PMP LIMITED

Appendix 4D (rule 4.2A.3)

HALF-YEAR FINANCIAL STATEMENTS
31 DECEMBER 2015

Results for announcement to the market

Extracts from this report for announcement to the market.

Revenue and net profit

		Percentage Change %		Amount $'000
Sales revenue	up/(down)	(8.6%)	to	390,503
Total revenue	up/(down)	(8.7%)	to	392,299
EBIT (excluding significant items)	up/(down)	(5.9%)	to	14,760
EBIT (including significant items)	up/(down)	(24.2%)	to	8,479
Net profit for the period	up/(down)	(58.8%)	to	1,777

Dividends

A final ordinary dividend for the year ended 30th June 2015 of 1.8 cents per share, 50% franked was declared and paid during the half-year ended 31st December 2015 (2014: Nil).

Brief explanation of results

For the six months ended 31st December 2015, PMP's EBIT (before significant items) for the half-year was $14.8 million, a 5.9% or $0.9 million decrease on the prior period as lower profits at PMP New Zealand were partially offset by a reduction in Corporate costs. Both PMP Australia and Gordon & Gotch Australia EBIT (pre-significant items) were broadly in line year on year.

While PMP New Zealand had a 3.7% increase in distribution volumes, 3.3% higher catalogue tonnes and further cost savings this was more than offset by a 15.5% drop in sheetfed sales from a contract loss. PMP Australia had a 6.4% rise in distribution volumes and catalogue tonnes were 4.3% lower as we exited low margin contracts. PMP Australia sales were down $28.2 million with $24 million from a print customer buying their own paper.

The group recorded a net profit after tax of $1.8 million this was down 58.8% on the corresponding period profit of $4.3 million primarily due to a $2.7 million (post tax) bad debt impairment relating to Dick Smith. Included in the profit was $8.6 million of significant expense items which comprised mainly of the impairment of Dick Smith trade receivable, fee for early termination of corporate bond, redundancies and restructuring costs.

Cash flow from operations at $15.0 million was up $0.6 million on last year as improved movement in working capital offset higher significant items and lower Earnings before Interest, Tax, Depreciation and Amortisation.

Net debt at December 2015 was $10.4 million, $29.7 million lower compared to December 2014 and $6.0 million lower compared to June 2015. Net debt to EBITDA (pre-significant items) fell from 0.7 times to 0.2 times, with interest cover increasing from 6.4 times at December 2014 to 8.2 times.

Refer to ASX announcement for further explanation of the group's results.

Net tangible assets per security

	December 2015 $	December 2014 $
Net tangible assets per security	0.75	0.76

Details of entities over which control has been gained or lost

There are no entities within the consolidated group over which control has been gained or lost during the period.

PMP Limited

ABN 39 050 148 644

HALF-YEAR FINANCIAL STATEMENTS

For the half-year ended 31 December 2015

PMP Limited
ABN 39 050 148 644

HALF-YEAR FINANCIAL STATEMENTS
31 DECEMBER 2015

Contents

PMP LIMITED

Directors' Report

For the half-year to 31st December 2015.

The Board of Directors of PMP Limited ("PMP") submit their report including the condensed consolidated statement of financial position of the economic entity ("PMP Group") at 31st December 2015, and related statement of profit or loss and other comprehensive income, statement of cash flows and statement of changes in equity for the half-year ("the period") then ended and report as follows:

DIRECTORS

The names of the Directors of PMP in office during or since the end of the half-year to 31st December 2015 are:

Matthew Bickford-Smith (Chairman)

Peter George

Peter Margin

Naseema Sparks

Anthony Cheong

REVIEW OF OPERATIONS

Revenues were $392.3 million, down $37.3 million or 8.7% with $24 million due to a print customer buying their own paper. After adjusting for this, revenues were down $13.3 million or 3.1% on the prior period.

For the six months ended 31st December 2015, PMP's EBIT (before significant items) for the half-year was $14.8 million, a 5.9% or $0.9 million decrease on the prior period as lower profits at PMP New Zealand were partially offset by a reduction in Corporate costs. Both PMP Australia and Gordon & Gotch Australia EBIT (pre-significant items) were broadly in line year on year.

