PMP LIMITED

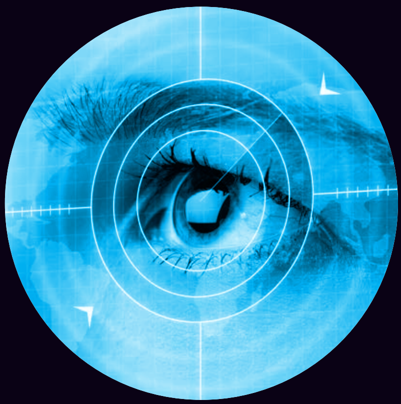
target

create

print

deliver

Annual Report 2015



PMP Limited

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Chatswood NSW 2067
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Annual General Meeting

The Annual General Meeting will be held at 11am on Friday 20 November 2015 at:

The Menzies Hotel
14 Carrington Street
Sydney NSW 2000

Details of the business of the meeting are contained in the Notice of Meeting.

Investor Information

Shareholders requiring information should contact the share registry or Chief Financial Officer Geoff Stephenson

Tel: 02 9412 6000

Fax: 02 9413 3942

Email: geoff.stephenson@pmplimited.com.au

ASX Code PMP

Share Registry

Computershare Investor Services Pty Ltd
Level 5, 115 Grenfell Street
Adelaide SA 5000

GPO Box 1903, Adelaide SA 5001

Enquiries within Australia:
1300 556 161

Enquiries outside Australia:
+61 3 9415 4000

Email: web.queries@computershare.com.au
computershare.com

Board of Directors

Chairman Matthew Bickford-Smith

CEO and Managing Director Peter George

Non-Executive Director Anthony Cheong

Non-Executive Director Peter Margin

Non-Executive Director Naseema Sparks

Company Profile

The principal activities of PMP Limited are commercial printing, letterbox delivery, digital pre-media and magazine distribution services.

The company is structured into three main areas: PMP Australia, PMP New Zealand and Gordon & Gotch.

PMP Limited is the largest commercial printer in Australia and New Zealand, producing catalogues, magazines and books. PMP Print's production plants are located strategically in major cities, offering web offset printing. PMP's New Zealand operations also offer sheetfed offset printing. Griffin Press specialises in book manufacture.

The company offers letterbox distribution of catalogues direct to households through its PMP Distribution business, and magazine distribution direct to retail outlets through its Gordon & Gotch business.

The company was listed on the Australian Stock Exchange in 1991, but many of the operating units have a long and distinguished history and have maintained market leadership for over a hundred years.

The company has a highly skilled workforce, with many long serving employees.

Key Financials FY15:

$M	2015	2014	Var %
Operating Revenue	**811.7**	899.2	(9.7)
EBITDA* (before significant items)	**58.1**	63.4	(8.4)
EBIT** (before significant items)	**26.4**	28.8	(8.6)
Net Profit (after tax) (before significant items)	**12.1**	11.8	2.7
Net Profit (after significant items)	**8.0**	3.4	134.7
Free Cash Flow***	**35.5**	44.0	(19.3)
Net Debt	**(16.3)**	(51.7)	(68.4)
Net Debt /EBITDA (before significant items)	**0.3 times**	0.8 times	
Earnings Per Share**** (before significant items)	**3.7**	3.6	

PMP is now a competitive, cash generative and sustainable company

- Increased net profit after tax to $8.0M (up from $3.4M last year)
- EBITDA* $58.1M and EBIT** $26.4M – both above guidance
- Net Debt of $16.3M is at historical lows – down 68% pcp and better than guidance of $19M

Strong cash generation continues:

- Free Cash Flow*** $35.5M in fiscal 2015 and $107m over last 3 years
- 1.8 cents per share dividend declared, 50% franked

PMP has now largely completed the Transformation Plan started in 2012:

- Financial risk minimised and lower costs
- An increasing number of larger customers are taking up our unique national bundled print and distribution solution which results in speed to market and lower costs
- The printing and distribution of catalogues both in Australia and New Zealand account for majority of EBITDA
- Catalogues continue to be a key marketing channel and effective media for driving sales for retailers

* Earnings before Finance costs, Income Tax, Depreciation and Amortisation and Significant Items

** Earnings before Finance Costs, Income Tax and Significant Items

*** Equals EBITDA (before Significant Items) less interest paid, Income Tax paid, Capital Expenditure and movement in Working Capital.

**** EPS equals Net Profit after tax (before Significant Items)/ weighted average number of shares.

Chairman's Review

PMP is now a competitive, cash generative and sustainable company

Matthew Bickford-Smith

PMP Limited Chairman

Dear Shareholders

After three years of intensive restructuring at PMP, our disciplined focus on consistently executing a clear strategy is continuing to deliver a stronger financial performance for shareholders.

In line with the Board's strategy, PMP is now a competitive, cash generative and sustainable company. The company is demonstrating its ability to generate strong sustainable free cash flows and we expect this strong performance to continue into the foreseeable future.

FY 15 Results

The company has returned another encouraging result for FY15, with an increased Net Profit After Tax (after significant items) of $8.0M, up 135% on the prior year.

In line with our strategy to minimise financial risk, net debt has been reduced by 68% over the financial year. Net debt is now down to a new all-time low of $16.3M (down from$143.3M at 30 June 2012) representing leverage of Net Debt to EBITDA of just 0.3 times. The sale of land and assets broadly offset the costs of transforming the company and as a result the reduction in net debt reflects PMP's cash generating capacity and capability.

Free cash flow was $35.5M for FY15, and over the past three years PMP has generated $107M in free cash flow. We continue to expect PMP to be net debt free in the current financial year (FY16). PMP's ability to generate cash supports our confidence in the future of the business.

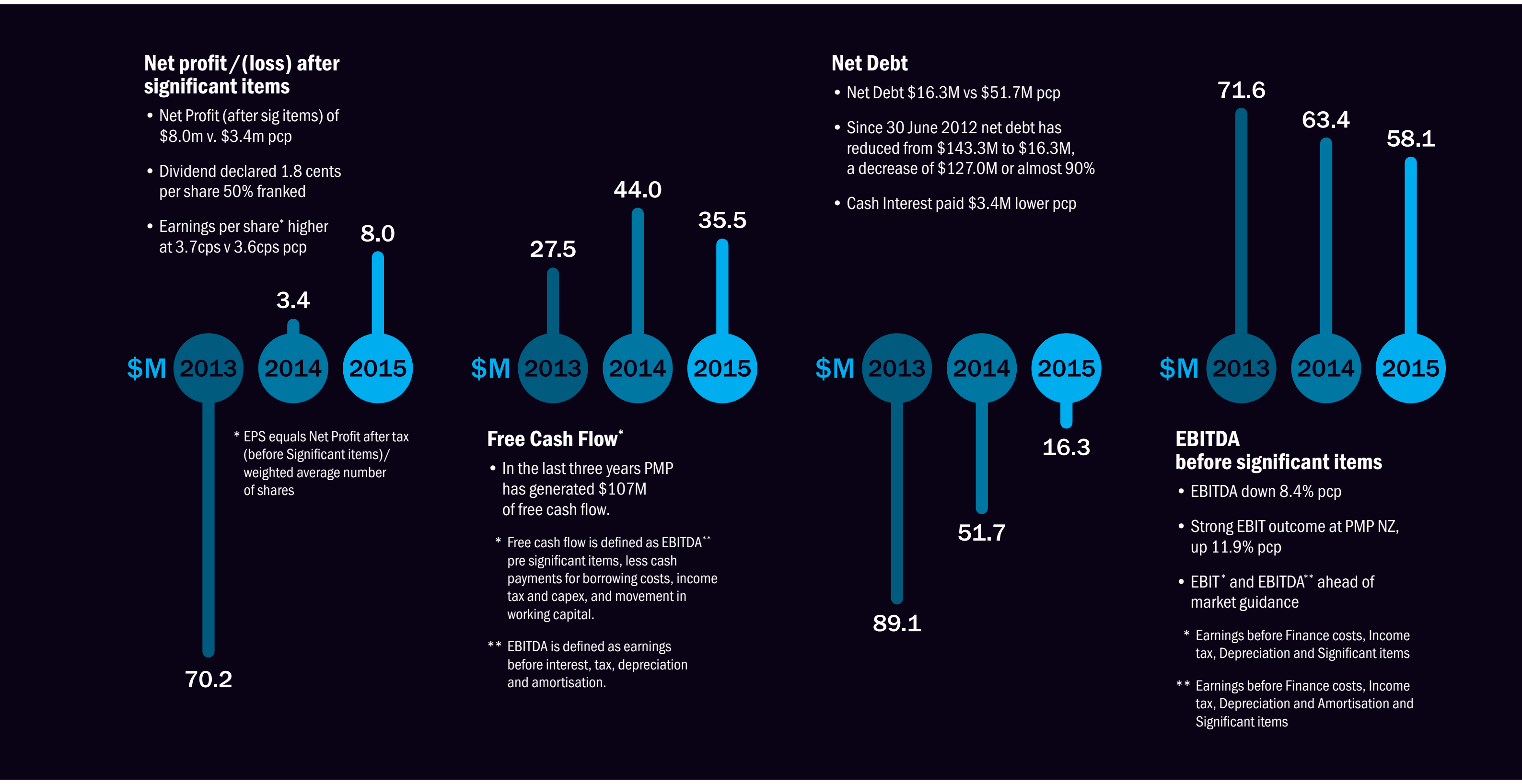
EBIT (before significant items) for the year was $26.4M, 8.6% or $2.5M lower than the previous year due to lower print and distribution revenue in Australia and increased property lease rental, which was partially offset by increased profits from New Zealand operations and further transformation savings. Cash interest paid was reduced further, from $11.5M in FY14 to $8.1M this year.

The Australian Heatset and distribution business delivered a resilient underlying performance. Headline revenues fell by 11.6%. The headline fall in sales reflects the impacts of a customer deciding to purchase their own paper, the exit from the Directories business and not pursuing low margin contracts. Accounting for these factors, underlying revenues in the Australian heatset Print and Distribution business fell by 3.9%. While excess industry capacity still impacts on the industry, there are signs that this may be improving and we are hopeful of better market conditions ahead as excess capacity is absorbed or removed from the industry.

Our core business is based on production and distribution of catalogues and our strategy is to become the most efficient

In New Zealand, Heatset and sheetfed sales grew, with momentum building in the second half of the year. PMP New Zealand performed well in FY15 with a 11.9% increase in EBIT (before significant items) as a result of increases in volumes and further cost savings, but partially offset by lower selling prices.

At Griffin Press, the country's leading book printer, sales rose by 13% following strong increases in book volumes. Pleasingly the book printing industry appears to be regaining some of the ground lost to digital books as readers continue to return to print.



integrated catalogue print and distribution company in Australasia.

Catalogues as a "direct-to-home" marketing channel continue to hold their relevance for marketers in Australia. Retailers continue to optimise frequency and pagination to find the best mix for their businesses. Although PMP's headline catalogue volumes were down slightly, partly as a result of the company not pursuing low margin contracts, underlying base volumes grew in Australia by 1%. This is a pleasing result given the mixed economic news in the second half of the last financial year.

Strategy Update

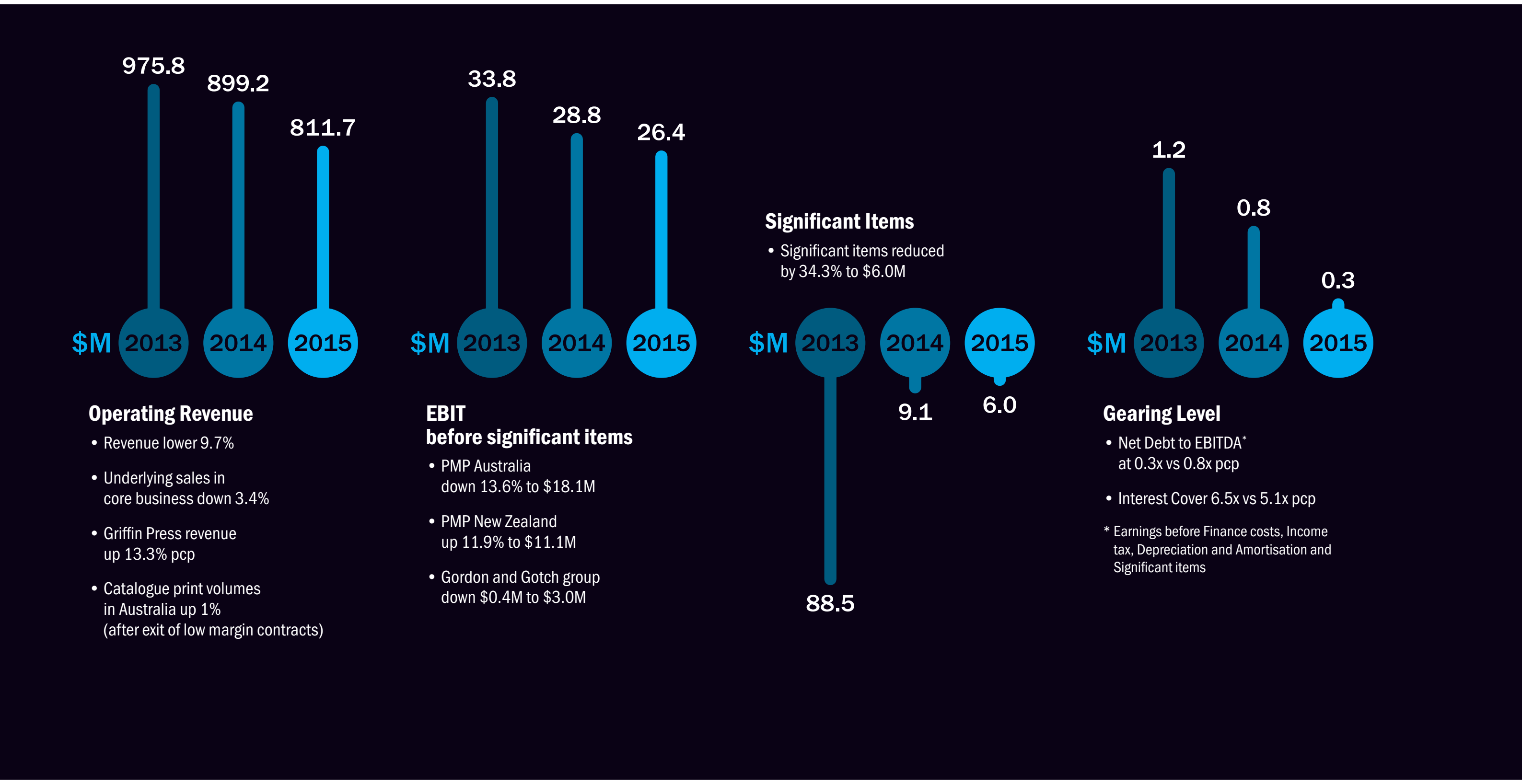
The financial results for FY15 reflect the continued disciplined execution of the company's strategy to become the most efficient integrated printer and distributor in Australasia.

We offer our larger retail customers a unique product – a national printing and distribution service that provides an integrated solution to their printing requirements throughout Australia. These bundled service offers are becoming increasingly popular with our major customers to the extent that seven of our top fifteen customers now use both our print and distribution services.

Chairman's Review

The printing and distribution of catalogues in both Australia and New Zealand accounts for the majority of PMP's EBITDA and continues to be the company's core activity. Catalogues continue to be a key marketing channel and effective media driving sales for retailers.

The effectiveness of catalogues is demonstrated by recent Roy Morgan research (April 2014 to March 2015) which shows that 10.4 million Australians over 14 years of age have read a catalogue in the



last 7 days and of those 6.5 million have bought from a catalogue in the last 7 days. In addition the research shows that catalogues are considered as the first or second most useful media for making a purchasing decision in 54% of categories measured.

Put simply, catalogues drive sales for our customers and this recognition underlines our confidence in our strategy. Further information on the effectiveness of catalogues can be found in this Annual Report.

The transformation strategy that PMP commenced in FY12 has now been largely completed and two of our three strategic priorities, the reduction of our cost base and the minimising of financial risk, have been achieved. The third priority, that of building a more competitive, cash generative and sustainable company, is an ongoing task but one in which we continue to make significant progress. The company remains firmly focussed on ensuring that PMP has a robust and profitable future where shareholders are rewarded.

Capital Management

In light of the considerable progress that has been made by the company to reduce the cost base, minimise financial risk and improve cash flows, the Board has commenced a capital management program with the payment of a dividend.

In preparation for capital management, various subsidiaries paid dividends from current and prior year profits to PMP Limited and a dividend reserve account has been established in PMP Limited (the parent entity of the Group) from which future dividends will be paid. At 30 June 2015, this account had a balance of $50.1M.

The company's unsecured bond allows distributions by way of dividends, share buybacks and/or capital returns up to 50% of Net Profit After Tax excluding significant items. In FY15, the company recorded a Net Profit After Tax excluding significant items of $12.1M and as such is able to distribute up to $6.05M.

Accordingly, the Board has declared a dividend for the year of 1.8 cents per share. The dividend is 50% franked which fully distributes all available franking credits. It is unlikely any further franking credits will be generated for the next three to five years due to tax losses. The dividend will be paid on 6 October 2015 with a record date of 21 September 2015.

In June 2015, the company commenced the evaluation of the existing bond with a view to potentially securing lower cost funding and having the capability to increase returns to shareholders. This process is still currently in progress.

Outlook

The company is making solid and ongoing progress towards its goal of building a more competitive, sustainable and profitable PMP and delivering strong returns to shareholders. Market conditions are showing modest signs of improvement. Print industry volumes and heatset prices are more stable and the value of catalogues for retailers has been validated.

PMP now has a higher degree of confidence in the outlook for the business and therefore increased confidence in its ability to generate strong sustainable free cash flows. Subject to market conditions the Board expects this strong cash flow performance to continue for the foreseeable future.

A trading update for FY16 and an update on capital management will be provided at the AGM in November 2015.

Thank You

The Board appreciates that it is the efforts of employees and management over the last three years that have resulted in PMP being in a much stronger financial position. On behalf of the Board and myself, I would like to express our sincere thanks for the hard work and loyalty that has made this achievable. I look forward to continuing to work with our dedicated team.

Matthew Bickford-Smith
Chairman, PMP Limited

Our Core Business: Catalogues

Why catalogues are our core business

PMP is the only provider of nationwide integrated catalogue print and distribution services in Australia and New Zealand.

The printing and distribution of advertising catalogues are a major part of PMP's business and the company is confident that this market will remain robust.

This view underscores why the company is concentrating on enhancing its relevance to retailers by offering a seamless end-to end integrated catalogue printing and distribution process. From our DMarketer® print preparation system, to cost effective efficient printing, through to mass letterbox distribution, PMP is the leader in this segment. The company is further enhancing its attractiveness to customers with its ability to geodemographically target versions of catalogues to specific audiences.

So why are catalogues so important to retailers?

- Research from Roy Morgan Research[1] released during FY15 shows for the first time that more people now read catalogues than national and metropolitan newspapers, demonstrating the importance of catalogues in reaching consumers.
- Catalogues reached an audience of 19.6 million Australians last year, more than free-to-air TV, pay TV, magazines, radio or newspapers.
- The findings show that over 12 million Australians say catalogues are the most useful media for providing information on what to buy in one or more product categories. In fact, catalogues remain the number one go-to media source for groceries, clothes, toys, alcohol and cosmetics.
- Approximately 60% of Australians 14 yrs + who have read a catalogue in the last 7 days have bought from a catalogue in the last 7 days.

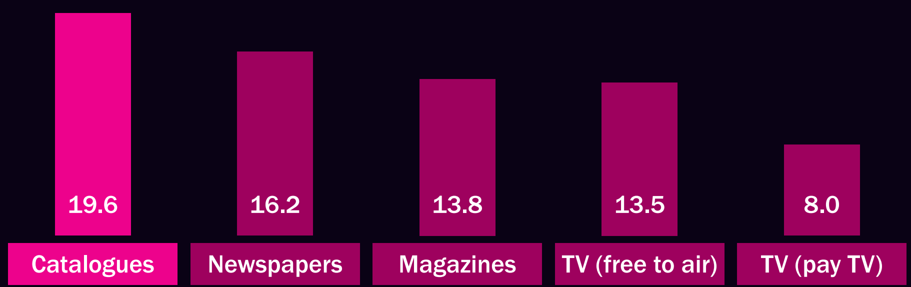
Catalogues are an effective way to reach a lot of people

13,572,000
Australians 14+ have read a catalogue in the last 4 weeks

10,362,000
Australians 14+ have read a catalogue in the last 7 days

6,541,000
Australians 14+ have bought from a catalogue in the last 7 days

Audience Reach* (millions of people)



*Source: Roy Morgan Research Single Source (Australia): April 2014 – March 2015

Catalogues and PMP

- PMP uses 10,000 people to deliver catalogues into letterboxes around Australia every week, and can deliver catalogues to 6.7 million homes in Australia within a 48 hour period.
- PMP NZ offers letterbox delivery throughout New Zealand.

More Australians read catalogues than newspapers

- Almost half of all Australians 14yrs+ (49%) cite catalogues as the Media Most Useful when purchasing groceries. This is more than double the number saying the internet is handiest (20%).

- Catalogues also have a strong advantage when it comes to consumers wanting to buy alcoholic beverages (42% vs 22% for internet), children's wear (40% vs 25%), toys (39% vs 31%), cosmetics and toiletries (36% vs 26%) and clothing and fashion (35% vs 28%).

- Across every one of 28 product categories, either catalogues or internet rank as the most-cited Media Most Useful. In categories where catalogues win, the internet comes second; in all other categories, the internet wins.

- Australians spend more than 83 minutes per week reading catalogues.

- Women are the highest catalogue consumers at 68%.

These findings are corroborated

Separate independent research in Australia carried out by Nielsen[2] shows that catalogues are often kept within the home for a week and referred to later. They also initiate action with a large percentage of readers going into the store after reading the catalogue.

These research findings substantiate what PMP has been saying for some time; that catalogues are resilient and remain an important tool for marketers as part of their marketing communications. There is an increasing awareness of this by many retailers, that catalogues are integral to a successful advertising strategy.

PMP expects that, as consumer confidence returns, catalogues will strengthen in line with this trend and this reinforces the company's focus of offering national print and distribution solutions.

[1] roymorgan.com/products/single-source January 2014 – December 2014.
[2] Nielsen Consumer and Media View, 2014 as quoted in "Supplementary Catalogue Industry Report", March 2015 by Australian Catalogue Association.

CEO's Review

PMP returned another encouraging result for FY15

Peter George
Chief Executive Officer and Managing Director

Overview

PMP has made encouraging progress throughout the year and has continued to deliver on its financial forecasts with EBIT, EBITDA, and Net Debt all exceeding the guidance provided by the company.

FY15 Achievements

Net Profit has more than doubled to $8.0M, albeit from a low base, while Net Debt has reduced by 68% to a new all-time low of $16.3M, a clear indicator of the company's ability to generate cash. The company remains on track to meet its forecast of being net debt free in FY16. This compares to the company's net debt level of $143.3M just three years ago.

The results for FY15 have been achieved through leveraging our clear competitive strengths, increasing the efficiency of our business and in reducing costs.

Sales at $811.7M were down by $87.5M on the previous year, of which $38M related to lower volumes at Gordon and Gotch. Sales in the core business were down $49M with $30M due to a print customer buying their own paper, the company's exit from the Directories business and the company not pursuing the retention of low margin print contracts.

Catalogue demand remained steady during the year, despite some fluctuation in pagination and frequency as retailers experimented to determine the most effective balance. Pricing appears to have stabilised in Australian heatset printing with no further softening over the second half.

However heatset continues to be challenged by structural factors such as excess industry capacity in Australia, although there are indications that this situation is gradually improving.

Volumes in book printing are improving and the industry appears to be finding equilibrium with digital books.

During the year the company pursued a stringent operational improvement program to enhance the business's capability to meet or exceed customer expectations. As a result production efficiency has improved significantly over the period with the company's critical manufacturing key performance indicators showing substantial improvement and now at an all-time high. This has resulted in reduced manufacturing costs with, for example, a decrease in waste generated and improved DIFOT (Delivery In Full On Time) metrics.

These major improvements have been achieved despite some operational uncertainty and cost impact as result of a delay in the signing of two major customer contracts.

Further cost reductions were achieved in PMP Australia during the period with efficiency gains leading to a further decrease in headcount, creating $10M in cost savings.

Our printing and distribution businesses are co-located at all production sites creating increased efficiency through shared management which creates benefits such as improved communication, reduced transport times and lower freight costs.

We are continuing to focus on building a sustainable, customer focused and competitive company by developing and enhancing a winning culture. This involves a major cultural shift to create a customer centric workforce with a total focus in winning business and delivering on promises. The company recognises that significant shifts in culture take some time to adopt and imbed, but it is clear that employees and unions appreciate the realities of the company's business environment and appreciate the need for change.

Strategic direction

These solid results reflect the continued disciplined execution of the company's strategy to become the most efficient integrated printer and distributor in Australasia. The printing and distribution of catalogues in both Australia and New Zealand accounts for the majority of PMP's EBITDA. Catalogues continue to be a key marketing channel and effective media for driving sales for retailers and remains the company's core activity.

The results have been achieved through the unwavering focus on maximising the efficiency of our core business and in reducing manufacturing costs

PMP New Zealand performed well:

- Heatset volumes up 2% and sheetfed sales up 3%, additional cost savings

Griffin Press sales up 13% pcp

PMP Australia:

- Heatset print and distribution revenues down 11.6% [After not pursuing low margin print contracts, directories run-off and a print customer buying their own paper, underlying revenue reduction of 3.9%]
- Catalogue sell price stabilised
- Catalogue volumes 5% lower: after exit of unprofitable contracts, base business volumes up 1%
- Distribution volumes down 8% due to insolvent customer and lower frequency

Sales Revenue $M	2015	2014	Var $	Var %
PMP Australia	392.3	439.9	(47.6)	(10.8%)
PMP New Zealand	150.9	160.9	(10.0)	(6.2%)
Gordon & Gotch Australia	268.5	298.4	(29.9)	(10.0%)
TOTAL GROUP	811.7	899.2	(87.5)	(9.7%)

EBIT* $M	2015	2014	Var $	Var %
PMP Australia	18.1	20.9	(2.8)	(13.6%)
PMP New Zealand	11.1	9.9	1.2	11.9%
Gordon & Gotch Australia	3.0	3.4	(0.4)	(12.6%)
Corporate	(5.9)	(5.5)	(0.4)	(6.8%)
TOTAL GROUP	26.4	28.8	(2.5)	(8.6%)

* Earnings before Finance costs and Income tax and Significant items.

CEO's Review

Encouragingly, PMP has now largely completed the major transformation program that started in 2012. The first two of our three strategic priorities have been delivered: cost base reduction and financial risk minimisation. Our balance sheet has been substantially improved with Net Debt at June 2015 reduced to $16.3M. PMP is on track to be net debt free in FY16 in accordance with our three year goal.

2016 priorities

We will continue to focus on our third strategic priority, which is to build a more profitable and sustainable PMP by focusing on the company's core expertise in print and distribution.

To this end we have continued to enhance our competitive strengths. We offer nationwide bundled printing and distribution solutions to our customers, delivering the benefits of the co-location of our print and distribution services and realigned functional workforce. These strengths allow us to offer our customers competitive, integrated, full service solutions in a timely manner.

Going forward the company will continue to seek efficiencies through its business improvement program, pursue opportunities to enhance customer responsiveness, and focus on maximising cash generation and returns to shareholders. The company will also continue to explore attractive acquisition opportunities, should they arise.

PMP Australia

$M	2015	2014	Var %
Sales Revenue	392.3	439.9	(10.8)
EBIT (before significant items)	18.1	20.9	(13.6)

Revenues were 10.8% or $47.6M lower compared to the previous year, while EBIT at $18.1M was down $2.8M. The consolidation of print and distribution at all sites was completed during the year, creating increased efficiency through the co-location of both businesses.

PMP Australia

Printing

- Lower catalogue volumes 5%
- 6% due to decision not to re-sign negative and low margin contracts
- 1% increase in base business volumes
- Catalogue sell price has stabilised
- Delivered on Transformation Plan savings

Letterbox Distribution

- Lower Distribution volumes 8%
- 4% due to insolvent customer
- 4% due to lower frequency from existing customers
- Newspaper Distribution volumes up 1%

Griffin Press

- Sales volumes up – order volumes continue to grow

PMP Australia is the integration of print, distribution, digital work flow and pre-media businesses offering contract printing for publishers, retailers and others; book printing/ manufacture; letterbox distribution of catalogues; and photography services.

It is the market leader with access to printing plants and distribution centres in every State and Territory of Australia and New Zealand.

Products and Services

- Multi-channel content management
- Work flow solutions
- Image libraries and asset management
- Production and creative services
- On-site production studios
- Photography services
- Retail catalogues
- Magazines
- Newspapers
- Books

- Government & corporate documents
- Government material
- Unaddressed catalogue Delivery
- Targeted catalogue delivery
- Newspaper delivery
- Product sample delivery market
- Retailers
- Marketing and advertising agencies & media buying agencies

- Newspaper, magazine & directory publishers
- Direct marketers & mail houses
- Corporate – financial services, telecommunications and utilities
- Government
- Fast moving consumer goods
- International & local book publishers

Catalogues remain the company's core activity

PMP Print and Distribution

Heatset print and distribution revenues fell by 11.6%. The main factors behind this were a major print customer deciding to buy their own paper (circa 4% impact at the sales line), the company not pursuing low margin contracts, and the exit from the Directories business. After adjusting for these factors heatset print and distribution sales fell by 3.9%. Lower volumes in heatset and distribution were mostly offset by transformation savings, general cost controls and lower depreciation.

Catalogue selling prices have stabilised in a subdued retail market. This is significant given the scale of industry overcapacity, and hence price erosion in recent years. Catalogue print volumes were down 5% compared to the previous year with a 6% reduction from not pursuing low margin contracts, and pleasingly a 1% rise in base business volumes.

Distribution volumes fell by 8%, with half due to an insolvent customer and half due to lower frequency from existing customers.

The business won a significant new contract which came on stream late in the period, with the full effect to commence next financial year.

Negotiations are well advanced on a new Enterprise Bargaining Agreement which is due to come into force during FY16.

Griffin Press

Griffin Press sales were up by 13%, with a strong first half performance and a typically quieter beginning to the second half following the pre-Christmas peak selling period. Overall volumes increased by 18% over the year. A new digital press was commissioned during the period to meet the increased demand for short run Print-On-Demand book printing.

CEO's Review

Gordon & Gotch AUSTRALIA

$M	2015	2014	Var %
Sales Revenue	**268.5**	298.4	(10.0)
EBIT (before significant items)	**3.0**	3.4	(12.6)

Gordon & Gotch is a magazine distributor offering circulation management, merchandising, and distribution into newsagents and major supermarkets in Australia and New Zealand.

- Revenue decline 10.0%
- Major Australian and UK client renew contracts for 3 years
- Continued focus on Warehousing and Pick & Pack consolidation initiatives

Gordon & Gotch returned an EBIT (pre significant items) of $3.0M for the period, down $0.4M on the previous year due to a 10% reduction in revenue which was partially offset by additional cost reductions.

The largest independent distributor of print and digital magazines in Australia and NZ.

