

FOR IMMEDIATE RELEASE

22 August 2007

**Robinson plc**  
**INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 JUNE 2007**

Robinson plc ("Robinson" or "the Group"; AIM: RBN), the custom manufacturer of paperboard and plastic packaging, has announced its unaudited interim results for the six months ended 30 June 2007.

**Key features:**

- Revenues increased 3% to £12.1million, thanks largely to the first full-year contribution from the Stanton Hill business, acquired in May 2006;
- Gross profit margins improved by over 1 percentage point as a result both of recouping raw material cost increases and operational efficiencies;
- Overall, Robinson swung from a pre-tax loss of £1.4million in 2006 to a pre-tax profit of £1.1 million in 2007, thanks to:
  - Exceptional income of £1.1million (vs. exceptional costs of £0.7million in 2006), due to profits on disposal of surplus property;
  - Improved operational performance; and
  - Reduced interest charges
- Interim dividend maintained at 1.5p per share
- These are the Group's first financial statements to be prepared according to International Financial Reporting Standards ("IFRS"). This has had a minimal impact on the Group P&L account but has reduced shareholders' funds by £1million due to full provisioning for deferred tax in the revaluation reserve.

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

*"Given the backdrop of sustained increases in raw material and energy costs, it is encouraging that we have been able to enhance the underlying profitability of the business, as well as reducing indebtedness, over the period."*

*"Our move to Poland is an example of our pre-emptive response to adverse market trends which should facilitate profitable growth for Robinson longer term. The surplus property portfolio continues to provide income and asset backing for the Group and will, in time, be used to reduce debt and provide funding for further expansion opportunities."*

**About Robinson**

Based in Chesterfield, and with additional manufacturing facilities in Kirkby-in-Ashfield and in Stanton Hill, Nottinghamshire, in Toronto, Canada, and in Lodz, Poland. Robinson currently employs over 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, Trebor Bassett, Masterfoods, Unilever, Avon and Chivas. The Group also has a substantial property portfolio with significant development potential.

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## **CHAIRMAN'S STATEMENT**

After a challenging year in 2006, I am pleased to report progress in improving the profitability of the underlying packaging businesses and a reduction in debt.

Revenue increased by 3% predominantly as a result of the full year effect of the Stanton Hill acquisition (May 2006) which has more than offset the downturn in the paperboard business. Gross margins have improved by 1 percentage point as we have sought to recover material price increases from our customers combined with cost reduction initiatives completed at the end of 2006.

The successful completion of the sale of one of our surplus properties has added £1.2million to the profit before tax.

Overall, the pre-tax result improved from a loss of £1.4million in the first half of 2006 to a profit of £1.1million in 2007. The major factors behind this swing were:

- The profit on sale of surplus property - £1.2million
- A reduction in exceptional costs - £0.6million
- Improved operating results - £0.6million
- Net reduced financing costs - £0.1million

Capital expenditure of £0.5 million decreased in comparison to 2006 levels but remained focused on the development of our plant in Poland. This, which was less than the £1million depreciation charge for the period, combined with the proceeds of the property sale, reduced the Group's net bank overdraft from £6.7million at the start of the year to £4.3million at the interim stage.

The low tax charge for the period reflects the fact that the capital gain on the sale of the surplus property has been offset by brought forward capital losses.

These are the first financial statements that the Group has prepared under the IFRS convention. Details of the impact of the transition are included in the notes attached. The effect on the profit and loss account is minor; however, shareholders' funds in the balance sheet have been reduced by £1million as a result of the full provision for deferred taxation on the revaluation of assets.

### **Plastics**

Revenue increased by £2million in comparison with the prior-year period mainly due to the acquisition of Stanton Hill in May 2006. The Stanton Hill business continues to perform well and has benefited from extended business that was due to transfer to our plant in Poland. Revenue for the Kirkby plastics business unit was 7% down on the previous half year as we have not yet replaced the business transferred from Kirkby to Poland in this period.

Plastic resin prices have increased by 24% in 2005, 15% in 2006 and by a further 12% to this half-year. It is anticipated that prices will remain high for the rest of the year. Electricity prices in the UK have fallen back slightly following an 83% increase in the past two years but remain at a significant premium to those in Central Europe. The lag in recovering margins continues to affect the results; however, some ground has been made up during the first half of this year.

