

Robinson plc

("Robinson", the "Company" or the "Group")

INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 JUNE 2015

DIRECTORATE CHANGE

CHANGE OF ADVISER

HIGHLIGHTS

- The excellent performance of the Madrox acquisition during its first year as part of Robinson has increased the expected earn-out payable to the vendors by £0.9m – this has been included in these accounts as an exceptional cost
- Operating profit before exceptional costs and amortisation of intangible asset up by £0.7m (140%) to £1.2m (2014: £0.5m)
- Interim dividend increased by 11% to 2.5p (2014: 2.25p)
- Appointment of Alan Raleigh as non-executive director effective 19 August 2015
- finnCap Ltd appointed as Nominated Adviser and Broker effective 19 August 2015

CHAIRMAN'S STATEMENT

Four significant factors have affected the revenues and profits of the business during the first half of 2015. Firstly the major contribution to Group operating profits from Madrox which was acquired in June 2014. This has been partly offset by the loss last year of a large contract in our Polish business in Lodz which continues to affect year on year comparisons and has reduced revenues in the half by £0.8m. The sterling value of our Polish results has also been adversely affected by the 9% weakening of the Zloty relative to the Pound since last year. Finally, the 25% fall in resin prices in the first two months of this year has reduced revenues by £0.3m, as these were passed on to customers. Since then resin prices have risen to finish the first half 10% higher than at the beginning of the period.

Cash flow has been strong in the first half of the year allowing net borrowings to be reduced by £1.8m to £2.3m. The estimate of the final Madrox earn-out cost (which is payable in April 2016, based on the financial results of that business in 2015) has been revised from £2.5m to £3.4m, with the full increase being treated as an exceptional cost in the first half of 2015. The earn-out will be paid from existing cash and bank facilities available to the Group.

A final dividend of 2.75p was paid to shareholders on 8 June 2015 (2014: 2.5p).

The Board is pleased to announce the appointment, with immediate effect, of a new non-executive director. Alan Raleigh has considerable experience in the international FMCG market, having worked for Unilever plc for over 30 years and currently holding the position of Group Supply Chain Senior Vice President, Personal Care. Alan's experience in highly relevant sectors will substantially strengthen the Board.

Outlook and Dividend

During the second half of 2015 new business gains are expected to lift revenues and lead to a significant recovery in Lodz, especially in 2016. The Board has therefore approved an increased interim dividend of 2.5p (2014: 2.25p) to be paid on 1 October 2015 to shareholders on the register at 28 August 2015. The ordinary shares ex-dividend date is 27 August 2015.

For more information please contact:

Robinson plc

Guy Robinson, Finance Director

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FinnCap

Ed Frisby / Giles Rolls – corporate finance

Tel: 020 7220 0500

Stephen Norcross / Alice Lane – corporate broking

The following information regarding Alan McLean Raleigh's (aged 56) appointment is required to be disclosed under Schedule Two (g) of the AIM Rules for Companies:

Other directorships and partnerships held

Current: none

Within the last five years: none

Mr Raleigh owns no Ordinary Shares in the capital of Robinson plc.

In accordance with Rule 17 of the AIM Rules for Companies, the Company announces the following changes to directors' disclosures under sub-paragraphs (iii) to (viii) of Schedule Two (g) of the AIM Rules for Companies: Sales Activation Solutions Group Limited, of which Richard Clothier was a director, was placed into a creditors voluntary liquidation, and was dissolved on 9 July 2014, with unsecured creditors receiving a dividend of 43.31p in the pound; and, Scotplast Limited, of which Adam Formela was a director, was placed into administration and subsequent compulsory liquidation, with commencement of winding up taking place on 10 September 2014.

Group Income Statement

	Six months to 30.06.15	Six months to 30.06.14	Year to 31.12.14
	£'000	£'000	£'000
Revenue	13,637	10,888	28,071
Cost of sales	-10,651	-8,812	-21,669
Gross profit	2,986	2,076	6,402
Operating costs	-1,751	-1,581	-3,490
Amortisation of intangible asset	-392	0	-392
Exceptional costs	-948	-364	-364
Operating (loss)/profit	-105	131	2,156
Finance income - interest receivable	5	14	27
Finance costs - bank interest payable	-63	-1	-106
Finance income in respect of pension fund	82	165	342
(Loss)/profit before taxation	-81	309	2,419
Taxation	-240	-76	-418
(Loss)/profit for the period	-321	233	2,001
Earnings per ordinary share (EPS)	p	p	p
EPS from continuing operations excluding exceptional items	3.8	3.6	12.2
EPS from continuing operations	-2.0	1.4	14.4
Diluted EPS			
EPS from continuing operations excluding exceptional items	3.8	3.5	11.7
EPS from continuing operations	-2.0	1.4	13.9
Statement of comprehensive income	£'000	£'000	£'000
(Loss)/profit for the period	-321	233	2,001
Items that will not be reclassified subsequently to profit or loss:			
Re-measurement of net defined benefit liability	0	0	-402
Deferred tax relating to items not reclassified	0	-12	122
	0	-12	-280
Items that may be reclassified subsequently to profit or loss:			
Exchange differences on translation of foreign operations	-358	-74	-544
Other comprehensive expense for the period	-358	-86	-824
Total comprehensive income for the period	-679	147	1,177

