PMP LIMITED

ABN 39 050 148 644

2014 ANNUAL GENERAL MEETING

20 November 2014

PMP LIMITED 2014 ANNUAL GENERAL MEETING

HOTEL SAFETY INSTRUCTIONS

- Please take note of the fire exits
- Alert warning tone: “beep beep”
- Evacuation tone: “whoop whoop”
  - – with assembly point at Westpac Plaza, corner of Clarence and Market Streets

Good morning ladies and gentlemen and welcome to the 24th Annual General Meeting of PMP Limited. My name is Matthew Bickford-Smith and I am Chairman of the company.

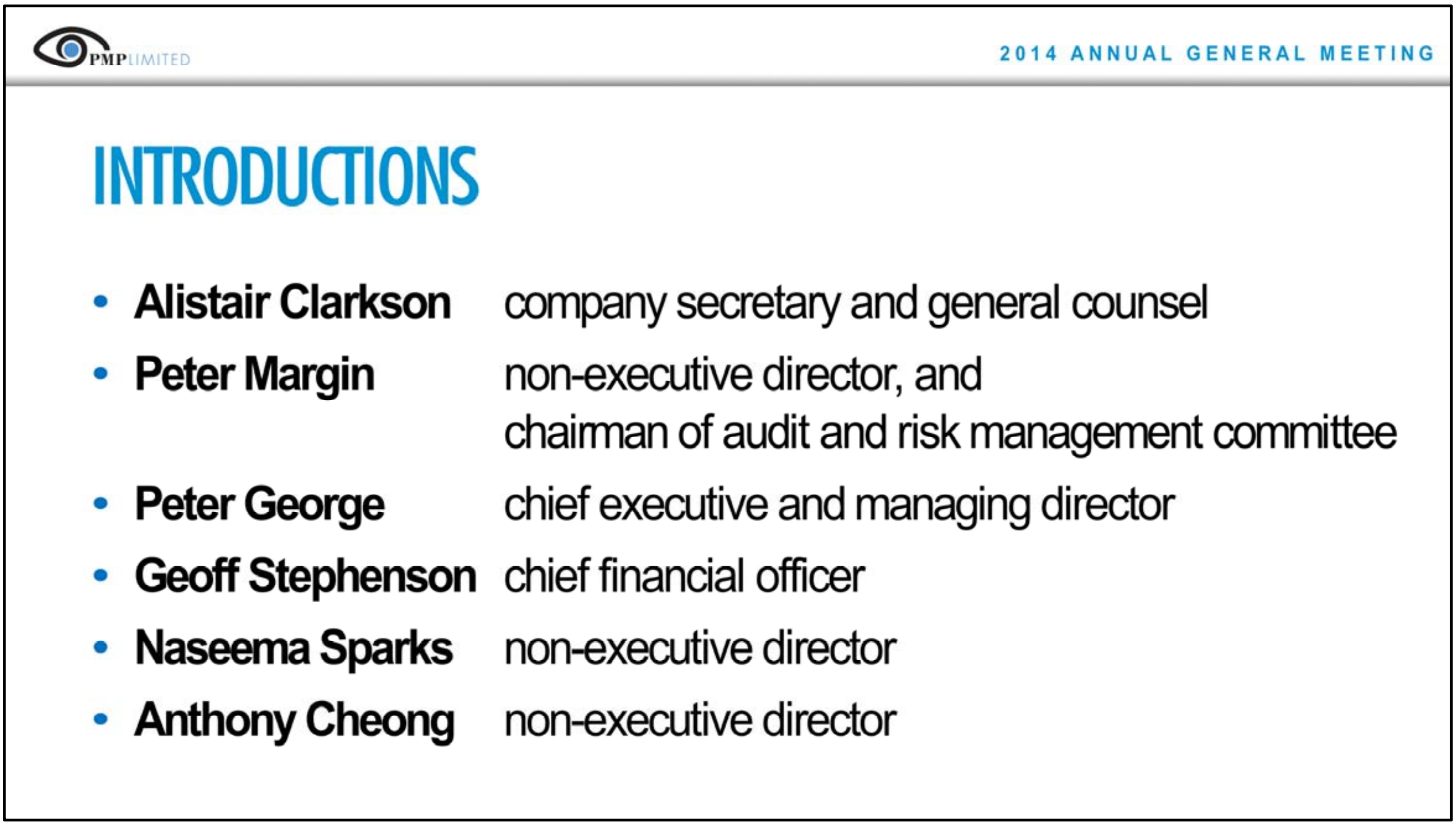
The Company Secretary has advised me that we have a quorum and, as the time is now past 11am, I have pleasure in declaring this meeting open. Before proceeding can I ask you to take the time to switch all mobile phones off or to silent.

I also want to make sure you are familiar with the evacuation procedures we will follow in the unlikely event of an emergency. In the event of an emergency, you will hear an evacuation alarm. Please follow the instructions of the wardens and assemble at Westpac Plaza on the corner of Clarence and Markets Streets.

The Board are here today to report on PMP's performance in fiscal 2014 and to discuss the group's outlook for the current year and beyond. The presentations from today's meeting have been posted on the PMP website and with the Australian Stock Exchange.

The format for today's meeting is that the formal business will follow addresses by myself and our Managing Director, Mr Peter George.

Shareholders will then be invited to vote on the adoption of the Remuneration Report, the re-election of myself and the election of Mr Anthony Cheong. The details of these resolutions were set out in the Notice of Meeting which was mailed to you and, unless there are any objections, I propose to take the notice as being read.



Introductions

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

Alistair Clarkson, Company Secretary and General Counsel

Peter Margin, Non-Executive Director, and Chairman of the Board's Audit and Risk Management Committee.

And to my left:

Peter George, Chief Executive Officer and Managing Director

Geoff Stephenson, Chief Financial Officer

Naseema Sparks, Non-Executive Director.

