



## **RPC Group Plc**

### **Interim Management Statement**

RPC Group Plc is issuing its first Interim Management Statement for the financial year 2008/9, ahead of its Annual General Meeting to be held today at 12:00 p.m. at 30 Gresham Street, London EC2P 2XY. At the AGM the following Interim Management Statement will be made regarding the Group's performance for the first three months of the financial year 2008/9, Board changes and the strategic review.

### **Performance in the Period**

Revenue in the period 1 April - 30 June was up 17% compared with the corresponding period in the previous financial year. Excluding the acquisition impact the growth was 14% of which the majority was due to the strengthening of the Euro which has benefited our first quarter sales when translated into sterling. All clusters recorded higher sales with the exception of our UK injection moulding and beauty clusters. Sales in the UK injection moulding cluster have been impacted by an economic slowdown in the UK and the Hereford closure whereas the beauty cluster is suffering from the lack of major new contracts. The rationalisation program continued to make progress with the Hereford site closure completed in the period.

The continued increases in polymer prices together with increases in other variable costs such as transport, electricity and outer packaging have maintained the pressure on margins and eroded the positive impact of the increased sales. Due to the disappointing performance of the beauty cluster the Board has decided to undertake further restructuring in this area.

Recently announced further substantial price increases in polymers for July could result in margin compression while these costs are passed on to our customers. In response to this and the other input cost pressures the Group is announcing selling price increases of up to 15%. As expected the first half year operating profit (before restructuring costs and impairment losses) will be below last year; the outlook for the second half and for the full year is particularly dependent on the success of the selling price increases and polymer price movements.

Despite higher polymer prices net debt is currently running at a similar level to the same period last year with sufficient headroom remaining under the Group's existing bank and loan facilities.

## **Board Changes**

We are pleased to announce the appointment of Jamie Pike as the Group's new Non-Executive Chairman. Jamie was Chief Executive of Foseco plc until April this year when a half a billion pounds recommended cash offer by Cookson Group plc for the entire share capital of Foseco was completed. Foseco was a leading supplier of speciality chemicals for use in the foundry and steel-making industries with 29 production facilities in 17 countries. Previously, he had led the Cinven backed buy out of Foseco from Burmah Castrol in 2001 which culminated in floatation on the main market in 2005.

Jamie Pike, a British national, was educated at Oxford, holds an MBA and is a Member of the Institute of Mechanical Engineers. His early career was as a consultant with Bain and Co and A T Kearney before joining Burmah Castrol in 1991. He rose to Chief Executive of Burmah Castrol Chemicals before leading the Foseco buy-out.

Jamie Pike has previously been a Non-Executive Director of two FTSE 250 companies, RMC Group plc and Kelda Group plc. In addition, between 2001 and 2007 he was a non-executive member of the governing Board of the Army Training and Recruitment Agency which is responsible for all individual soldier training in the Army. He is currently the Chairman of the Defence Support Group which is the equivalent of a £150 million turnover engineering and repair business for the Armed Forces.

Jamie Pike's track record and experience in strategic and operational improvement and development in a range of UK and international businesses place him in an ideal position to lead the RPC Group Board at this stage in the Group's development. His appointment will be effective from the close of business of the Annual General Meeting to be held later today, 23 July 2008, when the current Chairman, Peter Williams, retires from the Board.

## **Strategic Review**

On the 6<sup>th</sup> June the Board announced that it is commissioning a strategic review to explore all options to maximise shareholder value. We can confirm that the strategic review is underway with some good initial progress made. NM Rothschild, PricewaterhouseCoopers and King Sturge have been engaged to help carry out the review. The new chairman will oversee the outcome of the review and a further update on the progress of the review is expected to be made in the pre-close trading statement in September.

Enquiries

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