

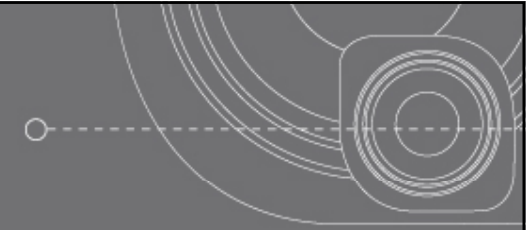
# 2009/10 INTERIM RESULTS

27 November 2009

RPC – Market Leader in Europe



# AGENDA



Financial Review

Pim Vervaat

RPC 2010 update

Pim Vervaat

Business Review

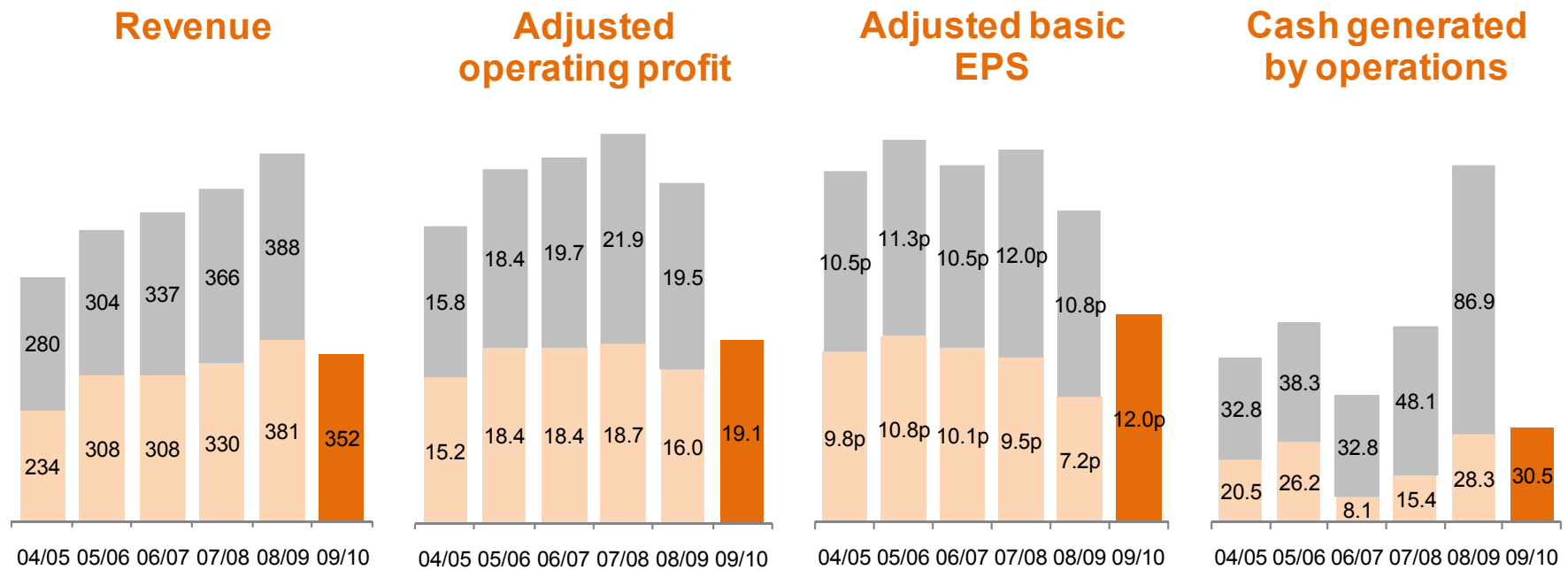
Ron Marsh

Outlook

Ron Marsh

# FINANCIAL REVIEW

## H1 DEVELOPMENTS



All figures (except adjusted basic EPS) in £m

Adjusted = before restructuring costs, impairment losses and mark to market charges

# FINANCIAL REVIEW

## CONSOLIDATED INCOME STATEMENT

£ million	H1 2009/10	H1 2008/09	FY 2008/09
Revenue	351.9	381.0	769.1
Operating profit – adjusted	19.1	16.0	35.5
Net interest charge	(2.4)	(5.9)	(10.4)
Profit before tax – adjusted	16.7	10.1	25.1
Underlying tax rate	28.5%	29.0%	29.0%
Profit after tax – adjusted	11.9	7.2	17.8
Exceptional costs	(5.6)	(11.5)	(25.8)
Mark to market credit / (charges)	0.7	(0.3)	(3.8)
Tax relief on exceptionals	1.0	1.5	4.1
Profit after tax – reported	8.0	(3.1)	(7.7)
Basic earnings per share (p) – adjusted	12.0p	7.2p	18.0p
Basic earnings per share (p) – reported	8.1p	(3.1)p	(7.8)p