Group Statement of Financial Position

	30.06.15 £'000	30.06.14 £'000	31.12.14 £'000
Non-current assets			
Goodwill	1,339	0	1,413
Other Intangible Assets	7,047	5,681	7,438
Property, plant and equipment	14,151	15,946	14,761
Deferred tax assets	132	127	132
Pension asset	3,825	4,053	3,825
	26,494	25,807	27,569
Current assets			
Inventories	2,568	2,716	2,635
Trade and other receivables	7,240	7,732	8,919
Cash	1,672	0	710
	11,480	10,448	12,264
Non-current assets held for sale	0	1,250	0
Total assets	37,974	37,505	39,833
Current liabilities			
Trade and other payables	-4,195	-4,372	-4,919
Corporation tax payable	-21	-181	-44
Borrowings	-2,485	-3,482	-2,856
Other payables	-3,468	0	0
	-10,169	-8,035	-7,819
Non-current liabilities			
Borrowings	-1,489	-1,454	-2,002
Other Payables	0	-2,520	-2,520
Deferred tax liabilities	-1,654	-442	-1,728
Provisions	-184	-187	-184
	-3,327	-4,603	-6,434
Total liabilities	-13,496	-12,638	-14,253
Net assets	24,478	24,867	25,580
Equity			
Share capital	82	82	82
Share premium	610	610	610
Capital redemption reserve	216	216	216
Translation reserve	-603	225	-245
Revaluation reserve	4,463	4,416	4,463
Retained earnings	19,710	19,318	20,454
Equity attributable to shareholders	24,478	24,867	25,580

Group Statement of Cash Flows

	Six months to 30.06.15 £'000	Six months to 30.06.14 £'000	Year to 31.12.14 £'000
Cash flows from operating activities			
(Loss)/profit for the period	-321	233	2,001
Adjustments for:			
Depreciation of property, plant and equipment	673	470	1,176
Profit on disposal of other plant and equipment	-5	-8	-7
Amortisation of goodwill and customer relationships	465	0	466
Decrease in provisions	0	0	-3
Other finance income in respect of pension fund	-82	-165	-342
Finance costs	1	1	106
Finance income	57	-14	-27
Taxation charged	240	76	418
Non-cash items:			
Pension current service cost	82	96	184
Cost of share options	19	25	42
Operating cash flows before movements in working capital	1,129	714	4,014
Decrease/(increase) in inventories	67	90	-485
Decrease/(increase) in trade and other receivables	1,679	950	-2,354
Increase/(decrease) in trade and other payables	199	-1,062	2,840
Cash generated by operations	3,074	692	4,015
Corporation tax paid	-337	-228	-632
Interest (paid)/received	-58	13	-101
Net cash generated from operating activities	2,679	477	3,282
Cash flows from investing activities			
Interest received	5	14	26
Acquisition of subsidiary	0	-10,346	-10,346
Acquisition of plant and equipment	-482	-70	-993
Disposal of other plant and equipment	30	9	41
Net cash used in investing activities	-447	-10,393	-11,272
Cash flows from financing activities			
Loans (paid)/received	-513	1,941	2,040
Dividends paid	-439	-395	-755
Net cash used in/(generated from) financing activities	-952	1,546	1,285
Net increase/(decrease) in cash and cash equivalents	1,280	-8,370	-6,705
Cash and cash equivalents at 1 January	-1,330	5,375	5,375
Cash and cash equivalents at end of period	-50	-2,995	-1,330
Cash	1,673	0	710
Overdraft	-1,723	-2,995	-2,040
Cash and cash equivalents at end of period	-50	-2,995	-1,330

Notes to the Interim Report

1. Basis of preparation

The interim report for the six month period to 30 June 2015 was approved by the directors on 18 August 2015. The interim financial information is not audited.

The interim financial statements have been prepared in accordance with the recognition and measurement criteria of International Financial Reporting Standards (IFRSs). These should be read in conjunction with the Group's annual financial statements for the year ended 31 December 2014, which have been prepared in accordance with applicable IFRSs. The information for the year ended 31 December 2014 does not constitute statutory accounts as defined in section 434 of the Companies Act 2006. A copy of the statutory accounts for that year has been delivered to the Registrar of Companies. The auditors reported on those accounts: their report was unqualified, did not draw attention to any matters by way of emphasis and did not contain a statement under sections 498 (2) or (3) respectively of the Companies Act 2006.

2. Taxation

The taxation charge for the six months to 30 June 2015 has been calculated on the basis of the estimated effective tax rate on profits before tax for the year to 31 December 2015.

3. Dividends

	Six months to 30.06.15	Six months to 30.06.14	Year to 31.12.14
	£'000	£'000	£'000
Ordinary:			
Final	<u>439</u>	<u>361</u>	<u>396</u>
Interim	<u>0</u>	<u>0</u>	<u>359</u>
	<u>439</u>	<u>361</u>	<u>755</u>

4. Earnings per share

The calculation of basic and diluted earnings per ordinary share for continuing operations shown on the income statement is based on the loss after taxation of £321,000 divided by the weighted average number of shares in issue, net of treasury shares of 16,394,304: for diluted earnings per share due to the fact that the Group has recorded a loss after tax, any potential ordinary shares would be anti-dilutive. Therefore the weighted average number of shares is unchanged and diluted earnings per share is equal to basic earnings per share.

5. Exceptional items

The exceptional item of £948,000 represents the expected extra consideration for the acquisition of Madrox Spolka Jawna ("Madrox") recognised in the year. The total expected final payment to the vendors is £3,468,000 and is due to be paid in April 2016; it is shown in 'Other payables' in the Statement of Financial Position. The exceptional item of £364,000 reported in 2014 was costs relating to the acquisition of Madrox which have been paid in full.

6. Going concern

The directors have considered the cash flow forecasts for the Group and the availability of facilities. As at the date of this report, the directors have a reasonable expectation that the Group has adequate resources to continue in business for the foreseeable future. Thus they continue to adopt the going concern basis of accounting.

7. Interim report

Copies of the interim report are available from Robinson plc's registered office: Field House, Wheatbridge, Chesterfield, S40 2AB, UK or from its website at www.robinsonpackaging.com.

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