For Immediate Release **27th June 2011**

Plastics Capital plc

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

Preliminary Results for the year ended 31 March 2011

Plastics Capital plc (AIM: PLA) the niche plastics products manufacturer, today announces its preliminary results for the year ended 31 March 2011.

Financial highlights

	Year ended 31 March 2011 £'000	Year ended 31 March 2010 £'000	% Change
Revenue	33,509	26,688	+25.6%
EBITDA	5,579	4,405	+26.7%
Operating Profit	3,534	2,460	+43.7%
Profit before tax	3,597	1,792	+100.7%
Profit after tax	3,096	1,934	+60.1%
EPS	11.4	7.2p	+58.2%
Net Debt	11,717	16,140	-27.4%

Operational highlights

- Strong revenue growth driven by new business and global recovery;
- 26 new key accounts won during the financial year;
- New sales subsidiaries operational in China and India;
- International sales volumes increased by 26%;
- Good profit growth delivered by all Group subsidiaries;
- Strong cash conversion – 80% of EBITDA converted to operating cash flow; and
- Net bank debt reduced by £4.4 million to £11.7 million.

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

"This has been a year of strong growth, most importantly due to new business gained. Margins have remained good and we have reduced our bank debt considerably due to strong cash flow. Meanwhile we have made some significant investments for future growth, particularly in overseas markets.

We believe that new business development and new product introductions should continue to provide strong growth momentum to the Group for the foreseeable future, despite what may be a lower growth scenario for the global economy in the next 12 months. Consequently, 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
Liz Bowman

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

Notes to Editors

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, Japan, China and India. Approximately 62 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 300 employees.

Further information can be found on www.plasticscapital.com

Chairman's Statement

Financial Review

I am very pleased to report a strong performance for the year, which is ahead of management expectations.

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

- increased revenue by 26% to £33.5 million;
- increased underlying* profit before tax by 30% to £3.9 million;
- reduced net bank debt by £4.4 million to £11.7 million and
- increased adjusted* earnings per share by 28% to 10.2p

***** *Excluding, as appropriate, amortisation, exceptional costs, unrealised foreign exchange & derivative gains/losses (see page 8).*

The strong increase in revenue results from four factors. First, and most importantly, from new business – this has accounted for 40% of the year-on-year increase in revenue. Second, the global recovery led to restocking during the year and to the resumption of some end-market investment activity, thereby creating additional demand for some of our products. Third, we have achieved an improvement in the mix of products sold - towards higher value-added products and assemblies. Finally, we have had to pass raw material price increases through to our customers - these account for 17% of revenue growth during the year.

Profit growth has been driven mainly by the revenue growth outlined above and by lower interest costs due to the reduction in our bank debt. Profit growth would have been significantly stronger if exchange rates had been more favourable – our average exchange rate against the dollar was $1.64 against $1.48 in the prior year. In addition, profit growth has been held back somewhat as we have invested during the year in new initiatives that will help to generate growth in years to come – these costs include setting up sales offices in China and India, and the appointment of additional management and sales resources. Capital expenditure has been approximately £0.2 million higher than our baseline spend as production capacity has been added to support the higher levels of revenue, both for this year and anticipated for subsequent years.

In the year under review, the Group has incurred significant unrealised foreign exchange and interest rate derivative gains and not suffered the prior year's exceptional costs. Consequently, last year's statutory profit before tax of £1.8 million has doubled to £3.6 million. Tax will be payable on this year's profits at the rate of 14%, as prior years' losses have now been utilised.

It is also pleasing to report that our net bank debt has reduced by £4.4 million during the year. In addition to the profit performance discussed above, key factors in achieving this reduction in debt have been the reduction in working capital as a percentage of sales during the year from 18.1% to 15.8%, together with the £1.3 million disposal proceeds received from the sale and leaseback of the Palagan factory in Dunstable.

