RPC
GROUP PLC

ANNUAL REPORT AND ACCOUNTS 2013

Bringing packaging to life

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Scan this code with one of the many available QR reader apps on your smartphone to access our website:

www.rpc-group.com

ABOUT US

Who we are

RPC is a leading supplier of rigid plastic packaging. The Group has over 50 operations in 17 countries and employs more than 7,200 people.

The Group develops and manufactures a diverse range of high quality products for a wide variety of customers, including many household names, and enjoys strong positions in the markets and geographical areas in which it operates.

By developing innovative packaging solutions, providing unparalleled customer service and through the dedication of its employees, RPC continues to create value for both its customers and shareholders.

Overview
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BRINGING PACKAGING TO LIFE

The diversity of plastic packaging solutions means that you will find our products in many locations. Design flexibility, convenience and ease of use are many of plastic's benefits which makes it an ideal packaging solution for today's modern lifestyles.

Kitchen

RPC's expertise in food packaging is well established, combining design skills and a wide choice of materials and technologies to create the ideal packaging solution, tailored to precise requirements and delivering effective protection, maximum convenience and premium branding.

We are market leaders in barrier packaging solutions to give products extended ambient shelf-life.

DIY

In the DIY sector, RPC's design and manufacture capabilities in paint packaging and DIY containers are unmatched. Our containers are practical, safe and easy to use, while our design skills and decoration options help to maximise on-shelf appeal.

Garden

How does your garden grow? Beautifully, thanks to RPC's practical and stylish packaging solutions that ensure products are appropriately packed, promoted and dispensed.

Foodservice

Quality, convenience and style are the essential elements for packaging in markets that also demand totally hygienic and safe products to meet many government and industrial regulations. Market knowledge and technical expertise characterise RPC's leadership in the foodservice sector, with a wide choice of packaging solutions and disposable products that satisfy the many different needs of the busy catering environment.

Bathroom

RPC combines design and technical skills to devise packs that are as good as they look, the perfect fusion of function and aesthetics to help consumers feel good.

Our packs provide attractiveness to maximise brand image and on-shelf impact along with functionality and user-friendliness to ensure that their appeal is never diminished.

Healthcare

In the personal care and pharmaceutical markets, RPC's renowned design skills and specialist manufacturing techniques create packs that combine convenience and ease of use with essential safety features – for both standard containers and bespoke designs – to ensure complete consumer confidence.

Workshop

RPC produces sturdy, durable, practical and user-friendly packaging, vital for consumers with a job to do, with design and decoration options which create the required brand image and on-shelf appeal.

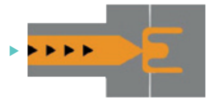
We offer a huge range of standard containers and create bespoke packs to meet customers precise brand and marketing requirements.

WHAT WE DO

Rigid plastic packaging is produced by heating, shaping and cooling polymer to create unique moulded products. RPC uses the three main polymer conversion processes that are applied in over 90% of rigid plastics manufacture allowing RPC to offer the widest range of plastic packaging solutions to its customers.

The processes employed are Injection Moulding, Blow Moulding and Thermoforming, each technology producing different product characteristics that are suitable for specific packaging applications. Operations in RPC are structured along market and technological lines into six clusters which are aligned to these three conversion processes.

Injection Moulding



Complex designs

High level decoration

High added value

Injection Moulding is used to produce packaging requiring complex design, rigidity and a high level of decoration and is generally used in the manufacture of higher value added plastic packaging products across all of the Group's end markets.

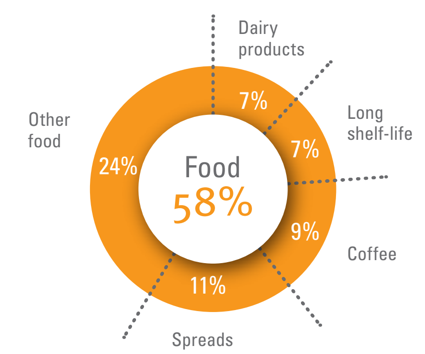
The RPC injection moulding clusters comprise, Superfos, Bramlage-Wiko and UKIM.

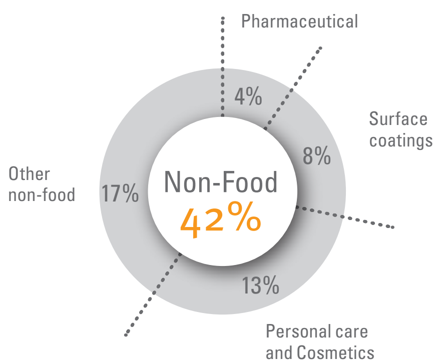
THE MARKETS WE SERVE

RPC operates in the rigid plastic packaging market which has the highest growth rates in the global packaging industry. Rigid plastic packaging covers a wide range of packaging products, substrates, processing technologies and end use markets. The compound annual growth rate to 2016 for global rigid plastic packaging is forecast to be circa 5%.

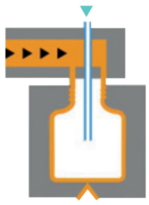
RPC manages its business mix to focus on plastic packaging end markets which exhibit both stability and growth. With around 60% of RPC's revenue coming from the relatively stable food sector, a strong focus on non-cyclical end markets such as pharmaceuticals, and the development of a number of higher value added and higher growth niches such as barrier foods and coffee capsules, the Group is able to achieve strong and stable returns for its stakeholders from its investments in these markets.

RPC market segments





Blow Moulding



Re-closable

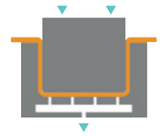
Narrow neck

Pourable

Blow Moulding is used for the manufacture of re-closable narrow neck and pourable products with barrier and multilayer capacity for a diverse range of markets, including personal care, motor oil, agrochemicals and the food and drink sectors.

These operations are managed by the Blow Moulding cluster.

Thermoforming



High volume

Low cost

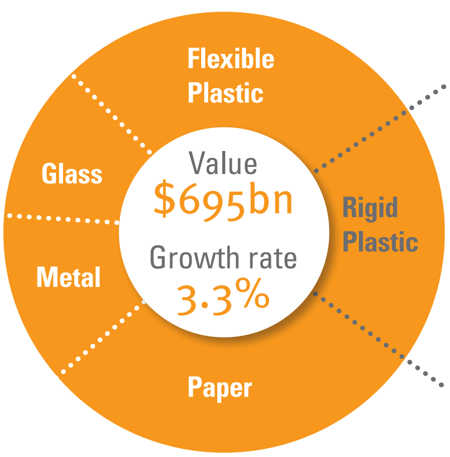
Barrier applications

Thermoforming produces high volume, cost efficient packaging and barrier applications mainly for the food industry and products include trays and pots for ready meals, salads, fruit, snacks and functional foods, coffee capsules and vending cups.

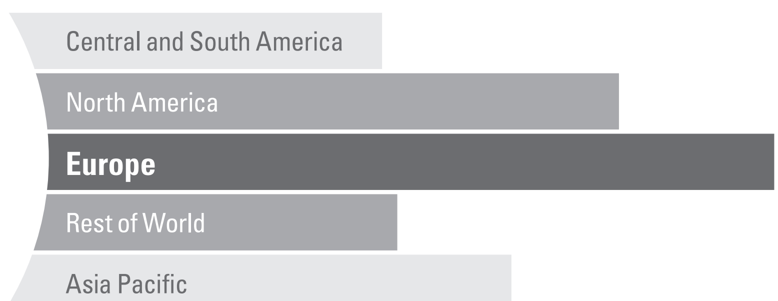
The RPC thermoforming clusters comprise Bebo and Cobelplast.

The rigid plastic market

GLOBAL PACKAGING MARKET[1]



RIGID PLASTICS PACKAGING MARKET[2]



Source:
[1] Pira International, 2011 – Global packaging market, materials, by value
[2] Pira International, 2011 – Rigid plastics packaging market, regions, by weight

A GLOBAL FORCE IN RIGID PLASTIC PACKAGING

The Group has over 50 operations in 17 countries, mainly within Europe but with facilities also in North Africa and the USA. The Group's broad geographic footprint and trading partners allow it to operate close to its customers and provide them with multi-plant security of supply.

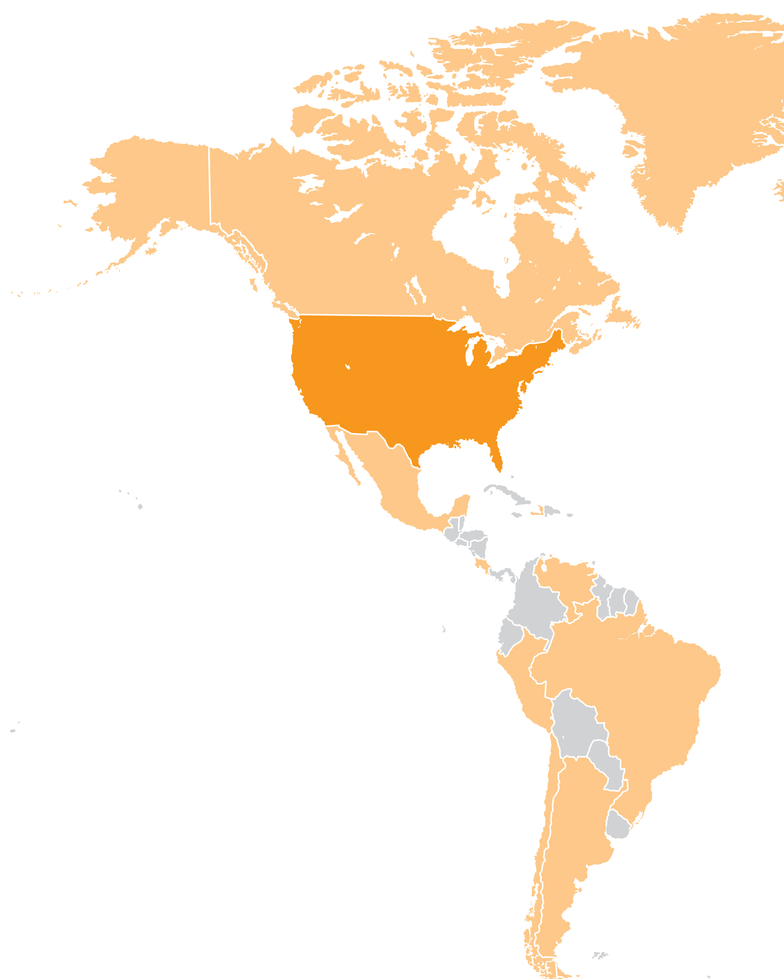
Many of the Group's high value added products can be economically transported further afield where one or more product characteristics – including functionality, performance, innovation and decorative services – outweigh shipping costs.

Key facts

>50 operations in 17 countries

Annual sales of over £1.0bn

Achieving RONOA of 21.2%



Growth drivers

The global packaging industry is predicted to grow by $150bn between 2010 and 2016 to reach almost $820bn. Rigid plastic is forecast to be the fastest growing packaging material.

DRIVERS OF PACKAGING GROWTH

- Demand in both industrial and emerging economies is driving technological developments and enhanced value adding opportunities for more sophisticated packaging with functional and barrier properties, as well as enhanced decoration.
- In emerging economies, growing urbanisation, investment in housing and construction and increasing disposable incomes are driving demand for consumer products and the packaging of these goods.
- Corresponding growth in healthcare, the demand for convenience foods and the need for packaging to maximise shelf-life for perishable products is driving the consumption of rigid plastic as well as other forms of consumer goods packaging.
- Particularly robust growth in the demand for cosmetics, toiletries and household & personal care products is stimulating consumption of rigid plastic packaging. Suppliers are developing profitable niche applications in Western markets as well as in the faster-growing markets in Asia, Central and Eastern Europe and South America.

Source: Pira International 2011

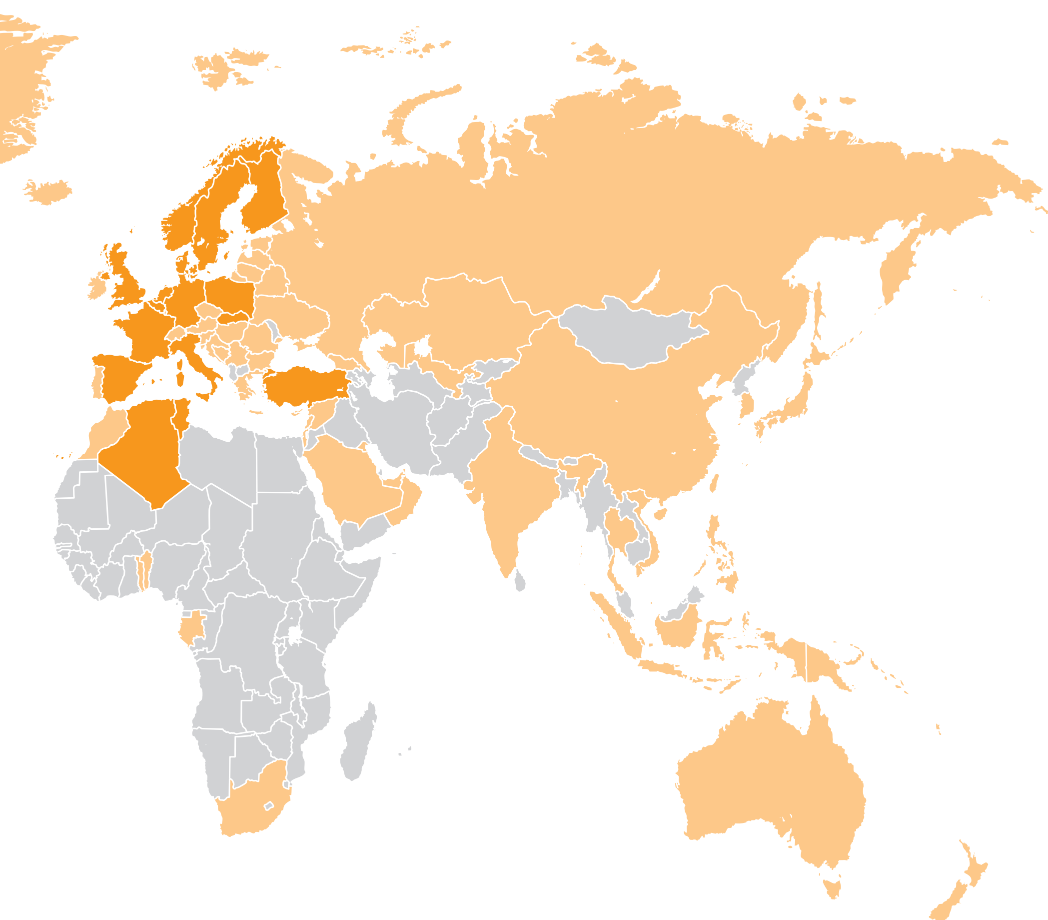
Entered the
FTSE 250
March **2011**

Listed on the London Stock Exchange
1993

Industry leading
innovator

Leading
European manufacturer utilising all **3** conversion processes

Over **7,200**
employees

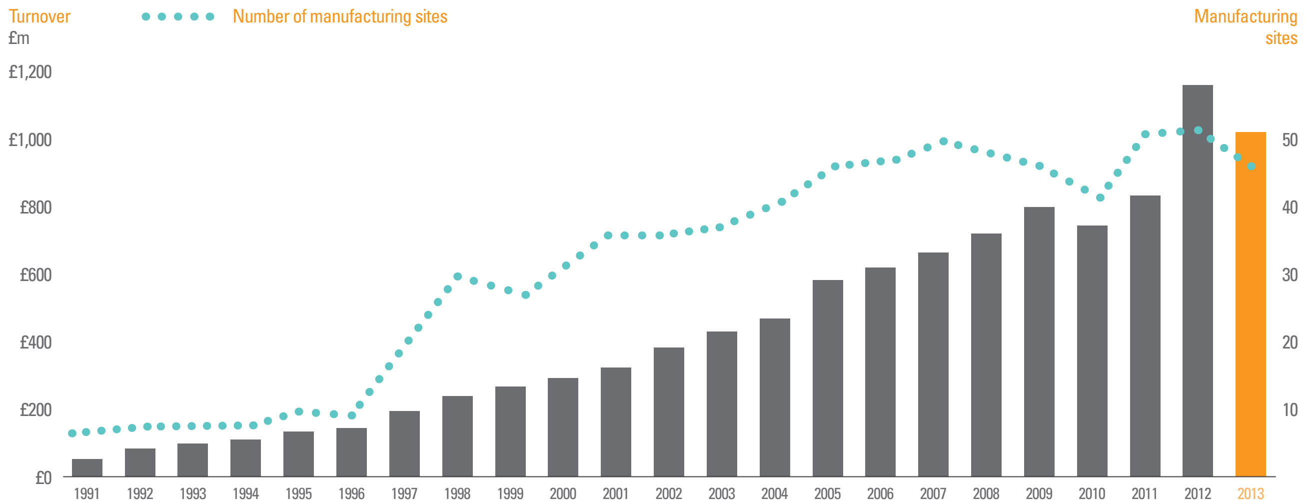


Key
Countries where we manufacture
Countries where we sell

OVER 20 YEARS OF SUSTAINED GROWTH

Building on a heritage of over 20 years of innovation and investment

Key facts – then and now



1991 – 1997

UK GROWTH PHASE

- Management buyout in 1991
- Flotation on LSE in 1993
- Originally comprised 5 UK sites

1998 – 2007

MAINLAND EUROPEAN GROWTH PHASE

- 1997 Continental Plastics Europe acquisition
- 2000 acquisition of Wiko group
- 2004 acquisition of 11 sites from Rexam/Nampak

2008 – 2010

CONSOLIDATION

- RPC 2010 strategic review undertaken
- Focus on strategic markets
- Strategic site rationalisation and headcount reduction
- Target of achieving 15% ROCE across the cycle reached

2011 – 2013

FOCUS ON SELECTIVE GROWTH

- Entered FTSE 250
- Acquisition of Superfos
- Turnover exceeds £1bn
- Ensuring Group is 'Fitter for the Future'

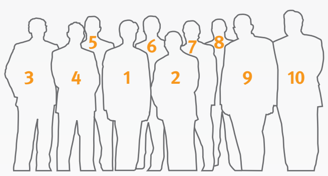
The man who led the journey to date...

Ron Marsh led the management buyout in May 1991 that created RPC Containers, and over the next 22 years guided the company to its current position as one of the world's leading rigid plastic packaging manufacturers. From the original five factories in the UK in 1991, RPC now has over 50 operations throughout Europe and has also established a manufacturing presence in the USA.

During Ron's tenure as Chief Executive, the Group has seen excellent growth in turnover and profits and is acknowledged as one of the best and most consistent performers in the packaging industry as whole. Through a mixture of organic growth and strategic acquisition, under Ron's guidance the Group entered the FTSE 250 in 2011 and in 2012 the Company was named Packaging Company of the Year at the UK Packaging Awards.

...and the team to drive RPC forward

The Group Executive – a wealth of experience and knowledge



180 Total years' experience in the plastic packaging industry

1. PIM VERVAAT
CHIEF EXECUTIVE

2. SIMON KESTERTON
GROUP FINANCE DIRECTOR

3. FRANK DOORENBOSCH
BUSINESS IMPROVEMENT

4. DARIN EVANS
GROUP PURCHASING

5. BRUCE MARGETTS
UKIM
CLUSTER MANAGER

6. STEPHAN BÜHL
BLOW MOULDING
CLUSTER MANAGER

7. THOMAS WAHLMEYER
BEBO
CLUSTER MANAGER

8. TOM SAUNDERSON
CORPORATE DEVELOPMENT

9. ALFONS BÖCKMANN
BRAMLAGE-WIKO
CLUSTER MANAGER

10. RENÉ VALENTIN
SUPERFOS
CLUSTER MANAGER

OUR STRATEGY AND BUSINESS MODEL

Our strategy

Our strategy is to grow and develop leading positions in our chosen product markets and geographical areas in the rigid plastic packaging industry by maintaining strong long-term relationships with our customers and by developing high quality, innovative products that meet customer needs.

STRATEGY

We achieve and maintain our leading market positions by continued innovation and investment, leveraging our leading technological capability and through strategic corporate development both in our existing core markets and new geographical regions.

- **Innovation**
  Innovate to maintain a pipeline of novel applications and solutions in all conversion processes to create new high return, niche market positions that are scalable across existing and new markets.
- **Investment**
  Continue to invest to enhance strong market positions, gain market share and maintain barriers to entry.
- **Technological capability**
  Leverage technologies across the business using the Group's technological edge to increase our exposure to, or enter, emerging markets where there is a 'pull' for more sophisticated packaging.
- **Strategic corporate development**
  Consolidate and grow our core market positions, acquiring where existing market positions can be further enhanced and available synergies will enhance shareholder value. Expand into new geographical areas through selective investment to create or cement strong or differentiated positions and to participate in high growth emerging markets.

Key features

EXPERTS IN THE THREE MAJOR CONVERSION PROCESSES

90%

of rigid plastics manufactured use these processes

- Provides unparalleled choice for customers
- Injection Moulding
- Blow Moulding
- Thermoforming

MARKET LEADERSHIP IN SPECIALIST TECHNOLOGIES

32%

of revenue from High Added Value markets

- Barrier technology
- Light weighting
- Thin Wall packaging
- In Mould labelling

KNOWLEDGE AND UNDERSTANDING OF KEY END MARKETS

leading

market positions

- Specialist in rigid plastic applications in selected product market applications
- Long and established customer relationships
- High degree of mutual dependency
- Stable sectors and end markets

IN-HOUSE DESIGN FACILITIES

3 specialised design centres

- Design capability throughout the business
- Bespoke and standardised product development
- One-stop-shop to meet customer packaging needs

HOW WE ADD VALUE THROUGH OUR BUSINESS MODEL

- **Offering unparalleled choice**
  We have expertise across all three conversion processes, offering unparalleled choice in both standard and customised products. Therefore we can provide the widest range of rigid plastic packaging solutions to our customers.
- **Excellence in design**
  Where possible we offer a one-stop-shop approach to design that achieves product requirements across brand image, functionality and packaging performance. Our extensive facilities, including tool and mould making, mean that we can provide customers with a complete service from initial concept to finished pack, thereby reducing the packaging development lead time.
- **Product innovation**
  We create and grow markets for rigid plastic packaging through technical innovation, supported by the continuing substitution of glass and metal for plastic packaging alternatives. We are a leader in plastic packaging innovation, developing technically advanced production processes to enhance the functionality and economy of our products and the efficiency of our operations, for the benefit of our customers, shareholders and the environment.
- **Customer service**
  We operate through an autonomous but connected business structure that meets the diverse needs of global and local customers across a wide geographical area. With more than 50 operations spanning 17 countries, we have close proximity to our customers and access to a wide range of markets. We develop long and mutually dependent relationships with our customers by providing excellent quality and service.

EXCELLENCE IN QUALITY & CUSTOMER SERVICE

+ value

- Creating value for our customers
- Autonomous but connected business structure
- Investment in efficient manufacture
- Geographical reach to service global and local customers

INNOVATIVE PACKAGING SOLUTIONS

Multiple awards

- Creating and growing markets through technical innovation
- Substituting glass and metal for plastic packaging alternatives

Awards

Industry recognition

A string of awards during 2012 underlined RPC's pre-eminent position in the packaging industry.

A major highlight was the Group being named Packaging Company of the Year at the UK Packaging Awards. The award citation acknowledged RPC's 'mix of excellent management and packaging innovation', with the judges describing the Company as 'a shining example to the industry,' 'remarkable' and 'the perfect business model'.

OUR RECENT AWARDS:

RPC Superfos's SuperLock® food pot won a French Packaging Award at the Salon International Emballage exhibition in Paris.

GREEN APPLE ENVIRONMENT AWARD WINNER

RPC Oakham were awarded a Green Apple Gold Award in the category 'Packaging that improves the sustainability of the product supply chain' for its Dulux polypropylene paint can.

RPC Group Plc won Best Industrial – Goods & Services Plc at the 2012 UK Stock Market awards.

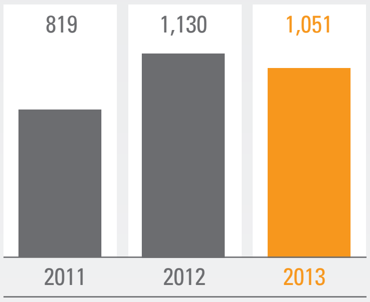
RPC Group Plc won Deal of the Year at the 2012 UK Stock Market awards for the Superfos acquisition.

OUR PERFORMANCE

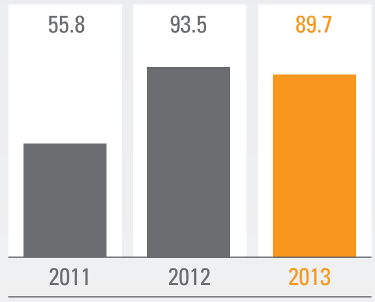
Highlights

- Revenues of £1,051m (2012: £1,130m) reflecting the impact of a weaker euro versus sterling and the strategic exit from certain sectors. Underlying activity levels similar to last year with the sales mix continuing to improve;
- Adjusted operating profit of £89.7m (2012: £93.5m) at the same level as last year when measured at constant exchange rates. Return on sales improves to 8.5% (2012: 8.3%);
- Net profit for the year at £25.5m (2012: £44.7m) after incurring £36.0m (2012: £20.6m) of restructuring costs, impairment losses and other exceptional items;
- Superfos integration and exit from mainland Europe vending cup and automotive business successfully completed. Good progress made with the business optimisation programme 'Fitter for the Future';
- Net cash flow from operating activities at £85.5m (2012: £100.1m) and net debt at £171.4m (2012: £160.0m);
- ROCE of 18.3% (2012: 19.3%) adversely impacted by exchange rates;
- Adjusted basic EPS at 34.8p (2012: 37.3p) with a final dividend of 10.6p recommended giving a total year dividend of 14.9p (2012: 14.4p).

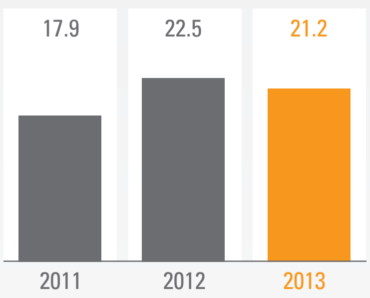
REVENUE £m



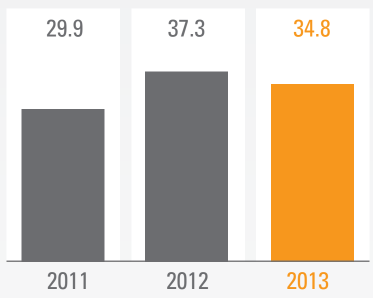
ADJUSTED OPERATING PROFIT £m



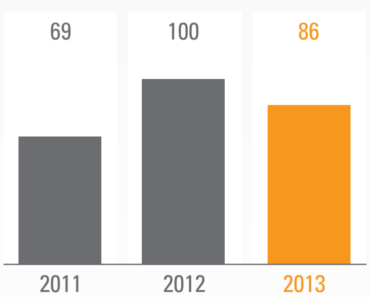
RONOA %



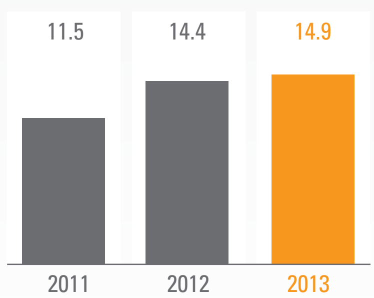
ADJUSTED BASIC EPS pence



NET CASH FROM OPERATING ACTIVITIES £m



DIVIDEND PER SHARE pence



Definitions:
Adjusted operating profit is operating profit before restructuring, closure and impairment charges and other exceptional items.
Adjusted earnings per share (EPS) is adjusted operating profit after interest and tax adjustments divided by the weighted average number of shares in issue during the year.

CHAIRMAN'S STATEMENT

"The Group delivered a robust performance in a challenging economic environment with adverse movements in currency exchange rates and polymer prices. I am confident that the underlying business improvements will continue to be achieved with RPC well positioned to benefit from an economic recovery going forward. The Group's strong market positions and leading technological capabilities provide a solid platform to deliver good medium to long-term growth."

OVERVIEW OF THE YEAR

Against an economic environment which continued to be challenging, I am pleased to report that the Group delivered another robust performance in spite of a number of external factors which adversely affected our profitability in the year. Sales were lower at £1,051m (2012: £1,130m) and adjusted operating profit fell by 4% from £93.5m to £89.7m as both were impacted by the translation effect of a weakened euro versus sterling. Overall profits were also affected by the time lag effect in passing through polymer price variations to customers. Underlying activity levels were similar to last year with the sales mix continuing to improve towards higher added value products. Further measures to optimise the cost base and business portfolio were taken. Adjusted earnings per share was 34.8p (2012: 37.3p). Cash flow remained well controlled with the Group ending the year with net debt of £171m (2012 restated: £160m).

STRATEGY

RPC's strategy is to grow and develop leading positions in its chosen product markets and geographical areas in the rigid plastic packaging industry, by establishing strong long-term relationships with its customers and by developing high quality, innovative products that meet customer needs. The Group achieves and maintains its leading market positions by continued innovation and investment, leveraging RPC's leading technological capability, manufacturing and supplying product efficiently and through strategic corporate development.

Organic growth through innovation, concentrating on high added value products, continues to be a major strategic focus. The impact of the recessionary economic environment however appears to delay investment by customers in new packaging products which has slowed down growth opportunities.

During the year the Group completed the integration of Superfos, successfully withdrew its businesses from the European vending cup market and sold its loss making automotive components business.

In order to sustain the level of return on capital employed on a long-term basis, the Group has embarked on the business optimisation programme, 'Fitter for the Future'. This programme is focused on optimising the Group's mainly European product market combinations and includes a range of closures, cost efficiency measures and business transfers. Under the current scope, the project will cost £30m, of which £19m was incurred in 2012/13, and is expected to realise steady state benefits of at least £12m per annum by 2015/16.

Opportunities for further growth exist through corporate development. In November 2012, the Group acquired the Manuplastics business (turnover c. £8m p.a.) enhancing its UK manufacturing and sales base for personal care products. The Board regularly reviews the Group's business portfolio and its associated growth prospects both within and outside of Europe.

BOARD

In October 2012 Ron Marsh announced his intention to retire from the Group and on 1 May 2013 stepped down as Chief Executive, with Pim Vervaat, Finance Director, assuming the role of Chief Executive from that date. Ron will retire from the Board at the forthcoming AGM on 10 July.

Ron has been Chief Executive of RPC since 1989, leading the management buy-out in 1991 and its flotation in 1993 and so has been responsible for shaping and leading the RPC Group for over 20 years. I would like to take this opportunity to thank Ron, on behalf of the Board, shareholders and employees of the Group, for his very significant contribution to the success of the business.

I am pleased to welcome Simon Kesterton, who joined the Board on 1 April 2013 as Group Finance Director designate and became Group Finance Director on 1 May 2013. Simon was latterly Chief Strategic Officer, European CFO and Director of IAC Group, an international, multi-billion dollar, leading tier one supplier of automotive components and systems.

GOVERNANCE

Corporate governance continues to evolve and emerging practice has remained a regular subject for discussion at the Board. We seek to run our businesses in a responsible way, recognising that good corporate governance supports the long-term health of the Group. During the year the Board was subject to an independent external board evaluation which confirmed that the Board operates well and with only minor recommendations for improvement made.

The Group is able to provide many opportunities for individuals to make their own contribution to the business. On behalf of the Board I would like to thank all employees for their outstanding efforts, often in challenging circumstances. They have enabled the Group to deliver another robust financial performance for its shareholders, and I look forward to their continued contribution in achieving our strategy for the Group.

DIVIDEND

In line with the progressive dividend policy, the Board is recommending a final dividend of 10.6p per share making a total for the year of 14.9p.

Subject to approval at the forthcoming AGM, the final dividend will be paid on 6 September 2013 to shareholders on the register on 9 August 2013.

J R P Pike
Chairman

OPERATING REVIEW

2013 REVENUE

£1,051m

2012: £1,130m

HIGHER ADDED VALUE SALES

32%

of revenue

2012: 30%

CONVERSION PROCESS	CLUSTER	MARKETS
Injection Moulding	Superfos	Food, soups & sauces, margarine & spreads, paints, DIY products
	Bramlage-Wiko	Personal care, pharmaceuticals, cosmetics, food, coffee capsules
	UKIM	Food, soups & sauces, margarine & spreads, paints, DIY products, promotional products, pharmaceuticals
Thermoforming	Bebo	Margarine & spreads, fresh, frozen and long shelf-life foods, coffee capsules, dairy market, disposable products, vending & drinking cups
	Cobelplast	Phone cards, long shelf-life foods and sheet for form-fill-seal lines
Blow Moulding	Blow Moulding	Personal care, lubricants, agrochemicals, food & drink, long shelf-life foods

GROUP OVERVIEW

RPC is a leading supplier of rigid plastic packaging with operations in 17 countries. The business, which comprises 48 manufacturing sites and six separate distribution and sales centres, converts polymer granules into finished packaging product by a combination of moulding and assembly processes. It is organised around the three main conversion processes used within the Group, each site being managed within one of six clusters which are defined along technological and market lines.

Each cluster operates across a wide geographical area for reasons of customer proximity, local market demand and manufacturing resource. Each plant is run autonomously, commensurate with maintaining overall financial control and effective coordination in each market sector. Hence every cluster and most operating sites have a separate management team headed by a cluster or general manager. This structure encourages focus on business issues and delivers enhanced performance.

GROUP PERFORMANCE

The Group delivered a creditable performance in 2012/13, in spite of a number of external factors which prevented it from demonstrating growth in underlying profit over the year. On a constant currency basis overall levels of profitability were sustained but as the euro weakened against sterling, the currency translation effect had a circa £4m adverse impact on the Group's reported results which accounted for most of the reduction in adjusted operating profit in the year. In addition polymer prices rose to near record levels during the year. Polymer price variations are generally passed on to the customer base, albeit with a time lag. This time lag effect had a negative overall impact in the year, whereas in 2011/12 it was beneficial.

Tea of a Kind

Customer: Tea of a Kind

Product: Gizmo

Processes: Injection Moulding

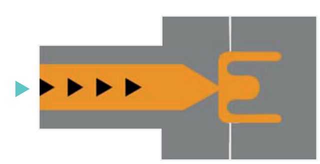
THE BENEFITS:

- Ingredients protected inside cap until opened
- Dramatic mixing on product opening
- Unique product selling point

The innovative patented Gizmo closure and delivery system, which is manufactured by RPC Bramlage-Wiko, has been selected for a new range of natural drinks launched in the USA.

The Gizmo closure provides a pressurised chamber where all the ingredients are contained and only released when the cap is opened. This means the ingredients are mixed at the point of consumption to provide a much fresher drink than any pre-mixed variety.

As the cap is twisted, the ingredients burst into the bottle and selfmix, creating a dramatic colour change that provides visual confirmation that the drink is fresh and ready to consume.



OPERATING REVIEW
continued

ADJUSTED OPERATING PROFIT AS % OF SALES

8.5%

2012: 8.3%

CAPITAL EXPENDITURE AS % OF DEPRECIATION

138%

2012: 160%

Last year continued to be a challenging time for many of our customers in Europe. Overall activity levels were flat after taking account of discontinued businesses. The Group was able to offset the negative impact of increased competitive intensity and wage and cost inflation through achieving a better sales mix and additional cost savings from the integration of Superfos, exiting the European vending cup and automotive businesses, purchase cost savings and general business improvements.

The Group completed its integration of the Superfos business during the year with the site at Runcorn closed in June 2012 and its business transferred to other sites within the UKIM cluster. The Group also successfully exited the European vending market, which resulted in the closure of its site at Kajárpéc (Hungary), and restructuring at sites at Deventer (the Netherlands) and Bouxwiller (France). In September the loss making automotive parts business at Neutraubling (Germany) was sold.

FITTER FOR THE FUTURE

The Group launched its 'Fitter for the Future' business optimisation programme during the year, which focuses on optimising the existing business portfolio and realising value from the current and expected future redundant properties. The initial phase has addressed the pan-European thermoforming and injection moulded spreads businesses, which will result in the closure of the sites at Antwerp (Belgium) and Beuningen (the Netherlands) and has led to cost efficiency restructuring improvements at several other sites. Good progress has been made with all of these work streams and it is expected that the investment of £30m in this programme will yield steady state benefits of at least £12m pa by 2015/16, with £2m already reflected in the current year results. During the year £19.2m of restructuring costs, losses and impairments were incurred and these have been charged as exceptional items. Further opportunities are being explored.

NEW PRODUCT DEVELOPMENT

RPC remains at the forefront of polymer conversion technology in the packaging industry and has developed an enviable reputation in the market place for innovative packaging design and concepts. Through its design and development facilities, the Group is able to develop unique packaging solutions that meet the needs of individual customer demands.

Progress continues to be made in developing light-weight injection moulded products and new designs for packaging delivery systems in personal care and pharmaceuticals. In thermoforming, the Group is among the world-wide leaders in the production of multi-layer, high barrier trays and tubs for oxygen sensitive foods thereby replacing long shelf-life packaging in other materials with light-weight plastic alternatives. In blow moulding, developments in the multi-layer bottle and jar market continue to move forward where there is a significant opportunity for substitution of glass and metal by plastic due to its weight reduction capabilities and more favourable carbon footprint.

The overall innovation capabilities across the range of conversion technologies combined with the ability to continue to invest and the geographical reach of the Group provides RPC with a significant competitive advantage. The Group's commitment to growing higher added value products and investment in innovation was reflected in its higher levels of capital expenditure, which at £63m were significantly ahead of the depreciation level of £46m. The Group remains committed to invest in projects that are innovative, provide a competitive advantage and generate attractive returns.

NON-FINANCIAL KPIS

RPC has three main non-financial key performance indicators (KPIs). From an environmental and cost control perspective electricity and water usage per tonne produced are measured. From an employee welfare perspective reportable accidents are monitored.

The Group continues to make stringent efforts to improve its efficient usage of electricity and water. The impact of a number of energy saving initiatives to replace older machinery with more modern energy conserving equivalents has been offset by the shift towards a higher consumption per polymer tonne converted associated with the manufacture of higher value added products. Water usage continues to fall as water recycling initiatives including closed loop cooling systems continue to be introduced to manufacturing sites across the Group. The reportable accident frequency rate improved significantly in the year and is at an all-time best due to the continued focus on health and safety matters throughout the Group.

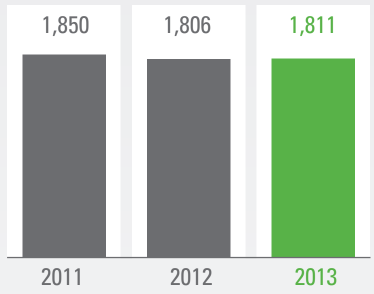
OUTLOOK

The Group is well placed to benefit from economic recovery from a position of sound financial strength, although the immediate outlook is hampered by the continuing lack of growth in Europe. Through the Fitter for the Future programme and an enhanced sales mix further progress is expected to be made in the new financial year, which has started in line with management expectations.

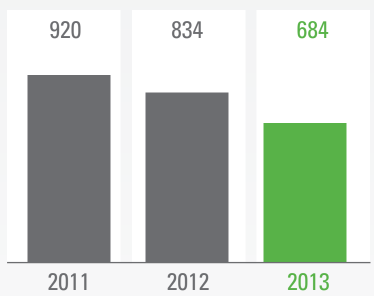
P R M Vervaat
Chief Executive

NON-FINANCIAL KPIS

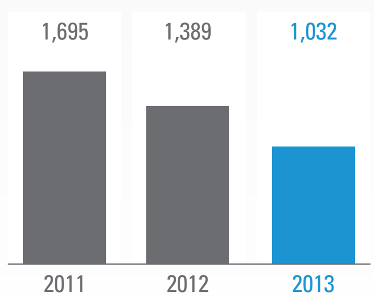
ELECTRICITY USAGE PER TONNE KWH/T



WATER USAGE PER TONNE L/T



REPORTABLE ACCIDENT FREQUENCY RATE



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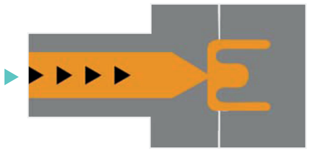
Injection Moulding



INJECTION MOULDING

	12 months to 31 March 2013 £m	12 months to 31 March 2012 £m
Revenue	**617.4**	657.7
Adjusted operating profit	**62.7**	66.8
Return on sales	**10.2%**	10.2%
Return on net operating assets	**27.2%**	28.2%

KEY MARKETS

- Paints & surface coatings
- Coffee capsules
- Cosmetics
- DIY products
- Food
- Margarine & spreads
- Personal care
- Pharmaceuticals
- Promotional products
- Soups & sauces
- Tablet dispensers & inhalant devices

REVENUE

£617m

2012: £658m

ADJUSTED OPERATING PROFIT

£62.7m

2012: £66.8m

The business comprises the Superfos, Bramlage-Wiko and UKIM clusters. Overall the injection moulding business performed well over the year given the general economic environment. Reported profits fell mainly due to the weakening euro, which reduced sales by £25m and operating profit by £3.0m. Return on sales was maintained at 10.2% and with return on net operating assets (RONOA) at 27.2% it makes this the most profitable business segment within the Group.

Superfos manufactures and distributes open top filled injection moulded containers and has manufacturing facilities in France, Belgium, Spain, Poland, Denmark and Sweden, with joint ventures in Turkey and North Africa. In general the recessionary European economy impacted customer demand, though to some extent this was mitigated by the ongoing conversion of metal to plastic and strong sales within thin wall packaging and barrier products being up 34% on last year. Sales volumes in southern and central Europe were down due to the weak macro-economic environment, particularly within the paint, construction and industrial products segments, but this was mitigated by volume growth in the French region in pet food and sales improvements in the Nordic regions, particularly in the dairy sector.

Bramlage-Wiko, which operates in Germany, France, Belgium, Slovakia, UK and the USA, showed continued volume growth, with further increased sales into the personal care market and coffee capsule market, albeit with lower margins mainly due to polymer time lag effect. Further efficiencies were achieved by increasing production at the Slovakian manufacturing facility and there were significant investments in new product development in pharmaceuticals, such as the building of an extension to the production facility at the Mellrichstadt site (Germany). The cluster remains well positioned to take a significant share of new business opportunities through its strong market positions and leading technological know-how. During the year, the cluster sold its automotive components business at Neutraubling (Germany) and is in the process of transferring the spreads business from its Antwerp site (Belgium) to more efficient sites in Germany and the UK, with the site itself expected to be closed by June 2013. The newly acquired Manuplastics business, based in Wimbledon (UK), has been integrated into the cluster, strengthening its personal care product offering to the market and providing a base for its UK business.

The UKIM cluster, which comprises five sites in the UK, serves a wide range of customers in the food, health care and DIY markets. Overall sales volumes were down compared with last year, with reduced activity in the paint and surface coatings sectors as the housing market remains depressed, and with decorative paint sales falling from already low levels. The final stages of the integration of the Superfos UK business were successfully made, which included the transfer of machinery and products from the Runcorn site, which was closed in the year. A product rationalisation and cost reduction programme commenced at the Oakham site as part of the Fitter for the Future programme, which is expected to improve the profitability of this business.

Twist Up

Customer: Standard product

Product: Magic Star – Twist Up

Processes: Injection Moulding

THE BENEFITS:

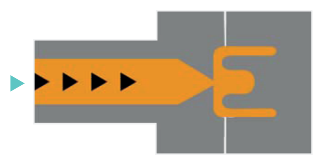
- Innovative 'twist up' dispenser
- Customised options to meet brand requirements
- Airless dispensing

RPC Bramlage-Wiko continues to enjoy growing market success with product developments which bring significant advantages to both brand owners and consumers.

Twist Up – a standard range of airless dispensers whose action delivers both speed of convenience for consumers and enhanced marketing opportunities for personal care brands – has been welcomed into the market.

Twist Up works by turning the upper part of the container to reveal the dispensing head. As a result, the overall pack can mimic the appearance of a conventional overcapped dispenser to match product range branding while offering fast, convenient access to the product. In addition, the dispenser automatically closes in the 'down' position to protect contents.

Three standard sizes are available: 20ml, 30ml and 50ml. Several decorative options are available to customise the container, including foil stamping of the twistable upper section.



