

2008/9 INTERIM RESULTS & STRATEGIC REVIEW

28 November 2008

RPC – Market Leader in Europe



AGENDA



Introduction	Jamie Pike
Business Review	Ron Marsh
Financial Review	Pim Vervaat
Strategic Review	Ron Marsh / Pim Vervaat
Outlook	Ron Marsh
Summary	Jamie Pike

BUSINESS REVIEW



- Company Overview -----○
- Financial Highlights -----○
- Key Developments H1 2008/9: -----○
 - market -----○
 - input prices -----○
 - rationalisation -----○

COMPANY OVERVIEW

EUROPEAN MARKET LEADER

47 operations in
13 countries

6,600 employees

6 operating clusters
operating in 3
manufacturing processes

Customer range from
large multinationals to
small local operations

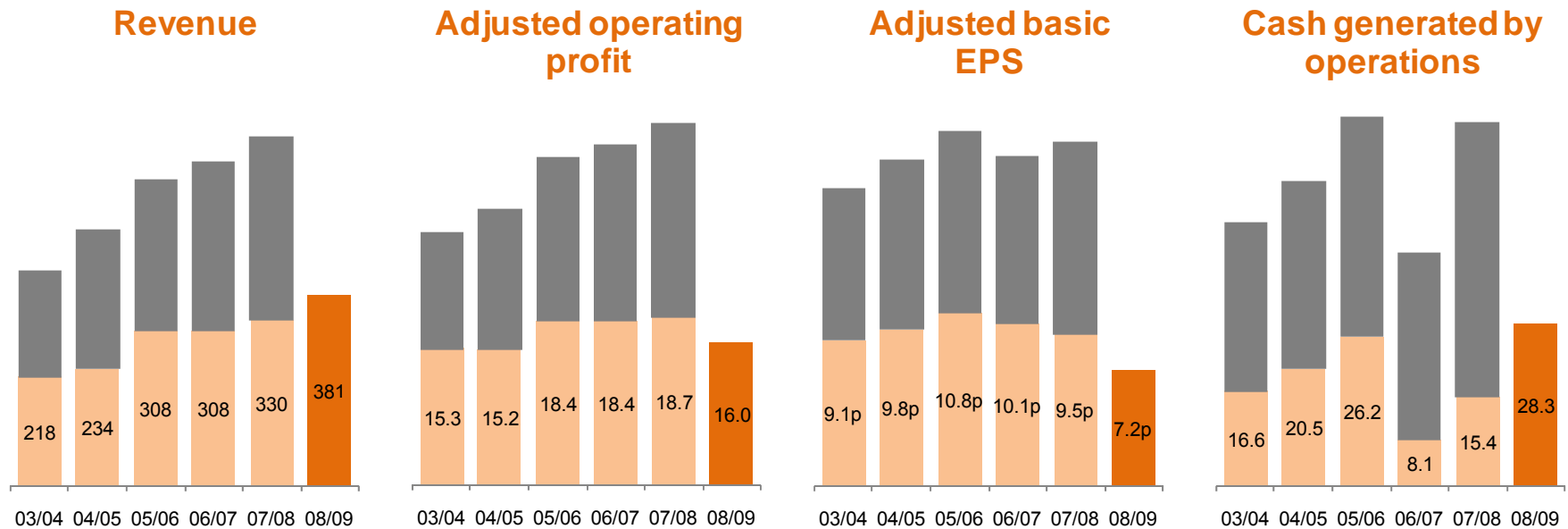


L'ORÉAL



FINANCIAL HIGHLIGHTS

MARGINS UNDER PRESSURE BUT STRONG CASH GENERATION



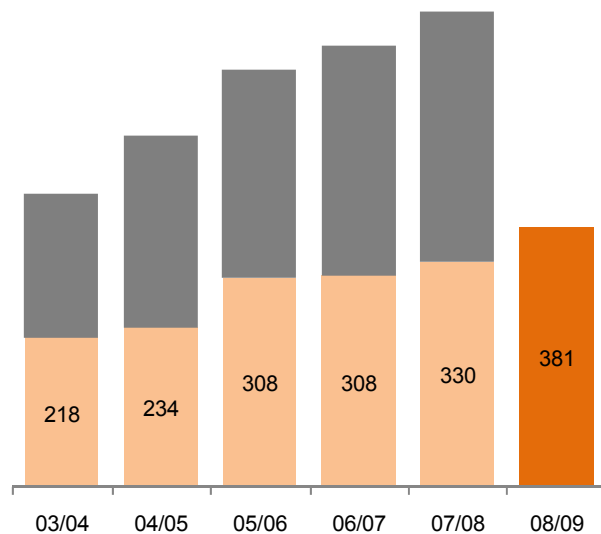
All figures (except adjusted EPS) in £m

Adjusted = before restructuring costs and mark to market charges

MARKET DEVELOPMENTS (1)

LONG TERM GROWTH MARKET BUT FIRST HALF 2008/9 DIFFICULT

RPC sales growth



All figures in £m

- Market for rigid plastic packaging remains long term growth market
- Turnover growth in first half of 16% largely due to currency movements and acquisitions
- Price increases initiated over the summer have been successful
- Food market represents 59% of sales and provides good defensive characteristics
- Slowdown of UK economy impacted first half year activity levels
- Competition experiencing difficulties

MARKET DEVELOPMENTS (2)

KEY DEVELOPMENTS PER BUSINESS AREA

Injection Moulding

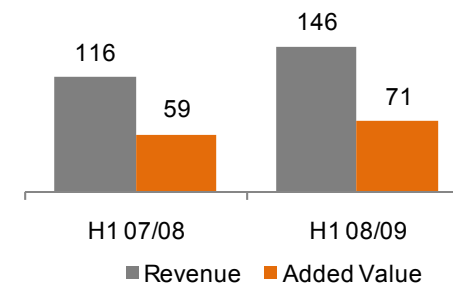
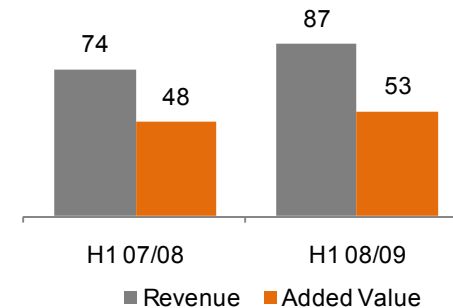
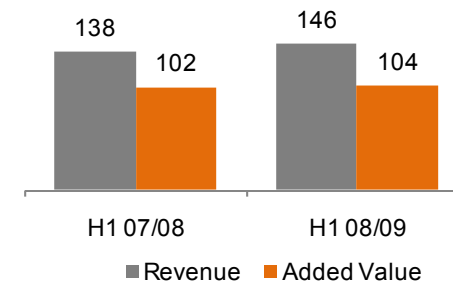
- Continued growth in personal care and pharmaceutical sectors
- UK demand for surface coatings subdued
- beauté cluster integrated into Bramlage-Wiko

