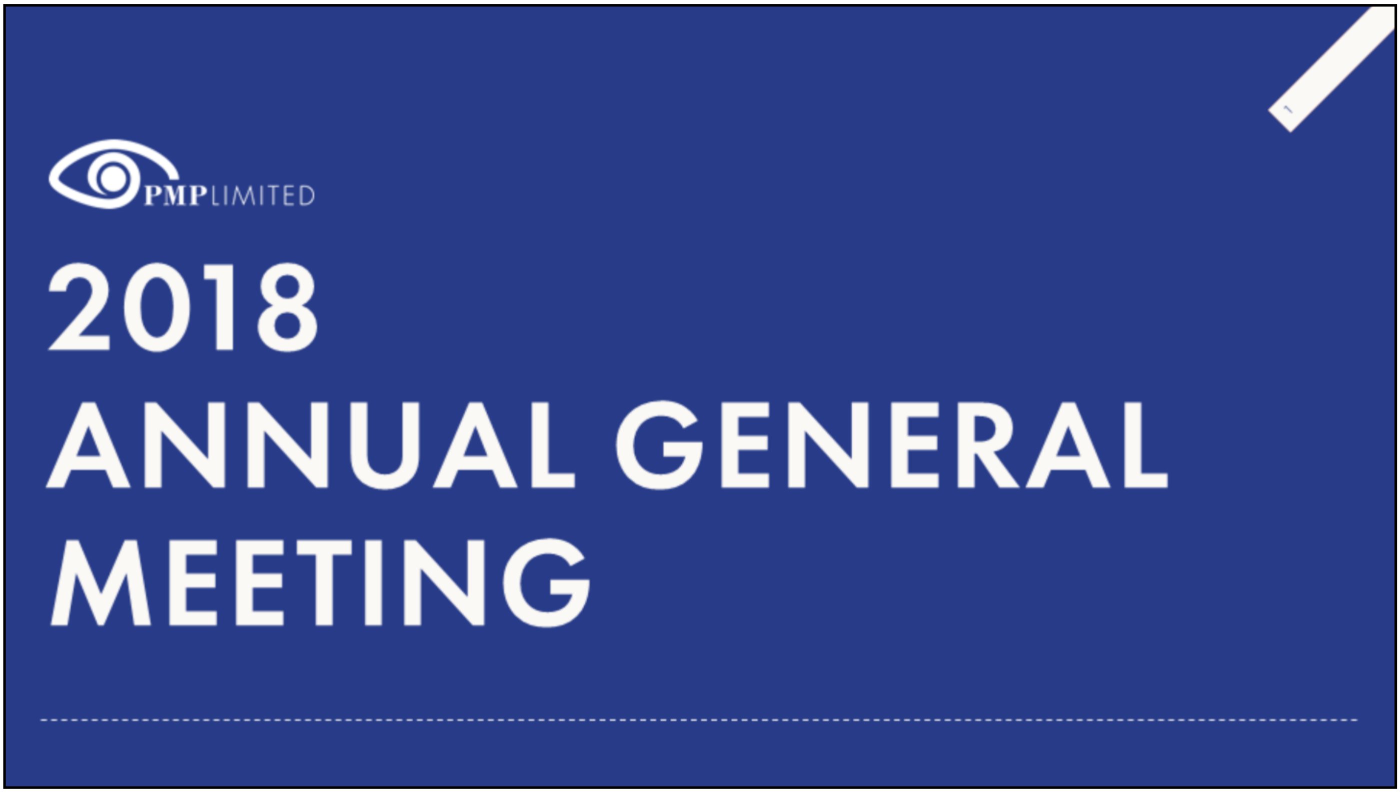



Good morning ladies and gentlemen and welcome to the 28th Annual General Meeting of PMP Limited.

# CHAIRMAN
# Mr Matthew Bickford-Smith

My name is Matthew Bickford-Smith, the Chairman of the company. I will be Chair of the meeting today.

The Company Secretary has advised me that we have a quorum and, as the time is now past 11.00am, I have pleasure in declaring this meeting open. Before proceeding, we have a couple of housekeeping items.

First, please switch your mobile phone to silent – or turn it off.

Second, it's important you are familiar with the evacuation procedures we will follow in the unlikely event of an emergency. If there is an emergency, the Deloitte's staff will provide you with instructions.

The Board is here today to report on PMP's performance for the financial year ended 30 June 2018 and to discuss its future strategy following the merger with IPMG.

The presentations from today's meeting have been lodged with the Australian Stock Exchange and posted on the PMP website.

This is the format for today's meeting


After my address, we will hear from our Managing Director, Mr Kevin Slaven.

Then we will proceed to the formal business of voting on the resolutions set out in the Notice of Meeting.

As detailed in the Notice, shareholders will be invited to pass comment on the business, vote on the adoption of the Remuneration Report, the election of a new director and the change of company name.

I propose to take the Notice as being read.


**Introductions**

Let me introduce the people who are on stage with me today. Seated to my right, or your left, are:

Andrew McMaster, Non-Executive Director (elect)

Dhun Karai, Non-Executive Director

Alistair Clarkson, Company Secretary and General Counsel

And to my left:

Michael Hannan, Non-Executive Director

Wai Tang, Non-Executive Director

Terry Sinclair, Non-Executive Director

Kevin Slaven, Chief Executive Officer

And seated down the front with the Auditors is Geoff Stephenson, Chief Financial Officer.

**Minutes**

The minutes of the previous Annual General Meeting of members held on 22nd November 2017 were approved by the Board and copies are available for inspection from the company secretary should any member wish to see them.


**Auditors**

A representative from the Company's external auditors, Deloitte, is also here this morning. The Lead Engagement Partner, Joanne Gorton, is available to answer any questions you may have when the Accounts are considered.


**Opening Remarks**

The Board and all of PMP's management are very aware that shareholders would be disappointed that the benefits of the merger are not yet reflected in performance. As Chairman, it is my role to take accountability for the Group's results. But rather than simply acknowledge that accountability, I believe it would be remiss of me if I did not first address what we had to deal with last year – before turning back to the considerable efforts and progress that PMP's management have made to get PMP back on track.

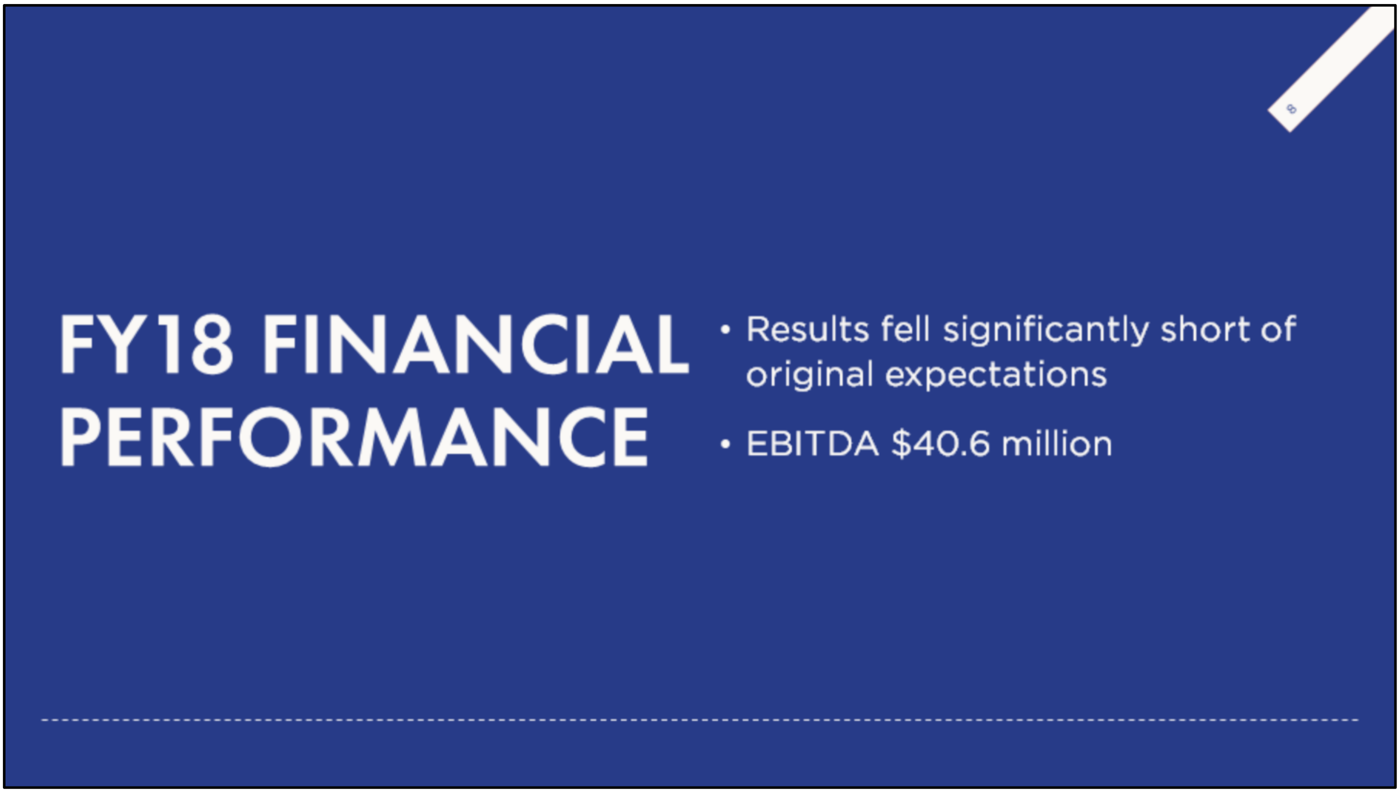

The past couple of years has been an extraordinary period for the print industry in Australia, with five firms consolidating in a matter of months to just two – both now listed on the ASX. Prior to this, the Australian heatset sector of the print industry was highly fragmented and was suffering from the consequences of significant poor allocations of capital, which had resulted since 2012 in a considerable amount of print over capacity.

