PMP LIMITED

ABN 39 050 148 644

Results for the
12 months ended 30 June 2016

29 August 2016

Peter George, CEO
Geoff Stephenson, CFO

INVESTOR PRESENTATION

PMP LIMITED

Contents

2016 FULL YEAR RESULTS : CONTINUING TO DELIVER RESILIENT FREE CASHFLOW

- Continued resilient free cashflow[1] at $37.5M up 5.7% pcp
- PMP now net debt free - $0.7M net cash[2]
- Achieved guidance on free cashflow, net debt and NPAT (before sig items)
- Slightly under guidance on EBIT[3] and EBITDA[4] :
  - lower than expected volumes heatset print
  - higher costs at Griffin Press
- Industry consolidation of magazine distribution undertaken
  - successful integration of Network (Bauer) contract into Gordon & Gotch
- Griffin Press transitions to industry leading digital platform
- Improved shareholder returns:
  - total dividends declared from FY16 profits - 3.6 cps ($11.5M)
  - share buyback undertaken from FY15 profits - 8.1M shares ($4.1M)

(1) Equals EBITDA (before significant items) less Interest paid, Income tax, Capital expenditure and movement in Working capital
(2) This excludes prepaid financing costs
(3) Earnings before Finance costs, Income tax and Significant items
(4) Earnings before Finance costs, Income tax, Depreciation and Amortisation and Significant items

2016 FULL YEAR RESULTS : HIGHLIGHTS

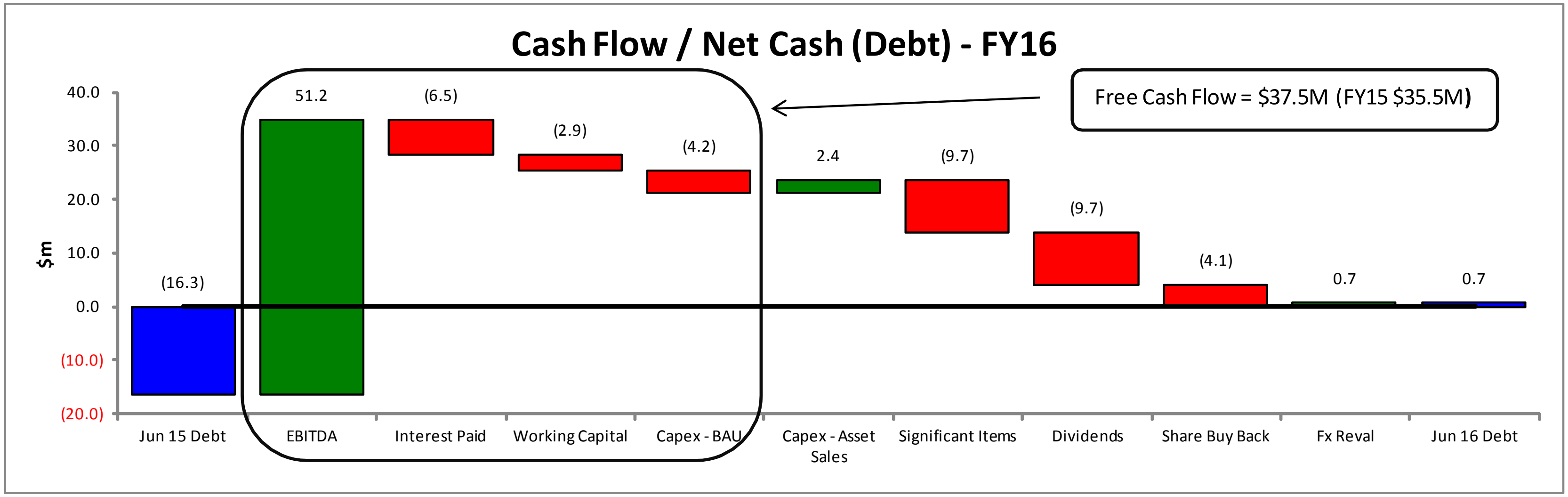
- Sales at $816.0M →
  - Sales Revenue higher 0.5% up $4.3M :
    - Gordon & Gotch up $77.3M - new Bauer contract
    - PMP Aust Heatset down $57.8M
    - PMP NZ down $15.3M
- EBITDA at $51.2M →
  - Down $6.9M as reduced EBITDA mainly at PMP Australia and PMP New Zealand is partially offset by lower Corporate Costs
- Net Cash at $0.7M →
  - Net Cash $0.7M v. Net Debt ($16.3M) pcp
  - Interest Cover 8.5x v. 6.5x pcp
- Net Profit at $0.2M →
  - Net Profit (after sig items) of $0.2M v. $8.0M pcp :
    - Dick Smith + bond costs
  - Net Profit (before sig items) of $11.8M (v. $12.1M pcp)
  - Earnings per share[1] flat at 3.7cps v. 3.7cps pcp
- Capital Management →
  - Final dividend declared 2.4 cents per share unfranked
  - Total dividends from FY16 profits 3.6 cents per share
  - Share buyback undertaken :
    - 8.1M shares at a cost of $4.1M