Blow Moulding

- Opportunities emerging for multi-layer bottles to replace glass
- UK demand for stock containers subdued
- Good growth in agrichemical sectors

Thermoforming

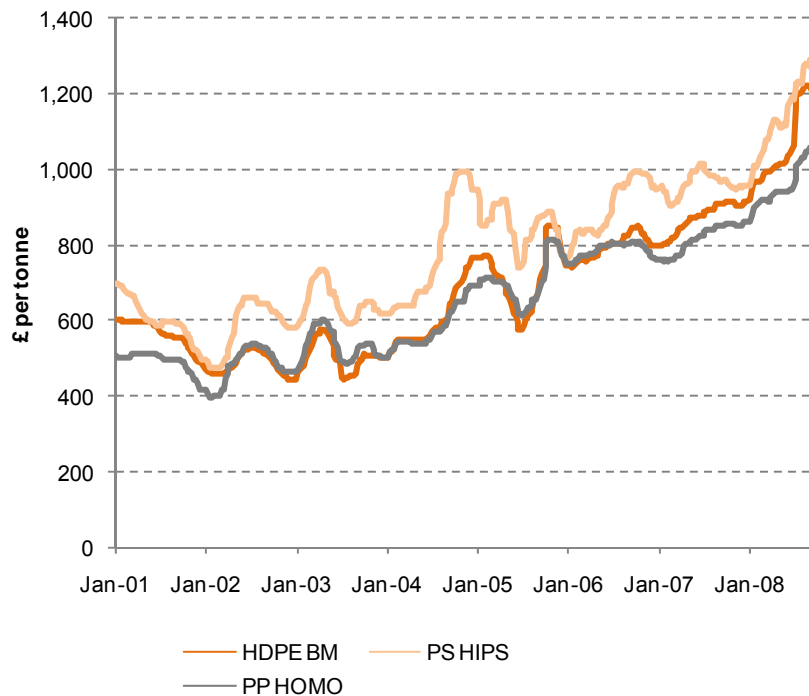
- Strong growth in coffee capsules
- Fruit bowls demand subdued
- Huhtamaki Europe seeks exit



INPUT PRICE DEVELOPMENTS (1)

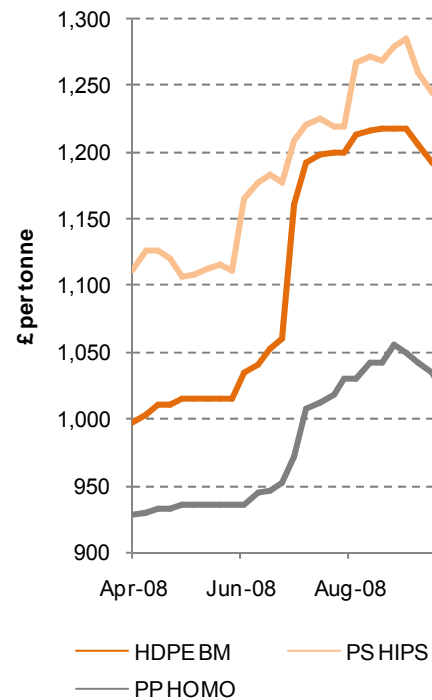
SIGNIFICANT INCREASE IN INPUT PRICES

Long term polymer price movement



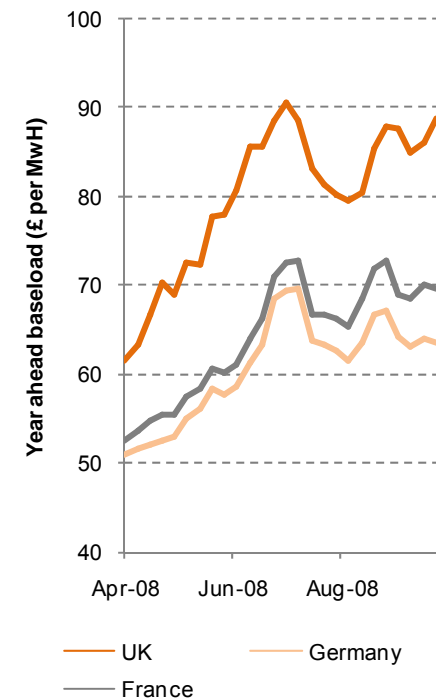
Source: Platts / ICIS

Polymers
H1 08/09



Source: Platts / ICIS

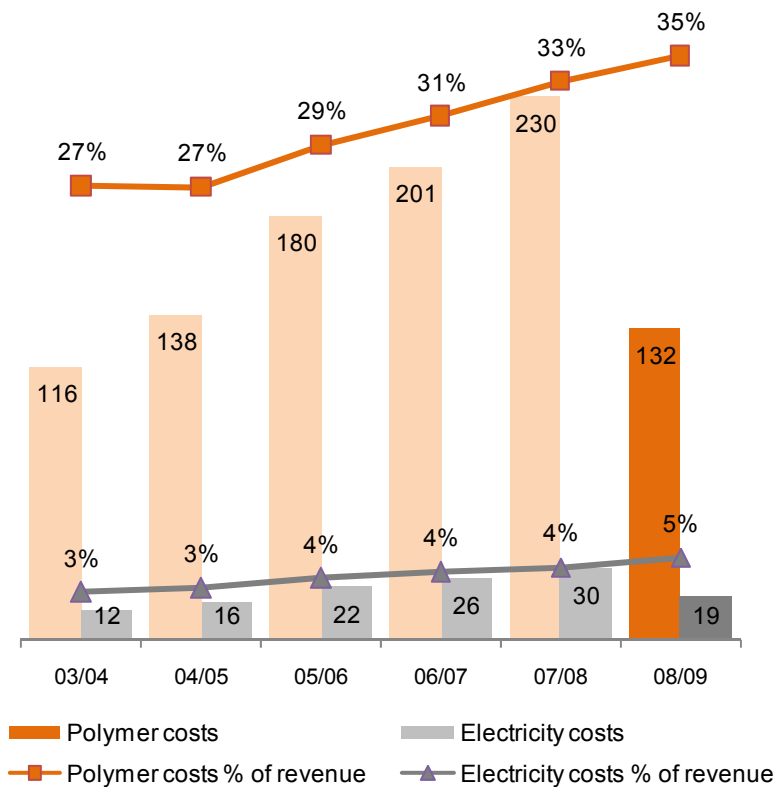
Electricity
H1 08/09



Source: EEX / Energy Services

INPUT PRICE DEVELOPMENTS (2)

