PMP LIMITED

INVESTOR PRESENTATION

Results for the
6 months ended
31 December 2012

27th February 2013

Peter George, CEO
Geoff Stephenson, CFO

Agenda

Half Year Performance Overview

Peter George, CEO

2013 HALF YEAR RESULTS

- Safety
  - LTIFR 6.3 v 4.7
  - Reduced work hours and Transformation plan
- EBITDA* at $39.0M
  - Sales down 11.2%
  - Lower Heatset volumes both in retail and publishing
  - Margin pressure
- EBIT** at $19.4M
  - Down 15.9% YOY
  - Strong NZ performance, transformation completed
  - Consistent with full year market guidance
- Transformation of Australian business
  - Phase 2 underway $10M spent generating annualised savings $17M
  - Lower H1 headcount 180 FTEs
- Net Debt at $134.5M
  - Debt $19M better than last year
  - Operating cash flows up 17.7% on pcp
- Gearing level
  - Debt to Equity at 45.1% (vs 43.3% LY)
  - Interest cover 5.1x vs 5.5x (Dec 11)

* Profit/ (Loss) Before Finance Costs, Income Tax, Depreciation and Amortisation before significant items
* * Earnings Before Finance Costs, Income Tax before significant items

New Zealand

- EBIT at $4.8M is up $4.3M versus last year
- Transformation Plan successfully implemented
- Reduced volumes, lower print runs for magazines and lower paginations for catalogues offset by reductions in input costs
- Freight strategy delivering lower costs

Australia

- Secured major customer print contracts
- Phase 2 of Australian restructure commenced:
  - $10.2M spent, 180 FTEs reduced, annualised savings $17M
- Lower volumes, focus on cost continues across all businesses
- Distribution and Digital EBIT up YOY
- Book sales up by 11.8% due to 50 Shades of Grey

Summary :

- H1 EBIT in line with full year market guidance
- New Zealand Transformation Plan successfully implemented
- Operating cash flow up 17.7% pcp
- Phase 2 Transformation Plan underway – reducing Australian cost base
- Simplified functional structure with non-core assets divested
- Secured major PMP Australia customers
- Restructured bank facility

Financial Performance

Results for the 6 months ended 31 December 2012

Geoff Stephenson, CFO

$M	1H FY13	1H FY12	%
Revenue (Operating Revenue)	512.8	577.5	(11.2%)
EBITDA (before significant items)	39.0	44.9	(13.1%)
Depreciation & Amortisation	(19.6)	(21.8)	10.1%
EBIT (before significant items)	19.4	23.1	(15.9%)
Net Profit After Tax (before significant items)	8.1	8.8	(8.1%)
Significant items post tax	(32.1)	(4.2)	-
Net (Loss)/ Profit (after significant items)	(24.0)	4.6	-

2013 HALF YEAR RESULTS : GROUP PERFORMANCE

$M	1H FY13	1H FY12	%
EBITDA	39.0	44.9	(13.1%)
EBIT*	19.4	23.1	(15.9%)
EBIT*/Sales	3.8%	4.0%	
Net Profit After Tax (pre sig. items)	8.1	8.8	(8.1%)
EPS (cents)	(7.4)	1.4	
DPS (cents)	0.0	1.0	
Cash flow from operating activities	14.0	11.9	17.7%
Free Cash flow	8.8	(12.5)	
Return on Funds Employed **	6.5%	9.5%	

* EBIT before significant items.
** ROFE equals EBIT/Average Funds Employed

$m	Pre-Tax
Redundancies/ Other	11.7
Directories Chullora closure costs	11.6
Loss/ (Gain) on Sale of Business	(5.8)
Loss/ (Gain) on Sale of Fixed assets	(4.1)
Cash Sig. items	**13.4**
PMP Australia goodwill impairment	20.0
Fixed asset impairment – Goss press sold	8.0
Non-cash Sig. Items	**28.0**
Total Significant items	**41.4**

