



EUROPE'S LEADING SUPPLIER OF RIGID PLASTIC PACKAGING

# Results for the Half Year ended 30 September 2007



# Overview

- 50 sites in 13 countries
- In excess of 7,000 staff
- 7 operating clusters, each one of which has a leading position in its own sphere of operations
- Customers range from the largest European manufacturers of retail products to small local operations
- One of the few consolidators in the European plastic packaging industry
- 3 acquisitions recently completed
  - DM Plast - June 2007
  - Raytec - October 2007
  - MOB - November 2007

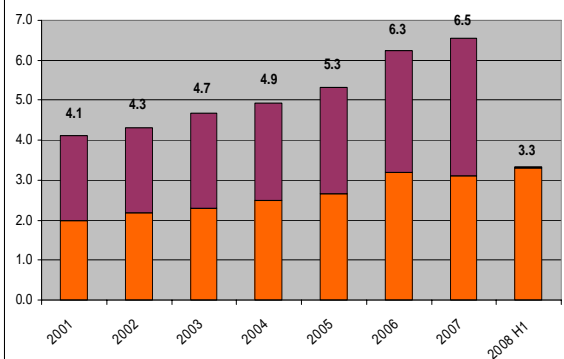
# Strategy

To achieve continued earnings growth and to enhance shareholder value by :-

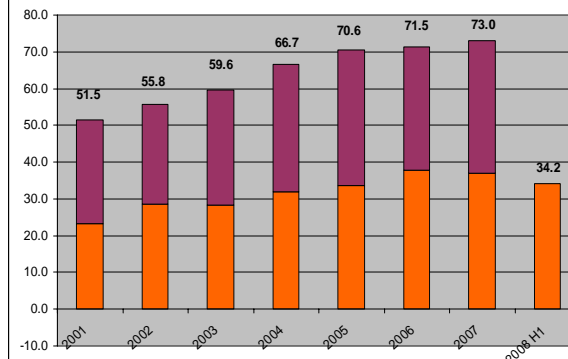
- Remaining focused on the rigid plastic packaging industry primarily in Europe
- Generating an improving return on our activities by taking action to reduce the capital employed and by building influential market positions in niche/speciality sectors of our industry
- Improving the cost effectiveness of our operations

# Underlying Key Indicators

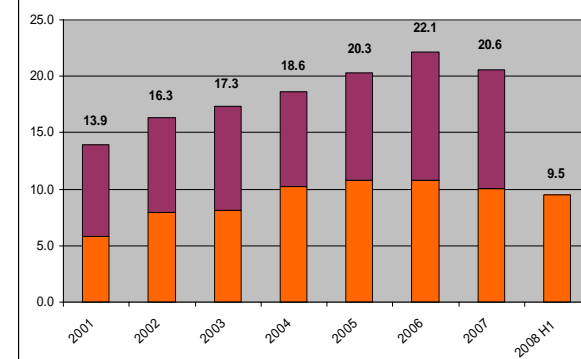
Turnover per Share (£)



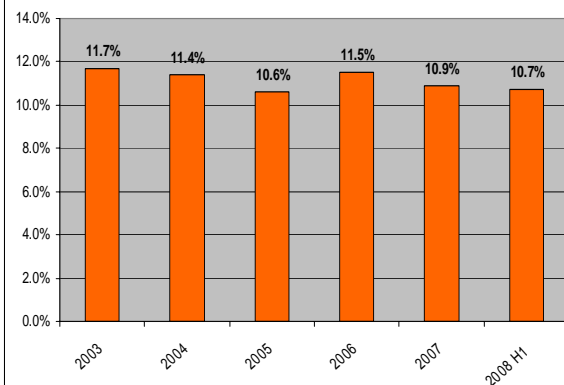
EBITDA per Share (pence)



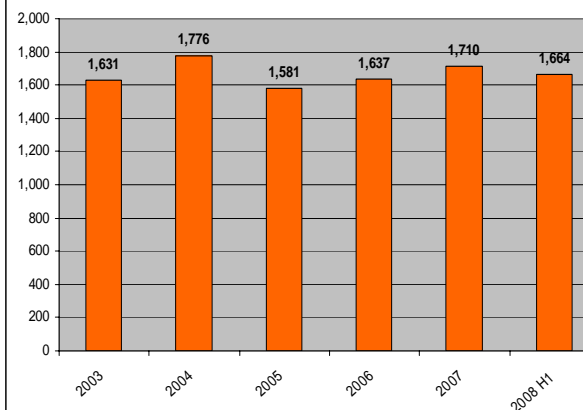
Adjusted Earnings per Share (pence)



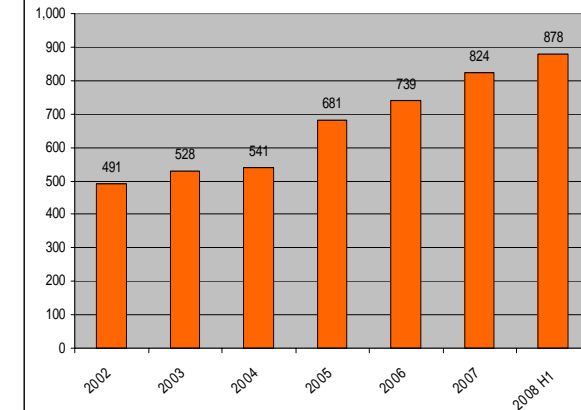
Return on Capital Employed %



Added Value per Tonne (£)



Average Polymer Cost per Tonne (£)



# Financial Highlights

- Turnover
  - Headline turnover up 6.9% on last year
  - Turnover from acquisitions have contributed £11.6m to turnover
  - Like for like turnover up 3.1%
  
- Operating profit
  - Majority of continued cost pressures have been recovered, albeit with a lag
  - Modest increase in operating profit from £18.4m to £18.7m
  - Like for like operating margin down from 6.0% to 5.8%
  
- Increase in net bank debt of £22.1m since 31.03.07 due mainly to working capital movements
  
- Adjusted\* EPS 9.5p (10.1p)
  
- Interim dividend up 7.4% to 2.9p per share.