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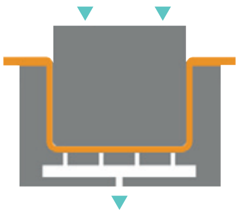
Thermoforming



KEY MARKETS

- Margarine & spreads
- Coffee capsules
- Dairy market
- Disposable products
- Sheet for form-fill-seal lines
- Fresh, frozen and long shelf-life foods
- Phone cards
- Vending & drinking cups

REVENUE

£253m

2012: £288m

ADJUSTED OPERATING PROFIT

£15.9m

2012: £13.7m

THERMOFORMING

	12 months to 31 March 2013 £m	12 months to 31 March 2012 £m
Revenue	**253.1**	287.7
Adjusted operating profit	**15.9**	13.7
Return on sales	**6.3%**	4.8%
Return on net operating assets	**20.9%**	20.0%

The thermoforming operations comprise the Bebo (retail food packaging), Tedeco-Gizeh (food service – UK vending and disposables) and Cobelplast (sheet production) clusters and are largely based in mainland Europe. Although sales volumes were down on last year, the overall thermoforming business performance improved significantly mainly due to the full year impact of exiting the low margin European vending cup market and further growth in coffee capsules. The currency translation impact of stronger sterling through the year reduced sales by £14.6m and operating profit by £0.6m.

The Bebo cluster had a solid performance during the year. The margarine and spreads market is a significant part of its business and the Group has strong market positions in this area. The renewal of major customer contracts in the year has secured this business. To ensure profitability is sustained, the efficiency of the yellow fats and margarine business within the cluster was reviewed as part of the Fitter for the Future programme. As a consequence the manufacturing facility at Beuningen (the Netherlands) which produces tubs and lids has been scheduled for closure and cost efficiency measures have been undertaken at Bremervörde (Germany) to realign demand with capacity and modernise production capabilities to improve profitability within its spreads business.

The Tedeco-Gizeh business, which in the new financial year has been merged into the Bebo cluster, saw a significant improvement in profitability following the exit of the mainland European vending cup market. The site at Kajárpéc (Hungary), was closed and the operation at Deventer (the Netherlands) refocused on the convenience food packaging business and coffee capsules. The discontinued European vending cup business was successfully transferred to a competitor to ensure that there was minimal impact on customers. The site at Port Talbot (UK) performed particularly well in the year as coffee capsule production increased, following investment in three production lines in the previous year that was required to keep pace with the growth in demand.

For the Cobelplast business, the overall demand for sheet products was unchanged from last year, but margins remained under pressure and competitor intensity high. The Lokeren (Belgium) business started a programme of restructuring and reorganisation during the year to restore its profitability under the Fitter for the Future programme. This includes exiting from the supply of certain low value added sheet products and refocusing the business on the higher value added multi-layer products, including new investment in production capacity. The Montonate (Italy) business had a robust performance.

Coffee capsule – Thermoformed cup

Customer: Kraft Foods

Product: Thermoformed Cup

Processes: Thermoforming

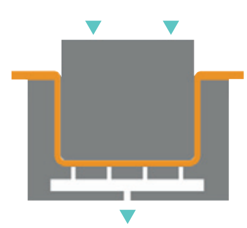
THE BENEFITS:

- Long shelf-life
- Continues RPC specialism in coffee market
- Single-serve coffee system

The development of the new Thermoformed Cup concept for Kraft USA is further evidence of RPC's pre-eminence in the fast growing single-serve coffee capsules market.

The thermoformed PS cup contains a special filter paper. Coffee – or another beverage – is placed into the filter and the cup is sealed to ensure a long shelf-life. To make the drink, the cup is inserted into the brewing machine and pressurised water flows through the pack at the correct temperature.

Pilot tools and initial start-up production were initiated at RPC's Bremervörde facility in Germany, ahead of full production at the Group's US factory in Morgantown.



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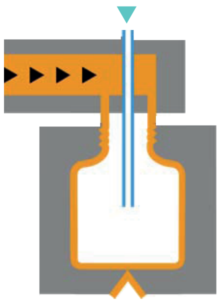
Blow Moulding



KEY MARKETS

- Agrochemicals
- Automotive
- Food & drink
- Long shelf-life food
- Personal care

REVENUE

£181m

2012: £185m

ADJUSTED OPERATING PROFIT

£11.1m

2012: £13.0m

BLOW MOULDING

	12 months to 31 March 2013 £m	12 months to 31 March 2012 £m
Revenue	**180.8**	184.5
Adjusted operating profit	**11.1**	13.0
Return on sales	**6.1%**	7.1%
Return on net operating assets	**17.4%**	21.8%

The blow moulding business operates from eleven sites based both in the UK and in mainland Europe. The performance was robust with sales volumes up slightly year on year. Overall profits, however, were adversely affected by negative currency effects and the polymer pass through time lag. The currency translation impact of stronger sterling through the year reduced sales by c. £5m and operating profit by £0.2m.

There were good volume increases at Llantrisant (UK) for PET containers in food and beverages, increased demand for extrusion blow moulded products in personal care and business transferred from a major customer who stopped self-manufacturing bottles. The Gent (Belgium) and French sites benefited from the continued upturn in agrochemicals and new business was obtained in lubricants. The UK stock containers business suffered from weaker demand from industrial customers but was able to defend its strong market positions. Kutenholz (Germany) experienced lower demand from their customers in the food segment who export to southern and eastern Europe, but demand for personal care products was stable. The factory in Kerkrade (the Netherlands) experienced an increased demand for multi-layer products in the food sector and the completion of the new warehouse helped the site optimise its logistics operations. Sales volumes at the Corby (UK) site, which receives strong demand for barrier blow moulded plastic jars and bottles, and exports over half its production, was affected by the weaker euro. The Envases site at Madrid relocated to new, more efficient, premises at Campo Real as part of the Fitter for the Future programme aiming to establish a platform for future growth. Envases has become the fourth RPC location equipped for the production of six layer bottles for oxygen sensitive goods. The Group considers the Iberian Peninsula to have significant growth potential for multi-layer containers.

The cluster continues to invest in multi-layer production equipment to help accelerate the conversion of conventional glass and metal packaging to lighter weight plastic. A new generation of high output multi-layer extrusion blow moulding machines has been developed and the first of these machines has been installed at Kutenholz. To improve its position in the agrochemical and lubricant market new machines were also installed in Gent and in the UK a new machine for new five litre standard containers was installed in the Rushden factory. These investments are part of a strategy to consolidate and modernise the cluster's standard container product range. In addition new product designs continue to drive growth; a new 20 and 25 litre standard container with an anti-glug device, which was developed by the UK Stock Container business, has proved very successful in the UK market.

Even-Flo

Customer: Westland

Product: Even-Flo lawn spreader

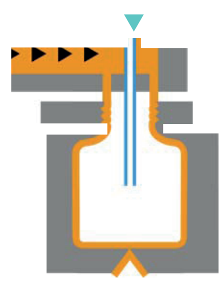
Processes: Blow Moulding and Injection Moulding

THE BENEFITS:

- Innovative, reusable spreader design
- Container is lighter in weight than conventional spreaders
- Provides even spreading of contents
- Inter-changeable handle with integrated spreading chute
- High impact at Point of Sale

Westland's Even-Flo spreader is the next generation of lawn spreaders, created to help gardeners revitalise, rejuvenate and bring more life to their lawns. To reflect this positioning, the company required a pack that is market leading in its functionality and design. Key criteria were to ensure the most even spread of granules during spreading, for the dispensing system to be reusable, and for the refill bottle to be as lightweight and cost efficient as possible.

The highly advanced and complex dispensing system, comprising six different components, as well as the transit cap and baffles for the refill packs are produced by RPC Market Rasen using hi-tech injection moulding equipment. The container is blow moulded in HDPE by RPC Rushden.



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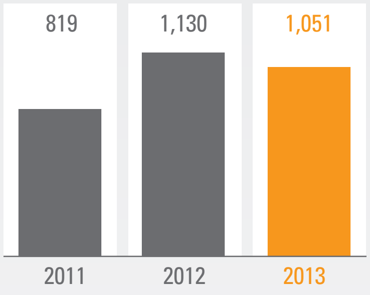
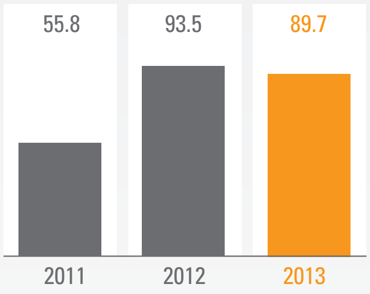
REVENUE £m



ADJUSTED OPERATING PROFIT £m



GROUP OVERVIEW

Over 75% of the Group's revenues and 70% of the Group's net assets are generated and held in non-UK businesses and these are affected by exchange rate volatility when translated to sterling and comparing the results and balance sheet positions year on year. The major exposure for the Group is to the euro and the weakening in the euro against sterling during the year served to depress revenue and profit (average exchange rate in the year being €1.23 (2012: €1.16)).

CONSOLIDATED INCOME STATEMENT

Group revenue for the year was £78.6m (7%) lower at £1,051.3m due mainly to the translation effect of a weakened euro amounting to £44.5m and the discontinuance of certain businesses such as mainland European vending cups.

Adjusted operating profit (before restructuring costs, impairment and other exceptional items) fell to £89.7m but on a constant currency basis, which excludes the translation impact of a weakened euro of £3.8m, the profit result would have been at the same level. In addition gross margin was impacted by a polymer headwind, as there was a negative time lag in recovering polymer price increases from customers during the year, whereas in 2011/12 this had had a positive impact. Improvements to underlying operating profit were obtained from the realisation of £5m of Superfos synergies, savings from exiting the mainland European vending cup and automotive parts business, further improvements in sales mix arising from increased sales of higher value added products and general cost savings and business improvements across the sites. However these were mitigated by other adverse factors affecting profit, including cost inflation and higher depreciation charges. Return on sales improved from 8.3% to 8.5%.

Exceptional items totalling £36.0m (2012: £20.6m) comprising restructuring and closure costs of £22.1m (2012: £8.5m), impairment losses of £10.7m (2012: £7.2m) and other items of £3.2m (2012: £4.9m) were incurred. The Group incurred £6.3m of costs relating to the disposal of the automotive business in Germany and the restructuring and closure costs and impairments of exiting the vending cup business in mainland Europe, and £2.3m of costs relating to the realisation of further Superfos synergies. In addition the Group incurred £19.2m of charges in delivering the new Fitter for the Future business optimisation programme. These mainly relate to costs and impairment losses at the Antwerp and Beuningen sites which are being closed, restructuring costs at Bremervörde and Lokeren, and reorganisation costs at the new production facility in Madrid (Envases). Goodwill impairment of £5.8m was incurred with respect to the Cobelplast cluster whose business is now being restructured, together with £1.5m of property impairment relating to assets held for sale and there were £0.9m of other items.

Net financing costs at £13.4m were at a similar level to last year (2012: £13.3m). Net interest charges of £11.7m (2012: £11.5m) were slightly higher reflecting the full year impact of the fixed interest charges on the USPP notes on slightly lower levels of debt.

The adjusted profit before tax decreased from £80.3m to £76.3m mainly as a result of the reduction in adjusted operating profit. The tax rate on the adjusted profit before tax for the Group was slightly lower at 24.8% for the year (2012: 25.0%). The Group's overall taxation charge at 36.7% was £14.8m (2012: £14.9m). The resulting adjusted profit after tax was £57.4m (2012: £60.2m) and adjusted basic earnings per share was 34.8p (2012: 37.3p).

A combination of a slightly lower operating profit and higher restructuring and impairment costs resulted in a lower net profit of £25.5m, compared with £44.7m in 2011/12. Basic earnings per share was 15.5p, compared with 27.7p in the previous year.

CONSOLIDATED BALANCE SHEET AND CONSOLIDATED CASH FLOW STATEMENT

Goodwill was lower due to the impairment of £5.8m relating to the Cobelplast cluster where difficult market conditions adversely affected the Group's sheet production business and has necessitated the restructuring of the Lokeren business to return it to profitability. This was offset by a £0.7m addition to goodwill arising on the acquisition of Manuplastics. Other intangible assets increased by £3.7m through capitalisation of new product and process development. Property, plant and equipment increased to £395.3m up 4% compared with the previous year end; capital expenditure levels at £63.4m were £17.6m (38%) ahead of the depreciation charged in the period, as the Group continues to invest in growth sectors such as coffee capsules and pharmaceuticals.

The £9.5m of derivative financial instruments mainly comprise the mark-to-market value of euro currency swaps taken out in 2011 to hedge the US dollar borrowings from the US private placement. The weakening of the euro to the US dollar has served to increase the value of these.

Working capital (the sum of inventories, trade and other receivables and trade and other payables) increased by £3.9m to £37.8m compared with the previous year and represents 3.6% of sales (2012: 3.0%). Increasing the proportion of higher value added production generally necessitates higher working capital.

The long-term employee benefit liabilities increased from £56.3m at the previous year end to £62.1m, mainly due to an increase in the UK net pension deficit of the RPC Containers defined benefit scheme. The increase is a result of a reduction in the discount rate from the prior year and increases in inflation and salary growth rates, only partially offset by gains on the scheme's assets over the year.

Capital and reserves increased in the period by £0.1m, the net profit for the period of £25.5m, the share and share-based payments from employee share schemes of £1.8m and favourable exchange movements on translation of £5.8m being offset by pension related net actuarial losses of £5.3m, dividends paid of £23.9m, and £3.8m of adverse net fair value movements on derivatives. Further details are shown in the Consolidated statement of changes in equity which is included in the financial statements.

Net cash from operating activities (after tax and interest) was £85.5m compared with £100.1m in the previous year, with lower cash generated from operations, including exceptional cash flows of £20m, being reduced further by higher interest payments and higher tax payments as tax losses from prior years have been utilised.

KEY HIGHLIGHTS

	12 months to 31 March 2013 £m	12 months to 31 March 2012 £m
Revenue	**1,051.3**	1,129.9
Adjusted operating profit	**89.7**	93.5
Exceptional items	**(36.0)**	(20.6)
Operating profit	**53.7**	72.9
Net financing costs	**(13.4)**	(13.3)
Profit before tax	**40.3**	59.6
Tax	**(14.8)**	(14.9)
Profit after tax	**25.5**	44.7
Adjusted EPS	**34.8p**	37.3p
Net debt	**171.4**	160.0

ADJUSTED EPS

34.8p

2012: 37.3p

WORKING CAPITAL

£37.8m

4% of revenue

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NET DEBT

£171.4m

2012: £160.0m

DIVIDEND PER SHARE

14.9p

2012: 14.4p

Net debt, which includes the fair value of the cross currency swaps used to repay the USPP funding, increased by £11.4m and at the end of the year stood at £171.4m (2012 restated: £160.0m). The fair value of the swaps increased by £7.2m in the year due to the weakening of the euro against the US dollar. Net cash from operating activities was utilised, among other things, for purchasing property, plant & equipment of £63.4m, in acquiring the Manuplastics business for £6.1m (of which £0.7m was paid in April 2013), and for paying dividends of £23.9m. Gearing stood at 63% (2012: 59%) and the net debt to EBITDA ratio was 1.30. The average net debt for the year was £228m (2012: £249m).

The Group has total finance facilities of approximately £527m with an amount of £336m undrawn at 31 March 2013. The facilities are unsecured and comprise a revolving credit facility of up to £200m with nine major UK and European banks maturing in 2015, US notes of $216m and €60m issued by 17 US life assurance companies maturing in 2018 and 2021, a bilateral term loan of £60m with a major UK bank, mortgages of £15m and other credit and overdraft arrangements of £59m. The US notes were a debut issue raised in the US Private Placement (USPP) market in December 2011, providing the Group with 7 year and 10 year dated borrowings and strengthening the financial position of the Group for future growth. The £60m term loan was arranged in January 2013, is currently undrawn, and is expected to be used for bolt-on acquisitions. The Group has a NAIC-2 credit rating by the US National Association of Insurance Commissioners.

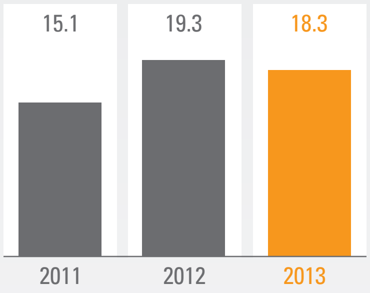
FINANCIAL KEY PERFORMANCE INDICATORS (KPIS)

The key measures of the Group's financial performance are return on capital employed (ROCE) and return on net operating assets (RONOA). The aim is, with the current portfolio of businesses, to achieve a 20% ROCE in a non-recessionary environment without significant volatility in raw material prices. The improvement in added value per tonne reflects the impact of an improved sales mix in spite of the higher polymer costs and an adverse time lag effect of passing through polymer price increases to the customer base. The increase in return on sales resulted from an improved gross margin and lower costs. Free cash flow was slightly lower than last year but cash conversion improved mainly due to the lower level of capital expenditure compared with the previous year.

S J Kesterton
Group Finance Director

FINANCIAL KPIS

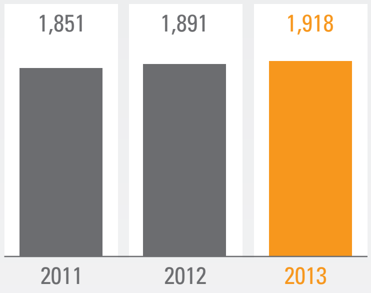
ROCE %



ROCE

Return on capital employed (ROCE), which is measured over the previous 12 months, is defined as adjusted operating profit divided by the average of opening and closing shareholders' equity, after adjusting for net retirement benefit obligations, assets held for sale and net debt for the year concerned.

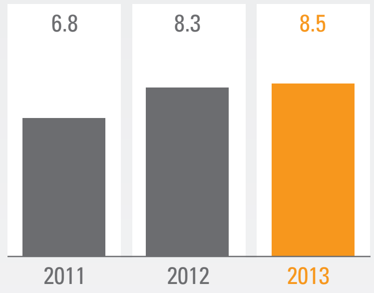
ADDED VALUE PER TONNE £



ADDED VALUE PER TONNE

Added value per tonne is the difference between production sales value per tonne produced and the cost of polymer per tonne produced. The comparative numbers have been restated using 2012/13 exchange rates.

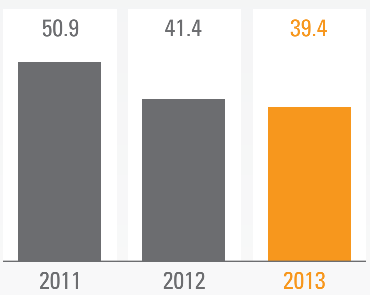
RETURN ON SALES %



RETURN ON SALES

Return on sales is defined as the adjusted operating profit divided by revenue.

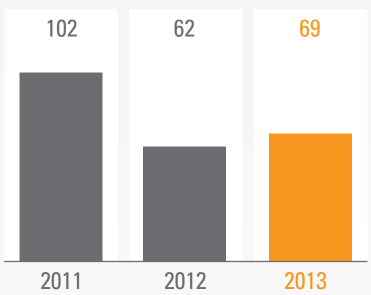
FREE CASH FLOW £m



FREE CASH FLOW

Free cash flow is defined as cash generated from operations less net capital expenditure, net interest and tax, adjusted to exclude exceptional cash flows and one-off pension deficit reduction payments.

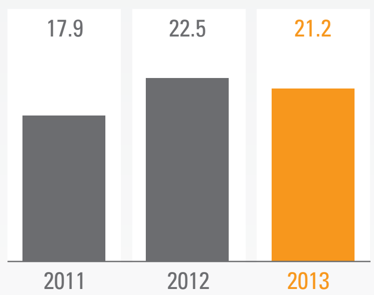
CASH CONVERSION %



CASH CONVERSION

Cash conversion is defined as the ratio of cash generated from operations less net capital expenditure excluding exceptional cash flows and one-off pension deficit reduction payments, to adjusted operating profit.

RONOA %

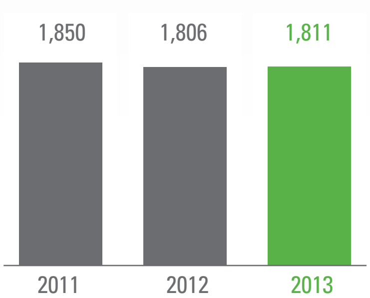


RONOA

Return on net operating assets (RONOA) which is measured over the previous 12 months, is defined as adjusted operating profit divided by the average of opening and closing property, plant and equipment, working capital and capital expenditure creditors for the year concerned.

NON-FINANCIAL KPIS

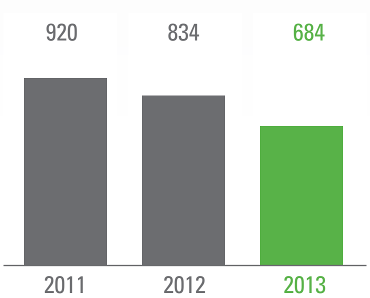
ELECTRICITY USAGE PER TONNE KWH/T



ELECTRICITY USAGE PER TONNE

Electricity usage per tonne is the ratio of electricity used to the number of tonnes produced.

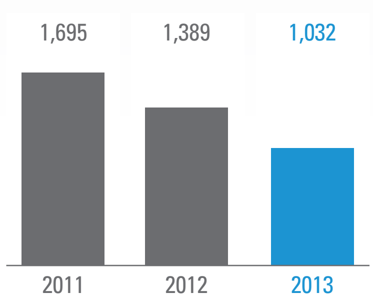
WATER USAGE PER TONNE L/T



WATER USAGE PER TONNE

Water usage per tonne is the ratio of water used to the number of tonnes produced.

REPORTABLE ACCIDENT FREQUENCY RATE



REPORTABLE ACCIDENT FREQUENCY RATE

Reportable accident frequency rate is defined as the number of accidents resulting in more than three days off work, excluding accidents where an employee is travelling to or from work, divided by the average number of employees, multiplied by the constant 100,000.

PRINCIPAL RISKS

RPC is subject to a number of risks, both external and internal, some of which could have a significant impact on the performance of its business.

A regular review is conducted of these risks to identify both the nature and magnitude of a risk and the manner in which it can be mitigated. The risks that are seen as being particularly important at the current time are:

AREA OF RISK	DESCRIPTION OF RISK	MITIGATION
POLYMER PRICE AND AVAILABILITY	Polymer resin, which is the key raw material used in the manufacture of rigid plastic packaging, represented 40% of the operating costs of the business in 2012/13. Polymer prices have risen consistently in recent years and are subject to volatility as they tend to follow the underlying price of oil as well as being impacted by changes in global supply and demand. In addition some sources of polymer supply are affected by plant breakdowns and unscheduled maintenance which can result in shortages.	The Group is able to pass on the majority of polymer price increases to its customers through agreed contractual terms, providing an effective hedge against polymer price increases albeit with a time lag. The Group has also reduced its dependence on individual suppliers by adapting its manufacturing sites to convert a wider range of polymer grades, to mitigate against supply disruption.
DEPENDENCE ON KEY CUSTOMERS	The Group has long established relationships with a number of key customers, with the top 10 accounting for over 28% of sales in 2012/13. The loss of any one of these customers could adversely affect the Group's results in the short-term.	There is a high degree of mutual dependency between RPC and its customers and because of the Group's size, product range, geographical reach and the joint investment often required to develop a product, many customers have difficulty in moving their business to an alternative supplier in the short term. In addition customer retention is strengthened by the Group remaining responsive to customer demands, by delivering high quality products, excellent customer service and developing innovative packaging solutions that can provide new sales opportunities for our customers.
PRICING AND COMPETITIVE PRESSURES	The market for rigid plastic packaging, although fragmented, has become increasingly competitive, particularly where there has been consolidation or overcapacity in the market, exacerbated by the economic recession. An increasing focus on pricing by customers puts pressure on margins and may lead to lost business where customers have the capability to switch volumes to other suppliers.	The Group differentiates itself from its competitors by establishing long-term relationships with its customers through bespoke product development and through investing in new and innovative capabilities across a wide range of conversion technologies. In addition the Group has improved its competitive position in the challenging economic environment of the last few years by focusing on cost reduction, improving productivity and operational efficiencies through economies of scale.
ECONOMIC ENVIRONMENT AND CYCLICAL PATTERNS IN THE RIGID PLASTIC PACKAGING MARKET	The continued impact of the recessionary economic environment in the UK and the Eurozone, to which 86% of the Group's sales are made, has resulted in reduced demand for some of our businesses. Other factors, such as changes in consumer preferences and packaging trends, also impact on demand.	The Group operates in a number of different markets (product, geographical, end customer) or niches within the rigid plastic packaging market, which serves to dilute the effect of adversity of any one particular sector. The Group actively monitors the economic environment and patterns of demand, the impact this has on its businesses and responds by incremental and structural changes to its operations.

Change in risk since 2012 Annual Report

AREA OF RISK	DESCRIPTION OF RISK	MITIGATION
BUSINESS INTERRUPTION AND THE LOSS OF ESSENTIAL SUPPLIES	Businesses face the potential risk of operations being affected by disruption due to loss of supply, failures with technology, industrial disputes and physical damage arising from fire, flood or other catastrophe. The loss of essential services or supplies could have a significant impact on the Group's ability to service its customers.	The Group ensures that alternative sources of supply are available where possible, and where a problem is localised in many cases it is possible to manufacture or supply the product from another site within the Group. In addition all businesses have established protocols and procedures to ensure business continuity in the event of a major incident.
SUPPLY OF FAULTY OR CONTAMINATED PRODUCTS	The Group's reputation as a business partner relies heavily on its ability to supply quality products on time and in full and the supply of faulty or contaminated products could have serious consequences. This might include adverse effects on consumer health, loss of market share, financial costs, loss of turnover and reputational damage.	The Group employs strict control measures and externally accredited systems to ensure the safety and quality of products that are manufactured. The Group also has appropriate insurance in place to cover product liability.
SAFEGUARDING PHYSICAL PROPERTY AND OUR EMPLOYEES	The risk of fire represents a significant physical risk to the Group and the impact of a major catastrophe of this nature could be considerable. The health and safety of our employees is the number one priority at all of our sites.	Business sites have sprinkler and/or smoke detection systems in place together with other preventive measures. Health and safety audits are regularly performed, in conjunction with internal and external specialists, to drive sites to best practice.
FUNDING AND FINANCIAL RISKS	Risks relate to the cost and availability of funding for the Group's businesses, movements in interest rates and foreign currency exchange rates. The Group has a translation exposure to the euro, as over 70% of the Group's earnings and net assets are reported in this currency.	The Group's treasury activities are governed by policies and procedures approved and monitored by the Board. The Group negotiates funding requirements in a timely manner ensuring appropriate headroom and funding tenure is obtained to mitigate availability risk. The Group borrows at both fixed and floating rates to give a degree of stability to the interest rate charged each year. The Group's balance sheet translation exposure to the euro is hedged by ensuring that borrowings in euros are matched to the Group's net assets in euros, and any significant transactional exposures in foreign currency are managed using approved financial derivatives.
ENERGY COSTS	The Group uses significant amounts of electricity in the manufacturing process. The price of electricity is subject to volatility and is a significant cost of manufacture for the business.	The Group has an energy purchasing strategy which ensures that a proportion of electricity purchased is at fixed rates, and the business is focused on reducing the electricity consumed per tonne of polymer converted through manufacturing efficiency improvements and the use of technical advances in equipment and processes. The Group also participates in a Climate Change Agreement, through the British Plastics Federation, which sets out energy reduction targets.

CORPORATE RESPONSIBILITY

Our sustainability story

As a global force in rigid plastic packaging, we are committed to incorporating sustainability into our overall business strategy and helping our customers to achieve their environmental goals. Since our inception we have been constantly developing innovative packaging solutions that provide sustainability benefits for our own direct operations, our customers and our supply chain.

The packaging lifecycle

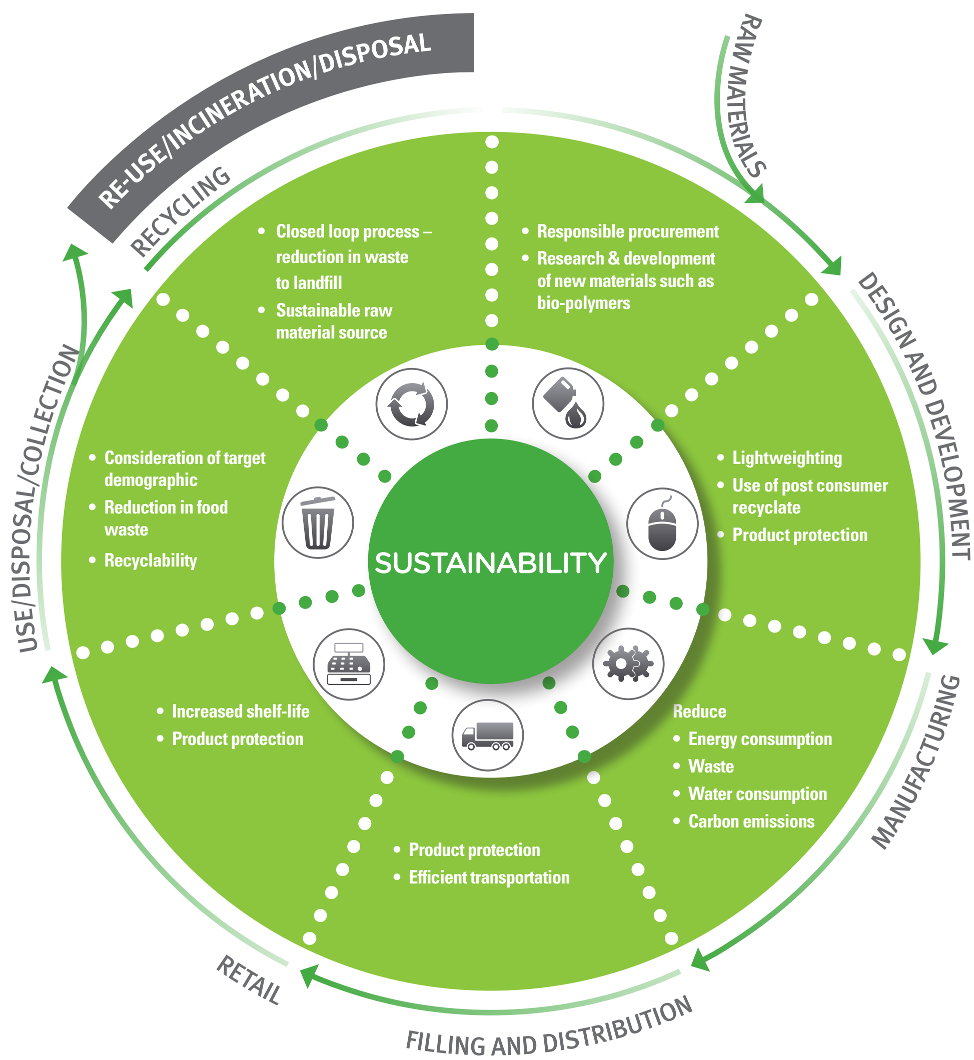
As a packaging manufacturer, RPC has greatest control over the earliest stages of the packaging lifecycle. However, the influence of our actions at the design stage reaches far beyond, to the customer and even the recycling opportunities at the end-of-life stage. RPC is taking positive steps to tackle sustainability challenges and the diagram opposite shows the most significant environmental impacts throughout the packaging lifecycle which we can control or influence.

Scan this code with one of the many available QR reader apps on your smartphone to access our website:

www.rpc-group.com/sustainability

Some sustainability highlights from the past year include:

- Further product innovations in lightweighting, the use of recycled content and keeping products fresher for longer.
- A Green Apple award for the 25% recycled content paint container.
- The development of a video in collaboration with a plastics recycler to promote the recyclability of rigid plastic packaging.
- Becoming a member of recycling charity Recoup to reinforce our commitment to the recycling of plastic packaging.
- The completion of a number of large energy efficiency projects which have kept our kWh/tonne usage stable despite a lower throughput of raw material and a move towards higher added value products.
- An 18% reduction in water per tonne due to the increase in closed loop cooling systems across the Group.



CORPORATE RESPONSIBILITY
continued

Developing sustainable packaging solutions

PRODUCT DEVELOPMENT AND INNOVATION

Lightweighting
Across the industry, packaging has become progressively lighter while still maintaining the same technical performance. This is evident particularly in the UK where, despite the increased demand for consumer goods, the weight of packaging purchased per person has remained roughly the same over the last 10 years (source: Incpen). RPC has managed to reduce weights of packaging across all three of its manufacturing processes through significant investments in tooling, process changes and machinery alongside developments in materials. This has been achieved while maintaining the technical capability of the packaging and ensuring that it is able to carry out its primary function of protecting a product throughout all stages of supply, distribution and use.

Recycled material
RPC has been working with the recycling industry for many years, collaborating with Government agencies such as the Waste & Resources Action Programme (WRAP) to research and develop the use of post-consumer recycled (PCR) material in packaging. The use of PCR diverts end of life plastic from landfill and also reduces energy demand in comparison with the sourcing of virgin raw materials.

The work in this area is an evolving field in which we are continuously active across all of the main polymers that we use in packaging (PP, HDPE, PET and PS). Work to date has resulted in the design and manufacture of a number of packaging applications that incorporate PCR material. The product case study shown below illustrates an innovative collaboration between RPC sites to produce a new pack containing PCR.

Product protection
The development and use of innovative multi-layer packaging within the Group has provided a protective barrier so that customers' products have a prolonged shelf-life. This has not only helped to reduce the energy demands on refrigeration, but also ensures food remains fresh on shelf, reducing spoilage and the high environmental impact associated with food waste.

In response to demographic and lifestyle changes, notably the increase in single person households and the overall trend towards greater consumer convenience and eating 'on the move', we continue to manufacture innovative portion packs. Portion control will increasingly be required to contribute to the reduction of food waste and is also relevant in reducing waste within other sectors such as the pharmaceutical market.

A SUSTAINABLE SOLUTION – BIO-MATERIALS

A developing area of focus for the Group over the past few years has been bio-materials. In terms of use for plastic packaging bio-materials can be split into two main categories.

1. Non-biodegradable bio-based material which is derived from plants or another non fossil fuel source which can either partly or fully replace oil based polymers in packaging.
2. Plastics that are both bio-based and biodegradable under certain conditions.

RPC is working with a number of bio-material suppliers to evaluate, research and develop these materials within its packaging portfolio. Customer collaboration fuelled by consumer demand and recyclability will be key to the future use of bio-materials within the Group.

GREEN APPLE ENVIRONMENT AWARD WINNER

Green Apple Gold Award

The environmental credentials of RPC Containers Oakham have been underlined with its selection for a prestigious Green Apple Gold Award.

The award, conferred by the Green Organisation, in the category 'Packaging that improves the sustainability of the product supply chain', recognises the creation of an injection moulded plastic paint can using 25% recycled material.

RPC's expertise allowed Dulux Matt and Silk Colours to be the first to market with a paint range in cans of 2.5 litre and 5 litre sizes containing 25% recycled post-consumer content.

The Green Organisation is an independent, non-political, non-activist, non-profit environment group dedicated to recognising, rewarding and promoting environmental best practice around the world.

Sustainability benefits of conversion to plastic

Bornholms, a market leader in seafood in Scandinavia, is converting most of its packaging solutions from cans to an injection moulded plastic solution from RPC Superfos.

SUSTAINABILITY BENEFITS:

- Lightweight nature of the pack reduces environmental impacts throughout the packaging lifecycle.
- Oxygen barrier solution provides a 2 year ambient shelf-life to protect the product.
- Improved logistics due to the optimised shape and weight of the container.
- Resealability of pack provides consumer convenience while keeping the product fresh and reducing food waste.

ESTIMATED LOGISTICS SAVINGS:

200,000 km by truck every year

Extending the use of post-consumer recycled content

RPC Containers UKSC and RPC Containers Market Rasen have collaborated to produce this tester pot for the AkzoNobel Cuprinol Garden Shades range. The tester pot body is blow moulded in 100% post-consumer HDPE. The cap and applicator brush stem are injection moulded using 50% recycled PP.

SUSTAINABILITY BENEFITS:

- Resource efficient: gives plastic a second life reducing the need for virgin material.
- Reduction in carbon footprint.
- Container remains technically reliable and fit for purpose.
- Potential to increase the recycled content of the cap to 100% recycled content.
- Diverts plastic from landfill or incineration.
- Helps the supply chain to meet recycling targets by providing a market for recycled plastics.

RECYCLED CONTENT:

50-100%

CORPORATE RESPONSIBILITY
continued

Developing sustainable packaging solutions

PARTNERSHIP THROUGHOUT THE PACKAGING LIFECYCLE

Packaging is only one part of the product supply chain. Despite being so visible in the waste stream, its primary role is as a delivery and protection mechanism for a product that has a significantly higher environmental impact than the packaging itself. Packaging is a key element in the supply chain and the Group strives to offer its customers, whether big or small, the most appropriate sustainable solution for their product in order to minimise environmental impact.

DETERMINING THE ENVIRONMENTAL IMPACT OF PACKAGING

RPC is working with customers, suppliers and external advisory organisations to determine the environmental impact of packaging. The main focus is often 'cradle to gate' analysis, investigating areas which we directly influence such as the impacts of the type of raw material used and the manufacturing process applied to the material, as well as the impact of transport to the distribution centre or customer.

Carbon footprint studies have shown that the highest area of impact in terms of CO_2e emissions is the raw material stage, followed by production – the conversion of the raw material into a packaging format. The smallest impact comes from transport. This is an area over which the business does not have a significant amount of direct control; however, it is investigating ways to improve distribution by increasing full loads and coordinating logistics within geographic regions. This type of product analysis helps focus attention on areas where the greatest improvements in carbon footprint can be made.

OPTIMISING RECYCLABILITY & RECYCLING

RPC's desire to improve the performance of the packaging it manufactures does not end when the packaging leaves its sites. It has also taken a proactive stance with customers in designing packaging to optimise recyclability and to ensure end of life collection of packaging.

The Group is keen to promote the collection of post-consumer packaging for recycling into new packaging formats. This is particularly relevant in the UK where the government has set stretching new targets for plastic packaging recycling up to 2017. A short video has been produced (see case study), to educate industry and consumers of the need to recycle all plastic packaging due to its value as a resource to the industry. This year RPC has also become a member of Recoup, a charity focused on the recycling of plastic, to reinforce its commitment to this important cause.

INDUSTRY PARTICIPATION

RPC has taken an active role as a member or partner with a number of organisations at the forefront of sustainable packaging. Not only are they a platform to keep up to date on developments in the latest field, but they also allow expertise in manufacturing to be offered to these groups, to improve current processes and develop pioneering technologies such as the use of post-consumer recycled plastic in packaging. The Group's efforts in the sustainability field have also been recognised through its inclusion in the FTSE4Good listing.

Over the past year the Group has participated through membership or partnership with the following organisations shown below:

RPC & Regain Polymers collaborate to promote recycling

RPC has collaborated with plastic recyclers Regain Polymers to produce a short video which promotes the fact that plastic packaging, such as pots, tubs and trays, can be recycled and used again in novel concepts such as its 25% recycled content paint cans or tester pots containing recycled HDPE and PP.

The video follows the story of a margarine tub from being deposited into the household recycling bin, through the recycling process where it is washed, chipped and granulated, to its delivery to RPC where the recycled material is incorporated into new packaging – and ends with the new paint can being purchased and taken to the home where the margarine tub came from.

The video will feature on the RPC Group website and be promoted widely throughout the supply chain to educate both industry and consumers of the value of recycling all plastic packaging.

petcore PET CONTAINER RECYCLING EUROPE

RECOUP MEMBER RECycling Of Used Plastics Limited

SMITHERS PIRA

wrap Working together for a world without waste

Managing direct environmental impacts

IMPROVING ENERGY EFFICIENCY

Approximately two-thirds of the carbon footprint of products is from the raw materials used. The first point of focus is to utilise these materials as efficiently and economically as possible. The remaining one-third is embedded in the energy required at the processing stage when plastic granules or flakes are converted into packaging. Plastic packaging manufacturing, by its nature, is energy intensive.

RPC is constantly working to improve the energy efficiency of our manufacturing processes. It has been working on a number of energy efficiency projects over the year ranging from high investment projects such as new processing machines and systems to minor site alterations such as lighting changes.

Focus over the past year has been on the optimisation of site cooling systems by replacing as many of the open loop cooling towers with closed-loop cooling systems as well as optimising the related equipment such as the chillers, air compressors and pumps. Not only has this resulted in energy efficiency savings across the Group but also reduces health and safety risks relating to open water systems and reduces water consumption, see below.

This year the Group kWh/tonne electricity consumption has remained relatively static in comparison to last year. This is due to the benefits of a number of large projects throughout the Group having been realised over the last few years. The Group strategy to lightweight packaging adversely affects the electricity KPI as the same amount of energy is required to run the processing machines but with a lower throughput of materials. Lightweighting benefits are seen at other stages of the packaging lifecycle such as reduced raw material consumption and lower transportation impacts.

Lightweighting along with the move to higher added value products, which increase the complexity of the manufacturing processes, offsets some of the energy efficiency measures that have been put in place.

IMPROVING WATER EFFICIENCY

Water is an important part of the manufacturing process, primarily as a cooling agent. A number of improvements have been made across the Group to reduce water usage or to re-use it within a closed-loop system which reduces evaporative losses.

As a result of a focus on the sites water cooling systems over the past year the Group water consumption has reduced by 18%.

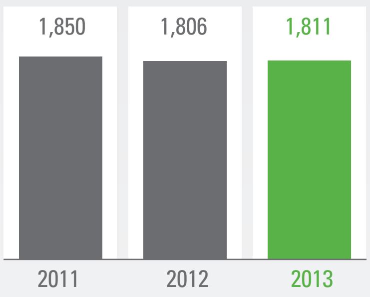
CARBON REPORTING

Through the British Plastics Federation, the Group's UK manufacturing sites have entered into a Climate Change Agreement which sets carbon targets based on energy use at the sites. Its UK sites also qualify for inclusion in the Government's Carbon Reduction Commitment Energy Efficiency Scheme (CRC) but have been granted an exemption due to the Climate Change Agreement already in place. For reporting at the next financial year end (2013/14) the Group will be required to report carbon emissions for all operations under The Greenhouse Gas Emissions (Directors' Reports) Regulations 2013.

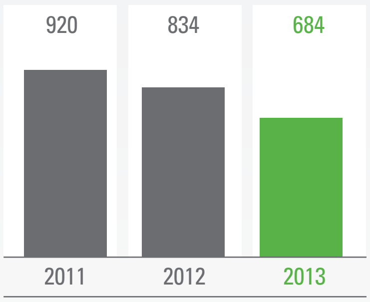
WASTE AND RECYCLING

Polymer is a valuable resource and sites operate at a high efficiency in terms of salvaging raw materials. Any material that cannot be reused is segregated and collected for recycling. The same applies to many other materials that we handle such as scrap metal, cardboard boxes/tubes, wooden pallets and shrink wrap. The Group is making good progress on the reduction of waste disposal.

ELECTRICITY USAGE PER TONNE KWH/T



WATER USAGE PER TONNE L/T



CARBON TRUST FTSE4Good IK Industrievereinigung Kunststoffverpackungen e.V. incpen The Packaging Federation PAFA Packaging and Films Association

CORPORATE RESPONSIBILITY
continued

Managing social impacts

HEALTH AND SAFETY

Over recent years RPC has brought the safety of its people and those that it affects to the forefront of all of its activities. There has been a drive throughout the company to make safe working an integral part of the day job of all employees and visitors.

RPC has concentrated on raising awareness of potential hazards so that their identification has become a reflex and resolving them has become a priority. This has helped to make the Group's operations safer and better organised as hazards are engineered out of existing and new plant and equipment.

SAFETY WEEK

RPC's objective is to make safe working 'part of its DNA' and it is clear to all who visit or work on its sites that health and safety is integral to all that it does. In 2012, the Group built upon the success of the RPC Safety Week, focusing on developing in all employees a habitual awareness of the impact that their actions have on each other.

The slogan 'RPC: Safe for you, Safe for me' was the basis for Safety week, reinforcing the belief that each RPC employee and visitor has an obligation to carry out their function in a safe manner and at the same time look out for the safety of those with whom they interact.