(1) EPS equals Net Profit after tax (before Significant items) / weighted average number of ordinary shares

2016 FULL YEAR RESULTS : RESILIENT CASHFLOW PERFORMANCE

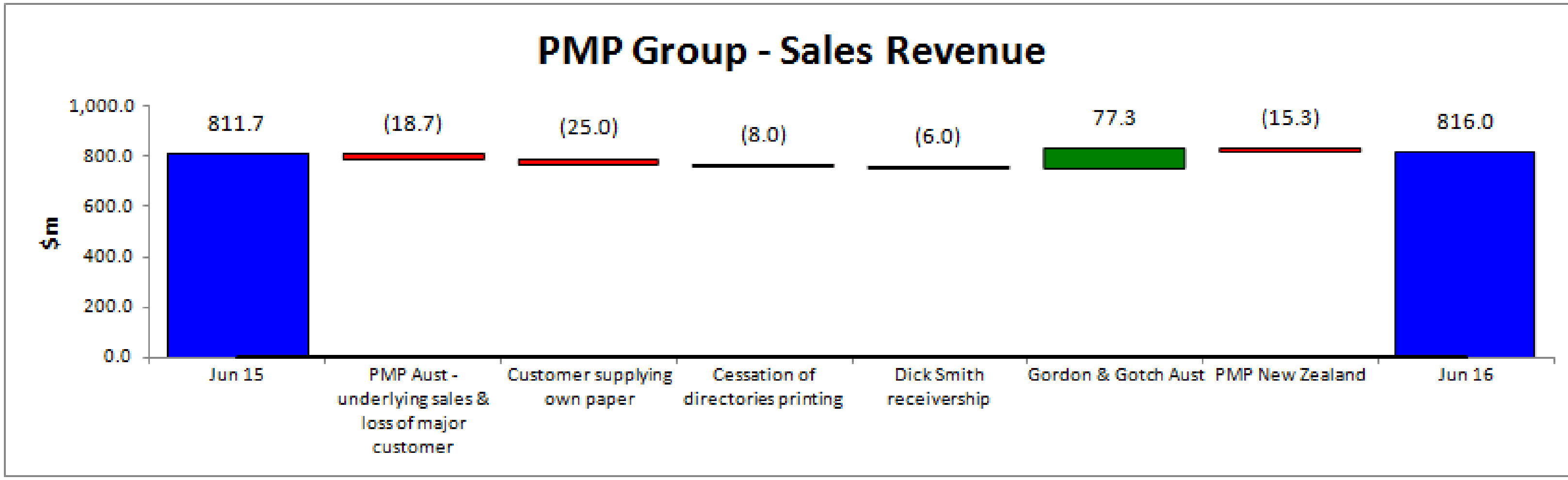
- FY16 has been another year of operating in patchy markets :
  - higher than normal level of customer disruption / churn of contracts
- Our focus has been what can be controlled :
  - continuing generation of strong cash flows
  - pursuing further the bundling of print and distribution
  - further cost-out initiatives
- Stronger cash conversion up from 71% to 82% in FY16
- Cash flows used to commence capital management and reduce debt
- New $40M bond issued :
  - repaid previous $50M bond, extended tenor and lower coupon

2016 FULL YEAR RESULTS : CASHFLOW BRIDGE



- Strong cashflow generation remains a key feature of the PMP business model :
  - up 5.7% pcp as better working capital outcomes + lower interest expense offset lower EBITDA

2016 FULL YEAR RESULTS : SALES REVENUE BRIDGE



- Higher sales at Gordon and Gotch Australia following the Bauer transaction is broadly offset by lower print sales in Australia and New Zealand