New Business

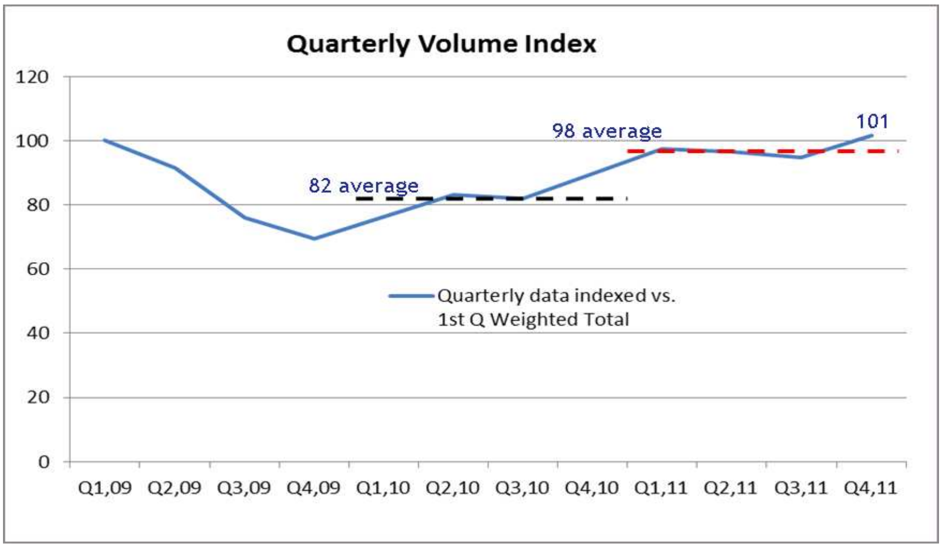
New business successes have been broad based with each of our subsidiaries performing well. The underlying drivers of new business success for our businesses are their niche product advantages combined with effective sales "pressure". Each business has some special products and capabilities, but these do have to be actively sold into the market; consequently, the increases and improvements made to our sales resources made during and after the recession has been very important in driving the success we have seen this year. We have had a specific initiative to convert target accounts with sales potential that are in excess of £100,000 ("key accounts") and it is very pleasing to report that 26 key accounts have been won during the year. Across the Group, we currently have 63 accounts for whom sales are in excess of £100,000, in total accounting for 57% of Group sales.

For most of our product areas the sales cycle is lengthy - once an account is won sales momentum gradually builds over the next 12-18 months. This means that we have reasonable visibility over this part of our business – for example, we know that the new business won this year will lead to good growth next year assuming all else remains equal. I can also report that the pipeline of sales opportunities involving products that are under detailed design or undergoing customer testing is currently strong.

Volume Recovery

Year-on-year volume increase has been 20% - however, as can be seen from the chart below, this masks the underlying trend during the year which saw a significant increase in Q1 followed by a more modest growth thereafter. In retrospect, it was clear that Q1 and Q2 saw significant restocking by customers as well as new business wins, subsequently restocking demand dissipated whilst new business sales continued to come through.

The chart below also shows how quarterly volumes are now just above the level they were at the beginning of FY2009 before the financial crisis occurred.



Raw Materials

Raw material prices have increased over the year – much more so for commodity grades than engineering grades, where the key issue has been availability and quality. We have been able to pass on these increases in the main, partly because the phenomenon has been so well publicised and widespread. The latest indication is that prices are stabilising, possibly temporarily, as demand from south-east Asia slackens – however, we have seen some false dawns on this matter in the recent past and so will remain vigilant and responsive to market developments.

Currency

Sterling has remained relatively weak throughout the year. Because of our export focus, Sterling's weakness is helpful to the Group's trading in the long run. Our key trading exposure is to the US Dollar and our key balance sheet exposure is to the Euro, as approximately 50% of our debt has been denominated in Euros.

For the financial year under review we achieved an average rate of $1.64 on the US Dollar and this detracted significantly from our profit improvement compared to FY2010, when the average rate achieved was $1.48 – the negative impact being £0.7 million. As for the Euro the year-start and year-end rates were €1.12 and €1.13 respectively leading to a £0.1 million unrealised gain on our Euro denominated debt.

Our hedging policy remains as previously stated - we seek to ensure that realised gains/losses made in the businesses during the year from foreign exchange movements are broadly negated by the realised gains/losses on forward contracts and foreign currency loans repaid during the year. This hedging policy enables us to achieve a higher level of predictability of earnings and cash flow, despite currency volatility, at least over a 12-18 month window.

We have hedged forward for FY2012 at a more attractive rate than we managed for FY2011; this will assist earnings somewhat in the current year. We have already started to hedge for FY2013 and, so far, at similar rates to those achieved for FY2012.

