



CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

for the half-year ended 31 December 2014

The Directors are pleased to present the Unaudited Financial Statements of the Nuplex Group for the half-year ended 31 December 2014.

Peter Springford
Chairman
19 February 2015

David Jackson
Director
19 February 2015

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Consolidated Statement of Comprehensive Income
for the six months ended 31 December 2014 (Unaudited)



(NZ\$ in millions)	Notes	6 months to 31 Dec 2014 Total	6 months to 31 Dec 2013 Total
Sales revenue		685.8	668.8
Cost of sales		(543.8)	(528.7)
Gross Profit		142.0	140.1
Other operating income		3.3	2.0
Distribution expenses		(35.6)	(33.7)
Marketing expenses		(32.9)	(31.8)
Administration expenses		(34.4)	(35.0)
Other operating expenses		(5.9)	(23.1)
Share of profits of associates		0.8	1.1
Profit before financing costs and tax		37.3	19.6
Financial income		3.2	0.9
Financial expenses		(10.0)	(9.4)
Net financing costs		(6.8)	(8.5)
Profit before tax		30.5	11.1
Income tax expense		(4.9)	(4.8)
Profit for the period from continuing operations		25.6	6.3
Profit from discontinued operations	8	13.0	6.3
Profit for the period		38.6	12.6
Profit attributable to:			
Equity holders of the parent		37.3	11.4
Non-controlling interests		1.3	1.2
		38.6	12.6
Other comprehensive income			
<i>Items that may be reclassified to profit or loss</i>			
Foreign currency translation differences for foreign operations		(5.9)	(23.8)
Effective portion of changes in fair value of cash-flow hedges		19.8	(15.3)
Remeasurement of defined benefit obligations		(3.8)	(0.4)
Income tax on other comprehensive income		(5.6)	4.6
Other comprehensive income for the period, net of income tax		4.5	(34.9)
Total comprehensive income for the period		43.1	(22.3)
Total comprehensive income attributable to:			
Equity holders of the parent		41.3	(22.9)
Non-controlling interests		1.8	0.6
		43.1	(22.3)
Basic earnings per share (cents per share)	5	18.8	5.8
Diluted earnings per share (cents per share)	5	18.4	5.6

Consolidated Statement of Changes in Equity
for the six months ended 31 December 2014 (Unaudited)

(NZ\$ in millions)	Attributable to equity holders of the parent					Non-controlling Interest	Total Equity
	Share capital	Translation reserve	Share based payments reserve	Retained earnings	Hedging reserve		
Balance at 1 July 2014	368.5	(80.7)	3.4	231.2	(15.2)	7.0	514.2
Other comprehensive Income							
Foreign currency translation differences	-	(6.4)	-	-	-	0.5	(5.9)
Remeasurement of defined benefit obligations, net of tax	-	-	-	(3.8)	-	-	(3.8)
Effective portion of changes in fair value of cash-flow hedges, net of tax	-	-	-	-	14.2	-	14.2
Total Other Comprehensive Income	-	(6.4)	-	(3.8)	14.2	0.5	4.5
Profit for the period	-	-	-	37.3	-	1.3	38.6
Total comprehensive income for the period	-	(6.4)	-	33.5	14.2	1.8	43.1
Contributions by and distributions to owners							
Performance rights plan	-	-	0.2	-	-	-	0.2
Dividends paid	-	-	-	(21.8)	-	(1.1)	(22.9)
Balance as at 31 December 2014	368.5	(87.1)	3.6	242.9	(1.0)	7.7	534.6

for the six months ended 31 December 2013 (Unaudited)