# FINANCIAL REVIEW

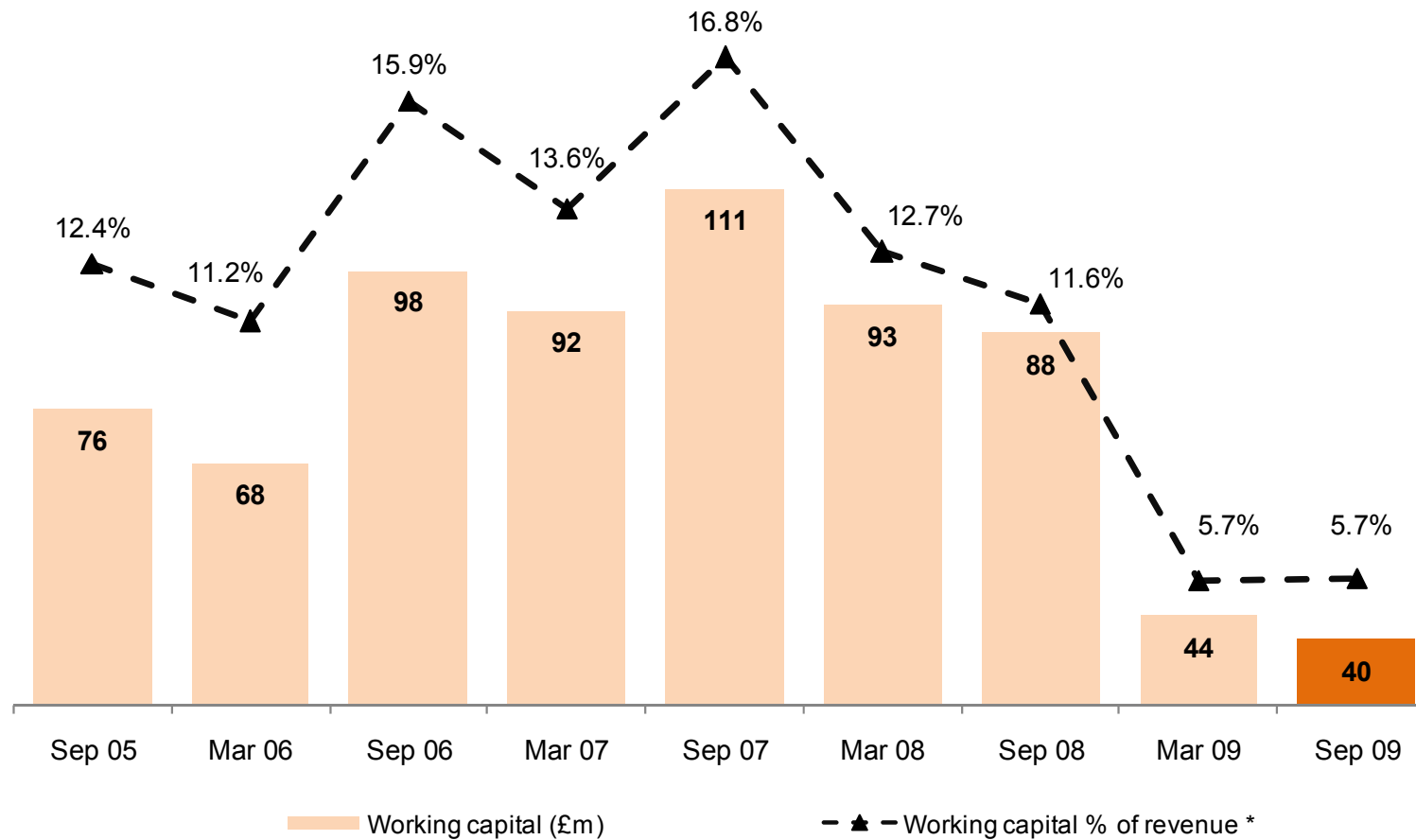
## CONSOLIDATED BALANCE SHEET

£ million	SEP 2009	MAR 2009	SEP 2008
Goodwill	23.6	24.0	20.6
Property, plant and equipment	266.5	278.1	255.8
Other non-current assets	14.6	12.3	9.5
Working capital	40.3	44.0	88.1
Employee benefit liabilities (LT)	(51.9)	(40.1)	(30.2)
Other liabilities	(29.4)	(30.8)	(22.5)
Net debt	(102.8)	(116.6)	(154.0)
Equity shareholder funds	160.9	170.9	167.3
ROCE % *	10.3%	9.1%	
Average capital employed *	375	392	