Banking

Our net bank debt has decreased to £11.7 million during the period. Cash conversion in our businesses has been good and working capital management of the business has been a key operational focus. Management have again done an excellent job to squeeze working capital further over the last twelve months after having done the same in the prior year. Interest cover at the end of the year was 5.5x and net leverage (based on statutory bank debt) was

2.0x. At this level, our debt has become acceptable to most banks in the post-crisis environment, in which leverage multiples have reduced significantly.

After the end of the financial year we signed an agreement with Barclays Corporate to refinance our debt, extending the term by 2¼ years to June 2015 and providing significantly more flexibility through a £8 million revolving credit facility and £6 million amortising term loan. The current cost of these facilities after all hedging arrangements is likely to be about 450bps. These new facilities will provide the headroom and flexibility that is appropriate for the business, for example enabling it to make further capital expenditure to support growth and also to consider the payment of dividends in the future.

Current trading and future prospects

Overall trading is stable at present – we expect Q1 FY2012 to be similar to the average for FY2011. Order books are satisfactory. Our assessment of global demand growth is that, for the moment, it has paused and growth in our businesses will hinge on new business development. We have a good list of target accounts and will be introducing some new products and capabilities in the current year, which we believe will also boost sales.

FY2012 will be a year of investment in sales activities, product introduction and development and in new machinery. These factors will impact profitability and cash flow in the short term, but will significantly benefit growth and profits in the longer run.

Our current strategic focus is on organic growth, driven by five key themes:

- Key account conversion – our objective will be to add another 20 key accounts over the financial year and to develop our existing key accounts further. At present the list of target key accounts is circa 100, so there is no shortage of opportunity.
- Geographic expansion – having recently invested in Chinese and Indian sales offices, we will be looking to expand and exploit these further. In addition we will look at sales capabilities in other important territories such as Korea, Brazil and core markets such as the USA.
- New products – we have a number of new products that will be introduced during the current year; these include thinner and narrower film packaging products, a new pressboard matrix product designed to increase share in this market segment where we have not been very active to date, and various new plastic ball bearing solutions for applications in targeted markets. Innovation for product introductions in the medium term continues, particularly for new hose mandrels and hose films, and for products such as shafts, bushes and gears that are frequently used in assemblies alongside our bearings.
- Resource addition – to expand we need to continue to add resources in the sales function, and we also need to add resources in activities that support sales such as engineering design and tool-making and in research and development activity.
- Capital investment – this will support new product development as new products generally require new process developments, and provide for additional production capacity to support growing revenues.

In all likelihood, acquisition activity will resume during FY2012. We have seen a number of opportunities over the last six months and some are being followed up. Acquisitive growth is a key plank of our strategy and we will explore any opportunity that meets our criteria.

The Board wishes to extend its sincere thanks to the entire Group's employees; after a difficult period through the crisis we have seen good trading conditions resume with busy factories. Our staff responded to the demand surge very positively so that we have maintained good output and service levels in challenging circumstances. The business can only achieve what it has done through the efforts and goodwill of all employees, who collectively deserve special commendation for what has been accomplished this year.

Our businesses are highly profitable with strong operating cash flows and very good market and competitive positions. We have excellent opportunities for organic growth, and also the potential for acquisitive growth. We look forward to another year of progress.

Faisal Rahmatallah
Executive Chairman

Operational Review

Power Transmission

BNL (UK) Limited ("BNL"), which manufactures plastic bearings and other rotating parts, experienced significant improvement in trading as FY2011 progressed. The growth in volumes was accompanied by growth in average price per part sold. This was not related to raw material price pass-through, as BNL's specialist raw materials did not experience much inflation during the year, but was due to an improving product mix towards higher value-added specialist parts and integrated assemblies – a key strategic driver for this business.

Intensified business development activity produced some excellent results in the year. Tool orders for new business that will ultimately be worth £2.5 million of additional annual sales were secured in the year – it may take 2-3 years before these products are at full run rate. These included:

- our first Chinese customer, SSK, who manufacture poultry processing machinery,
- new products for existing customers in our core applications of steering columns, photocopiers, CCTVs and ATMs, and
- initial sales to nine new key accounts.

