5 December 2016

Plastics Capital plc

("Plastics Capital", the "Company" or the "Group")

Interim Results for the six months ended 30 September 2016

Plastics Capital (AIM: PLA) the niche plastics products manufacturer, announces the Company's unaudited interim results for the six months ended 30 September 2016, which are in line with management expectations.

Financial highlights

	Six months ended 30 September 2016 £'000	Six months ended 30 September 2015 £'000	% Change
Revenue	27,771	24,489	+13.4%
EBITDA*	2,731	2,464	+10.8%
Profit before tax*	1,637	1,526	+7.3%
Earnings per share*+ (p)	4.3	4.0	+7.3%
Dividend per share (p)	1.46	1.46	0%

** excluding amortisation, exceptional costs, unrealised foreign exchange translation and derivative gains / losses and share-based incentive scheme charges*

+ applying an expected tax charge of 6.5% and based on the weighted average number of shares in issue in the period.

Operational highlights

- Strong organic revenue growth of 6.7% at constant currency
  - Industrial Division revenue up 19.2%, led by key accounts growth in bearings business
  - Films Division revenue up 9.2%, led by continued growth of Flexipol
  - Good initial contribution from Synpac Limited ("Synpac"), acquired July 2016
- Significant investment in business development, new products and management
- Underlying profitability remains strong
- £1.3m invested in development and capacity expansion projects
- Full benefit of post-Brexit sterling devaluation still to be felt
- £6.3m of sales from won projects still to enter into production

Commenting on these results, Faisal Rahmatallah, Executive Chairman, said:

"I am pleased to report good growth across the Group. We continue to increase investment in business development, new products and additional capacity and capabilities. Order books are healthy and we anticipate a significant improvement in performance during the second half year which will benefit from the seasonal demand upswing and a full contribution from Synpac. The Board expects the Group to continue to perform in line with expectations for the rest of the financial year."

For further information, please contact:

Plastics Capital plc **Tel: 020 7978 0574**
Faisal Rahmatallah, Executive Chairman
Nick Ball, Finance Director

Cenkos Securities **Tel: 020 7397 8900**
(Nomad and joint broker)
Mark Connelly
Callum Davidson

Allenby Capital Limited **Tel: 020 3328 5656**
(Joint broker)
David Hart
Katrina Perez

Walbrook PR Ltd **Tel: 020 7933 8780 or plastics@walbrookpr.com**
Paul Cornelius Mob: 07866 384 707
Helen Cresswell Mob: 07841 917 679

Notes to Editor

Plastics Capital is a niche manufacturer of specialist plastic products. Applications for these products vary widely and examples include:

- Packaging for the food manufacturing and distribution – films, sacks and pouches
- Steering columns and instrument control knobs in the automotive industry – plastic ball bearings
- Hydraulic and industrial rubber hose manufacture – various types of plastic mandrel
- Cardboard box manufacture – plastic creasing matrices

Plastics Capital's business model is based on understanding customers' problems in depth, and then developing and mass producing proprietary, technical solutions for these problems.

The business operates through two divisions, Films and Industrial, and has the majority of its production in six UK based factories, with a further three factories in Asia. Approximately 40% of its £55 million sales are made outside the UK to more than 80 countries.

Further information can be found on www.plasticscapital.com

Chairman's Statement

Financial Review

I am pleased to report that overall Group revenue increased by 13.4% over the same period last year. Revenue growth in H1 2016-17 was attributable to organic development, acquisition and foreign exchange movements and can be summarised as follows:

- Organic growth - 6.7%
- Acquisition – 3.8%
- Foreign Exchange – 2.9%

Following considerable investment in recent years in business development activities, it is particularly pleasing to report a significant upswing in organic growth.

Gross margins have strengthened to 32.0% in H1 16-17 from 30.7% in H1 15-16; two thirds of this improvement is due to foreign exchange movements and the remainder due to improving product mix. Ignoring foreign exchange and acquisitions our total gross profit has increased 10.8% for the period under review – slightly more than the organic revenue growth achieved. This speaks for the continuing competitiveness and value-add of our product portfolio.

We have increased expenditure on business development, engineering, technical service and management by a total of 18% in the period. The majority of this is due to our emphasis on organic growth, but some relates to the acquisition of Synpac and some to higher costs incurred in overseas subsidiaries due to sterling devaluation. These factors account for underlying EBITDA being up by only 10.8% in the half year, when more may be expected due to our operational gearing.