\* Adjusted = pre restructuring costs and pre mark to market charges

# Consolidated Income Statement

	6m to September 2007 (like for like) £m	6m to September 2007 (Acq impact) £m	6m to September 2007 (Total) £m	6m to September 2006 (Total) £m
Turnover	318.1	11.6	329.7	308.4
Operating costs	<u>(299.8)</u>	<u>(11.2)</u>	<u>(311.0)</u>	<u>(290.0)</u>
<b>Operating profit before restructuring costs</b>	18.3	0.4	<b>18.7</b>	18.4
<i>Operating profit %</i>	<span style="border: 1px solid black;">5.8%</span>	<span style="border: 1px solid black;">3.3%</span>	<span style="border: 1px solid black;">5.7%</span>	<span style="border: 1px solid black;">6.0%</span>
Restructuring costs	<u>(10.3)</u>	-	<u>(10.3)</u>	<u>(2.2)</u>
<b>Operating profit</b>	8.0	0.4	<b>8.4</b>	16.2
Net financing costs			<u>(4.7)</u>	<u>(3.3)</u>
<b>Profit before tax</b>			3.7	12.9
Taxation			<u>(1.3)</u>	<u>(3.8)</u>
<b>Profit after tax</b>			<u>2.4</u>	<u>9.1</u>
<b>Effective tax rate</b>			35.5%	30.0%
<b>Basic earnings per ordinary share</b>			2.4p	9.2p
<b>Proposed dividend per share</b>			2.9p	2.7p

## Continued Cost Pressures

	Polymer £m	Electricity £m	Payroll £m
Total costs for the 6 months to 30 September 2007	109.6	14.3	84.7
Less: Acq impact	(1.7)	(0.4)	(6.7)
	<hr/> 107.8	<hr/> 13.9	<hr/> 78.0
Total costs for the 6 months to 30 September 2006	93.4	13.0	77.0
<b>Increase in total costs</b>	<hr/> <b>14.4</b>	<hr/> <b>0.9</b>	<hr/> <b>1.0</b>
% increase	15.5%	6.4%	1.3%

## Consolidated Balance Sheet

	30 September 2007 £m	30 September 2006 £m	31 March 2007 £m
Non current assets:			
Goodwill	18.0	11.9	17.0
Fixed assets	238.0	240.9	234.5
Deferred tax / other	9.7	10.1	9.7
Net working capital (after corporation tax)	106.4	90.7	83.0
Net bank loans and bonds	(159.2)	(144.6)	(137.1)
Other provisions:			
Long term employee benefits	(31.1)	(37.9)	(33.4)
Deferred tax liabilities / other	(19.1)	(18.4)	(15.2)
<b>Equity shareholders funds</b>	<b>162.7</b>	<b>152.7</b>	<b>158.5</b>
<b>Gearing</b>	<b>98%</b>	<b>95%</b>	<b>86%</b>

# Working Capital

	30 Sept 2007 £m	30 Sept 2006 £m	31 March 2007 £m
Stock	104.0	93.6	94.2
Debtors	122.3	119.2	128.2
Creditors	(119.9)	(122.1)	(139.4)
<b>Net working capital</b>	<b>106.4</b>	<b>90.7</b>	<b>83.0</b>

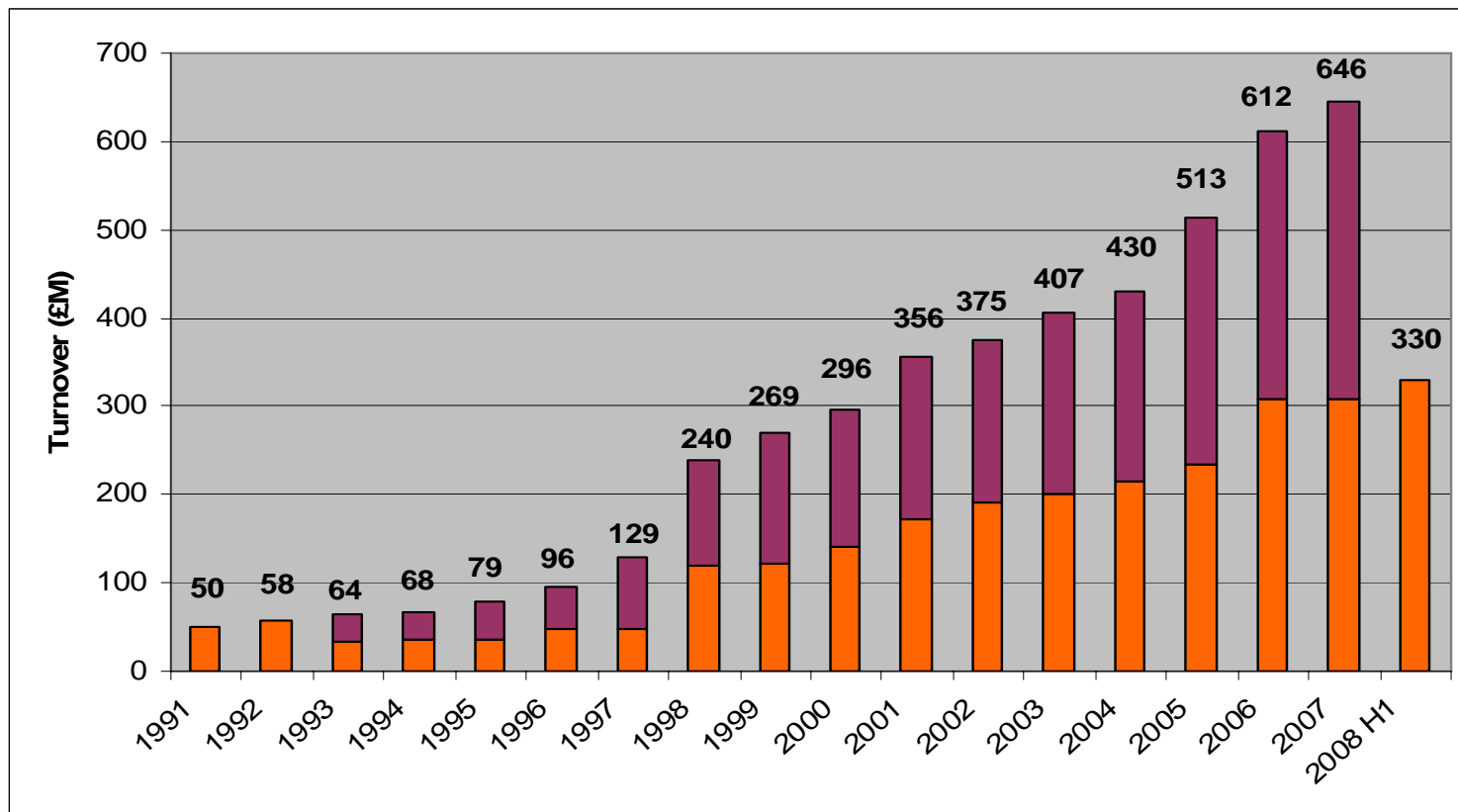
- Stock
  - Impact of higher polymer prices and higher activity levels
  - Stock building at various sites to secure production levels
  