Magazine Distribution
Gordon & Gotch AUSTRALIA

Products and Services

- In depth market knowledge and 163 years experience
- Established, strong retail relationships
- Sales and Market analysis
- Multi-platform design and marketing services
- Bespoke Predictive Analytics
- National merchandising solutions
- Range and display management
- Distribution solutions to multiple retail channels including newsagents, grocery chain, petrol/convenience and speciality outlets
- Multi-platform, global digital distribution solution

Market

- Provides services to mailing houses (NZ), domestic publishers, international publishers, international distributors and diverse category/product/country clients

PMP New Zealand

$M	2015	2014	Var %
Sales Revenue	150.9	160.9	(6.2)
EBIT (before significant items)	11.1	9.9	11.9

PMP is the largest commercial printing company in New Zealand with facilities in both Auckland and Christchurch providing a national footprint. As a modern print media business, PMP offers a wide range of services upstream and downstream of print to deliver fully integrated supply chain solutions to print media, retail, SME's, real estate, publishing and Micromarketing clients.

PMP New Zealand EBIT (pre significant items) of $11.1M, was up $1.2M compared to the previous year. The main contributing factors were a 3% increase in sheetfed sales, a 2% increase in heatset print volumes, and further cost savings. Distribution volumes fell 4% over the full year due to a reduction in delivery frequency from existing customers, although volumes increased by 2% in the second half.

PMP New Zealand

Printing

- Improved profit across the business despite margin pressure, net increase in volume
- Sheetfed fully consolidated into broader business with growth in market share and profitability
- Strong cost control

Letterbox Distribution

- Market share maintained securing new contracts
- Reduction in volumes due to consolidation in retail brands and retailers exiting NZ market
- Newspaper volumes up on previous year

Magazine Distribution

- Revenue decline 9.8%
- Two major New Zealand publisher contracts secured
- Print and distribution providing joint publisher solutions

Products and Services

Target

- Audience profiling, segmentation and mapping

Create & Optimise

- Pre-press design and page build
- Dmarketer work flow management software

Print

- Web, Sheetfed and Digital print capabilities
- Magazines, Catalogues, Newspapers, Corporate and Government Financial Documents, Books, Stationery

Distribute

- Mail house
- Nationwide letterbox distribution
- Retail distribution for magazine publishers

Market

- National and local retailers
- Newspaper, magazine & directory publishers
- Corporate
- Government, national and local
- International & local book publishers
- Marketing, advertising & media buying agencies

CEO’s Review

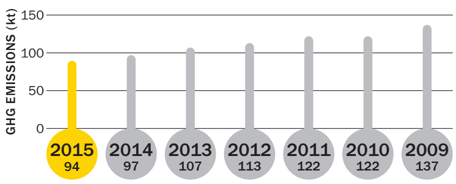
PMP supports responsible forestry, and recycles 99% of printing process waste

Sustainability

PMP strives to be a sustainable business which meets our responsibilities to the environment through long-term objectives of reducing emissions, preventing pollution, minimising waste and conserving and renewing natural resources.

We will achieve these goals by applying the “four R’s” principle in all areas of our operations – reduce, re-use, recycle and replenish.

With growing customer, employee, government and public awareness on environmental issues, PMP acknowledges its responsibility to remain transparent on the current and emerging exposures that the company faces. PMP have identified the key risks and opportunities and have devised strategic programmes in response to these exposures.



	FY15	FY14	Var %
Print AU	166.6	177.2	(6.0%)
Print NZ	40.0	39.3	1.7%
Print Tonnes	**206.6**	**216.5**	**(4.6%)**
Distribution AU	2,348.4	2,538.7	(7.5%)
Distribution NZ	619.1	648.2	(4.5%)
Distribution Units	**2,967.5**	**3,186.9**	**(6.9%)**
Gordon and Gotch AU	126.9	131.0	(3.1%)
Gordon and Gotch NZ	11.4	15.7	(27.7%)
Gordon & Gotch Copies	**138.3**	**146.7**	**(5.7%)**

Key opportunities are: Delivering business savings through reducing energy consumption; minimisation of transport impacts through a multi site printing strategy; improving the quality of waste water through reducing or eliminating harmful press-room chemicals and carbon sequestration through improved forestry practices by suppliers and by purchasing carbon offsets on behalf of customers.

PMP continues to support responsible forestry through its chain-of-custody programme, and has achieved both PEFC and FSC certification at every print site across the group. PMP works closely with its customers to promote the use of paper sourced responsibly.

PMP recycles over 99% of the waste generated in the printing process. PMP has targets in place to reduce waste to landfill and paper waste. PMP is actively focused on reducing waste to landfill by improving our systems and auditing the suppliers' disposal process activities. PMP's main recycling streams are paper, aluminium, cardboard, plastics, steel and timber. PMP has complied with a number of state and federal reporting programs, including: National Pollutants Inventory; Carbon Disclosure Project and National Greenhouse and Energy Reporting.

PMP has developed an environmental procurement policy which ensures that environmental criteria are embedded in the procurement process.

Gathering detailed information from our suppliers ensures that PMP is able to perform accurate life cycle calculations on our printed products for our customers. PMP Print's year on year Greenhouse Gas (GHG) emissions reduced by 3% in FY15, taking the total reduction since 2008 to 37%. PMP will continue to pursue energy efficiency measures across all businesses to further reduce our overall emissions.

Safety

	2015	2014	2013
Significant Injury Frequency Rate (SIFR)	16.8	23.5	33.8

The company has made further significant progress on improving safety during the year. The Lost Time Injury Frequency Rate dropped from 6.3 occurrences per million man hours worked in FY14, to 5.5 in FY15.

While LTIFR is the accepted industry measurement, the company has adopted SIFR (Significant Injury Frequency Rate) as its internal key performance indicator as this metric includes not only lost time injuries but also restricted work injuries and medically treated injuries. The company's SIFR dropped from 23.5 in FY14 to 16.8 per million man hours this year.

The company continued its efforts to increase safety in the workplace through a variety of approaches. Education continued to be a major focus with a "Lifesaver" initiative was rolled out to all sites, encouraging personal safety behaviours and responsibility.

The company also successfully retained its accreditation for Advanced SafetyMAP®, a recognised safety management system that is operating throughout the company, and which is independently audited every year.

Thanks

Every year is a difficult one as the industry in which we operate is never short of challenges. I acknowledge the efforts and support of our team as the company has progressed through a very difficult few years of major change. As always sincere thanks are due to our loyal team of employees. I also offer my appreciation to shareholders, customers and suppliers for your ongoing support.

Peter George
Chief Executive Officer
and Managing Director

Director's Report

for the year ended 30 June 2015

The Directors of PMP Limited (referred to as "PMP" or "Company") submit their report and the Company's consolidated financial report for the year ending 30 June 2015 and the auditor's report thereon.

1. Directors

The Directors of PMP in office during or since the end of the financial year are:

Matthew Bickford-Smith

Chairman

Appointed 2 June 2009

Age 55

Mr Bickford-Smith has been an independent Non-Executive Director of PMP since 2009 and has been Chairman of the Board of Directors and Chairman of the Appointments and Compensation Committee since 2012.

Mr Bickford-Smith is also a Director of Eastern Agricultural Australia. Mr Bickford-Smith was previously CEO of Ridley Corporation Limited from 2000 to 2007. He was previously with the Man Group and was MD of the Australian operations from 1996 to 2000.

Mr Bickford-Smith has extensive commercial experience within finance, manufacturing, risk management and strategy.

Anthony Cheong

FCA (Singapore)

Non-Executive Director

Appointed 4 March 2014

Age 60

Mr Cheong has been a Non-Executive Director and member of the Audit and Risk Management Committee since March 2014

Mr Cheong is an Associate of the Institute of Chartered Accountants in England and Wales and a Fellow of Institute of Singapore Chartered Accountants.

Mr Cheong is the Company Secretary for Fraser and Neave Limited, the holding Company for the Fraser and Neave group and holds directorships on various Fraser and Neave subsidiaries, associated and joint venture entities including Fraser and Neave Berhad on the BURSA Malaysia.

Mr Cheong has more than 26 years of varied financial and corporate experience in the packaging, property, printing, publishing, retail and education sectors.

2. Directors' and Executives' Disclosures

The disclosures required for Director share holdings and Director and Executive remuneration are included within the Remuneration Report.

3. Company Secretary – Qualifications and Experience

Alistair Clarkson (B.Com, LLB, MBA, ACIS, GradDipACG).

Mr Alistair Clarkson was appointed Company Secretary of PMP Limited on 24 April 2009 and has been Company Secretary of PMP's subsidiaries since December 2005 and is accountable directly to the Board, through the chair, on all matters to do with the proper functioning of the Board.

Mr Clarkson holds a Bachelor of Commerce, a Bachelor of Laws, a Masters of Business Administration with Distinction and a post graduate diploma of Applied Corporate Governance. He is an associate of the Institute of Chartered Secretaries and a member of the Law Society of NSW.

As Company Secretary of PMP, Mr Clarkson is responsible for managing the Company's corporate governance framework, its continuous disclosure and listing rule compliance and managing all matters relating to the Company's Board of Directors and Board Committees.

Mr Clarkson has been Corporate Counsel for PMP since 2001 and General Counsel since 2009. Prior to joining PMP, Mr Clarkson was an associate at a law firm in New Zealand.

Peter George
B Com, LLB

CEO and Managing Director

Appointed 22 October 2012

Age 62

Mr George was first appointed to the Board in 2001 and has held Board or management positions since and has been the Managing Director and CEO since October 2012.

Mr George is currently also a Non-Executive Director of Asciano Ltd. He was also Executive Director, Strategy and Policy Development Cable and Wireless Optus Ltd from 1998 to 2001, and the Executive Chairman of Nylex Limited 2006 to 2008.

Mr George is an experienced Executive and Non-Executive Director with an extensive background in telecommunications, media and corporate finance including four years on the Board of Australia's second largest telecommunications carrier, Optus Communications.

Peter Margin
BSc (Hons), MBA

Non-Executive Director

Appointed 30 January 2012

Age 55

Mr Margin has been an independent Non-Executive Director since January 2012 and Chairman of the Audit and Risk Management Committee since March 2012.

Mr Margin is a Non-Executive Director of Nufarm Ltd, Bega Cheese Ltd, Huon Aquaculture Ltd, Pact Group Ltd, Costa Group Holdings Ltd and was also a director of Ricegrowers Ltd from September 2012 until August 2015.

Mr Margin has a strong record of managing large Australian consumer food companies delivering operational efficiency, brand development and profitable growth having served amongst other things as the Chief Executive Officer and Managing Director of Goodman Fielder Ltd, and before that National Foods Ltd.

Naseema Sparks
BPharm, MBA, FAICD

Non-Executive Director

Appointed 17 August 2010

Age 62

Ms Sparks has been an independent Non-Executive Director and member of the Appointments and Compensation Committee since August 2010.

Ms Sparks is currently a Director of Grays e-Commerce Group Ltd, Australian Vintage Ltd, Melbourne IT Limited, Ingogo and AIG. Ms Sparks is also Deputy Chairman of Racing NSW and a trustee of Sydney Living Museums (Historic Houses Trust of NSW). Ms Sparks was previously a Director of Shadforth Financial Group Ltd until August 2014, the Sydney Dance Company and MNZ Ltd (Deals Direct).

She has held senior positions in leading agencies in Australia and UK, her most recent being Managing Director of M&C Saatchi.

Ms Sparks is a professional Non-Executive Director specialising in e-commerce, digital and tech industries, media and marketing. She has a background in strategic consulting, marketing, digital media and applications with over 20 years experience in the advertising industry.

4. Directors' Meetings

The number of Directors' meetings (including meetings of Board Committees) and the number of meetings attended by each of the Directors of PMP during the financial year were:

	Board of Directors		Audit & Risk Management		Appointment & Compensation	
	Attended	Maximum possible attended	Attended	Maximum possible attended	Attended	Maximum possible attended
M. Bickford-Smith	12	12	5	5	3	3
P. George	12	12	<a>	<a>	<a>	<a>
A. Cheong	12	12	5	5	<a>	<a>
P. Margin	12	12	5	5	<a>	<a>
N. Sparks	12	12	<a>	<a>	3	3

Table 1. Director's attendance

<a> Directors may attend Committee meetings but where not Committee members, their attendance is not recorded.

5. Corporate Governance Statement

PMP's corporate governance is based on the belief that good governance practices are a critical prerequisite of a successful Company and is intrinsically linked to creation of value. The core principles of good corporate governance that PMP has based its corporate governance framework on are:

- Ethical business conduct;
- Responsible management and remuneration;
- Sound financial reporting and risk management; and
- Appropriate communication and disclosure.

PMP's corporate governance framework is designed and implemented to accord with the best practice recommendations set by the ASX Governance Council's Corporate Governance principles and recommendations ("ASX Principles") where practicable. The following table indicates where specific ASX principles are dealt within this Statement and that PMP has followed the recommendations other than recommendations 1.5 and 2.1.

Recommendation		Section Reference
Principle 1: Lay solid foundations for management and oversight		**Location**
1.1	A listed entity should disclose: (a) the respective roles and responsibilities of its Board and management; and (b) those matters expressly reserved to the Board and those delegated to management.	5.1 "Board Charter"
1.2	A listed entity should: (a) undertake appropriate checks before appointing a person, or putting forward to security holders a candidate for election, as a director; and (b) provide security holders with all material information in its possession relevant to a decision on whether or not to elect or re-elect a director.	5.1 "Director appointment, training and continuing education"
1.3	A listed entity should have a written agreement with each director and senior executive setting out the terms of their appointment.	5.1 "Director appointment, training and continuing education"
1.4	The Company secretary of a listed entity should be accountable directly to the Board, through the chair, on all matters to do with the proper functioning of the Board.	3 & 5.1 "Company Secretary Qualifications and Experience" "Board access to information and independent advice"
1.5	A listed entity should: (a) have a diversity policy which includes requirements for the Board or a relevant committee of the Board to set measurable objectives for achieving gender diversity and to assess annually both the objectives and the entity's progress in achieving them; (b) disclose that policy or a summary of it; and (c) disclose as at the end of each reporting period the measurable objectives for achieving gender diversity set by the Board or a relevant committee of the Board in accordance with the entity's diversity policy and its progress towards achieving them, and either: (1) the respective proportions of men and women on the Board, in senior executive positions and across the whole organisation (including how the entity has defined "senior executive" for these purposes); or (2) if the entity is a "relevant employer" under the Workplace Gender Equality Act, the entity's most recent "Gender Equality Indicators", as defined in and published under that Act	5.5 "Diversity Policy" (Refer 5.5 for reasons for departure from Recommendation)
1.6	A listed entity should: (a) have and disclose a process for periodically evaluating the performance of the Board, its committees and individual directors; and (b) disclose, in relation to each reporting period, whether a performance evaluation was undertaken in the reporting period in accordance with that process.	5.1 "Board Performance Evaluation"
1.7	A listed entity should: (a) have and disclose a process for periodically evaluating the performance of its senior executives; and (b) disclose, in relation to each reporting period, whether a performance evaluation was undertaken in the reporting period in accordance with that process.	7.4 "Senior Executive Performance Evaluation"

Principle 2: Structure the Board to add value		
2.1	The Board of a listed entity should: (a) have a nomination committee which: (1) has at least three members, a majority of whom are independent directors; and (2) is chaired by an independent director, and disclose: (3) the charter of the committee; (4) the members of the committee; and (5) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or (b) if it does not have a nomination committee, disclose that fact and the processes it employs to address Board succession issues and to ensure that the Board has the appropriate balance of skills, knowledge, experience, independence and diversity to enable it to discharge its duties and responsibilities effectively.	5.2 "Appointments and Compensation Committee" (Refer 5.2 for reasons for departure from Recommendation)
2.2	A listed entity should have and disclose a Board skills matrix setting out the mix of skills and diversity that the Board currently has or is looking to achieve in its membership.	5.1 "Board Composition and Membership"
2.3	A listed entity should disclose: (a) the names of the directors considered by the Board to be independent directors; (b) if a director has an interest, position, association or relationship of the type described in Box 2.3 but the Board is of the opinion that it does not compromise the independence of the director, the nature of the interest, position, association or relationship in question and an explanation of why the Board is of that opinion; and (c) the length of service of each director.	1. and 5.1 "Directors" and "Board Independence"
2.4	A majority of the Board of a listed entity should be independent directors.	1. and 5.1 "Directors" and "Board Independence"
2.5	The chair of the Board of a listed entity should be an independent director and, in particular, should not be the same person as the CEO of the entity.	5.1 "Chairman"
2.6	A listed entity should have a program for inducting new directors and provide appropriate professional development opportunities for directors to develop and maintain the skills and knowledge needed to perform their role as directors effectively.	5.1 "Director appointment, training and continuing education"

Principle 3: Promote ethical and responsible decision making		
3.1	A listed entity should: (a) have a code of conduct for its directors, senior executives and employees; and (b) disclose that code or a summary of it.	5.5 " Code of Conduct"

Principle 4 - Safeguard integrity in financial reporting		
4.1	The Board of a listed entity should: (a) have an audit committee which: (1) has at least three members, all of whom are Non-Executive Directors and a majority of whom are independent directors; and (2) is chaired by an independent director, who is not the chair of the Board, and disclose: (3) the charter of the committee; (4) the relevant qualifications and experience of the members of the committee; and (5) in relation to each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or (b) if it does not have an audit committee, disclose that fact and the processes it employs that independently verify and safeguard the integrity of its corporate reporting, including the processes for the appointment and removal of the external auditor and the rotation of the audit engagement partner.	5.2 "Audit and Risk Management Committee"
4.2	The Board of a listed entity should, before it approves the entity's financial statements for a financial period, receive from its CEO and CFO a declaration that, in their opinion, the financial records of the entity have been properly maintained and that the financial statements comply with the appropriate accounting standards and give a true and fair view of the financial position and performance of the entity and that the opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.	5.3 "Management Representation"
4.3	A listed entity that has an AGM should ensure that its external auditor attends its AGM and is available to answer questions from security holders relevant to the audit.	5.4 " Investor Relations"

Principle 5 - Make timely and balanced disclosures		
5.1	A listed entity should: (a) have a written policy for complying with its continuous disclosure obligations under the Listing Rules; and (b) disclose that policy or a summary of it.	5.5 "Disclosure and Shareholder Communication Policy" and on the Website

Principle 6 - Respect the rights of shareholders		
6.1	A listed entity should provide information about itself and its governance to investors via its website.	5.5 "Disclosure and Shareholder Communication Policy" and on the Website
6.2	A listed entity should design and implement an investor relations program to facilitate effective two-way communication with investors.	5.4 " Investor Relations"
6.3	A listed entity should disclose the policies and processes it has in place to facilitate and encourage participation at meetings of security holders.	5.4 " Investor Relations"
6.4	A listed entity should give security holders the option to receive communications from, and send communications to, the entity and its security registry electronically.	5.4 " Investor Relations" and Website

Principle 7 - Recognise and manage risk		
7.1	The Board of a listed entity should: (a) have a committee or committees to oversee risk, each of which: (1) has at least three members, a majority of whom are independent directors; and (2) is chaired by an independent director, and disclose: (3) the charter of the committee; (4) the members of the committee; and (5) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or (b) if it does not have a risk committee or committees that satisfy (a) above, disclose that fact and the processes it employs for overseeing the entity's risk management framework.	5.2 "Audit and Risk Management Committee"
7.2	The Board or a committee of the Board should: (a) review the entity's risk management framework at least annually to satisfy itself that it continues to be sound; and (b) disclose, in relation to each reporting period, whether such a review has taken place.	5.3 "Risk Management Framework"
7.3	A listed entity should disclose: (a) if it has an internal audit function, how the function is structured and what role it performs; or (b) if it does not have an internal audit function, that fact and the processes it employs for evaluating and continually improving the effectiveness of its risk management and internal control processes.	5.3 "Internal Audit"
7.4	A listed entity should disclose whether it has any material exposure to economic, environmental and social sustainability risks and if it does how it manages or intends to manage those risks.	6.7 "Risks, Developments and Future Prospects"

Principle 8 - Remunerate fairly and responsibly		
8.1	The Board of a listed entity should: (a) have a remuneration committee which: (1) has at least three members, a majority of whom are independent directors; and (2) is chaired by an independent director, and disclose: (3) the charter of the committee; (4) the members of the committee; and (5) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or (b) if it does not have a remuneration committee, disclose that fact and the processes it employs for setting the level and composition of remuneration for directors and senior executives and ensuring that such remuneration is appropriate and not excessive.	5.2 "Appointments and Compensation Committee"
8.2	A listed entity should separately disclose its policies and practices regarding the remuneration of Non-Executive Directors and the remuneration of executive directors and other senior executives.	7.4 "Senior Executive Performance Evaluation"
8.3	A listed entity which has an equity-based remuneration scheme should: (a) have a policy on whether participants are permitted to enter into transactions (whether through the use of derivatives or otherwise) which limit the economic risk of participating in the scheme; and (b) disclose that policy or a summary of it.	7.3 "Long terms Incentives – LTIs"

5.1 Board of Directors

BOARD

Directors are selected to achieve a broad range of skills, experience and expertise complimentary to the Group's activities. Details of individual Directors are in Section 1. The Board comprises five Directors, being; the Non-Executive Chairman, the Managing Director and three other Non-Executive Directors.

The roles of Chairman and Chief Executive Officer are not exercised by the same individual.

PMP's Board Charter sets out the role, responsibilities and powers of the Board of Directors and the Managing Director.

The Company's Board is responsible for:

- Overseeing the Company, including reviewing, ratifying and monitoring systems of risk management, internal control, code of conduct and legal compliance, that are designed to ensure compliance with regulatory and prudential requirements;
- Appointing and removing the Chief Executive Officer and ratifying the appointment and, where appropriate, the removal of the Chief Financial Officer and the Company Secretary;
- Providing input into and final approval of management's development of corporate strategy and performance objectives;
- Monitoring performance against Board approved objectives, targets and strategies;
- Succession planning for the Chief Executive Officer and senior executives;
- Approving the progress of major capital expenditure, capital management, acquisitions and divestitures;
- Approving and monitoring financial and other reporting; and
- Approving delegated authority limits for senior executives.

The Managing Director, as CEO, is responsible for:

- Implementing Board and Management decisions
- Conducting the Company's operational, strategic, management and general business and affairs
- Bringing material and other relevant matters to the attention of the Board in an accurate and timely manner.

The Board has set through the Delegation of Authority Policy specific limits to management's ability to incur expenditure, enter into contracts or acquire or dispose of assets or businesses without Board approval.

The Charter requires that PMP's Board must consist of a majority of independent Non-Executive Directors who have a broad range of commercial expertise and experience and/or appropriate professional qualifications. They must also demonstrate a proven ability and capacity to monitor Company performance and participate in strategy development. Under the Charter, Directors are encouraged to own shares in PMP.

BOARD COMPOSITION AND MEMBERSHIP

The Board (through the Appointments and Compensation Committee) seeks to ensure that the Board and its Committees continue to have the right balance of skills, knowledge qualifications, diversity and business experience necessary to direct the Company in accordance with high standards of corporate governance. When considering appointments, the Board considers the skills, experience and expertise which they believe to be particularly relevant for that available position. In doing so the Board takes into account the existing collective capability of the Board, PMP's strategy and the prevailing and expected market conditions.

In respect of diversity on the Board, Directors strongly believe that differences in gender, age, ethnicity and cultural background in Board membership encourage diversity of thought and decision making. This will, in turn, drive and improve business efficiency and results for the Company and shareholders.

The table below sets out some of the key skills of the Directors and the extent to which they are represented on the Board.

Name	Skills and experience	Extent of representation
Matthew Bickford-Smith	Finance Strategy Manufacturing Risk Management	Board Audit and Risk Management Committee Appointments and Compensation Committee
Peter George	Finance Strategy Transformation Telecommunications Corporate Finance	Board
Peter Margin	Finance Strategy Manufacturing and Logistics Marketing Retail	Board Audit and Risk Management Committee
Naseema Sparks	Strategy Digital disruption Top line growth Marketing and media Org. culture & performance	Board Appointments and Compensation Committee
Anthony Cheong	Finance Publishing Printing Retail	Board Audit and Risk Management Committee

DIRECTOR RETIREMENT AND RE-ELECTION

The Constitution requires Directors to retire at the third AGM following the election or most recent re-election. The appointment of any new Directors will be based on the principle of further strengthening the diversified composition of the Board.

When a director stands for re-election, the Company will provide such information as is necessary to allow the shareholders to make an informed decision around the directors appointment including: biographical details and their relevant qualifications and experience and the skills they bring to the Board; details of any other material directorships currently held by the candidate; the term of office currently served by the director; if the Board considers the director to be an independent director, a statement to that effect; and a statement by the Board as to whether it supports the election or re-election of the candidate.

BOARD PERFORMANCE EVALUATION

The Appointments and Compensation Committee is responsible for, amongst other things, evaluating the performance of the Board and individual Directors. The Chairman continuously reviews and discusses with the Directors their and his contribution to the Board, and currently does not intend to use an external facilitator to undertake performance assessments.

BOARD INDEPENDENCE

The Board's policy is that there should be a majority of independent Non-Executive Directors on the Board and this requirement is embodied in the Board Charter, ensuring that all Board discussions and decisions have the benefit of independent judgment.

The Board reviews the independence of the Directors before they are appointed, on an annual basis and at any other time where the circumstances of a Director changes such as to require reassessment. Such assessment considers the factors relevant to assessing independence consistent with the ASX Principles.

The Board assesses materiality of any contractual relationship that may affect independence on a case-by-case basis. All Non-Executive Directors of PMP are considered independent with the exception of Mr Cheong, who is directly associated with Fraser & Neave Ltd, a substantial shareholder of the Company.

CONFLICTS OF INTEREST

Upon their appointment, Directors are requested to disclose to the Company any interest or directorships which they may hold with other organisations and to update this information if it changes during the course of their directorship. Directors and senior management are also required to identify any conflicts of interest they may have in dealing with PMP's affairs and refrain, where required, from participating in any discussion or voting on those matters.

CHAIRMAN

The Chairman of the Board, Mr Matthew Bickford-Smith, is an independent Non-Executive Director. The Chairman is responsible for leadership and effective performance of the Board and the maintenance of productive relations between the Directors and the management team. The Chairman's responsibilities are set out in more detail in the Board Charter.

DIRECTOR APPOINTMENT, TRAINING AND CONTINUING EDUCATION

Before the appointment of any director the Company undertakes, with the consent of the candidate, appropriate checks in relation to the potential director's character, experience, education, criminal record and bankruptcy history. The Appointments and Compensation Committee will also seek from the candidate details of his or her other commitments and an indication of time involved with those commitments, and acknowledgement that he or she will have sufficient time to fulfil his or her responsibilities as a director.

When a director stands for election for the first time, the Company will require such information as is necessary to allow the shareholders to make an informed decision around the directors appointment including: biographical details, including their relevant qualifications and experience and the skills they bring to the Board; details of any other material directorships currently held by the candidate; any material adverse information revealed by the checks the Company has performed about the director; details of any interest, position, association or relationship that might influence, or reasonably be perceived to influence, in a material respect his or her capacity to bring an independent judgement to bear on issues before the Board and to act in the best interests of the Company and its shareholders generally; and if the Board considers that the candidate will, if elected, qualify as an independent director, a statement to that effect.

Each independent Non-Executive Director has signed a letter of appointment detailing the terms of their appointment, which sets out the key terms and conditions of their appointment, including duties, rights and responsibilities and the matters recommended in the ASX's Principles.

Induction training is provided to all new Directors. This includes amongst other things an induction manual with information on the Company and its financial position, culture and values, Company policies, rights and responsibilities of Directors and the role of the Board and management. The Board has regular discussions with the CEO and management and is invited to attend tours of PMP's operational sites.

Directors are expected to maintain the skills required to discharge their obligations to the Company. PMP undertakes an ongoing program to keep Directors abreast of the nature of its business, current issues and corporate strategy. Directors also have access to, and are encouraged to undertake, continuing education opportunities to update and enhance their skills and knowledge and have a strong working relationship with operational management.

BOARD ACCESS TO INFORMATION AND INDEPENDENT ADVICE

Subject to identification of any conflict of interest, Directors have direct access to senior executives as required and to any Company information in the possession of management it considers necessary to make informed decisions and to discharge its responsibilities.

All Directors have access to the Company Secretary who is accountable to the Board, through the Chairman. The Board must approve the appointment and removal of the Company Secretary.

Any Director can seek independent professional advice in the discharge of their duties and responsibilities to PMP. PMP will reimburse reasonable expenses incurred in obtaining this advice. Unless the Chairman determines otherwise, the advice will generally be circulated to the Board.

BOARD MEETINGS

The Board and the Committees meet on a regular basis and additional meetings at call required to address specific issues. The Chairman, in conjunction with the CEO and the Company Secretary, sets the agenda for each meeting. Any Director may request matters to be included on the agenda.

Directors receive Board papers in advance of the Board meetings and these papers provide them with sufficient information to enable them to participate in informed discussion at each meeting. The Board's practice is for Non-Executive Directors to meet regularly without the presence of management.

Details of Board and Committee meetings held during the 2015 financial year and attendance at those meetings are set out on page 17 of this Report.

5.2 Board Committees

ROLE, MEMBERSHIP AND CHARTERS

The Board has the ability under the Constitution to delegate its powers and responsibilities to Committees of the Board. This allows the Directors to spend additional and more focused time on specific issues.

The Board has established standing Committees to assist with the effective discharge of its duties, as follows:

- Audit and Risk Management Committee; and
- Appointments and Compensation Committee.

Membership of the Committees is based on Directors' qualifications, skills and experience.

Non-Committee members, including the CEO, attend Committee meetings by invitation.

Each Committee operates under a specific Charter approved by the Board, detailing its role, duties and membership requirements. The Board reviews the appropriateness of the existing Committee structure, as well as the membership and Charter of each Committee.

AUDIT AND RISK MANAGEMENT COMMITTEE

Members

The current members are:

- Peter Margin (Chairman)
- Matthew Bickford-Smith
- Anthony Cheong

Attendance

Committee Member	Meetings attended
Peter Margin (Chairman)	5 (out of a possible 5)
M Bickford-Smith	5 (out of a possible 5)
A Cheong	5 (out of a possible 5)

COMPOSITION

The charter provides that the Committee must comprise:

- At least three Non-Executive Directors, a majority of whom are required to be independent;
- Members who are financially literate;
- At least one member shall have relevant qualifications and experience;
- Some members shall have an understanding of the industry in which PMP operates; and
- The Chairman must be an independent Non-Executive Director who is not the Chairman of the Board.

RESPONSIBILITIES

The Audit and Risk Management Committee provides assistance to the Board in relation to its corporate governance and oversight responsibilities by reviewing, assessing and making recommendations in relation to:

- Ethical considerations and compliance with the Code of Conduct;
- Financial reporting;
- Internal control structure;
- Risk management framework and systems;
- Policies to reduce exposure to fraud;
- Health, safety and the environment; and
- Internal and external audit functions.

The Audit and Risk Management Committee has direct and unlimited access to the external auditors. The external and internal auditors and the Executive General Manager – OHSE & Risk have direct and unlimited access to the Audit and Risk Management Committee.