\* Measured over previous twelve months

# FINANCIAL REVIEW

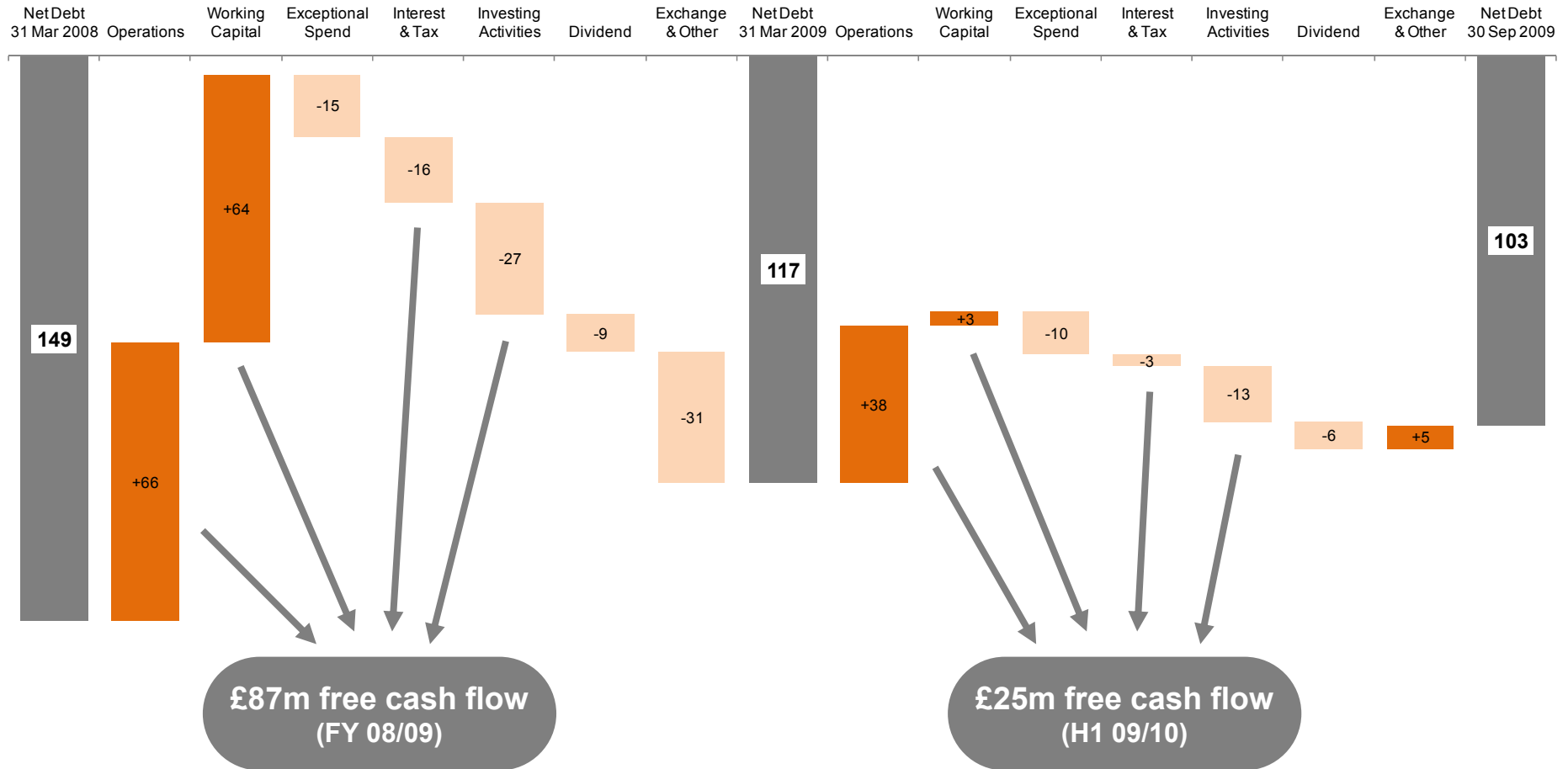
## WORKING CAPITAL DEVELOPMENT



\* Working capital % based on last six months revenue annualised

# FINANCIAL REVIEW

## CASH FLOW BRIDGE



All figures in £m

# FINANCIAL REVIEW

## FINANCIAL POSITION

Key KPIs	SEP 2009	MAR 2009	SEP 2008
Gearing	64%	68%	92%
Net debt (£m)	103	117	154
Net debt to EBITDA ratio	1.4x	1.7x	2.1x
EBITDA to Net Interest ratio	10.6x	6.6x	6.3x
Undrawn facilities (£m)	197	184	127

- Total financing facilities of £304m
- Facilities consist of:
  - RCF of £200m
  - floating notes €35m and \$40m
  - overdraft facilities
- Majority of facilities available until 2012
- Significant undrawn facilities
- Banking covenants comfortably met

# FINANCIAL REVIEW

## SUMMARY



Encouraging first half year profit with restored margins and reduced costs offsetting lower volumes