- Debtors
  - Debtor days have fallen from 70 (at 31.3.07) to 68 (at 30.9.07)
  
- Creditors
  - Reduction in capital expenditure creditors
  - Tightening of credit terms allowed by polymer suppliers (following changes in ownership) outweighing impact of acquisitions

**Working capital review initiated**

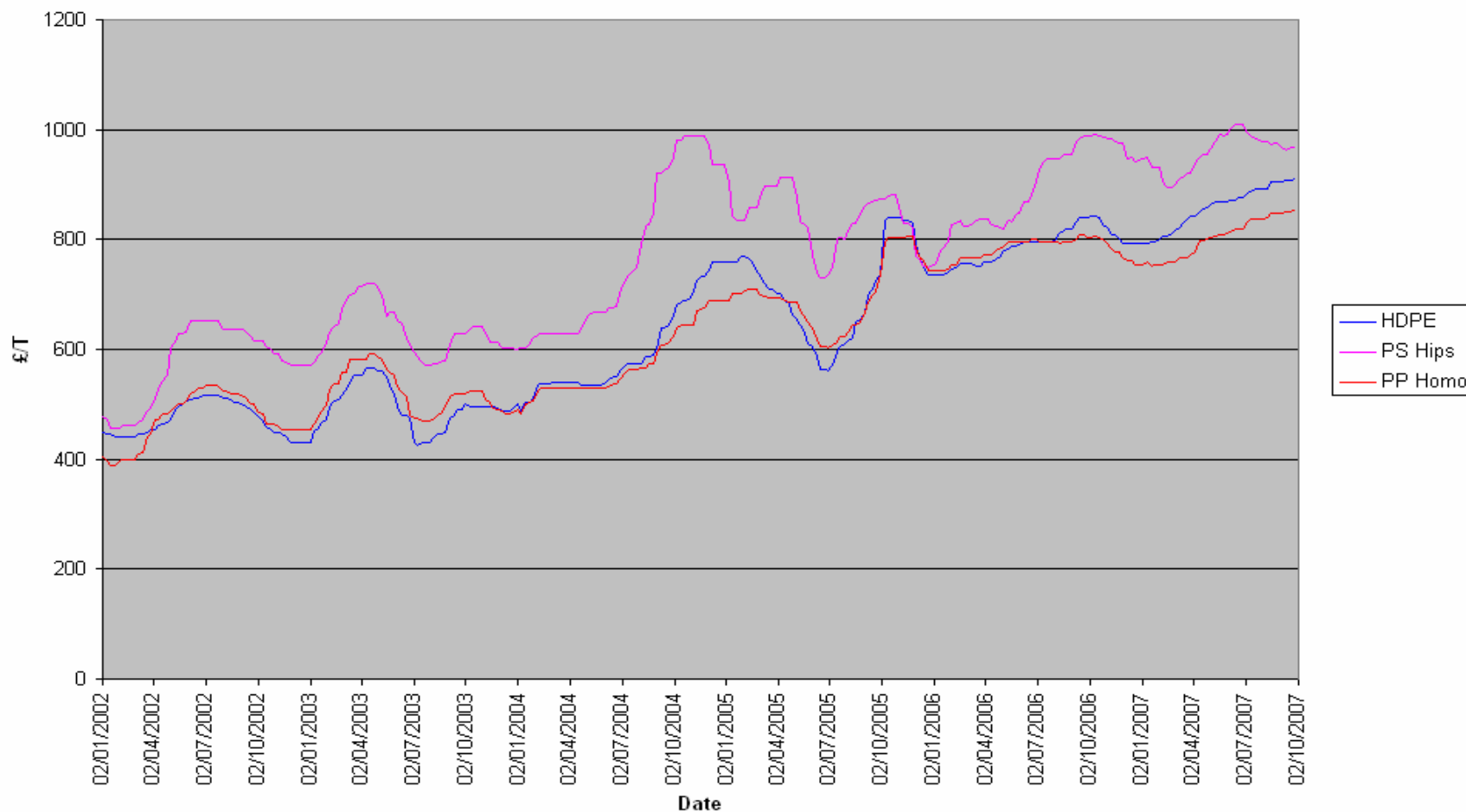
# Consolidated Cash Flow Statement

	6m to September 2007 £m	6m to September 2006 £m	12m to March 2007 £m
Profit from operations	8.4	16.2	26.1
Restructuring costs	6.8	2.2	5.8
Impairment loss on plant, property & equipment	3.5	0.0	6.2
Depreciation	15.1	17.9	34.0
Amortisation of intangibles	0.1	0.0	0.1
EBITDA	33.9	36.3	72.2
Movement in working capital	(16.0)	(25.4)	(24.2)
Other movements	(2.5)	(2.8)	(7.1)
	15.4	8.1	40.9
Taxes paid	(5.5)	(4.9)	(7.5)
Interest paid	(5.2)	(4.2)	(8.4)
<b>Net cash flow from operating activities</b>	4.7	(1.0)	25.0
Acquisition of fixed assets	(18.9)	(21.2)	(35.5)
Proceeds on disposal of property, plant & equipment	0.0	0.5	2.3
Acquisition of subsidiaries	(1.6)	(4.3)	(8.1)
Dividends paid	(5.6)	(5.2)	(7.9)
Issue of share capital	0.4	0.5	0.9
Exchange movement	(0.5)	3.9	4.8
Other	(0.6)	(0.1)	(0.9)
<b>Movement in net debt</b>	(22.1)	(26.9)	(19.4)