The positive impact of sterling weakness on the Group's profitability has been significant, and we expect will become more significant over the next year or two. Overall in the half year, the devaluation of sterling has contributed £0.2m to underlying EBITDA. If we had not been hedged for all our US dollar trading exposure, there would have been a further contribution to EBITDA of £0.3m during the half year. We must not allow the devaluation of sterling, which is a piece of good fortune, to make us complacent.

Also, due to our focus on organic growth, capital expenditure has increased to £1.9m for the half year, against £1.2m in the same period last year; approximately two thirds of this expenditure is related to additional capacity, of which 50% is for customer-specific projects that are already contracted. The half-yearly depreciation charge has consequently increased by 13%.

Interest cost has increased £0.1m as we refinanced in June 2016 with Barclays, increasing our facilities by £4m to enable us to carry out the Synpac acquisition and the capital expenditure mentioned above. Consequently, underlying profit before tax is up 7.3% on the same period in the prior year.

Our effective corporation tax rate is once again estimated to remain low at approximately 6.5% for the full year as we are entitled to significant capital allowances and the R&D tax credit. We believe our effective corporation tax rate will remain below 10% for the foreseeable future.

We have issued a further 296,450 shares during the half year as approximately 30% of our shareholders chose to take the end-of-year dividend in scrip rather than cash. Consequently underlying earnings per share has increased 7.3% from 4.0p to 4.3p.

Films Division

The Films Division accounted for approximately 55% of Group sales in the period under review including two and a half months of contribution from Synpac, which has performed in line with our expectations.

Flexipol has continued to perform well, increasing sales and maintaining margins during a period when there has been pressure on prices through the food manufacturing supply chain. Overhead costs have increased due to the sale and leaseback of the Flexipol facility in Haslingden, Lancashire, performed in the prior year and the full impact of employees joining during the prior year in sales and engineering roles.

Palagan is going through some important strategic and management changes designed to build competitiveness, which we feel has been slightly eroded over recent years. Specifically this has meant developing new higher strength films and converted products, new approaches to customer service and changes to the management team.

Synpac, which we acquired in July 2016, has brought some new opportunities to the Films Division. Its product portfolio fits well with Flexipol's, creating joint sales opportunities which we have already begun to exploit. In addition, some of Synpac's films, which have been imported from third parties for conversion into pouches at Synpac, can be made by both Flexipol and Palagan so improving overall margins within the Films Division.

Comparing H1 2016-17 with H1 2015-16 on a constant currency, like-or-like basis for the Films Division, including the equivalent contribution from Synpac in the prior year:

- Revenue is up 2.3%
- EBITDA is up 1%

Industrial Division

In the period under review, revenue in the Industrial Division, which accounted for approximately 45% of Group sales, were 18.6% up on the same period last year. 93% of sales in the Industrial Division were made outside the UK. Underlying gross margin, after adjusting for foreign exchange, has increased by 17.0%. Overheads have increased £0.3m, primarily due to sales, engineering and management resources hired in the prior year; this has reduced profit growth in the short term but will enable the Division to continue to grow henceforward.

Bearings business sales were up 25.6% in H1 16-17 compared to H1 15-16; ignoring currency movements the improvement was 16.2%. This performance has been due to previously reported new project wins flowing through into production, as well as the continued development of key accounts – we have had particular success in H1 16-17 in the automotive and ATM industries. The new business pipeline at BNL (projects already won but not yet in production or not yet at full production rate) has increased from £4.5 million at the end of FY15-16 to £5.3m at the end of H1 16-17. This business is expected to flow through over the next three to four years.

Creasing matrix revenues were up 12.1% in H1 16-17 compared to H1 15-16; ignoring currency movement the improvement was 10.2%. There has been some recovery in demand, particularly in emerging country end-markets, and our initiatives to establish a UK sales and distribution capability for die-making consumables and to introduce additional niche products have been very successful.

Our mandrel business has also performed well in H1 16-17 with sales up 12.7% on prior year; ignoring currency movement the improvement was 5.4%. New business won in FY 15-16 which has now flowed through has been the main reason for the increase in sales.

Comparing H1 2016-17 with H1 2015-16 on a constant currency, like-or-like basis for the Industrial Division:

- Revenue is up 12.2%
- EBITDA is up 4.8%

Growth & Investment

We are now one and a half years into our five year target to double annual EBITDA to £10.5m. This target excludes contributions from acquisitions requiring new equity to be raised. Having made a relatively slow start last year, I am pleased to say that we believe that momentum is building.