2016 FULL YEAR RESULTS : HIGHLIGHTS

- PMP Australia revenue at $334.6M is down $57.6M or 14.7% :
  - $25m due to customer purchasing own paper + cessation of printing directories $8M
  - loss of a major customer $13M + customer liquidation $6M
  - distribution volumes up 3.2%
  - underlying heatset print sales down 4.8% pcp or $9M
  - EBIT at $16.5M is down $1.6M :
    - lower heatset sales volumes / higher costs at Griffin Press mostly offset by cost-out initiatives / tight cost controls / lower depreciation
  - Griffin Press higher operational costs – continued increase in demand for short-run on-demand printing :
    - Griffin transitions to world class digital platform – market leadership position
    - $3.2M operating lease cost per annum – initially cost neutral
    - operational cost savings of $1M as digital volumes increase in FY17

2016 FULL YEAR RESULTS : HIGHLIGHTS

- PMP New Zealand EBIT at $8.6M is $2.6M lower pcp :
  - EBIT down due to loss of major publishing contract (heatset and sheetfed), partially offset by additional retail contracts and cost reductions
  - continued price pressure across both heatset and sheetfed – sell price down 7%
  - distribution volumes up 1.9% - new contracts offsetting Dick Smith
  - further cost-out initiatives and tight cost control offsets lower print sell prices

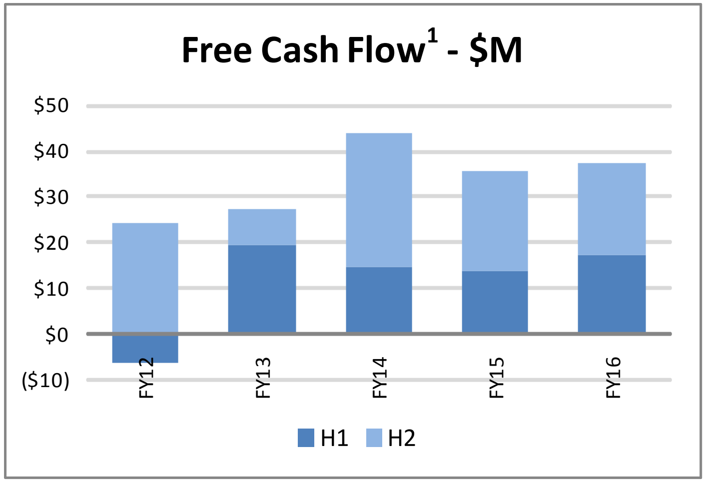
- Gordon and Gotch revenue $345.8M up $77.3M pcp :
  - Bauer new contract volumes more than offsets lower revenue from existing customers
  - EBIT at $2.3M lower $0.7M pcp as part year contribution from Bauer outweighed by full year lower volumes from existing customers
  - looking at further logistics cost savings
  - underpins PMP's capability to successfully integrate businesses / major contracts

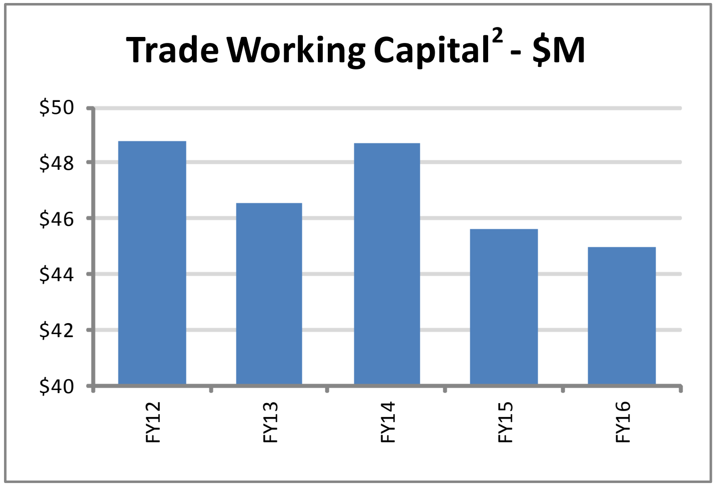
2016 FULL YEAR RESULTS : RETAILERS RELY ON CATALOGUES

