



## **Macfarlane Group PLC**

### **Pre-close trading update**

11 July 2007

Macfarlane Group ("the Company") intends to announce its results for the six months to 30 June 2007 on Tuesday 11<sup>th</sup> September 2007.

The Company will report an increase in sales from continuing activities, improved trading performance and a return to first half profits.

Sales in our Packaging Distribution business are over 10% ahead of last year and margins are recovering. The net effect is a significantly improved performance from our Packaging Distribution business in the first half compared with 2006.

In our Manufacturing Operations, the Labels, Plastics and UK Packaging Manufacturing businesses are performing satisfactorily. Our US/Mexico business is contending with slower markets in 2007 but is now realigning its cost base with these lower levels of demand. The Manufacturing Operations will show an improvement in profit for the first half compared with 2006.

The most significant feature of trading to date in 2007 is the improvement in our key businesses, particularly in Packaging Distribution, reflecting our aim to give greater focus to the Company's activities. The Company's intentions regarding dividend payments remain as previously expressed.

### **Further information**

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