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ANNUAL GENERAL MEETING

The Annual General Meeting will be held at 11am on Thursday 22 November 2012 at:

Mantra Chatswood 10 Brown Street Chatswood NSW 2067

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

INVESTOR INFORMATION

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

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BOARD OF DIRECTORS

lan L Fraser Chairman

Richard Allely

CEO and Managing Director

Matthew Bickford-Smith Non-Executive Director

Peter Margin

Non-Executive Director

Goh Sik Ngee

Non-Executive Director

Naseema Sparks

Non-Executive Director



PMP Limited is one of Australasia's leading media and marketing services companies, providing a range of services from concept right through to fulfilment. PMP operates in the areas of data-driven market and customer analytics, creative advertising solutions, premedia, creative and photographic services, printing, letterbox distribution, magazine distribution through its Pinpoint (NZ), Maxum (NZ), PMP Digital, Pacific Micromarketing, PMP Print, PMP Distribution, Gordon and Gotch, Catalogues4U, PMP Directories and Griffin Press businesses.





:: LETTERBOX DISTRIBUTION



:: MAGAZINE DISTRIBUTION



To the shareholders of PMP Limited

In fiscal 2012, PMP recorded a disappointing performance on the back of falling revenues in our core Print business. Earnings before interest and tax (EBIT) and before significant items, fell from \$56.7 million to \$32.7 million when compared to the corresponding period last year. Net profit after tax, but before significant items, decreased by 69.5% from \$28.7M to \$8.8M. Revenue fell by 8.4%.

Significant items (before tax) of \$41.1 million were recorded during the year and this led to an after tax loss of \$24.5 million. Significant items included Sensis contract impairment, redundancies and restructure costs relating to the Australian transformation project.

During the year, PMP largely completed the restructure of the New Zealand print operations. Whilst the expense reduction target was met, the full benefit on profitability was somewhat muted by pressure on margins due to continuing difficult economic conditions. The Group has commenced a similar program in Australia which will align this business with the structural change that is taking place in print markets.

Net debt at year end was \$143.3 million, with the gearing ratio (debt to equity) increasing from 39.7% to 44.7%. Interest cover (EBITDA before significant items/interest expense) decreased from 6.7 to 4.9 times.

Given PMP's poor result the Board has not declared a final dividend.

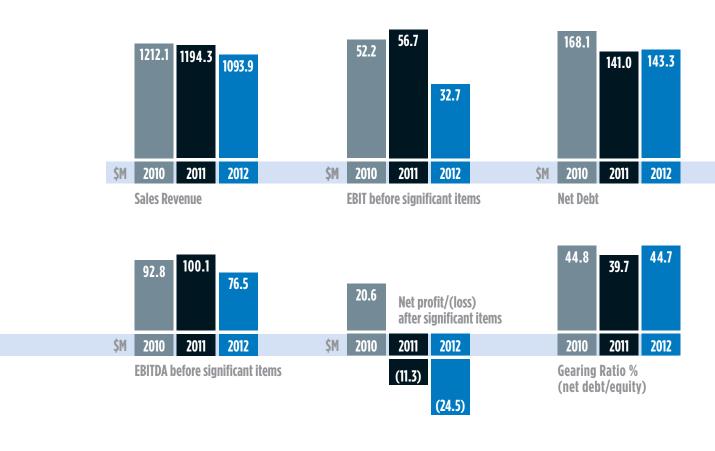
\$M	2012	2011
Print Australia	39.4	55.4
Distribution Australia	1.4	1.1
Gordon and Gotch	1.0	3.7
Digital	(0.9)	0.1
New Zealand	1.6	4.8
Corporate	(9.8)	(8.4)
EBIT (before significant items)	32.7	56.7
Borrowing costs	(15.7)	(15.0)
Mark to market adjustment	(2.0)	0.5
EBT (before significant items)	15.0	42.2
Income Tax	(6.2)	(13.5)
Net profit (before significant items)	8.8	28.7
Significant items	(41.1)	(52.2)
Tax on significant items	7.8	12.2
Net (loss)/profit	(24.5)	(11.3)

Sustainability

On pages 25 to 29 of this Report, we have outlined and explained PMP's approach to sustainability and the environment. I encourage shareholders to read this section: it demonstrates the Group's commitment to these issues and the substantial progress that has been achieved.

Board Matters

I would like to thank the previous Chairman, Mr Graham Reaney, for his ten years of service to PMP. During his tenure, the Group tackled some of the greatest challenges in its history. The Board thanks Mr Reaney for his counsel and leadership.





We are also grateful for the strategic contribution of Mr Peter George, who this year stepped down from his non-executive position to take up an operating role working with the CEO. We are delighted he agreed to take up the challenge put to him by the CEO and thank him for his continued hard work.

During the year, the Board renewal program continued. On 30 January 2012, PMP appointed a new independent director, Mr Peter Margin, Mr Margin was previously CEO of Goodman Fielder and National Foods. He is also a non-executive director of Nufarm and Bega Cheese. Mr Margin brings strong manufacturing experience to the Board, complementing the skills of his fellow directors.

In fiscal 2012, changes were made to sub-committee membership, with Mr Margin taking over as Chairman of the Audit and Risk Management Committee, and Mr Matthew Bickford-Smith stepping down as Chairman.

I am confident that, following four new appointments in recent years, the Board now has the right range of skills and competencies to drive the business into the future. To support the renewal strategy, as the longest serving director, I have decided to retire at this year's AGM, and Mr Matthew Bickford-Smith will take over as Chairman.

Corporate Governance

It is the responsibility of the Board to ensure the company operates within a governance framework that fosters high ethical standards and links the performance

of the company with the remuneration of senior executives. The remuneration report outlines the Group remuneration policies and reward structure.

Outlook

Much has been written about the structural changes that are taking place in media and print markets. PMP is not immune from this and the year ahead will be one of further restructure with large significant items impacting profit. Phase Two of the Australian print restructure will cost in excess of \$33 million and this will be funded. in part, by the sale and lease back of the majority of the Company's properties. PMP, as the largest heatset printer in Australia and New Zealand is well placed to ride out the necessary changes and provide a return to shareholders. However, in the short-term it is unlikely that dividends will form part of that return as available cash is used to fund the restructure of the business and reduce debt.

As in prior years, PMP will provide guidance on current half earnings at the AGM.

Finally I would like to thank Richard Allely, the senior management team and all PMP employees for their continued dedication and commitment over a very challenging year.

lan I Fraser CHAIRMAN

Dear Shareholder

Fiscal 2012 was a challenging year for PMP, with difficult market conditions and significant leadership changes at both the Board and executive level.

The year began with a new Chairman and went on to see a change of non-executive directors, with Peter George stepping down and Peter Margin's appointment. I am confident that we continue to have strong leadership and good strategic counsel from directors with broad and complementary skills.

At the executive level, I made the decision to take temporary/transitional control of PMP's core print and distribution business – assuming this responsibility together with my role as CEO. This dual role gave me a very clear and direct connection with our customers, suppliers and operations. The next step is an Australian transformation program for Print and Distribution, similar, but on a larger scale, to our program in New Zealand. This project is being managed by the new PMP Chief Operating Officer, Peter George, who stepped down from his non-executive role to lead the entire Executive operational management team for PMP Limited.

The Australian transformation program was actually initiated in October 2011 in response to the changes that were then becoming apparent in the markets in which PMP Print and PMP Distribution operate. Reductions in magazine circulation, reduced paginations resulting from

cut backs in advertising spending by retailers and major reductions in printed directories volumes have created significant over-capacity in the printing industry. Similarly, our distribution business has seen pressure on volumes from the changed advertising landscape. The over-capacity has led to price discounting which has exacerbated the pressure on our revenue line.

Our response has been to put in place a wide-ranging set of cost reduction and revenue enhancement initiatives across the Print and Distribution businesses. The initiatives aim to re-position PMP for the changed market conditions by reducing capacity by closing a number of presses and relocating other presses to maximise the performance of our national footprint and by rebalancing the support costs associated with running the businesses. Key areas of focus include sales force effectiveness, outsourcing opportunities, process re-engineering and changing our corporate sub structures to eliminate duplication and layers of management.

The transformation initiatives have been costed and project plans will be delivered for each initiative. In fiscal 2012, Phase One of the plan commenced which will produce \$8 million of annualised savings. Costs associated with Phase Two of the project are expected to total \$33 million. Phase Two of the plan will commence in fiscal 2013 and will produce \$32 million of annualised savings by fiscal 2014.





Financial performance

PMP's financial performance was well below that of the previous year, driven largely by reduced earnings in our core printing division, where a combination of volume decline and price erosion significantly impacted operating results. The combination of this trading result, and our expectations for the future of this market, was the catalyst for our strategy of print transformation in Australia.

Distribution performed in line with expectations, delivering an improved result on fiscal 2011. Distribution remains challenged as the number two player in a two player market, with slightly above 30% market share. Its position is a double edged sword: negative in that, as a relatively fixed cost business, it is difficult to drive substantial earnings gains; positive in that, with 70% of the market to go after, the risk is on the upside.

Distribution's letterbox service is now maintaining its best ever coverage and on time delivery results. Letterbox delivery remains a powerful marketing medium, continuing to rival the reached audiences of both online and mail channels from a cost and effectiveness perspective.

In New Zealand, we completed the transformation program that started a year ago. This substantial site consolidation came at a significant cost; however, the benefits are already evident, flowing through to the business in the last few months of fiscal 2012. In fiscal 2013 we will receive the full run rate benefit. The

new KBA press acquired and installed in Auckland has exceeded performance expectations, in terms of both volume throughput and cost per unit. The New Zealand market, which has been extremely challenging for the past few years, appears to have bottomed out. It is currently stable, and there are encouraging signs that it may pick up towards year end.

During the year, we appointed a new Executive General Manager to PMP Direct. Anna Cicognani, who has a strong background in digital marketing, has already successfully launched new products and services, which are delivering benefits to our major customers, particularly in the retail space. PMP Direct also relocated to two new centres in Sydney and South Melbourne. These premises offer state-of-the-art photographic studios for our clients and an excellent work environment for our employees. They will provide an important forum to showcase our digital offering to the entire PMP customer base.

Gordon and Gotch Australia signed a new 10 year deal with Pacific Magazines to distribute their titles locally. This business now distributes close to 100% of imported magazine titles in Australia. However, as a largely fixed cost network operation, the business is being challenged by declining magazine circulation. While it is difficult to establish how much of that circulation decline is cyclical versus structural, we don't expect a significant volume improvement in the year ahead.



Much effort has been spent on creating working environments which are safe and encouraging of peoples' active involvement in working collaboratively.

Exceptional safety performance

Our three year strategy to improve our safety performance across the Group has paid off, with a strong awareness of risk across the business and a growing safety culture leading to fewer incidents and injuries. While our measure of success is a lag indicator, the Lost Time Injury (LTI) rolling performance for the last 12 months shows a reduction in its frequency rate from 8.0 to 6.1 year on year. In addition, PMP received a 2012 Work Safe Award, for Return to Work, Employer Excellence.

I am also delighted to report that, as at 30 June 2012, Chullora recorded 18 months of accident free work. This is a record within the PMP group and something all employees on site and company should be very proud of. Our systems are such that we are now looking to be externally accredited for safety management processes.

During the year, we launched a National 'Live Well' program, as a proactive measure to improve the health and wellbeing of workers. This included providing an on-site gym with state-of-the-art equipment for all employees. The program, which has had a 40% take-up in Australia, is a key contributor to improving our safety performance. It is now being rolled out in New Zealand.

Salvain Salvain IV

Digital printing at Griffin Press continues to increase over traditional printing, allowing publishers to economically produce smaller print runs.

LOST TIME INJURY FREQUENCY RATE (LTIFR)



Continuing balance sheet strength

Importantly, PMP's balance sheet remains strong, with net assets of \$320.7 million, notwithstanding substantial investment in the New Zealand restructuring and the early part of transformation in Australia. Net debt finished the year at \$143.3 million.

A collaborative culture built on teamwork

In a year that has challenged employees at all levels across the Group, I want to thank the board, my executive team, and all our employees for their continued support and contributions.

I'm delighted that their efforts were recognised at this year's Australian HR Awards, where PMP won the 'Best Change Management Strategy Award'. The commitment shown by every employee in delivering the change program has enabled us to significantly improve our stakeholder relationships. Our culture is now more collaborative, allowing us to work together more effectively to deliver valued products and services for our clients. Thank you to every employee for living our Values, especially Safety and Teamwork, and building a culture we all want to be a part of.



PEOPLE AND CULTURE

Our people and our culture forms the cornerstone that enables PMP Limited to adapt to dynamic technological and market changes. Our bench strength has enabled us to modify our operations to deliver ongoing efficiencies whilst keeping customer needs at the forefront. This capability has been supported by our 'One Team' culture which continues to strengthen together with our improved Safety management.

Safety & Teamwork Culture

Our employees have demonstrated their commitment to Teamwork and our 'number one' Value - Safety. Much effort has been spent on creating working environments which are safe and encouraging of peoples' active involvement in working collaboratively.

OH&S Individual Achievement Award

The 2011 CEO's 'OH&S' Individual Achievement Award was awarded to Scott Radecki, Bindery Coordinator at the Chullora Print site. Scott went 'above and beyond' his day to

day responsibilities to ensure compliance with site safety requirements - encouraging his colleagues to report hazards, undertaking risk assessments of the plant and implementing Safe Operating Procedures. He also developed an OHS library for all of the plant on site.



One Team Award

It is not surprising that the Gold category winners of the 2011 CEO's One Team Award for Australia was a team which introduced a change to eliminate a safety risk for their fellow employees. The "Gluing Method Redesign" Team from Moorebank decided to eradicate the use of hypodermic needles out of the printing process given the frequency of incidents and safety issues associated with their use. The use of hypodermic needles had been in place for more than 25 years. The team engineered a prototype, conducted product testing and liaised with the engineers on development improvements and machine adaptations.



Gold "One Team" Award Winners (L to R) Mike Williams (standing), Rowan Coles, Peter Haun, Chris Brennan & David Overall with Sean Rooney, Richard Allely and Guest Speaker, Nick Farr-Jones.

PMP VALUES

SAFETY

protection :: security :: safeguards :: wellbeing :: assurance

The safety and security of our staff are of paramount importance to PMP. Our staff work for a profitable business that invests in their careers and looks after them in a safe working environment.

RELIABILITY

trusted :: responsible :: measured :: answerable :: dependable

PMP can be relied upon to deliver on its promises. We accept responsibility for our actions and the products and services we deliver. Our success depends on being answerable to each other, our customers and our business partners and we ensure our stakeholders can always measure us against our performance.

LEADERSHIP

visionary :: innovative :: challenging :: knowledge :: expertise

We are recognised as true leaders in our industry and have been for more than 150 years. Our success is driven by the courage to promote and embrace innovative and visionary thinking and by challenging the status quo in the delivery of media services.

HONESTY

integrity :: truthful :: ethical :: transparent :: responsible

The success of PMP, our staff and our customers depends on honesty, responsibility and integrity. We do not compromise our high ethical standards, mislead others or hide from our responsibilities.

TEAMWORK

proactive :: energetic :: committed :: cooperative :: supportive

With a 'One Team' ethos, every PMP team member works, supports and defends each other to achieve the company's goals. We see ourselves as integral partners to our clients and deliver products and services through teamwork and the development of trusted relationships.

PROFESSIONALISM

expert :: skilled :: proficient :: qualified :: excellence

Professionalism with excellence is the cornerstone of PMP and is what we are judged against by every stakeholder. Our success relies upon skilled, knowledgeable professionals who strive to exceed the expectations of our stakeholders every day.

PRODUCTS AND SERVICES

- Magazines
- Catalogues
- Directories
- Books
- Financial documents
- Corporate documents
- · Government material
- Newspapers
- Digital printing

MARKET

- Corporate
- Financial services
- Government
- International & local book publishers
- Marketing, advertising & media buying agencies
- Newspaper, magazine & directory publishers
- Retail

OVERVIEW

• The market leader with plants across Australia and New Zealand

OPERATIONS REPORT



The Australian Print business had a disappointing year with revenue falling by \$23.0 million or 4.9% and Earnings Before Interest & Tax (and non-recurring costs) falling by \$16 million or 28.8%. During the year, the combination of reduced magazine circulations, reduced advertising spend by retailers and significant reductions in the quantity of telephone directories being printed, generated substantial over capacity in the printing industry – leading to intense price competition.

It's important to note that the revenue in our Print business includes sales to customers where we supply the paper and revenue where our customers supply paper, hence a fall in revenue can be impacted to a greater or lesser degree depending on this factor. In the last financial year we saw a greater fall in volume where our customers supply paper, and that's mainly in the magazine publishing sector which fell by 34%. The fall here was for two reasons, firstly we lost the contract to print for publisher Pacific Magazines in the last few months of calendar 2011, and publisher ACP had reduced volumes year on year. In fact, volumes where we supply paper increased year on year by 3.7%, and that's mainly in the retail catalogue sector.

Our Printing business operates with relatively high fixed costs, hence any fall in the volume of activity can have a material impact on profitability, which is more than evident in the financial results for fiscal 2012. To counter this position and build a more sustainable business model for the future, we commenced a business transformation program this year which will involve considerable changes in the way PMP Print does business, and in particular, significant reductions in headcount. It is planned that the cost base will be reduced by more than \$37 million a year, through a broad range of initiatives, from press consolidation to process re-engineering.

The result will be a business that can be competitive and profitable in the radically changed and reduced Australian print industry.

The financial performance of Griffin Press was flat year-on-year. Across the board, volume produced increased by 3.2%, with a 100% increase in digitally printed volumes now accounting for 8.5% of sales.

The transformation program will involve considerable changes in the way PMP Print does business.



PMP Digital

PRODUCTS AND SERVICES

- Workflow solutions
- Production and creative services
- Digital services and mobile activation
- On site production studios
- Photography services still, motion, styled, 360, 3D and retouching
- Image libraries and asset management
- Data analytics, segmentation and consumer insights
- Catalogues 4U

MARKET

- Retail and Wholesale
- FMCG and Packaging
- Advertising Agencies
- Corporate Financial Services, Telecommunications and Utilities
- Government
- Not-for-Profit
- Publishing

OVERVIEW

- Work with clients to define, locate and seek out the best opportunities for growth
- Help clients to understand and identify profitable customers, likely prospects and optimal store locations for use in targeted marketing and business development strategies
- Fast track the production of marketing campaigns across multiple media channels through in-house production teams dedicated to accurate, on time delivery
- Marketing workflow solutions that help clients go to market faster
- Award winning catalogue production team
- Shoot over 35,000 digital images per annum

OPERATIONS REPORT



In fiscal 2012, PMP Digital was created as a new division of PMP to include PMP Digital and Pacific Micromarketing. We spent the majority of the year restructuring and filling gaps in product lines to improve our value proposition and starting the process of integrating our offerings across the Group. At the same time, we reinforced our relationships with key customers. We also moved into new premises in Victoria and NSW and developed a presence in Queensland.

This foundational work has yet to deliver solid results, with the division missing its break even target. However, considerable progress has been made in developing services and infrastructure to support PMP's multichannel offering. Part of this progress has been to form PMP Direct, combining PMP Digital with PMP Distribution Australia. This builds on the strength of our distribution heritage with the expertise, products and services in our digital business.

PMP Digital

The high penetration of internet, broadband and mobile devices in Australia means retailers are dealing with very different consumer behaviour. Anywhere, anytime access has changed the way people shop, find information, ask opinions, and socialise. Consumers expect information to be ubiquitous and convenient – at their fingertips, when they want it, in a format of their choice and able to be shared.

In response, retailers need to deliver multi-channel marketing campaigns through a mixture of traditional and digital outlets: the web, mobile phones, and tablets, as well as the more traditional channels: printed catalogues, direct mail and outdoor advertising. With marketing budgets being squeezed, retailers are looking for a single provider capable of repurposing campaign materials through different media.

During the year, to help PMP develop this single-source capability, PMP Direct took up several best in class new products. For example, PMP Digital licensed exclusively the SnapTag technology. Operating like

We have improved our value proposition and reinforced our relationships with key customers.



OPERATIONS REPORT

PMP Direct (continued)

PMP Distribution

PRODUCTS AND SERVICES

- Targeted delivery
- Addressed delivery
- Newspaper delivery
- Product sample delivery

MARKET

- Advertising agencies & media buyers
- Corporate
- Direct marketing
- Fast moving consumer goods
- Government
- Mail houses
- Manufacturers
- Newspapers & magazine publishers
- Retail

OVERVIEW

• One of the two market leaders in nationwide letterbox distribution

a QR Code, SnapTags help to strengthen a brand by using a customer's logo. Instead of just taking people to a link, SnapTags give consumers instant access to offers, content, promotions, shopping carts and product information. This technology opens up whole new lines of interactive communication that can be used to track customer behaviour and build relationships.

The division launched two new products to help our customers take more informed decisions: Mosaic Retail and LIKE. Mosaic Retail helps retailers to understand where consumers shop and what motivates them to buy. LIKE is an attitudinal and behavioural segmentation tool that helps marketers to understand which channels individual customers prefer and how they consume different types of media.

We also invested in 360 degree and spherical photography to support digital imagery and are ramping up our creative capabilities around catalogues, which remain an important channel for catalogues.

To support cross-selling, we worked across the Group, hosting product information days, cross-referring clients

and participating in joint pitches. Our goal is to give clients leading edge marketing solutions, from the trusted brand of PMP, with the scale to offer a compelling value proposition.

In February 2012, we held the second Schmart Marketing Conference in Sydney and Melbourne. During the conference, we explored how social media and online tools, combined with customer insights and traditional media, can be used to engage with customers in new ways. The conference, which included international and local speakers, has been an important vehicle for raising PMP's profile as a leading edge marketing solution provider.

With refreshed sales and marketing collateral and an optimised digital asset management system, we are ready to take our solutions to our clients, helping them to solve their marketing problems and optimise their spend. PMP's service offering is now designed to match the digital market in which our clients are increasingly competing.

Next year, we aim to help our customers stay two steps ahead of new media trends. This will include developing services on tablets and mobile phones – a fast growing market where we can be highly competitive.

PMP Distribution

In fiscal 2012, Distribution improved its performance year-on-year. Despite a modest 3.2% decline in revenues, EBIT increased by 22.5%, largely through stringent cost control. This was a pleasing result, given that Distribution faced many of the same pressures as the print business, with retail catalogue distribution particularly affected, as retailers reigned in their advertising expenditure.

With many elements of strong price competition in the sector, plans are also in place to transform the cost base of the Distribution business, with short-term cost reductions of \$3 million per year in the pipeline.

As a result, in the coming year, we expect improved profitability and competitive advantage in this business.

Distribution's letterbox service is a powerful marketing medium, and is continuing to maintain its best ever coverage and on time delivery results.



OPERATIONS REPORT



Gordon and Gotch delivered an EBIT (before significant items) of \$1.0 million, down by \$2.7 million on the previous

year, on the back of a sharp revenue decline of 13.3%.

Magazine circulations fell by 6% in Australia, ahead of the global industry, which declined by 10%. In the face of increasingly difficult conditions, the business did well to re-sign a number of contracts and continued to increase our share of wallet with our existing client base.

We also continued to seek new revenue opportunities in both physical and digital magazines. For example, we launched a solution for digital magazines, which offers our clients an end-to-end solution for digital distribution. This small, but important part of the value chain has been welcomed by clients seeking to move into the digital market. We also began offering our Tier 2 clients back office subscription processing for physical magazines, with both international and domestic publishers taking up this service.

In response to the declining retail book market, on 8 June 2012, we sold Brumby Books and Music. We also closed the online entertainment retailer treeet.com.au

following the exit of book distribution, but kept its dedicated magazine subscription business, relaunching it as a new web site *ilovemagazines.com.au*.

In the coming year, we will continue to re-evaluate the business and, where possible, realign our cost base with the declining volumes in the market.

We expect growth in distribution of non-core products to be slow, but steady in the new fiscal year.

PRODUCTS AND SERVICES

- Market knowledge & experience
- Established retail relationships
- Sales & market analysis
- National merchandising solutions
- Range & display management
- Distribution solutions to multiple retail channels including newsagents, grocery chain, petrol/convenience and specialty outlets
- Distribution of digital magazines
- Subscription management
- 3PL services

MARKET

- Mail house (NZ)
- Domestic publishers
- International publishers
- Diverse product clients

OVERVIEW

 The largest independent distributor of magazines in Australia and New Zealand



Despite a difficult year, we continued to see new revenue opportunities in both physical and digital magazines.



