For Immediate Release **30th June 2009**

Plastics Capital plc

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

Preliminary Results for the year ended 31 March 2009

Plastics Capital plc (AIM: PLA) the consolidator of niche plastics products manufacturers, today announces its preliminary results for the year ended 31 March 2009.

The consolidated financial information has been prepared using International Financial Reporting Standards as adopted by the EU ("IFRS").

Financial highlights

	Year ended 31 March 2009	**Year ended 31 March 2008 ***(restated)**	**% Change**
Revenue	28,185	20,128	+40%
Gross Profit*	11,155	9,404	+19%
EBITDA*	5,133	3,985	+29%
Profit before tax*	2,007	2,660	-25%
Profit after tax**	2,703	3,212	-16%
Adjusted EPS**	10.0p	11.9p**	-16%

** Excluding as appropriate or relevant, amortisation, exceptionals, negative goodwill credit, unrealised foreign exchange costs & derivative gains/losses. A reconciliation to the consolidated income statement is shown on page 7*
*** Based on 26.90m shares currently in issue*
**** The prior year has been restated to show operations classified as discontinued in the current year as discontinued in the comparative period in accordance with IFRS 5.*

Operational highlights

- Strong revenue growth driven by the successful acquisitions strategy;
- Good profit margins despite global recession;
- Contribution from Palagan Limited, the most recent acquisition, ahead of expectations;
- All Group subsidiaries reporting good profitability despite challenging market conditions;
- Cost base rationalised during the year to match lower demand expectations.

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

"These results demonstrate the resilience and competiveness of our businesses in the face of extremely difficult global market conditions over the last twelve months. Whilst we see little convincing evidence that demand conditions are improving, we do believe that they have reached a floor. We are winning new business and this is our focus for growth in the near term. Our acquisitions strategy has been very successful and as conditions improve, we are confident that good opportunities will become available once again. The Board is confident of another year of progress."

Plastics Capital plc **Tel: 020 7326 8423**
Faisal Rahmatallah, Executive Chairman
Nick Ball, Finance Director

Cenkos Securities **Tel: 020 7397 8900**
Stephen Keys
Beth McKiernan

Buchanan Communications **Tel: 020 7466 5000**
Richard Darby
Christian Goodbody

Notes to Editors

Plastics Capital successfully floated on AIM on 3 December 2007 and undertook a share for share exchange to acquire Plastics Capital Trading Limited and its subsidiary undertakings on 6 December 2007.

Plastics Capital is a consolidator of plastics products manufacturers focused on proprietary products for niche markets. The Group has four factories in the UK, one in Thailand and sales offices in the USA and Japan. Approximately 50 per cent of sales are exported to over 70 countries worldwide. Production is concentrated in the UK where significant engineering know-how and automation underpins the Group's competitiveness. The Group has approximately 285 employees.

Further information can be found on www.plasticscapital.com

Chairman’s Statement

Financial Review

Overall performance is broadly in line with expectations.

Compared to the same period last year, the Group has:

- increased revenue by 40% to £28.2 million;
- increased underlying* earnings before interest, tax, depreciation and amortisation (EBITDA), by 29% to £5.1 million; and
- suffered a decrease in underlying* profit after tax of 16% to £2.7 million, due mainly to realised foreign currency hedging losses associated with the extreme volatility of major currencies this year.

Revenue and earnings have increased for two reasons: first, because of acquisitions completed during FY07-08, which have contributed a full year in FY08-09, and, second, due to Sterling depreciation during the course of the year.

Organic growth has been hit by the global slowdown, particularly in the second half year. Prices have fluctuated significantly in some parts of the Group, due to the volatility of certain raw materials. Despite this, margins have held up well. Management has been quick to adjust cost structures to the lower demand levels with across-the-board headcount reductions on a like for like basis of 15%.

Significant Developments

In October this year, we officially opened our new factory in Thailand. It has been set up to produce rotating parts with injection moulding, assembly and toolmaking activities. Management, both expat and local, and employees have been recruited, inducted and trained as necessary for our technology and method of operation. The project has been completed within budget and within nine months from initial approval, which is an excellent achievement. The factory in Thailand will enable us to provide superior service to our customers in South East Asia as well as bringing cost advantages more generally. We have gradually increased the amount of production taking place in this facility to approximately 25% of all BNL’s rotating parts. At the end of the year we had 74 employees in Thailand, the majority of these employees carry out operations that were previously subcontracted in the UK.