All of the sites involved employees and their families in informative and fun activities designed to raise awareness of the benefits of working safely and of looking out for each other and also the potential consequences of unsafe behaviour.

The Group ran internet based safety training courses, fire drills, and mock emergencies to equip employees with the skills and knowledge that they would need in the event of an emergency at home or at work

Training in 'safety skills for life' such as basic first aid and fire fighting helped us to develop habitual safe behaviours both at home and at work.

SAFETY TRAINING FOR SENIOR MANAGERS

The Group ran a number of training programmes with general managers, cluster managers and Board members completing the Institution of Occupational Safety and Health (IOSH) approved 'Safety for Senior Executives' course, reinforcing its commitment to competent leadership in safety.

WORKPLACE TRANSPORT SAFETY

Workplace transport was identified as a key area to improve in 2012 and a number of measures were implemented at sites through the Group to minimise the chance of accidents in this area. Actions included changes to Personal Protective Equipment (PPE), including high visibility clothing, changes to the access and site rules for fork-lift trucks. Accidents involving moving vehicles reduced by 9%.

SLIPS TRIPS FALLS

There was a reduction in slips, trips and falls of 18% with a reduction of 68% in reportable accidents.

Improvement activities, whilst coordinated from the centre are carried out and driven home in each manufacturing site by the workforce, implementing changes in the way that suits it best, taking the relevant areas of Group and industry good practice that best suit the local environment.

WILLIS-RPC BLUE SAFETY PROGRAMME

The RPC Blue Safety programme, run in conjunction with Willis, continued and the Group more than doubled the number of trained safety auditors at its sites. New auditors carried out site audits together with internal and external safety auditors, bringing with them knowledge of their local best practices and taking away ideas to develop on their own sites. Sharing experiences and solutions throughout the Group enables the business to bring in positive changes quickly. In allowing sites the freedom to adapt ideas to their specific equipment, procedures and physical structures, these changes are embedded more rapidly which fits well with the entrepreneurial and competitive cultures of RPC's businesses.

All of the on-going businesses were audited this year with the Superfos businesses fully integrated in the system and 75% (2012: 72%) of sites achieved the highest 'Blue' safety grading.

Focus on improving the lower scoring sites had a significant impact, both in the results of the audits and the levels of accidents sustained in the sites.

ACCIDENT STATISTICS

Reportable Accident Frequency Rate (RAFR) is the key metric used to measure accident levels across the Group, calculated from the number of '3 day' accidents per 100,000 employees.

2012 saw a further reduction in RAFR to its lowest level ever in the Group, following an excellent improvement in 2011. The improvement has been made in almost every cluster as efforts in safety awareness and investment in equipment bear fruit.

The total number of reportable (3 day) accidents reduced by 26% compared with the previous year.

Fire safety training at a Superfos site.

'Safe for you, Safe for me' 'Like' badges given to employees at Gent for carrying out work safely.

ETHICS

The Group aims to act responsibly and with integrity, respecting the laws and regulations of all the countries within which it operates as well as internationally accepted standards of responsible business conduct. The Group requires high standards of professional and ethical conduct from all employees, officers and directors. These policies are now set out in a Code of Business Conduct which can be read in full on the Group's website www.rpc-group.com.

Each business within the Group is expected to operate with policies and procedures which are consistent with the Group's values and standards. In all dealings, all employees and other persons acting on behalf of the Group are expected to:

- engage in honest and ethical conduct, including the ethical handling of actual or apparent conflicts of interest between personal and professional relationships;
- maintain effective procedures to prevent confidential information being misused or used for personal gain;
- advance the legitimate interests of the Group, having regard to the Group's values and standards, as set out in the Code;
- comply with all applicable laws, rules and regulations in every country in which the Group operates;
- treat customers fairly, openly and honestly;
- be intolerant of discrimination, harassment or victimisation;
- maintain high standards of integrity in business relationships with suppliers; and
- encourage the use of those suppliers who operate with values and standards equivalent to the Group's.

The Group does not employ child or forced labour in any of its operations. A child is as defined in the International Labour Organisation Convention.

EMPLOYEES

Training and Development

Employees are provided with training in order to give them the necessary skills to perform their duties and where appropriate to develop those skills and progress their career. The Group invests in a range of development activities including NVQs and apprenticeship schemes and supports other professional and technical training.

The Group recruits a number of trainees every year in a wide range of disciplines including electronic engineering, warehouse logistics and toolmakers with the training in these programmes lasting up to three years.

Communication

The Group established a European Works Council in 1998 which meets once a year and a steering committee that meets four times a year. The European Works Council brings together employee representatives from across the Group's operations to discuss business matters with senior managers within the Group including Board members. This involves the provision of information concerning the Group, consultation and discussions. In addition there are national and site-based works councils or employee forums that discuss more local business matters.

An employee newsletter 'Perspectives' is issued regularly in five languages. Employees are encouraged to make their views known to the directors and senior management of the Group.

CUSTOMERS AND SUPPLIERS

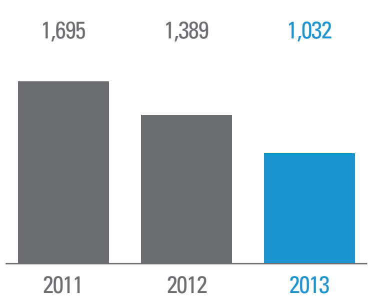
The Group seeks to be honest and fair in its relationships with customers and suppliers, to provide customers with standards of product and service that have been agreed and to pay suppliers and sub-contractors on agreed terms.

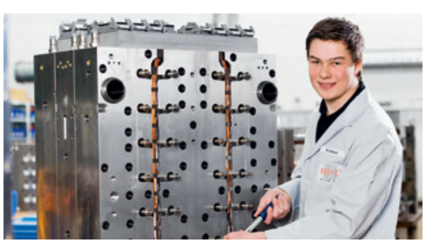
It is Group policy to maintain accreditation to the quality management standard ISO 9001 and encourage operating units to gain accreditation to any specific standards required by the markets served or by customers such as the British Retail Consortium and Institute of Packaging (BRC/IOP) Food Packaging Standard. Currently 41 of the Group's manufacturing operations have ISO 9001 accreditation and 29 operating units have BRC/IOP accreditation.

COMMUNITY

The Board supports initiatives by operating units to engage with their local community. Operating units and their staff participate in a variety of local activities including projects with local schools, charity events and factory open days. The Group policy on donations is to support local educational and charitable causes, and in particular those where employees and their families are involved in the fund raising.

REPORTABLE ACCIDENT FREQUENCY RATE

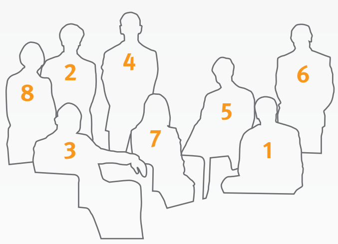




An apprentice toolmaker in Germany working on a multi-cavity injection mould.

RPC Bramlage's current apprentices and their mentors.

BOARD OF DIRECTORS



1. R J E MARSH, BA (62)

CHIEF EXECUTIVE (until 1 May 2013)

Committees:
– None

Joined RPC:
Chief Executive from July 1989 until 1 May 2013.

Retiring as a director on 10 July 2013.

Experience:
Working in the manufacture and sale of folding cartons first with Metal Box from 1971 to 1987 and subsequently with Reed International and Reedpack. Appointed Chief Executive of Reedpack's plastic packaging businesses before leading the buy-out of RPC in 1991 and subsequent flotation in 1993. Appointed on 7 March 2011 as a non-executive director of British Polythene Industries PLC, one of the world's leading polythene film manufacturers and Europe's largest recycler of waste polythene film. Stepped down as Chief Executive of RPC Group on 1 May 2013 and will retire from the Board at the AGM on 10 July 2013.

2. DRS P R M VERVAAT, RC (48)

CHIEF EXECUTIVE (from 1 May 2013)

Committees:
– None

Joined RPC:
Joined as Finance Director on 1 November 2007.

Appointed Chief Executive effective from 1 May 2013.

Experience:
Joined Dutch metals producer, Hoogovens Groep in 1987 and held various finance positions in the Netherlands, Germany and Belgium. Joined Dutch ship propulsion producer Lips Group as Chief Financial Officer in 1996. In 1999 returned to Hoogovens Groep (acquired by Corus) and in 2004 became divisional Finance Director of the £3bn turnover Corus Distribution and Building Systems Division. Also chaired the Supervisory Board of a Norwegian joint venture, Norsk Stal, during this time.

3. S J KESTERTON, ACMA CGMA (39)

GROUP FINANCE DIRECTOR

(from 1 May 2013)

Committees:
– None

Joined RPC:
Joined as Group Finance Director designate on 1 April 2013.

Becoming Group Finance Director from 1 May 2013.

Experience:
Career in finance began in the engineering and manufacturing industry in the 1990's and developed into leading financial roles in British Federal and the European business of automotive supplier Collins & Aikman Inc. In 2006 appointed Chief Financial Officer of IAC Group Europe headquartered in Dusseldorf, and in 2011 as Chief Strategic Officer, European CFO and Director of IAC Group Global until August 2012. IAC Group is an international, multi-billion dollar, leading tier 1 supplier of automotive components and systems.

4. J R P PIKE, MBA MA MIMECHE (58)

NON-EXECUTIVE CHAIRMAN

Committees:
– Nomination (Chairman)

– Remuneration (from 1 April 2012 to 30 May 2012)

Joined RPC:
Appointed as non-executive Chairman on 23 July 2008.

Experience:
Joined Burmah Castrol in 1991. Rose to Chief Executive of Burmah Castrol Chemicals before leading the buy-out of Foseco in 2001 and its subsequent flotation in 2005. Chief Executive of Foseco plc until it was acquired in April 2008. Previously a non-executive director of RMC Group plc, Kelda Group plc and the Defence Support Group. Currently Chairman of a US plastics recycling business, MBA Polymers Inc. and non-executive director and Chairman of Tyman plc (previously Lupus Capital plc). Appointed as Chairman of Lafarge Tarmac Limited a 50:50 joint venture between Lafarge and Anglo American in the UK completed in January 2013.

5. S ROJAHN, DIPL-ING MSIE (64)

INDEPENDENT NON-EXECUTIVE DIRECTOR

Committees:
– Remuneration (Chairman from 1 April 2012)

– Nomination

– Audit

Joined RPC:
Appointed as an independent non-executive director on 25 January 2006.

Experience:
Held various engineering, technical, operational and managerial roles with the Bosch Group from 1978 to 2001 culminating in a position on the Board of Management. Joined Dürr AG in 2002 becoming Chairman of the Board of Management from 2003 to 2005. In 2006 became Chairman of the Board of Management of Wittur Holding GmbH, a global supplier of components to manufacturers of elevators until retired on 31 March 2012. Currently on the Supervisory Board of Brabant Alucast International BV.

6. M G TOWERS, BA FCA (60)

SENIOR INDEPENDENT DIRECTOR
(from 1 April 2012)

Committees:
– Audit (Chairman)

– Remuneration

– Nomination

Joined RPC:
Appointed as an independent non-executive director on 1 April 2009.

Experience:
Appointed Group Finance Director of McCarthy & Stone plc in 1990. Subsequently, Group Finance Director of The Spring Ram Corporation plc, Allied Textile Companies plc and Yorkshire Group plc. Group Finance Director of Kelda Group plc from 2003 until its takeover in February 2008. Non-executive director of Homestyle Group Plc from 2004 to 2006 becoming Audit Committee Chairman and Senior Independent Director. Appointed non-executive director of Spice plc in June 2009 and subsequently as Chief Executive until business sold in December 2010. Currently Chairman of the audit committee of KCOM Group PLC and Chairman of the audit committee and Senior Independent Director of Tyman plc (previously Lupus Capital plc). Appointed as Chairman of Norcros plc in November 2012 where he had previously been Senior Independent Director.

7. DRS I HAAIJER, (43)

INDEPENDENT NON-EXECUTIVE DIRECTOR
(from 30 May 2012)

Committees:
– Nomination (from 30 May 2012)

– Remuneration (from 30 May 2012)

– Audit (from 30 May 2012)

Joined RPC:
Appointed as an independent non-executive director on 30 May 2012.

Experience:
Began international career in product development and marketing before becoming a management consultant for The Boston Consulting Group. Subsequently joined Royal Philips Electronics as Vice President tasked to lead the creation of the company's new Consumer Health and Wellness business unit and leading the acquisition of the number one global infant nutrition brand, AVENT, culminating with appointment as Chief Executive Officer of Philips AVENT. Served on the advisory board of Van der Wal Transport and on the boards of two foundations in the Netherlands. Currently President of the global DSM Personal Care business unit and a member of the Executive Committee of the DSM Nutritional Products division of Royal DSM NV. Based in Basel, Switzerland.

8. R K JOYCE, BA ACA ACIS (54)

COMPANY SECRETARY

Joined RPC:
Joined RPC in June 1989.

Appointed as Company Secretary in November 2000.

CHANGES TO THE BOARD

On 1 April 2012 M G Towers was appointed Senior Independent Director, S Rojahn was appointed as Chairman of the Remuneration Committee and J R P Pike was appointed as a member of the Committee. I Haaijer was appointed as an independent non-executive director on 30 May 2012 and as a member of the Nomination, Remuneration and Audit Committees. J R P Pike ceased to be a member of the Remuneration Committee on the same date. S J Kesterton joined the Board as Group Finance Director designate on 1 April 2013 becoming Group Finance Director with effect from 1 May 2013.

CORPORATE GOVERNANCE

PRINCIPLES STATEMENT

The Board recognises and fully supports the value of good corporate governance as an important factor in achieving its overall objectives. In accordance with the Financial Conduct Authority UK Listing Rules a statement describing how the Company has applied the Main Principles contained in the June 2010 UK Corporate Governance Code (the Code) issued by the Financial Reporting Council (available at www.frc.org.uk) and the statements required by sections 7.1 and 7.2 of the Disclosure and Transparency Rules are set out in this report together with the Directors' report, Operating and Financial reviews, Corporate Responsibility report and the Remuneration report.

STATEMENT OF COMPLIANCE

With the exceptions set out below, the Company has complied with the provisions of the Code throughout the period under review (references are given to the relevant Code provision):

C.3.1 Following the retirement from the Board of P S Wood on 31 March 2012, the Audit Committee membership reduced from three to two independent non-executive directors as there were only two independent non-executive directors remaining on the Board. The membership increased to three with the appointment of I Haaijer as an independent non-executive director and member of the Audit Committee on 30 May 2012. There were no Committee meetings held during this period where there were only two members in attendance.

D.1.5 Notice in the event of a change of control for P R M Vervaat exceeded one year and did not revert to one year after an initial period of employment for the period from his appointment until 30 June 2012. With effect from 1 July 2012 notice in the event of a change of control is one year and therefore the Company has been in compliance with this Code provision since that date.

D.2.1 Following the retirement from the Board of P S Wood on 31 March 2012, the Remuneration Committee membership reduced from three to two independent non-executive directors. On 1 April 2012 the Company Chairman, J R P Pike, who was independent on appointment, was appointed as a member (but not as chair) of the Committee. The membership increased to three independent non-executive directors following the appointment of I Haaijer as a director and member of the Remuneration Committee on 30 May 2012 and J R P Pike ceased to be a member of the Committee on the same date. There was one Committee meeting held during this period where there were only two independent non-executive directors in attendance.

LEADERSHIP

THE ROLE OF THE BOARD

The Board is principally concerned with the overall leadership, strategy and development of the Group in order to promote the success of the Group for the benefit of its shareholders as a whole within a framework of effective controls which enables risk to be assessed and managed. The Board sets the Group's strategic objectives, ensures that the necessary resources are in place for the Group to meet its objectives, reviews management performance and ensures that high ethical standards of behaviour are followed.

In its decision-making processes, the Board takes into account the likely consequences of any decision in the long-term, the interests of the Company's employees, relationships with suppliers and customers, the impact of the Company's operations on the community and the environment and maintaining the Company's reputation for high standards of business conduct.

A formal schedule of matters reserved for the Board includes:

- approval of the Group's objectives, strategic plans and annual budgets;
- authorisation of material acquisitions, disposals, capital investments, credit facilities, contracts and transactions;
- approving changes to the Group's capital structure, listing and legal and organisational structure;
- approval of financial reports, dividend policy and communication with shareholders and the market;
- monitoring the Group's management, operating and financial performance;
- review of risk assessments and the effectiveness of internal controls;
- responsibility for Board membership and appointments, directors' remuneration and contracts and remuneration policy; and
- Group corporate governance and approval of Group policies.

Matters not specifically reserved for the Board and the day-to-day operations of the Group are delegated to management.

During the year under review, since the appointment of I Haaijer (independent non-executive director) on 30 May 2012, the Board has consisted of six directors being a non-executive Chairman, three independent non-executive directors and two executive directors. The names and biographical details of the directors are shown on page 38 and 39. The significant commitments outside the Group of the Chairman and non-executive directors are given in their biographies. Changes to such commitments are reported to the Board as they arise.

The Board meets at least six times each year. In addition, a meeting is held specifically to discuss Group strategy. Normally at least one meeting is combined with a visit to an operating unit and the opportunity to meet the local management team. The directors review the frequency of meetings each year as part of the Board performance evaluation process. The number of Board and Committee meetings held during the year and attendance by their members is given in the table below. Directors who are unable to attend a meeting receive the agenda and meeting papers and provide the Chairman with their comments before the meeting.

	Board		Nomination Committee		Remuneration Committee		Audit Committee	
	Number of meetings	Number attended	Number of meetings	Number attended	Number of meetings	Number attended	Number of meetings	Number attended
Non-executive directors								
J R P Pike[(1)]	7	7	6	6	1	1	n/a	n/a
I Haaijer[(1)]	7	7	4	4	6	6	4	4
S Rojahn	7	7	6	6	7	7	4	4
M G Towers	7	7	6	6	7	7	4	4
Executive directors								
R J E Marsh[(2)]	6	6	n/a	n/a	n/a	n/a	n/a	n/a
P R M Vervaat[(2)]	6	6	n/a	n/a	n/a	n/a	n/a	n/a

(1) Number of meetings held and attended while a member of the Remuneration Committee (J R P Pike) or since appointed to the Board (I Haaijer).

(2) The executive directors did not attend a Board meeting held to consider the succession of the Chief Executive.

The main areas of business dealt with by the Board during the year other than routine matters included:

- Continued development of the Group's strategy and objectives including exploring opportunities for further organic and acquisitive growth.
- Considering succession of the Chief Executive and Finance Director.
- Monitoring the integration of the Superfos businesses into the Group which was completed during the year including the closure of Superfos Runcorn in the UK.
- Acquisition of the Manuplastics business enhancing the Group's UK manufacturing and sales base for personal care.
- Withdrawal from the loss-making vending cups market in mainland Europe and the closure of the site at Kajárpéc (Hungary) and restructuring of operations at Deventer (the Netherlands) and Bouxwiller (France).
- Sale of loss making automotive parts business at Neutraubling (Germany).
- Approving and monitoring the 'Fitter for the Future' business optimisation programme, including optimising the pan-European thermoforming and injection moulded spreads businesses resulting in the planned closure of the sites at Antwerp (Belgium) and Beuningen (the Netherlands) and transfer of business to other sites and cost efficiency restructuring at other operations in the Group.
- Monitoring the risks faced by the Group including the macro-economic environment particularly in the UK and the Eurozone, and the effects of the weakening of the euro and movements in polymer prices.
- Approving investment in capital projects including expansion of facilities at Morgantown (USA) and new products such as dispensers and jars for the personal care market and in-mould labelled, injection-moulded tubs for the spreads market.
- Approving a £60m bilateral term loan (currently undrawn) expected to provide additional credit facilities for expansion through acquisition.

CHAIRMAN AND CHIEF EXECUTIVE

The non-executive Chairman of the Board is J R P Pike and during the year under review the Chief Executive was R J E Marsh. On 1 May 2013 R J E Marsh stepped down as Chief Executive and P R M Vervaat acceded to the role.

The roles of the Chairman and the Chief Executive are clearly defined and set out in a written statement on the division of responsibilities between the Chairman and Chief Executive approved by the Board. The Chairman is responsible for the leadership and effective running of the Board and its decision-making processes, for setting the highest standards of integrity and probity, for setting its agenda and the style and tone of Board discussions. The role includes:

- leading the Board in determining strategy and the achievement of the Group's objectives, while ensuring that the Board determines the nature and extent of the significant risks associated with the implementation of its strategy;
- creating the conditions for overall Board and individual director effectiveness;
- ensuring effective communication with shareholders and safeguarding their interests;
- ensuring that directors keep their skills, knowledge and familiarity with the Group up to date;
- regularly considering succession planning and the composition of the Board; and
- ensuring that directors receive accurate, timely and clear information.

The Chief Executive is responsible for the day-to-day running of the Group's business, except for matters specifically reserved for the Board.

The Board considered that on appointment, J R P Pike met the independence criteria set out in provision B.1.1 of the Code. In January 2013, J R P Pike was appointed as Chairman of Lafarge Tarmac Limited, a 50:50 joint venture between Lafarge and Anglo American in the UK. The Board is satisfied that the Chairman's external commitments do not interfere with the performance of his duties to the Company.

The Chairman held formal and informal meetings with the non-executive directors during the year to discuss Board related matters, including executive director succession, without the executive directors present.

CORPORATE GOVERNANCE
continued

THE ROLE OF NON-EXECUTIVE DIRECTORS

The Company had three non-executive directors at the date of this report whose role, in addition to the general duties and responsibilities of directors, is to:

- constructively challenge and help develop proposals on strategy;
- scrutinise the performance of management in meeting agreed goals and objectives and monitor the reporting of performance;
- ensure the integrity of financial information and that financial controls and systems of risk management are robust and defensible;
- determine appropriate levels of remuneration of executive directors and have a prime role in appointing, and where necessary removing, executive directors and in succession planning;
- uphold high standards of integrity and probity and support the Chairman and the other directors in instilling the appropriate culture, values and behaviour in the boardroom and beyond;
- insist on receiving high-quality information sufficiently in advance of Board meetings; and
- take into account the views of shareholders and other stakeholders where appropriate.

SENIOR INDEPENDENT DIRECTOR

M G Towers was the Senior Independent Director throughout the year under review and up to the date of this report. The Senior Independent Director is available to meet with major shareholders on request and to enable shareholders to voice any concerns that contact through the normal investor communication channels of Chairman, Chief Executive or Finance Director has failed to resolve or is inappropriate. The Senior Independent Director provides support for the Chairman on Board matters.

Led by the Senior Independent Director, the non-executive directors have met informally at least once during the year without the Chairman present in order to appraise the Chairman's performance.

BOARD COMMITTEES

There are three principal Board committees, all of which operate under written terms of reference which are available from the Company Secretary or the Company's website. The terms of reference, performance and membership of the Audit, Remuneration and Nomination Committees are reviewed and, if appropriate, updated each year by the relevant committee and the Board. The terms of reference for all three committees were updated during the year in accordance with best practice. The revised terms are available on the Company's website www.rpc-group.com. Only members of a committee are entitled to attend meetings but each committee may invite other directors, managers or advisers to attend. The Company Secretary is secretary to all three committees.

Sufficient resources are provided to enable the committees to undertake their duties and they have authority to appoint independent professional advisers or consultants when required. The Chairman of the relevant committee reports on the proceedings and any recommendations made at the subsequent Board meeting.

DIRECTORS' INDEMNITIES AND INSURANCE COVER

The Board reviews the level of insurance cover in respect of legal action against the Group's directors and officers and senior management on an annual basis. The Board has also provided indemnities to the directors which are described on page 62 of the Directors' report.

EFFECTIVENESS

BOARD COMPOSITION AND INDEPENDENCE

Throughout the year and up to the date of this report, independent non-executive directors comprised at least half of the Board, excluding the Chairman. The independent non-executive directors throughout the year were S Rojahn and M G Towers. On 30 May 2012 I Haaijer was appointed as an independent non-executive director. The independent non-executive directors bring valuable knowledge, a broad range of experience and strong, independent character and judgement to the Board's decision-making process. The Board considered that all these directors, including M G Towers, who since December 2009 holds a non-executive directorship in Tyman plc (formerly Lupus Capital plc) in common with J R P Pike, met the criteria for independence set out in provision B.1.1 of the Code and there were no other relationships or circumstances which were likely to affect, or could appear to affect, the directors' judgement.

The Nomination Committee reviews the size, composition and balance of the Board each year and recommends any changes for the directors to consider. Despite its relatively small size, the Board comprises directors with a wide range of managerial and professional experience from accounting, finance and consultancy to manufacturing, engineering and personal care. Between them the directors have experience of doing business in the UK, Europe and in the USA, South America, India and the Far East. Two of the directors are Dutch nationals and one is German and, since 30 May 2012, there are both male and female members of the Board. The Board has endorsed the policy on diversity, including gender, recommended by the Nomination Committee.

NOMINATION COMMITTEE

The members of the Nomination Committee and its Chairman are as follows:

Name	From	To
J R P Pike (Chairman)	23 July 2008	To date
S Rojahn	25 May 2006	To date
M G Towers	1 April 2009	To date
I Haaijer	30 May 2012	To date

The Committee meets at least twice each year and thereafter as circumstances dictate. The number of meetings held during the year and the attendance of members of the Committee are shown in the table on page 41. The Chief Executive and Finance Director attended meetings by invitation.

During the year the Committee reviewed and updated its terms of reference. The main responsibilities of the Committee are to:

- review and make recommendations to the Board on the structure, size and composition of the Board;
- give full consideration to succession planning for directors and other senior managers;
- evaluate the balance of skills, knowledge and experience of the Board;
- prepare a description of the role and capabilities required for a particular appointment;
- identify and nominate for the approval of the Board, candidates to fill Board and senior management vacancies as and when they arise;
- annually review the time required from non-executive directors and evaluate the membership and performance of the Board and its committees; and
- recommend the re-appointment of non-executive directors and re-election of directors.

Each year the Committee reviews the Board's structure, size, composition and balance and the membership of Board committees. It also reviews the performance of the Board, its committees and the individual directors, the independence of non-executive directors and time commitment required from them and makes recommendations to the Board.

The Committee considers plans for the succession of directors and senior managers including the identification of internal managers who may be suitable for more senior positions in due course with the appropriate development of skills and experience.

The Committee is responsible for recommendations for appointments, re-appointments and re-election of directors. Recommendations for re-appointment and re-election are made following review of the directors' performance and consideration of the need to progressively refresh the Board.

The Nomination Committee has considered the recommendations made by Lord Davies in his 'Report on Women on Boards' and the amendments made to the UK Corporate Governance Code by the Financial Reporting Council on diversity on boards including gender. The policy recommended by the Committee and endorsed by the Board is that the search for Board candidates will continue to be conducted and appointments made on the basis of merit and the most appropriate experience against objective criteria in the best interests of shareholders. In selecting candidates due regard will be given to the benefits of different nationalities, experience in a variety of business sectors and European and global markets and diversity on the Board, including gender.

During the year the Committee concluded the search for a new non-executive director to refresh the composition of the Board and to provide for the succession of non-executive directors. External search consultants, KORN/FERRY Whitehead Mann, had been engaged to search for suitable candidates with financial or operational experience with the aim of including women in the shortlist of suitable candidates. I Haaijer was selected and recommended to the Board after interviews of a shortlist of candidates matching the description of the role and appropriate due diligence. The Committee also recommended and the Board subsequently approved I Haaijer's appointment to the Board's committees. A summary of her career is given in her biography on page 39.

On 1 October 2012, the Board received and accepted formal notification from R J E Marsh of his intention to retire with effect from 1 October 2013. The Nomination Committee carefully considered the succession of the Chief Executive and concluded that the position would not be advertised externally and recommended that P R M Vervaat, who had five years' experience of the business of the Group and the appropriate knowledge and skills to fulfil the role of Chief Executive of the Company, be appointed. The Board approved the recommendation of the Committee.

In consultation with P R M Vervaat, the Committee appointed external search consultants, KORN/FERRY Whitehead Mann, and agreed a job description and attributes for the role of Finance Director. The Committee drew on the financial expertise of the Chairman of the Audit Committee, M G Towers, who interviewed a shortlist of suitable potential candidates prepared by the consultants together with P R M Vervaat and put forward their recommendations to the Committee. Following interviews by all members of the Nomination Committee, S J Kesterton was selected and recommended, subject to appropriate due diligence, and the Board subsequently approved his appointment as Group Finance Director designate with effect from 1 April 2013.

CORPORATE GOVERNANCE
continued

The opportunity to appoint S J Kesterton permitted the Committee and the Board to agree an earlier transition than previously contemplated. Consequently, with the agreement of the Committee, the Board and the other relevant parties, R J E Marsh stepped down as Chief Executive on 1 May 2013 and will remain on the Board until formally retiring as a director at the AGM on 10 July 2013. P R M Vervaat acceded to the role of Chief Executive on 1 May 2013 and S J Kesterton became Group Finance Director on the same date.

The Board's policy is that all the directors should submit themselves for re-election by shareholders annually. The Committee has recommended and the Board has approved resolutions for the re-election of P R M Vervaat and all three independent non-executive directors, following reviews of their performance, and the election of S J Kesterton at the forthcoming AGM. The Board has recommended the re-election of the Chairman, J R P Pike, following a review of his performance led by the Senior Independent Director, at the AGM.

KORN/FERRY Whitehead Mann has no other connection with the Company other than as external search consultants to the Nomination Committee for the recruitment of the directors described above.

APPOINTMENT, ELECTION AND RE-ELECTION OF DIRECTORS

The Nomination Committee is responsible for recommending new appointments to the Board. In accordance with the Company's Articles of Association all directors appointed to the Board, other than at the Annual General Meeting (AGM), are required to retire at the following AGM when they may offer themselves for election; thereafter they must submit themselves for re-election at intervals of no more than three years. However, the Board has adopted a policy of annual re-election of all directors in accordance with the provisions of the Code. Consequently, with the exception of R J E Marsh who will retire as a director at the conclusion of the AGM on 10 July 2013, all the directors in office at the date of this Report will submit themselves for election or re-election on an individual basis at the forthcoming AGM and annually thereafter.

Non-executive directors are appointed for terms of three years (or less), subject to annual re-election by shareholders, but the Board may terminate their appointment without notice or compensation at any time. The Board is responsible for the appointment or, subject to effective performance and commitment, re-appointment of non-executive directors and setting their remuneration, which consists solely of directors' fees. A rigorous review of performance, taking into account the need for progressively refreshing the Board, is conducted when a non-executive director is proposed for re-appointment on completion of two terms of three years. Non-executive directors may not normally serve longer than nine years.

Although S J Kesterton has only recently been appointed to the Board, he is undergoing an intensive induction programme and is already making a valuable contribution to the Board as a result of his commercial and financial skills gained from operating in a competitive international manufacturing environment. Since he was appointed after the last AGM the Board is recommending him for election at the forthcoming AGM. Following the formal evaluation of each of the other directors in office at the date of this report, the Board recommends their re-election at the forthcoming AGM.

All the non-executive directors continue to be effective and demonstrate independence of character and judgement and commitment to the role. Biographical details of all of the directors are given on pages 38 and 39. Further information on the contribution made by each director to the Board may be found in the explanatory notes to the Notice of AGM on page 118.

The Remuneration Committee is responsible for approving executive directors' service contracts. Details of these contracts are given in the Remuneration report. Copies of executive directors' service contracts and terms and conditions of appointment for non-executive directors are available for inspection at the Company's registered office and at the AGM.

INFORMATION AND PROFESSIONAL DEVELOPMENT

The Board is provided with relevant information on the activities of the Group in a timely manner and in a form and of a quality to enable it to discharge its duties. There is a procedure established for directors to take independent professional advice at the Company's expense, where they judge it necessary to discharge their responsibilities. In addition, all Board members have access to the advice and services of the Company Secretary.

The Company Secretary is responsible to the Board for ensuring that Board procedures are followed, that applicable rules and regulations are complied with and for advising the Board through the Chairman on all governance matters. Under the direction of the Chairman, the Company Secretary's role also includes ensuring good information flows within the Board and committees and between executive and non-executive directors and facilitating induction as required.

Newly appointed directors receive a formal induction tailored to the needs of the Group following good practice guidance on induction. On appointment, directors receive information about the Group including the role of the Board and matters reserved for its decision, the terms of reference and membership of the Board's committees, the Group's corporate governance policies and procedures, the latest financial information about the Group and training in the duties and responsibilities of directors of listed companies. For non-executive directors, this is supplemented by meetings with executive directors and senior executives and visits to key locations with the opportunity to meet local management to assist in the process of learning about the business. Throughout their period of office directors are continually updated on the Group's business, the competitive and regulatory environments in which it operates, corporate responsibility and sustainability matters and other changes affecting the Group, its markets, manufacturing processes and the industry.

All directors have access to training in the furtherance of their duties at the Company's expense. The Chairman is responsible for ensuring that the directors keep their skills and knowledge and their familiarity with the Group up to date in order to fulfil their roles on the Board and on Board committees. The Company Secretary briefs the Board on corporate governance matters and relevant changes to corporate laws and regulations and facilitates professional development by regularly circulating details of and arranging attendance at seminars. Executive directors also attend seminars on topics of particular relevance to their roles.

PERFORMANCE EVALUATION

The Board conducts an annual review of its performance and that of its committees and the individual directors. For 2012/13, the review was undertaken for the first time by an external facilitator, Independent Audit Limited, a firm of specialist board governance consultants. They do not have any other connection with the Company.

The review was based on a combination of questionnaires and interviews. Independent Audit's Thinking Board questionnaire platform was initially used to gauge the views of the directors and certain key executives (and to provide a benchmark for next year's review). Interviews were subsequently held to follow up this exercise. Independent Audit also observed a Board meeting and considered the quality of Board papers. The review covered key areas of Board and committee performance including:

- the Board's role;
- composition, skills and dynamics;
- the focus of the Board's work;
- meetings;
- information and decision-making; and
- internal and external communications.

The committee reviews considered their remit, membership, support and performance.

The Board and committee reviews were undertaken in January 2013 and Independent Audit reported back their findings at the March Board meeting. Their overall assessment was that the Board and its committees were performing well, and no high priority recommendations were made. A number of actions were identified that should continue to improve the effectiveness of the Board, including greater consideration of succession planning and developing greater interaction between the Board and cluster management. Progress on these matters will be periodically reviewed by the Board.

Drawing on the Board and committee reviews and using individual director questionnaires, the Chairman undertook a review of the performance of each of the directors. The Senior Independent Director undertook a review of the performance of the Chairman after taking into account the views of all the directors. The results of these individual reviews and any improvements or personal objectives were discussed with the relevant directors on a one-to-one basis.

The Board intends to engage an external facilitator again in three years' time. Next year's review will be conducted internally, with the focus being on progress against the 2012/13 Thinking Board assessment and the areas identified for improvement in this year's review.

ACCOUNTABILITY

AUDIT COMMITTEE

The members of the Audit Committee and its Chairman are as follows:

Name	From	To
M G Towers (Chairman)	1 April 2009	To date
S Rojahn	1 April 2009	To date
I Haaijer	30 May 2012	To date

The Board is satisfied that M G Towers, a chartered accountant, has recent and relevant financial experience and has extensive experience in senior finance roles. The Committee meets at least three times each year and thereafter as circumstances dictate. The number of meetings held during the year and the attendance of members of the Committee are shown in the table on page 41. The external auditors attend meetings of the Committee, other than when their appointment or performance is being reviewed. The Finance Director, other members of the Board, the Group Controller and the Group Internal Audit Manager attend Audit Committee meetings as appropriate. The Committee meets with the auditors without any other directors or management present at least twice each year.

During the year the Audit Committee reviewed and updated its terms of reference in accordance with best practice. The revised terms are available on the Company's website www.rpc-group.com.

The main responsibilities of the Audit Committee are to:

- monitor the financial reporting process including the integrity and clarity of the financial statements of the Company and review any significant financial reporting issues and judgements which they contain;
- review and challenge where necessary the consistency of and changes to accounting policies, the methods used to account for significant and unusual transactions and whether the Company has followed appropriate accounting standards and made appropriate estimates and judgements;

CORPORATE GOVERNANCE
continued

- approve the external auditors' terms of engagement, audit plan and scope of the audit and review with them the results of their audit and any control issues raised;
- review the effectiveness of the external auditors and their independence and objectivity;
- consider and make recommendations to the Board on the external auditors' remuneration and their appointment, re-appointment or removal;
- review the effectiveness of the Group's internal control and risk management systems and review the Group's procedures for detecting fraud and its systems and controls for the prevention of bribery and receive reports on non-compliance;
- review the Group's arrangements for its employees to raise concerns about possible wrongdoing in financial and other matters; and
- monitor and review the effectiveness of the Group's internal audit function, approve the appointment and removal of internal auditors, review and approve their remit, review and assess internal audit plans, review internal audit reports and monitor management's responses to recommendations.

The Audit Committee fulfilled its responsibilities outlined above during the year.

The Committee's monitoring and review role during the year has been particularly focused on the identification and mitigation of risks associated with the current global and eurozone economic environment and the financial aspects of the integration of Superfos Industries a/s and the Fitter for the Future programme. The Committee, together with the Board, takes care when reviewing the annual report and accounts and half yearly, interim and other relevant published reports to ensure that a fair, balanced and understandable assessment of the Company's position and prospects is presented and that information necessary for shareholders to assess the Company's performance, business model and strategy is provided.

EXTERNAL AUDITORS

KPMG has been the Company's external auditor since 1999 with the lead audit partner changing every five years. There was a new lead audit partner for the year ended 31 March 2012. In early 2012, the Audit Committee conducted an external audit tender. Four audit firms including KPMG Audit Plc were invited to participate in the process. The tender documents and presentations were carefully scrutinised and the candidates assessed according to a range of selection criteria. At the conclusion of the process, the Committee recommended and the Board approved that KPMG Audit Plc be proposed for reappointment as the Company's external auditors. The Committee policy is to put the external audit contract out to tender at least every ten years in accordance with the 2012 edition of the Code, but given the length of tenure of KPMG will consider undertaking another tender at an earlier date. The Committee will continue to monitor best practice developments in the Code and related guidance and any changes at EU level.

The Committee has conducted a detailed review of non-audit fees paid to the external auditor and reviewed monitoring and approval procedures during the year. It is satisfied that the level of fees for non-audit services has not impaired auditor objectivity and independence based on the principles adopted in the Group policy on the engagement of the external auditors to supply non-audit services. Under the policy, the auditors may not be engaged to audit their own work, make management decisions for the Group, have a mutual financial interest with the Group or be put in the role of advocate for the Group. Prior approval of the Audit Committee is required for non-audit services where the fees are likely to exceed specified limits both for individual assignments and in the aggregate. Details of the amounts payable to the external auditors during the year for audit and other services are set out in note 3 to the financial statements.

In addition to its review of non-audit fees, the Committee has conducted its annual assessment of the external auditors, including matters that might have a bearing on their independence, objectivity and effectiveness of their audit. The assessment takes into account the systems and procedures adopted by KPMG and the results of internal questionnaires. The Committee is satisfied that the external audit process remains effective and that auditor objectivity and independence is properly safeguarded.

Due to an internal reorganisation, the Company's auditor, KPMG Audit Plc, has decided to wind down its audit business and transfer it to KPMG LLP. KPMG Audit Plc has notified the Company that it is not seeking reappointment at the forthcoming AGM and KPMG LLP, an intermediate parent, has agreed to be appointed in its place. The Committee has considered the circumstances and has recommended the appointment of KPMG LLP as the external auditors.

INTERNAL AUDIT

The Group Internal Audit Manager is invited to attend Audit Committee meetings where external audit and internal control matters are considered and to report on the results of internal audits and progress on the implementation of recommendations directly to the Committee. The internal audit process has become well-established and has continued to develop to take into account the expansion of the Group and new responsibilities, such as Bribery Act 2010 compliance and IT audits. During the year, the Committee approved the annual internal audit plans and the scope of audits. It also reviewed the results of audits and the internal audit resources in respect of the Group.

RISK MANAGEMENT AND INTERNAL CONTROL

The Board has overall responsibility for the Group's system of internal control and for reviewing its effectiveness. The internal control systems are designed to meet the particular needs of the Group and to manage rather than eliminate the risk of failure to achieve business objectives. Such systems can only provide reasonable and not absolute assurance against material misstatement or loss.

Throughout the year and up to the date of approval of this Annual Report and Accounts there has been in place an established, ongoing process for identifying, evaluating and managing the significant risks faced by the Group which has been regularly reviewed by the Audit Committee and the Board, and is in accordance with the Internal Control: Revised Guidance for Directors on the Combined Code.

The key procedures in the Group's process for reviewing the effectiveness of internal controls are summarised below:

- There is a clearly defined Group management responsibility and reporting structure.
- The Group's objectives are reviewed as part of the strategic planning process and communicated throughout the Group. Objectives are set for individual operating units as part of the strategy review process.
- A three-year strategy review is prepared for the Board's consideration each year. This is appraised in the light of the strategic and other relevant risks and issues faced by the Group, the resources available and its objectives.
- Risk assessment and evaluation take place as an integral part of the Group's annual strategic planning cycle. The Group has a detailed risk management process, which identifies the key risks faced by the individual reporting entities and the Group as a whole and the actions and controls required to manage these risks. The process is reviewed each year to ensure it remains relevant to the business over time. The Board and Audit Committee review this information as part of the internal control review.
- The directors are required to approve yearly financial budgets, including capital expenditure, for each of the Group's operating units. Performance against these targets is monitored monthly and reported on at Board meetings. Reasons for divergences are discussed at Board meetings.
- Managers are responsible for the identification and evaluation of significant risks in their area of business, together with the design and operation of suitable internal controls. Through the use of risk registers, these risks are assessed on a continual basis.
- An annual review is performed on the effectiveness of the system of internal control, including a detailed risk assessment. The internal audit function undertakes work to review the system of internal control at each operation visited and reports findings to management.
- Matters relating to internal control brought to the attention of the management by internal and external auditors are reviewed and any corrective actions to the internal control procedures are made in a timely manner.
- The Group operates an effective group reporting and consolidation system. Written monthly reports, management accounts and key performance indicators are submitted by operating units and reviewed every month by senior management. Significant risks and internal control issues are considered, actions agreed and progress monitored regularly with reporting entities and, where appropriate, at executive and Board meetings.
- Operating units produce plans to improve controls relating to key risks and any significant weaknesses identified by Group executives in addition to other initiatives and ongoing actions in progress at the local or cluster level.
- An Internal Controls Committee, comprising senior finance managers in the Group, ensures that operating units respond to and implement internal control recommendations arising from internal and external audits.
- An interim report is reviewed by the Audit Committee and the Board to monitor the operating units' progress against their plans to improve controls to ensure that necessary actions have been or are being taken to remedy any significant failings or weaknesses identified. The report also includes updates on significant risks and other internal control issues.

Further improvements were made during the year to the Group reporting and consolidation system which has further strengthened the financial reporting and control process in the Group.

The internal audit function has performed reviews at a number of the Group's sites during the year. In addition, the Group has identified a number of risks faced by the business, requiring particular attention to control and monitoring, and these are held in a Group risk register. Details of the specific risks that are seen as particularly important at the current time are given in the Principal Risks on pages 28 and 29.

The directors confirm that they have carried out their annual review of the effectiveness of the system of internal control as it has operated throughout the year ended 31 March 2013 and up to the date of approval of the Annual Report and Accounts. The directors also confirm that necessary actions have been or are being taken to remedy any significant failings or weaknesses identified from that review.

DIRECTORS' CONFLICTS OF INTEREST

Under the Companies Act 2006, a director must avoid a situation where he has, or can have, a direct or indirect interest that conflicts, or possibly may conflict, with the Company's interests – a 'situational conflict'. This is in addition to a duty to disclose any interest in an existing or proposed transaction or arrangement with the Company – a 'transactional conflict'. In accordance with the Act, the Company's Articles of Association contain a provision giving directors who have no interest in the matter, authority to approve such situational conflicts where appropriate.

A formal system and guidance for reporting any situational conflicts of interest to the Chairman and Company Secretary has been established, in addition to the existing duty to notify the Board of any transactional conflicts. Situational conflicts are considered by those directors who have no interest in the matter and they may impose conditions on any authorisation given. Situational conflicts considered by the Board, and any authorisation given, are recorded in the Board minutes and a register of directors' conflicts of interest. In addition to the notification and authorisation system, the register of directors' conflicts of interest is reviewed annually.