PRODUCTS AND SERVICES

- Magazine, catalogue
 & sheetfed printing
- Digital and variable data printing, plastic wrapping and mail house services
- Direct Marketing, design and fulfilment
- Letterbox delivery
- Targeted letterbox delivery
- Newspaper home delivery
- Product sample delivery
- Magazine merchandising solutions
- Magazine channel management
- Magazine subscriptions management
- Customer insights and analytics
- Customer acquisition

MARKET

- Retail
- Advertising agencies
- Local magazine and newspaper publishers
- Fast Moving Consumer Goods Marketers
- Utilities
- Financial Services
- Real Estate Agents
- Corporate Communications

OVERVIEW

- The only printer/distributor providing integrated communication solutions
- The only printer with North and South Island heatset operations
- The only independent magazine distributor
- One of Australasia's largest lifestyle and demographic data sources

OPERATIONS REPORT



For PMP New Zealand, fiscal 2012 was another challenging year. On top of a tough trading environment, with contract losses from the previous year hitting home, the company was plagued by a series of natural disasters and emergency situations. As a result, top line revenues were sharply down year-on-year, and EBIT reduced by \$3.2 million to \$1.6 million.

In terms of natural disasters, during the year, the Christchurch site was snowed in three times, with workers unable to reach the plant and transport links severely affected. In March 2011, the tsunami in Japan had wiped out paper mills of our suppliers. Then, the main natural gas line in New Zealand's North Island failed, leaving us without natural gas to run our Heatset printing presses for a week and a half. While we moved work to our Christchurch site to produce as many products as possible on Heatset, we also converted our Auckland press fleet back to Coldset production for other suitable products. Despite this, some of our clients had to either take their products in house or delay deliveries, all resulting in considerable lost revenue to the business. Finally, our disaster recovery systems were again tested to the limits when a critical failure on our biggest press meant we had to fly product out of Australia to meet our customers' needs.

Bright spots came from the results of our transformation program to reduce our cost base, improve efficiency and enhance customer service. The project, which enabled us to close five sites, also reduced employee numbers throughout the business. The results have streamlined our production processes, improved quality, and also delivered NZ\$16 million in annual cost savings which are expected over fiscal 2012 and 2013. This was essential for the survival of the business, given the soft local economy, with continued weak consumer spending and patchy retail sales.

PMP Distribution had a solid year, signing a large freight deal for distribution with Mainfreight, giving us better access to depots and improving our distribution schedule. The business is continuing to negotiate better distribution contracts, enabling it to both reduce costs and improve customer service.

Our transformation program has reduced our cost base, improved efficiencies and enhanced customer service.



Gordon and Gotch continued to battle the reality of having fixed costs in a business with softening volumes. Yet again, magazine volumes in New Zealand fell, this time by 7-8% year-on-year. As physical magazines declined, digital magazines fared better, with significant growth in the take up of product from our Zinio platform by both large and small publishers.

The acquisition of International Print Limited (IPL) occurred in June 2011. Its integration into PMP Maxum has enabled a \$2.5 million turnaround in the profitability of our Sheetfed business, despite market volumes falling by 10%. IPL was a sound, profitable and well-run business, with a complementary customer base to PMP. Now part of PMP Maxum, it specialises in complex print

pieces, rather than simple, high volume runs. This gives it a major point of difference, away from the commodity market, which is dominated by bigger players.

Looking ahead, we can now begin the climb back to historical EBIT levels. The first six months of fiscal 2013 will be about consolidating and reaping the benefits of transformation. We also intend to improve our scheduling to deliver better outcomes for our customers. This will include continuing to split work between Auckland and Christchurch to better service local companies, with Christchurch becoming more of a retail site and more magazines being produced in Auckland, their biggest market.

DIRECTORS' BIOGRAPHIES







Ian L Fraser

FCPA, FAICD

Chairman

Appointed 04.04.03

Age 67

Mr Fraser qualified as an accountant but gained significant operational experience in positions such as MD of Pioneer Sugar Mills Limited, MD Clyde Industries Limited, MD Australia Chemical Holdings Limited and MD TNT Australia Pty Limited.

Mr Fraser also has substantial international experience having worked and lived in South East Asia and the United States.

He is currently a Non-Executive Director of Structural Systems Limited and Legend Corporation Limited.

Mr Fraser was previously a Director of Forest Place Group Limited 2001 to 2011, Lighting Corporation Limited 2006 to 2008 and Nylex Limited 2007 to 2008.

Mr Fraser is Chairman of the Board. Mr Fraser is retiring from the Board after this year's Annual General Meeting.

Richard Allely

DipCM, MBA, FCPA, FCIS, FAICD

CEO and Managing Director

Appointed 07.04.09

Age 58

Mr Allely has been Chief Executive Officer of PMP Limited since the start of April 2009. Prior to this appointment Mr Allely was Chief Financial Officer (appointed in 2002).

Mr Allely has over 30 years experience in senior management roles with leading companies, including Tenix Pty Ltd (formerly Transfield Pty Ltd), John Fairfax Holdings Limited, Boral Limited, James Hardie Industries Limited and Fanner PLP Pty Ltd.

Previously, Mr Allely held an advisory position with the Workcover Authority of NSW – Audit Committee. Mr Allely is an Independent Director on the Board of the Professional Golfers Association (PGA) of Australia Limited.

Matthew Bickford-Smith

Non-Executive Director

Appointed 20.07.09

Age 52

Mr Bickford-Smith was CEO of Ridley Corporation Limited until December 2007. He was previously with the Man Group and was MD of the Australian operations.

Before moving to Australia Mr Bickford-Smith was based in Hong Kong with responsibility for managing risk relating to the Man Group's sugar business within the region. Before moving to the Man Group he spent five years with Phibro the commodity trading arm of Salomon Brothers.

Mr Bickford-Smith is a Director of Eastern Agricultural Australia and The Julian Burton Burns Trust. Mr Bickford-Smith was previously a Director of Lanyon Asset Management Pty Ltd 2010 to 2011.

Mr Bickford-Smith is Chairman of the Appointments and Compensation Committee.

Mr Bickford-Smith will become Chairman of the Board after this year's Annual General Meeting.







Naseema Sparks

BPharm, MPharm (Pharmacol), MBA, GAICD

Non-Executive Director

Appointed 17.08.10

Age 59

Ms Sparks has a background in strategic consulting, marketing, digital media and applications with over 20 years experience in the advertising industry. She has held senior positions in leading agencies in Australia and UK, her most recent being Managing Director of M&C Saatchi.

She is currently a professional non-executive director and brand and marketing consultant.

Ms Sparks is currently a Director of Blackmores Ltd, Melbourne IT, Shadforth Financial Group and Deputy Chairman of Racing NSW and Deputy Chairman of Sydney Dance Company.

Goh Sik Ngee

B Eng(Hons), MSc, EMSF, BBM, PBM, PPA(P)

Non-Executive Director

Appointed 17.08.10

Age 59

Mr Goh Sik Ngee was appointed Chief **Executive Officer of Times Publishing** Limited, a wholly-owned subsidiary of Fraser and Neave, Limited ("F&N"), on 1 July 2010. He was nominated by F&N and appointed to the Board on 17 August 2010. He was appointed on the Board of Fung Choi Media Group Ltd, a listed company on the Singapore Stock Exchange ("SGX") on 29 July 2010.

Mr Goh has 37 years of varied experience, including publishing, printing, retail and education. He held appointments at the helm of a number of organisations which included CEO of Yellow Pages (Singapore) Limited, a listed company on the SGX, and CEO of MediaCorp Publishing Pte Ltd.

He started his career with the Ministry of Defence with the last appointment as Director of Manpower. He has been awarded several honours by the President of the Republic of Singapore in recognition of his contributions in Community Service and Civil Service.

Peter Margin

BSc (Hons), MBA

Non-Executive Director Appointed 30.01.12

Age 52

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.

Mr Margin has been a Director of Bega Cheese Limited since June 2011 and Nufarm Ltd since October 2011. He joined PMP Limited as a Non-Executive Director in January 2012.

Mr Margin is Chairman of the Audit and Risk Management Committee.

Graham Reaney

B Com. CPA

Chairman

Appointed 13.09.02

Completion Date 18.11.11

Mr Reaney's business experience spans more than 30 years during which time he has held a number of senior corporate appointments including Managing Director of National Foods Limited and Managing Director and Operations Director of Industrial Equity Limited.

Mr Reaney is also a Director of Holcim Australia Pty Ltd.

Mr Reaney was a Director of St George Bank Ltd 1996 to 2008, AGL Energy Limited from 2006 to 2009, and Westpac Corporation from 2008 to 2011.

Peter George

B Com, LLB

Non-Executive Director

Appointed 19.12.02

Completion Date 23.04.12

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.

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.

CORPORATE GOVERNANCE

Overview

PMP's corporate governance is based on the belief that the creation of value is intrinsically linked with good governance practices.

The core principles of good corporate governance that PMP has based the 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 ensure compliance with best practice recommendations set by the ASX Corporate Governance Council.

Ethical Business 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.
- PMP is to ensure that there is a clear communication process for material items of concern between employees and the Board via open and nonhierarchical communications including whistleblower provisions that:
- encourage employees to report, in good faith, any violations of the standards, requirements and expectations described in the Code of Conduct, and

- 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.

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 black-out 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.

Responsible Management and Remuneration

Board Charter*

Directors are selected to achieve a broad range of skills, experience and expertise complimentary to the Group's activities. Details of individual Directors are included on pages 18-19. The Board comprises six Directors, being; the Non-Executive Chairman, the Chief Executive Officer and four 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. 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 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. The Board regularly assesses the independence of each Director with regard to interests disclosed by them. Under the Charter, Directors are encouraged to own shares in PMP. There is a minimum shareholding requirement for independent Non-Executive Directors of 100,000 shares, which may be obtained over a two year period.

Access to Information and Advice

The Charter provides for Directors to have access to all relevant information and employees within PMP. It also gives them authority to seek independent professional or legal advice, from a firm of their choice at PMP's expense, on any matter before the Board or any other matter affecting their duties as a Director, conditional only on the Chairman's approval.

Board Performance Evaluation

The Appointment and Compensation Committee is responsible for, amongst other things, evaluating the performance of the Board and individual Directors.

Board Independence

When determining the independent status of a Director the Board considers whether the Director:

- Is a substantial shareholder of the company or an officer of, or otherwise associated directly with, a substantial shareholder of the company;
- Is employed, or has previously been employed in an executive capacity by the company or another group member, and there has not been a period of at least three years between ceasing such employment and serving on the Board;
- Has within the last three years been a principal of a material professional adviser or a material consultant to the company or another Group member, or an employee materially associated with the service provided;
- Is a material supplier or customer of the company or other group member, or an officer of or otherwise associated directly or indirectly with a material supplier or customer; or
- Has a material contractual relationship with the company or another group member other than as a Director.

All Non-Executive Directors of PMP are considered independent with the exception of:

• Goh Sik Ngee, who is directly associated with Fraser & Neave Ltd, a substantial shareholder of the company.

Sound Financial Reporting and Risk Management

Risk Oversight and Management of Material Risks

PMP views risk management as a continuous process and a fundamental driver of effective corporate governance and value generation.

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 Corporate Governance Principles and Recommendations.

The Board has responsibility for the design and implementation of an effective system of risk management and internal control. The Audit and Risk Management Committee provides assistance to the Board by reviewing, assessing and making recommendations in relation to the Risk Management Framework, supporting systems and the internal control structure.

Management, through the Chief Executive Officer, is responsible for designing, implementing and reporting on the adequacy of PMP's risk management and internal control system.

CORPORATE GOVERNANCE continued...

Management, with the assistance of the Group Risk and Assurance Manager, reports to the Audit and Risk Management Committee on the company's key risks and the extent to which it believes these risks are being managed. This is performed on a quarterly basis or more frequently as required by the Board or relevant subcommittee.

The Audit and Risk Management Committee receives biannual assurance, or more frequently as required, that the system of risk management and internal control are sound and operating effectively through reports presented to the Audit and Risk Management Committee, including management representations and Internal Audit.

Risk Management Framework Summary

A standardised approach to risk assessment is used across the group to ensure that risks are consistently assessed and reported to an appropriate level of management, and to the Board if required.

Risks are reviewed at least annually by all operating divisions as part of the annual strategic planning, business planning, forecasting and budgeting process. Divisional risk profiles are also reviewed as part of the quarterly due diligence process within these divisions, with a positive assurance being provided by executive management that their risk profiles are complete, accurate and current.

Significant business risks are required to be owned by a member of the Executive Management Team. These risks are specifically reported on at each of the three scheduled Audit and Risk Management Committee meetings. Executive Management Team members may be required to attend these meetings to assist the Audit and Risk Management Committee assess the risks and management's planned response to these.

Management committees also meet regularly to deal with specific areas of risk such as Occupational, Health and Safety (OHS) risk.

The Audit and Risk Management Committee also receives reports on the status of the implementation of the Risk Management Strategy and supporting framework.

Delegation of Authority Policy*

PMP's Delegation of Authority Policy aims to ensure transparency in decision making and protect individuals and the company from any suggestion of impropriety. It requires managers to confer up the management chain when making significant decisions and prevents conflicts of interest from interfering with termination or hiring decisions. The Policy also prevents any contract or arrangement being

authorised, or approved by delegation, by any employee with a conflict of interest.

Management Representation

Detailed and comprehensive questionnaires are completed by all business units and functional management on a six monthly basis. These questionnaires include managements' 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 7.3 of the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations.

Based on the questionnaires, the Board receives 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. The assurance provided is reasonable rather than absolute as it is based on judgment, the use of sample testing, the inherent limitations in internal control and much of the evidence is persuasive rather than conclusive.

Internal Audit

The internal audit function conducts a series of risk-based reviews based on a plan agreed with management 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 Risk Management and Internal Audit Frameworks are independently reviewed to provide assurance as to the adequacy of the framework. Such assurance was provided by an internal audit conducted by PKF Chartered Accountants and Business Advisors, with no adverse findings being identified.

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:

- Strained economic environment;
- Reliance on continuity of supply from utilities (electricity and gas);
- Reliance on continuity of supply of raw material inputs (e.g. paper and ink).
- Fluctuations in demand volume; and

• Changing operating and market environments.

These risks are provided to assist stakeholders understand better the nature of risks faced by PMP and the industry in which it operates. It is not necessarily an exhaustive list.

Audit and Risk Management Committee*#

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.

Under its Charter, the Audit and Risk Management Committee consists of at least three Non-Executive Directors, a majority of whom are required to be independent. The Committee must include members who are financially literate; at least one member shall have relevant qualifications and experience (qualified accountant or other financial professional with experience of financial and accounting matters); and some members shall have an understanding of the industry in which PMP operates. The Chairman must be an independent Non-Executive Director who is not the Chairman of the Board. The current members are Peter Margin (Chairman), Matthew Bickford-Smith, Ian Fraser and Goh Sik Ngee.

The Audit and Risk Management Committee has direct and unlimited access to the external auditors. The external auditor and the Group Risk and Assurance Manager have direct and unlimited access to the Audit and Risk Management Committee.

Committee member**	Meetings attended
Peter Margin (chairman)	2 (out of a possible 2)
M Bickford-Smith	3 (out of a possible 3)
I L Fraser	3 (out of a possible 3)
Goh S N	3 (out of a possible 3)

Appointment and Compensation Committee*#

Refer to the Remuneration report for further detail on the role of the Appointment and Compensation Committee.

Committee member**	Meetings attended
M Bickford-Smith (Chairman)	3 (out of a possible 3)
N Sparks	3 (out of a possible 3)

- *# The record of attendance for all Board Meetings and Board Committees, are included in the Directors' Report - page 30 'Directors Meetings'.
- ** The qualifications of Committee members are included in their Director biographies on pages 18-19.

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 Guidance Notes, the ASX Corporate Governance Council Recommendations and the Corporations Act. PMP has a Disclosure Committee comprising the Chief Executive Officer, Chief Financial Officer and Company Secretary/General Counsel, which met as and when required.

External auditor independence

PMP firmly believes that the external auditor must be, and must be seen to be, independent. The external auditor confirms its independence in relation to the 31 December and 30 June financial reports and the audit committee confirms this by separate enquiry.

Disclosure and Shareholder Communication Policy*

PMP's Disclosure Policy requires any price sensitive information concerning PMP to be disclosed to the market and to be communicated to the ASX before any other person. The policy prevents selective disclosure by: ensuring only authorised spokespeople comment on behalf of PMP; 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;
- Occasional letters from the Chairman; and
- Its website www.pmplimited.com.au.

CORPORATE GOVERNANCE continued...

Diversity Policy*

In September 2011 the Board of Directors approved PMP's Diversity Policy on the recommendation of the Appointments and Compensation Board Committee.

The Diversity Executive Sub-Committee is responsible for overseeing the implementation of actions, as part of the policy implementation. During the reporting period the following objectives were actioned.

- A Gender Pay equity review was completed, providing the basis for corrective adjustments to be incorporated into future salary review cycles.
 Management were provided with procedures to determine appropriate corrective action and prevent any future disparities. The Fair Workplace Policy was amended to require managers to ensure fairness in setting and reviewing salaries.
- A Group Recruitment, Selections and Appointments
 policy was developed providing direction for gender
 representation on selection panels, from culling
 applications to the appointments decision, and seeking
 a gender balance in applicants for vacancies. The policy
 also now requires additional management approval for
 appointments to be made outside the salary range for
 the vacancy as an additional control over often weaker
 salary negotiation skills of female applicants.
- A training course was developed to educate all managers and supervisors in the PMP Group on Diversity and Inclusive behaviours.
- An internal audit on managers' adherence to the company's Grievance Management policy, with a specific focus on matters relating to harassment and discrimination was completed.
- Preparation for the Group-wide survey of all employees to identify opportunities to address gender-related issues and a Disability Accessibility audit was completed, providing an update on the suitability of PMP's work sites for people with disabilities and sight impaired.

As a diverse business, PMP employs a broad range of occupational groups to staff its creative, analytic, print and distribution businesses. Consequently we seek to attract talent from different labour markets, trades and professions. Our current gender profile reflects our reliance on trades and engineering for our print business and the associated lack of gender balance in that sector.

June 2012 – Australia – Gender Participation				
Board of Directors	16%			
PMP Executive Management Team	22%			
PMP Group Employees (Australia)	26%			

Compliance Notes

The Chief Executive Officer and Chief Finance Officer assured the Board that:

- The consolidated entity's financial reports present a true and fair view, in all material respects, of the company's financial condition and operating results and are in accordance with relevant accounting standards and the Corporations Act 2001 and are founded on a sound system of risk management and internal compliance and control which implements the policies adopted by the Board.
- The financial records of the listed entity for the year have been properly maintained in accordance with section 286 of the Corporations Act 2001.
- The company's risk management and internal compliance and control system is operating efficiently and effectively in all aspects.
- The group-wide risk management strategy, implementation plan and supporting processes have been developed and reviewed by the Audit and Risk Management Committee. Management's actions to embed and continuously improve the risk management processes are on-going.
- Based on the outcomes of the risk review process as at year end and representations from line management, it appears that there are no significant risks that are likely to result in a material misstatement to the financial statements.
- Management has continued to closely monitor the system of budgeting and forecasting across the Group with the intention of mitigating any future exposure.
- The above declarations and statements are made to the best of their knowledge and belief based on enquiries during the year and on a review of the Financial Statement Due Diligence Compliance Packages, completed by line management.

PMP combines the roles and responsibilities of the Nomination Committee and the Remuneration Committee in its Appointment and Compensation Committee. This committee currently has two members, however the Chairman of the Board attended all meetings held during the year.

^{*} Summaries of these documents are publicly available in the Corporate Governance section of the PMP Limited web site: www.pmplimited.com.au

SUSTAINABILITY AND PMP

The PMP sustainability tree was created to formally convey the initiatives and programmes undertaken by PMP in response to the current and emerging environmental issues identified within the reporting period.

PMP's long term objective is to "grow" this tree as we seek to address the environmental and sustainability issues relevant to our businesses. The initiatives and programmes are represented by the branches of the tree. The branch framework provides our stakeholders with a reference point of our activities together with the progress, performance and achievements resulting from these activities.



SUSTAINABILITY AND PMP continued...

Our Vision

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, reuse, 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.

Data and information for this report has been compiled with reference to the GRI Sustainability Reporting Guidelines G3.1.

Key Risks

- Paper purchasing
- Energy consumption
- · Greenhouse gas emissions
- Transport of raw materials and finished product
- Waste water treatment

Key Opportunities

- Promoting the environmental benefits of increasing plantation forestry cover driven by paper consumption
- Delivering business savings through reducing energy consumption
- Minimisation of transport impacts through a multisite printing strategy
- Improving the quality of waste water through reducing or eliminating harmful press-room chemicals
- Carbon sequestration through improved forestry practises by suppliers and by purchasing carbon offsets on behalf of customers

PMP's 12 Branch Initiatives

PMP's sustainability tree demonstrates the initiatives and programmes undertaken by PMP in response to the current and emerging environmental issues identified within the reporting period. Each initiative is represented by a new branch of the tree:

1. Reporting Platform

PMP utilises an online tool for collating and reporting environmental data across all businesses. This platform enables streamlined reporting to sites, business units, senior management and the Board, and covers energy, water, waste and emissions data. This information is used to monitor and track performance, reduce costs and inform business decisions.

2. Energy Efficiency Programmes

PMP completed the first cycle of the Australian Government's Energy Efficiency Opportunities program and has now commenced assessments for the second cycle. Over the first five years, 27 major projects were implemented which delivered 90,000 GJ of energy savings, equivalent to 12.4% of PMP's total energy consumption in Australia.

Substantial savings have also been achieved in New Zealand with the completion of the new Enterprise Park site, and these will be realised over the next 12 months.

3. Energy, Emissions and Water Footprint

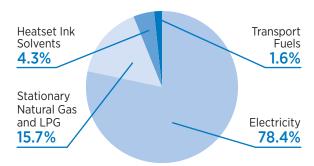
PMP Limited's energy, emissions and water footprint is presented below. All facilities under the operational control of PMP Limited and its subsidiaries have been included in this footprint.

Scope 1 emissions include combustion of natural gas, heatset ink solvents, LPG, diesel, gasoline. Scope 2 emissions are those associated with the purchase of electricity from the grid.

	Group FY12	Group FY11	Aus FY12	Aus FY11	NZ FY12	NZ FY11
Energy (TJ)	852	922	678	727	174	195
Scope 1 Emissions (ktCO ₂ -e)	25	28	19	21	6	7
Scope 2 Emissions (ktCO ₂ -e)	91	97	89	95	2	2
Water (ML)	N/A	N/A	99	106	N/A	N/A

N/A: not reported

A breakdown of PMP's emissions sources is given below.



4. Environmental Accreditation

PMP has extended its certification programme with Forest Stewardship Council (FSC) and Programme for the Endorsement of Forest Certification (PEFC). FSC and PEFC Chain-of-Custody accreditations has been achieved at our digital print site in Canberra and our sheetfed site in Auckland. The final site to be certified is the new Enterprise Park site in Auckland which will be completed in early fiscal 2013.

Our Environmental Management System is currently being expanded to a group level in order to streamline reporting and compliance and enable coverage of the entire group. In addition, PMP Christchurch has achieved Platinum Enviro-Mark certification.

5. Renewable Energy and Carbon Offsets

PMP's renewable energy and carbon offset activities during fiscal 2012 include the following:

- Gordon & Gotch Australia offset 50% of electricity emissions through GoldPower purchases
- All petrol and diesel emissions were offset by planting trees through Greenfleet Australia
- Production of this Annual Report offset through Verified Carbon Standard (VCS) credits

6. Recycling

PMP recycles over 99% of the waste generated in the printing process, providing net revenue streams for the company. 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 supplier's disposal process activities. PMP's main recycling streams are paper, aluminium, cardboard, plastics, steel and timber.

7. Industry Engagement and Research

PMP works with a number of industry bodies to develop research projects into the environmental sustainability of printed products. During FY12 PMP took a leading role in the establishment of the Australian branch of Two Sides, an international organisation which undertakes global and local research on both the sustainability and effectiveness of print media.