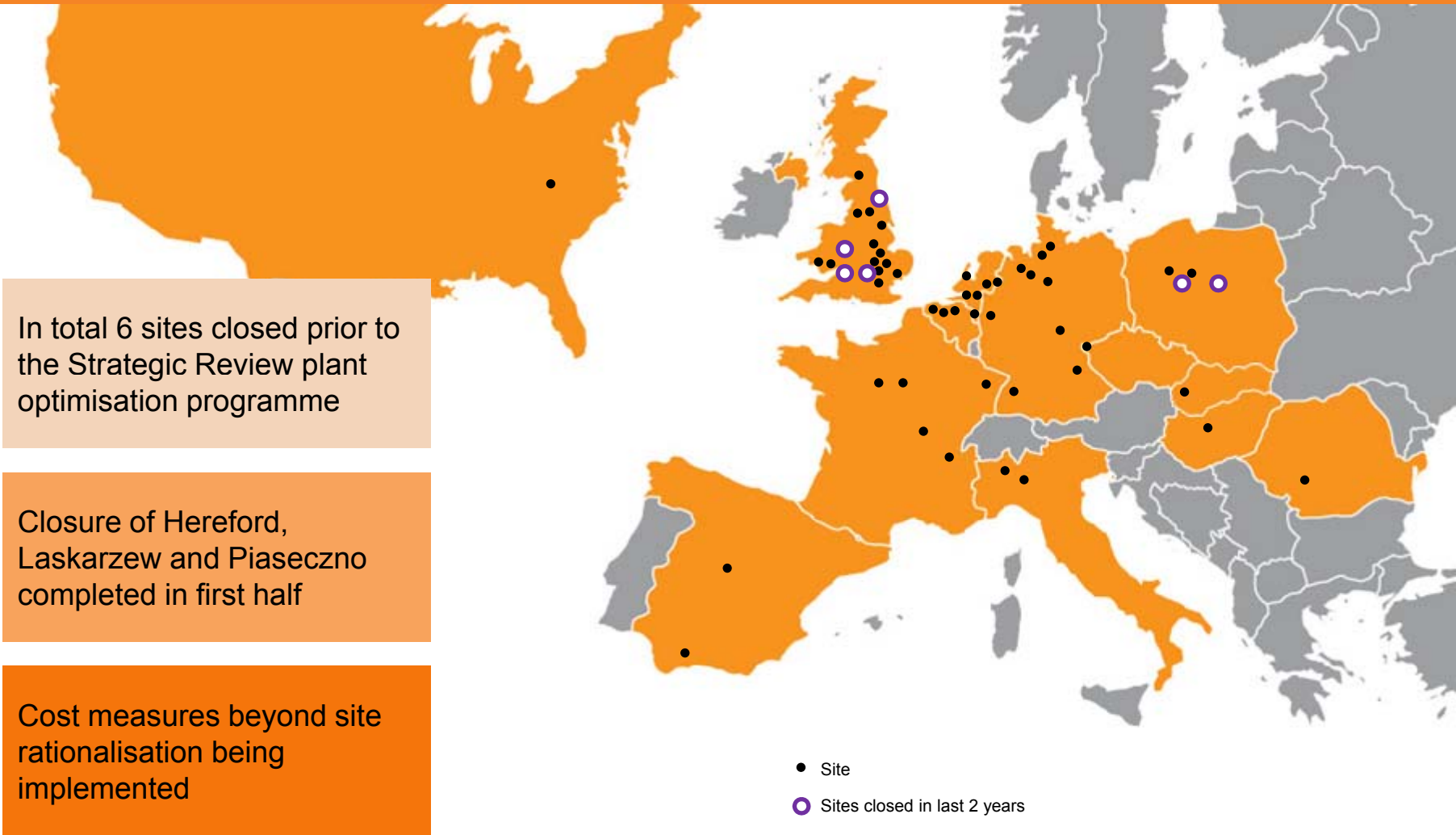
POLYMER COSTS AGAIN INCREASED



- Another significant increase in polymer cost with prices reaching record levels
- Leading industry in recovering increased polymer costs
- Polymer prices eased toward the end of the first half year

RATIONALISATION

PREVIOUS RATIONALISATION PROGRAMME COMPLETED



FINANCIAL REVIEW



- Consolidated Income Statement
- Adjusted Earnings Per Share
- Consolidated Balance Sheet
- Cash Flow Bridge
- Financial Position

FINANCIAL REVIEW

CONSOLIDATED INCOME STATEMENT



(£m)	H1 2008/9	H1 2007/8	FY 2007/8
Revenue	381.0	329.7	695.2
Operating costs	(365.0)	(311.0)	(654.6)
Adjusted operating profit	16.0	18.7	40.6
Restructuring costs	(11.5)	(10.3)	(19.7)
Negative goodwill	-	-	0.4
Operating profit	4.5	8.4	21.3
Net financing costs	(6.2)	(4.7)	(11.5)
Profit before tax	(1.7)	3.7	9.8
Taxation	(1.4)	(1.3)	(5.4)
Profit after tax	(3.1)	2.4	4.4
Basic earnings per share (p)	(3.1)p	2.4p	4.4p

FINANCIAL REVIEW

ADJUSTED EARNINGS PER SHARE



(£m)	H1 2008/9	H1 2007/8	FY 2007/8
Adjusted operating profit	16.0	18.7	40.6
Net interest charge *	(5.9)	(4.9)	(10.4)
Adjusted profit before tax	10.1	13.8	30.2
Tax at underlying tax rate	(2.9)	(4.4)	(8.9)
Adjusted profit after tax	7.2	9.4	21.3
Adjusted basic earnings per share (p)	7.2p	9.5p	21.5p
Underlying tax rate %	29.0%	32.0%	29.5%

* Net interest charge = net financing costs excluding exchange differences on bond and hedging instruments