EPS (adjusted) improved by 67% to 12.0p



Continued strong cash generation with free cash flow of £25m

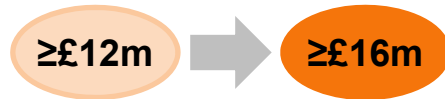


Robust financial position with net debt down to £103m

# RPC 2010

## FURTHER STRUCTURAL COST SAVINGS IDENTIFIED

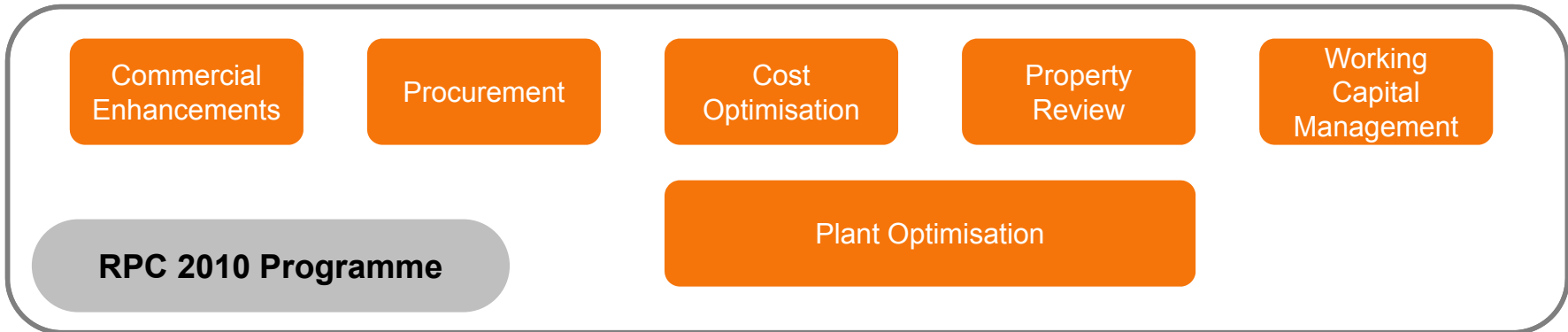
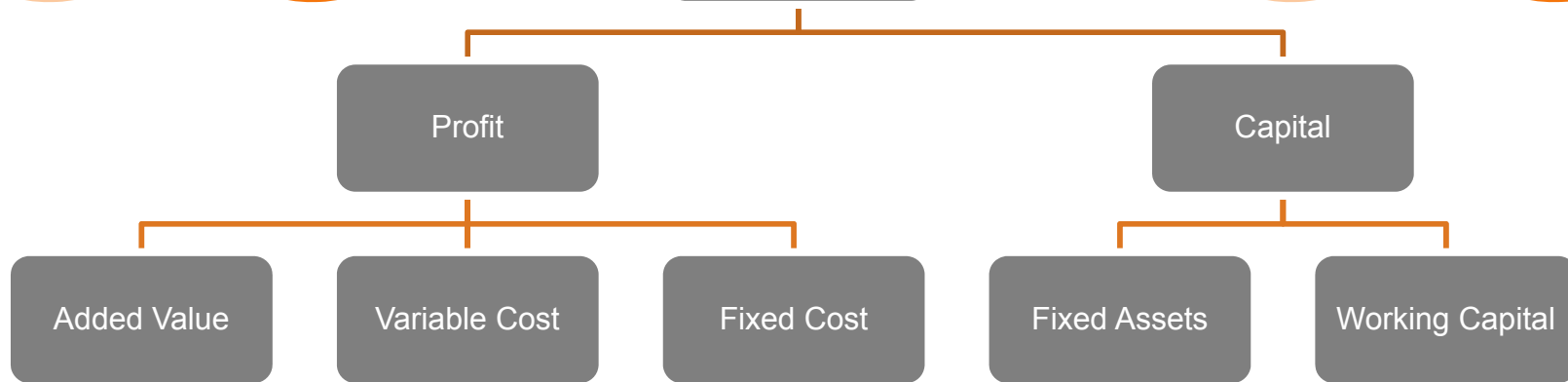
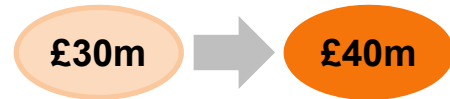
Steady state EBIT benefits:



≥15%



Expected overall costs:



# RPC 2010

## ORIGINAL PROGRAMME AHEAD OF PLAN

Original RPC 2010 programme ahead of schedule in terms of timing and benefits – £8m (annualised) achieved by end of September 2009

Remaining Thornaby property sold with two other properties actively marketed

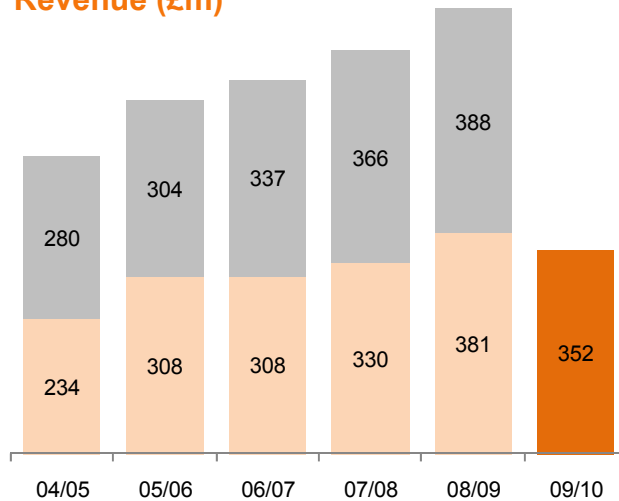
Headcount reduced by 10% compared with September 2008 – volume related cost savings of £4m *in addition to* structural RPC 2010 cost reductions