Operational performance has been excellent – for example, we have increased volumes produced by 8% and value produced by 17%, whilst reducing hours worked by 1%. Service levels and quality performance have also improved from already satisfactory levels, meanwhile stock has come down. Our Thai factory is performing well, primarily serving customers in South East Asia and now the west coast of the USA and the decision to open this factory has proved to be a very sound one.

We believe that BNL has good potential for long term growth – within its four core applications; there are approximately 100 key target accounts globally. We have projects under discussion with 20 of these targets. Some are early stage, but some are into prototype testing. There are also many further opportunities to increase sales within our existing customer base as we have already done this year. Finally there is also some development work being undertaken on exciting potential new application areas such as textile machinery, automotive interiors, cameras and wind turbines.

Bell Plastics ("Bell"), which manufactures hydraulic hose mandrels and films, started the financial year with a step change in sales due to both new business and demand growth, and sustained this throughout the year, nearly doubling sales relative to FY2010. Sales volumes are now 10-20% above the level they were at before the economic crisis. In order to have sufficient capacity for further growth, investment was made during the year into superior downstream processing machinery and into a new production line. All this engineering work is bespoke and has been carried out in house. In addition, the management team has been strengthened with the addition of a new production director and creation of a new role, that of technical manager, responsible for product innovation, testing and technical support.

New business has continued to proceed well for Bell with eight new accounts coming on stream during the year, for which the full run-rate of sales will only be achieved in FY2012. The sales pipeline is also strong with mandrels being tested at a number of customer sites in Europe, USA and Japan. As our sales footprint increases, it becomes clear that our technical knowledge and support needs to strengthen further – customers want to improve their technical understanding of mandrels to make hose production more efficient and stable. This gives us further scope to add value and get "close to the customer". Hence the creation of the role of technical manager and the ongoing investment in test equipment and facilities – in due course this is likely to lead to further product innovation.

Print and Packaging

C&T Matrix ("C&T"), which manufactures creasing matrix, a consumable used by packaging manufacturers to crease cardboard, had a year of two halves. The first half was strong as customers restocked following the recession and two major new distributors came on stream, in the second half sales fell back as distributors' stocks had reached satisfactory levels to fulfil end-market demand. During the first half of the year, it was necessary to schedule significant overtime and shift work to meet the demand and maintain delivery response times to satisfactory levels. This impacted margins, which would otherwise have shown a significant improvement for the year due to the process engineering improvements made over the last two years.

C&T had a good year for new business development with the new distributors mentioned above, as well as positive developments in China, Russia and India. In India, a market in which C&T has been unsuccessful to date, we established a wholly owned national sales office to manage the territory. Local management has been recruited, a distribution warehouse has been set up and regional sub-distributors have been appointed. Sales in India are now building and we believe that we are now on the right path for the long term in this key country.

The year has seen some raw material price inflation and these have been built into list price increases that have had to be implemented during and after the year end. Quality of raw materials supplied has been a bigger issue during the year and led to some product recalls. Whilst these recall costs were recovered, there was inevitably some disruption in the downstream supply chain and some loss of goodwill with certain customers, which the C&T management team have worked hard to minimise.

A new CEO for C&T, Simon Shenton, was appointed towards the end of the financial year and took over from Andrew Robinson, who will continue as a non-executive director for the company. Andrew had been CEO for many years before Plastics Capital acquired the business and for three years after, and has fully supported the transition process, in particular working with Simon to visit and reassure all our major distributors during the last three months – the handover has gone well.

Prospects for C&T are encouraging as emerging market demand should continue to provide growth. In addition, after two years of development and testing, a new product range, TraxPlus, is being launched in Q1 FY2012. This product range is manufactured from a pressboard material rather than PVC and is a product technology that C&T has not focused on in the past. However, pressboard matrix is preferred in some countries and market segments and the sales opportunity is substantial. Initial sales are encouraging and we anticipate good growth from this initiative in the next few years.

Palagan Limited ("Palagan"), our specialist film packaging business, has had a good year in difficult circumstances. The recruitment of two salesmen in the prior year brought dividends as market share was gained from competitors and volume increased by 14% over the prior year. This business, which is substantially serving the UK market, is now operating consistently at volume levels that are 10% above those levels achieved before the financial crisis. Meanwhile, raw material price inflation has continued apace through the year (average raw material cost per tonne increased by 23% year-on-year) necessitating continuous price increases to maintain margins. This proved difficult in the early part of the year but strong management action enabled Palagan to pull the margin per tonne back to acceptable levels in the second half of the year.