FINANCIAL REVIEW

CONSOLIDATED BALANCE SHEET

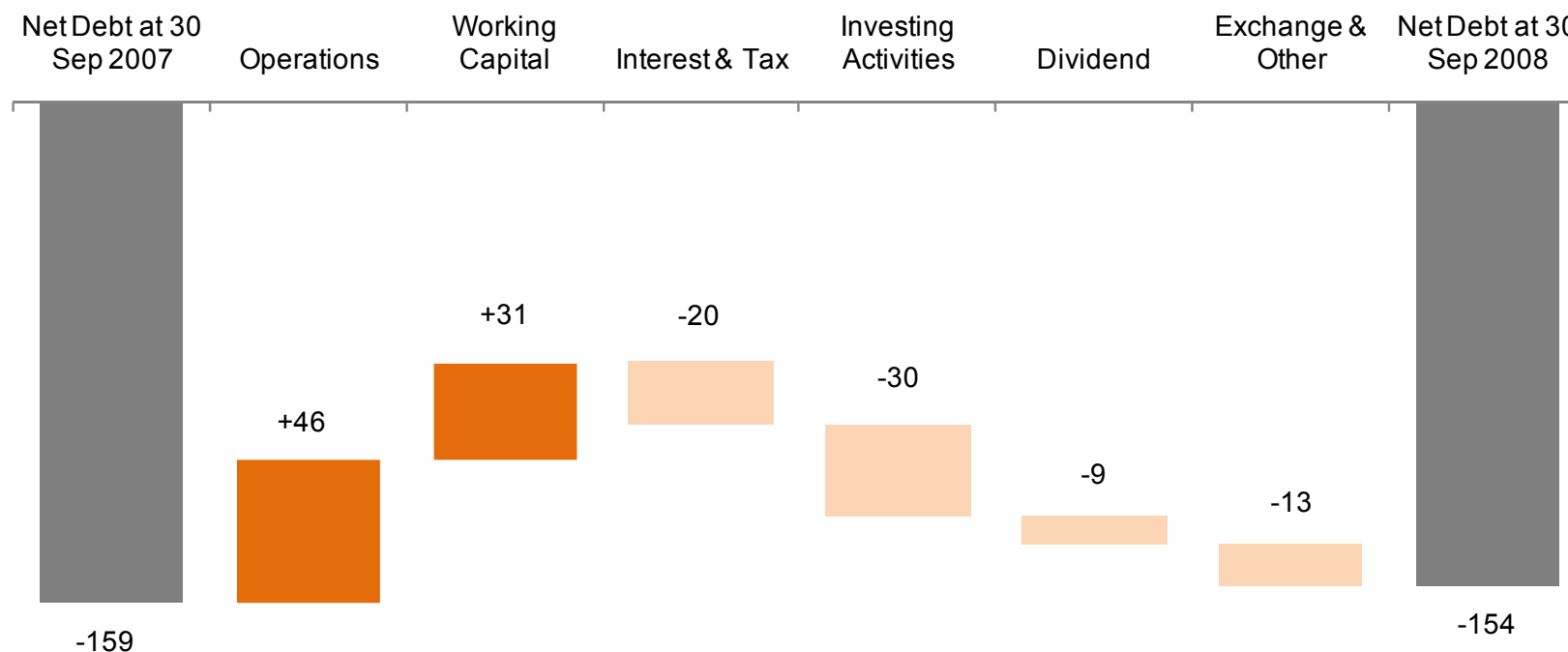


(£m)	H1 2008/9	H1 2007/8	FY 2007/8
Goodwill	20.6	18.0	22.2
Property, plant and equipment	255.8	238.0	259.1
Other non-current assets	9.5	9.7	8.0
Working capital	88.1	110.6	92.5
Net debt	(154.0)	(159.2)	(149.4)
Employee benefit liabilities (LT)	(30.2)	(29.1)	(26.3)
Other liabilities	(22.5)	(25.3)	(26.4)
Equity shareholder funds	167.3	162.7	179.7
ROCE %	10.1%	10.7%	10.7%
Working capital % of revenue *	11.6%	16.8%	12.7%

* Working capital % based on last six months revenue annualised

FINANCIAL REVIEW

CASH FLOW BRIDGE LAST TWELVE MONTHS



All figures in £m

Good operating cash conversion at +289% over 12 month period *

* Percentage of operating profit (including exceptional items) converted to operating cash flows (cash generated by operations less net capital expenditure)

FINANCIAL REVIEW

FINANCIAL POSITION



KEY KPIs

	H1 2008/9	H1 2007/8	FY 2007/8
Gearing	92%	98%	83%
Net debt (£m)	154	159	149
Net debt to EBITDA ratio	2.11	2.29	2.01
Undrawn facilities (£m)	127	114	130

- Total financing facilities £281m
- Facilities consist of:
 - RCF of £200m
 - floating notes €35m and \$40m
 - overdraft facilities
- Majority of facilities available until 2012
- Significant undrawn facilities

STRATEGIC REVIEW



Introduction	Ron Marsh
Process	Ron Marsh
Main Findings	Ron Marsh
Plant Optimisation	Pim Vervaat
Performance Enhancement	Pim Vervaat
Property Review	Pim Vervaat
Summary	Pim Vervaat

STRATEGIC REVIEW

INTRODUCTION



- Strategic Review announced 6th June 2008
- All options to maximise shareholder value considered
- External advisors assisted with the Strategic Review:
 - NM Rothschild - evaluating strategic options
 - PwC - strategic, commercial and operational performance review
 - King Sturge - property valuation
- Findings of Strategic Review agreed by the Board

STRATEGIC REVIEW PROCESS

Jun 08 Jul 08 Aug 08 Sep 08 Oct 08 Nov 08

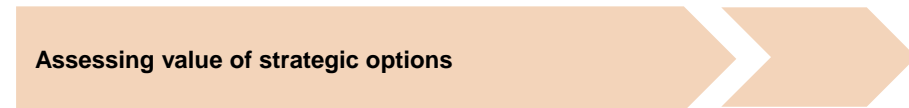
What we have done

- Reviewed all options, including corporate activities
- Reviewed each cluster with respect to strategic position and performance
- Generated and reviewed options
- Costed and established implementation plans
- Started implementation

Management review and planning:



NM Rothschild workstream:



PwC workstream:



King Sturge workstream:



Implementation Strategic Review actions:

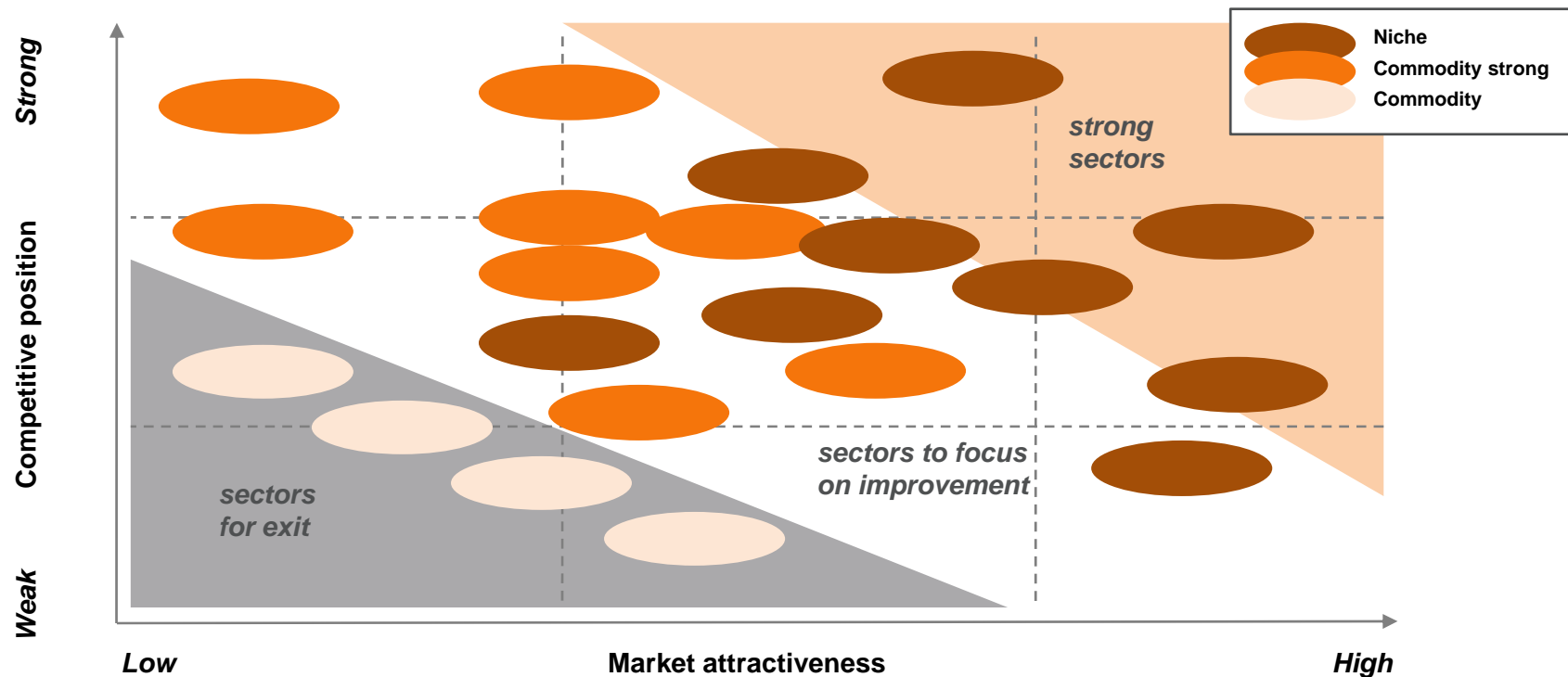


STRATEGIC REVIEW

MAIN FINDINGS (1)

RPC to optimise shareholder value by focusing on rigid plastic packaging segments with:

- Strong competitive positions
- Good long term prospects
- Ability to achieve at least an average of 15% ROCE across the cycle



STRATEGIC REVIEW

MAIN FINDINGS (2)

Main work streams going forward:

- Plant optimisation
- Enhance operational and commercial performance
- Seek value out of property portfolio

- Company focused on core market segments and performance enhancement
- Optimised plant footprint
- ROCE improvement of at least 4 percentage points

Improvement programme “RPC 2010” established with Programme Director appointed

STRATEGIC REVIEW

PLANT OPTIMISATION (1)

By closing and/or selling a minimum of 8 out of 47 plants the manufacturing footprint is improved and non-core market segments are exited

Salient features of plant closure programme:

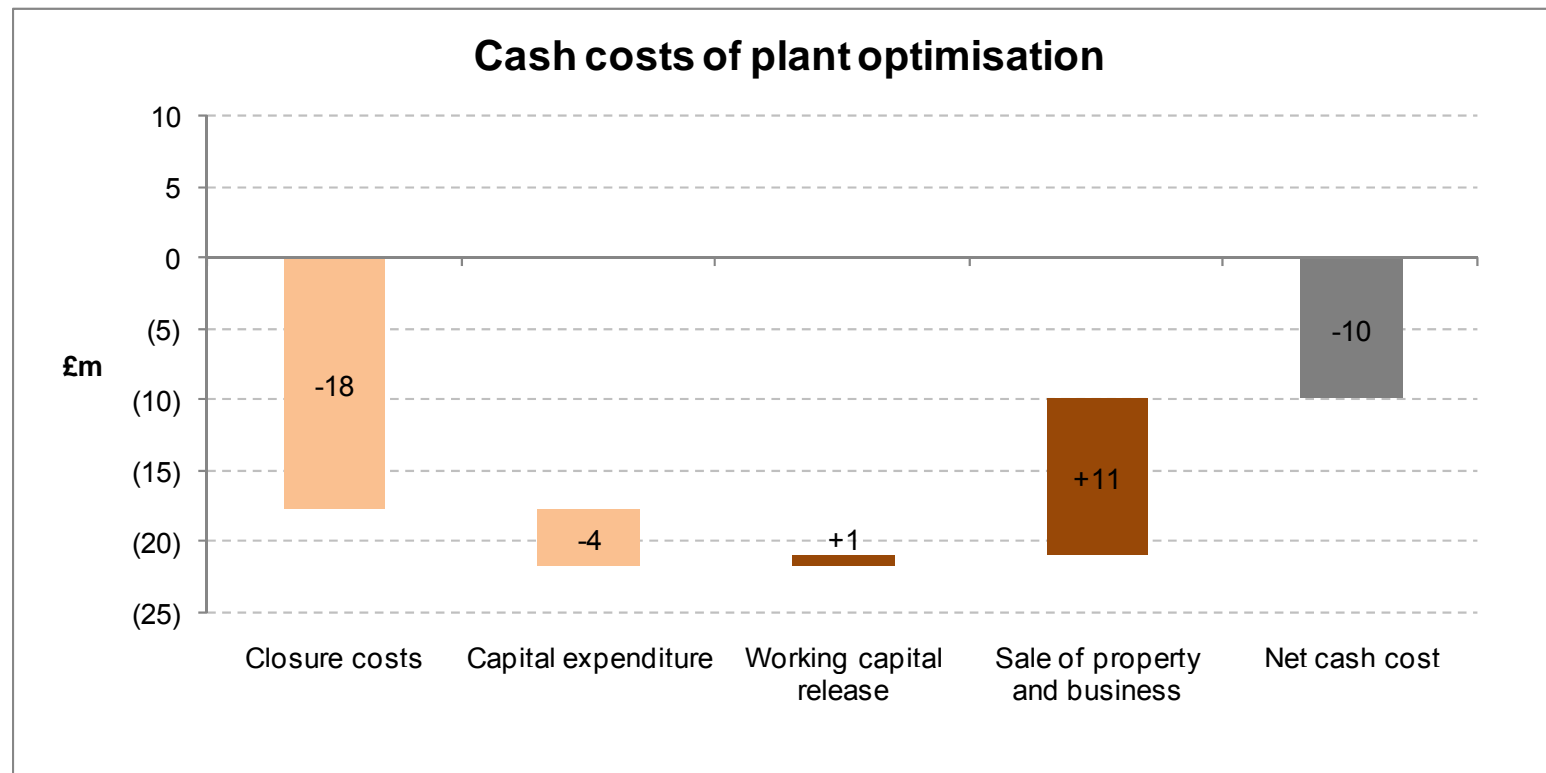
- Cost base optimised by reducing headcount and eliminating site infrastructure costs
- Overall net headcount reductions estimated at around 325 (gross reduction of around 550)
- Majority of core business to be transferred to other sites
- P&L restructuring costs estimated at £(25)m (of which £(6)m recognised in H1 2008/9)
- Net financial improvement (compared to 1st half of 2008/9) from plant closures is estimated at:

(£m)	FY	FY	FY	Total
	2008/9	2009/10	2010/11	
EBIT impact	-	3	5	8

STRATEGIC REVIEW

PLANT OPTIMISATION (2)

Overall cash impact of plant optimisation programme estimated at £(10)m:



STRATEGIC REVIEW

PERFORMANCE ENHANCEMENT (1)

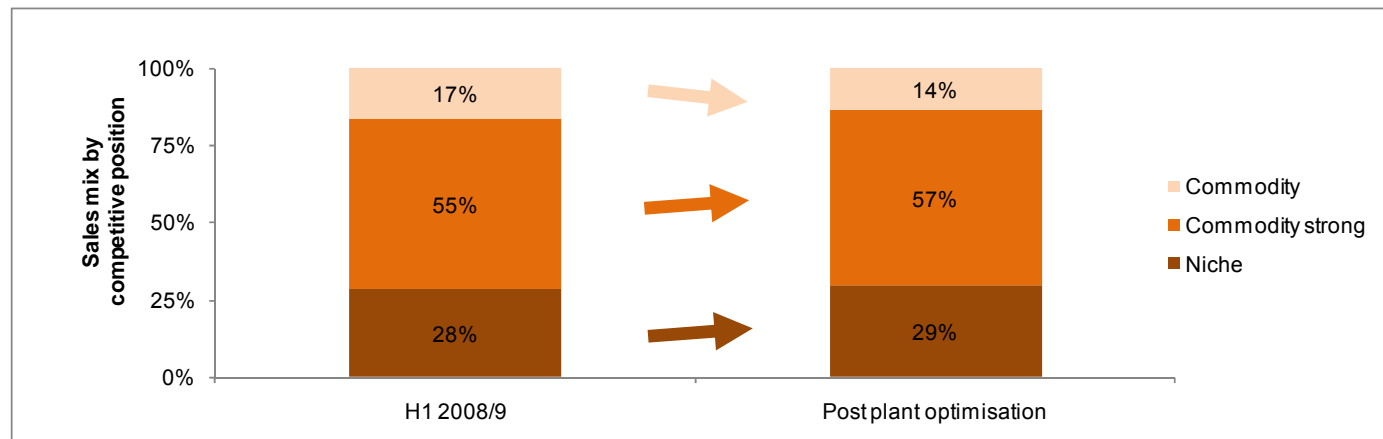


- Performance enhancement is in addition to the plant optimisation programme
- The following workstreams are established in terms of performance enhancement and continuous improvement:
 - Commercial enhancement
 - Cost optimisation
 - Procurement
 - Working capital management
- Anticipated steady state benefits (EBIT) of at least £4m per annum (compared to 1st half of 2008/9)
- Benefit upside and associated timetables to be fully verified
- Programme office will monitor progress (KPI's) with workstream resource plans in place

STRATEGIC REVIEW

PERFORMANCE ENHANCEMENT (2)

- Commercial enhancement with focus on “commodity strong” and “niche” market segments:

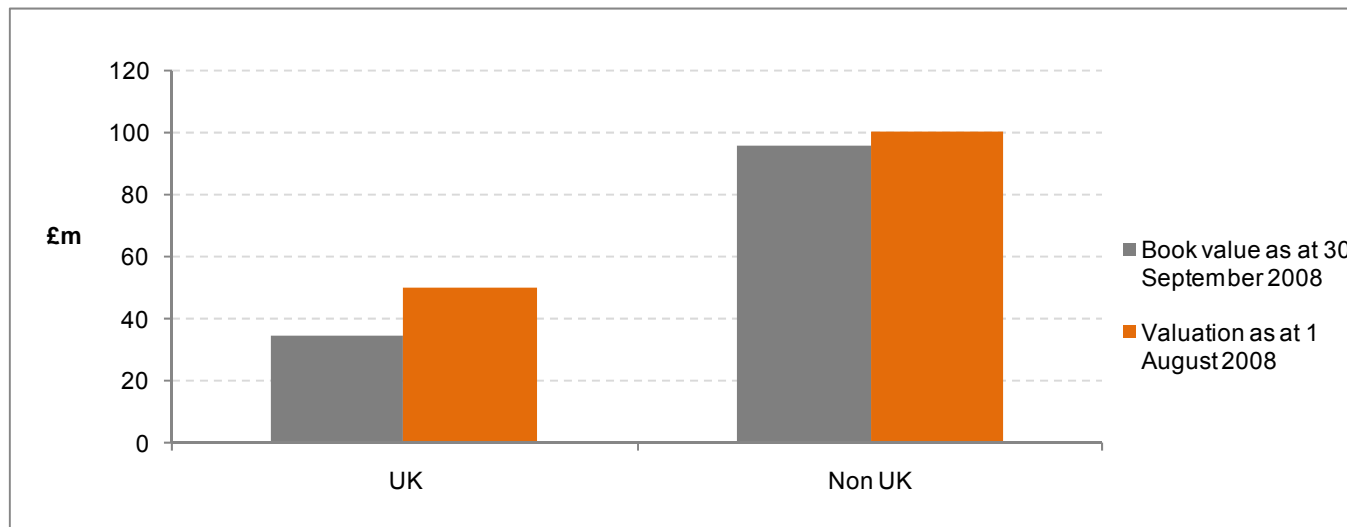


- Cost optimisation initiated with cluster approach established
- Procurement review to focus on transport and packaging spend with central purchasing to be strengthened
- Working capital programme to be accelerated applying external best practice

