



## Interim Management Statement

17 November 2008

Macfarlane Group PLC today publishes its Interim Management Statement. The trading results improvement reported at the time of the interim announcement on 28 August 2008 has continued. Despite the difficult economic conditions, which have caused a slowdown in demand during the third quarter, Group profit before tax continues to be significantly ahead of last year.

Group revenue in the year to date is 10% ahead of the same period in 2007. Both Divisions are making good progress with Packaging Distribution revenue 12% ahead of last year (4% organic, 8% acquisition) and Manufacturing Operations 5% ahead of last year. Action plans were implemented at the start of the second half of the year to ensure that our cost base was aligned with the anticipated lower level of demand. These plans, together with strong operational momentum, have ensured continued profit growth in the third quarter.

In line with our strategy to develop our UK Packaging Distribution business, the acquisition of Allpoint Packaging was concluded on 3 October 2008 with £3.2m paid immediately and deferred consideration of £1.6m payable in the final quarter of 2009 subject to certain trading targets being met in the year to 30 September 2009. Whilst debt increased as a result of this transaction, forecast total Group debt at 31 December 2008 is currently expected to be below £9 million. The assimilation of Allpoint Packaging is progressing to plan.

Archie Hunter, Chairman of Macfarlane Group, said

“The general economic downturn is causing a softening of demand in our markets. However we have taken actions to reduce our cost base in line with current demand conditions and we have confidence that we have the business strength and momentum to manage our way through this challenging period. We will continue to monitor demand levels and take further action as necessary.

Group profitability for 2008 remains in line with the Board’s expectations.”

<b>Further information:</b>	<b>Archie S. Hunter</b>	<b>Chairman</b>	<b>0141 333 9666</b>
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### Notes to Editors

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 three businesses, transit packaging manufacturing; self-adhesive and re-sealable labels; and plastics closures.

Headquartered in Glasgow, Scotland, Macfarlane Group employs 850 people at 27 sites, principally in the UK and Ireland and services 17,000+ customers, in a wide range of sectors including: consumer goods; logistics; electronics; food manufacturing and retailing; internet and home retailing.