

14 March 2008

Robinson plc

PRELIMINARY RESULTS FOR THE YEAR ENDED 31 DECEMBER 2007

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 2007.

Highlights:

- Revenue in the year reduced by 12% to £25.5m (2006: £29.0m).
- The loss of the gravy granule can business at the end of 2006 accounted for the majority of the reduction in revenue (£3.1m).
- The Group's operating profit before exceptional items and depreciation was £1.6m (2006: £0.9m), as margins improved, despite the lower revenues.
- Exceptional costs relating mainly to the restructuring of our UK Plastic packaging operations amounted to £1.3m.
- There was an exceptional profit on the sale of surplus properties of £1.1m.
- The net borrowings of the Group decreased from £6.6m to £3.3m during the year, including proceeds of £1.6m from the sale of surplus properties.
- The Group's pension fund remains in a healthy position and the notional interest credit in the income statement (required by the financial reporting standards) was £1.3m (2006: £1.1m).
- The profit before tax was £0.3m (2006: loss £1.2m).
- The Board will be recommending an unchanged final dividend for the year of 1.75p per share (2006 final: 1.75p).

Commenting on the results, Chairman, Richard Clothier stated:

"Robinson has responded to a challenging year in 2007 with some significant restructuring of the business and its management. We are pleased to report improved margins and a return to profits with an expectation of further progress 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 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. Adam Formela was appointed Chief Executive in February 2007 taking over from Jon Marx who retired from the business at the end of 2007.

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CHAIRMAN'S REPORT

After successive years of rising input costs in a highly competitive market, we are pleased to report a recovery in our margins and despite a 12% reduction in revenue the operating performance has significantly improved. This has been achieved through increasing selling prices and by cost reduction initiatives. UK manufacturers continue to face stiff competition from foreign imports and polymer costs and energy costs are higher in the UK than in most Central European countries. We continue to see our customers relocating manufacturing to Central Europe to take advantage of lower costs and this will continue to have a beneficial impact on our Polish manufacturing plant. Conversely, filling the void left by this migration at our UK plants has been challenging and we fell short of our target to maintain the status quo in 2007.

Revenue

Total revenue in 2007 was £3.5m lower than in the previous year. The reduction was mainly attributable to the loss of the gravy granule can business at Robinson Paperboard UK, which accounted for £3.1m of revenue in 2006. Revenue benefited from the full year effect of the May 2006 Stanton Hill acquisition and our newly established Polish manufacturing business saw revenue nearly double to £1.6m. Revenue at our Kirkby plant was insufficient to replace the business transferred to Poland and we also lost some contracts including the Pringles overcap business to a single source supply agreement in Europe.

Profitability

The profit before tax of £0.3m (2006: loss £1.2m), includes £1.3m exceptional reorganisation costs offset by a £1.1m profit on sale of surplus properties. It also includes a notional interest credit in respect of the surplus in the Pension Fund of £1.3m (2006: £1.1m).

Increases in input costs, particularly polymer and energy costs were passed on to our customers, with the result that the gross margin recovered from 9.0% in 2006 to 12.0% in 2007. Operating costs (fixed overheads) reduced by 6% and as a result the operating loss was reduced despite the reduction in revenue.

Cash & Finances

Our bank borrowings decreased from £6.6m to £3.3m during the year. The underlying operations were cash positive, working capital was substantially reduced and the proceeds from the sale of surplus property brought in £1.6m. We invested £0.8m on the acquisition of fixed assets compared to a depreciation charge of £2m. The main investments were in expanding the plastics plant in Poland.

Dividends

The Board considers that despite the poor earnings of the past two years, the cash position and outlook for 2008 supports a final dividend of 1.75p per share (2006 final: 1.75p) which will be paid on 6 June 2008 to shareholders on the register at the close of business on 9 May 2008.

Pensions

Our pension fund remains in a healthy position. The latest actuarial valuation at 5 April 2005 indicated a surplus of 8%. The latest annual valuation at the end of 2007 indicates the fund has assets with a market value of £53m and liabilities of £42m giving a surplus of £11m in the fund (2006: £11m). During the year the proportion of assets invested in equities was reduced from 72% to 54%. At the end of 2007, the Group had paid over contributions

amounting to £1.2m into an escrow account which may be paid to the pension fund, returned to the Group or remain in situ depending on the outcome of the actuarial valuation of the fund due in April 2008.

Property

The planning application for residential development of Walton Works (7.6 acres) was refused in October 2007 and it is planned to re-submit a revised application in due course. This re-submission has been delayed by the discovery of adverse conditions in the listed building which the planning authority and English Heritage now want investigated further. We expect these investigations to be complete in the next few months and hope to be in a position to complete the sale of this site later in 2008.

Group Development and Outlook

There has been significant change in management during 2007. In February Adam Formela joined as Chief Executive replacing Jon Marx who retired as a director in December. I would like to thank Jon for his considerable contribution to the re-shaping of the Group.

The senior management responsible for the divisions have been substantially changed. The Board is very much focused on improving the quality and scale of the business and selective acquisitions at the right price will be part of this process. Product development and innovation remains a priority.

