

5 August 2015

**Macfarlane Group PLC acquires One Packaging Limited**

In line with the Group’s strategy to develop its Packaging Distribution businesses, Macfarlane Group PLC (“Macfarlane”) announces that it has today concluded an agreement to acquire One Packaging Limited (“One”), for a consideration of up to £2.75 million. The initial consideration of £2.0 million will be paid in cash from Macfarlane’s existing borrowing facilities. The deferred consideration of up to £0.75 million will become payable in the third quarter of 2016, subject to certain trading targets being met in the twelve month period following acquisition (“the earn-out period”). Half the deferred consideration will be paid in cash and half will be paid in ordinary shares in Macfarlane Group PLC. One was established in 2003 and is a packaging distributor based in Bingham near Nottingham, which will strengthen Macfarlane’s existing Packaging Distribution activities in the East Midlands.

One made an operating profit of £0.4 million before non-recurring costs on turnover of £4.9 million in the financial year to 31 July 2014. Gross and net assets in the audited accounts at that date totalled £2.0 million and £0.1 million respectively. The acquisition is based on net assets at completion totalling £0.2 million. The deferred consideration reflects One’s business plan to improve turnover and operating profits by over 25% by the end of the earn-out period.

Macfarlane’s Chief Executive, Peter Atkinson commented: “One is a good quality, successful packaging distributor. This acquisition demonstrates our continuing commitment to the strategy of developing our leadership position in the UK market for the distribution of protective packaging. We are delighted that Greg Almond will remain with the business. His considerable knowledge and expertise will complement the existing Macfarlane business in the East Midlands area.”

<b>Further information:</b>	Graeme Bissett	Chairman	0141 333 9666
	Peter D. Atkinson	Chief Executive	0141 333 9666
	John Love	Finance Director	0141 333 9666
<b>Media enquiries</b>	Callum Spreng	Spreng & Co.	07803 970103

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