



11 February 2010

**RPC Group Plc**  
**Interim Management Statement**  
**Performance in the Period**

Overall sales volumes remained on a similar level as trading conditions continue to be affected by the challenging economic environment. Revenue in the third quarter of the financial year 2009/10 (1 October - 31 December) was down compared with the corresponding period in the previous financial year primarily due to a lower price level as polymer price reductions have been passed through to customers.

Operating profit (before restructuring and impairment charges) in the third quarter was ahead of the same period last year as the Group is benefiting from an improved cost base with margins restored to more acceptable levels. As anticipated, the adjusted profit before tax\* in the third quarter was ahead of last year.

The financial position remains robust with a satisfactory cash flow development in the third quarter and significant head room under the Group's financing facilities, the majority of which are in place until 2012.

**RPC 2010**

The RPC 2010 improvement plan continues to progress well with the first phase of the cost reduction programme almost concluded. Of the five sites announced for closure in 2008/9 under RPC 2010, four have now been closed with Raunds (UK) expected to be largely complete by the end of 2009/10. The recently vacated Halfweg site in the Netherlands was sold in December for a consideration of approximately £3m.

The second phase of the cost reduction programme is now underway. Consultations have started at our Marolles plant in France to reduce the work force in light of continued subdued demand in the cosmetics sector. Further announcements about the cost reduction actions incorporated in the second phase of RPC 2010 will follow in due course.

**Commenting on current trading, Ron Marsh, RPC's Chief Executive Officer said:**

"Trading conditions continue to be affected by the uncertain economic environment with underlying activity levels in the third quarter similar to the first half year. It is nonetheless pleasing to report that the company remains on course to achieve the 15% ROCE target across the economic cycle once the RPC 2010 programme has been completed."

\* adjusted profit before tax is operating profit before restructuring and impairment charges less net interest

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