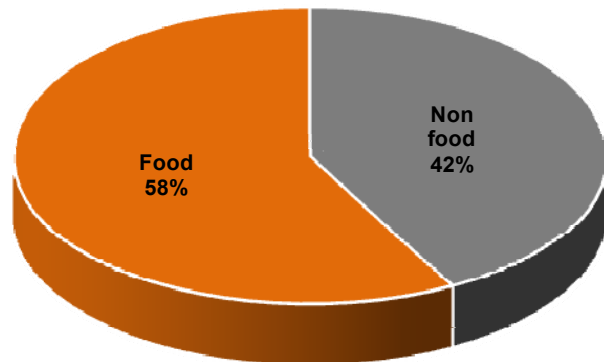
# BUSINESS REVIEW

## H1 MARKET DEVELOPMENTS

### Revenue (£m)



### Market sectors



Turnover decrease of 8% due to lower volumes (8%) and polymer pass-through partially offset by currency translation impact

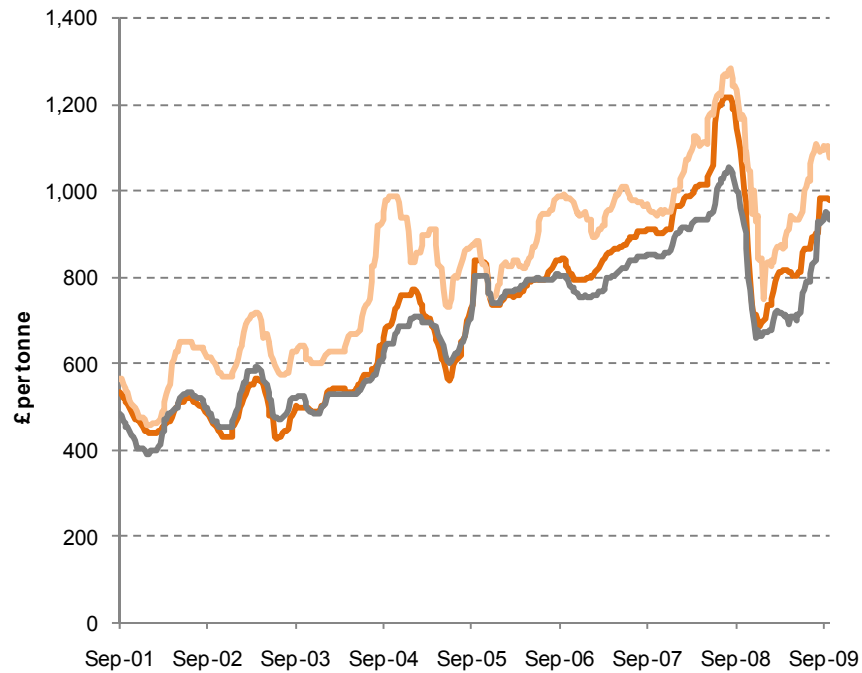
Significant customer destocking in personal care, cosmetic and pharmaceutical sectors

Much needed restoration of gross margins achieved last year sustained in first half of 2009/10

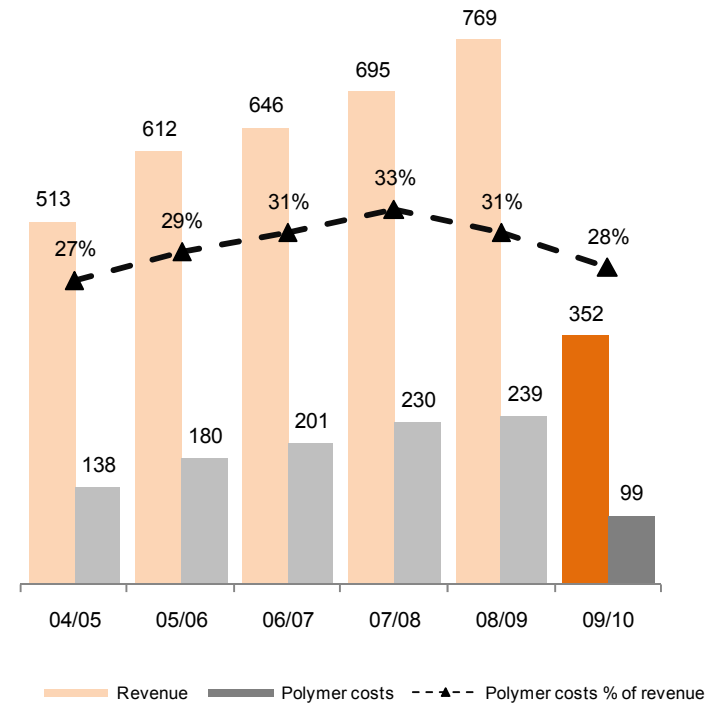
Competitive position improved due to new product development opportunities and competitors experiencing financial difficulties

