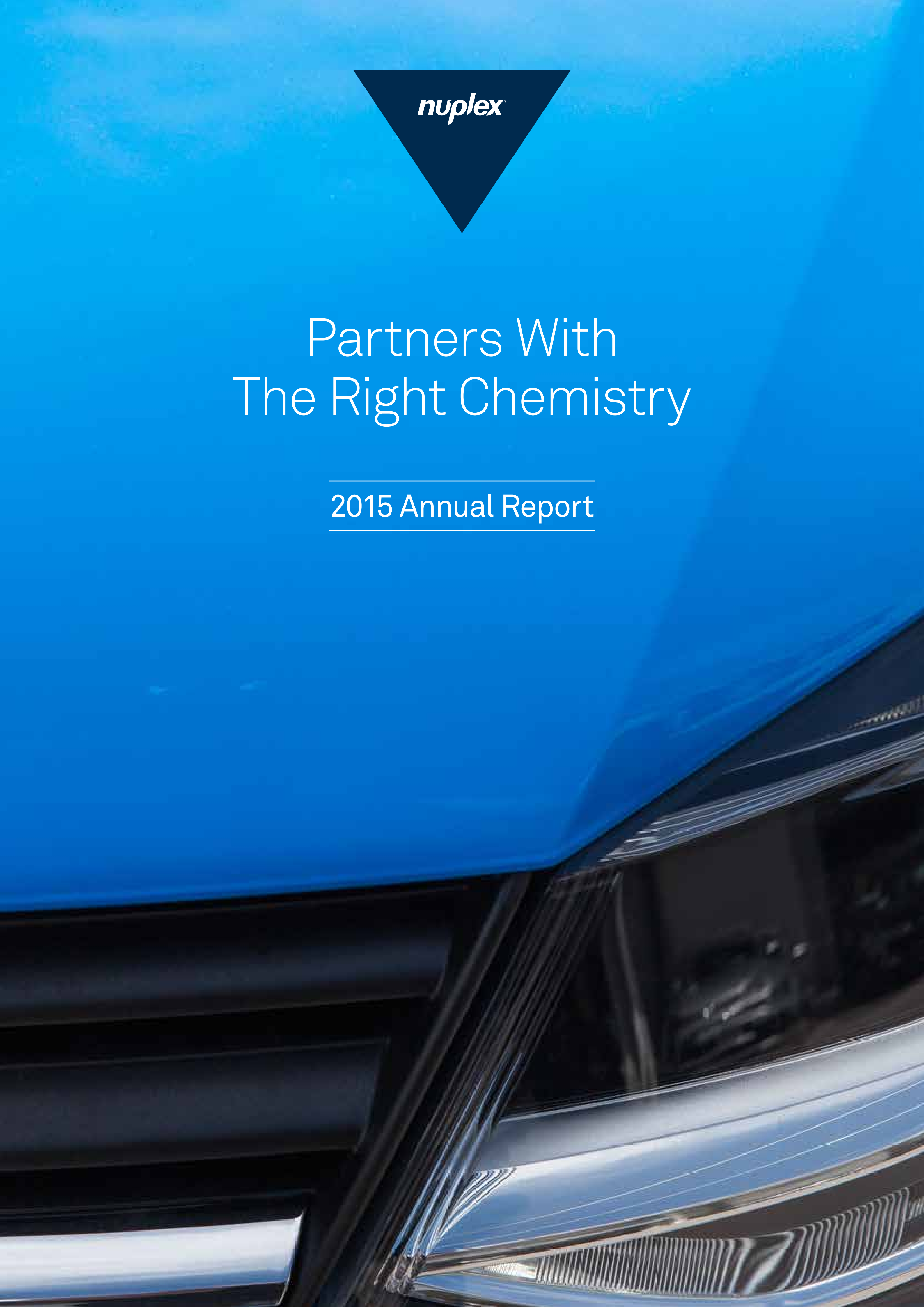
Partners With The Right Chemistry

2015 Annual Report



Contents

From the polymers in our resins to the chemistry between us and our customers, chemistry is at the core of who we are. Across our network of experts, we are committed to meeting our customers' existing and future challenges with innovative products and technologies, ongoing technical support and personal service.

Nuplex is a leading global manufacturer of resins used in paints, coatings and structural materials. The Company has an integrated sales, manufacturing and R&D network located across New Zealand, Australia, Asia, Europe and North America. Nuplex supplies resins used in a wide variety of paint and coating applications, including decorative and trim paint, automotive coatings, vehicle refinish products, wood flooring and furniture coatings, metal coatings, consumer electronics and whitegoods coatings, marine and protective coatings, and coatings for infrastructure and transport. Our products are sold in 80 countries around the world.

Overview

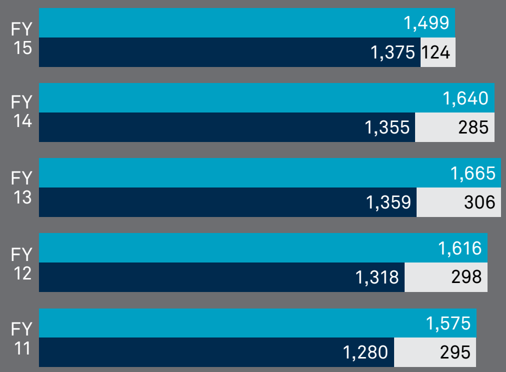
Financial highlights

- Net profit after-tax $70.8 million, up 35.1%
- EBITDA[1] from continuing operations $127.3 million, up 15.3%
  - Strong contribution from EMEA[2]
  - Growth in Asia
  - Gains in the Americas
  - Benefits flowing from ANZ restructure
- Dividend increased to 27 cents per share, up from 21 cents per share
- Return on Funds Employed increased to 12.9% from 11.5%
  - On track to achieve target of greater than 16% by the end of FY18
- On market share buy-back of up to 5% of issued capital undertaken
  - 70% complete as at 14 August 2015

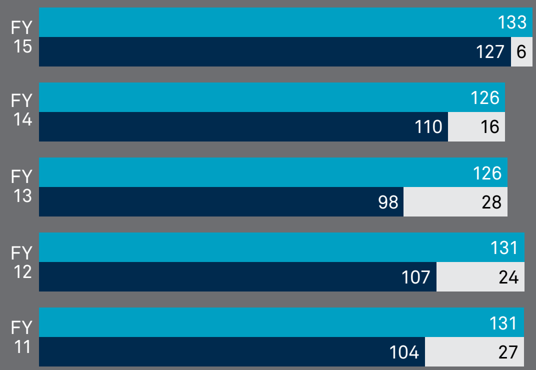
Operational highlights

- Safety performance continues to improve
  - 11 of 16 manufacturing sites have been Lost Time Injury free for three or more years
- Asian growth platform in place
  - New reactor at Surabaya, Indonesia, commissioned April 2015
  - US$35 million site in Changshu, China, commissioned May 2015
  - Capacity increased by 75% over the past five years
- ANZ reshaped
  - Divestment of non-core Nuplex Specialties and Nuplex Masterbatch
  - Multi-year restructure completed and delivering benefits
- Acure™, Nuplex's innovative, fast cure technology launched

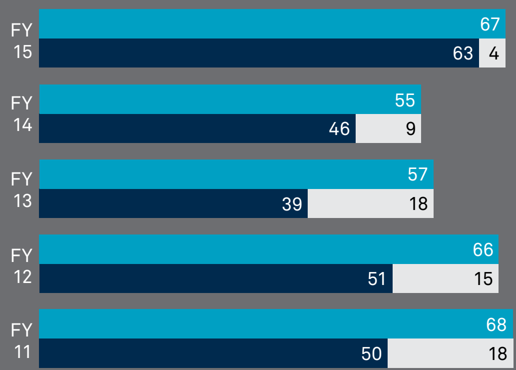
Revenue (in NZ$m)



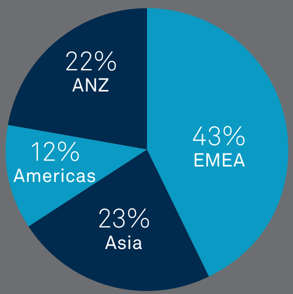
Operating EBITDA[1] (in NZ$m)



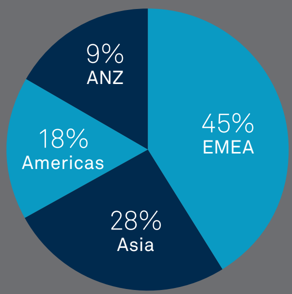
Operating profit after-tax (in NZ$m)



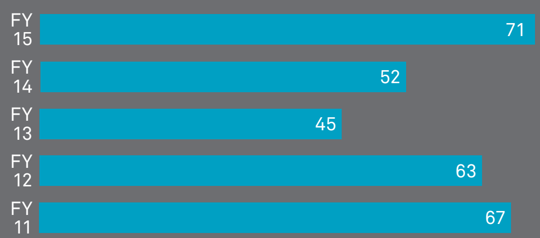
Regional sales (%)



Regional EBITDA (%)



Net profit after-tax attributable to shareholders of the parent company (in NZ$m)



Total · Continuing operations · Non-continuing operations[3,4]

1 Earnings before interest, tax, depreciation, amortisation, significant items, associates and minority interests 2 Europe, Middle East & Africa. 3 Non-continuing operations include the business that have been sold or discontinued, including Nuplex Specialties, Nuplex Masterbatch and the Brazil resins operations, and as such differ slightly to the results historically reported as part of Nuplex's segment disclosures for FY11 to FY14. 4 In FY15, non-continuing operations only includes 5 months of Nuplex Specialties and Nuplex Masterbatch and the results of Nuplex Brazil for the period.

Chairman's Report

Peter Springford

It has been a successful year for Nuplex.

Dear Shareholders,

The 2015 Financial Year was a successful one for the Company. The global resins business delivered strong earnings growth and a number of strategic steps were taken. These included the divestment of Nuplex Specialties and Nuplex Masterbatch, the startup of our new plant in China and a review of our capital management.

The Chief Executive's Report highlights the milestones which were achieved in relation to Nuplex's strategic initiatives to grow in emerging markets, and through R&D.

Positive momentum within the business has been building since Nuplex first adopted its current strategy. In the 2015 Financial Year, the strategy has resulted in earnings growth in EMEA, Asia, the Americas as well as ANZ. This delivered growth in earnings per share and enabled an increase in the dividend by 28.6%.

It has been encouraging to see the Nuplex share price respond to this earnings growth, which has resulted from our strategic initiatives and the continued progress towards our financial targets. For both the 12 month period and the 24 month period ended 30 June 2015, Nuplex Industries shares outperformed the S&P/NZX 50 Gross Index and ranked amongst the top 20 performers over both time horizons.

The results

Net profit attributable to equity holders of the parent company after-tax (NPAT) was up 35.1% to $70.8 million and includes the contribution from Nuplex Specialties and Nuplex Masterbatch for the five months of the year before they were divested in November 2014. NPAT also benefited from $3.5 million in significant items which resulted from the $13.0 million after-tax profit from the sale of the two businesses being partially offset by $7.7 million in after-tax expenses related to the rationalisation of the property portfolio in ANZ.

Earnings per share (EPS) was up 36.0% to 35.9 cents as a result of this NPAT growth.

NPAT from continuing operations (i.e. excluding the divested businesses) and before taking into account the benefit of the significant items was $63.4 million, significantly above the $45.6 million for the prior year. EPS on this basis was up 36.4%, from 21.7 cents to 29.6 cents.

The full year dividend was increased to 27 cents per share, up from 21 cents in the prior financial year. The final dividend of 17 cents will be paid on 12 October 2015 to all shareholders on the register on 28 September 2015.

Return on Funds Employed (ROFE), which is how Nuplex measures the performance of the business, increased to 12.9%, up from 11.5% a year ago.

This reflected Asia and the Americas continuing to deliver returns in excess of the target ROFE of 16%. It also reflects EMEA reaching the Group's target ROFE during the year and an improvement in ANZ's ROFE.

Divestment of Nuplex Specialties and Nuplex Masterbatch

In a step which has really transformed Nuplex, the agency & distribution business Nuplex Specialties, and the plastic additives manufacturer Nuplex Masterbatch, were sold. These two businesses were both primarily focused on the Australian and New Zealand markets. They were sold to Axieo Pty Limited for A$127.5 million on 28 November 2014.

As these two businesses were no longer core to our strategy, the Board decided that resources would be better applied to growing the resins business – which is where Nuplex's strategic focus has been in recent years. Following the sale, Nuplex is now a dedicated global resins business and is in a strong position to leverage its core capabilities to add value for all stakeholders.

Capital management review, the share buy-back and dividends

The NZ$133 million in proceeds from the sale of Nuplex Specialties and Nuplex Masterbatch were used to pay down debt. This reduced gearing from 31.1% in June 2014 to 18.7% post the divestment.

This strong financial position gave the Board the flexibility to conduct a review of our capital structure.

The review considered the ideal capital structure to maximise value for shareholders. Implicit in the Board's decision to focus on this area was its confidence that Nuplex has the right strategy in place, and over the last few years the Company has evolved into a disciplined, professional organisation which has made significant progress towards delivering on its financial targets.

In February 2015, the Board concluded that Nuplex was well placed to undertake a 5.0% on market share buy-back. The Board believes that undertaking this buy-back achieves the appropriate balance between increasing returns to shareholders and maintaining a strong balance sheet, while being able to pursue organic growth in emerging markets.

Nuplex has up to 12 months to undertake this buy-back. As at 14 August 2015, 70% of the shares had been purchased, at an average price of $3.73.

Positive momentum within the business has been building since Nuplex first adopted its current strategy in the 2011 Financial Year.

At the end of May 2015, following the conclusion of the capital management review, the Board decided to update the Dividend Policy. In the future we will:

- seek to grow dividends in line with earnings; and
- have a dividend payout ratio of at least 60% of net profit attributable to shareholders.

In addition, the Board announced its intention to increase the dividend to 27 cents per share for the 2015 Financial Year to reflect the expected growth in earnings. In August, Nuplex declared a final dividend per share of 17 cents, bringing the total dividend for the year to 27 cents per share, a 28.6% increase on last year's dividend of 21 cents per share.

Board renewal

At the 2015 Annual Meeting, Rob Aitken will retire from the Board as planned when he stepped down as Chairman in 2013. I would like to thank Rob for his valuable contribution to Nuplex over the last nine years, five as Chairman.

Rob's retirement and Jerry Maycock's resignation from the Board in 2014 led to an extensive search process for replacement Non-Executive Directors. As a result, Mary Vershuer and John Bevan were appointed during 2015. They bring extensive experience in global, industrial businesses and I am confident that their expertise will ensure the continuation of an appropriate mix of skills on the Board. Both Mary and John will stand for election at the 2015 Annual Meeting in November.

Thank you

On behalf of the Nuplex Board members, I would like to thank our customers, shareholders, employees and suppliers for their continued support over the past 12 months. I also congratulate the Nuplex team on their successes during the 2015 Financial Year. This is well deserved and reflects their determination and discipline over the last few years.

I am looking forward to the year ahead. Your Board remains confident that the right actions and initiatives are being taken to deliver sustained growth in earnings and achieve the target ROFE of greater than 16% by the end of the 2018 Financial Year.

Peter Springford
Chairman

Chief Executive Officer's Report

Emery Severin

Discipline and drive, delivering growing earnings and improved returns to shareholders.

Dear Shareholders,

A year ago, I said that the 2015 Financial Year would be critical for delivering on Nuplex's strategy to strengthen and grow. As it has turned out, it's been a successful year on all fronts.

I am pleased to report that we delivered a strong financial performance due to earnings growth in all four of our regions. This was a result of operational improvements and favourable market conditions.

Equally pleasing was the achievement of a number of critical milestones. These included the launch of our breakthrough technology Acure™, the commissioning of our new site in Changshu, China, the completion of the ANZ restructure and, as discussed in the Chairman's Report, the divestment of Nuplex Specialties and Nuplex Masterbatch.

Importantly, we continued to position Nuplex for longer term growth opportunities, particularly in emerging markets and through R&D.

Our strategy remains unchanged and we are on track to deliver our target Return on Funds Employed (ROFE) of greater than 16% by the end of the 2018 Financial Year.

Safety

Nuplex's total reportable injury rate improved to 3.8 per million hours worked – down from 4.4 in the previous year.

Whilst we are proud of our improved safety performance, we remain focused on working towards our safety vision of 'Zero Harm'. Having embedded a mindset of understanding safe processes and safety risks within our workforce over the past five years, we will continue to focus on preventative measures by rolling out an extended set of safety leading indicators and near-miss training across Nuplex.

Operational performance

Nuplex's overall volumes grew by 5.1%, particularly driven by volume growth in Asia and EMEA.

Operating EBITDA from continuing operations was $127.3 million, up 15.3% from $110.4 million a year ago.

All four regions positively contributed to the earnings growth achieved during the year.

In EMEA, Asia and the Americas, EBITDA was driven by volume growth and an increase in the proportion of higher margin products sold. It was also driven by the realisation of benefits from the global procurement program and lower raw material costs for the period. In ANZ the turnaround was driven by the efficiency and cost benefits flowing from the restructuring.

After a number of years of having a negative impact, movements in the New Zealand dollar towards the end of the second half of the 2015 Financial Year had a positive impact on the Company's EBITDA for the period – increasing it by $0.7 million.

Nuplex does not hedge the translation of earnings generated outside of New Zealand. As a result, if in the 2016 Financial Year, the New Zealand dollar continues to depreciate against currencies such as the US dollar, the Euro and the Australian dollar (as it has been doing in recent months), it will have a positive impact on future translated earnings.

Strategy update

—Positioned to deliver improved returns

Our strategy to move forward as a dedicated global resins business is on track to deliver our target ROFE of greater than 16% by the end of the 2018 Financial Year.

This year's capital management review culminated in a strategy update held in Auckland, New Zealand, in May 2015. The theme of the update was 'Positioned to deliver improved returns'. It provided an opportunity for Nuplex to take stock of a number of key milestones that we achieved during the year, as well as what this means for earnings and shareholder returns in the coming years.

The strategy update focused on two key areas of Nuplex's growth strategy, which I have outlined below:

—Emerging market growth in Asia

Emerging markets offer attractive opportunities, particularly as their manufacturing industries grow. As such, expanding Nuplex's presence in these markets is a key goal in our strategy to drive shareholder value creation.

In Asia, over the past five years, we have been executing the single largest organic investment program in Nuplex's history by investing approximately $60 million to increase capacity by 75%. Pleasingly, in May 2015, the largest and final project in this investment program was completed with the commissioning of the new site in Changshu, being our third in China.

With this growth platform now in place, Nuplex Asia is targeting US$400 million in sales by the end of the 2018 Financial Year. The new capacity is expected to deliver double-digit earnings growth in the 2016, 2017 and 2018 Financial Years.

—R&D: delivering new innovative products

One of our key strengths is our research and development capabilities (R&D).

Each year, we make a significant investment in evolving and developing new products and technologies that deliver benefits to our customers and their customers.

On average, we spend approximately 25% of the annual R&D budget on developing new and innovative technologies. The market segments on which we focus are automotive original equipment manufacturer (OEM) and high-end metal. More recently our product development focus has been on water-borne applications (for Performance coatings) and rheology (flow control) products.

Acure™

After seven years of R&D, we achieved a major milestone when we launched our new innovative technology called Acure™. It was launched at the European Coatings Show in Germany in April 2015, our industry's premiere global event.

Our view that it was going to be a breakthrough technology for the industry was confirmed when Acure™ was unanimously awarded the 'Best Paper' award at the conference which is run in conjunction with the show.

Customers have responded positively to Acure™, as the benefits include improved working conditions and environmental benefits, enhanced efficiency, less wastage in coating application and greater flexibility when operating at low temperatures.

As the application development activities continue, Acure™ is currently being trialled in a number of market segments, including agriculture and construction equipment and protective coating markets.

We expect the first commercial sales of Acure™ to occur by the end of 2015. In the longer term, we are targeting five to 10% of an estimated US$1 to 2 billion market by the end of the 2020 Financial Year.

Outlook

As we enter into the new Financial Year, we are in a strong position to continue making progress towards achieving our ROFE target of greater than 16% by the end of the 2018 Financial Year.

Our focus is firmly set on continuing to improve our safety performance and maintaining our discipline around margins and costs. In Australia & New Zealand (ANZ), we will be working hard to secure the benefits of the restructure initiatives that we have undertaken in recent years, as well as starting to transform the supply chain.

We expect to start filling the new capacity in China and Indonesia, as well as continue to fill the capacity added in Vietnam and Thailand in recent years. In EMEA, the Americas and Asia, we will be pursuing new business in our key market segments, such as automotive OEM, and grow into new market segments for Nuplex, such as flooring.

After its launch earlier this year in Europe and North America, we will be rolling out Acure™ to our customers in Asia and ANZ.

From an employee perspective, we will be increasing our focus on learning and development initiatives and will be continuing to embed our new 'Partners With The Right Chemistry' culture.

Through this new vision, we will continue to build on our strengths – proudly stating who we are, how we work and our customer promise.

Thank you

On behalf of the Nuplex executive team, I want to acknowledge the tremendous amount of energy and effort that our employees have put in over the past few years. Thank you for your trust and cooperation amid all the changes that have taken place. I'm sure that all the initiatives implemented will make it possible for us to continue being successful in the coming years.

Finally, I would also like to thank all our customers, suppliers and shareholders for their ongoing support.

Emery Severin
Chief Executive Officer

Highlights of the Year

We have been busy progressing Nuplex's strategy to strengthen and grow, and this year we achieved a number of significant milestones. Importantly, we continued to position Nuplex for ongoing success into the future through the launch of new technologies and products, and capacity in emerging markets. We finished the year in a strong position and are moving forward as 'Partners With The Right Chemistry' with our customers.

R&D (Research & Development)

Acure™, Nuplex's award-winning, new, innovative fast cure technology, was launched in April 2015.

Emerging Markets

Nuplex's Asia growth platform is now in place following the commissioning of the US$35 million site in Changshu, China. Nuplex expects the 75% increase in capacity built over the past few years to deliver earnings growth in the coming years.

Business Improvement & Strategic M&A

ANZ has been reshaped through the restructure of its operations and the divestment of two non-core businesses in late 2014. The benefits were evident in the FY15 result.

People

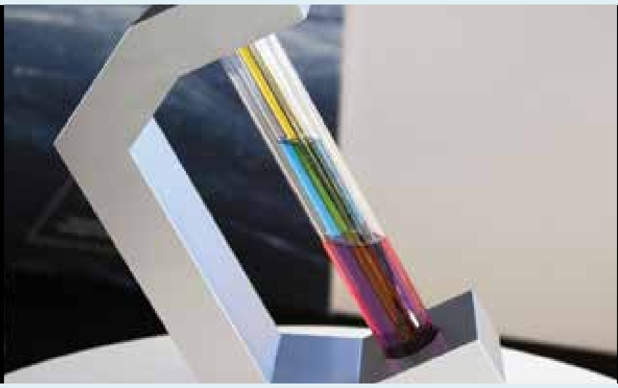
As a global team, working together, Nuplex is proud of being seen in the market place as 'Partner With The Right Chemistry'. Guided by our values, we work together in 'The Right Way', to deliver 'The Right Chemistry'.

Highlights of the Year: R&D

Speed and Control for Coatings

Acure™

An innovative, new coating technology.



After seven years and many hours of research and development, in April 2015, we launched our new technology called Acure™.

Acure™ is a new, non-isocyanate, two-package coating technology that provides unrivalled control over drying speed and pot-life. This innovative system is built on Michael Addition chemistry, which has been too reactive in the past to be manageable in a coating context. Developed to precisely control this reaction, the Acure™ system delivers very fast dry times, extremely long pot-life and cures at low temperatures.

Nuplex chemists started working on the technology in 2007 at our Innovation Centre in The Netherlands. Through a collaborative effort between the R&D teams in Europe and the United States, they subsequently developed a system that has potential to be used in many different Industrial coatings markets.

We unveiled Acure™ at the 2015 European Coatings Show in Germany, a premier event for the global coatings and paint industry, at which Acure™ received unanimous support from the judges by winning the Best Paper Award.

Acure™'s solution to customers' challenges

Coatings formulators traditionally need to balance the dry time of a coating with the time in which the paint becomes unusable, which is referred to as pot-life. Nuplex's global R&D teams have decoupled this adverse relationship to produce Acure™.

Acure™'s benefits to customers

Acure™ uses sophisticated chemistry to offer customers:

- Much faster and more controllable dry times
- Significantly longer pot-life
- Low temperature curing capability
- Thicker films per application
- An isocyanate, formaldehyde and organometallic-free option
- Very low Volatile Organic Compound (VOC) formulation potential.

When used in coatings applied in large-scale processes, Acure™ has the potential to reduce manufacturing times significantly.

Potential global market

We have already introduced Acure™ to customers located in Europe and the United States. And by the end of 2015 it will have been introduced into Asia, Australia and New Zealand.

We estimate that the global market opportunity for Acure™ and Nuplex is between US$1 to $2 billion. By the end of the 2020 Financial Year, we aim to target between five to 10% of this market. Initially, we envisage Acure™ being used for topcoats for metal applications, protective and flooring coatings markets.

Customer reaction so far

Very positive. Our customers recognise that using Acure™ increases productivity and reduces waste for their customers, which results in considerable cost saving.

The Nuplex team at the 2015 European Coatings Show, where Acure™ was launched.

Throughout the ECS, prospective customers came to hear about Acure™'s innovative chemistry.

Highlights of the Year: Emerging Markets

Nuplex Asia's Growth Platform in Place

Nuplex Asia's platform for growth is in place and well positioned to deliver at least 10% EBITDA growth in the next three years.

After operating in Asia for more than 15 years, Nuplex now has one of the most extensive coating resins manufacturing networks in the region, with seven sites located across China, Indonesia, Malaysia, Thailand and Vietnam.

Over the past five years, we have expanded Nuplex's capacity into Asia by 75%, when compared to 2011, through a NZ$60 million investment program, referred to as Phase 1. In a major milestone, we completed Phase 1 in May 2015 following the commissioning of the recently constructed site in Changshu, China.

The completion of Phase 1 establishes a new platform for growth. We expect to deliver at least 10% EBITDA growth per annum over the next three financial years from Nuplex Asia.

Nuplex Asia currently represents 23% of Group sales – up from 16% in 2011.

China – Our new site in Changshu doubles capacity

Nuplex China is a leading producer of resins used in automotive OEM, vehicle-refinish products, as well as wood and metal coatings.

Nuplex has been operating in China for over 10 years, having first entered in 2004 via the acquisition of the site in Foshan, located in the Guangdong province in southern China. The site at Suzhou was added to the Nuplex China footprint soon after, following the acquisition of Akzo Nobel's independent resin assets at the end of 2004.

On 25 May 2015, Nuplex's newest site located in Changshu, China, produced its first batch of resin. This brings to an end a four-year US$35 million development and construction project. Completed on budget, the new site is within an hour's drive of Nuplex's existing site at Suzhou and three hours' drive west of Shanghai.

As the largest greenfield project undertaken in Nuplex's history, the plant at Changshu will double Nuplex's capacity in China. It is the first site in China to have water-borne production capabilities in addition to solvent-borne capabilities. This enables Nuplex China to enter new market segments, such as textile and adhesive resins.

Southeast Asia – Expanded presence and capacity in Indonesia

For over 30 years, our position in the Indonesian market has been steadily growing, predominantly by supplying resins for architectural coatings.

The operations in Indonesia were acquired by Nuplex as part of Nuplex's purchase of Akzo Nobel's resins assets in 2004. In April 2015, we completed the final project within Phase 1's investment program with the commissioning of the new reactor at Nuplex Indonesia's site in Surabaya.

This US$5.1 million project has almost doubled Nuplex Indonesia's production capacity. It also adds production capabilities that enable Nuplex Indonesia to offer more technically advanced Industrial and Performance coatings, particularly in the automotive OEM, vehicle refinish, marine and high-end metal market segments.

The move into these new segments aligns with our expectations for medium to long-term growth in Indonesia, which we expect to be driven by the ongoing industrialisation of the economy. As a leading, global Industrial and Performance coating resins producer, we are able to leverage our expertise and technologies when entering these new market segments.

Construction completion celebration at Changshu, China.

New Zealand government minister Steven Joyce visited Nuplex's Changshu site as part of his three-day trip to Shanghai in April 2015.

Responsible for the portfolios of Economic Development, Tertiary Education, Skills & Employment, Science and Innovation, Regulatory Reform and Novopay, Minister Joyce toured the plant following a presentation outlining Nuplex's growth strategy for China and Southeast Asia.

Minister Joyce (second from left) with Nuplex's CEO, Emery Severin (far right), at Nuplex's site in Changshu, China.

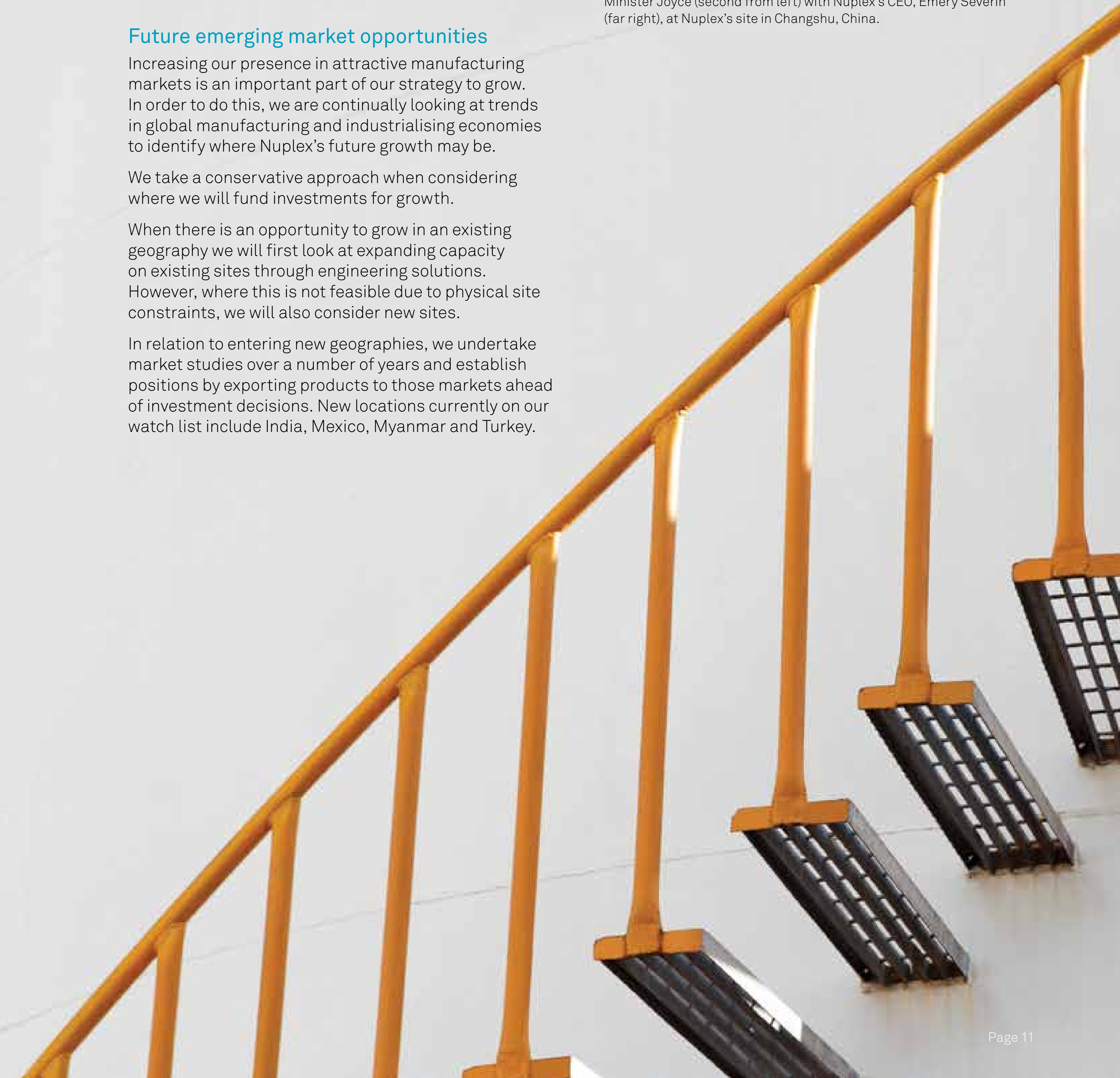
Future emerging market opportunities

Increasing our presence in attractive manufacturing markets is an important part of our strategy to grow. In order to do this, we are continually looking at trends in global manufacturing and industrialising economies to identify where Nuplex's future growth may be.

We take a conservative approach when considering where we will fund investments for growth.

When there is an opportunity to grow in an existing geography we will first look at expanding capacity on existing sites through engineering solutions. However, where this is not feasible due to physical site constraints, we will also consider new sites.

In relation to entering new geographies, we undertake market studies over a number of years and establish positions by exporting products to those markets ahead of investment decisions. New locations currently on our watch list include India, Mexico, Myanmar and Turkey.



Highlights of the Year: Business Improvement and Strategic M&A

ANZ – Restructured, Reorganised and Reshaped

Following the structural changes in the Australian manufacturing markets, in September 2012, we began the journey to reposition Nuplex ANZ to improve earnings and returns.