While PMP New Zealand had a 3.7% increase in distribution volumes, 3.3% higher catalogue tonnes and further cost savings this was more than offset by a 15.5% drop in sheetfed sales from a contract loss. PMP Australia had a 6.4% rise in distribution volumes and catalogue tonnes were 4.3% lower as we exited low margin contracts. PMP Australia sales were down $28.2 million of which $24 million arose from a print customer buying their own paper.

The group recorded a net profit after tax of $1.8 million this was down on the corresponding period profit of $4.3 million primarily due to a $2.7 million (post tax) bad debt impairment relating to Dick Smith. Included in the profit was $8.6 million of significant expense items which comprised mainly of the impairment of Dick Smith trade receivable, fee for early termination of corporate bond, redundancies and restructuring costs.

On 4th January 2016, Dick Smith went into voluntary administration and our bad debt exposure was $3.9 million (pre-tax). Recovery of this debt is unlikely and has been fully impaired in the first half accounts and recorded as a significant item given its materiality and one-off nature.

Cash flow from operations at $15.0 million was up $0.6 million on last year as improved movement in working capital offset higher significant items and lower Earnings before Interest, Tax, Depreciation and Amortisation.

Net debt at December 2015 was $10.4 million, $29.7 million lower compared to December 2014 and $6.0 million lower compared to June 2015. Net debt to EBITDA (pre-significant items) fell from 0.7 times to 0.2 times, with interest cover increasing from 6.4 times at December 2014 to 8.2 times.

PMP LIMITED

Directors' Report (continued)

SUBSEQUENT EVENTS

Subsequent to 31st December 2015, Dick Smith was placed in voluntary administration. Dick Smith is one of PMP Group's trade debtors. The PMP Group has fully impaired the receivable balance of $3.9 million owed by Dick Smith in the consolidated interim financial statements.

As announced to the market on 13th January 2016, Gordon and Gotch has entered into an agreement with Bauer Media to provide the retail magazine distribution activities provided by its Australian distribution division following Bauer Media's decision to close that Division. The agreement is for a term of five years. Gordon and Gotch has entered into similar arrangements with Bauer Media's New Zealand distribution division.

Since the balance date, the Directors have declared an interim dividend of 1.2 cents per fully paid ordinary share, unfranked. The aggregate amount of the proposed dividend expected to be paid on the 6th April 2016, but not recognised as a liability at 31st December 2015, is $3.8 million.

Since the balance date, the Directors have resolved to increase its market share buy-back by $1.9 million from $6.2 million to $8.1 million. As at 31st December 2015, $2.7 million shares have been bought back with the remaining $5.4 million to be bought back between 23rd February 2016 and 30th June 2016.

Apart from the matters above, the Directors are not aware of any matter or circumstance post balance date not otherwise dealt with in this report or the consolidated financial statements that has significantly affected or may significantly affect the operations of the PMP Group, the results of those operations or the state of affairs of the Group in subsequent years.

DIVIDENDS

Dividends declared and paid to members during the financial period were as follows:

	2015	2014
	$'000	$'000
Final ordinary dividend for the year ended 30th June 2015 of 1.8 cents, 50% franked paid on 6th October 2015 (2014: Nil)	**5,873**	-

AUDITOR'S INDEPENDENCE DECLARATION

In accordance with the Audit Independence requirements of the *Corporations Act 2001* , the Directors have received and are satisfied with the "Auditor's Independence Declaration" provided by the PMP Group external auditors Deloitte Touche Tohmatsu. The Auditor's Independence Declaration is included on Page 19.

ROUNDING OF AMOUNTS

Pursuant to class order 98/0100 made by the Australian Securities and Investments Commission, the Company has rounded amounts in this report and the accompanying financial statements to the nearest thousand dollars unless specifically stated to be otherwise.

Signed in accordance with a resolution of the Directors made pursuant to s306(3) of the *Corporations Act 2001.*

Matthew Bickford-Smith

Matthew Bickford-Smith
Director and Chairman

Sydney, 22 February 2016

PMP LIMITED

Condensed consolidated statement of profit or loss and other comprehensive income