PMP is a member of the following industry boards and associations:

- Australian Catalogues Association
- Publishers National Environmental Bureau
- Print Industry Working Group
- Two Sides Australia
- Australasian Paper Industry Association

8. Environmental Reporting

PMP complies with a number of state and federal reporting programs, including:

- National Pollutants Inventory
- Energy Efficiency Opportunities
- Carbon Disclosure Project
- National Greenhouse and Energy Reporting

Monthly sustainability updates are provided to the board, as well as to all staff via site newsletters and the intranet.

9. Customer Programmes

PMP has continued to develop our environmental offerings to our customers throughout FY12. Greenhouse gas life cycle analyses have been carried out for our print sites, and we are now able to provide carbon offsets to our customers based on the life cycle impact of their print run.

PMP is providing reports to our major customers on the direct manufacturing carbon footprint of their print runs. We have also developed the freight footprint optimisation tool which helps our customers to quantify and reduce the social, environmental and economic impacts of transporting finished products interstate.

PMP is constantly trialling new products which provide our customers with a larger range of environmentally friendly options, including biodegradable and compostable wrapping, lightweight paper grades and improved mileage inks. Our environmental paper procurement policy and chain of custody certification also ensures that our customers can be confident that all paper used by PMP meets high environmental standards.

SUSTAINABILITY AND PMP continued...

PMP is working to inform customers about the environmental issues associated with printing, especially when compared to electronic media.

For more information on this and other issues, please visit our website at: http://www.pmplimited.com.au/about-us/in-the-community

10. Supply Chain and Procurement

PMP have developed an environmental procurement embedded in the procurement process. The policy outlines four main principles:

- Transparent and accurate sustainability profiles prepared for major suppliers
- Value for money including environmental factors considered in total cost of ownership analysis
- Ongoing relationship with suppliers to drive continuous improvement
- Site audits of suppliers to ensure best practise processes are being followed

Gathering detailed information from our suppliers ensures that PMP are able to perform accurate life cycle calculations on our printed products for our customers.

11. Information Technology Initiatives

During fiscal 2012 our Green IT program consolidated and rationalised back end storage systems that were end of life and expensive to run and maintain. This project reduced power consumption by 22%, taking total Green IT savings over the past 2 years to 31%.

End of life equipment including laptops and mobile phones are recycled by a specialist e-waste recycler. 99.6% of the e-waste by weight is recycled or processed in a waste-to-energy facility, with just 0.4% of the total going to landfill.

PMP have also rolled out the Windows 7 operating system to take advantage of further power saving and power management features.

12. Targets

With production volumes down by 9% in fiscal 2012, PMP's emissions KPI increased to 412 kg CO₂-e per finished tonne due mainly to fixed energy costs. New emissions targets will be released to the market following the finalisation of the Print Transformation plan.

Historical Performance

PMP Print's year on year GHG emissions have reduced by 7% in fiscal 2012, taking the total reduction since 2008 to 23%. PMP will continue to pursue energy efficiency measures across all businesses to further reduce our overall emissions.

PMP Print GHG Emissions



Selection of Paper for Annual Report

Please consult the final page of the annual report for further information about the sustainability criteria considered in the publication of this report.

The Printing Process

The diagram on the next page depicts the main steps in the printing process, along with PMP's direct and indirect environmental impacts.

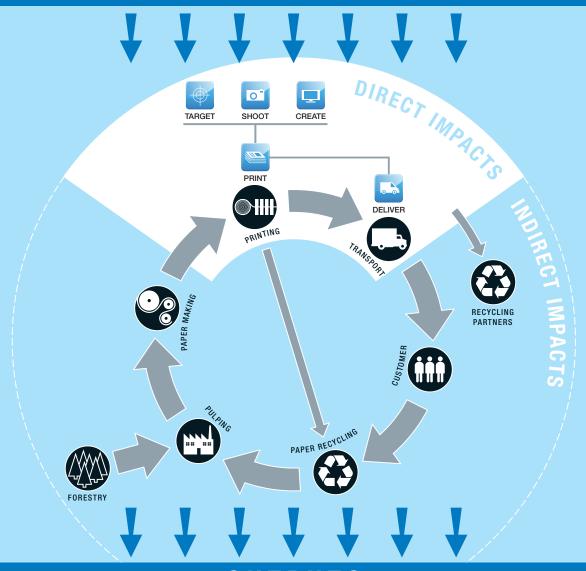
INPUTS

Energy (electricity, natural gas, LPG, gasoline, diesel). Electricity and natural gas make up over 95% of the energy consumption in the heat set printing process, while cold set printing at Salisbury and Chullora require no natural gas and are much less energy intensive. Electricity generation in Australia relies heavily on coal and is therefore carbon intensive, while our New Zealand operations source electricity mainly from renewable sources including hydro and geothermal.

Water is a critical component of the lithographic process and the majority of water used is drawn from town water. In some locations this water is treated via reverse osmosis to improve print quality and runnability.

Paper is the biggest input into the printing process and is sourced from around the world. Paper is a renewable and recyclable resource, and PMP is focussed on ensuring that our paper suppliers source fibre from responsible sources including plantation forestry and recovered paper.

Ink contains mineral and organic (soy-based) solvents; Aluminium plates are used in the printing process; Chemicals including developers and solvents are used in the pre-press and printing process; Packaging materials (including cardboard and plastic) are recyclable or biodegradable.



OUTPUTS

CO, The combustion of natural gas, fuels and ink solvents gives off carbon dioxide (CO,), which is one of the main greenhouse gases (GHGs) responsible for global warming. PMP is committed to reducing these emissions through continuing investment in new technology and by increasing efficiency.

Waste & Recycling Over 99% of the waste generated by PMP is recycled. Our main waste streams are as follows: Paper offcuts and trimmings from the printing process are extracted from the press hall and baled before being transported to a de-inking plant. After the ink is removed, the pulp is then ready for conversion back into recycled paper; Aluminium plates are collected and sold to recyclers for reprocessing. Aluminium does not degrade over time and is infinitely recyclable; Plastics including shrink wrapping and strappings are collected and recycled into new products; General Waste is sent to landfill, where it breaks down and releases greenhouse gases including methane; Hazardous Waste including ink and chemical residues is collected by licensed contractors for disposal. This waste can be incinerated, providing energy for other industrial processes such as brick kilns. Hazardous waste is a very minor portion of total waste in the printing process.

DIRECTORS' REPORT

The Board of Directors of PMP Limited ("PMP") has pleasure in submitting the consolidated Statement of Financial Position of the economic entity ("PMP Group") at 30 June 2012, and related Statement of Comprehensive Income, Statement of Cash Flows and Statement of Changes in Equity for the year ("the Period") then ended and report as follows:

Directors

The names of the Directors of PMP in office during or since the end of the financial year and particulars of their qualifications, experience, other directorships (including listed company Boards for the last three financial years) and special responsibilities including memberships of Committees of the Board are featured on pages 18-19 and in the table below.

Directors' and Executives' disclosures

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

Company Secretary – qualifications and experience

The company secretary is Alistair Clarkson (B.Com, LLB, MBA, ACIS, GradDipACG, GAICD). He was appointed Company Secretary of PMP Limited in 2009. Alistair is an associate of the Institute of Chartered Secretaries and a graduate of the Australian Institute of Company Directors. Age 48, he has been Corporate Counsel for PMP since 2001 and General Counsel since 2009.

Directors' meetings

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

	Board of	Directors	Audit & Risk Management		Audit & Risk Management Appointment & Compens		Compensation
	Attended	Maximum possible attended	Attended	Maximum possible attended	Attended	Maximum possible attended	
I L Fraser 	22	22	3	3	<9>	<9>	
R I Allely	20	22	<9>	<9>	<9>	<9>	
M Bickford-Smith	22	22	3	3	3	3	
P George <c></c>	10	11	<9>	<9>	<9>	<9>	
P Margin <d></d>	15	16	2	2	<9>	<9>	
Goh S N	17	22	3	3	<a>>	<9>	
G J Reaney <e></e>	5	5	<9>	<9>	<9>	<9>	
N Sparks	17	22	<9>	<9>	3	3	

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

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.

Principal activities

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

Results

The consolidated result after income tax of the PMP Group for the financial year ended 30 June 2012 was a \$24.5 million loss (2011: \$11.3 million loss).

Dividends

Dividends paid to members during the financial year were as follows:

	\$'0	00
	2012	2011
Final dividend for the year ended 30 June 2011 of 1 cent, 100% franked paid on 20 October 2011 (2011: 1 cent)	3,298	3,353
Interim dividend for the year ended 30 June 2012 of 1 cent, 100% franked paid on 4 April 2012 (2011: nil cents)	3,255	-
	6,553	3,353

Review of operations

During the year the PMP Group delivered earnings before interest, tax and significant items of \$32.7 million. This represents a 42.3% decrease compared to the prior year.

Net result after tax fell to \$24.5 million loss from the prior year \$11.3 million loss. Interest expense increased 23.0% to \$17.8 million. Significant items amounted to \$41.1 million and included Sensis contract impairments and write downs and restructuring and impairment costs for transformation in Print Australia.

Operating sales revenue was \$1,093.9 million, representing a 8.4% decrease

I L Fraser was appointed Chairman of the PMP Board on 18/11/11.

<c> P George retired as a Non-Executive Director on 23/04/12. P George was appointed Chief Operating Officer on 24/04/12.

<d> P Margin was appointed Non-Executive Director of the PMP Board on 30/01/12.

<e> G J Reanev retired on 18/11/11.

from the prior year. Capital expenditure (before proceeds from asset and business sales totalling \$6.0 million) was \$29.6 million which includes cash pre-paid for the construction of a printing press.

Net assets decreased by \$34.7 million to \$320.7 million.

PMP Group finished the year with interest cover of 4.9 times compared to 6.7 times in the prior period and gearing of 44.7% from 39.7% in June 2011.

Significant changes in the state of affairs

In February 2012, PMP announced that as a consequence of difficult market conditions, it was commencing a review of its Australian Print business. In April 2012 this resulted in the CEO streamlining the executive management structure and taking direct control of the print and distribution businesses as part of an Australian Print transformation program. Non-Executive Director Mr Peter George resigned from the Board and accepted the position of Chief Operating Officer of the Group and completed Phase One of the transformation plan which is expected to deliver \$8 million of annualised cost savings. Phase Two of the plan will commence in fiscal 2013 and produce \$32 million of annualised savings by fiscal 2014.

Future developments

Certain developments in the operations of the PMP Group are referred to elsewhere in the annual report. The Directors have excluded from this report any further information on the likely developments in the operations of the PMP Group and the expected results of those operations in future years, as the Directors have reasonable grounds to believe that it would likely result in unreasonable prejudice to the company.

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. Refer to pages 25-29 for PMP's Sustainability Report for a more detailed review of PMP's environmental practices with a particular emphasis on its carbon footprint.

Share issues and on-market buy-back

There were no shares issued during the year ended 30 June 2012.

On 2 August 2011, PMP announced its intention to undertake an on market share buy-back. The buy-back duration was from 17 August 2011 to 30 June 2012. The maximum number of shares that could be bought back was 20 million. The number of shares purchased was 6,098,088.

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.

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 2012:

	\$	
Description of non-audit services <a>	Australia	New Zealand
- Consulting services	56,076	19,658
- Taxation and related advisory services	138,135	40,023
	194,211	59,681

<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.

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 45.

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.

The Company has not otherwise, during or since the end of the financial year, except to the extent permitted by law, indemnified or agreed to indemnify an officer or auditor of the Company or of any related body corporate against a liability incurred as such an officer or auditor.

Significant events after balance date

Since the balance date, and as part of the transformation program, the company has initiated a program of sale and lease back of its properties in Australia and New Zealand and is undertaking Phase Two of the program. As part of this process, the Company reached agreement with it's lenders to restructure the Group's debt facility from a full revolver facility to an amortising revolving term and working capital facility. Details are provided in Note 13.

On 27 August 2012, the Chairman Mr Ian Fraser announced his intention to retire from the Board after the AGM. He will be succeeded as Chairman by Mr Matthew Bickford-Smith.

Other than the matters disclosed above, 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.

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.

Remuneration Report

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 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.

1 Appointment and Compensation Committee (the Committee)

1.1 Role of the Committee

The Committee operates under the delegated authority of the Board of Directors of PMP Limited, with ultimate authority for executive remuneration policy. In relation to appointments, the Committee reviews Director competence standards and Board succession plans, 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, PMP's 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, PMP's performance, the performance of the relevant executive and market conditions.

1.2 Advisors

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 PMP Limited.

1.3 Membership and meetings

The Committee may only comprise Non-Executive Directors and its Chairman may not be the Chairman of the Board. Its members and their record of attendance in the last financial year are listed below.

Committee members	Meetings attended	Meetings held
M Bickford-Smith (Chairman)	3	3
N Sparks	3	3

This committee currently has two members, however the Chairman of the Board attended all meetings held during the year.

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;
- Linking long term incentives (including rights) to shareholder value measures and performance hurdles; and
- Providing full legal compliance and disclosure of executive remuneration.

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;
- Executive remuneration packages for key middle and senior personnel include an at risk variable component that is developed in line with the PMP Short Term Incentive program;
- Variable pay schemes are expressed in the form of a balanced scorecard
 that details a variety of criterion that 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 lost
 time injury frequency rate); and personal objectives that align personal
 behaviours and professional development with the overall goals of
 the company.

3 Remuneration structure

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 community of 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
- 3. Longer term equity-based incentives through employee share rights plan (LTI), which usually pertain to the senior leadership.

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.

The structure links remuneration management and outcomes to organisational performance through PMP's Performance Management System. This system aligns goals, strategies and actions for the Group with business unit and department goals and actions. PMP measures progress against these goals through individual reviews and monthly and quarterly business reviews.

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.

3.1 Base salary

PMP generally sets salaries based on a classification structure referenced to the market median, while also allowing flexibility from this reference point where it is warranted by individual performance levels.

PMP's remuneration structure and market position are benchmarked annually

through Mercer and Hewitt Associates, PMP's preferred remuneration and benefits providers.

The remuneration structure is managed by the Human Resources function, leveraging tools such as: job evaluation, career level benchmarking and an automated salary review software application.

PMP's remuneration system allows flexible packaging of benefits via salary sacrifice at no additional Total Employment Cost (TEC) to the company.

3.2 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. A few longer serving executives remain in a legacy defined benefit plan, which is closed to new members.

Relevant superannuation contributions for all senior executives form part of the executive's total remuneration package, which is calculated on a total cost to company basis. All such amounts are included in the fixed remuneration disclosed for the CEO and members of the senior executive team in this report. PMP offers employees the opportunity to participate in the superannuation choice of fund arrangements.

3.3 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.

3.4 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.

3.4.1 Short term incentives - STI

The STI plan applies to key middle and senior personnel roles, directly linking variable remuneration to PMP's corporate strategy.

The employee's STI percentage is the maximum amount that will be paid for achieving performance goals. Results above the target goal will not increase the incentive payment above the STI percentage, unless authorised by the CEO. As a general rule, no discretionary bonuses outside the STI program will be approved. Proposals for discretionary bonuses outside the STI program

must be authorised by the CEO and have a supporting business case. Performance is assessed on a balanced scorecard approach.

Target achieved	Percentage of STI target achieved		Percentage of base TEC achieved
	EMT	Other	(EMT example)
Below threshold	None	None	_
Target	100%	100%	25%
Exceptional	CEO discretion		CEO discretion

Table 1. STI percentages.

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.

3.4.2 STI - Performance conditions

PMP's primary measure for STI is EBIT - Earnings Before Interest and Tax (before significant items) – a commonly used financial indicator of operating performance. Other non-financial performance conditions focus management and executive activities on operating performance and employee safety and align individual behaviours with company strategy. Non-financial performance criteria of executives are set by the CEO in consultation with individual executives.

3.4.3 Long term incentives – LTIs

The LTI plan aligns an element of executive rewards with the creation of share-holder 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, 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.

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

2012			Fixed annual remuneration <a>	STI <a>	Total	Performance related remuneration
			\$	\$	\$	%
R I Allely	CEO and MD		780,000	_	780,000	0%
C Amos	EGM - PMP (NZ) Limited		373,963	_	373,963	0%
A Cicognani	EGM - PMP Direct	 /b>	277,637	_	277,637	0%
A Clarkson	Company Secretary and General Counsel		283,250	_	283,250	0%
C Davison	EGM - Gordon and Gotch Group		380,000	_	380,000	0%
P George	Chief Operating Officer	<(>	114,125	_	114,125	0%
G Stephenson	Chief Financial Officer (CFO)		415,000	_	415,000	0%

Table 2. Take home pay of the Executive Director and continuing Executives for the year ended 30 June 2012.

- 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 2012 year. Where appointments commenced during the year the table above represents remuneration from that date.
- A Cicognani appointed EGM of PMP Direct on 10/10/11.
- <c> P George appointed Chief Operating Officer on 24/04/12.

Ref	Rights	Performance Hurdles	Assessment Method	Vesting
A	Rights - \$0 Executive Management Team (EMT) and Senior Managers Issued 30 Sept 07 Expiry 31 Aug 12	The performance hurdles are: Total Shareholder Return (TSR) and Return on Capital Employed (ROCE). 50% of Rights granted are to be subject to each hurdle. Total Shareholder Return If PMP's TSR over the three year period comprising financial years 08, 09 and 10 exceeds the change in the ASX All Ordinaries Accumulation Index over the same period, all of the Rights (being 50% of Rights granted) will vest and become exercisable. Return on Capital Employed ROCE = EBIT / Capital Employed - EBIT = Earnings Before Interest and Tax as per the audited accounts - Capital employed = Equity plus net debt ROCE performance over a 3-year performance period will be determined as the simple average of ROCE achieved in each of the 3 relevant financial years. If ROCE over the 3-year performance period is at least equal to the target average ROCE set by the Board on commencement (being 16%), all of the Rights (being 50% of Rights granted) will vest and become exercisable.	Will be determined on TSR and ROCE result for FY08, FY09 and FY10. The Board retains discretion to include/ exclude from the calculation of ROCE, items which the Board considers are, for example, unusual or non-recurring.	0% vested on 19 Aug 10
В	Rights - \$0 EMT and Senior Managers Issued 01 Oct 08 Expiry 31 Aug 13	The performance hurdles are: Total Shareholder Return (TSR) and Return on Capital Employed (ROCE). 50% of Rights granted are be subject to each hurdle. Total Shareholder Return If PMP's TSR over the three year period comprising financial years 09, 10 and 11 exceeds the change in the ASX All Ordinaries Accumulation Index over the same period, all of the Rights (being 50% of Rights granted) will vest and become exercisable. Return on Capital Employed hurdle detail as in "A" above.	Will be determined on TSR and ROCE result for FY09, FY10 and FY11.	0% vested on 18 Aug 11
C	Rights - \$0 EMT and Senior Managers Issued 01 Oct 09 Expiry 31 Aug 14	The performance hurdles are: Total Shareholder Return (TSR) and Return on Capital Employed (ROCE). 50% of Rights granted are be subject to each hurdle. Total Shareholder Return If PMP's TSR over the three year period comprising financial years 10, 11 and 12 exceeds the change in the ASX All Ordinaries Accumulation Index over the same period, all of the Rights (being 50% of Rights granted) will vest and become exercisable. Return on Capital Employed hurdle ROCE over the performance period is at least equal to the target average ROCE set by the Board on commencement of the Performance Period. The target ROCE is the greater of the average budgeted ROCE or the average weighted average cost of capital over the performance period.	Will be determined on TSR and ROCE result for FY10, FY11 and FY12. The Board retains discretion as per details in "A" above.	0% vested on 27 Aug 12
D	Rights - \$0 EMT and Senior Managers Issued 01 Oct 10 Expiry 31 Aug 15	The performance hurdles are: Total Shareholder Return (TSR) and Return on Capital Employed (ROCE). 50% of Rights granted are be subject to each hurdle. Total Shareholder Return If PMP's TSR over the three year period comprising financial years 11, 12 and 13 exceeds the change in the ASX All Ordinaries Accumulation Index over the same period, all of the Rights (being 50% of Rights granted) will vest and become exercisable. Return on Capital Employed hurdle detail as in "C" above.	Will be determined on TSR and ROCE result for FY11, FY12 and FY13.	N/A
E	Rights - \$0 EMT and Senior Managers Issued 01 Oct 11 Expiry 31 Aug 16	The performance hurdles are: Total Shareholder Return (TSR) and Earnings Before Interest, Tax, Depreciation and Amortisation (EBITDA). 50% of Rights granted are be subject to each hurdle. Total Shareholder Return PMP's TSR over the three year period comprising financial years 12, 13 and 14 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 12, 13 and 14 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 FY12, FY13 and FY14. The Board retains discretion as per details in "A" above.	N/A

Table 3. LTI Performance Hurdles and Assessment Methods.

3.4.4 LTIs - Performance conditions

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

3.5 Senior Executive Performance Evaluation

PMP rewards executives for performance. At the beginning of each new financial year, the CEO sets objectives with each direct report. This includes corporate goals (such as EBIT excluding significant items, and safety), and

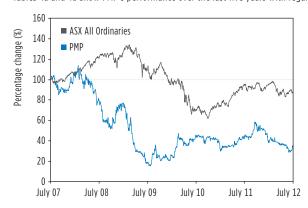
personal objectives, including activities to drive the development of business opportunities across the Group. The CEO formally reviews performance against objectives twice annually, at the mid-year and financial year-end, with the outcomes used to determine overall performance and STI payments.

3.6 Senior Executive Development

The CEO also ensures the ongoing professional development of the Executive Team through the creation of agreed development plans.

3.7 Company performance

Tables 4a and 4b show PMP's performance over the last five years with regard to earnings and shareholder returns.





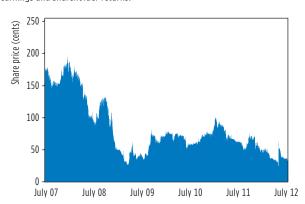


Table 4b. PMP Actual Share Price performance.

Earnings performance indicators		2008	2009	2010	2011	2012
Earnings per ordinary share (basic)	cents	23.9	(7.9)	6.2	(3.4)	(7.5)
Earnings per ordinary share (diluted)	cents	23.9	(7.9)	6.1	(3.4)	(7.5)
Dividend per share	cents	<a> 4.5	-	 b> 1.0	<c> 1.0</c>	<d> 1.0</d>
External sales revenue	A\$ mill	1,347.3	1,345.6	1,212.1	1,194.3	1,093.9
Total EBIT (before significants)	A\$ mill	84.7	54.9	52.2	56.7	32.7

Table 4c. PMP earnings performance indicators.

- <a> 1.5 cent interim FY08 dividend, paid FY08 and 3.0 cent final FY08 dividend, paid FY09
-
b> Final dividend FY10, paid FY11.
- <c> Final dividend FY11, paid FY12.
- <d> 1.0 cent interim FY12 dividend, paid FY12

4 Chief Executive remuneration

The following section details the remuneration arrangement for Mr Richard Allely, the CEO of PMP.

4.1 Employment contract

Mr Richard Allely is employed under a 3 year contract which expires on 30 June 2014, with both parties having the option to terminate the agreement on the second anniversary date of the contract. The notice period for termination on notice is as follows:

Date of the notice	Notice Period					
Until 30 June 2012	12 months written notice.					
Between 1 July 2012 and 31 March 2013	Written notice of a period equal to the greater of:(a) 3 months; or(b) the remaining period between the date of the notice and 30 June 2013.					
Between 1 April 2013 and 30 June 2014	Written notice of a period equal to the shorter of:(a) 12 months; or(b) the remaining period between the date of the notice and 30 June 2014.					

In the event of a significant change in duties or responsibilities or a successful takeover ("the Event"), Mr Allely has the option to provide notice of termination within 30 days of the Event and PMP will pay a sum equal to his annual remuneration plus any STI payment made or due to be made in respect of the prior financial year. Leave entitlements are 20 days annual leave per annum, and long service leave as per legislation.

4.2 Summary of remuneration structure

Fixed Remuneration:

Base salary including superannuation is \$780,000 per annum.

Short Term Incentive:

Mr Allely has an STI of up to 100% of his fixed remuneration for the 2011/12 financial year, dependent on achieving a number of targets including EBIT and safety:

- Budgeted EBIT (65% of STI);
- · Improved safety (20% of STI); and
- Personal objectives (15% 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 will not vest with Mr Allely until 12 months after the year end to which they relate.

For the 2010/11 financial year, Mr Allely was awarded 40,932 shares. The shares were purchased on market during 2011/2012 and vested with Mr Allely on 1 July 2012 (refer Table 11). No shares were awarded in the 2011/2012 financial year.