The changing demand landscape was driven by major market structural changes within the manufacturing and construction industries. These changes were due to the impact of the higher Australian dollar and wage costs, which caused many of our customers' customers to move their manufacturing operations offshore into Asia. The situation was also exacerbated by the shift in construction trends towards multi-dwelling residences and the increasing strength of the major retailers driving competition in the decorative paint market.

Since September 2012, Nuplex ANZ has been reshaped. This has been done by:

- reducing manufacturing capacity by 30% through plant closures;
- developing a A$22 million investment program to increase the effectiveness and efficiency of the remaining production network;
- reorganising business units and removing a layer of management across the region to deliver annualised savings of $4.5 million; and
- divesting Nuplex Specialties (the agency and distribution business) and Nuplex Masterbatch (the plastic additives manufacturer), enabling Nuplex ANZ to be a dedicated producer of resins.

Three years on, we are starting to see the benefits of our actions that are enabling our ANZ business to adapt to the new 'normal' operating environment and progress towards a Return on Funds Employed by the end of the 2018 Financial Year of greater than 10%.

Reshaped through transformative divestment

Nuplex completed the sale of the agency distribution business, Nuplex Specialties along with the plastics additives manufacturer Nuplex Masterbatch to Axieo Pty Limited for A$127.5 million on 28 November 2014.

Whilst we had not been seeking to divest these businesses, as the global resins business has continued to grow, these businesses have become increasingly non-core to our strategy. Therefore, following a careful evaluation of the purchaser's offer, the Board concluded that divesting these two businesses optimised value for shareholders.

After transaction costs, net cash proceeds from the transaction were $133 million. Net profit after-tax was $13.0 million, which includes provisions of $5.7 million in relation to redundancy and restructure costs as well as a write-down of the assets that will no longer be used following the divestment.

Nuplex ANZ today

Now, as a dedicated resins manufacturer, we can concentrate on where we have market-leading expertise, and leveraging our global strengths. The divestment enables us to focus on our leading positions in resins for decorative coatings and composites.

Today, we have aligned Nuplex ANZ's manufacturing capacity with the current levels of market demand. When combined with the increased efficiency of the network, the benefits of these actions are improving the performance of the region.

Looking ahead, the reshaping of ANZ is expected to strengthen it for a sustainable future.

We will continue to build on our strengths to ensure we are our Australian and New Zealand customers' 'Partners With The Right Chemistry'.

Timeline

2012	**Early in the year**	Began assessing how to address the changing ANZ market place using linear programming models derived from the NuLEAP program.
	September	Announced plans to: • Reduce Nuplex ANZ's manufacturing capacity by 30% through the decommissioning of: - sites at Onehunga in New Zealand, Wangaratta in Victoria and Canning Vale in Western Australia; and - high-temperature plant at Penrose in New Zealand. • Invest A$22 million to increase the efficiency and flexibility of the sites at Penrose in New Zealand, and Botany, and Wacol in Australia.
2013	**August**	Decommissioned: • High-temperature plant at the site in Penrose, New Zealand; and • The site at Onehunga, New Zealand.
	September	Efficiency upgrade at site in Penrose, New Zealand completed.
	December	Decommissioned the site at Wangaratta, Victoria.
2014	**February**	Announced the reorganisation of ANZ business units to reduce overhead cost structure, and simplify the regional organisation into two business units being: • Resins: bringing together the coating resins, composites, pulp and paper, and construction products businesses; and • Specialties: capturing the agency and distribution business, Nuplex Specialties, and the plastic additives business, Nuplex Masterbatch.
	April	Completed the reorganisation of Nuplex ANZ realising $4.5 million in cost savings following the removal of a layer of management.
	October	Announced the sale of Nuplex Specialties and Nuplex Masterbatch for A$127.5 million.
	December	Nuplex ANZ began operating as a dedicated resins business following the completion of the sale of Nuplex Specialties and Nuplex Masterbatch on 28 November 2014.
2015	**March**	Decommissioned the site at Canning Vale, Western Australia: • Bringing to an end the work to reduce regional capacity by 30%.
	June	Signs of improvement evident in Nuplex ANZ's 2015 Financial Year performance.
	September	• Completed site upgrade at Wacol. • In the 2016 Financial Year, the combined benefit of all restructuring activities expected to deliver annualised cost savings of $11 million.

Business improvement   Strategic M&A   Financial performance

Highlights of the Year: People

Partners With The Right Chemistry

Over the past five years, Nuplex has made significant progress strengthening its operations, developing its R&D pipeline, and transforming itself into a global, dedicated resins business. We now have the right people, teams, products and processes in place to deliver the right solutions, outcomes and performance for our customers.

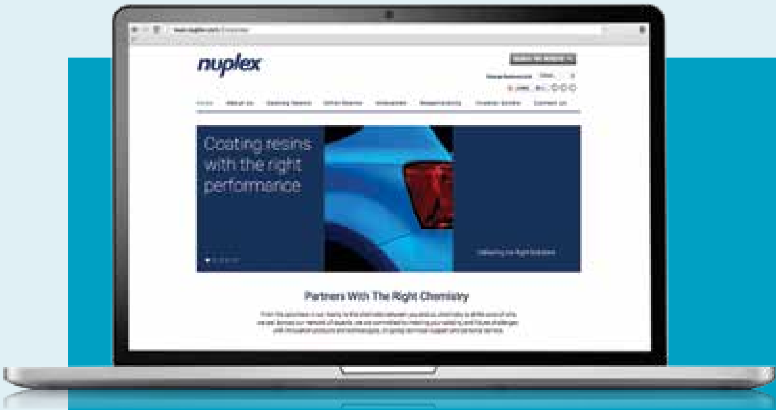
Our new vision guides us to be the partner of choice for our customers

In celebration of who we are as an organisation and who we want to be to our customers, during the year we introduced a new vision 'Partners With The Right Chemistry.' This vision is more than just words. It reflects our strengths and captures the outcomes of our actions and behaviours.

As partners, we demonstrate an unrivalled level of commitment, drive and passion to all our customers. We embrace their goals and collaborate for our mutual benefit. This is how we strive to be the partner of choice.

We have a track record of consistently delivering high-quality products that perform as expected. It's a track record that we are proud to have built through our expertise, flexible approach, focus on quality and attention to detail. Our partners want us to work alongside them and trust us to deliver every single time.

Our six values guide our actions in how we work together in 'The Right Way'.



One Global Team working together with common values

Guided by our six company values, we call the way we work 'The Right Way'. Through working as One Global Team in 'The Right Way' we deliver our customer promise 'The Right Chemistry', and, this is why our customers see us as their 'Partners With The Right Chemistry'.

The One Global Team mindset encapsulates a diverse and engaged workforce that is working together with common values, across all our manufacturing sites and sales offices, spread across four continents.

We are confident that we are building a company culture that captures our common strengths whilst also embracing the differences that mean Nuplex truly is a partner to their customers, wherever they are in the world.

Partners With
The Right Chemistry

The Right Way

SAFETY
The Right Process

TEAMWORK AND PERFORMANCE
The Right Results

CUSTOMERS
The Right Performance

INNOVATION
The Right Ideas

INTEGRITY
The Right Reasons

DIVERSITY
The Right Mix

The Right Chemistry

The Right Fit

The Right Outcomes

The Right Advantage

The Right Solutions

Operating and Financial Review

Financial Review

NZ$ millions Year ended 30 June[1]	2015	2014	Change % Actual FX	Change % Constant FX[2]
Sales revenue from continuing operations	1,374.7	1,355.3	1.4%	1.8%
Operating EBITDA from continuing operations[3]	127.3	110.4	15.3%	14.7%
Underlying NPAT from continuing operations[4]	63.4	45.6	39.0%	35.5%
NPAT[5]	70.8	52.4	35.1%	32.0%
Earnings per share (cents)	35.9	26.4	36.0%	–
Net cash from operating activities	117.7	51.1	–	–
Working capital to sales ratio[6] (%)	15.2	15.3	–	–
Dividend per share – total interim and final (cents)	27	21	28.6%	–
Return on Funds Employed from continuing operations[7] (%)	12.9	11.5	–	–

Continuing operations

During the year, Nuplex sold its agency & distribution business, Nuplex Specialties, and the plastic additives manufacturer, Nuplex Masterbatch. As the transaction was completed on 28 November 2014, the Group's 2015 Financial Year results include five months of trading from these businesses, as well as the profit on disposal. The prior year included a full 12-month contribution from these businesses.

This year's reported Net Profit After-Tax (NPAT) and Earnings Per Share (EPS) include the results for the businesses that were sold and the profit on disposal. In addition, to reflect the performance of the ongoing operations of Nuplex, we have also reported the group's results from continuing operations (i.e. our global resins business), including Sales Revenue and Operating EBITDA.

Profit & loss

Sales revenue from continuing operations of $1,374.7 million was up 1.4% when compared with the prior financial year. Had the New Zealand dollar remained unchanged over the 12 months, sales revenue would have been up 1.8%.

Reported sales growth from continuing operations was lower than might have been expected as a result of lower raw material costs being passed on to customers with lower prices.

Operating EBITDA from continuing operations[3] was $127.3 million, up 15.3% when compared with $110.4 million in the prior financial year. Had foreign exchange rates remained unchanged from last year, operating EBITDA for the 2015 Financial Year would have been $126.6 million, up 14.7% on the prior financial year.

Growth in Operating EBITDA from continuing operations reflected:

- 5.1% volume growth. Regional volumes were up 8.7% in EMEA, 6.4% in Asia and 0.9% in the Americas. Overall volume growth was tempered by a 1.0% volume decline in ANZ.
- An increase in the operating EBITDA to sales margin to 9.3%, from 8.1% in the prior financial year reflecting:
  - Group unit margins[8] were up 0.6% (up 1.9% in constant currency) due to:
    - improved unit margins in EMEA, Asia and the Americas. This was due to our product mix and procurement initiatives, as well as lower raw material costs for part of the period.
    - lower unit margins in ANZ for the year. This was despite unit margins improving in the second half of the year. The improvement only partially offset the impact of the lower unit margins experienced during the first half of the 2015 Financial Year.
  - Group unit costs were down 1.0% as a result of increased volumes, the ANZ restructuring activities and other cost initiatives.

1. Nuplex Industries Limited's statutory results are reported under New Zealand equivalents to International Financial Reporting Standards (NZIFRS). Throughout this document, non-NZIFRS profit measures (including EBITDA and Underlying NPAT) have been included as they are measures used by management in assessing the performance of the business and are presented to provide a greater understanding of underlying performance. **2.** Changes in constant currency results (Change % - Constant FX) have been shown because they remove the impact of exchange rate (FX) fluctuations and are used by management in assessing the performance of the business. They are calculated by translating reported period results into New Zealand dollars at the average foreign exchange rates applicable in the prior corresponding period. **3.** Operating EBITDA from continuing operations represents earnings from continuing operations before interest, tax, depreciation, amortisation, significant items, associates and minority interests. This is reported in Note 2 to the financial statements as 'Operating EBITDA after unallocated costs". **4.** Underlying NPAT from continuing operations represents Operating profit after-tax, as reported in Note 2 to the financial statements. **5.** NPAT represents Profit attributable to equity holders of the parent, as reported in the financial statements.
6. The Working Capital to Sales Ratio represents Inventories plus Trade Receivables less Trade and Other Payables, divided by Sales Revenue for the preceding 12 months.
7. Return on Funds Employed represents Earnings (before interest, tax and significant items), divided by average opening and closing funds employed over the year. Average funds employed exclude capital works under construction. **8.** Unit margins represent sales revenue minus raw material costs, divided by volume sold, or tonnage.

Operating and Financial Review

Financial Review

The **income tax rate** applicable to operating profit for the period was 23.4%, up from 22.2% in the prior financial year as a result of an increased proportion of earnings in ANZ and the Americas.

Net profit[5] (NPAT) for the 2015 Financial Year for the total business, including discontinued operations, was $70.8 million, up 35.1% from $52.4 million when compared with the 2014 Financial Year.

NPAT for the 2015 Financial Year included a net benefit of $3.5 million in **significant items**[9]. The larger significant items included:

- $13.0 million profit after-tax on sale of Nuplex Specialties and Nuplex Masterbatch businesses;
- $3.4 million after-tax remediation provision expense in relation to the discontinuation of operations at the Nuplex Specialties site in Cheltenham, Victoria; and
- $3.6 million after-tax impairment expense incurred as a result of the agreement to sell a property at Seven Hills, NSW, Australia for cash proceeds of A$9.2 million. These cash proceeds are expected to be realised in the first half of the 2016 Financial Year.

Underlying NPAT from continuing operations[4], which excludes significant items, was $63.4 million. This compares with underlying NPAT from continuing operations of $45.6 million for the prior financial year.

Earnings Per Share (EPS) for the total business, including discontinued operations, was 35.9 cents, up 36.0% from 26.4 cents in the prior year, as a result of higher NPAT. EPS from continuing operations also grew over the year, by 36.4% from 21.7 cents to 29.6 cents per share.

In line with increased profits, Nuplex's Return on Funds Employed (ROFE)[7] from continuing operations for the 12 months ended 30 June 2015 was 12.9%, compared to 11.5% for the prior year. This reflects:

- EMEA's ROFE improved from 14.4% in the prior year to finish 2015 above our target of 16.0%.
- ANZ's ROFE from continuing operations increased from nil in the prior year to 1.3% in 2015, as the benefits of the restructure were realised.
- ROFE in the Americas and Asia continue to be above our target of 16.0%.

The Group remains on track to deliver its target ROFE of greater than 16% by the end of the 2018 Financial Year.

Balance sheet

Following the sale of Nuplex Specialties and Nuplex Masterbatch, management expects the Company's average working capital to sales ratio from continuing operations to be between 14% and 16%. This compares to our previous target range of 15% to 17%.

The working capital to sales ratio[6] from continuing operations was 15.2% as at 30 June 2015, compared to 15.3% a year ago.

Gearing[10] has declined from 31.1% at 30 June 2014 to 19.5% as at 30 June 2015. This is due to debt repayments following the sale of the Nuplex Specialties and Nuplex Masterbatch businesses. The 30 June 2015 position is an increase on the gearing of 18.7% as at 31 December 2014. This is following the on market share buy-back which started in the second half of the year. As at 30 June 2015, net debt was $139.9 million.

Nuplex's average funding cost over the year was 5.0%, down from 5.2% in the prior corresponding year. This is due to the repayment of debt in higher interest rate jurisdictions following the sale of Nuplex Specialties and Nuplex Masterbatch in November 2014.

Cash flow

Operating cash flow from continuing operations of $117.7 million was up $66.6 million on the prior year.

Stay-in-business (SIB) capital expenditure for the year was $12.6 million, equivalent to 50% of depreciation. This includes €1.0 million (NZ$1.7 million) in fire protection systems costs. This represents the first year of a three-year program of work being undertaken at Nuplex's site in The Netherlands. The work is required to comply with government-mandated changes to the fire protection systems for the chemicals industry. In total, compliance is expected to cost €12.6 million over three years.

Capital expenditure for growth was $43.5 million for the 2015 Financial Year. Major items included the costs associated with the completion of the new site at Changshu in China ($23.7 million) and the completion of the upgrading of the Wacol site in Queensland, Australia ($11.4 million).

Sale of Nuplex Specialties and Nuplex Masterbatch

On 28 November 2014, the sale of its agency and distribution business, Nuplex Specialties, and the plastic additives business, Nuplex Masterbatch, was completed for A$127.5 million. These businesses had historically formed the reporting segment referred to as Specialties.

Net cash proceeds from the transaction were $133.0 million (A$122.7 million). The sale gave rise to a Net Profit After-Tax of $13.0 million. This includes provisions of $5.7 million in relation to redundancy and restructuring costs, and a write-down of assets that will no longer be used following the sale.

9. Significant items represent items that by a combination of their size, timing or irregular nature warrants separate disclosure to allow readers to better assess the recurring income generating capacity of the business. **10.** As measured by net debt to net debt plus equity.

In addition, as a result of the sale, operations at Nuplex's Cheltenham site in Melbourne, Victoria have been discontinued. This site had been used for the Specialties business. A provision of $3.4 million after-tax was recorded in relation to remediating this site, to enable it to be sold.

Capital management review and dividends

Following the sale of Nuplex Specialties and Nuplex Masterbatch, the sale proceeds were used to reduce debt.

The Board took the opportunity of increased financial flexibility to conduct a Capital Management Review during the second half of the year. The review focused on striking the right balance between improving returns to shareholders, maintaining a strong balance sheet and continuing to fund Nuplex's growth strategy.

In February 2015, the Board determined that the Company was in a position to undertake an on market buy-back of up to 5% of Nuplex's issued share capital, whilst maintaining a strong balance sheet and the flexibility to pursue organic growth. The buy-back commenced in March 2015. As at 14 August 2015, Nuplex had bought back 3.5% of issued capital at an average price of $3.73 per share.

In May 2015 the Board completed the Review and updated Nuplex's Dividend Policy. The Board stated that it will seek to grow dividends from the 2015 Financial Year dividend in line with earnings. Additionally, the payout ratio will now be a minimum of 60% of net profit attributable to shareholders. This minimum replaces the previous target payout range of 55% to 65%.

The Board also announced its intention to increase the ordinary 2015 Financial Year dividend to 27 cents, up from 21 cents in the prior financial year.

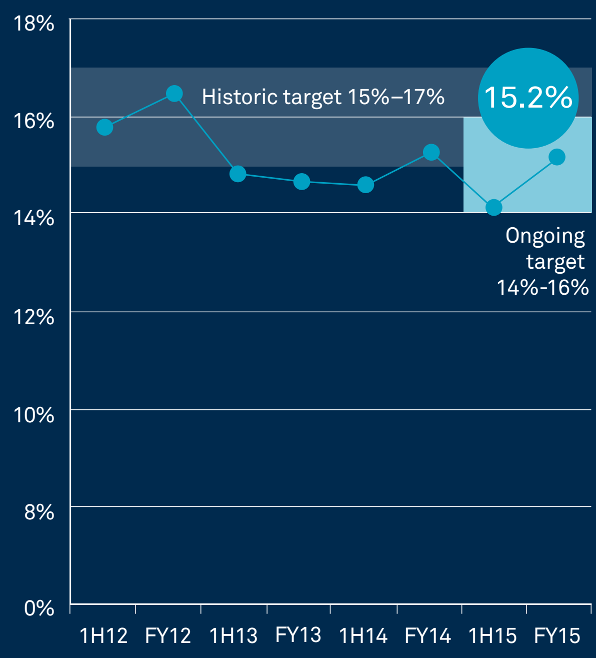
Dividend

In August 2015, a final dividend of 17 cents per share was declared by the Board. This is an increase on the 11 cents per share final dividend in the prior year. This brings the total 2015 Financial Year dividend to 27 cents per share. This is a significant increase on the total of 21 cents per share in the prior financial year.

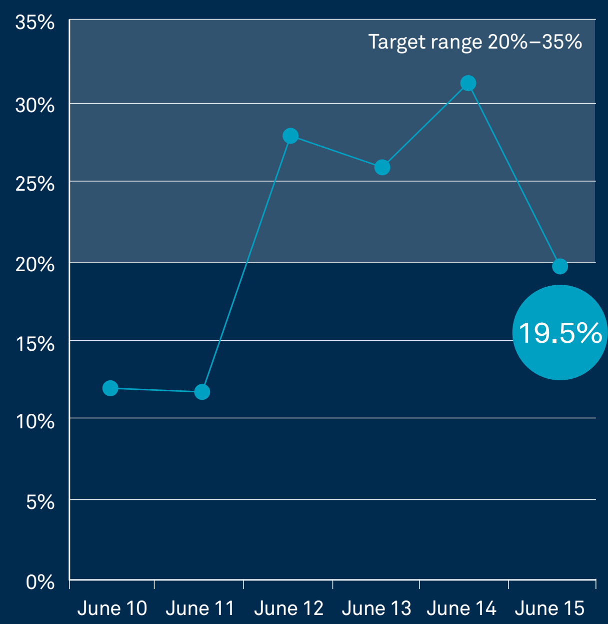
The final dividend of 17 cents per share will be paid on 12 October 2015 to all shareholders on the register on 28 September 2015. It will carry no imputation credits for New Zealand shareholders or franking credits for Australian shareholders. The Dividend Reinvestment Plan will not be active.

The total dividend of 27 cents per share represents a 73% payout ratio of net profit available to shareholders.

Working capital to sales ratio (%) as at year-end



Net debt to net debt plus equity ratio



Nuplex's strategy is to achieve attractive shareholder returns by delivering high-quality products to our customers through pursuing operational excellence, innovation and building market-leading positions.

Operating and Financial Review

Business Strategy

Safety

Pursue safety vision of 'Zero Harm'

2016 Financial Year focus areas:

- Continue to embed a culture of identifying risks and safe processes via the roll out of a global management system and standardised model procedures
- Ongoing focus on safety observations and near-miss reporting
- Develop a preventative mindset via measurement of leading indicators and additional training and development in this area

Strategic M&A

Disciplined consideration

2016 Financial Year focus area:

- Consideration of acquisitions that;
  - strengthen leading market and technology positions
  - leverage capabilities
  - meet strict financial criteria

People

Create One Global Team

2016 Financial Year focus areas:

- Develop understanding and engagement with 'Partners With The Right Chemistry'
- Values engagement program
- Leader development
- Global talent program for emerging leaders

Emerging Markets

Profitably grow

2016 Financial Year focus areas:

- Fill new capacity
- Optimise existing capacity
- Establish position in new market segment

Business Improvement

Utilise innovation and continuous improvement

2016 Financial Year focus areas:

- Expand procurement approach to include Nuplex's indirect spend
- Progress ANZ supply chain transformation program, which will drive efficiencies in areas such as warehousing and material requirements planning

R & D

Grow market share through innovation

2016 Financial Year focus areas:

- Launch new technologies, e.g. Acure™
- Leverage new products

Over 1,700 employees, manufacturing in 12 countries, spread over 4 continents.

The Americas

U.S.A.

Kentucky
- Regional Head Office
- Production Site
- Sales Office
- R&D Centre
- Technical Service Centre

Illinois
- Production Site

EMEA

The Netherlands
- Regional Head Office
- Sales Office
- Production Site
- R&D Centre
- Innovation Centre

France
- Sales Office

Germany
- Production Site
- Sales Office

Italy
- Sales Office

Poland
- Sales Office

Spain
- Sales Office

United Kingdom
- Production Site
- Technical Service Centre

Russia
- Production Site

Asia

Singapore
- Regional Head Office

China
- Production Sites
- Sales Office
- R&D Centre

India
- Sales Office

Indonesia
- Production Site
- Sales Office

Malaysia
- Production Site
- Sales Office
- Technical Service Centre

Taiwan
- Sales Office

Thailand
- Production Site
- Sales Office

Vietnam
- Production Sites
- Sales Office
- Technical Service Centre

ANZ

Australia
- Corporate Office
- Regional Head Office
- Production Sites
- Sales Offices
- R&D Centre
- Technical Service Centre

New Zealand
- Registered Office
- Production Site
- Sales Office
- Technical Service Centre

Operating and Financial Review

Europe, Middle East & Africa

Paul Kieffer
Regional President: EMEA

It was pleasing to see Nuplex EMEA deliver strong EBITDA growth in the 2015 Financial Year. Equally pleasing, we continued to leverage our stronger market positions made in recent years.

Regional results commentary

Whilst the region's sales in New Zealand dollars were down 1.7%, sales in Euros were up 4.3%, when compared with the prior financial year.

In the context of volume growth of 8.7% (including the first full year contribution from Nuplex Russia), sales growth may look lower than expected. This is a result of the lower raw material costs experienced during the year being passed through to customers. The passing through of lower or higher raw material costs to customers is normal within our industry.

The improvement in the EBITDA to sales margin was driven by volume growth, the sale of a greater proportion of products with higher margins, the realisation of benefits from the global procurement program, as well as the realisation of €2 million in NuLEAP benefits from the completion of the program at Nuplex's site in Bitterfeld, Germany, and lower raw material costs for part of the period.

Nuplex Russia

In our first full 12-month period owning and operating the assets acquired in Russia, we upgraded the site's safety standards and production capabilities. Pleasingly, our efforts meant that there were no reportable injuries for the period and we began producing resins at a similar standard to those produced in our other EMEA sites.

Nuplex Russia is well placed to supply existing and new multi-national customers producing in Russia and is expected to contribute to earnings growth in the 2016 Financial Year.

Introduction of Acure™ and other new products

We were proud to launch Nuplex's innovative new coatings technology, Acure™, at the 2015 European Coatings Show. We had over 150 people attend presentations in order to learn more about our breakthrough technology. Follow-up conversations with customers have been very positive.

We also introduced a number of new products during the year. For example, in the automotive OEM market segment, we introduced a new and improved resin for base coats and a new rheology (flow control) product that offers better edge coverage than many existing offerings.

EMEA

-1.7%

DOWN $584.9m Sales

9.6%

UP $60.6m EBITDA

Volumes up 8.7%

Includes first full year from Russia

Volume growth excluding Russia 4.1%

Growth in automotive OEM, flooring and powder resins

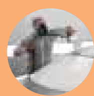
Operating EBITDA margin improved to 10.4%, from 9.3% in prior year

€2m NuLEAP benefits realised at Bitterfeld, Germany

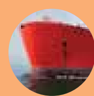
Results in NZ$

Coating and other resins

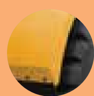
Automotive OEM



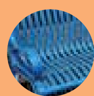
Vehicle refinish



Marine

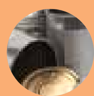


Protective

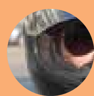


Powder

Wood

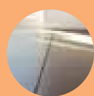


Metal



Plastic (auto)

Decorative



Flooring

Asia

7.7%

UP $316.0m Sales

20.8%

UP $38.3m EBITDA

Volumes up 6.4%

In China and Indonesia: growth in automotive OEM, high-end metal, marine & protective

In Indonesia and Malaysia: growth in decorative resins

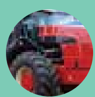
Operating EBITDA margin improved to 12.1%, from 10.8% in the prior year

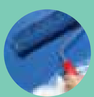
Results in NZ$

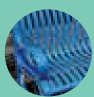
Coating and other resins


Automotive OEM


Vehicle refinish

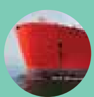

Metal


Decorative


Powder

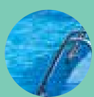

Wood


Plastic (electronics)


Marine and protective

Composites


Infrastructure


Swimming pools


Marine and leisure


Sheeting

Operating and Financial Review

Asia

Ruben Mannien
Regional President: Asia

It was a rewarding year for Nuplex Asia. In addition to delivering a strong uplift in EBITDA, our platform for growth is now in place, leaving us well positioned for the future.

Regional results commentary

Looking at US dollar financial result for the region (using it as a guide to show the region's performance without it being impacted by movements in the New Zealand dollar), EBITDA was up 12.8% when compared with the prior year. This reflected a solid first half performance and a strong second half. All countries contributed to the region's EBITDA growth.

Across the region, growth in China was driven by strong demand from the automotive OEM markets. In Vietnam, volume growth was driven by strong construction activity, and in Malaysia, volumes were up due to growth in exports. Indonesia benefited from our market development activities focused on Performance coatings.

Growth platform in place

During the period, we completed the NZ$60 million investment program to increase capacity within the Asian region by 75%, when compared to the end of 2011.

In China, Nuplex commissioned its third site in May 2015. The new US$35 million site at Changshu relieves the capacity constraints Nuplex China has been managing since 2010. The new site doubles Nuplex's production capacity in China and introduces water-borne production technology capabilities, which opens upnew market opportunities in segments such as adhesives and textiles. It also enables Nuplex China to locally produce a range of products historically imported. Initial deliveries to customers have commenced and products are progressing through customer approval processes.

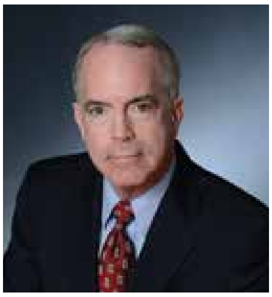
In Indonesia, the new reactor at the site in Surabaya was commissioned in April 2015. This US$5.1 million investment doubled the capacity of the site and provides additional production technology, supporting our growth in Performance coating resins, such as the automotive OEM, vehicle refinish and high-end metal market segments. Product approvals with customers are underway and initial volumes have been in line with management's expectations.

Medium-term growth outlook for Nuplex Asia

With available capacity now in place across the region, we are targeting US$400 million in sales by the end of the 2018 Financial Year. This is expected to lead to EBITDA growth of at least 10% per annum between the 2016 and 2018 Financial Years.

Operating and Financial Review

The Americas



Mike Kelly
Regional President: Americas

We continued to strengthen our position as a leading provider of Performance Coating resins in North America. It was satisfying to see the combination of this positioning and our disciplined focus on costs delivered EBITDA growth for the year.

Regional results commentary

Nuplex Americas had a strong first half delivering solid volume and earnings growth. This was particularly due to volume growth in the Vehicle Refinish market, Marine & Protective and General Metal markets.

The second half of the year was more challenging, as manufacturing activity across the US slowed due to unseasonably poor weather. We also saw a loss of volume due to some customers utilising their existing production capacity in the second half. The challenges of the second half resulted in overall volume growth of 0.9% for the year.

We delivered EBITDA growth of 13.0% in local currency terms despite the challenging second half due to a product portfolio mix shift, cost control and disciplined margin management.

Continued execution of our successful Performance coating resins strategy

Over the past few years, we have been executing a strategy to be the leader in Performance coating resins in our region. During the 2015 Financial Year, we have continued to execute and build on that position by working closely with customers to understand their needs and provide the right solutions.

The launch of our innovative technology Acure™ was a major step forward for Nuplex, and helps strengthen Nuplex Americas reputation for delivering innovative products. Many of the team were in Germany for the launch of Acure™ at the European Coatings Show in April. It was an exciting time, knowing that we were introducing a technology which was developed as a result of collaboration between Nuplex EMEA and Nuplex Americas.

Ahead of and since the April launch, we've been trialling Acure™ with a number of customers, and to date their feedback has been very positive.

Nuplex Americas has an important position in rheology (i.e. flow control) agents, particularly in relation to coatings used in automotive OEM and vehicle refinish, as well as other Performance coatings markets. We continued to strengthen our position in this area with the introduction of a new, stronger flow control agent, which gives our customers' products improved performance.

Looking ahead, the team and I will be focusing on strengthening our customer relationships and bringing innovative new technologies, such as Acure™ into the market to retain our position as a Performance coating resins leader.

Americas

5.8%
UP $171.4m Sales

20.8%
UP $25.0m EBITDA

Volume up 0.9%

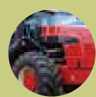
First-half volume growth strong in automotive OEM, vehicle refinish, and protective markets

Second-half volumes were tempered by unseasonably cold weather and customers utilising existing production capacity

Operating EBITDA margin improved to 14.6%, from 12.6% in the prior year

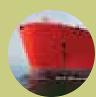
Results in NZ$

Coating resins

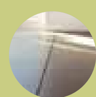

Metal


Vehicle refinish


Wood


Marine and protective


Decorative


Flooring

ANZ

-0.9%

DOWN $302.4m Sales

26.5%

UP $12.4m EBITDA

Volumes down 1%

Coating Resins volumes down due to focus on pricing and product management

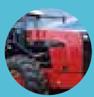
Composite Resins volumes up in second half due to strength in infrastructure, pool and leisure markets

Operating EBITDA margin improved to 4.1%, from 3.2% in the prior year

Results in NZ$

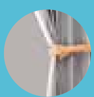
Coating and other resins

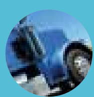

Decorative


Metal

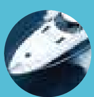

Wood

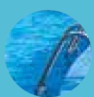

Adhesives


Textiles and ink


Transportation

Composites


Marine and leisure


Swimming pools


Infrastructure

Paper


Tissue


Packaging

Construction products


Flooring

Operating and Financial Review

Australia & New Zealand

Zel Medak
Regional President, Australia & New Zealand

It is encouraging to see ANZ turning around. The actions taken over the past few years are delivering benefits and as we enter the new financial year as a dedicated resins business, Nuplex ANZ is on track to improve its Return on Funds Employed in the coming years.

Regional results commentary

If the New Zealand dollar had remained unchanged over the year EBITDA was up 28.6%. This was the result of improved margins in the second half of the financial year and the realisation of restructure benefits.

Overall volumes were down 1% as lower coating resins volumes offset growth in composite (i.e. fibreglass) resin volumes. Positively, Nuplex's Composites business performed strongly.

ANZ making progress towards delivering sustainable returns

There is no doubt that the ANZ business has improved its financial position over the past year. It is pleasing to see the tough decisions and hard work undertaken over the past three years to reduce the region's manufacturing capacity by 30% and remove overhead costs starting to realise benefits.

Still, the business remains in turnaround mode and the team is committed to improving profitability. We are implementing a number of further initiatives to improve customer service, continue to reduce costs and optimise our supply chain. As a whole, the region has been through considerable change, but the momentum achieved in the 2015 Financial Year has the team encouraged to continue delivering and securing Nuplex ANZ's position as the leading domestic resins supplier in the region.

For more on the activities undertaken as part of the reshaping of Nuplex ANZ, please see the story on page 12.

Disposal of surplus property

We are undertaking a program to dispose of surplus property in ANZ.