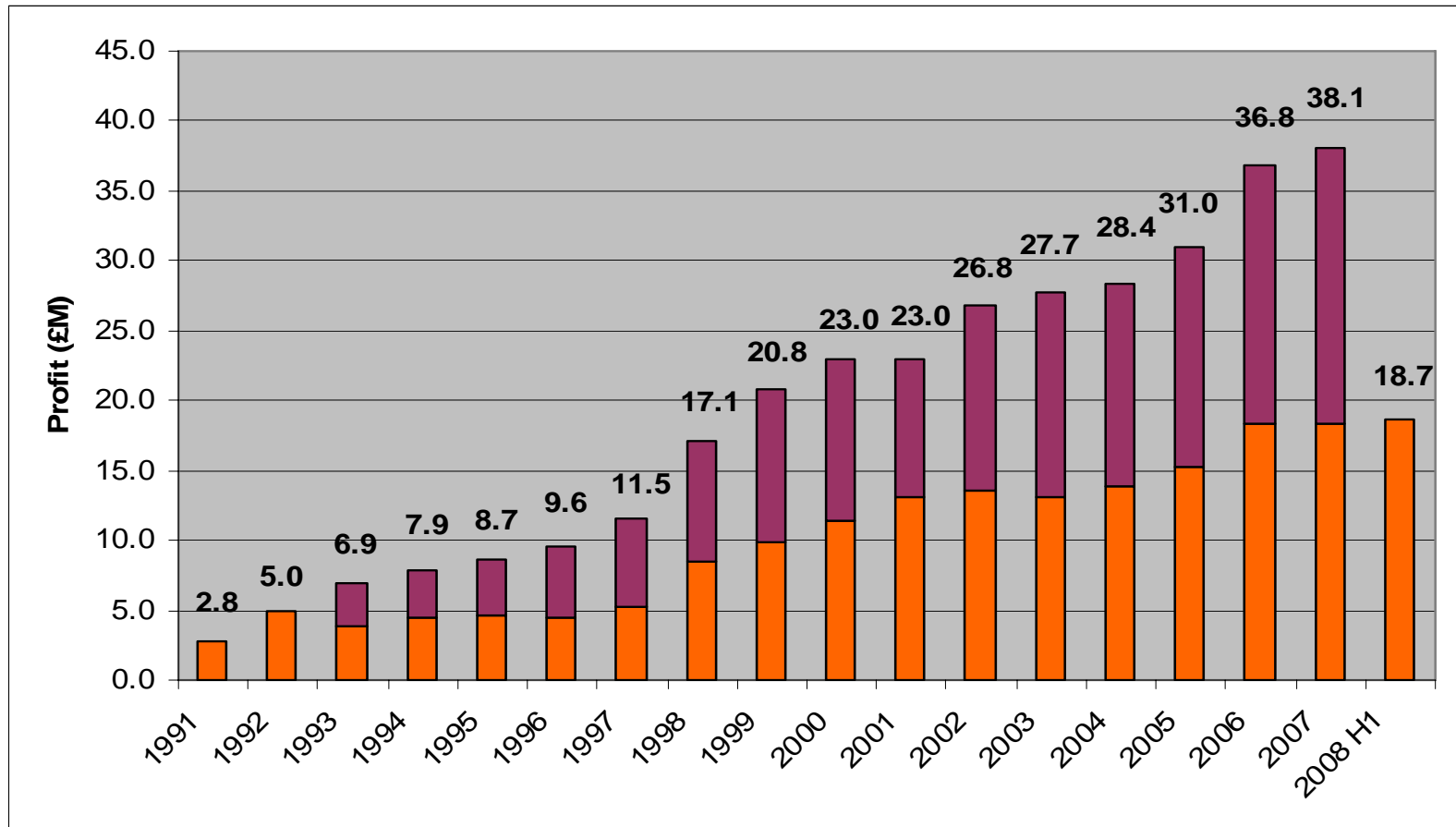
# Sales Growth



# Polymer Price Movement



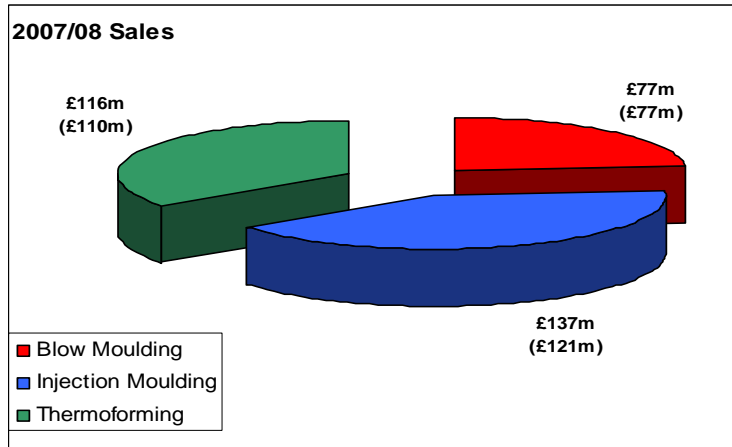
# Operating Profit Growth



# Actions taken this half year

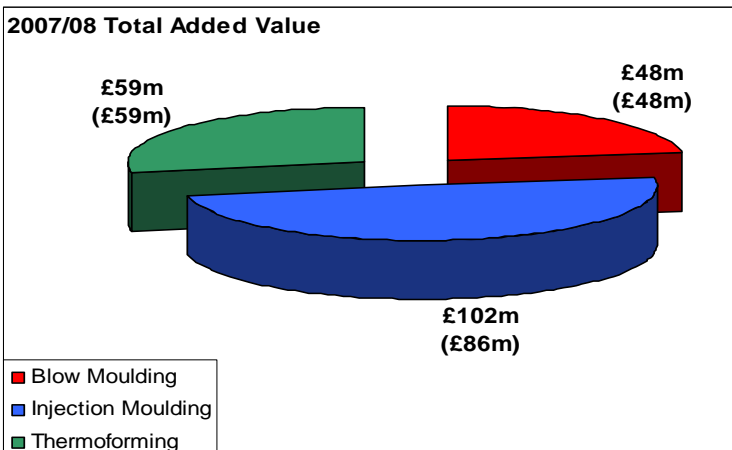
- Closure of Thornaby and relocation of contracts to Mozzate, Italy
- Closure of Hereford and relocation of business to Blackburn, Old Dalby, Market Rasen & Antwerp
- Acquisition of DM Plast located at Velky Meder, Slovakia to reduce our Bramlage-Wiko cost base
- Further investment in multi-layer bottle capacity at Corby, Montpont, Kerkrade & Kutenholz
- Initiation of a plan to double the output of pre-printed lids
- Workforce reductions at Marolles & Deventer