### **Paperboard**

Revenue in the Paperboard businesses was £1.6million down on the same period last year. This is predominantly due to loss of the gravy granule tube business at the end of 2006. New business is being actively pursued for the Chesterfield plant and we remain confident of progress in the second half.

Sales at Paperboard North America were £360,000 below the first half of 2006. This has been due to a change in ownership of a major customer at the start of the year resulting in some interruption to the supply chain. The strong Canadian dollar relative to the weak US dollar continues to impact on our margins.

### **Property**

During the first half we completed the sale of land at Wheatbridge Mills for £1.6million. This resulted in a profit of £1.2million over book value. We remain at an advanced stage for the sale of Walton Works site (8 acres) which is vacant and this should complete, subject to planning, during the second half of 2007. Proceeds will be used to reduce debt.

### **Management**

Adam Formela took over as Chief Executive from Jon Marx in February this year. Jon has agreed to remain an executive director until at least the end of 2007, primarily to assist with the development of the Polish business.

### **Dividend**

The Board has approved an unchanged interim dividend of 1.5 pence per share. The dividend is payable on 1 October 2007 to shareholders registered on 31 August 2007.

### **Outlook**

Revenues are normally stronger in the second half for our business and we anticipate this will be the case in 2007. We continue to face challenges from the volatility in input costs, our customers move to manufacturing offshore and the need to innovate to improve our competitive position. Our move to Poland is an example of our pre-emptive response to adverse market trends which should facilitate profitable growth for Robinson longer term. The surplus property portfolio continues to provide income and asset backing for the Group and will, in time, be used to reduce debt and provide funding for further expansion opportunities.

**Richard Clothier**

Chairman  
Robinson plc

**21 August 2007**

**GROUP INCOME STATEMENT  
FOR THE SIX MONTHS ENDED 30 JUNE 2007**

	<i>Notes</i>	<b>Unaudited Six months to 30 June 2007 £'000</b>	Unaudited Six months to 30 June 2006 £'000	Unaudited Year ended 31 December 2006 £'000
<b>Revenue</b>		<b>12,131</b>	11,777	28,978
Cost of sales		<b>(10,759)</b>	(10,600)	(25,724)
<b>Gross profit</b>		<b>1,372</b>	1,177	3,254
Operating costs		<b>(1,799)</b>	(2,202)	(4,194)
<b>Operating loss before exceptional items</b>		<b>(427)</b>	(1,025)	(940)
Exceptional items	<b>3</b>	<b>1,091</b>	(661)	(1,104)
<b>Operating profit/(loss) after exceptional items</b>		<b>664</b>	(1,686)	(2,044)
Finance costs		<b>(211)</b>	(120)	(340)
Finance income in respect of pension fund		<b>636</b>	430	1,120
<b>Profit/(loss) before taxation</b>		<b>1,089</b>	(1,376)	(1,264)
Taxation	<b>4</b>	<b>(149)</b>	416	250
<b>Profit/(loss) after taxation</b>		<b>940</b>	(960)	(1,014)
Earnings/(loss) per ordinary share [basic and diluted (p)]	<b>6</b>	<b>11.8</b>	(6.1)	(6.4)

**GROUP STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES  
FOR THE SIX MONTHS ENDED 30 JUNE 2007**

	<b>Unaudited Six months to 30 June 2007 £'000</b>	Unaudited Six months to 30 June 2006 £'000	Unaudited Year ended 31 December 2006 £'000
Actuarial (loss)/gain on retirement benefit obligations	<b>(1,259)</b>	(188)	429
Currency translation differences	<b>80</b>	(119)	123
<b>Net (expense)/income recognised directly in equity</b>	<b>(1,179)</b>	(307)	552
<b>Profit/(loss) for the period</b>	<b>940</b>	(960)	(1,014)
<b>Total recognised expense for the period</b>	<b>(239)</b>	(1,267)	(462)