Long Term Incentive:

At the Annual General Meeting on 18 November 2011 shareholders approved the participation of Mr Allely in the PMP Long Term Incentive Plan. Mr Allely was awarded 2,100,000 performance rights to acquire fully paid ordinary shares in PMP. The performance rights vest on satisfaction of the performance hurdles following the performance period ending on 30 June 2014. The number of rights will reduce on a pro rata basis should PMP Group or Mr Allely exercise the right to terminate Mr Allely's employment

agreement at the second anniversary.

The share rights offered to Mr Allely 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) against a comparator group consisting primarily of ASX listed entities that are ranked between S&P/ASX 200 – ASX 300. The period over which the TSR performance condition is measured is the three year period commencing 1 July 2011. 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 2014.

All rights held by the CEO are disclosed in Table 10 and Note 25(b) to the accounts.

4.3 Remuneration summary

The remuneration paid to Mr Allely for the year ended 30 June 2012 is set out in the table below:

Salary Component	2012
- Base Salary	\$764,225
- Superannuation	\$15,775
- LSL	\$998
- STI: Operational and external comparative	-
- STI: Shares	_
- LTI <a>	\$305,480
Total	\$1,086,478

Table 5. Richard Allely remuneration.

<a> This is based on the accrued accounting value in accordance with AASB 2 Share-based Payment and relates to amounts granted to Mr Allely 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 options were not taken into account when estimating the fair value at grant date. Instead, the number of options expected to eventually vest is re-assessed at the end of each reporting period.

5 Key Management Personnel (other than Directors)

PMP's Key Management Personnel during the financial year are:

Chief Executive Officer and Managing Director. Refer section 4 for remuneration details.
Executive General Manager - PMP (NZ) Limited
Executive General Manager - PMP Direct <a>
Company Secretary and General Counsel
Executive General Manager - Gordon and Gotch Group
Chief Operating Officer
Executive General Manager - PMP Digital and Pacific Micromarketing <c></c>
Chief Financial Officer
Executive General Manager - Print and Distribution <d></d>

<a> A Cicognani appointed Executive General Manager of PMP Direct on 10/10/11.

5.1 Employment contracts

PMP does not include termination or severance payments for PMP executives in their employment contracts in addition to agreed notice provisions.

Name	Notice Period PMP	Notice Period Employee	Termination Payments
C Amos	6 Months	6 Months	No specific termination payment provided for
A Cicognani	6 Months	6 Months	No specific termination payment provided for
A Clarkson	6 Months	6 Months	No specific termination payment provided for
C Davison	6 Months	3 Months	No specific termination payment provided for
P George	6 Months	6 Months	No specific termination payment provided for
G Stephenson	6 Months	6 Months	No specific termination payment provided for

Table 6. Executive Employment Contracts.

b> P George appointed Chief Operating Officer on 24/04/12.

<c> Completion 31/01/12.

<d> Completion 17/04/12.

5.2 Remuneration

The table below outlines the remuneration packages of key management personnel (excluding Directors).

All rights are valued in accordance with AASB 2 which have been independently valued in accordance with the Binomial Option Pricing Model or the Monte Carlo Simulation Model. The value of rights awarded to executives during the year are disclosed in Table 8 in the column headed "Actual LTI". This value is based on the intrinsic value of rights on vesting date.

Key management perso	onnel			Short term	Post employment superannuation	Long term	Total excluding rights	Equity rights	Grand total	Rights as a percentage of total remuneration
			Salary	STI		LSL		<j></j>		
			\$	\$	\$	\$	\$	\$	\$	%
C Amos	<9>	2012	356,728	_	17,235	_	373,963	33,330	407,293	8%
	<	2011	22,859		2,057	_	24,916	_	24,916	_
P Browne	<(>	2011	303,637	37,088	44,567	4,754	390,046	47,638	437,684	11%
A Cicognani	< d>	2012	254,727	_	22,910	_	277,637	39,783	317,420	13%
D Chesser	<6>	2011	102,255	_	9,203	_	111,458	(10,132)	101,326	_
A Clarkson		2012	259,862	_	23,388	6,132	289,382	63,143	352,525	18%
		2011	247,326	13,750	22,190	7,765	291,031	35,486	326,517	11%
C Davison		2012	354,240	_	25,760	5,917	385,917	90,307	476,224	19%
		2011	354,240	14,250	25,760	33,664	427,914	67,645	495,559	14%
P Elbourne	<f></f>	2011	64,950	_	5,983	_	70,933	(12,811)	58,122	_
P George	<g></g>	2012	104,849	_	9,276	_	114,125	_	114,125	_
G Plant	<h>></h>	2012	157,176	_	11,214	_	168,390	(40,007)	128,383	_
		2011	265,991	10,647	15,199	_	291,837	38,176	330,013	12%
G Stephenson		2012	399,225	_	15,775	_	415,000	80,924	495,924	16%
		2011	367,301	19,250	15,199	_	401,750	29,983	431,733	7%
A Williams	<j></j>	2012	381,331	_	40,605	_	421,936	(55,085)	366,851	_
		2011	447,246	84,984	40,252	_	572,482	39,247	611,729	6%
Total Remuneration KM	IP:	2012	2,268,138	_	166,163	12,049	2,446,350	212,395	2,658,745	
		2011	2,175,805	179,969	180,410	46,183	2,582,367	235,232	2,817,599	
			, .,	.,	, . = -		,,	,	7. 7. 7.	

Table 7. Key management personnel remuneration of the company and the group

- <a> Includes relocation housing allowance of 2012: \$51,407. Remuneration paid in New Zealand and Australian dollars. New Zealand dollar remuneration converted into Australian dollars at the average profit and loss exchange rate prevailing during the year.
-

 Appointed EGM of PMP (NZ) Limited on 01/06/11.
- <c> Includes relocation housing allowance of 2011: \$57,891. STI includes cash transformation plan incentive of \$25,500. Remuneration paid in New Zealand and Australian dollars. New Zealand dollar remuneration converted into Australian dollars at the average profit and loss exchange rate prevailing during the year. P Browne completed his New Zealand secondment as EGM of PMP (NZ) on 31/05/11. He provided services to the Australian business until his completion on 31/01/12.
- <d> Appointed EGM of PMP Direct on 10/10/11.
- <e> Retired 19/01/11
- <f> Completion 30/09/10 (Termination payment of \$158,234 excluded. Payment made on 05/10/10.)
- <a> Appointed Chief Operating Officer on 24/04/12. P George retired as a Non-Executive Director on 23/04/12. Remuneration as a Non-Executive Director of \$66,339 was received from 01/07/11 to the 23/04/12 and is disclosed in Table 12. Whilst serving as a Non-Executive Director P George received additional fees of \$338,865 for consulting services. Refer to Note 24 for further information.
- <h> Completion 31/01/12 (Termination payment of \$170,012 excluded. Payment made on 31/01/12.)
- <i><i>Completion 17/04/12 (Termination payment of \$495.898 excluded, Payment made on 24/4/12.)
- <>> Where completion dates are during the period rights have been forfeited. Rights that had not vested prior to being forfeited have been credited back to the income statement.

	Fixed annual remuneration	Maximum STI <f></f>	Actual STI <a>	Actual STI percentage of maximum STI 	Maximum LTI <c></c>	Actual LTI <d> <e></e></d>	Actual LTI percentage of maximum LTI <e></e>	Maximum potential reward	Actual reward	At risk remuneration (of potential total)
	\$	\$	\$	%	\$	\$	%	\$	\$	%
R I Allely	780,000	780,000	_	_	315,136	_	_	1,875,136	780,000	58%
C Amos <g></g>	373,963	81,098	_	_	33,330	_	_	488,391	373,963	23%
A Cicognani <h></h>	277,637	95,000	_	_	39,783	_	_	412,420	277,637	33%
A Clarkson	283,250	71,500	_	_	106,117	-	-	460,867	283,250	39%
C Davison	380,000	95,000	_	_	155,417	-	_	630,417	380,000	40%
P George	114,125	_	_	_	_	-	_	114,125	114,125	_
G Stephenson	415,000	106,250	_	_	128,610	_	_	649,860	415,000	36%

Table 8. Key management personnel achievement of performance hurdles

- <a> Group EBIT targets were not met in the 2012 financial year.
-
b> The difference between the Actual and Maximum value is the forfeited value.
- <c> All long term incentives (LTIs) are composed of "rights". The value attributed to the "2012 Maximum LTI" amount is based on the accrued accounting value in accordance with AASB 2 'Share-based Payment'. Rights have been independently valued.
- <d> The value attributed to the 2012 "Actual LTI" amount is the "intrinsic value" of rights exercised during the year. Intrinsic value is calculated as the difference between the share price and exercise price on the date exercised.
- <e> Management notes that the method used in this table will result in reporting anomalies in any given period, to the extent that the "Actual LTI" is based on actual exercised rights (intrinsic value), which is being compared to an accrued accounting value.
- <f> Based on 'target' goals (100%) being achieved. Achievement of 'exceptional' goals are at CEO discretion.
- < 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</p> the year.
- <h> A Cicognani appointed EGM of PMP Direct on 10/10/11.

5.3 Share rights

The table below shows remuneration share rights granted and vested to key management personnel during the year. No Directors (excluding R I Allely) were granted or hold rights over shares of PMP Limited.

Terms & Conditions f	or each grant of share	rights during the yea	or ending 30 June 201	2			30 June 2012
	Granted number	Grant date	Value per right at grant date \$	Exercise price per share \$	First exercise date	Last exercise date	Vested number
R I Allely	2,100,000	1/07/2011	<a>>	N/A	<	30/06/2016	Nil
C Amos	229,412	1/10/2011	<(>	N/A	<4>	31/08/2016	Nil
P Browne <g></g>	227,206	1/10/2011	<(>	N/A	<4>>	31/08/2016	Nil
A Cicognani	273,824	1/10/2011	<(>	N/A	<4>>	31/08/2016	Nil
A Clarkson	210,294	1/10/2011	<(>	N/A	<4>	31/08/2016	Nil
C Davison	279,412	1/10/2011	<(>	N/A	<4>>	31/08/2016	Nil
P George	_	_	_	N/A	-	_	Nil
G Stephenson	312,500	1/10/2011	<(>	N/A	<4>>	31/08/2016	Nil
A Williams <g></g>	375,000	1/10/2011	<(>	N/A	<4>	31/08/2016	Nil
Total	4,007,648						Nil

Terms & Conditions for each grant of share rights during the year ending 30 June 2011									
	Granted number	Grant date	Value per right at grant date \$	Exercise price per share \$	First exercise date	Last exercise date	Vested number		
R I Allely	-	-	-	N/A	_	-	Nil		
C Amos	_	_	_	N/A	_	_	Nil		
P Browne	220,714	1/10/2010	<e></e>	N/A	<f></f>	31/08/2015	Nil		
D Chesser <g></g>	196,429	1/10/2010	<e></e>	N/A	<f></f>	31/08/2015	Nil		
A Clarkson	196,429	1/10/2010	<e></e>	N/A	<f></f>	31/08/2015	Nil		
C Davison	271,429	1/10/2010	<e></e>	N/A	<f></f>	31/08/2015	Nil		
G Plant	195,000	1/10/2010	<e></e>	N/A	<f></f>	31/08/2015	Nil		
G Stephenson	275,000	1/10/2010	<e></e>	N/A	<f></f>	31/08/2015	Nil		
A Williams	300,000	1/10/2010	<e></e>	N/A	<f></f>	31/08/2015	Nil		
Total	1,655,001						Nil		

Table 9. Key management personnel rights granted

- <a> Valuation in accordance with AASB 2 Share-based Payment Fair value per right - TSR hurdle - \$0.35 (50% of granted rights) Fair value per right - EBITDA hurdle - \$0.50 (50% of granted rights)
-
b> Following the announcement of the 2013-14 results
- <c> Valuation in accordance with AASB 2 Share-based Payment Fair value per right - TSR hurdle - \$0.50 (50% of granted rights) Fair value per right - EBITDA hurdle - \$0.63 (50% of granted rights)
- <d> Following the announcement of the 2013-14 results
- <e> Valuation in accordance with AASB 2 Share-based Payment Fair value per right - TSR hurdle - \$0.47 (50% of granted rights) Fair value per right - ROCE hurdle - \$0.66 (50% of granted rights)
- <f> Following the announcement of the 2012-13 results
- <g> Rights lapsed on termination.

	Balance 1 July 2011	Granted as remuneration	Rights exercised	Rights lapsed	Rights cancelled	Balance 30 June 2012	Not exercisable	Value at exercise date \$	Share price at lapse date \$	Value at lapse date \$
2012							<a>>			
R I Allely 	279,297	2,100,000	_	(279,297)	_	2,100,000	2,100,000	-	0.68	189,922
C Amos	_	229,412	_	_	-	229,412	229,412	-	_	_
P Browne <c></c>	522,342	227,206	_	(749,548)	_	_	_	_	0.37	277,333
A Cicognani <d></d>	_	273,824	_	_	_	273,824	273,824	_	_	_
A Clarkson	420,839	210,294	_	(43,252)	-	587,881	587,881	-	0.68	29,411
C Davison	695,228	279,412	-	(148,438)	-	826,202	826,202	-	0.68	100,938
P George <e></e>	_	_	_	_	_	_	_	_	-	_
G Plant <c></c>	443,607	_	_	(443,607)	-	_	_	_	0.50	221,804
G Stephenson	395,283	312,500	-	_	_	707,783	707,783	_	_	_
A Williams <c></c>	546,377	375,000	-	(921,377)	-	_	_	-	0.31	285,627
Total	3,302,973	4,007,648	_	(2,585,519)	-	4,725,102	4,725,102			

	Balance 1 July 2010	Granted as remuneration	Rights exercised	Rights lapsed	Rights cancelled	Balance 30 June 2011	Not exercisable	Value at exercise date \$	Share price at lapse date \$	Value at lapse date \$
2011							<a>			
R I Allely <f></f>	918,804	_	(423,173)	(216,334)	_	279,297	279,297	275,063	0.63	136,290
C Amos <g></g>	_	_	_	_	_	_	_	_	_	_
P Browne	368,671	220,714	-	(67,043)	-	522,342	522,342	-	0.63	42,237
D Chesser <c></c>	157,609	196,429	_	(354,038)	_	_	_	_	0.89	315,094
A Clarkson	261,262	196,429	_	(36,852)	_	420,839	420,839	_	0.63	23,217
C Davison	543,781	271,429	-	(119,982)	_	695,228	695,228	-	0.63	75,589
P Elbourne <c></c>	199,275	_	-	(199,275)	_	_	_	_	0.70	139,493
G Plant	288,545	195,000	_	(39,938)	_	443,607	443,607	_	0.63	25,161
G Stephenson	120,283	275,000	_	_	_	395,283	395,283	_	_	_
A Williams	246,377	300,000	_	_	-	546,377	546,377	_	_	
Total	3,104,607	1,655,001	(423,173)	(1,033,462)	_	3,302,973	3,302,973			

Table 10. Rights holdings key management personnel

- <a> No rights are exercisable at 30 June 2012 (2011: nil).
- At the Annual General Meeting on 18 November 2011 shareholders approved the participation of Mr Allely in the PMP Long Term Incentive Plan. My Allely was awarded 2,100,000 performance rights under the Long Term Incentive Plan.
- <c> Rights lapsed on termination of employment.
- <d> Appointed EGM of PMP Direct on 10/10/11.
- <e> Appointed Chief Operating Officer on 24/04/12.
- <f> Exercise represents short term incentive 2009/2010. One-third of R I Allely's STI is a fixed dollar value which is required to be converted to shares. 386,433 shares (Note 25 (c)) were purchased by the company on market in the 2010/2011 financial year. The number of shares differs from the 423,173 per above due to movements in the share price from the estimate made on issue and purchase dates.
- <g> Appointed EGM of PMP (NZ) Limited on 01/06/11.

2012	Balance 1 July 2011	On exercise of rights	Purchases	Sales	Other	Balance 30 June 2012
Directors						
G J Reaney <a>	300,000	_		_	(300,000)	_
R I Allely 	671,433	_	_	_	40,932	712,365
M Bickford—Smith	150,000	_	50,000	_	_	200,000
I L Fraser	160,000	_	65,000	_	_	225,000
P George <c></c>	92,619	_	_	_	(92,619)	_
Goh S N	_	-	_	_	_	_
P Margin <d></d>	_	-	14,900	_	_	14,900
N Sparks	_	-	_	_	_	_
Total	1,374,052	-	129,900	_	(351,687)	1,152,265
Executives						
C Amos	_	_	-	_	_	_
P Browne <e></e>	_	_	_	_	_	_
A Cicognani <f></f>	_	-	_	_	_	_
A Clarkson	_	_	_	_	_	_
C Davison	_	_	_	_	_	_
P George <c></c>	_	-	_	_	92,619	92,619
G Plant <g></g>	_	_	_	_	_	_
G Stephenson	50,000	-	_	-	_	50,000
A Williams <h></h>	_	_	_	_	_	_
Total	50,000	-	_	_	92,619	142,619

Table 11. Share holdings key management personnel

-
 Short term incentive 2010/2011. One-third of Mr R I Allely's STI is a fixed dollar value which is required to be converted to shares. 40,932 shares were purchased by the company on market in the current financial year.
- <c> Retired from Board on 23/04/12. Appointed Chief Operating Officer on 24/04/12.
- <d> Appointed 30/01/12.
- <e> Retired 29/02/12.
- <f> Appointed EGM of PMP Direct on 10/10/11.
- <g> Retired 31/01/12.
- <h> Retired 17/04/12.

6 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 financial year, the Board allocated \$636,815 of this amount for Non-Executive Director 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 Appointment and Compensation Committee	\$13,000
Member of Appointment and Compensation Committee	\$8,000
Statutory superannuation	9%

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

6.1 Performance Assessment

The Board evaluates its performance every two years with performance assessments facilitated by an external party.

6.2 Retirement Benefits

Non-Executive Directors receive cash remuneration plus statutory superannuation contributions only. Payments for Directorship services provided by Goh Sik Ngee do not include provisions for statutory superannuation contributions. Directors do not receive any retirement benefits.

Specified Directors			Salary and fees	STI	Share purchases	Post employment superannuation	Long term employment LSL	Total excluding share-based	Equity share-based	Grand total
			\$	\$	\$	\$	\$	\$	\$	\$
G J Reaney	<9>	2012	70,885	_	_	6,573		77,458	_	77,458
	<þ>	2011	170,701	_	_	15,199	_	185,900	_	185,900
M Bickford-Smith	<(>	2012	101,333	_	_	9,120	_	110,453	_	110,453
		2011	100,000	_	_	9,000	_	109,000	_	109,000
I L Fraser (Board Chair)	< ()>	2012	148,724	_	_	13,385	_	162,109	_	162,109
		2011	96,030	_	_	8,643	_	104,673	_	104,673
P George	<6>	2012	60,714	_	_	5,625	_	66,339	_	66,339
	<6>	2011	72,227	_	_	6,500	_	78,727	_	78,727
Goh S N		2012	87,000	_	_	-	_	87,000		87,000
	<f></f>	2011	75,795	_	_	-	_	75,795	_	75,795
Ng J S	<g></g>	2011	14,500	_	-	_	-	14,500	-	14,500
P Margin	<h>></h>	2012	39,437	_	-	3,549	_	42,986	_	42,986
N Sparks		2012	83,000	_	_	7,470	_	90,470	_	90,470
	<j></j>	2011	72,625	_	_	6,536	_	79,161	_	79,161
Total Remuneration:										
 Non-Executive Directors 		2012	591,093	_	_	45,722	_	636,815	_	636,815
		2011	601,878	_	_	45,878	_	647,756	_	647,756
R I Allely (CEO)		2012	764,225	_	_	15,775	998	780,998	305,480	1,086,478
R I Allely (CEO)	<j></j>	2011	840,551	347,327	_	15,199	13,883	1,216,960	105,693	1,322,653
Total Remuneration:										
— Executive Directors		2012	764,225	_	_	15,775	998	780,998	305,480	1,086,478
		2011	840,551	347,327	_	15,199	13,883	1,216,960	105,693	1,322,653
Total Remuneration:										
— Directors		2012	1,355,318	_	_	61,497	998	1,417,813	305,480	1,723,293
		2011	1,442,429	347,327	_	61,077	13,883	1,864,716	105,693	1,970,409

Table 12. Specified Director remuneration

- <a> G J Reaney retired 18/11/11.
- G J Reaney's superannuation represents 9% of his fee up to the maximum superannuation contribution base of \$168,880 for the 2011 financial year. The maximum superannuation contribution for the 2011 financial year was \$15,199.
- <c> M Bickford-Smith was member of the Audit and Risk Management Committee and chairman of this committee from 15/12/11 to 14/02/12.
- <d> IL Fraser appointed Chairman of the Board on 18/11/11. Retired as Chairman of the Audit and Risk Management Committee on 18/11/11.
- <e> P George retired as a Non-Executive Director on 23/04/12. P George was appointed Chief Operating Officer on 24/04/12.
 - Remuneration of \$114,125 received by P George as Chief Operating Officer from 24/04/12 to the 30/06/12 is disclosed in Table 7.
 - Whilst serving as a Non-Executive Director P George received additional fees of \$338,865 for consulting services. Refer to Note 24 for further information.
- <f> Goh S N appointed Non-Executive Director of the Board and a member of the Audit and Risk Management Committee on 17/08/10. Payments made for Directorship services provided by Goh S N are made to Fraser & Neave (Singapore) Pte Ltd.
- <g> Dató Ng Jui Sia retired as Non-Executive Director of the PMP board and a member of the Audit and Risk Management Committee on 17/08/10. Payments made for Directorship services provided by Dató Ng Jui Sia are made to Fraser & Neave (Singapore) Pte Ltd.
- <h> P Margin appointed Non-Executive Director of the Board 30/01/12. Appointed Chairman of the Audit and Risk Management Committee on 14/02/12.
- N Sparks appointed Non-Executive Director of the Board and a member of the Appointments and Compensation Committee on 17/08/10.
- <j> Equity share-based remuneration includes share-based STI of \$53,858 and LTI of \$51,835. One-third of R I Allely's STI is a fixed dollar value which is required to be converted to shares. LTI relates to rights granted to R I Allely prior to his appointment as CEO.

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

lan L Fraser Chairman

Sydney, 12 September 2012

Richard I Allely

Managing Director and Chief Executive Officer

INDEPENDENT AUDITOR'S DECLARATION

Deloitte.

The Board of Directors PMP Limited Level 12 67 Albert Avenue Chatswood NSW 2067 Deloitte Touche Tohmatsu A.B.N. 74 490 121 060

Grosvenor Place Stovenior Place 225 George Street Sydney NSW 2000 PO Box N250 Grosvenor Place Sydney NSW 1220 Australia

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12 September 2012

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 2012, 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

citte Touche Tohnutsu

JM Stanley

Partner

Chartered Accountants

Liability limited by a scheme approved under Professional Standards Legislation. Member of Deloitte Touche Tohmatsu Limited

Operating Sales Revenue

Operating sales revenue for fiscal 2012 was \$1,093.9 million, a 8.4% decrease on the prior year mainly due to lower magazine revenues at Gordon and Gotch and the closure of Scribo book distribution business. Smaller reductions were experienced in Directories and Heatset revenues. Print Australia's revenue fell 4.9% or \$23.0 million with Heatset volumes lower vs fiscal 2011 on a publishing contract loss and lower volumes from existing customers in tough retail markets while Directories sales were down 17.5% and Griffin Press declined 2.6% year on year. Distribution Australia

As CFO of PMP, Geoff 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.

Geoff 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.

volumes were 3.5% lower with reduced volumes from existing customers. For magazine distributor Gordon and Gotch, revenue decreased 13.3%, or \$54.9 million, on the back of reduced volumes and the closure of Scribo. Revenue in the PMP Digital business fell by \$1.8 million, or 6.4%, on continued soft market conditions. Revenue at PMP New Zealand fell by 9.4%, or \$17.7 million, as higher Sheetfed revenues were offset by lower sales at Gordon & Gotch.

Earnings Before Interest and Tax (EBIT)

The full-year EBIT (before significant items) was \$32.7 million, down 42.3% or \$24.0 million on the prior year. Print Australia's EBIT before significant items fell by 28.8%, or \$16.0 million predominantly on lower volumes. Publishing tonnes were down following the loss of a key contract which was partially offset by increased retail volumes notwithstanding lower volumes from existing customers in response to continued tough retail conditions. Distribution Australia had a \$0.2 million increase in operating EBIT



on tight controls around indirect costs. Gordon and Gotch's EBIT before significant items fell by \$2.6 million on lower magazine volumes notwithstanding very tight cost outcomes. Corporate costs before significant items rose by \$1.3 million mainly from share based expenses.