HALF-YEAR ENDED 31 DECEMBER 2015	NOTES	CONSOLIDATED	
		Half-Year Ended 31 Dec 2015	Half-Year Ended 31 Dec 2014
		$'000	$'000
Continuing operations			
Revenues	2(i), 5	**392,299**	429,584
Expenses	2(ii)	**(383,820)**	(418,392)
Profit before finance costs and income tax		**8,479**	11,192
Finance costs	2(iv)	**(5,741)**	(4,895)
PROFIT BEFORE INCOME TAX EXPENSE		**2,738**	6,297
Income tax expense	3	**(961)**	(1,983)
PROFIT FOR THE PERIOD		**1,777**	4,314
OTHER COMPREHENSIVE INCOME			
Items that will not be reclassified subsequently to profit or loss			
Defined benefit plan actuarial (loss)/gains		**(274)**	214
Income tax relating to items that will not be reclassified subsequently		**82**	(64)
		(192)	150
Items that may be reclassified subsequently to profit or loss			
Exchange differences arising on translation of foreign operations		**4,192**	1,968
(Loss)/Gain on cash flow hedges taken to equity		**(1,366)**	4,945
Income tax relating to items that may be reclassified subsequently		**399**	(1,462)
		3,225	5,451
Other comprehensive income for the period (net of tax)		**3,033**	5,601
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		**4,810**	9,915
Basic earnings per share (cents)		**0.5**	1.3
Diluted earnings per share (cents)		**0.5**	1.3
Weighted average number of ordinary shares outstanding during the period used in the calculation of basic earnings per share ('000)		**324,586**	323,781

The statement of profit or loss and other comprehensive income is to be read in conjunction with the notes to the condensed consolidated interim financial statements set out on pages 9 to 17.

PMP LIMITED

Condensed consolidated statement of financial position

HALF-YEAR ENDED 31 DECEMBER 2015	NOTES	CONSOLIDATED AS AT 31 DEC 2015 $'000	AS AT 30 JUN 2015 $'000	AS AT 31 DEC 2014 $'000
CURRENT ASSETS				
Cash and cash equivalents		**44,286**	49,529	34,697
Receivables		**77,871**	78,833	88,507
Inventories		**68,033**	69,769	68,964
Financial assets		**231**	1,878	4,033
Other		**5,213**	6,602	9,470
		195,634	206,611	205,671
Non-current assets classified as held for sale		**-**	-	4,234
TOTAL CURRENT ASSETS		**195,634**	206,611	209,905
NON-CURRENT ASSETS				
Property, plant and equipment		**167,796**	178,857	195,203
Deferred tax assets		**50,804**	52,793	54,819
Goodwill and intangible assets		**27,617**	26,842	28,588
Financial assets		**2,866**	2,360	3,251
Other		**3,203**	4,093	3,044
TOTAL NON-CURRENT ASSETS		**252,286**	264,945	284,905
TOTAL ASSETS		**447,920**	471,556	494,810
CURRENT LIABILITIES				
Payables		**99,179**	105,999	110,670
Interest bearing liabilities - financial institutions	7	**3,017**	2,887	10,625
Income tax payable		**21**	13	16
Financial liabilities		**433**	150	297
Provisions		**19,056**	18,558	23,495
TOTAL CURRENT LIABILITIES		**121,706**	127,607	145,103
NON-CURRENT LIABILITIES				
Interest bearing liabilities - financial institutions	7	**55,087**	65,878	67,965
Deferred tax liabilities		**-**	1,845	2,531
Financial liabilities		**-**	-	79
Provisions		**4,128**	4,197	4,141
TOTAL NON-CURRENT LIABILITIES		**59,215**	71,920	74,716
TOTAL LIABILITIES		**180,921**	199,527	219,819
NET ASSETS		**266,999**	272,029	274,991
EQUITY				
Contributed equity	6	**354,644**	356,035	356,035
Reserves		**11,349**	8,596	14,992
Accumulated losses		**(98,994)**	(92,602)	(96,036)
TOTAL EQUITY		**266,999**	272,029	274,991

The statement of financial position is to be read in conjunction with the notes to the condensed consolidated interim financial statements set out on pages 9 to 17