The operational performance of Palagan has been very good. Labour cost per tonne was down 3% year-on-year, despite the need for additional overtime and shift work. The scrap rate (a critical efficiency measure in this business) was down year-on-year by 8%. The management team has been strengthened with the appointment of a new finance director, a new extrusion manager and a sales manager who was promoted internally. Simon Barton, who was promoted to CEO from sales director two years ago, has now built a strong team around him and we feel the business is very well positioned for further investment to take the business to the next level.

Prospects for Palagan are good. From the start of the year volumes have remained strong and there are signs that raw material price inflation has dissipated; if this proves to be the case then margin pressure will become less intense. We are planning some significant investments in this business during the current year – two new lines will be commissioned replacing two relatively old lines. These investments will expand capacity and improve efficiency through line rebalancing – most importantly they will enable Palagan to broaden its product capabilities to produce thinner films and narrower sacks than it can do at present. New product segments will be targeted with the same strategy that has proved successful to date. The potential for further growth is therefore significant.

Financial Review

	2011 £000	2010 £000	Change %
Revenue	**33,509**	**26,688**	**25.6%**
Gross profit	**12,809**	**10,291**	**24.5%**
Operating profit	**3,534**	**2,460**	**43.7%**
Add back: Depreciation	856	826	
Add back: Amortisation	1,189	1,119	
Add back: Exceptional costs	178	657	
EBITDA before exceptional costs	**5,757**	**5,062**	**13.7%**
Profit before tax	3,597	1,792	
Add back: Amortisation	1,189	1,119	
Add back: Exceptional costs	178	657	
Add back: Unrealised foreign exchange gains	(79)	(236)	
Add back: Unrealised derivative gains	(1,019)	(348)	
Profit before tax*	**3,866**	**2,984**	**29.6%**
Taxation	(501)	142	
Profit after tax*	**3,365**	**3,126**	**7.6%**
Basic adjusted EPS*+	**10.2p**	**8.0p**	**28.0%**
Basic EPS	**11.4p**	**7.2p**	**58.2%**
Capital expenditure	**1,044**	**791**	**32.0%**
Net Bank Debt	**11,717**	**16,140**	**-27.4%**

* excluding amortisation, exceptional costs, unrealised foreign exchange translation and derivative gains

+ applying a standard tax charge of 28% and based on the average number of shares in issue during the year

Revenue

Revenue for the year was £33.5 million which was an increase of 25.6% from £26.7 million in FY2010. On a like-for-like basis (i.e. adjusting for exchange rates), organic revenue increased by 25.3%.

Gross profit

Gross profit was £12.8 million (margin: 38.2%) in FY2011 against £10.3 million (margin: 38.6%) in FY2010. Excluding exceptional costs included within cost of sales, the gross profit in FY2011 was £12.9 million (margin: 38.5%) compared to a gross profit in FY2010 of £10.8 million (margin: 40.6%). The reduction in gross profit margin was due to a combination of (i) fx impact - we were hedged during FY2011 at a weaker USD rate of $1.64 compared to FY2010 of $1.48; and (ii) increasing raw material prices within one of our businesses in the printing and packaging division which were largely passed on to end customers through increased sales prices but which have the effect of reducing percentage margin.

Exceptional costs

Exceptional costs incurred in the year relate to:

- charge associated with introduction of the LTIP;
- legal and professional fees associated with the sale and leaseback of Palagan's property; and
- set-up costs relating to the news sales offices in India and China.

These exceptional costs were offset by an exceptional gain in the year of £0.3 million which arose on the property sale and leaseback.

Profitability

EBITDA before exceptional costs was £5.8 million which is 13.7% higher than in FY2010.

Profit after taxation excluding amortisation, exceptional costs, unrealised foreign exchange translation and derivative gains of £3.4 million compares with the prior year equivalent of £3.1 million, an increase of 7.6%.

Taxation

The Group's tax charge for the year is £0.5 million which compares with FY2010 of a tax credit of £0.1 million (which arose on the movement of deferred tax during FY2010).