STRATEGIC REVIEW

PROPERTY

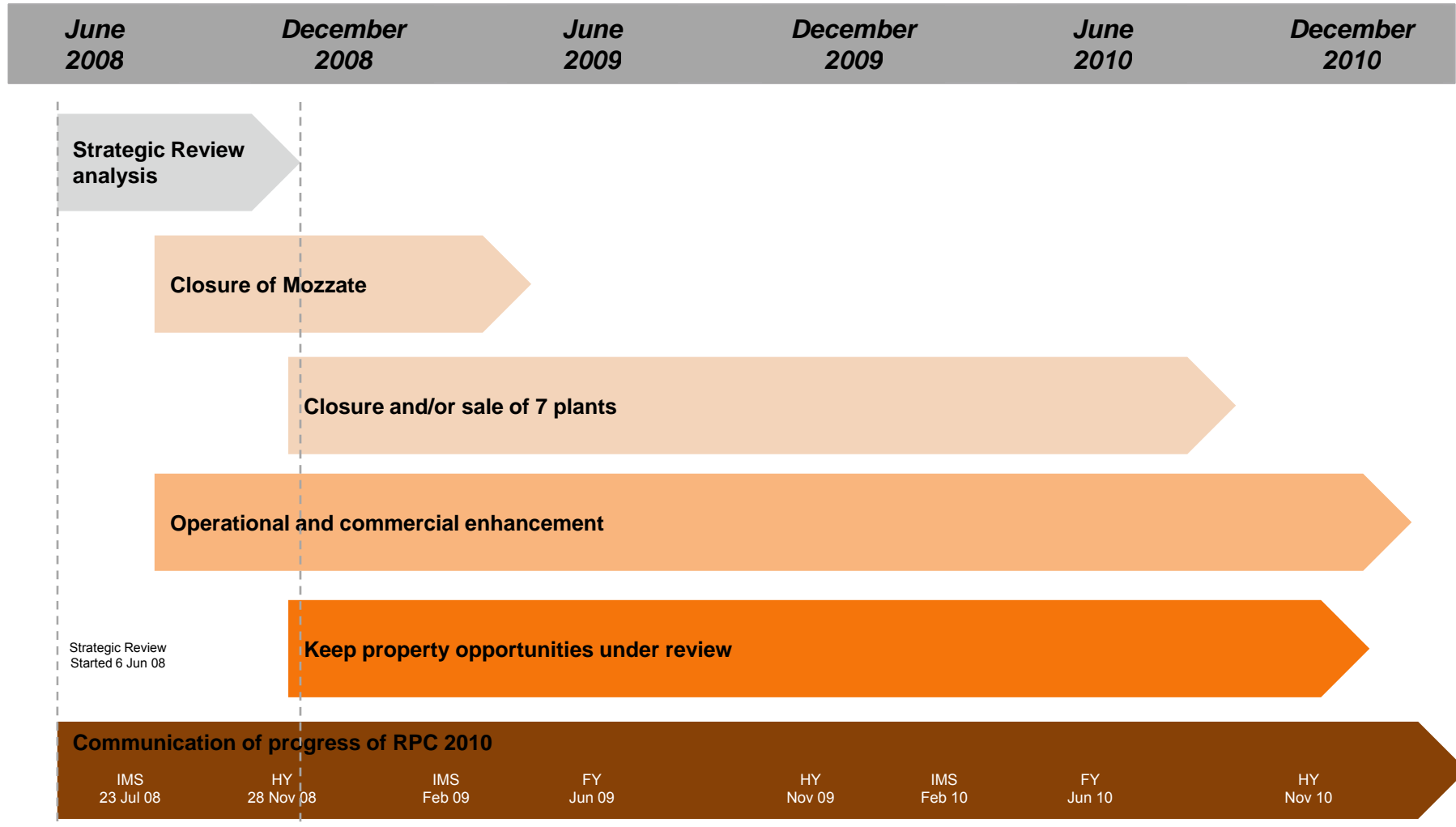
- The following external valuations in existing use have been established with respect to the property portfolio:



- No alternative use higher value identified in current market circumstances
- 3 property sales realised in 1st half of 2008/9 with a further 3 properties for sale
- RPC will actively follow property market developments in order to extract maximum value from property portfolio

STRATEGIC REVIEW

SUMMARY (1)



STRATEGIC REVIEW

SUMMARY (2)



Steady state EBIT benefits:

- plant optimisation + £8m
- commercial and operational enhancement of at least + £4m



P&L restructuring costs plant closures £(25)m with associated cash impact of £(10)m



Impact on ROCE of at least 4 percentage points



Programme to be funded out of cash generated from operations

OUTLOOK



Selling price increases will benefit 2nd half 2008/9



Polymer prices expected to reduce in 2nd half 2008/9



Volume outlook uncertain although food sector provides good defensive characteristics



Medium to longer term outlook very positive

SUMMARY

RPC IN GOOD POSITION GOING FORWARD



Difficult 1st half 2008/9 but positive margin developments anticipated for 2nd half



RPC 2010 to bring sustainable benefits improving ROCE at least 4 percentage points



Focus is on enhancing margins



Industry dynamics improving

FORWARD LOOKING STATEMENTS



This presentation contains forward-looking statements, which:

