

ROBINSON

Packaging Innovation

3 April 2009

Robinson plc

PRELIMINARY RESULTS FOR THE YEAR ENDED 31 DECEMBER 2008

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 2008.

Highlights:

- The operating result before exceptional items increased by £0.9m to £0.6m.
- The profit before tax increased by £1m to £1.3m, whilst revenues increased by 1% to £25.8m (2007: £25.5m).
- The net borrowings of the Group increased from £3.3m to £3.7m during the year. Capital expenditure was £1.0m and working capital increased by £1.0m.
- The Group's pension fund remains in surplus.
- The Board will be recommending an unchanged final dividend for the year of 1.75p per share (2007 final: 1.75p).

Commenting on the results, Chairman, Richard Clothier said:

"We are pleased to report improved profits despite the difficult market conditions. Higher input costs have been passed on and margins have benefited from the rationalisation of overheads in 2007. Our primary sectors, food, drink and toiletries have not yet experienced a significant downturn in activity but our continued growth in 2009 will depend on whether the recession does begin to affect our customers."

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 Company's main activities are in the manufacture and sale of injection moulded plastic packaging and rigid paper 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 Procter & Gamble, Nestle, Cadbury, Kraft, Unilever, Masterfoods, Premier, Avon, Northern Foods and Chivas. The Company also has a substantial property portfolio with significant development potential when market conditions improve.

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CHAIRMAN'S REPORT

I am pleased to report a further improvement in profit, particularly since this arises from operations rather than property transactions and pension fund valuations. This has been achieved through cost reduction initiatives, new contracts and increased selling prices. Polymer prices and energy costs have been higher in the UK than in most Central European countries and UK manufacturers continue to face stiff competition from imports. Our customers have continued to relocate manufacturing to Central Europe to take advantage of lower costs and while this has a beneficial impact on our Polish business, filling the void left at our UK plants has remained a challenge.

Revenue

Total revenue in 2008 was £0.3m higher than in the previous year. This was driven by higher selling prices, recouping increased input costs and also by favourable exchange rates. Overseas operations increased revenues by 89% to £6m. Part of this increase was attributable to the continued migration of business from the UK to Central Europe and as a result UK revenues decreased by 11%. Underlying overall volumes fell by 4%, mainly as a result of the loss of some low margin business at the end of 2007.

Profitability

The profit before tax was £1.3m (2007: £0.3m) and the operating profit improved by £1.1m. Margins benefited from the rationalisation of UK production costs at the end of 2007. Furthermore increases in input costs, particularly polymer and energy costs, were successfully passed on to customers. The resultant gross margin recovered from 12% in 2007 to 16% in 2008.

Cash & Finances

Working capital increased by £1.0m after a significant reduction the previous year. The increase primarily related to higher sales leading up to the year end and slower debt collection, driven in part by the economic climate. The acquisition of fixed assets amounted to £1.0m compared to a depreciation charge of £1.6m. As a result bank borrowings increased from £3.3m to £3.7m during the year, including a new five year term loan of £1.7m.

Dividends

The Board is recommending an unchanged final dividend of 1.75p per share (2007 final: 1.75p) to be paid on 4 June 2009 to shareholders on the register at the close of business on 22 May 2009.

Pensions

The latest annual valuation of the pension fund at the end of 2008 assessed the liabilities at £37m and assets with a market value of £46m leaving a surplus of £9m (2007: £11m). During the year the proportion of assets invested in cash, gilts and bonds was increased from 40% to 79%. This change was completed in November.

Property

The proposed sale of the surplus land at Walton Works for residential development has become unlikely in the short term following the collapse of the housing market in the UK. It remains our objective to dispose of this and other sites to optimise shareholder value as and when market conditions recover.

Group Development and Outlook

In this rather mature industry change for the better has been hard won. However, the signs of progress are accumulating and we are hopeful that our customers and markets will remain relatively unaffected by the current economic conditions. This of course will depend somewhat on the length and depth of the general recession. The Board is very much focused on improving the quality and scale of the business and carefully chosen acquisitions at the

right price will be part of this process. Strengthening of senior management in 2008 included the appointment of a new general manager for the UK Paperboard operation and product development and innovation remains a priority.

Progress so far in 2009 is in line with the Board's expectations.