The outlook for 2008 remains difficult with further increases in input costs. Much is being done to offset these effects and build on the Group's strengths. We expect to see continued emphasis in the market to reduce packaging waste and are working with a number of customers to achieve their objectives through lightweighting, recyclability and innovative design. Progress to date in 2008 is in line with the Board's expectations.

Richard Clothier

Chairman

14 March 2008

**GROUP INCOME STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2007**

	Unaudited * 2007 £'000	Unaudited 2006 £'000
Revenue	25,505	28,978
Cost of sales	(22,457)	(26,371)
Gross profit	3,048	2,607
Operating costs before exceptional items	(3,415)	(3,620)
Operating loss before exceptional items	(367)	(1,013)
Exceptional items	(197)	(969)
Operating loss after exceptional items	(564)	(1,982)
Finance costs	(371)	(340)
Finance income in respect of pension fund	1,280	1,120
Profit/(loss) before taxation	345	(1,202)
Taxation	(149)	240
Profit/(loss) after taxation	196	(962)
Profit/(loss) per ordinary share (basic and diluted)	1.2p	(6.0p)

All amounts relate to continuing operations

**STATEMENT OF RECOGNISED INCOME AND EXPENSE
FOR THE YEAR ENDED 31 DECEMBER 2007**

Actuarial (loss)/gain on retirement benefit obligations	(1,373)	75
Taxation relating to actuarial gain/(loss)	537	(22)
Net (expense)/income recognised directly in equity	(836)	53
Profit/(loss) for the period	196	(962)
Total recognised expense for the period	(640)	(909)

* Our auditors, Grant Thornton UK LLP, have agreed to this preliminary announcement, although they have not yet finally approved and signed off the financial statements for the year ended 31 December 2007. The 2006 numbers have been restated under IFRS.

**GROUP BALANCE SHEET
AS AT 31 DECEMBER 2007**

	Unaudited 2007 £'000	Unaudited 2006 £'000
Non-current assets		
Property, plant and equipment	14,350	16,038
Deferred taxation	365	243
Pension asset	7,281	7,636
	21,996	23,917
Current assets		
Inventories	1,680	2,031
Trade and other receivables	4,928	6,950
Taxation recoverable	-	126
Cash	301	196
	6,909	9,303
Non-current assets held for sale	2,954	3,404
Total assets	31,859	36,624
Current liabilities		
Trade and other payables	(5,914)	(6,719)
Bank overdraft	(3,620)	(6,761)
	(9,534)	(13,480)
Non-current liabilities		
Provisions for deferred taxation	(1,664)	(1,959)
Provisions for liabilities	(203)	(208)
	(1,867)	(2,167)
Total liabilities	(11,401)	(15,647)
Net assets	20,458	20,977
Equity		
Ordinary shares	80	80
Share premium	419	402
Capital redemption reserve	216	216
Translation reserve	692	182
Revaluation reserve	4,525	4,972
Retained earnings	14,526	15,125
Equity attributable to shareholders	20,458	20,977

**GROUP CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2007**

	Unaudited 2007 £'000	Unaudited 2006 £'000
Cash flows from operating activities		
Profit/(loss) after taxation	196	(962)
Adjustments for:		
Depreciation of property, plant and equipment	1,983	1,924
Impairment of plant and equipment	796	317
Profit on disposal of land and buildings	(12)	(252)
Profit on disposal of non-current assets held for sale	(1,139)	-
Loss/(profit) on sale of other plant and equipment	188	(19)
Impairment of acquired goodwill	-	79
Decrease in provisions	(5)	(43)
Other finance income in respect of Pension Fund	(1,280)	(1,120)
Finance costs	371	340
Taxation charged/(credited)	149	(240)
Non-cash items:		
Increase in net pension asset charged to operating profit	262	281
Cost of share options	47	79
Operating cash flows before movements in working capital	1,556	384
Decrease in inventories	351	173
Decrease in trade and other receivables	2,022	323
(Decrease)/increase in trade and other payables	(866)	602
Cash generated by operations	3,063	1,482
UK corporation tax received/(paid)	97	(211)
Interest paid	(295)	(322)
Net cash generated from operating activities	2,865	949
Cash flows from investing activities		
Sale of surplus properties	12	332
Sale of non-current assets	1,589	-
Acquisition of property, plant & equipment	(826)	(1,995)
Acquisition of business	-	(3,102)
Sale of other plant and equipment	42	46
Net cash generated from/(used in) investing activities	817	(4,719)
Cash flows from financing activities		
Issue of share capital	17	4
Dividends paid	(453)	(453)
Net cash used in financing activities	(436)	(449)
Net decrease/(increase) in cash and bank overdrafts	3,246	(4,219)
Cash and bank overdrafts at 1 January	(6,565)	(2,346)
Cash and bank overdraft at end of period	(3,319)	(6,565)
Cash	301	196
Overdraft	(3,620)	(6,761)
Cash and bank overdraft at end of period	(3,319)	(6,565)

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.

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 2007 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 1 May 2008. The auditors have not yet reported on the financial statements for the year ended 31 December 2007. 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.r1son.co.uk.