(NZ\$ in millions)	Attributable to equity holders of the parent					Non-controlling Interest	Total Equity
	Share capital	Translation reserve	Share based payments reserve	Retained earnings	Hedging reserve		
Balance at 1 July 2013	368.5	(35.2)	2.7	223.6	(4.5)	7.4	562.5
Other comprehensive Income							
Foreign currency translation differences	-	(23.3)	-	-	-	(0.6)	(23.9)
Effective portion of changes in fair value of cash-flow hedges, net of tax	-	-	-	-	(11.1)	-	(11.1)
Total Other Comprehensive Income	-	(23.3)	-	-	(11.1)	(0.6)	(35.0)
Profit for the period	-	-	-	11.4	-	1.2	12.6
Total comprehensive income for the period	-	(23.3)	-	11.4	(11.1)	0.6	(22.4)
Contributions by and distributions to owners							
Performance rights plan	-	-	1.0	-	-	-	1.0
Dividends paid	-	-	-	(21.8)	-	(0.9)	(22.7)
Balance as at 31 December 2013	368.5	(58.5)	3.7	213.2	(15.6)	7.1	518.4

Consolidated Statement of Financial Position
As at 31 December 2014 (Unaudited)



	as at 31 Dec 2014	as at 30 June 2014	as at 31 Dec 2013
(NZ\$ in millions)			
Equity attributable to members of the parent company			
Share capital	368.5	368.5	368.5
Translation reserve	(87.1)	(80.7)	(58.5)
Share based payments reserve	3.6	3.4	3.8
Retained earnings	242.9	231.2	213.2
Hedging reserve	(1.0)	(15.2)	(15.6)
Non-controlling interests	7.7	7.0	7.0
Total Equity	534.6	514.2	518.4
Property, plant and equipment	314.5	303.5	308.5
Intangible assets	145.1	196.0	209.1
Investments in associates	5.5	4.8	5.9
Deferred tax assets	27.2	20.7	15.9
Non-current Assets	492.3	525.0	539.4
Assets classified as held for sale	15.6	15.6	-
Inventories	175.9	233.0	237.8
Trade and other receivables	330.1	351.0	327.1
Income tax receivable	6.0	2.6	5.7
Cash and cash equivalents	94.1	73.1	72.6
Current Assets	621.7	675.3	643.2
Total Assets	1,114.0	1,200.3	1,182.6
Borrowings	216.4	304.5	278.3
Employee benefits	26.7	24.0	21.1
Deferred tax liability	15.6	15.5	16.8
Non-current Liabilities	258.7	344.0	316.2
Borrowings	0.3	0.3	0.5
Trade and other payables	283.2	309.0	301.5
Employee benefits	13.9	19.6	15.4
Provisions	9.2	3.4	17.6
Income tax payable	14.1	9.8	13.0
Current Liabilities	320.7	342.1	348.0
Total Liabilities	579.4	686.1	664.2
Total Net Assets	534.6	514.2	518.4

Consolidated Statement of Cash Flows

For the six months ended 31 December 2014 (Unaudited)



(NZ\$ in millions)

Notes 6 months to 31 Dec 2014 6 months to 31 Dec 2013

Receipts from customers	774.8	768.5
Payments to suppliers and employees	(705.2)	(724.6)
Interest received	0.7	0.6
Interest paid	(9.3)	(8.5)
Dividends received	0.5	1.1
Income taxes paid	(12.6)	(8.0)
Operating cash flows from discontinued operations	(5.0)	(2.2)
Net cash from operating activities	3 43.9	26.9
Proceeds on disposal of property, plant and equipment	-	2.1
Payments for property, plant and equipment	(30.4)	(24.0)
Payment for business acquisitions, net of cash acquired	-	-
Proceeds from disposal of businesses, net of cash disposed	133.4	1.2
Net cash from investing activities	103.0	(20.7)
Proceeds from borrowings	25.0	4.1
Repayment of borrowings	(130.4)	(2.3)
Dividends paid to shareholders	(21.8)	(21.8)
Dividends paid to non-controlling interests	(1.1)	(0.9)
Net cash from financing activities	(128.3)	(20.9)
Increase / (Decrease) in cash	18.6	(14.7)
Cash at 1 July	73.1	91.8
Exchange rate adjustment	2.4	(4.5)
Cash at 31 December	94.1	72.6
Comprising:		
Cash balances	91.3	53.1
Cash on call deposit	2.8	19.5
	94.1	72.6

1. Statement of significant accounting policies

Nuplex Industries Limited is a Company domiciled in New Zealand. The condensed consolidated interim financial statements of the Company comprise the Company and its subsidiaries (the 'Group') and the Group's interest in associated entities as of and for the six months ended 31 December 2014. The Group is a profit orientated entity.