**GROUP BALANCE SHEET  
AS AT 30 JUNE 2007**

	<b>Unaudited Six months to 30 June 2007 £'000</b>	Unaudited Six months to 30 June 2006 £'000	Unaudited Year ended 31 December 2006 £'000
<b>Non-current assets</b>			
Property, plant and equipment	<b>17,129</b>	18,522	17,680
Intangible assets	-	-	-
Pension asset	<b>6,334</b>	6,800	7,636
	<b>23,463</b>	25,322	25,316
<b>Current assets</b>			
Inventories	<b>2,341</b>	3,144	2,031
Trade and other receivables	<b>5,207</b>	6,261	7,076
Deferred taxation	<b>619</b>	903	625
Cash and cash equivalents	<b>290</b>	40	196
	<b>8,457</b>	10,348	9,928
Non-current assets held for sale	<b>1,250</b>	1,700	1,700
<b>Total assets</b>	<b>33,170</b>	37,370	36,944
<b>Current liabilities</b>			
Trade and other payables	<b>(5,923)</b>	(7,143)	(6,719)
Bank overdraft	<b>(4,617)</b>	(6,871)	(6,761)
	<b>(10,540)</b>	(14,014)	(13,480)
<b>Non-current liabilities</b>			
Provision for deferred taxation	<b>(3,211)</b>	(3,534)	(3,602)
Provision for liabilities	<b>(204)</b>	(252)	(208)
	<b>(3,415)</b>	(3,786)	(3,810)
<b>Total liabilities</b>	<b>(13,955)</b>	(17,800)	(17,290)
<b>Net assets</b>	<b>19,215</b>	19,570	19,654
<b>Capital and reserves</b>			
Ordinary shares	<b>80</b>	80	80
Share premium account	<b>402</b>	398	402
Other reserves	<b>3,839</b>	4,267	4,185
Profit and loss account	<b>14,894</b>	14,825	14,987
<b>Shareholders' Funds</b>	<b>19,215</b>	19,570	19,654

**GROUP CASH FLOW STATEMENT  
FOR THE SIX MONTHS ENDED 30 JUNE 2007**

	<b>Unaudited Six months to 30 June 2007 £'000</b>	Unaudited Six months to 30 June 2006 £'000	Unaudited Year to 31 December 2006 £'000
<b>Cash flows from operating activities</b>			
Profit/(loss) after taxation	<b>940</b>	(960)	(1,014)
<b>Adjustments for:</b>			
Depreciation charges and write-down of fixed assets	<b>1,027</b>	965	1,986
Reversal of impairment of fixed assets	-	-	317
Profit on disposal of land and buildings	<b>(1,151)</b>	-	(252)
Profit on sale of other tangible assets	-	-	(19)
Impairment of acquired goodwill	-	155	79
Decrease in provisions	<b>(4)</b>	-	(44)
Other finance income in respect of Pension Fund	<b>(636)</b>	(430)	(1,120)
Finance costs	<b>211</b>	120	340
Taxation charged/(credited)	<b>149</b>	(416)	(250)
Non-cash items:			
- Increase in net pension asset charged to operating profit	<b>139</b>	120	440
- Cost of share options	<b>46</b>	39	79
Transfer to pension escrow account	-	-	(159)
Operating cash flows before movements in working capital	<b>721</b>	(407)	383
(Increase)/decrease in inventories	<b>(310)</b>	(940)	173
Decrease in trade and other receivables	<b>1,757</b>	794	242
(Decrease)/increase in trade and other payables	<b>(796)</b>	867	620
Cash generated by operations	<b>1,372</b>	314	1,418
UK Corporation tax received/(paid)	<b>132</b>	(2)	(129)
Interest paid	<b>(211)</b>	(58)	(340)
<b>Net cash generated from operating activities</b>	<b>1,293</b>	254	949
<b>Cash flows from investing activities</b>			
Sale of surplus properties	<b>1,601</b>	-	332
Acquisition of tangible fixed assets	<b>(452)</b>	(1,640)	(1,995)
Acquisition of business	-	(3,102)	(3,102)
Sale of other tangible fixed assets	<b>40</b>	247	46
Issue of share capital	-	-	4
Net cash generated from/(used in) investing activities	<b>1,189</b>	(4,495)	(4,715)
<b>Cash flows from financing activities</b>			
Dividends paid	<b>(244)</b>	(244)	(453)
Net cash used in financing activities	<b>(244)</b>	(244)	(453)
<b>Net decrease/(increase) in cash, cash equivalents and bank overdrafts</b>	<b>2,238</b>	(4,485)	(4,219)
Cash, cash equivalents and bank overdrafts at 1 January	<b>(6,565)</b>	(2,346)	(2,346)
<b>Cash, cash equivalents and bank overdrafts at end of period</b>	<b>(4,327)</b>	(6,831)	(6,565)

## Notes to the financial statements

### 1. Basis of preparation

The interim report, for a 26 week period, which was approved by the directors on 21 August 2007, does not comprise full accounts within the meaning of the Companies Act 1985. The interim financial information is not audited.

