



CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

for the half-year ended 31 December 2015

The Directors are pleased to present the Unaudited Financial Statements of the Nuplex Group for the half-year ended 31 December 2015.

Peter Springford
Chairman
18 February 2016

David Jackson
Director
18 February 2016

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CONSOLIDATED INCOME STATEMENT

for the six months ended 31 December 2015 (Unaudited)



(NZ\$ in millions)	Note	6 months to 31 Dec 2015	6 months to 31 Dec 2014
Sales revenue from continuing operations		700.5	685.8
Cost of sales from continuing operations		(538.3)	(543.8)
Gross Profit		162.2	142.0
Other operating income		3.6	3.3
Distribution expenses		(38.6)	(35.6)
Marketing expenses		(36.4)	(32.9)
Administration expenses		(41.6)	(34.4)
Other operating expenses		(5.3)	(5.9)
Share of profits of associates		1.0	0.8
Operating profit before financing costs		44.9	37.3
Financial income		1.4	3.2
Financial expenses		(10.1)	(10.0)
Net financing costs		(8.7)	(6.8)
Profit before tax		36.2	30.5
Income tax expense		(8.2)	(4.9)
Profit for the period from continuing operations		28.0	25.6
Profit/(Loss) from discontinued operations	7	(1.9)	13.0
Profit for the period		26.1	38.6

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

for the six months ended 31 December 2015 (Unaudited)



(NZ\$ in millions)	Note	6 months to 31 Dec 2015	6 months to 31 Dec 2014
Profit for the period		26.1	38.6
Other comprehensive income			
<i>Items that may be reclassified to profit or loss</i>			
Foreign currency translation differences for foreign operations		(22.5)	(5.9)
Effective portion of changes in fair value of cash-flow hedges		2.5	19.8
Remeasurement of defined benefit obligations		0.9	(3.8)
Income tax on other comprehensive income		(0.8)	(5.6)
Other comprehensive income for the period, net of income tax		(19.9)	4.5
Total comprehensive income for the period		6.2	43.1
Profit attributable to:			
Equity holders of the parent		24.9	37.3
Non-controlling interests		1.2	1.3
		26.1	38.6
Total comprehensive income attributable to:			
Equity holders of the parent		5.6	41.3
Non-controlling interests		0.6	1.8
		6.2	43.1
Earnings per share for profit attributable to the ordinary equity holders of the company:			
Basic earnings per share (cents per share)	5	13.1	18.8
Diluted earnings per share (cents per share)	5	13.0	18.4



CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
for the six months ended 31 December 2015 (Unaudited)

For the six months ended 31 December 2015

(NZ\$ in millions)	Attributable to equity holders of the parent							Non-controlling Interest	Total Equity
	Share capital	Translation reserve	Share based payments reserve	Retained earnings	Hedging reserve	Total			
Balance at 1 July 2015	342.9	(51.0)	6.0	260.1	9.8	567.8	8.6	576.4	
Other comprehensive Income									
Foreign currency translation differences	-	(21.9)	-	-	-	(21.9)	(0.6)	(22.5)	
Remeasurement of defined benefit obligations, net of tax	-	-	-	0.6	-	0.6	-	0.6	
Effective portion of changes in fair value of cash-flow hedges, net of tax	-	-	-	-	2.0	2.0	-	2.0	
Total Other Comprehensive Income	-	(21.9)	-	0.6	2.0	(19.3)	(0.6)	(19.9)	
Profit for the period	-	-	-	24.9	-	24.9	1.2	26.1	
Total comprehensive income for the period	-	(21.9)	-	25.5	2.0	5.6	0.6	6.2	
Contributions by and distributions to owners									
Performance rights plan	-	-	(3.4)	-	-	(3.4)	-	(3.4)	
Dividends paid	-	-	-	(32.3)	-	(32.3)	(1.1)	(33.4)	
Share buy back scheme	(10.4)	-	-	-	-	(10.4)	-	(10.4)	
Balance as at 31 December 2015	332.5	(72.9)	2.6	253.3	11.8	527.3	8.1	535.4	