PMP LIMITED

Condensed consolidated statement of cash flows

HALF-YEAR ENDED 31 DECEMBER 2015	CONSOLIDATED	
	Half-Year Ended 2015 $'000	Half-Year Ended 2014 $'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from customers	**429,250**	470,835
Payments to suppliers and employees	**(408,945)**	(452,214)
Fee for early termination of corporate bond	**(1,500)**	-
Interest received	**430**	193
Interest and other costs of finance paid	**(4,238)**	(4,379)
Income taxes paid	**-**	-
NET CASH FLOWS FROM/(USED IN) OPERATING ACTIVITIES	**14,997**	14,435
CASH FLOWS FROM INVESTING ACTIVITIES		
Payments for property, plant and equipment	**(1,014)**	(2,595)
Proceeds from sale of property, plant and equipment	**42**	8
Payments for intellectual property and development costs	**-**	(78)
NET CASH FLOWS (USED IN)/FROM INVESTING ACTIVITIES	**(972)**	(2,665)
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayments of corporate bond	**(50,000)**	-
Repayment of borrowings	**(1,221)**	(5,988)
Proceeds from corporate bond	**40,000**	-
Dividends paid to company's shareholders	**(5,873)**	-
Payment for share buy-back	**(2,724)**	-
Payment of finance lease liabilities	**-**	(18)
NET CASH FLOWS (USED IN)/FROM FINANCING ACTIVITIES	**(19,818)**	(6,006)
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS	**(5,793)**	5,764
Add opening cash and cash equivalents brought forward	**49,529**	28,745
Effects of exchange rate changes on cash and cash equivalents	**550**	188
CLOSING CASH AND CASH EQUIVALENTS	**44,286**	34,697

The statement of cash flows is to be read in conjunction with the notes to the condensed consolidated interim financial statements set out on pages 9 to 17.

Condensed consolidated statement of changes in equity

HALF-YEAR ENDED 31 DECEMBER 2015

CONSOLIDATED

31 DECEMBER 2015

	Attributable to owners of the PMP Group					
	Contributed equity $'000	**Accumulated losses $'000**	**Foreign currency translation reserve $'000**	**Share-based payment reserve $'000**	**Cash flow hedge reserve $'000**	**Total equity $'000**
At 1 July 2015	**356,035**	**(92,602)**	**6,618**	**1,737**	**241**	**272,029**
Currency translation differences	**-**	**-**	**4,192**	**-**	**-**	**4,192**
Cash flow hedges (net of tax)	**-**	**-**	**-**	**-**	**(967)**	**(967)**
Defined benefit plan (net of tax)	**-**	**(192)**	**-**	**-**	**-**	**(192)**
Total income for the period recognised directly in equity	**-**	**(192)**	**4,192**	**-**	**(967)**	**3,033**
Profit for the period	**-**	**1,777**	**-**	**-**	**-**	**1,777**
Total comprehensive income for the period	**-**	**1,585**	**4,192**	**-**	**(967)**	**4,810**
Dividends ~	**-**	**(5,873)**	**-**	**-**	**-**	**(5,873)**
Share buy-back	**(2,724)**	**-**	**-**	**-**	**-**	**(2,724)**
Share-based payments *	**1,333**	**(2,104)**	**-**	**(472)**	**-**	**(1,243)**
At 31 December 2015	**354,644**	**(98,994)**	**10,810**	**1,265**	**(726)**	**266,999**

~ The above table represents the PMP Group position. At 30th June 2015, a dividend reserve of $50 million was created in the parent entity. A final ordinary dividend for the year ended 30 June 2015 was paid on 6th October 2015 from the parent entity dividend reserve.

* On 25th August 2015, the performance rights issued in October 2012 to the CEO and eligible executives were exercised. The vested rights were settled 50% by cash and 50% by the issue of 2.487 million shares for $1.333 million. The difference of ($2.104) million between the amount provided in the share-based payment reserve and settlement of the vested rights was transferred to retained losses, in accordance with accounting standards.

31 DECEMBER 2014

	Attributable to owners of the PMP Group					
	Contributed equity $'000	Accumulated losses $'000	Foreign currency translation reserve $'000	Share-based payment reserve $'000	Cash flow hedge reserve $'000	Total equity $'000
At 1 July 2014	356,035	(100,698)	10,037	1,278	(1,859)	264,793
Currency translation differences	-	-	1,968	-	-	1,968
Cash flow hedges (net of tax)	-	-	-	-	3,483	3,483
Defined benefit plan (net of tax)	-	150	-	-	-	150
Total income for the period recognised directly in equity	-	150	1,968	-	3,483	5,601
Profit for the period	-	4,314	-	-	-	4,314
Total comprehensive income for the period	-	4,464	1,968	-	3,483	9,915
Share-based payments	-	198	-	85	-	283
At 31 December 2014	356,035	(96,036)	12,005	1,363	1,624	274,991

The statement of changes in equity is to be read in conjunction with the notes to the condensed consolidated interim financial statements set out on pages 9 to 17.