Anthony Cheong, Non-Executive Director, who is standing for election at this meeting

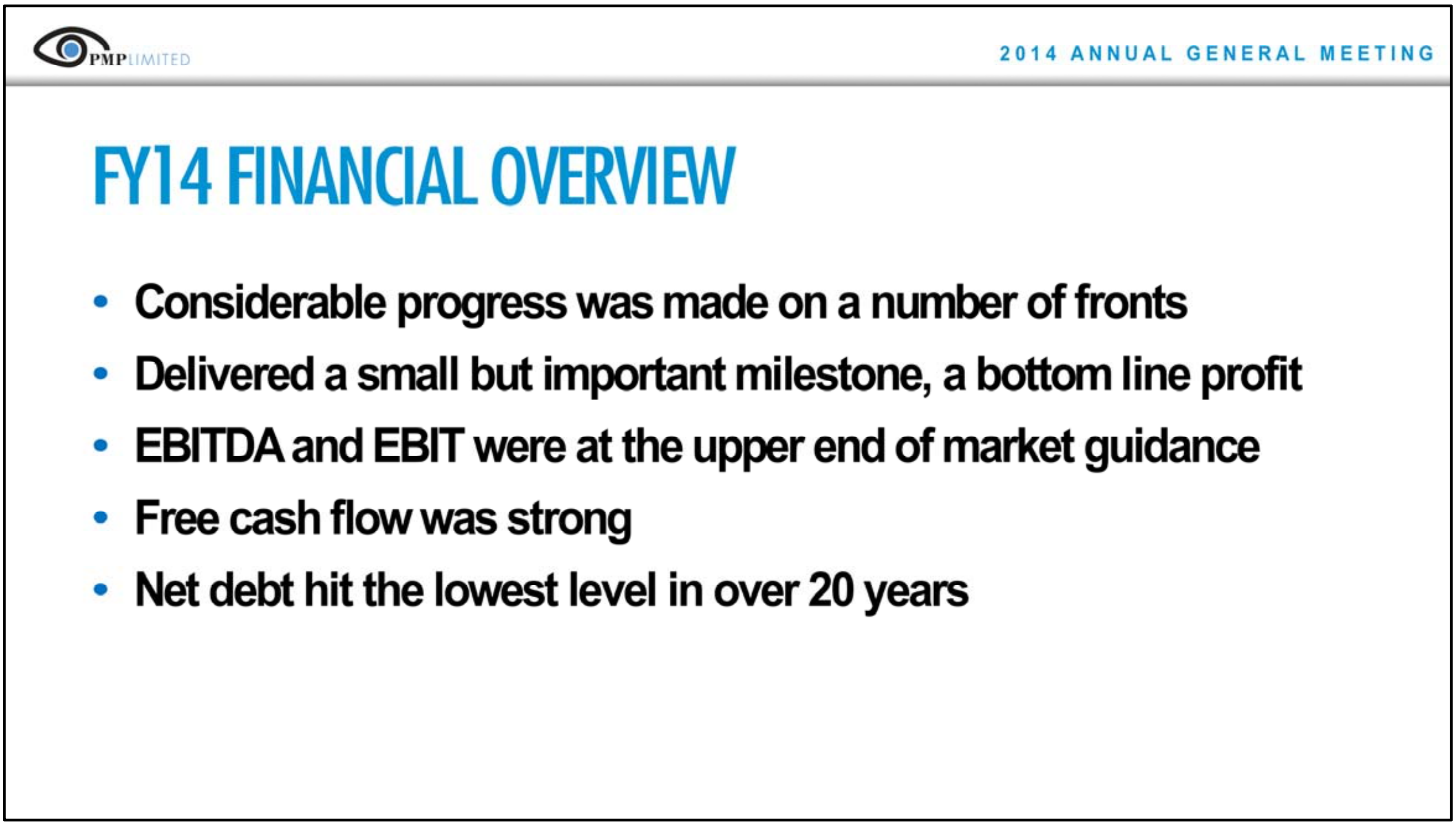
Auditors

The Company's external auditors, Deloitte Touche Tohmatsu, are also here this morning. The Lead Engagement Partners Andrew Griffiths and Tara Hynes will be available to answer questions when the Accounts are considered.

PMP LIMITED

2014 ANNUAL GENERAL MEETING

CHAIRMAN'S REVIEW – Mr Matthew Bickford-Smith



Opening Remarks

While 2014 was a challenging year. I'm pleased to say PMP made considerable progress on a number of fronts.

We were able to deliver a small but an important milestone, a bottom line net profit.

Our ebitda and ebit were at the upper end of the range of market guidance.

Free cash flow was very strong and out net debt hit the lowest level the company has had in over 20 years.