At the end of the year we disposed of the only non-core subsidiary remaining, Mulberry Plastics Limited (“Mulberry”), which manufactured specialist trade extrusions products and was the rump of the former Trimplex Limited (“Trimplex”) business acquired in 2005. Mulberry was not profitable and although there was a loss on disposal, economically this was the best way forward as there would have been significant closure costs associated with leases and redundancy, in the event that we had taken this route. The core creasing matrix part of Trimplex had been consolidated into C&T Matrix Limited (“C&T Matrix”) primarily during FY07-08 and fully completed at the beginning of the year being reported. In addition we moved the Safety Tread flooring business from Mulberry to Bell Plastics Limited (“Bell”) before closure as this was profitable and there was spare capacity to incorporate it at Bell.

Raw Materials

The financial year under review initially saw upward pressure on raw material input costs, which in some cases has been significant, followed by a decline for commodity grades and stability for the more specialist materials that our businesses buy in the main. Although oil prices have been a factor, the main cause of polymer price inflation has been the balance of supply and demand for different polymers, and some were out of balance during the first half of the year. Management have, through working with customers and re-engineering product specifications where possible, minimised the adverse impact of this on our year end results. However, this volatility has distorted some aspects of these results, particularly revenues, which have grown significantly less in volume than value as raw material price increases were passed on for the majority of the year.

***** *Excluding as appropriate or relevant amortisation, exceptionals, negative goodwill credit, unrealised foreign exchange costs & derivative gains/losses.*

Currency Volatility

The year under review has seen exceptional currency volatility; in particular, Sterling weakened against the US Dollar and Yen by some 20-25%, against the Euro it weakened by some 15%. As we export approximately 50% of production, Sterling's weakness is helpful to the Group's trading in the long run.

In order to have predictability in the short to medium term, our policy has been to hedge as much as reasonably possible. For the financial year under review we were substantially hedged and this has led to significant realised losses on forward contracts, as well as some unrealised losses on the translation of our foreign currency denominated debt. It should be remembered that this has arisen after many years of Sterling strength, when the Group's hedging policy has led to gains.

We have reviewed our hedging policy and concluded that our strategy is broadly correct – realised gains made in the businesses during the year from foreign exchange movements are broadly negated by the realised losses on forward contracts and foreign currency loans repaid during the year. Our hedging policy enables us to achieve a higher level of predictability of earnings, at least over a 12-18 month window. We believe that this is favourable to shareholders. Therefore whilst we have fine tuned the policy, we have once again hedged forward for the FY09-10 year and should Sterling strengthen as appears the case so far, we will benefit accordingly.

Finance

Our total bank debt has increased by £2 million to £20 million during the period, mainly because of the unrealised translation losses on foreign currency loans, which have to be marked to market at the year-end, even though the average duration of these loans is some 3-4 years from now. Other contributory factors are the capital expenditure for Thailand, the final payments made for the Palagan acquisition and final payments associated with our IPO. Meanwhile we have redeemed debt during the year as agreed with Royal Bank of Scotland.

Working capital management has been a focus. We have released more than £2 million of cash through good working capital management with debtor days in particular coming down. The actions of credit insurers has contributed to the difficulty of our trading environment as they have withdrawn insurance cover across a wide range of companies, irrespective of the specific circumstances – many of our customers have been affected and we have had to work with them to find appropriate solutions.

Current trading and future prospects

Current trading is weak but steady – it appears to us that demand levels have bottomed out and raw material prices are stable. We see little evidence of so called "green shoots," but in the last few weeks, there are as many examples of order books being revised upwards as downwards. This contrasts with last year when order books were only ever revised downwards.

We start the current year at much better exchange rates than last year, which will assist us greatly; in addition, costs have been rationalised heavily during the course of FY08-09 and this will benefit us further. At this stage however, we are only expecting true organic growth to come from our own business development activities. In spite of the global recession, business development activity has remained a focus across the Group and we are confident that this will bear fruit over the next 12-24 months.

We have put acquisition activity on hold over the last 12 months or so, and whilst financing conditions are far from favourable, we are now beginning to see some opportunities that are of interest from vendors who have a good reason to be considering an exit. We will explore any opportunity that is consistent with our stated strategy and that we believe will create shareholder value.

The Board wishes to extend its sincere thanks to all the Group's employees; despite the very difficult circumstances, we have had the full support of our employees in all aspects of the Group's activities. This is much appreciated.

Overall, our businesses remain highly profitable, demonstrating strong operating cash flows and very good market and competitive positions. We look forward to another year of significant progress.