2013 HALF YEAR RESULTS : CASH FLOW STATEMENT

$m	1H FY13	1H FY12	Var $
EBITDA (Before significant items)	39.0	44.9	(5.9)
Less: Cash significant items	(11.7)	(2.6)	(9.1)
EBITDA (cash)	**27.3**	**42.3**	**(15.0)**
Borrowing costs	(9.4)	(7.3)	(2.1)
Income tax refunds/(paid)	(0.0)	(2.6)	2.6
Net movement in working capital	(3.9)	(20.5)	16.6
Cash flow from operating activities	**14.0**	**11.9**	**2.1**
Dividends paid	0.0	(3.3)	3.3
Share buy back	0.0	(1.6)	1.6
BAU and Transformation Plan capex	(6.2)	(20.6)	14.4
Capex - asset proceeds	1.5	0.0	1.5
Gain/(Loss) on translation of NZ Debt	(0.5)	1.1	(1.6)
Free Cash Flow	**8.8**	**(12.5)**	**21.3**

2013 HALF YEAR RESULTS : BALANCE SHEET STATISTICS

$m	Dec-12	Jun-12	Dec-11
Total Assets ($m)	632.8	661.8	726.8
Shareholders Funds ($m)	298.5	320.7	354.5
Net Debt ($m)	134.5	143.3	153.5
Debt to Equity (%)	45.1%	44.7%	43.3%
Interest cover (x times)	5.1	4.9	5.5
Trade Working Capital ($m) *	49.3	49.4	59.7
Working Capital/Sales (%)	4.8%	4.5%	5.2%
Return on Funds Employed**	6.5%	6.8%	9.5%

* Excludes $14.3M prepayment for new press payments, $8.3M land sale receivable and $5.7M PMM receivable

** EBIT before significant items and 12 months rolling average funds employed

- Improved Net Debt at December 2012 at $135M :
  - $19M lower vs last year
  - Strong operational controls around cash

- Cash received in January 2013 :
  - Wacol property sale $8.3M
  - PMM sold US$6.5M
  - Other assets $4.6M

- Moorebank property :
  - Contract exchanged February 2013
  - Cash due March 2013 $30.2M

- Property sale and leaseback programme continues :
  - Clayton, Bibra Lake and Christchurch
- New Bank agreement in place :
  - Expect to amortise $61M in fiscal 2013
  - Amortisation deferral of $14M to facility maturity date 30th September 2014
  - Banks support Transformation Plan in second half fiscal 2013
- Net Debt forecast at June 2013 of $115M :
  - Excludes proceeds from Clayton, Bibra Lake and Christchurch
- Lower debt levels targeted:
  - Given difficult trading conditions
  - Prepare for industry consolidation

- Debt reduction in H2 as trading cashflows and asset sale and leaseback proceeds are higher than Transformation spend and new press payments

SECOND HALF VIEW	$M
Debt at December 2012	**(135)**
Asset sale and leaseback :	
Wacol/Moorebank/Other	41
PMM sale	5
Transformation spend	(20)
Manroland Capex/ Chullora closure costs	(22)
BAU trading cashflows	14
Debt at June 2013 #	**(115)**

excludes any property proceeds from Clayton/Bibra Lake and Christchurch

Operations Summary

Peter George, CEO

Operating Revenue (m)	**1H FY13**	**1H FY12**	**Var $**	**Var %**
Print Australia	203.5	239.3	(35.8)	(14.9%)
Distribution Australia	46.6	49.2	(2.6)	(5.3%)
PMP Digital	12.8	14.2	(1.4)	(9.8%)
PMP Australia	262.9	302.7	(39.8)	(13.1%)
Gordon and Gotch Group	167.5	185.5	(18.0)	(9.7%)
PMP New Zealand	82.4	89.4	(7.0)	(7.8%)
Corporate/Other	0.0	0.0	0.0	-
TOTAL GROUP	**512.8**	**577.5**	**(64.7)**	**(11.2%)**