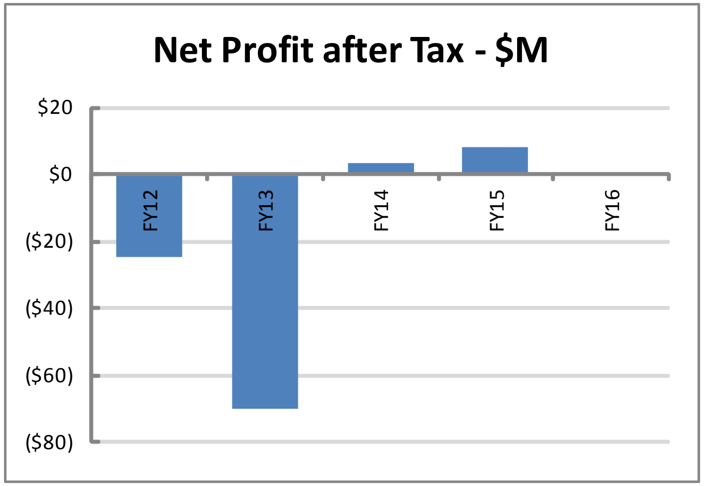
- Retail market conditions and consumer sentiment patchy - recent election
- Some major customers are restructuring their businesses and one major customer closed + some contract losses
- These revenue impacts have been partially offset by some recent new contract wins
- Catalogue demand remains sound :
  - 7.4 billion catalogues delivered in last 12 months (down 2.3% pcp)[1]
  - Roy Morgan confirms 58% of Australian population 14yrs+ engages with catalogues and buys from them over a 7 day period
- PMP continues to strengthen its market position in key print and distribution markets with unique integrated offer

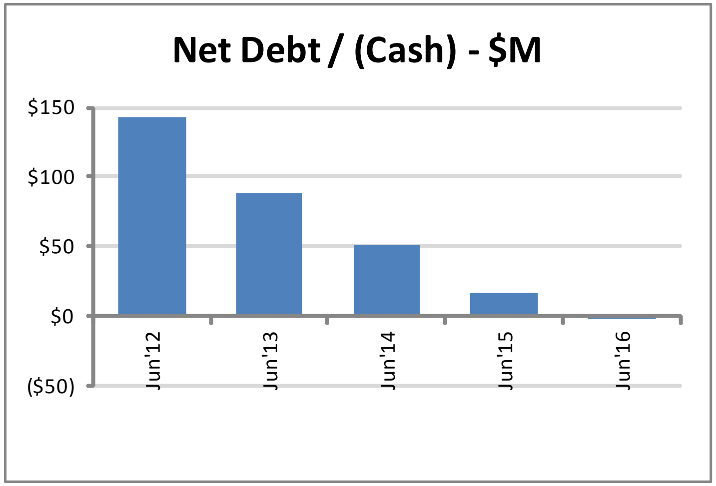
(1) Australian Catalogue Association 2016

SUSTAINED FINANCIAL PERFORMANCE









(1) Equals EBITDA (before Significant items) less Interest paid, Income tax, capital expenditure and movement in Working capital
(2) Excludes prepayments in FY12 ($11.1m) for Man Roland classified as other current asset

2016 FULL YEAR RESULTS : INCOME STATEMENT

$M	FY16	FY15	%
Sales Revenue	**816.0**	811.7	0.5%
EBITDA (before significant items)	**51.2**	58.1	(11.9%)
Depreciation & Amortisation	**(27.9)**	(31.7)	12.1%
EBIT (before significant items)	**23.3**	26.4	(11.7%)
Net Profit After Tax (before significant items)	**11.8**	12.1	(2.1%)
Significant items post tax	**(11.6)**	(4.1)	(183.9%)
Net Profit (after significant items)	**0.2**	8.0	(97.7%)

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2016 FULL YEAR RESULTS : KEY METRICS

	FY16	FY15	%
Free Cash Flow ($m)	**37.5**	35.5	5.7%
Net Cash / (Debt) ($m)	**0.7**	(16.3)	-
EBITDA to Sales Revenue (%)	**6.3%**	7.2%	-
EPS (before significant items) - cps	**3.7**	3.7	-

2016 FULL YEAR RESULTS : RECONCILIATION OF EBITDA

$M	FY16	FY15	%
Statutory Profit	**0.2**	8.0	
Income tax expense	**2.6**	3.6	
Statutory Profit before Income tax	**2.8**	11.6	
Significant Items (pre tax)	**14.6**	6.0	
Profit before significant items	**17.3**	**17.5**	**(1.2%)**
Net finance costs[1]	**5.9**	8.8	
EBIT (before significant items)	**23.3**	26.4	(11.7%)
Depreciation & Amortisation	**27.9**	31.7	
EBITDA (before significant items)	**51.2**	58.1	(11.9%)