One important measure we track is the value of new business won that has not yet entered into production or has not reached full production levels – this measure is now standing at £6.30m, up from £4.8m at the end of FY16; after adjusting for currency movement the increase is still £0.7m in the six month period.

Growth necessitates investment; I wrote to shareholders in July 2016 to articulate the background to approximately £4m of investments available to us which we believe offer attractive returns. We have taken these forward as follows:

- Customer-specific projects - £0.6m has been invested in H1 16-17 into new injection moulding and automated assembly machines for two major projects in our bearings business. A further £0.3m of investment is still to be made. We still expect incremental annual sales of £2m to be achieved from these projects in due course.
- Capacity expansion – £0.5m has been invested in H1 16-17 into new capacity to alleviate capacity bottlenecks that we anticipated in three growth areas:
    - At Flexipol we are increasing extrusion capacity by 33%. To this end, we have carried out building modifications ready to install a new blown-film extrusion line which we expect to be in place during Q4 FY 2017. £0.4m has been invested in H1 16-17 out of expected total project costs of £0.75m.
    - At our mandrel business we are seeking to increase extrusion capacity by 30%. This is needed to capitalise on improving market conditions and on successful new business development over recent years. New extrusion lines have been ordered and additional adjoining factory space is being fitted out to enable this expansion to take place. To date, capital expenditure has been limited but we anticipate total costs of £0.3m to have been incurred by the current financial year end.
    - Our bearings business will require 20% additional capacity in its Thai facility as more production is moved to this location. This project is pending.

- New product developments - We have invested £0.3m in new product development in H1 16-17. New products recently launched include a range of standard ball plastic ball bearings and a new high strength packaging film intended initially for the furniture industry. Other important product developments are in the pipeline and expenditure in this area will continue.
- Corporate activity - £0.3m has been invested in H1 16-17 in minority investments within our creasing matrix business. We acquired a 10% stake in Channel Creasing Matrix Inc. ("CCM") in May 2016 and have options in place to acquire a further 39% and, ultimately, 100%. CCM is the only manufacturer of creasing matrix in the US and also distributes a range of die-making consumables. For legacy reasons, it is the brand owner of the Channel brand of creasing matrix in the US, which is the brand we own everywhere else in the world. We expect to make further similar investments in due course.

In total we have invested £1.5m in expansion capital expenditure during H1, far surpassing the rate of re-investment in the business incurred previously. This underlines our commitment to achieve strong organic growth. Meanwhile, during the same period, maintenance capex has been £0.4m, which is slightly higher than normal.

Acquisitions

We completed the acquisition of Synpac, based in Hessle, Yorkshire, on 15th July for £3.1m, of which 10% is deferred for one year. Synpac converts packaging films into vacuum bags and pouches used in food manufacturing and distribution. As such it is complementary to Flexipol, who also manufacture a range of vacuum bags generally sold to larger customers. We are busy with integration activities and are delighted with the level of professionalism, expertise and loyalty we have found within the team at Synpac.

As regards further acquisitions, there are a number of good opportunities that have presented themselves in the last 3-6 months. We remain enthusiastic to add businesses that are complementary to our existing ones, and meet our other criteria in terms of size, profitability and cash flow. We are hopeful that we can bring one or more to fruition over the next 12-24 months.

Debt

We refinanced with Barclays in June 2016, increasing our facilities by £4m, principally to finance the Synpac acquisition. This, together with good cash flow, has enabled us to make the investments and acquisition described above. Net debt has consequently increased to £15.1m from £10.9m at the end of March 2016. Statutory net debt leverage has increased from 1.8 times to 2.3 times and in the next twelve months we expect will come down to 1.5- 2.0 times, which is the target we have set ourselves. Meanwhile, interest cover is very solid at 13.3 times.

Dividend

To assist with formulation of dividend policy, the Board has assessed how our internally generated free cash flow has been used in recent years. Following the financial crisis in FY2009-10, almost all our free cash flow was used to pay down debt. In FY2012-13, payments of dividends and reinvestment in the business started to increase at similar rates until in FY2015-16 roughly equal emphasis was given to paying down debt, paying dividends and reinvesting in the business. Because of the excellent organic growth opportunities we see, the Board now believes that our internally generated free cash flow should be allocated increasingly towards reinvestment in the business.