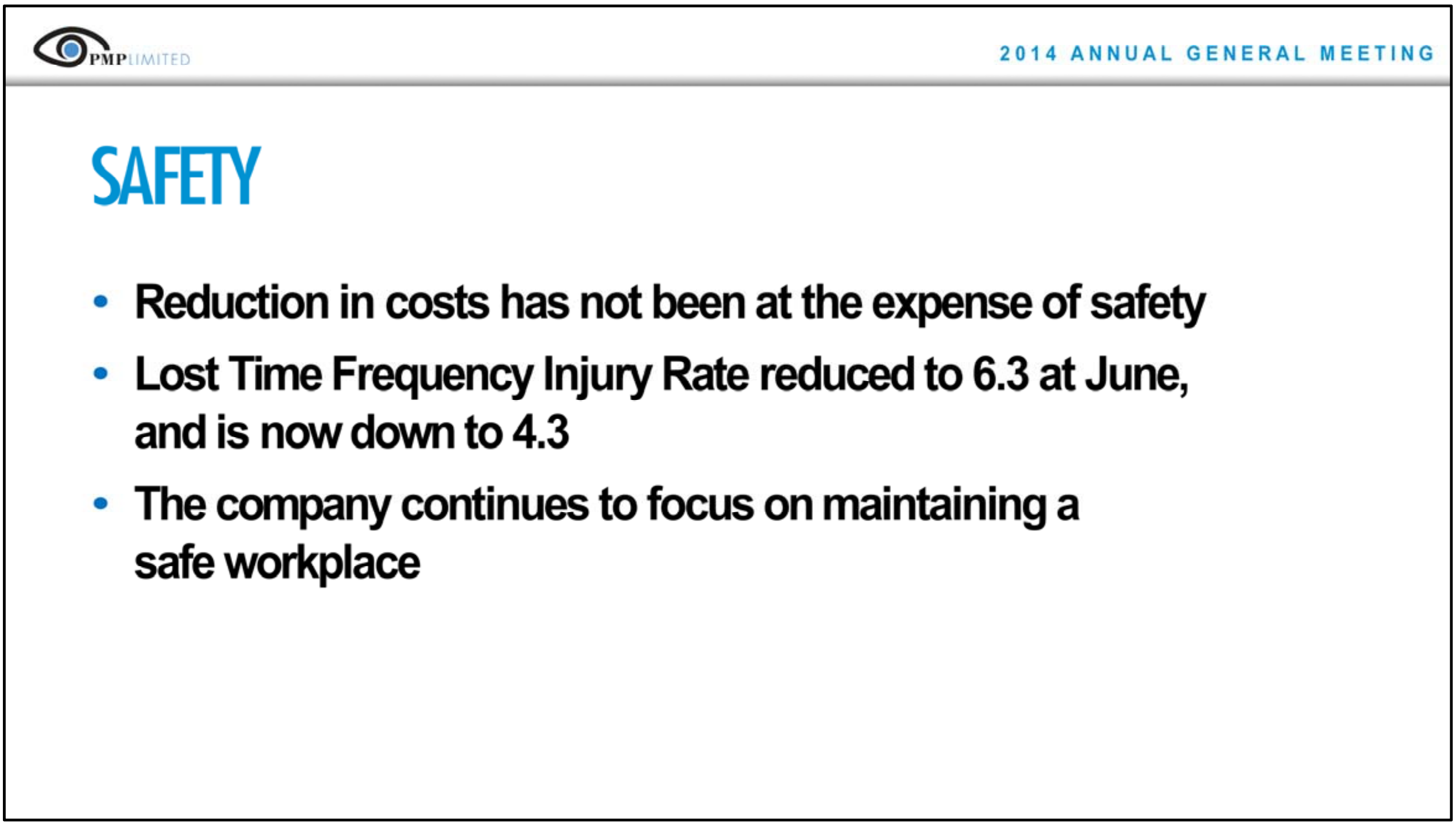
PMP LIMITED 2014 ANNUAL GENERAL MEETING

FY14 OPERATIONAL OVERVIEW

- **Despite challenging consumer trends and retailer hesitancy to invest, the majority of our business units were resilient and some made good progress**
- **Costs continued to decline**
- **Third Transformation Program finalised, with on-going continuous improvement program going forward**

On the operational front, despite challenging consumer trends and retailer hesitancy to invest, the majority of our business units were resilient and in some cases we made good progress.

Costs continued to decline in all areas of the business and whilst our 3rd transformation programme has been finalised, we are continuing to examine where our cost base can be reduced further via an ongoing, continuous improvement programme.



The reduction in costs has not been at the expense of safety. The lost time frequency injury, which the Board has previously reported on as a measure of safety performance, had reduced to 6.3 at June and is now down to a low of 4.3. The company continues to hold its Advanced SafetyMap accreditation and continues to focus on maintaining a safe workplace.

PMP LIMITED 2014 ANNUAL GENERAL MEETING

DELIVERING ON THE TWO STRATEGIC OBJECTIVES

1. Reposition and focus resources and efforts in the company's core expertise in print and distribution

Last year we talked to you about two very clear and important decisions that we made. The first was that the company should reposition and focus our resources and efforts on the company's core expertise in print and distribution. We have seen nothing this past year that would suggest that this objective was not the right one and we continue to push and shape this part of our business very hard.

Our confidence that catalogues remain relevant to retailers has been reaffirmed. They are an efficient and effective mass marketing tool. Case studies show that. Put simply catalogues drive sales for our customers. Some simple statistics of this are:

- Catalogues remain a strong media performer realizing stable growth with 0.3% in FY14
- Catalogues sit as the fourth largest media channel to market below Newspapers, Free-to-air television and Internet.
- 53.2% of Australians aged 14+ read catalogues in an average week.