Not only was it an extraordinary period for the heatset print sector it was also a turbulent year for PMP in Fiscal 2018. The surprising three-month delay for the approval of the merger by the ACCC pushed the PMP and IPMG site consolidations and capacity reduction into a very tight time-frame with a number of unforeseen and critical integration issues only becoming apparent in the first half of fiscal year 2018. We also weathered the sudden departure of our former long-term CEO, Mr Peter George, who had been critical to the planning, implementation and execution of the merger integration program.

The challenge of integrating two large, diverse and complex print organisations under these circumstances, while continuing to deliver high-quality service to customers, led to our first guidance revision in November of last year. At that point, it became clear that the merged Print entity was not only operating at a substantially higher cost base than the pre-merger synergy plan had envisaged, but significant revenue had been lost in the pre-merger jostling.

Specifically, at issue were the loss of two significant accounts, overall lower than forecasted margins and unexpected volumes of extremely labour-intensive, short-run work, which had been transferred into the merged group from IPMG.

Our second guidance revision came in February, when it was apparent that Print Australia's mix of work was moving far more quickly away from magazine and newspaper volumes than we had originally anticipated.




**FY18 – Financial Performance**

As a result, as it's clear to see on this slide, PMP's FY18 results fell very significantly short of original expectations. After forecasting earnings of $70M EBITDA we ended the year at $40.6M, which obviously was completely unacceptable.

At the Group level, on a like-for-like basis, sales dropped by $108M, largely due to falling heatset sales after the loss of Coles and Pacific Magazines, but also reflecting the market's ongoing reductions in newspaper and magazine sales and the consequences of lower pricing.

Small EBITDA reductions in Distribution Australia and PMP Print New Zealand were substantially offset by a $2.7M increase from Marketing Services. In Print Australia, on a like-for-like basis, EBITDA fell by $8.5M.


**Addressing post-merger challenges**

PMP's new executive leadership team, under Kevin Slaven, who was appointed as a full-time CEO in February this year, responded to all the difficult integration and planning issues by putting in place significant and multi-layered cost-out initiatives to restore Print Australia's profitability and forming a restructured executive team with very detailed and clear responsibilities.

As a result, later than we expected, but importantly, the integration between PMP and IPMG is now fully complete – and all the initial productivity and workflow issues are well behind us.

Management, under Kevin, knows exactly what has to happen to PMP's cost structure over time and there are encouraging signs that the work done over the last six months is genuinely beginning to take hold, translating to significant reductions in the cost per tonne of production.

PMP is now investing in a new $20 million 80-page press to further reduce our cost base. This will allow older and inefficient presses to be permanently retired, reduce overall print capacity within the Australian print market and to better manage demand and significantly reduce underlying manufacturing costs. Management continues to assess the most effective and efficient footprint for the business.

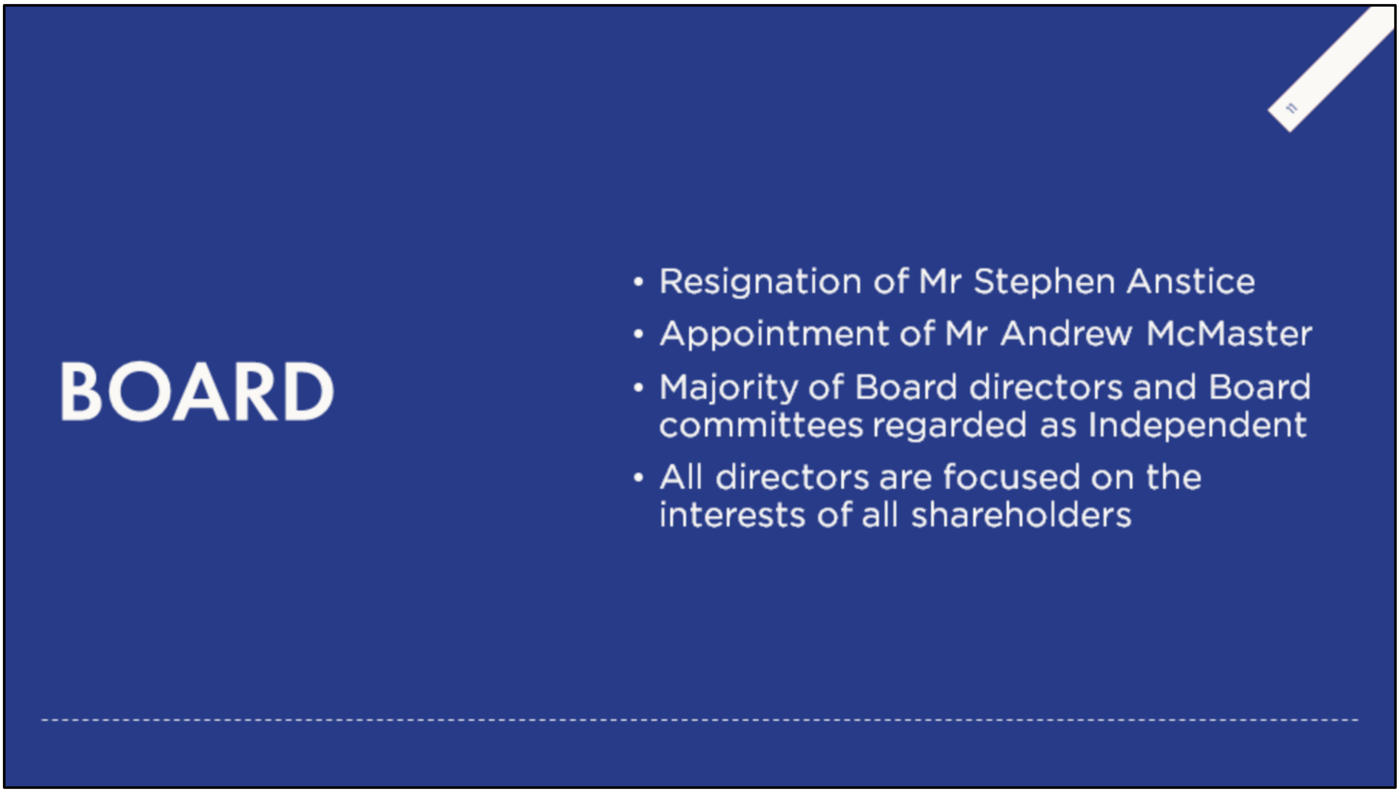

**Balance sheet**

PMP is committed to maintaining a conservative balance sheet. We define this as net borrowings against the amount of free cash flow produced by the business and a very disciplined approach to capital expenditure. The absolute priority is on debt reduction.

To this point, the Group ended the year with net debt better than guidance at $32.8M. Net debt is expected to increase from $33 million in FY18 due to timing of new press payments and resulting rationalisation costs in second half of FY19. Our latest guidance expects it to land in the range of circa $40 - $45 million.

PMP announced on 31 October 2018 that it was seeking to issue a $40 million secured, subordinated amortising four-year corporate bond, with the proceeds to be applied towards redeeming PMP's existing $40 million 6.43% Notes due 17 September 2019. The New Bond serves to further strengthen PMP's balance sheet by improving the mix of long and short term funding while providing a stable platform for the Company to execute on its stated strategic initiatives.

The new Notes include limitations on total indebtedness and partial dividend restrictions, which are common in the corporate bond market.  PMP anticipates announcing the successful completion of the redemption, exchange and offer later today.




**Board changes**

Since the last AGM, Mr Stephen Anstice has resigned from the Board for personal reasons. We thank Stephen for the very valuable contribution he made to the Group following the merger.