# BUSINESS REVIEW

## INPUT COST DEVELOPMENTS



— HDPE BM — PSHIPS — PP HOMO

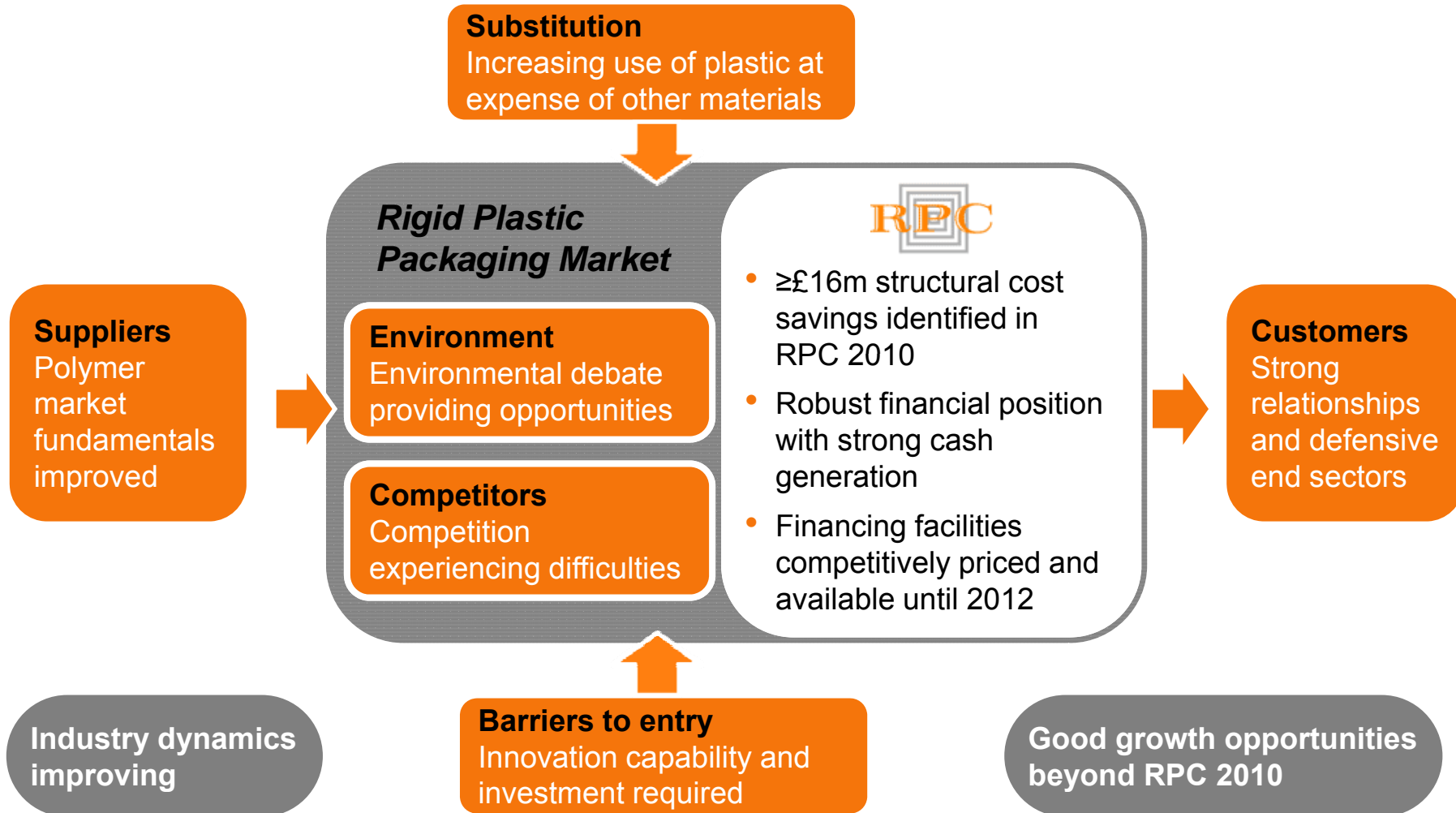


Source: Platts / ICIS

**Polymer prices showing increasing trend in H1**

# BUSINESS REVIEW

## OVERALL COMPETITIVE POSITION



# OUTLOOK



RPC 2010 delivering ahead of schedule with additional structural cost saving opportunities identified



Restoration of margins appears sustainable



Short term volume outlook remains uncertain although customer destocking effects appear to have run their course in most sectors



Overall outlook positive with rigid plastic packaging expected to grow above GDP once recessionary circumstances have come to an end

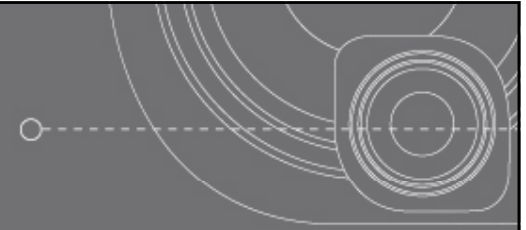
# FORWARD LOOKING STATEMENTS

This presentation contains forward-looking statements, which:

- have been made by the directors in good faith based on the information available to them up to the time of their approval of this presentation; and
- should be treated with caution due to the inherent uncertainties, including both economic and business risk factors, underlying such forward-looking information.