During the year, the program commenced with the sale of the site in Wangaratta in regional Victoria, Australia, for $0.5 million. This site became surplus following its closure as part of the ANZ restructure. Also during the year, the site at Seven Hills in Sydney, Australia, was sold for A$9.2 million. Realising a loss on sale of NZ$3.7 million after-tax in the 2015 Financial Year, the cash proceeds of $9.1 million are expected to be realised in the 2016 Financial Year.

We expect to realise approximately $20 million in cash proceeds over the next two years.

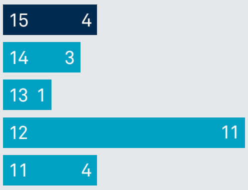
Operating and Financial Review

Safety, Health & Environment

This year we continued to progress towards our safety vision of 'Zero Harm' to our employees, communities and the environment in which we operate.

Lost Time Injuries (LTI)

A Lost Time Injury is a work-related injury that results in an employee being unable to work for at least one shift.

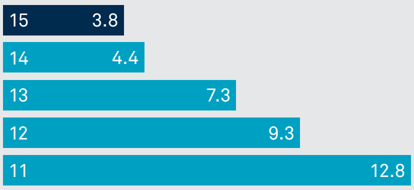


Lost Time Injuries Frequency Rate (LTIFR)

This is the number of lost time injuries per million hours worked.

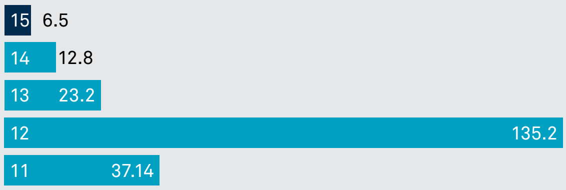
Total Reportable Injury Rate (TRIR)

This is the sum of LTIs, medical treatment injuries and restricted work cases per million man hours worked.



Injury Severity Rate (ISR)

This is the number of days lost due to LTIs per million hours worked and gives the measure of the seriousness of work injuries and the impact of the return-to-work program.



Energy Consumption Rate (GJ/T)

This is the total consumption of energy from natural gas, petroleum fuel oils and electrical power supply per tonne of product produced.

Water Consumption Rate (M^3/T)

This is the total water used in the process which is not harvested and/or recycled per tonne of product produced.

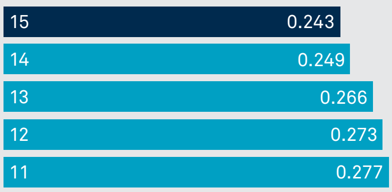
Waste Generation Rate (KG/T)

This is the total waste arising from the operations and which leaves the sites for further treatment and disposal, per tonne of product produced.

Greenhouse Gas Emission Rates

(tonnes of CO_2e/production tonne)

This is the total emissions mass produced by the operations, expressed in CO_2 equivalents, per tonne of product produced.



Operating and Financial Review

Safety, Health & Environment

During the year we continued with our unrelenting focus on achieving our safety, health and environment vision of 'Zero Harm' to our employees, communities and the environment in which we operate.

Over the past five years we've been progressing towards the achievement of 'Zero Harm' through an integrated strategy. Centred on the key themes of people, procedures and plants and products, the strategy concentrates on three areas:

1. Implementing consistent procedures globally;
2. Embedding a safety culture through leadership, employee participation, effective communication and continuous improvement; and
3. Implementing best practice engineering and product standards.

Our integrated approach recognises that, in addition to concentrating on reducing injuries, we need to focus on preventing high consequence events such as major fires, fatalities or environmental incidents. We are confident that through having committed leadership and a safety focused culture which uses good risk management principles such as incident reporting and investigation, 'Zero Harm' is an achievable outcome.

Personal safety

—Performance

We continued to work towards achieving 'Zero Harm' firm in our belief that all accidents are preventable. This belief drives our approach to Safety, Health & Environment (SHE) management, which when combined with our emphasis on continuous improvement, underscores our activities to improve our SHE performance.

Pleasingly, our continued efforts resulted in fewer injuries during the year, and, for the fifth year in a row - there was an improvement in Nuplex's Total Reportable Injury Rate for employees per million hours worked (TRIFR), which decreased to 3.8 from 4.4 last year.

In the prior financial year, Nuplex had achieved a TRIFR of less than 5 for the first time in the Company's history. In the 2015 Financial Year, it was important that this measure continued to show improvement, so that we can be confident that the actions being taken to improve our safety performance are delivering a sustained improvement.

During the year, there were no contractor lost time injuries on any site. This included the sites where major construction work was being undertaken, including Wacol in Australia, Changshu in China and Surabaya in Indonesia.

For the second year in a row, the region that achieved the greatest improvement in its safety performance was ANZ. The region's TRIFR continued to trend downwards, and for the first time in a number of years both Penrose in New Zealand and Wacol in Australia are over 1,000 days Lost Time Injury free.

—Progress

Nuplex has 16 manufacturing locations spread across Europe, Asia, North America and Australia & New Zealand. That 11 of these sites have been Lost Time Injury free for three or more years is a testament to the commitment of all Nuplex employees to their own and their colleagues' safety. These 11 sites are noted in Table 1.

During the year, we maintained our focus on identifying risks through safety observations and near-miss reporting. SHE managers from across the Group had the opportunity to share best practice and their own personal learnings in relation to these activities, during the global SHE managers meeting in Germany, held at the beginning of 2015.

Work continued to deploy our global management system, and the roll out of the standardised model procedures continued. To ensure the implementation of these model procedures is occurring, and in accordance with risk management best practice, we continued with our cross regional SHE audits. These were held at a range of locations including Silvertown in England, Penrose in New Zealand, and Bergen op Zoom in The Netherlands. Pleasingly, the audit process found that all audited sites continue to adhere to the Nuplex Safety, Health and Environment policy and did not uncover any previously unknown risks.

—Building on progress to date

Whilst our safety performance has been improving in recent years, we know we still have more work to do.

Over the last five years, across the organisation, safe processes have been embedded together with a deeper understanding of safety risks. With this foundation in place,we are developing a preventative mindset with the roll out of an extended set of safety leading indicators.

Across the Group, a core set of leading indicators will be used. Recording of these indicators began 1 July 2015. The eight leading indicators that will be measured at all Nuplex sites are:

- Number of SHE Committee Meetings
- Number of Toolbox Talks held
- Number of Safety Observations conducted
- Rolling 12-month Safety Observation Contact Rate
- Number of Near-Miss reported
- Number of First Aid Injuries (non-reportable injuries)
- Number of Loss of Containments (Category 0 and greater)
- Number of Emergency Drills conducted.

Environment

Nuplex knows that, as a chemical manufacturer, we have a responsibility to reduce our environmental impact wherever we can.

During the year actions taken to reduce Nuplex's impact on the environment included:

- At Surabaya, Indonesia: Following the upgrade to the site's waste water treatment plant, the quality of the water discharged from this site has improved. A similar project will commence at Nuplex's major manufacturing site in Vietnam in the 2016 Financial Year.
- At Foshan, China: This site has reduced its vapour emissions following an enhancement in processes on-site that results in more vapours being converted to liquid, and thus not released into the atmosphere.

Table 1: Sites within Nuplex that are Lost Time Injury Free for three years or more

Surabaya	Indonesia
East St. Louis	Illinois, U.S.A.
Bergen op Zoom	The Netherlands
Suzhou	China
Springvale	Australia
Louisville	Kentucky, U.S.A.
Silvertown	United Kingdom
Wacol	Australia
Penrose	New Zealand
Bitterfeld	Germany
Bien Hoa	Vietnam

Contamination

Over the 2015 Financial Year, there were no major Loss of Containment incidents.

The sites in Onehunga, New Zealand, and Wangaratta, Australia, were decommissioned in the prior financial year as a result of the ANZ restructure. At Onehunga, work is currently being undertaken to enable Nuplex to exit its lease of this site, whilst the Wangaratta site was sold for A$0.5 million in June 2015.

At Nuplex's two sites in North America, improvements to the secondary containment systems for bulk tanker unloading were undertaken. The improvements will provide further protection against any potential spills that occur during the unloading of bulk raw materials being delivered to the site.

Compliance

Nuplex cooperates with regulatory authorities to ensure it remains in full compliance with local regulatory requirements and licensing conditions. During the 2014 Financial Year, Nuplex maintained its operational certificates at all sites.

In Asia, Nuplex's site in Indonesia received the government-awarded SMK3 Compliance Certificate. This was awarded following an audit of its health and safety management system, in which the site was highly rated.

Within China, the Suzhou site received the internationally applied standard for occupational health and safety management systems, OHSAS 18001. Also, for the first time, Nuplex's site in southern China, Foshan, was certified for ISO14001, Environmental Management System – which is an internationally recognised environmental management standard.

Nuplex's insurers undertook major audits at five Nuplex sites including: Botany, Springvale, and Wacol in Australia, Penrose in New Zealand and Bergen op Zoom in The Netherlands. The audits focus on risk management and provide valuable third-party input into our process safety improvement program.

In addition to the insurers audit, the Bergen op Zoom site in The Netherlands, successfully passed the Seveso II audits undertaken by regulatory authorities. The Seveso II directive is part of the regulatory environment employed by the European Commission. It is aimed at the prevention of major accidents and to limit the consequences thereof.

Work at the Bergen op Zoom site to comply with newly introduced fire regulations by The Netherlands government continued. Nuplex expects the work required to comply with the new regulations to be completed within the next few years.

Operating and Financial Review

Risk Report

Significant risks

Nuplex has adopted a risk management framework which sets out the processes for the identification, management and reporting of risks throughout the Nuplex Group. Further details of the framework are set out in section 10 of the Corporate Governance Report on page 41.

As a result of the implementation of the risk management framework, risks affecting the business and operations of the Group have been identified and recorded. Risks are monitored on a continuous basis and formal reporting is undertaken on a quarterly basis at site, management and executive level, and to the Board.

Risks are categorised as operational, strategic, financial or compliance. Taking into account existing controls and risk treatment plans, each risk has been assessed in terms of its likelihood and impact/consequence on the Group and a risk profile matrix has been produced which assists in the prioritising, management and monitoring of risks. The risk profile is reviewed on a quarterly basis.

Material risks faced by the Group which are likely to have an impact on the financial prospects of the Group, and how the Group manages these risks, include:

—Market risk

The risk arising from adverse economic conditions and cycles in the geographical markets in which the Group operates which may have the ability to impact the achievement of financial and budgetary objectives and targets. The Group manages this risk through controls on operational and capital expenditure and by controlling working capital levels. In addition, as part of the Group's strategy development process, key economic and environmental drivers that impact, or are likely to impact, the Group's business are identified so as to enable the formulation of appropriate response strategies. Other risk management controls include the implementation of global procurement reporting processes and treasury policies for the hedging of raw material purchases and sales contracts.

—Strategy and execution

The risk of not having effective strategies in place to drive and guide the Group's growth and development as well as the Group's performance across a range of areas including sales and profit growth, innovation and safety improvement. This is an ongoing risk which has the ability to impact the achievement of business planning, financial and growth objectives.

The Group has addressed this risk in a number of ways including:

- The development and implementation of overlay structures in key areas spanning the Group's operations including procurement, global accounts, technology and across product groupings;
- The ongoing review of the Group's growth strategy including by way of organic growth, market acquisition and divestiture as well as a focus on portfolio performance and development; and
- The development of a structured and rigorous M&A process – including M&A strategy, target monitoring, pre-merger integration planning and post-acquisition integration.

—Treasury risk

This refers to certain ongoing financial risks associated with liquidity management; foreign exchange and interest rate fluctuation; the effective management of capital; and securing access to debt finance at competitive rates. Nuplex has in place a Treasury Management policy which details the objectives and approach that the Nuplex Group adopts in the treasury management process. The role of the Treasury function within Nuplex is to reduce exposure to financial and pricing risks; to ensure that the Group has sufficient financial resources to meet its commitments; and that the capital structure is appropriate for the Group. Key areas of focus in the management of treasury risk are:

- **Funding risk management** which aims at ensuring that Nuplex has available the appropriate level of funding to meet overall business objectives;
- **Liquidity risk management** to ensure that Nuplex has sufficient funds available to meet its financial obligations in a timely manner;
- **Foreign exchange risk management** which is conducted with the aim of protecting Nuplex's financial performance from adverse currency movements relating to the day-to-day operations of the business. Nuplex does not actively pursue a hedging policy in relation to the translation into New Zealand dollars of earnings generated outside New Zealand; and
- **Counterpart risk management** which requires that all treasury transactions are undertaken with an approved counterparty of appropriate credit rating and quality.

—Safety

The risk of life-threatening or serious injury at a Nuplex site. Initiatives aimed at controlling this risk include such things as:

- The implementation of a Group SHE Management System;
- The development and implementation of safety-related performance indicators and evaluation tools;
- The introduction of enhanced policies relating to the use of Personal Protective Equipment; and
- The development and implementation of new site traffic safety rules.

This risk is expected to decline gradually as Nuplex continues its focus on achieving and maintaining its goal of 'Zero Harm'.

—Environmental

The risk arising from significant loss of containment, emissions and waste management which may impact Nuplex's ability to continue operating at a particular site and therefore affect operating results. The Group has in place a number of controls and risk treatment plans which operate across the Group and at individual site level. These include such controls and initiatives as:

- The development and continuous review of SHE policies and procedures incorporating SHE risk assessment and reviews and the design and implementation of a Group SHE Management System;
- Process safety management including HAZOP and Change Management processes;
- The development of process control standards and Safety Observation programs;
- The use of licensed waste treatment facilities and contractors; and
- The development of asset integrity testing programs to identify assets at risk of potential failure and plans for timely replacement.

This risk may decline to a gradual degree as Nuplex's controls and initiatives continue to be implemented and embedded across the Group.

—People capability

Nuplex is subject to the risk of not attracting, developing and retaining high-performance individuals and of ensuring that succession planning is managed effectively so that talented and promising individuals are able to be developed and promoted within the Group. This could result in Nuplex not having the highest calibre of people to meet its business and growth objectives. To manage this risk, actions have been taken which include the formulation and implementation of a Group HR strategy incorporating policies and procedures covering talent management, succession planning, diversity, remuneration and performance management. This risk is ongoing and is not expected to decline to any significant degree.

Risks are monitored on a continuous basis and formal reporting is undertaken on a quarterly basis at site.

Board of Directors

Peter Springford

Chairman and Independent Director,
based In Auckland, New Zealand

Peter joined the Nuplex Board in 2009 and became Chairman in December 2013. Peter is a member of the Human Resources, Safety, Health & Environment, Audit and Nominations Committees.

Peter has extensive experience in managing companies in Australia, New Zealand and Asia. For five years, Peter was the Hong Kong-based President of IP Asia, a subsidiary of major US-listed forestry company, International Paper. During this time, Peter built a US$500 million business for IP through the development of three greenfield plants in China, joint ventures in Japan, Korea, India, Taiwan and the Philippines and acquisitions within the region.

On returning to New Zealand in 2002, Peter was Chief Executive Officer of listed forest products company, Carter Holt Harvey (CHH). Following the acquisition of CHH by Rank Group in 2006, Peter co-invested with CVC Capital Partners, an international private equity firm, in the purchase of Carter Holt Harvey's Chinese panels business. He has also chaired, co-invested and successfully sold for CVC two other Asia-based businesses, one of which was listed on the HK Stock Exchange. He has since invested in and is involved in the running of two entrepreneurial New Zealand-based companies – New Zealand Frost Fans and New Zealand Wood Products.

Peter is a Non-Executive Director of The New Zealand Refining Company Ltd, Chairman of the board of private industrial company, McKechnie Aluminium Solutions Ltd and is a trustee of The Graeme Dingle Foundation.

He is also Chairman of Interplex Holdings Limited, listed on the Singapore exchange and a chartered member of the New Zealand Institute of Directors.

Emery Severin

CEO and Executive Director,
based In Sydney, Australia

Emery has been on the Board since 2010 when he joined Nuplex as Managing Director and Chief Executive Officer. He is a member of The Nominations Committee.

With over 20 years in senior management roles in the steel, and building and construction industries, and now over five years in the chemicals industry, Emery brings his strong leadership experience to Nuplex. During his career, Emery has managed businesses located in Australia, SE Asia and America. Emery has extensive experience in executing business improvement programs, developing new geographic and product markets, as well as managing significant capital expansion projects and acquisitions.

Prior to joining Nuplex, Emery spent 14 years with Australia's leading international building materials company, Boral Limited, during which time he ran the Australian construction materials and American building materials operations. Before joining Boral, Emery spent 10 years working for BHP Steel in a range of line management roles including the management of their SE Asian operations and their Steel Making & Casting operations in Newcastle, Australia. Between 1977 and 1986 Emery was an Australian Army officer, and pursued his studies in chemistry, winning a Rhodes Scholarship to obtain his D. Phil in physical chemistry at Oxford University. In 2007, Emery completed Harvard Business School's Advanced Management Program and is a member of the Australian Institute of Company Directors.

Rob Aitken

Independent Director,
based In Sydney, Australia

An experienced Non-Executive Director of ASX and NZX listed and private equity funded companies, Rob joined the Nuplex Board in July 2006, and was Chairman between November 2008 and November 2013. Rob is a member of the Audit, Human Resources, Safety, Health & Environment and Nominations Committees.

An analytical chemist and chemical process engineer, Rob has over 25 years' experience in senior management roles with international firms in the manufacturing and industrial marketing sectors. Having managed businesses located throughout Australia & New Zealand, America, Europe and Asia, Rob brings to the Nuplex Board his extensive experience in managing technology-based businesses, overseeing business improvement programs and managing significant capital projects and capital raisings. With a strong background in developing market-driven strategies for growth and business management, Rob is also experienced in divestments and acquisitions.

Most recently, he was an Executive General Manager at Southcorp Water Heaters and Southcorp Appliances, accountable for manufacturing-based businesses in the U.S.A., Australia, New Zealand, Italy and China. Prior to that, Rob was President of Formica Corporation in North America and Europe with responsibility for businesses in the U.S.A., Canada, France, Spain and the UK. In these roles, he also chaired joint ventures in China, Germany and the Philippines.

Rob is also a Non-Executive Director of SAI Global Limited, an international information services and solutions business also listed on the ASX.

Barbara Gibson

Independent Director,
based In Melbourne, Australia

Barbara joined the Nuplex Board in September 2008 and is Chairman of Nuplex's Human Resources Committee and a member of the Safety, Health & Environment and Nominations Committees.

A former senior executive with Orica Limited (previously ICI Australia), she was previously Group General Manager, Chemicals Group. She has extensive experience in the chemicals sector and in the development of technology-based businesses in Australia and overseas, including substantial experience in mergers and acquisitions. Barbara has managed large operational business units in diverse geographies including Australia & New Zealand, Asia, Europe, Americas and Latin America. She has strong experience in leading and managing organisational change, asset optimisation programs and developing global technology businesses from patented technology.

Barbara is a Non-Executive Director of GrainCorp Limited, and Chairman of Warakirri Asset Management Pty Ltd. A clinical biochemist, in 2003 Barbara received the Centenary Medal for services to Australian Society in Medical Technology. She is a member of the Australian Academy of Technological Sciences and Engineering and a member of the Australian Institute of Company Directors.

David Jackson

Independent Director,
based In Auckland, New Zealand

David is a former New Zealand Chairman and Audit Partner of international accounting firm Ernst & Young.

Having joined Nuplex in November 2006, he brings his strong financial and corporate governance skills to the Board. David is the Chairman of the Audit Committee and a member of the Nominations Committee.

During his professional career with Ernst and Young, David gained experience in Asia, the UK, U.S.A. and South America. Working with major national and international clients for over 30 years, David has developed his extensive experience in corporate governance, capital structures, reporting requirements, audit and risk management.

David is a Director of Mitre 10 (New Zealand) Limited, and an Independent Director of the Fonterra Co-operative Group Limited. He has been a member of the New Zealand Institute of Chartered Accountants since 1975 and was awarded an Institute Fellowship in 1994. He is also Chairman of The Dame Malvina Major Foundation.

Mary Verschuer

Independent Director,
based in Sydney, Australia

Mary joined the Nuplex Board in 2015. An industrial chemist with over 30 years' experience in chemical and industrial businesses, Mary has extensive experience in driving business performance through innovative R&D and integrating acquisitions.

As President, Mining for the Schenck Process Group, a global engineering firm specialising in measuring and process technologies in industrial weighing, feeding, conveying, screening, automation and air filtration technology, Mary has responsibility for their global mining business. She also holds the position of Managing Director of the Australian operations of Schenck Process GmbH.

Mary holds a Bachelor of Applied Science (Chemistry) from the University of Technology, Sydney. She also holds a Master of Science and Society from the University of New South Wales, a Master of Business Administration from Macquarie University and a Master of Arts (Research Methods), also from Macquarie University. She is a graduate member of the Australian Institute of Company Directors.

Executive Team

Emery Severin

CEO and Managing Director, based In Sydney, Australia

See previous page for details.

Clive Cuthell

Chief Financial Officer, based in Sydney, Australia

Clive joined Nuplex in 2014. He is a Chartered Accountant with over 20 years' experience. Previously, Clive has held roles as Chief Financial Officer of Holcim Australia, General Manager of Finance for Stockland Residential and Chief Financial Officer of Rinker Group's construction materials business in Australia and China.

Clive holds a Bachelor of Arts in Accountancy & Finance from the Heriot-Watt University in Edinburgh and is a member of both the Institute of Chartered Accountants of Scotland and Chartered Accountants Australia & New Zealand.

Paul Davey

Vice President, Human Resources, based in Sydney, Australia

Paul joined Nuplex in 2010.

Previously Paul has held HR leadership positions in multinationals such as Nestlé, Glaxo Wellcome, and senior consulting roles within Ernst & Young and Mercer.

These roles have all had regional accountability – based in Australia, Switzerland, the UK and South Africa.

Paul has a BA and Post Graduate Honours Degree in Business Administration.

Ruben Mannien

Regional President – Asia, based in Singapore

Having joined Akzo Nobel as a member of their graduate recruitment program in 1997, Ruben joined Nuplex following the acquisition of their coating resins operations in 2005.

Prior to being appointed Regional President for Asia in 2011, Ruben was General Manager for China for three years, and before that, General Director in Vietnam for three years.

Before moving into senior management roles in Asia, Ruben held a number of global raw material procurement roles.

Ruben has a Master of Science in Industrial Engineering and Management Science from Eindhoven University of Technology, in The Netherlands.

James Williams

Vice President, General Counsel and Company Secretary, based in Sydney, Australia

James joined Nuplex in 2009 in the role of General Counsel and Company Secretary. He has over 25 years' experience in commercial law and corporate administration, and has worked as legal counsel and company secretary in a number of large publicly listed companies and major corporates.

James was previously a partner in a medium-sized law firm in Sydney before leaving private practice to work in-house.

James holds degrees in Commerce and Law and is a Fellow of both The Governance Institute of Australia and Chartered Secretaries Australia.

William Weaver

Vice President, Technology & Strategy, based in Bergen op Zoom, The Netherlands

William has been overseeing Nuplex's global R&D activities since 2008, having previously been Nuplex Resins' European R&D manager. He holds a BSc. (Hons) Chemistry from the University of Lancaster and a MSc. in Polymer Science and Technology from the London School of Polymer Technology.

During his career, William's areas of focus have spanned several of Nuplex's key product areas including powder coatings, automotive in-mould and industrial coatings, as well as composite resins.

William joined Nuplex following its acquisition of Akzo Nobel's Coating Resins operations in 2005, having joined Akzo Nobel in 1994.

Clive Deetlefs

Vice President Operations, based in Melbourne, Australia

Clive joined Nuplex in 2010. He is a Chartered Professional Chemical Engineer and also has a Bachelor's Degree in Accounting and Business Economics. In addition he is a Certified Six Sigma Master Black Belt.

Clive has over 25 years' experience in senior manufacturing roles including process and project engineering, multi-plant operational management, and regional supply chain operations.

He has global experience, having worked in South Africa, the UK, The Netherlands, the United States, Asia, as well as Australia.

Prior to joining Nuplex, Clive was the Global Six Sigma and Lean Manufacturing Lead for Monsanto, based in the United States.

Mike Kelly

Regional President – Americas, based in Louisville, U.S.A.

Mike joined Nuplex through the acquisition of Akzo Nobel's Coating Resins operation in 2005 and has over 30 years' experience in the coatings industry.

Before being appointed to Regional President, Americas, in 2011, Mike had been running Nuplex's North and South American resins operations since 2002.

Mike holds a Bachelor in Business Administration from the University of Illinois, and graduate MBA studies from Northwestern University.

Paul Kieffer

Regional President – Europe, Middle East & Africa, based in Bergen op Zoom, The Netherlands

Paul joined Nuplex through the acquisition of Akzo Nobel's Coating Resins operations in 2005.

Paul joined Akzo Nobel in 1987 and was appointed General Manager of the European Resins operations in 2002, and held this role until his appointment to Regional President in 2011.

Throughout his career he has held a number of roles in production, sales and marketing as well as senior management.

Paul has a Master of Science in Mineral Processing and Metallurgy from the Technical University, Delft in The Netherlands.

Zel Medak

Vice President & General Manager, ANZ Resins

With over 25 years' experience in the coatings sector, Zel joined Nuplex from Akzo Nobel, where he held the position of General Manager Powder Coatings, ANZ and South East Asia. Prior to being appointed to Vice President & General Manager, ANZ Resins in 2014, Zel was the General Manager for Composites and Construction Products ANZ.

Zel started his career as a development chemist and progressively worked through a series of different commercial roles in the packaging, protective and specialty coatings markets before moving into senior management positions. He holds a Bachelor of Applied Science in Chemistry from Victoria University and has also completed a Business Management course with INSEAD Business School Fontainebleau.

Josie Ashton

Director, Corporate Communications, based in Sydney, Australia

Josie was appointed Director, Corporate Communications in 2012, having joined Nuplex in 2010 as Investor Relations and Communications Manager.

Josie has experience in investor and media relations, employee communication and engagement, public affairs and reputation management, having held a range of communication roles with Challenger Financial Services, Macquarie Bank and the Westpac Group.

She began her career with JPMorgan in institutional sales of Australian equities.

Josie has a Bachelor of Commerce from Sydney University, a Postgraduate Certificate in Applied Finance from Macquarie University and has completed FINSIA's Graduate Diploma in Applied Finance and Investment.

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1. Introduction

Nuplex Industries Limited (Nuplex) is listed on the New Zealand Stock Exchange (NZX) and the Australian Securities Exchange (ASX).

Nuplex has adopted the following governance principles as the benchmark against which it will implement its governance principles and practices:

- The NZX Corporate Governance Best Practice Code;
- The New Zealand Financial Markets Authority's Governance Principles and Guidelines; and
- The ASX Corporate Governance Principles and Recommendations (3rd Edition).

This report contains details of Nuplex's corporate governance practices.

2. Role and Function of Board of Directors

The Board of Directors (the Board) of Nuplex is elected by shareholders to direct and supervise the management of the Company.

The Board establishes the strategic direction and objectives of the Company and sets the policy framework within which the Company will operate. The Board appoints the Chief Executive Officer, delegates appropriate authority for the management of the Company, and monitors management's performance on a regular basis.

Nuplex has formally established the functions reserved for the Board. These are contained in the Board of Directors Charter which is available in the Investor Relations section of the Company's website (www.nuplex.com).

3. Role and Function of Senior Management

The Board has delegated to the Chief Executive Officer, responsibility for the conduct of the affairs and day-to-day management of the Company. Delegation is subject to matters reserved for Board approval as detailed in the Board of Directors Charter.

In addition, there are 10 executives reporting to the Chief Executive Officer who have been delegated the responsibility for managing key areas of the business including: operations and production facilities, raw material purchasing, sales, marketing, distribution, technology, research & development, financial and treasury management, strategic planning, human resources, legal and compliance, investor relations, regulatory affairs and corporate governance.

The performance of the Chief Executive Officer and senior executives is reviewed periodically by the Board, and by the Chief Executive Officer in respect of executives against appropriate measures set by the Board, the Chief Executive Officer and the Human Resources Committee relative to the executive's role. The Human Resources Committee has oversight in relation to the setting of goals to be achieved by senior executives in connection with both short-term and long-term incentive schemes and monitors the performance of senior executives in relation to the achievement of those goals. In accordance with this process, a performance evaluation for senior executives has taken place during the reporting period.

During the year under review, the executive management structure of the Group was as follows:

Executive management structure of the Group

Emery Severin
Managing Director & Chief Executive Officer

Regional Presidents	Group Heads
Mike Kelly – Americas Also responsible for • Global performance coatings development • Global key accounts	Josie Ashton – Director Corporate Communications
Paul Kieffer – Europe, the Middle East & Africa Also responsible for • Global powder coatings development • Global Procurement Council Chairman	Clive Cuthell – Chief Financial Officer (From December 2014 following the retirement of Ian Davis)
Ruben Mannien – Asia Also responsible for • Global water borne products development	Paul Davey – Vice President, Human Resources
Zel Medak – ANZ (Formerly Vice President & General Manager ANZ Resins until the sale of the ANZ Specialties & Masterbatch businesses, completed 28 November 2014)	Clive Deetlefs – Vice President, Operations
Ivan Tottle – Vice President and General Manager ANZ Specialties (Until the sale of the ANZ Specialties & Masterbatch businesses, completed 28 November 2014)	William Weaver – Vice President, Technology & Strategy
	James Williams – Vice President, General Counsel & Company Secretary

Corporate Governance Report continued

Regional Presidents have responsibility for the day-to-day management of the business in each of their respective regions. Other responsibilities which are global responsibilities are as set out above for each Regional President. Corporate Group Heads have responsibility for managing the Group functions as reflected in each Group Head's title. In addition, Group Risk and Compliance functions are managed by the Vice President General Counsel.

The Company Secretary's role includes: advice to the Board and Board Sub-Committees in relation to governance matters; monitoring that board and committee policy and procedures are followed; co-ordinating the timely completion and despatch of board and committee papers; ensuring that the business at board and committee meetings is accurately captured in the minutes; helping to organise and facilitate the induction of Directors and, as required, professional development of Directors. Each Director is able to communicate directly with the Company Secretary and vice versa.

Written agreements between the Company and each senior executive govern the terms of employment of each.

4. Board Structure

The Board is presently comprised of a majority of five Non-Executive Directors, all of whom are independent Directors. The Chief Executive Officer, Emery Severin, is the only executive Director. Non-Executive Directors are selected to ensure that a broad range of skills and experience is available. Mr Peter Springford is the current Chairman. Each Director has entered into a written agreement as to the terms of his or her appointment as Director. Nuplex conducts a form of induction process for new Directors and appropriate professional development opportunities are available for Directors.

During the period under review, Mr Jeremy Maycock resigned as a Director with effect from 1 November 2014, and Ms Mary Verschuer joined the Board on 1 March 2015. The Company has announced the appointment of Mr John Bevan as a Director effective 1 September 2015. Mr Aitken has announced his intention to retire as a Director with effect from the Annual General Meeting on 4 November 2015.

The Board meets in accordance with a schedule prepared well in advance of the start of each calendar year, rotating between the Auckland Office and other overseas facilities. This enables Directors to become familiar with the Group's market environment and manufacturing operations and to meet employees and customers. Board meetings follow procedures that ensure that all Directors have the necessary information to participate in an informed discussion on all agenda items. Senior managers make direct presentations to the Board on a regular basis to give the Directors a broad exposure to management philosophies, capabilities and the key issues facing the business and actions taken to address them.

Any Director is entitled to obtain professional advice relating to the affairs of the Company or to his or her other responsibilities as a Director. The full provisions in this regard are set out in the Board of Directors Charter and other Board Committee Charters.

The Board has established that all Non-Executive Directors are independent after taking into consideration their associations as Directors and shareholders of the Company and as Directors, officers or shareholders of other organisations. Details of the Directors' skills and experience, period of appointment and their interests are disclosed on pages 100 to 101 of this report.

The Board has instituted a system to review annually the performance of the Board, its Committees and individual Directors. This process involves peer review and one-on-one consultation between the Chairman and individual Directors. A senior Non-Executive Director leads the annual review of the performance of the Chairman. In accordance with this process, an evaluation of the Board, its Committees and the performance of Directors (including the Chairman) took place within the reporting period.