The financial statements are expressed in New Zealand dollars which is the Company's functional currency. References in these financial statements to "\$" or "NZ\$" are to New Zealand dollars. All financial information has been rounded to the nearest hundred thousand, unless otherwise stated. These condensed financial statements are unaudited.

(a) Statement of compliance

The interim financial statements of the Group have been prepared in accordance with Generally Accepted Accounting Practice in New Zealand (NZ GAAP). They comply with NZ IAS 34 Interim Financial Reporting and consequently, do not include all the information required for full financial statements. These condensed consolidated interim financial statements should be read in conjunction with the annual report for the year ended 30 June 2014.

The interim financial statements of the Group have been prepared in accordance with the requirements of the New Zealand Stock Exchange (NZX). Nuplex Industries Limited is registered under the Companies Act 1993 and is an FMC Reporting Entity under the Financial Markets Conduct Act 2013.

These condensed consolidated interim financial statements were approved by the Board of Directors on 19 February 2015.

(b) Significant accounting policies

The accounting policies applied by the Group in these condensed consolidated interim financial statements are the same as those applied by the Group in its consolidated financial statements for the year ended 30 June 2014.

2. Segment analysis

The Group has four reportable geographic segments, as described below. The reportable segments operate in environments with markedly different conditions and are managed separately. For each of the reporting segments the CEO reviews internal management reports monthly. Inter-segment pricing is determined on an arm's length basis. The following summary describes the constitution of each of the Group's reportable segments:

Segment	Country operations included in Segment
ANZ	New Zealand, Australia
Asia	China, Indonesia, Malaysia, Singapore, Thailand, Vietnam
EMEA	Germany, The Netherlands, Russia, UK
Americas	Brazil, USA

In prior periods the Groups reported segments comprised the following business lines, however following the disposal of the Specialties segment in November 2014 the primary resource allocation determinant became geographic and so the above primary segments were adopted.

Resins	Global manufacture of synthetic resins for regional markets. Distribution of complementary functional materials.
Specialties	Manufacture and distribution of a range of functional materials for regional markets.

The board and management assess the performance of the operating segments based on a measure of adjusted EBITDA. This measurement basis excludes the effects of significant incomes and expenses associated with asset impairments, acquisitions, divestments and legal cases where the income or expense is the result of an isolated non-recurring event.

2. Segment analysis (continued)**Information about reportable segments**

	6 months to 31 Dec 2014				
	Resins				Total
(NZ\$ in millions)	ANZ	Asia	EMEA	Americas	Group
Sales to outside customers	153.5	157.0	292.2	83.1	685.8
Inter-segment sales	3.1	1.3	8.2	0.2	
Segment sales	156.6	158.3	300.4	83.3	
Operating EBITDA before unallocated costs	3.0	18.3	27.2	10.4	58.9
Unallocated costs					(4.4)
Operating EBITDA after unallocated costs					54.5
Depreciation and amortisation	(4.5)	(2.1)	(8.9)	(1.3)	(16.8)
Segment result	(1.5)	16.2	18.3	9.1	37.7
Net financing costs					(6.8)
Share of profits/(losses) of associates					0.8
Non-controlling interest					(1.3)
Tax on operating profits					(5.2)
Operating profit after tax					25.2
Significant Items					
Significant items before tax					(1.2)
Income tax credit on non-operating items					0.3
Net profit attributable to equity holders of the parent from continuing operations					24.3
Net profit attributable to non-controlling interests					1.3
Profit for the period from continuing operations					25.6
Profit from discontinued operations					13.0
Profit for the period					38.6
Assets	311.5	242.3	370.5	62.4	986.7
Unallocated assets					127.3
Total Assets					1,114.0

Revenues from one group of customers under common control amount to 13.8% (2013: 12.3%) of the Group's total revenues.