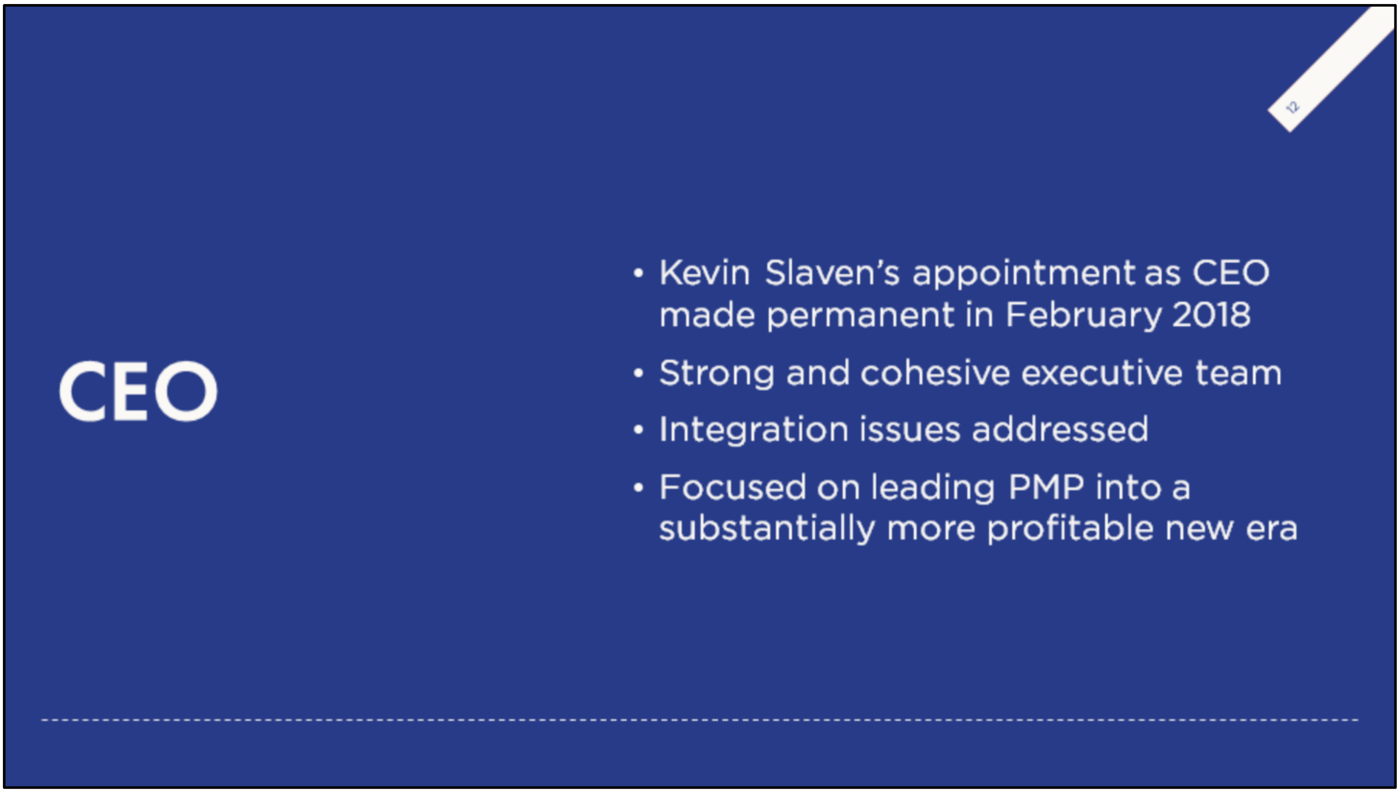
In Stephen's place, at the request of the Hannan family, the Board has appointed Mr Andrew McMaster who is standing for election today. I will talk to his credentials during the vote on that resolution.

**Board independence**

The Directors of PMP affirm the value and necessity of having an independent Board. After the election of Wai Tang and Terry Sinclair in November 2017, the Board now has a majority of Directors who can be regarded as independent – and the majority of all Board Committees are also deemed to be independent.

The Board's Directors are all aware of their obligation to declare conflicts of interest, or where the perception of a conflict of interest could arise. Mr Michael Hannan and Mr Andrew McMaster are not independent as they were nominated as directors by the IPMG shareholders. Directors who have any conflict of interest, or perception of conflict of interest, will continue to excuse themselves from participating in decisions about and voting on any such matters.

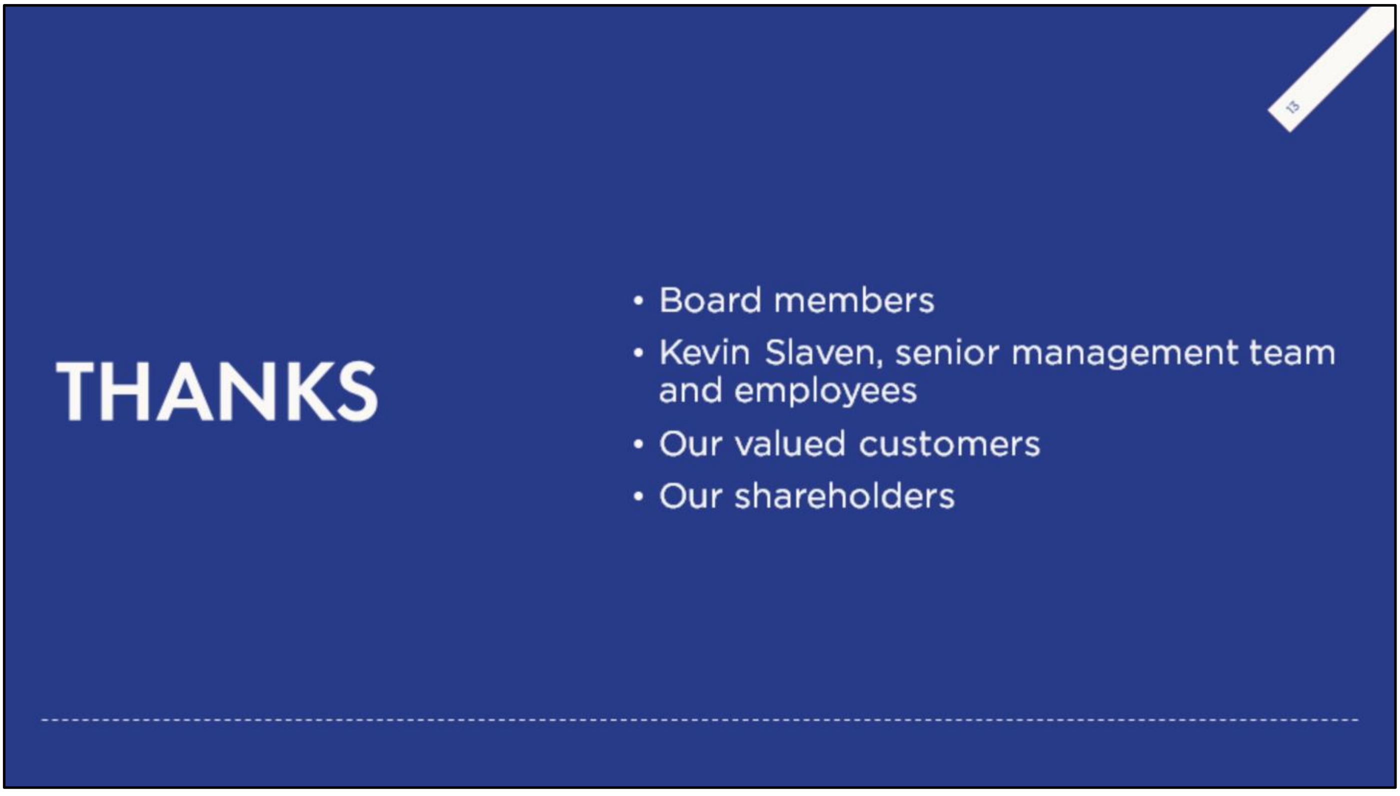
The Board will ensure that all Directors are focused on the interests of <u>all</u> shareholders.




**CEO Appointment**

After Peter George had to accelerate his retirement in November 2017, the Board appointed former IPMG Group CEO, Kevin Slaven as Interim CEO – a position that was made permanent in February 2018.

As I said, Kevin has formed a strong and cohesive executive team that has addressed the integration issues and is now fully focused on leading PMP into a substantially more profitable new era. You will hear from him in a moment.




**Thanks**

In closing, I must acknowledge our outgoing and incoming Board members for their contributions during the year.

On behalf of the PMP Board, I would like to thank Kevin Slaven, his new senior management team and all the employees of PMP for their resilience in working through the challenges of the year and for pulling together to move presses and facilities.