Reflecting this confidence in the growth potential of the business, the Company is pleased to announce that it intends to maintain the interim dividend at 1.46p (H1 2015-16: 1.46p), payable to all shareholders in respect of the six month period ended 30 September 2016 on 1 February 2017. As with the final dividend announced in July 2016 we will be offering shareholders a scrip dividend alternative. This enables those who would rather see the Company retain cash and reinvest it, instead of paying it out in dividends, to do so by receiving new shares instead of cash. The record date for the dividend is 16 December 2016 and the associated ex-dividend date is 15 December 2016. The latest date to elect for the scrip dividend alternative is 18 January 2017. The Company will, on or before Friday 9 December, post to shareholders a letter containing additional information on the scrip dividend alternative and how shareholders may participate. A copy of this letter will be available on the Company's website: www.plasticscapital.com.

Outlook

We have seen a healthy improvement in our order books over the autumn period and anticipate improved financial performance in the second half due to the seasonality that now applies to the Group. We also expect the pipeline of new business in our bearings business will enter into production at a more rapid rate than we have experienced in the recent past. We believe that our five year plan, the investments already under way and the associated management processes should continue to drive the business forward. The Board therefore remains confident about the future growth of the Group.

Faisal Rahmatallah
Executive Chairman

Plastics Capital plc
Unaudited Consolidated Income Statement
for the six months ended 30 September 2016 and the six months ended 30 September 2015

	Note	Before foreign exchange & exceptional items 2016 £'000	Foreign exchange impact on derivatives 2016 £'000	Exceptional items 2016 £'000	Total 2016 £'000	Before foreign exchange & exceptional items 2015 £'000	Foreign exchange impact on derivatives 2015 £'000	Exceptional items 2015 £'000	Total 2015 £'000
Revenue		**27,771**	**-**	**-**	**27,771**	24,489	-	-	24,489
Cost of sales		**(18,586)**	**(308)**	**-**	**(18,894)**	(16,827)	(142)	-	(16,969)
Gross profit		**9,185**	**(308)**	**-**	**8,877**	7,662	(142)	-	7,520
Distribution expenses		**(1,376)**	**-**	**-**	**(1,376)**	(1,280)	-	-	(1,280)
Administration expenses		**(6,357)**	**-**	**(269)**	**(6,626)**	(5,202)	-	(222)	(5,424)
Other income		**36**	**-**	**-**	**36**	15	-	-	15
Operating profit		**1,488**	**(308)**	**(269)**	**911**	1,195	(142)	(222)	831
Financial income	*5*	**-**	**-**	**-**	**-**	-	235	-	235
Finance expense	*5*	**(399)**	**(1,240)**	**-**	**(1,639)**	(305)	-	-	(305)
Net financing (costs) / income		**(399)**	**(1,240)**	**-**	**(1,639)**	(305)	235	-	(70)
(Loss) / profit before tax		**1,089**	**(1,548)**	**(269)**	**(728)**	890	93	(222)	761
Tax	*6*	**(107)**	**-**	**-**	**(107)**	(127)	-	-	(127)
(Loss) / profit for the period		**982**	**(1,548)**	**(269)**	**(835)**	763	93	(222)	634
Foreign exchange translation differences		**(4)**	**-**	**-**	**(4)**	(172)	-	-	(172)
Total comprehensive (loss) / income		**978**	**(1,548)**	**(269)**	**(839)**	591	93	(222)	462
Earnings per share									
Basic	*8*				**(0.2)p**				1.8p
Diluted	*8*				**(0.2)p**				1.8p

Plastics Capital plc

Plastics Capital plc
Consolidated Income Statement *(continued)*
for the year ended 31 March 2016

	Note	Audited Before foreign exchange & exceptional items 2016 £'000	Audited Foreign exchange impact on derivatives 2016 £'000	Audited Exceptional items 2016 £'000	Audited Total 2016 £'000
Revenue		50,803	-	-	50,803
Cost of sales		(33,693)	(239)	-	(33,932)
Gross profit		17,710	(239)	-	16,871
Distribution expenses		(2,539)	-	-	(2,539)
Administration expenses		(12,168)	-	(360)	(12,528)
Other income		54	-	-	54
Operating profit		2,457	(239)	(360)	1,858
Financial expense	*5*	(722)	(38)	-	(760)
Net financing costs		(722)	(38)	-	(760)
Profit before tax		1,735	(277)	(360)	1,098
Tax	*6*	124	-	-	124
Profit for the period		1,859	(277)	(360)	1,222
Foreign exchange translation differences		5	-	-	5
Total comprehensive income		1,963	(277)	(360)	1,227