Richard Clothier

Chairman

2 April 2009

GROUP INCOME STATEMENT
FOR THE YEAR ENDED 31 DECEMBER

	2008 £'000	2007 £'000
Revenue	25,838	25,505
Cost of sales	(21,762)	(22,457)
Gross profit	4,076	3,048
Operating costs before exceptional items	(3,511)	(3,415)
Operating profit/(loss) before exceptional items	565	(367)
Exceptional items	15	(197)
Operating profit/(loss) after exceptional items	580	(564)
Finance costs	(280)	(371)
Finance income in respect of pension fund	1,047	1,280
Profit before taxation	1,347	345
Taxation	(438)	(149)
Profit after taxation	909	196
Profit per ordinary share (basic and diluted)	5.7p	1.2p

All amounts relate to continuing operations

STATEMENT OF RECOGNISED INCOME AND EXPENSE
FOR THE YEAR ENDED 31 DECEMBER

Actuarial loss on retirement benefit obligations	(1,239)	(1,373)
Taxation relating to actuarial loss	347	537
Currency translation gain	437	510
Net expense recognised directly in equity	(455)	(326)
Profit for the period	909	196
Total recognised income/(expense) for the period	454	(130)

GROUP BALANCE SHEET
 AS AT 31 DECEMBER

	2008 £'000	2007 £'000
Non-current assets		
Property, plant and equipment	14,110	14,350
Deferred tax asset	197	365
Pension asset	6,808	7,281
	21,115	21,996
Current assets		
Inventories	1,740	1,680
Trade and other receivables	7,013	4,928
Cash	475	301
	9,228	6,909
Non-current assets held for sale	2,954	2,954
Total assets	33,297	31,859
Current liabilities		
Trade and other payables	(7,023)	(5,914)
Borrowings	(2,882)	(3,620)
	(9,905)	(9,534)
Non-current liabilities		
Borrowings	(1,312)	-
Deferred tax liabilities	(1,403)	(1,664)
Provisions for liabilities	(199)	(203)
	(2,914)	(1,867)
Total liabilities	(12,819)	(11,401)
Net assets	20,478	20,458
Equity		
Ordinary shares	80	80
Share premium	419	419
Capital redemption reserve	216	216
Translation reserve	1,129	692
Revaluation reserve	4,361	4,525
Retained earnings	14,273	14,526
Equity attributable to shareholders	20,478	20,458

GROUP CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 DECEMBER

	2008	2007
	£'000	£'000
Cash flows from operating activities		
Profit after taxation	909	196
Adjustments for:		
Depreciation of property, plant and equipment	1,649	1,983
Impairment of plant and equipment	-	796
Profit on disposal of land and buildings	(15)	(12)
Profit on disposal of non-current assets held for sale	-	(1,139)
Loss/(profit) on disposal of other plant and equipment	(18)	188
Decrease in provisions	(4)	(5)
Other finance income in respect of Pension Fund	(1,047)	(1,280)
Finance costs	280	371
Finance income	-	-
Taxation charged	438	149
Other non-cash items:		
Pension current service cost	281	262
Cost of share options	3	47
Operating cash flows before movements in working capital	2,476	1,556
(Increase)/decrease in inventories	(60)	351
(Increase)/decrease in trade and other receivables	(2,150)	2,022
Increase/(decrease) in trade and other payables	968	(866)
Cash generated by operations	1,234	3,063
UK corporation tax received	-	97
UK corporation tax paid	(69)	-
Interest paid	(238)	(295)
Interest received	-	-
Net cash generated from operating activities	927	2,865
Cash flows from investing activities		
Sale of surplus properties	15	12
Sale of non-current assets	-	1,589
Acquisition of property, plant & equipment	(964)	(826)
Sale of other plant and equipment	75	42
Net cash (used in)/generated from investing activities	(874)	817
Cash flows from financing activities		
Issue of share capital	-	17
Loans received	1,675	-
Loans repaid	(56)	-
Dividends paid	(453)	(453)
Net cash generated from/(used in) financing activities	1,166	(436)
Net decrease in cash and bank overdrafts	1,219	3,246
Cash and bank overdrafts at 1 January	(3,319)	(6,565)
Cash and bank overdrafts at 31 December	(2,100)	(3,319)
Cash	475	301
Overdraft	(2,575)	(3,620)
Cash and bank overdrafts at 31 December	(2,100)	(3,319)

Notes to the financial statements

1. Basis of preparation

The consolidated 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 effective at the balance sheet date have been applied in the accounts. The financial statements have been prepared under the historical cost convention, except that they have been modified to include the valuation of certain financial assets and liabilities.

2. Publication of non-statutory financial statements

The financial information set out in this preliminary announcement does not constitute statutory financial statements as defined in section 240 of the Companies Act 1985.

The statutory financial statements for the year ended 31 December 2008 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 14 May 2009. 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

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