# Analysis of Performance by Activity



- Injection Moulding
  - Sales up; Added Value up
  - Acquisition of DM Plast located at Velky Meder, Slovakia
  - Substantial growth in pump systems and personal care volumes
  - 30% increase in coffee capsules

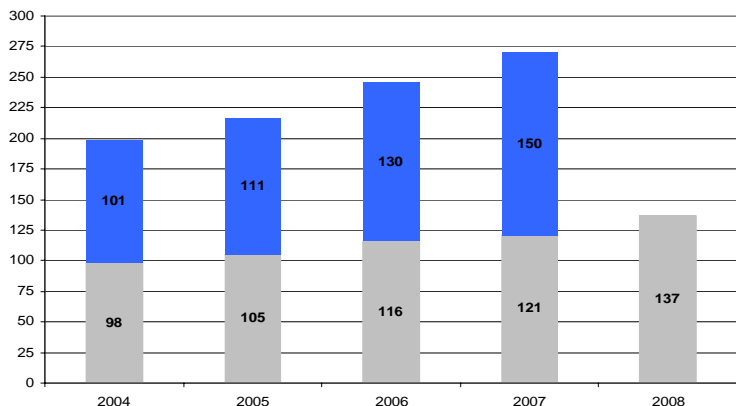
- Thermoforming
  - Sales up; Added Value stable
  - Significant increase in sales of barrier packs
  - Price increase in vending cup business
  - Competitors in disarray



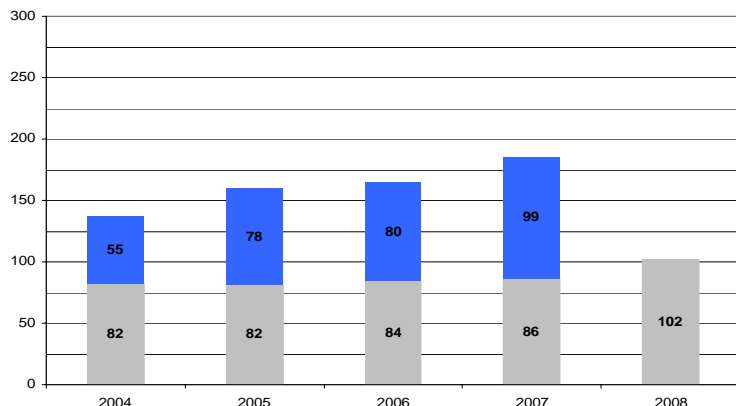
- Blow Moulding
  - Sales stable; Added Value stable
  - Growth in barrier bottle/ jar business
  - Efficiency improvements at Raunds/Rushden

# Injection Moulding

Turnover (£m)



Total Added Value (£m)



## Key Points for the division

- Improvement in pump system volumes and prices
- Increase in coffee capsule turnover
- New prospects in pharmaceutical sector
- Paint can volumes are beginning to slip
- beauté business being restructured

## Acquisitions

- Velky Meder, Slovakia

- Personal care packs and closures
- Pre-acq : sales £3.2m and EBITDA £1.0m
- Cost : £1.6m

- Raytec

- Ravenstein, The Netherlands
- Specialist plastic dispensers for DIY, Household & Stationery
- Pre-acq : Sales £11.0m and EBITDA £0.3m
- Cost : c. £3.0m

## Major Projects

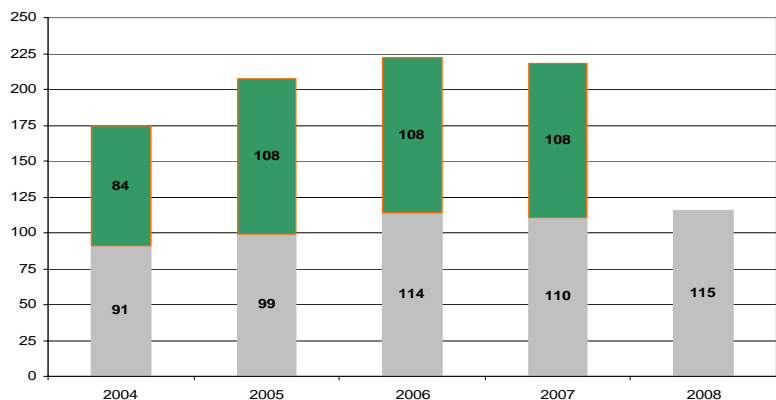
- Tassimo

- Sales up 30% on last year



# Thermoforming

Turnover (£m)



Total Added Value (£m)



## Key Points for the division

- Recovery in fruit bowl business with major customer and fast growth with independents
- Buoyant PET sheet business with improving margins
- Near doubling of pre printed lid volumes
- Significant launches in barrier food pack sector

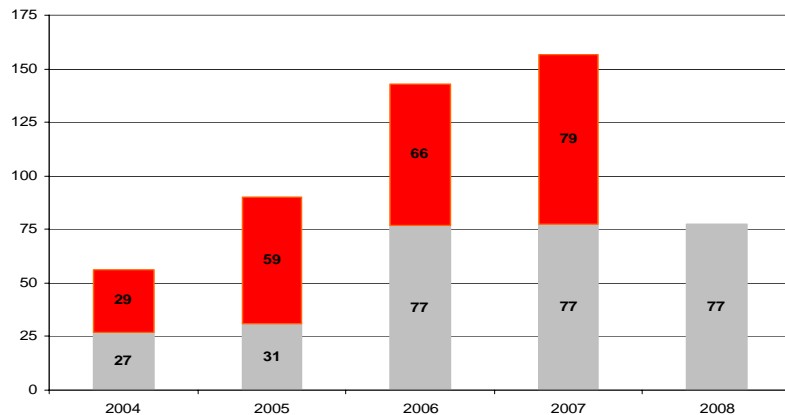
## Major Projects

- Pre printed lids
  - Sold to Unilever, Raisio and Bunge
  - Volumes predicted to double between 2005/06 & 2008/09
- Barrier packs
  - Heinz snap pots – replacing metal
  - Nestle baby food trays – replacing glass
  - Fruit bowls for Dole, Del Monte & own-label
- Coffee capsules
  - Nestlé's Dolce Gusto – volumes now occupy 50% of capacity