Earnings per share		
Basic	*8*	3.5p
Diluted	*8*	3.4p

Plastics Capital plc
Consolidated Balance Sheets

	Unaudited As at 30 September 2016 £000	Unaudited As at 30 September 2015 £000	Audited As at 31 March 2016 £000
Non-current assets			
Property, plant and equipment	**9,382**	7,784	8,130
Intangible assets	**24,286**	23,851	22,796
	33,668	31,635	30,926
Current assets			
Inventories	**5,712**	4,515	4,783
Trade and other receivables	**12,556**	11,539	11,945
Cash and cash equivalents	**4,150**	3,991	5,488
	22,418	20,045	22,216
Total assets	**56,086**	51,680	53,142
Current liabilities			
Interest-bearing loans and borrowings	**5,810**	5,798	8,067
Trade and other payables	**9,872**	8,665	9,315
Corporation tax liability	**495**	486	388
	16,177	14,949	17,770
Non-current liabilities			
Interest-bearing loans and borrowings	**13,463**	10,057	8,273
Other financial liabilities	**1,307**	83	415
Deferred tax liabilities	**361**	724	361
	15,131	10,864	9,049
Total liabilities	**31,308**	25,813	26,819
Net assets	**24,778**	25,867	26,323
Equity attributable to equity holders of the parent			
Share capital	**356**	353	353
Share premium	**21,263**	20,888	20,951
Reverse acquisition reserve	**2,640**	2,640	2,640
Translation reserve	**652**	462	639
Capital redemption reserve	**-**	(200)	-
Retained earnings	**(133)**	1,724	1,740
Total equity	**24,778**	25,867	26,323

Plastics Capital plc
Consolidated Cash Flow Statements

	Unaudited Six months ended 30 September 2016 £000	Unaudited Six months ended 30 September 2015 £000	Audited Year ended 31 March 2016 £000
(Loss) / profit after tax for the period	**(835)**	634	1,222
Adjustments for:			
Income tax adjustment	**107**	127	(124)
Depreciation, amortisation and impairment	**1,551**	1,411	2,948
Financial income	**-**	(235)	-
Financial expense	**1,639**	305	760
Gain on disposal of plant, property and equipment	**-**	-	(74)
Changes in working capital:			
(Increase) in trade and other receivables	**(25)**	(399)	(806)
(Increase) in inventories	**(408)**	(509)	(777)
Increase / (Decrease) in trade and other payables	**104**	(123)	937
Cash generated from operations	**2,133**	1,211	4,487
Interest paid	**(292)**	(230)	(377)
Income tax paid	**-**	(190)	(275)
Net cash from operating activities	**1,841**	791	3,835
Cash flows from investing activities			
Acquisition of subsidiary (net of cash acquired)	**(2,470)**	-	(300)
Acquisition of property, plant and equipment	**(1,896)**	(1,223)	(2,275)
Dividends received	**-**	14	35
Proceeds from disposal of plant, property and equipment	**-**	1,400	1,400
Development expenditure capitalised	**(125)**	(125)	(349)
Net cash from investing activities	**(4,491)**	66	(1,489)
Cash flows from financing activities			
Net proceeds from new loan	**2,641**	-	1,500
Change in borrowings	**(847)**	(1,543)	(2,731)
Dividends paid	**(1,038)**	(944)	(1,460)
Net cash from financing activities	**1,756**	(2,487)	(2,691)
Increase in cash, cash equivalents and bank overdrafts	**(894)**	(1,630)	(345)
Cash and cash equivalents at 1 April	**5,488**	4,437	4,437
Overdraft at 1 April	**(5,304)**	(3,908)	(3,908)
Cash, cash equivalents and bank overdrafts at 30 September and 31 March	**(710)**	(1,101)	184