Net Profit After Tax (NPAT)

NPAT reduced vs prior period, with a loss of \$24.5 million, compared to a loss of \$11.3 million in the previous year. This was due to a reduction in EBIT (before significant items) and higher interest expense being partially offset by lower significant items (which this year included Sensis contract impairments and writedowns and restructuring and impairment costs for transformation in Print Australia).

Cash Flow

The Group's net free cash flow was negative \$2.3 million compared to \$27.1 million in fiscal 2011. This was principally due to lower EBITDA as reduced capital expenditure year on year was mostly offset by higher working capital. Net bank debt is \$143.3 million, up from \$141.0 million in the previous year.

Balance Sheet

At year end, net assets for the group stand at \$320.7 million, down from \$355.3 million in the previous year. The Group's gearing as defined as net debt / equity is now standing at 44.7%, up from 39.7% last year, and interest cover decreased from 6.7 to 4.9 times.

\$M	2012	2011	% Change
EBITDA (before significant items)	76.5	100.1	(23.5)
Depreciation and amortisation	(43.8)	(43.4)	-
EBIT (before significant items)	32.7	56.7	(42.3)
Finance costs	(17.7)	(14.5)	-
Income tax expense	(6.2)	(13.5)	-
Net Profit (before significant items)	8.8	28.7	(69.5)
Significant items	(41.1)	(52.2)	_
Income tax benefit (on significant items)	7.8	12.2	-
Net (loss)	(24.5)	(11.3)	-

Segment Revenue

\$M	2012	2011	VARIANCE
Sales Revenue			
Print Australia	449.3	472.4	(4.9%)
Distribution Australia	87.9	90.9	(3.2%)
Gordon and Gotch	358.5	413.4	(13.3%)
PMP Digital	26.8	28.6	(6.4%)
PMP New Zealand	171.4	189.0	(9.4%)
Total	1,093.9	1,194.3	(8.4%)

Segment EBIT before significant items

\$M	2012	2011	VARIANCE
EBIT before significant items			
Print Australia	39.4	55.4	(28.8%)
Distribution Australia	1.4	1.1	22.5%
Gordon and Gotch	1.0	3.7	(72.2%)
PMP Digital	(0.9)	0.1	-
PMP New Zealand	1.6	4.8	(66.9%)
Corporate	(9.8)	(8.4)	(15.3%)
Total	32.7	56.7	(42.3%)

Cash Flow

\$M	2012	2011
EBITDA before cash significant items	76.5	100.1
Cash significant items	(10.4)	(7.8)
EBITDA - cash	66.1	92.3
Borrowing costs	(14.3)	(16.5)
Income tax (paid)/ refunds	(2.8)	(1.0)
Net movement in working capital	(17.6)	(4.6)
Cash flow from operating activities	31.4	70.2
Cash flow applied to investing activities	(23.7)	(39.0)
Dividends paid	(6.6)	(3.4)
Share Buy-back	(2.7)	(3.7)
Gain/ (Loss) on New Zealand debt revaluation	(0.7)	3.0
Free Cash flow	(2.3)	27.1

Balance Sheet Year ended 30 June

\$M	2012	2011
Current Assets	215.2	237.3
Non-current assets	446.5	500.7
Total assets	661.7	738.0
Current liabilities	249.8	262.9
Non-current liabilities	91.2	119.8
Total liabilities	341.0	382.7
Net assets	320.7	355.3

STATEMENT OF COMPREHENSIVE INCOME

YEAR ENDED 30 JUNE 2012

		PMP Grou	(\$'000)
	NOTES	2012	2011
Continuing operations			
Sales revenue	2(a),21	1,093,890	1,194,261
Other revenue	2(a),21	7,751	11,705
Raw materials and consumables used		(272,547)	(269,338)
Cost of finished goods sold		(341,948)	(404,007)
Employee expenses		(301,199)	(317,626)
Outside production services		(26,076)	(27,021)
Freight		(26,284)	(29,785)
Repairs and maintenance		(20,593)	(17,379)
Occupancy costs		(18,129)	(22,629)
Other expenses		(59,449)	(70,310)
Depreciation and amortisation	2(e), 21	(43,815)	(43,401)
Finance costs	3	(17,766)	(14,443)
Share of profits of jointly controlled entity		20	-
	2()	(06 4 4 E)	(0.077)
Loss before income tax	2(c)	(26,145)	(9,973)
In come has been still // come area.			
Income tax benefit/(expense):		7 440	(11.612)
Current tax benefit/(expense) in respect of the current period		3,448	(11,612)
Deferred tax (expense)/benefit relating to the current period		(1,828)	10,276
Total tax benefit/(expense)	4	1,620	(1,336)
Not be a office for a second to a		(24 525)	(11.700)
Net loss after income tax		(24,525)	(11,309)
Other comprehensive (expense)/income			
Exchange differences arising on translation of foreign operations		255	82
Loss on cash flow hedges taken to equity		(716)	(1,380)
Defined benefit plan actuarial losses	22	(1,806)	(732)
Income tax relating to components of other comprehensive income		803	592
Other comprehensive expense for the period (net of tax)		(1,464)	(1,438)
Total comprehensive loss for the year		(25,989)	(12,747)
Total comprehensive toos for the year		(23,303)	(12,7 17)
Basic earnings per share (cents)	27	(7.5)	(3.4)
Diluted earnings per share (cents)	27	(7.5)	(3.4)
Weighted average number of ordinary shares outstanding during the period used in the			
calculation of basic earnings per share ('000)	27(a)	327,039	334,405

The above statement of comprehensive income should be read in conjunction with the accompanying notes.

STATEMENT OF FINANCIAL POSITION

YEAR ENDED 30 JUNE 2012

		PMP Grou	ıp (\$'000)
	NOTES	2012	2011
Current assets			
Cash and cash equivalents	28(b)	12,254	12,097
Receivables	5	106,342	132,794
Inventories	6	77,255	84,494
Financial assets	15	600	-
Other	7	17,776	7,946
		214,227	237,331
Non-current assets classified as held for sale	8	1,000	_
Total current assets *		215,227	237,331
Non-current assets			
Property, plant and equipment	9	298,955	334,703
Deferred tax assets	11	63,535	64,269
Goodwill and intangible assets	10	82,230	100,359
Other	7	1,829	1,398
Total non-current assets		446,549	500,729
Total assets		661,776	738,060
Current liabilities			
Payables	12	141,500	172,373
Interest bearing liabilities - financial institutions	13(a)	75,628	45,166
Income tax payable	13(a)	63	2,545
Financial liabilities	15	4,048	4,023
Provisions	14		
Total current liabilities*	14	28,620 249,859	38,770
Total Current Habilities		249,039	262,877
Non-current liabilities			
Interest bearing liabilities - financial institutions	13(b)	79,890	107,911
Deferred tax liabilities	11	2,168	5,611
Financial liabilities	15	3,970	1,529
Provisions	14	4,749	4,797
Pension liability	22(a)	480	_
Total non-current liabilities		91,257	119,848
Total liabilities		341,116	382,725
Net assets		320,660	355,335
Equity			
Contributed equity	16	356,035	622,361
Reserves	18	521	960
Accumulated losses		(35,896)	(267,986)
			355, 335

As at 30 June 2012, the PMP Group has current liabilities in excess of current assets by \$34.6 million. The Group has announced its intention to enter into sale and lease back of properties in the next six months which is expected to realise cash proceeds of at least \$75 million.

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

STATEMENT OF CASH FLOWS

YEAR ENDED 30 JUNE 2012

		PMP Group	(\$'000)
	NOTES	2012	2011
Cash flows from operating activities		4 077 440	4 742 065
Receipts from customers		1,233,118	1,312,965
Payments to suppliers and employees		(1,184,956)	(1,225,793
Interest received		330	547
Interest and other costs of finance paid		(14,324)	(16,493
Income tax paid		(2,764)	(992
Net cash flow from operating activities	28(a)	31,404	70,234
Cash flows from investing activities			
Payments for acquisition of controlled entities/business operations	26	_	(2,248
Payments for property, plant and equipment		(18,312)	(33,448
Prepayment for property, plant and equipment		(11,079)	_
Proceeds from sale of property, plant and equipment		5,612	684
Payments for development costs and licences		(220)	(4,035
Proceeds from sale of business		348	_
Net cash flow used in investing activities		(23,651)	(39,047
Cash flows from financing activities			
Net proceeds from/(repayments of) borrowings		1,067	(41,139
Payment of finance lease liabilities		(54)	(57
Dividends paid to company's shareholders	17	(6,553)	(3,353
Payment for share buy-back	16	(2,689)	(3,688
Net cash flow used in financing activities		(8,229)	(48,237
Net decrease in cash and cash equivalents		(476)	(17,050
Cash and cash equivalents at the beginning of the financial year		12,097	29,744
Effects of exchange rate changes on cash and cash equivalents		82	(597
Cash and cash equivalents at end of the financial year	28(b)	11,703	12,097

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

STATEMENT OF CHANGES IN EQUITY

YEAR ENDED 30 JUNE 2012

	PMP Group (\$'000)					
Attributable to equity holders of PMP Limited	Contributed equity	Accumulated losses	Foreign currency translation reserve	Share- based payment reserve	Cash flow hedge reserve	Total equity
At 1 July 2010	626,049	(252,812)	1,122	1,122	(596)	374,885
Currency translation differences	_	_	82	_	_	82
Cash flow hedges (net of tax)	-	-	-	-	(1,008)	(1,008)
Defined benefit plan (net of tax)	_	(512)			_	(512)
Total (expense)/income recognised directly in equity	-	(512)	82	-	(1,008)	(1,438)
Loss for the year	_	(11,309)	-	-	-	(11,309)
Total comprehensive (expense)/income for the year	-	(11,821)	82	-	(1,008)	(12,747)
Dividends	-	(3,353)	-	-	-	(3,353)
Share buy-back	(3,688)	-	_	_	-	(3,688)
Share-based payments	_	_	-	238	-	238
At 30 June 2011	622,361	(267,986)	1,204	1,360	(1,604)	355,335
At 1 July 2011	622,361	(267,986)	1,204	1,360	(1,604)	355,335
Currency translation differences	-	-	255	_		255
Cash flow hedges (net of tax)	_	-	_	-	(454)	(454)
Defined benefit plan (net of tax)	_	(1,265)	_	_	_	(1,265)
Total (expense)/income recognised directly in equity	-	(1,265)	255	-	(454)	(1,464)
Loss for the year		(24,525)				(24,525)
Total comprehensive (expense)/income for the year	_	(25,790)	255	_	(454)	(25,989)
Dividends	-	(6,553)	-	_	-	(6,553)
Share capital reduction ^	(263,637)	263,637	_	_	_	_
Share buy-back	(2,689)	_	-	-	-	(2,689)
Share-based payments	-	796	_	(240)	_	556
At 30 June 2012	356,035	(35,896)	1,459	1,120	(2,058)	320,660

The Company reduced its retained losses and share capital by an equal amount via a section 258F Corporations Act reduction. See Note 16 for further details.

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

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Directors' Declaration

Independent audit report



1 Summary of significant accounting policies

Basis of preparation

The financial report is a general-purpose financial report, which has 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.

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').

Working capital

As at 30 June 2012, the PMP Group has current liabilities in excess of current assets by \$34.6 million. The Group has announced its intention to enter into sale and lease back of properties in the next six months which is expected to realise cash proceeds of at least \$75 million. Refer to Note 31.

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 2012. The adoption of these amendments has not resulted in any changes to the Group's accounting policies and has had no effect on the amounts reported in current or prior periods.

At the date of authorisation of the financial statements, the following Standards and Interpretations relevant to the Group were in issue but not yet effective.

- AASB 119 Employee Benefits (2011) revises the requirements for pensions, other post
 retirement benefits and termination benefits. It requires enhanced disclosures about
 defined benefit plans, recognition of changes in the net defined benefit liability (asset),
 modifies accounting for termination benefits and clarifies various miscellaneous issues.
- AASB 13 Fair Value Measurement replaces the guidance on fair value measurement with a single standard defining and providing guidance on how to determine fair value and the disclosures for fair value measurements.

YEAR ENDED 30 JUNE 2012

- AASB 2010-8 Amendments to AASB 112 addresses the determination of deferred tax on investment property measured at fair value. It requires fair value to be determined on the basis that the carrying amount will be recoverable through sale.
- AASB 2011-4 Amendments to AASB 124 deletes from AASB 124 individual key management personnel disclosure requirements for disclosing entities that are not companies.
- AASB 10 Consolidated Financial Statements introduces a single consolidation model for all entities based on control. Control is based on whether the investor has power over the investee, exposure or rights, to variable returns from its involvement with the investee, and the ability to use its power over the investee to affect the amount of the returns.
- AASB 12 Disclosure of interest in other entities enables users to evaluate the nature of and risks associated.
- AASB 9: Financial Instruments and AASB 2009-11 Amendments to Australian Accounting Standards includes requirements for the classification and measurement of financial assets.

The above standards and interpretations have been identified as those which may impact PMP Group in the period of initial application. They are operative in future financial years and have not been applied in preparing this report. The potential effect of the revised standards on the Group's financial statements has not yet been determined.

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

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.

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.

Jointly controlled entity

The Group's investment in a jointly controlled entity is accounted for using the equity method.

Under the equity method, the investment is carried on the statement of financial position at cost plus post acquisition changes in the Group's share

The income statement reflects the Group's share of the results of operations of the jointly controlled entity.

Use of estimates 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 and intangibles with indefinite useful lives
- Note 22: Pension plans actuarial assumptions

Note 29: Financial instruments

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 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 statement of 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

YEAR ENDED 30 JUNE 2012

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 asset's 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 installments 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 plus incidental expenses 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.

Database and software development

Costs incurred in developing or 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 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.

Customer contract

The PMP Group has a significant intangible asset which was acquired as part of a business combination relating to the directory printing contract. The contract was being amortised over its remaining contractual life. At 30 June 2012 the contract was fully impaired.

Brand/trademark

Brand and trademarks acquired as part of a business combination are recognised separately from goodwill. Brand and trademarks are carried at fair value at date of acquisition and are not amortised but are reviewed for impairment at each reporting date, or more frequently if events or changes indicate that the carrying amount may be impaired. At 30 June 2011 the brand was fully impaired.

Supplier and customer relationships

At 30 June 2011 supplier and customer relationships were fully impaired.

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

YEAR ENDED 30 JUNE 2012

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, annual leave, 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 national government 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. These assumptions and the related carrying amounts are discussed in Note 22.

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 share rights scheme. 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 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.

YEAR ENDED 30 JUNE 2012

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 and interest rate 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 contracts is 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 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 comprehensive income.

Amounts accumulated in equity are recycled in the statement of 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 comprehensive income.

Earnings per share

Basic EPS is calculated as net result attributable to members, adjusted to exclude costs of servicing equity (other than dividends), divided by the weighted average number of ordinary shares, adjusted for any bonus element.

Diluted EPS is calculated as net result attributable to members, adjusted for:

- costs of servicing equity (other than dividends);
- the after tax effect of dividends and interest associated with dilutive potential ordinary shares that have been recognised as expenses; and
- other non-discretionary changes in revenues or expenses during the period that would result from the dilution of potential ordinary shares;

divided by the weighted average number of ordinary shares and dilutive potential ordinary shares, adjusted for any bonus element.

Contributed equity

Issued and paid up capital is recognised at the fair value of the consideration received by the company. Any transaction costs arising on the issue of the ordinary shares are recognised directly in equity as a reduction of the share proceeds received. Transaction costs arising on the buy-back of ordinary shares is also recognised directly in equity as an increase in the cost of the buy-back.

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.

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.

Business combinations

The purchase method of accounting is used to account for all business combinations. Cost is measured at fair value of the assets given, equity instruments issued or liabilities incurred plus costs directly attributable to the acquisition.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at fair value at acquisition date. The excess of cost over the fair value of net assets acquired is recorded as goodwill. If the cost of acquisition is less than the fair value of the net assets acquired, the difference is recognised directly in the statement of comprehensive income.

Contingent consideration is measured at its acquisition date at fair value. Changes in the fair value of the contingent consideration that qualify as measurement period adjustments are adjusted retrospectively, with corresponding adjustments against goodwill. Measurement period adjustments are adjustments that arise from additional information obtained during the "measurement period' (which cannot exceed one year from the acquisition date) about facts and circumstances that existed at the acquisition date. The subsequent accounting for changes in the fair value of contingent consideration that do not qualify as measurement period adjustments and are classified as an asset or liability are remeasured at subsequent reporting dates through profit or loss.

Acquisition related costs are expensed as incurred.

Comparative amounts

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

YEAR ENDED 30 JUNE 2012

		PMP Grou	p (\$'000)
	NOTES	2012	2011
2a	Revenue		
	Sales revenue	1,093,890	1,194,261
	Included in loss before income tax are the following items of other revenue:		
	Other income - external	4,385	5,017
	Rental income	2,984	3,710
	Interest		
	Bank interest	330	547
	Net gains on disposal of property, plant and equipment	52	_
	Gain on sale of land and buildings 2(b	_	2,431
	Total other revenue	7,751	11,705
	Total revenue 2	1,101,641	1,205,966
2b	Significant items Included in net loss after income tax are the following significant items of income and expense:		
	Significant income and expenses		
	Loss on closure of Scribo excluding fixed asset impairments	_	4,414
	Loss on closure of Scribo - fixed asset impairments	_	1,827
	Gain on sale of land and buildings	_	(2,431)
	Gain on sale of fixed assets and business	(198)	_
	Restructure initiatives and other one off costs	11,807	16,030
	Impairment of plant, equipment, intangibles and goodwill due to restructure initiatives	28,268	5,487
	Impairment of plant and equipment held for sale to fair value less costs to sell	1,217	7,628
	Impairment of Scribo goodwill, intangibles and plant and equipment	_	19,240
	Total significant items (included in profit and loss)	41,094	52,195
	Tax benefit associated with significant items	7,825	12,175

Significant items of expense have been recorded under cost of finished goods sold, employee expenses, occupancy costs and other expenses. The significant item of revenue has been recorded under other income.

			PMP Grou	p (\$'000)
		NOTES	2012	2011
2c	Loss before income tax			
	Loss before income tax is arrived at after charging/(crediting) the following items:			
	Cost of goods sold		864,517	938,257
	Lease rental expenses - operating leases		19,132	22,403
	Net foreign exchange (gain)/loss		(346)	201
	Share-based payment plans	18	556	513
	Net (gain)/loss on disposal of property, plant and equipment		(52)	10
	Impairment of goodwill, intangibles, plant and equipment	2(b)	29,485	34,182
	Loss on closure of Scribo excluding fixed asset impairments	2(b)	_	4,414
	Provisions (net movement):			
	Doubtful debtors	5	573	525
			2012	2011
			2012	2011
2d	Auditors' remuneration			
	Auditor of the parent entity			
	Auditing the accounts		299,330	292,319
	Other services			
	- Due diligence		170 175	110 114
	- Taxation and related advisory services		138,135	119,114
	- Consulting services		56,076 493,541	411,433
	Network firm of the parent entity auditor		100,000	123, 113
	Auditing the accounts		96,520	100,506
	Other services			
	- Due diligence		_	25,203
	- Taxation and related advisory services		40,023	126,965
	- Consulting services		19,658 156,201	252,674
			130,201	252,074
			PMP Grou	p (\$'000)
		NOTES	2012	2011
2e	Depreciation and amortisation			
	Depreciation			
	Freehold buildings	9(a)	2,196	2,201
	Leasehold improvements	9(a)	1,072	989
	Plant and equipment	9(a)	36,841	36,350
	Leased plant and equipment	9(a)	132	44
	Total depreciation		40,241	39,584
	Amortisation			
	Development and licence costs	10(a)	1,074	993
	Supplier relationships	10(a)	-	267
	Customer relationships	10(a)	-	57
	Contract intangible	10(a)	2,500	2,500
	Total amortisation		3,574	3,817
	Total depreciation and amortisation		43,815	43,401

YEAR ENDED 30 JUNE 2012

			PMP Grou	p (\$'000)
		NOTES	2012	2011
3	Fina	ance costs		
		Interest expense		
		Bank loans and overdraft	15,735	14,956
		Finance lease charges	15	19
		Total interest expense	15,750	14,975
		Interest rate swaps losses/(gains)	2,016	(532)
		Total finance costs	17,766	14,443
		Interest income 2(a)	(330)	(547)
		Net finance costs	17,436	13,896
			PMP Grou	
			2012	2011
4	Inc	ome tax		
	(a)	Reconciliation of income tax (benefit)/expense	(26 445)	(0.077)
		Loss before income tax	(26,145)	(9,973)
		Prima facie income tax benefit thereon at 30% (2011: 30%)	(7,844)	(2,992)
		Tax effect of timing and other differences: Non assessable income	(101)	(E00)
		Investment allowance	(101)	(590)
			_	(51)
		Recognition of increased deferred tax liability on New Zealand buildings due to additions in the year as zero tax depreciation allowed	380	-
		Effect of differences in overseas tax rate	194	505
		Income tax under/(over) provided in previous year	4	(6)
		Non deductible items for tax purposes	5,747	6,546
		Derecognition of deferred tax liabilities due to sale of assets and closure of business	_	(2,076)
		Income tax (benefit)/expense attributable to loss	(1,620)	1,336
		Major component of income tax (benefit)/expense:		
		Current tax (benefit)/expense	(3,448)	11,612
		Deferred tax expense/(benefit)	1,828	(10,276)
		Income tax (benefit)/expense attributable to loss	(1,620)	1,336
	(b)	Deferred tax assets and deferred tax liabilities At 30 June 2012 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 (2011: \$nil).		
	(c)	Franking credits		
		The amount of franking credits available are:		
		Franking account balance as at the end of the financial year at 30% (2011: 30%)	1,601	1,500
		Franking (debits)/credits that will arise from the refund/payment of income tax due as at the end of the financial year	(82)	2,516
		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	-	(1,414)
		Franking account balance	1,519	2,602
		Trumming account sulfatte	1,313	2,002

(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 arrangement 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

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.

			PMP Grou	o (\$'000)
		NOTES	2012	2011
5 Re	ceivables			
	Trade debtors*		105.057	127,949
	Provision for doubtful debts	5(a)	105,953 (2,164)	(2,547)
	Net trade debtors	J(d)	103,789	125,402
	net tique depitots		103,703	123,402
	Other debtors	5(c)	2,553	7,392
	Total current receivables		106,342	132,794
	* 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 2012 \$2,220,000 (2011: \$3,952,000) nominal value trade receivables have been identified as either fully or partially impaired. As a result a provision of \$2,164,000 (2011: \$2,547,000) has been recognised. The individually impaired receivables relate to a variety of customers who are in unexpectedly difficult economic situations. It was assessed that a portion of the receivable is expected to be recovered.			
	Movements in the provision for doubtful debts are as follows:			
	Balance as at 1 July		2,547	3,046
	Provision for doubtful debts recognised		1,287	1,121
	Amounts written off		(956)	(1,024)
	Amounts recovered		(8)	(70)
	Unused amount reversed		(710)	(512)
	Net foreign currency translation difference		4	(14)
	Balance at 30 June		2,164	2,547
	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 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 2012 there were \$22,713,000 (2011: \$18,923,000) of trade receivables in the PMP Group past due but not impaired.			
	The aging analysis of these trade receivables is as follows:			
	Past due 1 - 30 days		19,960	14,590
	Past due 31 - 60 days		1,814	2,175
	Past due 61 - 90 days		662	794
	Past due greater than 90 days		277	1,364
			22,713	18,923
	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 2012

			PMP Group (\$'000)	
	N	OTES	2012	2011
6	Inventories			
				45.000
	Raw materials, spare parts and stores at cost		42,893	45,666
	Less: provision for diminution		(1,316)	(1,470)
	Net raw materials, spare parts and stores		41,577	44,196
	Finished goods at cost		30,000	35,853
	Work in progress at cost		5,678	4,445
	Total current inventories		77,255	84,494
7	Other assets			
	Current other assets			
	Prepayments *		17,776	7,946
	Total current other assets		17,776	7,946
	* Includes \$11.1 million pre-paid for the construction of a printing press.			
	Non-current other assets			
	Shares in other entities - unlisted at cost		280	280
	Write-down to realisable value		(40)	(40)
	Investment accounted for using the equity method	32	20	_
	Other assets		1,569	531
	Pension asset	22(b)	_	627
	Total non-current other assets		1,829	1,398
8	Non-current assets classified as held for sale			
	Plant and equipment	8(a)	1,000	_
_	Total non-current assets classified as held for sale	o(u)	1,000	
	(a) Reconciliation		, , , ,	
	Carrying amount at beginning of year		_	7,878
	Assets classified as held for sale in the year	9	1,000	- 7,070
	Impairment on remeasurement to fair value less costs to sell	,	_,	(7,628)
	Removal of assets no longer classified as held for sale		_	(250)
	Carrying amount at end of year		1,000	_

The impairment has been recognised in the statement of comprehensive income within "other expenses" and has arisen due to the depressed global market for such assets.