Faisal Rahmatallah
Executive Chairman

Operational Review

Plastic Bearings
For BNL (UK) Limited ("BNL"), our manufacturer of plastic bearings and other rotating parts, FY08-09 was an extraordinary year with volatility in demand conditions, input prices and currency. A new production facility was successfully brought into operation in Thailand, new business development continued apace and a new "business winning" organisation structure was implemented to drive further organic growth.

Volumes held up well in the first half year but fell off dramatically in the second half as the full effects of the credit crisis took hold. Market segments that were particularly affected included automotive and construction. Also in the first half year, there was a degree of raw material price inflation, which subsequently subsided.

BNL has roughly 50% of its sales in US Dollars and 10% in Yen. During the year under review, the dollar strengthened from 1.98 to the pound to 1.43; this boosted BNL's performance through higher sales (in Sterling terms) and some translation gains. The Yen has strengthened even more and had a similar effect. Although these trends have reversed somewhat since the end of the year, it remains the case that BNL's competitiveness has improved considerably over the last 12-15 months.

The Thai facility was officially opened in October, the project being completed on time and within budget. Since then production has been gradually transferred there, starting with assembly operations and followed by moulding operations and tool making. Approximately 25% of production now takes place in Thailand and we are confident that this investment will provide the long term financial and operational benefits that were projected.

Critical to BNL's growth is its ability to source and convert new projects for bearings with OEM customers, both existing and new. In the financial year under review, projects with annual sales value of £1.6 million were successfully converted. To enable greater sales and marketing efficiency, sales and applications engineering staff have been brought under one organisation to improve resource allocation and co-ordination. We believe that this will both improve and accelerate lead generation and conversion.

Creasing Matrix
FY08-09 has been a challenging year for our creasing matrix business, C&T Matrix.

Volumes started to be affected towards the end of the first quarter with the main regions being affected being North America and Western Europe. Whilst end user demand was down, the main reason for the decline was destocking by distributors. The downward trend continued although towards the end of the year volumes flattened out, when it seemed as though a floor had been reached. Small competitors have been weakened by this hostile environment, which is presenting opportunities for us to gain share.

We have also continued to progress the final aspects of the integration between Channel Matrix Limited and Trimplex Limited which was largely carried out at the end of the prior financial year, but progress on this has been slower than anticipated. We will complete this project during the first six months of FY09-10.

On a positive note, we have managed to significantly reduce the amount of working capital tied up in this business, with stock and debtor days both down, so improving cash flow.

Customised Film Packaging
Palagan Limited ("Palagan"), our film packaging subsidiary, performed ahead of expectations despite the difficult environment, managing to cope with extraordinary raw material price inflation and deflation during the year, and also with some significant changes to the senior management organisational structure.

Key raw material input prices increased by 50% during the first quarter and then decreased by 66% during the next six months before stabilising**.** Despite these gyrations, we were able to maintain margins at satisfactory levels. Volumes also remained reasonable until the fourth quarter when a decline was observed.

During the course of the year we have appointed Simon Barton, formerly the sales director, as managing director of Palagan. We have also appointed a new operations director and factory manager, and a new financial manager. These changes have created a strong and well balanced management team that will be able to take this business further forward in the future.

Operational Review (continued)

Hose Mandrel & Films
For Bell, our hose mandrel and film subsidiary, FY08-09 was a difficult year. Bell's customers are heavily exposed to global capital goods markets, specifically those for industrial machinery and construction and mining equipment. As a result Bell's volumes have been badly affected. Despite this, Bell has aggressively sought to win new business, using its exceptional product and technical strengths, and towards the end of the year has achieved some notable successes.

During the year, before selling Mulberry, we also transferred Mulberry's profitable Safety Tread flooring business to Bell, therefore adding to the critical mass at Bell. Safety Tread is a well known, but underexploited, brand of stair treads typically used for institutional buildings. The products are made from extruded plastic, carborundum and aluminium profile.

Bell has to move site during FY09-10, as its current lease terminates in September 2009, and so has been busy during the year under review investigating and securing a suitable factory. I am pleased to report that we have now secured one close to the existing factory with some additional room for expansion, superior access and in better condition, into which the Bell operation will be moved during the second quarter of FY09-10.

Discontinued Operations
Mulberry, the remaining business of Trimplex after its integration into C&T, was disposed of just before the end of the year. This consisted of unprofitable, non-core trade extrusion activities. Whilst a significant loss was recorded, it was clear that disposal was our best option as cash closure costs and the cost of the remaining lease obligation would have been significant.