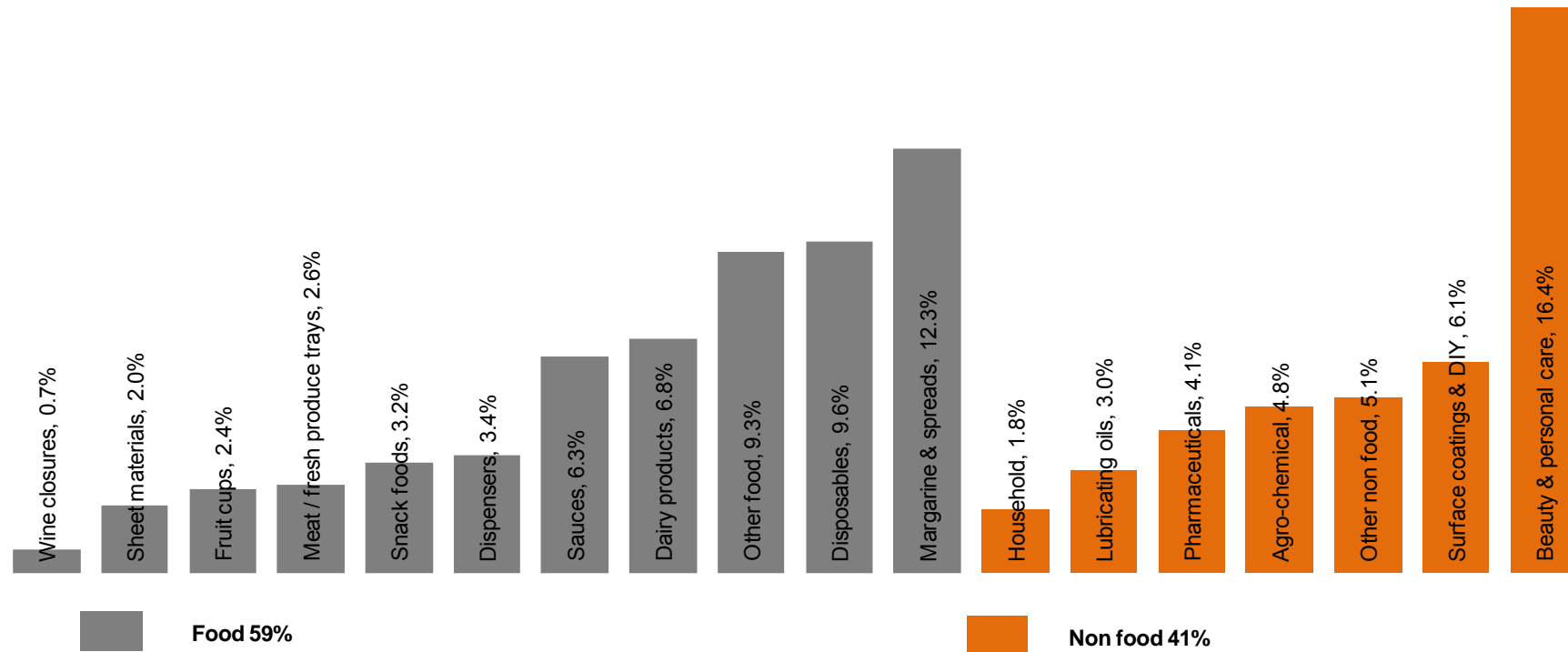
- have been made by the directors in good faith based on the information available to them up to the time of their approval of this presentation; and
- should be treated with caution due to the inherent uncertainties, including both economic and business risk factors, underlying such forward-looking information.

The Company undertakes no obligation to update these forward-looking statements and nothing in this presentation should be construed as a profit forecast.

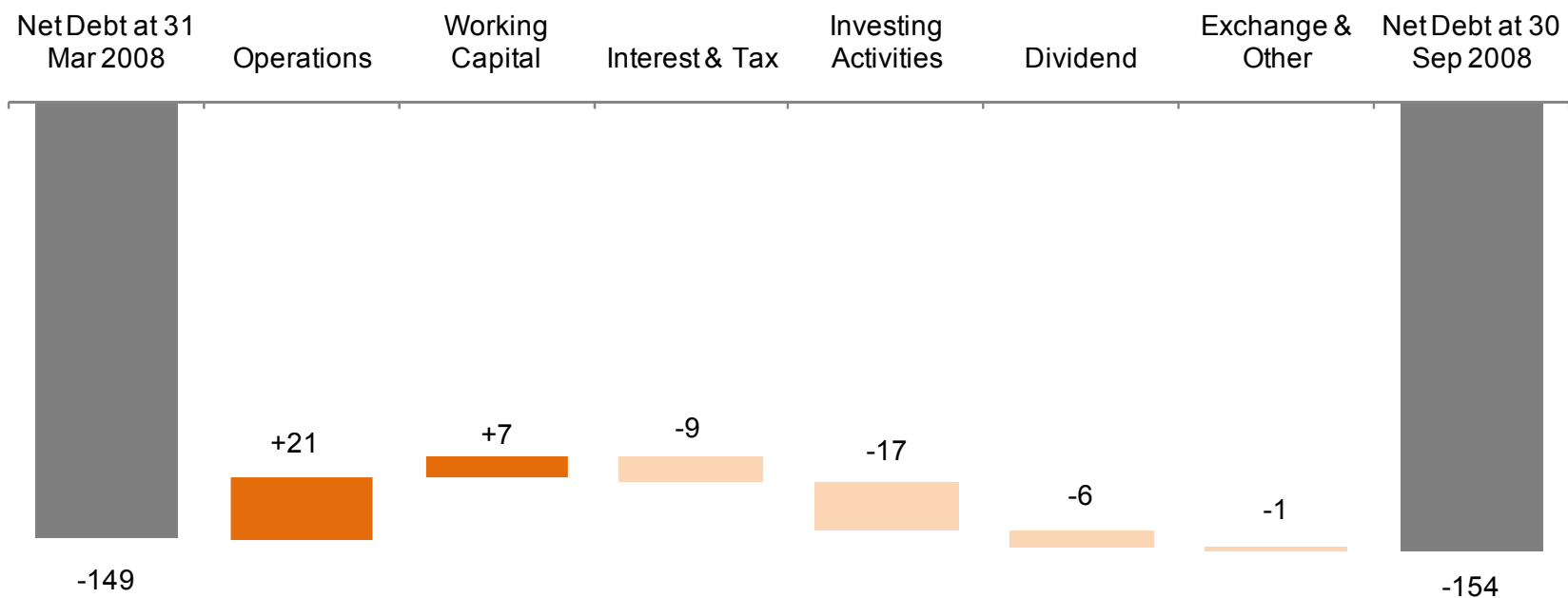
APPENDICES



MARKETS SERVED



CASH FLOW BRIDGE H1 08/09



All figures in £m

Operating cash conversion at +247% over 6 month period *

* Percentage of operating profit (including exceptional items) converted to operating cash flows (cash generated by operations less net capital expenditure)