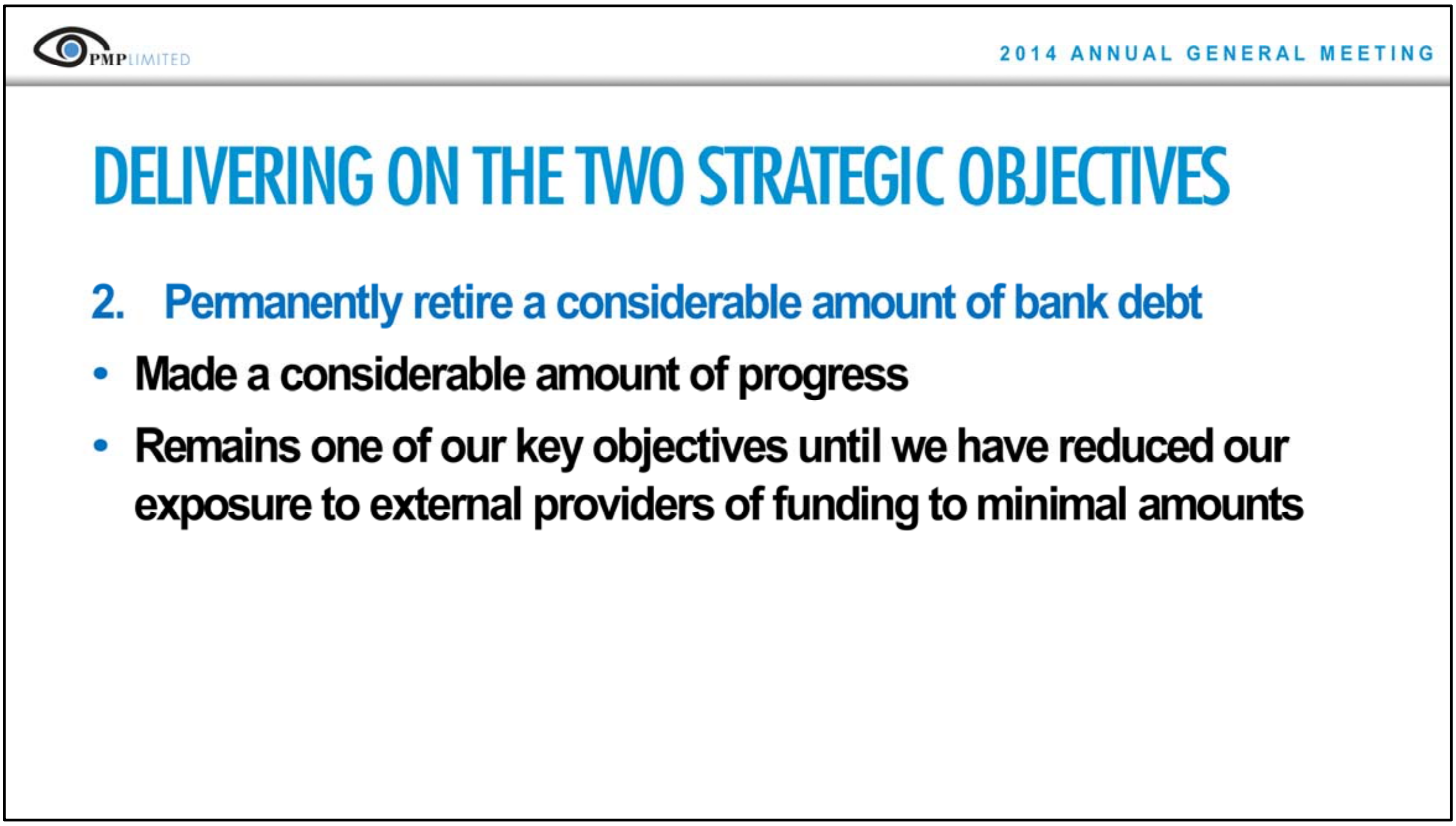
PMP LIMITED

2014 ANNUAL GENERAL MEETING

DELIVERING ON THE TWO STRATEGIC OBJECTIVES

- Integrated print and distribution in a timely, customer focussed and cost competitive way forms the basis of sustainable and competitive business

For PMP the integrated model of print and distribution in a timely, customer focussed and cost competitive way forms the basis of a sustainable and competitive business. We are keen to send this important positive signal to the market.



Our second decision was that the company needed to permanently retire a considerable amount of bank debt and quickly. Here, as you will have seen, we have made a considerable amount of progress and this will remain one of our key objectives until we have reduced our exposure to external providers of funding to really very minimal amounts. This point now leads onto how we see our balance sheet evolving over the next 12 months.

As a result of these two decisions, PMP has been re-engineered and we are a stronger company.

Across our group we have market leading businesses in heatset and book printing. We are the leading integrated print and distribution company in the country and the leading independent magazine distributor. In New Zealand we are also the leading heatset printer. Our value proposition to customers is greater than some might realise.