Financial Review

Continuing Operations	2009 £000	2008 £000 (Restated)	*Change %*
Revenue	**28,185**	**20,128**	***40.0%***
Gross profit	**9,569**	**8,679**	***10.3%***
Operating profit	**560**	**1,558**	***-64.1%***
Add back: Depreciation and impairment	723	425	
Add back: Amortisation and impairment	1,119	1,162	
Add back: Negative goodwill credit	-	(323)	
Add back: Exceptional costs	1,741	1,163	
Add back: Realised foreign exchange costs	990	0	
EBITDA before exceptionals, negative goodwill credit and realised foreign exchange costs	**5,133**	**3,985**	***28.8%***
(Loss)/Profit before tax	(4,275)	(2,776)	
Add back: Amortisation and impairment	1,119	1,162	
Add back: Negative goodwill credit	-	(323)	
Add back: Exceptional costs	1,741	1,163	
Add back: Exceptional interest costs	-	1,726	
Add back: Unrealised foreign exchange losses	2,545	1,397	
Add back: Unrealised derivative losses	877	311	
Profit before tax*	**2,007**	**2,660**	***-24.5%***
Taxation	696	552	
Profit after tax*	**2,703**	**3,212**	***-15.8%***
Basic adjusted EPS*	**10.0p**	**11.9p**	***-15.8%***
Basic EPS from continuing operations	**(13.3)p**	**(13.9)p**	***-4.3%***
Capital expenditure	**1,894**	**1,047**	***80.9%***
Acquisition spend	**-**	**15,768**	***-100%***
Net Debt	**19,593**	**16,282**	***20.3%***

* excluding amortisation, exceptionals, negative goodwill credit, unrealised foreign exchange translation and derivative gains/losses

Revenue

Revenue for the year was £28.1 million which was an increase of 40.0% from £20.1 million in 2008. The increase in revenue was due to a full year's trading from Palagan Limited, a business acquired in March 2008 which accounted for an increase of sales of £9.3 million. On a like-for-like basis (i.e. adjusting for exchange rates and acquisition timings) organic revenue decreased by 10.2%.

Gross profit

Gross profit was £9.6 million (margin: 34.0%) in 2009 against £8.7 million (margin: 43.1%) in 2008. Excluding exceptional costs, the gross profit in 2009 was £11.2 million (margin: 39.6%) compared to a gross profit in 2008 of £9.4 million (margin: 46.7%). The decrease in gross profit margin has been caused by changes in business mix due to a full year's acquisitions impact in 2009 and lower sales at Bell and C&T which has caused the margin to fall due to operational gearing.

Exceptional costs

Exceptional costs incurred in the year relate to:

- redundancy payments in relation to the group restructuring programme;
- factory set-up costs in relation to BNL (Thailand);
- integration and restructuring costs associated with the final transfer of Mulberry Plastics' matrix business to Channel Matrix Limited plus the transfer of Trimplex Safety Tread assets to Bell Plastics Limited;
- impairment of the freehold property value.

Financial Review *(continued)*

Discontinued Operations

During the year the operations of Mulberry Plastics Limited, a manufacturer of proprietary extrusion, were sold. This resulted in a discontinued charge of £1.6 million relating to a loss made on disposal of the business, the net loss the business made during the year and redundancy costs.

Profitability

EBITDA before exceptionals and negative goodwill credit has increased from £4.0 million in 2008 to £5.1 million, an increase of 28.8%.

Profit after taxation excluding amortisation, exceptionals, negative goodwill credit, profit on sale of land and buildings, foreign exchange translation and derivative gains/losses of £2.7 million compares with the prior year equivalent of £3.2 million, a decrease of 15.8%.

Taxation

The Group's tax credit for the year is £0.7 million which has arisen on the movements in deferred tax during the year. There is no material current tax charge for the year.

Earnings per share

Basic adjusted earnings per share are 10.0p compared to 11.9p in 2008. This is based on a weighted average 26.9 million shares in 2009 and 2008.

Capital expenditure

Capital expenditure was £1.9 million in 2009 of which £0.6 million relates to the purchase of new moulding machinery for the Thailand factory which became operational in the year.

Cash flow

In the year, cash generated from operations amounted to £2.8 million (2008: £0.5 million). In particular there were significant improvements in working capital, with an inflow to the business of £2.1 million in the year excluding liabilities relating to acquisition and the IPO at the start of FY08-09.