Plastics Capital plc
Consolidated statement of changes in equity

	Share capital £000	Share premium £000	Translation reserve £000	Reverse acquisition reserve £000	Capital redemption reserve £000	Retained earnings £000	Total £000
Balance at 31 March 2015	**353**	**20,888**	**634**	**2,640**	**(200)**	**2,034**	**26,349**
Profit or loss	-	-	(172)	-	-	634	462
Dividends paid	-	-	-	-	-	(944)	(944)
Balance at 30 September 2015	**353**	**20,888**	**462**	**2,640**	**(200)**	**1,724**	**25,867**
Profit or loss	-	-	177	-	-	588	765
Reserve correction	-	63	-	-	200	(263)	-
Dividend paid	-	-	-	-	-	(516)	(516)
Equity-settled share based payment transactions	-	-	-	-	-	207	207
Balance at 31 March 2016	**353**	**20,951**	**639**	**2,640**	**-**	**1,740**	**26,323**
Share issue	3	312	-	-	-	-	315
Profit or loss	-	-	13	-	-	(835)	(822)
Dividends paid	-	-	-	-	-	(1,038)	(1,038)
Balance at 30 September 2016	**356**	**21,263**	**652**	**2,640**	**-**	**(133)**	**24,778**

1 Basis of preparation and accounting policies

Basis of preparation

The interim financial information has been prepared on the basis of the recognition and measurement requirements of adopted IFRSs as at 30 September 2016 that are effective (or available for early adoption) as at 31 March 2017. Based on these adopted IFRSs, the directors have applied the accounting policies, as set out below, which they expect to apply to the annual IFRS financial statements for the year ending 31 March 2017.

However, the adopted IFRSs that will be effective (or available for early adoption) in the annual financial statements for the period ending 31 March 2016 are still subject to change and to additional interpretations and therefore cannot be determined with certainty. Accordingly, the accounting policies for that annual period will be determined finally only when the annual financial statements are prepared for the period ending 31 March 2017.

Accounting policies

The accounting policies applied to the Interim Results for six months ended 30 September 2016 are consistent with those of the Company's annual accounts for the year ended 31 March 2016.

Going concern

The Financial Reporting Council issued "Going Concern and Liquidity Risk: Guidance for Directors of UK Companies" in October 2009 and the Directors have considered this when preparing the financial statements. These have been prepared on a going concern basis and the Directors have taken steps to ensure that they believe the going concern basis of preparation remains appropriate.

2 Reconciliation of financial highlights table to the consolidated income statement

	Unaudited Six months to 30 September 2016 £000	Unaudited Six months to 30 September 2015 £000	**Change %**
Revenue	**27,771**	**24,489**	**13.4%**
Gross profit	**8,877**	**7,520**	**18.0%**
Operating profit	**911**	**831**	**9.6%**
Add back: Exceptional cost	269	222	
Add back: Amortisation	749	703	
Add back: Depreciation	802	708	
EBITDA before exceptional costs	**2,731**	**2,464**	**10.8%**
(Loss) / Profit before tax	**(728)**	**761**	**-195.7%**
Add back: Amortisation	749	703	
Add back: Exceptional costs	269	222	
Add back: Capitalised deal fee amortisation	107	75	
Add back: Unrealised foreign exchange & derivate losses/(gains)	1,240	(235)	
Profit before tax*	**1,637**	**1,526**	**7.3%**
Taxation	(107)	(127)	
Profit after tax*	**1,530**	**1,398**	**9.4%**
Basic adjusted EPS*+	**4.3p**	**4.0p**	**7.3%**
Basic EPS	**(0.2)p**	**1.8p**	**(111.1)%**
Capital expenditure	**1,896**	**1,223**	**55.0%**
Net Debt	**15,123**	**11,864**	**27.5%**

* excluding amortisation, exceptional costs, unrealised foreign exchange translation and unrealised derivative gains/losses
+ applying an expected tax charge of 6.5% and based on the average number of shares in issue in the year

3 Operating segment information

The following summary describes the operations in each of the Group's reportable segments:

- Films – includes industrial films
- Industrial – includes hose mandrel, creasing matrix and plastic bearings