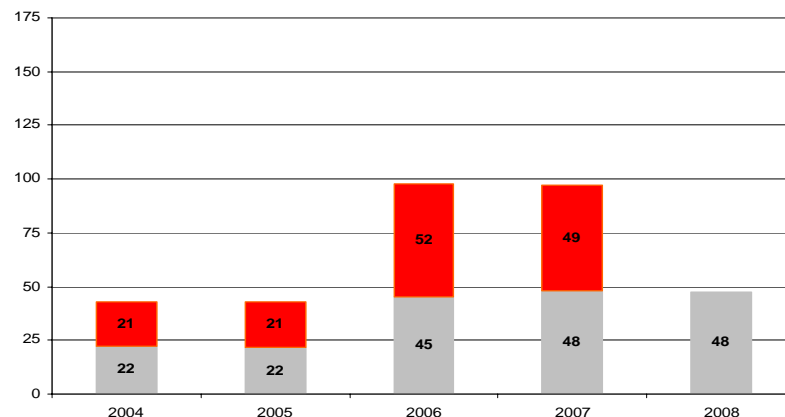


# Blow Moulding

Turnover (£m)



Total Added Value (£m)



## Key Points for the division:

- Continued investment in multi-layer capacity – both for personal care and for food
- Plastic packs are becoming much more competitive with glass
- Performance of UK Stock Containers business has continued to improve
- PET bottle volumes will increase with new healthcare/pharmaceutical contract

## Acquisitions

### - MOB

- Located at Moirans en Montagne (Jura)
- Major French producer of stock containers (5-30 L)
- Collapse of parent (SMOBY) forced it into administration
- Pre-acq : Sales £12m and EBITDA £0.5m
- Cost : c. £1.0m

## Major Projects

- 15/20 L packs for Monsanto
- New standard range for Beiersdorf

## Outlook for Second Half 2007/08

- Volumes improving with strong demand in Germany
- Price increases being implemented January 2008
- Progress with single serve coffee systems
- Burgeoning opportunities in multi-layer sheet, tubs and bottles
- Continuing input cost pressures in all areas
- Polymer producers in the driving seat - for now!
- Continuing drive to improve operating efficiencies, which may involve further restructuring
- Renewed pressure to reduce capital employed