CORPORATE GOVERNANCE
continued

REMUNERATION

REMUNERATION COMMITTEE AND POLICY

The members of the Remuneration Committee and its Chairman, its role and responsibilities, its activities during the year under review and details of remuneration policy and directors' remuneration packages are set out in the Remuneration report on pages 49 to 60. The number of meetings of the Committee and attendance are given on page 41.

RELATIONS WITH SHAREHOLDERS

DIALOGUE WITH SHAREHOLDERS

The Company is committed to maintaining an effective dialogue with institutional and private investors. Directors, normally the Chairman or Chief Executive and Finance Director, hold regular meetings with institutional investors at which the Company's past performance and strategy may be discussed. The Board is provided with brokers' reports, surveys on shareholders' views and regular feedback from shareholder meetings. During the year, the Chairman has discussed the Company's governance and strategy with major shareholders and reported any issues or concerns raised at these meetings to the Board. Non-executive directors have the opportunity to attend meetings with major shareholders and expect to attend meetings at their request. Contact with institutional investors, financial analysts, brokers and the press is controlled and procedures are in place to ensure the proper disclosure of inside information in compliance with the Disclosure and Transparency Rules, Financial Services and Markets Act 2000 and Code of Market Conduct.

ANNUAL GENERAL MEETING

Notice of the AGM and related papers are sent to shareholders at least 20 working days before the meeting. An individual resolution on each separate issue is proposed at the AGM, including the Annual Report and Accounts. Shareholders have the opportunity at the AGM to ask questions about the Company's activities and performance. It is the Board's policy that all directors attend the AGM if at all possible and therefore, in normal circumstances, the Chairmen of the Audit, Remuneration and Nomination Committees are available to answer questions. The proxy votes for and against each resolution and votes withheld are counted before the AGM and are made available at the meeting after shareholders have voted on a show of hands. A full breakdown of the voting results detailing the total number of votes for, against and votes withheld in respect of each resolution proposed is published after each AGM and general meeting.

REMUNERATION REPORT

LETTER TO SHAREHOLDERS

Dear Shareholder

This report sets out the remuneration policy for the directors of RPC Group Plc and discloses amounts paid to them over the course of the financial year.

The Government has tabled proposals to reform the way Directors' remuneration is voted upon and reported. The new legislative requirements will not come into effect until October 2013 but, although not mandatory for this report, the Committee has sought to comply with a number of the new requirements early in the interests of best practice. Therefore, this report has been split into two sections:

- Remuneration Policy report which sets out the policy on the remuneration of the executive and non-executive directors; and
- Implementation report which discloses how the current remuneration policy has been implemented in the year ended 31 March 2013.

We will be seeking your support for both parts of the report by way of a single advisory vote at the forthcoming AGM.

PERFORMANCE AND REWARD

The Remuneration Committee considers that the remuneration paid to the executive directors during the year ended 31 March 2013 fairly reflects their individual performance during the year while recognising the challenges that the Company has faced in difficult macro-economic conditions in the Eurozone and UK. Reflecting both the difficult trading conditions and challenging targets, the threshold PBIT (profit before interest and tax) annual bonus target was not met and, as a result, no bonus is payable to the executive directors for the year ended 31 March 2013. The 2010 Performance Share Plan ('PSP') awards, which had a three-year performance period ending 31 March 2013, is expected to vest in full.

SUMMARY OF KEY DECISIONS IN THE YEAR

Following the announcement in early October 2012 that the Chief Executive intended to retire and would be succeeded by the Finance Director, the Remuneration Committee has reviewed the executive director remuneration policy and has made a number of changes. A summary of the remuneration policy which will operate for 2013/14, together with the main components of the packages for the newly appointed executive directors is as follows:

- The Committee has agreed that a competitive, market salary should be paid to the newly appointed Chief Executive as a consequence of his five years' experience and knowledge of the business which has enabled him to make a seamless transition to the role. Consequently, his basic salary from his 1 May 2013 appointment date will be £470,000 p.a.
- In order to attract the best candidate for the role, the Committee has set a market level basic salary for the Finance Director of £310,000 p.a.
- The annual bonus potential will continue to be capped at 100% of salary and based on challenging sliding scale PBIT targets. However, reflecting the Remuneration Committee's desire to align management performance targets with Return on Capital Employed ('ROCE'), one of the key Company objectives, a ROCE moderator will be introduced. This means that bonuses for the year ending 31 March 2014 will be reduced by 12.5% if the targeted level of free cash flow generation is not achieved and by 12.5% if the targeted ROCE is not achieved.
- As part of the recruitment negotiations involving the newly appointed executive directors and connected to the Committee's intention to move the executive remuneration policy closer to market norms, annual PSP awards for executive directors will be increased from 75% of basic salary to 125% of basic salary. Reflecting the increase in award levels and the Committee's desire to introduce an additional performance measure, performance conditions will be amended compared with prior years by reducing the threshold level of vesting from 25% to 20% of an award, increasing the EPS target at the top end and introducing a relative Total Shareholder Return ('TSR') performance condition for one third of PSP awards. Further, shareholding guidelines have been increased from 50% to 100% of basic salary and the Committee has introduced a clawback provision into the PSP rules.
- The Committee has made the performance target ranges more stretching and designed the bonus and PSP scales so that only 50% of an award will be paid at 60% of the target range.

SHAREHOLDER ENGAGEMENT

The Committee continues to take an active interest in shareholder views on our executive remuneration policy and is mindful of the concerns of shareholders and other stakeholders. In this regard, while formal shareholder approval was not required, the changes to the remuneration policy for 2013/14 were discussed with the Company's major investors before this report was finalised. Those consulted were generally supportive of the new remuneration policy.

Our voting result at the 2012 AGM was 99.8% in favour of the Directors' Remuneration report resolution. We hope to receive your continued support at the forthcoming AGM.

S Rojahn

Chairman of the Remuneration Committee

05 June 2013

REMUNERATION REPORT

REMUNERATION POLICY REPORT

SUMMARY REMUNERATION POLICY

ELEMENT OF PAY	PURPOSE AND LINK TO STRATEGY	OPERATION
BASIC SALARY	To attract and motivate the best person for the role. Reflects an individual's skills, experience, role and responsibilities.	Reviewed annually and normally fixed with effect from 1 April. Factors taken into consideration: – responsibilities, abilities, experience and performance of an individual; – the Group's salary and pay structures; and – pay and conditions for the Group's employees in the relevant country. Salaries are periodically benchmarked against companies of a similar size and complexity.
BENEFITS	To provide the tools to facilitate efficient business travel and communication. To provide insured benefits to support the individual and their family during periods of ill health or on death.	Directors are entitled to a fully expensed car, private health insurance, disability and death benefits.
ANNUAL BONUS	Drives and rewards the achievement of the short-term corporate objectives. The deferred element encourages long-term shareholding and discourages excessive risk-taking.	Targets are reviewed annually. The bonus level is determined by the Committee after the year end, based on performance against targets. 50% of bonus paid in cash; 50% of bonus paid in shares which are held for three years subject to continued employment and clawback in the event of a material misstatement of the Group's consolidated results or serious misconduct. An exceptional negative event provision also operates.
LONG-TERM INCENTIVES	Incentivises directors to achieve sustained returns for shareholders, rewards the achievement of the corporate strategy over the long-term and aids retention.	Awards of conditional shares are made annually under a Performance Share Plan ('PSP') with vesting dependent on continued employment and the achievement of performance conditions over three years commencing on 1 April of the year of grant. The Committee reviews the quantum of awards annually and monitors the continuing suitability of the performance measures. The Rules provide for clawback in the event of a material misstatement of the Group's consolidated results or serious misconduct. An exceptional negative event provision also operates.
PENSION	Aids retention and rewards sustained contribution. Reasonable provision for retirement (in accordance with market practice).	Arrangements may be delivered through bespoke pension arrangements (as per P R M Vervaat's current arrangements), the Group's defined contribution arrangement and/or a salary supplement.
ALL-EMPLOYEE SHARESAVE SCHEME	Encourages long-term shareholding in the Company and commitment to the Company.	Invitations made by the Committee under the HMRC approved 2003 Sharesave Scheme or the unapproved 2003 International Sharesave Scheme. Options granted at an exercise price equal to 80% of the market price of the Company's shares at the close of business on the last dealing day, or the average of the last three dealing days, before the invitation date.
SHARE OWNERSHIP GUIDELINES	Encourages long-term shareholding in the Company to provide alignment between executives and shareholders.	Executives are required to retain half of the shares that vest (net of acquisition costs, tax and social security) under the PSP until the guideline is met.
NON-EXECUTIVE DIRECTORS	Reflects time commitments and responsibilities of each role. Reflects fees paid by similarly sized companies.	Cash fee paid monthly. Fees are normally fixed for three years. The next review will take place in March 2014 with any changes effective from 1 April 2014.

OPPORTUNITY	PERFORMANCE METRICS AND PERIOD	CHANGES FROM 2012/13
Annual increase takes into account inflation and is typically limited to the average increase awarded to Group employees in the relevant country. This may be exceeded in exceptional circumstances e.g. promotion, significant increase in responsibilities or personal performance.	N/a	New Chief Executive's basic salary was set at £470,000 p.a. from 1 May 2013. New Finance Director's basic salary was set at £310,000 p.a. from 1 April 2013.
N/a	N/a	As part of the appointment process for Chief Executive and Finance Director, benefit provision has been simplified.
Maximum: 100% of basic salary for the achievement of stretching targets. Threshold: 0% of basic salary.	Performance metrics: Challenging adjusted PBIT targets. Bonus reduced by 12.5% if the Group's consolidated free cash flow generation target is not achieved and/or reduced by 12.5% if the Group's ROCE target for the period is not achieved.	2013/14: Bonus to be reduced by 12.5% if free cash flow target not met and/or 12.5% if ROCE target not met. Previously there was a reduction of 25% for a cash flow target only.
Normal maximum: 125% of basic salary. Exceptional maximum: 200% of basic salary. Threshold: 25% of basic salary.	Performance period: three years. Performance metrics: Two-thirds: Sliding scale EPS targets. One-third: Sliding scale relative TSR targets.	2013/14: Grant policy increased from 75% to 125% of basic salary. Performance metrics: TSR added for 2013 awards (previously awards were based on EPS targets only). Rules amended to include clawback provisions.
Company contribution limited to 20% of basic salary.	N/a	New Chief Executive: maximum Company contribution changed from €60,000 p.a. to 20% of basic salary or a salary supplement from 1 May 2013. New Finance Director: Company contribution to defined contribution pension plan capped at 15% of basic salary and an additional cash supplement up to 5% of basic salary from 1 April 2013.
Executives are eligible to participate on the same terms as other employees in accordance with HMRC limits. The International Scheme allows overseas employees to participate on terms that are no more beneficial than those for UK participants.	Commitment to a three year savings contract and continuous employment within the Group during the three year vesting period and until options exercised.	Current 2003 Scheme Rules expire July 2013. Replacement Scheme Rules proposed for shareholder approval at 2013 AGM.
100% of basic salary holding for executive directors.	N/a	Holding increased from 50% to 100% of basic salary in connection with the revised PSP award policy.
Fee increases for non-executive directors will not normally exceed the average salary increase awarded to executive directors although increases may be above this level in exceptional circumstances e.g. if there is an increase in the time commitment or responsibility level.	N/a	None.

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REMUNERATION REPORT
continued

DETAILED REMUNERATION POLICY

The key components of the remuneration of executive directors are set out below.

BASIC SALARY

Salaries for executive directors and senior managers are reviewed annually by the Committee, although not necessarily increased. Salary increases are determined after taking into account an individual's responsibilities, abilities, experience and performance as well as both the Group's own salary structures, pay and conditions in the relevant countries as described above and, although used with caution, market data on salary rates for similar positions in comparative companies.

Salary levels for the newly appointed Chief Executive and Finance Director (both appointed to their respective roles on 1 May 2013) which, due to their experience, have been set at broadly market levels from appointment, are as follows:

	Annual Salary
Chief Executive – P R M Vervaat	£470,000*
Finance Director – S J Kesterton	£310,000

* P R M Vervaat's basic salary, which is paid in euros, equated to £272,000 p.a. plus an ex-pat allowance (which will cease) of £28,000 p.a. up to 30 April 2013 in respect of his previous role as Finance Director.

The next salary review date will be 1 April 2014 although as the basic salaries presented above are considered by the Committee to be market competitive, absent a material change to the size and nature of the role and/or Group, future increases are expected to be limited to inflationary increases.

BENEFITS IN KIND

The policy in respect of benefits in kind for executive directors, which has been simplified in connection with the newly appointed executive directors, will principally relate to a fully expensed car, mobile telephone, private health insurance, disability and death benefits. Benefits in kind are not pensionable and are not taken into account when determining basic salary for performance related remuneration.

ANNUAL BONUS

The RPC Group Annual Bonus Plan provides the framework for an annual incentive for executive directors and eligible senior managers with the aim of promoting the achievement of the corporate strategy and success of the Group. Any bonuses paid are non-pensionable and are not taken into account when determining basic salary for performance related remuneration.

The incentive for the financial year ended 31 March 2013 was based on a requirement for a significant increase in the Group's adjusted PBIT (profit before interest and tax). The maximum bonus payable was 100% of salary, with a sliding bonus scale commencing at 0% of salary for a challenging threshold target level of performance. In addition, the bonus payable would be reduced by 25% if the targeted level of free cash flow generation was not achieved. As a result of the threshold PBIT not being met, no bonuses will be payable to executive directors for the year ended 31 March 2013.

The performance conditions for the annual bonus for the financial year ending 31 March 2014 will continue to be based on the Group's adjusted PBIT with a sliding bonus scale commencing at 0% of salary for a challenging threshold target level of performance. Only 50% of the bonus will be payable at 60% of the target range. As a result of the Committee's desire to align management performance targets with a Return on Capital Employed ('ROCE'), one of the key Company objectives, a ROCE moderator will be introduced. Consequently, bonuses for the year ending 31 March 2014 will be reduced by 12.5% if the targeted level of free cash flow generation is not achieved and by 12.5% if the targeted ROCE is not achieved.

Any bonus payable under the Group Annual Bonus Plan will continue to be divided equally between cash and an award of deferred shares in the Company. The deferred shares will normally vest three years after they are awarded subject to continued service and a clawback provision whereby entitlement to unvested shares will be forfeit in the event of a material misstatement of the Group's consolidated results or serious misconduct. An exceptional negative event clause is also operated.

LONG-TERM INCENTIVES

RPC Group 2008 Performance Share Plan

The Company's long-term incentive plan ('LTIP') for executive directors and senior management is the RPC Group 2008 Performance Share Plan (the 'PSP'). The main features of the PSP are as follows:

- Awards may be made in the form of an allocation of conditional shares or an option to acquire shares. No payment is required on grant, vesting or exercise of an award. Until an allocation vests or an option is exercised, a participant has no voting, dividend or other rights in respect of the shares.
- Participants are eligible to be considered for awards annually. The aggregate market value of awards made under the PSP in any one financial year may not exceed 200% of basic salary although the most recent awards were limited to 75% of salary.

- Awards are subject to performance conditions determined by the Remuneration Committee which must be satisfied before an award vests. Performance is measured over a three-year performance period commencing on 1 April of the year in which an award is granted. Performance conditions for past PSP awards were based on sliding scale EPS targets, whereby 25% of awards vest for annual adjusted EPS growth of CPI+5% p.a. increasing pro-rata to 100% vesting for annual adjusted EPS growth of CPI+10% p.a.

Following a review of long-term incentive provision in connection with the appointment of the new Chief Executive and Finance Director and consultation with the Company's major investors, the following changes are being made to the long-term incentive policy:

- Reflecting the Committee's desire to move incentive provision towards FTSE 250 market practice over time, PSP award levels, starting with the 2013 awards, will be set at 125% of salary for the Chief Executive and Finance Director.
- Reflecting the increase in award levels and the Committee's desire to introduce a long-term relative Total Shareholder Return ('TSR') performance measure, performance conditions will be amended compared to prior years by reducing the threshold level of vesting from 25% to 20% of an award, increasing the EPS target at the top end and introducing a relative TSR performance condition for a minority of PSP awards. For awards to be granted in 2013, the following three year performance targets will apply:
  - Two-thirds of an award: 20% of this part of an award will vest for annual adjusted EPS growth of CPI+5% p.a. increasing pro-rata to 50% of this part of an award vesting for annual adjusted EPS growth of CPI+9% p.a. (approx. 60% of the EPS growth range) increasing pro-rata to 100% vesting of this part of an award for annual adjusted EPS growth of CPI+12% p.a.
  - One-third of an award: 20% of this part of an award will vest if RPC's TSR is ranked at the median of the FTSE 250 (excluding investment trusts) increasing pro-rata to 100% vesting of this part of an award if RPC's TSR is ranked at or above the upper quintile. In addition, no part of this award may vest unless the Committee is satisfied that the vesting percentage produced by the TSR condition is reflective of the Group's underlying financial performance.
- Reflecting the increase in PSP award levels, shareholding guidelines for executive directors have been increased from 50% to 100% of salary.
- The rules of the PSP have been strengthened to include a clawback provision whereby entitlement to unvested shares or unexercised options will be forfeited in the event of a material misstatement of the Group's consolidated results or serious misconduct. An exceptional negative event clause has also been introduced.

The Committee has given careful consideration to 2013 PSP performance measures and considers that sustained growth in EPS with a minority of the awards on relative TSR appropriately captures the impact of management's decisions and actions in areas such as production efficiency, margin improvement and efficient use of resources.

RPC Group 2003 Approved and Unapproved Executive Share Option Schemes
While the PSP is the current long-term incentive arrangement used for the executive directors, there remain some outstanding options under executive share option schemes. Under the Rules of the RPC Group 2003 Approved Executive Share Option Scheme and the RPC Group 2003 Unapproved Executive Share Option Scheme (the 2003 Schemes), market value options may be granted which are normally exercisable between three and ten years after the date of grant. The aggregate value of options granted to an employee under the 2003 Schemes in any financial year will not normally exceed their basic annual salary although this limit may be exceeded where the Remuneration Committee determines that special circumstances exist. It is not intended that further grants will be made to executive directors under the 2003 Schemes or their successor Schemes.

The 2003 Schemes are due to expire as they will soon be reaching the end of their 10 year life. At the forthcoming AGM, shareholders will be asked to approve the RPC Group 2013 Approved Executive Share Option Scheme and the RPC Group 2013 Unapproved Executive Share Option Scheme (the 2013 Schemes) to replace the 2003 Schemes. The Rules of the 2013 Schemes are similar to the 2003 Schemes but have been brought up-to-date with current legislation and best practice. A summary is given in appendix 2 of the explanatory notes to the Notice of AGM.

RPC Group 2003 Sharesave Scheme
Executive directors are able to participate in invitations under the RPC Group 2003 Sharesave Scheme and the RPC Group 2003 International Sharesave Scheme on the same terms as all other eligible employees. The UK Scheme is HM Revenue and Customs ('HMRC') approved and the unapproved International Scheme allows overseas employees to participate on terms that are no more beneficial than those for UK participants. Options are granted at an exercise price equal to 80% of the market price of the Company's shares at the close of business on the last dealing day, or the average of the last three dealing days, before the invitation date.

At the AGM on 10 July 2013, shareholders will be asked to approve the RPC Group 2013 Sharesave Scheme and the RPC Group 2013 International Sharesave Scheme to replace the existing 2003 Sharesave Schemes which were approved and adopted by shareholders in 2003 and are due to expire. The Rules of the new Schemes are similar to the 2003 Sharesave Schemes but have been updated for current legislation and best practice. Summaries are given in appendix 3 of the explanatory notes to the Notice of AGM.

Shareholding Policy
To reinforce the linkage between senior executives and shareholders, the Remuneration Committee operates a shareholding policy that applies to directors and other executives eligible to receive awards conditional on performance under its long-term incentive arrangements. Such executives are required to build up and retain a personal shareholding worth an equivalent of a minimum of 100% of their prevailing basic salary (previously 50% of salary). It is expected that the required shareholding will be built up over a number of years by retaining half of the shares that vest or options that are exercised (net of those sold to meet acquisition costs, tax and social security liabilities) until the required level is met. The Remuneration Committee has discretion to waive the requirement in exceptional circumstances. Once attained, a subsequent fall below the required level may be taken into account by the Committee when determining the grant of future awards.

REMUNERATION REPORT
continued

PENSION PROVISION

Consistent with normal practice in the Netherlands, P R M Vervaat has an individual defined benefit pension policy with a Dutch insurance company, Nationale-Nederlanden. The plan provides pension benefits of 2.25% p.a. of pensionable salary and a spouse's pension of 70% of his pension on death. The employee contribution rate was 8.7% (2012: 8.5%) of basic pensionable salary during the year and employer contributions are capped at €60,000 p.a.. Following his appointment as Chief Executive on 1 May 2013, the Committee is currently carrying out a review of this arrangement although the Group has agreed with P R M Vervaat that the Group's contribution to any pension arrangement, whether through the existing arrangement, a new arrangement or a non-pensionable salary supplement, will not exceed 20% of basic salary.

S J Kesterton will be entitled to receive a Group pension contribution of 20% of basic salary, either delivered as a non-pensionable salary supplement or delivered partly through the Group's defined contribution arrangement (capped at 15% of basic salary, subject to a 5% of basic salary employee contribution) and partly through a salary supplement (5% of basic salary).

The Company does not contribute to any pension arrangements for non-executive directors.

SERVICE CONTRACTS

The Committee determines the terms of the service contract for each executive director. Service contracts normally continue until the director's agreed retirement date or such other date as the parties agree. The service contracts contain provision for early termination.

A director's service contract may be terminated without notice and without any further payment or compensation, except for sums accrued up to the date of termination, on the occurrence of certain events such as gross misconduct. If the employing company terminates the employment of a UK executive director in breach of contract, compensation is limited to basic salary due for any unexpired notice period. Payments in lieu of notice are not pensionable.

Any share-based entitlements granted to an executive director under the Company's short-term or long-term incentive plans will be determined at the discretion of the Remuneration Committee in accordance with the relevant schemes' rules. That said, a participant's awards will lapse and right to any part of the relevant bonus ceases if he resigns or is dismissed.

In the event of a change of control of the Company, the notice period and compensation for breach of contract for executive directors is unchanged from the provisions described above. Executive directors of the Company have no additional entitlement to compensation for loss of their office as directors.

The following table shows details of the service contracts for the current executive directors and those who held office during the year ended 31 March 2013:

Name	Commencement Date	Notice Required from Group (months)	Notice Required from Individual (months)
P R M Vervaat (1)	1 May 2013	9	6
S J Kesterton (2)	1 April 2013	9	6
R J E Marsh (3)	17 May 1993	12	6

(1) P R M Vervaat stepped up from Finance Director to Chief Executive on 1 May 2013.

(2) S J Kesterton was appointed to the Board as Group Finance Director designate on 1 April 2013, becoming Group Finance Director on 1 May 2013.

(3) R J E Marsh stepped down as Chief Executive on 1 May 2013.

OTHER APPOINTMENTS

The Board recognises that executive directors may be offered external non-executive directorship positions, which would broaden their skills and experience. Executive directors are permitted to accept an external non-executive positions subject to the Board's approval, taking into account any potential conflicts of interest and expected time commitments. Any fees earned are to be retained by the executive director.

NON-EXECUTIVE DIRECTORS

Letters of Appointment

Non-executive directors are not employed under service contracts and do not receive compensation for loss of office, but are appointed for fixed terms of three years renewable for further three-year terms if both parties agree and subject to annual re-election by shareholders. The following table shows details of the terms of appointment for the non-executive directors:

Name	Appointment Date	Date most recent term commenced	Expected date of expiry of current term
J R P Pike	23 July 2008	23 July 2011	22 July 2014
S Rojahn	25 January 2006	25 January 2012	24 January 2015
M G Towers	1 April 2009	1 April 2012	31 March 2015
I Haaijer	30 May 2012	30 May 2012	29 May 2015

Fees

The Board as a whole determines the remuneration of non-executive directors based on the recommendations of the Chairman and Chief Executive and comparison with other companies of a similar size and sector. Non-executive directors receive director's fees only and do not participate in any bonus or share-based incentive schemes. The total value of directors' fees that may be paid is limited by the Company's Articles of Association to £500,000 p.a.

Under normal circumstances non-executive directors' and Committee Chairmen's fees are fixed for three years with the next review date being March 2014 (with any changes effective 1 April 2014). In determining the level of fees, the Committee considered the size and complexity of the Group's business, the time commitment and responsibilities of the role and, although used with caution given the risk of an upward ratchet in pay, relevant market data. The current fee levels are as follows:

Role	Annual Fee
Chairman	£140,000
Non-executive director base fee	£37,000
Audit and Remuneration Committee Chairman fees	£7,000

IMPLEMENTATION REPORT

REMUNERATION COMMITTEE

The members of the Remuneration Committee and its Chairman are as follows:

Name	From	To
S Rojahn (Chairman from 1 April 2012)	25 May 2006	To date
M G Towers	1 April 2009	To date
I Haaijer	30 May 2012	To date
J R P Pike	1 April 2012	30 May 2012

The Chairman and Chief Executive are consulted on proposals relating to the remuneration of other executive directors and designated senior management and, when appropriate, are invited by the Committee to attend meetings but are not present when their own remuneration is considered. The Company Secretary acts as secretary to the Committee.

The role of the Remuneration Committee is set out in its terms of reference which were reviewed and updated during the year in accordance with best practice and can be found on the Group's website. The Remuneration Committee meets at least twice each year and thereafter as circumstances dictate. The number of meetings held during the year and the attendance of members of the Committee are shown in the table on page 41.

The Committee's principal responsibilities are:

- setting, reviewing and recommending to the Board for approval, the Group's overall remuneration policy for the Chairman, executive directors and senior management;
- reviewing and approving individual remuneration packages for the Chairman, executive directors and certain senior managers;
- reviewing and approving service contracts for executive directors including notice periods and terms for cessation of employment; and
- reviewing the rules, approving new grants and setting the performance conditions of any Group share or cash based incentive schemes and reviewing the design of all share incentive plans for approval by the Board and (where appropriate) shareholders.

During the year, New Bridge Street (NBS), a trading name of Aon Hewitt Limited, was engaged by the Committee to provide it with remuneration consultancy services. These services were provided to the Committee independently of pension consultancy, accounting and actuarial advice that Aon Hewitt Limited and associated companies provides to the Group. The terms of engagement between the Company and NBS are available from the Company Secretary on request. In addition, advice was sought from Ashurst LLP, the Company's legal advisers, in respect of the drafting of service contracts, addition of clawback provision to the PSP rules, the drafting of replacement employee share option scheme rules and the grant and vesting of options and awards under the Company's share option and incentive plans.

REMUNERATION REPORT
continued

DIRECTORS' EMOLUMENTS (AUDITED)

Name	Basic salary and fees £'000	Benefits in kind £'000	Annual bonus £'000	Supplements and allowances £'000	Total excluding pension contributions 2013 £'000	2012 £'000
Executives						
R J E Marsh	288	29	–	58	**375**	471
P R M Vervaat	272	78	–	28	**378**	453
Non-executives						
J R P Pike	140	–	–	–	**140**	140
I Haaijer (from 30 May 2012)	31	–	–	–	**31**	–
S Rojahn	44	–	–	–	**44**	37
M G Towers	44	–	–	–	**44**	44
Former directors	–	–	–	–	**–**	56
	819	107	–	86	**1,012**	1,201

Basic Salary
For the year commencing 1 April 2012 the basic salary for R J E Marsh was increased by 2.4% being the standard increase applying to UK employees. P R M Vervaat is paid in euros. With effect from 1 April 2012 his basic salary was increased from €309,000 p.a. to €334,000 p.a. This increase reflected the Committee's view of his personal performance, changes to the role over the previous year and a desire to move the salary closer to market norms. The effect of the weakening of the average exchange rate for sterling against the euro was to decrease the sterling equivalent of his basic annual salary and allowance by £17,000 (2012: increase of £4,000) for the year ended 31 March 2013 compared with last year.

Benefits
The benefits in kind for R J E March include company car and fuel provision and private medical insurance. The benefits in kind for P R M Vervaat include company car and fuel provision, UK accommodation, the cost of commuting from the Netherlands to the UK and UK income tax on these benefits.

Annual Bonus for year ended 31 March 2013
The threshold target for the Group's adjusted PBIT and free cash flow for the year ended 31 March 2013 was not achieved and consequently no bonus is payable. Further details of the Annual Bonus Plan and the performance targets are given on page 52.

Supplements and Allowances
Retirement benefits accrued to two (2012: two) executive directors who were in office during the year under defined benefit schemes. However, as a result of the closure of the RPC Containers Limited Pension Scheme, future service accrual ceased for R J E Marsh on 31 July 2010 and, with effect from 1 August 2010, a supplement of 20% of basic salary is paid in lieu of employer pension contributions. The supplement paid for the year ended 31 March 2013 was £58,000 (2012: £56,000). The allowance paid to P R M Vervaat was an ex-pat allowance of €34,000 (2012: €34,000).

Other Income
During the year, R J E Marsh received fees of £40,000 (2012: £40,000) in respect of his non-executive directorship of British Polythene Industries PLC.

DIRECTORS' PENSION ENTITLEMENTS

The pension entitlements accruing during the year for the members of defined benefit pension schemes are as follows:

	Accrued pension at 31 March 2013 £'000 p.a.	Increase in accrued pension over year excluding inflation £'000 p.a.	Increase in accrued pension over year including inflation £'000 p.a.	Transfer value of increase in accrued pension at 31 March 2013 less member contributions £'000	Transfer value at 31 March 2012 £'000	Increase in transfer value excluding member contributions £'000	Increase in transfer value including member contributions £'000	Transfer value at 31 March 2013 £'000
UK Pension Scheme:								
R J E Marsh	196	2	11	60	4,204	329	329	4,533
Nationale-Nederlanden Pension Plan:								
P R M Vervaat	34	6	6	28	217	54	76	293

Pension entitlements denominated in euros have been translated at the closing exchange rate. The impact of the weakening of the euro against sterling has been to marginally increase sterling values by 1% (2012: 6% decrease) compared with translation at last year's closing rate.

UK Pension Scheme

R J E Marsh is a deferred member of the RPC Containers Limited Pension Scheme. This is a defined benefit pension scheme which is a funded, final salary, HMRC Registered Scheme. The Scheme provides a pension of one 60th of final pensionable earnings (average of the final three years since 1 June 2003) for each year of pensionable service plus widow's and dependants' pensions. In addition, R J E Marsh has been granted a pension supplement uplifting pension benefits from all sources, including the RPC Scheme, up to two-thirds of pensionable earnings. The supplement, payable at his normal pension age under the Scheme of 65 years, accrued uniformly over the period from 1 May 1989 until the age of 60. Early retirement benefits may be taken from age 55 years reduced for early payment with the agreement of the Scheme's Trustee. In the event of death in service, a lump sum benefit of four times annualised earnings was provided.

Employee contributions were 11% of pensionable earnings or the above director could participate in a pension salary sacrifice arrangement whereby scheme members sacrifice an amount of their gross salary in exchange for the employer paying the employee pension contributions. The employer contribution was 14.5% of pensionable earnings but it will make such additional payments to the Scheme as are appropriate to fund the pension supplement having regard to the advice of the Scheme Actuary. R J E Marsh is responsible for meeting any tax charges arising (if any) from pension benefits.

With effect from 31 July 2010 the RPC Containers Limited Pension Scheme closed to future service accrual. However, life assurance for R J E Marsh continues to be provided under an insurance contract. The Remuneration Committee agreed to pay R J E Marsh a supplement of 20% of basic salary in lieu of employer pension contributions. The supplement is not included in basic salary for the purposes of performance related remuneration.

The year end accrued pension is that which would be paid on retirement based on service up to 31 July 2010 and final pensionable earnings at 31 March 2011, the date the director ceased to be a Continuing Member of the Scheme, increased in line with the Rules of the Scheme. These increases are broadly inflationary increases on pension earned after 1 April 1995 and a late retirement uplift from age 60 on pension accrued before 1 April 1995. Member contributions have been nil since the Scheme closed to future service accrual on 31 July 2010.

The accrued pension and transfer value for R J E Marsh includes an allowance for his retained benefits which have been offset against his accrued pension at 1 April 2011.

The transfer values have been calculated using the Scheme's standard approach at the relevant dates without any reduction for underfunding. The increase in transfer value during the year is mainly driven by the member being one year older.

REMUNERATION REPORT
continued

Nationale-Nederlanden Pension Plan

The year end accrued pension for P R M Vervaat is that which would be paid on retirement based on service for the year and career revalued earnings at the year end for the period since joining the Group on 1 November 2007. The calculation of transfer values is based on the transfer value that would actually be received from the insurer which is considered to be more appropriate than the statutory basis that applies to pension funds in the Netherlands.

DIRECTORS' SHAREHOLDINGS AND OPTIONS

Shareholdings

Name	**31 March 2013 Number of shares**	31 March 2012 Number of shares
J R P Pike	**254,000**	254,000
R J E Marsh	**1,423,307**	2,375,448
M G Towers	**16,250**	16,250
P R M Vervaat	**175,000**	171,000

There have been no changes in the interests set out above between 31 March 2013 and the date of this report.

SHARE OPTIONS

The following tables show details of the options held by the directors under the Company's share option schemes at 31 March 2013:

RPC Group 2003 Approved and Unapproved Executive Share Option Schemes

	Date of grant	Options at 1 April 2012	Exercised during the year	Options at 31 March 2013	Exercise price*	Option value*	First exercise date	Last exercise date
R J E Marsh	25 Jul 07	100,272	–	100,272	234.56p	54p	25 July 2010	31 March 2014

* Adjusted to take account of the diluting effect of the rights issue in January 2011.

The options shown above were the maximum number that would vest provided the EPS growth target of at least an average of 5% p.a. in excess of RPI over a three year period from the date of grant was achieved. The performance conditions were met in full and, following R J E Marsh's retirement, the options must be exercised within six months after the date employment by the Group ceases.

RPC Group 2003 Sharesave Scheme (UK Approved and International Unapproved)

	Date of grant	Options at 1 April 2012	Granted during the year	Exercised during the year	Options at 31 March 2013	Exercise price	Option value	First exercise date	Last exercise date
P R M Vervaat	18 Jan 12	3,293	–	–	3,293	273.00p	100p	1 March 2015	31 August 2015

The value of an option is calculated according to the Black-Scholes model. Information on the assumptions made in the option valuation is given in note 23 to the financial statements.

There have been no changes in share options between 31 March 2013 and the date of this report.

Performance Share Plan

The following table shows details of the awards made to the directors under the RPC Group 2008 Performance Share Plan that were outstanding during the year:

	Date of award	Interest at 1 April 2012	Awarded during the year	Vested during the year	Interest at 31 March 2013	Market price on award date (pence)	Market price on vesting date (pence)	Vesting/first exercise date	Last exercise date
R J E Marsh	28 Jul 09	99,707	–	99,707	–	214.00	412.50	30 Jul 12	–
	27 Jul 10	90,326	–	–	90,326	266.75	–	27 Jul 13	–
	1 Aug 11	59,212	–	–	59,212	359.80	–	1 Aug 14	31 Jan 15
	18 Jul 12	–	54,659	–	54,659	407.10	–	18 Jul 15	17 Jan 16
P R M Vervaat	28 Jul 09	51,004	–	51,004	–	214.00	412.50	30 Jul 12	–
	27 Jul 10	48,590	–	–	48,590	266.75	–	27 Jul 13	–
	1 Aug 11	51,541	–	–	51,541	359.80	–	1 Aug 14	31 Jul 21
	18 Jul 12	–	45,341	–	45,341	407.10	–	18 Jul 15	17 Jul 22

Performance conditions for past PSP awards were based on sliding scale EPS targets, whereby 25% of awards vest for annual adjusted EPS growth of CPI+5% p.a. increasing pro-rata to 100% vesting for annual adjusted EPS growth of CPI+10% p.a.

The awards shown above are the maximum number of shares that will vest provided that the performance conditions are met. For awards made before 2011, the shares that vest will be transferred to participants on the vesting date. The awards granted after 2010 were made in the form of nil cost options.

The performance conditions for the awards granted to executive directors on 28 July 2009 were met in full and the shares transferred from the RPC Group Employee Benefit Trust on the vesting date, 30 July 2012. On the same date, R J E Marsh sold 51,848 shares for a consideration of 412.50p per share in order to pay the income tax, National Insurance and dealing expenses due on vesting. Also on the same date, P R M Vervaat sold 47,004 shares for a consideration of 412.50p per share including sufficient shares to pay the income tax, social security and dealing expenses due following the vesting.

Following his retirement from the Company at the forthcoming AGM, R J E Marsh's PSP awards will vest at the normal vesting dates, subject to the relevant performance conditions being met and time pro-rating to reflect the time elapsed from grant date to the date of cessation. Where awards are structured as nil cost options, R J E Marsh will have six months to exercise his awards from the first exercise date.

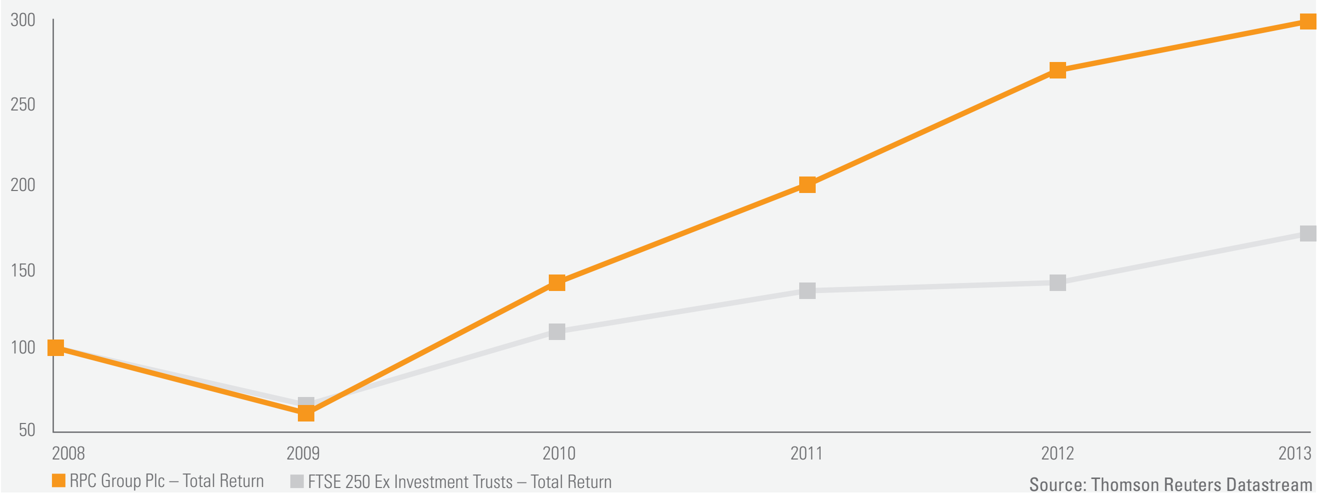
The market price of an RPC Group Plc 5p ordinary share at 31 March 2013 was 397.5p and the range of prices during the year was 348.3p to 477.0p per share.

REMUNERATION REPORT
continued

TOTAL SHAREHOLDER RETURN PERFORMANCE GRAPH

The graph below shows the total shareholder return on a holding of RPC shares compared with a holding of the same amount in shares of the companies which make up the FTSE 250 index (excluding investment trusts). This index has been chosen as it is considered to be the most relevant yardstick against which the Company's share price performance may be measured over the five years ended 31 March 2013.

Total Shareholder Return: 31 March 2008 to 31 March 2013



Source: Thomson Reuters Datastream

This graph shows the value by 31 March 2013 of £100 invested in RPC Group Plc on 31 March 2008 compared with the value of £100 invested in the FTSE 250 index (excluding investment trusts). The other points plotted are the values at intervening financial year ends.

The Remuneration report was approved by the Board on 5 June 2013 and has been signed on its behalf by:

S Rojahn
Chairman of the Remuneration Committee

05 June 2013

DIRECTORS' REPORT

The directors present their report and the audited financial statements for the year ended 31 March 2013.

This Annual Report and Accounts 2013 has been prepared solely for RPC Group Plc's shareholders. The Company, its directors, employees, agents or advisers do not accept responsibility to any other person and any such responsibility or liability is expressly disclaimed. The Report and Accounts 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 the Report and Accounts; 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 the Report and Accounts should be construed as a profit forecast.

PRINCIPAL ACTIVITIES

The principal activities of the Group are unchanged from last year and are the manufacture and sale of rigid plastic packaging and associated equipment.

BUSINESS REVIEW

A description of the Group's strategy and business model is given on pages 10 and 11. A review of the Group's activities and performance, including financial performance during the year ended 31 March 2013, its position at that date and the outlook for the Group can be found in the Operating and Financial reviews on pages 14 to 26. Key financial performance indicators and the principal risks that the Group faces, can be found on pages 27 to 29. Information concerning environmental matters, employees, social and community issues and reviews of non-financial key performance indicators are included in the Corporate responsibility report on pages 30 to 37. The information that fulfils the requirements of the Business review referred to above is to be treated as part of this report.

ACQUISITIONS AND DISPOSALS

On 21 November 2012 the Group acquired 100% of the share capital of BPSW19 Ltd, the holding company for the Manuplastics group of companies based in Wimbledon in the UK for a consideration of £6.1m. Manuplastics specialises in the design and manufacture of high quality injection moulded containers for the personal healthcare, food and pharmaceutical industries and has an annual turnover of approximately £8.0m. In September 2012, the Group sold its loss making automotive components business, RPC Neutraubling GmbH, in Germany.

Details of the Group's 'Fitter for the Future' business optimisation programme launched during the year, including withdrawal from the vending cup business in mainland Europe, the closure of the manufacturing site in Kajárpéc (Hungary) and planned closure of operations at Antwerp (Belgium) and Beuningen (the Netherlands) are given in the Operating and Financial reviews, together with the completion of the integration of Superfos Industries a/s, including the closure of the operation at Runcorn in the UK in June 2012.

SHARE CAPITAL

The Company had 166,112,355 ordinary 5p shares in issue at 31 March 2013. Full details of the Company's issued share capital together with the rights, obligations and restrictions attaching to the shares are set out in note 23 to the financial statements.

DIVIDENDS

An interim dividend of 4.3p per ordinary share was paid on 25 January 2013. The directors are recommending a final dividend of 10.6p per ordinary share to be paid on 6 September 2013, subject to approval at the forthcoming Annual General Meeting (AGM) of the Company, to shareholders on the register on 9 August 2013 making the total dividend for the year 14.9p per share (2012: 14.4p). Full details of dividends in respect of the year ended 31 March 2013 are given in note 8 to the financial statements.

FINANCING

The Group's policy is to finance its operations through a mixture of retained profits, equity and borrowings. The Group does not trade in financial instruments.

The main risks arising from the Group's borrowings are market risk, interest rate risk, liquidity risk, foreign currency risk and credit risk. The Board reviews and agrees policies for managing each of these risks. The policies, which have been applied throughout the year, are set out in note 21 to the financial statements.

DIRECTORS' REPORT
continued

DIRECTORS

The directors of the Company who served during the financial year were as follows:

J R P Pike
I Haaijer (appointed 30 May 2012)
R J E Marsh
S Rojahn
M G Towers
P R M Vervaat

On 1 April 2013 S J Kesterton was appointed as a director initially as Group Finance Director (designate) and taking up the role of Group Finance Director of the Company from 1 May 2013. On 1 May 2013 R J E Marsh stepped down as Chief Executive and P R M Vervaat acceded to the role. There have been no further changes to the Board since 31 March 2013 up to the date of this Report.

The rules regarding the appointment and replacement of directors are contained in the Company's Articles of Association. The Articles require that any director who has been appointed by the Board since the last AGM must retire from office but is eligible to submit themself for election by the shareholders. Accordingly, a resolution to elect S J Kesterton as a director will be proposed at the forthcoming AGM on 10 July 2013.

The Company's Articles also require that all directors are subject to re-election at intervals of no more than three years. However, the Board has adopted a policy of annual re-election of all directors in accordance with the provisions of the UK Corporate Governance Code. Consequently, with the exception of R J E Marsh who is not seeking re-election and will retire from the Board at the conclusion of the 2013 AGM, all the directors will retire from office and, being eligible, submit themselves for re-election on an individual basis at the AGM and annually thereafter.