The Board has held 11 meetings during the year ended 30 June 2015 with attendances recorded as follows:

Name of Director	No. of Meetings Attended
R M Aitken	11/11
B J Gibson	10/11
D A Jackson	11/11
J C R Maycock	3/3
E S Severin	11/11
P M Springford	11/11
M J Verschuer	4/4

(Denominator indicates the number of meetings which took place in the period during which the Director held office)

The Board has developed a board skills matrix which sets out the mix of skills and diversity that the Board has and would seek to replicate for the purposes of succession planning. The matrix is set out in collective form as follows:

Skills Required	Collective Skills Provided by the Board
Global Mindset	All of the Directors have had sound and in most cases extensive experience in the management of international operations covering all major industrialised regions.
Financial Governance	A majority of the Directors have had extensive experience on the boards of listed entities and experience in senior management roles. One has been the country Chairman and Audit Partner of a major international accounting firm.
Capital Management	Four of the Directors have had significant experience in capital management throughout their careers. One has led the corporate advisory group of a major international chemicals manufacturer.
M&A	All of the Directors have had significant experience in the area of M&A throughout their working careers. Several have cited experience in this area as Directors of listed entities.
Divestments	Four of the Directors have had significant experience in the area of divestments throughout their working careers. Several have additional experience in this area as Directors of listed entities.
Fundraising	Four of the Directors have had wide-ranging experience in the area of fundraising through their working career. Several have additional experience in this area as Directors of listed entities.
Debt Financing	All of the Directors have had wide-ranging experience in the area of debt financing through their working career. Several have additional experience in this area as Directors of listed entities.
Balance Sheet Management	All of the Directors have had wide-ranging experience in the area of balance sheet management through their working career. Several have additional experience in this area as Directors of listed entities.
Private Equity	Several Directors have had extensive experience in dealing with Private Equity both from the perspective of operating businesses that were owned by PE and in connection with the acquisition and sale of businesses by PE.
Strategy Sustainability	All of the Directors have had significant experience in the area of Strategy Sustainability throughout their working careers. Several have cited experience in this area as Directors of listed entities.
Operations and Asset Optimisation	All of the Directors have had significant experience in the area of Operations and Asset Optimisation throughout their working careers. One has also cited experience in this area as a Director of publicly listed entity.
Project Management	All of the Directors have had significant experience in the area of Project Management throughout their working careers.
Chemical Industry Knowledge	Three of the Directors have relevant and in several cases extensive chemical industry knowledge gained throughout their working careers.
Executive Remuneration	All of the Directors have had significant experience in the area of Executive Remuneration, in the majority derived principally from their experience as Directors of listed entities.
Human Capital	All of the Directors have had significant experience in the area of Human Capital throughout their working careers.
Customer Experience	All of the Directors have had significant experience in the area of Customer Experience throughout their working careers.

Corporate Governance Report continued

5. Board Committees

The Board has the following standing committees. The Chairman, Mr Peter Springford, is an ex-officio member of all Board committees. Non-members of Board committees have a standing invitation to attend meetings of all Board committees.

Nomination Committee

The Board's practice has been that the full Board constitutes the Nomination Committee. From time to time the Board establishes a sub-committee to carry out the responsibilities of the Nomination Committee.

The responsibilities of the Nomination Committee include the identification and nomination of suitable candidates to fill board vacancies as they arise. The policy and selection process for the appointment of Directors includes an evaluation of the skills, knowledge and experience of current Directors, an evaluation of the competencies required of prospective Directors and the evaluation of prospective candidates against these requirements. A similar evaluation occurs in connection with the re-election of Directors to ensure that the Board has the requisite range of skills and experience. In determining the mix of skills, the Nomination Committee and the Board will have regard to the objectives sought to be achieved in accordance with the Company's Diversity Policy.

A description of the procedure for the selection and appointment of new Directors, including the policy for the nomination and appointment of Directors, is set out in the Nomination Committee Charter which is available in the Investor Relations section of the Company's web site (www.nuplex.com).

The Nomination Committee met on four occasions in connection with the selection and appointment of new Directors. All Directors were in attendance at these meetings with the exception of one meeting which Ms BJ Gibson was unable to attend.

Audit Committee

The Audit Committee is comprised of three independent, Non-Executive Directors, of whom one is the Company Chairman, ex officio. The Chief Executive Officer, the Chief Financial Officer, the internal auditor and the external auditors attend meetings by invitation.

The composition of the Audit Committee during the last financial year was David Jackson (Committee Chair), Rob Aitken and Peter Springford. The qualifications of the members of the Audit Committee are disclosed on pages 30 to 31 of this report.

The Audit Committee met on four occasions during the year ended 30 June 2015 with attendances recorded as follows:

Name of Director	No. of Meetings Attended
R M Aitken	4/4
D A Jackson	4/4
P M Springford	4/4

(Denominator indicates the number of meetings which took place in the period during which the Director was a member of the committee.)

The Committee has direct communication with and unrestricted access to the Group's external auditors, the internal auditor and internal accounting staff.

The Committee's responsibilities include:

- Reviewing the half yearly and annual financial statements and reports and advising all Directors whether they comply with the relevant and appropriate laws, regulations and recognised accounting policies;
- Obtaining formal sign-off from the Chief Executive Officer and the Chief Financial Officer that the Company's financial reports present a true and fair view in all material respects and are in accordance with applicable accounting standards;
- Oversight of compliance with statutory responsibilities relating to financial and stock exchange regulations and guidelines;
- Approval of other advisory services from the external auditor;
- Monitoring of corporate financial risk;
- Reviewing the Company's accounting policies and corporate and financial reporting requirements to ensure accuracy and timeliness and the inclusion of appropriate disclosures;
- Reviewing and approving Treasury Policy for recommendation to the Board and monitoring to ensure compliance;
- Oversight and monitoring in connection with the Group's financing and debt-funding facilities;
- Oversight and monitoring of the tax planning and tax management activities of the Group including the review, approval and monitoring of the Group's Tax Management Policy;
- To review the scope and outcome of the external audit; and
- To review the scope and outcome of internal audit activities.

The Committee reports the proceedings of each meeting to the Board.

The Audit Committee has the responsibility for making recommendations to the Board in connection with the appointment of the external auditor. The Audit Committee Charter requires the Audit Committee to ensure that the external audit lead partner's term is limited to five years.

The Audit Committee has a formal charter which is available in the Investor Relations section of the Company's web site (www.nuplex.com).

Human Resources Committee

In March 2012, the Committee's name was changed from Remuneration Committee to Human Resources Committee and its responsibilities were expanded to encompass the following:

- Assisting the Board in the establishment of effective remuneration policies and practices including the setting, and reviewing the effectiveness of, the remuneration, recruitment, retention and termination policies and procedures for senior executives;
- Making recommendations to the Board on all components of the remuneration of the Non-Executive Directors; and
- Reviewing and making recommendations to the Board in connection with the human resources policies and practices in the following areas:
  - Succession planning for executive and senior management roles;
  - Talent management including plans for appropriate development opportunities and training; and
  - Diversity.

During the year under review, the HR Committee approved for recommendation to the Board, the terms of a clawback policy allowing the Company to require the repayment of incentive remuneration by an executive.

The Human Resources Committee is comprised of three independent, Non-Executive Directors, of whom one is the Company Chairman, ex officio. The Chief Executive Officer is not a member of the Committee.

With regard to the setting of remuneration, the Human Resources Committee meets as required to review the remuneration of the Directors, the Chief Executive Officer and the senior executives reporting directly to the Chief Executive Officer, before making recommendations to the Board.

Remuneration packages are reviewed annually with the benefit of independent external advice to ensure that remuneration is competitive with like organisations within the jurisdiction in which an employee resides. The Human Resources Committee has taken steps to ensure that its approach to the appointment and use of remuneration advisers accords with legislative requirements in Australia.

During the last financial year, the Human Resources Committee was comprised of Barbara Gibson (Committee Chair), Rob Aitken, Jeremy Maycock (until his resignation as Director on 1 November 2014) and, ex officio, the Company Chairman, Peter Springford.

The Committee has met on three occasions during the year ended 30 June 2015 with attendances recorded as follows:

Name of Director	No. of Meetings Attended
R M Aitken	3/3
B J Gibson	2/3
J C R Maycock	1/1
P M Springford	3/3

(Denominator indicates the number of meetings which took place in the period during which the Director was a member of the committee)

The Charter of the HR Committee is available in the Investor Relations section of the Company's website (www.nuplex.com).

Safety, Health and Environment Committee

The Safety Health and Environment (SHE) Board sub-committee is comprised of four independent, Non-Executive Directors of whom one is the Company Chairman, ex officio.

The purpose of the Committee is to assist the Board in discharging its responsibilities by assessing and monitoring the effectiveness of the Company's safety, health and environment programmes, initiatives and policies with a view to ensuring compliance with all legislative and regulatory requirements.

The composition of the SHE Committee during the last financial year was Rob Aitken (Committee Chair), Barbara Gibson, Jeremy Maycock (until his resignation as Director on 1 November 2014), Mary Verschuer (from 1 March 2015) and, ex officio, the Company Chairman, Peter Springford.

The Committee has met on five occasions during the year ended 30 June 2015 with attendances recorded as follows:

Name of Director	No. of Meetings Attended
R M Aitken	5/5
B J Gibson	4/5
J C R Maycock	0/1
P M Springford	5/5
M J Verschuer	2/2

(Denominator indicates the number of meetings which took place in the period during which the Director was a member of the committee)

The Charter of the SHE Committee is available in the Investor Relations section of the Company's website (www.nuplex.com).

Special Board Sub-Committee

A Special Board Sub-Committee comprised of the Chairman, the Chairman of the Audit Committee and the Chief Executive Officer was formed on three occasions. On the first two occasions, the purpose of the Special Board Sub-Committee was to approve adjustments made to the accounts and results release documentation, following meetings of the Audit Committee and Board, and to approve the release of the final accounts and related documentation at the full-year and half-year, respectively. On the third occasion, the purpose of the Special Board Sub-Committee was to authorise the terms of a market release.

6. Code of Conduct

The Board has established a policy (Code of Conduct and Ethics Policy) to give guidance to its employees and Directors on how it expects them to conduct themselves when undertaking business on behalf of the Company.

The Board has also established a Whistleblower Policy to provide guidance and assistance to employees who may wish to disclose information that relates to wrongdoing in the workplace and related work environment.

The Code of Conduct and Ethics Policy is available in the Investor Relations section of the Company's web site (www.nuplex.com).

7. Diversity Report

Nuplex employs 1,733 people across four regions spanning 13 countries around the world. The geographic diversity of our people is indicated below.

Global Headcount by Region

Region	Employees	% of Employees
ANZ	440	25%
Asia	587	34%
EMEA	607	35%
Americas	109	6%
Total	**1,733**	**100%**

Nuplex appreciates the value inherent in a diverse workforce. Our diversity is represented in various ways including gender, age, origin, race, cultural heritage and language.

A significant example of this diversity is reflected in the range of spoken languages. In FY15, data show that 66% of our employees spoke a home language other than English. This is up from 57% in 2014. The range of languages spoken is as follows:

Language Diversity across Nuplex

Language	2015 %
English	33.9%
Dutch	17.9%
Mandarin	13.2%
Vietnamese	10.1%
German	9.5%
Bahasa Indonesia	6.2%
Russian	4.8%
Bahasa Malaysia	4.4%

Corporate Governance Report continued

Nuplex acknowledges that promoting diversity across the Nuplex Group ensures that the talents of all our people are maximised to the fullest to enable us to reach our corporate goals. To this end, Diversity has also been established as one of Nuplex's Core Values;

'We value diversity in culture, age, gender, thinking styles and preferences'.

In 2011, a Diversity Policy was adopted by the Board and specific goals were identified for the company. The goals are in two areas:

1. Targets aimed at increasing the percentage of women in management roles across Nuplex; and
2. Specific actions to promote and nurture all forms of diversity across Nuplex.

1. Gender Diversity Results

In FY2011, the percentage of females in the company was 20% globally and the percentage of females in senior management roles was 16.5%. At the end of FY2015, the overall percentage of females in the company has increased to 21.8%, while the percentage of females in management has increased to 27.7%.

Gender Diversity – Annual % Progression

Financial Year	% Females in Company	% Females in Senior Management*
2011	20.0%	16.5%
2012	20.0%	17.4%
2013	21.8%	18.8%
2014	22.9%	24.8%
2015	21.8%	27.7%

* Senior Management defined as the Nuplex Executive Team (NET), a direct management report to a NET member or a member of the top management team of a region or country.

The steady increase of females in management roles has been the result of proactive efforts to raise awareness of our gender diversity strategy combined with practical steps, such as ensuring that every senior management vacancy has a representative number of female candidates on the shortlist.

In 2015 a new female Non-Executive Director was appointed, improving the gender diversity at the Board level.

2. Diversity Promotion

To promote diversity globally across all our sites, a number of activities have been undertaken:

- Recruitment: An internal target was set whereby the Company aimed at ensuring that at least 50% of all short listed candidates for senior management roles would be female. In FY2015, 75% of all new senior management appointments globally, were female.
- Nuplex Mentoring Program: A global mentoring program is in operation whereby more experienced employees across the group are invited to be trained as Mentors. These Mentors are then matched to new or developing employees (Mentees) to assist them in navigating their careers in Nuplex. In FY2015, over 30% of these Mentees were female.
- Nuplex Global Emerging Leaders (GEL) Program: this program was launched in FY2015 and is aimed at identifying and nurturing our future leaders. This is an individually tailored program supporting our future leaders through an intensive focus on each member's development. It combines a mix of psychometric assessments, a structured learning and development plan and ongoing professional support in the form of specialist coaching and an assigned Mentor. In FY2015, 35% of participants were female.
- Talent Management: A number of psychometric tools including HBDI, MBTI, ViaEdge and 360 degree feedback assessments are in regular use across the group. This is complemented by individual executive coaching. This has been aimed primarily at the leadership levels as well as our emerging female leaders irrespective of their seniority.
- Promotion of Diversity and other Core Values: a program has been initiated to bring the value of diversity (and the other five Core Values) to life through behavioural and awareness programs on site. Values are explained and promoted during the on boarding process for new employees.

  The six Nuplex Core Values are furthered reinforced at the biennial Nuplex Senior Management Conference. Awards are presented to employees from across the Group who have best demonstrated the particular Nuplex Value over the past two years.

  Nuplex Core Values are also assessed during employee Performance Reviews. In the online performance management system, all employees are assessed against their objectives and against the Nuplex Core Values (i.e. the manner in which they achieved their objectives). Performance reviews occur annually as a minimum.
- Policies and compliance training: global and local policies have been reviewed to ensure that they are a) discrimination free and that b) flexible employment practices specifically sympathetic to working women are in place.

  Flexible work arrangements have been introduced to allow employees greater flexibility in their work arrangements to best serve their work life balance whilst ensuring that the business is not compromised. All Nuplex sites globally comply with, and usually exceed, the minimum statutory entitlements for maternity/paternity leave.

  Mandatory online training and assessments particularly targeting sexual harassment and bullying are now mandatory across Nuplex in ANZ and being progressively introduced at all Nuplex sites.
- Employee Feedback: the FY2015 Nuplex Employee Survey completed by over 60% of employees globally, indicated that 94% of respondents agreed that Nuplex has a culture that 'respects employee diversity in culture, religion, language and gender'.

  This was the highest scoring answer of all the survey questions posed.

  The Nuplex Employee Survey is undertaken every two years and delivered in eight different languages. This allows us to respond to issues raised from across our diverse Nuplex community.

The following table shows a quantitative breakdown of the gender composition of Directors and Officers at 30 June 2015.

	% female				% male			
	2015		2014		2015		2014	
Directors	2	33.3%	1	16.6%	4	66.6%	5	83.4%
Management (Officers)	26	27.7%	26	24.8%	68	72.3%	79	75.2%
Total Workforce	378	21.8%	450	22.9%	1355	78.2%	1515	77.1%

8. Trading in the Company's Shares

The Board has established a policy and procedure for the guidance and direction of Directors, senior managers and employees on the laws governing share trading (Securities Trading Policy and Guidelines).

Under the policy Directors, senior managers and employees are advised that it is illegal to buy or sell ordinary shares or other listed securities if they have material information that is not generally available to the market and, if it were generally available to the market, a reasonable person would expect it to have a material effect on the price of the Company's listed securities. The policy contains provisions prohibiting entry into transactions in relation to products which operate to limit the economic risk of security holdings in Nuplex.

The policy also covers the notification procedures that must be adopted by Directors and senior managers before they buy or sell the Company's listed securities.

The Securities Trading Policy and Guidelines has been lodged with the ASX in accordance with ASX listing rule requirements, and a copy is available in the Investor Relations section of the Company's web site (www.nuplex.com).

To comply with changes to the ASX Listing Rules in FY2011, the Share Trading Policy and Guidelines was amended to provide for the introduction of 'closed periods' during which trading in securities may not take place.

In FY2015, the Share Trading Policy was further amended to take into account the requirements introduced in the ASX Corporate Governance Principles and Recommendations (3rd Edition).

9. Communications and Disclosure

Nuplex has established a Communications and Disclosure Policy to ensure compliance with NZX and ASX disclosure requirements and to ensure accountability for compliance at a senior executive level.

The Communications and Disclosure Policy is available in the Investor Relations section of the Company's website (www.nuplex.com).

Nuplex has established a separate Shareholder Communications Policy designed to promote effective communication with shareholders, and to encourage shareholder participation at the annual general meeting. The policy sets out the processes to facilitate shareholder participation at the annual meeting including providing shareholders with the opportunity to ask questions or make comments on matters relating to the management of the Company, the annual report and the conduct of the audit, including the preparation and content of the audit report. Nuplex ensures that its Auditor attends the annual general meeting and is in a position to answer questions about the audit of Nuplex's financial information. Shareholders are also given the opportunity to submit written questions to the Chairman or the Managing Director in advance of the meeting.

Nuplex provides shareholders with the option of receiving shareholder communications electronically. Periodically, Nuplex's share registry writes to shareholders who have not elected to receive shareholder communications electronically to offer those shareholders the opportunity to elect to receive communications electronically.

Electronic communication can be made to and received from Nuplex's share registry or Nuplex itself. Details for the purposes of making electronic communication with the Company may be found on Nuplex's website.

The Shareholder Communications Policy is available in the Investor Relations section of the Company's website (www.nuplex.com).

10. Risk Management

Nuplex recognises that in order to achieve its business plans and strategic goals, there must be a thorough understanding across the Group of the risks that may affect the ability of the Group to achieve those plans and goals.

At the direction of the Board, Nuplex's management has developed an enterprise risk management framework for the oversight and management of material business risks which has been implemented and is being continually embedded across the Group.

Nuplex's Risk Management Framework incorporates key principles covering Risk Governance, Risk Infrastructure and Oversight, and Risk Ownership to provide a structured and transparent approach to managing risk across the Group.

Through the development and implementation of this framework, the Board ensures that there are appropriate risk management and internal control systems to manage Nuplex's material business risks.

Throughout all of its business operations the Company has in place policies, processes and systems designed to identify, assess, monitor and manage material business risk.

Accordingly, the Company's policies are aimed at managing risk in the following ways:

- The Board of Directors has oversight of risk management initiatives aimed at identifying risks that may have a material impact on the Company's business.
- The Chief Executive Officer and Senior Executives of the Company are responsible for designing and implementing risk management and internal control systems to identify material risks that the Company faces as well as managing risk across the Group, and are required to report to the Board through the Chief Executive Officer. This includes formulation of policies and procedures that cover the identification, assessment, reduction, management and monitoring of risk, as well as identifying any material changes to the Group's risk profile. These are required to be reported to the Board at regular intervals.
- There is regular assessment by the Board and Senior Executives of strategic risks affecting the Company's operations and the establishment of controls to reduce their impact. This includes policies and procedures directed at maintaining all relevant registrations and approvals in relation to operating plant, processes and the handling of materials that are hazardous or require traceability. On a regular basis the Board also reviews the Company's internal controls and risk management practices to ensure that they are adequate and reflect the Company's risk profile.
- Nuplex's risk management policies require that risk assessments are conducted for all major work initiatives, where new projects are undertaken and for new product introductions.
- Nuplex's risk management policies require that there is periodic verification of risk controls at various levels across the Company's operations.
- The Company has established a range of policies and procedures aimed at assisting in the management of risk across the Company's operations.

Corporate Governance Report continued

- The Board satisfies itself that adequate external insurance cover is in place appropriate for the Company's size and risk profile.
- The Board satisfies itself that adequate Safety, Health and Environmental Protection Policies and hazard assessments are in place and monitors performance. The SHE Board Sub-Committee assists the Board in this process.
- The Chief Executive Officer and Chief Financial Officer also provide a declaration in respect of the half-year and full-year reporting periods that in their opinion:
  - (i) the financial records of Nuplex have been properly maintained;
  - (ii) Nuplex's financial statements comply with the appropriate accounting standards;
  - (iii) Nuplex's financial statements give a true and fair view of the financial position and performance of Nuplex; and
  - (iv) that Nuplex's CEO and CFO opinions have been formed on the basis of a sound system of risk management and internal control which is operating effectively.
- The Company has established an internal audit function within the Group to assist the Company in carrying out the analysis and independent appraisal of the adequacy and effectiveness of the Group's financial risk management and internal control systems. The internal audit function is independent of the external auditor and has a direct reporting line to the Audit Committee.

The Board requires management to report to it on whether risks are being managed effectively, and management has reported to the Board periodically during the financial year under review as to the effectiveness of the management of material business risks in accordance with the risk management framework.

During FY2015, the Company has taken steps to formulate an Emerging Risk Register to assist the Company in preparing for risks which are considered as likely to become more prevalent in the near to mid-term.

Nuplex has not appointed a separate risk management committee as the Board itself retains the responsibility for overseeing risk management. As part of the risk management process, a management committee comprised of the Nuplex Executive Team meets quarterly to review in detail the Group's risk management processes and reporting. The Board receives a formal report from management following each quarterly management meeting. In conjunction with the quarterly reporting to the Board, the Board separately considers and discusses each quarter, specific risks as recorded in the Group Risk Register. The review of the Risk Management Framework has previously been delegated to the Nuplex Executive Team at least annually. The responsibility for reviewing the Risk Management Framework on annual basis has now been reassigned to the Board and this will be undertaken on an annual basis commencing in FY2016.

11. Internal Financial Control and Risk Management

The Board, assisted and advised by the Audit Committee, monitors and approves the Company's system of internal financial control which includes clearly defined policies controlling treasury operations, capital expenditure authorisation and risk management. The Board participates in the development of strategic plans, approves budgets and monitors performance monthly.

The Chief Financial Officer is responsible to the Chief Executive Officer for ensuring that all operations within the Company adhere to the Board-approved financial control policies.

The Chief Executive Officer and Chief Financial Officer have signed a declaration stating:

1. That Financial Statements for the year ended 30 June 2015 present a true and fair view, in all material respects, of the Group's financial condition and operational results and are in accordance with NZIFRS.
2. That the statement referred to in the preceding paragraph 1 is founded on a sound system of risk management and internal control which implements policies adopted by the Board of Directors, and
3. That the Group's risk management and internal compliance and control system is operating efficiently and effectively in all material respects.

12. Remuneration

Nuplex has over 1,700 employees in 12 countries around the world, representing many different markets and different local cultures. Remuneration is an important part of the relationship between Nuplex and its people and this section provides information on how we remunerate them. It includes specific information on the remuneration of the Chief Executive Officer and Key Management Personnel, as well as information on our remuneration framework for employees and managers more broadly. More information on our employee diversity is included on pages 39 and 40.

12.1 Remuneration Policy – Aims and Objectives

Nuplex's remuneration policy aims to:

- Attract, motivate and retain employees who contribute to Nuplex's business success;
- Provide Total Remuneration which is market competitive in the local markets in which we operate;
- Align executives' remuneration with shareholders' interests through the design of appropriate 'At Risk' incentive plans; and
- Provide a remuneration framework with a balance between fixed and 'At Risk' components and which provides a clear line of sight between executive performance and executive reward.

12.2 Remuneration Governance

The Board has delegated certain responsibilities to the Human Resources Committee. The Human Resources Committee (the Committee) consists of the following Non-Executive Directors:

- Barbara Gibson (Committee Chair)
- Rob Aitken
- Jerry Maycock (retired 1 November 2014)
- Peter Springford (Company Chairman)

The role of the Committee is outlined in the Committee's Charter as follows:

"To assist the Board in the establishment of effective remuneration policies and practices that support the organisation structure and management development and in discharging the Board's responsibilities relative to remuneration.

The Committee shall also have the objective of assisting the Board in reviewing and making recommendations to the Board in connection with the Company's human resources policies and practices in the following areas:

- Succession planning for executive roles and other significant senior Non-Executive roles;
- Talent management focusing on high potential employees at all levels of the Company and the implementation of appropriate development opportunities and training; and
- Diversity, having regard in particular to the requirements of the Australian Securities Exchange's Corporate Governance Principles."

12.3 Remuneration Framework

Nuplex's remuneration framework aims to attract, motivate and reward employee performance that increases shareholder value through a mix of fixed remuneration, short-term incentives (STI) and long-term incentives (LTI). The remuneration framework applies to all employees, including the CEO, Executives (who report to the CEO), Senior Management (who report to the Executives) and our broader groups of managers and employees.

The mix of remuneration components for employees at different levels ensures a balance between the achievement of short-term operational earnings and longer term value creation.

Objective	Attract and Retain Employees	Motivate and Reward Performance that Increases Shareholder Value	Align with Shareholders Interests
	Fixed Remuneration	'At Risk' Remuneration	
Remuneration Components	Salary, Superannuation & Benefits	Short-Term Incentive Plan Annual Cash	Long-Term Incentive Plan Performance / Cash Rights with 3 year performance hurdles
Focus on	Pay for role size, complexity and contribution	Pay for performance against STI Targets	Pay for performance against Relative TSR and ROFE
Eligibility	All Employees	CEO, Executives, Senior Managers & Managers	CEO, Executives & Senior Management

Total Fixed Remuneration (TFR)

Fixed remuneration levels for employees are benchmarked against roles in organisations of similar size and geographic diversity. These are reviewed annually based upon a structured review of competitor salary movements, the role size and complexity and the employee's contribution over the year.

This assessment forms part of a formal biannual Performance Review undertaken between the employee and his or her manager and addresses the achievement against business targets, demonstrated behaviours against company values and competencies and career development plans.

'At Risk' remuneration is delivered through a short-term and a long-term incentive plan.

Short-Term Incentive Plan (STI Plan)

For executives, excluding the CEO, the STI plan aims to deliver 30% of a participant's TFR at Target achievement level. For senior management Target achievement yields 15% of TFR.

The STI plan is designed as follows:

- 70% of potential incentive earnings are determined by financial targets which, for the 2015 financial year were EBITDA, the ratio of Gross Margin to Sales and the ratio of Working Capital to sales;
- 5% to 10% of potential incentive earnings are determined by Safety, Health and Environment (SHE) targets; and
- 20% to 25% of potential earnings are determined by targets specific to each executive's area of responsibility.

Participants in the STI Plan are Nuplex executives and managers. Each participant has a number of agreed measures with different vesting rates against achievement levels of Threshold, Target and Stretch. At stretch achievement level, the plan aims to deliver double the amounts payable at target achievement.

Executive Performance Reviews and any resulting salary adjustment or STI payment are presented to the HR Committee for review in line with the mandate of the Committee.

Corporate Governance Report continued

Long-Term Incentive Plan (LTI Plan)

A Long-Term Incentive Plan provides payment in the form of ordinary shares (Performance Rights) or cash (Cash Rights), subject to the achievement of specific company performance criteria aligned to the objectives of shareholders. Participants in the LTI Plan are executives and selected senior managers.

The design of the plan is as follows:

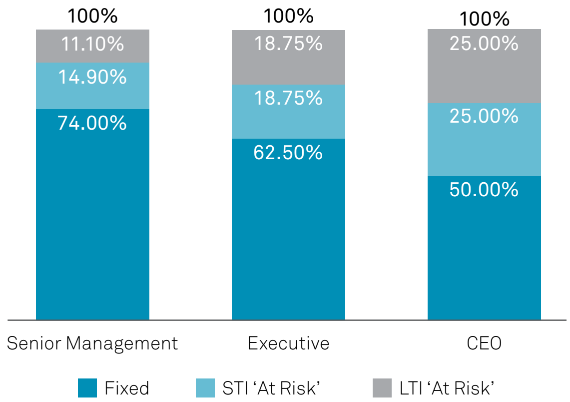
- For executives, the plan aims to deliver 30% of a participant's TFR at Target achievement level. Senior management Target achievement yields 15% of TFR. At stretch achievement level, the plan aims to deliver double these amounts.
- At the start of each financial year, the participant is granted a number of Rights determined by his or her management level and TFR. The ANZ-domiciled executives are granted Performance Rights while non-ANZ-domiciled executives are granted Cash Rights. Cash Rights are used instead of Performance Rights to avoid the cost and complexity of developing and managing an equity based plan in jurisdictions outside ANZ where there are relatively few participants.
- The performance criteria for the issue of rights made for FY12-14, and FY13-15 were based on two equally weighted hurdles, Relative Total Shareholder Return (RTSR) and growth in Earnings Per Share (EPS).
- For FY14-16, FY15-17 and FY16-18, the EPS hurdle was replaced by a Return on Funds Employed (ROFE) hurdle as the Board determined that such a hurdle provides better alignment to the objectives of shareholders.
- Achievement against these hurdles is assessed at the end of the three-year measurement period.
- In the event of any vesting at the end of the three-year measurement period, holders of Performance Rights have their resultant benefit delivered in Nuplex shares. Holders of Cash Rights which vest, have their benefit delivered in cash.

The Board has adopted a policy that LTI participants are not permitted to enter into transactions which limit the economic risk of participating in the LTI Plan and the LTI Plan Rules have been amended accordingly.

Summary

The amount of fixed and 'At Risk' remuneration is different for different management levels, with more senior roles having more of their total remuneration 'At Risk', as shown below:

'At Risk' Remuneration (Target Performance)



12.4 Key Management Personnel (KMP)

Key Management Personnel comprise the Chief Executive Officer (CEO) of the Company and the CEO's direct reports. During FY2015, the following changes in KMP occurred:

- Following the sale of ANZ Specialties, Ivan Tottle left the company in December 2014.
- Zel Medak was promoted from Vice President & General Manager ANZ Resins to Regional President, ANZ in December 2014.
- Ian Davis retired in December 2014, and Clive Cuthell joined the company as Chief Financial Officer in December 2014.

Name	Position Title (most recent)	Location	Comments
Emery Severin	Chief Executive Officer	Australia	
Paul Kieffer	Regional President, EMEA	The Netherlands	
Ruben Mannien	Regional President, Asia	Singapore	
Mike Kelly	Regional President, Americas	USA	
Zel Medak	Regional President, ANZ	Australia	Promoted in December 2014
Ian Davis	Chief Financial Officer	Australia	To 31 December 2014
Clive Cuthell	Chief Financial Officer	Australia	From 8 December 2014
James Williams	Vice President, General Counsel & Company Secretary	Australia	
Clive Deetlefs	Vice President, Operations	Australia	
Paul Davey	Vice President, Human Resources	Australia	
William Weaver	Vice President, Technology & Strategy	UK	
Ivan Tottle	Vice President & GM ANZ Specialties	New Zealand	To 12 December 2014
Josie Ashton	Director, Corporate Communications	Australia	

12.5 KMP Remuneration

The table below sets out the CEO and executives' remuneration for the 2015 financial year. In line with the remuneration framework outlined above, the remuneration comprises:

- A Total Fixed Remuneration (TFR) amount;
- A Short-Term Incentive (STI) amount dependent upon the achievement of financial and operational performance targets; and
- A Long-Term Incentive (LTI) amount in the form of cash or performance share rights in the Company that are aligned to the objectives of shareholders and subject to the achievement of longer term financial performance criteria.

At the 2010 Annual Meeting shareholders approved the Company's Performance Rights Plan and the grant of up to 1,800,000 Performance Rights to the Chief Executive Officer under the terms of that plan, such grant to be made over a three year period. At the Annual Meeting of shareholders held in November 2013, a refresh of the approval for the LTI Plan was obtained from shareholders to cover the period from July 2013 through to June 2016.

Approval was also obtained for the grant of up to 2,000,000 Performance Rights to the Chief Executive Officer under the terms of that plan, such grant to be made over a three year period.

Executive TFR and Short- and Long-Term Incentives

The remuneration of the Senior Executives of the Company for year ended 30 June 2015 is set out below. The table shows the total remuneration earned by executives during the year to 30 June 2015, in their relevant currency. This includes amounts that will not be paid until later years. In addition, the table also shows the total cash received by executives during the year, which includes amounts earned in previous years but paid in the years to 30 June 2015 and 2014.

			TOTAL REMUNERATION EARNED FY15[1]								TOTAL CASH RECEIVED[2]	
						FY15 STI	FY15 LTI[3]			FY15		
Name	Position	Currency	TFR less Super	Super	STI[3]	Achieve-ment[3]	Share-based	Cash	Other[4]	Total Earned	FY15	FY14
Emery Severin	CEO	AUD	1,160,878	32,916	84.0%	1,008,000	1,193,026	–	–	**3,394,820**	1,753,794	1,671,901
Paul Kieffer	Regional President, EMEA	EUR	228,644	61,690	77.8%	136,542	–	159,685	–	**586,561**	411,880	320,381
Ruben Mannien	Regional President, Asia	EUR	209,403	30,654	85.3%	126,768	–	134,539	251,681	**753,044**	582,547	576,583
Mike Kelly	Regional President, Americas	USD	368,048	20,950	84.0%	187,133	–	179,190	–	**755,321**	499,248	456,181
Zel Medak	Regional President, ANZ	AUD	325,184	28,376	49.7%	104,951	54,161	–	23,756	**536,429**	412,857	113,789
Ian Davis	CFO	AUD	227,512	17,500	–	–	–	–	282,334	**527,345**	787,704	589,173
Clive Cuthell	CFO	AUD	275,779	16,250	73.8%	136,022	–	–	56,000	**484,051**	348,029	–
James Williams	VP, General Counsel & Co Sec	AUD	372,670	25,000	80.1%	191,963	231,816	–	59,951	**881,400**	555,310	465,313
Clive Deetlefs	VP, Operations	AUD	365,702	32,917	75.6%	181,724	242,126	–	–	**822,470**	500,816	486,292
Paul Davey	VP, Human Resources	AUD	344,238	32,916	77.4%	175,987	228,930	–	–	**782,070**	475,318	455,465
William Weaver	VP, Technology & Strategy	GBP	161,079	14,114	76.3%	80,063	–	81,721	–	**336,976**	211,322	184,298
Ivan Tottle	VP & GM, ANZ Specialties	NZD	206,472	27,272	–	–	–	–	365,104	**598,848**	770,576	108,827
Josie Ashton	Director, Corporate Comms	AUD	212,399	24,466	77.8%	109,043	131,623	–	–	**477,531**	282,002	276,640

1. Total remuneration earned includes the amounts earned by executives during the year. This includes STI and LTI amounts for the FY15 year that are not paid to executives until a future year. Payments are only made if the conditions of the plan are met.
2. Total cash received includes the amounts received by executives during the year. In each of FY14 and FY15, this included the STI earned in the previous year and nil for LTI.
3. The STI shown includes the percentage of total possible STI incentive earnings achieved compared to a maximum of 100% for each executive. For both STI and LTI, the amounts shown represent the amounts provisioned in the financial statements during FY15. This provision is made in accordance with New Zealand equivalents to International Financial Reporting Standards (NZIFRS) and is based upon actual STI plan performance and actual & expected future LTI plan performance.
4. Expatriate costs, termination costs and additional discretionary ex-gratia payments.