EUROPE'S LEADING SUPPLIER OF RIGID PLASTIC PACKAGING

# Results for the Half Year ended 30 September 2007



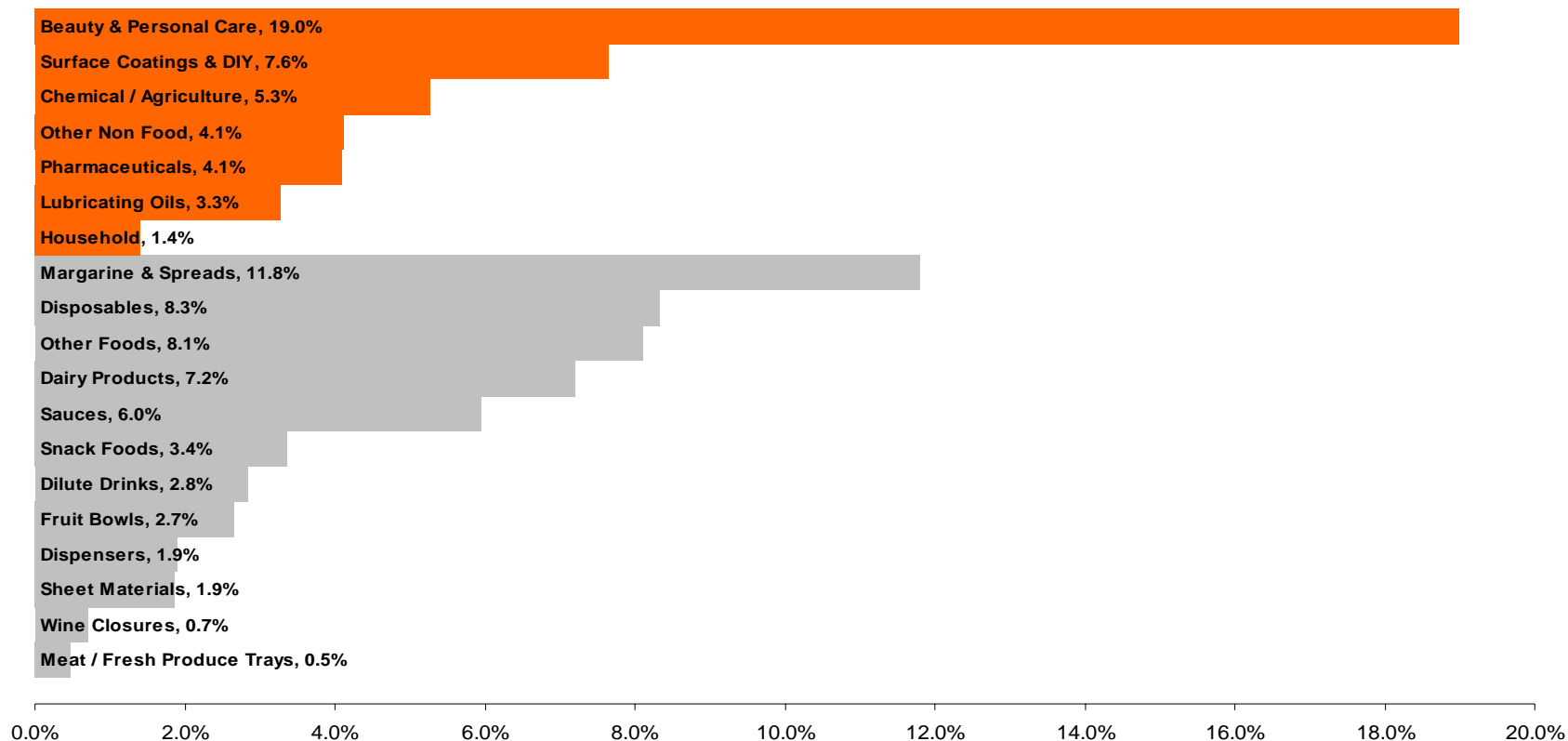


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# Appendices



# Markets Served (% of turnover)



Non food	45%
Food	55%

# Performance Comparison

	6m to September 2007 (Total) £m	6m to September 2007 (Acq impact) £m	6m to September 2007 (like for like) £m	6m to September 2006 (like for like) £m
<b>Sales</b>				
UK	110.6	3.2	107.4	108.0
Mainland	219.1	8.4	210.7	200.4
<b>Total sales</b>	<b>329.7</b>	<b>11.6</b>	<b>318.1</b>	<b>308.4</b>
<b>Operating profit before restructuring costs</b>				
UK	5.9	0.7	5.2	5.2
Mainland	13.6	(0.3)	13.9	13.6
Other	(0.8)	-	(0.8)	(0.4)
<b>Total operating profit before restructuring costs</b>	<b>18.7</b>	<b>0.4</b>	<b>18.3</b>	<b>18.4</b>
<b>Margin on Sales (%)</b>	%	%	%	%
UK (before restructuring costs)	5.3%	21.1%	4.9%	4.8%
Mainland	6.2%	(3.5%)	6.6%	6.8%
<b>Total Margin on Sales (%)</b>	<b>5.7%</b>	<b>3.3%</b>	<b>5.8%</b>	<b>6.0%</b>

## Restructuring Costs

	6m to September 2007 £m	6m to September 2006 £m
Closure of Woburn Sands	0.0	2.2
Closure of Bristol	1.7	0.0
Closure of Thornaby	1.7	0.0
Closure of Hereford	6.1	0.0
Rationalisation of Bebo Poland	0.8	0.0
<b>Total</b>	<u>10.3</u>	<u>2.2</u>

## Net Financing Costs

	6m to September 2007 £m	6m to September 2006 £m
Interest Payable	4.9	4.2
Interest Receivable	-0.1	-0.1
Arrangement Fees	0.1	0.1
Mark-to-market of interest/ rate hedge	0.4	0.3
Foreign exchange difference on bonds	-0.6	-1.2
<b>Total</b>	<u>4.7</u>	<u>3.3</u>

# Pension Schemes

	UK Scheme First Half		Other Schemes First Half	
	<u>2007/08</u>	<u>2006/07</u>	<u>2007/08</u>	<u>2006/07</u>
<b><u>£m</u></b>				
Current service cost	1.0	0.9	0.4	0.5
Interest cost	1.9	1.6	0.7	0.7
Expected return on plan assets	(1.9)	(1.8)	(0.3)	(0.3)
<b>Total charge to operating profits</b>	<b>1.0</b>	<b>0.7</b>	<b>0.8</b>	<b>0.9</b>
<b>Net liabilities</b>	<b>9.6</b>	<b>13.7</b>	<b>15.2</b>	<b>18.8</b>
<b><u>Contributions</u></b>				
Employee	0.4	0.8	0.1	0.1
Employer	1.5	1.0	1.0	0.7
	<b>1.9</b>	<b>1.8</b>	<b>1.1</b>	<b>0.8</b>

Note: we switched to a salary sacrifice scheme in the UK on 1st July 2007

## Capital Expenditure Paid

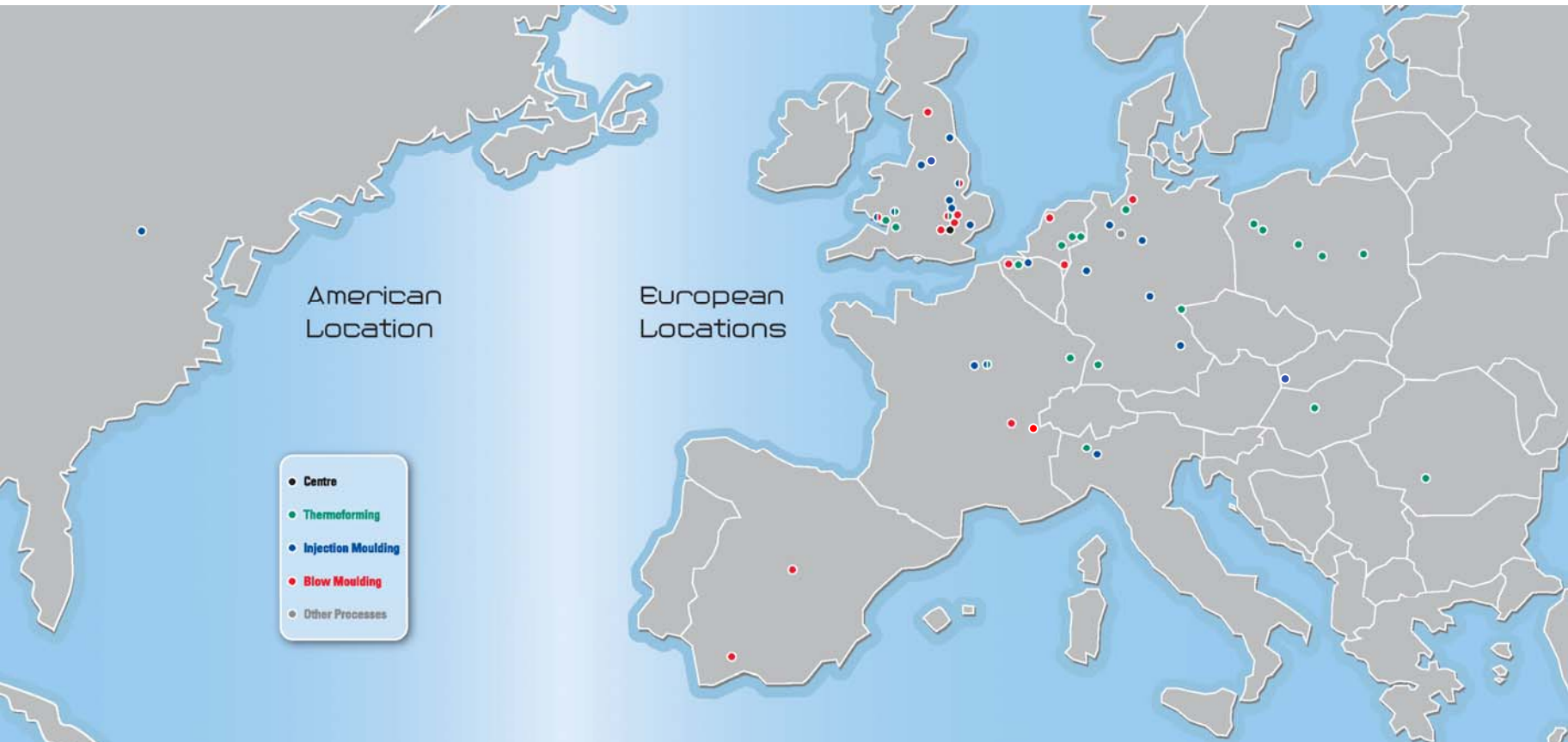
	6m to Sept 2007 £m	6m to Sept 2006 £m
Growth	11.1	10.0
Efficiency	5.0	6.5
Replacement	0.8	2.5
Site Improvement	1.6	1.0
Health & Safety	0.1	0.4
General	0.3	0.8
	<b>18.9</b>	<b>21.2</b>