		PMP Group (\$'000)	
	NOTES	2012	2011
9 Property, plant and equipment			
Land			
At cost	9(a)	16,098	16,098
Freehold buildings			
At cost		61,407	59,793
Accumulated depreciation		(22,978)	(20,946)
Net freehold buildings	9(a)	38,429	38,847
Leasehold improvements			
At cost		13,355	7,790
Accumulated amortisation			
		(3,805)	(3,751)
Impairment	0()	(662)	(321)
Net leasehold improvements	9(a)	8,888	3,718
Plant and equipment			
At cost		681,786	734,184
Accumulated depreciation		(425,690)	(451,870)
Impairment		(20,688)	(6,420)
Net plant and equipment	9(a)	235,408	275,894
Losed plant and aguinment			
Leased plant and equipment		770	220
At cost		338	220
Accumulated depreciation		(206)	(74)
Net leased plant and equipment	9(a)	132	146
Total net property, plant and equipment	9(a)	298,955	334,703

			PMP Group	(\$'000
		NOTES	2012	
Pro	pperty, plant and equipment (continued)			
(d)	Reconciliations			
	Reconciliations of the carrying amounts for each class of property, plant and equipment are set out below:			
	Land			
	Carrying amount at beginning of year		16,098	
	Disposals		-	
	Net foreign currency translation difference			
	Carrying amount at end of year		16,098	
	Freehold buildings			
	Carrying amount at beginning of year		38,847	
	Additions		276	
	Disposals		(9)	(
	Transfer from other fixed asset category		1,474	
	Depreciation		(2,196)	1
	Net foreign currency translation difference		70.420	
	Carrying amount at end of year		38,429	
	Leasehold improvements			
	Carrying amount at beginning of year		3,718	
	Additions		66	
	Disposals		(24)	
	Transfer from other fixed asset category	0/h)	6,515	
	Impairment	9(b)	(339)	
	Depreciation Not foreign currency translation difference		(1,072) 24	
	Net foreign currency translation difference Carrying amount at end of year		8,888	
			0,000	
	Plant and equipment Carrying amount at beginning of year		275,894	2
	Additions		20,391	2
	Disposals		(1,425)	
	Plant and equipment classified as held for sale (net movement)	8	(1,000)	,
	Impairment charge	9(b)	(14,200)	(
	Transfer to other fixed asset category	3(2)	(7,989)	
	Transfer to development costs	10(a)	(200)	
	Depreciation		(36,841)	(3
	Net foreign currency translation difference		778	(
	Carrying amount at end of year		235,408	2
	Leased plant and equipment			
	Carrying amount at beginning of year		146	
	Additions		118	
	Depreciation		(132)	
	Carrying amount at end of year		132	
	Total net property, plant and equipment		298,955	3
(b)	Impairment charge			
	Loss recognised on re-measurement of plant & equipment to fair value less costs to sell	8, 2(b)	-	
	Other impairments to plant and equipment*		14,539	
			14,539	

^{*} The \$14.5 million of fixed asset impairment relates to a \$6.7 million write down of Directories fixed assets (refer note 10). In addition, there was an impairment of \$0.8 million at Gordon and Gotch and a further \$7.0 million at Print Australia relating to the write down of presses associated with the transformation plan.

			PMP Grou	p (\$'000)
		NOTES	2012	2011
10	Goodwill and intangibles assets			
	Development and licence costs			
	At cost		11,386	11,166
	Accumulated amortisation		(7,793)	(6,719)
	Impairment		(33)	(33)
	Closing net book amount	10(a)	3,560	4,414
	Supplier relationships			
	At cost		-	5,331
	Accumulated amortisation		-	(1,244)
	Impairment		_	(4,087)
	Closing net book amount	10(a)	_	-
	Customer relationships			
	At cost		_	652
	Accumulated amortisation		_	(264)
	Impairment		_	(388)
	Closing net book amount	10(a)	-	-
	Contract intangible			
	At cost		15,011	15,011
	Accumulated amortisation		(5,000)	(2,500)
	Impairment *		(10,011)	_
	Closing net book amount	10(a)	-	12,511
	Goodwill (indefinite useful life)			
	At cost		98,760	98,760
	Impairment *		(19,190)	(14,255)
	Net foreign currency translation difference		(900)	(1,071)
	Closing net book amount	10(a)	78,670	83,434
	Brand/trademark (indefinite useful life)			
	At cost		_	1,050
	Impairment		_	(1,050)
	Closing net book amount	10(a)	-	
	Total net intangibles	10(a)	82,230	100,359
	iotal net intangines	10(d)	02,230	100,339

		PMP Grou	o (\$'000)
	NOTES	2012	2011
10 Goodwill and intangibles assets			
(a) Reconciliations			
•			
Development and licence costs			0.5.6
Carrying amount at beginning of year		4,414	856
Additions		20	4,184
Transfer from plant and equipment	9(a)	200	400
Impairment		-	(33)
Amortisation		(1,074)	(993)
Carrying amount at end of year		3,560	4,414
Supplier relationships			
Carrying amount at beginning of year		-	4,354
Impairment		-	(4,087)
Amortisation		_	(267)
Carrying amount at end of year		_	_
Customer relationships			
Carrying amount at beginning of year		_	445
Impairment		_	(388)
Amortisation		_	(57)
Carrying amount at end of year		-	-
Contract intangible			
Carrying amount at beginning of year		12,511	15,011
Impairment *		(10,011)	_
Amortisation		(2,500)	(2,500)
Carrying amount at end of year		_	12,511
Goodwill (indefinite useful life)			
Carrying amount at beginning of year		83,434	98,350
Additions via acquisition	26	_	310
Adjustment to prior acquisition		_	100
Impairment *		(4,935)	(14,255)
Net foreign currency translation difference		171	(1,071)
Carrying amount at end of year	10(b)	78,670	83,434
Brand/trademark (indefinite useful life)			
Carrying amount at beginning of year		_	1,050
Impairment		_	(1,050)
Carrying amount at end of year		-	-
Total net intangibles		82,230	100,359
		, , ,	

The Directories business has been adversely affected by a decline in traditional directory and classified advertising content with the move to online and other digital delivery channels. This has resulted in a decline in sales. The long term cash flow forecasts associated with the business were unable to support the carrying value of goodwill and contract intangible at 30 June 2012. This has resulted in an impairment charge of \$12.6 million being recorded against the goodwill and intangibles in this business. Goodwill also includes an impairment of \$2.3 million relating to the New Zealand business.

YEAR ENDED 30 JUNE 2012

		PMP Group (\$'000)	
		2012	2011
10	Goodwill and intangible assets (continued)		
	(b) Impairment testing of goodwill (continued)		
	Carrying amount of goodwill allocated to each cash generating unit:		
	Heat set web printing - Australia	56,034	56,034
	Directory printing - Australia**	_	2,643
	Griffin Press printing - Australia	5,015	5,015
	Maxum and heat set web printing - New Zealand*	15,908	15,405
	Other - New Zealand	1,713	4,337
	Total goodwill	78,670	83,434

^{*} 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.

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:

Area of judgement	Assumption used in value in use calculation
Budgeted EBITDA	The Group prepares three year plans which are internally approved by senior management and the Board of Directors. These plans are the basis of its 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
	recognition of foreign exchange movements from budgeted rates
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% to 2.5% for years four and five has been applied. The rate applied is based on the management's assessment of the specific circumstances of that business.
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 15.5% (2011: 16.65% & 16.09% respectively). 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.

^{**} The Directories business has been adversely affected by a decline in traditional directory and classified advertising content with the move to online and other digital delivery channels. The goodwill was impaired.

	PMP Gro	up (\$'000)
	NOTES 2012	2011
11 Deferred tax		
Deferred tax assets		
Temporary differences:		
- Provisions/accruals	15,844	20,733
- Other liabilities	349	-
- Cash flow hedges	899	851
Tax losses	46,443	42,685
Total deferred tax assets	63,539	64,269
Deferred tax liabilities		
Temporary differences:		
- Property, plant and equipment	1,373	4,844
- Other assets	79!	531
- Intangible assets	-	236
Total deferred tax liabilities	2,160	5,611

			(\$'000)		
Movements in deferred tax assets	Provisions/ Accruals	Other Liabilities	Cash flow hedges	Tax losses	Total
At 1 July 2010	17,388	_	546	51,686	69,620
(Charged)/credited					
- to profit or loss	3,345	_	(67)	(316)	2,962
- to other comprehensive income	_	_	372	_	372
Utilisation of tax losses	_	_	-	(8,685)	(8,685)
At 30 June 2011	20,733	_	851	42,685	64,269
(Charged)/credited					
- to profit or loss	(4,889)	(214)	_	20	(5,083)
- to other comprehensive income	-	537	262	_	799
Adjustment for prior period	-	_	_	(145)	(145)
Adjustment for reallocation of opening balance	-	21	(209)	_	(188)
Increase in tax losses	-	_	_	3,883	3,883
At 30 June 2012	15,844	344	904	46,443	63,535

		(\$'000)		
Movements in deferred tax liabilities	Property, Plant and Equipment	Other Assets	Intangible Assets	Total
At 1 July 2010	(9,132)	(1,272)	(2,740)	(13,144)
(Charged)/credited	(-,/	(-,,	(-, /	(==,= : -)
- to profit or loss	4,288	522	2,504	7,314
- to other comprehensive income	-	219	_	219
At 30 June 2011	(4,844)	(531)	(236)	(5,611)
(Charged)/credited				
- to profit or loss	4,049	(1,030)	236	3,255
Adjustment for reallocation of opening balance	-	188	-	188
At 30 June 2012	(795)	(1,373)	-	(2,168)

YEAR ENDED 30 JUNE 2012

					PMP Group (\$'000)	
				NOTES	2012	2011
12	Pay	ables				
		Current payables				
		Creditors - unsecured				
		Trade creditors and accruals*			139,974	171,244
		Interest payable			1,526	1,129
		Total current payables			141,500	172,373
		* Trade creditors are non-interest bearing, and are on norm	al commercial terms.			
13	Inte	rest bearing liabilities				
	(a)	Current interest bearing liabilities - financial institutions				
		Secured				
		Bank overdraft - repayable in:	Australian dollars		551	-
		Bank loans - repayable in:	Australian dollars		43,620	22,529
		Bank loans - repayable in:	New Zealand dollars		31,380	22,595
		Finance lease liabilities (secured over the leased assets)		19(b)	77	42
		Total current interest bearing liabilities - financial instituti	ons		75,628	45,166
	(b)	Non-current interest bearing liabilities - financial institution	ons			
		Secured				
		Bank loans - repayable in:	Australian dollars		41,380	62,189
		Bank loans - repayable in:	New Zealand dollars		38,440	45,606
		Finance lease liabilities (secured over the leased assets)		19(b)	70	116
		Total non-current interest bearing liabilities - financial ins	titutions		79,890	107,911

(c) Interest bearing liabilities - bank facility details

	(\$'000)		
Facility details:	Facility	Drawn	Available
2012 (secured)			
Overdraft facility	13,922	551	13,371
Revolving facility	190,000	154,820	35,180
Total facilities	203,922	155,371	48,551
2011 (secured)			
Overdraft facility	13,875	-	13,875
Revolving facility	105,000	61,202	43,798
Working capital facility	42,867	-	42,867
Term facility	91,717	91,717	_
Total facilities	253,459	152,919	100,540

(d) Terms and conditions

PMP entered a fully secured multi-currency \$210 million loan agreement in May 2011 with an effective start of 4 May 2012. As at 30 June 2012 this has amortised to a \$190 million facility. This facility has a maturity date of 30 September 2014. The lenders are CBA and ANZ. 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 EBITDA/Interest ratio. They are also subject to the warranties and conditions of the agreements during the term of the facilities, including a change of control clause.

Subsequent to financial year end, PMP has reached agreement with the lenders to restructure the above debt facility from a full revolver facility to an amortising revolving term and working capital facility. Covenants now include a fixed charge cover ratio. Under the agreement PMP will:

- repay \$75 million (previously \$65 million) of debt in the period to 30 June 2013, which will be funded from property sale and lease back arrangements; and
- will undertake a major transformation plan, for which the lenders have provided a temporary increase in the debt covenants and waivers for the transformation plan cash significant items.

Note 29 (b) specifies interest rate details relating to the PMP Group borrowing facilities and other interest rate risk exposure.

YEAR ENDED 30 JUNE 2012

	PMP Group (\$'000)	
NOTES	2012	2011
14 Provisions		
(a) Current provisions		
Employee entitlements	26,890	28,241
Other	1,730	10,529
Total current provisions	28,620	38,770
Non-current provisions		
Employee entitlements	2,086	1,977
Other	2,663	2,820
Total non-current provisions	4,749	4,797
Total provisions	33,369	43,567

(b) Movements in provisions

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

	(\$'000)				
	Restructure	Make good	Onerous lease	Other	Total
Current					
Carrying amount at start of year	8,412	266	302	1,549	10,529
Charged/(credited) to profit or loss					
- additional provisions recognised	419	220	230	1,590	2,459
- unused amounts reversed	(737)	(175)	(125)	(598)	(1,635)
Amounts used during the period	(7,673)	(225)	(337)	(1,388)	(9,623)
Carrying amount at end of year	421	86	70	1,153	1,730

	(\$'000)				
	Deferred consideration	Make good	Other	Total	
Non-Current					
Carrying amount at start of year	821	386	1,613	2,820	
Charged/(credited) to profit or loss					
- additional provisions recognised	-	78	529	607	
- unused amounts reversed	(116)	_	(167)	(283)	
Amounts used during the period	(155)	_	(326)	(481)	
Carrying amount at end of year	550	464	1,649	2,663	

					PMP Group (3'000)
				NOTES	2012	2011
15	Financial assets and financial liabilities					
	Current financial assets					
	Forward currency contracts			29(c)(iv)	600	-
	Total current financial assets				600	-
	Total financial assets				600	_
	Current financial liabilities					
	Forward currency contracts			29(c)(iv)	3,979	3,541
	Interest rate swaps			29(b)(ii)	69	482
	Total current financial liabilities				4,048	4,023
	Non-current financial liabilities					
	Interest rate swaps			29(b)(ii)	3,970	1,529
	Total non-current financial liabilities				3,970	1,529
	Total financial liabilities				8,018	5,552
		Number ('000)			
		2012	2011			
16	Contributed equity					
	lssued and paid up capital					
	Movements in ordinary share capital:					
	Balance as at 1 July - ordinary shares	329,879	335,348		622,361	626,049
	Share movements in respect of:					
	- Share capital reduction**	-	_		(263,637)	-
	- Share buy-back*	(6,098)	(5,469)		(2,689)	(3,688)
	Balance at 30 June – ordinary shares	323,781	329,879		356,035	622,361
17	 * All shares bought back were cancelled. On 2 August 2011, PMP announced its intention to undertake an on market share buy-back from 17 August 2011 to 30 June 2012. The maximum number of shares that could be bought back during this period was 20 million. ** In accordance with section 258F of the Corporations Act 2001, in September 2011 the Company reduced its paid up ordinary share capital balance by \$263.6 million for the share capital lost as represented by the total of accumulated losses of the parent entity at 30 June 2011. There is no impact on shareholders from the capital reduction as no shares have been cancelled or rights varied. Similarly, creditors are not affected as there has been no change in available assets. There is also no impact on the availability of the Company's tax losses from this capital reduction. 					
	Final dividend for the year ended 30 June 2011 of 1 cent, 100% franked paid on 20 October 2011 (2011: 1 cent)					3,353
						3,333
	Interim dividend	aid on A Anril 2012	(2011: nil conto	,	7 255	
	Interim dividend for the year ended 30 June 2012 of 1 cent, 100% franked p	aiu vii 4 APIII ZV1Z (TATT IIII (GIII)	,	3,255	_

		PMP Grou	p (\$'000)
	NOTE	2012	2011
18	Reserves		
	Foreign currency translation reserve		
	Opening balance	1,204	1,122
	Movement in reserve relating to:		
	- Exchange fluctuation on translation of overseas controlled entities	255	82
	Total foreign currency translation reserve	1,459	1,204
	Share-based payment reserve		
	Opening balance	1,360	1,122
	Movement in reserve relating to:	_,	_,
	- Share-based payment expense 2(556	513
	- Transfer to retained earnings	(796)	_
	- Purchase of shares	_	(275)
	Total share-based payment reserve	1,120	1,360
	Cash flow hedge reserve		
	Opening balance	(1,604)	(596)
	Movement in reserve relating to:		
	- Cash flow hedge	(716)	(1,380)
	- Tax effect of cash flow hedge net loss	262	372
	Total cash flow hedge reserve	(2,058)	(1,604)
	Total reserves	521	960

		PMP Grou	p (\$'000)
	NOTES	2012	2011
19	Commitments		
	The following commitments are not reflected in the balance sheet and are payable/receivable as follows:		
	(a) Capital expenditure (i):		
	- not later than one year	19,254	9,047
	Total capital expenditure	19,254	9,047
	(b) Finance lease rentals - Group as lessee (ii):		
	- not later than one year	89	56
	- later than one year but not later than five years	76	132
	Total finance lease rentals	165	188
	Future finance charges	(18)	(30)
	Net finance lease liability	147	158
	Reconciled to:		
	Current finance lease liability 13(a	77	42
	Non-current finance lease liability 13(b	70	116
	Finance lease liability	147	158
	(c) Operating lease rentals - Group as lessee (iii):		
	- not later than one year	15,280	17,108
	- later than one year but not later than five years	34,720	41,880
	- later than five years	13,739	14,766
	Total operating lease rentals (lessee)	63,739	73,754
	(d) Operating lease rentals - Group as lessor (iv):		
	- not later than one year	2,520	3,658
	- later than one year but not later than five years	4,863	7,367
	Total operating lease rentals (lessor)	7,383	11,025
	Total net commitments for expenditure	71,429	71,934

- (i) At 30 June 2012 and 30 June 2011 the Group capital expenditure commitments relate to the acquisition of new plant and equipment.
- (ii) The Group has finance leases for various items of plant and machinery. The weighted average interest rate impact in the leases is 10.68% (2011: 10.68%). These leases have terms of renewal, but no escalation clauses. Certain leases contain purchase options.
- (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. Rental payments include fixed and inflation escalation clauses.
- 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. The company has not issued any guarantees for properties where it is not the lessee.

				Interest	Held (%)
		Country of Incorporation	NOTES	2012	2011
20	Controlled entities				
	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
	Ling 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
	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
	Bookwise Asia Pte Ltd	Singapore		100	100
	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
	Pacific Micromarketing 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.

			PMP Group	(\$'000)
		NOTES	2012	2011
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 (g):			
	Statements of comprehensive income of the closed group			
	Sales revenue		921,914	1,005,187
	Other revenue		7,927	9,097
	Revenue		929,841	1,014,284
	Raw materials and consumables used		(207,226)	(208,976)
	Cost of finished goods sold		(306,676)	(353,047)
	Employee expenses		(256,858)	(265,325)
	Outside production services		(20,982)	(22,255)
	Freight		(23,968)	(26,231)
	Repairs and maintenance		(17,434)	(14,420)
	Occupancy costs		(15,810)	(17,091)
	Other expenses		(50,437)	(56,141)
	Share of profits of jointly controlled entity		20	-
	Profit before depreciation, amortisation, finance costs and income tax		30,470	50,798
	Depreciation and amortisation		(37,217)	(37,270)
	(Loss)/profit before finance costs and income tax		(6,747)	13,528
	Finance costs		(9,758)	(9,027)
	(Loss)/profit before income tax		(16,505)	4,501
	Income tax expense		(155)	(5,975)
	Net loss attributable to members of the parent entity		(16,660)	(1,474)

- (c) Notes on the closed group:
 - PMP Limited is the ultimate parent company of the PMP Group.
 - All companies have ordinary share capital.
 - On 11 June 2009 the Australian entities within Scribo Holdings Pty Ltd and Argyle Print Pty Limited joined as parties to the Deed of Cross Guarantee as identified on page 73.

	PMP Grou	p (\$'000)
	2012	2011
20 Controlled entities (continued)		
20 Contioned chities (continued)		
Balance sheet of the closed group		
Current assets		
Cash and cash equivalents	5,521	6,151
Receivables	89,665	106,194
Inventories	65,113	66,975
Financial assets	68	_
Other	17,479	7,515
Non-current assets classified as held for sale	1,000	-
Total current assets	178,846	186,835
Non-current assets		
Property, plant and equipment	248,897	289,178
Goodwill and intangible assets	64,611	80,619
Deferred tax assets	53,938	57,079
Other	44,687	32,748
Total non-current assets	412,133	459,624
Total assets	590,979	646,459
17411 43543	330,373	0 10, 133
Current liabilities		
Payables	116,927	138,217
Interest bearing liabilities - financial institutions	44,217	22,571
Income tax payable	, <u> </u>	2,516
Provisions	26,253	29,516
Financial liabilities	4,048	1,575
Total current liabilities	191,445	194,395
Non-current liabilities		
Interest bearing liabilities - financial institutions	41,450	62,304
Deferred tax liabilities	779	5,504
Provisions	4,497	4,526
Financial liabilities	1,435	158
Pension liability	480	_
Total non-current liabilities	48,641	72,492
Total liabilities	240,086	266,887
Net assets	350,893	379,572
Equity	,	
Contributed equity	356,035	622,361
Reserves	(1,256)	1,048
Accumulated losses	(3,886)	(243,837)
Total equity	350,893	379,572
iviai vyaity	330,033	313,312

21 Segmental information

Description of segments

Management has determined the operating segments based on the manner 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 groups similar operations or geographic locations.

The book distribution business of Scribo was closed on 30 June 2011. All operations ceased in September 2011. The Brumby business was sold during the year. The revenue and results of these businesses have been disclosed under the Gordon and Gotch segment. Print Australia includes all of the Print businesses in Australia namely Heatset, Directories and Griffin Press. Gordon and Gotch includes magazine and book 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 revenues and results

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

	Print Australia	stralia	Distribution Australia	Australia	Gordon and Gotch	d Gotch	PMP Digital Australia	Australia	New Zealand	aland	Corporate	rate	Consolidated	lated
\$(.000)	2012	2011	2012	2011	2012	2011	2012	2011	2012	2011	2012	2011	2012	2011
(a) Operating Segments														
Revenue														
Sales revenue	449,319	472,367	87,944	90,854	358,481	413,370	26,756	28,595	171,390	189,075	ı	I	1,093,890	1,194,261
Other revenue	203	196	2,078	2,080	3,658	4,613	204	504	293	177	817	1,704	7,553	9,274
Significant items	1	I	1	I	8	I	1	I	118	2,431	1	I	198	2,431
Total revenue	449,522	472,563	90,022	92,934	362,219	417,983	27,260	29,099	171,801	191,683	817	1,704	1,101,641	1,205,966
EBITDA before significant items	72,017	87,563	1,915	1,725	1,462	4,867	1,476	2,211	8,197	10,963	(8,537)	(7,263)	76,530	100,066
Depreciation and amortisation	(32,576)	(32,159)	(293)	(621)	(443)	(1,203)	(2,397)	(2,072)	(6,597)	(6,129)	(1,239)	(1,217)	(43,815)	(43,401)
EBIT before significant items	39,441	55,404	1,352	1,104	1,019	3,664	(921)	139	1,600	4,834	(9,776)	(8,480)	32,715	59,665
Significant items before income tax	(35,938)	(3,460)	(929)	(2,560)	(223)	(26,473)	(162)	(1,833)	(3,235)	(14,087)	(531)	(782)	(41,094)	(52,195)
Segment EBIT after significant items	3,503	51,944	929	(4,456)	467	(22,809)	(1,083)	(1,694)	(1,635)	(9,253)	(10,307)	(6,262)	(8,379)	4,470
Finance costs													(17,766)	(14,443)
Consolidated entity loss before income tax													(26,145)	(9,973)
Income tax benefit/(expense)													1,620	(1,336)
Net loss after income tax													(24,525)	(11,309)

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

21 Segmental information (continued)

2012 2011 922,500 1,005,186 7,260 9,097 80 - 80 - 80 - 80 - 1,014,283		Australia	alia	New Ze	New Zealand		Consolidated
1,005,186 9,097 - 1,014,283		2012	2011	2012	2011	2	2012
1,005,186 9,097 - 1,014,283							
1,005,186 9,097 - 1,014,283							
9,097 - 1,014,283				171,390	189,075	1,093,890	
1,014,283		7,260	60'6	293	177	7,553	
1,014,283		08	I	118	2,431	198	
			1,014,283	171,801	191,683	1,101,641	
Non-current assets (excluding deferred tax assets and post employment benefit assets)	deferred tax assets and post employment benefit assets)	315,334	370,564	67,680	62,269	383,014	

ii) Major product and service offerings

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

	Print		Distribution	tion	Gordon and Gotch	d Gotch	PMP Digital	igital	Consolidated	dated
(000,\$)	2012	2011	2012	2011	2012	2011	2012	2011	2012	2011
Revenue										
Sales revenue	561,591	582,256	102,559	106,442	402,984	476,968	26,756	28,595	1,093,890	1,194,261
Total sales revenue	561,591	582,256	102,559	106,442	402,984	476,968	26,756	28,595	1,093,890	1,194,261

YEAR ENDED 30 JUNE 2012

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 2012 totalled \$12,271,438 (2011: \$12,566,733).