Corporate Governance Report continued

Interest in Performance Share Rights

The table below shows details of changes during the year in Performance Share Rights over Nuplex Industries Limited ordinary shares held by the CEO and Executives of the Company. Performance Share Rights have been issued in accordance with the rules of the Performance Rights Plan approved by shareholders at the 2010 Annual Meeting and the Performance Rights Plan approved by shareholders at the 2013 Annual Meeting. In addition to the balances at the end of the year shown below, a further grant for FY16-18 was made after the end of the year. More details are included on page 51.

Name	Balance at the start of the year	Granted during the year	Exercised during the year	Lapsed during the year	Balance at the end of the year	FY12-14 Issue Vested at the end of the year	FY13-15 Issue Vested at the end of the year	Total Vested at the end of the year
E Severin	2,408,780	521,223	–	(526,316)	2,403,687	184,216	349,004	533,220
C Deetlefs	498,154	104,511	–	(109,516)	493,149	37,648	74,460	112,108
P Davey	469,280	98,833	–	(102,632)	465,481	35,281	70,450	105,731
J Williams	467,233	104,263	–	(102,638)	469,458	35,077	70,043	105,120
J Ashton	153,327	60,978	–	–	214,305	–	41,053	41,053
Z Medak	–	91,813	–	–	91,813	–	–	–

In August 2015, certain Performance Share Rights vested following testing of performance hurdles the end of the FY15 year. This was in respect of the FY12-14 and FY13-15 Issue of Performance Rights. More information on this is included on pages 47 and 48 below.

The number of shares shown as 'vested' at the end of the year will be transferred to the executives after reducing the number of shares by an amount equivalent to NZ$1,000. In accordance with the plan rules, this will be transferred to the executives as a cash payment.

In addition to the above, during the year ended 30 June 2015, one executive, Mr Ian Davis left the company. Mr Davis was allocated Performance Shares as part of his remuneration for the FY12, FY13 and FY14 financial years. Mr Davis continues to hold Performance Shares rights in accordance with the rules of the plan.

Chief Executive Officer's Remuneration

The Chief executive Officer's remuneration consists of 'Total Fixed Remuneration' (TFR) as defined above, plus the short-term and long-term incentives referred to in the above tables.

Total Fixed Remuneration (TFR)

For the year under review, the Chief Executive Officer's TFR was AUD$1,193,794 per annum.

Incentives

Under the terms of the employment agreement with the Chief Executive Officer, he is entitled to receive incentive awards as set out below, calculated by reference to his TFR.

1. Short-Term Incentive (STI)

The amount of the STI payment in any year will be determined by the Board through assessment of the Chief Executive Officer's performance against financial and non-financial targets set by the Board at the start of each financial year.

For performance outcomes at target level, the Chief Executive Officer would receive 50% of his TFR and for performance outcomes at stretch level, he would receive a maximum of 100% of his TFR.

During the FY15 year the Chief Executive Officer was paid his TFR and the FY14 STI of AUD$560,000. The STI earned in the FY15 year (of AUD$1,008,000) will be paid next year (FY16) in accordance with the rules of the STI plan.

2. Long-Term Incentive (LTI)

The LTI Plan is designed to drive behaviour that grows shareholder value over the longer term and to complement the shorter term focus of the STI Plan.

The Chief Executive Officer is entitled to an annual LTI grant up to an amount of 100% of TFR.

At the 2010 Annual Meeting shareholders approved the Company's Performance Rights Plan and the grant of up to 1,800,000 Performance Rights to the Chief Executive Officer under the terms of that plan, such grant to be made over a three-year period. At the 2013 Annual Meeting shareholders approved the refresh of the Company's Performance Rights to the Chief Executive Officer under the terms of that plan.

The following table sets out the number of Performance Rights which have been granted to the Chief Executive Officer:

Financial Year	No. of PRs
FY11-13	526,316
FY12-14	575,676
FY13-15*	698,008
Total (Approved at 2010 Annual Meeting)	**1,800,000**
FY14-16	608,780
FY15-17	521,223
FY16-18	428,571
Total (Approved at 2013 Annual Meeting)	**1,558,574**

* In FY2013 the Chief Executive Officer was also issued 44,689 Cash Rights under the Cash Rights Plan.

Vesting of performance rights under the Performance Rights Plan issued for FY11-13, FY12-14 and FY13-15 was subject to performance hurdles based on Earnings per Share (EPS) growth and Nuplex's Total Shareholder Return performance relative to companies within the NZX50 Index (RTSR) over a measurement period of three and four years.

Vesting of Performance Rights under the Performance Rights Plan issued for FY14-16, FY15-17 and FY16-18 is subject to performance hurdles based on Return on Funds Employed (ROFE) and Nuplex's Total Shareholder Return performance relative to companies within the NZX50 Index (RTSR) over a measurement period of three years.

During the FY15 year no shares or cash were transferred to the Chief Executive Officer under the LTI plan. During FY16, a total of 533,220 shares will be transferred to the CEO under the LTI plan, following the vesting that occurred at the end of the FY15 year. In addition the cash value of 44,689 of cash rights will be paid to the CEO under the LTI Cash Rights plan. More information on the LTI is included on page 44.

Performance Rights Plan – FY12-14 Issue

Performance Rights Issued

In September 2011, as part of the remuneration arrangements for the FY12 year, Performance Rights were issued in accordance with the terms of the plan as set out below.

These Performance Rights are subject to measurement at the end of the three year period FY12-FY14.

Participant	PR Issue
Emery Severin	575,676
Ian Davis	145,360
Clive Deetlefs	117,650
Paul Davey	110,254
James Williams	109,616
Total	1,058,556

In addition to the above, the FY12-14 Issue included Performance Rights issued to employees who have left the company in prior years and whose rights, under the plan rules, are discontinued.

Performance Hurdles Set

For the FY12-14 Performance Rights, the RTSR and EPS growth hurdles were set as follows:

Performance Hurdle: Relative Total Shareholder Return (RTSR)

The vesting scale for the RTSR Tranche (50%) is as follows and is measured against the performance of companies in the NZX 50 Index:

Performance Level	Relative TSR Percentile (P) Ranking	Vesting %
< Threshold	< P50	0%
Threshold & Target	P50	50%
> Target & < Stretch	> P50 & < P75	Pro rata
Stretch	≥ P75	100%

Performance Hurdle: EPS Growth

The vesting scale for the EPS Tranche (50%) is as follows:

Performance Level	Compound Annual Growth Rate (CAGR) in EPS	Vesting %
Threshold	<= 6%	0%
> Threshold & < Target	> 6% & < 10%	Pro rata
Target	10%	50%
> Target & < Stretch	> 10% & < 14%	Pro rata
Stretch	≥ 14%	100%

Actual Performance Measurement

The tables below set out the measurement of performance against the RTSR and EPS performance hurdles shown above. Measurement to determine the extent of vesting of FY12-14 Performance Rights occurred at the conclusion of the FY14 year.

PERFORMANCE SCORECARD:

RTSR PERCENTILE	Performance Level	Payment Potential	Year 1 FY12	Year 2 FY12-FY13	Year 3 FY12-FY14	Year 4 FY12-FY15
RTSR Percentile vs NZX50 Index - Actual			P35	P20	P29	P57
Performance	Threshold <= P50	0%				
Required for	Target = P50	50%			P50	P50
Payment	Stretch => P75	100%			P75	P75

PERFORMANCE SCORECARD:

EPS CAGR	Performance Level	Payment Potential	Year 1 FY12	Year 2 FY13	Year 3 FY14	Year 4 FY15
EPS (cents) - Actual	FY11 Base = 34.2		31.8	22.1	26.4	35.9
Performance	Threshold = 6%	0%			40.7	43.2
Required for	Target = 10%	50%			45.5	50.1
Payment	Stretch = 14%	100%			50.7	57.8

As a result of the measurement at the end of the FY14 year, no Performance Rights vested. In accordance with the plan rules, a further retest was conducted at the conclusion of the FY15 year.

As at 30 June 2015, the Performance Scorecards above indicate that performance is above threshold for the RTSR tranche and below threshold for the EPS tranche. Under the performance plan rules, the RTSR outcome of P57 translates to a vesting of 64% (out of a maximum of 100%) for the RTSR tranche. Also under the performance plan rules, nil vesting applies to the EPS tranche and the EPS tranche has now lapsed. A table summarising the vesting for each executive is included on page 46 above.

Corporate Governance Report continued

Performance Rights Plan – FY13-15 Issue

Performance Rights Issued

In September 2012, as part of the remuneration arrangements for the FY13 year, Performance Rights were issued in accordance with the terms of the plan as set out below.

These Performance Rights are subject to measurement at the end of the three year period FY13-FY15.

Participant	PR Issue
Emery Severin*	698,008
Ian Davis	183,994
Clive Deetlefs	148,920
Paul Davey	140,900
James Williams	140,085
Josie Ashton	82,105
Total	1,394,012

* 742,697 Performance Rights were issued to Emery Severin, of which 44,689 Performance Rights were cancelled to bring the total Performance Rights issued to Emery Severin to 1,800,000, being the amount approved by shareholders in 2010.

In addition to the above, the FY13-15 Issue included Performance Rights issued to employees who have left the company in prior years and whose rights, under the plan rules, are discontinued.

Performance Hurdles Set

For the FY13-15 Performance Rights, the RTSR and EPS growth hurdles were set as follows:

Performance Hurdle: Relative Total Shareholder Return (RTSR)

The vesting scale for the RTSR Tranche (50%) is as follows and is measured against the performance of companies in the NZX 50 Index:

Performance Level	Relative TSR Percentile (P) Ranking	Vesting %
< Threshold	< P50	0%
Threshold & Target	P50	50%
> Target & < Stretch	> P50 & < P75	Pro rata
Stretch	≥ P75	100%

Performance Hurdle: EPS Growth

The vesting scale for the EPS Tranche (50%) is as follows:

Performance Level	Compound Annual Growth Rate (CAGR) in EPS	Vesting %
Threshold	<= 5%	0%
> Threshold & < Target	> 5% & < 9%	Pro rata
Target	9%	50%
> Target & < Stretch	> 9% & < 13%	Pro rata
Stretch	≥ 13%	100%

Actual Performance Achieved

The tables below set out the measurement of performance against the RTSR and EPS performance hurdles shown above.

PERFORMANCE SCORECARD:

RTSR PERCENTILE	Performance Level	Payment Potential	Year 1 FY13	Year 2 FY13-FY14	Year 3 FY13-FY15
RTSR Percentile vs NZX50 Index - Actual			P41	P51	P76
Performance Required for Payment	Threshold <= P50 Target = P50 Stretch => P75	0% 50% 100%			 P50 P75

PERFORMANCE SCORECARD:

EPS CAGR	Performance Level	Payment Potential	Year 1 FY13	Year 2 FY14	Year 3 FY15	Year 4 FY16
EPS (cents) - Actual	FY12 Base = 31.8		22.1	26.4	35.9	(tbd)
Performance Required for Payment	Threshold = 5% Target = 9% Stretch = 13%	0% 50% 100%			36.8 41.2 45.9	38.7 44.9 51.8

As at 30 June 2015, the Performance Scorecards above indicate that the performance is above stretch for the RTSR tranche and below threshold for the EPS tranche. Under the performance plan rules, a vesting of 100% (out of a maximum of 100%) applies to the RTSR tranche and nil applies to the EPS tranche. Under the plan rules, a retest of the EPS tranche will be conducted at the conclusion of the FY16 year.

A table summarising the vesting for each executive is included on page 46 above

Performance Rights Plan – FY14-16 Issue

Performance Rights Issued

In September 2013, as part of the remuneration arrangements for the FY14 year, Performance Rights were issued in accordance with the terms of the plan as set out below.

These Performance Rights are subject to measurement at the end of the three year period FY14-FY16.

Participant	PR Issue
Emery Severin	608,780
Ian Davis	150,818
Clive Deetlefs	122,068
Paul Davey	115,494
James Williams	115,494
Josie Ashton	71,222
Total	1,183,876

In addition to the above, the FY14-16 Issue included Performance Rights issued to employees who have left the company in prior years and whose rights, under the plan rules, are discontinued.

Performance Hurdles Set

For the FY14-16 Performance Rights, the hurdles were changed from RTSR and EPS used in previous years, to RTSR and ROFE. This was to achieve better alignment with the objectives of shareholders.

During the year ended 30 June 2015, following the disposal of the Nuplex Specialties & Nuplex Masterbatch business, the board decided to reset the ROFE performance target from 14.5% to 13.9%. The Threshold and Stretch levels were similarly reduced. The RTSR and ROFE hurdles are now as follows:

Performance Hurdle: Relative Total Shareholder Return (RTSR)

The vesting scale for the RTSR Tranche (50%) is as follows and is measured against the performance of companies in the NZX 50 Index:

Performance Level	Relative TSR Percentile (P) Ranking	Vesting %
< Threshold	< P50	0%
Threshold & Target	P50	50%
> Target & < Stretch	> P50 & < P75	Pro rata
Stretch	≥ P75	100%

Performance Hurdle: Return on Funds Employed (ROFE)

The vesting scale for the ROFE Tranche (50%) is as follows:

Performance Level	ROFE	Vesting %
Threshold	<= 12.5%	0%
> Threshold & <Target	> 12.5% & < 13.9%	Pro rata
Target	13.9%	50%
> Target & <Stretch	> 13.9% & < 15.3%	Pro rata
Stretch	≥ 15.3%	100%

Actual Performance Achieved

The following tables set out the measurement of performance against the RTSR and ROFE performance hurdles shown above.

PERFORMANCE SCORECARD:

RTSR PERCENTILE	Performance Level	Payment Potential	Year 1 FY14	Year 2 FY14-FY15	Year 3 FY14-FY16
RTSR Percentile vs NZX50 Index - Actual			P55	P88	(tbd)
Performance Required for Payment	Threshold <= P50 Target = P50 Stretch => P75	0% 50% 100%			 P50 P75

PERFORMANCE SCORECARD:

ROFE	Performance Level	Payment Potential	Year 1 FY14	Year 2 FY15	Year 3 FY16
ROFE - Actual	FY13 Base = 10.1%		11.5%	12.9%	(tbd)
Performance Required for Payment	Threshold = 12.5% Target = 13.9% Stretch = 15.3%	0% 50% 100%			12.5% 13.9% 15.3%

As at 30 June 2015, the performance scorecards above show that after two years, performance is tracking at the Stretch level for RTSR and between Threshold and Target levels for ROFE. In accordance with the plan rules, the actual level of vesting will depend on the outcome of performance measurement after a total of three years, at 30 June 2016.

For ROFE, the FY13 Base and FY14 Actual Results shown of 10.1% and 11.5% respectively have been amended (from 11.1% and 11.0% respectively reported in the prior year). This is to exclude the Nuplex Specialties & Nuplex Masterbatch businesses, which were sold in November 2014.

Corporate Governance Report continued

Performance Rights Plan – FY15-17 Issue

Performance Rights Issued

In August 2014, as part of the remuneration arrangements for the FY15 year, Performance Rights were issued in accordance with the terms of the plan as set out below.

These Performance Rights are subject to measurement at the end of the three year period FY15-FY17.

Participant	PR Issue
Emery Severin	521,223
Clive Cuthell*	80,190
Clive Deetlefs	104,511
Paul Davey	98,833
James Williams	104,263
Josie Ashton	60,978
Total	969,998

* Mr Cuthell joined the company in December 2014. As part of his remuneration arrangements for the FY15 year, Mr Cuthell was issued 80,190 performance Rights in August 2015.

Performance Hurdles Set

During the year ended 30 June 2015, following the disposal of the Nuplex Specialties & Nuplex Masterbatch business, the board decided to reset the ROFE performance target from 14.5% to 13.9%. The Threshold and Stretch levels were similarly reduced. The RTSR and ROFE hurdles are now as follows:

Performance Hurdle: Relative Total Shareholder Return (RTSR)

The vesting scale for the RTSR Tranche (50%) is as follows and is measured against the performance of companies in the NZX 50 Index:

Performance Level	RTSR Percentile (P) Ranking	Vesting %
< Threshold	< P50	0%
Threshold & Target	P50	50%
> Target & < Stretch	> P50 & < P75	Pro rata
Stretch	≥ P75	100%

Performance Hurdle: Return on Funds Employed (ROFE)

The vesting scale for the ROFE Tranche (50%) is as follows:

Performance Level	ROFE	Vesting %
Threshold	<= 12.5%	0%
> Threshold & < Target	> 12.5% & < 13.9%	Pro rata
Target	13.9%	50%
> Target & < Stretch	> 13.9% & < 15.3%	Pro rata
Stretch	≥ 15.3%	100%

Actual Performance Achieved

The tables below set out the measurement of performance against the RTSR and ROFE performance hurdles shown above.

PERFORMANCE SCORECARD:

RTSR PERCENTILE	Performance Level	Payment Potential	Year 1 FY15	Year 2 FY15-FY16	Year 3 FY15-FY17
RTSR Percentile vs NZX50 Index - Actual			P96	(tbd)	(tbd)
Performance Required for Payment	Threshold <= P50 Target = P50 Stretch => P75	0% 50% 100%			 P50 P75

PERFORMANCE SCORECARD:

ROFE	Performance Level	Payment Potential	Year 1 FY15	Year 2 FY16	Year 3 FY17
ROFE - Actual	FY14 Base = 11.5%		12.9	(tbd)	(tbd)
Performance Required for Payment	Threshold = 12.5% Target = 13.9% Stretch = 15.3%	0% 50% 100%			12.5% 13.9% 15.3%

As at 30 June 2015, the performance scorecards above show that after one year, performance is tracking at the Stretch level for RTSR and between Threshold and Target levels for ROFE. In accordance with the plan rules, the actual level of vesting will depend on the outcome of performance measurement after a total of three years, at 30 June 2017.

For ROFE, the FY14 Base shown of 11.5% has been amended (from 11.0% reported in the prior year) to exclude the Nuplex Specialties & Nuplex Masterbatch businesses, which were sold in November 2014.

Performance Rights Plan – FY16-18 Issue

Performance Rights Issued

In August 2015, as part of the remuneration arrangements for the FY16 year, Performance Rights will be issued to Senior Executives in accordance with the terms of the plan as set out below.

These Performance Rights are subject to measurement at the end of the three year period FY16-FY18.

Participant	PR Issue
Emery Severin	428,571
Clive Cuthell	117,857
Clive Deetlefs	85,849
Paul Davey	81,226
James Williams	85,644
Zel Medak	77,257
Josie Ashton	52,532
Total	928,936

Performance Hurdles Set

For the FY16-18 Performance Rights, the RTSR and ROFE hurdles were set as follows:

Performance Hurdle: Relative Total Shareholder Return (RTSR)

The vesting scale for the RTSR Tranche (50%) is as follows and is measured against the performance of companies in the NZX 50 Index:

Performance Level	RTSR Percentile (P) Ranking	Vesting %
< Threshold	< P50	0%
Threshold & Target	P50	50%
> Target & < Stretch	> P50 & < P75	Pro rata
Stretch	≥ P75	100%

Performance Hurdle: Return on Funds Employed (ROFE)

The vesting scale for the ROFE Tranche (50%) is as follows:

Performance Level	ROFE	Vesting %
Threshold	<= 16.0%	0%
> Threshold & <Target	> 16.0% & < 16.5%	Pro rata
Target	16.5%	50%
> Target & <Stretch	> 16.5% & < 17.5%	Pro rata
Stretch	≥ 17.5%	100%

Actual Performance Achieved

In accordance with the plan rules, the actual level of vesting will depend on the outcome of performance measurement after a total of three years, at 30 June 2018.

Corporate Governance Report continued

Cash Rights Plan

Having regard to the cost and the complexities of the laws associated with the issue of securities, including Performance Rights, in countries other than New Zealand and Australia, in 2011 the Board adopted a Cash Rights Plan to provide for the issue of a long-term incentive to the four Senior Executives of Nuplex who reside outside Australia and New Zealand.

Under the terms of the Cash Rights Plan, participants are issued rights (Cash Rights), similar to rights issued under the Performance Rights Plan, except that on vesting, the rights issued under the Cash Rights Plan convert into cash, rather than an issue of shares.

For the Cash Rights issued for FY12-14 and FY13-15 years the RTSR and EPS growth hurdles were the same as for the Performance Rights in these years, details of which are set out in the preceding section of this report. For the Cash Rights issued for the FY14-16, FY15-17 and FY16-18 years the RTSR and ROFE hurdles were the same as for the 2013 Performance Rights in these years, details of which are set out in the preceding section of this report.

The following table sets out the details of the Cash Rights that have been issued under the Cash Rights Plan:

	Cash Rights Issue				
Participant	FY12-14	FY13-15	FY14-16	FY15-17	FY16-18
Paul Kieffer	101,988	128,877	126,039	110,034	95,000
Mike Kelly	98,869	130,637	118,183	98,496	85,000
Ruben Mannien	81,124	112,799	104,683	93,164	95,000
William Weaver	73,671	88,515	77,997	84,850	85,000
Total	355,782	416,139	426,902	386,544	360,000

The actual performance achieved relating to issues made under the Cash Rights Plan is the same as for the Performance Rights Plan as shown in the above tables.

There was a vesting of Cash Rights in respect of the FY12 and FY13 issuances, in the same amounts as shown for the Performance Rights Plan in the preceding section of this report.

The following table sets out the details of the cash rights under the Cash Rights Plan:

Name	Balance at the start of the year	Granted during the year	Exercised during the year	Lapsed during the year	Balance at the end of the year	FY12-14 Issue Vested at the end of the year	FY13-15 Issue Vested at the end of the year	Total Vested at the end of the year
P Kieffer	356,904	110,034	–	-	466,938	32,636	64,439	97,095
M Kelly	347,689	98,496	–	-	446,185	31,638	65,319	96,957
R Mannien	298,736	93,164	–	-	391,900	26,001	56,400	82,401
W Weaver	240,183	84,850	–	-	325,033	23,575	44,258	67,832

In addition to the Cash Rights granted to non-ANZ employees shown above, 44,689 Cash Rights were issued to the Chief Executive Officer, Dr Emery Severin, in respect of the FY13-15 Issue. More information is set out at page 48 above. In accordance with the plan rules, 22,344 of these Performance Rights vested after the end of the year to 30 June 2015 and 22,345 of these Performance Rights lapsed.

12.6 Directors' Remuneration

Annual Fees

Fees paid to Non-Executive Directors are fixed, based on service during the year and do not include any Short-Term or Long-Term Incentives.

The maximum aggregate fees payable to Non-Executive Directors was set at AUD1,000,000 by Ordinary Resolution of Shareholders at the Annual Meeting held on 1 November 2012.

Following an external review, and taking into account that there had been no increase in Directors' fees since 1 July 2012, with effect from 1 July 2014, the fees payable to Directors were increased to the following amounts (figures are in Australian dollars):

Chairman's fee	248,000
Director's base fee	110,000
Audit Committee Chair	24,000
Audit Committee Member	12,000
SHE Committee Chair	20,000
SHE Committee Member	10,000
HR Committee Chair	20,000
HR Committee Member	10,000

Remuneration paid to Directors during the year ended 30 June 2015 is disclosed in the Statutory Information section on page 102.

13. Waivers granted by NZX

There were no waivers sought from the NZX Main Board Listing Rules in the year ended 30 June 2015.

14. Statement on Governance Practices

The Board has reviewed its governance practices against:

- the best practice recommendations set by the ASX Corporate Governance Council as set out in the ASX Corporate Governance Principles and Recommendations (3rd Edition);
- the NZX Corporate Governance Best Practice Code; and
- the NZ Financial Markets Authority's Principles and Guidelines of Corporate Governance;

and is of the view that Nuplex is compliant with these codes.

Financial Report

For the year ended 30 June 2015

We delivered a strong financial performance due to earnings growth in all four of our regions. Operating EBITDA from continuing operations was $127.3 million, up 15.3% from $110.4 million a year ago. Emery Severin, CEO

The Directors are pleased to present the Financial Statements of the Nuplex Group for the year ended 30 June 2015.

Peter Springford
Chairman

14 August 2015

David Jackson
Director

14 August 2015

Independent Auditors' Report

to the shareholders of Nuplex Industries Limited

pwc

Report on the Financial Statements

We have audited the Group financial statements of Nuplex Industries Limited ('the Company') on pages 56 to 97, which comprise the statement of financial position as at 30 June 2015, the income statement, the statement of comprehensive income, the statement of changes in equity and the cash flow statement for the year then ended, and the notes to the financial statements that include a summary of significant accounting policies and other explanatory information for the Group. The Group comprises the Company and the entities it controlled at 30 June 2015 or from time to time during the financial year.

Directors' Responsibility for the Financial Statements

The Directors are responsible for the preparation and fair presentation of these financial statements in accordance with New Zealand Equivalents to International Financial Reporting Standards and International Financial Reporting Standards and for such internal controls as the Directors determine are necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing (New Zealand) and International Standards on Auditing. These standards require that we comply with relevant ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider the internal controls relevant to the Company's preparation and fair presentation of the financial statements 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 Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates, as well as evaluating the overall presentation of the financial statements.

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

We are independent of the Group. Our firm carries out other services for the Group in the areas of other assurance services provided. The provision of these other services has not impaired our independence.

Opinion

In our opinion, the financial statements on pages 56 to 97 present fairly, in all material respects, the financial position of the Group as at 30 June 2015, and its financial performance and cash flows for the year then ended in accordance with New Zealand Equivalents to International Financial Reporting Standards and International Financial Reporting Standards.

Restriction on Use of our Report

This report is made solely to the Company's shareholders, as a body, in accordance with the Companies Act 1993. Our audit work has been undertaken so that we might state those matters which we are required to state to them in an auditors' 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 and the Company's shareholders, as a body, for our audit work, for this report or for the opinions we have formed.

PricewaterhouseCoopers

Chartered Accountants

Sydney, 14 August 2015

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Income Statement

For the year ended 30 June 2015

(NZ$ in millions)	Note	2015	2014
Sales revenue from continuing operations		**1,374.7**	1,355.3
Cost of sales from continuing operations		**(1,067.4)**	(1,069.1)
Gross profit		**307.3**	286.2
Other operating income	5	**7.8**	16.3
Distribution expenses		**(74.7)**	(72.9)
Marketing expenses		**(63.3)**	(63.5)
Administration expenses		**(74.2)**	(69.6)
Other operating expenses	6	**(15.4)**	(23.9)
Share of profits of associates	13	**1.9**	2.1
Operating profit before financing costs and share of profits/(losses) of associates		**89.4**	74.7
Financial income		**6.3**	1.2
Financial expenses		**(17.2)**	(18.8)
Net financing (costs)/income	7	**(10.9)**	(17.6)
Profit before income tax		**78.5**	57.1
Income tax expense	23	**(17.4)**	(11.8)
Profit for the year from continuing operations		**61.1**	45.3
Profit from discontinued operations	3	**12.5**	9.4
Profit for the year		**73.6**	54.7

To be read in conjunction with the notes to the financial statements on pages 61 to 97.

Statement of Comprehensive Income

For the year ended 30 June 2015

(NZ$ in millions)	Note	2015	2014
Profit for the year		**73.6**	54.7
Other comprehensive income			
Items that may be reclassified to profit or loss			
Foreign currency translation differences for foreign operations		**31.0**	(46.6)
Effective portion of changes in fair value of cash-flow hedges		**34.7**	(15.2)
Income tax relating to these items	23	**(9.8)**	4.5
Items that will not be reclassified to profit or loss			
Remeasurement of defined benefit obligations		**(0.4)**	(4.3)
Income tax relating to these items	23	**0.1**	1.3
Other comprehensive income for the period, net of income tax		**55.6**	(60.3)
Total comprehensive income for the year		**129.2**	(5.6)
Profit attributable to:			
Equity holders of the parent		**70.8**	52.4
Non-controlling interests		**2.8**	2.3
		73.6	54.7
Total comprehensive income attributable to:			
Equity holders of the parent		**125.2**	(6.9)
Non-controlling interests		**4.0**	1.3
		129.2	(5.6)
Earnings per share for profit attributable to the ordinary equity holders of the company:			
Basic earnings per share (cents per share)	4	**35.9**	26.4
Diluted earnings per share (cents per share)	4	**35.6**	26.1

To be read in conjunction with the notes to the financial statements on pages 61 to 97.

Statements of Changes in Equity

For the year ended 30 June 2015

		Attributable to equity holders of the parent							
(NZ$ in millions)	Note	Share capital	Share-Based Payments reserve	Trans-lation reserve	Retained earnings	Hedging reserve	Total	Non-controlling Interest	Total Equity
Balance at 1 July 2014		368.5	3.4	(80.8)	231.3	(15.2)	507.2	7.0	514.2
Other Comprehensive Income									
Foreign currency translation differences		–	–	29.8	–	–	29.8	1.2	31.0
Remeasurement of defined benefit obligations, net of tax		–	–	–	(0.4)	–	(0.4)	–	(0.4)
Effective portion of changes in fair value of cash-flow hedges, net of tax		–	–	–	–	25.0	25.0	–	25.0
Total other Comprehensive Income		–	–	29.8	(0.4)	25.0	54.4	1.2	55.6
Profit for the year		–	–	–	70.8	–	70.8	2.8	73.6
Total comprehensive income for the year		–	–	29.8	70.4	25.0	125.2	4.0	129.2
Contributions by and distributions to owners									
Performance rights plan	9	–	2.6	–	–	–	2.6	–	2.6
Dividends paid	19	–	–	–	(41.6)	–	(41.6)	(2.4)	(44.0)
Share buy-back scheme		(25.6)	–	–	–	–	(25.6)	–	(25.6)
Balance as at 30 June 2015		342.9	6.0	(51.0)	260.1	9.8	567.8	8.6	576.4

		Attributable to equity holders of the parent							
(NZ$ in millions)	Note	Share capital	Share-Based Payments reserve	Trans-lation reserve	Retained earnings	Hedging reserve	Total	Non-controlling Interest	Total Equity
Balance at 1 July 2013		368.5	2.7	(35.2)	223.6	(4.5)	555.1	7.4	562.5
Other Comprehensive Income									
Foreign currency translation differences		–	–	(45.6)	–	–	(45.6)	(1.0)	(46.6)
Remeasurement of defined benefit obligations, net of tax		–	–	–	(3.0)	–	(3.0)	–	(3.0)
Effective portion of changes in fair value of cash-flow hedges, net of tax		–	–	–	–	(10.7)	(10.7)	–	(10.7)
Total other Comprehensive Income		–	–	(45.6)	(3.0)	(10.7)	(59.3)	(1.0)	(60.3)
Profit for the year		–	–	–	52.4	–	52.4	2.3	54.7
Total comprehensive income for the year		–	–	(45.6)	49.4	(10.7)	(6.9)	1.3	(5.6)
Contributions by and distributions to owners									
Performance rights plan	9	–	0.7	–	–	–	0.7	–	0.7
Dividends paid	19	–	–	–	(41.7)	–	(41.7)	(1.7)	(43.4)
Balance as at 30 June 2014		368.5	3.4	(80.8)	231.3	(15.2)	507.2	7.0	514.2

To be read in conjunction with the notes to the financial statements on pages 61 to 97.

Statement of Financial Position

As at 30 June 2015

(NZ$ in millions)	Note	2015	2014
Equity attributable to members of the parent company	19		
Share capital		**342.9**	368.5
Share-based payments reserve		**6.0**	3.4
Translation reserve		**(51.0)**	(80.8)
Retained earnings		**260.1**	231.3
Hedging reserve		**9.8**	(15.2)
Non-controlling interests		**8.6**	7.0
Total Equity		**576.4**	514.2
Property, plant and equipment	11	**357.0**	303.5
Intangible assets	12	**148.0**	196.0
Investments in associates	13	**7.0**	4.8
Deferred tax asset	24	**28.4**	20.7
Non-current Assets		**540.4**	525.0
Properties held for sale	11	**10.3**	15.6
Inventories	14	**185.0**	233.0
Trade and other receivables	15	**351.5**	351.1
Income tax receivable		**3.8**	2.5
Cash and cash equivalents		**91.1**	73.1
Current Assets		**641.7**	675.3
Total Assets		**1,182.1**	1,200.3
Borrowings	20	**230.4**	304.5
Employee provisions	17	**25.3**	24.0
Deferred tax liability	24	**16.4**	15.5
Non-current Liabilities		**272.1**	344.0
Borrowings	20	**0.6**	0.3
Trade and other payables	16	**286.1**	309.1
Employee provisions	17	**22.6**	19.7
Provisions	18	**9.5**	3.4
Income tax payable		**14.8**	9.6
Current Liabilities		**333.6**	342.1
Total Liabilities		**605.7**	686.1
Total Net Assets		**576.4**	514.2

To be read in conjunction with the notes to the financial statements on pages 61 to 97.