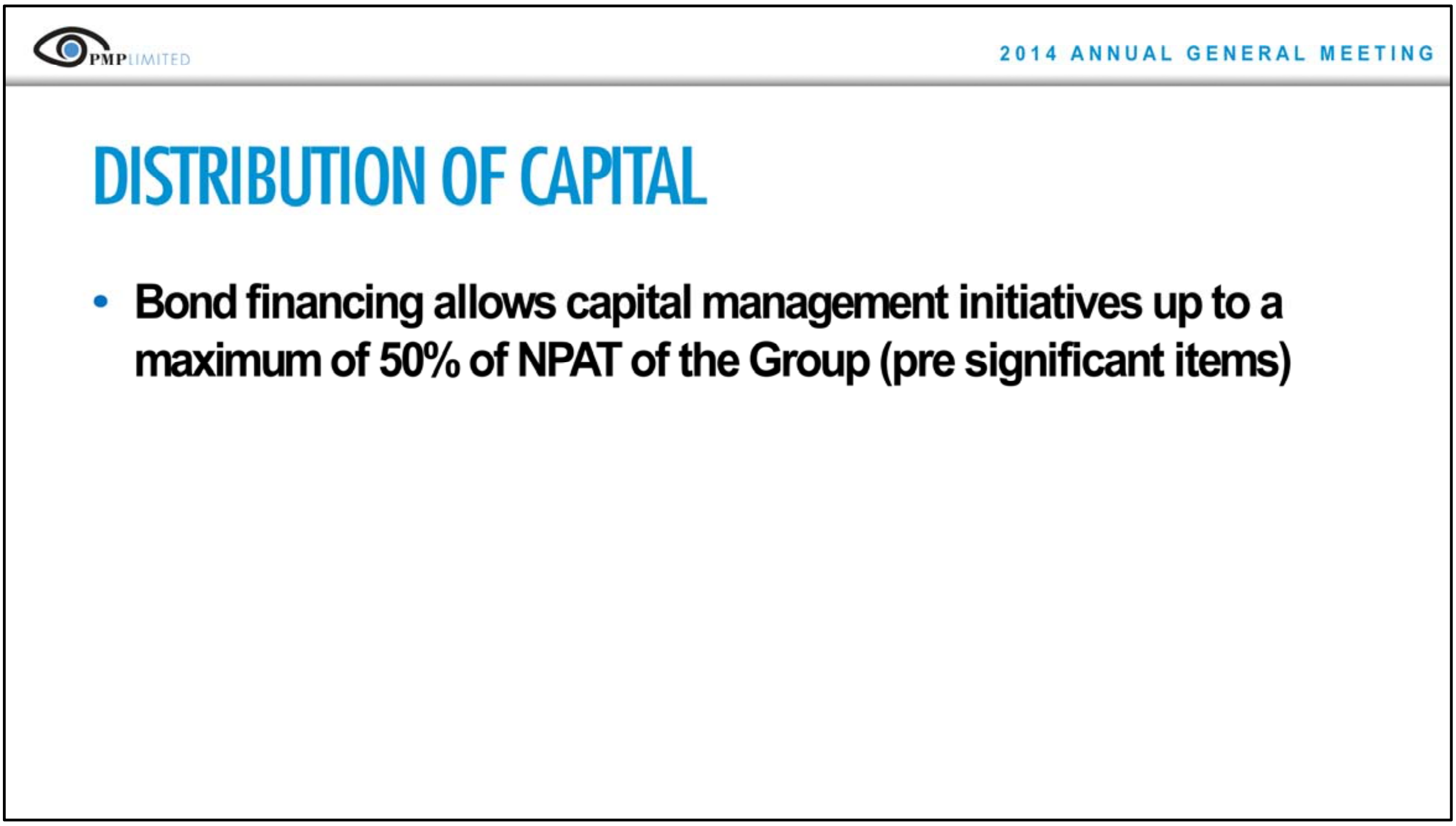
PMP LIMITED 2014 ANNUAL GENERAL MEETING

SURPLUS CAPITAL

- Capital required to invest in current businesses is relatively minor and already budgeted
- The company is ready to participate in anticipated rationalisation of the Australian printing industry

We are also in a far stronger financial position. Indeed, following on from the last two years focus of maximising cash flow and very significantly reducing the company's debt we are now close to being able to consider returning surplus capital to shareholders. However, before we do so, we need to understand if any surplus capital could be better reinvested back into our existing business. The short answer is that at the moment there are some opportunities to incrementally invest capital in each of our various businesses but the capital for those projects is relatively minor and is already factored into our annual budgeting and capex programme.

The more significant opportunity, to participate in the rationalisation of the Australian heatset market has not yet presented itself. While there has been some potential consolidation within the heatset market as yet nothing of any significance has been consummated. As we have said before, consolidation is necessary. We are sure some form of rationalisation will occur and we are ready to access each opportunity if and when they present themselves.



Getting into the specifics of any capital management initiative, it is important to understand that the bond financing the company undertook in October of 2013, allows capital management initiatives up to a maximum of 50% of NPAT of the Group (pre-significant items).

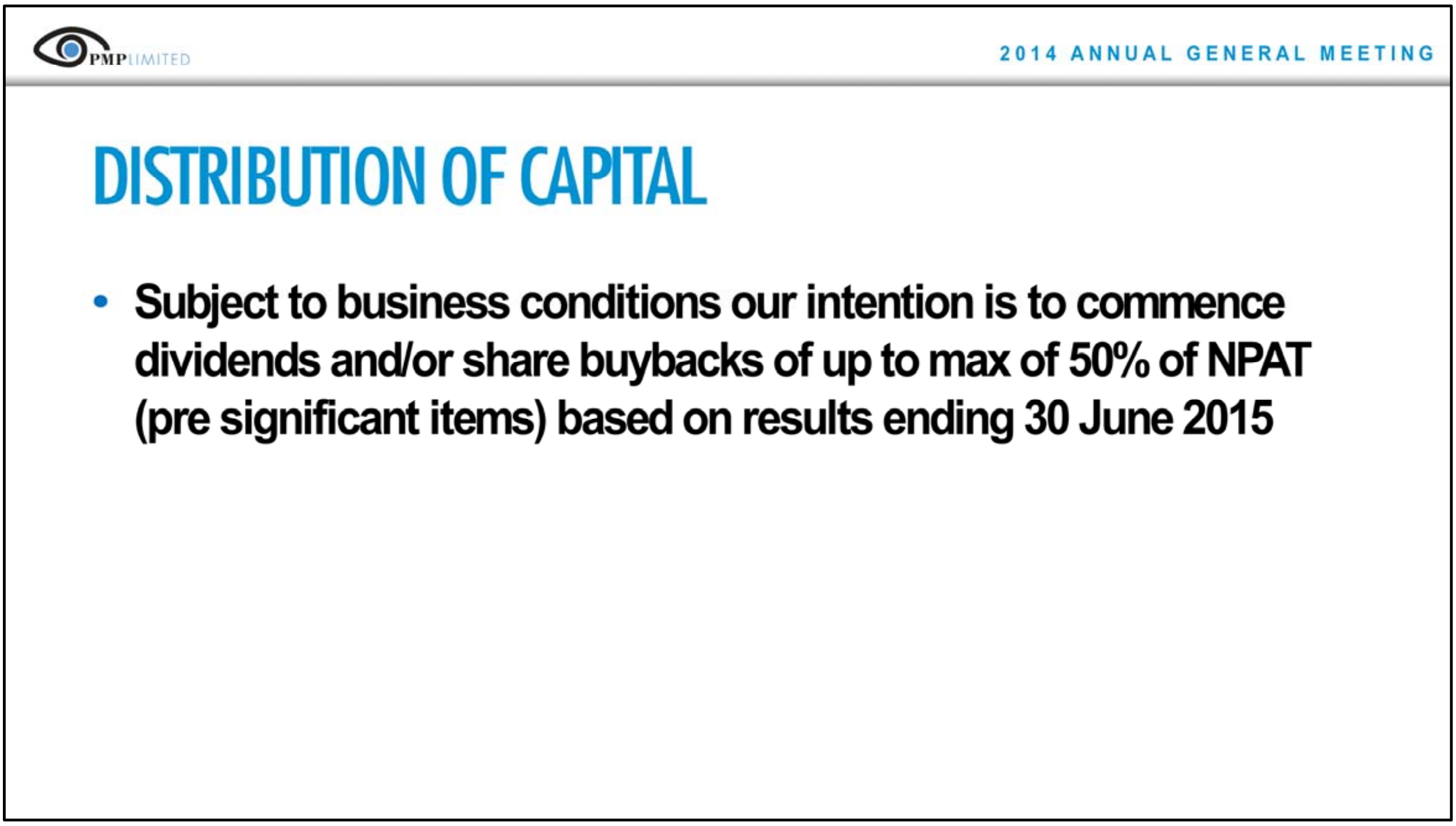
The restriction on the limitation of any distribution or capital reduction is carried through the full life of the bond which will mature in October 2017. The company does however have the opportunity to re-evaluate the appropriateness of this type of funding in both October 2015 and October 2016.