Notes to the Financial Statements

HALF-YEAR ENDED 31 DECEMBER 2015

1. BASIS OF PREPARATION OF THE HALF-YEAR FINANCIAL STATEMENTS

Statement of compliance

The half-year financial statements are general-purpose financial statements, which have been prepared in accordance with the requirements of the *Corporations Act 2001*, applicable Accounting Standards including *AASB 134 Interim Financial Reporting* and other mandatory professional reporting requirements.

The half-year financial statements do not include all the notes of the type normally included within the annual financial statements and therefore cannot be expected to provide as full an understanding of the financial performance, financial position and financing and investing activities of the consolidated entity as the full financial statements.

The half-year financial statements should be read in conjunction with the annual financial statements of PMP Limited as at 30th June 2015. It is also recommended that the half-year financial statements be considered together with any public announcements made by PMP Limited and its controlled entities during the half-year ended 31st December 2015 in accordance with the continuous disclosure obligations arising under the *Corporations Act 2001.*

Basis of preparation

The half-year financial statements have been prepared in accordance with the historical cost convention, except for the revaluation of certain non-current assets classified as held for sale and derivative financial instruments that have been measured at fair value. Cost is based on the fair values of the consideration given in exchange for assets.

For the purpose of preparing the half-year financial statements, the half-year has been treated as a discrete reporting period.

The accounting policies applied by the PMP Group in these half-year financial statements are the same as those applied by the PMP Group in its annual financial statements as at and for the year ended 30th June 2015, except for the impact of those described below.

Changes in accounting policies

The following new standards, amendments to, or interpretation of standards have been issued which apply for the half-year ended 31st December 2015:

Standard/Interpretation	Effective for annual reporting periods beginning on or after	Expected to be initially applied in the financial year ending
- Withdrawal of AASB 1031 'Materiality'	1 July 2015	30 June 2016

The PMP Group has no transactions that would be affected by this new amendment.

1. BASIS OF PREPARATION OF THE HALF-YEAR FINANCIAL STATEMENTS (continued)

Impact of standards issued but not yet applied by the entity

AASB 9 Financial Instruments includes revised guidance on the classification and measurement of financial instruments, a new expected credit loss model for calculating impairment on financial assets and new general hedge accounting requirements. The standard is not applicable until 1 January 2018 but is available for early adoption. The Group has not yet assessed its impact and has not yet decided when to adopt AASB 9.

AASB 15 Revenue from contracts with customers establishes a comprehensive framework for determining whether, how much, and when revenue is recognised. The standard is not applicable until 1 January 2018 but is available for early adoption. The Group has not yet assessed its impact and has not yet decided when to adopt AASB 15.

IFRS 16 Leases introduces a new accounting model for leasees that requires leasees to recognise all leases on balance sheet, except for short-term leases and leases of low value assets. Under the model a lease asset and liability will be initially recognised. Amortisation of lease assets and interest on the lease liabilities will be recognised in the income statement over the lease term. The total amount of cash paid will be separated into a principal portion (financing activities) and interest (operating activities) for presentation in the cash flow statement. Lessor accounting will not change significantly. The standard includes better guidance on identifying whether a contract contains a lease and requires enhanced disclosures. In Australia, the Australian Accounting Standards Board has not yet issued an Australian equivalent of this standard. *IFRS 16* is not applicable until 1 January 2019 but is available for early adoption but only if *IFRS 15 Revenue from contracts with customers* is also applied. The Group will not assess the impact until the Australian standard is issued.

Standard/Interpretation	Effective for annual reporting periods beginning on or after	Expected to be initially applied in the financial year ending
- AASB 2014-4 Amendments to Australian Accounting Standards - Clarification of Acceptable Methods of Depreciation and Amortisation	1 January 2016	31 December 2016
- AASB 2015-1 Annual Improvements to IFRSs 2012-2014 Cycle	1 January 2016	31 December 2016
- AASB 2015-2 Amendments to Australian Accounting Standards - Disclosure Initiative: Amendments to AASB 101	1 January 2016	31 December 2016

1. BASIS OF PREPARATION OF THE HALF-YEAR FINANCIAL STATEMENTS (continued)

Critical accounting estimates, assumptions and judgements

(i) Deferred tax assets

Deferred tax assets are recognised for all unused tax losses to the extent that it is probable that future taxable profits will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax asset that can be recognised, based on the likely timing and level of future taxable profits.