Cash Flow Statement

For the year ended 30 June 2015

(NZ$ in millions)	Note	2015	2014
Receipts from customers (inclusive of goods and services tax)		1,515.0	1,481.1
Interest received		0.5	0.9
Payments to suppliers and employees (inclusive of goods and services tax)		(1,355.6)	(1,401.8)
Interest paid		(14.4)	(16.5)
Dividends received		0.5	1.7
Income taxes paid		(23.5)	(18.6)
Operating cash flows from discontinued operations		(4.8)	4.3
Net cash from operating activities	21	117.7	51.1
Disposal of property, plant and equipment		0.4	2.1
Payments for property, plant, equipment and intangibles		(56.5)	(63.2)
Disposal of businesses, net of cash disposed		133.4	3.3
Net cash from/(used in) investing activities		77.3	(57.8)
Proceeds from borrowings		45.5	47.6
Repayment of borrowings		(162.9)	(7.9)
Buy-back of ordinary share capital		(25.6)	–
Dividends paid to shareholders		(43.9)	(43.4)
Net cash used in financing activities		(186.9)	(3.7)
Increase/(decrease) in cash and cash equivalents		8.1	(10.4)
Cash and cash equivalents at 1 July		73.1	91.8
Effect of exchange rate fluctuation		9.9	(8.3)
Cash and cash equivalents at 30 June		91.1	73.1
Comprising:			
Cash balances		60.8	52.0
Cash on call deposit		30.3	21.1
		91.1	73.1

To be read in conjunction with the notes to the financial statements on pages 61 to 97.

Notes to the Financial Statements

For the year ended 30 June 2015

Notes to the Financial Statements continued

For the year ended 30 June 2015

1. Basis of preparation

Nuplex Industries Limited (the 'Company') is a Company registered and domiciled in New Zealand. The consolidated financial statements of the Company comprise those of the Company and its subsidiaries (the 'Group') and the Group's interest in associated entities. Amounts presented in these financial statements represent the Group as a whole unless otherwise stated.

(a) Statement of compliance

The financial statements have been prepared in accordance with New Zealand Generally Accepted Accounting Practice (NZ GAAP). They comply with New Zealand Equivalents to International Financial Reporting Standards (NZIFRS), and other applicable Financial Reporting Standards, as appropriate for profit-orientated entities. The financial statements also comply with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB).

The accounting policies set out below and in the following notes have been applied consistently to all periods in these financial statements. There have been no changes in the accounting policies during the year.

The IASB has issued a number of other standards, amendments and interpretations which are not yet effective, detailed below. The Group has not yet applied these in preparing these financial statements and will apply each in the period in which it becomes mandatory.

Standard	Description	Mandatory for the year ending
NZ IFRS 9	Financial Instruments	30 June 2019
NZ IFRS 15	Revenue from Contracts with Customers	30 June 2018

The above standards and interpretations are not considered likely to have a material impact for the Group.

(b) Basis of preparation

Nuplex Industries Limited is a company registered under the Companies Act 1993 and is an FMC reporting entity under Part 7 of the Financial Markets Conduct Act 2013. The financial statements of the Group have been prepared in accordance with the requirements of Part 7 of the Financial Markets Conduct Act 2013 and the NZX Listing Rules. In accordance with the Financial Markets Conduct Act 2013, because financial statements are prepared and presented for Nuplex Industries Limited and its subsidiaries as a consolidated group, separate financial statements for Nuplex Industries Limited (as a company in its own right) are no longer required to be prepared and presented.

These financial statements are presented in New Zealand dollars, which is the Company's functional currency, except where stated otherwise, rounded to the nearest hundred thousand dollars. They are prepared on the historical cost basis except that previously revalued property, plant and equipment carrying values which on transition to NZIFRS have been deemed as cost, and derivative financial instruments which are stated at their fair values.

The consolidated financial statements were approved by the Board of Directors on 14 August 2015.

The preparation of financial statements in conformity with NZIFRS's requires management to make judgements, estimates and assumptions that effect the application of policies and reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis for making judgements about carrying values of some assets and liabilities. Actual results may differ from these estimates. The 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 if the revision affects only that period, or in the period of revision and future periods if the revision affects both current and future periods. Information about the significant areas of judgement exercised or estimation in applying accounting policies that have had a significant impact on the amounts recognised in the financial statements are described within the relevant note disclosures set out below.

Financial Statements Presentation

Nuplex has revised the structure of our Financial Statements to improve clarity and usefulness. The report is now structured under the following key categories:

- Performance
- Long-term assets
- Working capital
- Other liabilities
- Debt and equity
- Other disclosures

Performance

This section focuses on the Group's financial performance and returns provided to equity holders, including the following notes:

2. Segment analysis
3. Disposals
4. Earnings per share
5. Other operating income
6. Other operating expenses
7. Financial income/expense
8. Personnel expenses
9. Share-based incentive schemes
10. Auditors' remuneration

2. Segment analysis

ACCOUNTING POLICY	The Group determines and presents operating segments based on the information that is internally provided to the CEO, who is the Group's chief operating decision maker. An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components. An operating segment's operating results are reviewed regularly by the CEO to make decisions about resources to be allocated to the segment and to assess its performance, and for which discrete financial information is available. Segment capital expenditure is the total cost incurred during the period to acquire property, plant and equipment, subsidiaries and businesses.

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 Group's 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 Earnings before Interest, Tax, Depreciation and Amortisation ('Operating 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.

Notes to the Financial Statements continued

For the year ended 30 June 2015

Performance continued

2. Segment analysis continued

The table below sets out information about the Group's reportable segments for the year ended 30 June 2015, with corresponding information for the prior period on the following page.

Information about reportable segments (NZ$ in millions)	ANZ	Asia	2015 EMEA	Americas	Total Group
Sales to outside customers	302.4	316.0	584.9	171.4	1,374.7
Inter-segment sales	5.1	1.8	14.2	1.1	
Segment sales	307.5	317.8	599.1	172.5	
Operating EBITDA before unallocated costs	12.4	38.3	60.6	25.0	136.3
Unallocated costs					(9.0)
Operating EBITDA after unallocated costs					127.3
Depreciation and amortisation	(9.3)	(4.6)	(16.7)	(2.2)	(32.8)
Segment result	3.1	33.7	43.9	22.8	94.5
Net financing costs					(10.9)
Share of profits of associates					1.9
Non-controlling interest					(2.8)
Tax on operating profits					(19.3)
Operating profit after tax					63.4
Significant items					
Significant items before tax					(7.0)
Income tax credit on significant items					1.9
Net profit attributable to equity holders of the parent from continuing operations					58.3
Net profit attributable to non-controlling interests					2.8
Profit for the period from continuing operations					61.1
Profit from discontinued operations					12.5
Profit for the period					73.6

Revenues from one group of customers under common control amount to 12% (2014: 11%) of the Group's total revenues.

	ANZ	Asia	EMEA	Americas	Total Group
Assets	308.1	262.3	413.6	74.8	1,058.8
Unallocated assets					123.3
Assets associated with discontinued operations					–
					1,182.1
Liabilities	70.1	94.5	152.3	26.6	343.5
Unallocated liabilities					262.2
Liabilities associated with discontinued operations					–
					605.7
Other segment information					
Equity accounted investments included in segment assets	–	7.0	–	–	7.0
Acquisition of fixed assets, intangible assets and other non-current assets	16.1	30.6	9.7	1.5	57.9

Performance continued

2. Segment analysis continued

GEOGRAPHIC SEGMENTS

	Sales by destination		Non-current assets	
(NZ$ in millions)	2015	2014	2015	2014
ANZ	**266.5**	296.3	**186.0**	226.0
Asia	**353.5**	315.1	**139.2**	84.1
EMEA	**559.3**	562.6	**195.2**	198.6
Americas	**195.4**	181.3	**20.0**	16.3
Total Group	**1,374.7**	1,355.3	**540.4**	525.0

Information about reportable segments (NZ$ in millions)	2014 ANZ	Asia	EMEA	Americas	Total Group
Sales to outside customers	305.1	293.3	594.9	162.0	1,355.3
Inter-segment sales	4.9	1.3	16.2	1.0	
Segment sales	310.0	294.6	611.1	163.0	
Operating EBITDA before unallocated costs	9.8	31.7	55.3	20.7	117.5
Unallocated costs					(7.1)
Operating EBITDA after unallocated costs					110.4
Depreciation and amortisation	(9.9)	(3.7)	(17.8)	(2.6)	(34.0)
Segment result	(0.1)	28.0	37.5	18.1	76.4
Net financing costs					(17.6)
Share of profits of associates					2.1
Non-controlling interest					(2.3)
Tax on operating profits					(13.0)
Operating profit after tax					45.6
Significant items					
Significant items before tax					(3.8)
Income tax credit on significant items					1.2
Net profit attributable to equity holders of the parent from continuing operations					43.0
Net profit attributable to non-controlling interests					2.3
Profit for the period from continuing operations					45.3
Profit from discontinued operations					9.4
Profit for the period					54.7
Assets	291.9	183.7	394.1	62.5	932.2
Unallocated assets					96.3
Assets associated with discontinued operations					171.8
					1,200.3
Liabilities	47.9	75.0	165.3	23.1	311.3
Unallocated liabilities					329.9
Liabilities associated with discontinued operations					44.9
					686.1
Other segment information					
Equity accounted investments included in segment assets	–	4.8	–	–	4.8
Acquisition of fixed assets, intangible assets and other non-current assets	22.0	25.8	9.6	1.1	58.5

Notes to the Financial Statements continued

For the year ended 30 June 2015

Performance continued

3. Disposals

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

The Group's operations in Brazil, which comprised 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	12 months to 30 June 2014
Sales revenue	124.4	284.7
Operating EBITDA	**5.9**	**15.3**
Depreciation and amortisation	(0.7)	(2.5)
Net financing income	0.2	0.1
Tax on operating profits	(1.6)	(3.5)
Operating profit after tax	**3.8**	**9.4**
Significant Items		
Gain on sale of operations before tax	12.2	–
Remediation provisions for non-operating sites	(4.9)	–
Recycling of Brazilian translation reserve to profit	(1.2)	–
Income tax credit on significant items	2.6	–
Profit from discontinued operations for the period	**12.5**	**9.4**

Details of the sale of the Specialties and Masterbatch businesses are set out below:	
Cash consideration received or receivable net of transaction and other costs	131.6
Carrying amount of net assets sold or related to discontinued business	(119.4)
Gain on sale before income tax	**12.2**
Income tax credit	0.8
Gain on sale after income tax	**13.0**

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

(NZ$ in millions)	28 Nov 2014
Property, plant and equipment	12.9
Intangible assets	45.4
Inventories	63.2
Trade and other receivables	15.2
Total assets	**136.7**
Employee benefits	(3.9)
Trade and other payables	(13.4)
Total liabilities	**(17.3)**
Total net assets	**119.4**

Performance continued

4. Earnings per share

ACCOUNTING POLICY

The Group presents basic and diluted Earnings Per Share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period. Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding during the period for the effects of all dilutive potential ordinary shares, which comprise share-based incentive schemes granted to employees.

The calculation of basic earnings per share is based on:

	2015	2014
Net profit attributable to ordinary shareholders	70.8	52.4
Weighted average number of ordinary shares (in millions of shares):		
Ordinary shares on issue at 1 July	198.1	198.1
Shares purchased and cancelled under share buy-back scheme	(0.9)	–
	197.2	198.1
Basic earnings per share (cents per share)	35.9	26.4
The calculation of diluted earnings per share is based on:		
Net profit attributable to ordinary shareholders	70.8	52.4
Net profit attributable to ordinary shareholders (diluted)	70.8	52.4
Basic weighted average number of ordinary shares (in thousands of shares)	197.2	198.1
Effect of performance rights plan	1.5	2.8
Diluted weighted average number of ordinary shares	198.7	200.9
Diluted earnings per share (cents per share)	35.6	26.1

5. Other operating income

(NZ$ in millions)	2015	2014
Gain on disposal of property, plant and equipment	0.4	0.7
Gain on sale of interest in Quaker Chemical (Australasia) Pty Ltd	–	7.5
Commissions, royalties and fees received	6.7	7.0
Rental income received	0.7	0.6
Other	–	0.5
	7.8	16.3

6. Other operating expenses

(NZ$ in millions)	Note	2015	2014
Impairment of property, plant and equipment	11	5.1	0.1
Legal costs and settlements		1.2	1.2
Site remediation costs provided		1.3	1.5
Costs associated with divestments, acquisitions and integrations		–	0.8
Impairment of assets in RPC Pipe Systems Proprietary Limited		–	8.8
Amortisation of intangibles		5.3	5.6
Restructuring and retirement		0.4	3.8
Other		2.1	2.1
		15.4	23.9

Notes to the Financial Statements continued

For the year ended 30 June 2015

Performance continued

7. Financial income and expense

ACCOUNTING POLICY Net financing costs comprise interest payable on borrowings calculated as it accrues using the effective interest rate method, foreign exchange gains and losses, and gains and losses on hedging instruments that are recognised in profit and loss.

Recognised in profit and loss

(NZ$ in millions)	2015	2014
Interest income from outside the Group	0.7	1.0
Foreign exchange gain	5.6	0.2
Financial income	6.3	1.2
Interest expense	13.5	16.6
Foreign exchange loss	3.7	2.2
Financial expenses	17.2	18.8
Net financing costs	10.9	17.6

8. Personnel expenses

Included in cost of sales, distribution, marketing, administration and other expenses are the following personnel expenses:

(NZ$ in millions)	Note	2015	2014
Wages and salaries		136.0	137.7
Social security contributions		11.5	10.8
Contributions to defined contribution pension plans		9.0	10.8
Expenses related to defined benefit pension plans	17	1.4	1.8
Increase in liability for leave entitlement		4.3	0.8
Share-based incentive scheme	9	3.6	1.0
Restructuring and retirement		0.4	3.8
Other benefits		2.1	2.9
		168.3	169.6

9. Share-based incentive schemes

The Company has a Performance Rights Plan that entitles key management personnel to receive shares in the Company with the following key characteristics:

Issue date	Rights issued	Vesting period	Performance hurdle bases
November 2010	1,371,668	1 July 2010 to 30 June 2013, retested 30 June 2014	50% Relative TSR and 50% EPS
September 2011	1,702,274	1 July 2011 to 30 June 2014, retested 30 June 2015	50% Relative TSR and 50% EPS
September 2012	2,239,384	1 July 2012 to 30 June 2015, retested 30 June 2016	50% Relative TSR and 50% EPS
September 2013	1,886,886	1 July 2013 to 30 June 2016	50% Relative TSR and 50% ROFE
August 2014	1,368,165	1 July 2014 to 30 June 2017	50% Relative TSR and 50% ROFE

Rights vest on a sliding scale, depending on performance against targets set at grant date in each case. Vesting is also subject to meeting service criteria and rights lapse if unvested at the end of the vesting period. Rights are both equity and cash settled. The fair value of the rights is recognised as an employee expense with a corresponding increase in equity (for equity settled rights) or provisions (for cash settled rights). The fair value of rights are measured at the grant date and spread over the vesting period, taking into account the terms and conditions upon which the rights were granted. The amount recognised as an expense is adjusted to reflect the number of rights for which the service and non-market vesting conditions are expected to be met at the vesting date.

Performance continued

9. Share-based incentive schemes continued

The grant date fair value of the rights was measured based on Monte Carlo sampling for those subject to a Relative TSR hurdle. Expected volatility is estimated by considering historic average share price volatility. The inputs used in the measurement of those fair values were:

	2015	2014
Share price at grant date:	NZD2.96	NZD3.50
Risk free rate (based on government bonds)	3.80%	3.36%
Dividend yield	6.4%	6.7%
Volatility	24%	24%

(Income)/Expense recognised in the income statement

(NZ$ in millions)	2015	2014
Performance Rights granted in 2011 financial year – equity settled	–	(0.3)
Performance Rights granted in 2012 financial year – equity settled	0.1	–
Performance Rights granted in 2012 financial year – cash settled	–	–
Performance Rights granted in 2013 financial year – equity settled	0.4	0.3
Performance Rights granted in 2013 financial year – cash settled	0.1	0.1
Performance Rights granted in 2014 financial year – equity settled	1.1	0.7
Performance Rights granted in 2014 financial year – cash settled	0.5	0.2
Performance Rights granted in 2015 financial year – equity settled	1.0	–
Performance Rights granted in 2015 financial year – cash settled	0.4	–
	3.6	1.0
Total equity settled	2.6	0.7
Total cash settled	1.0	0.3

10. Auditors' remuneration

(NZ$ in thousands)	2015	2014
Audit services		
Auditors of the Company		
PricewaterhouseCoopers Australia:		
Audit and review of financial reports	713	862
Other PricewaterhouseCoopers Firms:		
Audit and review of financial reports	621	594
	1,334	1,456
Other auditors		
Audit and review of financial reports	11	15
	1,345	1,471

The lead auditors of the Group are PricewaterhouseCoopers Australia.

Notes to the Financial Statements continued

For the year ended 30 June 2015

Long-term assets

This section provides information on the Group's investments made in long-term business assets, including physical, intangible and investment assets. The section includes the following notes:

11. Property, plant and equipment
12. Intangible assets
13. Investments

11. Property, plant and equipment

ACCOUNTING POLICY

Owned assets

Items of property, plant and equipment are stated at cost or deemed cost less accumulated depreciation and impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials, direct labour, any other costs directly attributable to bringing the asset to a working condition for its intended use, costs of dismantling and removing the items and restoring the site on which they are located, and capitalised borrowing costs.

The cost of replacing part of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the related future economic benefits will flow to the Group and its cost can be measured reliably. The carrying value of the replaced part is derecognised. The costs of servicing of property, plant and equipment are recognised in profit or loss as incurred.

Gains and losses on disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of the item and are recognised within 'other income' in profit or loss.

Leased assets

Lease agreements where the Group assumes substantially all the risks and rewards of ownership of the leased asset are classified as finance leases.

Depreciation

Depreciation is charged to profit and loss on a straight-line basis over the estimated useful life of each part of an item of property, plant and equipment. Depreciation is classified as Distribution, Marketing, Administration or other based on the function of the underlying asset to which the charge relates. The land component of land and buildings is not depreciated.

The estimated useful lives for the current and prior years fall within the following ranges:

Buildings	20 – 50 years
Plant and equipment	3 – 20 years
Motor vehicles	5 years

Long-term assets continued

11. Property, plant and equipment continued

(NZ$ in millions)	Land and buildings	Plant and equipment	Under construction	Total
Cost				
Balance at 1 July 2013	208.0	322.9	20.4	551.3
Acquisitions through business combinations	–	4.7	–	4.7
Additions/transfers	7.6	20.3	27.1	55.0
Disposals	–	(1.7)	–	(1.7)
Movements in foreign exchange	(17.8)	(31.0)	(2.7)	(51.5)
Balance at 30 June 2014	197.8	315.2	44.8	557.8
Balance at 1 July 2014	197.8	315.2	44.8	557.8
Additions/transfers	31.5	67.0	(42.4)	56.1
Disposals	(0.7)	(12.0)	–	(12.7)
Movements in foreign exchange	20.3	41.8	7.3	69.4
Balance at 30 June 2015	**248.9**	**412.0**	**9.7**	**670.6**
Depreciation and impairment losses				
Balance at 1 July 2013	49.0	189.1	–	238.1
Depreciation charge for the year	6.0	20.9	–	26.9
Movements in foreign exchange	(5.0)	(21.3)	–	(26.3)
Balance at 30 June 2014	50.0	188.7	–	238.7
Balance at 1 July 2014	50.0	188.7	–	238.7
Depreciation charge for the year	6.2	19.0	–	25.2
Disposals	–	(2.0)	–	(2.0)
Impairment	5.1	–	–	5.1
Movements in foreign exchange	6.0	30.3	–	36.3
Balance at 30 June 2015	**67.3**	**236.0**	**–**	**303.3**
Carrying amounts				
At 1 July 2013	159.0	133.8	20.4	313.2
At 30 June 2014	147.8	126.5	44.8	319.1
At 1 July 2014	147.8	126.5	44.8	319.1
At 30 June 2015	**181.6**	**176.0**	**9.7**	**367.3**
2015				
Held for sale	10.3	–	–	10.3
Not held for sale	171.3	176.0	9.7	357.0
2014				
Held for sale	15.6	–	–	15.6
Not held for sale	132.2	126.5	44.8	303.5

Notes to the Financial Statements continued

For the year ended 30 June 2015

Long-term assets continued

In accounting for property, plant and equipment management is required to make judgements on the expected life of the asset, the likelihood of the asset's obsolescence and the likelihood that the asset will continue to be utilised. Management reassesses useful lives at least annually and considers whether indicators of impairment have occurred that might necessitate impairment testing. Assessing impairment where required may involve estimation and valuation of future cash flows that an asset is expected to generate and making assumptions thereon. As the outcomes of the next financial period may differ from the assumptions made,

It is impractical to predict the impact that could result in a material adjustment to the carrying amount.

Properties held for sale

Land and buildings above includes NZ$10.3 million in relation to one Australian property that is no longer in use and is in a suitable condition for sale.

Impairment

The impairment charge recognised in 2015 represents the reduction in value of an Australian available for sale property to its realisable amount.

Leased plant and machinery

The Group leases plant and equipment under a number of finance lease agreements. At 30 June 2015, the net carrying amount of leased plant and machinery was NZ$0.8 million (2014: NZ$0.8 million). The leased equipment secures the underlying lease obligations.

12. Intangible assets

ACCOUNTING POLICY

Goodwill

All business combinations are accounted for by applying the acquisition method. Goodwill represents amounts arising on acquisition of subsidiaries and associates, being the difference between the cost of the acquisition and the fair value of the identifiable net assets acquired. Goodwill is stated at cost less any accumulated impairment losses. In respect of associates, the carrying amount of goodwill is included in the carrying amount of the investment in the associate. Negative goodwill arising on an acquisition is recognised directly in profit and loss.

Intellectual property

Expenditure on research activities, undertaken with the prospect of gaining new scientific or technical knowledge, is recognised in profit and loss as an expense as incurred. Expenditure on product or process development activities, whereby research findings are applied to the development of new or substantially improved products and processes, is capitalised if the product or process is technically and commercially feasible with the probability of future economic benefits, the Group has sufficient resources to complete development and costs can be measured reliably. The expenditure capitalised includes the cost of materials, direct labour and an appropriate proportion of overheads. Capitalised development expenditure is stated at cost less accumulated amortisation and impairment losses. Other development expenditure is recognised in profit and loss as an expense as incurred.

Agencies

Agencies represent the fair value assessed at the time of acquisition of certain indefinite life agency agreements acquired as part of the PML Holdings Limited group of companies and Med-Chem business. These were disposed of in the year as part of the sale of the Specialties business as disclosed in note 3.

Other intangible assets

Other intangible assets that are acquired by the Group are stated at cost less accumulated amortisation and impairment losses.

Long-term assets continued

12. Intangible assets continued

(NZ$ in millions)	Goodwill	Agencies	Intellectual property	Other	Total
Cost					
Balance at 1 July 2013	168.1	31.8	40.1	24.5	264.5
Acquisitions	–	–	–	3.6	3.6
Movements in foreign exchange	(12.3)	–	(5.9)	(3.6)	(21.8)
Balance at 30 June 2014	155.8	31.8	34.2	24.5	246.3
Balance at 1 July 2014	155.8	31.8	34.2	24.5	246.3
Disposals	(13.5)	(31.8)	–	–	(45.3)
Acquisitions	–	–	–	1.8	1.8
Movements in foreign exchange	1.7	–	1.2	(0.1)	2.8
Balance at 30 June 2015	**144.0**	**–**	**35.4**	**26.2**	**205.6**
Amortisation					
Balance at 1 July 2013	17.5	–	23.2	4.5	45.2
Amortisation for the year	–	–	5.6	4.0	9.6
Disposals	–	–	–	–	–
Movements in foreign exchange	(1.2)	–	(1.6)	(1.7)	(4.5)
Balance at 30 June 2014	16.3	–	27.2	6.8	50.3
Balance at 1 July 2014	16.3	–	27.2	6.8	50.3
Amortisation for the year	–	–	4.2	4.9	9.1
Disposals	0.1	–	–	–	0.1
Movements in foreign exchange	(0.4)	–	1.2	(2.7)	(1.9)
Balance at 30 June 2015	**16.0**	**–**	**32.6**	**9.0**	**57.6**
Carrying amounts					
At 1 July 2013	150.6	31.8	16.9	20.0	219.3
At 30 June 2014	139.5	31.8	7.0	17.7	196.0
At 1 July 2014	139.5	31.8	7.0	17.7	196.0
At 30 June 2015	**128.0**	**–**	**2.8**	**17.2**	**148.0**

The amortisation charge is recognised in the following line items in profit and loss:

ACCOUNTING POLICY

Amortisation

Amortisation is charged to profit and loss on a straight-line basis over the estimated useful lives of the finite life intangible assets. Goodwill and intangible assets with an indefinite useful life are not amortised but tested for impairment at each annual balance sheet date. Other intangible assets are amortised from the date they are available for use. The estimated useful lives for the current and comparative years are as follows:

Intellectual property	up to 15 years
Other	up to 10 years

(NZ$ in millions)	2015	2014
Administration expenses	**4.9**	4.0
Other operating expenses	**4.2**	5.6
	9.1	9.6

Notes to the Financial Statements continued

For the year ended 30 June 2015

Long-term assets continued

12. Intangible assets continued

The following segments have significant carrying amounts of goodwill and capitalised agencies:

(NZ$ in millions)	2015	2014
ANZ	**30.2**	76.5
Asia	**17.1**	14.7
EMEA	**77.0**	76.9
Americas	**3.7**	3.2
	128.0	171.3

Impairment tests for cash-generating units containing goodwill and capitalised agencies

The carrying amounts of the Group's assets, other than inventories and deferred tax assets, are reviewed at each balance sheet date to determine whether there is any indication of impairment. If any such indication exists, the assets recoverable amount is estimated. For intangible assets that have an indefinite useful life the recoverable amount is estimated at each balance sheet date. An impairment loss is recognised whenever the carrying amount of an asset or its cash-generating unit ('CGU') exceeds its recoverable amount. Impairment losses are recognised in the income statement. Impairment losses recognised in respect of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to CGUs and then to reduce the carrying amount of other assets in the unit on a pro-rata basis. The recoverable amount of other assets is the greater of their net selling price and value in use.

This assessment requires management to estimate future cash flows to be generated by CGUs to which goodwill has been allocated. Estimating future cash flows entails making judgements including the expected rate of growth of revenues and expenses, margins and market shares to be achieved, and the appropriate discount rate to apply when discounting future cash flows as detailed below. As the outcomes in the next financial period may be different to the assumptions made, it is impracticable to predict the impact that could result in a material adjustment to the carrying amount.

For the purposes of impairment testing, goodwill and agencies are allocated to the countries within the group which represent the lowest level within the Group at which goodwill is monitored for internal management purposes. The recoverable amount of each CGU is based on value in use calculations. Those calculations use cash flow projections based on actual operating results, budgets and forecasts. Key budget and forecast assumptions, including market growth rates, wages growth rates and inflation are set based on independent economic forecasts for each relevant jurisdiction and approved at Board level. Detailed budgets and forecast cash flows are prepared for a two year period and are extrapolated using growth rates in accordance with current business plans and forecasts and with reference to long-term independent economic forecasts.

The period over which cash flows are considered for each region is consistent with the Group's long-term commitment and certainty of cash flows in each region. The following pre-tax discount rates and growth rates have been used in discounting the projected cash flows:

	Discount rates used		Growth rate	
	2015	2014	2015	2014
ANZ	**14.2 – 15.6%**	15.2 – 15.6%	**3%**	2 – 3%
Asia	**14.2%**	14.2%	**5 – 7%**	5 – 7%
Europe	**11.0 – 11.9%**	11.0 – 11.9%	**2%**	2%
Americas	**15.1%**	15.1%	**3%**	1%

There was a significant amount of headroom between the recoverable amount and the carrying value of goodwill by CGU and no impairment was recognised. The value in use calculations are sensitive to changes in interest rates, earnings and foreign exchange rates varying from the assumptions and forecast data used in the impairment testing. Sensitivity analysis was undertaken to examine the effect of a change in a variable on each CGU. Any reasonably possible change in the key assumptions on which recoverable amount is based would not create a situation where the carrying value of goodwill allocated to a particular CGU would exceed its recoverable amount.

Long-term assets continued

13. Investments

Investments in associates

The Group has the following investments in associates:

	Principal activities	Country	Reporting date	% held 2015	% held 2014
Innospec Valvemaster Limited	Distributor of specialty products	UK	31 December	50%	50%
Synthese (Thailand) Co Limited	Manufacture and distribution of synthetic resins	Thailand	31 December	47.5%	47.5%

(NZ$ in millions)	Revenues (100%)	Profit/(loss) (100%)	Share of associate net profit/(loss) recognised	Total assets (100%)	Total liabilities (100%)	Net assets as reported by associates (100%)	Share of associates' net assets
2015							
Innospec Valvemaster Ltd	–	–	–	0.6	0.5	0.1	–
Synthese (Thailand) Co Ltd	40.3	4.0	1.9	26.1	10.9	15.2	7.0
	40.3	4.0	1.9	26.7	11.4	15.3	7.0
2014							
Quaker Chemical (Australasia) Pty Limited	13.2	2.3	1.1	–	–	–	–
Innospec Valvemaster Ltd	–	–	–	0.6	0.5	0.1	–
Synthese (Thailand) Co Ltd	30.9	2.0	1.0	20.4	10.5	9.9	4.8
	44.1	4.3	2.1	21.0	11.0	10.0	4.8

Results of associates

(NZ$ in millions)	2015	2014
Share of associates' profit before income tax	2.4	3.0
Share of income tax expense	(0.5)	(0.9)
Share of associates' net profit as disclosed by associates	1.9	2.1

Reconciliation of investment balance

(NZ$ in millions)	2015	2014
Balance at 1 July	4.8	6.6
Share of associates' net profit	1.9	2.1
Dividends received	(0.5)	(1.7)
Exchange translation difference	0.8	(0.9)
Disposal of investments	–	(1.3)
Balance at 30 June	7.0	4.8

Notes to the Financial Statements continued

For the year ended 30 June 2015

Working capital

Working capital includes the Group's short-term operating assets and liabilities. This section provides information on the primary elements of those items, including the following notes:

14. Inventories
15. Trade and other receivables
16. Trade and other payables

14. Inventories

ACCOUNTING POLICY Inventories are stated at lower of cost and net realisable value with due allowance for rework/obsolescence. Raw materials, packaging and inventories purchased for resale are valued on a weighted average cost basis. Manufactured inventories and work in progress are valued at the cost of materials plus direct labour and factory overheads based on normal operating capacity, including all costs of bringing items to their present location and condition.

(NZ$ in millions)	2015	2014
Raw materials and consumables	61.0	57.9
Finished goods	130.0	179.9
Provision for stock obsolescence	(6.0)	(4.8)
	185.0	233.0

Purchased inventory included above may be subject to a retention of title clause in the normal course of business.

15. Trade and other receivables

ACCOUNTING POLICY Trade and other receivables are initially stated at fair value and are categorised as loans and receivables which are subsequently measured at amortised cost less impairment.

(NZ$ in millions)	2015	2014
Current		
Trade receivables	309.6	326.6
Other receivables and prepayments	28.3	24.5
Fair value derivatives	13.6	–
	351.5	351.1

The aging of trade receivables at the reporting date was:

(NZ$ in millions)	Gross 2015	Impairment 2015	Gross 2014	Impairment 2014
Not past due	243.7	–	272.8	(0.1)
Past due 0-30 days	48.4	–	37.8	–
Past due 31-90 days	14.9	–	13.8	–
Past due 91 days or more	4.8	(2.2)	3.8	(1.5)
Total	311.8	(2.2)	328.2	(1.6)

Provisioning for doubtful debts takes into account known factors impacting specific debtors, as well as the overall profile of each Group company's debtors portfolio. Factors such as the age of receivable balances, past collection history and the level of activity in customer accounts are taken into account.

16. Trade and other payables

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

(NZ$ in millions)	2015	2014
Current		
Trade payables and accrued expenses	286.1	287.9
Fair value derivatives	–	21.2
	286.1	309.1

Other liabilities

Other liabilities includes the Group's short and long-term liabilities for employee benefits and other provisions, including the following notes:

17. Employee provisions
18. Provisions

17. Employee provisions

ACCOUNTING POLICY

Defined contribution pension plans

Obligations for contributions to defined contribution pension plans are recognised as an expense in profit or loss in the periods during which services are rendered by employees.