DISTRIBUTION OF CAPITAL

- **Company intends to pursue a debt free balance sheet, holding sufficient cash reserves within the business for day to day operations without the reliance upon external funding**
- **On current projections we expect that to occur in FY17**

Given the visibility we currently have of the collective parts of our business and the general terms under which we can negotiate debt facilities, it is our intention to pursue a debt free balance sheet and hold sufficient cash reserves within the business to enable us to go about our day to day business without the reliance upon external funding. On our current projections we expect that to occur in FY2017.

Whilst we understand that some would see that approach as inefficient, we do recognise the cyclicality of our business and believe it is in all shareholders' interests to eliminate financial risk from operating risk. Hopefully valuations can reflect this too. We believe that for the time being it is the most responsible approach to running the business and one that, should the right opportunities appear, allow us the opportunity to create significant value for shareholders.



Subject to business conditions continuing as expected, it would be our intention to commence dividends and/or share buybacks of up to the maximum 50% of NPAT in total (pre - significant items) based upon and after the results ending 30 June 2015 at which point net debt is expected to be much lower.

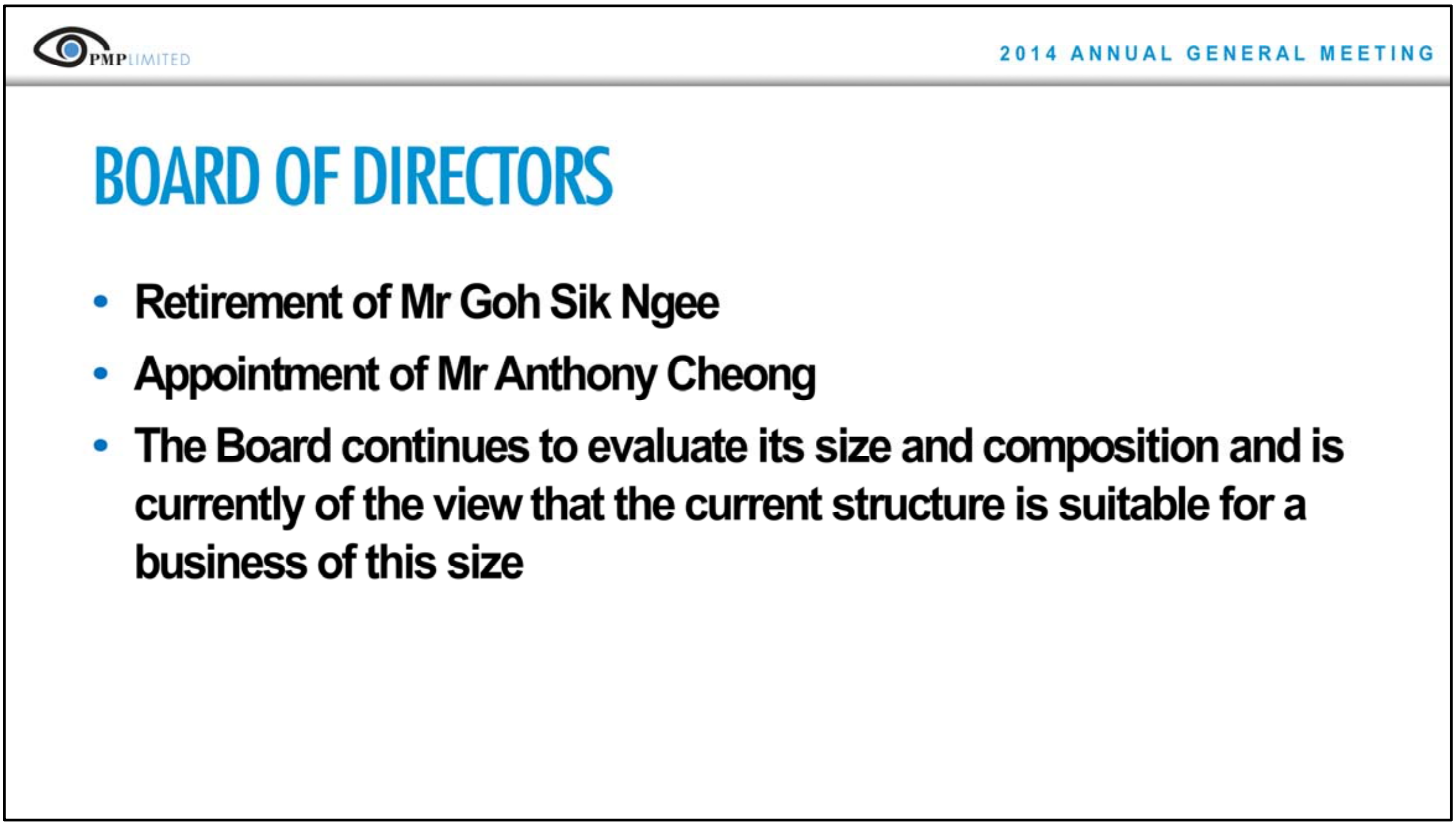
PMP LIMITED 2014 ANNUAL GENERAL MEETING

DISTRIBUTION OF CAPITAL

- Any capital initiatives expected to be circa $5M
- Sufficient franking credits to fully frank the first $3M of dividends and do not expect to have any franking credits after that for the next five years
- Scope for further dividends and buybacks depending on levels of profitability and overall business prospects at the time

Using the FY15 EBITDA guidance provided by the CEO shortly as a base, it is anticipated any capital management initiatives would be circa $5M. With any capital management initiative, we have sufficient franking credits to fully frank the first $3M of dividends and do not thereafter expect to have any franking credits for the next 5 years given our history and franking position.

Going forward, there is absolutely the scope for further dividends and share buybacks depending upon levels of profitability and overall business prospects at the time.



Now turning to Board renewal. Mr Anthony Cheong joined the Board earlier this year, replacing Mr Sik Ngee Goh, and I wish to place on record the company's appreciation for Mr Goh's contribution to the company. On behalf of shareholders I also want to welcome Mr Cheong to the Board. I will talk more about Mr Cheong later during the formal business part of this meeting.

The Board continues to evaluate its size and composition and is currently of the view that the size and composition is suitable for a business of this size.

In closing on behalf of the Board of Directors I would like to thank all our shareholders for their continued support. I would also like to thank Peter, his management team and our employees for their efforts with the progress the company has made over the last year.

I will now ask our Managing Director, Mr Peter George, to talk in more detail about out performance last year, current trading conditions and outlook.

CEO'S REVIEW - Mr Peter George