For the six months ended 31 December 2014

(NZ\$ in millions)	Attributable to equity holders of the parent							Non-controlling Interest	Total Equity
	Share capital	Translation reserve	Share based payments reserve	Retained earnings	Hedging reserve	Total			
Balance at 1 July 2014	368.5	(80.7)	3.4	231.2	(15.2)	507.2	7.0	514.2	
Other comprehensive Income									
Foreign currency translation differences	-	(6.4)	-	-	-	(6.4)	0.5	(5.9)	
Remeasurement of defined benefit obligations, net of tax	-	-	-	(3.8)	-	(3.8)	-	(3.8)	
Effective portion of changes in fair value of cash-flow hedges, net of tax	-	-	-	-	14.2	14.2	-	14.2	
Total Other Comprehensive Income	-	(6.4)	-	(3.8)	14.2	4.0	0.5	4.5	
Profit for the period	-	-	-	37.3	-	37.3	1.3	38.6	
Total comprehensive income for the period	-	(6.4)	-	33.5	14.2	41.3	1.8	43.1	
Contributions by and distributions to owners									
Performance rights plan	-	-	0.2	-	-	0.2	-	0.2	
Dividends paid	-	-	-	(21.8)	-	(21.8)	(1.1)	(22.9)	
Balance as at 31 December 2014	368.5	(87.1)	3.6	242.9	(1.0)	526.9	7.7	534.6	

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2015 (Unaudited)



(NZ\$ in millions)	Notes	as at 31 Dec 2015	as at 30 June 2015	as at 31 Dec 2014
Equity attributable to members of the parent company				
Share capital		332.5	342.9	368.5
Translation reserve		(72.9)	(51.0)	(87.1)
Share based payments reserve		2.6	6.0	3.6
Retained earnings		253.3	260.1	242.9
Hedging reserve		11.8	9.8	(1.0)
Non-controlling interests		8.1	8.6	7.7
Total Equity		535.4	576.4	534.6
Property, plant and equipment		332.1	357.0	314.5
Intangible assets		142.4	148.0	145.1
Investments in associates		7.4	7.0	5.5
Deferred tax assets		25.8	28.4	27.2
Non-current Assets		507.7	540.4	492.3
Assets classified as held for sale	7	3.2	10.3	15.6
Inventories		164.9	185.0	175.9
Trade and other receivables		305.9	351.5	330.1
Income tax receivable		4.7	3.8	6.0
Cash and cash equivalents		57.1	91.1	94.1
Current Assets		535.8	641.7	621.7
Total Assets		1,043.5	1,182.1	1,114.0
Borrowings		203.9	230.4	216.4
Employee benefits		24.9	25.3	26.7
Deferred tax liability		15.2	16.4	15.6
Non-current Liabilities		244.0	272.1	258.7
Borrowings		-	0.6	0.3
Trade and other payables		236.1	286.1	283.2
Employee benefits		15.1	22.6	13.9
Provisions		5.9	9.5	9.2
Income tax payable		7.0	14.8	14.1
Current Liabilities		264.1	333.6	320.7
Total Liabilities		508.1	605.7	579.4
Total Net Assets		535.4	576.4	534.6

CONSOLIDATED CASH FLOW STATEMENT

For the six months ended 31 December 2015 (Unaudited)



(NZ\$ in millions)	Note	6 months to 31 Dec 2015	6 months to 31 Dec 2014
Receipts from customers		800.4	774.8
Payments to suppliers and employees		(741.0)	(705.2)
Interest received		0.5	0.7
Interest paid		(6.1)	(9.3)
Dividends received		0.5	0.5
Income taxes paid		(15.6)	(12.6)
Operating cash flows from discontinued operations		-	(5.0)
Net cash from operating activities	3	38.7	43.9
Proceeds on disposal of property, plant and equipment		12.5	-
Payments for property, plant and equipment		(14.8)	(30.4)
Proceeds from disposal of businesses, net of cash disposed		-	133.4
Net cash from investing activities		(2.3)	103.0
Proceeds from borrowings		25.0	25.0
Repayment of borrowings		(48.0)	(130.4)
Dividends paid to shareholders		(32.3)	(21.8)
Dividends paid to non-controlling interests		(1.1)	(1.1)
Buy-back of ordinary share capital		(10.5)	-
Net cash from financing activities		(66.9)	(128.3)
Increase / (Decrease) in cash		(30.5)	18.6
Cash and cash equivalents at 1 July		91.1	73.1
Effect of exchange rate fluctuation		(3.4)	2.4
Cash at 31 December		57.1	94.1
Comprising:			
Cash balances		54.6	91.3
Cash on call deposit		2.5	2.8
		57.1	94.1

Notes to the condensed consolidated interim financial statements

for the six months ended 31 December 2015 (unaudited)



1. Statement of significant accounting policies

Nuplex Industries Limited is a Company domiciled in New Zealand. The condensed consolidated interim financial statements of the Company comprise the Company and its subsidiaries (the 'Group') and the Group's interest in associated entities as of and for the six months ended 31 December 2015. The Group is a profit orientated entity.