APPOINTMENTS AND COMPENSATION COMMITTEE

Members

The current members are:

- Matthew Bickford-Smith
- Naseema Sparks

Attendance

Committee Member	Meetings attended
M Bickford-Smith (Chairman)	3 (out of a possible 3)
Naseema Sparks	3 (out of a possible 3)

COMPOSITION

The Charter provides that the Committee may only comprise Non-Executive Directors. Despite the Committee only comprising of two members, the Board believes the committee is of sufficient size and independence to discharge its mandate effectively when taking into account the size of the Board and the size and organisational structure of the Company. The committee's members and their record of attendance in the last financial year are set out in Section 4.

RESPONSIBILITIES

PMP combines the roles and responsibilities of the Nomination Committee and the Remuneration Committee in its Appointments and Compensation Committee.

The Appointments and Compensation Committee has ultimate authority for executive remuneration policy. The Remuneration Report provides further detail on the role of the Committee in respect of compensation.

In relation to appointments, the Committee:

- Reviews Director competence standards and Board succession plans; and
- Evaluates the Board's performance and makes recommendations for appointing or removing Directors.

In relation to compensation, the Committee makes recommendations to the Board on:

- Executive remuneration and incentive policies;
- Senior management remuneration packages;
- Recruitment, retention and termination policies for senior management;
- Incentive schemes;
- Superannuation arrangements; and
- The remuneration framework for Directors.

The Committee is also responsible for evaluating potential candidates for executive positions, including the role of CEO, and overseeing the development of executive succession plans.

The CEO has the authority to employ and remunerate executives within the scope of the policy established by the Committee. In carrying out its duties, the Committee is committed to providing sound remuneration policies and practices that enable PMP to:

- Attract and retain high quality executives and Directors who are dedicated to the interests of PMP shareholders; and
- Fairly and responsibly reward executives, while taking into account the interests of shareholders, the Company's performance, performance of the relevant executive and market conditions.

In executing its responsibilities, the Committee has unlimited access to senior management. It also has the Board's authority to seek information it requires from employees and external parties and obtain outside legal or other professional advice at the expense of the Company.

5.3 Risk Management

PMP believes that shareholder value is driven by taking considered risks, and that effective risk management is fundamental to achieving strategic, operational and compliance objectives of PMP. PMP views risk management as a continuous process and a fundamental driver of effective corporate governance and value generation.

The Board is responsible for overseeing the implementation of an effective system of risk management and internal control. The responsibility for designing, implementing and maintaining a sound system of risk management and internal control has been delegated to management through the CEO.

The Audit and Risk Management committee assists the Board with its oversight responsibility by reviewing, assessing and making recommendations to the Board in relation to the risk management framework and internal control structures put in place by management.

The CEO meets at least quarterly with the CFO and divisional managers to oversee the implementation and effective operation of the systems of internal controls and risk management, and to review the material strategic, operational and compliance risks. Management is also responsible for completing, on a six monthly basis, the internal control questionnaire supporting the Section 295A compliance statements; and attending Audit and Risk Management Committee meetings as required, to assist the committee in its oversight of risk.

PMP's policy is to apply a common framework across all businesses to identify material risks and implement appropriate mitigation processes. To this end, PMP maintains a risk management framework that provides a consistent and systematic view of the risks faced by the Company. The risk identification, analysis, treatment and monitoring procedures follow Risk Management Standard ISO: 31000 and Principle 7 of the ASX Principles.

RISK MANAGEMENT FRAMEWORK

The risk management framework incorporates input from a range of existing systems, programs and policies including:

- A comprehensive health, safety and environment program;
- A delegation of authority policy, including guidelines and approval limits for operational and capital expenditure and investments;
- A comprehensive annual insurance program;
- A Board approved finance policy to manage exposure to credit and liquidity risks;
- Annual budgeting and monthly reporting systems for all divisions to monitor performance against budget targets; and
- The identification and assessment of strategic risks during the annual strategic planning cycle.

The risk management framework is reviewed by the Audit and Risk Management Committee, with the last review being undertaken at the February committee meeting.

MANAGEMENT REPRESENTATION

Detailed and comprehensive questionnaires are completed by all business units and functional management on a six monthly basis. These questionnaires include management's assessment of risk management, financial reporting and the internal control environment operating within each business unit. The questionnaires are reviewed by executive management as part of the half-yearly reporting to the market and to achieve compliance with Section 295A of the Corporations Act and Recommendation 4.2 of the ASX Principles.

Based on the questionnaires, the Board has received written assurance from the Chief Executive Officer and the Chief Financial Officer that, to the best of their knowledge and belief, the declaration provided to them is founded on a sound system of risk management and internal control and that the system is operating effectively in relation to financial reporting risks.

INTERNAL AUDIT

The internal audit function conducts a series of risk-based reviews based on a plan agreed with management, the internal auditors and the Audit and Risk Management Committee. In order to ensure the independence of the internal audit function, the Audit and Risk Management Committee review and endorse the planned internal audit activities. The internal audits are undertaken by an external firm of accountants. The risk management framework is periodically independently reviewed to provide assurance as to the adequacy of the framework.

INHERENT OPERATIONAL RISKS

The Company believes there are a number of operational risks which are inherent in the industry in which it operates. These include:

- Industry overcapacity;
- Reliance on continuity of supply from utilities and raw inputs;
- Fluctuations in demand volume; and
- Weak consumer confidence.

The identification of these risks is provided to assist stakeholders to understand the nature of risks faced by PMP and the industry in which it operates. It is not an exhaustive list.

OCCUPATIONAL HEALTH AND SAFETY REGULATION

The safety and security of our staff are of paramount importance to the Company. Staff and management continue to work to improve safety performance and to make a safer workplace. PMP has plans in place and continue to implement initiatives to drive improvement. The 2015 financial year saw the continuation of the SafetyMAP certification for the Company. During the year, the Lost Time Injury Frequency Rate has decreased from 6.3 to 5.5. Safety, health and environment policy and procedures continue to be enhanced to ensure the health, safety and welfare of workers underpin the Company's safety management plans, and are in line with the prescribed requirements of the applicable health and safety legislation.

Whilst recognising an improved Lost Time Injury Frequency Rate from previous years the Company has implemented a more inclusive reporting metric for injuries (Significant Injury Frequency Rate) and a focus on positive performance indicators. During the year, the Significant Injury Frequency Rate has decreased from 22.3 to 16.8 and the positive performance indicators have included a focus being placed on hazard reporting across the Company. These changes have also been incorporated into the short term incentive program which is across all site managers and senior leadership roles in the Company.

5.4 Investor Relations

PMP engages its shareholders at its AGM, providing investor presentations following the full year and half year results, and upon request. The investor presentations are webcast and the contents of those webcasts are available from the Company's website for a reasonable period of time.

PMP facilitates participation at shareholder meetings by arranging for the meetings to be at convenient times and locations, and provides for direct voting to allow shareholders to vote ahead of the meeting without having to attend, or to appoint a proxy. The Chairman at the AGM provides reasonable time for shareholders to ask questions or make comments on the management of the Company. The Company's external auditor attends the AGM.

PMP provides its shareholders with the option to receive and send communications electronically to the Company and its share registry.

5.5 Governance Policies

CODE OF CONDUCT

*Code of Conduct**

The Code of Conduct is PMP's cornerstone corporate governance policy. The Code of Conduct provides a consistent understanding of the expected behaviour towards each stakeholder. It stipulates that:

- PMP is to conduct its business with honesty, integrity and respect for the interests of its stakeholders;
- PMP employees will avoid any personal, financial or other real or apparent conflicts of interest that could compromise the performance of their duties;
- PMP will continually strive to be a good corporate citizen, including complying with laws and regulations of Australia and New Zealand and in each state and territory in which it operates;
- PMP employees will ensure that resources of PMP are used for their intended use;
- PMP is to respect the privacy of private information, including customer, business partner and fellow employee information;
- PMP is to continually strive to provide a safe and healthy work environment for all employees;
- PMP is to recognise and act upon its responsibility to limit negative impacts on the environment and the communities within which it operates; and
- PMP is to ensure that there is a clear communication process for material items of concern between employees and the Board via open and non-hierarchical communications including whistleblower provisions.

WHISTLEBLOWER POLICY AND FRAUD AND CORRUPTION PREVENTION

Key elements of PMP's whistleblower policy are as follows:

- PMP encourages employees to report, in good faith, any violations of the standards, requirements and expectations described in the Code of Conduct;
- require appropriate action be taken in response to any such violations; and
- require that where an employee reports, in good faith, an actual or suspected violation of this Code of Conduct, the position of the reporting officer will be protected and remain confidential unless disclosure is required by law.

TRADING IN PMP SHARES

*Director and Executive Share Purchasing Policy**

Under its share purchasing policy, PMP Directors and Executives are not permitted to buy and sell shares in the Company when they are in possession of information that is not generally available and if it were available, it would - or would be likely to – influence investors in trading PMP shares, and they also may not trade in PMP shares during specific black-out periods. The blackout periods are:

a. the period of 30 days immediately leading up to 31 December through to the day half year results are announced (including the day half year results are announced);
b. the period of 30 days immediately leading up to 30 June through to the day full year results are announced (including the day full year results are announced); and
c. the period of 30 days immediately leading up to the Annual General Meeting (including the day of the Annual General Meeting).

The Board of PMP may also declare a black out period for a specified period at other times (such as prior to the announcement to the Australian Securities Exchange of a significant event such as change in control transaction or capital raising). At all other times these officers are permitted to trade in PMP shares.

APPROPRIATE COMMUNICATION AND DISCLOSURE

PMP recognises the importance of open and effective communication with all stakeholders. Therefore, PMP requires its officers and employees to act at all times with integrity and in accordance with the law, including the disclosure requirements of the ASX Listing Rules, ASX Principles and the Corporations Act. PMP has a Disclosure Committee comprising the Chief Executive Officer, Chief Financial Officer and Company Secretary/General Counsel, which meet as and when required.

DISCLOSURE AND SHAREHOLDER COMMUNICATION POLICY*

PMP's Disclosure Policy requires any price sensitive information concerning PMP that is required to be disclosed to the market, be communicated to the ASX immediately and before any other person. The policy prevents selective disclosure by:

- ensuring only authorised spokespeople comment on behalf of PMP; and
- providing a process for issuing any external statement or press release that has been previously channelled through the Chief Executive Officer.

It also sets out protocols for handling trading halts, responding to market speculation and avoiding inadvertent disclosure. The Policy ensures shareholders can make informed decisions about their investment in PMP by providing them with:

- the annual and half year reports;
- disclosures made to ASX;
- notices and explanatory memoranda of General Meetings;
- the AGM, where the external auditor will be available to answer questions about the audit; and
- its website www.pmplimited.com.au.

DIVERSITY POLICY*

Diversity Policy Statement

PMP strives to provide industry leadership for workforce diversity by:

- integrating diversity principles in all aspects of human resources management policies such as recruitment, selection and training;
- considering options to enable flexible working practices;
- facilitating equal employment opportunities based on merit; and
- striving to build safe working environments by taking action against inappropriate workplace and business behaviour that does not value diversity including discrimination, harassment, bullying, victimisation and vilification.

During the reporting period the Company produced its public report to the Workplace Gender Equality Agency, a copy of which can be found on PMP's website. As a diverse business, PMP employs a broad range of occupational groups to staff its creative, analytic, print and distribution businesses. Consequently PMP seeks to attract talent from different labour markets, trades and professions. PMP's current gender profile reflects our reliance on trades and engineering for our print business and the associated lack of gender balance in that sector. Measureable objectives have not been set while recruitment and pay freezes are in place, and the Company has been completing its transformation program.

The proportion of females employed in the Company under the following classifications is set out as follows:

Board of Directors	20%
PMP Executive Management Team	20%
PMP Group Employees (Australia)	23%

* Summaries of these documents are available in the Corporate Governance Section of PMP Limited's web site: www.pmplimited.com.au

6. OTHER MATTERS

6.1 Remuneration Policy

The Group's remuneration policies for Directors and management are detailed in the Remuneration Report included in this report. Non-Executive Directors' fees are within the limits set by shareholders at the 2004 Annual General Meeting, and are set at levels which fairly represent the responsibilities of, and time spent by, the Non-Executive Directors on Group matters.

6.2 Principal Activities

The principal activities of the PMP Group are commercial printing, digital premedia, letterbox delivery, and magazine distribution services.

6.3 Results

The consolidated result after income tax of the PMP Group for the financial year ended 30 June 2015 was a $8.0 million profit (2014: $3.4 million profit).

6.4 Dividends

No dividends were paid or declared to members during the financial year.

	2015 $000's	2014 $000's
No dividends were declared or paid during the year ended 30 June 2015 (2014: Nil)	–	–
	–	–

6.5 Review of Operations

For a full report on operations for the FY15 year, see the Chief Executive Officer's Review on pages 8 to 15 of this Annual Report.

In summary, FY15 EBIT (before significant items) fell by $2.5M or 8.6% to $26.4M compared to $28.8M in the prior year as higher profits at PMP New Zealand (up 11.9%) and further transformation savings were offset by lower print and distribution revenues in PMP Australia and $0.8M of higher property rental expense associated with the property sale and leaseback programme. EBIT (before significant items) was above market guidance while net profit after tax (before significant items) for FY15 rose 2.7% to $12.1M ($11.8M in FY14). Cash interest paid fell $3.4M from $11.5M to $8.1M.

The final phase of transformation across the Company has been undertaken resulting in a smaller range of restructures and cost reduction programmes than in FY14 with savings at Gordon & Gotch, Griffin Press, PMP New Zealand, PMP Australia and the Corporate functions.

As such, PMP has now reduced its cost base, reduced the financial risk with lower debt and will now continue to focus on making the Company more competitive especially across Print and Distribution.

Sales at PMP Australia were 10.8% or $47.6M lower. While Griffin Press sales were up by 13%, heatset print and distribution revenues fell by 11.6%. The main factors behind this were a print customer deciding to buy their own paper (circa 4% impact at the sale line), not pursuing low margin print contracts and the exit from the Directories business.

PMP Australia's EBIT (before significant items) was down from $20.9M last year to $18.1M in fiscal 2015 as lower volumes in heatset print and distribution and $0.8M of additional property rental expense were mostly offset by further transformation savings, general cost controls and lower depreciation.

Gordon & Gotch EBIT (pre significant items) of $3.0M was $0.4M lower pcp as benefits from further cost restructuring were offset by the impact of lower sales (down 10% pcp).

PMP New Zealand EBIT (pre significant items) of $11.1M was up 11.9% year on year. Tough heatset market conditions continued with lower sell prices, but this was more than offset by higher sheetfed sales and a 2% rise in heatset volumes as well as further focus on cost controls, input costs and additional transformation around the sheetfed business in Auckland.

EBITDA margin (before significant items) has risen slightly to 7.2% compared to 7.1% in prior year, while Free Cash Flow (defined as EBITDA (pre significant items) less interest paid, tax, capex and movement in working capital) at $35.5M was down $8.5M compared to $44.0M in FY14 as lower interest payments were offset by lower EBITDA and working capital movements pcp (as revenues decline, periodically the Gordon and Gotch negative working capital balances reduce).

Net debt is at historic lows at $16.3M, down 68.4% compared to FY14 and down from $143.3M from when the Transformation program began in FY12. As a result the Company's net debt to EBITDA (before significant items) of 0.3x has decreased from 0.8x in the prior year and 1.9x in FY12, and interest cover of 6.5x is up from 5.1x and 4.9x respectively.

6.6 Significant Changes in the state of affairs

The final element of the Company's property sale and lease back program was completed in June 2015 with the sale & leaseback of the Christchurch site in New Zealand, receiving net proceeds of $8.4M which generated a profit on sale of $3.7M.

6.7 Risks, likely developments and future prospects

PMP's business segments are in printing and distribution of publications including catalogues, magazines, and books. PMP's long term profitability and cash flows are responsive to domestic economic conditions in Australia and New Zealand. For example, catalogue printing and distribution is driven by consumer confidence and retailer activity and the printing of these publications are all influenced by user migration to electronic information platforms.

As noted under Inherent Operational Risks on page 25, the Company believes there are a number of operational risks which are inherent in the industry in which it operates. These include overcapacity in the print industry which affects prices; the Company's reliance on the continuity of supply from utilities and the availability and cost of raw inputs; fluctuations in demand volume; and ongoing weak consumer confidence.

Catalogue printing and distribution make up the majority of PMP's earnings and recent experience indicates that retailers are using an integrated advertising approach where online media and traditional media are combined for greater effect. Print industry volumes and heatset prices are more stable and the value of catalogues for retailers has been validated. The Company has a higher degree of confidence in the outlook for the business and therefore increased confidence in its ability to generate strong sustainable free cash flows and subject to market conditions expects this strong cash flow performance to continue for the foreseeable future.

In response to this the Company continues to review its cost base to recognise the new revenue realities. It has reduced financial risk by prioritizing strong free cash flow to reduce debt in order to build a more competitive PMP.

Overall the core print industry has been progressively shrinking for a number of years and the Company expects that the industry will undergo rationalisation before achieving equilibrium, however in the meantime the impacts of overcapacity will continue to be felt. The Company will investigate opportunities to participate in any industry rationalisation and will develop strategies to become retail specialists delivering content to the mass market.

6.8 Environmental regulation performance

PMP is committed to conducting its business activities with respect for the environment, while continuing to meet its obligations to its shareholders, employees, customers and suppliers. PMP believes its operations are in compliance with all environmental regulations to the extent material to its financial position or results of its continuing operations. As of the date of this report, there were no material legal proceedings concerning environmental matters pending against PMP or against any of its properties.

PMP completed the required Australian Federal Government Environmental Indicators Survey and the National Pollution Inventory report.

6.9 Share issues

There were no shares issued during the year ended 30 June 2015.

6.10 Share rights

The names of the persons who currently hold rights are entered in the register of rights kept by the Company pursuant to Section 168 of the Corporations Act 2001. Pursuant to an Australian Securities and Investments Commission Class Order, the Directors have taken advantage of relief available from the requirement to disclose the names of executives not being Directors (other than the key management personnel executives of the Group) to whom rights are issued, and the number of rights issued to each person.

6.11 Non-audit services

The Audit and Risk Management Committee reviewed the non-audit services provided by Deloitte Touche Tohmatsu. These non-audit services include taxation compliance and consulting services. The following non-audit services were provided during the 12 months to 30 June 2015:

Description of non-audit services <a>	Australia $	New Zealand $
- Consulting services	–	–
- Taxation and related advisory services	66,000	76,125
	66,000	76,125

<a> Unless otherwise specified all amounts have been paid or are due and payable to a member firm of Deloitte Touche Tohmatsu or its affiliates.

In accordance with advice provided by the Audit and Risk Management Committee, the Directors are satisfied that – based on the approval procedures required for the external auditors to provide non-audit services to PMP and from a review of actual services provided – the non-audit services provided by Deloitte Touche Tohmatsu met the standards of independence.

6.12 Auditor's independence declaration

In accordance with the Audit Independence requirements of the Corporations Act 2001, the Directors have received and are satisfied with the "Audit Independence Declaration" provided by the PMP Group external auditors, Deloitte Touche Tohmatsu. The Audit Independence Declaration has been attached to the Directors' Report on page 39.

6.13 Directors' and officers' liability insurance and indemnity

PMP has liability insurance policies for all Directors and Officers of the PMP Group.

The policy agreement prohibits disclosure of the policy terms and the premium paid. Directors and Officers are also indemnified by the Company against all liabilities to another person (other than PMP or a related body corporate) that may arise from their position as Directors or Officers of PMP and the PMP Group. The insurance cover and indemnity is not applicable where the liability arises out of conduct involving a lack of good faith.

6.14 Significant events after balance date

The Directors are not aware of any matter or circumstance post balance date not otherwise dealt with in this report or the consolidated financial statements that has significantly affected or may significantly affect the operations of the PMP Group, the results of those operations or the state of affairs of the Group in subsequent years.

6.15 Rounding of amounts

Pursuant to class order 98/0100 made by the Australian Securities and Investments Commission, the Company has rounded amounts in this report and the accompanying financial statements to the nearest thousand dollars unless specifically stated to be otherwise.

7. REMUNERATION REPORT

7.1 Coverage

This remuneration report outlines the Director and executive remuneration arrangements in accordance with the requirements of the Corporations Act 2001 and its Regulations. It covers the Directors of PMP, including the Chief Executive Officer (CEO), and other key management personnel (refer Section 7.7) with the authority and responsibility for planning, directing and controlling the activities of PMP. The report also contains information about the broader remuneration practices applying to management below the executive level.

7.2 Remuneration principles

PMP's Remuneration Policy provides a direct link between remuneration and corporate performance by:

- Offering sufficiently competitive rewards to attract and retain high calibre executives;
- Putting a significant portion of executive remuneration at risk against pre-determined performance benchmarks;
- Setting appropriate stretch performance hurdles to variable executive remuneration;
- Linking short term incentives to both Company and personal performance; and
- Linking long term incentives (including rights) to shareholder value measures and performance hurdles;

The Board also recognises that, although remuneration is a major factor in recruiting and retaining talented and effective people, other factors play a substantial role in attracting suitable candidates, including: PMP's business operations, corporate reputation, ethical culture and other human resources' policies and practices.

Combined with its policies, PMP's remuneration principles ensure that:

- Executive remuneration packages are appropriately benchmarked against the market for comparative roles in similar sized entities at the time of appointment and upon review;
- Executive remuneration packages for key middle and senior personnel include an at risk variable component that is developed in line with the PMP's Short Term Incentive program; and
- Variable pay schemes align to key areas of focus for the business. Current standard performance criterion includes: Earnings Before Interest and Tax (EBIT); safety performance (measured by the significant injury frequency rate); and personal objectives that align personal behaviours and professional development with the overall goals of the Company.

7.3 Remuneration structure

The roles and responsibilities of the Remuneration Committee are discussed on page 24. The Board believes well designed and managed short and long term incentive plans are important elements of employee remuneration, providing tangible incentives for employees to strive to improve PMP's short term and long term performance, and giving them a common interest with shareholders.

The three tiers of the structure are:

- Fixed remuneration made up of base salary including statutory superannuation and other incidental benefits;
- Short term performance incentives (STI) / other accepted variable pay schemes; and
- Longer term equity-based incentives through employee share rights plan (LTI), to some senior managers.

This three-tier structure results in management having more of their total remuneration and reward package at risk, linked to individual performance and business results and, in the case of longer term incentives, to the long term performance of the Company.

To ensure executives are sufficiently motivated and aligned with PMP Company performance objectives, executives are expected to have at least 25% of their maximum potential remuneration at risk.

BASE SALARY

PMP generally sets salaries based on a classification structure which is referenced to the market median, while also allowing flexibility from this reference point where it is warranted by individual performance levels. The remuneration structure is managed by the Human Resources function leveraging tools such as: job evaluation, career level benchmarking and salary reviews. PMP's remuneration system allows flexible packaging of benefits via salary sacrifice at no additional total employment cost (TEC) to the Company.

SUPERANNUATION

PMP complies with all relevant statutory superannuation obligations to its employees. The standard Company superannuation plan is primarily an accumulation plan, providing a lump sum benefit equal to the balance of a member's account, which includes contributions made by the member and the relevant PMP group entity, together with net fund earnings.

Relevant superannuation contributions for all senior executives form part of the executive's total remuneration package. All such amounts are included in the fixed remuneration disclosed for the CEO and members of the senior executive team in this report.

OTHER BENEFITS

PMP does not provide senior executives or Directors with benefits such as life insurance, vehicle allowance, club memberships or retirement benefits other than the superannuation benefits previously discussed.

VARIABLE REMUNERATION

PMP links all variable remuneration to performance. The proportion of variable remuneration increases with job responsibility, with senior executives having a greater proportion of their remuneration at risk.

SHORT TERM INCENTIVES ("STIs")

The STI plan applies to key middle and senior personnel roles, directly linking variable remuneration to PMP's corporate strategy. The employee's STI is generally between 25% to 50% of their TEC. The STI is dependent on achieving a number of targets. For eligible personnel, the targets are generally allocated between:

- Budgeted EBIT (between 60% - 70% of STI);
- Improved safety (up to 20% of STI); and
- Personal objectives (between 10% - 20% of STI)

At least 90% of Budgeted EBIT is required to be achieved before the Appointments and Compensation Committee may consider whether any STI payment can be made. The personal objectives align individual behaviours with Company strategy. The targets are set by the CEO in consultation with the Appointments and Compensation Committee.

Results above the target goal will not increase the incentive payment above the STI percentage, unless authorised by the CEO. As a general rule, there are no discretionary bonuses outside the STI program with any exceptions required to be authorised by the CEO.

STI entitlements are formalised after the end of year accounts have been finalised, and paid in September. STI payments to the CEO and other specified executives satisfying the definition of Key Management Personnel are disclosed in this report.

LONG TERM INCENTIVES ("LTIs")

The LTI plan aligns an element of executive rewards with the creation of shareholder wealth. LTIs apply to executive managers with the greatest authority and most strategic influence over PMP's direction, profitability and growth.

Under the LTI plan, participants are granted performance rights, which entitle them to receive PMP shares after a vesting period which (subject to some exceptions) is at the end of the third financial year after the performance rights are granted, if the performance conditions are satisfied. The rights are granted annually (following the announcement of the Group's results) to each participant to the value of between 25% and 50% of that person's TEC. The number of rights granted is based on the Company's weighted average share price for the one week period up to and including the grant date. These rights only vest if the Group achieves the long-term performance conditions detailed in Table 3.

LONG TERM INCENTIVES – PERFORMANCE RIGHTS

The performance rights issued under the PMP LTI Plan Exercise are due to be tested at the First Exercise Date in each year, which is when the Company gives the ASX the Appendix 4E (the preliminary final report.) Under the PMP LTI Plan those senior managers that were awarded performance rights in 2012, and continue to be eligible at the First Exercise Date, may exercise such rights that vest after this date.

The Company's performance relative to the TSR hurdle for the performance rights issued in 2012, was such that the Company outperformed the 75th percentile when measured against the peer group and accordingly all those performance rights that are subject to the TSR hurdle have vested. The Company's performance relative to the EBITDA hurdle for the performance rights issued in 2012, was such that the Company achieved 95% of the Target EBITDA over the three years years. The Target EBITDA was set at $204M and where the Company achieved between 80 to 110% of the Target EBITDA, 50 to 100% of the rights vest pro rata. This has resulted in 75% of those performance rights having vested. The Company is considering whether to offer the eligible senior managers the ability to cash settle one half of their vested performance rights on the basis that the remaining vested performance rights are issued in shares that are subject to a six month holding lock. The shares would then be subject to the usual clearance procedures before any sale.

The Executive Share Purchasing Policy prohibits executives from hedging pre-vested awards under the PMP LTI plan.

2015		Fixed annual remuneration <a>	Non monetary benefits <b>	STI <a>	Total	Performance related remuneration
		$	$	$	$	%
P George	CEO and MD	600,000	69,196	360,000	1,029,196	35%
J Nichols	Chief Operating Officer	380,000	—	114,000	494,000	23%
G Stephenson	Chief Financial Officer (CFO)	475,000	—	142,500	617,500	23%
P Trainor	MD - PMP (NZ) Limited	321,087	—	96,326	417,413	23%

Table 2. Take home pay of the Executive Director and continuing Executives for the year ended 30 June 2015.

<a> Fixed annual remuneration based on current gross salary package, which includes base salary, annual leave, superannuation contributions and the value of non-salary benefits provided to the executive (inclusive of all applicable taxes). The STI represents the actual STI paid based on performance over the 2015 year. Where appointments commenced during the year the table above represents remuneration from that date. P George STI to be paid 66.7% in cash and 33.3% in PMP shares.

<b> P George salary includes non monetary benefits of $69,196 for accommodation as disclosed in section 7.6.

Ref	Rights	Performance Hurdles	Assessment Method	Vesting
A	"Rights - $544,282 (calculated in accordance with AASB2) CEO/MD, EMT and Senior Managers Issued 01 Oct 12 Expiry 31 Aug 17"	The performance hurdles are: Total Shareholder Return (TSR) and Earnings Before Interest, Tax, Depreciation and Amortisation (EBITDA). 50% of Rights granted are to be subject to each hurdle. **Total Shareholder Return** PMP's TSR over the three year period comprising financial years 13, 14 and 15 is measured against a comparator group of ASX listed companies ranked between S&P/ASX 200 to 300 entities. If a rank of less than the 51st percentile is achieved nil vest, if a rank of between the 51st and 75th percentile is achieved 50-100% of rights vest and if a rank of greater than 75th percentile is achieved 100% vest. **EBITDA** PMP's EBITDA over the three year period comprising financial years 13, 14 and 15 is measured against a target for the PMP Group. The number of rights to vest are pro rated based on a target EBTIDA range.	Will be determined on TSR and EBITDA result for FY13, FY14 and FY15. The Board retains discretion to exclude from the calculation of EBITDA significant restructuring costs or rationalisations.	"88% vested on 25 Aug 15" (not included in current year remuneration, but included when paid in the following year)
B	"Rights - $0 EMT and Senior Managers Issued 01 Oct 13 Expiry 31 Aug 18"	The performance hurdles are: Total Shareholder Return (TSR) and Earnings Before Interest, Tax, Depreciation and Amortisation (EBITDA). 50% of Rights granted are to be subject to each hurdle. **Total Shareholder Return** PMP's TSR over the three year period comprising financial years 14, 15 and 16 is measured against a comparator group of ASX listed companies ranked between S&P/ASX 200 to 300 entities. If a rank of less than the 51st percentile is achieved nil vest, if a rank of between the 51st and 75th percentile is achieved 50-100% of rights vest and if a rank of greater than 75th percentile is achieved 100% vest. **EBITDA** PMP's EBITDA over the three year period comprising financial years 14, 15 and 16 is measured against a target for the PMP Group. The number of rights to vest are pro rated based on a target EBTIDA range.	Will be determined on TSR and EBITDA result for FY14, FY15 and FY16. The Board retains discretion as per details in "A" above.	N/A
C	"Rights - $0 EMT and Senior Managers Issued 01 Oct 14 Expiry 31 Aug 19"	The performance hurdles are: Total Shareholder Return (TSR) and Earnings Before Interest, Tax, Depreciation and Amortisation (EBITDA). 50% of Rights granted are to be subject to each hurdle. **Total Shareholder Return** PMP's TSR over the three year period comprising financial years 15, 16 and 17 is measured against a comparator group of ASX listed companies ranked between S&P/ASX 200 to 300 entities. If a rank of less than the 51st percentile is achieved nil vest, if a rank of between the 51st and 75th percentile is achieved 50-100% of rights vest and if a rank of greater than 75th percentile is achieved 100% vest. **EBITDA** PMP's EBITDA over the three year period comprising financial years 15, 16 and 17 is measured against a target for the PMP Group. The number of rights to vest are pro rated based on a target EBTIDA range.	Will be determined on TSR and EBITDA result for FY15, FY16 and FY17. The Board retains discretion as per details in "A" above.	N/A

Table 3. LTI Performance Hurdles and Assessment Methods.

LTIS - PERFORMANCE CONDITIONS

Table 3 summarises the Key Management Personnel LTIs, including their performance conditions and achievement assessment methods.