Biographical details of the directors are given on pages 38 and 39 and the Board's recommendations for their election and re-election are given in the explanatory notes to the Notice of AGM. A performance evaluation is conducted for all directors prior to recommendation for re-appointment or re-election.

Further information on the appointment, re-election and performance evaluation of directors is given in the Corporate Governance report. Details of the directors' remuneration, notice periods under their service contracts or terms of appointment and their interests (including any interest of a connected person) in the share capital of the Company are shown in the Remuneration report. The service contracts for executive directors and terms of appointment for non-executive directors are available for inspection at the Company's registered office and at the AGM. Non-executive directors' appointments may be terminated with immediate effect.

None of the directors had any interest in any contracts, other than their service contracts, with the Company or any of its subsidiaries during the year.

Powers of Directors

The powers of the directors are contained in the Company's Articles of Association which may only be amended by resolution passed by the shareholders at a general meeting in accordance with the relevant legislation. The Articles give powers to the directors to authorise the issue of shares and for the Company to buy back its shares, subject to authority being given to the directors by the shareholders in general meeting and the relevant legislation. Resolutions to authorise the directors to exercise these powers are put to shareholders at each AGM.

Directors' Indemnities

The Board has provided qualifying third party indemnities to the Company's directors and agreed to provide funds to meet costs incurred defending civil or criminal proceedings in accordance with legislation and the Articles of Association. The directors are not indemnified against damages awarded to the Company itself, defence costs where the defence is unsuccessful in the case of liabilities owed to the Company, criminal fines, fines by regulators or the legal costs of successful criminal proceedings against the directors. Defence costs arising from actions brought by third parties, may, subject to certain exclusions, be paid by the Company even if judgement goes against the director.

The indemnities provided to the directors are available for inspection at the Company's registered office and at the AGM.

SUBSTANTIAL SHAREHOLDINGS

The Company has received notification under the Disclosure and Transparency Rules of the Financial Conduct Authority of direct and indirect interests in 3% or more of the issued share capital and voting rights in the Company from the following financial institutions at 4 June 2013. The number of shares and the percentage given are as disclosed at the date of the notification.

	Date of notification	Number of shares	%
AXA Investment Managers SA	11 March 2013	16,632,725	10.0
Aberforth Partners LLP	8 April 2013	8,357,620	5.0
SVG Investment Managers Ltd	14 April 2011	7,375,919	4.6
Aviva plc	25 January 2011	6,581,259	4.1
Legal & General Group PLC	1 May 2013	6,013,470	3.6
Norges Bank	9 May 2013	5,018,038	3.0
North Atlantic Value LLP[1]	20 January 2011	4,865,830	4.9
BT Pension Scheme Trustees Limited[1]	10 January 2011	3,697,671	3.7

1 The date of notification was prior to the date of allotment of shares under the rights issue in January 2011

SIGNIFICANT AGREEMENTS

The Company is required to disclose any significant agreements that take effect, alter or terminate upon a change of control of the Company. The Company's £200m multi-currency revolving credit facility agreement contains a change of control clause whereby a participating bank may cancel its commitment and require the Company to prepay outstanding loans and interest. The same terms apply in respect of an undrawn £60m bilateral term loan. In addition, a holder of the US$216m or €60m seven year or ten year notes issued in the US Private Placement market under the terms of the note purchase agreement has the option to redeem any note at 100% of its principal amount together with interest accrued in the event of a change of control.

The Group has a number of key customers and suppliers of polymer and other essential services and supplies. The risks and methods employed to mitigate such risks of the termination of a contract or the loss of supply are set out on page 28. Provisions for change of control in directors' service contracts are summarised in the Remuneration report. There are provisions for the vesting of share options and awards in certain circumstances in the event of a change in control under the rules of the Company's employee share-based payment schemes.

QUALIFYING PENSION SCHEME INDEMNITY

An associated company, RPC Containers Limited, has granted a qualifying pension scheme indemnity in a form permitted by the Companies Act 2006 to the directors of RPC Containers Pension Trustees Limited, which is the Trustee of the RPC Containers Limited Pension Scheme. The indemnity was in force during the financial year and up to the date of this report.

RESEARCH AND DEVELOPMENT

The Group's research and development activities ensure that it stays at the forefront of rigid plastic packaging technology and innovation with regards to design, functionality, aesthetics and specification with particular attention to weight reduction and the incorporation of recycled materials.

CREDITOR PAYMENT POLICY

The Group endeavours to agree the terms and conditions under which transactions with its suppliers are conducted prior to placing business, there being no specific payment code for the packaging industry. It is the Group's policy to pay to agreed terms where suppliers have fulfilled their obligations under the relevant contract terms. During the year the Company confirmed its commitment to the UK Prompt Payment Code issued by the Government's Department of Business Innovation and Skills. The Company had average creditor days outstanding at 31 March 2013 of 54 days (31 March 2012: 30 days).

POLITICAL AND CHARITABLE DONATIONS

Charitable donations were made by the Group as follows:

	2013 **£**	2012 £
UK	**6,216**	5,816
Mainland Europe	**19,188**	20,892
	25,404	26,708

DIRECTORS' REPORT
continued

The Group supports local educational and charitable causes, and in particular those where employees and their families are involved in the fund raising.

The Group's policy is to make no political donations, and none were made in the year.

EMPLOYEES

The Group continues to recognise the benefit of both effective communication with employees and achieving a common awareness on the part of employees of the financial performance and economic factors affecting the performance of the Group. Both individual site and Group wide meetings are held at which employees and management are present and at which key aspects of the Group's activities, performance and other matters of interest to employees are reviewed.

Employee participation is further encouraged through share ownership and share option schemes which provide employees with a direct stake in the growth and prosperity of the business.

The Group aims to provide clear and fair terms and conditions of employment and remuneration wherever it operates.

The Board does not tolerate any sexual, physical or mental harassment of its employees. It promotes equal opportunities for all present and potential employees and does not discriminate on grounds of colour, ethnic origin, age, gender, race, religion, political or other opinion, disability or sexual orientation.

The Group's policy is to recruit disabled workers for those vacancies they are able to fill. When existing employees suffer disablement, every effort is made to retain them in the workforce wherever reasonable and practicable. Disabled staff have the same opportunities as other employees so far as training, career development and promotion are concerned.

Further information on ethics, communication, training and development in respect of the Group's employees is included in the Corporate Responsibility report.

CORPORATE GOVERNANCE STATEMENT

The corporate governance statement on compliance with the UK Corporate Governance Code (the Code), and information on how the Company has applied the Main Principles of the Code in accordance with the Listing Rules and section 7.2 of the Disclosure and Transparency Rules of the Financial Conduct Authority and other corporate governance matters, can be found in the Corporate Governance report on pages 40 to 48 which is to be treated as part of this report.

CORPORATE RESPONSIBILITY

Information concerning health and safety, environmental matters, business ethics, employees, customers, suppliers and the community is contained in the Corporate Responsibility report on pages 30 to 37, which is to be treated as part of this report.

DIRECTORS' STATEMENT ON DISCLOSURE OF INFORMATION TO AUDITORS

The directors who held office at the date of approval of this Directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the Company's auditors are unaware; and each director has taken all the steps that he or she ought to have taken as a director to make him/herself aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

GOING CONCERN

The Group's business activities, together with the factors likely to affect its future development, performance and position are set out in the Operating review on pages 14 to 23 and the principal risks on pages 28 and 29. The financial position of the Group, its cash flows, liquidity position and borrowing facilities are described in the Financial review on pages 24 to 26. In addition, note 21 to the financial statements includes the Group's objectives, policies and processes for managing its capital, its financial risk objectives, details of its financial instruments and hedging activities, and its exposures to credit and liquidity risk.

The Group has considerable financial resources together with long-standing commercial arrangements with a number of customers, suppliers and funding providers across different geographical regions and industry sectors. The Group's forecasts and projections show that it is able to operate within the level of its current banking and private placement facilities. As a consequence, the directors believe that the Group is well placed to manage its business risks successfully despite the current uncertain economic outlook.

After making enquiries, the directors have a reasonable expectation that the Company and the Group have adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the Annual Report and financial statements.

INTERNATIONAL FINANCIAL REPORTING

Both the Company financial statements and the Group financial statements have been prepared and approved by the directors in accordance with International Financial Reporting Standards as adopted by the EU.

FINANCIAL REPORTING

The Annual Report and Accounts and the Interim Report are intended to provide a balanced and clear assessment of the Group's past performance, present position and future prospects. A statement by the directors on their responsibility for preparing the financial statements is given on page 66 and a statement by the auditors on their responsibilities is given on page 67.

ANNUAL GENERAL MEETING

The Notice of the Company's AGM to be held on 10 July 2013 and related explanatory notes are included after the financial statements.

In accordance with the UK Corporate Governance Code, all the directors are submitting themselves for election or re-election. Further information is given under the 'Directors' heading in this report. Information concerning the appointment of the Company's auditors is given in the section headed 'Auditors' below.

Under the special business of the AGM, shareholders will be asked to approve new RPC Group 2013 Approved and Unapproved Executive Share Option Schemes and RPC Group 2013 Approved and International Sharesave Schemes to replace the existing employee share option schemes which were approved and adopted by shareholders in 2003 and are due to expire. Summaries of these schemes are given in Appendix 2 and 3 of the explanatory notes to the Notice of AGM.

The Board is recommending proposals to renew the directors' authority to allot shares up to one third of issued share capital and for authority to allot an additional one third of issued share capital in connection with a pre-emptive offer by way of rights issue to existing shareholders. The Board is also recommending resolutions to renew the directors' power to disapply pre-emption rights and the authority for the Company to purchase its own shares. The current authority, approved by shareholders at the 2012 AGM, permits the Company to purchase 16.5m of its own shares (10% of the issued share capital). No shares have been purchased or contracts made to purchase shares by the Company during the year or since 31 March 2013 up to the date of this report.

The Board is proposing a special resolution to continue to enable the directors to call a general meeting that is not an annual general meeting on not less than 14 clear days' notice.

Further information on these resolutions is given in the explanatory notes to the Notice of AGM.

AUDITORS

Due to an internal reorganisation, the Company's auditor, KPMG Audit Plc, has decided to wind down its audit business and transfer it to KPMG LLP. As a consequence, KPMG Audit Plc has notified the Company that it is not seeking reappointment at the forthcoming AGM and KPMG LLP has agreed to be appointed in its place. The statement of circumstances required under section 519 of the Companies Act 2006 is reproduced in Appendix 1 of the Notice of AGM after the financial statements.

In accordance with section 489 of the Companies Act 2006 and the recommendation of the Audit Committee, a resolution is to be proposed at the AGM for the appointment of KPMG LLP as auditors of the Company.

By order of the Board

R K Joyce
Company Secretary

05 June 2013

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE ANNUAL REPORT AND THE FINANCIAL STATEMENTS

The directors are responsible for preparing the Annual Report and the Group and parent Company financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare Group and parent Company financial statements for each financial year. Under that law they are required to prepare the Group financial statements in accordance with IFRS as adopted by the EU and applicable law and have elected to prepare the parent Company financial statements on the same basis.

Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Group and parent Company and of their profit or loss for that period. In preparing each of the Group and parent Company financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether they have been prepared in accordance with IFRS as adopted by the EU; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group and the parent Company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the parent Company's transactions and disclose with reasonable accuracy at any time the financial position of the parent Company and enable them to ensure that its financial statements comply with the Companies Act 2006. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Group and to prevent and detect fraud and other irregularities.

Under applicable law and regulations, the directors are also responsible for preparing a Directors' Report, Directors' Remuneration report and Corporate governance statement that comply with that law and those regulations.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website. Legislation in the UK governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

The directors confirm that to the best of their knowledge:

- the financial statements, prepared in accordance with the applicable set of accounting standards, give a true and fair view of the assets, liabilities, financial position and profit or loss of the company and the undertakings included in the consolidation taken as a whole; and
- the Directors' report includes a fair review of the development and performance of the business and the position of the issuer and the undertakings included in the consolidation taken as a whole, together with a description of the principal risks and uncertainties that they face.

A statement in relation to the adoption of the going concern basis in preparing the financial statements appears on page 64.

By order of the Board

J R P Pike
Chairman
05 June 2013

P R M Vervaat
Chief Executive
05 June 2013

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF RPC GROUP PLC

We have audited the financial statements of RPC Group Plc for the year ended 31 March 2013 set out on pages 69 to 109. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRS) as adopted by the EU and, as regards the parent Company financial statements, as applied in accordance with the provisions of the Companies Act 2006.

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members, as a body, for our audit work, for this report, or for the opinions we have formed.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITOR

As explained more fully in the Directors' responsibilities statement set out on page 66, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit, and express an opinion on, the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

SCOPE OF THE AUDIT OF THE FINANCIAL STATEMENTS

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at www.frc.org.uk/auditscopeukprivate.

OPINION ON FINANCIAL STATEMENTS

In our opinion:

- the financial statements give a true and fair view of the state of the Group's and of the parent Company's affairs as at 31 March 2013 and of the Group's profit for the year then ended;
- the Group financial statements have been properly prepared in accordance with IFRS as adopted by the EU;
- the parent Company financial statements have been properly prepared in accordance with IFRS as adopted by the EU and as applied in accordance with the provisions of the Companies Act 2006; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006 and, as regards the Group financial statements, Article 4 of the IAS Regulation.

OPINION ON OTHER MATTERS PRESCRIBED BY THE COMPANIES ACT 2006

In our opinion:

- the part of the Directors' remuneration report to be audited has been properly prepared in accordance with the Companies Act 2006; and
- the information given in the Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements.

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

We have nothing to report in respect of the following:

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- adequate accounting records have not been kept by the parent Company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent Company financial statements and the part of the Directors' remuneration report to be audited are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- a Corporate governance statement has not been prepared by the Company.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF RPC GROUP PLC
continued

Under the Listing Rules we are required to review:

- the directors' statement, set out on page 64, in relation to going concern;
- the part of the Corporate governance statement in the Directors' report relating to the company's compliance with the nine provisions of the UK Corporate Governance Code specified for our review; and
- certain elements of the report to shareholders by the Board of Directors' remuneration.

Greg Watts (Senior Statutory Auditor)
for and on behalf of KPMG Audit Plc, Statutory Auditor
Chartered Accountants
One Snowhill
Snow HIll Queensway
Birmingham
B4 6GH

05 June 2013

CONSOLIDATED INCOME STATEMENT
for the year ended 31 March 2013

	Notes	2013 £m	2012 £m
Revenue	2	**1,051.3**	1,129.9
Operating costs	3	**(997.6)**	(1,057.0)
Operating profit		**53.7**	72.9
Analysed as:			
Operating profit before:	2	**89.7**	93.5
Restructuring and closure costs	4	**(22.1)**	(8.5)
Other exceptional items	4	**(3.2)**	(4.9)
Impairment losses	4	**(10.7)**	(7.2)
Operating profit		**53.7**	72.9
Financial income		**4.8**	0.8
Financial expenses		**(16.5)**	(12.4)
Employee benefit net finance expense		**(1.7)**	(1.7)
Net financing costs	6	**(13.4)**	(13.3)
Profit before taxation	2	**40.3**	59.6
Taxation	7	**(14.8)**	(14.9)
Profit for the period attributable to equity shareholders of the parent		**25.5**	44.7
Basic earnings per ordinary share	10	**15.5p**	27.7p
Diluted earnings per ordinary share	10	**15.4p**	27.6p
Adjusted basic earnings per ordinary share	10	**34.8p**	37.3p
Adjusted diluted earnings per ordinary share	10	**34.7p**	37.1p

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
for the year ended 31 March 2013

	Notes	2013 £m	2012 £m
Profit for the period		**25.5**	44.7
Other comprehensive expense			
Foreign exchange translation differences		**5.8**	(12.1)
Effective portion of movement in fair value of interest rate swaps		**(5.0)**	(0.5)
Deferred tax on above		**1.2**	0.1
Actuarial losses on defined benefit pension plans	26	**(6.7)**	(13.2)
Deferred tax on actuarial losses		**1.4**	3.0
Other comprehensive expense for the period		**(3.3)**	(22.7)
Total comprehensive income for the period		**22.2**	22.0

CONSOLIDATED BALANCE SHEET
at 31 March 2013

	Notes	2013 £m	2012 £m
Non-current assets			
Goodwill	11	**93.1**	97.3
Other intangible assets	11	**8.6**	7.4
Property, plant and equipment	12	**395.3**	381.2
Derivative financial instruments	21	**15.1**	7.9
Deferred tax assets	22	**24.2**	22.6
Total non-current assets		**536.3**	516.4
Current assets			
Inventories	15	**149.1**	145.2
Trade and other receivables	16	**179.3**	185.5
Cash and cash equivalents		**23.7**	34.3
Derivative financial instruments	21	**0.1**	–
Assets held for sale	17	**4.7**	–
Total current assets		**356.9**	365.0
Current liabilities			
Bank loans and overdrafts	18	**(2.5)**	(2.0)
Trade and other payables	18	**(290.6)**	(296.8)
Current tax liabilities		**(9.2)**	(9.5)
Employee benefits	26	**(5.8)**	(5.5)
Provisions and other liabilities	22	**(1.7)**	(6.4)
Derivative financial instruments	21	**(0.4)**	(0.1)
Total current liabilities		**(310.2)**	(320.3)
Net current assets		**46.7**	44.7
Total assets less current liabilities		**583.0**	561.1
Non-current liabilities			
Bank loans and other borrowings	19	**(207.7)**	(200.2)
Employee benefits	26	**(62.1)**	(56.3)
Deferred tax liabilities	22	**(35.3)**	(29.7)
Provisions and other liabilities	22	**(0.6)**	(1.8)
Derivative financial instruments	21	**(5.3)**	(1.2)
Total non-current liabilities		**(311.0)**	(289.2)
Net assets		**272.0**	271.9
Equity			
Called up share capital	23	**8.3**	8.3
Share premium account		**92.3**	90.4
Capital redemption reserve		**0.9**	0.9
Retained earnings		**144.0**	147.8
Cash flow hedging reserve		**(4.4)**	(0.6)
Cumulative translation differences reserve		**30.9**	25.1
Total equity attributable to equity shareholders of the parent		**272.0**	271.9

The financial statements on pages 69 to 109 were approved by the Board of Directors on 5 June 2013 and were signed on its behalf by:

J R P Pike
Chairman

S J Kesterton
Group Finance Director

CONSOLIDATED CASH FLOW STATEMENT

for the year ended 31 March 2013

	Notes	2013 £m	2012 £m
Cash flows from operating activities			
Profit before tax		**40.3**	59.6
Net financing costs		**13.4**	13.3
Profit from operations		**53.7**	72.9
Adjustments for:			
Impairment loss on intangible assets	11	**6.3**	0.2
Amortisation of intangible assets	11	**3.3**	2.5
Impairment loss on property, plant and equipment	12	**4.4**	7.0
Depreciation	12	**45.8**	45.2
Share-based payments	5	**1.4**	1.2
Loss/(profit) on disposal of property, plant and equipment	3	**0.3**	(0.2)
Decrease in provisions		**(8.4)**	(14.3)
Other non-cash items		**(0.3)**	(2.2)
Operating cash flows before movements in working capital		**106.5**	112.3
Increase in inventories		**(0.9)**	(5.6)
Decrease/(increase) in receivables		**10.5**	(1.6)
(Decrease)/increase in payables		**(7.9)**	10.1
Cash generated by operations		**108.2**	115.2
Taxes paid		**(10.7)**	(5.3)
Interest paid		**(12.0)**	(9.8)
Net cash from operating activities		**85.5**	100.1
Cash flows from investing activities			
Interest received		**0.1**	0.3
Proceeds on disposal of property, plant and equipment		**0.7**	1.0
Acquisition of property, plant and equipment		**(63.4)**	(72.2)
Acquisition of intangible assets		**(3.7)**	(2.5)
Acquisition of business	24	**(5.4)**	–
Proceeds on disposal of business		**0.2**	0.7
Net cash flows from investing activities		**(71.5)**	(72.7)
Cash flows from financing activities			
Dividends paid	8	**(23.9)**	(19.8)
Purchase of own shares	23	**(1.2)**	(0.8)
Proceeds from the issue of share capital	23	**1.9**	4.4
Repayments of borrowings		–	(189.1)
New bank loans raised		**2.5**	189.1
Net cash flows from financing activities		**(20.7)**	(16.2)
Net (decrease)/increase in cash and cash equivalents		**(6.7)**	11.2
Cash and cash equivalents at beginning of period		**34.3**	23.0
Effect of foreign exchange rate changes		**(3.9)**	0.1
Cash and cash equivalents at end of period		**23.7**	34.3
Cash and cash equivalents comprise:			
Cash at bank		**23.7**	34.3
		23.7	34.3

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
for the year ended 31 March 2013

	Share capital £m	Share premium account £m	Capital redemption reserve £m	Translation reserve £m	Cash flow hedging reserve £m	Retained earnings £m	Total equity £m
At 1 April 2011	8.1	86.2	0.9	37.2	(0.2)	131.8	264.0
Profit for the period	–	–	–	–	–	44.7	44.7
Actuarial losses	–	–	–	–	–	(13.2)	(13.2)
Deferred tax on actuarial losses	–	–	–	–	–	3.0	3.0
Exchange differences on foreign currencies	–	–	–	(12.1)	–	–	(12.1)
Movement in fair value of swaps	–	–	–	–	(0.5)	–	(0.5)
Deferred tax on hedging movements	–	–	–	–	0.1	–	0.1
Total comprehensive (expense)/income for the period	–	–	–	(12.1)	(0.4)	34.5	22.0
Issue of shares	0.2	4.2	–	–	–	–	4.4
Equity-settled share-based payments	–	–	–	–	–	1.2	1.2
Current tax on share options exercised	–	–	–	–	–	1.2	1.2
Deferred tax on equity-settled share-based payments	–	–	–	–	–	(0.3)	(0.3)
Purchase of own shares	–	–	–	–	–	(0.8)	(0.8)
Dividends paid	–	–	–	–	–	(19.8)	(19.8)
Total transactions with owners recorded directly in equity	0.2	4.2	–	–	–	(18.5)	(14.1)
At 31 March 2012	8.3	90.4	0.9	25.1	(0.6)	147.8	271.9
At 1 April 2012	**8.3**	**90.4**	**0.9**	**25.1**	**(0.6)**	**147.8**	**271.9**
Profit for the period	**–**	**–**	**–**	**–**	**–**	**25.5**	**25.5**
Actuarial losses	**–**	**–**	**–**	**–**	**–**	**(6.7)**	**(6.7)**
Deferred tax on actuarial losses	**–**	**–**	**–**	**–**	**–**	**1.4**	**1.4**
Exchange differences on foreign currencies	**–**	**–**	**–**	**5.8**	**–**	**–**	**5.8**
Movement in fair value of swaps	**–**	**–**	**–**	**–**	**(5.0)**	**–**	**(5.0)**
Deferred tax on hedging movements	**–**	**–**	**–**	**–**	**1.2**	**–**	**1.2**
Total comprehensive income/(expense) for the period	**–**	**–**	**–**	**5.8**	**(3.8)**	**20.2**	**22.2**
Issue of shares	**–**	**1.9**	**–**	**–**	**–**	**–**	**1.9**
Equity-settled share-based payments	**–**	**–**	**–**	**–**	**–**	**1.4**	**1.4**
Deferred tax on equity-settled share-based payments	**–**	**–**	**–**	**–**	**–**	**(0.3)**	**(0.3)**
Purchase of own shares	**–**	**–**	**–**	**–**	**–**	**(1.2)**	**(1.2)**
Dividends paid	**–**	**–**	**–**	**–**	**–**	**(23.9)**	**(23.9)**
Total transactions with owners recorded directly in equity	**–**	**1.9**	**–**	**–**	**–**	**(24.0)**	**(22.1)**
At 31 March 2013	**8.3**	**92.3**	**0.9**	**30.9**	**(4.4)**	**144.0**	**272.0**

COMPANY BALANCE SHEET
at 31 March 2013

	Notes	2013 £m	2012 £m
Non-current assets			
Investment in subsidiaries	13	**158.3**	156.9
Derivative financial instruments	21	**15.1**	7.9
Deferred tax assets	22	**2.0**	2.7
Total non-current assets		**175.4**	167.5
Current assets			
Trade and other receivables	16	**628.3**	605.6
Cash and cash equivalents		**–**	0.8
Current tax assets		**1.1**	0.5
Derivative financial instruments	21	**0.1**	–
Total current assets		**629.5**	606.9
Current liabilities			
Bank loans and overdrafts	18	**(17.4)**	–
Trade and other payables	18	**(214.3)**	(188.8)
Derivative financial instruments	21	**(0.4)**	–
Total current liabilities		**(232.1)**	(188.8)
Net current assets		**397.4**	418.1
Total assets less current liabilities		**572.8**	585.6
Non-current liabilities			
Bank loans and other borrowings	19	**(191.4)**	(182.7)
Derivative financial instruments	21	**(5.3)**	(1.2)
Total non-current liabilities		**(196.7)**	(183.9)
Net assets		**376.1**	401.7
Equity			
Called up share capital	23	**8.3**	8.3
Share premium account		**92.3**	90.4
Capital redemption reserve		**0.9**	0.9
Retained earnings		**279.8**	303.5
Cash flow hedging reserve		**(4.5)**	(0.7)
Cumulative translation differences reserve		**(0.7)**	(0.7)
Total equity attributable to equity shareholders		**376.1**	401.7

The financial statements on pages 69 to 109 were approved by the Board of Directors on 5 June 2013 and were signed on its behalf by:

J R P Pike
Chairman

S J Kesterton
Group Finance Director

Registered Number
2578443

COMPANY CASH FLOW STATEMENT

for the year ended 31 March 2013

	Notes	2013 £m	2012 £m
Cash flows from operating activities			
Profit before tax		**0.1**	1.4
Net financing costs		**(4.6)**	(5.7)
Loss from operations		**(4.5)**	(4.3)
Operating cash flows before movements in working capital		**(4.5)**	(4.3)
(Increase)/decrease in receivables	16	**(17.6)**	76.0
Increase/(decrease) in payables		**25.9**	(39.0)
Cash generated by operations		**3.8**	32.7
Interest paid		**(10.2)**	(8.3)
Net cash from operating activities		**(6.4)**	24.4
Cash flows from investing activities			
Interest received	16	**1.5**	1.6
Net cash flows from investing activities		**1.5**	1.6
Cash flows from financing activities			
Dividends paid	8	**(23.9)**	(19.8)
Proceeds from the issue of share capital	23	**1.9**	4.4
Repayments of borrowings		**–**	(184.2)
New bank loans raised		**8.7**	189.1
Net cash flows from financing activities		**(13.3)**	(10.5)
Net (decrease)/increase in cash and cash equivalents		**(18.2)**	15.5
Cash and cash equivalents at beginning of period		**0.8**	(14.7)
Cash and cash equivalents at end of period		**(17.4)**	0.8
Cash and cash equivalents comprise:			
Cash at bank		**–**	0.8
Bank overdraft		**(17.4)**	–
		(17.4)	0.8

COMPANY STATEMENT OF CHANGES IN EQUITY

for the year ended 31 March 2013

	Share capital £m	Share premium account £m	Capital redemption reserve £m	Translation reserve £m	Cash flow hedging reserve £m	Retained earnings £m	Total equity £m
At 1 April 2011	8.1	86.2	0.9	(0.7)	(0.3)	318.4	412.6
Profit for the period	–	–	–	–	–	3.7	3.7
Movement in fair value of swaps	–	–	–	–	(0.5)	–	(0.5)
Deferred tax on hedging movements	–	–	–	–	0.1	–	0.1
Total comprehensive (expense)/income for the period	–	–	–	–	(0.4)	3.7	3.3
Issue of shares	0.2	4.2	–	–	–	–	4.4
Equity-settled share-based payments	–	–	–	–	–	1.2	1.2
Dividends paid	–	–	–	–	–	(19.8)	(19.8)
Total transactions with owners recorded directly in equity	0.2	4.2	–	–	–	(18.6)	(14.2)
At 31 March 2012	8.3	90.4	0.9	(0.7)	(0.7)	303.5	401.7
At 1 April 2012	**8.3**	**90.4**	**0.9**	**(0.7)**	**(0.7)**	**303.5**	**401.7**
Loss for the period	**–**	**–**	**–**	**–**	**–**	**(1.2)**	**(1.2)**
Movement in fair value of swaps	**–**	**–**	**–**	**–**	**(5.0)**	**–**	**(5.0)**
Deferred tax on hedging movements	**–**	**–**	**–**	**–**	**1.2**	**–**	**1.2**
Total comprehensive expense for the period	**–**	**–**	**–**	**–**	**(3.8)**	**(1.2)**	**(5.0)**
Issue of shares	**–**	**1.9**	**–**	**–**	**–**	**–**	**1.9**
Equity-settled share-based payments	**–**	**–**	**–**	**–**	**–**	**1.4**	**1.4**
Dividends paid	**–**	**–**	**–**	**–**	**–**	**(23.9)**	**(23.9)**
Total transactions with owners recorded directly in equity	**–**	**1.9**	**–**	**–**	**–**	**(22.5)**	**(20.6)**
At 31 March 2013	**8.3**	**92.3**	**0.9**	**(0.7)**	**(4.5)**	**279.8**	**376.1**

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 2013

1. PRINCIPAL ACCOUNTING POLICIES

RPC Group Plc 'the Company' is a company incorporated in England.

Both the Company financial statements and the Group financial statements have been prepared and approved by the directors in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU (Adopted IFRS). On publishing the Company financial statements here together with the Group financial statements, the Company is taking advantage of the exemption in section 408 of the Companies Act 2006 not to present its individual income statement and related notes that form part of these approved financial statements.

The following principal accounting policies apply to both the Group and Company financial statements. They have been applied consistently throughout the year and the preceding year in dealing with items which are considered material in relation to the Group and Company's financial statements.

BASIS OF PREPARATION

The financial statements, which are presented in sterling, are prepared in accordance with the historical cost convention except for derivative financial instruments and assets held for sale which are stated at their fair value.

The preparation of the financial statements requires the directors to make judgements, estimates and assumptions that affect the application of policies and the reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experiences and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates. The key estimates and judgements used in the financial statements are as follows:

Impairment of tangible and intangible assets

Intangible assets are tested at least annually for impairment and the Group's tangible assets other than inventories, financial assets within the scope of International Accounting Standard (IAS) 39 and deferred tax assets, are tested when there is an indication of impairment in accordance with the accounting policy set out below and in note 11 to the financial statements. The recoverable amounts of cash-generating units are determined based on value in use calculations. These calculations require the use of estimates which include cash flow projections for each cash-generating unit (CGU) and discount rates based on a pre-tax discount rate that reflects current market assumptions of the time value of money and the risks specific to the CGU.

Retirement benefit obligations

The costs and present value of any related pension assets and liabilities depend upon such factors as life expectancy of the members, wage rate increases of current employees, the returns that the Schemes' assets generate and the discount rate used to calculate the present value of the pension liabilities. The Group uses estimates based on past experience and actuarial advice in determining these future cash flows and in determining the discount rate. The accounting policy is set out under Employee Benefits below and details of the assumptions used are set out in note 26 to the financial statements.

Taxation

There are many transactions whose ultimate tax treatment is uncertain. The Group makes provision for anticipated tax consequences based on the likelihood of whether additional taxes may arise. The Group recognises deferred tax assets and liabilities based on estimates of future taxable income and recoverability. If these estimates do not materialise or change, or there are changes in tax rates or to the period over which losses might be recognised, then the value of the deferred tax asset or liability will be revised in a future period. The accounting policy for taxation is set out below.

BASIS OF CONSOLIDATION

The consolidation includes the financial statements of the Company and its subsidiaries made up to 31 March 2013. Where subsidiaries are acquired during the year, their results are included in the Group's financial statements from the date of control. Control exists when the Group has the power, directly or indirectly, to govern the financial and operating policies of an entity so as to obtain benefits from its activities. Intra-group sales and profits are eliminated fully on consolidation.

Joint ventures are those entities over whose activities the Group has joint control. The consolidated financial statements include the investment in joint ventures, stated at cost, plus the Group's share of retained post acquisition profits and other changes in net assets. Joint ventures are proportionately consolidated from the date the joint venture control commences until the date that joint control ceases.

NEW STANDARDS AND INTERPRETATIONS

In the current year there were no new standards adopted that had a material impact on the Group results.

At the date of approval of these financial statements, there were no standards endorsed but not yet adopted by the EU that would have a material impact on the Group results.

PROPERTY, PLANT AND EQUIPMENT

Items of property, plant and equipment are stated at cost together with any incidental expenses of acquisition less accumulated depreciation and any accumulated impairment losses.

Depreciation is calculated so as to write off the cost of each part of an item of property, plant and equipment on a straight-line basis over the expected useful economic lives of the assets concerned, as follows:

Freehold buildings	50 years
Long leasehold property	50 years
Plant and equipment	5 to 10 years
Moulds	3 to 5 years
Motor vehicles	4 years

Freehold land is not depreciated.

INVENTORIES

Inventories are stated at the lower of cost and net realisable value. In determining the cost of raw materials, consumables and goods for resale, the average purchase price is used. For finished goods, cost is taken as production cost which includes the cost of the raw materials and an appropriate proportion of overheads. Where necessary, provision is made for obsolete, slow moving and defective stocks.

FINANCIAL ASSETS

Financial assets include cash and cash equivalents and trade and other receivables.

TRADE AND OTHER RECEIVABLES

Trade and other receivables are recognised on the trade date, being the date that the Group commits to sell the asset, and are initially measured at fair value and subsequently measured at amortised cost less any provision for impairment. A provision for impairment is made when there is evidence (such as the probability of insolvency or significant financial difficulties of the debtor) that the Group will not be able to collect all of the amounts due under the original terms of the invoice. The carrying amount of the receivable is reduced through use of an allowance account. Balances are written off when the probability of recovery is assessed as being remote.

A financial asset (or, where applicable a part of a financial asset or part of a group of similar financial assets) is derecognised where:

- the rights to receive cash flows from the asset have expired; or
- the Group has transferred its rights to receive cash flows from the asset and either (a) has transferred substantially all the risks and rewards of the asset, or (b) has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

CASH AND CASH EQUIVALENTS

Cash and cash equivalents comprise cash balances. Bank overdrafts that are repayable on demand and form an integral part of the Group's cash management are included as a component of cash and cash equivalents for the purpose of the statement of cash flows.

TRADE AND OTHER PAYABLES

Trade and other payables are initially measured at fair value and are subsequently measured at amortised cost.

PROVISIONS

A provision is recognised in the balance sheet when the Group has a present legal or constructive obligation as a result of a past event and it is probable that an outflow of economic benefits will be required to settle the obligation. If the effect is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, when appropriate, the risks specific to the liability.

INVESTMENTS IN SUBSIDIARIES

Investments are stated at the fair value of the consideration given when initially acquired adjusted for capital contributions in respect of share options granted to employees of its subsidiaries and reviewed for impairment if there is an indication that the carrying value may not be recoverable.

NOTES TO THE FINANCIAL STATEMENTS CONTINUED
for the year ended 31 March 2013

1. PRINCIPAL ACCOUNTING POLICIES (CONTINUED)

FOREIGN CURRENCIES

Trading transactions denominated in foreign currencies are translated into sterling at the exchange rate ruling when the transaction was entered into. Monetary assets and liabilities are translated into sterling at the rate of exchange on the date of the balance sheet. Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction.

Assets and liabilities of subsidiaries in foreign currencies are translated into sterling at the exchange rate ruling on the date of the balance sheet and the results of foreign subsidiaries are translated at the average rate of exchange for the year.

Since converting to IAS and as permitted by IFRS 1 'First-time adoption of International Financial Reporting Standards', the Group has reported the differences on exchange arising from the retranslation of the opening net assets of foreign operations, the effective portion of foreign currency borrowings used in a net investment hedge, and the translation of the results of those companies at the average rate within the translation reserve and has reported the transactions in the Consolidated statement of comprehensive income. Prior to 2005, these items were recognised in retained reserves.

All other foreign exchange differences are taken to the income statement in the year in which they arise.

BANK BORROWINGS

Interest-bearing bank loans and overdrafts are recorded at the proceeds received, net of direct issue costs. Finance charges, including premiums paid on settlement or redemption of direct issue costs, are accounted for on an accruals basis in the income statement using the effective interest method and are added to the carrying amount of the instrument to the extent that they are not settled in the period in which they arise.

DERIVATIVE FINANCIAL INSTRUMENTS

Derivative financial instruments are measured at fair value and include interest rate swaps, cross currency swaps and forward foreign exchange contracts. The fair values are determined by reference to the market prices available from the market on which the instruments involved are traded.

Certain derivative financial instruments are designated as hedges in line with the Group's treasury policy. Hedges are classified as follows:

- Fair value hedges that hedge the exposure to changes in the fair value of a recognised asset or liability.
- Cash flow hedges that hedge exposure to variability in cash flows that is either attributable to a particular risk associated with a recognised asset or liability or a highly probable forecasted transaction.
- Net investment hedges that hedge exposure to changes in the value, due to fluctuations in exchange rates, of the Group's interests in the net assets of foreign operations.

For fair value hedges, any gain or loss from remeasuring the hedging instrument at fair value is recognised immediately in the income statement. Any gain or loss on the hedged item attributable to the hedged risk is adjusted against the carrying amount of the hedged item and similarly recognised in the income statement.

For cash flow hedges and net investment hedges, the portion of the gain or loss on the hedging instrument that is determined to be an effective hedge, as defined by IAS 39 'Financial Instruments: Recognition and Measurement', is recognised in equity, directly in the cash flow hedge reserve or the translation reserve, respectively, with any ineffective portion recognised in the income statement. Such hedges are tested, both at inception to ensure they are expected to be effective and periodically throughout their duration to assess continuing effectiveness. When the forecast transaction results in the recognition of a non-financial asset or liability, the associated gains or losses previously recognised in equity are included in the initial measurement of the asset or liability. For all other cash flow hedges, the gains or losses that are recognised in equity are transferred to the income statement in the same period in which the hedged cash flows affect the income statement.

Any gains or losses arising from changes in the fair value of derivative financial instruments not designated as hedges are recognised in the income statement.

Where a Group company enters into financial guarantee contracts to guarantee the indebtedness of other companies within the Group, the Group considers these to be insurance arrangements for them as such. In this respect, the Group treats the guarantee contract as a contingent liability until such time as it becomes probable that the Group will be required to make a payment under the guarantee.

REVENUE

Revenue, which excludes value added tax, other sales taxes and trade discounts, represents the invoiced value of goods supplied. Revenue is recognised in the income statement when packaging products and associated equipment are supplied to external customers in line with contractual arrangements. In these instances, significant risks and rewards of ownership have passed to third parties, the amount of revenue can be measured reliably and it is probable that the economic benefits associated with the transaction will flow to the Group.

GOVERNMENT GRANTS

Government grants in respect of property, plant and equipment are capitalised and credited to the income statement over the life of the related assets. Grants of a revenue nature are credited to the income statement in the year in which the grant is received.

EXCEPTIONAL ITEMS

Items which are exceptional are presented separately from underlying business performance in the consolidated income statement due their materiality, nature and infrequency. The separate reporting of exceptional items helps facilitate comparison with prior periods and assess trends in financial performance. The principal events which may give rise to exceptional items include business restructuring and closure costs, including related asset impairments and trading losses during the closure period, business acquisition and integration costs, gains or losses on the disposal of businesses and property, goodwill impairments, significant litigation and tax claims and other losses which, in the management's judgement, could distort an assessment of underlying business performance.

TAXATION

The tax expense represents the sum of the current taxes payable and deferred tax.

The current tax payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the income statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the balance sheet date.

Deferred tax is the tax expected to be payable or recoverable on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit and is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised.

Deferred tax liabilities are recognised for taxable temporary differences arising on investments in subsidiaries, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the income statement, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity.

EMPLOYEE BENEFITS

Retirement benefit obligations

The Group operates a number of defined benefit and defined contribution pension schemes.

The liability recognised in the balance sheet in respect of defined benefit pension schemes is the present value of the defined benefit obligation less the fair value of plan assets at the balance sheet date. The obligation is calculated by external actuaries using the projected unit method. Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to equity and recognised in full in the Consolidated statement of comprehensive income in the period in which they occur.

The costs of providing accrued service benefits are charged to operating expenses. Return on scheme assets and interest on scheme liabilities are included in net financing costs.

Payments to defined contribution schemes are charged to the income statement when they fall due.

Termination benefits

The Group recognises the present value of a liability to pay termination benefits when it has a demonstrable commitment to terminating employment before retirement.

In Germany, the Group has contractual obligations under a part-time employment scheme for older employees (Altersteilzeit). In addition to half salary, the employee may receive a fixed incentive payment. The Group provides for the incentive payment as a termination benefit. The number of employees who will take up this arrangement is an estimate based on historical experience and any agreed cap on the number of participants. Actuarial gains and losses and past service costs are recognised immediately in the income statement.

Other employee benefits

The Group provides for the present value of its obligations in respect of other long-term employee benefits using actuarial valuations. These include deferred salaries due to German Altersteilzeit employees and long service awards. The Group provides for long service awards as they accrue. The number of employees who will receive long service awards is estimated based on historical experience. Actuarial gains and losses and past service costs are recognised immediately in the income statement.

The costs of short-term employee benefits are charged to the income statement when they fall due.

LEASING

Where the Group enters into a lease which entails taking substantially all the risks and rewards of ownership of an asset, the lease is treated as a 'finance lease'. The asset is recorded in the balance sheet as property, plant and equipment and is depreciated over its estimated useful life or the term of the lease, whichever is shorter. Future instalments under such leases, net of finance charges, are included within creditors. Rentals payable are apportioned between the finance element, which is charged to the income statement, and the capital element which reduces the outstanding obligation for future instalments.

All other leases are accounted for as 'operating leases' and the rental charges are charged to the income statement on a straight-line basis over the expected life of the lease.

NOTES TO THE FINANCIAL STATEMENTS CONTINUED
for the year ended 31 March 2013

1. PRINCIPAL ACCOUNTING POLICIES (CONTINUED)

RESEARCH AND DEVELOPMENT EXPENDITURE

Research expenditure is written off in the year in which it is incurred.

Where the expenditure relates to the development of a new product or process which is expected to be technically feasible and commercially viable, development costs are capitalised and amortised over their useful economic lives, to a maximum of five years. The intangible assets are assessed for indications of impairment annually and any impairment is charged to the income statement.

GOODWILL

Goodwill has been recognised on acquisitions and represents the excess of the fair value of consideration given over the Group's interest in the fair value of the identifiable assets and liabilities and contingent liabilities at the date of acquisition. Goodwill is stated at cost less any accumulated impairment losses. The carrying amount is allocated to cash-generating units and is tested at least annually for impairment. Any impairment is recognised immediately as an expense and cannot be reversed subsequently.

In respect of acquisitions prior to 1 April 2004, goodwill is included on the basis of its deemed cost, which represents the amount recorded under previous GAAP.

On disposal of a subsidiary, the attributable amount of goodwill is included in the determination of the profit or loss on disposal, except for goodwill written off to reserves under UK GAAP prior to 1998 which has not been reinstated and is not included in determining any subsequent profit or loss on disposal.

Negative goodwill arising on an acquisition is recognised directly in the income statement in the year of acquisition.

OTHER INTANGIBLE ASSETS

Other intangible assets are carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation begins when an asset is available for use and is calculated on a straight-line basis to allocate the cost of assets over their estimated useful lives as follows:

Patents	remaining life of patent
Product development costs	over the life of the project
Computer software and IT systems development costs	4 to 5 years
Customer contacts and relationships acquired	over the life of the relationships

The cost of intangible assets acquired in a business combination is the fair value at acquisition date. The cost of separately acquired intangible assets, including computer software, comprises the purchase cost and any directly attributable costs of preparing the asset for use. Computer software costs that are directly associated with the implementation of major business systems are capitalised as intangible assets.

IMPAIRMENT OF TANGIBLE AND INTANGIBLE ASSETS

At each balance sheet date, the Group reviews the carrying amount of the Group's assets, other than inventories, financial assets within the scope of IAS 39 and deferred tax assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where the asset does not generate cash flows that are independent from other assets, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs. Intangible assets with indefinite useful lives and goodwill are tested for impairment at least annually and whenever there is an indication that the asset may be impaired.

The recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognised as an expense immediately.

Where an impairment loss subsequently reverses in respect of assets other than goodwill, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised as income immediately.

EQUITY-SETTLED SHARE-BASED PAYMENTS

The Group operates an employee savings related share option scheme and executive share option schemes. As permitted by IFRS 1 'First-time adoption of International Financial Reporting Standards', the Group has chosen to adopt IFRS 2 'Share-based Payments' for share options granted after 7 November 2002 that had not vested by 1 January 2005. On this basis, the fair value of employee share options granted is calculated at grant date using an appropriate option pricing model. The resulting cost is charged to the income statement over the vesting period of the options with a corresponding increase in equity. At each balance sheet date, the Group revises its service and non-market estimates of the number of options that are expected to become exercisable and the charge to the income statement is adjusted accordingly.

Where the Company grants share options to employees of its subsidiaries, the amount equal to the amount which would otherwise have been charged in the income statement in respect of those options is accounted for as a capital contribution and the Company's cost of investment in its subsidiary is increased accordingly.

RELATED PARTY DISCLOSURES

Transactions between the Group and any related parties which require disclosure under IAS 24 'Related Party Disclosures' are given in note 27.

2. OPERATING SEGMENTS

The information reported to the Group's Board of Directors, considered to be the Group's chief operating decision maker for the purpose of resource allocation and assessment of segment performance, is based on manufacturing conversion process. The businesses that use these processes can be found in the Operating review on page 14.

Information regarding the Group's operating segments is reported below.

SEGMENT REVENUES AND RESULTS

The accounting policies of the reportable segments are the same as the Group's accounting policies in note 1. Segment profit represents the profit earned by each segment with an allocation of central items. Pricing of inter-segment revenue is on an arm's length basis.

The following is an analysis of the Group's revenue and results by reportable segment:

	Injection Moulding		Thermoforming		Blow Moulding		Total	
	2013 £m	2012 £m	**2013 £m**	2012 £m	**2013 £m**	2012 £m	**2013 £m**	2012 £m
Revenue								
External sales	**617.4**	657.7	**253.1**	287.7	**180.8**	184.5	**1,051.3**	1,129.9
Inter-segment sales	**3.3**	5.2	**0.2**	0.1	**1.0**	1.0		
Total revenue	**620.7**	662.9	**253.3**	287.8	**181.8**	185.5		
Segmental results								
Segment operating profit	**62.7**	66.8	**15.9**	13.7	**11.1**	13.0	**89.7**	93.5
Exceptional items							**(25.3)**	(13.4)
Impairments							**(10.7)**	(7.2)
Finance costs							**(13.4)**	(13.3)
Profit before tax							**40.3**	59.6
Tax							**(14.8)**	(14.9)
Profit for the period							**25.5**	44.7
Segment assets	**547.0**	527.3	**176.4**	185.8	**124.4**	125.1	**847.8**	838.2
Unallocated assets							**45.4**	43.2
Total assets							**893.2**	881.4
Segment net operating assets	**230.9**	229.6	**78.3**	73.9	**66.7**	61.1	**375.9**	364.6
Unallocated net operating assets							**57.2**	50.5
Total net operating assets							**433.1**	415.1

Net operating assets (NOA) is defined as tangible fixed assets, inventories, trade and other receivables and trade and other payables. All assets and liabilities within segment NOA exclude the impact of revaluation adjustments which are reported centrally as unallocated NOA.

Additions to non-current assets	**39.9**	40.2	**13.8**	23.7	**10.0**	10.0	**63.7**	73.9
Depreciation and amortisation	**33.6**	33.6	**8.4**	7.7	**7.1**	6.4	**49.1**	47.7
Impairment charge	**1.8**	4.6	**8.4**	2.3	**0.5**	0.3	**10.7**	7.2

NOTES TO THE FINANCIAL STATEMENTS CONTINUED
for the year ended 31 March 2013

2. OPERATING SEGMENTS (CONTINUED)

GEOGRAPHICAL INFORMATION

The Group's revenue, profit and non-current assets (other than financial instruments and deferred tax assets) are divided into the following geographical areas:

2013

	UK £m	*Germany £m*	*France £m*	*Other £m*	Mainland Europe* £m	Total £m
External sales	**234.4**	***319.8***	***147.5***	***349.6***	**816.9**	**1,051.3**
Operating profit	**22.5**				**67.2**	**89.7**
Return on sales	**9.6%**				**8.2%**	**8.5%**
Non-current assets	**101.0**	***123.3***	***55.1***	***217.6***	**396.0**	**497.0**

2012

	UK £m	*Germany £m*	*France £m*	*Other £m*	Mainland Europe* £m	Total £m
External sales	241.0	*354.6*	*151.4*	*382.9*	888.9	1,129.9
Operating profit	21.0				72.5	93.5
Return on sales	8.7%				8.2%	8.3%
Non-current assets	89.8	*114.0*	*29.4*	*252.7*	396.1	485.9

* Mainland Europe also includes an operation in the USA whose sales are predominantly sourced from intra-group supplies manufactured in Germany.

Revenues from external customers have been identified on the basis of origin and non-current assets on their physical location.

MAJOR CUSTOMER

No single customer accounts for more than 10% of Group revenue in either 2013 or 2012.

3. OPERATING COSTS

	2013 £m	2012 £m
Raw material and consumables	**551.3**	591.4
Own work capitalised	**(1.9)**	(1.0)
Changes in stock of finished goods and work in progress	**(0.7)**	(3.0)
Other external charges	**100.6**	120.4
Carriage	**46.8**	51.0
Staff costs (note 5)	**243.0**	246.8
Depreciation of property, plant and equipment	**45.8**	45.2
Amortisation of intangibles	**3.3**	2.5
Impairment losses	**10.7**	7.2
Other operating income	**(1.3)**	(3.5)
	997.6	1,057.0

	2013 £m	2012 £m
Other external charges include the following:		
Operating lease rentals:		
Hire of plant and machinery	**8.4**	7.4
Other operating leases	**2.0**	3.4
Research and development	**1.4**	1.8
Foreign exchange losses	**–**	1.0
Other operating income includes:		
Loss/(profit) on disposal of property, plant and equipment	**0.3**	(0.2)
Loss/(profit) on disposal of business	**1.4**	(0.3)

The analysis of auditors' remuneration is as follows:

	2013 £m	2012 £m
Fees payable to the Company's auditors for the audit of the Company's annual accounts	**0.1**	0.1

Fees payable to the Company's auditors and their associates for other services to the Group:		
– the audit of the Company's subsidiaries pursuant to legislation	**0.7**	0.7
– tax compliance services	**0.1**	0.3
– tax advisory services	**0.1**	0.2
– other assurance services	**0.2**	–

Fees payable to KPMG Audit Plc and their associates for non-audit services to the Company are not required to be disclosed because the consolidated financial statements are required to disclose such fees on a consolidated basis.

4. RESTRUCTURING, CLOSURE COSTS AND OTHER EXCEPTIONAL ITEMS

	2013 £m	2012 £m
Closure costs	**14.0**	6.7
Restructuring of operations	**8.1**	1.8
Integration/acquisition costs	**2.8**	5.7
Other exceptional items	**0.4**	(0.8)
	25.3	13.4

2013

The closure costs comprise the costs, excluding impairment losses, of the withdrawal from the vending cup business in mainland Europe and the closure and sale of the automotive parts business in Germany, announced in 2011/12, together with the closure costs of the operations at Antwerp (Belgium) and Beuningen (Netherlands) which commenced in 2012/13 under the Fitter for the Future business optimisation programme. In addition there were restructuring costs under this programme at other sites, including Bremervörde (Germany), Lokeren (Belgium) and Madrid (Spain). Integration / acquisition costs comprise the final closure costs at Runcorn and transfers of business to UKIM sites, together with other integration costs associated with Superfos.

2012

The closure costs in the prior year comprise the costs of the planned withdrawal from the vending cup business in mainland Europe announced in the year. Restructuring of operations included the final restructuring of operations under the RPC 2010 programme. Integration/acquisition costs comprised the closure of the Runcorn site and other integration costs associated with Superfos. Other exceptional items included £0.3m profit on sale of the Bramlage Verschlüsse wines and spirits closures operation, a non-core business.

IMPAIRMENT LOSSES

	2013 £m	2012 £m
Intangible loss on intangible assets	**6.3**	–
Intangible loss on property, plant and equipment	**4.4**	7.2
Impairment losses	**10.7**	7.2

The impairment loss on intangible assets comprises £5.8m write down of goodwill held within the Cobelplast cluster, and £0.5m relating to the disposables business at Offenburg (Germany). The impairment losses on property, plant and equipment of £4.4m include impairments on buildings held for sale and plant & equipment written down as a result of restructuring activities under the Fitter for the Future programme. In the previous year the Group incurred £7.2m of property, plant and equipment impairments relating to exiting the vending cup business in mainland Europe and the automotive components business in Germany and the Runcorn closure.

NOTES TO THE FINANCIAL STATEMENTS CONTINUED
for the year ended 31 March 2013

5. STAFF COSTS

NUMBER OF PERSONNEL

The average number of personnel (including executive directors) employed by the Group during the year was:

	2013 Number	2012 Number
Production	**6,053**	6,133
Selling	**391**	407
Administration	**744**	786
	7,188	7,326

STAFF COSTS

Staff costs for the above personnel were:

	2013 £m	2012 £m
Wages and salaries	**188.5**	191.2
Restructuring and closure costs	**6.8**	7.4
Termination benefits	**0.2**	0.5
Social security costs	**40.2**	40.3
Share-based payments (note 23)	**1.4**	1.2
Pension costs – defined contribution plans	**5.0**	5.3
Pension costs – defined benefit plans (note 26)	**0.9**	0.9
	243.0	246.8

The Company had no employees.

EMOLUMENTS OF THE DIRECTORS

Disclosures of directors' emoluments, share options and pension costs are given in the Remuneration report.

6. FINANCIAL INCOME AND EXPENSES

	2013 £m	2012 £m
Interest receivable on cash at bank	**(0.1)**	(0.3)
Mark to market gain on foreign currency hedging instruments	**(4.7)**	(0.5)
Total financial income	**(4.8)**	(0.8)
Interest payable on bank loans and overdrafts	**3.1**	6.1
Interest payable on bonds and US private placement notes	**7.0**	3.2
Fair value adjustment to borrowings	**4.7**	0.6
Other interest payable and similar charges	**1.7**	2.5
Total financial expense	**16.5**	12.4
Interest cost on retirement benefit obligations	**7.3**	7.7
Expected return on pension plan assets	**(5.6)**	(6.0)
Net financing costs for employee benefit obligations (note 26)	**1.7**	1.7
Net financial expense	**13.4**	13.3

7. TAXATION

	2013 £m	2012 £m
United Kingdom corporation tax at 24% (2012: 26%):		
Current year	–	1.2
Adjustments in respect of prior years	(0.2)	–
Overseas taxation:		
Current year	9.6	9.5
Adjustments in respect of prior years	0.7	(2.1)
Total current tax	10.1	8.6
Deferred tax (note 22):		
United Kingdom:		
Current year	3.0	1.5
Adjustments in respect of prior years	0.7	0.6
Overseas:		
Current year	5.6	4.2
Adjustments in respect of prior years	(4.6)	–
Total tax expense in the Consolidated income statement	14.8	14.9

Tax reconciliation:

	2013 £m	2012 £m
Profit before taxation	40.3	59.6
Current tax at 24% (2012: 26%)	9.7	15.5
Expenses not deductible for tax purposes	3.6	1.3
Local tax incentives	(0.6)	(0.8)
Net losses utilised/not provided	3.3	(0.6)
Tax rate differential	2.2	1.0
Adjustments in respect of prior years	(3.4)	(1.5)
Total tax expense in the Consolidated income statement	14.8	14.9

A reduction in the UK corporation tax rate from 24% to 23% (effective from 1 April 2013) was substantively enacted prior to 31 March 2013. This will reduce the UK future current tax charges accordingly. The UK deferred tax temporary differences at 31 March 2013 have been calculated based on the tax rate of 23% substantively enacted at the balance sheet date.

The UK Budget in March 2013 announced that the tax rate will further reduce to 20% by 2015 in addition to the planned reduction to 21% by 2014 previously announced in the December 2012 Autumn Statement. This will further reduce the UK future current tax charges and impact the UK deferred tax temporary differences accordingly.

8. DIVIDENDS

	2013 £m	2012 £m
Dividends on ordinary shares:		
Interim for 2012/13 paid of 4.3p per share	7.1	–
Final for 2011/12 paid of 10.2 per share	16.8	–
Interim for 2011/12 paid of 4.2p per share	–	6.7
Final for 2010/11 paid of 8.1p per share	–	13.1
	23.9	19.8

The proposed final dividend for the year ended 31 March 2013 of 10.6p per share with an estimated total cost of £17.6m has not been included as a liability as at 31 March 2013.

NOTES TO THE FINANCIAL STATEMENTS CONTINUED
for the year ended 31 March 2013

9. PROFIT FOR THE FINANCIAL YEAR

As permitted by section 408 of the Companies Act 2006, the holding Company's income statement has not been included in these financial statements. The profit after taxation within these financial statements includes a loss of £1.2m (2012: profit £3.7m) for the Company. This includes intercompany dividends received of £nil (2012: £nil).

Of the retained earnings of the Company of £279.8m (2012: £303.5m), £194.4m (2012: £194.4m) is classed as non-distributable.

10. EARNINGS PER SHARE

BASIC

Earnings per share has been computed on the basis of earnings of £25.5m (2012: £44.7m) and on the weighted average number of shares in issue during the year of 164,882,119 (2012: 161,313,391). The weighted average number of shares excludes shares held by the RPC Group Employee Benefit Trust to satisfy future awards in respect of incentive arrangements.

DILUTED

Diluted earnings per share is earnings per share after allowing for the dilutive effect of the conversion into ordinary shares of the weighted average number of options outstanding during the year of 761,052 (2012: 805,559). The number of shares used for the diluted calculation for the year was 165,643,171 (2012: 162,118,950).

ADJUSTED

The directors believe that the presentation of an adjusted basic earnings per ordinary share assists with the understanding of the underlying performance of the Group. For this purpose the restructuring, closure costs and other exceptional items and impairment losses identified separately on the face of the Consolidated income statement together with the debit or credit for the foreign currency hedging instruments and exchange differences on bonds, adjusted for the tax thereon, have been excluded.

A reconciliation from profit after tax as reported in the Consolidated income statement to the adjusted profit after tax is set out below:

	2013 £m	2012 £m
Profit after tax as reported in the Consolidated income statement	**25.5**	44.7
Restructuring, closure costs and other exceptional items	**25.3**	13.4
Impairment losses	**10.7**	7.2
Foreign currency hedging instruments and exchange differences on bonds	**–**	0.1
Tax adjustments	**(4.1)**	(5.2)
Adjusted profit after tax	**57.4**	60.2

ADJUSTED BASIC EARNINGS PER SHARE

The weighted average number of shares used in the adjusted basic earnings per share calculation is as follows:

	2013	2012
Weighted average number of shares	**164,882,119**	161,313,391
Adjusted basic earnings per share	**34.8p**	37.3p

ADJUSTED DILUTED EARNINGS PER SHARE

The weighted average number of shares used in the adjusted diluted earnings per share calculation is as follows:

	2013	2012
Weighted average number of shares (basic)	**164,882,119**	161,313,391
Effect of share options in issue	**761,052**	805,559
Weighted average number of shares (diluted)	**165,643,171**	162,118,950
Adjusted diluted earnings per share	**34.7p**	37.1p

11. INTANGIBLE ASSETS

	Goodwill £m	Other intangible assets £m	Total £m
Cost			
At 1 April 2011	107.8	9.3	117.1
Additions internally developed	–	2.5	2.5
Exchange differences	(5.6)	(0.7)	(6.3)
At 31 March 2012	102.2	11.1	113.3
At 1 April 2012	**102.2**	**11.1**	**113.3**
Additions internally developed	**–**	**3.7**	**3.7**
Acquisitions	**0.7**	**0.2**	**0.9**
Reclassifications	**–**	**1.9**	**1.9**
Disposals	**–**	**(0.7)**	**(0.7)**
Exchange differences	**0.9**	**0.3**	**1.2**
At 31 March 2013	**103.8**	**16.5**	**120.3**
Amortisation			
At 1 April 2011	4.9	1.3	6.2
Charge for the year	–	2.5	2.5
Impairment charge	–	0.2	0.2
Exchange differences	–	(0.3)	(0.3)
At 31 March 2012	4.9	3.7	8.6
At 1 April 2012	**4.9**	**3.7**	**8.6**
Charge for the year	**–**	**3.3**	**3.3**
Reclassifications	**–**	**0.8**	**0.8**
Impairment charge	**5.8**	**0.5**	**6.3**
Disposals	**–**	**(0.6)**	**(0.6)**
Exchange differences	**–**	**0.2**	**0.2**
At 31 March 2013	**10.7**	**7.9**	**18.6**
Net book value at 31 March 2013	**93.1**	**8.6**	**101.7**
Net book value at 31 March 2012 and 1 April 2012	97.3	7.4	104.7
Net book value at 1 April 2011	102.9	8.0	110.9

The Company had no intangible assets at either year end.

Of the impairment charge of £6.3m (2012: £0.2m), £5.8m relates to a write down of goodwill held within the Cobelplast cluster, and £0.5m relates to the disposables business at Offenburg (Germany). More information is given on the impairments in note 4.

The reclassifications relate to development costs previously held under property, plant and equipment.

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11. INTANGIBLE ASSETS (CONTINUED)

GOODWILL

Goodwill acquired through acquisitions has been allocated to cash-generating units (CGUs) that are expected to benefit from that acquisition.

The Group tests at least annually for impairment or more frequently if there are indications that goodwill might be impaired. The CGUs have been determined at cluster level within the Group, and the carrying value of goodwill at 31 March is allocated as follows:

	2013 £m	2012 £m
UK Injection Moulding	**4.9**	4.9
Blow Moulding	**–**	–
Bramlage-Wiko	**4.6**	3.9
Bebo	**5.2**	5.2
Cobelplast	**–**	6.0
Tedeco-Gizeh	**1.9**	1.9
Superfos	**76.5**	75.4
	93.1	97.3

During the year the goodwill relating to the Cobelplast CGU was impaired following a value in use calculation. The directors have determined that no further impairment was required at 31 March 2013 as the recoverable amounts were in excess of the carrying value.

The recoverable amounts of the CGUs are determined from their value in use. The cash flow projections used in these calculations cover a three year period based on the 2013/14 budget and the outline plans for 2014/15 and 2015/16 approved by the Board together with terminal values which assume zero growth.

The key assumptions used in the recoverable amount calculations include:

(i) Sales. Forecasts are based on cluster level analysis of sales, markets, competitors and prices for the budget period. Consideration is given to past experience, knowledge of future contracts and expectations of future potential changes in the markets.

(ii) Polymer and electricity costs. Forecasts for polymer costs are based on prices at the time the budget is prepared. Forecasts for electricity costs are based on contractual arrangements taking into account supply and demand factors.

A pre-tax discount rate of 9% (2012: 9%) was used to discount the expected cash flows of the cash-generating units. As each CGU is considered to have similar risks the same discount rate has been applied. The Group's impairment review is sensitive to a change in the key assumptions used, most notably the discount rate. Based on the Group's sensitivity analysis, an increase in the discount rate to 32% would indicate a potential impairment in one or more of the CGUs.

OTHER INTANGIBLE ASSETS

Other intangible assets include customer contracts with a net book value of £2.9m (2012: £3.2m), patents with a net book value of £0.1m (2012: £0.2m) and development costs with a net book value of £5.6m (2012: £4.0m).

12. PROPERTY, PLANT AND EQUIPMENT

The movements in the property, plant and equipment of the Group were as follows:

	Freehold land and buildings £m	Long leasehold land and buildings £m	Plant, equipment, moulds and vehicles £m	Total £m
Cost				
At 1 April 2011	227.2	2.4	545.8	775.4
Exchange differences	(11.8)	(0.1)	(29.9)	(41.8)
Additions	5.1	1.0	65.3	71.4
Reclassifications	(1.0)	1.2	(6.5)	(6.3)
Disposals	–	–	(13.3)	(13.3)
At 31 March 2012	219.5	4.5	561.4	785.4
At 1 April 2012	**219.5**	**4.5**	**561.4**	**785.4**
Exchange differences	**3.5**	**0.1**	**10.7**	**14.3**
Additions	**7.2**	**0.8**	**52.0**	**60.0**
Acquisitions	**4.2**	**–**	**1.7**	**5.9**
Reclassifications	**(0.8)**	**1.2**	**(2.3)**	**(1.9)**
Transfers to assets held for sale	**(8.6)**	**–**	**–**	**(8.6)**
Disposals	**(1.0)**	**–**	**(50.8)**	**(51.8)**
At 31 March 2013	**224.0**	**6.6**	**572.7**	**803.3**
Depreciation				
At 1 April 2011	41.4	0.5	352.6	394.5
Exchange differences	(2.7)	–	(21.0)	(23.7)
Charge for the year	4.9	0.7	39.6	45.2
Impairment charge	5.1	–	1.9	7.0
Reclassifications	(2.3)	0.3	(4.3)	(6.3)
Disposals	–	–	(12.5)	(12.5)
At 31 March 2012	46.4	1.5	356.3	404.2
At 1 April 2012	**46.4**	**1.5**	**356.3**	**404.2**
Exchange differences	**1.1**	**–**	**8.1**	**9.2**
Charge for the year	**5.0**	**0.2**	**40.6**	**45.8**
Impairment charge	**2.0**	**0.5**	**1.9**	**4.4**
Reclassifications	**(0.1)**	**0.2**	**(0.9)**	**(0.8)**
Transfers to assets held for sale	**(4.0)**	**–**	**–**	**(4.0)**
Disposals	**(0.9)**	**–**	**(49.9)**	**(50.8)**
At 31 March 2013	**49.5**	**2.4**	**356.1**	**408.0**
Net book value at 31 March 2013	**174.5**	**4.2**	**216.6**	**395.3**
Net book value at 31 March 2012 and 1 April 2012	173.1	3.0	205.1	381.2
Net book value at 1 April 2011	185.8	1.9	193.2	380.9

The value relating to land not depreciated is £42.3m (2012: £35.2m).

The reclassifications in the year relate to development costs which are now shown as intangible assets.

The Company had no property, plant and equipment at either year end.

The impairment charge of £4.4m (2012: £7.0m) relates to charges incurred by sites that have been or are in the process of being closed or restructured. More information is given on the impairments in note 4.

The Group's obligations under finance leases (see note 19) are secured against the leased assets and have a carrying value at 31 March 2013 of £1.7m (2012: £1.8m).

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for the year ended 31 March 2013

13. INVESTMENT IN SUBSIDIARIES

RPC Group Plc owns 100% of Rigid Plastic Containers Holdings Limited and 10% of RPC Packaging Holdings Limited share capital directly. Rigid Plastic Containers Holdings Limited is a holding company which holds 100% of the share capital of RPC Containers Limited and the remaining 90% of the share capital of RPC Packaging Holdings Limited. The nature of the business carried on by RPC Containers Limited is the manufacture and sale of rigid plastic packaging. RPC Packaging Holdings Limited is a holding company through which the shares in subsidiaries in mainland Europe and the USA are owned. These subsidiaries are principally involved in the manufacture and sale of rigid plastic packaging and are listed on pages 110 and 111.

	Company	
	2013 £m	2012 £m
At 1 April	**156.9**	155.7
Cost of share options (note 23)	**1.4**	1.2
At 31 March	**158.3**	156.9

14. JOINTLY CONTROLLED ENTITIES

Galion SA, a manufacturing operation based in Tunisia, is the only jointly controlled entity within the Group with a non-controlling shareholding. The Group owns 46% of the company's share capital. Its financial statements are incorporated into the consolidated financial statements using the proportionate consolidation method. The aggregate amounts relating to Galion SA are as follows:

	2013 £m	2012 £m
Non-current assets	**2.1**	1.9
Current assets	**3.0**	2.5
Total assets	**5.1**	4.4
Non-current liabilities	**(1.0)**	(1.3)
Current liabilities	**(1.4)**	(1.1)
Total liabilities	**(2.4)**	(2.4)
Income	**5.1**	4.2
Expenses	**(4.7)**	(4.0)

15. INVENTORIES

The amounts attributable to the different categories are as follows:

	2013 £m	2012 £m
Raw materials and consumables	**59.6**	70.5
Finished goods and goods for resale	**89.5**	74.7
	149.1	145.2

The Company had no inventories at either year end.

During the year there were write downs of £3.8m (2012: £1.0m) arising from the closure of the Runcorn site, the planned withdrawal from the vending cup business in mainland Europe and the Fitter for the Future project, which are included in restructuring costs detailed in note 4.

16. TRADE AND OTHER RECEIVABLES

	Group		Company	
	2013 £m	2012 £m	**2013 £m**	2012 £m
Trade receivables	**166.8**	169.5	**–**	–
Amounts owed by Group undertakings	**–**	–	**626.6**	603.9
Other debtors	**6.6**	12.7	**1.7**	1.7
Prepayments and accrued income	**5.9**	3.3	**–**	–
	179.3	185.5	**628.3**	605.6

All receivables due from Group undertakings have been classified as due within one year as they are payable on demand.

Prior year interest received of £14.5m in the Company cash flow statement has been recategorised as a movement in working capital. There is no other effect of this change on the Company or Group financial statements or on the net cash flow of the Company.

Trade receivables are denominated in the following currencies:

	2013 £m	2012 £m
Euro	**106.2**	118.9
Sterling	**30.5**	35.9
Others	**30.1**	14.7
	166.8	169.5

Trade receivables are non-interest bearing, on normal commercial terms of credit and are shown net of any impairment provision required to reflect their estimated recoverable value. Movements in the provision for the impairment of receivables were as follows:

	2013 £m	2012 £m
As at 1 April	**6.6**	6.9
Charge for the year	**1.6**	3.1
Amounts written off	**(0.8)**	(2.4)
Unused amounts reversed	**(1.6)**	(0.7)
Exchange differences	**–**	(0.3)
At 31 March	**5.8**	6.6

As at 31 March 2013, the analysis of trade receivables that were past due but not impaired is as follows:

	Total £m	Neither past due nor impaired £m	Less than 30 days £m	31–60 days £m	More than 60 days £m
31 March 2013	**166.8**	**154.1**	**10.7**	**1.8**	**0.2**
31 March 2012	169.5	156.2	9.6	2.0	1.7

The Group uses a variety of indicators to assess the credit worthiness of its customers and recoverability of amounts due. These include using credit scoring to assess whether a customer should be accepted. Subsequently, formal reviews are undertaken using credit scores or other relevant data to determine whether the carrying value of the receivables have become impaired. At some sites, a formal review process is undertaken annually, irrespective of the factors that may impact on specific customer balances.

17. ASSETS HELD FOR SALE

	2013 £m	2012 £m
Property, plant and equipment	**4.7**	–
Total assets classified as held for sale	**4.7**	–

Held for sale assets comprise of 3 properties that were currently being actively marketed as at 31 March 2013.

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18. TRADE AND OTHER PAYABLES

	Group		Company	
	2013 £m	2012 £m	**2013 £m**	2012 £m
Bank loans, finance leases and overdrafts (note 19)	**2.5**	2.0	**17.4**	–
Payments received on account	**10.7**	7.1	**–**	–
Trade payables	**201.0**	211.0	**3.3**	3.0
Amounts owed to Group undertakings	**–**	–	**211.0**	185.8
Other payables	**37.5**	28.4	**–**	–
Accruals	**41.4**	50.3	**–**	–
	290.6	296.8	**214.3**	188.8

All payables due to Group undertakings have been classified as due within one year as they are payable on demand.

19. NON-CURRENT LIABILITIES

	Group		Company	
	2013 £m	2012 £m	**2013 £m**	2012 £m
Bank loans and other borrowings (see below)	**206.8**	199.0	**191.4**	182.7
Finance leases	**0.9**	1.2	**–**	–
	207.7	200.2	**191.4**	182.7

The maturity of current and non-current bank loans and other borrowings is set out below:

	Group		Company	
	2013 £m	2012 £m	**2013 £m**	2012 £m
Repayable as follows:				
In one year or less	**1.7**	1.4	**–**	–
Between one and two years	**1.5**	2.3	**–**	–
Between two and five years	**1.8**	2.4	**–**	–
Greater than five years	**203.5**	194.3	**191.4**	182.7
	208.5	200.4	**191.4**	182.7

These facilities comprise:

(i) a multi-currency revolving credit facility of up to £200.0m at normal commercial interest rates falling due on 30 September 2015;
(ii) US private placement notes of $92.0m and €35.0m expiring on 15 December 2018;
(iii) US private placement notes of $124.0m and €25.0m expiring on 15 December 2021;
(iv) uncommitted overdraft facilities of £10.0m, €26.8m and other smaller local facilities; and
(v) mortgages secured on manufacturing facilities totalling £14.5m (2012: £14.8m) as at 31 March 2013.

Finance lease liabilities are repayable as set out below:

	Group	
	2013 £m	2012 £m
Repayable as follows:		
In one year or less	**0.8**	0.6
Between one and two years	**0.6**	0.4
Between two and five years	**0.1**	0.6
Greater than five years	**0.2**	0.2
	1.7	1.8

There were no finance leases in the Company at either year end.

The fair value of the Group's lease obligations is approximately equal to their carrying amount.

The currency and interest rate profile of the Group's net debt, after taking account of the impact of interest rate swaps but before cross currency swaps, is as follows:

	Fixed rate 2013 £m	**Floating rate 2013 £m**	**Cash/overdraft 2013 £m**	**Total 2013 £m**	Fixed rate 2012 £m	Floating rate 2012 £m	Cash/overdraft 2012 £m	Total 2012 £m
Sterling	–	–	**(9.6)**	**(9.6)**	–	–	(16.5)	(16.5)
Euro	**52.7**	–	**10.0**	**62.7**	52.4	4.4	(15.6)	41.2
US dollar	**76.6**	**66.0**	**(0.1)**	**142.5**	88.3	45.0	(0.2)	133.1
Other	**0.1**	**14.8**	**(24.0)**	**(9.1)**	0.3	11.8	(2.0)	10.1
	129.4	**80.8**	**(23.7)**	**186.5**	141.0	61.2	(34.3)	167.9

20. RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET DEBT

	2013 £m	2012 £m
Net decrease/(increase) in cash and cash equivalents	**6.7**	(11.2)
Cash inflow from movements in borrowings and finance leases	**2.5**	–
Change in net debt resulting from cash flows	**9.2**	(11.2)
Translation movements	**9.4**	0.4
Movement in derivative instruments	**(7.2)**	(7.9)
Movement in net debt in the period	**11.4**	(18.7)
Net debt at the beginning of the year	**160.0**	178.7
Net debt at the end of the year	**171.4**	160.0

Analysis of net debt

Cash and cash equivalents	**(23.7)**	(34.3)
Bank loans and overdrafts	**2.5**	2.0
Derivative instruments classified as debt	**(15.1)**	(7.9)
Non-current bank loans and other borrowings	**207.7**	200.2
Net debt at the end of the year	**171.4**	160.0

21. DERIVATIVE FINANCIAL INSTRUMENTS

The Group's principal financial instruments other than derivatives are borrowings for the purpose of financing operating activities. Other financial instruments comprise cash at bank and trade receivables and payables.

The Group's financial derivatives in the Group and Company balance sheet as at 31 March 2013 comprise the following:

GROUP

	Assets £m	**Liabilities £m**	**Net £m**
Interest rate swaps	–	**(0.4)**	**(0.4)**
Cross currency interest rate swaps	**15.1**	–	**15.1**
Financing derivatives	–	**(5.3)**	**(5.3)**
Foreign exchange forwards	**0.1**	–	**0.1**
	15.2	**(5.7)**	**9.5**

COMPANY

	Assets £m	**Liabilities £m**	**Net £m**
Interest rate swaps	–	**(0.4)**	**(0.4)**
Cross currency interest rate swaps	**15.1**	–	**15.1**
Financing derivatives	–	**(5.3)**	**(5.3)**
Foreign exchange forwards	**0.1**	–	**0.1**
	15.2	**(5.7)**	**9.5**

NOTES TO THE FINANCIAL STATEMENTS CONTINUED
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21. DERIVATIVE FINANCIAL INSTRUMENTS (CONTINUED)

During the year the Group had in place derivative instruments in the form of up to two interest rate swaps for the purpose of managing interest rate risk on borrowings and 10 cross currency interest rate swaps for the purpose of managing interest rate and exchange rate risk on the US private placement (USPP) notes that were issued during the prior year and a number of foreign exchange forwards to hedge trading exposures.

POLICIES AND RISKS ASSOCIATED WITH DERIVATIVES AND FINANCIAL INSTRUMENTS

The Group's policies and the risks associated with derivatives and financial instruments are as follows:

(a) Market risk

Market risk is the risk that changes in market prices, such as interest rates and foreign currency exchange rates, will affect the Group's net income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within parameters that are deemed to be acceptable, while optimising return. Generally, the Group seeks to minimise this risk through hedging arrangements designed to manage a proportion of the Group's overall exposure.

The Group does not actively engage in trading of financial assets for speculative purposes.

(b) Interest rate risk

The Group has bank borrowings mainly in euros and sterling and during the prior year issued USPP notes denominated in US dollars and euros. Interest rate swaps are used to reduce the exposure of the Group to fluctuations in interest rates which are accounted for as cash flow hedges.

The interest rate profile of the Group's borrowings at the year end is given in note 19. An increase of 1% in the interest rate charged during the year on borrowings after the effect of interest rate swaps would have reduced profits before tax by approximately £1.3m (2012: £1.8m) before accounting for exchange differences.

(c) Liquidity risk

In order to improve liquidity and ensure continuity of funding, the Group has a credit agreement with nine recognised international banks providing a £200m multi-currency revolving credit facility, maturing in September 2015. During the prior year the Group issued $92m and €35m USPP notes expiring in December 2018 and $124m and €25m USPP notes expiring in December 2021 and during the year agreed a £60m term loan, expiring in 2017, with a major UK bank.

Further short term liquidity requirements are ensured through additional local overdraft facilities as appropriate.

(d) Foreign currency risk

Of the Group's net assets, 73.9% (2012: 73.7%) before borrowings are in non sterling currencies, mainly linked with the euro and held by subsidiaries located in mainland Europe.

In December 2011 the Company issued $216m and €60m fixed rate USPP notes. In order to manage the interest rate and foreign exchange exposure, 10 cross currency interest swaps were taken out totalling $200m. These swapped $100m fixed rate into euro fixed rate, and $100m fixed rate into euro floating rate finance, including a change of principal currencies that will reverse on redemption. In order to achieve hedge effectiveness these derivatives were designated as cash flow hedges for the US dollar/sterling foreign exchange exposure and fair value hedges for the interest rate element as appropriate and a net investment hedge of the sterling/euro foreign exchange exposure. The remaining $16m and €60m were designated as net investment hedges. During the year the mark to market gain on foreign currency hedging instruments designated as fair value hedges taken to the income statement was £4.7m and the fair value adjustment on the related USPP notes was a loss of £4.7m.

The Group uses foreign currency borrowings to provide a hedge against foreign net investments. The exchange gains or losses on these borrowings are included in the Consolidated statement of comprehensive income.

Exposure to foreign currency exchange risk is minimised by trading in the subsidiaries' local currencies wherever possible, by intra-group hedges and by the use of forward exchange contracts as appropriate.

The Group is exposed to fluctuations in exchange rates on the translation of profits earned by its overseas subsidiaries. The estimated impact of the change in average exchange rates between 2012 and 2013 on the profit before tax has resulted in a net reduction to the 2013 result of approximately £1.3m (2012: net reduction of £0.8m). The main currency that drives this change is the euro. Movements in US dollar and other exchange rates were less significant.

(e) Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty fails to meet its contractual obligations and arises principally from amounts receivable from customers and cash balances held with financial institutions. The Group monitors its credit risk with its customers and only uses financial institutions as counterparties that have an investment grade credit rating.

The methods used to evaluate customers' creditworthiness are described in more detail in note 16.

CAPITAL MANAGEMENT

The Board defines capital as the equity of the Group. The Board's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The Board of Directors monitors both the demographic spread of shareholders, as well as the return on capital employed and the level of dividends to ordinary shareholders.

The Board encourages wide employee participation and motivation through equity based incentive schemes. Details of the current Sharesave and Executive Share Option Schemes and the Performance Share Plan, together with shareholding guidelines, are given in the Remuneration report.

The Board seeks to maintain a balance between the higher returns that might be possible with higher levels of borrowings and the advantages and security afforded by a sound capital position.

There were no changes in the Group's approach to capital management during the year.

The Company is not subject to externally imposed capital requirements.

INTEREST RATE RISK PROFILE OF FINANCIAL ASSETS AND LIABILITIES

The interest rate profile of the Group's net debt is shown in note 19.

The Group's floating rate loans bear interest based on Libor or Euribor. The floating rate borrowings under the banking facilities are typically rolled over for a period of three months or less, based on the appropriate Libor/Euribor rate. During the year the Group had in place floating to fixed interest rate swaps for euros. At the year end, one swap remained in place for a nominal value of £16.9m (2012: two swaps £25.0m) with a maturity date of March 2014 and at a fixed rate of 2.468%. The market value of the interest rate swap at the year end was £(0.4)m (2012: £(0.6)m).

With respect to the USPP notes, $100m of the $216m issued in December 2011 was converted from fixed US dollar to floating euro by the use of five cross currency interest rate swaps; three of these swaps totalling $50m expire in December 2018 with the remaining two, totalling $50m, expiring in December 2021. These had a positive market value at the year end of £15.1m (2012: £7.9m).

An increase of 1% in the interest rate charged during the year on borrowings not fixed by interest rate swaps would have reduced profit before tax by approximately £1.1m (2012: £1.8m) before accounting for exchange differences, and would reduce net equity by approximately £1.0m (2012: £1.4m).

The range of interest rates applicable to financial liabilities (net of derivatives) by principal currency is as follows:

		2013			2012	
	Sterling %	**Euro %**	**US dollar %**	Sterling %	Euro %	US dollar %
Fixed interest rate	**n/a**	**4.3-4.8**	**4.8**	n/a	2.3-4.8	2.5-4.8
Floating rate interest margin above:						
– Euribor	**n/a**	**1.4-2.2**	**n/a**	n/a	0.9-1.6	n/a
– Libor	**1.4-1.6**	**n/a**	**n/a**	1.4-1.6	n/a	0.9

Interest received on cash balances is at normal commercial floating rates.

CURRENCY EXPOSURES

In order to help mitigate the risk on translation of the value of non-UK operations into sterling for reporting purposes, a proportion of debt is borrowed in currencies which match or are closely linked to the currencies of those overseas operations. The exchange gains or losses on these borrowings are included in the Consolidated statement of comprehensive income. As at 31 March 2013 non-derivative financial instruments amounting to £196.7m (2012: £179.8m) were designated by the Group as net investment hedges in its subsidiaries, primarily in the Eurozone and USA. During the year £nil (2012: £nil) was taken to the income statement relating to any inefficiency of this net investment hedge.

A movement of 1% in the value of sterling against other foreign currencies (mainly the euro) would result in a translational impact on the Group's profit before tax of approximately £0.4m (2012: £0.5m) and on the Group's net assets of £1.4m (2012: £1.9m).

The closing rate of exchange for the euro at 31 March 2013 was €1.18 (2012: €1.20) and for the US dollar was $1.51 (2012: $1.60). The average rate of exchange for the euro for 2013 was €1.23 (2012: €1.16) and for the US dollar $1.58 (2012: $1.60).

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for the year ended 31 March 2013

21. DERIVATIVE FINANCIAL INSTRUMENTS (CONTINUED)

MATURITY OF FINANCIAL LIABILITIES

The maturity profile of the Group's undrawn borrowing facilities in respect of which all conditions precedent have been met at 31 March 2013 is as follows:

	2013 £m	2012 £m
Expiring in more than two years	**336.5**	285.8

The maturity of bank loans and overdrafts drawn is set out in note 19.

FAIR VALUES OF FINANCIAL ASSETS AND LIABILITIES

Set out below are the carrying values of the financial assets and liabilities of the Group and Company at 31 March 2013:

GROUP

	2013 £m	2012 £m
Cash and cash equivalents	**23.7**	34.3
Trade receivables and other debtors	**179.3**	185.5
Bank loans and overdrafts	**(2.5)**	(2.0)
Trade and other payables	**(290.6)**	(296.8)
Primary financial instruments held to finance the Group's operations:		
Long-term borrowings	**(207.7)**	(200.2)
Derivative financial instruments held to manage the interest rate profile:		
Interest rate swaps	**(5.7)**	(1.3)
Derivative financial instruments held to manage foreign currency exposures and the interest rate profile:		
Cross currency interest rate swaps	**15.2**	7.9

COMPANY

	2013 £m	2012 £m
Cash and cash equivalents	–	0.8
Trade receivables and other debtors	**628.3**	605.6
Bank loans and overdrafts	**(17.4)**	–
Trade and other payables	**(214.3)**	(188.8)
Primary financial instruments held to finance the Group's operations:		
Long-term borrowings	**(191.4)**	(182.7)
Derivative financial instruments held to manage the interest rate profile:		
Interest rate swaps	**(5.7)**	(1.2)
Derivative financial instruments held to manage foreign currency exposures and the interest rate profile:		
Cross currency interest rate swaps	**15.2**	7.9

There were no significant differences between the carrying and fair values of any of the financial assets or liabilities included in either the Group or Company balance sheet as at 31 March 2013 and 31 March 2012.

The carrying amount of the financial assets represents the maximum credit exposure of the Group.

The fair values of the interest rate, foreign currency and cross currency interest rate swaps have been determined by reference to the market price available from the market on which the instruments are traded. In both 2013 and 2012, all financial instruments measured at fair value are categorised as Level 2 in the fair value hierarchy, whereby the fair value is determined using valuation techniques. The Group does not hold any Level 1 or Level 3 financial instruments.

The movement on the fair value of the interest rate and cross currency interest rate swaps that are designated as cash flow hedges is debited or credited to equity in the Consolidated statement of comprehensive income. During the year £5.4m (2012: £0.3m) movement in the cash flow hedging reserve (before tax) was a result of cash flow hedges relating to the USPP notes and £(0.4)m (2012: £0.2m) relating to existing interest rate swaps. During the year a gain of £0.8m (2012: loss £0.4m) was recycled through the profit and loss account relating to cash flow hedges. The movement of the fair value of the foreign currency and cross currency interest rate swaps that are designated as fair value hedges is debited or credited to the income statement.

GAINS AND LOSSES ON HEDGES

The Group uses interest rate swaps to manage its interest rate profile. Changes in the fair value of these financial instruments are recognised in the financial statements. During the period the net gain from financial instruments entered into totalled £0.8m (2012: loss £0.4m). A gain of £0.9m will arise in the year ending 31 March 2014 assuming interest rates remain at year end levels. During the year £nil (2012: £nil) was taken to the income statement relating to any ineffectiveness of the cash flow hedges.