No tax losses were incurred for the period to 31st December 2015. The timeframe over which PMP expects to recoup the Australian deferred tax asset of $34.8 million remains at circa 6 years.

The New Zealand deferred tax asset value of $3.7 million, attributable to tax losses is expected to be fully recouped over a period of 2 to 3 years (with ongoing recoupment of these losses since 2013).

This position will be reassessed on an ongoing basis.

In addition, PMP has $16.3 million of Australian tax losses incurred in the 2013, 2014 and 2015 financial years which haven't been recognised. Despite the non-recognition of these losses on the balance sheet, the losses will be available indefinitely for offset against future taxable profits, subject to continuing to meet the statutory tax tests of continuity of ownership or failing that, the same business test.

(ii) Goodwill, intangible assets, property, plant and equipment

The Group assesses whether goodwill is impaired on a bi-annual basis and assesses impairment of all other assets at each reporting date by evaluating conditions specific to the Group and to the particular asset that may lead to impairment. The recoverable amounts of cash generating units have been determined based on either a value in use model or fair value less costs to sell model. These calculations require the use of a number of assumptions and assesses the impact of possible changes in these assumptions. Based on testing carried out at 31st December 2015 there has been no impairment of the cash generating units.

The Directors estimate, that if EBITDA and cash flow reflected in the models were to decrease up to 10%, it could result in the aggregate carrying value of the Maxum and heat-set web printing New Zealand cash generating unit exceeding the recoverable amount of the cash generating unit by up to New Zealand $5.0 million.

Refer to the annual financial statements of PMP Limited as at 30th June 2015 for further details of these assumptions.

Notes to the Financial Statements

HALF-YEAR ENDED 31 DECEMBER 2015

	NOTES	CONSOLIDATED	
		2015 $'000	2014 $'000
2. REVENUES AND EXPENSES			
(i) Revenues			
Sales revenue			
External sales		**390,503**	427,291
Other revenue			
Interest	2(iv)	**421**	215
Rental income		**278**	1,012
Net gain on disposal of property, plant and equipment		**32**	2
Other		**1,065**	1,064
	5	**392,299**	429,584
(ii) Expenses			
Raw materials and consumables		**(91,086)**	(118,227)
Cost of finished goods sold		**(121,782)**	(122,857)
Employee expenses		**(116,232)**	(117,026)
Outside production services		**(6,723)**	(8,394)
Freight		**(7,284)**	(8,342)
Repairs and maintenance		**(6,845)**	(8,809)
Occupancy costs		**(9,294)**	(11,362)
Impairment of goodwill, intangibles, plant and equipment	2(iii)	**-**	(483)
Amortisation of intangibles	5	**(389)**	(389)
Depreciation	5	**(13,866)**	(15,370)
Other expenses		**(10,319)**	(7,133)
		(383,820)	(418,392)

(iii) Significant items

Included in net profit/(loss) before income tax are the following significant items of income and expense:

- Gain/(Loss) on sale of assets	**28**	(4)
- Restructure initiatives and other one off costs	**(2,415)**	(4,004)
- Impairment of plant, equipment and goodwill due to restructure initiatives	**-**	(483)
- Impairment of Dick Smith trade receivable	**(3,894)**	-
- Fee for early termination of corporate bond	**(1,500)**	-
- Write off of prepaid financing costs	**(833)**	-
Net significant expense items (included in net profit/(loss) before income tax)	**(8,614)**	(4,491)
Tax benefit associated with significant items	**2,565**	1,346
Tax losses not brought to account	-	-
Tax benefit included in net profit/(loss) after tax	**2,565**	1,346

Significant items have been included in the Statement of Profit or Loss and Other Comprehensive Income within the following categories:

- Sales revenue	**(350)**	-
- Other revenue	**28**	(4)
- Employee expenses	**(2,046)**	(2,107)
- Occupancy costs	**-**	(1,700)
- Other expenses	**(3,913)**	(680)
- Finance costs	**(2,333)**	-
	(8,614)	(4,491)