7.4 Senior executive performance evaluation

PMP rewards executives for performance. At the beginning of the financial year, the CEO sets objectives for each direct report, which is reviewed by the Appointments and Compensation Committee. This includes corporate goals such as EBIT excluding significant items, safety, and personal objectives, including activities to drive the development of business opportunities across the Group. The CEO reviews performance against objectives during the year and at the financial year-end and the outcomes are used to determine overall performance and STI payments. The CEO provides recommendations to the Appointments and Compensation Committee in relation to the STI payments and the performance of the executives in relation to these payments for the Committee to ratify. This was undertaken at the July 2015 Appointments and Compensation Committee meeting.

7.5 Company performance

Table 4a shows PMP's performance over the last three years.

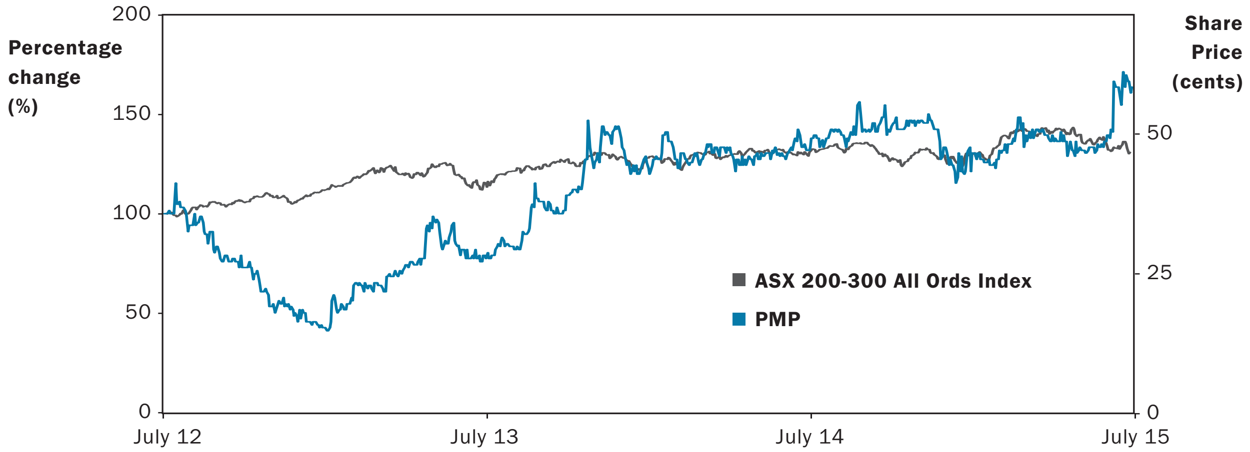


Table 4a. PMP Share Price Performance against ASX 200-300 All Ords Index.

Earnings performance indicators		2011	2012	"2013 <c> (Restated)"	2014	2015
Earnings per ordinary share (basic)	cents	(3.4)	(7.5)	(21.7)	1.1	2.5
Earnings per ordinary share (diluted)	cents	(3.4)	(7.5)	(21.7)	1.1	2.5
Dividend per share	cents	<a> 1.0	<b> 1.0	–	–	–
External sales revenue	A$ mill	1,194.3	1,093.9	975.8	899.2	811.7
Total EBIT (before significants)	A$ mill	56.7	32.7	<c>33.8	28.8	26.4

Table 4b. PMP earnings performance indicators.

<a> Final dividend FY11, paid FY12.

<b> 1.0 cent interim FY12 dividend, paid FY12

<c> On 1 July 2013, PMP Limited adopted AASB 119 Employee Benefits (revised), resulting in a change in accounting policy and a restatement of balances for the year ended 30 June 2013.

7.6 Chief Executive Officer

The following Section details the remuneration arrangement for Mr Peter George, CEO of PMP.

EMPLOYMENT CONTRACT

Mr Peter George is employed under a 3 year contract which expires on 22 October 2015. The Company may terminate Mr Peter George's employment with the Company or Mr Peter George may cease his employment by giving not less than six months notice. Where there is significant and material adverse change to Mr Peter George's duties or responsibilities or there is a change of control either Mr Peter George or the Company may terminate Mr Peter George's employment with the Company by paying to Mr Peter George a sum equal to the remuneration plus any STI payment made or due to be made in respect of the prior financial year.

SUMMARY OF REMUNERATION STRUCTURE

Fixed Remuneration:

Base salary including superannuation is $600,000 per annum. In addition to the base salary the Company has provided Mr Peter George with accommodation in Sydney in order to facilitate the Company's strategic initiatives and to minimise accommodation and travel costs. The cost of this accommodation for the year was $69,196.

Short Term Incentive:

Mr Peter George has an STI of up to 100% of his fixed remuneration for FY15, dependent on achieving a number of targets including EBIT and safety:

- Budgeted EBIT (between 60% - 70% of STI);
- Improved safety (up to 20% of STI); and
- Personal objectives (between 10% - 20% of STI)

Any STI achieved will be paid 66.7% in cash and 33.3% in PMP shares. The number of shares acquired as a result of achievement of this STI is dependent upon the share price at the time of the acquisition as the STI dollar value is fixed. The PMP shares will be purchased on market and are subject to a 12 month holding lock from the start of the following financial year.

Long Term Incentive:

The shareholders approved at the 2013 Annual General Meeting that Mr Peter George be awarded performance rights under the PMP Long Term Incentive Plan to acquire fully paid ordinary shares in the Company with the performance rights being tested against the performance hurdles following the performance period ending 30 June 2015.

The maximum number of share rights awarded to Mr Peter George as his LTI was 2,100,000.

The share rights offered to Mr Peter George are split evenly amongst two categories of performance hurdles and will vest subject to the achievement of those hurdles. The first performance hurdle compares PMP's Total Shareholder Return ('TSR') measured against a comparator group consisting primarily of ASX listed entities that are ranked between S&P/ASX 200 – ASX 300 (excluding entities in the metals and mining and materials indexes). The period over which the TSR performance condition is measured is between 22 October 2012 and 30 June 2015. The number of rights that vest is based on rank. Nil rights vest if a rank of less than the 51st percentile is achieved. 50% – 100% of the rights vest if a rank between the 51st and 75th percentile is achieved. The second performance hurdle is an internal hurdle and is based on PMP achieving target earnings before interest, tax, depreciation and amortisation (EBITDA) at the end of a three year period ending on 30 June 2015.

These performance conditions are tested at the First Exercise Date under the PMP Long Term Incentive Plan which is when the Company gives the ASX the Appendix 4E (the preliminary final report). Mr Peter George may exercise such rights that vest after this date.

The Company's performance relative to the TSR hurdle, was such that the Company outperformed the 75th percentile when measured against the peer group and accordingly 1.05 million performance rights vest at First Exercise Date. The Company's performance relative to the TSR hurdle, was such that the Company achieved 95% of the Target EBITDA over the three years. The Target EBITDA was set at $204M and where the Company achieved between 80 to 110% of the Target EBITDA, 50 to 100% of the rights vest pro rata. This has resulted in Mr Peter George becoming eligible for 75% of those performance rights, being 787,500 performance rights to vest at the First Exercise Date. The Company is considering whether to offer the CEO the ability to cash settle one half of his vested performance rights on the basis that the remaining vested performance rights are issued in shares that are subject to a six month holding lock. The shares would then be subject to the usual clearance procedures before any sale. All rights held by the CEO are disclosed in Table 10.

REMUNERATION SUMMARY

The remuneration paid to Mr Peter George for the year ended 30 June 2015 is set out in the table below:

Salary Component	2015
- Base Salary (including superannuation)	$600,000
- Non Monetary Benefits *	$69,196
- LSL	$ —
- STI: Cash	$240,120
- STI: Shares	$119,880
- Maximum LTI <a>	$111,960
Total	$1,141,156

Table 5. Chief Executive Officer remuneration.

* Non monetary benefits includes accommodation of $69,196.

<a> This is based on the accrued accounting value in accordance with AASB 2 Share-based Payment and relates to amounts granted to Mr Peter George under the Employee Long Term Incentive Plan. All rights valued in accordance with AASB 2 have been independently valued using the Binomial Option Pricing Model or Monte Carlo Model. In accordance with AASB 2 the non-market conditions associated with these rights were not taken into account when estimating the fair value at grant date. Instead, the number of rights expected to eventually vest is re-assessed at the end of each reporting period.

7.7 Key management personnel (other than Non-Executive Directors)

PMP’s Key Management Personnel (excluding Non-Executive Directors) during the financial year are:

P George	Chief Executive Officer and Managing Director. (Refer Section 7.6 for remuneration details.)
J Nichols	Chief Operating Officer
G Stephenson	Chief Financial Officer
P Trainor	Managing Director - PMP (NZ) Limited

EMPLOYMENT CONTRACTS

PMP does not (subject to limited exceptions) include termination or severance payments for PMP executives in their employment contracts other than agreed notice provisions and the application of the PMP redundancy policy (where applicable).

Name	Notice Period PMP	Notice Period Employee	Termination Payments
J Nichols	6 Months	6 Months	Where there is a change of control or a significant and material adverse change in his duties or responsibilities in which case if the employment is terminated PMP is to pay the equivalent of 12 months TEC.
G Stephenson	6 Months	6 Months	No specific termination payment provided for.
P Trainor	6 Months	6 Months	No specific termination payment provided for.

Table 6. Executive Employment Contracts

REMUNERATION

The table below outlines the remuneration packages of key management personnel (excluding Non-Executive Directors). All rights are independently valued in accordance with AASB 2 using either the Binomial Option Pricing Model or the Monte Carlo Simulation Model. The amounts disclosed as part of remuneration for the financial year have been determined by allocating the grant date fair value on a straight line basis over the period from grant date to vesting date.

Key management personnel (excluding Non-Executive Directors)			Short term			Long term		Total excluding rights	Equity rights	Grand total
			Salary	Non Monetary Benefits	STI	Post Employment Superannuation	LSL <b>			
			$	$	$	$	$	$	$	$
P George	<a>	2015	547,945	69,196	360,000	52,055	–	1,029,196	76,200	1,105,396
		2014	549,199	–	421,000	50,801	–	1,021,000	79,200	1,100,200
J Nichols		2015	347,032	–	114,000	32,968	(937)	493,063	151,048	644,111
		2014	347,826	–	133,500	29,493	5,762	516,581	108,731	625,312
G Stephenson		2015	456,217	–	142,500	18,783	–	617,500	190,042	807,542
		2014	457,225	–	166,488	17,775	–	641,488	156,806	798,294
P Trainor		2015	321,087	–	96,326	–	–	417,413	24,689	442,102
	<c>	2014	103,860	–	36,130	–	–	139,990	10,971	150,961
Total Remuneration KMP (excluding Non-Executive Directors)										
		2015	1,672,281	69,196	712,826	103,806	(937)	2,557,172	441,979	2,999,151
		2014	1,458,110	–	757,118	98,069	5,762	2,319,059	355,708	2,674,767

Table 7. Key management personnel (excluding Non-Executive Directors) remuneration of the Company and the group

<a> P George salary includes non monetary benefits of $69,196 for accommodation as disclosed in section 7.6.

<b> The credit balance for LSL is due to leave taken during the year.

<c> P Trainor appointed Managing Director of PMP (NZ) Limited on 04/03/14. Prior to this, he was the General Manager of Supply Chain in New Zealand. Remuneration is for the period from 04/03/14 to 30/06/14.

	Fixed annual remuneration	Non monetary benefits	Maximum STI <d>	Actual STI <a>	Actual STI percentage of maximum STI	Maximum LTI <c>	Maximum potential reward <b>	Actual reward <b>	At risk remuneration (of potential total)
	$	$	$	$	%	$	$	$	%
P George <e>	600,000	69,196	600,000	360,000	60	111,960	1,381,156	1,029,196	52%
J Nichols	380,000	—	190,000	114,000	60	171,269	741,269	494,000	49%
G Stephenson	475,000	—	237,500	142,500	60	218,283	930,783	617,500	49%
P Trainor <f>	321,087	—	160,543	96,326	60	24,689	506,319	417,413	37%

Table 8. Key management personnel achievement of performance hurdles

<a> STIs were paid on targets achieved.

<b> The difference between the Actual Reward and Maximum Potential Reward is the forfeited value. LTI's are included in the actual rewards to the extent that they are vested.

<c> All long term incentives (LTIs) are composed of "rights". The value in this table has been independently valued and calculated based on 100% of rights vesting in order to calculate the maximum potential reward. The amount is based on the accrual accounting value in accordance with AASB2 "Share based Payment".

<d> Based on 'target' goals (100%) being achieved. Achievement of 'exceptional' goals are at CEO discretion.

<e> Salary includes non monetary benefits of $69,196 for accommodation as disclosed in Section 7.6. STI to be paid 66.7% in cash and 33.3% in PMP shares.

<f> Remuneration paid in New Zealand and Australian dollars. New Zealand dollar remuneration converted into Australian dollars at the average profit and loss rate prevailing during the year.

SHARE RIGHTS

The table below shows share rights granted and vested to the top 5 remunerated personnel during the year. No Directors were granted or hold rights over shares of PMP Limited.

Terms & Conditions for each grant of share rights during the year ending 30 June 2015							30 June 2015
	Granted number	Grant date	Value per right at grant date $	Exercise price per share $	First exercise date	Last exercise date	Vested Number
P George	—	—	—	—	—	—	—
A Clarkson	297,917	01/10/2014	<a>	N/A	<b>	31/08/2019	Nil
J Nichols	395,833	01/10/2014	<a>	N/A	<b>	31/08/2019	Nil
G Stephenson	494,792	01/10/2014	<a>	N/A	<b>	31/08/2019	Nil
P Trainor <e>	96,609	01/10/2014	<a>	N/A	<b>	31/08/2019	Nil
Total	1,285,151						Nil

Terms & Conditions for each grant of share rights during the year ending 30 June 2014							30 June 2014
	Granted number	Grant date	Value per right at grant date $	Exercise price per share $	First exercise date	Last exercise date	Vested Number
P George	—	—	—	—	—	—	—
A Clarkson	420,588	01/10/2013	<c>	N/A	<d>	31/08/2018	Nil
J Nichols	558,824	01/10/2013	<c>	N/A	<d>	31/08/2018	Nil
G Stephenson	698,529	01/10/2013	<c>	N/A	<d>	31/08/2018	Nil
Total	1,677,941						Nil

Table 9. Top 5 remunerated personnel rights granted

<a> Valuation in accordance with AASB 2 Share-based Payment
Fair value per right - TSR hurdle - $0.34 (50% of granted rights)
Fair value per right - EBITDA hurdle - $0.47 (50% of granted rights)

<b> Following the announcement of the 2016-17 results

<c> Valuation in accordance with AASB 2 Share-based Payment
Fair value per right - TSR hurdle - $0.42 (50% of granted rights)
Fair value per right - EBITDA hurdle - $0.47 (50% of granted rights)

<d> Following the announcement of the 2015-16 results

<e> P Trainor appointed Managing Director of PMP (NZ) Limited on 04/03/14. Prior to this, he was the General Manager of Supply Chain in New Zealand. As such, he is included in the top 5 KMPs for the full year to 30/06/15, but not for the year to 30/6/14.

	Balance 01-Jul 2014	Granted as Remuneration	Rights Exercised	Rights Lapsed <b>	Rights Cancelled	Other	Balance 30-Jun 2015	Not Exercisable <a>
2015								
P George	2,100,000	–	–	–	–	–	2,100,000	2,100,000
J Nichols	1,746,324	395,833	–	–	–	–	2,142,157	2,142,157
G Stephenson	2,339,154	494,792	–	(312,500)	–	–	2,521,446	2,521,446
P Trainor	95,875	96,609	–	–	–	–	192,484	192,484
Total	6,281,353	987,234	–	(312,500)	–	–	6,956,087	6,956,087

	Balance 01-Jul 2013	Granted as Remuneration	Rights Exercised	Rights Lapsed <c>	Rights Cancelled	Other	Balance 30-Jun 2014	Not Exercisable <a>
2014								
P George	2,100,000	–	–	–	–	–	2,100,000	2,100,000
J Nichols	1,187,500	558,824	–	–	–	–	1,746,324	1,746,324
G Stephenson	1,915,625	698,529	–	(275,000)	–	–	2,339,154	2,339,154
P Trainor <d>	–	95,875	–	–	–	–	95,875	95,875
Total	5,203,125	1,353,228	–	(275,000)	–	–	6,281,353	6,281,353

Table 10. Rights holdings key management personnel (excluding Non-Executive Directors)

<a> No rights are exercisable at 30 June 2015 (2014: nil).
<b> Granted 1/10/11
<c> Granted 1/10/10
<d> Appointed Managing Director of PMP (NZ) Limited on 04/03/14.

2014	Balance 1 July 2014	On Exercise of Rights	Purchases	Sales	Other	Balance 30 June 2015
Directors						
M Bickford-Smith	200,000	–	–	–	–	200,000
P George	591,623	–	–	–	299,033 <a>	890,656
A Cheong	–	–	–	–	–	–
P Margin	49,900	–	–	–	–	49,900
N Sparks	–	–	–	–	–	–
Total	841,523	–	–	–	299,033	1,140,556
Executives						
J Nichols	–	–	–	–	–	–
G Stephenson	50,000	–	–	–	–	50,000
P Trainor	–	–	–	–	–	–
Total	50,000	–	–	–	–	50,000

Table 11. Shareholdings of key management personnel

<a> Short term incentive 2013/2014. 33.3% of Mr P George's STI is a fixed dollar value which is required to be converted to shares. 299,033 shares were purchased by the company on market in the current financial year.

7.8 Non-Executive Director Remuneration

The remuneration of Non-Executive Directors is determined by the full Board, within a maximum amount approved by shareholders in a general meeting and with regard to the level of fees paid to Non-Executive Directors by other companies of similar size.

The maximum allowance for the aggregate amount of fees has remained unchanged since 2004 at $750,000 per annum. In the last financial year, the Board paid $498,445 of this amount for Non-Executive Directors' remuneration - as shown in Table 12.

Non-Executive Directors are not entitled to retirement benefits other than statutory superannuation or other statutory required benefits. Director fees (excluding superannuation) are comprised as follows:

Chairman of the Board	$170,550
Non-Executive Director	$75,000
Chair of Audit and Risk Management Committee	$20,000
Member of Audit and Risk Management Committee	$12,000
Chair of Appointments and Compensation Committee	$13,000
Member of Appointments and Compensation Committee	$8,000
Statutory superannuation	9.5%

There is no element of Non-Executive Director salaries contingent on performance.

7.9 Performance assessment

The Chairman continuously evaluates Board and Director performance directly with each director. The Directors considered and reviewed the Board procedures at the February Board meeting

7.10 Retirement benefits

Non-Executive Directors receive cash remuneration plus statutory superannuation contributions only.

			Salary & Fees	Non Monetary Benefits	Post Employment Superannuation	STI	Equity Rights <d>	Grand Total
			$	$	$	$	$	$
Total Remuneration: Non-Executive Directors								
M Bickford-Smith (Board Chair)		2015	195,550	–	18,579	–	–	214,129
		2014	195,550	–	18,088	–	–	213,638
A Cheong		2015	87,000	–	–	–	–	87,000
	<a>	2014	28,655	–	–	–	–	28,655
Goh S N	<b>	2014	58,345	–	3,342	–	–	61,687
P Margin		2015	95,000	–	9,026	–	–	104,026
		2014	95,000	–	8,788	–	–	103,788
N Sparks		2015	83,000	–	7,883	–	–	90,883
		2014	83,000	–	7,678	–	–	90,678
Total		2015	460,550	–	35,488	–	–	496,038
		2014	460,550	–	37,895	–	–	498,445
Total Remuneration: Executive Directors								
P George (CEO)	<c>	2015	547,945	69,196	52,055	360,000	76,200	1,105,396
		2014	549,199	–	50,801	421,000	79,200	1,100,200
Total		2015	547,945	69,196	52,055	360,000	76,200	1,105,396
		2014	549,199	–	50,801	421,000	79,200	1,100,200
Total Remuneration: Directors								
- Directors		2015	1,008,495	69,196	87,543	360,000	76,200	1,601,434
		2014	1,009,749	–	88,696	421,000	79,200	1,598,645

Table 12. Specified Director remuneration

<a> Appointed Non-Executive Director of the Board on 04/03/14. Payments made for Directorship services provided by A Cheong are made to Fraser & Neave (Singapore) Pte Ltd.

<b> Retired as Non-Executive Director of the Board on 04/03/14. Payments made for Directorship services provided from 01/07/13 to 02/10/13 by Goh S N of $22,218 were made to Fraser & Neave (Singapore) Pte Ltd and payments for Directorship services from 03/10/13 to 04/03/14 of $36,127 were made to Goh S N.

<c> P George salary includes non monetary benefits of $69,196 for accomodation as disclosed in Section 7.6.

<d> Equity rights calculated as per Table 7.

This report has been made in accordance with a resolution of Directors.

Matthew Bickford-Smith

Chairman

Peter George

Chief Executive Officer and Managing Director

Sydney, 25 August 2015

Deloitte.

Deloitte Touche Tohmatsu
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The Board of Directors
PMP Limited
Level 12
67 Albert Avenue
Chatswood NSW 2067

25 August 2015

Dear Directors,

PMP Limited

In accordance with section 307C of the Corporations Act 2001, I am pleased to provide the following declaration of independence to the directors of PMP Limited.

As lead audit partner for the audit of the financial statements of PMP Limited for the financial year ended 30 June 2015, I declare that to the best of my knowledge and belief, there have been no contraventions of:

(i) the auditor independence requirements of the Corporations Act 2001 in relation to the audit; and

(ii) any applicable code of professional conduct in relation to the audit.

Yours sincerely

Deloitte Touche Tohmatsu

DELOITTE TOUCHE TOHMATSU

T Hynes
Partner

CFO Review

Geoff Stephenson

B.Bus CPA GAICD

Chief Financial Officer

The CFO of PMP, is responsible for all finance and support functions in the Company, leading a corporate team covering financial accounting and management reporting, treasury, taxation and investor relations.

Mr Stephenson has over 30 years of experience with a range of blue chip companies including Iplex Pipelines, Fairfax Media and Goodman Fielder. He has held a range of senior commercial and financial roles at both a divisional and head office level working in Australia and also offshore.

Operating Sales Revenue

Operating sales revenue for FY15 was $811.7 million, a 9.7% or $87.5 million decrease on the prior year with PMP Australia sales down $47.6 million while Gordon & Gotch sales in Australia and New Zealand fell by $38 million, a decrease of 11.3%. Sales at PMP Australia (which incorporates the former Print Australia, Digital, Distribution and book printing businesses fell by $47.6 million or 10.8% with the main factors being a print customer buying their own paper 4%, run off at Directories where volumes were down 42% and not pursuing low margin print contracts. Griffin Press book printing revenues were 13% higher versus prior year. Sales at PMP New Zealand at $150.9 million were 6.2% or $10 million lower with a 2% increase in heatset volumes offset by lower print sell prices. Sheetfed sales rose by 3%.

Earnings Before Interest and Tax (EBIT)

The full-year EBIT (before significant items) at $26.4 million, was down 8.6% or $2.5 million on the prior year EBIT of $28.8 million, as higher profits at PMP New Zealand and further transformation savings were offset by lower print and distribution revenues and $0.8 million higher lease rental. Improved EBIT (before significant items) at PMP Zealand up 11.9% with higher sheetfed profits, a 2% rise in heatset volumes and further cost reductions partially offset by lower print sell prices and distribution volumes, down 4%. PMP Australia EBIT (before significant items) at $18.1 million was down $2.8 million as lower volumes in heatset print and distribution were mostly offset by transformation savings, general cost controls and lower depreciation. Gordon & Gotch EBIT (before significant items) at $3.0 million, was slightly down on last year after a 10% sales reduction which was largely recouped by additional operational savings.

Net Profit After Tax (NPAT)

A net profit of $8.0 million was recorded for FY15 which was $4.6 million higher than the $3.4 million profit in the previous year. The major factor was a $4.3 million reduction in significant items versus FY14, and earnings before tax pre significant items up $0.3 million. EBIT (before significant items) was $2.5 million lower and interest expense reduced by $2.8 million. Significant items of $4.1 million post tax in FY15 consisted mainly of redundancies across all of the businesses and an onerous lease settlement partially offset by the gain on the final sale/leaseback i.e. the Christchurch property.

Cash Flow

The Group's free cash flow* was $35.5 million compared to $44.0 million in FY14 as lower interest payments (down $3.4 million) was offset by lower EBITDA (down $5.3 million and $6.0 million higher working capital mainly due to Gordon and Gotch (as revenues decline, periodically the Gordon and Gotch negative working capital balances reduce). Cash from operations at $33.2 million was $2.4 million lower year on year. Net debt fell from $51.7 million to $16.3 million down 68%.

Balance Sheet

At year end, net assets for the group were $272.0 million, up $7.2 million from $264.8 million in the previous year. The Group's gearing remains strong, with net debt to EBITDA (before significant items) at 0.3 times down from 0.8 times last year, and Net Debt to Equity at 6.0% versus 19.5%. Interest cover was up 6.5 versus 5.1 times. During the year, the final property was sold for $8.4 million and leased back. The maturity date on the $15 million ANZ working capital facility is March 2016.

Capital Management

In preparation for capital management, various subsidiaries paid dividends from current and prior year profits to PMP Limited and a dividend reserve account has been established in PMP Limited (the parent entity of the Group) from which future dividends will be paid. At 30 June 2015, this account had a balance of $50.1 million.

The unsecured bond allows distributions by way of dividends, share buybacks and/or capital returns up to 50% of net profit after tax excluding significant items. In fiscal 2015, the company recorded Net Profit After Tax excluding significant items of $12.1 million and as such is able to distribute up to $6.05M.

In June 2015, the company commenced the evaluation of the existing bond with a view to securing lower cost funds and greater flexibility in capital management distributions. This process is currently underway.

The company has declared a dividend of 1.8 cents per share, 50% franked which equates to $5.8 million. It will be paid on 6th October 2015 with a record date of 21 September 2015.

* Free cash flow is defined as EBITDA ** pre significant items, less cash payments for borrowing costs, income tax and capex, and movement in working capital.

** EBITDA is defined as earnings before interest, tax, depreciation and amortisation.

Highlights

$M	2015	2014	% Change
EBITDA (before significant items)	**58.1**	63.4	(8.4%)
Depreciation & Amortisation	**(31.7)**	(34.6)	8.2%
EBIT (before significant items)	**26.4**	28.8	(8.6%)
Financing Costs *	**(8.8)**	(11.6)	24.3%
Income Tax (expense) (before significant items)	**(5.5)**	(5.4)	(0.8%)
Net Profit (before significant items)	**12.1**	11.8	2.7%
Significant items	**(6.0)**	(9.1)	34.3%
Income Tax benefit on significant items	**1.9**	0.7	155.8%
Net profit after income tax	**8.0**	3.4	134.7%

* 2015 excludes Significant Item for the year ended 30 June 2015 of $35,000 (2014: $443,000)

Cash Flow

$M	2015	2014
EBITDA (before significant items)	**58.1**	63.4
Borrowing costs	**(8.1)**	(11.5)
Income tax refunds	**0.0**	0.3
Net movement in working capital	**(9.1)**	(3.0)
Trading cash flow	**41.0**	49.2
Significant items	**(7.8)**	(13.7)
Cash flow from operating activities	**33.2**	35.5
Asset sales	**8.4**	10.7
Capital expenditure	**(5.5)**	(5.2)
Net cash flow	**36.1**	41.1
(Loss) on New Zealand debt revaluation	**(0.7)**	(3.7)
Reconciliation to net debt movement	**35.4**	37.4
Free cash flow	**35.5**	44.0

Segment Revenue

$M	2015	2014	VARIANCE
Sales Revenue			
PMP Australia	**392.3**	439.9	(10.8%)
PMP New Zealand	**150.9**	160.9	(6.2%)
Gordon and Gotch	**268.5**	298.4	(10.0%)
Corporate	**–**	–	–
Total	**811.7**	899.2	(9.7%)

Balance Sheet

Year ended 30 June

$M	2015	2014
Current assets	**206.6**	202.4
Non-current assets	**264.9**	300.2
Total assets	**471.6**	502.7
Current liabilities	**127.6**	163.9
Non-current liabilities	**71.9**	73.9
Total liabilities	**199.5**	237.9
Net assets	**272.0**	264.8

Segment EBIT before significant items

$M	2015	2014	VARIANCE
EBIT (before significant items)			
PMP Australia	**18.1**	20.9	(13.6%)
PMP New Zealand	**11.1**	9.9	11.9%
Gordon and Gotch	**3.0**	3.4	(12.6%)
Corporate	**(5.9)**	(5.5)	(6.8%)
Total	**26.4**	28.8	(8.6%)

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

for the year ended 30 June 2015

YEAR ENDED 30 JUNE 2015	NOTES	PMP Group 2015 $'000	PMP Group 2014 $'000
Continuing operations			
Sales revenue	2(a), 21	**811,682**	899,218
Other revenue	2(a), 21	**8,156**	9,178
Raw materials and consumables used		**(204,526)**	(233,733)
Cost of finished goods sold		**(251,661)**	(285,190)
Employee expenses		**(228,406)**	(244,549)
Outside production services		**(14,968)**	(23,359)
Freight		**(16,396)**	(17,526)
Repairs and maintenance		**(16,233)**	(14,990)
Occupancy costs		**(21,260)**	(18,092)
Other expenses		**(14,227)**	(16,197)
Depreciation and amortisation	2(e), 21	**(31,747)**	(34,592)
Finance costs	3	**(8,838)**	(12,077)
Profit before income tax	2(c)	**11,576**	8,091
Income tax expense:			
Current tax expense in respect of the current period		**(2,467)**	(567)
Deferred tax expense relating to the current period		**(1,124)**	(4,122)
Total tax expense	4	**(3,591)**	(4,689)
Net profit after income tax		**7,985**	3,402
Other comprehensive income/(expense)			
Items that will not be reclassified subsequently to profit or loss:			
Defined benefit plan actuarial gains/(losses)	22	**(125)**	443
Income tax relating to items that will not be reclassified subsequently		**38**	(133)
		(87)	310
Items that may be reclassified subsequently to profit or loss:			
Exchange differences arising on translation of foreign operations		**(3,419)**	6,150
Gain/(loss) on cash flow hedges taken to equity		**2,971**	(6,068)
Income tax relating to items that may be reclassified subsequently		**(871)**	1,782
		(1,319)	1,864
Other comprehensive income/(expense) for the period (net of tax)		**(1,406)**	2,174
Total comprehensive profit for the year		**6,579**	5,576
Basic earnings per share (cents)	25	**2.5**	1.1
Diluted earnings per share (cents)	25	**2.5**	1.1
Weighted average number of ordinary shares outstanding during the period used in the calculation of basic earnings per share ('000)	25	**323,781**	323,781

The above statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes.