FY14 RESULTS SUMMARY

$M	FY14	FY13	VARIANCE %
Operating Revenue	899.2	975.8	(7.8)
EBITDA*	63.4	71.6	(11.4)
EBIT *	28.8	33.8	(14.7)
Free Cash Flow **	44.0	27.5	60.1
Net Profit ***	3.4	(70.2)	-
Net Debt	(51.7)	(89.1)	42.0

* Pre significant items

** Equals EBITDA (before significant items) less Interest paid, Income Tax, Capital Expenditure and movement in Working Capital.

*** After significant items

RESULTS OVERVIEW

- Return to net profit
- EBIT and EBITDA at upper level of market guidance
- Cash interest $6.5M lower than pcp
- Strong cash generation
- Net debt at all-time low of 0.8 times EBITDA

PMP LIMITED
2014 ANNUAL GENERAL MEETING

FY14 DELIVERING ON STRATEGIC OBJECTIVES

- A profitable and sustainable company continues to emerge
  – Cost base and financial risk substantially reduced
  – Long term financing established via $50M bond issue
- Clear strategy and disciplined execution are achieving anticipated results
  – Focus on being a retail catalogue specialist
- Transformation strategy delivering cost savings to cushion the impact of revenue decline in print business
- Overall solid performance in a challenging business environment

PMP LIMITED 2014 ANNUAL GENERAL MEETING

FY14 OPERATIONAL HIGHLIGHTS

- Phase 3 Transformation Plan generated $16.4M annualised savings from spend of $11.2M
- Sale and leaseback program was completed in Australia, assisting in debt reduction
- Key Australian catalogue business showed resilience
- Distribution volumes up; and improved EBIT* for Gordon & Gotch, Griffin Press and PMP NZ reduces reliance on Heatset print in Australia / New Zealand

* Pre significant items

PMP LIMITED 2014 ANNUAL GENERAL MEETING

FY14 OPERATIONAL REVIEW – PMP AUSTRALIA

Australia

- Weak consumer spending and industry overcapacity continued to affect Print sell prices
- Customers taking up integrated offer of all PMP products and services
- Tighter cost control and lower headcount in Print by managing peak times with flexible work force
- Phase 3 Transformation plan successfully implemented across all plants

FY14 OPERATIONAL REVIEW – PMP AUSTRALIA

Australia (continued)

- Griffin Press retained all major contracts, secured new major customer
- Magazine volumes slightly down
- Unaddressed volumes up 12% in Distribution
  – compared to same period last year
- Major customers have increased volume
  – compared to same period last year

FY14 OPERATIONAL REVIEW – PMP NEW ZEALAND

New Zealand

- Ongoing cost savings and operational improvements post transformation
- Competitive heatset marketplace continuing to put pressure on margins
- Sheetfed offer in market is gaining traction offsetting heatset reductions
- Developing a broader bundled offering targeting a new customer base

FY14 OPERATIONAL REVIEW – PMP NEW ZEALAND

New Zealand (continued)

- Year-on-year volume and market share increase in Distribution
- Yield under pressure in small market
- Strong retail pressure despite improving NZ economy
- Better community newspaper volumes

PMP LIMITED 2014 ANNUAL GENERAL MEETING

FY14 OPERATIONAL REVIEW – GORDON AND GOTCH

Gordon and Gotch

- Australian volume decline 5.3% – magazine circulation
- Continued focus on restructuring initiatives – reduced costs
- NZ year on year EBIT improvement despite lower revenue
- Lower volumes due to ongoing market shrinkage and loss of contract
- Logistics savings being realised including route optimisation and retail delivery consolidation