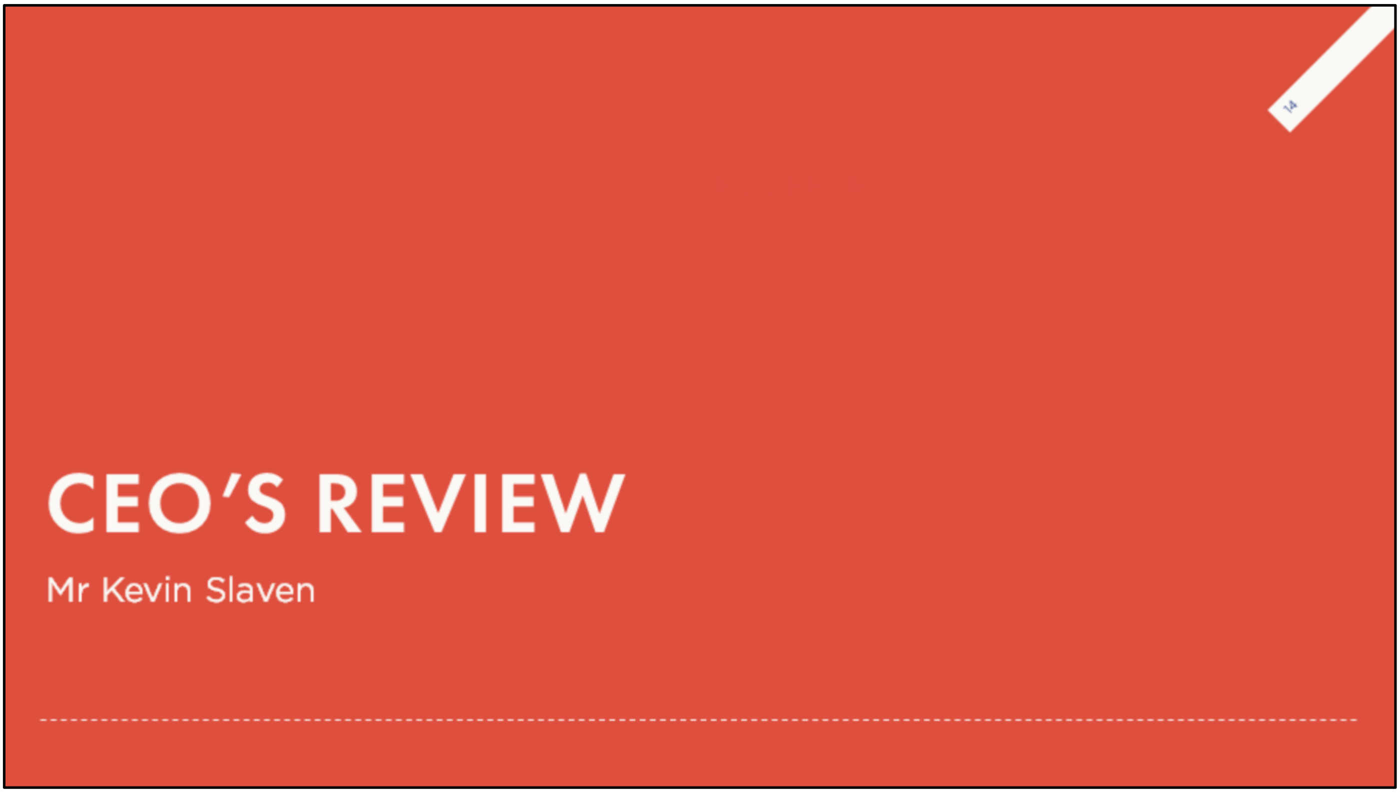
And, finally, thank you to our customers for their ongoing loyalty – and specifically to all of you, our shareholders, for your patience and support in a very difficult year.

I will now ask our new CEO to look ahead to the future. With a strong management team and board in place, PMP is well-positioned to focus on stability, with an invigorated focus on using data to drive more tailored and effective marketing campaigns, we are responding to our customers' needs and leveraging this into additional revenue streams across our integrated model.

The Group goes into FY19 with a clear vision and cohesive strategy based around our full-service capability of delivering print, distribution and value-adding marketing services focused on high volume customers, catalogues and cost competitiveness.

This strategy will allow PMP to move forward as a profitable and sustainable business based on the effectiveness of retail catalogues, strategic engagement with Tier 1 customers and an optimised operational infrastructure.

Kevin. Please take us through the new strategy and the outlook for PMP.



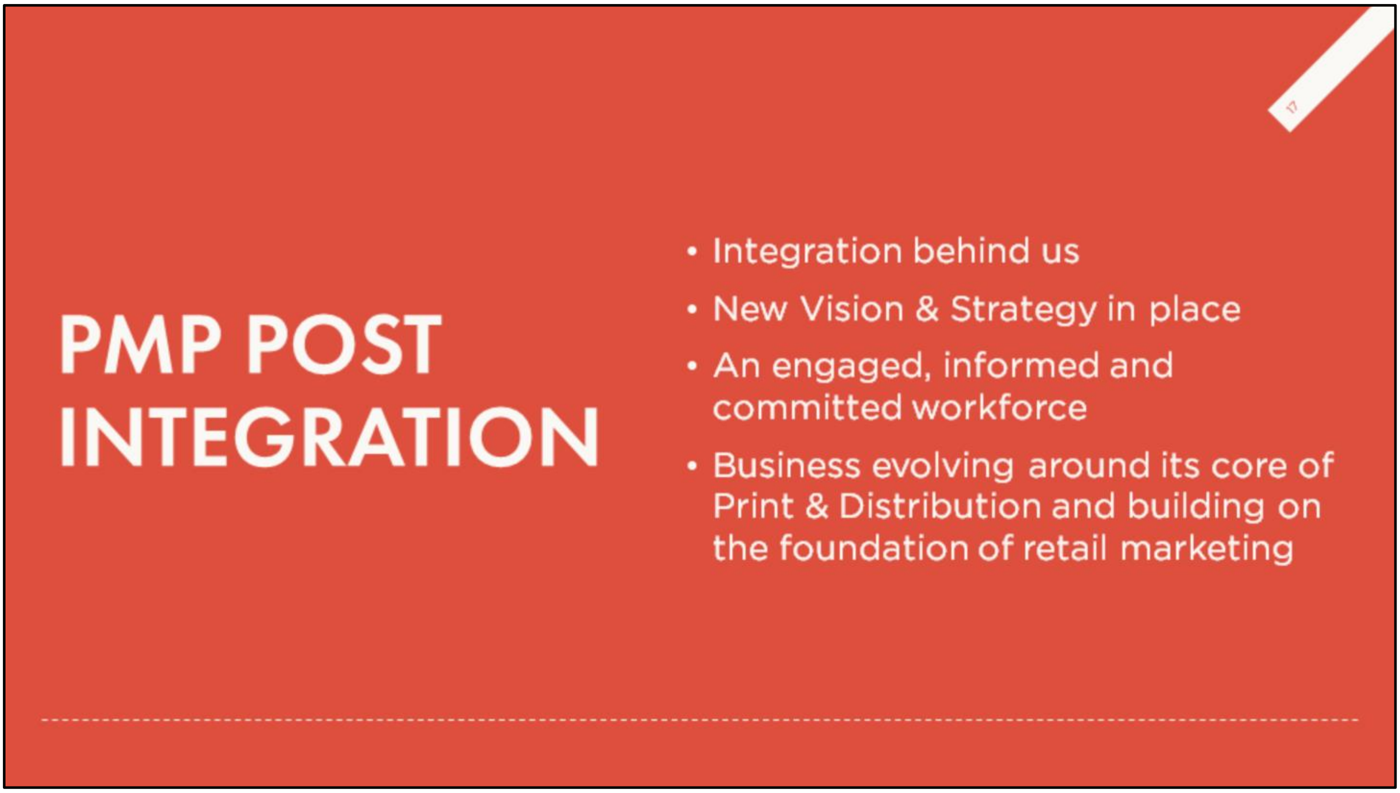

Thank you Matthew.


- As Matthew has just mentioned, the 2018 financial year held some disappointments, but there were also some very positive elements to it.
- Our Top 20 Australian retail print customers (representing 25% of our total group revenue) have shown consistency in spend and volume for catalogues, and continue to see catalogues as a crucial pillar in their ongoing marketing plans.
- I have personally spent much of the middle part of this year engaging with the CEO's and Marketing Directors of Australia's top retailers and have been extremely heartened by their ongoing commitment to the catalogue. This has validated our strategy to evolve our business around our core print & distribution offering focused primarily on the retail catalogue.
- We have had some significant customer wins during the year and the renewal of many existing major customer contracts. Of particular note is the fact that we have won or re-signed some large customers with a bundled offering of both print & distribution such as Officeworks and Reject Shop. We have a unique selling proposition as the only company in Australia and New Zealand with a national footprint providing co-located print and distribution delivering freight efficiencies and speed to market for our customers.
- We have also delivered on the cost reducing initiatives that we commenced post-integration and have set in place further programs to ensure we remain cost competitive. The most obvious of these is the investment in the new 80 page press which will be installed and commissioned at Warwick Farm before this time next year. This will enable us to reduce our underlying cost base by retiring older less efficient presses and also improve our fleet's overall productivity.
- The leadership team have recently completed a visit to all sites and addressed all shifts with a presentation of the Vision and Strategy for our future. We have also commenced employee surveys across the entire Group to ensure as an executive we are getting constant feedback from all levels of staff and a better understanding of the pulse of the organisation. This has ensured we have an informed and engaged workforce.