YEAR ENDED 30 JUNE 2015	NOTES	PMP Group 2015 $'000	2014 $'000
Current assets			
Cash and cash equivalents	26(b)	**49,529**	28,745
Receivables	5	**78,833**	85,125
Inventories	6	**69,769**	75,048
Financial assets	15	**1,878**	–
Other	7	**6,602**	9,359
		206,611	198,277
Non-current assets classified as held for sale	8	**—**	4,136
Total current assets		**206,611**	202,413
Non-current assets			
Property, plant and equipment	9	**178,857**	207,393
Deferred tax assets	11	**52,793**	58,197
Goodwill and intangible assets	10	**26,842**	28,415
Financial assets	15	**2,360**	2,610
Other	7	**4,093**	3,626
Total non-current assets		**264,945**	300,241
Total assets		**471,556**	502,654
Current liabilities			
Payables	12	**105,999**	120,825
Interest bearing liabilities - financial institutions	13(a)	**2,887**	15,017
Income tax payable		**13**	20
Financial liabilities	15	**150**	2,961
Provisions	14	**18,558**	25,112
Total current liabilities		**127,607**	163,935
Non-current liabilities			
Interest bearing liabilities - financial institutions	13(b)	**65,878**	68,708
Deferred tax liabilities	11	**1,845**	2,535
Financial liabilities	15	**—**	144
Provisions	14	**4,197**	2,539
Total non-current liabilities		**71,920**	73,926
Total liabilities		**199,527**	237,861
Net assets		**272,029**	264,793
Equity			
Contributed equity	16	**356,035**	356,035
Reserves	18	**8,596**	9,456
Accumulated losses		**(92,602)**	(100,698)
Total equity		**272,029**	264,793

The above statement of financial position should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF CASH FLOWS

for the year ended 30 June 2015

		PMP Group	
YEAR ENDED 30 JUNE 2015	NOTES	2015 $'000	2014 $'000
Cash flows from operating activities			
Receipts from customers		**907,387**	1,008,230
Payments to suppliers and employees		**(866,476)**	(961,277)
Interest rate swap close out costs	3	**(190)**	(443)
Interest received		**500**	253
Interest and other costs of finance paid		**(8,074)**	(11,499)
Income tax received		**12**	280
Net cash flow from operating activities	26(a)	**33,159**	35,544
Cash flows from investing activities			
Payments for property, plant and equipment		**(5,414)**	(4,765)
Proceeds from sale of property, plant and equipment		**8,399**	10,187
Payments for development costs and licences		**(78)**	(443)
Proceeds from sale of business		**–**	537
Net cash flow used in investing activities		**2,907**	5,516
Cash flows from financing activities			
Proceeds from borrowings		**–**	50,000
Repayments of borrowings		**(15,056)**	(84,140)
Payment of finance lease liabilities		**(18)**	(51)
Net cash flow used in financing activities		**(15,074)**	(34,191)
Net increase in cash and cash equivalents		**20,992**	6,869
Cash and cash equivalents at the beginning of the financial year		**28,745**	21,211
Effects of exchange rate changes on cash and cash equivalents		**(208)**	665
Cash and cash equivalents at end of the financial year	26(b)	**49,529**	28,745

The above statement of cash flows should be read in conjunction with the accompanying notes.

for the year ended 30 June 2015

	PMP Group ($'000)					
YEAR ENDED 30 JUNE 2015	Contributed equity	Accumulated losses	Foreign currency translation reserve	Share-based payment reserve	Cash flow hedge reserve	Total equity
	Attributable to equity holders of PMP Limited					
At 1 July 2013	356,035	(104,853)	3,887	1,120	2,427	258,616
Currency translation differences	–	–	6,150	–	–	6,150
Cash flow hedges (net of tax)	–	–	–	–	(4,286)	(4,286)
Defined benefit plan (net of tax)	–	310	–	–	–	310
Total (expense)/income recognised directly in equity	–	310	6,150	–	(4,286)	2,174
Profit for the year	–	3,402	–	–	–	3,402
Total comprehensive (expense)/income for the year	–	3,712	6,150	–	(4,286)	5,576
Share-based payments	–	443	–	158	–	601
At 30 June 2014	356,035	(100,698)	10,037	1,278	(1,859)	264,793
At 1 July 2014	356,035	(100,698)	10,037	1,278	(1,859)	264,793
Currency translation differences	–	–	(3,419)	–	–	(3,419)
Cash flow hedges (net of tax)	–	–	–	–	2,100	2,100
Defined benefit plan (net of tax)	–	(87)	–	–	–	(87)
Total income/(expense) recognised directly in equity	–	(87)	(3,419)	–	2,100	(1,406)
Profit for the year	–	7,985	–	–	–	7,985
Total comprehensive (expense)/income for the year	–	7,898	(3,419)	–	2,100	6,579
Share-based payments	–	198	–	459	–	657
At 30 June 2015	**356,035**	**(92,602)**	**6,618**	**1,737**	**241**	**272,029**

A dividend reserve has been created in the parent entity (in accordance with a resolution of directors) of $50 million (2014: nil) by declaring dividends from the subsidiaries to utilise the retained earnings held within those subsidiaries. This dividend reserve is used to accumulate distributable profits, preserving the characteristics of profit by not appropriating against prior year accumulated losses.

The above statement of changes in equity should be read in conjunction with the accompanying notes.

Financial Index

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

BASIS OF PREPARATION

The financial report is a general-purpose financial report, which has been been prepared in accordance with the requirements of the Corporations Act 2001, Accounting Standards and Interpretations, and complies with other mandatory professional reporting requirements.

The financial report comprises the financial statements of the consolidated entity (PMP Group) consisting of PMP Limited (parent) and its controlled entities. For the purposes of preparing the consolidated financial statements, PMP Limited is a for-profit entity.

Historical cost convention

The financial statements have been prepared in accordance with the historical cost convention, except for the revaluation of derivative financial instruments and non-current assets classified as held for sale that have been measured at fair value, and fair value less costs to sell respectively. Cost is based on the fair values of the consideration given in exchange for assets.

STATEMENT OF COMPLIANCE

Compliance with IFRS

The financial statements comply with Australian Accounting Standards, which include Australian Equivalents to International Financial Reporting Standards ('AIFRS'). Compliance with AIFRS ensures that the financial statements, comprising the financial statements and notes, thereto comply with International Financial Reporting Standards ('IFRS'). The financial statements were authorised for issue by the directors on 25 August 2015.

ADOPTION OF NEW AND REVISED ACCOUNTING STANDARDS

In the current year, PMP Group has adopted all of the new and revised Standards and Interpretations issued by the Australian Accounting Standards Board (AASB) that are relevant to its operations and effective for the year ended 30 June 2015.

CHANGES IN ACCOUNTING POLICIES

AASB 2 Share-based Payments:

Change the definitions of 'vesting condition' and 'market condition', and add definitions for 'performance condition' and 'service condition' which were previously included within the definition of 'vesting condition', for share-based payment transactions where the grant date is on or after 1 July 2014.

AASB 8 Operating Segments:

Disclose the judgements made by management in applying the aggregation criteria to operating segments, including a description of the operating segments aggregated and the economic indicators assessed in determining whether the operating segments have 'similar economic characteristics'.

Clarifies that a reconciliation of the reportable segments' assets to the entity's assets should only be provided if the segment assets are regularly provided to the chief operating decision-maker.

AASB 13 Fair Value Measurements:

Clarifies that short-term receivables and payables can still be measured without discounting if the effect of the discounting is immaterial. The scope of the portfolio, except for measuring the fair value of a group of financial assets and financial liabilities on a net basis, includes all contracts within the scope of AASB 139 or AASB 9, even if those contracts do not meet the definitions of financial assets or financial liabilities within AASB 132.

AASB 124 Related Party Disclosures:

Clarify that a management entity providing key management personnel services to a reporting entity is a related party. Amounts incurred for such services should be disclosed as a related party transaction. However, disclosure of the components of such compensation is not required.

There has been no material change in accounting for the financial year ended 30 June 2015 as a result of applying these standards.

Standards and interpretations issued not yet adopted

AASB 9 Financial Instruments:

Introduced new requirements for the classification and measurement of financial assets including impairment requirements for financial assets and limited amendments to the classification and measurement requirements by introducing a 'fair value through other comprehensive income' (FVTOCI) measurement category for certain simple debt instruments. The types of instruments that qualify for hedging instruments and the types of risk components of non-financial items that are eligible for hedge accounting has been broadened. Also, the effectiveness test has been replaced with the principle of an 'economic relationship'. Retrospective assessment of hedge effectiveness is no longer required and enhanced disclosure requirements about an entity's risk management activities have also been introduced. The standard is not applicable until 1 January 2018 but is available for early adoption. The Group has not yet assessed its impact and has not yet decided when to adopt AASB 9.

AASB 15 Revenue from contracts with customers:

Establishes a single comprehensive model for entities to use in accounting for revenue arising from contracts with customers and will supersede the current revenue recognition guidance when it becomes effective in January 2018. The core principle of AASB 15 is that an entity should recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services.

Specifically, the Standard introduces a 5-step approach to revenue recognition as follows:

Step 1:	Identify the contract(s) with a customer
Step 2:	Identify the separate performance obligations in the contract
Step 3:	Determine the transaction price
Step 4:	Allocate the transaction price to the separate performance obligations in the contract
Step 5:	Recognise revenue when (or as) the entity satisfies each performance obligation.

The Group has not yet assessed its impact and has not yet decided when to adopt AASB 15.

At the date of authorisation of the financial statements, the Standards and Interpretations listed below were in issue but not yet effective.

Standard/Interpretation	Effective for annual reporting periods beginning on or after	Expected to be initially applied in the financial year ending
AASB 2015-2 Amendments to Australian Accounting Standards	1 January 2016	30 June 2017
Disclosure Initiative: Amendments to AASB 101		

At the date of publication, there have been no IASB Standards or IFRIC Interpretations that are issued but not yet effective.

BASIS OF CONSOLIDATION

Subsidiaries

The consolidated financial statements are those of the economic entity (PMP Group) comprising PMP Limited (the head entity 'PMP') and its subsidiaries.

The consolidated financial statements include the information contained in the financial statements of PMP and each of its subsidiaries as from the date PMP obtains control until such time as control ceases. Control is achieved when PMP Limited:

- Has power over the investee;
- Is expected, or has rights to variable returns from its involvement with the investee; and
- Has the ability to use its power to affect its returns

The financial statements of controlled entities are prepared for the same reporting period as PMP using consistent accounting policies.

All intercompany balances, transactions, and unrealised profits arising on transactions between Group companies have been eliminated in full.

RECOVERABLE AMOUNT OF ASSETS

At each reporting date, the PMP Group assesses whether there is any indication that an asset may be impaired. Where an indicator of impairment exists, the PMP Group makes a formal estimate of recoverable amount. Where the carrying amount of an asset exceeds its recoverable amount the asset is considered impaired and is written down to its recoverable amount.

Recoverable amount is the greater of fair value less costs to sell and value in use. It is determined for an individual asset, unless it does not generate inflows that are largely independent of those from other assets or groups of assets, in which case, the recoverable amount is determined for the cash generating unit to which the asset belongs.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that approximates the weighted average cost of capital for that cash generating unit.

The assumptions used in the assessment of recoverable amount are discussed in Note 10.

FOREIGN CURRENCIES

Both the functional and presentation currency of PMP Limited and its Australian subsidiaries is Australian dollars. The functional currencies of the overseas operations equates to their local currency.

Transactions in foreign currencies are converted to functional currency at the rate of exchange ruling at the date of the transaction.

Monetary amounts payable to and by the entities within the PMP Group that are outstanding at the balance date and are denominated in foreign currencies have been converted to functional currency using rates of exchange at the end of the year.

Non-monetary amounts that are measured at historical cost in a foreign currency are translated using the exchange rate as at the date of the initial transaction.

The assets and liabilities of the controlled entities incorporated overseas are translated into the PMP Group presentation currency at the rates of exchange ruling at balance date. The Statements of profit or loss and other comprehensive income are translated at an average rate for the year.

Exchange differences arising on translation are taken directly to the foreign currency translation reserve.

On the disposal of a foreign operation, a proportionate share of the amount recognised in the foreign currency translation reserve relating to that particular foreign operation is recognised in the Consolidated statement of profit or loss and other comprehensive income, as part of the gain or loss on sale.

CASH AND CASH EQUIVALENTS

For the purposes of the cash flow statement, cash includes cash on hand and in banks. Cash on hand and in banks is stated at nominal amount.

TRADE RECEIVABLES

Trade debtors are recognised and carried at original invoice amount less a provision for any uncollectible debts. An estimate for doubtful debts is made when collection of the full amount is no longer probable. Bad debts are written-off as incurred.

Receivables from related parties are recognised and carried at the nominal amount due less provision for amounts not receivable.

INVENTORIES

Inventories are valued at the lower of cost and net realisable value.

Costs incurred in bringing each product to its present location and condition are accounted for as follows:

- Raw materials: cost is determined by the average cost method; and
- Finished goods and work-in-progress: cost of direct material and labour and an appropriate proportion of fixed and variable manufacturing overheads based on normal operating capacity.

PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment is stated at cost less accumulated depreciation and any impairment in value. Subsequent costs are included either in the assets carrying value or as a separate asset only when it is probable that future economic benefits will flow to the Group and the cost can be reliably measured.

Depreciation

Property, plant and equipment, excluding freehold land, is depreciated or amortised at rates based upon their expected useful lives using the straight line method. Major depreciation periods are consistent with the prior period and are as follows:

Freehold buildings	40 years
Leasehold improvements	to the lease term
Printing presses	7.5 to 20 years
Computer equipment	3 to 4 years

Useful lives are reviewed, and adjusted, if appropriate at each reporting date.

NON-CURRENT ASSETS (OR DISPOSAL GROUPS) HELD FOR SALE

Non-current assets (or disposal groups) are classified as held for sale if their carrying value will be recovered principally through a sale transaction rather than through continuing use. They are measured at the lower of their carrying amount and fair value less costs to sell. An impairment loss is recognised for any initial or subsequent write-down of the asset. Non-current assets classified as held for sale are not depreciated while they are classified as held for sale.

Where subsequently the decision has been made not to sell an asset classified as held for sale, the asset is valued at the lower of its carrying amount before it was classified as held for sale, adjusted for depreciation that would have been recognised had the asset not been classified held for sale, and its recoverable amount.

PAYABLES

Liabilities for trade creditors and other amounts are carried at cost which is the fair value of the consideration to be paid in the future for goods and services received, whether or not billed to the consolidated entity.

Payables to related parties are carried at the principal amount.

LEASES

Finance leases, which transfer to the Group substantially all the risks and benefits incidental to ownership of the leased item, are capitalised at the lower of present value of the minimum lease payments or the fair value of the leased property, disclosed as leased property, plant and equipment, and amortised over the shorter of the lease term and useful life of the asset.

The cost of improvements to leasehold property related to these finance leases is capitalised and amortised over the unexpired period of the lease or the estimated useful lives of the improvements, whichever is the shorter.

Operating leases, which do not transfer to the Group substantially all the risks and benefits of the leased item, are not capitalised and rental payments are included in the determination of the profit and loss in equal instalments over the lease term.

In the event that lease incentives are received to enter into operating leases, such incentives are initially recorded as a liability and are then recognised as a reduction in rental expense on a straight line basis over the lease term.

INTANGIBLE ASSETS

Goodwill

Goodwill represents the excess of the purchase consideration over the fair value of identifiable net assets and contingent liabilities acquired at the date of acquisition of a business.

Following initial recognition, goodwill is measured at cost less any accumulated impairment losses. Goodwill is not amortised, but is reviewed for impairment each reporting date, or more frequently if events or changes indicate that the carrying amount may be impaired.

At the date of any acquisition, goodwill acquired is allocated to the cash generating unit or groups of cash generating units expected to benefit from the acquisition.

Where the recoverable amount of the cash generating unit is less than the carrying amount of goodwill, an impairment loss is recognised.

Where goodwill forms part of a cash generating unit and part of the operation within that unit is disposed of, the goodwill associated with the operation disposed of is included within the carrying amount of the operation when determining the gain or loss on disposal of the operation as discussed in Note 10.

Development and licence costs

Costs incurred in acquiring products or systems that will generate future benefits are capitalised.

Amortisation is charged on a straight-line basis, the expense is taken to the Statement of profit or loss and other comprehensive income through the 'amortisation' line item as follows:

Database development costs	3 years
Software development costs	3 - 7 years

Useful lives are examined on an annual basis and adjustments, where applicable, are made on a prospective basis.

REVENUE RECOGNITION

Revenues are recognised at the fair value of consideration received or receivable net of the amount of goods and services tax (GST).

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the entity and the revenue can be reliably measured. Revenue is recognised net of returns, discounts and allowances.

When rendering services under contract and both the contract outcome can be reliably measured and control of the right to be compensated for the services and the stage of completion can be reliably measured, revenue is recognised on a progressive basis as the costs to complete the service contract are performed.

Dividend revenue is recognised when the Group's right to receive payment is established.

Rental income is recognised as income in the periods in which it is earnt.

TAXES

Income tax

The income tax expense or benefit for the year is the tax payable on the current year's taxable income based on the notional income tax rate for each jurisdiction, adjusted by changes in deferred tax assets and liabilities attributable to temporary differences between the tax bases of assets and liabilities and their carrying amounts in the financial statements, and unused tax losses.

Deferred tax assets and liabilities are recognised for temporary differences at the rates expected to apply when the assets are recovered or liabilities are settled, based on the tax rates for each jurisdiction. The relevant tax rates are applied to the cumulative amounts of deductible and taxable temporary differences to measure the deferred tax asset or liability.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

TAX CONSOLIDATION LEGISLATION

PMP Limited and its wholly-owned Australian controlled entities have implemented tax consolidation legislation.

The head entity, PMP Limited, and the controlled entities in the tax consolidated group account for their own current and deferred amounts. These are measured as if each entity continued to be a stand alone taxpayer in its own right.

In addition to its own current and deferred tax amounts, PMP Limited also recognises the current tax liabilities (or assets) and the deferred tax assets rising from unused tax losses and unused tax credits assumed from controlled entities in the tax consolidated group. Assets or liabilities arising are accounted for in accordance with the tax funding agreement, details of which are disclosed in Note 4.

PMP's 100% owned subsidiaries operating in New Zealand also adopt the same approach, with PMP (NZ) Limited heading up the consolidated tax group in New Zealand.

Goods and services tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST except where: - the GST incurred on purchase of goods and services is not recoverable from the taxation authority, in which case, the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item applicable; and - receivables and payables are stated with the GST amount included.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the balance sheet.

Cash flows are included in the cash flow statement on a gross basis and the GST component of cash flows arising from investing and financing activities, which is recoverable from, or payable to, the taxation authority are classified as operating cash flows.

EMPLOYEE BENEFITS

Wages and salaries, annual leave, sick leave, workers' compensation and long service leave

Provision has been made in the financial statements for benefits accruing to employees in relation to sick leave (where mandatory obligation exists), annual leave, long service leave and workers' compensation. All on-costs, including superannuation, payroll tax, workers' compensation premiums and fringe benefits tax are included in the determination of provisions.

Liabilities arising in respect of wages and salaries, sick leave and any other employee benefits expected to be settled within twelve months of the reporting date are measured at their nominal amounts based on remuneration rates which are expected to be paid when the liability is settled. All other employee benefit liabilities are measured at the present value of the estimated future cash outflow to be made in respect of services provided by employees up to the reporting date. In determining the present value of future cash outflows, the market yield as at the reporting date on corporate bonds, which have terms to maturity approximating the terms of the related liability, are used.

Employee benefit expenses and revenues arise in respect of the following categories: - wages and salaries, non-monetary benefits, annual leave, long service leave, sick leave and other leave benefits; and - other types of employee benefits are recognised against profits on a net basis in respective categories.

Superannuation

The PMP Group has a defined benefit fund that provides defined benefits based on years of membership and final average salary and accumulation benefits (defined contribution fund). Employees contribute to the plan at various percentages of their wages and salaries.

An asset or liability in respect of the defined benefit fund is recognised in the balance sheet, and is measured as the present value of the defined benefit obligation plus unrecognised actuarial gains/losses less the fair value of the superannuation fund's assets at that date and any unrecognised past service cost. The present value of the defined benefit fund has been determined using the projected unit credit actuarial valuation method. Various assumptions are required when determining the Group's benefit obligation.

Contributions to the defined contribution fund are recognised as an expense as they become payable.

Share-based payment transactions

Share-based payment transactions are provided to employees via the PMP employee long term incentive plan and the CEO short term incentives plan (STIs). Information relating to these schemes is set out in Note 23.

The fair value of rights is recognised as an employee benefit expense with a corresponding increase in equity. The fair value is measured at grant date and recognised over the period during which the employees become unconditionally entitled to the rights. The fair value is determined by an external valuer taking into account the terms and conditions upon which the instruments were granted as discussed in Note 23.

The fair value of the rights excludes the impact of any non-market based vesting conditions. Non-market based vesting conditions are included in assumptions about the number of rights that are expected to ultimately vest. At each balance sheet date, the PMP Group revises its estimate of the number of rights that are expected to become exercisable. The employee benefit expense recognised each period takes into account the most recent estimate.

No expense is recognised for rights that do not ultimately vest, except for rights where vesting is conditional upon a market condition.

INTEREST BEARING LIABILITIES

All loans are measured at the principal amount, being the fair value of the consideration received net of issue costs associated with the borrowing.

After initial recognition, loans are subsequently measured at amortised cost using the effective interest method. Amortised cost is calculated by taking into account any issue costs, and any discount or premium on settlement.

FINANCE COSTS

Interest costs on funds invested in qualifying assets are recorded as a capitalised cost of the project until commercial production commences. Thereafter, the capitalised interest is amortised over the period that the benefits are expected to be received. Other finance costs are expensed.

PROVISIONS

Provisions are recognised when the PMP Group has a legal, equitable or constructive obligation to make a future sacrifice of economic benefits to other entities as a result of past transactions or other past events, it is probable that a future sacrifice of economic benefits will be required and a reliable estimate can be made of the amount of the obligation.

If the effect of the time value of money 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, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

FINANCIAL INSTRUMENTS

The PMP Group uses derivative financial instruments such as forward exchange contracts, interest rate swaps and cross currency swaps to hedge its risks associated with interest rate and foreign currency fluctuations. Derivative financial instruments are initially recognised at cost on the date a derivative contract is entered into and are subsequently re-measured to their fair value.

The fair value of forward exchange contracts is calculated by reference to current forward contracts with similar maturity profiles. The fair value of interest rate swap and cross currency swap contracts are determined by reference to market values for similar instruments.

The method of recognising the resulting gain or loss depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the hedge relationship. The PMP Group policy is to undertake hedging in respect of certain recognised assets or liabilities or a firm commitment (fair value hedge relationships); and for highly probable forecast sales or purchases (cash flow hedge relationships).

The PMP Group documents at the inception of the transaction the relationship between hedging instruments and hedged items, as well as its risk management objective and strategy for undertaking various hedge transactions. The PMP Group also documents its assessment, both at hedge inception and on an ongoing basis, of whether the derivatives that are used in the hedging relationship have been and will continue to be highly effective in offsetting changes in fair values and cash flows of hedged items.

(i) Fair value hedge

Changes in fair value of derivatives that are designated and qualify as fair value hedges are recorded in the statement of profit or loss and other comprehensive income, together with any changes in the fair value of the hedged asset or liability that are attributable to the hedged risk.

(ii) Cash flow hedge

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognised in equity in the hedging reserve. The gain or loss relating to the ineffective portion is recognised immediately in the Statement of profit or loss and other comprehensive income.

Amounts accumulated in equity are recycled in the Statement of profit or loss and other comprehensive income in the periods when the hedged item will affect the profit and loss. However, when the forecast purchase or sale transaction that is hedged results in the recognition of a non-financial asset, the gains and losses previously deferred in equity are transferred from equity and included as a basis adjustment to the initial cost or carrying amount of the asset.

Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated or exercised, or no longer qualifies for hedge accounting. At that point in time, any cumulative gain or loss on the hedging instrument recognised in equity is kept in equity until the forecasted transaction occurs. If a hedged transaction is no longer expected to occur, the net cumulative gain or loss recognised in equity is transferred to net profit or loss for the year.

(iii) Derivatives that do not qualify for hedge accounting

Certain derivatives do not qualify for hedge accounting. Changes in the fair value of any derivative instrument that does not qualify for hedge accounting are recognised immediately in the Statement of profit or loss and other comprehensive income.

DIVIDENDS

Provision is made for the amount of any dividend declared, being properly authorised and no longer at the discretion of the entity, on or prior to the financial year end but not distributed at balance date.

DIVIDENDS (DISTRIBUTIONS)

In preparation for capital management, various subsidiaries paid dividends from current and prior year profits to PMP Limited and a dividend reserve account has been established in PMP Limited (the parent entity of the Group) from which future dividends will be paid. At 30 June 2015, this account had a balance of $50.1 million. Going forward, annual profits from subsidiaries will be paid to PMP Limited to be transferred to the dividend reserve for future dividends.

The unsecured bond enables distributions by way of dividends, share buybacks and/or capital returns. We are constrained by the terms of the Bond to only pay out 50% of Net Profits After Tax, excluding significant items. Based on our Net Profits After Tax, excluding significant items for the year ended 30 June 2015 of $12.1 million the Directors have declared a partially franked (50%) dividend of 1.8 cents per share (which equates to $5.8 million), to be paid on 6 October 2015.

No liability is recognised in the 2015 financial statements as this dividend was declared after 30 June 2015. However, the accumulated profits of PMP Limited of $50 million for the year ended 30 June 2015 were resolved by the Directors to be transferred to a dividend reserve, to be utilised for future franked and unfranked dividends. Please refer to the Consolidated Statement of Changes in Equity in the Notes to the Annual Report, referring to the transfer of current year profits to the dividend reserve and Note 30 Parent for further details.

SEGMENT REPORTING

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker is responsible for allocating resources and assessing performance of the operating segments. Segment information is presented on the same basis as that used for internal reporting purposes.

CRITICAL ACCOUNTING ESTIMATES, ASSUMPTIONS AND JUDGEMENTS

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

In particular, information about significant areas of estimation uncertainty and critical judgements in applying accounting policies that have the most significant effect on the amount recognised in the financial statements are described in the following notes:

Note 10 - Impairment testing of goodwill

Note 11 - Deferred tax

Note 27 - Financial instruments

(i) Goodwill, intangible assets, property, plant and equipment

The Group determines whether goodwill is impaired on a bi-annual basis and assesses impairment of all other assets at each reporting date by evaluating conditions specific to the Group and to the particular asset that may lead to impairment. These include technology, economic and political environments. If an impairment trigger exists the recoverable amount of the asset is determined. Recoverable amount is the greater of fair value less costs of disposal and value in use. It is determined for an individual asset, unless it does not generate inflows that are largely independent of those from other assets or group of assets, in which case, the recoverable amount is determined for the cash generating unit to which the asset belongs. An estimation of recoverable amount of cash generating units is made by using a value in use model or fair value less costs of disposal. A number of assumptions are made by the Group in this estimation of recoverable amount.

In assessing value in use, the estimated future cash flows, excluding future uncommitted restructurings and associated benefits, are discounted to their present value using a pre-tax discount rate that approximates the weighted average cost of capital for that cash generating unit.

In assessing fair value less costs of disposal, primary consideration is given to external sources of value such as comparable transactions adjusted for costs of disposal, market price in an actively traded market or the best information available to reflect the amount to be obtained from disposal. In the absence of comparable transactions, fair value has been assessed using a discounted cash flow methodology. This is supported by EBITDA multiples which serve as an external cross check. PMP believe that this provides the best indication of the recoverable amount to be obtained from disposal of the cash generating unit at arms length between knowledgeable and willing parties.

(ii) Deferred tax assets

Deferred tax assets are recognised for all unused tax losses to the extent that it is probable that future taxable profits will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax asset that can be recognised, based on the likely timing and level of future taxable profits.

Tax losses in Australia have reduced from $2.6 million in 2014 to $0.5 million for the year to 30 June 2015 due to reduced transformation costs. The Directors considered it prudent to not recognise $16.3 million of tax losses (equating to the $13.2 million 2013, $2.6 million 2014 and forecast $0.5 million 2015 Australian tax losses). Despite the non-recognition of these losses on the balance sheet, the losses will remain available indefinitely for offset against future taxable profits, subject to continuing to meet the statutory tax tests of continuity of ownership or failing that, the same business test.

The Directors believe the Australian deferred tax asset value of $34.8 million, attributable to tax losses, is supportable given the level of redundancy costs incurred in the previous years are not expected to reoccur and PMP is forecasting future tax profits from the 2016 financial year onwards, making it probable that the tax losses will be recouped over a period of 6 to 7 years versus 7 to 8 years at June 2014. This position will be reassessed on an ongoing basis.

The New Zealand deferred tax asset value of $5.5 million, attributable to tax losses (which were partly recouped this year), are expected to be fully recouped over a period of 3 to 4 years.

(iii) Fair value measurement and valuation process

PMP has financial instruments that are carried at fair value in the statement of financial position. The best evidence of fair value is quoted prices in an active market. If the market for a financial instrument is not active, PMP determines fair value by using various valuation models. The objective of using a valuation technique is to establish the price that would be received to sell an asset or paid to transfer a liability between market participants. The chosen valuation models make maximum use of market inputs and relies as little as possible on entity specific inputs.

The fair values of all positions include assumptions made on the recoverability based on the counterparty's and PMP's credit risk.

Details of the inputs to the fair value of financial instruments are included in note 27.

COMPARATIVE AMOUNTS

Where necessary, comparatives have been reclassified and repositioned for consistency with current year disclosures.

YEAR ENDED 30 JUNE 2015	NOTES	PMP Group 2015 $'000	PMP Group 2014 $'000
2a Revenue			
Sales revenue		**811,682**	899,218
Included in profit/loss before income tax are the following items of other revenue:			
Other income - external		**2,086**	2,968
Rental income		**1,931**	1,647
Net gain on disposal of property	2(b), 2(c)	**3,650**	3,979
Net gain/(loss) on disposal of plant and equipment	2(c)	**(11)**	319
Interest income	3	**500**	265
Total other revenue		**8,156**	9,178
Total revenue	21	**819,838**	908,396
2b Significant items			
Included in net profit/loss after income tax are the following significant items of income and expense:			
Significant income and expenses			
Gain on disposal of property*	2(a)	**(3,650)**	(3,979)
Net gain on disposal of plant and equipment and non-current assets classified as held for sale		**(13)**	(420)
Restructure initiatives and other one off costs		**9,018**	13,052
Impairment of plant and equipment due to restructure initiatives	2(c), 9(b)	**583**	–
Finance cost interest rate swap unwind	3	**35**	–
Write off of prepaid finance costs	3	**–**	443
Total significant items (included in profit/loss before interest and tax)		**5,973**	9,096
Tax benefit associated with significant items		**2,342**	2,969
Tax losses not brought to account		**(472)**	(2,649)
Use of capital gains tax losses not previously recognised		**–**	411
Tax benefit included in net profit/loss after tax		**1,870**	731
Significant items have been included in the Statement of profit or loss and other comprehensive income within the following categories:			
Other revenue		**(3,663)**	(4,399)
Employee expenses		**5,654**	10,751
Repairs and maintenance		**956**	111
Occupancy costs		**2,013**	763
Other expenses		**978**	1,427
Finance costs		**35**	443
		5,973	9,096

* Gain on disposal of property is related to sale and lease-back transactions.