These interim financial statements adopt the recognition and measurement requirements of those Standards expected to be applied in the Group's first financial statements prepared under International Financial Reporting Standards ("IFRS"). The resulting accounting policies have been set out in note 8. A reconciliation of equity and profit under UK GAAP with equity and profit under IFRS is also presented in note 7.

Comparative figures for the year ended 31 December 2006 are based on the statutory accounts prepared under UK GAAP which have been filed with the Registrar of Companies and on which the auditors gave an unqualified report, as adjusted for the first time adoption of IFRS.

The financial information set out in this interim report does not constitute statutory accounts as defined in Section 240 of the Companies Act 1985. The Group's statutory financial statements for the year ended 31 December 2006, prepared under UK GAAP, have been filed with the Registrar of Companies. The auditors' report on those financial statements was unqualified and did not contain a statement under Section 237(2) of the Companies Act 1985.

### 2. Group Income Statement

The directors have re-assessed the allocation of costs between cost of sales and operating costs as a result of which prior year allocations have been re-stated on a consistent basis.

### 3. Exceptional items

	<b>Unaudited Six months to 30 June 2007 £'000</b>	Unaudited Six months to 30 June 2006 £'000	Unaudited Year to 31 December 2006 £'000
Sale of surplus properties	<b>1,151</b>	-	252
Redundancies	<b>(60)</b>	(154)	(465)
Reversal of impairment of fixed assets	-	-	(317)
Costs of setting up Polish manufacturing facility	-	(277)	(296)
Costs relating to acquisition of Stanton Hill business	-	(230)	(143)
Write-off of tooling costs	-	-	(135)
	<b>(1,091)</b>	(661)	(1,104)

### 4. Taxation

The taxation credit for the six months to 30 June 2007 has been calculated on the basis of the estimated effective tax rate on profits before tax for the year to 31 December 2007. The low taxation charge is due the utilisation of capital losses brought forward in respect of the property gain.

**5. Dividends**

	<b>Six months to 30 June 2007 £'000</b>	Six months to 30 June 2006 £'000	Year to 31 December 2006 £'000
Ordinary:			
Final	<b>244</b>	244	244
Interim	-	-	209
	<b>244</b>	244	453

**6. Earnings per share**

The calculation of earnings per ordinary share is based on the loss on ordinary activities after taxation (£940,000) divided by the weighted average number of shares in issue (15,923,501).

**7. First time adoption of IFRS**

The following changes have been made to the profit and loss account and balance sheet as a result of the adoption of IFRS:

**IAS 12 Income taxes**

Additional deferred tax has been provided on the revaluation of assets, which now constitutes a taxable temporary difference.

**IAS 19 Employee benefits**

The pension asset is now shown gross of deferred tax, which has been added back to the deferred tax balance.

**IAS 21 The effects of changes in foreign exchange rates**

The profit and loss accounts of the Group's foreign subsidiaries have been translated at the average rate of exchange ruling during the period rather than, as previously, the closing rate. Changes have also been made to reverse previous cumulative exchange adjustments.

The effect of the changes on profit, on equity and on the other elements of the Group's balance sheet at the opening balance sheet date for the comparative figures, 1 January 2006, 30 June 2006 and 31 December 2006 are as follows:

	Six months to 30 June 2006 £'000	Year to 31 December 2006 £'000
Loss after taxation under UK GAAP	(974)	(1,014)
IAS 12	-	28
IAS 21	14	(28)
Total differences	14	-
Loss after taxation under IFRS	(960)	(1,014)

	Balance sheet at 31 December 2006 £'000	Balance sheet at 30 June 2006 £'000	Balance sheet at 1 January 2006 £'000
Shareholders' funds under UK GAAP IAS 12	20,779 (1,125)	20,709 (1,139)	22,221 (1,057)
Shareholders funds under IFRS	19,654	19,570	21,164
Pension asset under UK GAAP IAS 19	5,345 2,291	4,760 2,040	4,705 2,016
Pension asset under IFRS	7,636	6,800	6,721
Provisions for deferred taxation under UK GAAP IAS 12 IAS 19	186 1,125 2,291	355 1,139 2,040	355 1,057 2,016
Provisions under IFRS	3,602	3,534	3,428

In accordance with IAS 7 the cash flow statement has been re-presented.

The Company has elected to implement the provisions of paragraph 17 of IFRS 1 and has included previously revalued land and buildings at deemed cost.