2. Segment analysis (continued)**Information about reportable segments**

	6 months to 31 Dec 2013				
	Resins				Total
(NZ\$ in millions)	ANZ	Asia	EMEA	Americas	Group
Sales to outside customers	159.3	153.6	278.1	77.8	668.8
Inter-segment sales	2.2	0.4	7.2	0.2	
Segment sales	161.5	154.0	285.3	78.0	
Operating EBITDA before unallocated costs	9.3	17.4	20.5	9.2	56.4
Unallocated costs					(6.9)
Operating EBITDA after unallocated costs					49.5
Depreciation and amortisation	(3.6)	(1.9)	(8.8)	(1.3)	(15.6)
Segment result	5.7	15.5	11.7	7.9	33.9
Net financing costs					(8.5)
Share of profits/(losses) of associates					1.1
Non-controlling interest					(1.2)
Tax on operating profits					(5.6)
Operating profit after tax					19.7
Significant Items					
Impairment of assets relating to investment in RPC Pipe Systems P/I					(14.6)
Other significant items before tax					(0.8)
Income tax credit on non-operating items					0.8
Net profit attributable to equity holders of the parent from continuing operations					5.1
Net profit attributable to non-controlling interests					1.2
Profit for the period from continuing operations					6.3
Profit from discontinued operations					6.3
Profit for the period					12.6
Assets	257.6	197.2	392.6	60.0	907.4
Unallocated assets					94.1
Assets associated with discontinued operations					181.1
Total Assets					1,182.6

3. Reconciliation of profit for the period with the Net Cash from Operating Activities:

(NZ\$ in millions)	6 months to 31 Dec 2014	6 months to 31 Dec 2013
Profit for the period	38.6	12.6
Non-cash items:		
Depreciation	12.9	12.8
Tax	4.0	7.3
Amortisation	4.7	4.0
Doubtful debts provisions	0.6	-
Stock obsolescence provisions	0.4	(1.0)
Non current provisions	(1.3)	(2.1)
Performance share rights expense	0.2	1.0
Share of losses / (profits) of associates	(0.8)	(1.1)
Impairment write-down of assets	-	14.6
	<u>20.7</u>	<u>35.5</u>
Classified as investing/financing:		
(Profit)/loss on sale of fixed assets	-	(0.7)
Profit and significant items before tax on discontinued operations	(7.5)	-
Recycling of foreign currency translation reserve balance	1.2	-
	<u>(6.3)</u>	<u>(0.7)</u>
(Increase)/Decrease in working capital:		
Receivables	13.9	31.3
Inventories	(7.4)	(10.0)
Creditors and current provisions	(2.7)	(34.0)
	<u>3.8</u>	<u>(12.7)</u>
Income tax paid	(13.4)	(8.9)
Dividend received from associate	0.5	1.1
Net Cash from Operating Activities	<u>43.9</u>	<u>26.9</u>

4. Dividend

On 18 February 2015, the directors declared an interim dividend of 10 cents per share. The dividend is payable on 2 April 2015. The dividend carries no imputation credits for New Zealand tax residents and no Australian franking credits.

5. Earnings per share

The calculation of basic earnings per share is based on:

	6 months to 31 Dec 2014	6 months to 31 Dec 2013
Net surplus attributable to ordinary shareholders (NZ\$ in millions)	37.3	11.4
Shares on issue at 31 December (millions)	198.1	198.1

EPS is calculated in accordance with the NZ IFRS, based on the average number of shares on issue determined as follows:

Weighted average number of ordinary shares (millions):		
Ordinary shares on issue at 1 July	198,126	198,126
Basic earnings per share (cents per share)	18.8	5.8
The calculation of diluted earnings per share is based on:		
Net surplus attributable to ordinary shareholders	37.3	11.4
Net surplus attributable to ordinary shareholders (diluted)	37.3	11.4
Basic weighted average number of ordinary shares (millions)	198.1	198.1
Effect of Performance rights plan	4.0	4.5
Diluted weighted average number of ordinary shares	202.1	202.6
Diluted earnings per share (cents per share)	18.4	5.6

6. Contingent liabilities and other contingent commitments

There have been no significant changes in contingent liabilities disclosed in the 30 June 2014 annual report in the six months to 31 December 2014.

7. Share buy-back

On 18 February 2015 the directors resolved to undertake a share buy-back of up to 5% of issued capital. Further information will be provided once the necessary consultations have been completed with the NZX and the Australian Securities Exchange.