Net debt

Net debt at the year end of £19.6 million (2008: £16.3 million) increased during the year by £3.3 million.

The principal movement in the year was caused by the effect of foreign exchange debt, denominated in Euros, US Dollars and Japanese Yen, which when translated at the year end rate accounted for a loss of £2.8 million.

KPIs

The Group uses the key financial performance indicator of earnings before interest, tax, depreciation and amortisation (EBITDA) before exceptionals and negative goodwill credit. In 2009, the EBTIDA margin was 18.2% which was marginally down on 2008 at 19.8%.

Consolidated Income Statement

for year ended 31 March 2009

	Note	2009 £000 **Before foreign exchange & exceptional items** £'000	2009 £000 **Foreign exchange impact on derivatives and loans** £'000	2009 £000 **Exceptional items** £'000	2009 £000 **Total** £'000	2008 £000 restated * Before foreign exchange & exceptional items £'000	2008 £000 restated * Foreign exchange impact on derivatives and loans £'000	2008 £000 restated * Exceptional items £'000	2008 £000 restated * Total £'000
Revenue		**28,185**	**-**	**-**	**28,185**	20,128	-	-	20,128
Cost of sales	3	**(17,030)**	**(990)**	**(596)**	**(18,616)**	(10,724)	-	(725)	(11,449)
Gross profit		**11,155**	**(990)**	**(596)**	**9,569**	9,404	-	(725)	8,679
Negative goodwill credit		-	-	-	-	323	-	-	323
Distribution expense		**(1,765)**	**-**	**-**	**(1,765)**	(1,009)	-	-	(1,009)
Administration expenses	3	**(6,099)**	**-**	**(1,145)**	**(7,244)**	(5,997)	-	(438)	(6,435)
Operating profit		**3,291**	**(990)**	**(1,741)**	**560**	2,721	-	(1,163)	1,558
Financial income	4	**72**	**-**	**-**	**72**	16	-	-	16
Finance expense	4,5	**(2,362)**	**(2,545)**	**-**	**(4,907)**	(1,227)	(1,397)	(1,726)	(4,350)
Net financing costs		**(2,290)**	**(2,545)**	**-**	**(4,835)**	(1,211)	(1,397)	(1,726)	(4,334)
Profit/ (Loss) before tax		**1,001**	**(3,535)**	**(1,741)**	**(4,275)**	1,510	(1,397)	(2,889)	(2,776)
Tax		**696**	**-**	**-**	**696**	552	-	-	552
Profit/(Loss) for the year before discontinuing operations		**1,697**	**(3,535)**	**(1,741)**	**(3,579)**	2,062	(1,397)	(2,889)	(2,224)
Discontinued operations	6	**-**	**-**	**(1,598)**	**(1,598)**	-	-	(914)	(914)
Profit/(Loss) for the year		**1,697**	**(3,535)**	**(3,339)**	**(5,177)**	2,062	(1,397)	(3,803)	(3,138)
Attributable to:									
Equity holders of the parent					**(5,177)**				(3,144)
Non controlling interest					-				6
Loss for the financial year	7				**(5,177)**				(3,138)
Basic (loss) per share	8								
Continuing operations					**(13.3)p**				(13.9)p
Total					**(19.3)p**				(19.6)p

The diluted loss per share has not been calculated due to the loss made in the year

** The prior year has been restated to show operations classified as discontinued in the current year as discontinued in the comparative period, in accordance with IFRS 5*

Consolidated Statement of Recognised Income and Expense
for year ended 31 March 2009

	Note	**2009** **£000**	2008 £000
Foreign exchange translation differences		**474**	124
Net income and expense recognised directly in equity		**474**	124
Loss for the year		**(5,177)**	(3,138)
Total recognised income and expense	*7*	**(4,703)**	(3,014)
Total recognised income and expense for the period is attributable to:			
Equity holders of the parent		**(4,703)**	(3,020)
Non controlling interest		**-**	6
		(4,703)	(3,014)