EBIT (Before Significant Items) **(m)**	**1H FY13**	**1H FY12**	**Var $**	**Var %**
Print Australia	14.6	23.1	(8.5)	(36.9%)
Distribution Australia	2.2	2.1	0.1	3.9%
PMP Digital	0.4	0.1	0.4	-
PMP Australia	17.2	25.3	(8.1)	(31.9%)
Gordon and Gotch Group	0.2	1.4	(1.3)	(89.4%)
PMP New Zealand	4.8	0.5	4.3	-
Corporate/Other	(2.7)	(4.1)	1.4	34.1%
TOTAL GROUP	**19.4**	**23.1**	**(3.7)**	**(15.9%)**

* EBIT Before significant items

PRINTING BUSINESS

- **Australia**
  - Heatset volumes down 14%, publishing and retail declines
  - Excess capacity in the market pressures margins
  - Non cash impairment of PMP Australia goodwill $20M
  - Griffin volumes up 11.8%, assisted by 50 Shades of Grey
  - Directories first half volumes 46% lower.
  - Chullora due to close June 2013, contract volumes at Moorebank till June 2016

- **New Zealand**
  - Transformation Plan successfully completed
  - Improved operational performance from new site
  - Softer revenues with lower print runs for magazines and lower paginations for catalogues
  - Tighter cost control and lower headcount

LETTERBOX DISTRIBUTION BUSINESS

- **Australia**
  - Financial performance slightly ahead of last year despite lower revenue.
  - Transformation Plan successfully implemented. Costs being reduced.
  - Volume reduction from existing major retailers has impacted revenue – partially offset by new contracts

- **New Zealand**
  - Existing customer volumes held up plus growth in market share
  - Freight strategy delivering lower costs and better operational outcomes
  - High DIFOT from PMP Print increased freight synergies and also contributed to better operational outcomes to the field

Outlook

Peter George, CEO

- **Year ahead expected to be challenging :**
    - ❑ Pagination with existing customers is under pressure
    - ❑ Retail conditions to remain very challenging

- **Company is :**
    - ❑ Advancing with Phase 2 of the Transformation Plan in the second half
    - ❑ Continuing strong cost controls
    - ❑ Midway through journey to low cost Heatset producer
    - ❑ Implementing a new organisational structure
    - ❑ Maintaining strong operating cash flow
    - ❑ Integrating Print and Distribution, customer service focus
    - ❑ Selling non-core assets
    - ❑ Preparing for industry consolidation

- **Guidance**
  - Retain market guidance from November 2012
    - EBIT# $31M - $34M
    - EBITDA# $69M - $72M
  - Net Debt June 2013 forecast at circa $115M##

pre significant items

excludes any further asset sales. AGM announced debt at $95M including Clayton and Bibra Lake property sales

Print Business **Converted Tonnes (000s)**	**1H FY13**	**1H FY12**	**Var $**	**Var %**
Print AU	102	122	(20)	(16.4%)
Print NZ	22	24	(2)	(8%)
Print - TOTAL	**124**	**146**	**(22)**	**(15.1%)**

Letterbox Distribution **Units Delivered - Total # of copies (m)**	**1H FY13**	**1H FY12**	**Var $**	**Var %**
Distribution AU	1,255	1,332	(77)	(5.8%)
Distribution NZ	308	307	1	0.3%
Distribution - TOTAL	**1,563**	**1,639**	**(76)**	**(4.6%)**

Magazine Business **Gross Copies Distributed (m)**	**1H FY13**	**1H FY12**	**Var $**	**Var %**
Gordon and Gotch AU	71	80	(9)	(11%)
Gordon and Gotch NZ	11	13	(2)	(15.4%)
Gordon & Gotch - TOTAL	**82**	**93**	**(11)**	**(11.8%)**

The material in this presentation is a summary of the results of PMP Limited (PMP) for the six months ended 31 December 2012 and an update on PMP's activities and is current at the date of preparation, 27th February 2013. Further details are provided in the Company's HALF YEAR accounts and results announcement released on 27th February 2013.

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