Robinson plc

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

INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 JUNE 2016

CHAIRMAN'S STATEMENT

Trading and Cash

Revenues in the first half were 6% below the same period in 2015 with 2% of the reduction due to lower resin prices which were passed on to customers. The lower volumes were primarily in the UK and widespread amongst our customers where it was largely due to reduced call off rather than business losses, with also one customer taking an element of their packaging production in house. Demand in the retail markets, particularly for premium branded goods, continues to be subdued but new business gains have started to come on stream during the period albeit somewhat slower than we had expected.

Reported profits are higher than the previous first half and this is due to exceptional charges last year, relating to the acquisition. The operating profit in this half of £0.2m compares with an underlying £0.8m in 2015 before exceptional items. This underlying reduction in profits was predominantly due to lower revenues, mix and resin price and has resulted in gross margins falling from 21.9% to 19.6%. Operating costs also increased, mainly in Poland, where new management and sales staff have joined the Company to deliver future growth.

Following the £4.3m payment of the final earn-out for the acquisition of Madrox in Poland in May, the cash outflow was £3.8m leaving net borrowings at £4.6m at the end of the period. The underlying cash generated by the Group was positive at £0.5m after spending £0.7m on new plant and machinery.

A final dividend, with respect to 2015, of 3p was paid to shareholders on 1 June 2016 (2015: 2.75p).

Outlook and Dividend

In the short term, the weaker pound has pushed up resin prices in the UK (as these are Euro based) but, on the other hand, it increases the sterling value of our Polish profits and net assets. Planning applications have been submitted for the properties that we are seeking to divest, namely to develop the Boythorpe and Walton Works sites in Chesterfield, and are expected to be determined in the next 2-3 months.

We have been engaged in a considerable effort to strengthen our commercial capabilities including the addition of new sales and management personnel. This investment continues and is adding to the cost structure. However, the objective of course, is to build our business and, although we expect the soft market conditions to continue, new business should progressively fill that gap in the second half. This and further new business, already signed up but not yet in production, will, in the following year, help us to return to our organic growth targets.

The Board has approved an interim dividend of 2.5p (2015: 2.5p) to be paid on 3 October 2016 to shareholders on the register at 26 August 2016. The ordinary shares ex-dividend date is 25 August 2016.

For more information, please contact:

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This announcement contains inside information as defined in Article 7 of the Market Abuse Regulation No. 596/2014 and is disclosed in accordance with the Company's obligations under Article 17 of those Regulations

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Group Income Statement

	Six months to 30.06.16	Six months to 30.06.15	Year to 31.12.15
	£'000	£'000	£'000
Revenue	**12,762**	13,637	29,138
Cost of sales	**-10,258**	-10,651	-22,143
Gross profit	**2,504**	2,986	6,995
Operating costs	**-1,880**	-1,751	-3,805
Amortisation of intangible asset	**-392**	-392	-783
Exceptional costs	**0**	-948	-1,694
Operating profit/(loss)	**232**	-105	713
Finance income - interest receivable	**-6**	5	12
Finance costs - bank interest payable	**-38**	-63	-104
Finance income in respect of pension fund	**96**	82	153
Profit/(loss) before taxation	**284**	-81	774
Taxation	**-122**	-240	-679
Profit/(loss) for the period	**162**	**-321**	**95**

Earnings per ordinary share (EPS)	p	p	p
EPS from continuing operations excluding exceptional items	**1.0**	3.8	10.9
EPS from continuing operations	**1.0**	-2.0	0.6
Diluted EPS			
EPS from continuing operations excluding exceptional items	**1.0**	3.8	10.5
EPS from continuing operations	**1.0**	-2.0	0.6

Statement of comprehensive income	**£'000**	£'000	£'000
Profit/(loss) for the period	**162**	-321	95
Items that will not be reclassified subsequently to profit or loss:			
Re-measurement of net defined benefit liability	**0**	0	-33
Deferred tax relating to items not reclassified	**0**	0	85
	0	0	52
Items that may be reclassified subsequently to profit or loss:			
Exchange differences on translation of foreign operations	**340**	-358	-375
Other comprehensive expense for the period	**340**	-358	-323
Total comprehensive income for the period	**502**	-679	-228

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Group Statement of Financial Position