Accumulation funds

Contribution obligations in respect of each accumulation fund for the year to 30 June 2012 was 9% (2011: 9%) of members' wages or as defined by the Trust Deed.

Defined benefit funds

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.

During the year ended 30 June 2012, PMP Limited contributed at rates between 11.0% and 23.5% (2011: between 11.0% and 23.5%).

PMP expects to contribute \$0.9 million to its defined benefit pension plan in the year ending 30 June 2013 (2012: \$0.8 million).

			PMP Grou	o (\$'000)
		NOTES	2012	201
(a)	Amount recognised in statement of comprehensive income			
	Recognised in employee expenses			
	Service cost		462	46
	Interest cost		950	96
	Expected return on assets		(1,160)	(1,069
	Superannuation expense		252	35
(b)	Amount recognised in balance sheets			
	Defined benefit obligation	22(c)	(14,650)	(16,472
	Less: fair value of plan assets	22(d)	14,170	17,09
	Net superannuation (liability)/asset		(480)	62
	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. Defined benefit obligation			
	Present value of defined benefit obligation at beginning of the year		16,472	14,80
	Current service cost		462	46
	Interest cost		950	96
	Contributions by plan participants		300	27
	Actuarial loss/(gain)		510	51
	Benefits paid		(3,924)	(399
	Taxes, premiums and expenses paid		(120)	(145
	Present value of defined benefit obligation at end of the year		14,650	16,47

Experience adjustments gain on plan liabilities for the year ended 30 June 2012 is \$0.1 million (2011: loss \$0.06 million).

22 Pension plans (continued)

		PMP Grou	p (\$'000)
	NOTES	2012	2011
(d)	Fair value of plan assets		
	Fair value of plan assets at beginning of the year	17,099	15,509
	Expected return on plan assets	1,160	1,069
	Actuarial loss	(1,296)	(219)
	Employer contributions	951	1,012
	Contributions by plan participants	300	272
	Benefits paid	(3,924)	(399)
	Taxes, premiums and expenses paid	(120)	(145)
	Fair value of plan assets at end of the year	14,170	17,099

The fair value of plan assets includes no amounts relating to any of PMP's own financial instruments or any property occupied or used by PMP. The major categories of plan assets as a percentage of the fair value of plan assets are as follows:

		PMP Gr	oup (%)
	NOTE	2012	2011
	Australian equity	29	30
	International equity	28	29
	Fixed income	13	14
	Property	6	7
	Alternatives	19	17
	Cash	5	3
	The expected return on assets assumption is determined by weighting the expected long-term return for each asset class by the target allocation of assets to each asset class. The returns used for each asset class are net of investment tax and investment fees. PMP Group's actual return on plan assets during the year ended 30 June 2012 was a loss of \$0.1 million (2011: \$0.9 million gain). Experience adjustments loss on plan assets for the year ended 30 June 2012 is \$1.3 million (2011: \$0.2 million).		
(e)	Actuarial assumptions		
	The principal actuarial assumptions used in determining PMP pension obligations are as follows (expressed as weighted averages):		
	Discount rate	5.10	6.10
	Expected rate of return on plan assets	7.00	7.00
	Expected salary increase rate	3.50	3.50

		PMP Grou	ıp (\$'000)
	NOTE	2012	2011
(f)	Amounts recognised in other comprehensive income	ve income	
	Actuarial loss recognised in the year	(1,806)	(732)
	Cumulative actuarial losses recognised in other comprehensive income	(2,556)	(750)

YEAR ENDED 30 JUNE 2012

23 Share-based payment plans

(a) Employee long term incentive plan

Ordinary shares up to 5.0% (2011: 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:	54,384,356
Total number of employee options/performance rights issued as at balance date:	6,670,168
Rights on issue (as a percentage of total shares on issue) as at 30 June 2012:	2.06%
Total number of employee options/performance rights issued during the year:	4,971,516
Total number of employee options/performance rights issued post balance date:	_

(i) Employee options

All options have lapsed as the earnings per share hurdles were not met.

(ii) Performance rights

			Allotm	ent Date		
	01/10/08 (i)	1/10/09 (ii)	1/10/10 (iii)	1/07/11 (iv)	1/10/11 (iv)	Total Number
On issue at beginning of year	909,126	2,358,785	2,714,700	_	_	5,982,611
Issued during the year			-	2,100,000	2,871,516	4,971,516
Lapsed during the year	(909,126)	(1,254,917)	(1,340,489)	_	(779,427)	(4,283,959)
On issue at end of year	-	1,103,868	1,374,211	2,100,000	2,092,089	6,670,168
Lapsed subsequent to balance date*	-	(1,103,868)	_	_	-	(1,103,868)
Outstanding at date of Directors' report	-		1,374,211	2,100,000	2,092,089	5,566,300
Number of participants (at balance date)	-	8	9	1	12	
Vesting date (Following the announcement of the)	FY11 results	FY12 results	FY13 results	FY14 results	FY14 results	
Fair value per right - TSR hurdle (v)	\$1.00	\$0.50	\$0.47	\$0.35	\$0.50	
Fair value per right - ROCE/EBITDA hurdle (v)	\$1.21	\$0.62	\$0.66	\$0.50	\$0.63	

- * 1,103,868 performance rights lapsed due to performance hurdles not being met over the performance period.
- (i) October 2008, 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 Company's weighted average share price on the day of grant (\$1.28).

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 FY09, FY10 and FY11 as follows:

- PMP's Total Shareholder Return (TSR) exceeds the change in the ASX All Ordinaries Accumulation Index over the three year performance period, all rights subject to the TSR hurdle (being 50% of rights granted) will vest and be exercisable;
- Return on Capital Employed (ROCE) performance over the three year performance period is at least equal to the target average ROCE set by the Board on commencement of the performance period, all rights subject to the ROCE hurdle (being 50% of rights granted) will vest and be exercisable.

These performance rights lapsed on 18 August 2011, following the announcement of the results for the year ended 30 June 2011. Neither the TSR nor the ROCE performance hurdles were met over the three year performance period.

- (ii) October 2009, 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 (\$0.69).
 - 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 FY10, FY11 and FY12 as follows:
 - PMP's Total Shareholder Return (TSR) exceeds the change in the ASX All Ordinaries Accumulation Index over the three year performance period, all rights subject to the TSR hurdle (being 50% of rights granted) will vest and be exercisable;
 - Return on Capital Employed (ROCE) performance over the three year performance period is at least equal to the target average ROCE set by the Board on commencement of the performance period. The target ROCE for these awards is set at the greater of the average budgeted ROCE or the average Weighted Average Cost of Capital (WACC) over the performance period, all rights subject to the ROCE hurdle (being 50% of rights granted) will vest and be exercisable.

These performance rights lapsed on 27 August 2012, following the announcement of the results for the year ended 30 June 2012. Neither the TSR nor the ROCE performance hurdles were met over the three year performance period.

YEAR ENDED 30 JUNE 2012

23 Share-based payment plans (continued)

(a) Employee long term incentive plan (continued)

(ii) Performance rights (continued)

- (iii) October 2010, 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 (\$0.70).
 - Performance rights entitle participants to receive PMP shares for nil cost after vesting. Rights will only vest if relevant performance hurdles described in (ii) are achieved across the following three years FY11, FY12 and FY13.
- (iv) At the Annual General Meeting on 18 November 2011 shareholders approved the participation of Mr Allely in the PMP Long Term Incentive Plan.

 Mr Allely was awarded 2,100,000 performance rights to acquire fully paid ordinary shares in PMP. The performance rights vest on satisfaction of the performance hurdles following the performance period ending on 30 June 2014. The hurdles are the same as those of executives who were granted rights in October 2011. The hurdles are described below. The number of rights will reduce on a pro-rata should PMP Group or Mr Allely exercise the right to terminate Mr Allely's employment agreement at the second anniversary of his employment contract.
 - 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 financial years 12, 13 and 14 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.
- (v) Of the rights granted in the years since 30 June 2008, those 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:

	1/10/2008	1/10/2009	1/10/2010	1/07/2011	1/10/2011
Dividend yield	1.95%	1.50%	2.40%	2.26%	1.82%
Expected volatility	40%	60%	50%	50%	50%
Risk-free interest rate	5.14%	4.80%	4.80%	3.22%	3.62%
Correlation	0.34	0.40	0.24	calculate th returns	re prices used to ne correlation of s of PMP and the the peer group.
Share price at grant date	\$1.29	\$0.65	\$0.70	\$0.53	\$0.66

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

(b) CEO Rights Scheme

- (i) Mr Richard Allely, 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 profit (65%)
 - Improved safety (20%)
 - Personal objectives (15%)

For the 2011/2012 financial year no STI payment was made.

Mr Allely's STI for the year ended 30 June 2011 was satisfied with the purchase of 40,932 shares in October 2011.

(ii) Mr Allely is a participant in the PMP Long Term Incentive Plan. At the Annual General Meeting Mr Allely was awarded 2,100,000 performance rights. Refer to (a)(iv) above for further details.

YEAR ENDED 30 JUNE 2012

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) Key management personnel shareholdings

This information is disclosed in Note 25 and within the "Remuneration Report" included in the Directors' Report.

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

Non-Executive Director, P George, received fees for consulting services of \$338,865 (2011: \$175,502) in relation to the transformation plan and the conduct of efficiency reviews in PMP Print and PMP New Zealand. This encompassed identification and analysis of structural and operational improvement opportunities.

(d) 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. PMP Limited has made a \$416.6 million allowance for the provision of doubtful debts regarding related parties (2011: \$412.7 million).

(e) Transactions with other related parties

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

25 Key management personnel

(a) Compensation of key management personnel

	PMP Gro	oup (\$)
NOTES	2012	2011
Short-term employee benefits	3,623,456	4,145,530
Other long-term employee benefits	13,047	60,066
Post employment benefits	227,660	241,487
Termination payments	665,910	158,234
Share-based payment*	517,875	340,925
Total compensation	5,047,948	4,946,242

^{*} 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.

The company has applied the exemption under Amendment to Australian Accounting Standard - Key Management Personnel Disclosures by Disclosing Entities which exempts disclosing companies from the application of AASB 124 paragraphs AUS 25.2 to AUS 25.6 and AUS 25.7.1 and AUS 25.7.2 as the requirements are now incorporated into the Corporations Law and are provided in the section titled "Remuneration Report" included in the Directors' Report designated as audited.

25 Key management personnel (continued)

(b) Rights holding of key management personnel

2012	Balance 1 July 2011	Granted as remuneration	Rights exercised <a>	Lapsed	Cancelled	Balance 30 June 2012	Not exercisable	Exercisable	Share Price at exercise date \$	Value at exercise date	Share Price at exercise/lapse date \$	Value at lapse date \$
R Allely 	279,297	2,100,000	I	(279,297)	I	2,100,000	2,100,000	I	I	I	89.0	189,922
C Amos	I	229,412	I	I	I	229,412	229,412	I	I	I	I	1
P Browne <c></c>	522,342	227,206	I	(749,548)	I	I	I	I	I	I	0.37	277,333
A Cicognani <d></d>		273,824	I	I	I	273,824	273,824	I	I	I	I	I
A Clarkson	420,839	210,294	I	(43,252)	I	587,881	587,881	I	I	I	89.0	29,411
C Davison	695,228	279,412	1	(148,438)	I	826,202	826,202	I	I	I	89.0	100,938
P George <e></e>	1	I	1	1	1	1	I	I	I	I	1	1
G Plant <c></c>	443,607	I	I	(443,607)	1	I	I	I	I	I	0.50	221,804
G Stephenson	395,283	312,500	I	I	I	707,783	707,783	I	I	I	I	I
A Williams <c></c>	546,377	375,000	I	(921,377)	I	I	I	I	I	I	0.31	285,627
Total	3,302,973	4,007,648	1	(2,585,519)	1	4,725,102	4,725,102	1				
	Balance	Granted as				Balance			Share Price at exercise date	Value at exercise date	Share Price at exercise/lapse	Value at lapse date
2011	1 July 2010	remuneration	Rights exercised <a>	Lapsed	Cancelled	30 June 2011	Not exercisable	Exercisable	S	S	date \$	S
R Allely <f></f>	918,804	I	(423,173)	(216,334)	I	279,297	279,297	I	l	275,063	0.63	136,290
C Amos <g></g>	I	I	I	I	I	I	I	I	I	I	I	I
P Browne	368,671	220,714	I	(67,043)	I	522,342	522,342	1	I	1	0.63	42,237
D Chesser <c></c>	157,609	196,429	I	(354,038)	I	I	I	I	I	I	0.89	315,094
A Clarkson	261,262	196,429	I	(36,852)	I	420,839	420,839	ſ	I	I	0.63	23,217
C Davison	543,781	271,429	I	(119,982)	I	695,228	695,228	I	I	I	0.63	75,589
P Elbourne <c></c>	199,275	I	I	(199,275)	I	I	I	I	I	I	0.70	139,493
G Plant	288,545	195,000	I	(39,938)	I	443,607	443,607	I	I	I	0.63	25,161
G Stephenson	120,283	275,000	ı	I	I	395,283	395,283		I	I	I	1
A Williams	246,377	300,000	ı	I	1	546,377	546,377	1	I	1	I	I
Total	3,104,607	1,655,001	(423,173)	(1,033,462)	1	3,302,973	3,302,973	1				

<a> No rights are exercisable at 30 June 2012 (2011: nil).

At the Annual General Meeting on 18 November 2011 shareholders approved the participation of Mr Allely in the PMP Long Term Incentive Plan. Mr Allely was awarded 2,100,000 performance rights under the Long Term Incentive Plan. ô

<c> Rights lapsed on termination of employment.

cd> Appointed EGM of PMP Direct on 10/10/11.

<e> Appointed Chief Operating Officer on 24/04/12.

Exercise represents short term incentive 2009/2010. One-third of R I Allely's STI is a fixed dollar value which is required to shares. 386,433 shares purchased by the company (Table 25(C)) on market in the current financial year. The number of shares differs from the 423,173 per above due to movements in the share price from the estimate made on issue and the purchase dates. ÷

<g> Appointed EGM of PMP (NZ) Limited on 01/06/11 after completion of P Browne's secondment.

Key management personnel (continued) 23

(c) Share holding of key management personnel

Other		1	I	I	I	I	92,619	1	ı	I	92,619
Sales		ı	ı	I	1	I	1	1	1	ı	I
Purchases		I	1	I	1	I	1	1	ı	1	1
On exercise of rights		I	ı	I	ı	I	ı	I	ı	ı	ı
Balance 1 July 2011		ı	ı	I	1	I	1	20,000	1	ı	20,000
	Executives	C Amos	P Browne <f></f>	A Cicognani <g></g>	A Clarkson	C Davison	P George <d></d>	6 Plant <h></h>	G Stephenson	A Williams <i></i>	Total
Balance me 2012		I	12,365	200,000	25,000	I	I	14,900	I		52,265
30 Ju			_	7	7						1,1
Other 30 Ju		(300,000)	40,932	- 2		(92,619)	1	ı	ı	ı	(351,687) 1,1
Sales Other 30 Ju		- (300,000)					1	1	1	1	- (351,687) 1,1
Purchases Sales Other 30 Ju		- (300,000)		l	1	(92,619)	1	14,900 – –	1	I	129,900 – (351,687) 1,1
Purchases Sales		<a><a> - (300,000)	- 40,932	20,000	000	(92,619)		ı		ı	1,1 (351,687) — 1,1 (351,687) 1,1
Sales		9) – – «•>	40,932	20,000	000°59 <e></e>	<a>> (92,619)		14,900		ı	1,374,052 129,900 – (351,687) 1,1

92,619 50,000

1 1 1 -1

30 June 2012

142,619

- <a> No Directors, other than RIAllely, have been issued with any rights prior to or during the current financial year.
 - Retired 18/11/11.
- <c> short term incentive 2010/2011. One-third of R I Alley's STI is a fixed dollar value which is required to be converted to shares. 40,932 shares purchased on market in the current financial year by company in accordance with R Alley's employment contract.
- Retired from Board on 23/04/12. Appointed Chief Operating Officer on 24/04/12. ÷

ed 50/01/12.	29/02/12.
Appointed	Retired
6	<u></u>

- <g> Appointed EGM of PMP Direct on 10/10/11.
 - Retired 31/01/12. \$
 - Retired 17/04/12. ·^

2011	Balance 1 July 2010	On exercise of rights	Purchases	Sales	Other	Balance 30 June 2011		Balance 1 July 2010	On exercise of rights	Purchases
Directors							Executives			
G J Reaney	281,740	<p></p>	18,260	1	ı	300,000	C Amos <e></e>			
R I Alley 	285,000	1	1	1	386,433	671,433	P Browne	1	1	1
M Bickford-Smith	ı	<p></p>	150,000	1	1	150,000	A Clarkson	1	ı	1
I L Fraser	118,797	<p></p>	41,203	1	1	160,000	D Chesser <f></f>	1	1	1
P George	92,619	<p></p>	ı	1	1	92,619	C Davison	I	ı	1
Goh S N < C>	1	<p></p>	1	1	1	1	P Elbourne <g></g>	1	1	1
Ng J S <d></d>	35,000	<p></p>	ı	I	(32,000)	I	G Plant	1	ı	1
N Sparks <c></c>	1	<p></p>	1	1	1	1	G Stephenson	1	1	1
							A Williams	1	1	1
Total	813 156		200 463	I	351 433	- 351 A33 1 374 N52	Total	I	I	ı

- <a> No Directors, other than R I Allely, have been issued with any rights prior to or during the current financial year.
- Short term incentive 2009/2010. One-third of R I Alley's STI is a fixed dollar value which is required to be converted to shares, 386,433 shares purchased on market by company in accordance with R Alley's employment contract. The number of shares differs from the 423,173 per Table 25(b) due to movements in the share price from the estimate made on issue and the purchase dates. <q>
- Appointed 17/08/10. **\$**

	OTOZ ÁINC T	ol rights	rurciiases	Salles	onner	7 alline 7
Executives						
C Amos <e></e>						
P Browne	1	1	1	1	I	
A Clarkson	I	1	I	I	I	
D Chesser <f></f>	1	1	1	1	1	
C Davison	I	I	I	I	I	
P Elbourne <g></g>	ı	1	ı	ı	1	
G Plant	I	I	I	I	I	
G Stephenson	1	1	1	1	20,000	50,
A Williams	1	1	1	1	1	
Total	I	1	1	1	- 50,000	50,

000

- Retired 17/08/10. ô
- Appointed EGM of PMP (NZ) Limited on 01/06/11 after completion of P Browne's secondment. P Browne completed his New Zealand secondment as EGM of PMP (NZ) Limited on 31/05/11 and has been transferred within the business. **6**
- Retired 19/01/11. ÷
- Retired 30/09/10. <g>>

YEAR ENDED 30 JUNE 2012

26 Business combinations

No acquisitions were made during the year ended 30 June 2012.

2011

During the year ended 30 June 2011, the PMP Group made the following acquisition:

Acquisition of the business and assets of International Print Limited

On 6 May 2011, the PMP Group, via PMP Maxum Limited, acquired the business and assets of International Print Limited, a New Zealand based sheetfed printing business. The purchase price includes cash consideration of \$2.1 million on acquisition, \$0.1 million on the relocation and recommissioning of plant and equipment acquired during the 2011 financial year and contingent consideration. The fair value of contingent consideration at acquisition date has been recognised as goodwill and a provision of \$0.3 million. The consideration is deferred between twelve months and two years from acquisition date and is dependent upon sales revenue targets and the completion of continuous employment by a key employee.

			PMP Grou	(000°) qı
		NOTES	2012	2011
27	Earn	nings 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	327,039	334,405
		Effect of dilutive securities:		
		Share rights*	-	865
		Weighted average number of shares used in the calculation of diluted earnings per share	327,039	335,270

^{*} The weighted average number of exercised/lapsed share rights included is nil (2011: nil)
6,670,168 rights outstanding as at 30 June 2012 are considered anti-dilutive and excluded from the calculation of diluted earnings per share at 30 June 2012 (2011: 4,803,214 anti-dilutive). These rights could potentially dilute basic earnings per share in the future.