	Industrial	Films	Unallocated and reconciling items	Total
	Unaudited Six months to 30 September 2016 £000	**Unaudited Six months to 30 September 2016 £000**	**Unaudited Six months to 30 September 2016 £000**	**Unaudited Six months to 30 September 2016 £000**
External sales*	**12,455**	**15,316**	**-**	**27,771**
(Loss) / profit before tax**	**635**	**153**	**(1,516)**	**(728)**
Depreciation and amortisation	**471**	**303**	**777**	**1,551**
	Unaudited Six months to 30 September 2015 £000	Unaudited Six months to 30 September 2015 £000	Unaudited Six months to 30 September 2015 £000	Unaudited Six months to 30 September 2015 £000
External sales*	10,503	13,984	-	24,487
Profit / (loss) before tax**	(124)	223	662	761
Depreciation and amortisation	438	264	709	1,411
	Audited Year to 31 March 2016 £000	Audited Year to 31 March 2016 £000	Audited Year to 31 March 2016 £000	Audited Year to 31 March 2016 £000
External sales*	21,285	29,518	-	50,803
Profit / (loss) before tax**	645	1,055	(602)	1,098
Depreciation and amortisation	912	530	1,825	3,267

** All revenue is attributable to external customers, there are no transactions between operating segments*
*** Profit before tax for unallocated and reconciling items is analysed on Page 16.*

3 Operating segment information *(continued)*

Reconciliation of reportable segment revenue

	Unaudited Six months to 30 September 2016 £000	Unaudited Six months to 30 September 2015 £000	Audited Year to 31 March 2016 £000
Films			
High strength film packaging	**15,316**	13,984	29,518
Industrial			
Packaging consumables	**3,667**	3,312	6,422
Plastics rotating parts	**6,614**	5,263	11,290
Hydraulic hose consumables	**2,174**	1,928	3,573
Turnover per consolidated income statement	**27,771**	24,487	50,803

Reconciliation of reportable segment profit

	Unaudited Six months to September 2016 £000	Unaudited Six months to 30 September 2015 £000	Audited Year to 31 March 2016 £000
Total profit for reportable segments	**788**	99	1,700
Unallocated amounts:			
Amortisation	**(749)**	(703)	(1,819)
Unrealised (losses)/gains on derivatives	**(1,240)**	235	(7)
Management charge income	**2,125**	2,125	4,050
FX hedge (loss) on forward contracts	**(307)**	(142)	(239)
Plastics Capital Trading Ltd and Plastics Capital plc costs	**(641)**	(539)	(1,149)
LTIP charge	**-**	-	(401)
Net interest costs	**(292)**	(122)	(377)
Deal fee amortisation	**(107)**	(75)	(345)
Exceptional costs	**(269)**	(195)	(230)
Other	**(36)**	78	(85)
Consolidated (loss) / profit before income tax	**(728)**	761	1,098

4 Exceptional items

Administrative Expenses	**Unaudited Six months to 30 September 2016 £000**	Unaudited Six months to 30 September 2015 £000	Audited Year to 31 March 2016 £000
Redundancy & recruitment costs	**-**	165	301
Acquisitions - professional and legal costs	**269**	-	120
Release of contingent consideration	**-**	-	(110)
Other	**-**	57	49
	269	222	360

5 Financial income and expenses

	Unaudited Six months to 30 September 2016 £000	Unaudited Six months to 30 September 2015 £000	Audited Year to 31 March 2016 £000
Financial expenses:			
Bank interest	**292**	230	377
Amortisation of capitalised deal fees	**107**	75	345
Loss on derivatives used to manage interest rate risk	**-**	-	-
Financial expenses	**399**	305	722
Financial income and expenses included within foreign exchange:			
Net foreign exchange (gains) / losses	**-**	(44)	31
Unrealised losses on derivatives used to manage foreign exchange risk	**1,240**	279	7
Foreign exchange impact and derivatives	**1,240**	235	38

6 Taxation

The taxation charge is calculated by applying the Directors' best estimate of the annual tax rate for the profit for the period.

7 Dividends

The Directors recommend the payment of an interim dividend of 1.46p per share (30 September 2015: 1.46p).

8 Earnings per share

	Unaudited Six months to 30 September 2016 £000	Unaudited Six months to 30 September 2015 £000	Audited Year to 31 March 2016 £000
Numerator			
(Loss) / profit for the period	**(835)**	634	1,222
Denominator			
Weighted average number of shares used in basic EPS	**34,512,663**	35,344,573	34,463,255
Weighted average number of shares used in diluted EPS	**36,665,359**	35,444,573	36,005,262
Basic earnings per share (total)	**(0.2)p**	1.8p	3.5p
Diluted earnings per share (total)	**(0.2)p**	1.8p	3.4p

9 Accounts

Copies of the interim accounts may be obtained from the Company Secretary at the Registered Office of the Company: London Heliport, Bridges Court Road, London, SW11 3BE.