Defined benefit pension plans

The Group's net obligation in respect of defined benefit pensions and medical pension plans is calculated separately for each pension plan by estimating the amount of future benefit that employees have earned or might receive in return for their service in the current and prior periods. That benefit is discounted to determine its present value and the fair value of any pension plan assets is deducted. The discount rate is the yield at the balance sheet date on government bonds that have maturity dates approximating to the terms of the Group's obligations. The calculation is performed by a qualified actuary using the projected unit credit method. When the benefits of a pension plan are improved, the portion of the increased benefit relating to past service by employees is recognised immediately as an expense in the income statement. Actuarial gains and losses that arise in calculating the Group's obligation in respect of a pension plan are recognised in other comprehensive income.

Long-term service benefits

The Group's obligation in respect of long-term service benefits, other than pension plans, is the amount of the future benefit, including on-costs, discounted to present value at discount rates appropriate to the local jurisdiction, that employees have earned in return for their service in the current and prior periods.

Termination benefits

Termination benefits are recognised as an expense when the Group is demonstrably committed, without realistic possibility of withdrawal, to a formal detailed plan to terminate employment before the normal retirement date. If benefits are payable more than 12 months after the end of the reporting period then they are discounted to their present value.

Other

Vested sick leave, annual leave and bonuses are measured at their nominal amounts, based on remuneration rates which are expected to be paid when the liability is settled. These amounts are disclosed in current employee provisions.

(NZ$ in millions)	2015	2014
Current		
Bonus provisions	7.5	5.0
Liability for annual leave	10.3	10.2
Redundancy	0.3	0.7
Other	4.5	3.8
	22.6	19.7

	2015	2014
Non-Current		
Present value of unfunded obligations	4.6	5.0
Present value of funded obligations	31.6	27.3
Fair value of pension plan assets	(17.8)	(15.9)
Present value of net obligations	18.4	16.4
Liability for long service leave	6.0	7.1
Other	0.9	0.5
Total non-current employee benefits	25.3	24.0

Notes to the Financial Statements continued

For the year ended 30 June 2015

Other liabilities continued

17. Employee provisions continued

(a) Liability for defined benefit obligation

The Group makes contributions to three defined benefit pension plans that provide benefits for employees upon retirement. The pension plans include retirement schemes in Germany and The Netherlands and a United States medical scheme.

(NZ$ in millions)	Present value of obligation	Fair value of pension plan assets	Total
1 July 2013	30.0	(17.9)	12.1
Current service cost	0.9	–	0.9
Interest expense/(income)	1.5	(0.6)	0.9
Total amount recognised in profit or loss	2.4	(0.6)	1.8
Remeasurements:			
(Gain)/loss from change in actuarial assumptions	3.1	1.2	4.3
Total amount recognised in other comprehensive income	3.1	1.2	4.3
Exchange differences	(2.3)	1.3	(1.0)
Pension plan participant contributions	0.2	–	0.2
Benefit payments	(1.2)	0.2	(1.0)
30 June 2014	32.2	(15.8)	16.4
1 July 2014	32.2	(15.8)	16.4
Current service cost	1.0	–	1.0
Interest expense/(income)	0.9	(0.5)	0.4
Total amount recognised in profit or loss	1.9	(0.5)	1.4
Remeasurements:			
(Gain)/loss from change in actuarial assumptions	0.5	(1.0)	(0.5)
Total amount recognised in other comprehensive income	0.5	(1.0)	(0.5)
Exchange differences	1.9	(0.7)	1.2
Pension plan participant contributions	0.1	–	0.1
Benefit payments	(0.4)	0.2	(0.2)
30 June 2015	**36.2**	**(17.8)**	**18.4**

The following table shows a breakdown of the defined benefit obligation and pension plan assets by country:

(NZ$ in millions)	Germany	Netherlands	United States
Present value of obligation	31.6	4.2	0.4
Fair value of pension plan assets	(17.8)	–	–
	13.8	4.2	0.4

Categories of pension plan assets

(NZ$ in millions)	2015	2014
Equity instruments	**3.3**	2.9
Debt instruments	**11.2**	10.0
Property	**1.7**	1.5
Other assets	**1.6**	1.5
	17.8	15.9

Actuarial assumptions:

	2015	2014
Discount rate	**1.17 to 2.40%**	1.28 to 2.90%
Expected return on pension plan assets	**2.90%**	3.50%
Salary trend	**2.50%**	2.50%

Other liabilities continued

17. Employee provisions continued

The Group's exposure to defined benefit obligations and long service leave obligations require significant judgements to be made in the calculation of the Group's expected future liability and its present value. Significant assumptions made are detailed above. For each significant defined benefit scheme a qualified external actuary is engaged to provide a valuation based, where possible, on externally verifiable assumptions. As the outcomes in the next financial period may be different to the assumptions made, it is impracticable to predict the impact that could result in a material adjustment to the carrying amount. Through its defined benefit pension plans the Group is exposed to a number of risks, the most significant of which are detailed below:

Changes in bond yields	A decrease in government bond yields will increase pension plan liabilities, although this will be partially offset by an increase in the value of the debt instruments held.
Inflation risks	The majority of the pension plans' benefit obligations are linked to salary inflation, and higher inflation will lead to higher liabilities. The majority of the pension plan assets are either unaffected by (fixed debt instruments) or loosely correlated with (equities) inflation.
Asset volatility	The pension plan liabilities are calculated using a discount rate set with reference to government bond yields; if pension plan assets underperform this yield this will increase the deficit.

The sensitivity of the defined benefit obligation to changes in significant assumptions is:

		Impact on defined benefit obligation	
	Change in assumption	Increase in assumption	Decrease in assumption
Discount rate	0.5%	Decrease by 9.5%	Increase by 11.0%
Salary trend	0.5%	Increase by 0.9%	Decrease by 0.8%

18. Provisions

ACCOUNTING POLICY A provision is recognised in the statement of financial position when the Group has a present legal or constructive obligation as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation.

(NZ$ in millions)	Site remediation	Other	Total
Balance at 1 July 2014	3.0	0.4	3.4
Provisions made during the year	6.6	0.0	6.6
Provisions used during the year	(0.7)	–	(0.7)
Exchange rate adjustment	0.2	–	0.2
Balance at 30 June 2015	**9.1**	**0.4**	**9.5**

Current/Non-Current

The provision balances as of the 30 June 2015 and 2014 year-ends were considered to be current liabilities.

Site remediation

Provisions for site remediation are made where the Group has an obligation to remediate a site on which contamination has occurred. Provisions are based upon prior experience and surveyors reports. The amounts are expected to be utilised within the year.

Other

Other provisions include provisions for costs to defend legal claims.

Identification, recognition and valuation of provisions requires management to make judgements about the likelihood of an amount becoming payable or an economic benefit being foregone, estimation of the value of the potential obligations based on available information and estimating when such obligations are likely to be settled. Where a range of possible outcomes exist, management must apply judgement in assessing the probability that any given outcome may occur. As new contingencies can arise unexpectedly or existing items be resolved at short notice, it is impracticable to predict how the carrying value may be impacted over the next financial period but changes could result in a material adjustment to the carrying amount.

Notes to the Financial Statements continued

For the year ended 30 June 2015

Debt and equity

This section details the Group capital, borrowings and operating cash flows, providing detail of the funds that finance current and future activities, including the following notes:

19. Capital and reserves
20. Interest-bearing loans and borrowings
21. Reconciliation of net profit with net cash flows from operating activities

19. Capital and reserves

ACCOUNTING POLICY

Share capital

Share capital is recognised at the fair value of the consideration received by the Company. Transaction costs attributable to the issue of ordinary shares are recognised directly in equity as a reduction of the share proceeds received.

	(In millions of shares)		(NZ$ in millions)	
	2015	2014	2015	2014
Fully paid ordinary shares				
On issue at 1 July	**198.1**	198.1	**368.5**	368.5
Share buy-back scheme	**(6.8)**	–	**(25.6)**	–
On issue at 30 June	**191.3**	198.1	**342.9**	368.5

The holders of ordinary shares are entitled to receive dividends as declared from time to time, are entitled to one vote per share at meetings of the Company and participate equally on winding up of the Company.

Share-based payments reserve

The share-based payments reserve comprises the equity impact of the Group's Performance Rights Plan as disclosed in note 9.

Translation reserve

The translation reserve comprises all foreign exchange differences arising from the translation of the financial statements of foreign operations where their functional currency is different to the functional currency of the reporting entity, as well as from the translation of liabilities designated as hedges of the Company's net investment in a foreign subsidiary.

Hedging reserve

The hedging reserve comprises the effective portion of the cumulative net change in the fair value of effective cash flow hedging instruments related to hedged transactions that have not yet occurred.

Dividends

Dividends are recognised as a liability in the period in which they are declared. Dividends recognised in the current and previous years by the Company are as follows:

2015	Amount per share (cents)	Total amount (NZ$'m)	Imputation cps	Date of payment
Interim current year ordinary	**10.0**	**19.8**	**Nil**	**April 2015**
Final prior year ordinary	**11.0**	**21.8**	**Nil**	**October 2014**
Total amount	**21.0**	**41.6**		

2014	Amount per share (cents)	Total amount (NZ$'m)	Imputation cps	Date of payment
Interim current year ordinary	10.0	19.9	Nil	April 2014
Final prior year ordinary	11.0	21.8	Nil	October 2013
Total amount	21.0	41.7		

Dividends include tax credits from the Company's Imputation Credit Account as noted above. Dividends did not include any Australian franking credits.

After the balance sheet date the following dividends were proposed by the Directors. The dividends have not been provided.

Debt and equity continued

19. Capital and reserves continued

(NZ$ in millions)	Amount per share (cents)	Total amount (NZ$'m)	Imputation cps	Date of payment
Final dividend	17.0	32.5	Nil	12 October 2015

Imputation credits

(NZ$ in millions)	2015	2014
Balance at 30 June	**1.8**	1.4

The Company is part of a New Zealand tax group with the Group's other New Zealand domiciled entities. The imputation credit balance presented above represents that of the Group.

Australian franking credits

(AUD in millions)	2015	2014
Balance at 30 June	**1.8**	1.0

20. Interest-bearing loans and borrowings

ACCOUNTING POLICY This note provides information about the contractual terms of the Group's interest-bearing loans and borrowings. For more information about the Group's exposure to interest rate and foreign currency risk, see note 22. Interest-bearing borrowings are recognised initially at fair value less attributed transaction costs. The attributed transaction costs are amortised over the period of the borrowings on an effective interest basis. Subsequent to initial recognition, borrowings are measured at amortised cost using the effective interest rate method, less any impairment losses.

(NZ$ in millions)	2015	2014
Current liabilities		
Finance lease liabilities	**0.6**	0.3
	0.6	0.3
Non-current liabilities		
Bank loans	**76.9**	184.3
USPP Debt	**153.5**	119.8
Finance lease liabilities	**–**	0.4
	230.4	304.5
Financing facilities: Bank loans	**254.6**	245.4
Facilities utilised at reporting date: Bank loans	**76.9**	184.3
Facilities not utilised at reporting date: Bank loans	**177.7**	61.1

The terms and conditions of outstanding loans were as follows; face value and carrying amount are the same for all loans:

(NZ$ in millions)	Currency	Nominal interest rate (ex fees) 2015	Nominal interest rate (ex fees) 2014	Maturity	Face value and carrying amount	Face value and carrying amount
USPP debt	USD	**6.13%**	6.13%	July 2019	**153.5**	119.8
Bank loan – Tranche A	NZD	**–**	4.77%	July 2017	**–**	57.0
Bank loan – Tranche B	NZD	**–**	4.92%	July 2018	–	19.7
Bank loan – Tranche A	AUD	**–**	4.30%	July 2017	**–**	35.5
Bank loan – Tranche B	AUD	**–**	4.45%	July 2018	**–**	14.0
Bank loan – Tranche A	USD	**1.86%**	1.84%	July 2017	**13.2**	21.6
Bank loan – Tranche B	USD	**2.03%**	1.99%	July 2018	**4.4**	11.4
Bank loan – Tranche A	EUR	**1.61%**	1.84%	July 2017	**13.0**	24.0
Bank loan – Tranche B	EUR	**1.75%**	–	July 2018	**40.5**	–
Bank loan – Indonesia	USD	**5.05%**	5.05%	April 2019	**5.8**	1.1
Total interest-bearing liabilities					**230.4**	304.1

Notes to the Financial Statements continued

For the year ended 30 June 2015

Debt and equity continued

20. Interest-bearing loans and borrowings continued

Financing arrangements

Revolving multi-currency cash advance facilities

Bank loan facilities are denominated in New Zealand Dollars, Australian Dollars, US Dollars and Euro. The Group's cash advance facilities include a multi-currency revolving syndicated facility split into two tranches. Facility A has a limit of AUD150.0 million expiring in July 2017, and facility B has a limit of AUD75.0 million expiring in July 2018, and a further Indonesian unsecured loan facility has a limit of USD4.0 million and expiry of April 2019.

The syndicated facility agreement contains a negative pledge whereby Nuplex Industries Limited and a guaranteeing group of its subsidiary companies each undertakes to the lenders that it will not create or permit to subsist any security interest over any part of its property other than in limited circumstances. The guaranteeing group comprises all wholly owned subsidiary companies except Nuplex Resins (Vietnam) Limited, Nuplex Resins (Foshan) Co Limited, Nuplex Resins (Suzhou) Co Limited, Nuplex Resins (Changshu) Co Limited, Nuplex Resins (Thailand) Limited, Nuplex Industries (Hong Kong) Limited, Nuplex Producao de Resinas Ltda, and Nuplex Singapore Pte Ltd. A negative pledge is also granted under the USPP debt.

The Group's borrowings are subject to various covenants pursuant to the financing arrangements with the Group's bank lenders. The Group is compliant with all covenants as at 30 June 2015.

US Private Placement ('USPP')

On 31 July 2012 the Group raised USD105.0 million of debt from the USSP market with a maturity of 31 July 2019 and an interest rate of 6.125%. The proceeds and ongoing obligations were converted into EUR using a cross currency swap.

21. Reconciliation of the net profit with the net cash flows from operating activities

(NZ$ in millions)	2015	2014
Profit for the period	73.6	54.7
Non-cash items:		
Depreciation	25.2	26.8
Tax	16.7	15.4
Amortisation	8.2	9.6
Impairment	5.1	–
Provisions	5.2	0.6
Doubtful debts provisions	0.4	(1.0)
Equity earnings of associate	(1.9)	(2.1)
	58.9	49.3
Classified as investing/financing:		
Loss/(profit) on sale of business, property, plant and equipment	(12.5)	(1.2)
	(12.5)	(1.2)
(Increase)/Decrease in working capital:		
Receivables	28.0	(12.4)
Inventories	1.2	(14.9)
Creditors	(7.8)	(5.5)
	21.4	(32.8)
Income tax (paid)/received	(24.2)	(20.6)
Dividend received from associate	0.5	1.7
Cash Flow from operating activities	117.7	51.1

Other disclosures

This section contains additional notes and disclosures that aid in understanding the Group's position and performance but do not form part of the primary sections, including the following notes:

22. Financial risk management
23. Income tax expense
24. Deferred tax assets and liabilities
25. Contingent liabilities
26. Related parties
27. Group entities
28. Operating leases
29. Capital and other commitments
30. Fair values
31. Other accounting policies

22. Financial risk management

Exposure to credit, liquidity, interest rate and currency risks arise in the normal course of the Group's business. This note presents information about the Group's exposure to those risks, the objectives, policies and processes for measuring and managing financial risks, and the Group's management of capital. Further quantitative disclosures are included throughout these financial statements. The Board of Directors has overall responsibility for the establishment and oversight of the Group's risk management framework. The Group's risk management policies are set to identify and analyse the risks faced by the Group, to set appropriate limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities. The Board oversees how management monitors compliance with the Group's risk management policies and procedures and reviews the adequacy of the risk management framework in relation to risks faced by the Group.

Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's receivables from customers.

Trade and other receivables

The Group has a credit policy which restricts the exposure to individual trade debtors. Each new customer is analysed for creditworthiness before the Group offers payment and delivery terms. The review includes external credit ratings where available. Credit limits are established for each customer, representing the maximum open amount without requiring approval from senior management or the Board. The Board of Directors reviews the exposure to trade debtors on a regular basis. 12% of the Group's revenue is attributable to one global group of customers under common control. Separately identifiable unmodified inventory sold to customers is subject to a retention of title clause in the normal course of business, so that in the event of non-payment the Group may have a secured claim. The Group does not require collateral in respect of trade receivables.

Guarantees

The Company has issued a guarantee to HSBC to enable our associate company, Synthese Thailand Co Limited, to borrow up to THB100 million (2014: THB100 million).

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date was:

(NZ$ in millions)	2015	2014
Trade and other receivables	**337.9**	351.1
Cash and cash equivalents	**91.1**	73.1
Forward exchange contracts used for hedging:		
Assets	**1.4**	–
	430.4	424.2

Notes to the Financial Statements continued

For the year ended 30 June 2015

Other disclosures continued

22. Financial risk management continued

The maximum exposure to credit risk for financial assets at the reporting date by geographic region was:

(NZ$ in millions)	2015	2014
New Zealand	**21.4**	23.5
Australia	**59.4**	89.0
Americas	**39.2**	36.9
Europe	**167.6**	163.2
Asia	**142.9**	111.6
	430.5	424.2

Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group ensures as far as possible that it maintains sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation. In addition to the Group debt facility, companies in the Group maintain operating credit facilities for day-to-day operational purposes. The following are the contractual maturities of financial liabilities, including interest payments and excluding the impact of netting arrangements:

	2015						
(NZ$ in millions)	Carrying amount	Contractual cash flows	6 months or less	6-12 months	1-2 years	2-5 years	5 years or more
Non-derivative financial liabilities							
Bank loans	**76.8**	**0.2**	**1.2**	**1.2**	**2.3**	**(4.5)**	**–**
USPP debt	**153.5**	**178.8**	**4.7**	**4.7**	**9.4**	**160.0**	**–**
Trade and other payables	**286.1**	**286.1**	**286.1**	**–**	**–**	**–**	**–**
Derivative financial liabilities							
Foreign Currency swaps							
Outflow	**–**	**172.0**	**4.1**	**4.1**	**8.2**	**155.6**	**–**
Inflow	**(13.6)**	**(195.8)**	**(4.7)**	**(4.7)**	**(9.4)**	**(177.0)**	**–**
Forward exchange contracts							
Outflow	**–**	**44.3**	**44.3**	**–**	**–**	**–**	**–**
Inflow	**(1.4)**	**(45.8)**	**(45.8)**	**–**	**–**	**–**	**–**
	501.4	**439.8**	**289.9**	**5.3**	**10.5**	**134.1**	**–**

	2014						
(NZ$ in millions)	Carrying amount	Contractual cash flows	6 months or less	6-12 months	1-2 years	2-5 years	5 years or more
Non-derivative financial liabilities							
Bank loans	183.1	203.5	4.4	4.4	8.7	186.0	–
USPP debt	119.8	149.5	3.7	3.7	7.3	11.0	123.8
Finance lease liabilities	0.8	0.9	0.2	0.2	0.3	0.2	–
Trade and other payables	287.8	287.8	287.8	–	–	–	–
Derivative financial liabilities							
Foreign currency swaps							
Outflow	19.7	172.9	3.9	3.9	7.9	23.6	133.6
Inflow	–	(160.2)	(3.7)	(3.7)	(7.3)	(22.0)	(123.5)
Forward exchange contracts							
Outflow	1.5	67.2	66.6	0.6	–	–	–
Inflow	–	(65.7)	(65.1)	(0.6)	–	–	–
	612.7	655.9	297.8	8.5	16.9	198.8	133.9

Other disclosures continued

22. Financial risk management continued

The following table indicates the periods in which the cash flows associated with derivatives that are cash-flow hedges are expected to occur:

2015 (NZ$ in millions)	Carrying amount	Contractual cash flows	6 months or less	6-12 months	1-2 years	2-5 years	5 years or more
Currency swaps							
Assets	13.6	23.8	0.6	0.6	1.2	21.4	–
Forward exchange contracts							
Assets	1.4	45.8	45.8	–	–	–	–
Liabilities	–	(44.3)	(44.3)	–	–	–	–
	15.0	25.3	2.1	0.6	1.2	21.4	–

2014 (NZ$ in millions)	Carrying amount	Contractual cash flows	6 months or less	6-12 months	1-2 years	2-5 years	5 years or more
Currency swaps							
Liabilities	(19.7)	(12.8)	(0.3)	(0.3)	(0.5)	(1.6)	(10.1)
Forward exchange contracts							
Assets	–	65.7	65.1	0.6	–	–	–
Liabilities	(1.5)	(67.2)	(66.6)	(0.6)	–	–	–
	(21.2)	(14.3)	(1.8)	(0.3)	(0.5)	(1.6)	(10.1)

The following table indicates the periods in which the cash flows associated with derivatives that are cash-flow hedges are expected to impact profit and loss:

2015 (NZ$ in millions)	Carrying amount	Contractual cash flows	6 months or less	6-12 months	1-2 years	2-5 years	5 years or more
Currency swaps							
Assets	13.6	4.8	0.6	0.6	1.2	2.4	–
Forward exchange contracts							
Assets	1.4	45.8	45.8	–	–	–	–
Liabilities	–	(44.3)	(44.3)	–	–	–	–
	15.0	6.3	2.1	0.6	1.2	2.4	–

2014 (NZ$ in millions)	Carrying amount	Contractual cash flows	6 months or less	6-12 months	1-2 years	2-5 years	5 years or more
Currency swaps							
Liabilities	(19.7)	(2.7)	(0.3)	(0.3)	(0.5)	(1.6)	–
Forward exchange contracts							
Assets	–	65.7	65.1	0.6	–	–	–
Liabilities	(1.5)	(67.2)	(66.6)	(0.6)	–	–	–
	(21.2)	(4.2)	(1.8)	(0.3)	(0.5)	(1.6)	–

Notes to the Financial Statements continued

For the year ended 30 June 2015

Other disclosures continued

22. Financial risk management continued

Market risk

The Group is exposed to the risk that changes in foreign exchange rates and interest rates will affect the Group's income or value of financial instruments. The objective of managing these risks is to control exposures within acceptable parameters while optimising the impact on return.

The Group utilises forward currency contracts and interest rate swaps in the ordinary course of business in order to manage these risks. All such transactions are carried out within the guidelines of the Group's Treasury policy as set by the Board. The Group applies hedge accounting where permitted in order to limit volatility in profit and loss.

Capital management

The Group's capital structure comprises a mixture of equity, USPP debt, bank debt of varying tenure and cash. The structure gives a balance between costs of each component, the liquidity risk, the quantum of unused facilities and tenure. The Group has adequate facilities available at all times to meet its short and medium-term cash needs for operations, capital expenditure, financing and pursuit of growth opportunities.

Interest rate risk

The Group has adopted a policy of ensuring that 40-100% of its exposure to interest rates to reset within a year is fixed, that 30-80% of its exposure to rates to reset from one to three years time is fixed and that 0-60% of exposure to rates to reset from three to five years time is fixed. The Board regularly monitors compliance with this policy.

Interest rate risk profile

At the reporting date the interest rate profile of the Group's interest-bearing financial instruments was:

(NZ$ in millions)	2015	2014
Fixed rate instruments		
Financial assets	–	–
Financial liabilities	(154.1)	(120.6)
	(154.1)	(120.6)
Variable rate instruments		
Financial assets	91.1	73.1
Financial liabilities	(76.9)	(184.3)
	14.2	(111.2)

Sensitivity analysis

A change of 100 basis points in interest rates at the reporting date would have impacted equity and profit by the amounts shown below. The analysis assumes all other variables remain constant. The analysis is performed on the same basis for 2014.

(Impact NZ$ in millions)	Equity 2015	Profit 2015	Equity 2014	Profit 2014
100bp increase				
Variable rate instruments	–	0.7	–	(0.8)
Cash-flow sensitivity (net)	–	0.7	–	(0.8)
100bp decrease				
Variable rate instruments	–	(0.7)	–	0.8
Cash-flow sensitivity (net)	–	(0.7)	–	0.8

Other disclosures continued

22. Financial risk management continued

Effective interest rates and repricing analysis

In respect of income-earning financial assets and interest-bearing financial liabilities, the following table indicates their effective interest rates at the balance sheet date and the periods in which they reprice.

	2015						
(NZ$ in millions)	Effective interest rate	Total	6 months or less	6-12 months	1-2 years	2-5 years	5 years or more
Cash and cash equivalents	0.46	91.1	91.1	–	–	–	–
Bank loans:							
USD loan	2.98	(23.4)	(23.4)	–	–	–	–
EUR loan	1.68	(53.4)	(53.4)	–	–	–	
USPP debt	6.13	(153.5)	–	–	–	(153.5)	–
		(139.2)	14.3	–	–	(153.5)	–

	2014						
(NZ$ in millions)	Effective interest rate	Total	6 months or less	6-12 months	1-2 years	2-5 years	5 years or more
Cash and cash equivalents	1.01	73.1	73.1	–	–	–	–
Bank loans:							
AUD loan	4.38	(49.4)	(49.4)	–	–	–	–
USD loan	1.91	(33.0)	(33.0)	–	–	–	–
EUR loan	1.84	(24.0)	(24.0)	–	–	–	–
NZD loan	4.85	(76.7)	(76.7)	–	–	–	–
USPP debt	6.13	(119.8)	–	–	–	–	(119.8)
Finance lease liabilities		(0.7)	(0.2)	(0.2)	(0.3)	–	–
		(230.5)	(110.2)	(0.2)	(0.3)	–	(119.8)

Currency risk

The Group has exposure to foreign exchange risk as a result of income and expenses and balances in overseas entities where functional currency is not the NZD, and as a result of transactions in currencies other than the functional currency of the transacting Group entity. Significant exposures occur primarily in USD, EUR and AUD.

Sensitivity analysis

The sensitivity of the Group's net profit earned and equity balances held in foreign currencies to the exchange rates with significant exposures is detailed in the table below. The table sets out the impact on profit and equity of a 10% strengthening of the NZD against those currencies over the year. The analysis assumes all other variables remain constant and is performed on the same basis for 2014.

Increase/(Decrease) (NZ$ in millions)	Equity 2015	Profit 2015	Equity 2014	Profit 2014
EUR	(3.8)	(3.4)	(8.1)	(2.5)
USD	(7.7)	(2.3)	(6.2)	(1.9)
AUD	(34.9)	2.1	(31.7)	1.4

The sensitivity table above shows that the impact of a 10% strengthening of the NZD against the Euro and the USD would be to decrease net profit for the year ended 30 June 2015 by NZ$3.4 million and NZ$2.3 million respectively. For a 10% strengthening of the NZD against the AUD, the impact on net profit for the year ended 30 June 2015 would have been an increase of NZ$2.1 million. This is because the relevant parts of the Group made a net loss after tax in AUD during the year to 30 June 2015.

Notes to the Financial Statements continued

For the year ended 30 June 2015

Other disclosures continued

22. Financial risk management continued

Forecast transactions

The Group uses forward exchange instruments to manage its exposures to transactions in currencies other than the functional currency of the transacting Group entity. The Group aims to cover 80-100% of its three month forecast net currency exposure, up to 50% of its 4-6 month net exposure and up to 25% of its 7-12 month net exposure.

With the exception of the USPP debt, interest on borrowings is denominated in currencies that match the cash flows generated by the underlying operations of the Group. This provides an economic hedge and no derivatives are entered into in this respect. The principal and interest payments on the USPP debt have been translated from USD to EUR using fixed to fixed currency swaps, with the objective of matching the currency of the assets of the entities in which the debts reside.

The Group hedge accounts its forward exchange contracts. These contracts are fair valued and any effective portion of hedge valuation movement is shown in the statement of changes in equity. The net fair value of these forward exchange contracts at 30 June was NZ$1.4 million (2014: NZ$(1.5 million)), comprising assets of NZ$1.4 million (2014: liabilities of NZ$1.5 million) that were recognised in fair value derivatives. Contracts are taken out for periods of one to 12 months depending upon the timing of the anticipated foreign currency cash flows that the contracts hedge.

Exposure to currency risk

The Group's exposure to foreign currency risk was as follows based on notional amounts:

		2015			2014	
(NZ$ in millions)	AUD	USD	EUR	AUD	USD	EUR
Non-functional currency amounts						
Trade receivables and cash balances	0.6	15.1	30.7	1.8	25.6	27.8
Trade payables	(7.0)	(15.6)	(18.5)	(5.5)	(21.4)	(21.2)
Statement of financial position exposure	(6.4)	(0.5)	12.2	(3.7)	4.2	6.6
Subsidiary net assets	343.0	71.1	37.9	313.2	51.3	79.6
Forward exchange contracts	5.9	37.4	0.9	4.0	50.6	9.1
Statement of financial position exposure	342.5	108.0	51.0	313.5	106.1	95.3
Profit after tax in functional currency	(14.4)	23.5	22.1	(10.1)	14.4	18.2

The Group's foreign currency results and balances are translated into NZD as described in note 31(b). The following significant exchange rates were applied during the year:

	Average rate		Reporting date mid-spot rate	
	2015	2014	2015	2014
USD	0.78	0.83	0.68	0.88
AUD	0.93	0.90	0.89	0.93
EUR	0.65	0.61	0.62	0.64

Other disclosures continued

23. Income tax expense

ACCOUNTING POLICY

Income tax on the profit or loss for the year comprises current and deferred tax. Income tax is recognised in profit and loss except if it relates to items recognised directly in equity or other comprehensive income, in which case the income tax is recognised therein. Current tax is the expected tax payable on the taxable income for the period, using tax rates enacted or substantially enacted at the balance sheet date, and any adjustments to tax payable in prior years.

Recognised in profit and loss

(NZ$ in millions)	2015	2014
Current tax expense		
Current year	35.2	20.9
Adjustments for prior years	(1.3)	(1.3)
	33.9	19.6
Deferred tax expense		
Temporary differences	(16.5)	(7.8)
Total income tax expense in profit and loss	17.4	11.8
Reconciliation between tax expense and pre-tax net profit		
Profit before income tax	78.5	57.1
Income tax using the New Zealand corporate tax rate of 28%	22.0	16.0
Increase in income tax expense due to:		
Non-deductible expenses	0.9	0.3
Tax losses not recognised	–	0.4
Decrease in income tax expense due to:		
Utilisation of previously unrecognised tax losses	(0.4)	–
Effect of tax rate in foreign jurisdictions	(1.0)	(1.4)
Non-taxable gains	–	(0.2)
Share of profits of associates	(0.5)	(0.6)
Tax incentives	(2.3)	(1.4)
Under/(over) provided in prior years	(1.3)	(1.3)
Income tax expense/(benefit) on pre-tax net profit	17.4	11.8
Deferred tax recognised directly in equity		
Fair valuation of hedge accounted derivatives	(9.8)	4.5
Remeasurement of defined benefit obligations	0.1	1.3
	(9.7)	5.8

Notes to the Financial Statements continued

For the year ended 30 June 2015

Other disclosures continued

24. Deferred tax assets and liabilities

ACCOUNTING POLICY

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for accounting purposes and the amounts used for taxation purposes. The following temporary differences are not provided for: goodwill not deductible for taxation purposes, the initial recognition of assets and liabilities that affect neither accounting, nor taxable profit, and differences relating to investments in subsidiaries to the extent that they will probably not reverse in the foreseeable future. The amount of deferred tax provided is based on the expected realisation or settlement of the carrying amount of assets and liabilities, using tax rates at balance date, or if known, tax rates at the expected time of realisation or settlement.

Tax losses and other deferred tax assets are recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Recognised deferred tax assets and liabilities

Deferred tax assets and liabilities are attributable to the following:

	Deferred tax assets		Deferred tax liabilities		Movement	
(NZ$ in millions)	2015	2014	2015	2014	Profit	Equity
Non-current assets	**0.4**	0.4	**(20.9)**	(21.5)	0.6	–
Current assets	**1.4**	5.8	**(0.2)**	(1.3)	(3.3)	–
Employee benefits	**9.3**	6.9	**–**	(2.0)	4.3	0.1
Payables and provisions	**10.6**	4.8	**–**	–	5.8	–
Fair value derivatives	**–**	5.4	**(4.4)**	–	0.0	(9.8)
Tax losses and other items	**15.8**	6.9	–	(0.2)	9.1	–
	37.5	30.2	**(25.5)**	(25.0)	16.5	(9.7)
Set off of deferred tax	**(9.1)**	(9.5)	**9.1**	9.5		
Deferred tax assets/liabilities	**28.4**	20.7	**(16.4)**	(15.5)		

Movement in temporary differences during the year

(NZ$ in millions)	2015	2014
Balance at 1 July	**5.2**	(8.2)
Recognised in profit or loss	**16.5**	7.8
Recognised in equity	**(9.7)**	5.8
Exchange adjustment	**–**	(0.2)
Balance at 30 June	**12.0**	5.2

Unrecognised deferred tax assets

(NZ$ in millions)	2015	2014
Gross value of tax losses	**–**	5.6

The losses shown above for 2014 originated in the Group's operations in Brazil, which as disclosed in note 3 was liquidated in the year.

The value of deferred tax assets recognised in the financial statements involves a significant degree of judgement around the future profitability, ownership and legislative outcomes impacting on the Group entity to which the assets or potential assets relate. In making the required judgements management takes account of all circumstances of which they are aware and current economic forecasts which might have bearing on the tax situation of the entity concerned.

At as 30 June 2015, various subsidiaries recognised deferred tax assets on tax loss carry-forwards and other temporary differences, with the majority of the deferred tax asset relating to losses occurring in Australia which has historically been profit making. This is because on the basis of the approved strategic plans of these subsidiaries, the Group considers it probable that the tax loss carry-forwards and temporary differences can be offset against future taxable profits.