The Company undertakes no obligation to update these forward-looking statements and nothing in this presentation should be construed as a profit forecast.

# APPENDICES



# FINANCIAL REVIEW

## SEGMENTAL ANALYSIS - IFRS 8 BASIS

£ million	H1 2009/10	H1 2008/09	FY 2008/09
<b>Injection Moulding</b>			
Revenue	143.4	148.1	309.0
Operating profit *	9.0	8.5	17.7
Return on sales *	6.3%	5.7%	5.7%
<b>Thermoforming</b>			
Revenue	131.5	146.3	291.1
Operating profit *	6.3	5.5	12.9
Return on sales *	4.8%	3.8%	4.4%
<b>Blow Moulding</b>			
Revenue	77.0	86.6	169.0
Operating profit *	3.8	2.0	4.9
Return on sales *	4.9%	2.3%	2.9%

\* Based on adjusted operating profit before restructuring costs and impairment losses

# FINANCIAL REVIEW

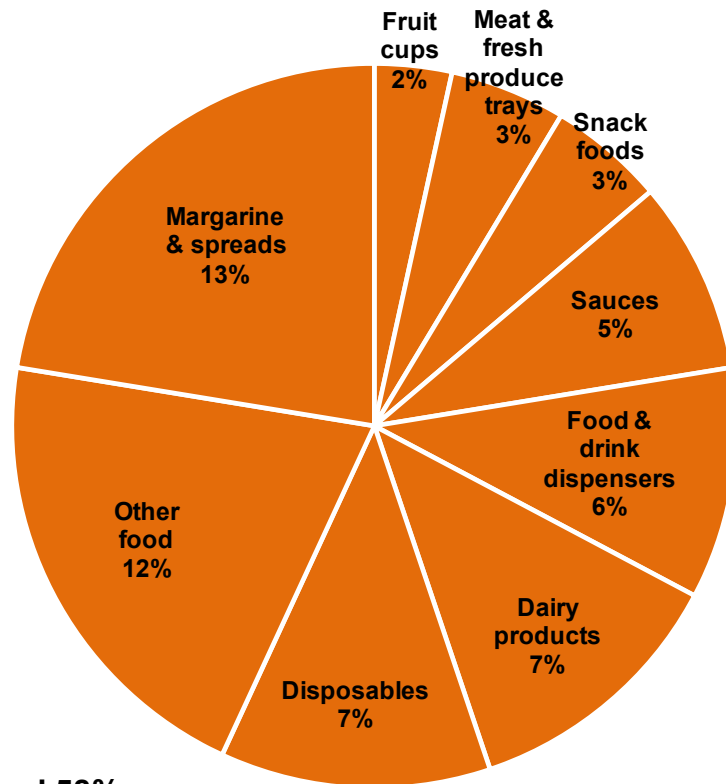
## SEGMENTAL ANALYSIS - GEOGRAPHICAL

£ million	H1 2009/10	H1 2008/09	FY 2008/09
<b>UK</b>			
Revenue	93.5	102.3	198.2
Operating profit *	8.7	4.0	10.1
Return on sales *	9.3%	3.9%	5.1%
<b>Mainland Europe (including USA)</b>			
Revenue	258.4	278.7	570.9
Operating profit *	10.4	12.0	25.4
Return on sales *	4.0%	4.3%	4.4%

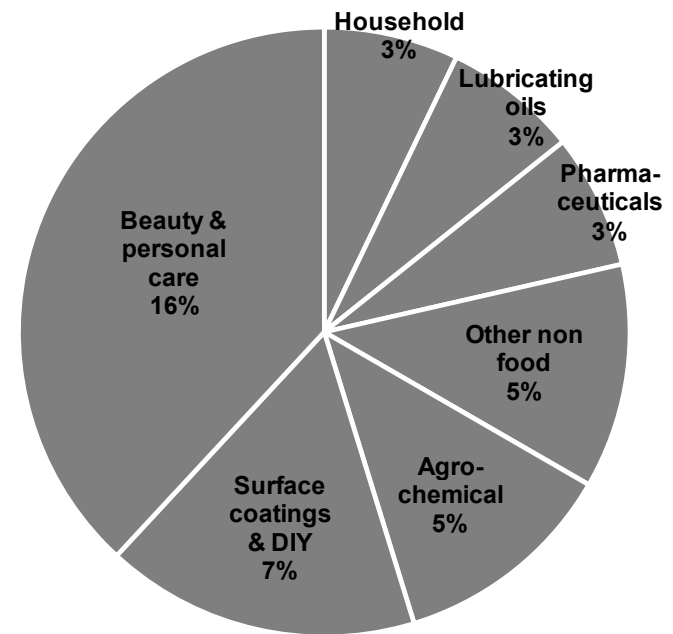
\* Based on adjusted operating profit before restructuring costs and impairment losses