Earnings per share

Basic earnings per share are 11.4p compared to 7.2p in FY2010. This is based on a weighted average 27.23 million shares (FY2010: 26.94 million shares).

Capital expenditure

Capital expenditure was £1.0 million in FY2011 which compares with £0.8 million in FY2010.

Cash flow

In the year, cash generated from operations amounted to £5.4 million (FY2010: £4.4 million). This improvement arose primarily from the increased volumes seen during the year while keeping a tight control on working capital. The cash balance at the year end was £1.6 million (FY2010: £0.6 million), which represents cash generated in the year of £1.0 million (FY2010: £0.2 million).

Net bank debt

Net bank debt at the year end of £11.7 million (FY2010: £16.1 million) decreased during the year by £4.4 million.

The principal movement in the year was caused by the strong cash generation of the business with a further reduction due to the sale and leaseback of Palagan's property in October 2010 (£1.3 million). There was a minor effect from the foreign exchange debt, denominated in Euros, US Dollars and Japanese Yen, which when translated at the year end rate accounted for an unrealised foreign exchange gain of £0.1 million.

KPIs

The Group uses the key financial performance indicator of earnings before interest, tax, depreciation and amortisation (EBITDA) before exceptional costs. In FY2011, the EBTIDA margin was 17.2% which is down on FY2010 at 19.0%. The reduction in EBITDA margin was due to the same reasons as detailed for the reduction in gross profit margin (i) fx impact - we were hedged during FY2011 at a weaker USD rate of $1.64 compared to FY2010 of $1.48; and (ii) increasing raw material prices within one of our businesses in the printing and packaging division which were largely passed on to end customers through increased sales prices but which have the effect of reducing percentage margin

Consolidated Income Statement

for year ended 31 March 2011

	Note	2011 Before foreign exchange & exceptional items	2011 Foreign exchange impact on derivatives and loans	2011 Exceptional items	2011 Total	2010 *Restated* Before foreign exchange & exceptional items	2010 *Restated* Foreign exchange impact on derivatives and loans	2010 *Restated* Exceptional items	2010 *Restated* Total
		£'000	**£'000**	**£'000**	**£'000**	£'000	£'000	£'000	£'000
Revenue		**33,509**	**-**	**-**	**33,509**	26,688	-	-	26,688
Cost of sales	3	**(20,303)**	**(294)**	**(103)**	**(20,700)**	(16,426)	564	(535)	(16,397)
Gross profit		**13,206**	**(294)**	**(103)**	**12,809**	10,262	564	(535)	10,291
Distribution expenses		**(1,934)**	**-**	**-**	**(1,934)**	(1,696)	-	-	(1,696)
Administration expenses	3	**(7,266)**	**-**	**(75)**	**(7,341)**	(6,013)	-	(122)	(6,135)
Operating profit		**4,006**	**(294)**	**(178)**	**3,534**	2,553	564	(657)	2,460
Financial income	4 / 5	**250**	**849**	**-**	**1,099**	297	324	-	621
Finance expense	4 / 5	**(1,036)**	**-**	**-**	**(1,036)**	(1,289)	-	-	(1,289)
Net financing (costs)/ income		**(786)**	**849**	**-**	**63**	(992)	324	-	(668)
Profit before tax		**3,220**	**555**	**(178)**	**3,597**	1,561	888	(657)	1,792
Tax		**(501)**	**-**	**-**	**(501)**	142	-	-	142
Profit for the year attributable to equity shareholders of the Company		**2,719**	**555**	**(178)**	**3,096**	1,703	888	(657)	1,934
Basic earnings per share attributable to equity shareholders of the company	7				**11.4p**				7.2p
Diluted earnings per share attributable to equity shareholders of the company	7				**11.3p**				7.2p

All of the activities of the group are classed as continuing.