(1) Excludes amounts classified as significant items

2016 FULL YEAR RESULTS : SIGNIFICANT ITEMS

$M Pre-tax	FY16	FY15
Redundancy & other costs	8.4	9.1
Bond break fee	1.5	0.0
Impairment of trade receivables[1]	3.9	0.0
Impairment of plant & equipment	0.0	0.6
Write off prepaid financing costs	0.8	0.0
	14.6	9.7
Gain on disposal of property	0.0	(3.7)
Total Significant Items	14.6	6.0

(1) Dick Smith receivable impaired & written off in FY16 due to the cessation of the business

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2016 FULL YEAR RESULTS : RECONCILIATION OF CASHFLOW

$M	FY16	FY15	Var $
EBITDA (Before significant items)	**51.2**	**58.1**	(6.9)
Borrowing costs	**(6.5)**	(8.1)	1.6
Income tax refunds/ (paid)	**(0.0)**	0.0	(0.0)
Net movement in working capital	**(2.9)**	(9.1)	6.1
Trading Cash flow	**41.7**	**41.0**	**0.8**
Significant items	**(9.7)**	(7.8)	(1.9)
Cash Flow from Operations (Appendix 4E)	**32.0**	33.2	(1.1)
Asset sales	**2.4**	8.4	(6.0)
Capital expenditure	**(4.2)**	(5.5)	1.3
Dividends	**(9.7)**	0.0	(9.7)
Share buy back	**(4.1)**	0.0	(4.1)
Net Cash Flow	**16.3**	36.1	(19.7)
Gain/(Loss) on translation of NZ Debt/Cash	**0.7**	(0.7)	1.4
Reconciliation to Net Debt movement	**17.0**	35.4	(18.3)
Free Cash Flow[1]	**37.5**	**35.5**	**2.0**

(1) Equals EBITDA (before significant items) less Interest paid, Income tax, Capital expenditure and movement in Working capital

2016 FULL YEAR RESULTS : BALANCE SHEET METRICS

	Jun-16	Jun-15
Total Assets ($m)	476.9	469.5
Shareholders Funds ($m)	**259.4**	**270.5** *
(Net Cash) / Net Debt ($m)	**(0.7)**	**16.3**
Interest Cover (EBITDA / Interest) times	8.5	6.5
(Net Cash) / Net Debt to EBITDA (times)	**(0.0)**	**0.3**
(Net Cash) / Net Debt to Equity (%)	**(0.3)**	**6.0** *
Net Tangible Assets per share (cps)	0.73	0.75 *
Trade Working Capital ($m)	45.0	45.6 *
Debtor Days	37.4	34.4
Cash Conversion (%)[1]	81.5%	70.5% *
Return on Funds Employed (%)[2]	8.5%	8.7% *

* Adjusted for GST recoverable prior period no longer recoverable. This has been taken as an adjustment to opening accumulated losses

(1) Cash Conversion is calculated as Cash flow from operations (adjusted for Significant items) / EBITDA before Significant items

(2) ROFE equals EBIT (before Significant item) / Average funds employed

2016 FULL YEAR RESULTS : DEBT PROFILE & CAPITAL MANAGEMENT

- Net cash June 2016 is $0.7M v. $16.3M net debt at June 2015
- New $40M bond issued :
  - lower coupon 6.43% (v. 8.75% previous bond)
  - extended tenor to Sep 2019
  - initial $50M bond repaid
- Capital Management :
  - policy is to distribute 100% NPAT (pre significant items) with at least 75% via dividends and the remaining balance via on-market share buy backs
  - final unfranked dividend from FY16 profits - 2.4 cps ($7.7M)
  - total dividends declared from FY16 profits - 3.6 cps ($11.5M) :
    - Represents 97% of FY16 NPAT (before significant items)
  - share buyback undertaken - 8.1M shares ($4.1M) paid from FY15 profits

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2016 FULL YEAR RESULTS : KEY STRATEGIES

PMP has delivered :