## Key Performance Indicators

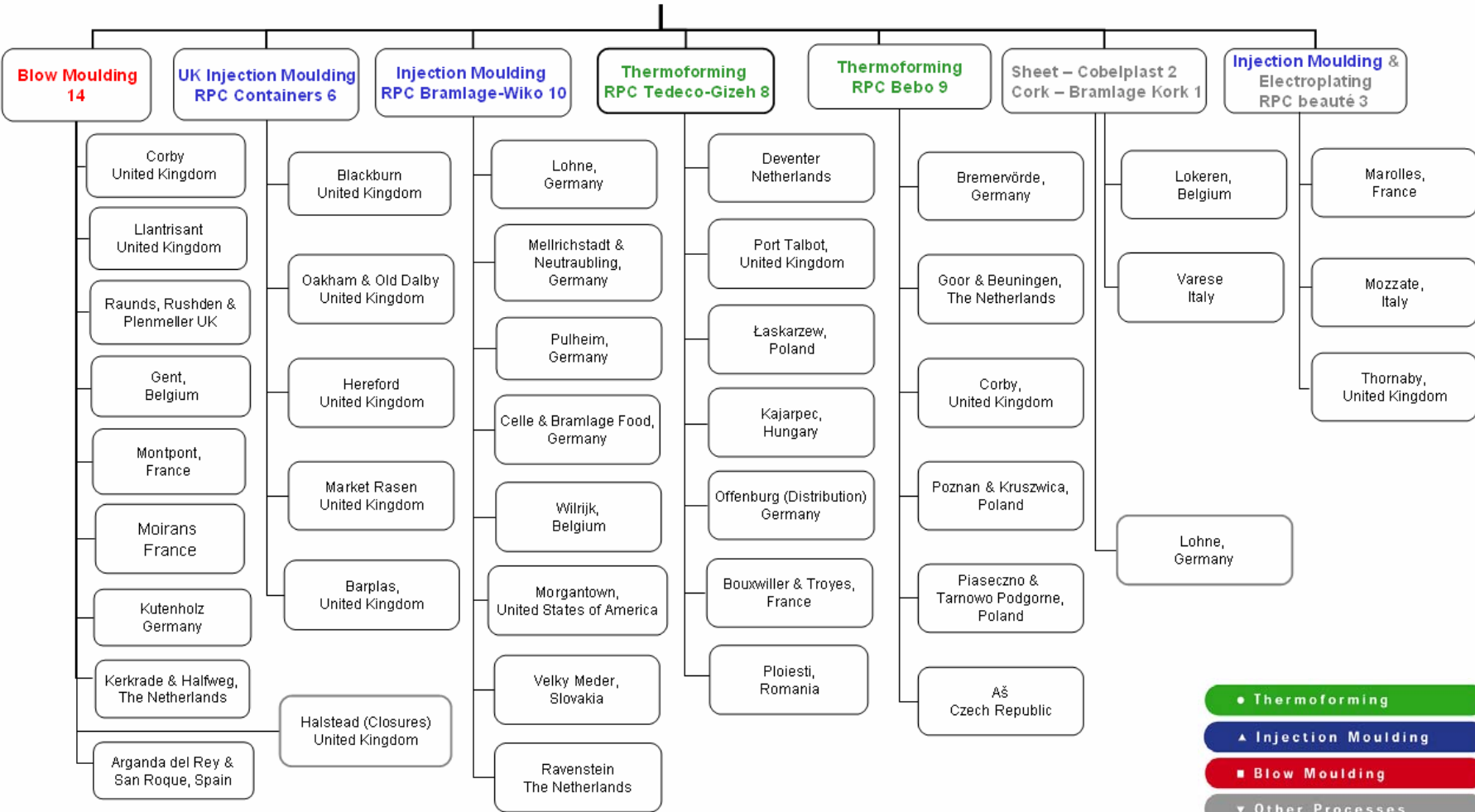
	<u>half y/e</u> <u>Sept 2007</u>	<u>half y/e</u> <u>Sept 2006</u>
Added value per tonne	1,664	1,610
Gross margin %	46%	48%
Return on capital employed	10.7%	10.9%
Electricity Usage per tonne (Kwh/T)	1,936	2,055
Water usage per tonne (cubic metres/T)	1,008	1,077
Lost time accident frequency rate	1,705	2,176

## Key Parameters

	2007/08 (6m)	2006/07 (6m)
<b>UK : Euro exchange rate</b>		
- average rate	<b>1.4717</b>	1.4621
- half year end rate	<b>1.4351</b>	1.4756
<b>Interest rates</b>		
- average sterling base rate	<b>5.17%</b>	4.50%
- average euro base rate	<b>3.55%</b>	2.26%
<b>Corporation tax rates</b>		
- UK	<b>30.0%</b>	30.0%
- France	<b>33.3%</b>	33.3%
- Germany	<b>30.0%</b>	39.0%
- Belgium	<b>34.0%</b>	34.0%
- Poland	<b>19.0%</b>	19.0%



# RPC Site Clusters



- Thermoforming
- ▲ Injection Moulding
- Blow Moulding
- ▼ Other Processes