



14 May 2009

BRITISH POLYTHENE INDUSTRIES PLC

AGM & INTERIM MANAGEMENT STATEMENT

British Polythene Industries PLC is issuing its Interim Management Statement for the period from 1 January 2009 to date, ahead of its Annual General Meeting to be held today in Greenock at 12 noon.

"We indicated in our 2008 Annual Report and Accounts that 2009 had started in line with our expectations. Overall, this trend has continued and we anticipate that the results for the first six months will be ahead of the same period last year. This outcome is despite reduced demand and a difficult credit environment and has benefited from actions taken to align capacity with demand.

Input costs have moved lower helping margins to recover, although polymer costs have started to rise again in recent months. We anticipate that these costs will remain volatile, but at much lower levels than we experienced a year ago.

We have also benefited in our UK operations from a more favourable rate of exchange, assisting our export sales and reducing price pressure from imports.

Silage stretchwrap demand has been lower than expected at this point in the season, not helped by credit issues and colder, drier weather in Europe. We currently anticipate, subject to normal weather conditions, that total silage stretchwrap volumes for the year will be broadly in line with 2008.

The construction sector remains depressed, particularly impacting demand for palletwrap for bricks, block and pavers.

Cash flow from the business has been in line with our expectations and we have taken the opportunity to make an early repayment of a £20 million term loan which was due for redemption in July 2009. This was done without penalty, using existing facilities, and is generating a saving in interest costs.

In April, as part of the restructuring of our UK industrial business, we closed our small loss-making site at Cowdenbeath with the loss of 34 jobs. The cost of this closure together with the continuing phased closure at Stockton and other restructuring costs will result in a charge of just under £2 million in the first half compared with £0.5 million in 2008.

Our restructuring programme is going to plan and we continue to expect a year of progress in 2009.”

Cameron McLatchie

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