YEAR ENDED 30 JUNE 2015	NOTES	PMP Group 2015 $'000	PMP Group 2014 $'000
2c Profit before income tax			
Profit before income tax is arrived at after charging/(crediting) the following items:			
Lease rental expenses - operating leases		**21,511**	20,997
Net foreign exchange gain		**(33)**	(175)
Share-based payment plans	18	**799**	801
Net gain on disposal of property, plant and equipment	2(a)	**(3,639)**	(4,298)
Impairment of plant and equipment	2(b)	**583**	–
Bad debt provision movement	5a	**(114)**	1,593
		2015 $	**2014 $**
2d Auditors' remuneration			
Auditor of the parent entity			
Auditing the accounts		**273,000**	299,330
Other services			
- Taxation and related advisory services		**66,000**	72,275
- Consulting services		**–**	–
		339,000	371,605
Network firm of the parent entity auditor			
Auditing the accounts		**97,736**	101,484
Other services			
- Taxation and related advisory services		**76,125**	73,916
		173,861	175,400
		2015 $'000	**2014 $'000**
2e Depreciation and amortisation			
Depreciation			
Freehold buildings	9(a)	**–**	27
Leasehold improvements	9(a)	**955**	949
Plant and equipment	9(a)	**29,998**	32,928
Leased plant and equipment	9(a)	**15**	44
Total depreciation		**30,968**	33,948
Amortisation			
Development and licence costs	10(a)	**779**	644
Total amortisation		**779**	644
Total depreciation and amortisation		**31,747**	34,592
3 Finance costs			
Interest expense			
Bank loans and overdraft		**8,969**	12,378
Unwind of discount on long term provisions		**12**	11
Finance lease charges		**1**	5
Total interest expense		**8,982**	12,394
Write off of prepaid finance costs	2(b)	**–**	443
(Gain) on interest rate swaps - unrealised		**(179)**	(757)
(Gain) on swaps closed out - realised	2(b)	**(155)**	(446)
Interest rate swap close out costs	2(b)	**190**	443
Total finance costs		**8,838**	12,077
Interest income	2(a)	**(500)**	(265)
Net finance costs		**8,338**	11,812

YEAR ENDED 30 JUNE 2015	PMP Group 2015 $'000	PMP Group 2014 $'000
4 Income tax		
(a) Reconciliation of income tax expense		
Profit before income tax	**11,576**	8,091
Prima facie income tax expense thereon at 30% (2014: 30%)	**3,473**	2,427
Tax effect of timing and other differences:		
Non assessable income	**(714)**	(800)
Capital gains tax losses not previously recognised	**–**	(411)
Effect of differences in overseas tax rate	**(240)**	(119)
Income tax (over)/under provided in previous year	**(140)**	(147)
Non deductible items for tax purposes	**740**	1,090
Benefit of tax losses not brought to account	**472**	2,649
Income tax expense attributable to profit	**3,591**	4,689
Major component of income tax expense:		
Current tax expense	**2,467**	567
Deferred tax expense	**1,124**	4,122
Income tax expense attributable to profit	**3,591**	4,689
(b) Deferred tax assets and deferred tax liabilities		
At 30 June 2015 there is no recognised or unrecognised deferred tax liability for taxes that would be payable on the unremitted earnings of PMP's wholly owned subsidiaries, as the PMP Group has no liability for additional taxation should such amounts be remitted (2014: $nil).		
(c) Franking credits		
The amount of franking credits available are:		
Franking account balance as at the end of the financial year at 30% (2014: 30%)	**1,256**	1,280
Franking debits that will arise from the dividends declared subsequent to balance date but not recognised as a distribution to equity holders during the period	**(1,256)**	–
Franking account balance	**–**	1,280

(d) Tax consolidation and tax effect accounting by members of the tax consolidated group

Effective 1 July 2003, for the purposes of income taxation, PMP Limited and its 100% owned Australian subsidiaries formed a tax consolidated group. Members of the group have entered into a tax sharing agreement in order to allocate income tax expense to the wholly owned subsidiaries on a pro-rata basis. The agreement also provides for the allocation of income tax liabilities between the entities should the head entity default on its obligations. At the balance date the possibility of default is remote. The head entity of the tax consolidation group is PMP Limited.

Members of the Australian tax consolidated group have also entered into a tax funding agreement. The tax funding agreement provides for the allocation of current tax assets and liabilities between wholly owned group members. Each group member of the PMP tax group calculates its current year tax liability on the basis of the stand alone approach. Once each member has calculated its own current year tax liability/tax loss the head entity will then assume these current year tax liabilities/tax losses and be paid/pay compensation for this assumption by way of an intercompany receivable/payable. Allocations under the tax funding agreement are made on a yearly basis.

All 100% owned PMP entities operating in New Zealand are members of the PMP (NZ) Limited tax consolidated group. Although there is no NZ tax funding agreement, PMP (NZ) Limited and its group members have also calculated their current year tax liabilities/tax losses, and PMP (NZ) Limited is paid/pays compensation for this assumption by way of an intercompany receivable/payable on a yearly basis, in the same manner as the Australian tax funding agreement operates.

	$000 Gross	$000 Tax effected
(e) Tax losses not brought to account		
Revenue losses	**54,423**	16,327
Capital losses	**284,088**	85,226

The benefit of these revenue losses has not been brought to account as realisation is not probable within 6 -7 years, refer to Note 11 for details. In addition, capital losses are only able to be used against capital gains and so are not recognised until used in any tax year.

YEAR ENDED 30 JUNE 2015	NOTES	PMP Group 2015 $'000	PMP Group 2014 $'000
5 Receivables			
Trade debtors*		**79,226**	86,236
Provision for doubtful debts	5(a)	**(1,458)**	(2,573)
Net trade debtors		**77,768**	83,663
Other debtors		**1,065**	1,462
Total current receivables		**78,833**	85,125

*: Trade debtors are non-interest bearing and are on commercial terms.
There were no material unhedged foreign currency receivables.

(a) Impaired trade receivables

PMP Group:

At 30 June 2015 a provision for doubtful debts of $1,458,000 (2014: $2,573,000) has been recognised. This relates to a variety of customers who are in unexpectedly difficult economic situations.

Movements in the provision for doubtful debts are as follows:

	NOTES	2015 $'000	2014 $'000
Balance as at 1 July		**2,573**	1,579
Provision for doubtful debts recognised	2(c)	**413**	2,153
Amounts written off		**(1,001)**	(599)
Amounts recovered	2(c)	**(50)**	(183)
Unused amount reversed	2(c)	**(463)**	(440)
Net foreign currency translation difference	2(c)	**(14)**	63
Balance at 30 June		**1,458**	2,573

In determining the recoverability of trade receivables the Group will consider any change in the credit quality of the receivable from the date credit was originally granted up to the reporting date. The creation and release of the provision for impaired receivables has been included in "other expenses" in the statement of profit or loss and other comprehensive income. Amounts due are generally written off when there is no expectation of recovering additional cash.

(b) Past due but not impaired

At 30 June 2015 there were $9,950,000 (2014: $8,247,000) of trade receivables in the PMP Group past due but not impaired.

The aging analysis of these trade receivables is as follows:

	2015 $'000	2014 $'000
Past due 1 - 30 days	**8,291**	5,345
Past due 31 - 60 days	**1,416**	2,858
Past due 61 - 90 days	**209**	31
Past due greater than 90 days	**34**	13
	9,950	8,247

There are no receivables that have had renegotiated terms that would otherwise, without that renegotiation, have been past due or impaired.

(c) Other debtors

Other debtors generally arise from transactions outside of usual operating activities of the Group. Other debtors does not contain impaired assets and are not past due. Collateral is not usually obtained.

YEAR ENDED 30 JUNE 2015	NOTES	PMP Group 2015 $'000	PMP Group 2014 $'000
6 Inventories			
Raw materials, spare parts and stores at cost		**38,623**	43,797
Less: provision for diminution		**(1,870)**	(1,577)
Net raw materials, spare parts and stores		**36,753**	42,220
Finished goods at cost		**30,677**	29,251
Work in progress at cost		**2,339**	3,577
Total current inventories		**69,769**	75,048
7 Other assets			
Current other assets			
Prepayments		**6,602**	9,359
Total current other assets		**6,602**	9,359
Non-current other assets			
Shares in other entities - unlisted at cost		**280**	280
Write-down to realisable value		**(40)**	(40)
Pension asset	22(a)	**1,811**	1,374
Other assets		**2,042**	2,012
Total non-current other assets		**4,093**	3,626
8 Non-current assets classified as held for sale			
Plant and equipment	8(a)	**–**	4,136
Total non-current assets classified as held for sale		**–**	4,136
(a) Reconciliation			
Carrying amount at beginning of year		**4,136**	7,952
Disposal of assets no longer classified as held for sale		**(4,136)**	(3,816)
Carrying amount at end of year		**–**	4,136

YEAR ENDED 30 JUNE 2015	NOTES	PMP Group 2015 $'000	PMP Group 2014 $'000
9 Property, plant and equipment			
Freehold buildings			
At cost		**–**	160
Accumulated depreciation		**–**	(160)
Net freehold buildings	9(a)	**–**	–
Leasehold improvements			
At cost		**12,035**	11,597
Accumulated amortisation		**(5,596)**	(3,313)
Impairment		**(446)**	(1,970)
Net leasehold improvements	9(a)	**5,993**	6,314
Plant and equipment			
At cost		**634,089**	635,086
Accumulated depreciation		**(434,497)**	(405,855)
Impairment		**(26,728)**	(28,167)
Net plant and equipment	9(a)	**172,864**	201,064
Leased plant and equipment			
At cost		**354**	338
Accumulated depreciation		**(354)**	(323)
Net leased plant and equipment	9(a)	**–**	15
Total net property, plant and equipment	9(a)	**178,857**	207,393

YEAR ENDED 30 JUNE 2015	NOTES	PMP Group 2015 $'000	PMP Group 2014 $'000
9 Property, plant and equipment (continued)			
(a) Reconciliations			
Reconciliations of the carrying amounts for each class of property, plant and equipment are set out below:			
Freehold buildings			
Carrying amount at beginning of year		**–**	27
Depreciation	2(e)	**–**	(27)
Carrying amount at end of year		**–**	–
Leasehold improvements			
Carrying amount at beginning of year		**6,314**	6,113
Additions		**819**	3
Disposals		**(5)**	(100)
Transfer from other fixed asset category		**–**	751
Depreciation	2(e)	**(955)**	(949)
Net foreign currency translation difference		**(180)**	496
Carrying amount at end of year		**5,993**	6,314
Plant and equipment			
Carrying amount at beginning of year		**201,064**	227,226
Additions		**4,505**	4,762
Disposals		**(922)**	(993)
Impairment charge	9(b)	**(583)**	–
Transfer from/(to) other fixed asset category		**–**	(751)
Depreciation	2(e)	**(29,998)**	(32,928)
Expensed to the profit and loss		**(66)**	(163)
Net foreign currency translation difference		**(1,136)**	3,911
Carrying amount at end of year		**172,864**	201,064
Leased plant and equipment			
Carrying amount at beginning of year		**15**	59
Depreciation	2(e)	**(15)**	(44)
Carrying amount at end of year		**–**	15
Total net property, plant and equipment		**178,857**	207,393
(b) Impairment charge		**583**	–
Other impairments to plant and equipment		**583**	–

The $0.6 million of impairment in the 2015 financial year, related to the write down of individual items of plant and equipment in PMP Australia.

YEAR ENDED 30 JUNE 2015	NOTES	PMP Group 2015 $'000	PMP Group 2014 $'000
10 Goodwill and intangible assets			
Development and licence costs			
At cost		**4,819**	4,741
Accumulated amortisation		**(3,060)**	(2,281)
Closing net book amount	10(a)	**1,759**	2,460
Goodwill (indefinite useful life)			
At cost		**98,760**	98,760
Impairment		**(75,224)**	(75,224)
Net foreign currency translation difference		**1,547**	2,419
Closing net book amount	10(a)	**25,083**	25,955
Total net intangibles	10(a)	**26,842**	28,415
(a) Reconciliations			
Development and licence costs			
Carrying amount at beginning of year		**2,460**	2,661
Additions		**78**	443
Amortisation	2(e)	**(779)**	(644)
Carrying amount at end of year		**1,759**	2,460
Goodwill (indefinite useful life)			
Carrying amount at beginning of year		**25,955**	23,880
Net foreign currency translation difference		**(872)**	2,075
Carrying amount at end of year	10(b)	**25,083**	25,955
Total net intangibles		**26,842**	28,415

YEAR ENDED 30 JUNE 2015	NOTES	PMP Group 2015 $'000	PMP Group 2014 $'000
10 Goodwill and intangibles (continued)			
(b) Impairment testing of goodwill			
Carrying amount of goodwill allocated to each cash generating unit:			
PMP Australia		**–**	–
Griffin Press printing - Australia		**5,015**	5,015
Maxum and heat set web printing - New Zealand*		**18,115**	18,904
Distribution - New Zealand		**1,953**	2,038
Total goodwill	10(a)	**25,083**	25,957

*: The goodwill associated with the acquisitions of the Cebury Group and Saxon Print is tested for impairment by combining the cash generating units of heat set web printing-New Zealand and Maxum (formerly Cebury Group and Saxon Print) as these units together represent the lowest level that goodwill is monitored for internal management purposes.

In accordance with PMP policy, impairment testing has been undertaken at 30 June 2015 for all cash generating units ('CGUs') with indefinite life intangible assets or where there is an indication of impairment. The testing has been conducted using the higher of a value in use model and a fair value less costs of disposal model.

Fair value less costs of disposal

The recoverable amount of the cash generating units, PMP Australia, Griffin Press, Maxum and heat-set web printing – New Zealand, is determined based on a fair value less costs of disposal calculation. In the absence of comparable transactions, fair value has been assessed using a discounted cash flow methodology with cross checks performed to external indicators, such as EBITDA multiples. This represents a level 3 model in line with the fair value hierarchy in accordance with AASB13. PMP believe that this methodology provides the best indication of the price that would be received to sell the business in an orderly transaction between market participants at balance sheet date.

In assessing fair value less costs of disposal, the estimated post tax future cash flows, including future uncommitted restructurings and associated benefits, are discounted using a post tax rate. The key assumptions used in the calculation are disclosed in the table on the following page.

The Directors estimate that if EBITDA reflected in the model were to decrease up to 10% for the respective CGUs, the impact is as follows:

PMP Australia

Not expected to cause the aggregate recoverable amount of the cash generating unit to fall below the carrying value.

Griffin Press – Australia

Not expected to cause the aggregate recoverable amount of the cash generating unit to fall below the carrying value.

Maxum and heat-set web printing – New Zealand

It could result in the aggregate carrying value of the cash generating unit exceeding the recoverable amount of the cash generating unit by up to $5 million.

Value in use

The recoverable amount of the cash generating units, Gordon & Gotch and Distribution – New Zealand is determined based on a value in use calculation. In assessing value in use, the estimated future cash flows, excluding future uncommitted restructurings and associated benefits, are discounted to their present value using a pre-tax discount rate. The key assumptions used are disclosed in the table on the following page.

The Directors believe that sensitivity analyses performed indicate that if a change in EBITDA reflected in the models were to decrease by up to 10% for the respective CGUs, there will be no impairment.

10 Goodwill and intangibles (continued)

(b) Impairment testing of goodwill (continued)

Key assumptions:

Management judgement is required in assessing whether the carrying value of assets can be supported by the net present value of future cash flows. The following are the key estimates and assumptions used in determining the net present value of future cash flows using a value in use calculation and fair value less costs of disposal calculation:

Area of judgement	Assumption used in value in use calculation - Distribution New Zealand, Gordon & Gotch
Budgeted EBITDA	The Group prepares three year plans which are internally approved by senior management. These plans form the basis of the five year discounted cash flow models used for impairment testing. Budgeted EBITDA is calculated as operating profit before depreciation and amortisation, based upon past experience and future outlook. Adjustments are made to budgeted EBITDA as follows: - removal of benefits from future uncommitted restructuring - inclusion of working capital movements
Long term growth rate	Management's plan is used for the first three years of the Group's value in use calculations. An annual growth rate of 0% for years four and five has been applied. The rate applied is based on management's assessment of the specific circumstances of that business. An annual growth rate of 0% has been applied.
Budgeted capital expenditure	The cash flow forecasts for capital expenditure are based on past experience and include the ongoing capital expenditure required to maintain current fixed asset levels after taking into account budgeted repairs and maintenance.
Pre-tax discount rate	The pre-tax discount rate applied to the cash flows of each of the Group's cash generating units in Australia and New Zealand is 14.0% (2014: 14.0%). The pre tax discount rate is approximated by applying a gross up formula to the calculated post tax rate. The discount rate is based on the risk free rate for ten year government bonds adjusted for a risk premium to reflect the increased risk of investing in equities ("equity market risk premium") and the systematic risk adjustment ("beta") to reflect the risk of the Company relative to the market as a whole.

Area of judgement	Assumption used in fair value less costs of disposal calculation - PMP Australia, Griffin Press and Maxum and heat set web printing New Zealand
Budgeted EBITDA	The Group prepares three year plans which are internally approved by senior management. These plans form the basis of the five year discounted cash flow models used for impairment testing, and are based upon past experience and future outlook. Post tax cash flows used. Notional tax of 30% in Australia and 28% in New Zealand applied. Cash flows include working capital movements as well as future uncommitted restructurings and benefits associated with those future restructurings. Includes costs to sell cash outflow of 1.5%. An annual growth rate of 0% has been applied.
Post-tax discount rate	The post-tax discount rate applied to the cash flows was 11.0% (2014: 11% plus an additional risk premium of 1% for PMP Australia).

YEAR ENDED 30 JUNE 2015	NOTES	PMP Group 2015 $'000	PMP Group 2014 $'000
11 Deferred tax			
Deferred tax assets			
Temporary differences:			
- Provisions/accruals		**12,008**	13,946
- Other liabilities		**458**	–
- Cash flow hedges		**–**	777
Tax losses		**40,327**	43,474
Total deferred tax assets		**52,793**	58,197
Deferred tax liabilities			
Temporary differences:			
- Property, plant and equipment		**–**	892
- Other assets		**1,751**	1,643
- Cash flow hedges		**94**	–
Total deferred tax liabilities		**1,845**	2,535

(a) Movements in deferred tax assets	Provisions/ Accruals $000	Property, Plant andEquipment $000	Cash flow hedges $000	Tax losses $000	Total $000
At 1 July 2013	16,025	–	–	46,049	62,074
- to profit or loss	(2,276)	–	–	–	(2,276)
- to other comprehensive income	–	–	1,819	–	1,819
- foreign currency translation reserve	197	–	(37)	951	1,111
Adjustment for reallocation of opening balance	–	–	(1,005)	–	(1,005)
Loss carry back	–	–	–	(300)	(300)
Adjustment of prior year losses				(2,161)	(2,161)
Utilisation of tax losses	–	–	–	(1,065)	(1,065)
At 30 June 2014	13,946	–	777	43,474	58,197
(Charged)/credited					
- to profit or loss	**(1,873)**	**1,277**	**–**	**90**	**(506)**
- to other comprehensive income	**–**	**–**	**–**	**–**	**–**
- foreign currency translation reserve	**(65)**	**–**	**(9)**	**(356)**	**(430)**
Adjustment for reallocation of opening balance	**–**	**(819)**	**(768)**	**–**	**(1,587)**
Adjustment of prior year losses	**–**	**–**	**–**	**(220)**	**(220)**
Utilisation of tax losses	**–**	**–**	**–**	**(2,661)**	**(2,661)**
At 30 June 2015	**12,008**	**458**	**–**	**40,327**	**52,793**

Movements in deferred tax liabilities	Property, Plant and Equipment $000	Cash flow hedges $000	Other Assets $000	Total $000
At 1 July 2013	(1,636)	(1,005)	(1,427)	(4,068)
(Charged)/credited				
- to profit or loss	886	–	(83)	803
- to other comprehensive income	–	–	(133)	(133)
- foreign currency translation reserve	(142)	–	–	(142)
Adjustment for reallocation of opening balance	–	1,005	–	1,005
At 30 June 2014	(892)	–	(1,643)	(2,535)
(Charged)/credited				
- to profit or loss	**–**	**–**	**(146)**	**(146)**
- to other comprehensive income	**–**	**(862)**	**38**	**(824)**
- foreign currency translation reserve	**73**	**–**	**–**	**73**
Adjustment for reallocation of opening balance	**819**	**768**	**–**	**1,587**
At 30 June 2015	**–**	**(94)**	**(1,751)**	**(1,845)**

11 Deferred tax (continued)

(b) Deferred tax losses

Tax losses in Australia have reduced from $2.6 million in 2014 to $0.5 million for the year to 30 Jun 2015 due to reduced transformation costs. The Directors considered it prudent to not recognise $16.3 million of tax losses (equating to the $13.2 million 2013, $2.6 million 2014 and forecast $0.5 million 2015 Australian tax losses). Despite the non-recognition of these losses on the balance sheet, the losses will remain available indefinitely for offset against future taxable profits, subject to continuing to meet the statutory tax tests of continuity of ownership or failing that, the same business test.

The Directors believe the Australian deferred tax asset value of $34.8 million, attributable to tax losses, is supportable given the level of redundancy costs incurred in the previous years are not expected to reoccur and PMP is forecasting future tax profits from the 2016 financial year onwards, making it probable that the tax losses will be recouped over a period of 6 to 7 years versus 7 to 8 years at June 2014. This position will be reassessed on an ongoing basis.

The New Zealand deferred tax asset value of $5.5 million, attributable to tax losses (which were partly recouped this year), are expected to be fully recouped over a period of 3 to 4 years.

			PMP Group	
YEAR ENDED 30 JUNE 2015			2015 $'000	2014 $'000
12 Payables				
Current payables				
Creditors - unsecured				
Trade creditors and accruals*			**104,914**	119,604
Interest payable			**1,085**	1,221
Total current payables			**105,999**	120,825

* Trade creditors are non-interest bearing, and are on normal commercial terms.

13 Interest bearing liabilities				
(a) Current interest bearing liabilities - financial institutions				
Secured				
Bank loans - repayable in:	New Zealand dollars		**–**	12,120
Bank loans - repayable in:	Euros *		**2,887**	2,878
Finance lease liabilities (secured over the leased assets)		19(b)	**–**	19
Total current interest bearing liabilities - financial institutions			**2,887**	15,017
(b) Non-current interest bearing liabilities - financial institutions				
Secured				
Bank loans - repayable in:	Euros *		**15,878**	18,708
Unsecured				
Corporate bond			**50,000**	50,000
Total non-current interest bearing liabilities - financial institutions			**65,878**	68,708

* Represents Euro denominated loan of 12.9 million (2014: 14.9 million) measured at the exchange rate prevailing at balance date.

YEAR ENDED 30 JUNE 2015	Facility $'000s	Drawn $'000s	Available $'000s
13 Interest bearing liabilities (continued)			
(c) Interest bearing liabilities - facility details			
Facility details:			
2015			
Secured			
Overdraft facility	**14,467**	**–**	**14,467**
Revolving facility	**533**	**–**	**533**
Export finance facility *	**18,765**	**18,765**	**–**
Unsecured			
Corporate Bond	**50,000**	**50,000**	**–**
Total facilities	**83,765**	**68,765**	**15,000**
2014			
Secured			
Overdraft facility	14,662	–	14,662
Revolving facility	27,929	12,120	15,809
Export finance facility *	21,586	21,586	–
Unsecured			
Corporate Bond	50,000	50,000	–
Total facilities	114,177	83,706	30,471

* Represents the loan measured at the exchange rate prevailing at balance date

(d) Terms and conditions

PMP entered into a fully secured multi-currency $35 million loan agreement in Nov 2014 replacing the previous $210 million amortizing facility. This new facility is split between an Overdraft and a Revolving facility. As at 30 June 2015, this combined facility has amortized to a $15 million facility. This facility has a maturity date of 31 March 2016. The lender is ANZ Banking Group. Security pledged involves a first ranking fixed and floating charge over the assets of PMP, including the subsidiaries in Australia and New Zealand. This facility is subject to a number of financial covenants, including the PMP Group being measured against a maximum Debt/EBITDA ratio and a minimum Fixed Charge Ratio. The facility is also subject to the warranties and conditions of the agreement during the term of it including a change of control clause.

PMP entered into a Euro 17 million export financing loan agreement in February 2013, secured against an offset rotary press. As at 30 June 2015, this loan was fully drawn and after amortisation payments had a balance of Euro 12.9 million. This facility has a maturity date of 30 September 2021 with semi-annual amortisations. The lender is Commerzbank AG.

PMP issued an unsecured $50 million corporate bond on 23 October 2013. The bond has a fixed coupon of 8.75% per annum and a four year term. It is subject to a number of financial covenants, including the PMP Group being measured against a maximum Secured Debt/EBITDA ratio and a minimum EBITDA/Interest ratio. Capital Management restrictions also apply which limits payouts to 50% of NPAT excluding significant items.

Notes 27(b)&(c) specifies interest rate details relating to the PMP Group borrowing facilities and other interest rate and liquidity risk exposure.

(e) Net debt

PMP has taken out a cross currency swap to exchange the Euro 12.9 million (2014: Euro 14.9 million) export financing loan's principal and floating Euro interest payments for an equally valued AUD loan and AUD interest payments. This loan has formed part of the overall PMP Group debt that is hedged to fixed rates. For the purposes of calculating PMP's net debt, the hedged fixed rate Australian obligation of the Euro loan of $15.9 million (2014: $18.3 million) has been used.

YEAR ENDED 30 JUNE 2015	NOTES	PMP Group 2015 $'000	PMP Group 2014 $'000
Cash		**(49,529)**	(28,745)
Corporate Bond	repayable in Australian dollars	**50,000**	50,000
Bank loans	repayable in New Zealand dollars	**–**	12,120
Bank loans	repayable in Euros - measured at the exchange rate prevailing at balance date	**18,765**	21,586
Cross currency swap revaluation	adjusted to measure the loan at the hedged fixed rate of the Australian obligation	**(2,897)**	(3,276)
Finance lease liabilities		**–**	18
Net debt		**16,339**	51,703

YEAR ENDED 30 JUNE 2015	NOTES	PMP Group 2015 $'000	PMP Group 2014 $'000
14 Provisions			
(a) Current provisions			
Employee entitlements		**17,498**	17,283
Other		**1,060**	7,829
Total current provisions		**18,558**	25,112
Non-current provisions			
Employee entitlements		**1,617**	1,744
Other		**2,580**	795
Total non-current provisions		**4,197**	2,539
Total provisions		**22,755**	27,651

(b) Movements in provisions

Movements in each class of provision during the financial year, other than employee benefits, are set out below:

	Restructure $000	Make good $000	Onerous leases & contracts $000	Lease Incentive $000	Other $000	Total $000
Current						
Carrying amount at start of year	337	192	3,408	2,969	923	7,829
Charged/(credited) to profit or loss						
- additional provisions recognised	-	-	148	106	1,333	1,587
- unused amounts reversed	(55)	(150)	(233)	-	(806)	(1,244)
Amounts used during the period	(267)	(42)	(3,212)	(2,489)	(1,102)	(7,112)
Carrying amount at end of year	15	-	111	586	348	1,060
Non-Current						
Carrying amount at start of year		357	4	346	88	795
Charged/(credited) to profit or loss						
- additional provisions recognised		969	90	1,553		2,612
- unused amounts reversed		-	-	(170)	(88)	(258)
Amounts used during the period		(210)	(80)	(279)	-	(569)
Carrying amount at end of year		1,116	14	1,450	-	2,580

YEAR ENDED 30 JUNE 2015	NOTES	PMP Group 2015 $'000	PMP Group 2014 $'000
15 Financial assets and financial liabilities - derivatives			
Current financial assets			
Forward currency contracts	27(d)(v)	**1,815**	-
Cross currency swaps	27(b)(iii)	**63**	-
Total current financial assets		**1,878**	-
Non-current financial assets			
Forward currency contracts	27(d)(v)	**-**	6
Cross currency swaps	27(b)(iii)	**2,360**	2,604
Total non-current financial assets		**2,360**	2,610
Total financial assets		**4,238**	2,610
Current financial liabilities			
Forward currency contracts	27(d)(v)	**28**	2,669
Interest rate swaps	27(b)(ii)	**122**	262
Cross currency swaps	27(b)(iii)	**-**	30
Total current financial liabilities		**150**	2,961
Non-current financial liabilities			
Interest rate swaps	27(b)(ii)	**-**	144
Total non-current financial liabilities		**-**	144
Total financial liabilities		**150**	3,105

All derivatives designated as effective hedging instruments are carried at fair value apart from interest rate swaps which are carried at fair value through profit or loss.

YEAR ENDED 30 JUNE 2015	Number 2015 $'000	Number 2014 $'000	NOTES	PMP Group 2015 $'000	PMP Group 2014 $'000
16 Contributed equity					
Issued and paid up capital					
Movements in ordinary share capital:					
Balance as at 1 July - ordinary shares	**323,781**	323,781		**356,035**	356,035
Balance at 30 June - ordinary shares	**323,781**	323,781		**356,035**	356,035

Ordinary shares have no par value. Fully paid ordinary shares carry one vote per share and carry the right to dividends.

YEAR ENDED 30 JUNE 2015	NOTES	PMP Group 2015 $'000	PMP Group 2014 $'000
17 Dividends			
Final dividend			
No dividends were declared or paid for the year ended 30 June 2015 (2014: Nil)		**–**	–
Total dividends declared		**–**	–
18 Reserves			
Foreign currency translation reserve			
Opening balance		**10,037**	3,887
Movement in reserve relating to:			
- Exchange fluctuation on translation of overseas controlled entities		**(3,419)**	6,150
Total foreign currency translation reserve		**6,618**	10,037
Share-based payment reserve			
Opening balance		**1,278**	1,120
Movement in reserve relating to:			
- Share-based payment expense	2(c)	**799**	801
- Transfer to retained earnings		**(198)**	(443)
- Purchase of shares		**(142)**	(200)
Total share-based payment reserve		**1,737**	1,278
Cash flow hedge reserve			
Opening balance		**(1,859)**	2,427
Movement in reserve relating to:			
- Cash flow hedge		**2,971**	(6,068)
- Tax effect of cash flow hedge net (gain)/loss		**(871)**	1,782
Total cash flow hedge reserve		**241**	(1,859)
Total reserves		**8,596**	9,456

YEAR ENDED 30 JUNE 2015	NOTES	PMP Group 2015 $'000	PMP Group 2014 $'000
19 Commitments			
The following commitments are not reflected in the balance sheet and are payable as follows:			
(a) Capital expenditure (i):			
- not later than one year		**855**	546
- later than one year but not later than five years		**–**	38
Total capital expenditure		**855**	584
(b) Finance lease rentals - Group as lessee (ii):			
- not later than one year		**–**	19
- later than one year but not later than five years		**–**	–
Total finance lease rentals		**–**	19
Reconciled to:			
Current finance lease liability	13(a)	**–**	19
Finance lease liability		**–**	19
(c) Operating lease rentals - Group as lessee (iii)/(v):			
- not later than one year		**17,777**	20,414
- later than one year but not later than five years		**65,618**	61,073
- later than five years		**45,190**	53,009
Total operating lease rentals		**128,585**	134,496
(d) Operating lease rentals - Group as lessor (iv):			
- not later than one year		**(1,225)**	(1,953)
- later than one year but not later than five years		**(233)**	(779)
Total operating lease rentals		**(1,458)**	(2,732)
Total net commitments for expenditure		**127,982**	132,367

(i) At 30 June 2015 and 30 June 2014 the Group capital expenditure commitments relate to the acquisition of new plant and equipment.