## ESG UPDATE

- Environmental
  - Chain-of-custody
  - Recycling
  - Environmental procurement policy
- Social
  - Diversity
  - Employee Well Being
  - Mental & Physical Health
- Governance
  - Safety – 41% improvement in TRIFR
  - Organisational Structure – capability gaps filled in HR and Innovation

- Before moving to our future, I want to provide an update on our Environmental, Social and Governance initiatives.
- PMP strives to be a sustainable business which meets our responsibilities to the environment, society and our people.
- We continue to support responsible forestry through our chain-of-custody program and have achieved PEFC and FSC certification at every print site across the group.
- We also recycle over 99% of the waste generated in the printing process and have developed an environmental procurement policy which ensures that environment criteria are embedded in our procurement process.
- On the Social front we have developed a Diversity program to ensure we focus on this in all our recruitment policies. This is very important to us as we evolve other areas of our business outside of Printing.
- Our leadership is mindful of the ravages of modern life and as such we have engaged with a number of social wellbeing initiatives to benefit our employees and strengthen the PMP community. Such initiatives include participation in health and wellbeing walks and charitable fundraising events where there is a win-win to all parties. We provide comprehensive Employee Assistance Programmes for our employees and their families and these cover a range of topics including accessing financial planning tools and advice.
- Keeping employees mentally, as well as physically healthy is a key initiative in 2019.
- We are also totally focused on our people with safety being of paramount concern as well as ensuring we have the right structure to fulfill both individual's and the company's potential. We have recently appointed a new Chief People Officer to drive these initiatives and have promoted internally an executive to the newly created position of Chief Innovation & Marketing Officer.




- It is important to note that the disruptive period of integration which followed the merger with IPMG is now behind us. As a business we have drawn a line in the sand and are looking towards the future.
- The time I have spent with the leaders of retail has confirmed their commitment to the catalogue as a core part of their marketing mix. This has in turn validated our new Vision and Strategy focused around the retail catalogue.
- The time I have spent at each of our sites discussing our future with staff confirms to me that each site is committed to drive operational efficiency and find new value for our customers, and ultimately shareholders, in an already lean manufacturing process. Our people understand where we are taking the business and understand the importance of their part in this evolution.
- The catalogue connects our marketing customers with the managers in the store and the audience beyond them. It is not an overstatement to say the work delivered by our core print and distribution business is the foundation of retail marketing. Foundations are meant to be built on, and I want to touch briefly on our vision and strategy to do exactly that.

# VISION

We are creating a smarter and sustainable business to deliver integrated marketing solutions that turn audiences into customers

- Our Vision as an organisation is to create a smarter and sustainable business to deliver integrated marketing solutions that turn audiences into customers.
- “Smarter” by building internally, and partnering with others, to quickly bring smart new impact and thinking that wraps around our core print and distribution offer.
- “Sustainable” by evolving to ensure we are here for the long term and making the right calls that impact on our people, planet and profit.
- “Delivering integrated marketing solutions” is in response to what our customers are asking us for and emphasises that print is the foundation of our clients connection to their customers. We are proud of what our core offer delivers and are building value around print to further benefit our customers.
- “Turning audiences into customers” is ultimately why we exist - we make a real and valuable difference to the businesses that we work with.

# FOCUS AREAS – STRATEGIC PILLARS

CUSTOMERS

- Retailers
- Publishers

OPERATIONAL EFFICIENCY

- New Press
    - Older capacity retired
    - Improved productivity
- Lowering cost of doing business through enhanced systems and processes

DISTRIBUTION NETWORK

- Optimise for future
- Network efficiency

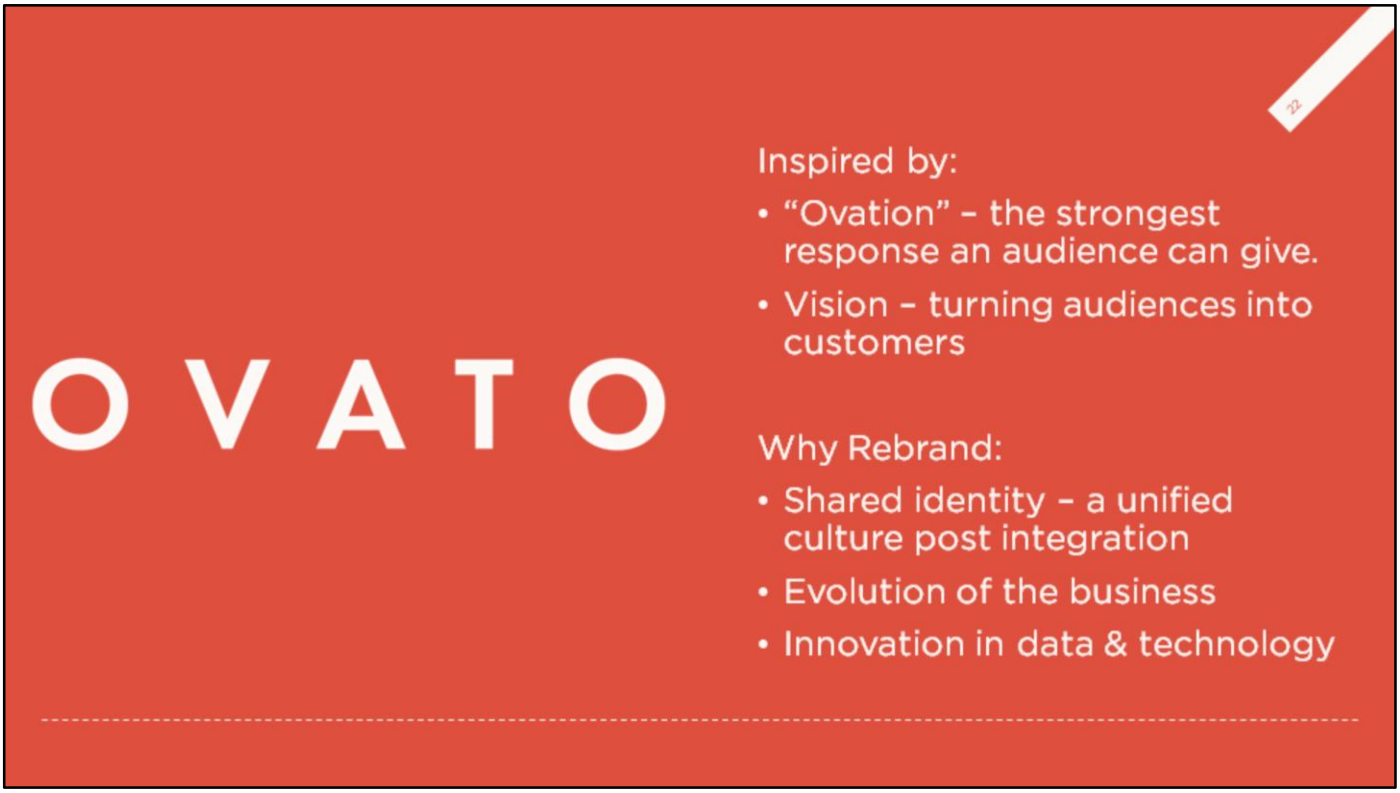
- We are first-and-foremost focused on our customers. Our retail clients are asking for more from us, and their commitment to catalogue is unquestionable. Our publishing customers are dealing with continuing structural change and we are willing partners, supporting them as they adapt to their changing landscape.
- We continue our proven mindset of continuous improvement to ensure operational efficiency. This includes the benefits we will obtain as we commission the new press at Warwick Farm later next year and retire older, less efficient presses and improve productivity. Our people continue to find improvements in our operating model and we recognise and are committed to enhancing the systems and processes that will both lower our cost of doing business but also unlock the next stage of value for our business.
- One other key area of focus to deliver our strategy is based around our Distribution Network which we understand needs to be invested in to optimise and provide an appropriate future state as well as provide the efficiencies we need for both ourselves and our clients.
- Ultimately the efficiency from having our print and distribution services integrated at common sites essentially provides our clients an extra day in their marketing supply chain. We are building on this advantage with support for workflows around pre-production and downstream into digital and social communications.

