



INTERIM MANAGEMENT STATEMENT

Macfarlane Group PLC today publishes its Interim Management Statement for 2012 to date. At the Annual General Meeting held in Glasgow today, Archie Hunter, Chairman of Macfarlane Group, said:-

“I am pleased to report that Macfarlane Group’s performance in 2012 to date has been encouraging. Each of our businesses has started the year well, with profits ahead of last year and the Group continues to perform in line with the Board’s expectations for 2012.

Revenue in our Packaging Distribution business is 2% ahead of last year and with margins recovering, profitability shows growth on that achieved in 2011. Progress continues with our strategic initiatives, most notably increased penetration of the UK third-party logistics sector, early successes with customers for Presentational and Retail Packaging products and an improving contribution from our website: macfarlanepackaging.com.

Revenue from our Manufacturing Operations’ is 2% below 2011 levels. This reflects the implementation of plans to improve the customer mix and encouragingly both margins and profits show growth versus 2011. In Labels, penetration of the Reseal-it label range continues to increase and the margin in the self-adhesive label business is improving. The Packaging Manufacturing business has also started 2012 strongly with profits ahead of 2011 levels.

Net debt remains similar to the levels seen at 31 December 2011 and the Group continues to operate well within its existing bank facilities. As previously indicated, we intend to pay a dividend of 1.05p per share on 8 June 2012 subject to shareholder approval today.

As I indicated in the Annual Report, the impact of the pension deficit on our distributable reserves is expected to be at its greatest effect in 2012. Profitable trading will add to distributable reserves and further steps are already being taken to reduce the pension scheme deficit and benefit reserves. Although some of these actions will not begin to have an impact until the second half of 2012, the Board’s intention remains that a full dividend will continue to be paid for 2012 as a whole, however as previously indicated, the quantum and timing of the 2012 interim dividend will be advised to shareholders in due course.

I am very pleased that Graeme Bissett will succeed me as Chairman at the conclusion of this meeting. Graeme has a deep understanding of Macfarlane Group’s strategy and is eminently qualified to lead the Board as we continue both to develop our existing business and to roll out our strategic initiatives. It has been directly due to the efforts and enthusiasm of our people right across the Group over the past seven years that the Group’s recovery has been engineered and the strong platform that is now evident has been established. They have created a business that displays strong potential and on behalf of the Board and our shareholders, I wish them every success in the future.”

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Notes to Editors:

The 2012 Annual General Meeting of Macfarlane Group PLC will take place on 8 May 2012 at the Thistle Hotel, Cambridge Street, Glasgow.

Macfarlane Group PLC is a UK-based group of companies focused on packaging-related activities. The Packaging Distribution business is the leading UK distributor of a comprehensive range of packaging consumable products. The Manufacturing Operations comprise two businesses, the manufacture of transit packaging and the manufacture of self-adhesive and re-sealable labels. Headquartered in Glasgow, Scotland, Macfarlane Group employs 700 people at 22 sites, principally in the UK and Ireland, servicing 20,000+ customers in the UK, Europe and the USA across a wide range of sectors including: consumer goods; logistics; electronics; food manufacturing and retailing; internet and mail order