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

(a) Statement of compliance

The interim financial statements of the Group have been prepared in accordance with Generally Accepted Accounting Practice in New Zealand (NZ GAAP). They comply with NZ IAS 34 Interim Financial Reporting and consequently, do not include all the information required for full financial statements. These condensed consolidated interim financial statements should be read in conjunction with the annual report for the year ended 30 June 2015.

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

These condensed consolidated interim financial statements were approved by the Board of Directors on 18 February 2016.

(b) Significant accounting policies

The accounting policies applied by the Group in these condensed consolidated interim financial statements are the same as those applied by the Group in its consolidated financial statements for the year ended 30 June 2015.

Notes to the condensed interim financial statements (continued)

for the six months ended 31 December 2014 (unaudited)



2. Segment analysis

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

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

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

Notes to the condensed interim financial statements (continued)



2. Segment analysis (continued)

Information about reportable segments

(NZ\$ in millions)	6 months to 31 Dec 2015				
	ANZ	Asia	EMEA	Americas	Group
Sales to outside customers	156.5	170.0	287.2	86.8	700.5
Inter-segment sales	1.0	0.4	5.7	1.0	
Segment sales	157.5	170.4	292.9	87.8	
Operating EBITDA before unallocated costs	9.3	22.8	23.9	14.8	70.8
Unallocated costs					(5.1)
Operating EBITDA after unallocated costs					65.7
Depreciation and amortisation	(5.2)	(4.2)	(9.2)	(1.1)	(19.7)
Segment result	4.1	18.6	14.7	13.7	46.0
Net financing costs					(8.7)
Share of profits/(losses) of associates					1.0
Non-controlling interest					(1.2)
Tax on operating profits					(7.8)
Operating profit after tax					29.3
Significant Items					
Significant items before tax					(2.1)
Income tax expense on significant items					(0.4)
Net profit attributable to equity holders of the parent from continuing operations					26.8
Net profit attributable to non-controlling interests					1.2
Profit for the period from continuing operations					28.0
Profit/(Loss) from discontinued operations					(1.9)
Profit for the period					26.1
Assets	244.2	270.2	382.2	59.3	955.9
Unallocated assets					87.6
Total Assets					1,043.5

Revenues from one group of customers under common control amount to 11.9% (2014: 13.8%) of the Group's total revenues.

Notes to the condensed interim financial statements (continued)



2. Segment analysis (continued)

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

Notes to the condensed interim financial statements (continued)



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

(NZ\$ in millions)	6 months to 31 Dec 2015	6 months to 31 Dec 2014
Profit for the period	26.1	38.6
Non-cash items:		
Depreciation	17.0	12.9
Tax	7.4	4.0
Amortisation	2.7	4.7
Doubtful debts provisions	0.7	0.6
Stock obsolescence provisions	(0.2)	0.4
Non current provisions	1.0	(1.3)
Performance share rights credits/expense	(3.4)	0.2
Share of losses / (profits) of associates	(1.0)	(0.8)
	24.2	20.7
Classified as investing/financing:		
(Profit)/loss on sale of fixed assets	3.0	-
Profit and significant items before tax on discontinued operations	-	(7.5)
Recycling of foreign currency translation reserve balance	-	1.2
	3.0	(6.3)
(Increase)/Decrease in working capital:		
Receivables	33.5	13.9
Inventories	12.6	(7.4)
Creditors and current provisions	(45.6)	(2.7)
	0.5	3.8
Income tax paid	(15.6)	(13.4)
Dividend received from associate	0.5	0.5
Net Cash from Operating Activities	38.7	43.9

Notes to the condensed interim financial statements (continued)



4. Dividend

On 18 February 2016, the directors declared an interim dividend of 12 cents per share. The dividend is payable on 4 April 2016. The dividend carries no imputation credits for New Zealand tax residents and no Australian franking credits.