Consolidated Balance Sheet
at 31 March 2009

	Note	**2009**	2008
		£000	£000
Non-current assets			
Property, plant and equipment		**5,305**	5,095
Investments		**33**	33
Intangible assets		**24,460**	25,444
		29,798	30,572
Current assets			
Inventories		**2,844**	3,510
Trade and other receivables		**5,411**	7,561
Corporation tax asset		**59**	-
Cash and cash equivalents		**407**	1,708
		8,721	12,779
Total assets		**38,519**	43,351
Current liabilities			
Interest-bearing loans and borrowings		**3,556**	2,123
Trade and other payables		**3,467**	5,616
Corporation tax liability		**-**	45
		7,023	7,784
Non-current liabilities			
Interest-bearing loans and borrowings		**16,444**	15,867
Other financial liabilities		**1,200**	323
Deferred tax liabilities		**1,272**	2,165
		18,916	18,355
Total liabilities		**25,939**	26,139
Net assets		**12,580**	17,212
Equity attributable to equity holders of the parent			
Share capital	*7*	**270**	269
Share premium	*7*	**13,848**	13,868
Translation reserve	*7*	**417**	(57)
Reverse acquisition reserve	*7*	**2,640**	2,640
Capital Redemption Reserve	*7*	**69**	-
Retained earnings	*7*	**(4,664)**	492
Total equity		**12,580**	17,212

Consolidated Cash Flow Statement

for year ended 31 March 2009

	2009	2008
	£000	£000
Cash flows from operating activities before tax		
(Loss)/profit for the year	**(5,873)**	(3,690)
Adjustments for:		
Depreciation and amortisation	**2,408**	1,335
Financial income	**(72)**	(16)
Financial expense	**5,488**	4,350
Gain on disposal of plant, property and equipment	**2**	21
Equity settled share based payment expenses	**33**	7
	1,986	2,007
Operating profit before changes in working capital and provisions		
Decrease/(Increase) in trade and other receivables	**2,150**	(29)
Decrease/(Increase) in inventories	**666**	(223)
Decrease in trade and other payables	**(2,170)**	(1,288)
Cash generated from operations	**2,632**	467
Interest paid	**(1,432)**	(1,229)
Income tax paid	**(329)**	(151)
Net cash inflow/(outflow) from operating activities	**871**	(913)
Cash flows from investing activities		
Acquisition of subsidiary, net of cash acquired	**-**	(15,710)
Acquisition of property, plant and equipment	**(1,501)**	(2,695)
Interest received	**72**	16
Acquisition of intangible assets	**(135)**	-
Proceeds from disposal of PPE	**-**	122
Net cash outflow from investing activities	**(1,564)**	(18,267)
Cash flows from financing activities		
Net proceeds from the issue of share capital	**50**	14,485
Purchase of own shares	**-**	(30)
Net proceeds from new loan	**-**	24,950
Repayment of borrowings	**(658)**	(19,512)
Net cash (outflow)/inflow from financing activities	**(608)**	19,893
(Decrease)/Increase in cash and cash equivalents	**(1,301)**	713
Cash and cash equivalents at 1 April 2008	**1,708**	995
Cash and cash equivalents at 31 March 2009	**407**	1,708

Notes

1 Financial information

The financial information set out above does not constitute the Company's statutory accounts for the year ended 31 March 2008 or 2009 but it is derived from those accounts. Statutory accounts for 2008 have been delivered to the registrar of companies and those for 2009 will be delivered in due course. The auditors have reported on those accounts; their report was (i) unqualified, (ii) did not include a reference to any matters to which the auditors drew attention by way of emphasis without qualifying their report, and (iii) did not contain a statement under Section 237(2) or (3) of the Companies Act 1985.

Going concern

The Financial Reporting Council issued an Exposure Draft "Going Concern and Liquidity Risk Guidance for Directors of UK Companies" in May 2009 and the directors have considered this when preparing the financial statements. These have been prepared on a going concern basis, not withstanding the loss for the period ended 31 March 2009. The directors have taken steps to ensure that they believe the going concern basis of preparation remains appropriate. The key conclusions are summarised as follows: (i) the Group's banking facilities were renegotiated as at 31 March 2009, assisting the Group to meets its covenant levels; (ii) a sensitised cash flow forecasting exercise performed for the period from the date of approval of these financial statements until 30 June 2010 showed that the Group had sufficient funds to meets its debts as they fall due over that period; and (iii) the directors have considered the position of the trading companies in the Group to ensure that these companies are in a position to meet their obligations as they fall due.

There are not believed to be any contingent liabilities which could result in a significant impact on the business if they were to crystallise.

Accounting estimates and judgements

The Company makes estimates and assumptions regarding the future. Estimates and judgements are continually evaluated based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. In the future, actual experience may differ from these estimates and assumptions. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities or to the financial statements in general within the next financial year are discussed below.

