

ROBINSON

Packaging Innovation

26 March 2010

Robinson plc

PRELIMINARY RESULTS FOR THE YEAR ENDED 31 DECEMBER 2009

Robinson plc ("Robinson" or "the Group"; stock code: RBN), the custom manufacturer of plastic and paperboard packaging based in Chesterfield, announces its results for the year ended 31 December 2009.

Highlights:

- Profit before tax £0.7m (2008: £1.3m)
- Operating profit before exceptional items and depreciation £1.8m (2008: £2.2m)
- Revenue reduced by 9% to £23.4m (2008: £25.8m), mainly due to market weakness in the first half; revenues recovered in the second half
- Net borrowings decreased to £2.9m (2008: £3.7m)
- The Group's pension fund remains in a healthy surplus although the pension credit in the income statement has decreased by £0.7m
- The Board recommends an unchanged final dividend for the year of 1.75p per share

Commenting on the results, Chairman, Richard Clothier said:

"We are pleased to be able to report a recovery in our markets following destocking in the second quarter of 2009. Stronger revenues in the second half produced a net profit and positive cash flow for the year. The current year has started slowly, as it did last year, but we are confident that unless market conditions deteriorate significantly then we will be able to make further progress in 2010 and resume the growth that the company began to show in 2008."

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 350 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, Kraft, Northern Foods, Masterfoods, Bakkavor, Unilever, Avon and Reckitt Benckiser. The Group also has a substantial property portfolio with significant development potential.

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CHAIRMAN'S REPORT

After good progress in 2008, the outcome for 2009 was disappointing. A sharp drop in revenue occurred during the second quarter of the year as a consequence of our customers reacting to the general economic outlook by reducing their stockholding and, as a result, the first half was 15% below the same period in 2008.

I am pleased to report, however, that in the second half revenues recovered to only slightly below the previous year. In the face of a 9% drop in sales for the year as a whole, profit held up disproportionately well. Profit before tax for the year was £0.7m, a reduction from £1.3m in 2008 but it is important to point out that this includes a £0.7m lower notional pension finance credit and a negative swing of £0.7m due to exchange rate movements.

The compensating positive effects were a further improvement in gross margins and an underlying reduction in operating costs.

Revenue

Group revenue reduced by 9% on the previous year as a result of destocking and lower polymer prices. North American revenues fell by 49% due to several large cosmetics customers who were holding substantial stock overhang from 2008 and whose own sales, mainly in the toiletries sector, were very weak. Central European revenues increased by 29% (41% in local currency terms) as we benefited from the full year effect of business transferred from the UK together with new business gained.

Profitability

Profit before tax was £0.7m (2008: £1.3m). This result was influenced by the following significant factors:

- the gross margin improved from 18% to 20% of revenues. This is attributable to better management of the customer mix, lower direct costs (notably electricity and transport), and lower polymer prices
- an overhead cost reduction of £0.4m was offset by £0.7m currency exchange effect resulting in an operating cost increase of £0.3m
- the notional finance income in respect of the pension fund reduced by £0.7m to £0.4m as a consequence of moving the fund from equities to bonds during 2008
- exceptional profits on the sale of property of £0.2m were offset by redundancy costs incurred at Chesterfield and Kirkby

Cash & Finances

Capital expenditure on new plant and machinery of £0.8m (2008: £1.0m) was low in relation to the depreciation charge of £1.5m (2008: £1.6m). The sale of surplus properties yielded £0.4m whilst working capital levels remained constant resulting in positive cash flows which enabled a reduction in net borrowings from £3.7m to £2.8m.

CHAIRMAN'S REPORT - continued

Dividends

The interim dividend was cut from 1.5p to 1.0p per share following the announcement of the first half results. At that stage the Board was mindful of the need to conserve cash given the sudden drop in sales and the considerable uncertainty as to the future economic climate. However, with an improvement in our recent performance, the Board proposes an unchanged final dividend of 1.75p per share to be paid on 7 June 2010 to shareholders on the register at the close of business on 21 May 2010.

Outlook

So far this year market conditions have been stable for most of our customers. We are conscious of the possible effects of the economy and Government policy on our costs and on consumer demand but as the Group is mainly exposed to the food, drink and toiletry sectors we do not expect our sector to be greatly affected. Our progress so far is in line with the Board's expectations, including significantly improved revenues in Europe.