- Resilient free cashflow of $144M over the last four years
- Disciplined debt management with focus on generating strong free cash flow for the foreseeable future
- Continue to strengthen position in key print and distribution markets with unique integrated offering
- Griffin Press to complete transition to digital print platform in FY17
- Gordon and Gotch full year sales flow through of Bauer sales
- Print markets - strong price competition / customer churn on major print contracts to continue in FY17 :
  - recent contract wins will partially offset
- Capital management in place and continuing
- Remain net debt free
- Trading outlook for FY17 to be provided at the AGM in November 2016

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ADDENDUM

2016 FULL YEAR RESULTS : OPERATIONS SUMMARY

Sales Revenue ($M)	FY16	FY15	Var $	Var %
PMP Australia	334.6	392.3	(57.6)	(14.7%)
PMP New Zealand	135.6	150.9	(15.3)	(10.2%)
Gordon and Gotch Group	345.8	268.5	77.3	28.8%
TOTAL GROUP	**816.0**	**811.7**	**4.3**	**0.5%**

EBIT (before significant items) **($M)**	FY16	FY15	Var $	Var %
PMP Australia	16.5	18.1	(1.6)	(9.0%)
PMP New Zealand	8.6	11.1	(2.6)	(23.0%)
Gordon and Gotch Group	2.3	3.0	(0.7)	(21.9%)
Corporate/Other	(4.1)	(5.9)	1.8	30.2%
TOTAL GROUP	**23.3**	**26.4**	**(3.1)**	**(11.7%)**

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2016 FULL YEAR RESULTS

PRINTING BUSINESS

- **Australia**
  - Higher than normal level of customer disruption – heatset print
  - Underlying heatset print revenues down 4.8% or $9M
  - Catalogue volumes down 11%;
    - Loss of a major contract and Dick Smith
    - Underlying business catalogue volumes down 4%
  - Magazine volumes down 10% driven predominately by title losses
  - EBIT impact of lower revenue mostly offset by cost reductions / lower depreciation
  - Secured new print and distribution contracts which partially offset contract losses and retained a number of key contracts
  - Griffin Press higher operational costs – continued increase in demand for short-run on-demand printing

PRINTING BUSINESS

- **New Zealand**
  - EBIT down due to loss of major publishing contract (heatset and sheetfed), partially offset by additional retail contracts and cost reductions
  - Continued price pressure across both heatset and sheetfed – sell price down 7%
  - Catalogue volumes up 2% due to new contracts won and increased activity, partially offset by Dick Smith
  - Re-signed a significant amount of contracted retail customers
  - Strong H2 Sheetfed revenue performance with new customers signed up
  - Operational performance and cost control remains strong

LETTERBOX DISTRIBUTION BUSINESS

- **Australia**
  - Distribution volumes up 3% made up as follows :
    - Unaddressed existing business down 5% driven predominately by loss of Dick Smith volume due to closure
    - Unaddressed new business growth of 7% as a result of new national client
    - Newspaper volumes up 14% on new business and additional mastheads

- **New Zealand**
  - Unaddressed distribution volumes up 1% from securing new contracts offsetting Dick Smith
  - Newspaper volumes also up 3% due to new business growth

MAGAZINE DISTRIBUTION BUSINESS (GORDON AND GOTCH)

- **Australia**
  - Revenue decline from current Gordon and Gotch publishers
  - Additional Revenue from increased volume due to new contracts following closure of Network Services
  - Focus on further logistics cost savings

- **New Zealand**
  - EBIT improvement due to additional revenue and continued cost control
  - Revenues up 4% due to new clients secured

2016 FULL YEAR RESULTS : UNITS

	FY16	FY15	Var %
Print AU	147.3	166.6	(11.6%)
Print NZ	38.3	40.0	(4.2%)
Print Tonnes ('000)	**185.6**	**206.6**	**(10.2%)**
Distribution AU	2,423.1	2,348.4	3.2%
Distribution NZ	630.6	619.1	1.9%
Distribution Units (Mio)	**3,053.7**	**2,967.5**	**2.9%**
Gordon and Gotch AU	165.0	126.9	30.0%
Gordon and Gotch NZ	11.6	11.4	1.7%
Gordon and Gotch Copies (Mio)	**176.6**	**138.3**	**27.7%**

2016 FULL YEAR RESULTS : DISCLAIMER

The material in this presentation is a summary of the results of PMP Limited (PMP) for the twelve months ended 30 June 2016 and an update on PMP's activities and is current at the date of preparation, 29 August 2016. Further details are provided in the Company's FULL YEAR accounts and results announcement released on 29 August 2016.

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