(ii) The Group no longer has finance leases for various items of plant and machinery. The weighted average interest rate impact in the leases was 10.67% in 2014.

(iii) Operating leases are entered into in the normal course for land and buildings, motor vehicles, computer equipment and plant and machinery. Rental payments are generally fixed, however some agreements contain inflation escalation clauses. No operating leases contain restrictions on financing or other leasing activities.

(iv) Operating leases are entered into to sub-lease surplus office space. Rentals include fixed and inflation escalation clauses.

(v) The company has a number of bank guarantees in place that support various property leases in the name of either PMP Limited or its subsidiaries. As at 30 June 2015 the value of bank guarantees was $16.8 million. The company has not issued any guarantees for properties where it is not the lessee.

YEAR ENDED 30 JUNE 2015	Country of Incorporation	NOTES	Interest held 2015 %	Interest held 2014 %
20 Controlled entities (c)				
Pacific Publications Holdings Pty Limited	Australia	(a)	**100**	100
Attic Futura Pty Limited	Australia	(a)	**100**	100
Pacific O'Brien Publications Pty Limited	Australia	(a)	**100**	100
Total Sampling Pty Limited	Australia	(a)	**100**	100
PMP Publishing Pty Limited	Australia	(a)	**100**	100
PMP Print Pty Limited	Australia	(a)	**100**	100
PMP Property Pty Limited	Australia	(a)	**100**	100
PT Pac-Rim Kwartanusa Printing	Indonesia		**95**	95
PMP Advertising Solutions Pty Limited	Australia	(a)	**100**	100
PMP Home Media Pty Limited	Australia	(a)	**100**	100
Shomega Pty Limited	Australia	(a)	**100**	100
Show-Ads Pty Limited	Australia	(a)	**100**	100
Linq Plus Pty Limited	Australia	(a)	**100**	100
PMP Wholesale Pty Limited	Australia	(a)	**100**	100
PMP Digital Pty Limited	Australia	(a)	**100**	100
Pacific Intermedia Pty Limited	Australia	(a)	**100**	100
The Argus & Australasian Pty Limited	Australia	(a)	**100**	100
Gordon and Gotch Australia Pty Limited	Australia	(a)	**100**	100
A.C.N. 128 266 268 Pty Limited (formerly Brumby Books & Music Pty Limited)	Australia	(b)	**100**	100
Scribo Holdings Pty Limited	Australia	(b)	**100**	100
The Scribo Group Pty Limited	Australia	(b)	**100**	100
Tower Books Pty Limited	Australia	(b)	**100**	100
Gary Allen Pty Limited	Australia	(b)	**100**	100
ilovemagazines.com.au Pty Limited (formerly Treeet.com.au Pty Limited)	Australia	(a)	**100**	100
PMP Directories Pty Limited	Australia	(a)	**100**	100
Argyle Print Pty Limited	Australia	(b)	**100**	100
Red PPR Holdings Pty Limited	Australia	(a)	**100**	100
PMP Finance Pty Limited	Australia	(a)	**100**	100
PMP Share Plans Pty Limited	Australia		**100**	100
Manningtree Investments Pty Limited	Australia	(a)	**100**	100
Canberra Press Pty Limited	Australia	(a)	**100**	100
PMP (NZ) Limited	New Zealand		**100**	100
PMP Print Limited	New Zealand		**100**	100
PMP Maxum Limited	New Zealand		**100**	100
PMP Distribution Limited	New Zealand		**100**	100
Pacific Intermedia (NZ) Limited	New Zealand		**100**	100
Gordon and Gotch (NZ) Limited	New Zealand		**100**	100
PMP Digital Limited	New Zealand		**100**	100

(a) These companies entered into a deed of cross guarantee dated 27 June 2008 with PMP Limited which replaced the previous deed dated 10 June 1992. The deed provides that all parties to the deed will guarantee to each creditor payment in full of any debt of each company participating in the deed on winding up of that company. As a result of a Class Order issued by the Australian Securities and Investments Commission, these companies are relieved from the requirement to prepare financial statements.

(b) On 11 June 2009 these companies were joined as parties to the Deed of Cross Guarantee referred above.

(c) Notes on the closed group:
- PMP Limited is the ultimate parent company of the PMP Group.
- All companies have ordinary share capital.

YEAR ENDED 30 JUNE 2015	2015 $'000	2014 $'000
20 Controlled entities (continued)		
The aggregate assets, liabilities and net result after income tax of the companies which are parties to the Deed of Cross Guarantees are as follows :		
Statements of comprehensive income of the closed group		
Sales revenue	**660,766**	738,284
Other revenue	**21,231**	8,979
Revenue	**681,997**	747,263
Raw materials and consumables used	**(145,156)**	(174,256)
Cost of finished goods sold	**(231,420)**	(259,198)
Employee expenses	**(184,659)**	(199,985)
Outside production services	**(13,651)**	(17,483)
Freight	**(16,419)**	(17,553)
Repairs and maintenance	**(13,264)**	(11,845)
Occupancy costs	**(17,884)**	(15,640)
Other expenses	**(12,276)**	(13,203)
Profit before depreciation, amortisation, finance costs and income tax	**47,268**	38,100
Depreciation and amortisation	**(24,305)**	(26,921)
Profit before finance costs and income tax	**22,963**	11,179
Finance costs	**(6,925)**	(9,050)
Profit before income tax	**16,038**	2,129
Income tax expense	**(1,638)**	(2,936)
Net gain/(loss) attributable to members of the parent entity	**14,400**	(807)

YEAR ENDED 30 JUNE 2015	NOTES	2015 $'000	2014 $'000
20 Controlled entities (continued)			
Balance sheet of the closed group			
Current assets			
Cash and cash equivalents		**40,214**	22,194
Receivables		**63,858**	69,791
Inventories		**59,663**	60,864
Financial assets		**1,269**	–
Other		**6,482**	9,105
Non-current assets classified as held for sale		**–**	104
Total current assets		**171,486**	162,058
Non-current assets			
Property, plant and equipment		**144,852**	166,366
Goodwill and intangible assets		**6,775**	7,476
Deferred tax assets		**46,660**	47,911
Financial assets		**2,360**	2,611
Other		**74,810**	67,190
Total non-current assets		**275,457**	291,554
Total assets		**446,943**	453,612
Current liabilities			
Payables		**86,349**	100,627
Interest bearing liabilities - financial institutions		**2,887**	15,016
Income tax payable		**–**	–
Provisions		**15,794**	20,323
Financial liabilities		**150**	1,997
Total current liabilities		**105,180**	137,963
Non-current liabilities			
Interest bearing liabilities - financial institutions		**65,878**	56,588
Deferred tax liabilities		**1,750**	803
Provisions		**2,106**	2,427
Financial liabilities		**–**	101
Total non-current liabilities		**69,734**	59,919
Total liabilities		**174,914**	197,882
Net assets		**272,029**	255,730
Equity			
Contributed equity		**356,035**	356,035
Reserves		**1,733**	(60)
Accumulated losses		**(85,739)**	(100,245)
Total equity		**272,029**	255,730

21 Segmental information

Description of segments

Management has determined the operating segments based on the manner in which the Group is structured and managed by the Executive Management Team (EMT). All reports regularly reviewed by the Chief Executive Officer and the EMT are presented on this basis which group similar operations or geographic locations.

PMP Australia includes all of the Print businesses in Australia namely, Heatset, Directories and Griffin Press and also includes Distribution and Digital Premedia. Gordon and Gotch includes magazine distribution businesses in Australia. New Zealand segment includes all businesses in New Zealand.

Transactions between segments are carried out at arm's length and are eliminated on consolidation.

Segment revenue and results

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

(a) Operating Segments

	PMP Australia (excl. G&G)		Gordon and Gotch Australia		New Zealand		Corporate		Elimination		Consolidated	
	2015 $'000	2014 $'000	2015 $'000	2014 $'000	2015 $'000	2014 $'000	2015 $'000	2014 $'000	2015 $'000	2014 $'000	2015 $'000	2014 $'000
Revenue												
Sales revenue	**392,281**	439,856	**268,485**	298,426	**150,916**	160,936	**–**	–	**–**	–	**811,682**	899,218
Other revenue	**31**	38	**2,034**	2,491	**636**	64	**1,788**	2,186	**–**	–	**4,489**	4,779
Significant items	**–**	4,399	**–**	–	**3,667**	–	**–**	3,793	**–**	(3,793)	**3,667**	4,399
Total segment revenue	**392,312**	444,293	**270,519**	300,917	**155,219**	161,000	**1,788**	5,979	**–**	(3,793)	**819,838**	908,396
Inter-segment revenue	**–**	–	**–**	–	**–**	–	**–**	(3,793)	**–**	3,793	**–**	–
Total revenue	**392,312**	444,293	**270,519**	300,917	**155,219**	161,000	**1,788**	2,186	**–**	–	**819,838**	908,396
EBITDA* before significant items	**41,318**	46,788	**3,475**	3,680	**18,564**	17,611	**(5,258)**	(4,666)	**–**	–	**58,099**	63,413
Depreciation and amortisation	**(23,229)**	(25,853)	**(466)**	(237)	**(7,439)**	(7,670)	**(613)**	(832)	**–**	–	**(31,747)**	(34,592)
EBIT before significant items	**18,089**	20,935	**3,009**	3,443	**11,125**	9,941	**(5,871)**	(5,498)	**–**	–	**26,352**	28,821
Significant items before income tax	**(8,360)**	(6,331)	**(66)**	(3,992)	**2,807**	(943)	**(319)**	2,613	**–**	–	**(5,938)**	(8,653)
Segment EBIT after significant items	**9,729**	14,604	**2,943**	(549)	**13,932**	8,998	**(6,190)**	(2,885)	**–**	–	**20,414**	20,168
Significant items - Finance costs											**(35)**	(443)
Finance costs											**(8,803)**	(11,634)
Consolidated entity profit before income tax											**11,576**	8,091
Income tax (expense)											**(3,591)**	(4,689)
Net profit after income tax											**7,985**	3,402

* EBITDA - Profit/(loss) before depreciation, amortisation, finance costs and income tax

21 Segmental information (continued)

(b) Significant items by operating segments

	PMP Australia (excl. G&G)		Gordon and Gotch Australia		New Zealand		Corporate		Elimination		Consolidated	
	2015 $'000	2014 $'000	2015 $'000	2014 $'000	2015 $'000	2014 $'000	2015 $'000	2014 $'000	2015 $'000	2014 $'000	2015 $'000	2014 $'000
Significant items of revenue												
Gain on disposal of plant and equipment, and non-current assets classified as held for sale	**–**	420	**–**	–	**17**	–	**–**	–	**–**	–	**17**	420
Gain on disposal of property	**–**	3,979	**–**	–	**3,650**	–	**–**	–	**–**	–	**3,650**	3,979
Inter-segment debt forgiveness	**–**	–	**–**	–	**–**	–	**–**	3,793	**–**	(3,793)	**–**	–
Total segment significant items of revenue	**–**	4,399	**–**	–	**3,667**	–	**–**	3,793	**–**	(3,793)	**3,667**	4,399
Significant items of expense												
Restructure initiatives and other one off costs	**(7,773)**	(10,730)	**(66)**	(199)	**(860)**	(943)	**(319)**	(1,180)	**–**	–	**(9,018)**	(13,052)
Loss on disposal of plant and equipment	**(4)**	–	**–**	–	**–**	–	**–**	–	**–**	–	**(4)**	–
Impairment of plant and equipment due to restructure initiatives	**(583)**	–	**–**	–	**–**	–	**–**	–	**–**	–	**(583)**	–
Inter-segment debt forgiveness	**–**	–	**–**	(3,793)	**–**	–	**–**	–	**–**	3,793	**–**	–
Total segment significant items of expense	**(8,360)**	(10,730)	**(66)**	(3,992)	**(860)**	(943)	**(319)**	(1,180)	**–**	3,793	**(9,605)**	(13,052)
Total segment significant items before income tax	**(8,360)**	(6,331)	**(66)**	(3,992)	**2,807**	(943)	**(319)**	2,613	**–**	–	**(5,938)**	(8,653)
Significant items - finance costs												
Finance costs	**–**	–	**–**	–	**–**	–	**(35)**	(443)	**–**	–	**(35)**	(443)
Total significant items - finance costs	**–**	–	**–**	–	**–**	–	**(35)**	(443)	**–**	–	**(35)**	(443)

21 Segmental information (continued)

(c) Other segment information

i) Geographic Segments

	Australia		New Zealand		Consolidated	
	2015 $'000	2014 $'000	2015 $'000	2014 $'000	2015 $'000	2014 $'000
Sales revenue	**660,766**	738,282	**150,916**	160,936	**811,682**	899,218
Other revenue	**3,853**	4,715	**636**	64	**4,489**	4,779
Significant items	**–**	4,399	**3,667**	–	**3,667**	4,399
Total revenue	**664,619**	747,396	**155,219**	161,000	**819,838**	908,396
Non-current assets (excluding deferred tax assets and post employment benefit assets)	**156,300**	174,671	**54,041**	65,999	**210,341**	240,670

ii) Major product and service offerings

The Group's external revenue from each group of similar products and services were as follows:

	Print		Distribution		Gordon and Gotch		PMP Digital		Consolidated	
	2015 $'000	2014 $'000	2015 $'000	2014 $'000	2015 $'000	2014 $'000	2015 $'000	2014 $'000	2015 $'000	2014 $'000
Revenue										
Sales revenue	**407,074**	446,223	**101,418**	106,314	**294,922**	331,634	**8,268**	15,047	**811,682**	899,218
Total revenue	**407,074**	446,223	**101,418**	106,314	**294,922**	331,634	**8,268**	15,047	**811,682**	899,218

22 Pension plans

The PMP Group contributes to accumulation plans as a consequence of legislation or Trust Deeds. Legal enforceability is dependent upon the terms of the legislation and the Trust Deeds.

Accumulation and defined benefit member accounts are held within the PEP Superannuation Plan which is a sub-plan of the AMP SuperSignature Plan.

PMP manages superannuation commitments through a Superannuation Policy Committee in conjunction with the trustees of the AMP Superannuation Savings Trust, within which is the AMP SuperSignature Plan. This master trust provides defined benefits based on years of membership and final average salary and accumulation benefits. Employees contribute to the plan at various percentages of their wages and salaries.

Employer contributions to superannuation plans in the year ended 30 June 2015 totalled $7,797,412 (2014: $8,025,716).

Accumulation funds

Contribution obligations in respect of each accumulation fund for the year to 30 June 2015 was 9.5% (2014: 9.25%) of members' wages or as defined by the Trust Deed.

Defined benefit funds

i. Nature of the benefits provided

Defined benefit members receive lump sum benefits on retirement, death, disablement and withdrawal. The defined benefit section of the plan is closed to new members. All new members receive accumulation only benefits.

ii. Regulatory framework

The Superannuation Industry (Supervision) (SIS) legislation governs the superannuation industry and provides the framework within which superannuation plans operate. The SIS Regulations require an actuarial valuation to be performed for each defined benefit superannuation plan every three years, or every year if the plan pays defined benefit pensions.

iii. Governance of the plan

The Plan's Trustee is responsible for the governance of the Plan. The Trustee has a legal obligation to act solely in the best interests of Plan beneficiaries. The trustee has the following roles:

- administration of the Plan and payment to the beneficiaries from Plan assets when required in accordance with the Plan rules;
- management and investment of the Plan assets; and
- compliance with superannuation laws and other applicable regulations.

The prudential regulator, the Australian Prudential Regulation Authority (APRA), licences and supervises regulated superannuation plans.

iv. Risks

There are a number of risk to which the Plan exposes the Company. The more significant risks relating to the defined benefits are:

Investment risk the risk that investment returns will be lower than assumed and the Company will need to increase contributions to offset this shortfall.

Salary growth risk the risk that wages or salaries (on which future benefit amounts will be based) will rise more rapidly than assumed, increasing defined benefit amounts and thereby requiring additional employer contributions.

Legislative risk the risk is that legislation changes could be made which increase the cost of providing the defined benefits.

The defined benefit assets are invested in the Future Directions Balanced investment option. The assets are diversified within this investment option and therefore the plan has no significant concentration of investment risk.

v. Description of significant events

There were no plan amendments affecting the defined benefits payable, curtailments or settlements during the year.

YEAR ENDED 30 JUNE 2015	NOTES	PMP Group 2015 $'000	PMP Group 2014 $'000
22 Pension plans (continued)			
(a) Statement of financial position impact			
Defined benefit obligation		**11,969**	11,046
Less: fair value of plan assets		**13,780**	12,420
Net superannuation (asset)		**(1,811)**	(1,374)
(b) Movement in net defined benefit liability/(asset)			
Net defined benefit (asset) at start of year		**(1,374)**	(592)
Defined benefit cost		**251**	502
Remeasurements		**125**	(443)
Employer contributions		**(813)**	(841)
Net superannuation (asset)		**(1,811)**	(1,374)
(c) Reconciliation of the net defined benefit (asset)			
Net defined benefit (asset) at start of year		**(1,374)**	(592)
Current service cost		**325**	361
Net interest		**(74)**	(49)
Losses on curtailment		**-**	190
Actual return on plan assets less interest income		**(856)**	(891)
Losses arising from changes in demographic assumptions		**5**	-
Actuarial losses arising from changes in financial assumptions		**49**	142
Actuarial losses arising from liability experience		**927**	306
Employer contributions		**(813)**	(841)
Net defined benefit (asset) at end of year		**(1,811)**	(1,374)

If a surplus exists in the plan, PMP Limited expect to be able to take advantage of it in the form of a reduction in the required contribution rate, depending on the advice of the plan's actuary.

PMP Limited may at any time by notice to the Trustee terminate its contributions. PMP Limited has a liability to pay the contributions due prior to the effective date of the notice, but there is no requirement for it to pay any further contributions, irrespective of the financial condition of the plan.

YEAR ENDED 30 JUNE 2015

23 Share-based payment plans

(a) Employee long term incentive plan

Ordinary shares up to 5.0% (2014: 5.0%) of the total number of ordinary shares on issue may be allotted under the PMP long term incentive plan.

Total number of employee options/performance rights issued since commencement:	73,989,999
Total number of employee performance rights issued as at balance date:	11,946,631
Rights on issue (as a percentage of total shares on issue) as at 30 June 2015:	3.69%
Total number of employee performance rights issued during the year:	1,495,017
Total number of employee performance rights issued post balance date:	–

(i) Performance rights

Allotment Date	1/10/11 (i)	1/10/12 (ii)	1/10/13 (iii)	1/10/14 (iv)	Total Number
On issue at beginning of year	793,194	7,752,323	3,315,975	–	11,861,492
Issued during the year	–	–	–	1,495,017	1,495,017
Lapsed during the year	(793,194)	(312,500)	(304,184)	–	(1,409,878)
On issue at end of year	–	7,439,823	3,011,791	1,495,017	11,946,631
Lapsed subsequent to balance date*	–	(2,466,696)	–	–	(2,466,696)
Outstanding at date of Directors' report	–	4,973,127	3,011,791	1,495,017	9,479,935
Number of participants (at balance date)	4	5	12	6	
Vesting date (Following the announcement of the)	FY14 results	FY15 results	FY16 results	FY17 results	
Fair value per right - TSR hurdle (v)	$0.50	$0.06	$0.42	$0.34	
Fair value per right - ROCE and EBITDA hurdle (v)	$0.63	$0.16	$0.47	$0.47	

* 2,466,696 performance rights lapsed due to performance hurdles not being met over the performance period.

(i) In October 2011, granted rights to the value of between 15% - 50% of each participant's total employment cost. The number of rights granted was determined based on the weighted average share price for the one week period up to grant date ($0.68).

Performance rights entitle participants to receive PMP shares for nil cost after vesting. Rights will only vest if relevant performance hurdles are achieved across the following three years FY12, FY13 and FY14 as follows:

- PMP's Total Shareholder Return (TSR) over the three year performance period comprising FY12, FY13 and FY14 is measured against a comparator group of ASX listed companies ranked between S&P/ASX 200 to 300 entities. 50% of rights granted are subject to the TSR hurdle. If a rank of less than the 51st percentile is achieved nil vest, if a rank of between the 51st and 75th percentile is achieved 50-100% of rights vest and if a rank of greater than 75th percentile is achieved 100% vest.
- PMP's Earnings Before Interest, Tax, Depreciation and Amortisation (EBITDA) over the three year period comprising FY12, FY13 and FY14 is measured against a target for the PMP Group. 50% of rights granted are subject to an EBITDA hurdle. The number of rights to vest are pro rated based on a target EBTIDA range.

YEAR ENDED 30 JUNE 2015

23 Share-based payment plans (continued)

(a) Employee long term incentive plan (continued)

(ii) In October 2012, rights to the value of between 15% - 50% of each executive participant's total employment cost were granted to executives. The number of rights granted was determined based on the weighted average share price for the one week period up to grant date ($0.16). 2,100,000 rights were also granted to PMP Chief Executive Officer and Managing Director, Mr Peter George. This grant was approved by shareholders at the 2013 Annual General Meeting.

Performance rights entitle participants to receive PMP shares for nil costing after vesting. Rights will only vest if relevant performance hurdles described in (i) are achieved across the following three years FY13, FY14 and FY15.

As at 25 August 2015, following the announcement of the results to 30 June 2015 to the ASX, relevant performance hurdles for the 3 year period to 30 June 2015 were met resulting in 4,973,127 rights vested, being 2,841,787 TSR rights and 2,131,340 EBITDA rights.

(iii) In October 2013, rights to the value of between 15% - 50% of each executive participant's total employment cost were granted to executives. The number of rights granted was determined based on the weighted average share price for the one week period up to grant date ($0.34).

Performance rights entitle participants to receive PMP shares for nil costing after vesting. Rights will only vest if relevant performance hurdles described in (i) are achieved across the following three years FY14, FY15 and FY16.

(iv) In October 2014, rights to the value of between 15% - 50% of each executive participant's total employment cost were granted to executives. The number of rights granted was determined based on the weighted average share price for the one week period up to grant date ($0.48).

Performance rights entitle participants to receive PMP shares for nil costing after vesting. Rights will only vest if relevant performance hurdles described in (i) are achieved across the following three years FY15, FY16 and FY17.

(v) Rights subject to the TSR hurdle have been independently valued using a Monte Carlo simulation and the Black Scholes model has been used to value the rights with a ROCE and EBITDA performance condition.

The following table lists the inputs to the models used to value the rights granted:

	01/10/2011	01/10/2012	01/10/2013	01/10/2014
Dividend yield	1.82%	0.00%	0.00%	0.00%
Expected volatility	50%	60%	60%	50%
Risk-free interest rate	3.62%	2.81%	3.11%	2.54%
Correlation	Historical share prices used to calculate the correlation of returns of PMP and the constituents of the peer group.	Historical share prices used to calculate the correlation of returns of PMP and the constituents of the peer group.	Historical share prices used to calculate the correlation of returns of PMP and the constituents of the peer group.	Historical share prices used to calculate the correlation of returns of PMP and the constituents of the peer group.
Share price at grant date	$0.66	$0.16	$0.47	$0.47

The fair value does not contain any discount for forfeiture due to employee leaving before vesting.

(b) Chief Executive Officer (CEO) Short-Term Incentives (STIs)

(i) Mr Peter George, PMP Chief Executive Officer and Managing Director has a short term incentive (STI) of up to 100% of his base remuneration of which 33.3% will be paid in PMP shares, subject to the achievement of the following targets:

- Budgeted EBIT (between 60% - 70%)

- Improved safety (up to 20%)

- Personal objectives (between 10% - 20%)

A STI payment of $360,000 was made for the 2015 financial year. (2014 : $421,000). PMP shares to the value of $119,880 will be purchased on market during 2015/2016 (2014/2015: $140,193). Shares are subject to a 12 month holding lock from the start of the following financial year.

24 Related parties

(a) Key management personnel

Details of key management personnel, including remuneration, are included in the section titled "Remuneration Report" included in the Directors' report.

No key management personnel received or is entitled to receive a benefit, other than a benefit included in the aggregate amount of emoluments. Any transactions with key management personnel are made on normal commercial terms and conditions.

(b) Compensation of key management personnel

The aggregate compensation made to Directors and other members of key management personnel of the company and the Group is set out below:

	PMP Group	
	2015 $	2014 $
Short-term employee benefits	**2,914,853**	2,674,923
Other long-term employee benefits *	**(937)**	5,762
Post employment benefits	**139,294**	135,885
Termination payments	**–**	–
Share-based payment**	**441,979**	355,708
Total compensation	**3,495,189**	3,172,278

*: The credit balance in 2015 relates to long service leave taken during the year.

**: This is based on the accrued accounting value in accordance with AASB 2 Share-based payments. All rights valued in accordance with AASB 2 have been independently valued. In accordance with AASB 2 the non-market conditions associated with these rights were not taken into account when estimating the fair value at grant date. Instead, the number of rights expected to eventually vest is re-assessed at the end of each reporting period.

(c) Key management personnel shareholdings

This information is disclosed within the "Remuneration Report" included in the Directors' Report.

(d) Transactions with key management personnel and their related parties

A number of key management personnel, or their related parties, hold positions in other companies that result in them having control or significant influence over these companies.

One of these companies transacted with the Group during the year. The terms and conditions of this transaction were no more favourable than those available, or which might reasonably expected to be available, in similar transactions with non-key management personnel related companies on an arm's length basis.

The aggregate value of transactions and outstanding balances related to key management personnel and entities over which they have control or significant influence were as follows.

		Transaction value for the year ended 30 June		Balance outstanding as at 30 June	
Director	Transaction	2015 $'000	2014 $'000	2015 $'000	2014 $'000
N Sparks	Catalogue printing and distribution *	200	740	20	74

* The group printed and distributed catalogues for Deals Direct, a company for which Naseema Sparks is Chairman. Amounts were billed based on normal market rates for such services and payable under normal payment terms.

(e) Transactions with related parties in the wholly owned group

Details of controlled entities are set out in Note 20. The entities and PMP conduct business transactions between themselves. Such transactions include the purchase and sale of goods, services, plant and equipment and the receipt and payment of management fees, dividends and interest. All such transactions are conducted on the basis of normal commercial terms and conditions, have been eliminated on consolidation and are not disclosed in this note. PMP Limited has made a $501.4 million allowance for the provision of doubtful debts regarding related parties (2014: $448.2 million). PMP Limited has impaired its investment in controlled entities during the year ended 30 June 2015 by $56 million (2014: $84.5 million).

(f) Transactions with other related parties

There were no transactions with any other related parties of the PMP Group.

YEAR ENDED 30 JUNE 2015	2015 Number '000	2014 Number '000
25 Earnings per share		
(a) Weighted average number of ordinary shares		
Weighted average number of ordinary shares on issue used in the calculation of basic earnings per share	**323,781**	323,781
Weighted average number of shares used in the calculation of diluted earnings per share	**323,781**	323,781

	2015 $'000	2014 $'000
(b) Earnings		
Net profit after income tax	**7,985**	3,402
Profit used in calculating basic and diluted earnings per share	**7,985**	3,402

YEAR ENDED 30 JUNE 2015		NOTES	PMP Group 2015 $'000	PMP Group 2014 $'000
26 Cash flow statement notes				
(a) Reconciliation of cash flow from operating activities to operating profit after income tax				
Operating profit after income tax			**7,985**	3,402
Adjustments for non-cash items:				
Depreciation		2(e)	**30,968**	33,948
Amortisation		2(e)	**779**	644
Impairment of plant, equipment, goodwill and intangibles		2(c)	**583**	-
Provision/(credit) for doubtful debts/bad debts written off		5(a)	**1,115**	(994)
Movement in provision for tax			**(7)**	(1)
Net loss/(gain) on disposal of property, plant and equipment		2 (a), 2(c)	**(3,639)**	(4,298)
Share-based payment plans		2(c)	**799**	801
Non-cash superannuation expense		22(b)	**251**	502
Other non-cash items			**(5,643)**	6,592
Change in assets and liabilities:				
Accounts receivable	Decrease/(Increase)		**7,407**	10,049
Inventories	Decrease/(Increase)		**5,279**	5,662
Liabilities	(Decrease)/Increase		**(20,500)**	(23,474)
Non-current assets	Decrease/(Increase)		**5,374**	5,295
Provision for employee benefits	(Decrease)/Increase		**(349)**	(1,822)
Prepayments and other assets	Decrease/(Increase)		**2,757**	(762)
Net cash provided from operating activities			**33,159**	35,544
(b) Reconciliation of cash and cash equivalents				
Cash and cash equivalents			**49,529**	28,745
Total cash and cash equivalents			**49,529**	28,745

YEAR ENDED 30 JUNE 2015	NOTES	PMP Group 2015 $'000	PMP Group 2014 $'000
27 Financial instruments			

The Group's activities expose it to a variety of financial risks: market risk (including currency and interest rate risk), credit risk and liquidity risk. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the group.

Categories of financial instrument:

The Group holds the following categories of financial instruments:

	NOTES	2015 $'000	2014 $'000
Financial assets			
Cash and cash equivalents	26(b)	**49,529**	28,745
Trade and other receivables		**80,875**	87,137
Derivative financial instruments	15	**4,238**	2,610
Other	7	**240**	240
		130,644	118,732
Financial liabilities			
Trade and other payables	12	**105,999**	120,825
Interest bearing liabilities	13(a), 13(b)	**68,765**	83,725
Derivative financial instruments	15	**150**	3,105
		174,764	207,655

Details of the accounting policies and methods adopted, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognised, in respect of each class of financial asset and financial liability are disclosed in Note 1.

(a) Hedging policy - overview

The economic entity trades internationally, giving rise to exposure to market risks from changes in foreign currency exchange rates and interest rates. Derivative financial instruments are utilised to reduce those risks, principally interest rate swaps and contracts for forward currency. The economic entity has adopted certain principles in relation to derivative financial instruments:

a) It does not trade in derivatives that are not used in hedging the underlying business exposure of the economic entity;

b) All hedging is undertaken through the Group's central treasury operation and is in accordance with Board approved policies.

(b) Interest Rate Management

The Group enters into fixed rate instruments to manage the cash flow risks associated with the interest rates on borrowings that are floating. Interest rate instruments allow the Group to swap floating rate borrowings into fixed rate borrowings in accordance with the PMP Group policy. These activities are regularly evaluated to ensure that the Group is not exposed to interest rate movements that could adversely impact its ability to meet financial obligations and to ensure compliance with borrowing covenants.

YEAR ENDED 30 JUNE 2015

27 Financial instruments (continued)

(b) Interest Rate Management (continued)

i) Interest rate risk exposure

The following table sets out the amount of cash, variable rate borrowings, fixed rate borrowings and interest rate contracts outstanding.