The Board is reviewing the strategic importance and viability of its North American operation in Toronto and is seeking ways of strengthening its European business. We expect the Central European business based in Poland to show further growth in 2010.

Richard Clothier

Chairman

25 March 2010

Group income statement

FOR THE YEAR ENDED 31 DECEMBER

	2009 £'000	2008 £'000
Revenue	23,425	25,838
Cost of sales	(18,709)	(21,120)
Gross profit	4,716	4,718
Operating costs before exceptional items	(4,410)	(4,153)
Operating profit before exceptional items	306	565
Exceptional items	66	15
Operating profit after exceptional items	372	580
Finance costs - bank interest payable	(92)	(280)
Finance income in respect of pension fund	374	1,047
Profit before taxation	654	1,347
Taxation	(230)	(438)
Profit after taxation	424	909
Earnings per share		
Profit per ordinary share (basic and diluted)	2.7p	5.7p

All activities of the Group are continuing.

Statement of comprehensive income

FOR THE YEAR ENDED 31 DECEMBER

	2009 £'000	2008 £'000
Profit for the year	424	909
Other comprehensive income		
Actuarial gain/(loss) on retirement benefit obligations	69	(1,239)
Currency translation (loss)/gain	(182)	437
Taxation relating to actuarial gain/(loss)	(20)	347
Other comprehensive income for the year	(133)	(455)
Total comprehensive income for the year attributable to the parent's shareholders	291	454

Statement of financial position

AS AT 31 DECEMBER

	Group		Company	
	2009 £'000	2008 £'000	2009 £'000	2008 £'000
Non-current assets				
Property, plant and equipment	13,237	14,110	756	818
Investments in subsidiaries	-	-	21,861	21,833
Deferred tax asset	344	197	-	-
Pension asset	6,996	6,808	6,996	6,808
	20,577	21,115	29,613	29,459
Current assets				
Inventories	1,535	1,740	-	-
Trade and other receivables	5,708	7,013	1,373	2,383
Cash	334	475	1,236	54
	7,577	9,228	2,609	2,437
Non-current assets held for sale	2,782	2,954	-	172
	30,936	33,297	32,222	32,068
Current liabilities				
Trade and other payables	(5,341)	(6,883)	(6,630)	(6,358)
Corporation tax payable	(218)	(140)	(12)	(45)
Borrowings	(1,897)	(2,882)	(408)	(642)
	(7,456)	(9,905)	(7,050)	(7,045)
Non-current liabilities				
Borrowings	(1,290)	(1,312)	(1,290)	(1,312)
Deferred tax liabilities	(1,578)	(1,403)	(1,511)	(1,500)
Amounts due to group undertakings	-	-	(4,175)	(4,175)
Provisions	(194)	(199)	(194)	(199)
	(3,062)	(2,914)	(7,170)	(7,186)
Total liabilities	(10,518)	(12,819)	(14,220)	(14,231)
Net assets	20,418	20,478	18,002	17,837
Equity				
Share capital	80	80	80	80
Share premium	419	419	419	419
Capital redemption reserve	216	216	216	216
Translation reserve	947	1,129	-	-
Revaluation reserve	4,461	4,361	576	502
Retained earnings	14,295	14,273	16,711	16,620
Equity attributable to shareholders	20,418	20,478	18,002	17,837

Statement of changes in equity

FOR THE YEAR ENDED 31 DECEMBER

	Share capital £'000	Share premium account £'000	Capital redemption reserve fund £'000	Translation reserve £'000	Revaluation reserve £'000	Retained earnings £'000	Total £'000
Group							
At 1 January 2008	80	419	216	692	4,525	14,526	20,458
Profit for the year						909	909
Other comprehensive income/(expense)				437		(892)	(455)
Total comprehensive income for the year				437		17	454
Transfer to revaluation reserves as a result of property transactions					41	(41)	
Tax on revaluation					(205)	221	16
Credit in respect of share based payments						3	3
Dividends paid						(453)	(453)
At 31 December 2008	80	419	216	1,129	4,361	14,273	20,478
Profit for the year						424	424
Other comprehensive (expense)/income				(182)		49	(133)
Total comprehensive income for the year				(182)		473	291
Transfer to revaluation reserves as a result of property transactions					99	(99)	
Tax on revaluation					1		1
Credit in respect of share based payments						32	32
Dividends paid						(384)	(384)
At 31 December 2009	80	419	216	947	4,461	14,295	20,418
Company							
At 1 January 2008	80	419	216		523	16,262	17,500
Profit for the year						1,679	1,679
Other comprehensive expense						(892)	(892)
Total comprehensive income for the year						787	787
Release of revaluation reserves as a result of property transactions					(5)	5	
Tax on revaluation					(16)	16	
Credit in respect of share based payments						3	3
Dividends paid						(453)	(453)
At 31 December 2008	80	419	216		502	16,620	17,837
Profit for the year						467	467
Other comprehensive income						49	49
Total comprehensive expense for the year						516	516
Transfer to revaluation reserves as a result of property transactions					73	(73)	
Tax on revaluation					1		1
Credit in respect of share based payments						32	32
Dividends paid						(384)	(384)
At 31 December 2009	80	419	216		576	16,711	18,002