FY15 CURRENT TRADING CONDITIONS

- Trading conditions still challenging, with mixed signals in the retail sector
- Retailer demand for catalogues varies between categories
  - Food and liquor segment performing well
  - Discretionary spending categories remain soft
- Catalogue numbers slightly down, and pagination variable reflecting retail conditions

PMP LIMITED

2014 ANNUAL GENERAL MEETING

FY15 CURRENT TRADING CONDITIONS

- Magazine print volumes up
- Book printing is strong with orders increasing as the Print-on-Demand business model advantages domestic industry
- Distribution volumes down slightly reflecting retail environment
  - bidding on new contracts
- New Zealand Heatset volumes are down slightly reflecting the plateauing economy

DEBT FACILITIES

Re-negotiated local bank facility

- New maturity date March 2016
- 100% provided by ANZ
- Lower margins
- $35M working capital style facility

OUTLOOK

- Strong focus on continuing to manage the business for cash
  – cost control, reducing inventory and working capital
- Q1 retail continues to be subdued with discretionary retail ad spend lower year-on-year, mainly due to non-food segments
- We expect prices to remain subdued given the influence of the industry overcapacity

FY15 OUTLOOK

Anticipate

- FY15 EBITDA* to be in the range of $56-60M
- FY15 Net Debt to be in the range of $17-22M
  (includes expected proceeds from Christchurch property sale of $8-9M)

* Pre significant items

OUTLOOK RECONCILIATION

	FY14 $M	FY15 Guidance $M
EBITDA*	63.4	56.0 to 60.0
• Includes property sale / lease expenses and onerous lease costs	3.0	4.7 4.7
• Normalised EBITDA	66.4	60.7 to 64.7
		(8.5%) to (2.4%)

- Adjusting for property sale/ lease expenses and onerous lease costs, FY15 EBITDA* is expected to be in the range of $60.7M to 64.7M, compared to $66.4M in FY14
- Cash interest expense in FY15 is expected to be $3M lower than FY14

* Pre significant items

PMP LIMITED 2014 ANNUAL GENERAL MEETING

OUTLOOK RECONCILIATION

	FY14 $M	FY15 Guidance $M
EBIT*	28.8	24.0 to 28.0
• Includes property sale / lease expenses and onerous lease costs	1.4	3.1 3.1
• Normalised EBIT	30.2	27.1 to 31.1
		(10.0%) to 3.2%

* Pre significant items

PMP LIMITED 2014 ANNUAL GENERAL MEETING

FORMAL BUSINESS

- Receive and consider Financial Statements and Reports
- To adopt the Remuneration Report
- Election of Directors

PMP LIMITED

FORMAL BUSINESS

BLUE

- Eligible to vote

PINK

- Not eligible to vote from floor
- Welcome to speak to motions

QUESTIONS ON 2014 FINANCIAL STATEMENTS AND REPORTS

- Please state name and name of organisation
- Only blue and pink card holders are eligible to address the meeting

PMP LIMITED

2014 ANNUAL GENERAL MEETING

FORMAL BUSINESS

RESOLUTION: To adopt the Remuneration Report

PMP's remuneration policy provides a direct link between executive remuneration and corporate performance with a percentage of executive remuneration tied to both short and long-term goals

QUESTIONS

PROXY RESULT

FOR 99.39%	AGAINST 0.36%	OPEN USABLE 0.25%
200,491,438	723,597	503,299

FORMAL BUSINESS

RESOLUTION: Election of Directors

That Mr Matthew Bickford-Smith, retiring by rotation in accordance with the Constitution, and being eligible, be re-elected as a Director of PMP.

QUESTIONS

PROXY RESULT

FOR	AGAINST	OPEN USABLE
99.63%	0.07%	0.30%
200,899,586	146,405	606,799

PMP LIMITED
2014 ANNUAL GENERAL MEETING

FORMAL BUSINESS

RESOLUTION: Election of Directors

That Anthony Cheong, who being appointed by the directors to fill a casual vacancy retires, and being eligible, be elected as a Director of PMP.

QUESTIONS

PROXY RESULT

FOR	AGAINST	OPEN USABLE
99.49%	0.34%	0.17%
200,629,959	676,957	346,799

DISCLAIMER

The material in this presentation of the results of PMP Limited (PMP) for the twelve months ended 30 June 2014 and an update on PMP's activities and is current at the date of this presentation.

No representation, express or implied, is made as to the fairness, accuracy, completeness or correctness of information contained in this presentation, including the accuracy, likelihood of achievement or reasonableness of any forecasts, prospects, returns or statements in relation to future matters contained in the presentation ("forward-looking statements"). Such forward-looking statements are by their nature subject to significant uncertainties and contingencies and are based on a number of estimates and assumptions that are subject to change (and in many cases are outside the control of PMP and its Directors) which may cause the actual results or performance of PMP to be materially different from any future results or performance expressed or implied by such forward-looking statements.

This presentation provides information in summary form only and is not intended to be complete. It is not intended to be relied upon as advice to investors or potential investors and does not take into account the investment objectives, financial situation or needs of any particular investor.

Due care and consideration should be undertaken when considering and analysing PMP's financial performance. All references to dollars are to Australian Dollars unless otherwise stated.

To the maximum extent permitted by law, neither PMP nor its related corporations, Directors, employees or agents, nor any other person, accepts any liability, including, without limitation, any liability arising from fault or negligence, for any loss arising from the use of this presentation or its contents or otherwise arising in connection with it.

This presentation should be read in conjunction with other publicly available material. Further information including historical results and a description of the activities of PMP is available on our website, www.pmplimited.com.au

PMP LIMITED
ABN 39 050 148 644

Level 12
67 Albert Avenue
Chatswood
New South Wales 2067

Tel: 02 9412 6000
Fax: 02 9413 3942

www.pmplimited.com.au