

Interim Management Statement

16 November 2017

Macfarlane Group PLC today provides an update on trading for the period from 30 June 2017 to 31 October 2017.

The momentum achieved in the first half of 2017 has continued in the second half of the year with improving organic growth and the continuing benefit from acquisitions. The Board is confident that its full year expectations will be met assuming that the Group benefits from the trading cycle in the final quarter of 2017 through our focus on the e-commerce sector.

Sales for the year to date in Packaging Distribution have increased by 11% and our recent acquisition, Greenwoods, is performing well in the final quarter of the year. Gross margins achieved are at similar levels to last year, reflecting the effective recovery of recent input price increases. Operating profit for the full year in Packaging Distribution is expected to be well above that achieved in 2016.

Combined sales from the businesses in our Manufacturing Operations are 3% below 2016, principally due to our continuing programme to focus on higher margin sales. Operating profit for the full year in the Manufacturing Operations is expected to be similar to 2016 levels.

The net effect of these factors is that Macfarlane Group's profit before tax for 2017 to date is well above the corresponding period in 2016 with a good contribution from acquisitions and this trend is expected to continue for the remainder of the year.

Bank borrowings of £14.6m at 30 June 2017 are expected to reduce by the end of the year, reflecting the Group's traditionally strong working capital inflows in the final quarter.

Stuart Paterson, Chairman of Macfarlane Group, said:

"I am pleased to report that Macfarlane Group's performance in the second half of 2017 has continued to reflect the good progress demonstrated in the first half. The Board remains confident that our full year expectations will be met."

Further enquiries:	Macfarlane Group	Tel: 0141 333 9666
	Stuart Paterson Chairman	
	Peter Atkinson Chief Executive	
	John Love Finance Director	
	Spreng Thomson	Tel: 0141 548 5191
	Callum Spreng	Mob: 07803 970103

LEI: 213800LVRYDERSJAAZ73

Notes to Editors:

- Macfarlane Group PLC is listed on the London Stock Exchange (LSE: MACF) in the Industrials Sector
- The company is headquartered in Glasgow, Scotland and has more than 60 years' experience in the UK packaging industry
- Macfarlane Group's businesses are:
 - **Macfarlane Packaging** is the leading UK distributor of a comprehensive range of protective packaging products
 - **Labels** designs and prints high quality self-adhesive and resealable labels, principally for FMCG companies
 - **Packaging Design and Manufacture** designs and produces protective packaging for high value, fragile products
- Macfarlane Group employs over 850 people at 29 sites, principally in the UK, but also in Ireland and Sweden

The company has 20,000+ customers in the UK, Europe and the USA providing 600,000+ lines to a wide range of industry sectors including: consumer goods; food manufacturing; logistics; internet retail; mail order; electronics; defence and aerospace.