22. PROVISIONS AND OTHER LIABILITIES

DEFERRED TAX

The following are the major deferred tax liabilities and assets recognised by the Group and movements thereon during the current and prior reporting periods:

	Accelerated capital allowances £m	Employee benefits £m	Tax losses £m	Other temporary differences £m	Total £m
At 1 April 2012	**28.0**	**(10.7)**	**(7.4)**	**(2.8)**	**7.1**
Adjustment in respect of prior years	**0.2**	**0.8**	**–**	**(4.9)**	**(3.9)**
Charge to income	**1.8**	**0.6**	**3.8**	**2.4**	**8.6**
Charge/(credit) to equity	**1.0**	**(1.0)**	**–**	**(1.2)**	**(1.2)**
Acquisitions	**0.2**	**(0.1)**	**–**	**–**	**0.1**
Exchange differences	**0.5**	**(0.1)**	**0.1**	**(0.1)**	**0.4**
At 31 March 2013	**31.7**	**(10.5)**	**(3.5)**	**(6.6)**	**11.1**
Deferred tax liabilities	**31.7**	**–**	**–**	**3.6**	**35.3**
Deferred tax assets	**–**	**(10.5)**	**(3.5)**	**(10.2)**	**(24.2)**
	31.7	**(10.5)**	**(3.5)**	**(6.6)**	**11.1**

	Accelerated capital allowances £m	Employee benefits £m	Tax losses £m	Other temporary differences £m	Total £m
At 1 April 2011	27.0	(10.6)	(5.1)	(7.3)	4.0
Adjustment in respect of prior years	0.3	0.4	(0.1)	–	0.6
Charge/(credit) to income	1.4	2.2	(2.3)	4.4	5.7
Credit to equity	–	(2.7)	–	(0.1)	(2.8)
Exchange differences	(0.7)	–	0.1	0.2	(0.4)
At 31 March 2012	28.0	(10.7)	(7.4)	(2.8)	7.1
Deferred tax liabilities	28.0	–	–	1.7	29.7
Deferred tax assets	–	(10.7)	(7.4)	(4.5)	(22.6)
	28.0	(10.7)	(7.4)	(2.8)	7.1

Accelerated capital allowances relate to property, plant and equipment.

Certain deferred tax assets and liabilities have been offset where the Group has a legally enforceable right to set off current tax assets against current tax liabilities and where the deferred tax assets and liabilities relate to income taxes levied by the same tax jurisdiction.

The Group has deferred tax assets of £21.1m (2012: £18.2m) in respect of tax losses of £77.2m (2012: £67.7m) that have not been recognised as their recoverability is uncertain.

NOTES TO THE FINANCIAL STATEMENTS CONTINUED
for the year ended 31 March 2013

22. PROVISIONS AND OTHER LIABILITIES (CONTINUED)

The following are the major deferred tax liabilities and assets recognised by the Company and movements thereon during the current and prior reporting periods:

	Other temporary differences 2013 £m	Other temporary differences 2012 £m
Deferred tax assets at 1 April	**(2.7)**	(0.1)
Charge/(credit) to income	**1.9**	(2.5)
Credit to equity	**(1.2)**	(0.1)
Deferred tax assets at 31 March	**(2.0)**	(2.7)

The aggregate amount of temporary differences associated with investments in subsidiaries for which no deferred tax has been provided is £113.3m (2012: £95.6m). No taxation is expected to arise in respect of these temporary differences.

Other temporary differences relate to hedging movements and tax losses.

PROVISIONS AND OTHER LIABILITIES

	Termination and restructuring provisions £m	**Contract provisions £m**	**Other provisions and liabilities £m**	**Total £m**
At 1 April 2012	**1.2**	**1.9**	**5.1**	**8.2**
Acquired in the year	**–**	**0.1**	**0.2**	**0.3**
Utilised in the year	**(0.2)**	**(1.9)**	**(0.3)**	**(2.4)**
Released in the year	**(0.8)**	**–**	**(2.8)**	**(3.6)**
Exchange differences	**–**	**(0.1)**	**(0.1)**	**(0.2)**
At 31 March 2013	**0.2**	**–**	**2.1**	**2.3**
Current at 31 March 2013	**0.2**	**–**	**1.5**	**1.7**
Non-current at 31 March 2013	**–**	**–**	**0.6**	**0.6**
	0.2	**–**	**2.1**	**2.3**

	Termination and restructuring provisions £m	Contract provisions £m	Other provisions and liabilities £m	Total £m
At 1 April 2011	2.5	11.1	5.7	19.3
Utilised in the year	(1.3)	(8.5)	(0.3)	(10.1)
Arising in the year	0.2	–	–	0.2
Released in the year	(0.1)	(0.4)	–	(0.5)
Exchange differences	(0.1)	(0.3)	(0.3)	(0.7)
At 31 March 2012	1.2	1.9	5.1	8.2
Current at 31 March 2012	1.2	1.9	3.3	6.4
Non-current at 31 March 2012	–	–	1.8	1.8
	1.2	1.9	5.1	8.2

The termination and restructuring provisions relate to the closure and restructuring of certain activities detailed further in note 4 and are expected to be utilised within the next 12 months.

Contract provisions and Other provisions and liabilities are adjustments relating to the acquisition of Superfos in 2011 and Manuplastics in 2012 and represent mainly out of market contract adjustments and provisions for property and legal claims. The Other provisions and liabilities, provided for at their estimated settlement value, will be utilised as claims are resolved.

23. SHARE CAPITAL

The movement in the number of ordinary shares of 5p each issued by the Company is as follows:

	2013 Number	2012 Number
In issue at 1 April	**165,096,254**	161,637,842
Exercise of employee share options	**1,016,101**	3,458,412
In issue at 31 March	**166,112,355**	165,096,254

The Company has one class of ordinary 5p shares. The rights and obligations attaching to the ordinary shares and provisions relating to the transfer of ordinary shares are set out in the Company's Articles of Association and governed by statute. All ordinary shares rank equally regarding dividends, votes and return of capital. Holders of ordinary shares are entitled to receive shareholder notices and other documents and information and to attend, speak and exercise voting rights, either in person or by proxy, at general meetings of the Company. The directors may refuse to register a transfer of ordinary shares where the required proof of title has not been provided or transfer documents have not been lodged in an acceptable manner or form. There are no restrictions on the voting rights of holders of ordinary shares and there are no agreements that are known to the Company between shareholders which may result in such restrictions.

The options granted under the Company's savings related and executive share option schemes are satisfied by the issue of new ordinary shares. Therefore employees do not hold any voting rights until the shares are allotted on exercise of their options. The Company has established the RPC Group Employee Benefit Trust to satisfy awards made under the Performance Share Plan and a share matching award. The independent trustee has the same rights as any other shareholder in respect of any shares held by the trust except in respect of dividends.

Under the Companies Act 2006, a company is no longer required to have an authorised share capital. At the Annual General Meeting held on 21 July 2010, the Company removed the provision for an authorised share capital from its Memorandum of Association and adopted new Articles of Association incorporating the effect of this and other changes.

The interests of the directors in the ordinary shares of the Company are shown in the Remuneration report.

SHARE-BASED PAYMENTS

The Company operates savings related and executive share option schemes and a Performance Share Plan, which are all equity-settled share-based payment schemes. The Group has no legal or constructive obligation to repurchase or settle employee share options or share awards in cash.

SHARE OPTIONS

Invitations under the Sharesave Scheme (a savings related share option scheme) are made to eligible employees in the UK and participating mainland European countries. The exercise price of the options granted is the market price of the shares at the close of business on the day preceding the invitation date less 20%. Options are normally exercisable for a period of six months starting three years after the related savings contract begins, provided a participant remains an employee of the Group and completes the three year savings contract.

Executive share options are granted to managers and, in the past, executive directors at the discretion of the Remuneration Committee of the Board of Directors. The exercise price is normally the market price at the close of business on the day preceding the date of grant. Options are exercisable between three and ten years after the date of grant provided the participant remains an employee of the Group and, for executive directors, targets for earnings per share growth are met. Further information on these schemes is given in the Remuneration report.

NOTES TO THE FINANCIAL STATEMENTS CONTINUED
for the year ended 31 March 2013

23. SHARE CAPITAL (CONTINUED)

Movements in the number of share options outstanding and their related weighted average exercise prices are as follows:

	2013		2012	
	Average exercise price	**Number of options**	Average exercise price	Number of options
Outstanding at 1 April	**256p**	**4,389,921**	156p	5,635,909
Granted	**399p**	**709,000**	299p	2,407,006
Forfeited	**305p**	**(55,144)**	140p	(78,314)
Exercised	**195p**	**(1,016,101)**	128p	(3,458,412)
Lapsed	**224p**	**(105,185)**	213p	(107,443)
Cancelled	**273p**	**(28,522)**	109p	(8,825)
Outstanding at 31 March	**297p**	**3,893,969**	256p	4,389,921
Exercisable at 31 March	**221p**	**880,564**	206p	1,961,805

The weighted average share price in respect of options exercised during the year was 411p per share (2012: 377p).

The share options outstanding at the end of the year were as follows:

	Number of options 2013	**Option price range 2013**	**Weighted average remaining contractual life (years) 2013**	Number of options 2012	Option price range 2012	Weighted average remaining contractual life (years) 2012
RPC Group 2003 Sharesave Scheme	**1,566,410**	**273p**	**2.4**	1,849,068	93.35p–273p	3.1
RPC Group 2003 Executive Share Option Schemes	**2,327,559**	**167.94p–399p**	**6.6**	2,540,853	99.73p–356p	5.8
Outstanding at 31 March	**3,893,969**			4,389,921		

The number of options and their exercise prices in respect of grants made prior to the rights issue were adjusted to take account of the diluting effect of the 2011 rights issue.

The fair value of options and the significant inputs using the Black-Scholes valuation model were as follows:

	RPC Group 2003 Sharesave Scheme	**RPC Group 2003 Executive Share Option Schemes**			
Date of grant	**18.01.12**	**25.07.07**	**03.12.07**	**01.08.11**	**18.07.12**
Share price at date of grant	**382p**	**294p**	**233p**	**357p**	**407p**
Original exercise price	**273p**	**294p**	**233p**	**356p**	**399p**
Fair value of options	**100p**	**51p***	**41p***	**94p**	**76p**
Expected volatility	**30%**	**20%**	**20%**	**35%**	**30%**
Dividend yield	**3.4%**	**3.5%**	**3.5%**	**3.0%**	**3.7%**
Annual risk-free interest rate	**0.6%**	**6.3%**	**5.4%**	**2.1%**	**0.8%**
Option life	**3.25 years**	**6.1 years**	**7.0 years**	**6.0 years**	**6.0 years**

* Adjusted to take account of the rights issue in January 2011.

The volatility, measured as the standard deviation of expected share price returns, is based on statistical analysis of the Company's historical share price.

The option life allows for the vesting period and time to exercise. There are no market conditions associated with the share option grants.

PERFORMANCE SHARE PLAN

Conditional annual awards of shares are granted under the RPC Group 2008 Performance Share Plan to certain executive directors and senior managers at the discretion of the Remuneration Committee. Provided the participant remains an employee of the Group and the performance conditions are met, awards will vest three years after the date of grant. The percentage of shares that will actually vest is dependent upon the Group's earnings per share growth over a three year measurement period commencing on 1 April of the year in which the award is made.

The awards made before 2011 were in the form of allocations of free shares that transfer to participants on the vesting date provided the conditions are met. Allocations that have vested must be satisfied within 30 days of the vesting date. After 2010, nil cost options were granted which, subject to the conditions, will be exercisable between the third and tenth anniversary of the date of grant. Further information on the Plan and the performance conditions is given in the Remuneration Report.

Movements in the number of outstanding conditional awards of shares are as follows:

	Number of shares 2013	Number of shares 2012
Outstanding at 1 April	**1,182,515**	1,357,180
Granted	**290,176**	288,483
Transferred or exercised	**(532,257)**	(433,471)
Lapsed	**(39,640)**	(29,677)
Outstanding at 31 March	**900,794**	1,182,515
Exercisable at 31 March	**–**	–
Weighted average remaining contractual life	**5.6 years**	2.7 years

The market price of the shares transferred on vesting during the year was 413p per share (2012: 309p). The fair value of the nil cost options granted during the year under the Performance Share Plan and the key inputs using the Black-Scholes valuation model were as follows:

Date of grant	**18.07.12**	**01.08.11**
Share price at date of grant	**407p**	**357p**
Fair value of award	**326p**	**298p**
Expected volatility	**30%**	**35%**
Dividend yield	**3.7%**	**3.0%**
Annual risk-free interest rate	**0.8%**	**2.1%**
Expected life of award	**6 years**	**6 years**

The fair value of allocations of shares awarded under the Performance Share Plan and the key inputs used were as follows:

Date of grant	**27.07.10**	**28.07.09**
Share price at date of grant	**267p**	**214p**
Fair value of award*	**189p**	**149p**
Dividend yield	**4.0%**	**4.5%**
Expected life of award	**3 years**	**3 years**

* Adjusted to take account of the rights issue in January 2011.

There is no entitlement to dividends during the vesting period.

NOTES TO THE FINANCIAL STATEMENTS CONTINUED
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23. SHARE CAPITAL (CONTINUED)

RPC GROUP EMPLOYEE BENEFIT TRUST

The Company operates an employee benefit trust, the RPC Group Employee Benefit Trust, which was established in 2008 to purchase shares to satisfy awards under the Performance Share Plan and a share matching arrangement. Purchases are funded using interest free loans from the Company. As at 31 March 2013 the Employee Benefit Trust held 711,838 (2012: 952,731) shares in the Company acquired at an average cost of 297p (2012: 216p) per share including the take-up in full of its entitlement to shares under the rights issue. The investment in the shares is included in the Consolidated balance sheet within retained earnings at a cost of £1.8m (2012: £1.8m). The market value of the shares held by the trust at 31 March 2013 was £2.8m. The trust has waived dividends receivable on the shares held during the year.

SHARE-BASED PAYMENT EXPENSE

The expense in respect of share-based payments recognised in the Consolidated income statement is as follows:

	2013 £m	2012 £m
RPC Group 2008 Performance Share Plan	**0.5**	0.8
RPC Group 2003 Executive Share Option Schemes	**0.3**	0.2
RPC Group 2003 Sharesave Scheme	**0.6**	0.2
Total included in staff costs (note 5)	**1.4**	1.2

24. ACQUISITION OF SUBSIDIARY UNDERTAKING

On 21 November 2012 the Group acquired 100% of the share capital of BPSW19 Ltd, the holding company for the Manuplastics group of companies. Manuplastics is a leading UK company specialising in the design and manufacture of high quality injection moulded containers for the personal healthcare, food and pharmaceutical industries. This transaction has been accounted for using the acquisition method of accounting.

The book and fair value of the net assets of the acquired business were as follows:

	Book value £m	**Fair value adjustments £m**	**Fair value total £m**
Intangible assets	–	**0.2**	**0.2**
Property, plant & equipment	**6.8**	**(0.9)**	**5.9**
Inventories	**0.4**	–	**0.4**
Trade and other receivables	**1.7**	–	**1.7**
Trade and other payables	**(1.0)**	–	**(1.0)**
Provisions	**(0.1)**	**(0.2)**	**(0.3)**
Pension	**(0.5)**	–	**(0.5)**
Taxes	**(0.3)**	**(0.7)**	**(1.0)**
	7.0	**(1.6)**	**5.4**
Goodwill			**0.7**
Consideration payable			**6.1**

The acquisition balance sheet has been adjusted to reflect fair value adjustments.

The adjustment to intangible assets represents customer contacts acquired with Manuplastics and will be amortised over the life of the relationships. The adjustment to property, plant and equipment represents the difference between book value and market value of the assets. The adjustment to provisions relates to out of market contracts and other necessary provisions. Adjustment to taxes relates to additional tax provisions and deferred tax on the fair value adjustments.

Of the total consideration of £6.1m, £5.4m was paid on 21 November 2012 with the remaining £0.7m being paid in April 2013. In addition, £0.3m of acquisition costs have been expensed and reported as exceptional costs.

Since the acquisition date, Manuplastics contributed £0.2m to operating profit. If the acquisition of Manuplastics had taken place on 1 April 2012, the Group adjusted operating profit would have been £90.2m and revenue for continuing operations would have been £1,056.3m.

The goodwill recognised above includes certain intangible assets that cannot be separately identified and measured due to their nature. This includes control over the acquired business and assembled workforce and an increase in scale of the Group's injection moulding operations. The goodwill recognised is not deductible for tax purposes.

25. COMMITMENTS AND CONTINGENT LIABILITIES

	2013 £m	2012 £m
Expenditure contracted for but not provided	**14.1**	15.0

FINANCIAL COMMITMENTS

The Group had total minimum lease payments under non-cancellable operating leases as follows:

	2013 £m	2012 £m
Within one year	**6.4**	8.9
Between one and five years	**8.7**	10.2
After five years	**0.9**	1.5
	16.0	20.6

The Company had no commitments at either year end.

CONTINGENT LIABILITIES

The Group had contingent liabilities in respect of bank guarantees issued in the ordinary course of business amounting to £5.4m (2012: £4.7m), and for the Company this amounted to £1.1m (2012: £1.1m).

The Company has cross guarantee overdraft and credit facilities with its UK and mainland European subsidiaries as follows:

	Maximum amount guaranteed
RPC Containers Limited	**£10.0m**
RPC Packaging Holdings BV	**€38.0m**
RPC Tedeco-Gizeh Troyes SASU	**€0.5m**

None of the overdraft facilities guaranteed were drawn at either year end.

The Company has given a guarantee to the trustee of the RPC Containers Limited Pension Scheme (the 'Scheme') in respect of RPC Containers Limited and RPC Tedeco-Gizeh (UK) Limited up to a maximum underfunded amount. The underfunded amount is 105% of the Scheme's liabilities, calculated according to section 179 of the Pensions Act 2004 (the 'Act') less the value of the Scheme's assets. As at 31 March 2013, the underfunded amount in excess of the provision in the Consolidated balance sheet based on the most recent section 179 valuation as at 31 March 2012 was £62.5m (2012: £39.8m). In addition, the Company has given a capped guarantee in respect of any additional buy-out liabilities calculated in accordance with section 75 of the Act in respect of the Scheme. As at 31 March 2013 the guarantee was capped at £16.4m (2012: £6.9m). The cap will increase annually by 25% of the average of the Company's consolidated profit before tax for the three preceding financial years.

During the prior year RPC Superfos a/s extended guarantees up to the value of the section 75 buy-out deficit given to the trustees of the Superfos Runcorn Limited Pension Fund and the Peerless Limited Pension Scheme in respect of Superfos Runcorn Limited and Superfos Tamworth Limited. As at 31 March 2013 the total of the buy-out deficits, calculated at the latest valuations dates, in excess of the provision in the Consolidated balance sheet for these schemes was £6.1m.

26. EMPLOYEE BENEFITS

	2013 £m	2012 £m
Retirement benefit obligations	**57.4**	50.9
Termination benefits	**1.6**	2.0
Other long-term employee benefit liabilities	**3.1**	3.4
Employee benefits due after one year	**62.1**	56.3
Restructuring termination cost provision due within one year	**5.8**	5.5
Total employee benefits	**67.9**	61.8

There are no employee benefit costs in respect of the Company.

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26. EMPLOYEE BENEFITS (CONTINUED)

RETIREMENT BENEFIT OBLIGATIONS

The liability recognised in the Consolidated balance sheet for the Group's retirement benefit obligations is:

As at 31 March 2013	UK £m	Netherlands £m	Germany £m	France £m	Other mainland Europe £m	Group £m
Present value of funded obligations	**137.7**	**22.9**	**–**	**–**	**0.1**	**160.7**
Fair value of plan assets	**(104.2)**	**(19.2)**	**–**	**–**	**(0.1)**	**(123.5)**
Net funded obligations	**33.5**	**3.7**	**–**	**–**	**–**	**37.2**
Present value of unfunded obligations	**–**	**–**	**15.1**	**5.2**	**0.6**	**20.9**
Unrecognised past service cost	**–**	**(0.1)**	**–**	**(0.6)**	**–**	**(0.7)**
Liability in the Consolidated balance sheet	**33.5**	**3.6**	**15.1**	**4.6**	**0.6**	**57.4**

As at 31 March 2012	UK £m	Netherlands £m	Germany £m	France £m	Other mainland Europe £m	Group £m
Present value of funded obligations	118.1	24.6	–	–	0.2	142.9
Fair value of plan assets	(89.1)	(21.2)	–	–	(0.1)	(110.4)
Net funded obligations	29.0	3.4	–	–	0.1	32.5
Present value of unfunded obligations	–	–	13.9	4.5	0.7	19.1
Unrecognised past service cost	–	(0.1)	–	(0.6)	–	(0.7)
Liability in the Consolidated balance sheet	29.0	3.3	13.9	3.9	0.8	50.9

The history of retirement benefit obligations recognised in the Consolidated balance sheet is:

	2013 £m	2012 £m	2011 £m	2010 £m	2009 £m
Fair value of plan assets	**(123.5)**	(110.4)	(95.5)	(71.2)	(51.3)
Present value of defined benefit obligations	**180.9**	161.3	141.0	121.5	85.0
Balance sheet liability	**57.4**	50.9	45.5	50.3	33.7

The amounts recognised in the Consolidated income statement are as follows:

	2013 £m	2012 £m
Current service cost	**0.8**	1.0
Curtailments	**–**	(0.2)
Amortisation of unrecognised past service cost	**0.1**	0.1
Total included in staff costs (note 5)	**0.9**	0.9
Interest cost on retirement benefit obligations	**7.3**	7.7
Expected return on plan assets	**(5.6)**	(6.0)
Total included in net financial expense (note 6)	**1.7**	1.7
Total amount recognised in the Consolidated income statement	**2.6**	2.6

The amounts recognised in the Consolidated statement of comprehensive income are:

	2013 £m	2012 £m
At 1 April	**28.8**	15.6
Actuarial losses recognised during the year	**6.7**	13.2
At 31 March	**35.5**	28.8

The actuarial losses recognised during the year were:

	2013 £m	2012 £m
Experience gains on plan assets	**(6.2)**	(5.5)
Experience losses/(gains) on liabilities	**1.7**	(2.0)
Losses on change of assumptions	**11.2**	20.7
	6.7	13.2

The history of experience (gains)/losses arising on defined benefit obligations is:

	2013 £m	2012 £m	2011 £m	2010 £m	2009 £m
Experience (gains)/losses on plan assets	**(6.2)**	(5.5)	1.7	(15.5)	17.1
Percentage of fair value of plan assets	**(5)%**	(5)%	2%	(22)%	33%
Experience losses/(gains) on liabilities	**1.7**	(2.0)	(1.0)	2.0	0.1
Percentage of present value of defined benefit obligations	**1%**	(1)%	(1)%	2%	0%

Changes to the present value of defined benefit obligations during the year are as follows:

	2013 £m	2012 £m
Defined benefit obligations at 1 April	**162.0**	142.0
Obligations acquired on acquisition	**3.1**	–
Current service cost	**0.8**	1.0
Interest cost	**7.3**	7.7
Contributions by participants	**0.1**	0.1
Actuarial losses on liabilities	**12.9**	18.7
Net benefits paid	**(5.2)**	(4.6)
Curtailments and settlements	–	(0.4)
Exchange differences	**0.6**	(2.5)
Defined benefit obligations at 31 March	**181.6**	162.0
Unrecognised past service cost	**(0.7)**	(0.7)
Defined benefit obligations recognised in the Consolidated balance sheet	**180.9**	161.3

Changes to the fair value of plan assets during the year are:

	2013 £m	2012 £m
Fair value of assets at 1 April	**110.4**	95.5
Assets acquired on acquisition	**2.6**	–
Expected return on assets	**5.6**	6.0
Actuarial gains on assets	**6.2**	5.5
Contributions by employer	**3.7**	9.1
Contributions by participants	**0.1**	0.1
Net benefits paid	**(5.2)**	(4.6)
Exchange differences	**0.1**	(1.2)
Fair value of assets at 31 March	**123.5**	110.4

The actual return on plan assets was £11.8m (2012: £11.4m).

NOTES TO THE FINANCIAL STATEMENTS CONTINUED
for the year ended 31 March 2013

26. EMPLOYEE BENEFITS (CONTINUED)

The movement in the liability recognised in the Consolidated balance sheet is:

	2013 £m	2012 £m
Liability at 1 April	**50.9**	45.5
Net liabilities acquired on acquisition	**0.5**	–
Total expense charged to the Consolidated income statement	**2.6**	2.6
Actuarial losses recognised in the Consolidated statement of comprehensive income	**6.7**	13.2
Contributions and benefits paid	**(3.7)**	(9.1)
Exchange differences	**0.4**	(1.3)
Liability at 31 March	**57.4**	50.9

The fair value of the funded plan assets invested at the balance sheet date as a percentage of total plan assets is set out below:

	2013 UK	2013 Netherlands	2013 Group	2012 UK	2012 Netherlands	2012 Group
Equities	**47%**	**–**	**40%**	44%	–	36%
Property	**6%**	**–**	**5%**	6%	–	5%
Government and corporate bonds	**44%**	**–**	**37%**	47%	2%	38%
Other (including insurance policies)	**3%**	**100%**	**18%**	3%	98%	21%

The expected returns on plan assets at the balance sheet date are:

	2013 UK	2013 Netherlands	2013 Group	2012 UK	2012 Netherlands	2012 Group
Equities	**8.0%**	**–**	**8.0%**	8.5%	8.5%	8.5%
Property	**7.3%**	**–**	**7.3%**	7.7%	–	7.7%
Bonds	**3.2%**	**–**	**3.2%**	3.5%	2.8%	3.5%
Other	**4.0%**	**3.5%**	**3.6%**	5.0%	4.2%	4.3%

The Company employs a building block approach in determining the long-term rate of return on pension plan assets. Historical markets are studied and assets with higher volatility are assumed to generate higher returns consistent with widely accepted capital market principles. The overall expected rate of return on assets is derived by aggregating the expected return for each asset class over the actual asset allocation for the funded plans at 31 March 2013.

The principal actuarial assumptions used at the balance sheet date were:

	2013		2012	
	UK	Mainland Europe	UK	Mainland Europe
Discount rate	**4.6%**	**3.5%**	4.8%	4.3%
Inflation rate	**2.6%**	**2.0%**	3.0%	2.0%
Increase in benefits in payment	**3.0%**	**1.9%**	2.7%	1.9%
Salary increases	**3.4%**	**2.3%**	3.0%	2.3%
Expected return on assets	**5.7%**	**3.5%**	6.0%	4.2%

The mortality assumptions used allow for future mortality improvements in valuing the defined benefit obligations and are based on standard mortality tables used by the actuarial profession in the relevant countries adjusted, where appropriate, to reflect the circumstances of the relevant scheme's membership. In the UK the mortality assumptions applied as at 31 March 2013 in respect of the main pension scheme are based on the S1PXA tables, as adopted by the UK actuarial profession, using each individual member's year of birth with a scaling factor of 105% and allowance for future mortality improvements in line with the CMI 2011 core projections assuming a long term annual rate of improvement in mortality rates of 1.25% p.a. for both males and females. The life expectancies from the age of 65 of scheme members assumed at the balance sheet date in years were as follows:

	2013 UK	2012 UK
Current age:		
Aged 65:		
Male	**22**	22
Female	**24**	24
Aged 45:		
Male	**24**	25
Female	**26**	27

The most sensitive assumption used to determine the defined benefit obligations of the Group is the discount rate. An increase of 0.1% in the discount rate would result in a decrease in the Group's defined benefit obligations of 1.7% and a decrease in the discount rate of 0.1% would result in an increase of 1.8% in the Group's defined benefit obligations.

The Group operates a number of defined benefit pension schemes. In the UK, the Netherlands and Norway these are contributory with funds held separately from the finances of the Group either by trustee-administered funds or by insurance contracts.

FUNDED RETIREMENT BENEFIT OBLIGATIONS

United Kingdom

The main retirement benefit obligation in the UK is a defined benefit pension scheme, called the RPC Containers Limited Pension Scheme. This provides retirement benefits to some former employees and approximately 33% (2012: 33%) of current UK employees. The scheme provides members with benefits based on a three-year average of final pensionable salary and total pensionable service. The assets of the scheme are held in a separate trustee-administered fund to meet long-term liabilities for past and present employees. The corporate trustee, which is independent from the Group, has a duty to act in the best interest of the scheme's beneficiaries. The appointment of trustee directors is determined by the scheme's corporate and trust documentation and by statute. All trustee directors are members of the pension scheme and one-third are nominated by current and pensioner members.

Subject to statute, the principal employer, RPC Containers Limited, on the advice of the scheme actuary and in consultation with the trustee, determines the contributions to the scheme. In addition, in the event that any of the members' employing companies are unable to pay their contributions, the trustee may call upon guarantees provided by RPC Group Plc in respect of certain present and future liabilities of the members' employing companies in the UK. This pension scheme was closed to new entrants and to existing members for future service accrual on 31 July 2010 and was replaced with a contract based defined contribution pension plan for future service.

The deficit in the fund calculated in accordance with IAS 19 on accounting for employee benefits as at 31 March 2013 was £29.0m (2012: £25.3m). The last completed triennial valuation performed by an independent actuary for the trustee of the scheme was carried out as at 31 March 2012. The valuation, which is calculated on an ongoing funding basis and is different from that prescribed by IAS 19, showed a deficit of £45.4m. The Company agreed to make contributions to cover the scheme's expenses and pay monthly deficit reduction contributions of £3.0m each year increasing by 3% per annum until 31 March 2016, and £2.1m each year increasing by 3% per annum from 01 April 2016 with the aim of eliminating the deficit over 10.5 years from 01 April 2013. Previously the deficit reduction contributions had been approximately £1.9m per annum.

As a result of the acquisition of Superfos Industries a/s, the Group acquired two closed trustee-administered defined benefit pension arrangements in the UK providing benefits based on final pensionable salary and pensionable service. The Superfos Runcorn Limited Pension Fund was closed to future accrual on 5 April 2010. The deficit in the fund calculated in accordance with IAS 19 as at 31 March 2013 was £3.1m (2012: £2.8m). The most recent triennial actuarial valuation as at 31 March 2010 showed a funding deficit of £2.5m. The defined benefit section of the Peerless Limited Pension Scheme was closed to future accrual in 1994. The IAS 19 accounting deficit at 31 March 2013 was £0.9m (2012: £0.9m). The most recent triennial actuarial valuation as at 31 August 2010 showed a funding deficit of £1.1m. The Company agreed to pay combined annual deficit reduction contributions and expenses for both plans of £0.4m increasing by an allowance for inflation each year.

As a result of the acquisition of the Manuplastics Group of companies, the Group acquired one trustee-administered defined benefit pension arrangement in the UK providing benefits based on final pensionable salary and pensionable service. The Pension Fund was closed to new entrants on 6 April 2010. The deficit in the fund calculated in accordance with IAS 19 as at 31 March 2013 was £0.5m. The most recent triennial actuarial valuation as at 6 April 2010 showed a funding deficit of £0.2m.

The present value of the defined benefit obligation in the financial statements was measured using the projected unit credit method based on the last actuarial valuation for IAS 19 purposes allowing for IAS 19 financial assumptions and any further improvements in life expectancy.

The Netherlands

In the Netherlands there are a number of defined benefit retirement plans. These are funded by contributions to insurance policies or a separately administered fund. There were five pension plans in the Netherlands providing career average (four plans) or final salary (one plan) pensions and disability benefits under contracts with insurance companies. Members pay a fixed amount of their salary in contributions and the employing company's contributions are adjusted annually by the insurance company based on the funding level. The IAS 19 liability and service cost are calculated by local actuaries by rolling forward the latest data available from the insurance companies and current salary data from the relevant RPC subsidiary. Following the closure of Halfweg and Ravenstein during the 2009 financial year, their plans became fully funded and consequently the deficits reduced to nil. One of the plans was acquired as a result of the acquisition of Superfos Industries a/s in respect of a former business in the Netherlands and current Dutch employees of Superfos's German operation. The deficit recognised in the balance sheet at 31 March 2013 in respect of all continuing plans was £3.4m (2012: £3.1m).

The separately administered RPC Tedeco-Gizeh Deventer Pension Plan was closed with effect from 1 January 2007 and all accrued past service benefits and certain early retirement benefits were transferred to the Dutch Plastics Industry Pension Plan. As part of the arrangements, RPC agreed to make additional contributions to make up the deficit in the funding of certain early retirement and pre-pension benefits. The deficit included in the retirement benefit obligations as at 31 March 2013 was £0.6m (2012: £0.1m).

NOTES TO THE FINANCIAL STATEMENTS CONTINUED
for the year ended 31 March 2013

26. EMPLOYEE BENEFITS (CONTINUED)

UNFUNDED RETIREMENT BENEFIT OBLIGATIONS

Most of the Group's German operations provide non-contributory pension plans financed by balance sheet provisions calculated by a local actuary on an annual basis according to local requirements. There is no external funding for these plans although they are secured by insolvency insurance required under German law. In general, the plans provide a fixed retirement benefit not related to salaries and are closed to new entrants. Pension increases are granted every three years based on price inflation. The IAS 19 liability and service cost are based on the annual valuation provided by the local actuary using the projected unit method.

All the Group's subsidiaries in France provide unfunded retirement indemnities according to the applicable collective agreement. The benefit takes the form of a lump sum payable on reaching retirement age. During the year ended 31 March 2009, a change in the indemnities payable under the Plasturgie collective agreement, which applied to four of the Group's operations at the time, resulted in an unrecognised past service cost which is being amortised over the expected period to vesting.

RPC's Italian businesses are required to provide termination benefits payable on leaving service, including retirement. The termination benefit amounts to one month's deferred pay per year of service revalued each year. For RPC Superfos Italy, a small sales office, this benefit continues to accrue. For employees of the larger RPC Cobelplast Montonate, service accrual ceased from 1 January 2007 when new regulations replaced this benefit with defined contribution pension arrangements. The current and revalued past service liability included in the defined benefit obligation as at 31 March 2013 was £0.5m (2012: £0.6m).

The Group's operations in Poland are required to provide for a retirement indemnity of one month's salary for employees who have worked for at least 25 years for any employer. Disability and mandatory death benefits are also provided.

The Group expects to contribute approximately £5.2m (2012: £3.8m) to its defined benefit plans in the next financial year. This includes proposed contributions to the main UK pension scheme described above of £3.4m (2012: £2.3m).

MULTI-EMPLOYER PLANS

Certain Group employees in the Netherlands and Sweden participate in multi-employer or industry-wide defined benefit pension plans as follows:

	Number of current employees participating	
Pension Plan Name	**2013**	2012
Stichting Beheer Personeelsvoorziening OWASE	**130**	136
NRK-Werkgeversvereniging Branche Pensioenregeling (Dutch Plastics Industry Plan)	**53**	95
Swedish ITP2 Plan	**19**	22

The Group is not a significant participant in any of these plans. In respect of all three multi-employer plans, there is no contractual agreement between the multi-employer plan and their participants that would determine how any surpluses or deficits will be distributed or funded. Employer contributions are fixed by the plans' governing bodies for all participating employers. It is not possible to separately identify within the plans the assets and liabilities which relate to RPC Group employees. Therefore, the Group accounts for the plans as defined contribution arrangements.

The core participating companies in the OWASE plan comprise the former owner of RPC Bebo Nederland, Goor prior to its acquisition by RPC. It provides career weighted average salary pension benefits accrued at the rate of 1.65% of annual pensionable salary. The employer contributions are 22.5% of pensionable salary. The latest information available on the funding status of the OWASE plan on the local funding valuation basis according to Dutch law indicates that the plan is in surplus. Therefore, contributions for RPC are expected to remain at the current level.

The Plastics Industry Plan is a funded, defined benefit, career weighted average salary scheme providing benefits at the rate of 2.0% per annum of pensionable earnings. The employer contribution was 14.4% of pensionable earnings from 1 January 2013. The latest information available on the funding status of the Plastics Industry Plan is shown in the table below.

Employees of RPC Superfos in Sweden participate in the ITP2 Plan. This is a multi-employer plan for salaried employees working in private industry and commerce, established under the collective agreement negotiated by the Confederation of Swedish Enterprise and with the cartel PTK (Privattjänstemannkartellen). The ITP2 Plan provides defined benefits based on final salary, including retirement, long term disability and survivors' pensions. The pension level is around 65% of pay inclusive of social security for the average employee. The Plan is insured with the insurer Alecta. Employees do not contribute to the Plan and employer contributions are calculated individually in relation to age and salary level at rates selected by Alecta. The latest information available on the funding status of the ITP2 Plan is shown in the table below. As the Plan is in surplus, no increase in contributions is expected.

The latest published funding levels and date on which they were measured are as follows:

	2013		2012	
	Date	**Funding Level**	Date	Funding Level
OWASE	**31 March 2013**	**110.8%**	31 December 2011	104.0%
Plastics Industry Plan	**31 December 2011**	**109.9%**	31 December 2010	110.1%
ITP2 Plan	**31 March 2013**	**135.0%**	31 March 2012	124.0%

The expense recognised in the Consolidated income statement for these multi-employer plans is equal to the contributions due for the year and is not included in the above retirement benefit obligations. The cost for the year of £0.8m (2012: £0.9m) is included in defined contribution plan charges in staff costs (note 5).

TERMINATION BENEFITS

Termination benefit provisions consist of German Altersteilzeit employee incentives (a part-time early retirement scheme described in note 1) and Belgian and Dutch contractual pre-retirement termination benefits.

OTHER LONG-TERM EMPLOYEE BENEFIT LIABILITIES

These consist of deferred salaries for German Altersteilzeit employees and provision for long-service awards.

27. RELATED PARTIES

GROUP

Identity of related parties

The Group has a related party relationship with its subsidiaries (see pages 110 and 111) and with its key management personnel, who are considered to be its directors. Transactions between the Company and its subsidiaries, which are related parties, have been eliminated on consolidation for the Group and are not disclosed in this note.

Transactions with key management personnel

Disclosures relating to directors are set out in the Remuneration report. The remuneration of the key management personnel of the Group is set out below in aggregate for each of the categories specified in IAS 24 'Related Party Disclosures'.

The remuneration of the key management personnel of the Group is as follows:

	2013 £m	2012 £m
Salaries and other short-term employee benefits	**1.0**	1.2
Post-employment benefits	**0.1**	0.1
Share-based payments	**0.2**	0.2
	1.3	1.5

COMPANY

The amounts due to and from the Company in respect of its subsidiaries are set out in notes 16 and 18. The transactions entered into between the Company and its subsidiaries were as follows:

	2013 £m	2012 £m
Cash received from Group undertakings	**244.3**	191.5
Cash paid to Group undertakings	**(260.0)**	(150.8)
Net interest payable	**(0.3)**	(0.4)
Net interest receivable	**14.9**	16.2

PRINCIPAL SUBSIDIARIES

The following companies are, in the opinion of the directors, the principal trading subsidiaries of RPC Group Plc. All of the companies are wholly owned (except where indicated) and the Group's interests are in ordinary shares or their equivalent. All of the companies are involved in the rigid plastic packaging market.

Company	*Address and Country of Incorporation*
RPC Containers Limited	Sapphire House, Crown Way, Rushden, Northants, NN10 6FB, United Kingdom
RPC Tedeco-Gizeh SAS	Zone Industrielle, BP30, F-67330 Bouxwiller, France
RPC Tedeco-Gizeh GmbH	Robert Bosch Straße 16, D-77656 Offenburg, Germany
RPC Tedeco-Gizeh Troyes SASU	22 ZAC de l'Ecluse des Marots, 10800 Saint Thibault, France
RPC Cobelplast NV	Antwerpse Steenweg 14, B-9160 Lokeren, Belgium
RPC Cobelplast Montonate S.r.l.	Via Sandroni 40, I-21040 Sumirago, Varese, Italy
RPC Bebo Plastik GmbH	Lloydstraße 6, D-27432 Bremervörde, Germany
RPC Bebo Polska Sp. z o.o.	ul. Ledóchowskiej 33/35, PL-60-462 Poznan, Poland
RPC Packaging Europe BV	Bergweidedijk 1 NL-7418 AB Deventer, The Netherlands
RPC Bramlage GmbH	BrägelerStraße 70, D-49393 Lohne, Germany
RPC Bramlage Werkzeugbau GmbH	BrägelerStraße 70, D-49393 Lohne, Germany
RPC Bramlage Antwerpen NV	Terbekehofdreef 29, B-2610 Wilrijk, Belgium
RPC Bramlage Food GmbH	Bremer Weg 205, D-29223 Celle, Germany
RPC Bramlage Vel'ký Meder s.r.o.	Okocská 74, 932 01 Vel'ký Meder, Slovak Republic
RPC Bebo Print Patent GmbH	Lloydstraße 6, D-27432 Bremervörde, Germany
RPC Verpackungen Kutenholz GmbH	Industriestraße 3, D-27449 Kutenholz, Germany
RPC Envases SA	Poligono Industrial Borondo, Avenida de la Industria, 4, 28510, Campo Real, Madrid, Spain
RPC Packaging Gent NV	Singel 20, Havennr. 0955B, B-9000 Gent, Belgium
RPC Packaging Kerkrade BV	Spekhofstraat 16, NL-6466 LZ Kerkrade, The Netherlands
RPC Emballages Montpont SA	Les Touppes, F-71470 Montpont en Bresse, France
RPC Emballages Moirans SAS	BP30, Z.I. du Vernoire, F-39260 Moirans en Montagne, France
RPC Wiko GmbH	Donatusstraße 102, D-50259 Pulheim, Germany
RPC Formatec GmbH	Stockheimer Straße 30, D-97638 Mellrichstadt, Germany
RPC Bramlage Wiko USA Inc.	1075 Hemlock Road, Morgantown, PA, 19543, United States of America
RPC beauté Marolles SAS	Z.I.1 La Touche, F-72260 Marolles Les Braults, France
RPC Superfos a/s	Spotorno Allé 8, 2630 Høje,Taastrup, Denmark

RPC Superfos Sweden AB	Verkstadsvägen 14 560 27 Tenhult, Sweden
RPC Superfos Wetteren NV	Biezeweg 19 9230 Wetteren, Belgium
RPC Superfos Besançon SAS	Rue La Fayette 11 25000 Besançon, France
RPC Superfos La Genête SAS	La Genête 71290 Cuisery, France
RPC Superfos Poland Sp. z o.o.	Kaliska 140 87 840 Lubien Kujawski, Poland
RPC Superfos Pamplona SA	Poligono Industrial, Comarca n1, Calle L 14-16 E-31 160 Orcoyen (Navarra), Spain
RPC Superfos Ambalaj San. Tic. Ltd. Sti. (51% owned)	Atasehir Bulvari Ata 3/3 Plaza NO 43 Atasehir, Turkey
Manuplastics Limited	13–15 Lombard Road, South Wimbledon, London SW19 3TZ, United Kingdom

In addition, RPC Group Plc is the ultimate parent company of Rigid Plastic Containers Holdings Limited and RPC Packaging Holdings Limited (companies incorporated in England and Wales and located at Sapphire House, Crown Way, Rushden, Northants, NN10 6FB), RPC Packaging Holdings BV (a company incorporated in The Netherlands and located at Bergweidedijk 1, NL-7418 AB Deventer), RPC Packaging Holdings (Deutschland) BV & Co KG and RPC Packaging (Deutschland) BV & Co KG (companies incorporated in Germany and located at Lloydstraße 6, D-27432 Bremervörde), RPC Packaging Holdings US Inc. (a company incorporated in the United States of America and located at 1075 Hemlock Road, Morgantown, PA, 19543). These companies are all intermediate holding companies and are included within the consolidation. All United Kingdom companies are registered in England and Wales.

TEN YEAR FINANCIAL RECORD

	2013 £m	2012 £m	2011 £m	2010 £m	2009 £m	2008 £m	2007 £m	2006 £m	2005 £m	2004 £m
Turnover	**1,051.3**	1,129.9	819.2	719.9	769.1	695.2	645.7	611.5	513.3	430.2
Adjusted operating profit	**89.7**	93.5	55.8	40.9	35.5	40.6	38.1	36.8	31.0	28.4
Profit/(loss) before taxation	**40.3**	59.6	34.6	19.2	(4.5)	9.8	18.9	26.4	25.5	23.2
Profit/(loss) after taxation	**25.5**	44.7	25.6	13.2	(7.7)	4.4	13.1	19.3	19.5	16.7
Net assets employed	**272.0**	271.9	264.0	156.4	170.9	179.7	158.5	152.2	133.9	118.3
Capital additions	**60.0**	71.4	50.1	27.8	30.4	35.1	33.4	51.0	34.7	29.9
Cash generated by operations	**108.2**	115.2	80.9	71.4	115.2	63.5	40.9	64.5	53.3	45.9
Basic earnings/(loss) per share (p)	**15.5**	27.7	19.5	10.7	(6.2)	3.5	10.5	15.9	17.7	15.2
Adjusted basic earnings per share (p)	**34.8**	37.3	29.9	21.1	14.4	17.2	16.4	17.6	16.2	14.8
Dividend per share (p)	**14.9**	14.4	11.5	8.4	7.4	7.2	6.7	6.1	5.7	5.3
Average number of employees	**7,188**	7,326	6,123	6,128	6,594	6,916	6,660	6,571	6,229	5,535

Comparative figures for earnings per share and dividends per share have been restated after adjusting for the bonus element of the 5 for 8 rights issue in 2011.