	30.06.16	30.06.15	31.12.15
	£'000	£'000	£'000
Non-current assets			
Goodwill	**1,190**	1,339	1,264
Other Intangible Assets	**6,263**	7,047	6,655
Property, plant and equipment	**14,437**	14,151	14,152
Deferred tax assets	**133**	132	133
Pension asset	**3,747**	3,825	3,747
	25,770	26,494	25,951
Current assets			
Inventories	**2,363**	2,568	2,072
Trade and other receivables	**7,249**	7,240	8,882
Cash	**1,069**	1,672	4,688
	10,681	11,480	15,642
Total assets	**36,451**	37,974	41,593
Current liabilities			
Trade and other payables	**-4,239**	-7,663	-9,365
Corporation tax payable	**-275**	-21	-150
Borrowings	**-4,899**	-2,485	-4,641
Other payables	**0**	0	0
	-9,413	-10,169	-14,156
Non-current liabilities			
Borrowings	**-772**	-1,489	-1,132
Other Payables	**-62**	0	-62
Deferred tax liabilities	**-1,429**	-1,654	-1,503
Provisions	**-183**	-184	-183
	-2,446	-3,327	-2,880
Total liabilities	**-11,859**	-13,496	-17,036
Net assets	**24,592**	24,478	24,557
Equity			
Share capital	**82**	82	82
Share premium	**610**	610	610
Capital redemption reserve	**216**	216	216
Translation reserve	**-263**	-603	-620
Revaluation reserve	**4,484**	4,463	4,510
Retained earnings	**19,463**	19,710	19,759
Equity attributable to shareholders	**24,592**	24,478	24,557

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Group Statement of Cash Flows

	Six months to 30.06.16 £'000	Six months to 30.06.15 £'000	Year to 31.12.15 £'000
Cash flows from operating activities			
Profit/(loss) for the period	**162**	-321	95
Adjustments for:			
Depreciation of property, plant and equipment	**747**	673	1,423
Profit on disposal of other plant and equipment	**-55**	-5	-16
Amortisation of goodwill and customer relationships	**466**	465	932
Decrease in provisions	**0**	0	-1
Other finance income in respect of pension fund	**-96**	-82	-153
Finance costs	**38**	63	104
Finance income	**-6**	-5	-12
Taxation charged	**122**	240	679
Non-cash items:			
Pension current service cost	**96**	82	200
Cost of share options	**19**	19	38
Operating cash flows before movements in working capital	**1,493**	1,129	3,289
(Increase)/decrease in inventories	**-291**	67	563
Decrease in trade and other receivables	**1,633**	1,679	37
(Decrease)/increase in trade and other payables	**-5,012**	199	1,873
Cash (used in)/generated by operations	**-2,177**	3,074	5,762
Corporation tax paid	**-71**	-337	-714
Interest paid	**-44**	-58	-104
Net cash (used in)/generated from operating activities	**-2,292**	2,679	4,944
Cash flows from investing activities			
Interest received	**5**	5	12
Acquisition of plant and equipment	**-783**	-482	-1,072
Disposal of other plant and equipment	**105**	30	16
Net cash used in investing activities	**-673**	-447	-1,044
Cash flows from financing activities			
Loans paid	**-401**	-513	-908
Dividends paid	**-477**	-439	-837
Net cash used in financing activities	**-878**	-952	-1,745
Net (Decrease)/increase in cash and cash equivalents	**-3,843**	1,280	2,155
Cash and cash equivalents at 1 January	**825**	-1,330	-1,330
Cash and cash equivalents at end of period	**-3,018**	-50	825
Cash	**1,069**	1,673	4,688
Overdraft	**-4,087**	-1,723	-3,863
Cash and cash equivalents at end of period	**-3,018**	-50	825

Notes to the Interim Report

1. Basis of preparation
The interim report for the six month period to 30 June 2016 was approved by the directors on 16 August 2016. 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 2015, which have been prepared in accordance with applicable IFRSs. The information for the year ended 31 December 2015 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 2016 has been calculated on the basis of the estimated effective tax rate on profits before tax for the year to 31 December 2016.

3. Dividends

	Six months to 30.06.16	Six months to 30.06.15	Year to 31.12.15
Ordinary:	**£'000**	£'000	£'000
Final	**477**	439	439
Interim	**0**	0	398
	477	439	837

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 profit after taxation of £162,000 divided by the weighted average number of shares in issue, net of treasury shares, of 16,394,304: for diluted earnings per share 16,977,012.

5. Exceptional items
The exceptional item of £1,694,000 in 2015 represented the expected extra consideration for the acquisition of Madrox Spolka Jawna ("Madrox") recognised in that year. The final payment to the vendors of £4.3m was paid in May 2016.

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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