Intangible assets

The Group recognises intangible assets (other than goodwill) on acquisition. Estimates are made in respect of useful lives affecting the carrying value and amortisation charges in respect of these assets. The valuation of intangible assets requires judgements to be made in respect of valuation methods, discount rates, growth rates and future cash flows and the cost of capital. Actual outcomes may vary.

Goodwill

The Group is required to test, on an annual basis, whether goodwill has suffered any impairment. Goodwill is assigned by the company to its cash-generating units, the allocation of which is a judgement based on the knowledge of the business. The recoverable amount is determined based on value in use calculations. The use of this method requires the estimation of future cash flows, growth rates and the choice of a discount rate based on knowledge of the cost of capital in order to calculate the present value of the cash flows. Actual outcomes may vary.

Inventory

The Company reviews the net realisable value of, and demand for, its inventory on a regular basis to provide assurance that recorded inventory is stated at the lower of cost or net realisable value. Factors that could impact estimated demand and selling prices include competitor actions, supplier prices and economic trends.

Notes *(continued)*

***Accounting estimates and judgements** (continued)*

Exceptional costs, foreign exchange costs and presentation of the financial statements

The Group is required to make judgements in determining its policy for the disclosure and presentation of exceptional costs and foreign exchange costs. These judgements are made in order to facilitate the understanding of the performance of the Group.

2 Accounting policies

Plastics Capital plc (the "Company") is a public company incorporated in England and Wales, with subsidiary undertakings in the UK, Japan, Thailand and the United States of America.

The Group financial statements consolidate those of the Company and its subsidiaries (together referred to as the "Group"). The Group financial statements have been prepared and approved by the directors in accordance with International Financial Reporting Standards as adopted by the EU ("Adopted IFRSs").

The accounting policies have been applied consistently to all periods presented in these Group financial statements.

3 Exceptional items – Operating profit

Cost of Sales

	2009	2008
	£000	£000
Redundancy payments	**204**	276
Restructuring / integration costs	**-**	432
Stock provisions and write-off on integration of businesses	**188**	17
Factory set up costs	**204**	-
	596	725

Also included within Cost of Sales is £990,000 in relation to losses on foreign exchange contracts (2008: nil).

Administrative expenses

	2009	2008
	£000	£000
Redundancy payments	**202**	69
Restructuring / integration costs	**478**	369
Impairment of property	**465**	-
	1,145	438

Exceptional costs incurred and included in cost of sales and administrative expenses in the year relate to:

(i) redundancy payments in relation to the group headcount reductions due to group restructuring;

(ii) factory set-up costs relating to BNL (Thailand);

(iii) integration and restructuring costs associated with the final transfer of Mulberry Plastics matrix business to Channel Matrix Limited plus the transfer of Trimplex Safety Tread assets to Bell Plastics Limited; and

(iv) impairment of the freehold property value.

Notes *(continued)*

4 Finance income and expense

	2009 £000	2008 £000
Finance income:		
Interest income	**72**	16
Financial income	**72**	16
Finance expense:		
Bank interest	**1,460**	679
Loan note interest	**25**	225
Losses on derivatives used to manage interest rate and foreign exchange risk (unrealised)	**877**	323
Financial expenses	**2,362**	1,227

5 Finance Expenses included within foreign exchange costs

	2009 £000	2008 £000
Net foreign exchange loss	**2,545**	1,397
Premiums on redemption of loans	**-**	1,726
	2,545	3,123

The net foreign exchange losses represent unrealised losses arising on the translation of foreign currency loans.

Notes *(continued)*

6 Discontinued operations

Income Statement	**2009**	2008
	£000	£000
		(Restated)
Revenue	**1,231**	2,476
Cost of sales	**(617)**	(1,975)
Exceptionals	**-**	(256)
Cost of sales	**(617)**	(2,231)
Gross profit	**614**	245
Distribution costs	**(71)**	(95)
Administrative expenses pre-exceptionals	**(1,074)**	(681)
Exceptionals	**-**	(346)
Administrative expenses	**(1,074)**	(1,027)
Operating loss	**(531)**	(877)
Financial expenses	**(211)**	(37)
Loss before taxation	**(742)**	(914)
Taxation	**-**	-
Loss on sale of discontinued operation	**(856)**	-
Loss on discontinued operations	**(1,598)**	(914)

Mulberry Plastics Limited, the rump of the Trimplex operation, was disposed of just before the end of the year. This consisted of unprofitable, non-core proprietary extrusion activities. Whilst a loss was recorded, it was clear that disposal was our best option as closure costs and the cost of the remaining lease obligation would have been significant. The discontinued operations in the previous year related to Sabreplas Limited, a manufacturer of General Extrusion and Mulberry Plastics Limited.