The figures for 2004 are disclosed on the basis of UK GAAP because it is not practicable to restate amounts for periods prior to the date of transition to IFRS.

The adjusted operating profit shown for 2005 and subsequent years reflects the operating profit of the Group before non-recurring items identified separately on the face of the income statement. For 2004 adjusted operating profit is stated before exceptional items under UK GAAP.

The cash generated by operations shown for 2005 and subsequent years reflects amounts reported under IAS. In 2004 the figure refers to operating cash flow measured under UK GAAP.

FINANCIAL CALENDAR

Annual General Meeting	**10 July 2013**
Payment of final dividend	**6 September 2013**
Announcement of half year results	**November 2013**
Payment of interim dividend	**January 2014**
Announcement of final results	**June 2014**

NOTICE OF ANNUAL GENERAL MEETING

This document is important and requires your immediate attention. If you have any doubts about what action you need to take, you should contact your stockbroker, bank manager, solicitor, accountant or other independent professional adviser authorised pursuant to the Financial Services and Markets Act 2000 immediately.

If you have sold or transferred all your shares in RPC Group Plc please forward this Notice, together with the accompanying document(s), as soon as possible to the purchaser or transferee or to the stockbroker, bank or other agent through or to whom the sale or transfer was effected, for transmission to the purchaser or transferee.

RPC Group Plc

Registered Number 2578443

Notice is hereby given that the 21st Annual General Meeting of the Company will be held at Stationers' Hall, Ave Maria Lane, London EC4M 7DD on 10 July 2013 at 12:00 noon to consider and, if thought fit, to pass the following resolutions. It is intended to propose resolutions 15 to 17 inclusive as special resolutions. All other resolutions will be proposed as ordinary resolutions.

Ordinary Business

1. To receive and adopt the financial statements and the reports of the directors and auditors for the financial year ended 31 March 2013.
2. To approve the directors' Remuneration report for the year ended 31 March 2013.
3. To declare a final dividend on the ordinary shares of 10.6p per share in respect of the financial year ended 31 March 2013.
4. To re-elect Mr J R P Pike as a director of the Company.
5. To re-elect Ms I Haaijer as a director of the Company.
6. To re-elect Mr S Rojahn as a director of the Company.
7. To re-elect Mr M G Towers as a director of the Company.
8. To re-elect Mr P R M Vervaat as a director of the Company.
9. To elect Mr S J Kesterton as a director of the Company.
10. To appoint KPMG LLP as auditors of the Company.
11. To authorise the directors to fix the auditors' remuneration.

Special Business

12. (a) That the RPC Group 2013 Approved Executive Share Option Scheme (the 'Approved Executive Scheme') as summarised in Appendix 2, a copy of the Rules of which is produced to this Meeting and for the purpose of identification initialled by the Chairman, be and is hereby adopted and established and the directors of the Company be and they are hereby authorised to do all acts and things which they may consider necessary or desirable to carry the Approved Scheme into effect, including the making of further or consequential amendments thereto in particular as may be required to obtain HMRC approval thereto.

    (b) That the RPC Group 2013 Unapproved Executive Share Option Scheme (the 'Unapproved Executive Scheme') as summarised in Appendix 2, a copy of the Rules of which is produced to this Meeting and for the purpose of identification initialled by the Chairman, be and is hereby adopted and established and the directors of the Company be and they are hereby authorised to do all acts and things which they may consider necessary or desirable to carry the Unapproved Scheme into effect, including the making of further or consequential amendments thereto.

13. (a) That the RPC Group 2013 Sharesave Scheme (the 'Approved Sharesave Scheme') as summarised in Appendix 3, a copy of the Rules of which is produced to this Meeting and for the purpose of identification initialled by the Chairman, be and is hereby adopted and established and the directors of the Company be and they are hereby authorised to do all acts and things which they may consider necessary or desirable to carry the Sharesave Scheme into effect, including the making of further or consequential amendments thereto in particular as may be required to obtain HMRC approval thereto.

    (b) That the RPC Group 2013 International Sharesave Scheme (the 'International Sharesave Scheme') as summarised in the explanatory notes to this notice, a copy of the Rules of which is produced to this Meeting and for the purpose of identification initialled by the Chairman, be and is hereby adopted and established and the directors of the Company be and they are hereby authorised to do all acts and things which they may consider necessary or desirable to carry the International Scheme into effect, including the making of further or consequential amendments thereto.

NOTICE OF ANNUAL GENERAL MEETING
continued

14. That the directors be generally and unconditionally authorised for the purposes of section 551 of the Companies Act 2006 ('the Act'), to exercise all the powers of the Company to allot shares and grant rights to subscribe for, or convert any security into, shares:

    (a) up to an aggregate nominal amount (within the meaning of section 551(3) and (6) of the Act) of £2,768,547 (such amount to be reduced by the nominal amount allotted or granted under (b) below in excess of such sum); and

    (b) comprising equity securities (as defined in section 560 of the Act) up to an aggregate nominal amount (within the meaning of section 551(3) and (6) of the Act) of £5,537,925 (such amount to be reduced by any allotments or grants made under (a) above) in connection with or pursuant to an offer by way of a rights issue in favour of holders of ordinary shares in proportion (as nearly as practicable) to the respective number of ordinary shares held by them on the record date for such allotment (and holders of any other class of equity securities entitled to participate therein or if the directors consider it necessary, as permitted by the rights of those securities), but subject to such exclusions or other arrangements as the directors may consider necessary or appropriate to deal with fractional entitlements, treasury shares, record dates or legal, regulatory or practical difficulties which may arise under the laws of, or the requirements of, any regulatory body or stock exchange in any territory or any other matter whatsoever, provided that these authorisations shall expire at the conclusion of the next Annual General Meeting of the Company (or if earlier on 30 September 2014), save that the Company may before such expiry make any offer or agreement which would or might require shares to be allotted or rights to be granted, after such expiry and the directors may allot shares, or grant rights to subscribe for or to convert any security into shares, in pursuance of any such offer or agreement as if the authorisations conferred hereby had not expired.

15. That a General Meeting of the Company (other than an Annual General Meeting) may be called on not less than 14 clear days' notice.

16. That, subject to the passing of resolution 14 above, the directors be and hereby are empowered pursuant to sections 570(1) and 573 of the Companies Act 2006 ('the Act') to:

    (a) allot for cash and make offers or agreements to allot equity securities (as defined in section 560 of the Act) pursuant to the authority conferred by resolution 14 above as if section 561 of the Act did not apply to any such allotment, and

    (b) sell ordinary shares (as defined in section 560(1) of the Act) in the Company if, immediately before the sale such shares are held by the Company as treasury shares (as defined in section 724(5) of the Act) (treasury shares) for cash (as defined in section 727(2) of the Act), as if section 561 of the Act did not apply to any such sale;

    provided that such power shall be limited to the allotment of equity securities and the sale of treasury shares:

    (i) in connection with or pursuant to an offer of or invitation to acquire equity securities in favour of holders of ordinary shares in proportion (as nearly as practicable) to the respective number of ordinary shares held by them on the record date for such allotment or sale (and holders of any other class of equity securities entitled to participate therein or if the directors consider it necessary, as permitted by the rights of those securities) but subject to such exclusions or other arrangements as the directors may consider necessary or appropriate to deal with fractional entitlements, treasury shares, record dates or legal, regulatory or practical difficulties which may arise under the laws of, or the requirements of, any regulatory body or stock exchange in any territory or any other matter whatsoever; and

    (ii) in the case of the authorisation granted under resolution 14 above (or in the case of any transfer of treasury shares), and otherwise than pursuant to paragraph (i) of this resolution, up to an aggregate nominal amount of £415,323;

    such power to expire at the conclusion of the Annual General Meeting of the Company to be held in 2014 or on 30 September 2014, whichever is the earlier, save that the Company may before such expiry make an offer or agreement which would or might require equity securities to be allotted or treasury shares to be sold after such expiry and the directors may allot equity securities or sell treasury shares pursuant to any such offer or agreement as if the power conferred thereby had not expired.

17. That the Company is hereby generally and unconditionally authorised for the purposes of section 701 of the Companies Act 2006 ('the Act') to make market purchases (within the meaning of section 693(4) of the Act) on the London Stock Exchange of any of its ordinary shares of 5p each in the capital of the Company (the ordinary shares), on such terms and in such manner as the directors may from time to time determine, subject to the following restrictions and provisions:

    (a) the maximum number of ordinary shares hereby authorised to be purchased is 16,612,944;

    (b) the minimum price which may be paid for an ordinary share is 5p, which shall be exclusive of expenses, if any;

    (c) the maximum price which may be paid for an ordinary share is an amount equal to the higher of: (i) 105% of the average of the middle market quotations for an ordinary share as derived from the London Stock Exchange Daily Official List for the 5 business days immediately preceding the day on which the ordinary share is purchased; and (ii) the higher of the price of the last independent trade and the highest current independent bid on the trading venues where the purchase is carried out, as stipulated by article 5(1) of the EU Buyback and Stabilisation Regulation 2003 (No.2273/2003);

    (d) unless previously renewed, revoked or varied, this authority shall expire at the conclusion of the Annual General Meeting of the Company held in 2014 or on 30 September 2014, whichever is the earlier; and

    (e) the Company may make a contract to purchase ordinary shares under this authority before the expiry of such authority, which will or may be executed wholly or partly after the expiry of such authority, and may make such a purchase of ordinary shares pursuant to any such contract.

Recommendation

The directors of the Company believe that all the proposed resolutions to be considered at the Annual General Meeting as set out in this document are in the best interests of the Company and its shareholders as a whole. Accordingly, the directors unanimously recommend that you vote in favour of them as they intend to do in respect of their own shareholdings.

By order of the Board

R K Joyce
Company Secretary

05 June 2013

Registered Office:
Sapphire House
Crown Way
Rushden
Northants
NN10 6FB

NOTES RELATING TO THE NOTICE

1. Right to attend and vote

Pursuant to Regulation 41 of the Uncertificated Securities Regulations 2001 and section 360(b)(2) of the Companies Act 2006, the Company specifies that in order to have the right to attend and vote at the meeting (and also for the purpose of determining how many votes a person entitled to attend and vote may cast), a person must be entered on the register of members of the Company at 6.00 p.m. on Monday 8 July 2013 or, in the event of any adjournment, at 6.00 p.m. on the date which is two days before the day of the adjourned meeting. Changes to entries on the register of members after this time shall be disregarded in determining the rights of any person to attend or vote at the meeting.

2. Proxies

A member of the Company is entitled to appoint another person as his proxy to exercise all or any of his rights to attend, to speak and to vote at the meeting. A member may appoint more than one proxy in relation to the meeting, provided that each proxy is appointed to exercise the rights attached to a different share or shares held by him/her. A proxy need not be a member of the Company. A form of proxy for the meeting is enclosed.

To be valid any proxy form or other instrument appointing a proxy must be received by post or by hand (during normal business hours only) by the Company's registrars, Equiniti, at Aspect House, Spencer Road, Lancing, West Sussex BN99 6DA, United Kingdom or electronically at www.sharevote.co.uk using the Voting ID, Task ID and Shareholder Reference Number set out on the form(s) of proxy, in each case not later than 12.00 p.m. on Monday 8 July 2013. If you are a CREST member, see note 3 below.

Completion of a form of proxy, or other instrument appointing a proxy or any CREST Proxy Instruction will not preclude a member attending and voting in person at the meeting if he/she wishes to do so.

A 'Vote Withheld' option is provided on the form of proxy which enables a member to abstain on any particular resolution. It should be noted that a 'Vote Withheld' is not a vote in law and will not be counted in the calculation of the proportion of votes 'For' or 'Against' a resolution.

3. CREST members

CREST members who wish to appoint a proxy or proxies through the CREST electronic proxy appointment service may do so by using the procedures described in the CREST Manual (available via www.euroclear.com/CREST). CREST Personal Members or other CREST sponsored members, and those CREST members who have appointed a voting service provider(s), should refer to their CREST sponsor or voting service provider(s), who will be able to take the appropriate action on their behalf.

In order for a proxy appointment or instruction made using the CREST service to be valid, the appropriate CREST message (a 'CREST Proxy Instruction') must be properly authenticated in accordance with Euroclear UK & Ireland Limited's specifications, and must contain the information required for such instruction, as described in the CREST Manual. The message, regardless of whether it constitutes the appointment of a proxy or is an amendment to the instruction given to a previously appointed proxy must, in order to be valid, be transmitted so as to be received by the Company's registrars, Equiniti (ID RA19) by 12.00 p.m. on Monday 8 July 2013. For this purpose, the time of receipt will be taken to be the time (as determined by the time stamp applied to the message by the CREST Application Host) from which the issuer's agent is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST. After this time any change of instructions to proxies appointed through CREST should be communicated to the appointee through other means.

CREST members and, where applicable, their CREST sponsors or voting service providers should note that Euroclear UK & Ireland Limited does not make available special procedures in CREST for any particular message. Normal system timings and limitations will, therefore, apply in relation to the input of CREST Proxy Instructions. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST personal member, or sponsored member, or has appointed a voting service provider, to procure that his/her CREST sponsor or voting service provider(s) take(s)) such action as shall be necessary to ensure that a message is transmitted by means of the CREST system by any particular time. In this connection, CREST members and, where applicable, their CREST sponsors or voting system providers are referred, in particular, to those sections of the CREST Manual concerning practical limitations of the CREST system and timings.

The Company may treat as invalid a CREST Proxy Instruction in the circumstances set out in Regulation 35(5)(a) of the Uncertificated Securities Regulations 2001.

4. Nominated persons

Any person to whom this notice is sent who is a person nominated under section 146 of the Companies Act 2006 to enjoy information rights (a 'Nominated Person') may have a right, under an agreement between him/her and the member by whom he/she was nominated, to be appointed (or to have someone else appointed) as a proxy for the meeting. If a Nominated Person has no such proxy appointment right or does not wish to exercise it, he/she may have a right, under such agreement, to give instructions to the member as to the exercise of voting rights.

The statement of the above rights of the members in relation to the appointment of proxies does not apply to Nominated Persons. Those rights can only be exercised by shareholders of the Company.

5. Corporate Representatives

Any corporation which is a member can appoint one or more corporate representatives who may exercise on its behalf all of its powers as a member provided that they do not do so in relation to the same shares.

6. Right to ask questions

Any member attending the Annual General Meeting has the right to ask questions. The Company must cause to be answered any such question relating to the business being dealt with at the meeting but no such answer need be given if (a) to do so would interfere unduly with the preparation for the meeting or involve the disclosure of confidential information, (b) the answer has already been given on a website in the form of an answer to a question, or (c) it is undesirable in the interests of the Company or the good order of the meeting that the question be answered.

7. Documents on display

Copies of executive directors' service agreements and copies of the terms and conditions of appointment of non-executive directors are available for inspection at the Company's registered office during normal business hours from the date of this notice until the close of the Annual General Meeting and will be available for inspection at the place of the Annual General Meeting for at least 15 minutes prior to and during the meeting.

A copy of the draft Rules of the Approved Executive Scheme, the Unapproved Executive Scheme, the Approved Sharesave Scheme and the International Sharesave Scheme are available for inspection at the Company's registered office during normal business hours from the date of this notice until the date of the Annual General Meeting and will be available for inspection at the place of the meeting for at least 15 minutes prior to and during the meeting.

8. Website publication of audit concerns

Pursuant to requests made by members of the Company under section 527 of the Companies Act 2006 ('the Act'), the Company may be required to publish on a website a statement setting out any matter relating to: (i) the audit of the Company's accounts (including the auditor's report and the conduct of the audit) that are to be laid before the Annual General Meeting; or (ii) any circumstance connected with an auditor of the Company ceasing to hold office since the previous meeting at which annual accounts and reports were laid in accordance with section 437 of the Act. The Company may not require the members requesting any such website publication to pay its expenses in complying with sections 527 or 528 of the Act. Where the Company is required to place a statement on a website under section 527 of the Act, it must forward the statement to the Company's auditor not later than the time when it makes the statement available on the website. The business which may be dealt with at the Annual General Meeting includes any statement that the Company has been required under section 527 of the Act to publish on a website.

9. Website address

A copy of this notice, and other information required by section 311A of the Companies Act 2006, can be found at www.rpc-group.com.

10. Total number of shares and voting rights

As at 4 June 2013 (being the last practicable day prior to the publication of this notice) the Company's issued share capital consists of 166,129,448 ordinary shares, carrying one vote each. Therefore, the total voting rights in the Company as at that date are 166,129,448.

11. Communication

You may not use any electronic address (within the meaning of section 333(4) of the Companies Act 2006) provided in this Notice of Meeting (or in any related documents including the proxy form) to communicate with the Company for any purposes other than those expressly stated.

EXPLANATORY NOTES TO THE RESOLUTIONS

Resolution 1: To Receive and Adopt the Report and Accounts

The business of the Annual General Meeting (AGM) will begin with a resolution to receive the financial statements, together with the reports of the directors and auditors, in respect of the year ended 31 March 2013. The Annual Report and Accounts 2013 is available on the Company's website and copies will be available at the AGM.

Resolution 2: To Approve the Remuneration Report

Under section 439 of the Companies Act 2006, the Company is required to give shareholders the opportunity to cast an advisory vote on the Directors' Remuneration report for the year ended 31 March 2013. The Remuneration report is set out in full on pages 49 to 60 of the Annual Report and Accounts 2013. Alternatively, the Remuneration report is obtainable on request from the Company Secretary at the registered office of the Company, or from the Company's website.

Resolution 3: To Declare a Final Dividend

The Company paid an interim dividend of 4.3p per ordinary share on 25 January 2013. The directors recommend a final dividend of 10.6p per ordinary share bringing the total dividend for the year to 14.9p per ordinary share.

If Resolution 3 is approved by shareholders the final dividend for the year ended 31 March 2013 will be paid on 6 September 2013 to shareholders whose names are on the register of members at the close of business on 9 August 2013.

Resolutions 4 to 9: Re-election and Election of Directors of the Company

Resolutions 4 to 9 are concerned with the re-election and election of directors at this year's AGM.

Under the Company's Articles of Association, any director who was a director at the two preceding AGMs and who was not appointed or re-appointed by the Company in general meeting at or since either such meeting, shall retire from office. Retiring directors are eligible for re-election. However, the Board has adopted a policy of annual re-election of all directors in accordance with the provisions of the UK Corporate Governance Code in respect of the re-election of directors of FTSE 350 companies. Consequently, all the directors will retire from office and, being eligible, submit themselves for re-election on an individual basis at the AGM.

The Company's Articles of Association permit any director appointed by the Board since the date of the last AGM to hold office only until the date of the next Annual General Meeting following their appointment. The director is then eligible for election by shareholders. S J Kesterton was appointed by the Board as an executive director on 1 April 2013 and being eligible, submits himself for election at the AGM and annually thereafter.

The biographical details for each director and other relevant information can be found on pages 38 and 39 of the Annual Report and Accounts 2013. Details of the directors' service contracts or terms of appointment are described in the Remuneration report on page 54 and the performance evaluation procedure is described in the Corporate governance report on page 45 of the Annual Report and Accounts 2013.

Following individual formal performance evaluation by the Chairman, or in the case of the Chairman, by the Senior Independent Director, the Board confirms that the performance of each director submitting themselves for re-election continues to be effective and to demonstrate commitment to the role and recommends them for re-election. The knowledge, experience and contribution made by each director to the Board is set out below:

- Since his appointment J R P Pike, Chairman, has made a significant contribution to the Group as a result of his experience in strategic and operational improvement and development in a range of UK and international businesses and through his effective leadership of the Board.
- I Haaijer, independent non-executive director, makes a valuable contribution to the Board as a result of her management and relevant international business and market experience.
- S Rojahn, independent non-executive director and Chairman of the Remuneration Committee, makes a valuable contribution to the Board through his engineering and management expertise and his experience in industry in Europe as well as in emerging markets including China, India and Latin America.
- M G Towers, Senior Independent Director, is a chartered accountant with extensive financial and managerial experience as Finance Director of a variety of businesses and has made a considerable contribution to the Company in his role as Chairman of the Audit Committee.
- P R M Vervaat, Chief Executive, joined the Board in 2007 with experience in various financial roles in the Netherlands, UK, Germany and Belgium. He has strong strategic and financial accounting skills and has been instrumental in the success of RPC 2010, the implementation of Group strategy and the refinancing of Group borrowings. He acceded to the role of Chief Executive on 1 May 2013.

The process followed for S J Kesterton's selection as Group Finance Director can be found in the Nomination Committee section of the Corporate governance report on pages 43 and 44 of the Annual Report and Accounts 2013. Although only recently appointed, S J Kesterton is undergoing an intensive induction programme and is already making a valuable contribution to the Board as a result of his commercial and financial skills gained from operating in a competitive international manufacturing environment and extensive experience in leading acquisitions. Accordingly, your Board recommends his election as a director of the Company.

Resolution 10: To Appoint KPMG LLP as the Company's Auditors

Auditors must be appointed at every AGM at which accounts are presented to the shareholders. KPMG Audit Plc has advised that, due to an internal reorganisation, it has decided to wind down its audit business and transfer it to KPMG LLP. Consequently, KPMG Audit Plc has notified the Company that it is not seeking reappointment at the AGM and KPMG LLP has advised its willingness to stand for appointment as the auditors of the Company. The statement of circumstances required from KPMG Audit Plc under section 519 of the Companies Act 2006 is reproduced in Appendix 1. The Board recommends the appointment of KPMG LLP following recommendation by the Audit Committee which has considered the circumstances of the change of auditors and conducted an evaluation of the auditors' effectiveness, independence and objectivity. The Audit Committee conducted a tender process in 2012, in which KPMG were successful. The policy on the frequency of external auditor tenders is given in the Audit Committee section of the Corporate governance report on page 46 of the Annual Report and Accounts 2013.

Resolution 11: To Authorise the Directors to fix the Auditors' Remuneration

Shareholders will be asked to grant authority to the directors of the Company to determine the auditors' remuneration.

Resolution 12: To Adopt the RPC Group 2013 Approved and Unapproved Executive Share Option Schemes

Shareholders will be asked to approve the Approved Executive Scheme and the Unapproved Executive Scheme, as summarised in Appendix 2.

Resolution 13: To Adopt the RPC Group 2013 Approved and International Sharesave Schemes

Shareholders will be asked to approve the Approved Sharesave Scheme and the International Sharesave Scheme, as summarised in Appendix 3.

Resolution 14: Authority to Allot Shares

The directors of the Company may allot shares and grant rights to subscribe for, or convert any security into, shares only if authorised to do so by shareholders. The authority granted at the last AGM is due to expire at this year's AGM. Accordingly, Resolution 14 will be proposed as an ordinary resolution to grant new authorities to allot shares and grant rights to subscribe for, or convert any security into, shares. If given, these authorities will expire at the AGM in 2014 or on 30 September 2014, whichever is the earlier.

Paragraph (a) of Resolution 14 will allow the directors to allot ordinary shares up to a maximum nominal amount of £2,768,547, representing one third of the Company's existing issued share capital calculated as at 4 June 2013 (being the latest practicable date prior to publication of this document). In accordance with the latest institutional guidelines issued by the Association of British Insurers, paragraph (b) of Resolution 14 will also allow directors to allot, including the ordinary shares referred to in paragraph (a) of Resolution 14, further ordinary shares in connection with a pre-emptive offer by way of a rights issue to ordinary shareholders up to a maximum nominal amount of £5,537,925, representing approximately two thirds (66.67 per cent) of the Company's existing issued share capital calculated as at 4 June 2013. The directors have no immediate plans to make use of this authority with the exception of the issue of further ordinary shares to fulfil the Company's obligations under its various employee share option schemes. However, if they do exercise the authority, the directors intend to follow emerging best practice as regards its use (including, where appropriate, the directors standing for re-election) as recommended by the Association of British Insurers.

As at 4 June 2013 the Company held no treasury shares.

Resolution 15: Notice of General Meetings other than Annual General Meetings

The notice period required by the Companies Act 2006 for general meetings of the Company is at least 21 clear days unless shareholders approve a shorter notice period, which cannot however be less than 14 clear days. (AGMs must be held on at least 21 clear days' notice).

Previously, the Company was able to call general meetings other than an AGM on at least 14 clear days' notice without obtaining such shareholder approval. In order to preserve this ability, Resolution 15 seeks the necessary shareholder approval which will be effective until the Company's next AGM, when it is intended that a similar resolution will be proposed.

The shorter notice period would not be used as a matter of routine for such meetings, but only where the flexibility is merited by the business of the meeting and is thought to be to the advantage of shareholders as a whole.

In order to be able to call a general meeting on less than 21 clear days' notice, the Company must make a means of electronic voting available to all shareholders for that meeting.

EXPLANATORY NOTES TO THE RESOLUTIONS
continued

Resolution 16: Disapplication of Pre-emption Rights

The directors of the Company also require additional authority from the shareholders to allot shares or grant rights over shares or sell treasury shares where they propose to do so for cash and otherwise than to existing shareholders pro-rata to their holdings. Resolution 16 seeks to renew the authority granted to the directors, at the AGM held on 18 July 2012, to allot securities of the Company up to a specified amount in connection with a rights issue without having to obtain prior approval from shareholders on each occasion, and also to allot a smaller number of these for cash or to sell treasury shares without first being required to offer such shares to existing shareholders. Resolution 16 will be proposed as a special resolution to grant such authority.

The number of shares which may be issued for cash under the latter authority will not exceed an aggregate nominal amount of £415,323, being approximately 5% of the total issued share capital of the Company as at 4 June 2013 (the last practicable day prior to the publication of this notice). In addition, the number of shares which may be issued for cash other than to existing shareholders, will not exceed 7.5% of the Company's total issued share capital in any rolling three year period without prior consultation with shareholders.

If given, the authority to disapply pre-emption rights will terminate not later than 30 September 2014.

Resolution 17: Purchase by the Company of its own Shares

The directors consider that there may be circumstances in which it would be desirable for the Company to purchase its own shares in the market. Although the directors have no plans to make such purchases they would like to be able to act if circumstances arose in which they considered such purchases to be desirable. Under Article 5 of the Company's Articles of Association, authority is granted to the Company to purchase its own shares subject to the provision of the Companies Act 2006. Resolution 17 proposes that the Company's authority to purchase up to 10% of the issued share capital of the Company be renewed by special resolution. The authority will terminate not later than 30 September 2014.

The authority is restricted to a maximum of 16,612,944 shares (which is equivalent to approximately 10% of the issued share capital of the Company as at 4 June 2013). The maximum and minimum prices are stated in this resolution.

The directors of the Company believe that it is advantageous for the Company to have this flexibility to make market purchases of its own shares. In the event that shares are purchased, they may either be cancelled (and the number of shares in issue would be reduced accordingly) or retained as treasury shares. The Companies Act 2006 enables companies to hold shares repurchased as treasury shares with a view to possible re-sale at a future date rather than having to cancel them.

The Company will consider holding repurchased shares pursuant to the authority conferred by Resolution 17 as treasury shares. This would give the Company the ability to re-issue treasury shares quickly and cost effectively and would provide the Company with additional flexibility in the management of its capital base. Any issues of treasury shares for the purposes of the Company's employee share schemes will be made within the 10% anti-dilution limit set by the Association of British Insurers.

The directors of the Company will only exercise this authority to purchase shares if they are satisfied that a purchase would result in an increase in earnings per share and be in the best interests of shareholders generally. Incentive schemes for directors with earnings per share targets would be adjusted for any reduction in issued share capital.

APPENDIX 1

KPMG Audit Plc
One Snowhill
Snow Hill Queensway
Birmingham B4 6GH
United Kingdom

Tel +44 (0) 121 232 3000
Fax +44 (0) 121 232 3500
DX 709850 Birmingham 26

Private & confidential
The Directors
RPC Group Plc
Sapphire House
Crown Way
Rushden
Northamptonshire
NN10 6FB

5 June 2013

Dear Sirs

Statement to RPC Group Plc (no. 02578443) on ceasing to hold office as auditors pursuant to section 519 of the Companies Act 2006

The circumstances connected with our ceasing to hold office are that our company, KPMG Audit Plc, has instigated an orderly wind down of business. KPMG LLP, an intermediate parent, will be accepting appointment as statutory auditor at the company's AGM on 10 July 2013.

We request that any correspondence in relation to this statement be sent to our registered office 15 Canada Square, London E14 5GL marked for the attention of the Audit Regulation Department.

Yours faithfully,

KPMG Audit Plc

EXPLANATORY NOTES TO THE RESOLUTIONS
continued

APPENDIX 2

Summary of the principal terms of the RPC Group 2013 Approved Executive Share Option Scheme (the 'Approved Executive Scheme') and the RPC Group 2013 Unapproved Executive Share Option Scheme (the 'Unapproved Executive Scheme', together, the 'Executive Schemes' and each an 'Executive Scheme')

This summary does not form part of either Executive Scheme and should not be taken as affecting the interpretation of their rules.

General

The Executive Scheme provides for options to be granted over unissued shares or shares held in a trust. The Approved Executive Scheme has been submitted for approval by HM Revenue & Customs ('HMRC') in accordance with Schedule 4 to the Income Tax (Earnings and Pensions) Act 2003 in order to provide UK tax-advantaged benefits to UK employees. The Executive Schemes will be administered by the board of directors of the Company or a duly authorised committee of the Board (the 'Board').

Eligibility

Any employee (including an executive director) of the Company (or any participating member of the RPC Group) who is required to devote substantially the whole of his working time to his employment or office is eligible to participate in the Executive Schemes. The Board may in its absolute discretion grant options to eligible employees to acquire ordinary shares of the Company ('Shares').

Timing of and Consideration for Grant of Options

Options may be granted within 42 days after the date of approval by HMRC in the case of the Approved Executive Scheme or the Company in general meeting in the case of the Unapproved Executive Scheme (the 'Commencement Date'). Otherwise options may be granted within 42 days after the announcement of the Company's results for any period or at any other time at which the Board determines that there are exceptional circumstances which justify the grant of an option. Subject to the above, options may be granted at any time within the period of ten years PROVIDED THAT no option may be granted at any time at which a dealing would not be permitted under the Model Code.

No payment is required for the grant of an option.

Conditions on Exercise

The Board may grant an option subject to such performance condition and/or other objective condition or conditions as it in its discretion sees fit. A performance condition attached to an option shall not be capable of variation or waiver unless events happen which cause the Board to consider that such performance condition shall have ceased to be appropriate whereupon the Board may vary or waive such performance condition so that any new performance condition imposed or any variation is in its opinion fair and reasonable and no more difficult to satisfy than the previous performance condition.

Exercise Price

The exercise price of an option shall be determined by the Board and shall not be less than the middle market closing price of a Share on the dealing day immediately prior to the date of grant or, if the Board decides, the average middle market price of a Share for the three dealing days immediately prior to the date of grant (or, in the case only of an option to subscribe for Shares, the nominal value of a Share if higher).

Exercise and Lapse of Options

In normal circumstances, an option is capable of exercise at any time between the third and tenth anniversaries of its date of grant provided that any performance condition(s) to which it is subject shall have been fulfilled or waived. An option lapses on the expiry of ten years from its date of grant.

An option shall become exercisable immediately on the death of a participant for a period of 12 months commencing on the date of the participant's death. On his ceasing to hold office or employment with the RPC Group by reason of injury, disability, redundancy or retirement, an option shall be capable of exercise for a period of six months from the date of cessation or the date on which the Board determines that any performance condition(s) have been satisfied. On the sale or transfer out of the RPC Group of his/her employing company or business, or any other reason permitted by the Board, an option shall be exercisable for a period of 12 months commencing on the date of such cessation or the third anniversary of grant, if later, or the date on which the Board determines that any performance condition(s) have been satisfied.

Individual Limits

No option may be granted to any individual at any time if, as a result, the aggregate market value of Shares subject to that option and to options and other rights granted to him during the preceding twelve months (a) under either of the Executive Schemes; (b) under either the RPC Group 2003 Approved Executive Share Option Scheme or the RPC Group 2003 Unapproved Executive Share Option Scheme; or (c) by any member of the RPC Group pursuant to Schedule 5 to the Income Tax (Earnings and Pensions) Act 2003, would exceed his cash earnings excluding bonuses. Where the employee commenced employment within the previous 12 months or where the Board determines that special circumstances exist, the limit is twice his cash earnings excluding bonuses.

There is a second limit in the case of the Approved Executive Scheme only, being that the aggregate market value of Shares which are subject to options granted to a participant under the Approved Executive Scheme or any other share option scheme approved by HMRC under Schedule 4 to the Income Tax (Earnings and Pensions) Act 2003 shall not exceed £30,000. Any options granted over the £30,000 limit shall be void to the extent that the limit is exceeded.

Overall Limits

On any date, no option may be granted under an Executive Scheme if, as a result, either of the following limits would be exceeded:

(a) the aggregate number of Shares issued or committed to be issued pursuant to grants made during the previous ten years under the relevant Executive Scheme and under all other employee share schemes established by the Company would exceed 10%. of the issued ordinary share capital of the Company on that date; or

(b) the aggregate number of Shares issued or committed to be issued pursuant to grants made under the relevant Executive Scheme and during the previous ten years under all other discretionary employee share option schemes established by the Company would exceed 5%. of the issued ordinary share capital of the Company on that date.

Shares that have been the subject of options or rights granted under any share scheme which have lapsed or been surrendered shall not be taken into account for the purposes of these limits.

Treasury shares will count as Shares issued or committed to be issued while institutional guidelines require this.

Alterations of Share Capital

In the event of any variation in the share capital of the Company, adjustments to the number of Shares subject to options and the exercise price may be made by the Board in such manner and with effect from such date as the Board may determine to be appropriate, and in the case of the Approved Executive Scheme, provided always that any such adjustment is subject to the prior approval of HMRC.

Takeovers, Reconstructions and Liquidations

Rights to exercise options early for a period of six months also arise if another company acquires control of the Company as a result of a takeover, compromise or scheme of arrangement.

On a change of control or reconstruction of the Company, options may, with the consent of the company acquiring control of the Company, be released in consideration for the grant of equivalent rights over the shares of the acquiring company or a company associated with it. Rights are equivalent if, broadly speaking, the aggregate market values of the shares under both the old and new options and the aggregate exercise price of each option are, on the day of exchange, equal.

If the Company passes a resolution for a voluntary winding-up, any subsisting option must be exercised within six months of the passing of that resolution or it lapses.

Voting, Dividend and other Rights

Until options are exercised, option holders have no voting or other rights in respect of the Shares subject to their options.

Shares issued or transferred pursuant to an Executive Scheme shall rank pari passu in all respects with the ordinary shares already in issue except that they will not rank for any dividend or other distribution paid or made by reference to a record date falling prior to the date of exercise of the option.

Benefits obtained under an Executive Scheme shall not be pensionable.

Options are not assignable or transferable.

EXPLANATORY NOTES TO THE RESOLUTIONS
continued

Administration and Amendments

The Executive Schemes will be administered by the Board which may amend them by resolution provided that:

(a) no amendment may be made which would alter to the disadvantage of a participant any rights already acquired by him under the relevant Executive Scheme without the prior approval of the majority of the affected participants;

(b) in the case of the Approved Executive Scheme, no alteration shall have effect unless it complies with the requirements of Schedule 4 to the Income Tax (Earnings and Pensions) Act 2003; and

(c) prior approval of the Company in general meeting will be required for any amendment to the advantage of participants to those provisions of the Executive Schemes relating to eligibility, the limitations on the number of Shares subject to the relevant Executive Scheme, a participant's maximum entitlement or the basis for determining a participant's entitlement under the relevant Executive Scheme and the adjustment thereof in the event of a variation in capital, except in the case of minor amendments to benefit the administration of the Executive Schemes and amendments to take account of changes in legislation, to obtain or maintain favourable tax, exchange control or regulatory treatment of participants or for any member of the RPC Group or, in the case of the Approved Executive Scheme only, to obtain or maintain HMRC approval.

Overseas Schemes

The Board may at any time and without further formality establish further share option schemes in overseas territories, any such scheme to be similar to the relevant Executive Scheme but modified to take account of local tax, exchange control or securities laws, regulation or practice. Shares made available under any such scheme will count against any limits on overall or individual participation in the schemes, except that only shares issued or issuable will count against the overall limits.

Termination

Each Executive Scheme may be terminated at any time by resolution of the Board or of the Company in general meeting and shall in any event terminate on the tenth anniversary of the date on which HMRC approval is obtained in the case of the Approved Executive Scheme and the tenth anniversary of the date on which the Unapproved Executive Scheme was approved by the Company in general meeting in the case of the Unapproved Executive Scheme. Termination will not affect the outstanding rights of participants.

APPENDIX 3

Summary of the principal terms of the RPC Group 2013 Sharesave Scheme (the 'Approved Sharesave Scheme') and the RPC Group 2013 International Sharesave Scheme (the 'International Sharesave Scheme', together, the 'Sharesave Schemes' and each a 'Sharesave Scheme')

This summary does not form part of either Sharesave Scheme and should not be taken as affecting the interpretation of their rules.

General

The Sharesave Schemes which are savings-related share option schemes replace the existing savings-related share option scheme which expires in mid-July 2013. The Approved Sharesave Scheme has been submitted for approval by HMRC in accordance with Schedule 3 to the Income Tax (Earnings and Pensions) Act 2003 in order to provide UK tax-advantaged benefits to UK employees. The Sharesave Schemes will be administered by the Board.

Eligibility

Any employee (including an executive director) of the Company or any participating member of the RPC Group and, in the case of the Approved Sharesave Scheme only, who is a UK taxpayer, is eligible to participate in a Sharesave Scheme. Participation may be subject to the Board requiring eligible employees to have completed a qualifying period of employment of up to 5 years.

The Savings Contract

To participate in a Sharesave Scheme, an employee must enter into a savings contract with an appropriate savings carrier under which they agree to make aggregate monthly savings between (and including) the statutory minimum and maximum (£5 and £250 per month respectively or such other amounts as may from time to time be permitted under the savings contract), or any other lesser maximum specified by the Board, for a specified savings period of three or five years. The Board has discretion to determine which savings contract will be available in respect of any invitation to apply for the grant of options. In the case of the Approved Sharesave Scheme only, a bonus determined by HMRC may be payable after the expiration of the savings period.

Timing of invitations

Invitations to participate in the Approved Sharesave Scheme will only be issued within 42 days after the date of approval by HMRC or within 28 days after (i) the announcement of the Company's results for any period, (ii) the date on which a new savings contract prospectus is announced or takes effect or (iii) the date on which any change to the legislation affecting savings-related option schemes takes effect. Invitations to participate in the International Sharesave Scheme will only be issued within 28 days after the announcement of the Company's results for any period. In both cases, invitations may also be issued at any other time at which the Board determines that there are exceptional circumstances which justify the grant of options.

Grant of Options

Options can only be granted under the Sharesave Schemes to employees who have entered into a savings contract which in the case of the Approved Sharesave Scheme only, must be an HMRC-approved savings contract.

For the Approved Sharesave Scheme only, options must be granted within 30 days (or 42 days if applications are scaled back) of the first day by reference to which the option price is set.

The number of Shares under option is equal to that number of Shares which may be acquired at the option price with the proceeds of the savings contract (including the bonus in the case of the Approved Sharesave Scheme) at maturity. The Board may impose a limit on the number of Shares over which options may be granted in which case applications from employees may be scaled down. In the case of the International Sharesave Scheme, the Board may adjust the number of Shares over which options may be granted by taking into account the applicable interest rate and/or exchange rate.

Exercise price

The option exercise price per Share will be the market value of a Share when invitations to participate in the Sharesave Scheme are issued less a discount of up to 20% (or, in the case of an option to subscribe, the nominal value of a Share if higher). Market value is determined as the middle market quotation of a Share as derived from the Daily Official List of the London Stock Exchange on the last dealing day before invitations to participate in the Scheme are sent out or, if the Board so decides, the average of the middle market quotations over the three dealing days preceding that date.

EXPLANATORY NOTES TO THE RESOLUTIONS
continued

Exercise and Lapse of Options

In normal circumstances, an option may be exercised within six months (12 months in the case of death) following:

(a) the maturity date in the case of the International Sharesave Scheme; or

(b) the date on which the bonus is payable under the savings contract in the case of the Approved Sharesave Scheme (the 'Maturity Date') and any option not exercised within that period will lapse.

An option may be exercised earlier than the Maturity Date, for a limited period, on the death of a participant or on his/her ceasing to hold office or employment with the RPC Group by reason of injury, disability, redundancy, retirement, the sale or transfer out of the RPC Group of his employing company or business or provided the option was granted more than three years previously, for any other reason.

Except where stated above, options will lapse on cessation of employment.

Options may be satisfied by the issue of new Shares or by the transfer of existing Shares, either from treasury or otherwise.

Limit on issue of new Shares

The Sharesave Schemes may operate over new issue shares, treasury shares or shares purchased in the market. However, no option may be granted under the Sharesave Scheme if, as a result, the aggregate number of Shares issued or committed to be issued pursuant to grants made under the relevant Sharesave Scheme and during the previous ten years under all other employee share schemes established by the Company would exceed 10% of the issued ordinary share capital of the Company on that date.

Treasury shares will count as Shares issued or committed to be issued while institutional investor guidelines require this.

Alterations of Share Capital

In the event of any variation in the share capital of the Company, adjustments to the number of Shares subject to options and the exercise price may be made by the Board in such manner and with effect from such date as the Board may determine to be appropriate, and in the case of the Approved Sharesave Scheme, provided always that any such adjustment is subject to the prior approval of HMRC.

Takeovers, Reconstructions and Liquidations

Rights to exercise options early for a limited period also arise if another company acquires control of the Company as a result of a takeover, compromise or scheme of arrangement. An option may be exchanged for an option over shares in the acquiring company if the participant so wishes and the acquiring company agrees.

If the Company passes a resolution for a voluntary winding-up, any subsisting option must be exercised within six months of the passing of that resolution or it lapses.

Voting, Dividend and other Rights

Until options are exercised, option holders have no voting or other rights in respect of the Shares subject to their options.

Shares issued or transferred pursuant to a Sharesave Scheme shall rank pari passu in all respects with the ordinary shares already in issue except that they will not rank for any dividend or other distribution paid or made by reference to a record date falling prior to the date of exercise of the option.

Benefits obtained under a Sharesave Scheme shall not be pensionable.

Options are not assignable or transferable.

Administration and Amendments

The Sharesave Schemes will be administered by the Board which may amend them by resolution provided that:

(a) no amendment may be made which would alter to the disadvantage of a participant any rights already acquired by him under a Sharesave Scheme without the prior approval of the majority of the affected participants;

(b) in the case of the Approved Sharesave Scheme, no alteration shall have effect unless it complies with the requirements of Schedule 3 to the Income Tax (Earnings and Pensions) Act 2003; and

(c) prior approval of the Company in general meeting will be required for any amendment to the advantage of participants to those provisions of the relevant Sharesave Scheme relating to eligibility, the limitations on the number of Shares subject to the Sharesave Scheme, a participant's maximum entitlement or the basis for determining a participant's entitlement under the relevant Sharesave Scheme and the adjustment thereof in the event of a variation in capital, except in the case of minor amendments to benefit the administration of the Sharesave Schemes and amendments to take account of changes in legislation, to obtain or maintain favourable tax, exchange control or regulatory treatment of participants or for any member of the RPC Group or, in the case of the Approved Sharesave Scheme only, to obtain or maintain HMRC approval.

Overseas Schemes

The Board may at any time and without further formality establish further schemes in overseas territories, any such plan to be similar to the Approved Sharesave Scheme but modified to take account of local tax, exchange control or securities laws, regulation or practice. Shares made available under any such scheme will count against the limit on the number of new Shares which may be issued under the Scheme.

The Board may also amend the International Sharesave Scheme to obtain or maintain any governmental or regulatory body approval pursuant to local legislation and amend the operation of the International Sharesave Scheme to take account of local tax, exchange control or securities laws, regulation or practice.

Termination

The Sharesave Schemes may be terminated at any time by resolution of the Board or of the Company in general meeting and shall in any event terminate on the tenth anniversary of the date on which HMRC approval is obtained in the case of the Approved Sharesave Scheme, or on the date on which the Approved Sharesave Scheme terminates in the case of the International Sharesave Scheme. Termination will not affect the outstanding rights of participants.

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