					PMP Group	o (\$'000)
				NOTES	2012	2011
	(b)	Earnings				
		Net loss after income tax			(24,525)	(11,309)
		Loss used in calculating basic and diluted earnings	per share		(24,525)	(11,309)
28	Cash	flow statement notes				
	(a)	Reconciliation of cash flow from operating activiti	es to operating loss after income tax			
		Operating loss after income tax			(24,525)	(11,309)
		Adjustments for non-cash items:				
		Depreciation		2(e)	40,241	39,584
		Amortisation		2(e)	3,574	3,817
		Impairment of plant, equipment, goodwill a	nd intangibles	2(c)	29,485	34,182
		Provision/(credit) for doubtful debts/bad de	ebts written off		(383)	(499)
		Movement in provision for tax			(2,482)	1,942
		Gain on disposal of property, plant and equi	pment	2 (a), 2(c)	(52)	(2,421)
		Share-based payment plans		2(c)	556	513
		Non-cash superannuation expense		22(a)	252	357
		Other non-cash items			(5,796)	3,001
		Change in assets and liabilities:				
		Accounts receivable	Decrease/(Increase)		26,835	(12,921)
		Inventories	Decrease		7,239	1,842
		Liabilities	(Decrease)/Increase		(43,272)	3,884
		Non-current assets	(Increase)/Decrease		(305)	5,827
		Provision for employee benefits	(Decrease)/Increase		(1,241)	1,673
		Prepayments and other assets	Decrease		1,278	762
		Net cash provided from operating activities			31,404	70,234
	(b)	Reconciliation of cash and cash equivalents				
		Cash and cash equivalents			12,254	12,097
		Bank Overdrafts		13(a)	(551)	_
		Total cash and cash equivalents			11,703	12,097

			PMP Grou	p (\$'000)
		NOTES	2012	2011
29	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:			
	Financial assets			
	Cash and cash equivalents	28(b)	12,254	12,097
	Trade and other receivables	5, 7	107,911	133,325
	Other	15	600	_
	Derivative financial instruments	7	240	240
			121,005	145,662
	Financial liabilities			
	Trade and other payables	12	141,500	172,373
	Interest bearing liabilities	13	155,518	153,077
	Derivative financial instruments	15	8,018	5,552
			305,036	331,002

YEAR ENDED 30 JUNE 2012

29 Financial instruments (continued)

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. The total cost of borrowings as at 30 June 2012 was 8.61% (2011: 8.41%).

i) Interest rate risk exposure

The following tables set out the carrying amount by maturity of the financial instruments exposed to interest rate risk for the Group:

		2012 (\$'000)					
		_					
	NOTE	Floating interest rate	1 year or less	1 to 2 years	2 to 5 years	Non-interest bearing	Total
Financial assets							
Cash and deposits	28(b)	12,254	_	_	_	_	12,254
Receivables	5,7	_	_	_	_	107,911	107,911
Other financial assets	7	_	_		_	240	240
Total financial assets		12,254	_	_	_	108,151	120,405
Weighted average interest rate		3.5%	-	_	-		
Financial liabilities							
Payables	12	_	_	_	_	(141,500)	(141,500)
Bank overdraft	13	(551)	_	_	_	_	(551)
Bank loans	13	(154,820)	-	_	-	_	(154,820)
Finance lease liabilities	13		(77)	(70)	_		(147)
Total recognised financial liabilities		(155,371)	(77)	(70)	_	(141,500)	(297,018)
Hedging instruments*		113,147	(10,000)	(26,767)	(76,380)		_
Financial liabilities including hedging activities		(42,224)	(10,077)	(26,837)	(76,380)	(141,500)	(297,018)
Weighted average interest rate - Australia #		6.8%	8.6%	8.1%	7.0%		
Weighted average interest rate - New Zealand #		5.6%	0.0%	8.2%	7.8%		
Net financial liabilities including hedging activities		(29,970)	(10,077)	(26,837)	(76,380)	(33,349)	(176,613)

	2011 (\$ 000)					
NOTE	Floating interest rate	1 year or less	1 to 2 years	2 to 5 years	Non-interest bearing	Total
28(b)	12,097	_	_	_	_	12,097
5,7	_	-	-	-	133,325	133,325
7	_	-	-	_	240	240
	12,097	-	-	-	133,565	145,662
	4.5%	-	-	-		
12	_	_	-	_	(172,373)	(172,373)
13	(152,919)	-	-	_	_	(152,919)
13	_	(42)	(116)	_	_	(158)
	(152,919)	(42)	(116)	_	(172,373)	(325,450)
	116,000	(71,625)	(10,000)	(34,375)	_	_
	(36,919)	(71,667)	(10,116)	(34,375)	(172,373)	(325,450)
	7.9%	8.9%	8.6%	8.1%		
	5.6%	9.5%	9.1%	8.0%		
	(24,822)	(71,667)	(10,116)	(34,375)	(38,808)	(179,788)
	28(b) 5,7 7	28(b) 12,097 5,7 — 7 — 12,097 4.5% 12 — 13 (152,919) 13 — (152,919) 116,000 (36,919) 7.9% 5.6%	NOTE Floating interest rate 1 year or less 28(b) 12,097 - 5,7 - - 7 - - 12,097 - 4.5% - 12 - - 13 (152,919) - 13 - (42) (152,919) (42) - 116,000 (71,625) - (36,919) (71,667) - 7.9% 8.9% 5.6% 9.5%	NOTE Floating interest rate 1 year or less 1 to 2 years	NOTE Floating interest rate 1 year or less 1 to 2 years years years	NOTE Floating interest rate 1 year or less 1 to 2 years 2 to 5 years Non-interest bearing

2011 (\$'000)

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.

^{*} Notional value of interest rate swaps.

[#] Includes margins. Excludes prepaid fees and charges.

YEAR ENDED 30 JUNE 2012

				PMP Grou	p (\$'000)
			NOTES	2012	2011
29	Financia	l instruments (continued)			
	(b) Inte	rest Rate Management (continued)			
	ii)	Fair value of interest rate swaps			
		Australian Dollar interest rate swaps		(1,504)	(372)
		New Zealand Dollar interest rate swaps		(2,535)	(1,639)
		Total fair value of interest rate swaps	15	(4,039)	(2,011)
		At 30 June 2012, \$2.0 million of expense has been recorded in the statement of comprehensive income (2011: \$0.5 million income).			
	iii)	Interest rate sensitivity analysis – Fair Value Interest Rate Risk			
		If interest rates had changed $+/-1\%$ from the year end rate with all other variables held constant, the impact on net profit/(loss) for the year including the impact on the fair value of interest rate swaps would have been:			
		Net (loss)/profit impact at 30 June			
		Interest rates increase 1%		2,966	1,506
		Interest rates decrease 1%		(3,073)	(1,542)
	iv)	Interest rate sensitivity analysis – Cash flow Interest Rate Risk			
		If interest rates had changed $+/-1\%$ from the year end rate with all other variables held constant, the impact on net profit/(loss) for the year including the impact on cash flow interest rate swaps would have been:			
		Net (loss)/profit impact at 30 June			
		Interest rates increase 1%		(595)	(354)
		Interest rates decrease 1%		595	354

(c) 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, or where the price is dependant on foreign currencies and also the 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 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.

YEAR ENDED 30 JUNE 2012

29 Financial instruments (continued)

(c) Foreign exchange management (continued)

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

	Avg. exchar	nge rate (\$)	PMP Group (\$'000)	
	2012	2011	2012	2011
United States Dollars - less than one year	1.010	0.994	13,826	12,054
UK Pounds - less than one year	0.634	0.610	3,513	164
Euro - less than one year	0.764	0.727	47,878	40,520
			65,217	52,738

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

		NZ Dollars		AUD\$ Equivalent		
	Avg. exchange rate (\$)		Avg. fixed rate NZD \$'000		PMP Group (\$'000)	
	2012	2011	2012	2011	2012	2011
United States Dollars - less than one year	0.804	0.757	23,106	35,099	18,126	27,202
UK Pounds - less than one year	-	0.464	-	580	-	449
			23,106	35,679	18,126	27,651

iii) Australian entity contracts to exchange foreign currency - relating to capital expenditure

	Avg. exchar	nge rate (\$)	PMP Group (\$'000)	
	2012	2011	2012	2011
US Dollars - less than one year	-	0.974	-	956
Euros - less than one year	0.707	0.730	17,691	668
Swiss Francs - less than one year	0.884	0.933	529	1,003
			18,220	2,627

The capital expenditure includes the purchase and installation of printing presses and associated equipment across Australia.

iv) Fair value of forward exchange contracts

	PMP Group (\$'000		
NOTES	2012	2011	
Australian entity - foreign exchange contracts relating to receipts and payments	(1,853)	(1,319)	
New Zealand entity - foreign exchange contracts relating to receipts and payments	532	(2,180)	
Australian entity - foreign exchange contracts relating to capital expenditure	(2,058)	(42)	
Total fair value of forward exchange contracts	(3,379)	(3,541)	
Comprised of:			
Financial assets - current 15	600	-	
Financial liabilities - current 15	(3,979)	(3,541)	
Total fair value of forward exchange contracts	(3,379)	(3,541)	

YEAR ENDED 30 JUNE 2012

Financial instruments (continued)

Foreign currency management (continued)

iv) Fair value of forward exchange contracts (continued)

At 30 June 2012, a \$0.06 million credit (2011: \$0.7 million debit) has been recognised within the statement of comprehensive income and a \$3.0 million debit, excluding tax effect (2011: \$2.2 million debit) is included within the cash flow hedge reserve in equity.

\$0.2 million was transferred to inventory during the financial year ended 30 June 2012 (2011: \$1.1 million).

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:

		Rate	
	Year end	10% increase	10% decrease
Australia dollar to:			
United States dollar	1.003	1.103	0.912
Euro	0.806	0.886	0.733
New Zealand dollar to:			
United States dollar	0.787	0.886	0.715

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 comprehensive income in the future as the underlying hedged item affects profit.

	PMP Group (\$'000)	
	2012	2011
Equity (cash flow hedge reserve) at 30 June		
If there was a 10% increase in exchange rates with all other variables held constant - (decrease)	(7,108)	(5,169)
If there was a 10% decrease in exchange rates with all other variables held constant - increase	7,870	5,686

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.

(d) 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 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.

YEAR ENDED 30 JUNE 2012

29 Financial instruments (continued)

(d) Liquidity risk management (continued)

	D		
		r۸	

	Weighted Avg effective interest rate	Carrying amount	Contractual cash flows	Less than one year	1 to 2 years	2 to 5 years
Interest bearing liabilities	%	\$'000	\$'000	\$'000	\$'000	\$'000
			30 June 2012			
Bank Overdraft - Australia	9.7%	551	551	551	-	_
Bank Loans - Australia	6.2% ~	85,000	91,719	45,723	33,050	12,946
Bank Loans - New Zealand	5.6% ~	69,820	84,960	41,641	-	43,319
Finance lease liabilities	10.7%	147	164	88	56	20
Interest Rate Swaps - Aust*	4.5%	1,504	1,679	74	451	1,154
Interest Rate Swaps - NZ*	5.0%	2,535	2,753	-	372	2,381
Forward FX Contracts						
- inflows	_	(600)	(3,513)#	(3,513)	-	_
- outflows	_	3,979	98,051#	98,051	-	_
Payables	_	141,500	141,500	141,500	-	-
Total		304,436	417,864	324,115	33,929	59,820
			30 June 2011			
Bank Loans - Australia	6.2% ~	84,718	98,561	23,693	_	74,868
Bank Loans - New Zealand	4.6% ~	68,201	76,313	23,352	-	52,961
Finance lease liabilities	10.7%	158	188	56	56	76
Interest Rate Swaps - Aust*	5.8%	372	366	201	105	60
Interest Rate Swaps - NZ*	6.1%	1,639	2,768	715	1,012	1,041
Forward FX Contracts						
- inflows	_	(20)	(824)#	(824)	-	-
- outflows	-	3,561	84,545#	84,545	-	_
Payables	-	172,373	172,373	172,373	-	-
Total		331,002	434,290	304,111	1,173	129,006

^{*} Net amounts for interest rate swaps for which net cash flows are exchanged.

(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 up front payment of between 75% - 50% of the trade before executing the sale.

[#] This represents the gross payment under the forward contract.

Includes margins. Excludes prepaid fees and charges.

YEAR ENDED 30 JUNE 2012

29 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

- The capability to service debt and meet financial covenant constraints;
- Delivering the most efficient capital structure and reducing the Group's weighted average cost of capital (WACC);
- 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:

- Debt to equity of between 35% to 60%, and at 30 June 2012 was in the middle of this range at 44.7%;
- Debt to EBITDA below 2 times, and at 30 June 2012 was at 1.9 times;
- EBITDA to borrowing costs of greater than 4.0 times, and at 30 June 2012 was at 4.9 times.

With financial markets remaining volatile, the company currently seeks to retain flexibility through maintaining a gearing ratio that is either at the bottom end of or below the range taking into account the earnings of the business over the next 12-24 months. Due to the markets volatility we believe that the investors expect PMP to maintain a low level of gearing.

(q) 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 (\$'000)				
30 June 2012	Level 1	Level 2	Level 3	Total		
Financial derivatives being hedge accounted						
Forward Foreign Exchange Contracts	-	(3,379)	_	(3,379)		
Financial derivatives at fair value through profit or loss						
Interest Rate Swaps	-	(4,039)	_	(4,039)		
Foreign Exchange Option Contracts	_	_	-	_		
Total financial derivatives	_	(7,418)	_	(7,418)		

	PMP Group (\$'000)			
30 June 2011	Level 1	Level 2	Level 3	Total
Financial derivatives being hedge accounted				
Forward Foreign Exchange Contracts	_	(3,541)	-	(3,541)
Financial derivatives at fair value through profit or loss				
Interest Rate Swaps	-	(2,011)	_	(2,011)
Foreign Exchange Option Contracts	-	_	-	_
Total financial derivatives	-	(5,552)	_	(5,552)

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. The Group uses a variety of methods and makes assumptions that are based on market conditions existing at the end of each reporting period. Quoted market prices or dealer quotes for similar instruments are used to estimate fair value. Other techniques such as estimated discounted cash flows, are used to determine fair value for the remaining financial instruments. The fair value of interest rate swap contracts is determined by reference to market values for similar instruments. The fair value of forward exchange contracts is calculated by reference to current forward contracts with similar maturity profiles. These instruments are included in level 2.

YEAR ENDED 30 JUNE 2012

30 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.

31 Subsequent events

Subsequent to the financial year end, as part of the transformation program, the Company has initiated a program of sale and lease back of its properties in Australia and New Zealand and is undertaking Phase Two of the program. Also the Company has reached agreement with it's lenders to restructure the Group's debt facility from a full revolver facility to an amortising revolving term and working capital facility. Details are provided in Note 13.

On 27 August 2012, the Chairman Mr Ian Fraser announced his intention to resign from the Board after the AGM. He will be succeeded as Chairman by Mr Matthew Bickford-Smith

Other than the matters disclosed above, the directors are not aware of any matters or circumstance arising since balance date not otherwise dealt with in this report or 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.

32 Interest in jointly controlled entity

Gordon & Gotch Australia Pty Limited has a 50% interest in Impact Merchandising Pty Ltd, which is resident in Australia and the principal activity of which is operating a merchandising business in Australia.

The interest in Impact Merchandising Pty Ltd is accounted for in the consolidated financial statements using the equity method of accounting and is carried at cost by Gordon & Gotch Australia Pty Ltd.

Summarised financial information is set out below:

	(\$'000)	
	2012	2011
Share of revenues	1,601	_
Share of profits after income tax	20	-
Share of assets	626	-
Share of liabilities	597	_

YEAR ENDED 30 JUNE 2012

		PMP Limited (\$'000)	
		2012	2011
33	Parent		
	As at, and throughout the 2012 financial year, the parent company of PMP Group was PMP Limited.		
	Financial performance of the parent		
	Profit after tax	13,537	24,436
	Other comprehensive expense	(1,265)	(512)
	Total comprehensive income	12,272	23,924
	Financial position of the parent at year end		
	Current assets	567,553	567,937
	Non-current assets	248,726	239,323
	Total assets	816,279	807,260
	Current liabilities	451,607	446,772
	Non-current liabilities	1,001	404
	Total liabilities	452,608	447,176
	Total equity of the parent comprising of:		
	iotal equity of the parent tomprising of.		
	Contributed equity	356,035	622,361
	Accumulated profit/(losses)	6,516	(263,637)
	Share-based payment reserve	1,120	1,360
	Total equity	363,671	360,084
	Parent capital commitments for acquisition of property, plant and equipment		
	Capital expenditure:		
	- not later than one year	-	868
	Total capital expenditure	_	868
	Parent operating commitments for lease rental		
	Operating lease rentals - parent as lessee:		
	- not later than one year	5,655	5,645
	- later than one year but not later than five years	10,340	14,430
	- later than five years	4,591	5,819
	Total operating lease rentals (lessee)	20,586	25,894
	Operating lease rentals - parent as lessor:		
	- not later than one year	2,314	2,259
	- later than one year but not later than five years	4,863	7,177
	Total operating lease rentals (lessor)	7,177	9,436

Contributed equity and accumulated losses

In accordance with section 258F of the Corporations Act 2001, in September 2011 the Company reduced its paid up ordinary share capital balance by \$263.6 million for the share capital lost as represented by the total of accumulated losses of the parent entity at 30 June 2011.

Parent capital guarantees in respect of debts of certain subsidiaries

The parent has entered into a deed of guarantee with the effect that 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 (2011: \$nil) of contingent liabilities.

DIRECTORS' DECLARATION



PMP Limited

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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

lan L Fraser Chairman

Richard I. Allely
Chief Executive Officer and Managing Director

Sydney, 12 September 2012

INDEPENDENT AUDIT REPORT

Deloitte.

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 2012, the statement of 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 48 to 96.

Deloitte Touche Tohmatsu A.B.N. 74 490 121 060

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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.

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 2012 and of its performance for the year ended on that date;

(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 32 to 44 of the directors' report for the year ended 30 June 2012. 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.

In our opinion the Remuneration Report of PMP Limited for the year ended 30 June 2012, complies with section 300A of the Corporations Act 2001.

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DELOITTE TOUCHE TOHMATSU

IM Stanley

Partner

Chartered Accountants

Sydney, 12 September 2011

Liability limited by a scheme approved under Professional Standards Legislation.

Member of Deloitte Touche Tohmatsu Limited

FIVE YEAR SUMMARY

		2008	2009	2010	2011	2012	% change
				<9>			
SALES REVENUE							
Print Australia	A\$ mill	579.2	568.5	492.1	472.4	449.3	(4.9)
Distribution Australia	A\$ mill	109.5	105.7	84.5	90.9	87.9	(3.2)
Gordon and Gotch Australia	A\$ mill	386.3	428.4	408.9	413.4	358.5	(13.3)
PMP Digital Australia	A\$ mill	41.1	33.9	31.1	28.6	26.8	(6.4)
PMP New Zealand	A\$ mill	231.2	209.1	195.5	189.0	171.4	(9.4)
Total Sales Revenue	A\$ mill	1,347.3	1,345.6	1,212.1	1,194.3	1,093.9	(8.4)
PROFITABILITY							
EBITDA	A\$ mill	125.9	96.7	92.8	100.1	76.5	(23.5)
EBIT							
Print Australia	A\$ mill	54.7	34.3	47.7	55.4	39.4	(28.8)
Distribution Australia	A\$ mill	4.1	4.9	(2.2)	1.1	1.4	22.5
Gordon and Gotch Australia	A\$ mill	13.2	13.0	7.5	3.7	1.0	(72.2)
PMP Digital Australia	A\$ mill	6.0	4.6	3.5	0.1	(0.9)	_
PMP New Zealand	A\$ mill	14.9	9.0	5.5	4.8	1.6	(66.9)
Corporate	A\$ mill	(8.2)	(10.9)	(9.8)	(8.4)	(9.8)	(15.3)
Total EBIT	A\$ mill	84.7	54.9	52.2	56.7	32.7	(42.3)
Print Australia EBIT/sales	%	9.4	6.0	9.7	11.7	8.8	(24.8)
Distribution Australia EBIT/sales	%	3.7	4.6	(2.6)	1.2	1.6	33.3
Gordon and Gotch Australia EBIT/sales	%	3.4	3.0	1.8	0.9	0.3	(66.7)
PMP Digital Australia EBIT/sales	%	14.6	13.7	11.1	0.5	(3.4)	_
PMP New Zealand EBIT/sales	%	6.4	4.3	2.8	2.6	0.9	(65.4)
Total EBIT/sales	%	6.3	4.1	4.3	4.7	3.0	(36.2)
OTHER							
Net cash provided by operating activities	A\$ mill	83.7	43.3	74.7	70.2	31.4	(55.3)
Earnings per ordinary share (basic)	cents	23.9	(7.9)	6.2	(3.4)	(7.5)	_
Earnings per ordinary share (diluted)	cents	23.9	(7.9)	6.1	(3.4)	(7.5)	_
Dividend per share (paid)	cents	 4.5	<c> 3.0</c>	-	<d> 1.0</d>	<e> 2.0</e>	_
Total assets	A\$ mill	835.5	838.0	792.8	738.1	661.8	(10.3)
Total net debt	A\$ mill	199.6	208.3	168.1	141.0	143.3	(1.6)
Total shareholders equity	A\$ mill	395.2	351.7	374.9	355.3	320.7	(9.8)
Debt/Equity Ratio	%	50.5	59.2	44.8	39.7	44.7	(12.6)
Interest Cover	times	6.5	5.1	5.3	6.7	4.9	(26.9)
Depreciation	A\$ mill	40.1	40.6	39.5	39.6	40.2	(1.7)
Amortisation	A\$ mill	0.8	1.2	1.2	3.8	3.6	6.4
Capital Expenditure	A\$ mill	91.8	23.4	30.9	<f> 39.7</f>	<g> 29.6</g>	25.5
Employees Full Time	No.	3,010	2,762	2,678	2,622	2,159	(17.7)

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

<a> During 2010 PMP changed its segment reporting structures in accordance with the adoption from 1 July 2009 of AASB 8: Operating Segments; and revised its accounting policy for its defined benefit plan. Comparatives have been restated for 2009 and 2008.

Final dividend for the year ended 30 June 2007 of 3.0 cents and interim dividend for the year ended 30 June 2008 of 1.5 cents both fully franked.

<c> Final dividend for the year ended 30 June 2008 of 3.0 cents (60% franked).

Final dividend for the year ended 30 June 2010 of 1.0 cent, fully franked.

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 cents both fully franked. <6>

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

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

SHARE REGISTER INFORMATION

as at 17 August 2012

Shares and options / rights		
Shares on issue	323,781,124	
Rights on issue	_	
Employee rights	5,566,300	
Total rights/options	5,566,300	

Distribution of shareholders	Number of shareholders	Number of shares	% Percentage
1 - 1,000	755	448,316	0.14
1,001 - 5,000	2,129	6,092,659	1.88
5,001 - 10,000	524	4,205,048	1.30
10,001 - 100,000	436	12,290,163	3.79
100,001 and over	42	300,744,938	92.89
Total number	3,886	323,781,124	100.00
Unmarketable Parcels: Minimum \$ 500.00 parcel at \$ 0.3150 per unit is 1,588	990	763,013	-

Name of Substantial Shareholder <a>	Number of Securities	% Voting Power
Orbis Group	65,092,105	20.10
Hunter Hall Investment Management Ltd	59,687,612	18.43
Lazard Asset Management Pacific Company	48,405,278	14.95
Fraser & Neave Ltd	39,020,117	12.05
PM CAPITAL Limited	38,740,348	11.96
Dimensional Fund Advisors LP	18,286,246	5.65

Twenty largest shareholders 	Number of shares	% of total issued
J P Morgan Nominees Australia Limited	122,158,778	37.73
Citicorp Nominees Pty Limited	82,882,928	25.60
National Nominees Limited	56,711,333	17.52
HSBC Custody Nominees (Australia) Limited	14,163,811	4.37
UBS Nominees Pty Ltd	7,158,356	2.21
BNP Paribas Noms Pty Ltd	6,043,716	1.87
Dr Janet Dawn Kencian	910,000	0.28
Mr Anthony Charles Patrick Cotterell	898,995	0.28
Goldman Sachs Australia Pty Ltd	743,412	0.23
Mr Mark Herdman & Mrs Heather Fletcher Herdman	700,000	0.22
Mr Vincent Paul Godfrey Cotterell	560,000	0.17
The University Of Melbourne	537,069	0.17
Queensland Investment Corporation	514,713	0.16
Jason Corporation Pty Ltd (Super Fund)	500,000	0.15
Jason Corporation Pty Ltd	500,000	0.15
Success Advisors Pty Ltd	386,600	0.12
Tristyn Pty Ltd	380,000	0.12
Summerview Management Pty Ltd	350,000	0.11
HSBC Custody Nominees (Australia) Limited	327,956	0.10
Mr Richard Ivan Allely <c></c>	326,433	0.10
Total Holding	296,754,100	91.66

<a> As at 1 August 2012.

<c> Mr Allely's total shareholding is shown in the Directors' Report on page 42.

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



The PMP Limited Annual General Meeting

will be held at 11:00am on Thursday 22 November 2012 at

Mantra Chatswood 10 Brown Street, Chatswood NSW 2067

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

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.

Receive Information by Email

Shareholders can receive notifications about company announcements, annual and periodic reports and other company information by email.

By registering for this service, shareholders can be kept up to date with significant company announcements as they happen.

To Register Electronically:

visit www.pmplimited.com.au and follow these easy steps:

Click on Register Your Email Address for shareholder information

Then enter your personal security information:

- Holder Identification Number (HIN) or Security Reference Number (SRN)
- Postcode

Click on "Submit" and follow the prompts

Then just click on 'reply' to confirm your details, then 'send'.

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

Chief Entity Auditors

Deloitte Touche Tohmatsu

Lead Bankers

ANZ

Commonwealth Bank of Australia

The 2012 Annual Report was produced by PMP Limited companies

Print

PMP Maxum (NZ) Limited

15c Vestey Drive, Mount Wellington Auckland, New Zealand

Telephone: +64 09 377 9322

Concept, Design and Photography

Dimension Studios

Units 14-17 32 Ralph Street Alexandria NSW 2015 Australia

Telephone: +61 02 9490 7239

Paper sourcing

PMP's Paper Procurement Policy requires that all paper used by the company is sourced in a sustainable and responsible manner consistent with recognised international standards. This policy enables our customers to have a high level of confidence in the sustainability of their printed communications.

When producing this annual report, PMP applied the following additional criteria:-

- Support paper suppliers who are striving to achieve the highest sustainability targets;
- Insist on FSC or PEFC accredited paper;
- Support a printer which is also striving to achieve the highest sustainability targets (PMP Maxum);
- Offset the life cycle greenhouse gas emissions from the annual report

The paper used in this report is produced from well managed and legally harvested forests, is manufactured under an ISO14001 compliant environmental management system and uses elemental chlorine free, FSC certified pulp.



The life cycle greenhouse gas emissions of this annual report were calculated in line with PAS 2050 and offset with Verified Carbon Standard credits.



Registered Office:

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