

**PRESS RELEASE - WEDNESDAY 5<sup>th</sup> OCTOBER 2011**

**UK's Largest Paper Bag Manufacturer to re-locate to Kirkcaldy**



On Friday 30<sup>th</sup> September 2011 Smith Anderson Group Ltd successfully purchased the Rosslyn Commerce Park, within Mitchelston Industrial Estate in Kirkcaldy, Fife. The new site offers a state of the art, single storey production facility covering more than 120,000 sq. ft. and lies just 2 minutes from the A92 dual carriageway, offering superb logistical solutions to support its international trade.

Smith Anderson employ just under 200 staff and the move is seen as a significant step towards safeguarding the longer term future of the privately owned company, established over 150 years ago. Smith Anderson produce 50 million paper bags every week and this investment will provide the opportunity to expand both production capacity and in time, the workforce at Kirkcaldy.



**Rosslyn Commerce Park - Production Hall 1**

Chief Executive, Michael Longstaffe commented "This is a very bold step to take during such challenging times, but we are extremely confident that this was an opportunity not to be missed. An energetic and loyal workforce is our greatest asset and they will function far more efficiently within a single storey production hall with brand new facilities. It has been suggested in the past that we operate within a 5 floor rabbit warren! far from ideal for modern lean manufacturing."

Recent significant investment in new machinery has further improved an impressive turnaround from the challenging times of 2006 when the group lost its paper making operation. A very aggressive cost reduction exercise and hard fought raw materials procurement have supported production improvements to create a climate which has made this investment possible.

"Having just completed our financial year, we are confident that turnover will exceed £20 million for the first time. This is founded on secure contract volumes with the UK's best quick service retailers, powered by a focus on added value, driven by impressive innovation" said Longstaffe.

The move is seen as the only credible way to map out a growth strategy for the company whose packaging solutions are all 100% compostable. Strategically Smith Anderson differentiate themselves through market leading innovation and customer service, both providing improved profits.

No rush .... Having moved half of their operation to Falkland in 2007, Smith Anderson is very well versed in relocation; however an effective move will take up to a year to complete. "We have the ability to operate fully from both sites during the transition, which was key to the success of the initial project plan".

Smith Anderson having benefitted from the support of Scottish Enterprise and Fife Council has successfully secured a Regional Selective Assistance Grant (RSA) to assist with this project. "The executive team have worked very hard to create an opportunity to take Smith Anderson into a new era. Everyone is extremely excited and focussed on making this work. Clearly we face challenging times, but with fantastic staff and great customer support, we will make it happen."



Celebration at the 'Red Carpet' key handover ceremony.

Smith Anderson's Chief Executive, Michael Longstaffe received the keys from In-Site Property (Jimmy Ross) and is flanked by Teresa Thomson, Finance Director and David Howley, Production Director