		30 Jun 2015		30 June 2014	
		Weighted average interest rate %	Balance $'000	Weighted average interest rate %	Balance $'000
Bank loans	- A$ floating rate	–	–	–	–
Bank loans	- NZ$ floating rate	–	–	6.7%	(12,120)
Bank loans	- EUR floating rate	2.1%	(18,765)	2.4%	(21,586)
Corporate Bond		8.8%	(50,000)	8.8%	(50,000)
Cross Currency Interest Rate Swaps					
	- receive EUR floating rate	2.1%	18,765	2.4%	21,586
	- pay AUD floating rate	6.3%	(15,869)	6.7%	(18,310)
Interest Rate Swaps (notional principal amounts)					
	- receive AUD floating rate	2.1%	15,000	2.7%	15,000
	- pay AUD fixed rate	4.3%	(15,000)	4.2%	(15,000)
Interest Rate Swaps (notional principal amounts)					
	- receive NZD floating rate	–	–	3.4%	6,992
	- pay NZD fixed rate	–	–	4.9%	(6,992)
Finance Lease Liabilities		–	–	10.7%	(18)
Year end borrowing cost (excl. cash, fees & charges)		8.6%	(65,869)	8.3%	(80,448)
Cash and cash equivalents		2.2%	49,529	2.6%	28,745

As at balance date, the Group maintained floating rate borrowings of $0.9 million (2014: $8.4 million), that were not hedged by interest rate swaps. The associated interest rate risk is partially mitigated by expected free cash flow and intra-period movements in cash requirements. Under the AUD and NZD bank loans, the Group pays the Bank Bill Swap Rate (BBSW) plus a margin of 225 basis points. In 2015, the average borrowing rate excluding capitalised fees and charges was 8.5% (2013: 8.3%)

PMP Limited's receivables and payables are non-interest bearing. Cash and overdraft amounts are at the floating interest rate applicable to the PMP Group.

	NOTES	PMP Group 2015 $'000	PMP Group 2014 $'000
ii) Fair value of interest rate swaps			
Australian Dollar interest rate swaps		**(122)**	(301)
New Zealand Dollar interest rate swaps		**–**	(105)
Total fair value of interest rate swaps	15	**(122)**	(406)
iii) Fair value of cross currency swaps			
Australian Dollar / Euro cross currency interest rate swaps		**2,423**	2,574
Total fair value of cross currency swaps	15	**2,423**	2,574

The cross currency swaps convert the Euro denominated floating debt to Australian dollar floating debt, and has been designated as cash flow hedges.

At 30 June 2015, a $1,500 loss has been recorded in the Statement of profit or loss and other comprehensive income (2014: $35,000 gain).

27 Financial instruments (continued)

(c) Liquidity risk management

Liquidity risk is the risk that funds may be insufficient to settle a transaction on the due date, and the Group may be forced to sell financial assets Liquidity risk is the risk that funds may be insufficient to settle a transaction on the due date, and the Group may be forced to sell financial assets at a value which is below what they are worth.

PMP manages liquidity risk by maintaining adequate reserves, banking facilities and borrowing facilities by continually monitoring actual and forecast cash flows and matching the maturity profiles of financial assets and liabilities.

The table on the following page shows the Group's financial liabilities and derivative instruments in relevant maturity groupings based on the remaining period at the reporting date to the contractual maturity date. The amounts shown in the table are the contractual, undiscounted cash flows and include both principal and interest.

30 June 2015 Interest bearing liabilities		PMP Group Carrying amount $'000	Contractual cash flows $'000	Less than 1 year $'000	1 to 2 years $'000	2 to 5 years $'000	> 5 years $'000
Bank Overdraft	- Australia	–	–	–	–	–	–
Corporate Bond	- Australia	50,000	60,938	4,375	4,375	52,188	–
Bank Loans	- Australia	–	–	–	–	–	–
Bank Loans	- New Zealand	–	–	–	–	–	–
Bank Loans	- Euro	18,765	20,376	3,269	3,215	9,412	4,480
Interest Rate Swaps	- Aust (1)	122	123	123	–	–	–
Interest Rate Swaps	- NZ (1)	–	–	–	–	–	–
Cross Currency Swaps	- AUD/EURO (2)	(2,423)	(790)				
- inflows				(3,269)	(3,215)	(9,412)	(4,480)
- outflows				3,399	3,253	8,987	3,947
Finance lease liabilities		–	–	–	–	–	–
Forward FX Contracts							
- inflows		(28)	(970) (3)	(970)	–	–	–
- outflows		1,815	48,007 (3)	48,007	–	–	–
Payables		105,999	105,999	105,999	–	–	–
Total		**174,250**	**233,683**	**160,933**	**7,628**	**61,175**	**3,947**

30 June 2014 Interest bearing liabilities		PMP Group Carrying amount $'000	Contractual cash flows $'000	Less than 1 year $'000	1 to 2 years $'000	2 to 5 years $'000	> 5 years $'000
Bank Overdraft	- Australia	–	–	–	–	–	–
Corporate Bond	- Australia	50,000	65,313	4,375	4,375	56,563	–
Bank Loans	- Australia	–	–	–	–	–	–
Bank Loans	- New Zealand	12,120	12,549	12,549	–	–	–
Bank Loans	- Euro	21,586	23,928	3,374	3,300	9,652	7,602
Interest Rate Swaps	- Aust (1)	301	301	200	101	–	–
Interest Rate Swaps	- NZ (1)	105	105	62	32	11	–
Cross Currency Swaps	- AUD/EURO (2)	(2,574)	(299)				
- inflows				(3,374)	(3,300)	(9,652)	(7,602)
- outflows				3,624	3,482	9,652	6,871
Finance lease liabilities		19	19	19	–	–	–
Forward FX Contracts							
- inflows		(1)	(374) (3)	(374)	–	–	–
- outflows		(2,663)	70,530 (3)	70,530	–	–	–
Payables		120,825	120,825	120,825			
Total		199,718	292,897	211,810	7,990	66,226	6,871

(1) For the contractual cash flows, this represents the net amount for interest rate swaps for which net cash flows are exchanged. For the carrying amounts, this represents the fair value amount as shown in note 27(b)(ii)

(2) This represents the Australian Dollar equivalents of the interest and principal payments due on the cross currency swap. For the carrying amount, it represents the fair value amount as shown in note 27(b)(iii)

(3) This represents the Australian Dollar equivalents of the foreign currency payment/receipt leg of the forward foreign exchange contracts

YEAR ENDED 30 JUNE 2015

27 Financial instruments (continued)

(d) Foreign exchange management

Foreign currency risk refers to the risk that the value of a financial commitment, recognised asset or liability will fluctuate due to changes in foreign currency rates. The Group's foreign currency exchange risk arises primarily from where the Group has firm commitments or highly probable forecast transactions for receipts and payments that are to be settled in foreign currencies, where the price is dependant on foreign currencies, or where there is a risk that arises on translation of net investments in foreign operations.

The Group is exposed to foreign exchange risk from various currency exposures, primarily with respect to the New Zealand Dollar, the US Dollar, the Euro and the Great British Pound.

Foreign exchange risk that arises from firm commitments or highly probable transactions are managed primarily through the use of forward foreign currency derivatives. A portion of these transactions are hedged (such as the purchase of paper from various foreign suppliers) in each currency in accordance with the Group's risk management policy.

Foreign exchange risk arises from foreign denominated borrowings. These borrowings are hedged back into the local currency via the use of hedging instruments. This is to ensure that the risk from movements in exchange rates and foreign interest rates are eliminated.

Foreign currency risk also arises on translation of the net assets of PMP's non-Australian controlled entities which have a different functional currency. The foreign currency gains or losses arising from this risk are recorded through the foreign currency translation reserve on translation to Australian Dollars on consolidation. This translation foreign currency risk is managed with borrowings denominated in the currency of the entity concerned.

Where a subsidiary hedges foreign exchange transactions, it designates hedging instruments as cash flow hedges as appropriate.

i) Foreign currency borrowings

	Liabilities		Assets	
	2015 $'000	2014 $'000	2015 $'000	2014 $'000
Euro borrowings	**18,765**	21,586	**–**	–
Cross Currency Swap	**(18,765)**	(21,586)	**–**	–
	–	–		

ii) Australian entity contracts to exchange foreign currency - relating to receipts and payments

		Average exchange rate		PMP Group	
		2015 $	2014 $	2015 $'000	2014 $'000
United States Dollars	- less than one year	**0.822**	0.912	**9,699**	22,426
UK Pounds	- less than one year	**–**	–	**–**	–
UK Pounds receivables	- less than one year	**0.502**	0.552	**(970)**	(324)
Euro	- less than one year	**0.698**	0.651	**26,383**	26,537
				35,112	48,639

iii) New Zealand entity contracts to exchange foreign currency - relating to receipts and payments

		Average exchange rate		NZ Dollars Average fixed rate		AUD $ Equivalent PMP Group	
		2015 $	2014 $	2015 NZD $'000	2014 NZD $'000	2015 $'000	2014 $'000
United States Dollars	- less than one year	**0.751**	0.828	**2,642**	22,657	**2,360**	21,124
Euro	- less than one year	**0.633**	–	**6,051**	–	**5,406**	–
Japanese Yen	- less than one year	**87.84**	–	**4,654**	–	**4,158**	–
				13,347	22,657	**11,924**	21,124

YEAR ENDED 30 JUNE 2015

27 Financial instruments (continued)

(d) Foreign exchange management (continued)

iv) New Zealand entity contracts to exchange foreign currency - relating to capital expenditure

		Average exchange rate		NZ Dollars Average fixed rate		AUD $ Equivalent PMP Group	
		2015 $	2014 $	2015 NZD $'000	2014 NZD $'000	2015 $'000	2014 $'000
UK Pounds	- less than one year	–	0.506	–	475	–	443
		–	0.506	–	475	–	443

v) Fair value of forward exchange contracts

		NOTES	PMP Group 2015 $'000	PMP Group 2014 $'000
Australian entity	- foreign exchange contracts relating to receipts		**(28)**	(1)
Australian entity	- foreign exchange contracts relating to payments		**1,205**	(1,759)
New Zealand entity	- foreign exchange contracts relating to payments		**610**	(896)
New Zealand entity	- foreign exchange contracts relating to capital expenditure		**–**	(8)
Total fair value of forward exchange contracts			**1,787**	(2,663)
Comprised of:				
Financial assets	- current	15	**1,815**	–
Financial assets	- non current	15	**–**	6
Financial liabilities	- current	15	**(28)**	(2,669)
Total fair value of forward exchange contracts			**1,787**	(2,663)

YEAR ENDED 30 JUNE 2015

27 Financial instruments (continued)

(d) Foreign currency management (continued)

v) Fair value of forward exchange contracts (continued)

At 30 June 2015, a $1.0 million debit (2014: $1.0 million credit) has been recognised within the Statement of profit or loss and other comprehensive income and a $0.8 million debit, excluding tax effect (2014: $1.9 million credit) is included within the cash flow hedge reserve in equity.

$1.5 million debit was transferred to inventory during the financial year ended 30 June 2015 (2014: $0.5 million credit).

vi) Foreign currency sensitivity risk

The following table shows the effect on equity excluding tax effect as at 30 June from a 10 percent adverse / favourable movement in exchange rates at that date on a total portfolio basis with all other variables held constant, taking into account all underlying exposures and related hedges.

Adverse versus favourable movements are determined relative to the underlying exposure. An adverse movement in exchange rates implies an increase in the Group's foreign currency risk exposure and a worsening in financial position. A favourable movement in exchange rates implies a reduction in foreign currency risk exposure and an improvement in financial position.

A sensitivity of 10 percent has been selected as this is considered reasonable given the current level of exchange rates and the volatility observed both on a historical basis and market expectations for future movement. Comparing the Australian dollar exchange rate against the United States dollar and the Euro and the New Zealand dollar against the United States dollar year end rates would give the following adverse and favourable rates:

	Year end rate	10% rate increase	10% rate decrease
Australia dollar to:			
United States dollar	0.771	0.848	0.701
Euro	0.689	0.758	0.627
New Zealand dollar to:			
United States dollar	0.689	0.758	0.626

The net gain/(loss) in the cash flow hedge reserve reflects the result of exchange rate movements on the derivatives held in cash flow hedges which will be released to the statement of profit or loss and other comprehensive income in the future as the underlying hedged item affects profit.

	PMP GROUP (cash flow hedge reserve) Equity at 30 June	
	2015 $000	2014 $000
If there was a 10% increase in exchange rates with all other variables held constant - (decrease)	**(4,409)**	(6,458)
If there was a 10% decrease in exchange rates with all other variables held constant - increase	**2,141**	3,853

The impact on PMP Limited would be $nil as the entity does not hold forward exchange contracts. For the PMP Group, foreign currency translation risk associated with PMP's foreign investments results in some volatility to the foreign currency translation reserve. The impact on the foreign currency translation reserve relates to the translation of the net assets of foreign currency controlled entities on consolidation.

(e) Credit Risk

Credit risk is the risk that a counterparty will default on their financial obligations resulting in financial loss to the Group. Credit risk exists from cash and cash equivalents, trade and other receivables and derivative financial instruments. The Group's exposure to credit risk arises from the potential default of the counter party, with a maximum exposure equal to the carrying value of these assets net of any provision for doubtful debts (refer to Note 5).

The credit risk on cash and cash equivalents and financial instruments is limited as the counterparties are financial institutions with credit ratings of A- or higher. Also, PMP has policies that limit the amount of credit exposure to any one financial institution.

PMP has an approved Credit Policy Manual which provides guidelines for the management of credit risk. This provides guidance for the way in which the credit risk of customers is assessed, and the use of credit risk rating and other information in order to set appropriate trading limits with customers.

In some instances security may be required to be supplied to PMP from customers to minimise risk. The security is either in the form of Director guarantees for their business which is secured over a residential property or may be an upfront payment of between 75% - 50% of the trade before executing the sale.

YEAR ENDED 30 JUNE 2015

27 Financial instruments (continued)

(f) Capital management

PMP Limited's capital management plan over the medium term is to achieve a target capital structure and to optimise financial returns to investors based on the following considerations:

- The capability to service debt and meet financial covenant constraints;
- Delivering a capital structure which meets the Group's cash flow requirements;
- Listed comparables and market expectations;
- Retaining flexibility for PMP to pursue attractive investment opportunities including organic growth, acquisitions and shareholder returns.

The group has target gearing levels in the range of:

- Net debt to EBITDA below 2 times, and at 30 June 2015 was at 0.3 times
- EBITDA (before significant items) to borrowing costs of greater than 4.0 times, and at 30 June 2015 was at 6.6 times

The company currently seeks to retain flexibility through maintaining a gearing ratio that is either within the lower end or below the range taking into account the earnings of the business over the next 12-24 months. Due to the level of EBITDA and the industry we operate in, we believe that the investors expect PMP to maintain a lower level of gearing.

(g) Fair values

The fair value of all financial assets and liabilities equates to the carrying value.

(h) Fair value measurements

The fair value of financial assets and financial liabilities must be estimated for recognition and measurement or for disclosure purposes.

The fair value measurement hierarchy:

(a) quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1)

(b) inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices) (level 2), and

(c) inputs for the asset or liability that are not based on observable market data (unobservable inputs) (level 3)

The following tables present the Group's assets and liabilities measured and recognised at fair value.

PMP Group - 30 June 2015	Level 1 $'000	Level 2 $'000	Level 3 $'000	Total $'000
Financial derivatives being hedge accounted				
Forward Foreign Exchange Contracts	**–**	**1,787**	**–**	**1,787**
Cross Currency Swaps	**–**	**2,423**	**–**	**2,423**
Financial derivatives at fair value through profit or loss				
Interest Rate Swaps	**–**	**(122)**	**–**	**(122)**
Total financial derivatives	**–**	**4,088**	**–**	**4,088**

PMP Group - 30 June 2014	Level 1 $'000	Level 2 $'000	Level 3 $'000	Total $'000
Financial derivatives being hedge accounted				
Forward Foreign Exchange Contracts	–	(2,663)	–	(2,663)
Cross Currency Swaps	–	2,574	–	2,574
Financial derivatives at fair value through profit or loss				
Interest Rate Swaps	–	(406)	–	(406)
Total financial derivatives	–	(495)	–	(495)

The fair value of financial instruments that are not traded in an active market (for example, derivatives used for hedging) is determined using valuation techniques. Interest rate swaps, cross currency swaps and forward foreign exchange contracts are valued using a discounted cash flow approach. Future cash flows are estimated based on market forward interest rates (and foreign exchange rates for cross currency swaps and forward foreign exchange contracts) as at the end of the reporting period and the contract rates, discounted at a rate that reflects the credit risk of the various respective counterparties. These instruments are included in Level 2.

YEAR ENDED 30 JUNE 2015

28 Contingent liabilities

Contingent liabilities classified in accordance with the party for whom the liability could arise are:

The Company:

- PMP has guaranteed the debts of certain wholly owned Australian controlled entities in accordance with a Deed of Guarantee and class order number 98/1418 issued by the Australian Securities and Investments Commission, which provides relief from the requirement to prepare statutory financial statements.

Related bodies corporate:

- PMP has guaranteed the borrowings of PMP Finance Pty Limited and PMP (NZ) Limited to facilitate group banking arrangements.
- Wholly owned entities in the PMP Group have provided guarantees to banks, in respect of debt and foreign currency management.
- Entities in the PMP Group contribute to a number of defined benefit superannuation funds and have undertaken to contribute annually such amounts as the actuaries consider necessary to secure the rights of members.

29 Subsequent events

The Directors are not aware of any matters or circumstance arising since balance date not otherwise dealt with in this report or the consolidated financial statements, that has significantly affected or may significantly affect

the operations of the PMP Group, the results of those operations or the state of affairs of the PMP Group in subsequent years.

		PMP Limited	
YEAR ENDED 30 JUNE 2015	NOTES	2015 $'000	2014 $'000
30 Parent			
As at, and throughout the 2015 financial year, the parent company of PMP Group was PMP Limited.			
Financial performance of the parent			
Profit/(loss) after tax		**50,131**	(96,254)
Other comprehensive income/(expense)		**(87)**	310
Total comprehensive income/(loss)		**50,044**	(95,944)
Financial position of the parent at year end			
Current assets		**84,494**	151,725
Non-current assets		**251,912**	134,199
Total assets		**336,406**	285,925
Current liabilities		**122,207**	122,462
Non-current liabilities		**318**	279
Total liabilities		**122,525**	122,741
Total equity of the parent comprising of:			
Contributed equity		**356,035**	356,035
Accumulated losses		**(194,022)**	(194,129)
Share-based payment reserve		**1,737**	1,278
Dividend reserve*		**50,131**	–
Total equity		**213,881**	163,184

* The Directors have resolved to create a separate dividend reserve account.

YEAR ENDED 30 JUNE 2015	PMP Limited 2015 $'000	PMP Limited 2014 $'000
30 Parent (continued)		
Parent capital commitments for acquisition of property, plant and equipment		
Capital expenditure :		
- not later than one year	**855**	–
Total capital expenditure	**855**	–
Parent operating commitments for lease rental		
Operating lease rentals - parent as lessee :		
- not later than one year	**2,301**	3,554
- later than one year but not later than five years	**6,991**	7,553
- later than five years	**786**	2,023
Total operating lease rentals (lessee)	**10,078**	13,130
Operating lease rentals - parent as lessor :		
- not later than one year	**(4,115)**	(1,413)
- later than one year but not later than five years	**–**	–
Total operating lease rentals (lessor)	**(4,115)**	(1,413)

Investment in controlled entities

PMP Limited has impaired its investment in controlled entities during the year ended 30 June 2015 by $56.0 million (2014: $84.5 million).

Parent capital guarantees in respect of debts of certain subsidiaries

The parent has entered into a deed of guarantee whereby the parent guarantees debts in respect of subsidiaries.

Further details of the deed of cross guarantee and the subsidiaries subject to the deed are disclosed in Note 20.

Parent contingent liabilities

There were $nil contingent liabilities for the year ended 30 June 2015 (2014: $nil).

PMP Limited
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Chatswood NSW 2067
Australia

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In accordance with a resolution of the Directors of PMP Limited, we state that:

(a) in the Directors' opinion, there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable;

(b) in the Directors' opinion, the attached financial statements are in compliance with the Financial Reporting Standards, as stated in Note 1 to the financial statements;

(c) in the Directors' opinion, the attached financial statements and notes thereto are in accordance with the Corporations Act 2001, including compliance with accounting standards and giving a true and fair view of the financial position and performance of the consolidated entity; and

(d) the Directors have been given the declarations required by section 295A of the Corporations Act 2001

At the date of this declaration, the company is within the class of companies affected by ASIC Class Order 98/1418. The nature of the deed of cross guarantee is such that each company which is party to the deed guarantees to each creditor payment in full of any debt in accordance with the deed of cross guarantee.

In the Directors' opinion there are reasonable grounds to believe that the company and the companies to which the ASIC Class Order applies, as detailed in Note 20 to the financial statements will, as a group, be able to meet any obligations or liabilities to which they are, or may become liable, subject by virtue of the deed of cross guarantee.

Signed in accordance with a resolution of the Directors made pursuant to section 295(5) of the Corporations Act 2001.

On behalf of the Directors

Matthew Bickford-Smith
Chairman

Peter George
Chief Executive Officer and Managing Director

Sydney, 25th August 2015

Deloitte.

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Independent Auditor's Report to the members of PMP Limited

Report on the Financial Report

We have audited the accompanying financial report of PMP Limited, which comprises the statement of financial position as at 30 June 2015, the statement of profit or loss and other comprehensive income, the statement of cash flows and the statement of changes in equity for the year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration of the consolidated entity, comprising the company and the entities it controlled at the year's end or from time to time during the financial year as set out on pages 42 to 91.

Directors' Responsibility for the Financial Report

The directors of the company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error. In Note 1, the directors also state, in accordance with Accounting Standard AASB 101 *Presentation of Financial Statements*, that the financial statements comply with International Financial Reporting Standards.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control, relevant to the entity's preparation of the financial report that gives a true and fair view, in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

Deloitte.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Auditor's Independence Declaration

In conducting our audit, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of PMP Limited, would be in the same terms if given to the directors as at the time of this auditor's report.

Opinion

In our opinion, the financial report of PMP Limited is in accordance with the *Corporations Act 2001*, including:

(a) giving a true and fair view of the consolidated entity's financial position as at 30 June 2015 and of its performance for the year ended on that date; and

(b) complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Report on the Remuneration Report

We have audited the Remuneration Report included in pages 29 to 38 of the directors' report for the year ended 30 June 2015. The directors of the company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

Opinion

In our opinion the Remuneration Report of PMP Limited for the year ended 30 June 2015, complies with section 300A of the *Corporations Act 2001*.

Deloitte Touche Tohmatsu

DELOITTE TOUCHE TOHMATSU

Tara Hynes

T Hynes
Partner
Chartered Accountants
Sydney, 25 August 2015

		2011 <a>	2012 <a>	2013 <a>	2014 <a>	2015	% change
				*(Restated)			
SALES REVENUE							
PMP Australia	A$ mill	591.9	564.0	493.6	439.9	**392.3**	(10.8)
Gordon and Gotch Australia	A$ mill	413.4	358.5	323.4	298.4	**268.5**	(10.0)
PMP New Zealand	A$ mill	189.0	171.4	158.8	160.9	**150.9**	(6.2)
Total Sales Revenue	A$ mill	1,194.3	1,093.9	975.8	899.2	**811.7**	(9.7)
PROFITABILITY							
EBITDA	A$ mill	100.1	76.5	71.6	63.4	**58.1**	(8.4)
EBIT							
PMP Australia	A$ mill	56.6	39.9	30.6	20.9	**18.1**	(13.6)
Gordon and Gotch Australia	A$ mill	3.7	1.0	1.1	3.4	**3.0**	(12.6)
PMP New Zealand	A$ mill	4.8	1.6	9.7	9.9	**11.1**	11.9
Corporate	A$ mill	(8.4)	(9.8)	(7.7)	(5.5)	**(5.9)**	(6.8)
Total EBIT	A$ mill	56.7	32.7	33.8	28.8	**26.4**	(8.6)
NPAT post significant items	A$ mill	(11.3)	(24.5)	(70.2)	3.4	**8.0**	134.7
PMP Australia EBIT/sales	%	6.9	7.1	6.2	4.8	**4.6**	(3.1)
Gordon and Gotch Australia EBIT/sales	%	0.9	0.3	0.4	1.2	**1.1**	(2.8)
PMP New Zealand EBIT/sales	%	2.6	0.9	6.1	6.2	**7.4**	19.3
Total EBIT/sales	%	4.7	3.0	3.5	3.2	**3.2**	1.3
OTHER							
Net cash provided by operating activities	A$ mill	70.2	31.4	7.6	35.5	**33.2**	(6.7)
Earnings per ordinary share (basic)	cents	(3.4)	(7.5)	(21.7)	1.1	**2.5**	127.3
Earnings per ordinary share (diluted)	cents	(3.4)	(7.5)	(21.7)	1.1	**2.5**	127.3
Dividend per share (paid)	cents	<b> 1.0	<c> 2.0	–	–	**–**	–
Total assets	A$ mill	738.1	661.8	549.2	502.7	**471.6**	(6.2)
Total net debt	A$ mill	141.0	143.3	89.1	51.7	**16.3**	(68.4)
Total shareholders equity	A$ mill	355.3	320.7	258.6	264.8	**272.0**	2.7
Debt/Equity Ratio	%	39.7	44.7	34.4	19.5	**6.0**	69.2
Interest Cover	times	6.7	4.9	4.7	5.1	**6.5**	26.4
Depreciation	A$ mill	39.6	40.2	37.0	34.0	**31.0**	8.8
Amortisation	A$ mill	3.8	3.6	0.8	0.6	**0.8**	(21.9)
Capital Expenditure	A$ mill	<d> 39.7	<e> 29.6	23.8	5.2	**5.5**	(5.5)
Employees Full Time	No.	2,622	2,159	1,587	1,360	**1,260**	7.4

Note: EBIT - Earnings before significant items, finance costs and income tax.

<a> During 2013 PMP changed its segment reporting structures due to a change in its functional organisational structure. Comparatives have been restated for 2010, 2011 and 2012. During 2010 PMP revised its accounting policy for its defined benefit plan. Comparatives have been restated for 2009.

<b> Final dividend for the year ended 30 June 2010 of 1.0 cent, fully franked

<c> Final dividend for the year ended 30 June 2011 of 1.0 cent and interim dividend for the year ended 30 June 2012 of 1.0 cent both fully franked.

<d> Includes cash paid for the business and assets of International Print Limited.

<e> Includes cash pre-paid for the construction of a printing press.

* On 1 July 2013, PMP Limited adopted AASB 119 Employee Benefits (revised), resulting in a change in accounting policy and a restatement of balances for the year ended 30 June 2013.

SHARE REGISTER INFORMATION

as at 19 August 2015

Shares and Options / Rights	
Shares on issue	323,781,124
Rights on issue	–
Employee rights*	11,946,631
Total rights/options	11,946,631

* 2,466,696 performance rights lapsed on 25 August 2015, following the announcement of the results for the year ended 30 June 2015.

Distribution of Shareholders	Number of Shareholders	Number of Shares	% of Issued Capital
1 - 1,000	714	408,480	0.13
1,001 - 5,000	1,671	4,682,627	1.45
5,001 - 10,000	392	3,154,727	0.97
10,001 - 100,000	678	26,475,771	8.18
100,001 and over	126	289,059,519	89.27
Total number	3,581	323,781,124	100
Unmarketable Parcels: minimum $500.00 parcel is 926	488	182,986	–

Name of Substantial Shareholders *	Number of Securities	% Voting Power
Allan Gray Investment Management	50,952,728	15.7
Lazard Asset Management Pacific Co	40,975,393	12.7
Fraser & Neave	39,020,177	12.1
Lanyon Asset Management	37,176,502	11.5
PM Capital	28,151,489	8.7

Twenty Largest Shareholders	Number of Shares	% of Total Issued
Citicorp Nominees Pty Limited	77,815,928	24.03
J P Morgan Nominees Australia Limited	60,447,644	18.67
National Nominees Limited	39,364,683	12.16
Aust Executor Trustees Ltd <Lanyon Aust Value Fund>	23,387,887	7.22
Lanyon Asset Management Pty Limited <Sp No 1 A/C>	13,788,615	4.26
RBC Investor Services Australia Nominees P/L <Wam Account>	11,962,866	3.69
BNP Paribas Noms Pty Ltd <DRP>	8,500,987	2.63
HSBC Custody Nominees (Australia) Limited	7,876,189	2.43
UBS Nominees Pty Ltd	6,498,356	2.01
Sandhurst Trustees Ltd <Wentworth Williamson A/C>	4,134,660	1.28
HSBC Custody Nominees (Australia) Limited - A/C 2	3,899,769	1.20
Anacacia Pty Ltd <Wattle Fund A/C>	3,600,000	1.11
Idriscorp Pty Ltd <Morgan Super Fund A/C>	1,900,000	0.59
Miss Yan Li	1,100,000	0.34
Mr Peter George	798,037	0.25
Mr Mark Herdman + Mrs Heather Fletcher Herdman <The Constantia A/C>	700,000	0.22
Family Pride Pty Ltd <Peter Murray Super A/C>	650,000	0.20
Philanthropic Investors Club Pty Ltd <Philanthropic Invst Fnd A/C>	600,000	0.19
Mrs Catherine Ann Cameron	528,252	0.16
Dr Arnold Fredrick Wissemann + Mr Neil Wissemann <G&A Wissemann Superfund A/C>	500,000	0.15
Total Top 20 Holders of Fully Paid Ordinary Shares	268,053,873	82.79
Total Remaining Holders Balance	55,727,251	17.21

* As at 17 August 2015

Shareholder Information

Alistair Clarkson

BCom LLB MBA ACIS GradDipACG

Company Secretary

The PMP Limited Annual General Meeting
will be held at 11:00am
on Friday 20 November 2015 at

Menzies Hotel Sydney
14 Carrington Street,
Sydney NSW 2000

Details of the business of the meeting are contained in the separate Notice of Meeting sent to shareholders.

ASX Code: PMP

Investor Information

Shareholders requiring information should contact the share registry, or:

Geoff Stephenson
Chief Financial Officer

Telephone: 02 9412 6000
Facsimile: 02 9413 3942
Email: geoff.stephenson@pmplimited.com.au

Shareholder Details

PMP shareholders who:

- have changed their name or address
- wish to consolidate two or more separate holdings
- wish to lodge their tax file numbers
- do not wish to receive an Annual Report

should advise PMP's share registry by completing the relevant forms available from www.computershare.com or by telephoning 1300 556 161 to request the appropriate forms.

Shareholders accessing the Computershare website will need to key in their Holder Identification Number (HIN) if their securities are broker-sponsored and held in CHESS, while shareholders with securities held in an issuer-sponsored sub-register will need to key in their Security Reference Number (SRN).

Tax File Numbers

It is important that Australian resident shareholders have their tax file number or exemption details noted by the share registry. While it is not compulsory to provide a tax file number or exemption details, PMP is required by law to deduct tax at the top marginal rate from the unfranked part of any dividend paid to Australian resident shareholders who have not supplied these details.

Share Registry

Computershare Investor Services Pty Limited
Level 5, 115 Grenfell Street
Adelaide SA 5000
GPO Box 1903
Adelaide SA 5001

Enquiries within Australia: 1300 556 161

Enquiries outside Australia: +61 3 9415 4000

Email: web.queries@computershare.com.au

Website: www.computershare.com

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Click on Register Your Email Address for shareholder information

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Click on "Submit" and follow the prompts

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Chief Entity Auditors

Deloitte Touche Tohmatsu

Principal Bankers

ANZ Banking Group Limited
Commerzbank AG

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