Notes *(continued)*

7 Capital and reserves

Current year

	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 2008	269	13,868	(57)	2,640	-	492	17,212
Total recognised income and expense for the year	-	-	474	-	-	(5,177)	(4,703)
Other movement	-	-	-	-	-	(12)	(12)
Issue of new shares	1	49	-	-	-	-	50
Capital redemption reserve	-	(69)	-	-	69	-	-
Equity-settled share based payment transactions	-	-	-	-	-	33	33
Balance at 31 March 2009	**270**	**13,848**	**417**	**2,640**	**69**	**(4,664)**	**12,580**

Notes *(continued)*

7 Capital and reserves *(continued)*

Prior year

	Share capital £000	Share premium £000	Translation reserve £000	Reverse Acquisition reserve £000	Retained earnings £000	Total £000	Minority interest £000	Total equity £000
Balance at 31 March 2007	269	13,868	(181)	(12,718)	3,650	4,888	1,053	5,941
Total recognised income and expense for the year	-	-	124	-	(3,144)	(3,020)	6	(3,014)
Equity-settled share based payment transactions	-	-	-	-	16	16	-	16
Purchase of own shares	-	-	-	-	(30)	(30)	-	(30)
Purchase of Non controlling interests	-	-	-	-	-	-	(1,059)	(1,059)
Impact of issue of new shares (Plastics Capital Trading Limited)	-	-	-	1,328	-	1,328	-	1,328
Proceeds from listing	-	-	-	14,030	-	14,030	-	14,030
Balance at 31 March 2008	**269**	**13,868**	**(57)**	**2,640**	**492**	**17,212**	**-**	**17,212**

Reverse acquisition

On 6 December 2007, the Company acquired in a share for share exchange the whole of the ordinary share capital of Plastics Capital Trading Limited. The reverse acquisition reserve arises on the accounting for the share for share exchange. Reverse acquisition accounting requires that Plastics Capital Trading Limited is treated as the acquirer and the Company the acquiree. A reverse acquisition reserve arises which represents the difference between the issued equity instruments of Plastics Capital Trading Limited immediately before the share for share exchange and the equity instruments of the Company along with the shares issued to effect the share for share exchange.

The intention of reverse acquisition accounting is to present the Group as having always existed except that the capital reserves presented in the Group balance sheet are those of the Company in all years and not Plastics Capital Trading Limited. As a result the reverse acquisition reserve arises at the 1 April 2005 being the start of the earliest comparative period presented.

Notes *(continued)*

7 Capital and reserves *(continued)*

Share capital

In thousands of shares	Ordinary shares of 1p each **2009**	2008
On issue at 1 April	**269**	-
Issued for cash	**1**	162
Share for share exchange	**-**	107
On issue at 31 March – fully paid	**270**	269

	2009 £000	2008 £000
Authorised		
40,000,000 ordinary shares of 1p each	**400**	400
Allotted, called up and fully paid		
26,900,063 ordinary shares of 1p each	**270**	269
	270	269

Share options were exercised in the year amounting to 50,063 shares at 1p each.

The following describes the nature and purpose of each reserve within owners' equity:

Reserve	**Description and purpose**
Share premium	Amount subscribed for share capital in excess of nominal value
Retained earnings	Cumulative net gains and losses recognised in the consolidated income statement
Translation reserve	The translation reserve comprises all foreign exchange differences arising from the translation of the financial statements of foreign operations
Reverse acquisition reserve	Arises on the reverse acquisition accounting applied to the share for share exchange of Plastics Capital Trading Limited by the Company
Capital redemption reserve	Arises on consolidation of Plastics Capital (Trustee) Limited through purchase of the parent company's shares

Notes *(continued)*

8 Earnings per share

	2009	**2008**
	£000	£000
Numerator		
Earnings used in basic EPS		
Loss for the year from continuing operations	**(3,579)**	(2,224)
Loss for the year from discontinued operations	**(1,598)**	(914)
Loss for the year	**(5,177)**	(3,138)
Denominator		
Weighted average number of shares used in basic EPS	**26,887,547**	16,050,000

The diluted loss per share has not been calculated due to the loss made in the year.

9 Annual General Meeting

It is intended that the Annual General Meeting ("AGM") will take place at Buchanan Communications, 45 Moorfields, London, EC2Y 9AE on 31 July 2009. Notice of the AGM will be sent to shareholders with the financial statements.