



Macfarlane Group PLC disposes of its Plastics operations in Ireland

8 January 2009

In line with the Group's strategy to focus on and develop its core businesses, Macfarlane Group PLC ("Macfarlane") announces today that it has concluded an agreement for the sale of its Ireland-based plastics business, Macfarlane Plastics Limited ("Macfarlane Plastics"), to Procap Holdings SA for a total cash consideration of £1.7m, payable immediately.

The disposal proceeds, which exclude attributable expenses of £0.3m, will be used by Macfarlane to reduce Group debt, which was below £8.0m at 31 December 2008.

Macfarlane Plastics made an operating loss of £0.1m on turnover of £6.0m in the 12 months to 31 December 2007 (audited). The gross assets of the business were £5.0m (unaudited) at 30 November 2008 and its net assets were £2.6m (unaudited) at the same date.

The Macfarlane Board estimates that the disposal will produce a realised loss of £1.2m in the financial year to 31 December 2008. £0.7m of this loss was provided for in the accounts for the six months to 30 June 2008, as announced on 28 August 2008.

Commenting on the disposal of Macfarlane Plastics, Archie Hunter, Chairman of Macfarlane Group, said:

"The disposal of the plastics business is another key step for Macfarlane Group, which enables us to focus on our operations in Packaging Distribution and the specialist Manufacturing of labels and transit packaging.

Although the economic environment remains challenging the actions we have taken during the year will result in our financial performance in 2008 being in line with the Board's expectations."

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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 two businesses, the manufacture of transit packaging and the manufacture of self-adhesive and re-sealable labels.

Headquartered in Glasgow, Scotland, Macfarlane Group employs 750 people at 22 sites, principally in the UK and Ireland, servicing 16,000+ customers, in a wide range of sectors including: consumer goods; logistics; electronics; food manufacturing and retailing; internet and home retailing.