# KEY ENABLERS TO DELIVER STRATEGY

- Organisational Alignment
- Rebranding
- Innovation

- The key enablers that will ensure we are successful in implementing our Strategy and achieving our key deliverables, and ultimately our Vision, encompass organisational alignment, the repositioning and rebranding of the company, and Innovation, each of which I will speak a little more about.

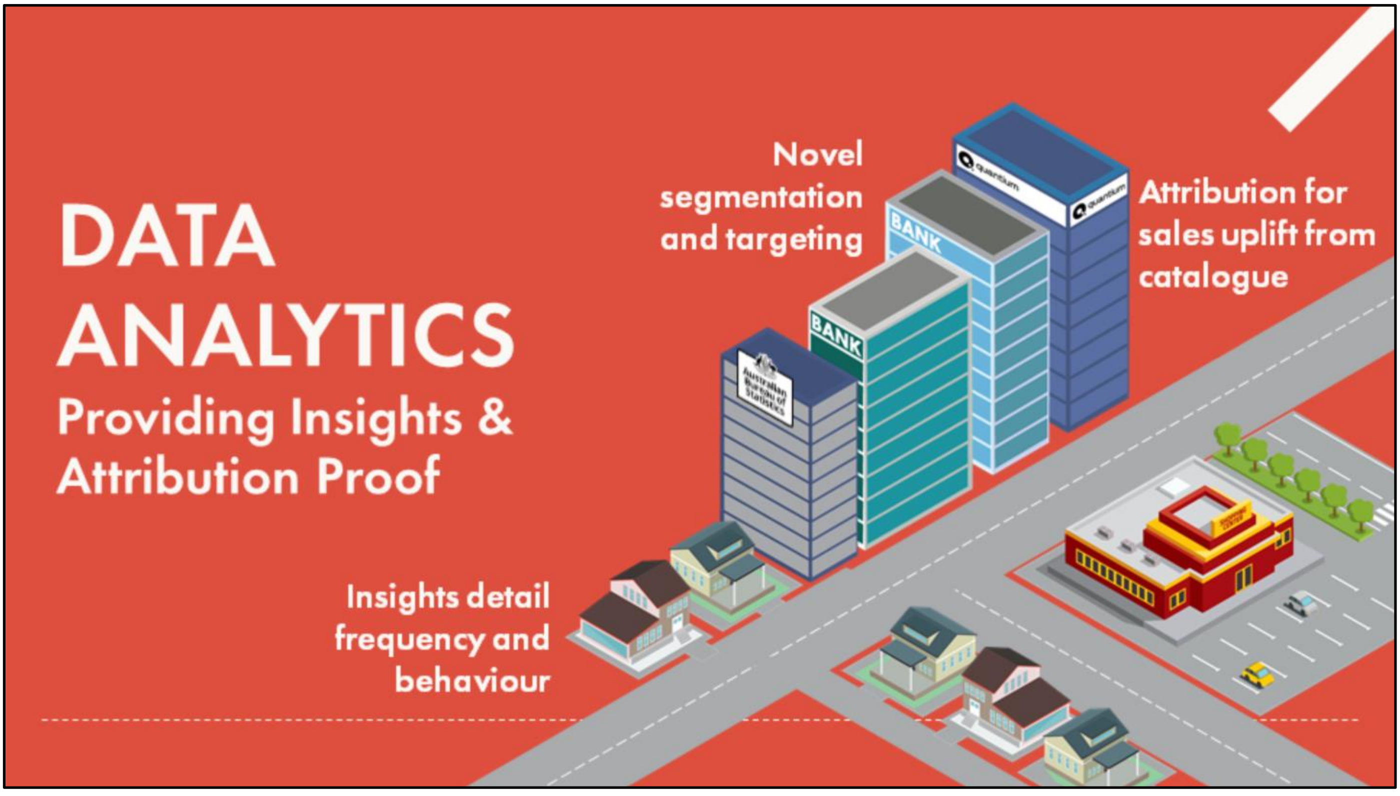

- Following completion of the physical integration post merger, much focus has been placed on ensuring we have the right organisational alignment to support the evolution of the business.
- Our recently appointed Chief People Officer is focusing on the following 3 key areas:
    - Values & Culture which ultimately drives our ethics and behaviour
    - Performance systems and processes driving accountability and performance
    - Leadership development and employee capability also driving accountability and performance
- We have also identified some key capability gaps, some of which have already been filled, but we also need to continue to acquire skills currently not in the organisation to help us deliver the strategy of developing new products and services



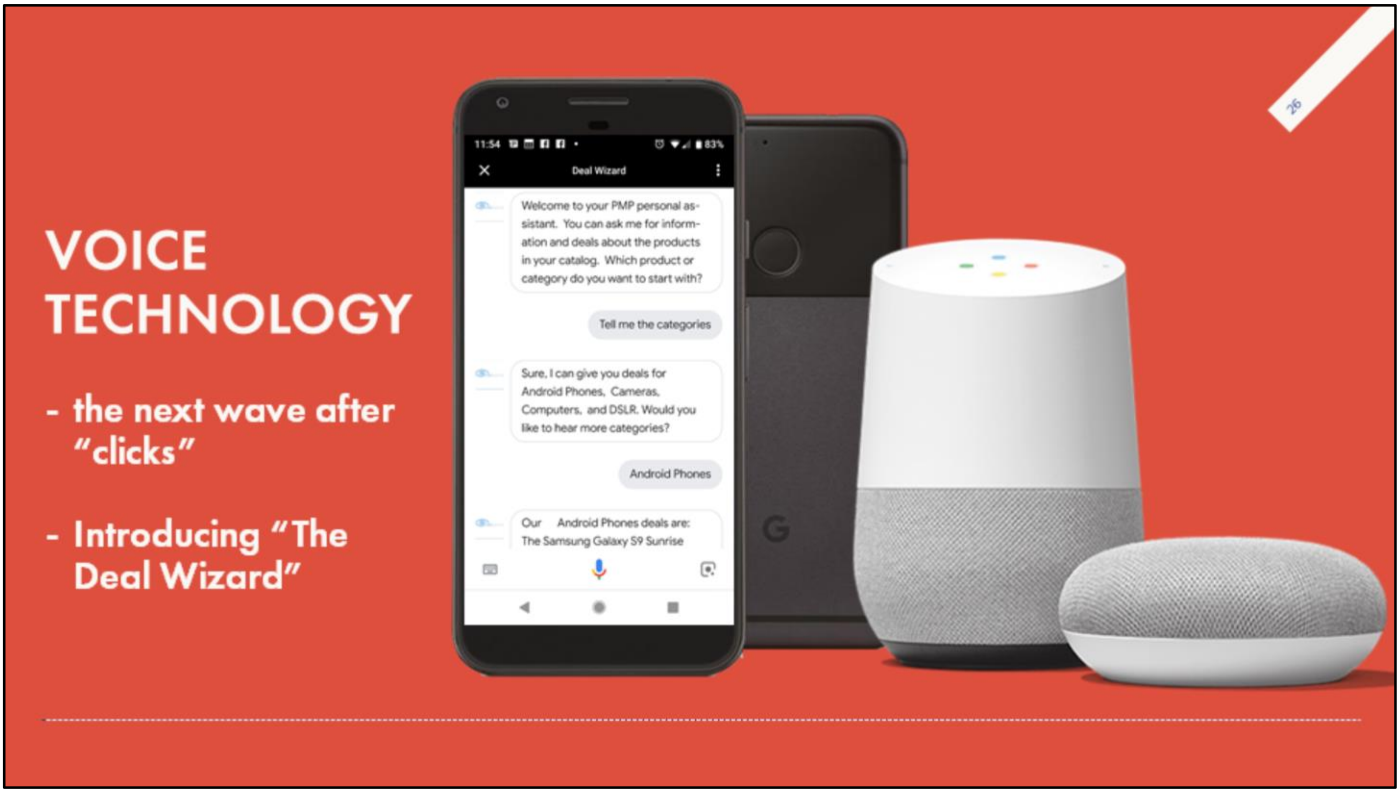

- After significant time, effort and process, we have chosen Ovato as our new name.
- The word takes inspiration from the word Ovation. The strongest response an audience can give.
- Our new brand encompasses our promise and our purpose that connects all our diverse capabilities - we turn audiences into customers. We are focused completely on that, and our name, brand and direction will maximise that value in the market.
- Whilst we continue to acknowledge that Print & Distribution is at the core of our company, we need to reposition the company for the future.
- Our rebranding is not a simple change of name for the sake of changing a name.
- It is based on the following rationale.
    - Firstly, the value in bringing our businesses together is significant. We have a diverse group of companies and capabilities that will benefit under a shared identity for the people & teams brought together since the merger to embrace a unified culture
    - Secondly, we need to signal to all stakeholders a significant evolution of the business with an enhanced focus of the value that we deliver for our customers, and
    - Finally, our new name will allow us to better present the impact we already have, and are building, in data and technology.