Consolidated Statement of Comprehensive Income

for year ended 31 March 2011

	Note	**2011 £000**	2010 £000
Profit for the year		**3,096**	1,934
Other comprehensive income			
Foreign currency translation differences for foreign currency operations		**(264)**	196
Total comprehensive income		**2,832**	2,130
Total recognised income and expense for the year is attributable to:			
Equity holders of the parent		**2,832**	2,130

Consolidated Statement of Changes in Shareholders' Equity

for year ended 31 March 2011

	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 2010	270	13,854	613	2,640	15	(2,735)	14,657
Total recognised income and expense for the year	-	-	(264)	-	-	3,096	2,832
Issue of new shares	5	244	-	-	-	-	249
Purchase of shares by EBT	-	-	-	-	(229)	-	(229)
Equity-settled share based payment transactions	-	-	-	-	-	289	289
Balance at 31 March 2011	**275**	**14,098**	**349**	**2,640**	**(214)**	**650**	**17,798**

	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 2009	270	13,848	417	2,640	69	(4,664)	12,580
Total recognised income and expense for the year	-	-	196	-	-	1,934	2,130
Issue of new shares	-	6	-	-	-	-	6
Purchase of shares by EBT	-	-	-	-	(54)	-	(54)
Equity-settled share based payment transactions	-	-	-	-	-	(5)	(5)
Balance at 31 March 2010	**270**	**13,854**	**613**	**2,640**	**15**	**(2,735)**	**14,657**

Consolidated Balance Sheet
at 31 March 2011

	Note	2011	2010
		£000	£000
Non-current assets			
Property, plant and equipment		**4,362**	5,210
Investments		**38**	33
Intangible assets		**22,239**	23,386
		26,639	28,629
Current assets			
Inventories		**3,194**	2,617
Trade and other receivables		**7,381**	6,604
Other financial assets		**167**	-
Cash and cash equivalents		**1,647**	606
		12,389	9,827
Total assets		**39,028**	38,456
Current liabilities			
Interest-bearing loans and borrowings		**2,901**	2,855
Trade and other payables		**5,505**	4,404
Corporation tax liability		**540**	95
		8,946	7,354
Non-current liabilities			
Interest-bearing loans and borrowings		**11,088**	14,443
Other financial liabilities		**-**	851
Deferred tax liabilities		**1,196**	1,151
		12,284	16,445
Total liabilities		**21,230**	23,799
Net assets		**17,798**	14,657
Equity attributable to equity holders of the parent			
Share capital	6	**275**	270
Share premium		**14,098**	13,854
Translation reserve		**349**	613
Reverse acquisition reserve		**2,640**	2,640
Capital redemption reserve		**(214)**	15
Retained earnings		**650**	(2,735)
Total equity		**17,798**	14,657

Consolidated Cash Flow Statement
for year ended 31 March 2011

	2011 £000	2010 £000
Profit after tax for the year	**3,096**	1,934
Adjustments for:		
Income tax charge	**501**	(142)
Depreciation and amortisation	**2,045**	1,945
Financial income	**(1,099)**	(621)
Financial expense	**1,036**	1,289
Loss/(gain) on disposal of plant, property and equipment	**(249)**	-
Equity settled share based payment expenses	**289**	5
Changes in working capital:		
Increase in trade and other receivables	**(777)**	(1,193)
(Increase)/decrease in inventories	**(577)**	227
Increase in trade and other payables	**1,110**	932
Cash generated from operations	**5,375**	4,376
Interest paid	**(884)**	(1,184)
Income tax (paid) / received	**(12)**	138
Net cash inflow from operating activities	**4,479**	3,330
Cash flows from investing activities		
Acquisition of property, plant and equipment	**(1,044)**	(791)
Interest received	**2**	36
Acquisition of investments	**(5)**	-
Proceeds from disposal of property, plant and equipment	**1,300**	1
Net cash outflow from investing activities	**253**	(754)
Cash flows from financing activities		
Net proceeds from the issue of share capital	**36**	-
Repayment of borrowings and fees	**(3,727)**	(2,377)
Net cash outflow from financing activities	**(3,691)**	(2,377)
Increase in cash and cash equivalents	**1,041**	199
Cash and cash equivalents at 1 April 2010	**606**	407
Cash and cash equivalents at 31 March 2011	**1,647**	606

Notes

1 Financial information

The financial information set out above does not constitute the Company's statutory accounts for the years ended 31 March 2011 or 2010. Statutory accounts for 2010 have been delivered to the Registrar of Companies, and those for 2011 will be delivered in due course. The auditors have reported on those accounts; their reports were (i) unmodified, (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 in respect of the accounts for 2009 nor a statement under section 498 (2) or (3) of the Companies Act 2006 in respect of the accounts for 2011.