8. Disposal of Specialties Segment and cessation of operations in Brazil

On 28 November 2014 the Group completed the sale of its Specialties and Masterbatch businesses in Australia and New Zealand, with the sale of the Vietnam based Masterbatch business expected to complete by 30 June 2015 after having obtained the required regulatory approvals. The accounting for this disposal, including the Vietnam operation, has been included in the results for the period to 31 December 2014.

The Group's operations in Brazil, which comprise a sales office and warehouse ceased operations during the period and were liquidated in December 2014.

Financial information relating to the discontinued operations for the period to the date of disposal is set out below:

(NZ\$ in millions)	5 months to 28 Nov 2014	6 months to 31 Dec 2013
Sales revenue	126.0	146.3
Operating EBITDA	5.9	10.0
Depreciation and amortisation	(0.9)	(1.1)
Net financing costs	0.2	(0.1)
Tax on operating profits	(1.4)	(2.5)
Operating profit after tax	3.8	6.3
Significant Items		
Gain on sale of operations before tax	12.9	-
Remediation provisions for non-operating sites	(4.9)	-
Recycling of Brazilian translation reserve to profit	(1.2)	-
Income tax credit on significant items	2.4	-
Profit from discontinued operations for the period	13.0	6.3

Details of the sale of the Specialties and Masterbatch business are set out below:

Cash consideration received or receivable net of transaction and other costs	130.2
Carrying amount of net assets sold or related to discontinued business	(117.3)
Gain on sale before income tax	12.9
Income tax credit	0.9
Gain on sale after income tax	13.8

The carrying amounts of assets and liabilities as at the date of sale of the Specialties and Masterbatch businesses were as follows:

	28 Nov 2014
Property, plant and equipment	13.0
Intangible assets	45.4
Inventories	64.1
Trade and other receivables	15.2
Total Assets	137.7
Employee benefits	(3.9)
Trade and other payables	(16.5)
Total Liabilities	(20.4)
Total Net Assets	117.3



Independent Review Report

to the shareholders of Nuplex Industries Limited

Report on the Financial Statements

We have reviewed the accompanying financial statements of Nuplex Industries Limited Group ("the Group") on pages 1 to 11, which comprise the consolidated statement of financial position as at 31 December 2014, and the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the period ended on that date, and a summary of significant accounting policies and selected explanatory notes. The Group comprises both Nuplex Industries Limited ("the Company") and the entities it controlled during the half-year.

Directors Responsibility for the Financial Statements

The Directors of the Company are responsible for the preparation and fair presentation of these financial statements in accordance with New Zealand Equivalent to International Accounting Standard 34 Interim Financial Reporting (NZ IAS 34) and for such internal controls as the Directors determine are necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

Our Responsibility

Our responsibility is to express a conclusion on the accompanying financial statements based on our review. We conducted our review in accordance with the New Zealand Standard on Review Engagements 2410 *Review of Financial Statements Performed by the Independent Auditor of the Entity* (NZ SRE 2410). NZ SRE 2410 requires us to conclude whether anything has come to our attention that causes us to believe that the financial statements, taken as a whole, are not prepared in all material respects, in accordance with NZ IAS 34. As the auditors of the Company, NZ SRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial statements.

A review of financial statements in accordance with NZ SRE 2410 is a limited assurance engagement. The auditor performs procedures, primarily consisting of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. The procedures performed in a review are substantially less than those performed in an audit conducted in accordance with International Standards on Auditing (New Zealand) and International Standards on Auditing. Accordingly we do not express an audit opinion on these financial statements.

Other than in our capacity as auditors we have no relationship with, or interests in the Company.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that these financial statements of the Group are not prepared, in all material respects, in accordance with NZ IAS 34.

Restriction on Distribution or Use

This report is made solely to the Company's shareholders, as a body. Our review work has been undertaken so that we might state to the Company's shareholders those matters which we are required to state to them in our review report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company's shareholders, as a body, for our review procedures, for this report, or for the conclusion we have formed.

PricewaterhouseCoopers

Chartered Accountants
Sydney, 19 February 2015