## 8. Accounting policies

The consolidated financial statements have been prepared under International Financial Reporting Standards (IFRS) as adopted by the European Union. The financial statements have been prepared under the historical cost convention.

### Consolidation

The Group's financial statements consolidate the financial statements of Robinson plc and all its subsidiaries. Subsidiaries are consolidated from the date on which control transfers to the group and are included until the date on which the group ceases to control them. Transactions between group companies are eliminated on consolidation.

### Revenue

Revenue comprises the fair value of the consideration received or receivable for the external sales of products, exclusive of value added tax, other sales related taxes and trade discounts and is recognised when goods have been supplied.

### Foreign currencies

Assets and liabilities of overseas subsidiaries are translated into sterling at the rate of exchange ruling at the balance sheet date. The results and cash flows of overseas subsidiaries are translated into sterling using the average rate of exchange for the year. Exchange movements on the restatement of the net assets of overseas subsidiaries and the adjustment between the profit and loss account translated at the average rate and the closing rate are taken directly to other reserves and reported in the statement of recognised income and expense. All other exchange differences are dealt with through the consolidated profit and loss account. By application of an exemption under IFRS1 the cumulative translation differences for all foreign operations were deemed to be zero at the transition date to IFRS.

**Exceptional items**

Exceptional items are disclosed separately on the face of the income statement. They include any components of financial performance which management consider significant to the Group's results and/or for which separate disclosure would assist in better understanding these. Such items may include:

- Major restructuring or rationalisation programs
- The sale or impairment of tangible or intangible assets
- Other non-recurring items.

**Property, plant and equipment**

Property, plant and equipment are stated at cost less a provision for depreciation. In the case of property this represents deemed cost less accumulated depreciation to the date of transition to IFRS. Depreciation is calculated so as to write off the cost less estimated residual values of the assets in equal instalments over their expected useful lives. No depreciation is provided on freehold land. Depreciation is provided on other assets at the following rates:

Buildings	25 - 40 years
Plant and equipment	3 - 20 years

**Non-current assets held for sale**

Assets held for sale include assets that the group intends and expects to sell within one year from the date of classification as held for sale. Assets classified as held for sale are measured at the lower of their carrying amounts immediately prior to their classification as held for sale and their fair value less costs to sell. Assets classified as held for sale are not subject to depreciation or amortisation.

**Goodwill**

Purchased positive goodwill arising on the acquisition of a business represents the difference between the cost of acquisition and the fair value of the identifiable net assets acquired. No intangible assets were acquired and the goodwill arising on the acquisition of the Stanton Hill business of VR Plastics Limited was written off as impaired in full during 2006.

**Inventories**

Inventories are valued at the lower of cost, including related overheads, and net realisable value. Cost comprises direct materials and, where applicable, direct labour costs and the overheads incurred in bringing items to their present location and condition.

**Financial assets**

Trade and other receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less any required allowances for uncollectible amounts.

**Financial liabilities**

Trade and other payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

**Deferred taxation**

Deferred taxation is provided on taxable and deductible temporary differences between the carrying amounts of assets and liabilities in the financial statements and their corresponding tax bases. Deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which temporary differences can be utilised or that they will reverse. Deferred tax is measured using the tax rates expected to apply when the asset is realised or the liability settled based on tax rates enacted or substantially enacted by the balance sheet date.

**Employee benefits**

The retirement benefit asset recognised in the balance sheet represents the fair value of defined benefit fund assets less the present value of the defined benefit obligation, to the extent that this is recoverable by means of a contribution holiday, payment of money purchase contributions and expenses from the fund. Operating costs comprise the current service cost. Finance income comprises the expected return on fund assets less the interest on fund liabilities. Actuarial gains or losses comprising differences between the actual and expected return on fund assets, changes in fund liabilities due to experience and changes in actuarial assumptions are recognised immediately in the Statement of recognised income and expense.

Pension costs for the members of the money purchase section represent contributions payable during the year.

**Share based payments**

The fair value at the date of grant of share options is calculated using the Black-Scholes pricing model and charged to the profit and loss account on a straight line basis over the vesting period of the award. The charge to the profit and loss account takes account of the estimated number of share options that will vest.

**9. Interim Report**

The Interim Report will be posted to shareholders shortly and further copies are available from Robinson plc's Registered office: Bradbury House, Goyt Side Road, Chesterfield, S40 2PH.