Statement of cash flows

FOR THE YEAR ENDED 31 DECEMBER

	Group		Company	
	2009	2008	2009	2008
	£'000	£'000	£'000	£'000
Cash flows from operating activities				
Profit after taxation	424	909	467	1,679
Adjustments for:				
Depreciation of property, plant and equipment	1,477	1,649	45	49
Profit on disposal of land and buildings	(44)	(15)	(44)	(15)
Profit on disposal of non-current assets held for sale	(176)		(178)	
Profit on disposal of other plant and equipment		(18)		(11)
Decrease in provisions	(5)	(4)	(5)	(4)
Other finance income in respect of Pension Fund	(374)	(1,047)	(374)	(1,047)
Finance costs	92	280		
Finance income			(119)	(210)
Taxation charged	230	438	16	172
Other non-cash items:				
Pension current service cost	255	281	255	281
Charge for share options	32	3	32	3
Operating cash flows before movements in working capital	1,911	2,476	95	897
Decrease/(increase) in inventories	205	(60)		
Decrease/(increase) in trade and other receivables	1,323	(2,150)	982	(1,172)
(Decrease)/increase in trade and other payables	(1,476)	968	338	(492)
Cash generated by operations	1,963	1,234	1,415	(767)
UK corporation tax received				4
UK corporation tax paid	(143)	(69)	(57)	
Interest paid	(158)	(238)		
Interest received			53	252
Net cash generated from/(used in) operating activities	1,662	927	1,411	(511)
Cash flows from investing activities				
Sale of surplus properties	67	15	64	15
Sale of non-current assets	348		350	
Acquisition of property, plant & equipment	(841)	(964)	(3)	(36)
Sale of other plant and equipment	14	75		11
Net cash (used in)/generated from investing activities	(412)	(874)	411	(10)
Cash flows from financing activities				
Loans received	415	1,675	415	1,675
Loans repaid	(336)	(56)	(336)	(56)
Dividends paid	(384)	(453)	(384)	(453)
Net cash (used in)/generated from financing activities	(305)	1,166	(305)	1,166
Net increase in cash and cash equivalents	945	1,219	1,517	645
Cash and cash equivalents at 1 January	(2,100)	(3,319)	(281)	(926)
Cash and cash equivalents at 31 December	(1,155)	(2,100)	1,236	(281)
Cash	334	475	1,236	54
Overdraft	(1,489)	(2,575)		(335)
Cash and cash equivalents at 31 December	(1,155)	(2,100)	1,236	(281)

Notes to the financial statements

1. Basis of preparation

The consolidated and Company financial statements have been prepared under International Financial Reporting Standards (IFRS) as adopted by the European Union. All standards and interpretations that have been issued and are effective at the 31 December 2009 have been applied in the financial statements. The financial statements have been prepared under the historical cost convention except for certain assets and liabilities which are held at fair value.

IAS 1 Presentation of Financial Statements (Revised 2007) requires presentation of a comparative balance sheet as at the beginning of the first comparative period, in some circumstances. Management considers that this is not necessary this year because the 2007 balance sheet is the same as that previously published.

2. Publication of non-statutory financial statements

The statutory financial statements for the year ended 31 December 2009 are expected to be posted to shareholders in due course and will be delivered to the Registrar of Companies after they have been laid before the Company at the Annual General Meeting planned for 13 May 2010. Copies will also be available from Robinson plc's registered office: Portland, Goytside Road, Chesterfield, S40 2PH and on the Group's website at www.robinsonpackaging.com

The auditor has reported on those financial statements; their reports were unqualified and did not contain statements under the Companies Act 2006, section 498 (2) or (3).

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