

## **RPC Group Plc**

### **Interim Management Statement**

In accordance with UK Listing Authority's Disclosure and Transparency Rules, RPC Group Plc releases its second Interim Management Statement, in respect of the period between 1 October 2007 and the date of publication of the statement.

### **Business Operations**

The Group is the leading supplier of rigid plastic packaging in Europe with manufacturing operations in 12 countries of the European Union and one in the USA. Our product range is extensive, with the Group supplying, inter alia, the following markets:

- DIY
- personal care
- cosmetics
- pharmaceutical
- healthcare
- food and drinks
- lubricants
- agrichemicals

The Group has wide experience of injection moulding, blow moulding, and thermoforming production techniques; all three production processes are used extensively within the business and it is along these technological lines that we structure our business within what are termed 'clusters', of which there are seven.

### **Performance in the Period**

Overall our business has made progress in the period between 1 October and 31 December 2007 despite the continuing challenging conditions brought about by the further escalation of polymer prices. Revenue in the period 1 October - 31 December was up 4% compared with the corresponding period in the previous financial year, with growth being achieved in our Blow Moulding, Bramlage-Wiko, Bebo, Cobelplast and Tedeco-Gizeh clusters. The revenue growth has resulted from both the acquisitions made during the last financial year and improved demand for a number of products including fruit bowls, Magic Star dispensers, cream jars and deosticks.

The continued increases in polymer prices, which have risen by 9% since the start of the financial year to 31 December, together with increases in other variable costs such as transport and outer packaging have maintained the pressure on margins and largely eroded the positive impact of the increased sales. Our financial position at 31 December remains strong.

In order to address the cost base of the UK injection moulding businesses the closure of our plants at Thornaby and Hereford has been previously announced. The closure process at both sites is progressing according to plan as is the restructuring of our thermoforming business in Poland.

During the period we acquired the plastic manufacturing operations of Raytec BV in the Netherlands and MOB in France. Raytec will allow further expansion into the DIY, Household and Stationary markets; going forward, this business will trade as RPC Bramlage DHS BV and form part of the Bramlage-Wiko cluster.

MOB, based at Moirans, was a leader in the French blow moulded stock container industry until July 2007 when it was forced into administration by its parent, Smoby, which was in financial difficulties. MOB complements the product range of our nearby plant in Montpont and will form part of the Blow Moulding cluster.

Enquiries:

RPC Group Plc

Ron Marsh

Pim Vervaat

01933 410064

01933 410064