5. Earnings per share

The calculation of basic earnings per share is based on:

	6 months to 31 Dec 2015	6 months to 31 Dec 2014
Net surplus attributable to ordinary shareholders (NZ\$ in millions)	24.9	37.3
Shares on issue at 31 December (millions)	188.6	198.1

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

Weighted average number of ordinary shares (millions):	189.7	198.1
Basic earnings per share (cents per share)	13.1	18.8

The calculation of diluted earnings per share is based on:

Net surplus attributable to ordinary shareholders	24.9	37.3
Net surplus attributable to ordinary shareholders (diluted)	24.9	37.3
Basic weighted average number of ordinary shares (millions)	189.7	198.1
Effect of Performance rights plan	2.5	4.0
Diluted weighted average number of ordinary shares	192.2	202.1
Diluted earnings per share (cents per share)	13.0	18.4

6. Contingent liabilities and other contingent commitments

In the six months to 31 December 2015 there have been no significant changes in contingent liabilities disclosed in the 30 June 2015 annual report.

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

In the prior comparative period, on 28 November 2014, the Group completed the sale of its Specialties and Masterbatch businesses in Australia and New Zealand. The sale of the related Vietnam based Masterbatch business was expected to complete by 30 June 2015, after having obtained the required regulatory approvals. The accounting for this disposal, including the Vietnam operation, was included in the results for the prior comparative period, the six months to 31 December 2014.

On 29 October 2015, the group was notified by the purchaser of the Masterbatch business in Vietnam that it would not complete the purchase. This was due to the non-satisfaction of a condition of the sale transaction relating to regulatory approvals in Vietnam. The operating results of this business have been included as a continuing operation and the gain on disposal recognised in the previous year has been reversed as a 'loss' from discontinued operations. The Masterbatch Vietnam business is recorded in the Balance Sheet under 'Assets classified as held for sale'.

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

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

(NZ\$ in millions)	6 months to 31 Dec 2015	5 months to 28 Nov 2014
Sales revenue	-	126.0
Operating EBITDA	-	5.9
Depreciation and amortisation	-	(0.9)
Net financing costs	-	0.2
Tax on operating profits	-	(1.4)
Operating profit after tax	-	3.8
Significant Items		
Gain on sale of operations before tax	-	12.9
Reversal of gain on disposal before tax	(2.7)	-
Remediation provisions for non-operating sites	-	(4.9)
Recycling of Brazilian translation reserve to profit	-	(1.2)
Income tax credit on significant items	0.8	2.4
Profit/(Loss) from discontinued operations for the period	(1.9)	13.0

Details of the sale of the Specialties and Masterbatch business recorded in the prior comparative period are set out below:

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

In the prior comparative period the amounts shown below were disclosed regarding the carrying amounts of assets and liabilities as at the date of sale of the Specialties and Masterbatch businesses:

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

8. Allnex conditional proposal

On 15 February 2016 Nuplex Industries Limited announced that it has received an indicative, non-binding and conditional proposal from Allnex Belgium SA/NV, a leading global coating resins producer, backed by global private equity firm Advent International Corporation, to acquire all of the shares in Nuplex via a scheme of arrangement.

If this proposal does not proceed, there may be a consequential financial impact on the group. This could include the cost of advisory fees, break fees and other impacts. At this early stage of the proposal, it is not practicable to provide an estimate of the financial effect.



Independent Review Report

to the shareholders of Nuplex Industries Limited

Report on the Financial Statements

We have reviewed the accompanying financial statements of Nuplex Industries Limited Group (“the Group”) on pages 1 to 13, which comprise the consolidated statement of financial position as at 31 December 2015, and the consolidated income statement and consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated cash flow statement for the period ended on that date, and a summary of significant accounting policies and selected explanatory notes. The Group comprises both Nuplex Industries Limited (“the Company”) and the entities it controlled during the half-year.

Directors Responsibility for the Financial Statements

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

Our Responsibility

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

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

We are independent of the Group. Other than in our capacity as auditors we have no relationship with, or interests in, the Group.

Conclusion

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

Restriction on Use of Our Report

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

PricewaterhouseCoopers

Chartered Accountants
Sydney, 18 February 2016

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