- Another key enabler to ensure we deliver on our strategy relates to our focus on innovation.
- We have dedicated resources within the organisation and a formal Board committee focusing on innovation particularly around data and technology which assists our retail clients in obtaining maximum value from their marketing spend and in turn promotes the catalogue channel as an essential element of the marketing mix.
- We have entered into strategic partnerships with other media, marketing and data science organisations within the advertising and marketing eco-system to ensure we are agile and timely in the development of new revenue streams through the development of new products and services.
- We are leveraging data science and analytics to provide insights to retail marketing for our existing and new customers.
- We are exploring new technology and business models to complement our core print and distribution business.
- Let me now highlight some examples of the Innovation we are investing in.

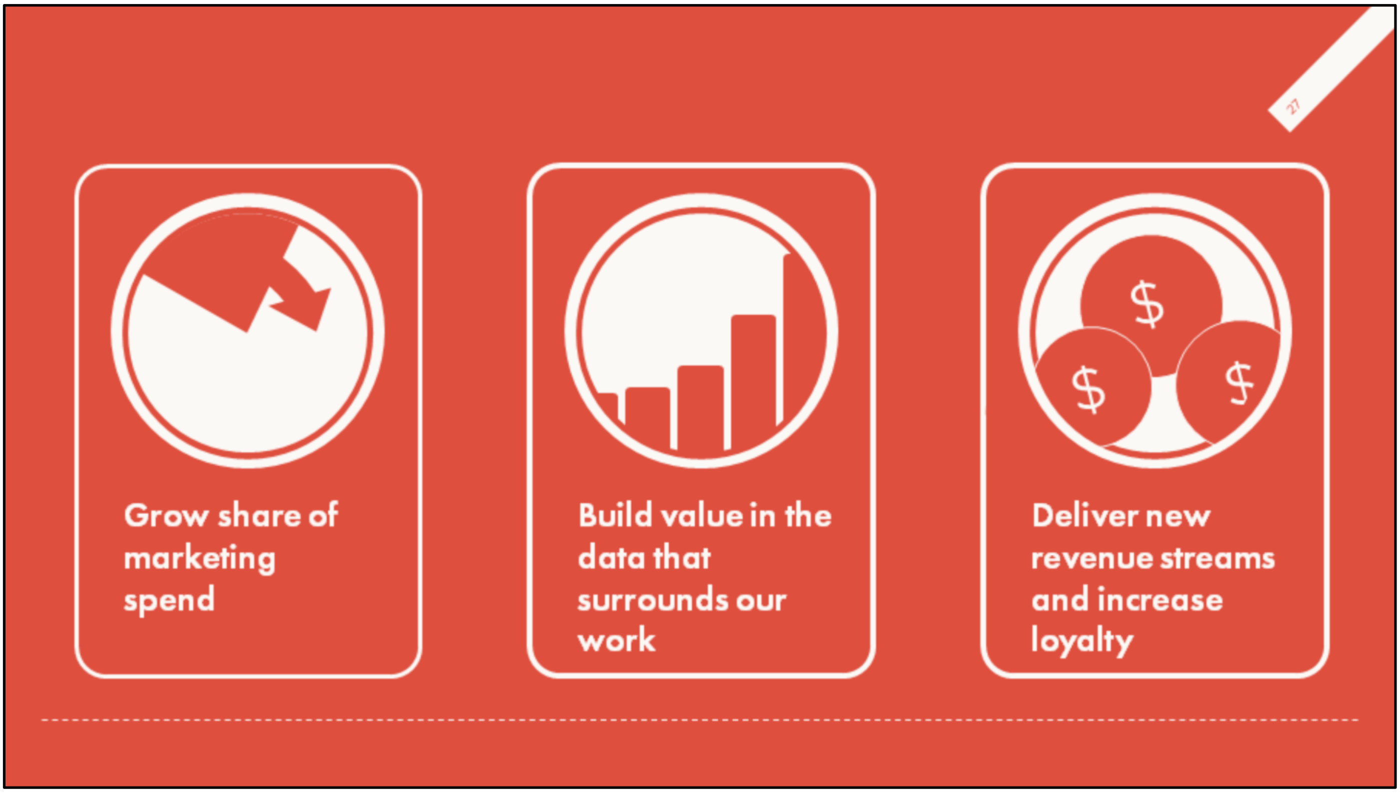

- Firstly, our Advertising Production System.
- One of our greatest advantages as a business is the efficiency we bring from having our print and distribution services integrated at common sites. This essentially provides our clients an extra day in their marketing supply chain.
- Having product printed and distributed from the same site also allows for significant freight savings.
- We are building on this advantage with support for workflows around pre-production and downstream into digital and social communications.
- This is being delivered to clients through our Advertising Production System which assists in delivering even more days back to the marketing supply chain.
- The APS provides seamless workflow management, flexible resourcing and data asset creation and management which is currently installed at a number of our customers and with the launch of the new version in early 2019 we see this as a significant growth area.




- We are investing in the data that surrounds everything we print and distribute.
- Print and Distribution have always been at the core of what we do, and nothing will change that moving forward. The sheer scale of what we do in this space, and the billions of items we print and deliver to people's homes each year, leaves us with countless data points that until recently, have gone unused. This represents untapped value to customers that we are now bringing to life.
- We have partnered with Quantium, Australia's leading 'big-data' provider, and by combining their data sets with ours, can now tell our retailers how much revenue their catalogue activity is actually generating at their cash registers. By being able to give our clients a measurable return on investment for their print marketing activity, we immediately reinforce the value of print and bring sustainability and growth to the industry.
- From our early case studies with Quantium, we are proving a significant uplift in sales from audiences exposed to a particular catalogue. The performance of our channel on the audience is now measured in dollars to the cash register.
- There are other insights emerging from the data that will help retailers better understand their customers in terms of frequency and behavioural patterns. These insights provide real value to our customers and gives rise to further revenue opportunities for ourselves.
- Understanding this data attributed to the catalogue is delivering new segmentation and targeting capability – this will help our clients get more impact from their print and distribution marketing spend moving forward.
- While we are still in our early stages, we have a client who will be in market using these capabilities in the lead up to Christmas. We look forward to sharing the results of that, and other examples with you in the future.

