>	<u>32,787</u>	<u>31,859</u>
<b>Current liabilities</b>			
Trade and other payables	(5,826)	(5,923)	(5,914)
Bank overdraft	(4,788)	(4,617)	(3,620)
	<u>(10,614)</u>	<u>(10,540)</u>	<u>(9,534)</u>
<b>Non-current liabilities</b>			
Provisions for deferred taxation	(1,793)	(1,568)	(1,664)
Provisions for liabilities	(203)	(204)	(203)
	<u>(1,996)</u>	<u>(1,772)</u>	<u>(1,867)</u>
<b>Total liabilities</b>	<u>(12,610)</u>	<u>(12,312)</u>	<u>(11,401)</u>
<b>Net assets</b>	<u>20,609</u>	<u>20,475</u>	<u>20,458</u>
<b>Capital and reserves</b>			
Ordinary shares	80	80	80
Share premium	419	402	419
Other reserves	5,988	4,868	5,433
Profit and loss account	14,122	15,125	14,526
<b>Shareholders' funds</b>	<u>20,609</u>	<u>20,475</u>	<u>20,458</u>

# Robinson plc

## Group cash flow statement

For the six months ended 30 June 2008

	Unaudited six months to 30.06.08 £'000	Unaudited six months to 30.06.07 £'000	Audited year to 31.12.07 £'000
<b>Cash flows from operating activities</b>			
Profit after taxation	20	940	196
<b>Adjustments for:</b>			
Depreciation charges and write-down of fixed assets	868	1,027	1,983
Impairment of plant and equipment	-	-	796
Profit on disposal of land and buildings	-	(12)	(12)
Profit on disposal of non-current assets held for sale	-	(1,139)	(1,139)
(Profit)/loss on disposal of other plant and equipment	(2)	-	188
Decrease in provisions	-	(4)	(5)
Other finance income in respect of Pension Fund	(468)	(636)	(1,280)
Finance costs	144	211	371
Taxation charged	107	149	149
Non-cash items:			
Increase in net pension asset charged to operating profit	124	139	262
Cost of share options	24	46	47
Operating cash flows before movements in working capital	817	721	1,556
(Increase)/decrease in inventories	(428)	(310)	351
(Increase)/decrease in trade and other receivables	(657)	1,757	2,022
(Decrease) in trade and other payables	(88)	(796)	(866)
Cash generated by operations	(356)	1,372	3,063
UK corporation tax received	3	132	97
Interest paid	(144)	(211)	(295)
Net cash generated from operating activities	(497)	1,293	2,865
<b>Cash flows from investing activities</b>			
Sale of surplus properties	-	12	12
Sale of non-current assets	-	1,589	1,589
Acquisition of property, plant & equipment	(345)	(452)	(826)
Disposal of other tangible plant & equipment	8	40	42
Net cash (used in)/ generated from investing activities	(337)	1,189	817
<b>Cash flows from financing activities</b>			
Issue of share capital	-	-	17
Dividends paid	(244)	(244)	(453)
Net cash used in financing activities	(244)	(244)	(436)
<b>Net (decrease)/increase in cash and bank overdrafts</b>	<b>(1,078)</b>	<b>2,238</b>	<b>3,246</b>
Cash and bank overdrafts at 1 January	(3,319)	(6,565)	(6,565)
<b>Cash and bank overdrafts at end of period</b>	<b>(4,397)</b>	<b>(4,327)</b>	<b>(3,319)</b>
Cash	391	290	301
Overdraft	(4,788)	(4,617)	(3,620)
Cash and bank overdrafts at end of period	(4,397)	(4,327)	(3,319)

**1. Basis of preparation**

The interim report, for a six month period, which was approved by the directors on 20 August 2008, does not comprise full accounts within the meaning of the Companies Act 1985. The interim financial information is not audited.

The interim financial statements have been prepared in accordance with applicable accounting standards and under the historical cost convention except that they have been modified to include the valuation of certain financial assets and liabilities. The interim financial statements do not constitute statutory financial statements in accordance with section 435 of the Companies Act 2006. The full year figures are derived from the statutory accounts on which the auditors gave an unmodified report. The Group's statutory financial statements prepared under International Financial Reporting Standards (IFRS) have been filed with the Registrar of Companies. Certain comparative figures in the balance sheet and cash flow statement have been restated to reflect the adoption of IFRS.

**2. Exceptional items**

	<b>Unaudited six months to 30.06.08</b>	Unaudited six months to 30.06.07	Audited year to 31.12.07
	<b>£'000</b>	£'000	£'000
Profit on disposal of non-current assets held for sale	-	1,139	1,139
Profit on disposal of land and buildings	-	12	12
Redundancy	-	(60)	(263)
Impairment of plant and equipment	-	-	(796)
Loss on disposal of plant and equipment	-	-	(188)
Re-organisation costs	-	-	(101)
	<b>-</b>	<b>1,091</b>	<b>(197)</b>

**3. Taxation**

The taxation charge for the six months to 30 June 2008 has been calculated on the basis of the estimated effective tax rate on profits before tax for the year to 31 December 2008.

**4. Dividends**

	<b>Unaudited six months to 30.06.08</b>	Unaudited six months to 30.06.07	Audited year to 31.12.07
	<b>£'000</b>	£'000	£'000
Ordinary:			
Final	<b>244</b>	244	244
Interim	-	-	209
	<b>244</b>	244	453

**5. Earnings per share**

The calculation of earnings per ordinary share is based on the profit on ordinary activities after taxation (£20,000) divided by the weighted average number of shares in issue (15,943,501).

**6. Interim Report**

Further copies of the interim report are available from Robinson plc's Registered Office: Portland, Goyt Side Road, Chesterfield, S40 2PH or from its website at [www.r1son.co.uk](http://www.r1son.co.uk).