# BUSINESS REVIEW

## MARKET SECTORS



**Food 58%**



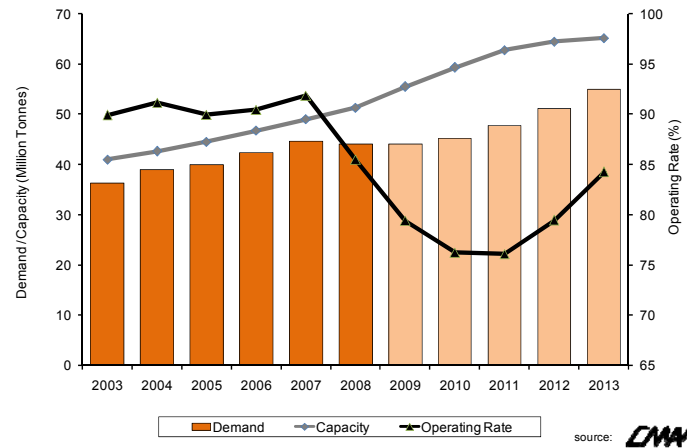
**Non food 42%**

**Relatively defensive end sectors**

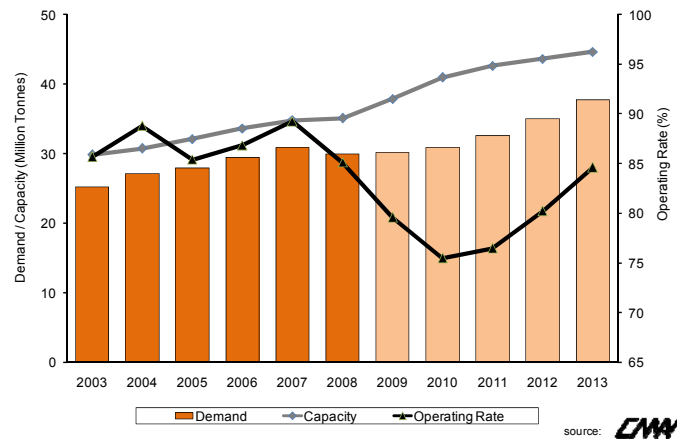
# BUSINESS REVIEW

## POLYMER MARKET

Global PP Supply Demand Outlook



Global HDPE Supply Demand Outlook



Global Capacity (million tonnes)	2008	2012	%
PP	51.3	64.5	+26%
HDPE	35.1	43.6	+24%

Major new Middle Eastern plants planned to come on stream in 2009 and 2010:

- Petro-Rabigh (SA) 700kt PP & 300kt HDPE
- Al-Waha (SA) 450kt PP
- Yansab (SA) 400kt PP & 400kt HDPE
- SHARQ (SA) 400kt HDPE
- Jam (Iran) 300kt PP & 150kt HDPE
- Borouge (UAE) 800kt PP & 360kt HDPE
- EPPC (Egypt) 400kt PP

# BUSINESS REVIEW

## ENVIRONMENT – EVOLUTION OF THE DEBATE ON PACKAGING

### EMOTIONS DRIVEN (PAST)

“Packaging is bad for the environment, often unnecessary, and the only thing to do is to reduce it”

to

### FACTS DRIVEN (CURRENT)

#### Full Life Cycle Analysis:

- Cradle to Grave
- Product waste impact
- Supply chain
- Recyclability
- Post Consumer Recycling

The Courtauld Commitment is a “voluntary” agreement between government and users of packaging. The revised commitment is likely to place much more emphasis on the environmental impact of the packaged product, in the supply chain and throughout its lifecycle, and on the total carbon effect as assessed by Life Cycle Analysis.

# BUSINESS REVIEW

## ENVIRONMENT – RPC OPPORTUNITY



The RPC opportunity is to further develop and promote its rigid plastics packaging products to replace glass and metal, based on the following competitive advantages:

- The lighter weight of plastics:
  - generally means less use of resource and a lower disposal burden
  - reduces supply chain effects, notably in fuel for transport
- Initial work on Life Cycle Analysis demonstrate that, in many applications, the carbon effect is lower when plastics is used.
- RPC's products are predominantly polypropylene and high density polyethylene. Relative to other widely used packaging polymers, these have the best intrinsic "carbon footprints".
- The majority of opportunities require the use of oxygen barrier packaging. This technology is a core activity and key strength of the company.