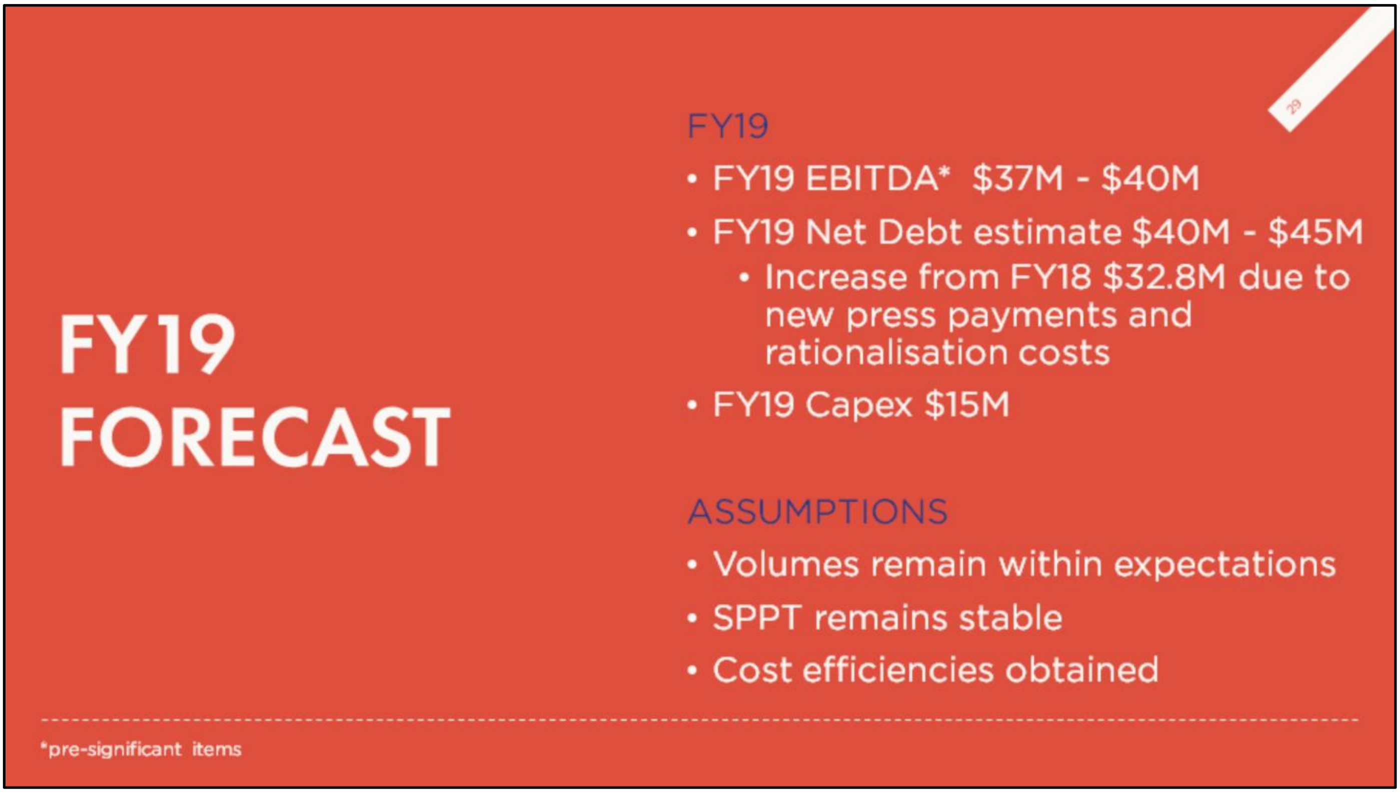



- One of our most recent innovative developments is the Deal Wizard which we are in market presenting to retailers.
- This product is a Google approved Action for Home that extends the catalogue into the voice channel and allows consumers to ask Google for more information about a product as they browse through a catalogue in their home.
- This allows for instantaneous feedback on matters of interest not included in the catalogue such as more detailed product specifications, colour options and price comparisons.
- You can find out where the nearest store is to purchase the product or in conjunction with your phone or tablet be sent directly to the retailers ecommerce platform to purchase.
- This not only extends the reach and effectiveness of the catalogue but allows us to collect significant data points from these catalogue readers for future use.




- Ultimately the investments we are making in data and technology offer an opportunity to grow the reach of our marketing products.
- We will build value in the data that surrounds everything we print and distribute.
- These initiatives are to test potential new revenue streams and increase customer loyalty through data analytics and attribution modelling


- Our Key Strategic goals over the next 3 years are to:
  - Obtain enhanced and sustainable growth in our core business
  - Develop new revenue streams through innovation
  - Create greater value for our shareholders, and
  - Provide a desired, inspired and safe workplace for our employees




- FY19 EBITDA (pre-significant items) this year is expected to be in the range $37 million - $40 million
- Net Debt at June 2019 is expected to be in the range $40 million - $45 million.
- This is up from the $32.8 million at June 2018 due to timing of the new press payments and resulting rationalisation costs in the second half of FY19.
- Total capex for FY19 is expected to be $15 million: $12 million to be spent on the new press and finishing equipment to be installed in FY20 and $3 million maintenance capex.
- This forecast assumes that retail and publishing print and distribution volumes remain in line with current expectations, Selling Price Per Tonne remains stable at current levels and the expected cost efficiencies relating to the retirement of older inefficient equipment are achieved in advance of the installation of the new 80 page press.


- Q1 Australian Print & Distribution volumes and sales revenue were slightly ahead of expectation.
- Q1 Sales Price Per Tonne ("SPPT") in Print Australia has been higher than expectations as a result of recent contract renewals.
- Q2 Australian Print loadings and Tier 1 catalogue volumes are in line with expectations.
- New Zealand FY19 EBITDA is expected to be lower than last year due to a recent customer loss and lower than expected SPPT based on competitive market pressures.

# MEDIUM TERM OUTLOOK

- Clear Vision & Cohesive Strategy
- Building on the foundation of retail marketing
- Print pricing stabilising in Australia
- Overhead & Operating Costs continue to reduce
- Volumes expected to continue recent industry trends
- EBITDA to progressively increase targeting a 7.5% return on revenue for FY21
- Disciplined capital allocation - c$5m-$8m pa
- Reducing significant items over time - stabilising at c$5m-$10m pa

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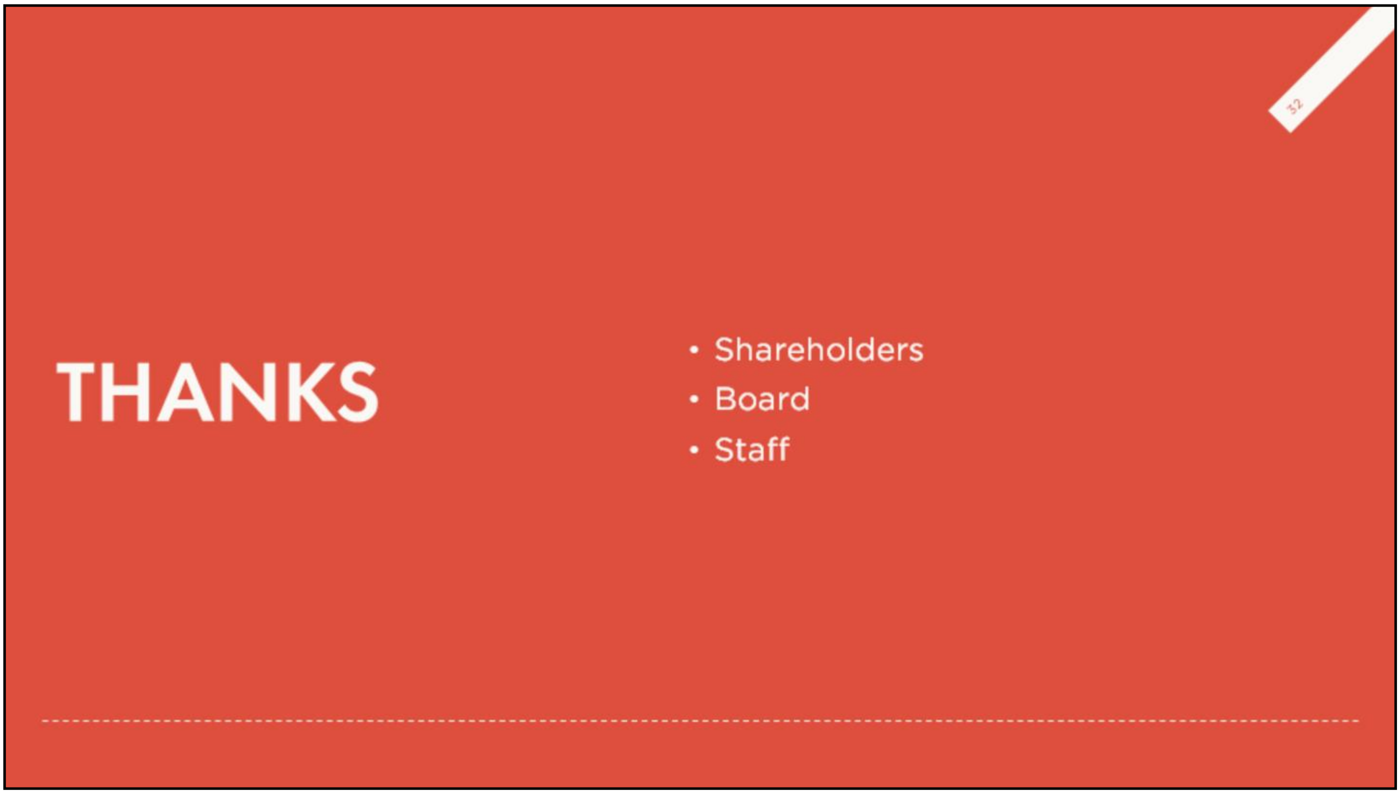
- As an organisation we have a clear vision and cohesive strategy based around our full-service capability of delivering print, distribution and value adding marketing services.
- We are building our capabilities based on the foundation of retail marketing and are focussed on high volume customers, catalogues and cost competitiveness.
- We have seen evidence of heatset print pricing stabilising in Australia with some modest increases in Selling Price Per Tonne as evidenced by recent contract renewals.
- We continue our relentless pursuit of continuous improvement in terms of our underlying cost base.
- PMP’s catalogue print and distribution volumes are forecast to continue to be reflective of the industry and to reduce by 2% to 3% p.a. and the rate of decline in publishing volume to stabilise with reductions of 5% to 10% p.a.
- PMP EBITDA (pre-significant items) to progressively increase each year from the FY19 guidance range level with the roll-out of key strategic initiatives identified to further reduce the operational infrastructure costs of the manufacturing footprint – with a target for EBITDA margin increasing from the current 5.5% to above 7.5% by the end of FY21.
- Additional PMP revenue and EBITDA to be achieved from growth in custom magazine publishing and higher margin pre-media and marketing services. These are included in the volume and EBITDA margin assumptions above.
- Disciplined capital allocation by PMP with maintenance capex to remain at c$5-8 million p.a.
- PMP’s significant items to be a declining feature of the PMP financial results and to stabilise at c$5-$10m p.a.




- I would like to finish off by giving thanks to:
    - Our shareholders who have being understanding of the issues faced through the integration period
    - The Board for their support and guidance, and
    - Most importantly staff for their resilience, passion for our business and support of their executive team and each other