



ANNUAL GENERAL MEETING STATEMENT

Macfarlane Group PLC (“Macfarlane”) today publishes its Annual General Meeting (“AGM”) Statement covering 2015 to date. At the AGM in Glasgow, Graeme Bissett, Chairman of Macfarlane, said: -

“The positive sales trends evident as we exited 2014 have continued in the early part of 2015 and both businesses acquired in 2014 are performing well. Group sales in the first four months of 2015 are 13% ahead of 2014 and profitability is stronger than in the equivalent period last year.

Sales in Packaging Distribution are 16% ahead of 2014 of which 6% relates to organic growth and the remainder relates to the impact of the acquisitions made last year. Gross margins have also improved as anticipated and as a result profitability is well ahead of the equivalent period in 2014.

Sales in our Manufacturing Operations are running at similar levels to 2014. Whilst the competitive UK retail sector continues to impact our Labels business, our Packaging Design & Manufacture business has won new customers in its target sectors. Profitability in our Manufacturing Operations is slightly ahead of last year’s levels.

Net debt has risen from the 31 December 2014 level, but this reflects the normal seasonal uplift in working capital and the Group continues to operate well within its existing bank facilities.

The Board recognises the importance of dividends to shareholders and intend to pay an increased final dividend of 1.15p per share on 4 June 2015 subject to shareholder approval today.

Our full year results will again be heavily influenced by performance in the second half of the year due to our increasing presence in the internet retail sector. Given the strong start to the year, the Board is confident that the Group will perform in line with its expectations for 2015.”

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Notes to Editors:

- Macfarlane is listed on the London Stock Exchange (LSE: MACF) in the Industrials Sector.
- The company has more than 60 years’ experience in the UK packaging industry.
- Macfarlane has three businesses:
 - **Macfarlane Packaging** is the leading UK distributor of a comprehensive range of protective packaging products.
 - **Labels** designs and prints high quality self-adhesive and re-sealable labels, principally for FMCG companies.
 - **Packaging Design and Manufacture** specialises in designing and producing protective packaging for high value, fragile products.
- Macfarlane is headquartered in Glasgow, Scotland, and employs over 730 people at 25 sites, principally in the UK and Ireland.
- 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.