Other disclosures continued

25. Contingent liabilities

US Class Action

Proceedings purporting to be a class action were commenced in Kentucky in March 2010 in connection with alleged contamination of the area surrounding the plant of a wholly owned subsidiary in Louisville, Kentucky. The plaintiffs claim to represent a group of local residents. The claim has not been progressed during the year and damages remain unspecified. Towards the end of the financial year Nuplex filed a notice of motion to have the claim struck out. Since year-end, the plaintiffs have sought leave to file an amended claim.

Guarantees of Group Debt

The Company and all the material wholly owned subsidiaries, outside of China and Vietnam, have entered into:

(a) the syndicated facility agreement with the Group's syndicated facility bank lenders whereby all the Group companies that are party to the agreement have guaranteed the repayment of all liabilities under certain designated documents, including the syndicated facility agreement, certain other bank loans and hedging transactions; and

(b) subsidiary guarantees in respect of the Group's debt raised from the US Private Placement market ('USPP').

HSBC Guarantee

The Company has issued a guarantee to HSBC to enable associate company Synthese Thailand Co Limited to borrow up to THB100 million (2014: THB100 million), equivalent to NZD4.3 million (2014: NZD3.7 million). Nuplex has discharged the JV partner Thai Urethane Plastic Co Limited from its indemnity against 48% of all losses, costs, damages, expenses, claims and demands which may be incurred or sustained by reason or on account of having given the guarantee. Nuplex granted this discharge as part of its commitment to increase the funds available to Synthese Thailand Co Limited to meet an obligation to purchase plant and equipment from Thai Urethane Plastic Co Limited. This transaction was executed in January 2008.

Weathertight Homes Resolution

Plaster Systems Limited (PSL) has been named as a respondent in various claims in the Weathertight Homes Tribunal and New Zealand High Court. PSL has provided for the costs of settlement of these claims as a current provision. PSL has denied liability for damages under these claims but has participated in the settlement process and contributed towards remediation costs without reverting to its full legal remedies as a gesture of good faith and to protect the reputation of its products' suitability for purpose.

Siegwerk

A subsidiary of the Company is subject to legal proceedings in respect of product that was used in connection with the manufacture of lacquer used in the lining of cans of tuna, the subject of a product recall in 2004 and 2005. Nuplex was successful in its initial defence of the proceedings however on appeal, the court ordered a retrial. The retrial took place in April and May 2015 and Nuplex is awaiting the Court's decision. The quantum of the claim against Nuplex is $2.25 million (plus interest) and if unsuccessful on retrial, Nuplex would also be required to pay the claimant's legal costs as assessed by the court. No provision has been made in respect of this matter.

The Directors consider that no further provisions are required in respect of these matters as they are considered unlikely to result in future liability and/or the quantum of any future liability is not capable of reliable measurement.

Notes to the Financial Statements continued

For the year ended 30 June 2015

Other disclosures continued

26. Related parties

The Company has a related party relationship with its subsidiaries and associates (see note 27) and with its Directors and key management personnel.

Transactions with subsidiaries and associates

Transactions with subsidiaries and associates are carried out on an arm's length basis. The Group transacts in the normal course of business with its associates on commercial terms. In addition to dividends disclosed in note 13, the following amounts were received from associates during the year:

Transactions with associates

(NZ$ in millions)	2015	2014
Management fees	–	0.3
Toll manufacturing fees	–	1.5
Sale of goods and services	–	4.4

The Group disposed of its investments in Quaker Chemical (Australasia) Pty Limited and RPC Pipe Systems Pty Limited in the year ended 30 June 2014, following which there were no transactions with associates in the year ended 30 June 2015.

Transactions with key management personnel

The key management personnel of the Nuplex Group comprise the Board of Directors and the Nuplex executive team. There were no transactions with key management personnel other than the compensation set out below.

The key management personnel compensation was as follows:

(NZ$ in millions)	2015	2014
Directors' remuneration – short-term benefits	**0.9**	0.9
Executive officers' remuneration:		
Short-term benefits	**9.3**	8.7
Post-employment benefits	**0.5**	0.4
Long-term incentives	**1.0**	0.4
Share-based payments accrued	**2.6**	1.2
	13.4	10.7

None of the key management personnel were members of the defined benefit retirement schemes referred to in note 17.

Total cash remuneration for the 10 executives (2014: 11) who have been part of the Nuplex executive team for the entire 2015 financial year was NZ$6.9 million (2014: NZ$7.3 million).

Other disclosures continued

27. Group entities

The subsidiary and associate companies comprise:

	Principal activity	Directors**	Country of incorporation if not NZ	% Held 2015	% Held 2014
Nuplex Finance Holdings Limited	Investment and group finance company	2, 7		**100**	100
Nuplex Operations (New Zealand) Limited	Non-operating holding company	2, 7		**100**	100
Nuplex Specialties NZ Limited	Import and distribution of specialty chemicals	None		**0**	100
Nuplex US Holdings Limited	Investment and group finance company	2, 7		**100**	100
Plaster Systems Limited	Manufacture of pre-mixed lightweight and strengthening plasters	2, 7		**100**	100
Asia Pacific Specialty Chemicals Limited	Manufacturer and supplier of specialty products, additives and ingredients	1, 2, 7	Australia	**100**	100
Aushold Pty Limited	Non-operating holding company	2, 7	Australia	**100**	100
Multichem Pty Limited	Import and distribution of specialty chemicals	2, 7, 10	Australia	**100**	100
Nuplex Industries (Aust) Pty Limited	Manufacture, import and distribution of synthetic resins and emulsions, metal driers, paper-making chemicals and food ingredients	2, 7, 10	Australia	**100**	100
Nuplex Operations (Aust) Pty Limited	Non-operating holding company	2, 7	Australia	**100**	100
Nuplex Producao de Resinas Ltda	Manufacture and distribution of synthetic resins	4, 9	Brazil	**100**	100
Nuplex Resins (Changshu) Co Limited*	Manufacture and distribution of synthetic resins	2, 3, 12	China	**100**	100
Nuplex Resins (Foshan) Co Limited*	Manufacture and distribution of synthetic resins	2, 3, 12	China	**100**	100
Nuplex Resins (Suzhou) Co Limited*	Manufacture and distribution of synthetic resins	2, 3, 12, 13	China	**100**	100
Nuplex Industries GmbH	Non-operating holding company	2, 5, 11, 15	Germany	**100**	100
Nuplex Resins GmbH	Manufacture and distribution of synthetic resins	2, 5, 9, 15	Germany	**100**	100
Nuplex Industries (Hong Kong) Limited	Non-operating	2, 7	Hong Kong	**100**	100
PT Nuplex Raung Resins	Manufacture and distribution of synthetic resins	2, 3, 12	Indonesia	**80**	80
Synthese (Malaysia) Sdn bhd	Manufacture and distribution of synthetic resins	2, 3, 5, 12	Malaysia	**62**	62
Nuplex Industries BV	Non-operating holding company	2, 7	Netherlands	**100**	100
Nuplex Resins BV	Manufacture and distribution of synthetic resins	2, 5, 7, 8, 9, 11, 14	Netherlands	**100**	100
Nuplex Sino Chemicals BV	Non-operating holding company	2, 7	Netherlands	**100**	100
Nuplex Resins LLC	Manufacture and distribution of synthetic resins	5, 7, 16	Russia	**100**	100
Nuplex Singapore Pte Ltd	Administration	1, 2, 12, 13	Singapore	**100**	100
Nuplex Resins (Thailand) Limited	Non-operating holding company	2, 7	Thailand	**100**	100
Synthese (Thailand) Co Limited*	Manufacture and distribution of synthetic resins	2, 5, 12	Thailand	**47.5**	47.5
Innospec Valvemaster Limited*	Distributor of specialty products	1	UK	**50**	50
Nuplex Industries UK Limited	Non-operating holding company	2, 5, 7	UK	**100**	100
Nuplex Resins Limited	Manufacture and distribution of synthetic resins	2, 5, 7	UK	**100**	100
Silvertown Land Holdings Limited	Property holding company	2, 5, 7	UK	**100**	100
Nuplex Resins LLC	Manufacture and distribution of synthetic resins	2, 4, 7	US	**100**	100
Nuplex Resins (Vietnam) Limited	Manufacture and distribution of synthetic resins	1, 2, 12, 17	Vietnam	**100**	100

All the above companies have a balance date of 30 June, except companies marked '*' which are 31 December for statutory compliance purposes.

** Nuplex executives acting as Directors of the above companies are as follows:
1 Emery Severin. 2 Clive Cuthell. 3 Lai Wei Young. 4 Mike Kelly. 5 Paul Kieffer. 6 Robert Skarvan. 7 James Williams. 8 Pieter Geuze. 9 Norm Stallard. 10 Zel Medak. 11 Ardi van Wijk. 12 Ruben Mannien. 13 Clare Yong. 14 Steven van den Biggelaar. 15 Herbert Witossek. 16 Peter Ronald Dyer. 17 Stuart Barry.

Notes to the Financial Statements continued

For the year ended 30 June 2015

Other disclosures continued

28. Operating leases

ACCOUNTING POLICY

Payments made under operating leases are recognised in profit and loss on a straight-line basis over the term of the lease.

Non-cancellable operating lease rentals are payable as follows:

(NZ$ in millions)	2015	2014
Less than one year	6.3	7.9
Between one and five years	9.1	13.8
More than five years	14.3	15.4
	29.7	37.1

The Group leases a number of warehouse, factory facilities and other operating equipment under operating leases. With the exception of New Zealand property leases, the leases typically run for a period of three to five years, with an option to renew the lease after that date. None of the leases include contingent rentals.

During the year ended 30 June 2015, NZ$7.6 million was recognised as an expense in profit and loss in respect of operating leases (2014: NZ$12.5 million).

29. Capital and other commitments

(NZ$ in millions)	2015	2014
Plant and equipment contracted but not provided for and payable:		
Within one year	9.5	18.6
	9.5	18.6

30. Fair values

A number of the Group's accounting policies and disclosures require the determination of fair value, for both financial and non-financial assets and liabilities. The following summarises the major methods and assumptions used in estimating those fair values. Where applicable, further information about the assumptions made in determining fair values is disclosed in the notes specific to that asset or liability.

Trade receivables and payables

Fair value is estimated as the present value of future cash flows discounted at market rates of interest where settlement is not expected within 12 months.

Secured bank loans

Fair value is taken to be the carrying value of these assets and liabilities due to their short-term repricing.

Derivatives

For forward exchange contracts and interest rate swaps, independent third party valuations are used.

The carrying values of the Group's financial assets and liabilities during 30 June 2015 and 2014 closely approximated their fair values.

NZ IFRS 7 dictates a hierarchy of valuation methods for determining the fair value of financial instruments, as follows:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: Inputs other than level 1 quoted prices that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3: Inputs for the asset or liability that are not based on observable market data.

All of the Group assets and liabilities valued at fair value are valued using level 2 methods.

Other disclosures continued

31. Other accounting policies

(a) Basis of consolidation

Accounting for business combinations

The acquisition method of accounting is used to account for all business combinations.

The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. The acquisition date is the date on which control is transferred to the acquirer. Judgement is applied in determining the acquisition date and determining whether control is transferred from one party to another.

The Group measures goodwill as the fair value of the consideration transferred including the recognised amount of any non-controlling interest in the acquiree, less the net recognised amount (generally fair value) of the identifiable assets acquired and liabilities assumed, all measured as at the acquisition date.

Consideration transferred includes the fair value of the assets transferred, liabilities incurred by the Group to the previous owners of the acquiree, and equity interests issues by the Group. Consideration transferred also includes the fair value of any contingent consideration and share-based payment awards of the acquiree that are replaced mandatorily in the business combination.

Transaction costs that the Group incurs in connection with a business combination, such as finders fees, legal fees, due diligence fees, and other professional and consulting fees are expensed as incurred in the Group financial statements.

A contingent liability of the acquiree is assumed in a business combination only if such a liability represents a present obligation and arises from a past event, and its fair value can be measured reliably.

Accounting for acquisitions of non-controlling interests

Acquisitions of non-controlling interests are accounted for as transactions with equity holders in their capacity as equity holders and therefore no goodwill is recognised as a result of such transactions.

Subsidiaries

Subsidiaries are entities controlled by the Group. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

Associates

Associates are those entities in which the Group has significant influence, but not control, over the financial and operating policies. Investments in associates are accounted for using the equity method and are initially measured at cost. The consolidated financial statements include the Group's share of the total recognised income, expense and equity movements of associates on an equity accounted basis, net of any impairment losses, from the date that significant influence commences until the date that significant influence ceases. When the Group's share of losses exceeds its interest in the associate, the Group's carrying amount is reduced to nil and recognition of further losses is discontinued except to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate.

Transfer of entities or assets under Group control

Business combinations arising from the transfer of assets or interests from one Group entity to another Group entity are accounted for at the carrying amounts recognised previously in the Group's controlling shareholders consolidated financial statements.

Transactions eliminated on consolidation

Intra-Group balances and any unrealised gains or losses or income and expenses arising from Intra-Group transactions are eliminated in preparing the consolidated financial statements. Unrealised gains arising from transactions with associates are eliminated to the extent of the Group's interest in the entity. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

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For the year ended 30 June 2015

Other disclosures continued

31. Other accounting policies continued

(b) Foreign currency

Foreign currency transactions

Transactions in foreign currencies are translated at the foreign exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are translated to the functional currency at the foreign exchange rate ruling at that date. Foreign exchange differences arising on translation are recognised in the income statement. Non-monetary assets and liabilities denominated in foreign currencies that are stated at fair value are translated to the functional currency at foreign exchange rates ruling at the dates the fair values were determined.

Financial statements of foreign operations

The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on consolidation, are translated to New Zealand dollars at foreign exchange rates ruling at the balance sheet date. The revenues and expenses of foreign operations are translated to New Zealand dollars at rates approximating to the foreign exchange rates ruling at the dates of the transactions. This would normally be the average foreign exchange rate for the reporting period, or such shorter period for an entity or business acquired or disposed of during the period. Exchange differences arising on these retranslations are recognised in other comprehensive income and presented in the translation reserve.

Net investment in foreign operations

Exchange differences arising from the translation of the net investment in foreign operations, and the related hedges and deferred tax impact are recognised in other comprehensive income to the extent that the hedge is effective. These exchange differences are presented within equity in the translation reserve. If ineffective, it is recognised in profit or loss. Amounts recognised in equity are released to profit or loss upon disposal.

(c) Revenue and other operating income

Sale of goods

Revenue from the sale of goods is measured at the fair value of the consideration received or receivable, net of returns and allowances, trade discounts and volume rebates. Revenue is recognised when the significant risks and rewards of ownership have been transferred to the buyer, recovery of the consideration is probable, the associated costs and possible return of goods can be estimated reliably, and there is no continuing management involvement with the goods. If it is probable that discounts will be granted and the amount can be measured reliably, then the discount is recognised as a reduction in revenue as the sales are recognised.

(d) Cash and cash equivalents

Cash and cash equivalents comprise cash balances and call deposits with original maturities of less than three months and readily convertible to cash. Bank overdrafts that are repayable on demand and form part of the Group's cash management are included for the purposes of the cash flow statement.

(e) Financial instruments

Non-derivative financial instruments

Non-derivative financial instruments comprise trade and other receivables, cash and cash equivalents, loans and borrowings and trade and other payables.

Non-derivative financial instruments are recognised initially at fair value plus, for instruments not at fair value through profit or loss, any directly attributable transaction costs. Subsequent to initial recognition non-derivative financial instruments are measured at amortised cost using the effective interest rate method.

A financial instrument is recognised if the Group becomes a party to the contractual provisions of the instrument. Financial instruments are derecognised if the Group's obligations specified in the contract expire or are discharged or cancelled.

Derivative financial instruments

The Group uses derivative financial instruments to hedge its exposure to foreign exchange and interest rate risks arising from operational, financing and investment activities. In accordance with its treasury policy, the Group does not hold or issue derivative financial instruments for trading purposes. However, derivatives that do not qualify for hedge accounting are accounted for as trading instruments. Derivative financial instruments are recognised initially at fair value (transaction price). Subsequent to initial recognition, derivative financial instruments are stated at fair value. The gain or loss on remeasurement to fair value is recognised immediately in profit and loss except where the derivatives qualify for hedge accounting, as described below.

The fair value of interest rate swaps is the estimated amount that the Group would receive or pay to terminate the swap at the balance sheet date, taking into account current interest rates and the current creditworthiness of the counterparties. The fair value of forward exchange contracts is their quoted market price at the balance sheet date.

Other disclosures continued

31. Other accounting policies continued

(f) Hedging

Cash flow hedges

Where a derivative financial instrument is designated as a hedge of the variability in cash flows of a recognised asset or liability, or a highly probable forecasted transaction, the effective part of any gain or loss on the derivative financial instrument is recognised directly in equity. For cash flow hedges, the associated cumulative gain or loss is removed from equity and recognised in profit and loss in the same period or periods during which the underlying exposure impacts profit and loss. When the hedged item is a non-financial asset, the amount recognised in other comprehensive income is transferred to the carrying amount of the asset when the asset is recognised. The ineffective part of any gain or loss is recognised immediately in profit and loss.

Hedges of net investments in foreign operations

The portion of the gain or loss on an instrument used to hedge a net investment in a foreign operation that is determined to be an effective hedge is recognised in other comprehensive income and presented in the hedging reserve in equity. Any ineffective portion is recognised immediately in profit and loss.

(g) Assets held for sale and discontinued operations

Immediately before classification as held for sale, the measurement of the assets (and all assets and liabilities in a disposal group) is brought up-to-date in accordance with applicable accounting standards. Then, on initial classification as held for sale, non-current assets and disposal groups are recognised at the lower of carrying amount and fair value less costs to sell. Impairment losses on initial classification as held for sale are included in profit or loss, even when there is a revaluation. The same applies to gains and losses on subsequent remeasurement.

A discontinued operation is a component of the consolidated entity's business that represents a separate major line of business or geographical area of operations that has been disposed of or is held for sale, or is a subsidiary acquired exclusively with a view to resale. Classification as a discontinued operation occurs upon disposal or when the operation meets the criteria to be classified as held for sale, if earlier.

Non-GAAP Financial Measures

Nuplex results are prepared in accordance with NZ GAAP and comply with NZ IFRS. This document includes non-GAAP financial measures which are not defined in NZ IFRS.

Nuplex believes that these non-GAAP financial measures provide useful information to readers to assist in the understanding of the financial performance, financial position or returns of Nuplex, but they should not be viewed in isolation, nor considered as a substitute for measures reported in accordance with NZ IFRS. Non-GAAP financial measures as reported by Nuplex may not be comparable to similarly titled amounts reported by other companies.

The non-GAAP financial measures used in commentary in this document include:

Operating EBITDA	Earnings before interest, tax, depreciation, amortisation and significant items, associates and minority interest. This is detailed in note 2 to the financial statements.
Operating profit	Profit available to equity holders of the parent company from continuing operations before significant items, as detailed in note 2 to the financial statements.
Significant items	Items that by a combination of their size, timing or irregular nature warrant separate disclosure to allow readers to better assess the recurring income generating capacity of the business. This is detailed in note 2 to the financial statements.
Return on Funds Employed (ROFE)	Earnings before interest, tax and significant items (EBIT) for the preceding twelve months divided by average opening and closing funds employed over the same twelve month period. Average funds employed exclude capital works under construction. ROFE has been calculated based on:

(NZ$ in millions)	June 2015	June 2014
EBIT from continuing operations for the preceding 12m	93.6	76.2
Average funds employed for the preceding 12m	723.9	659.8
ROFE	12.9%	11.5%

Funds employed	Total equity plus current and non-current borrowings, as reported in the Consolidated Statements of Financial Position

Five-Year Statistical Summary

For the year ended 30 June 2015

(NZ$ in millions unless otherwise stated)	2015	2014 (as reported at June 2015)[1]	2014 (as reported at June 2014)[1]	2013	2012	2011
Earnings						
Sales	**1,374.7**	1,355.3	1,639.9	1,664.9	1,615.9	1,575.0
EBITDA	**127.3**	110.4	125.7	126.4	131.0	130.9
EBITDA as % of Sales	**9.3%**	8.1%	7.7%	7.6%	8.1%	8.3%
Depreciation and amortisation	**32.8**	34.0	36.4	33.1	27.8	22.4
Interest (net)	**10.9**	17.6	17.5	16.6	14.0	16.6
Share of profits of associates	**(1.9)**	(2.1)	(2.1)	(1.8)	1.8	(1.9)
Minority Interests	**2.8**	2.3	2.3	2.4	2.0	2.7
Tax on operating profits	**19.3**	13.0	16.6	19.4	19.3	23.2
Operating profit	**63.4**	**45.6**	**55.0**	**56.8**	**66.2**	**68.0**
Unusual items after tax	**5.1**	2.6	2.6	12.3	3.6	1.4
Profit from discontinued operations	**12.5**	9.4				
Net profit attributable to equity holders of the parent	**70.8**	52.4	52.4	44.5	62.5	66.5
Shareholder Returns						
Equity	**576.4**	514.2	514.2	562.5	563.6	560.7
Operating profit as % of average equity	**11.6%**	8.5%	10.2%	10.1%	11.8%	12.5%
EBITDA as % of average total funds employed	**15.8%**	13.4%	15.2%	15.0%	17.1%	19.3%
Return on Funds Employed[2]	**12.9%**	11.5%	11.0%	11.1%	13.0%	15.8%
Shares on issue at 30 June (millions)	**191.3**	198.1	198.1	198.1	196.7	196.7
Dividend per share (cents)	**27.0**	21.0	21.0	21.0	21.0	21.0
Dividend % of operating profit	**83%**	91%	76%	73%	62%	61%
NZ Imputation per share (cents)	**–**	–	–	1.4	–	–
Australian imputation	**0%**	0%	0%	0%	24%	55%
Earnings Per Share (cents)	**35.9**	26.4	26.4	21.7	31.8	34.2
Asset Backing						
Total assets	**1,182.1**	1,200.3	1,200.3	1,257.4	1,223.1	1,032.1
Tangible assets	**1,034.2**	1,004.3	1,004.3	1,038.1	1,007.3	879.7
Net tangible assets (NTA)	**428.5**	318.2	318.2	343.2	347.8	408.3
NTA as % of tangible assets	**41.4%**	31.7%	31.7%	33.1%	34.5%	46.4%
NTA per share	**$2.24**	$1.61	$1.61	$1.73	$1.77	$2.08
Interest bearing debt (net of all cash)	**139.9**	231.7	231.7	197.8	220.1	73.9
Net Debt as % of tangible assets	**13.5%**	23.1%	23.1%	19.1%	21.8%	8.4%
Net Debt as % of total funds employed	**18%**	29%	29%	23%	26%	11%

1. Our 2014 results were reclassified in 2015 to reflect the discontinued operations.
2. Earnings before interest, tax and unusual items divided by average funds employed.

Shareholder Information

For the year ended 30 June 2015

Directors' Shareholdings (as at 30 June 2015)	2015	2014
Robert M Aitken – beneficial	152,424	152,424
Emery S Severin – beneficial	240,000	240,000
David A Jackson – beneficial	58,371	58,371
Jeremy C R Maycock – beneficial	30,000	30,000
Peter M Springford – beneficial	20,461	20,461

Twenty Largest Shareholders as at 20 August 2015	Number of Shares	Percent of Issued Capital
HSBC Nominees (New Zealand) Limited	20,819,719	10.89
National Nominees New Zealand Limited	16,978,912	8.88
Citibank Nominees (New Zealand) Limited	12,757,715	6.67
HSBC Nominees (New Zealand) Limited A/C State Street	11,600,119	6.07
Accident Compensation Corporation	9,991,361	5.22
JP Morgan Nominees Australia Limited	8,554,445	4.47
Citicorp Nominees Pty Limited	7,063,062	3.69
FNZ Custodians Limited	6,489,228	3.39
JPMorgan Chase Bank NA NZ Branch	5,844,763	3.06
Masfen Securities Limited	4,297,039	2.25
HSBC Custody Nominees (Australia) Limited	2,722,781	1.42
National Nominees Limited	2,451,270	1.28
New Zealand Superannuation Fund Nominees Limited	1,603,756	0.84
BNP Paribas Nominees (NZ) Limited	1,216,812	0.64
Investment Custodial Services Limited	1,207,594	0.63
Superlife Trustee Nominees Limited	1,203,026	0.63
RBC Investor Services Australia Nominees P/L	1,125,000	0.59
New Zealand Depository Nominee Limited	1,076,110	0.56
Forsyth Barr Custodians Limited	1,012,712	0.53
Custodial Services Limited	837,848	0.44
Total:	118,853,272	62.15

Substantial Product Holders as at 30 June 2015

The following information is provided in accordance with Section 293 of the Financial Markets Conduct Act 2013. The total number of listed ordinary shares of Nuplex Industries Limited as at 30 June 2015 was 191,265,949. The only class of quoted voting products issued by Nuplex is ordinary shares.

Substantial Product Holder	Number of Shares
Accident Compensation Corporation and Jason Familton	13,609,571
Accident Compensation Corporation	12,737,838
Allan Gray Australia Pty Limited	12,130,662
Milford Asset Management	10,001,403

Distribution of Shareholders and Shareholdings (as at 20 August 2015)

Holding Range	Holder Count	Shares	Percentage
1 to 1,000	1,537	718,265	0.38
1,001 to 5,000	3,226	9,121,889	4.77
5,001 to 10,000	1,581	11,621,999	6.08
10,001 to 100,000	1,530	35,668,470	18.65
100,001 to 1,000,000	63	16,099,434	8.42
>1,000,000	19	118,015,424	61.71
Total	7,956	191,245,481	100.00

Non-Marketable Parcels (20 August 2015)

There are 208 shareholders, holding a total of 6,516 shares, holding between 1 and 99 ordinary shares (a non-marketable parcel of shares under the NZX Main Board Listing Rules).

There are 271 shareholders, holding a total of 13,633 shares, holding less than a marketable parcel of shares under the Listing Rules of the Australian Securities Exchange.

Classes of Shares and Voting Rights

The Company has fully paid ordinary shares on issue. At a shareholders meeting every ordinary shareholder present in person or by proxy, attorney or authorised representative has one vote on a show of hands, and on a poll, one vote for every fully paid share held.

Statutory Information

For the year ended 30 June 2015

Directors

The following Directors held office during the year ended 30 June 2015:

Peter M Springford	Company Chairman and member ex-officio of all Board Sub-Committees
Robert M Aitken	Chair of Safety Health and Environment Committee (from 1 Nov 2014); Member Audit Committee and Human Resources Committee
Emery S Severin	Managing Director & Chief Executive Officer
Barbara J Gibson	Chair of Human Resources Committee; Member of the Safety Health and Environment Committee
David A Jackson	Chairman of Audit Committee
Jeremy C R Maycock (resigned 1 Nov 14)	Member Human Resources Committee and Safety Health and Environment Committee
Mary J Verschuer (appointed 1 Mar 15)	Member Safety Health and Environment Committee

In accordance with Regulation 10.6 of the Company's constitution, Barbara Gibson and David Jackson retire by rotation and, being eligible, offer themselves for re-election.

In accordance with Regulation 10.9 of the Company's constitution, Mary Verschuer retires and offers herself for election.

Meetings

During year ending 30 June 2015 Directors meetings were held and attended by Directors as per the following table:

	Board Meetings	Audit Committee	Human Resources Committee	SHE Committee	Nomination Committee	Special Board Sub-Committee
Peter M Springford	11/11	4/4	3/3	5/5	4/4	3/3
Robert M Aitken	11/11	4/4	3/3	5/5	4/4	–
Emery S Severin	11/11	–	–	–	4/4	3/3
Barbara J Gibson	10/11	–	2/3	4/5	3/4	–
David A Jackson	11/11	4/4	–	–	4/4	3/3
Jeremy C R Maycock	3/3	–	1/1	0/1	2/2	–
Mary J Verschuer	4/4	–	–	2/2	–	–

Board meetings were held at the registered office of the company and at subsidiary company locations. The Audit Committee met to discharge its responsibilities as outlined in the Audit Committee Charter. The Human Resources Committee met to discharge its responsibilities as outlined in the Human Resources Committee Charter. The SHE Committee met to discharge its responsibilities as outlined in the SHE Committee Charter. The Nomination Committee met to discharge its responsibilities as outlined in the Nomination Committee Charter. The Special Board Sub-Committee was an ad hoc committee of the Board established on three occasions to approve the release of financial statements at the half-year and full year reporting and to approve a market announcement.

Directors' Remuneration

The following amounts were paid to each Director in the form of remuneration and benefits:

Robert M Aitken	$159,203	Fees for the 2015 financial year
Barbara J Gibson	$151,384	Fees for the 2015 financial year
David A Jackson	$144,897	Fees for the 2015 financial year
Jeremy C R Maycock	$38,650	Fees for the 2015 financial year
Emery S Severin	$3,394,820 *	(AUD) Total remuneration for the 2015 financial year
Peter M Springford	$268,167	Fees for the 2015 financial year
Mary J Verschuer	$43,569	Fees for the 2015 financial year

* includes provisioned items

Share Dealings

The were no disclosures of dealings by Directors in the Company's ordinary shares.

Disclosures of Interest

Robert M Aitken	Director	SAI Global Limited
Barbara J Gibson	Chairman	Warakirri Asset Management Pty Limited
	Director	GrainCorp Limited
David A Jackson	Director	Fonterra Co-Operative Group Limited
	Director	Mitre 10 (New Zealand) Limited
	Chairman	The Dame Malvina Major Foundation
Jeremy C R Maycock	Chairman	AGL Energy Limited
	Chairman	Port of Brisbane Pty Limited
	Chairman	Arrium Limited
	Director	The Smith Family
Peter M Springford	Chairman	McKechnie Aluminium Solutions Limited
	Chairman	Interplex Holdings Limited (SGX listed company)
	Director	The New Zealand Refining Company Limited
	Director	NZ Wood Products Ltd
	Director	NZ Frost Fans Ltd
	Director	Loncel Technologies (2014) Limited
	Trustee	The Graeme Dingle Foundation
Mary J Verschuer	Director	Schenck Process Australia Pty Limited
	Director	Schenck Process Austral SA (Chile)
	Director	PT Schenck Process Indonesia

Directors' Indemnity Insurance

As permitted by Regulation 13.4 of the Company's Constitution, Directors and employees have been insured against liability for any act or omission in their capacity as Directors and employees. Insurance has also been obtained to indemnify Directors and employees for costs incurred in defending or settling claims in such liability. The insurance does not cover liabilities arising from criminal actions.

To comply with s162(8) of the Companies Act 1993, Directors have certified that the cost of the insurance is fair to the Company.

Statutory Information continued

For the year ended 30 June 2015

Employee Remuneration

During the year the following numbers of current and former employees, not being Directors of the company, received remuneration of at least NZ$100,000.

	NZ Employees	Overseas Employees
100,000 – 109,999	6	103
110,000 – 119,999	1	73
120,000 – 129,999	6	48
130,000 – 139,999	2	55
140,000 – 149,999		32
150,000 – 159,999		44
160,000 – 169,999	2	25
170,000 – 179,999		12
180,000 – 189,999	1	14
190,000 – 199,999		12
200,000 – 209,999		15
210,000 – 219,999		9
220,000 – 229,999	1	5
230,000 – 239,999		7
240,000 – 249,999	1	6
250,000 – 259,999		5
260,000 – 269,999		3
270,000 – 279,999		1
280,000 – 289,999		3
290,000 – 299,999		5
300,000 – 309,999		2
310,000 – 319,999		3
320,000 – 329,999		2
330,000 – 339,999		2
340,000 – 349,999		3
350,000 – 359,999		1
360,000 – 369,999		1
370,000 – 379,999		1
380,000 – 389,999		2
390,000 – 399,999		1
400,000 – 409,999		1
410,000 – 419,999		2
420,000 – 429,999		1
440,000 – 449,999		1
480,000 – 489,999		1
500,000 – 509,999		1
510,000 – 519,999		1
530,000 – 539,999		1
550,000 – 559,999		1
590,000 – 599,999		1
610,000 – 619,999		1
620,000 – 629,999		1
630,000 – 639,999		1
640,000 – 649,999		1
770,000 – 779,999	1	0
840,000 – 849,999		1
890,000 – 899,999		1
1880,000 – 1889,999		1
	21	**513**

Corporate Directory

Directors

Peter Springford, Chairman

Emery Severin, Managing Director

Robert Aitken

Barbara Gibson

David Jackson

Mary Verschuer

Executive Management

Emery Severin
Managing Director and Chief Executive Officer

Clive Cuthell
Chief Financial Officer

Josie Ashton
Director, Corporate Communications

Paul Davey
Vice President, Human Resources

Clive Deetlefs
Vice President, Operations

Mike Kelly
Regional President, The Americas

Paul Kieffer
Regional President, Europe, Middle East & Africa

Ruben Mannien
Regional President, Asia

Zel Medak
Regional President, Australia & New Zealand

William Weaver
Vice President, Technology and Strategy

James Williams
Vice President, General Counsel and Company Secretary

Auditors

PricewaterhouseCoopers

Solicitors

Allens Linklaters

Bell Gully

Insurance Brokers

Marsh Limited

Share Registrars

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Westpac Banking Corporation

Australia and New Zealand Banking Group

HSBC Bank Australia

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