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. The key conclusions are as follows:

- On 21 June 2011, the Company entered into new facilities agreements with Barclays Corporate. The Company forecasts it can meet performance covenants attaching to the facilities over the period to 30 June 2012.
- A sensitised cash flow forecasting exercise performed for the period from the date of approval of these financial statements until 30 June 2012 showed that the Group had sufficient funds to meets its debts as they fall due over that period.
- 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.

Restatement of 2010 figures

The 2010 profit and loss account has been restated in order to reclassify some costs between cost of sales, distribution expenses and administration expenses. This has been done in order to ensure that there is consistency between the current and previous year's profit and loss accounts.
As a result of the restatement of the 2010 profit and loss; the cost of sales figure has increased by £248,000, distribution expenses have increased by £383,000 and administration expenses have fallen by £631,000. There was no effect on the profit for 2010

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, India 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

	2011	2010
	£000	£000
Redundancy payments	**-**	436
Restructuring/integration costs	**30**	45
Costs associated with sale & leaseback	**50**	-
Stock provisions and write-off on integration of businesses	**23**	44
Factory set up costs	**-**	10
	103	535

Also included within Cost of Sales is £294,000 in relation to losses on foreign exchange contracts (2010: gains of £564,000).

Administrative expenses

	2011	2010
	£000	£000
Redundancy payments	**-**	68
Restructuring / integration costs	**-**	54
Company set up costs	**31**	-
Recruitment costs	**30**	-
LTIP charge and EBT scheme cancellation charge	**289**	-
Gain on sale of property	**(275)**	-
	75	122

Notes *(continued)*

3 Exceptional items – Operating profit *(continued)*

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

(i) charge associated with introduction of the LTIP;
(ii) legal and professional fees associated with the sale and leaseback of Palagan's property;
(iii) set-up costs relating to the news sales offices in India and China; and
(iv) specific one off recruitment costs.

These exceptional costs were offset by an exceptional gain in the year of £275,000 which arose on the Palagan property sale and leaseback.

4 Finance income and expense

	2011 £000	2010 £000
Interest income	**1**	37
Unrealised gains on derivatives used to manage interest rate risk	**249**	260
Financial income	**250**	297
Bank interest	**962**	1,257
Deferred consideration interest	**74**	32
Financial expenses	**1,036**	1,289

5 Finance income included within foreign exchange costs

	2011 £000	2010 £000
Net foreign exchange gain	**79**	236
Unrealised gains on derivatives used to manage foreign exchange risk	**770**	88
	849	324

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

Notes *(continued)*

6 Capital and reserves

Share capital

In thousands of shares	Ordinary shares of 1p each **2011**	2010
On issue at 1 April	**26,953**	26,953
Issued for cash	**589**	-
On issue at 31 March – fully paid	**27,542**	26,953

	2011 £000	2010 £000
Allotted, called up and fully paid		
27,542,532 ordinary shares of 1p each	**275**	270
	275	270

On the 29 September 2010 pursuant to a Long Term Incentive Plan operated by the company, 539,069 new 1p ordinary shares were issued to Plastics Capital (Trustees) Limited at a price of 38.5p per share.

On 17 January 2011 in conduction with the appointment of K Butler-Wheelhouse as Non-Executive Director of the company, 50,000 new 1p ordinary shares were issued to K Butler-Wheelhouse at a price of 72.5p per share

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. The number of Plastics Capital plc shares held by Plastics Capital (Trustee) Limited as at 31 March 2011 was 921,655

Notes *(continued)*

7 Earnings per share

	2011 **£000**	2010 £000
Numerator		
Earnings used in basic and diluted EPS		
Profit for the year from continuing operations	**3,096**	1,934
Profit for the year	**3,096**	1,934
Denominator		
Weighted average number of shares used in basic EPS	**27,233,414**	26,935,663
Weighted average number of shares used in diluted EPS	**27,308,414**	26,988,489

8 Annual General Meeting

It is intended that the Annual General Meeting ("AGM") will take place at St Mary's House, 42 Vicarage Crescent, London, SW11 3LD on 25 July 2011. Notice of the AGM will be sent to shareholders with the financial statements.