Notes to the Financial Statements

HALF-YEAR ENDED 31 DECEMBER 2015 **CONSOLIDATED**

	2015 $'000	2014 $'000
2. REVENUES AND EXPENSES (continued)		
(iv) Finance costs		
Interest expense		
- Bank loans and overdraft	**(3,523)**	(4,878)
- Unwind of discount on long term provisions	**(7)**	(6)
- Finance lease charges	**-**	(1)
Total interest expense	**(3,530)**	(4,885)
- Fee for early termination of corporate bond	**(1,500)**	-
- Write off of prepaid financing costs	**(833)**	-
- Gain/(loss) on interest rate swaps - unrealised	**-**	(10)
- Gain/(loss) on interest rate swaps - realised	**122**	-
Total finance cost	**(5,741)**	(4,895)
Interest received		
- Other corporations and persons	**421**	215
Net finance costs	**(5,320)**	(4,680)

3. INCOME TAX

(a) Income tax expense

	2015 $'000	2014 $'000
Profit before income tax	**2,738**	6,297
Prima facie income tax expense thereon at 30%	**821**	1,889
Tax effect of permanent and other differences:		
Income tax under/(over) provided in previous year	**16**	(115)
Non deductible items for tax purposes	**208**	344
Difference/change in overseas tax rate	**(84)**	(135)
	961	1,983

(b) Major component of income tax expense

	2015 $'000	2014 $'000
Current tax expense	**1,637**	1,917
Deferred tax (benefit)/expense	**(676)**	66
	961	1,983

(c) Tax losses not brought to account

	Gross $'000	Gross $'000
Revenue losses	**54,429**	52,850
Capital losses	**287,293**	284,081

The benefit of these revenue losses is not brought to account as realisation is not probable. Refer to Note 1 for further details. In addition, capital losses are only able to be used against capital gains and so are not recognised until used in any tax year.

4. CONTINGENT ASSETS AND LIABILITIES

Contingent liabilities classified in accordance with the party for whom the liability could arise are:

Related bodies corporate

- PMP Limited has guaranteed the borrowings of PMP Finance Pty Limited and PMP (NZ) Limited to facilitate group banking arrangements.
- Wholly owned entities in the PMP Group have provided guarantees and securities to banks, in respect of debt and foreign currency management.
- Entities in the PMP Group contribute to a number of defined benefit superannuation funds and have undertaken to contribute annually such amounts as the actuaries consider necessary to secure the rights of members.

Notes to the Financial Statements

HALF-YEAR ENDED 31 DECEMBER 2015

5. SEGMENT INFORMATION

Description of segments

Management has determined the operating segments based on the manner the Group is structured and managed by the Executive Management Team (EMT). All reports regularly reviewed by the Chief Executive Officer and the EMT are presented on this basis which groups similar operations or geographic locations.

PMP Australia includes all of the Print businesses in Australia namely, Heatset and Griffin Press and also includes Distribution and Digital Premedia. Gordon and Gotch includes magazine and book distribution businesses in Australia. New Zealand segment includes all businesses in New Zealand.

Transactions between segments are carried out at arm's length and are eliminated on consolidation.

Segment revenues and results

The following is an analysis of the Group's revenue and results by reportable segment for the periods presented:

Operating segments	PMP Australia (excl. G&G)		Gordon and Gotch Australia (G&G)		New Zealand		Corporate		Consolidated	
	2015 $'000	2014 $'000	**2015 $'000**	2014 $'000	**2015 $'000**	2014 $'000	**2015 $'000**	2014 $'000	**2015 $'000**	2014 $'000
Revenue										
Sales revenue	**190,744**	218,573	**128,943**	131,421	**71,166**	77,297	**-**	-	**390,853**	427,291
Sales revenue significant item	**(350)**	-	**-**	-	**-**	-	**-**	-	**(350)**	-
Other revenue	**5**	31	**957**	1,017	**450**	371	**356**	878	**1,768**	2,297
Other revenue significant item	**28**	(4)	**-**	-	**-**	-	**-**	-	**28**	(4)
Total segment revenue	**190,427**	218,600	**129,900**	132,438	**71,616**	77,668	**356**	878	**392,299**	429,584
Inter-segment revenue	**-**	-	**-**	-	**-**	-	**-**	-	**-**	-
Total revenue	**190,427**	218,600	**129,900**	132,438	**71,616**	77,668	**356**	878	**392,299**	429,584
EBITDA ~ before significant items	**22,392**	23,444	**846**	786	**8,399**	10,121	**(2,622)**	(2,909)	**29,015**	31,442
Depreciation and amortisation	**(10,622)**	(11,464)	**(234)**	(234)	**(3,214)**	(3,728)	**(185)**	(333)	**(14,255)**	(15,759)
EBIT * before significant items	**11,770**	11,980	**612**	552	**5,185**	6,393	**(2,807)**	(3,242)	**14,760**	15,683
Significant items before income tax	**(5,274)**	(4,437)	**(27)**	(35)	**(977)**	(95)	**(3)**	76	**(6,281)**	(4,491)
Segment EBIT * after significant items	**6,496**	7,543	**585**	517	**4,208**	6,298	**(2,810)**	(3,166)	**8,479**	11,192
Significant items - Finance costs									**(2,333)**	-
Finance costs									**(3,408)**	(4,895)
Profit before income tax									**2,738**	6,297
Income tax expense									**(961)**	(1,983)
Net profit after income tax									**1,777**	4,314

~: EBITDA - Profit/(loss) before depreciation, amortisation, finance costs and income tax

*: EBIT - Profit/(loss) before finance costs and income tax

Notes to the Financial Statements

HALF-YEAR ENDED 31 DECEMBER 2015

5. SEGMENT INFORMATION (continued)

Geographic segments	Australia		New Zealand		Consolidated	
	Half-Year Ended 31 December 2015					
	2015	2014	**2015**	2014	**2015**	2014
	$'000	$'000	**$'000**	$'000	**$'000**	$'000
Sales revenue	**319,687**	349,994	**71,166**	77,297	**390,853**	427,291
Sales revenue significant	**(350)**	-	**-**	-	**(350)**	-
Other revenue	**1,318**	1,926	**450**	371	**1,768**	2,297
Other revenue significant	**28**	(4)	**-**	-	**28**	(4)
Total revenue	**320,683**	351,916	**71,616**	77,668	**392,299**	429,584

6. CONTRIBUTED EQUITY

	CONSOLIDATED			
	2015 Number '000	2014 Number '000	**2015 $'000**	2014 $'000
	323,781	323,781	**356,035**	356,035
Share-based payments	**2,487**	-	**1,333**	-
Share buy-back	**(5,324)**	-	**(2,724)**	-
Balance as at 31 December	**320,944**	323,781	**354,644**	356,035

As at 25th August 2015, following the announcement of the result to 30th June 2015 to the ASX, the performance rights issued in October 2012 to the CEO and eligible executives under the PMP Long Term Incentive Plan were exercised. Half of the vested rights were cash settled and half were settled via the issue of 2,486,565 shares. These shares are subject to a six month holding lock.

On 17th September 2015, PMP announced its intention to undertake an on market buy-back from 23rd November 2015 to 30th June 2016. The maximum number of shares that could be bought back will equate to $6.2 million. During the period from 23rd November 2015 to 31st December 2015, 5,324,149 shares were bought back at a cost of $2.7 million.

7. INTEREST BEARING LIABILITIES

(a) Current interest bearing liabilities	**December 2015 $'000**	June 2015 $'000
Bank loans repayable in: Euros *	**3,017**	2,887
Total current interest bearing liabilities	**3,017**	2,887

(b) Non-current interest bearing liabilities

Bank loans repayable in: Euros *	**15,087**	15,878
Corporate bond	**40,000**	50,000
Total non-current interest bearing liabilities	**55,087**	65,878

* Represents the Euro denominated loan of EUR11.9 million at 31st December 2015 measured at the exchange rate prevailing rate at balance date.

7. INTEREST BEARING LIABILITIES (continued)

(c) Terms and conditions

PMP issued an unsecured $40 million corporate bond on 17th September 2015. The bond has a fixed coupon of 6.43% per annum and a four year term. It is subject to a number of financial covenants including the PMP Group being measured against a maximum Net Financial Indebtedness/EBITDA ratio and a minimum EBITDA/Interest ratio. Capital management restrictions apply which limits payouts to 100% of net profit after tax excluding significant items. The proceeds of this bond repaid the previous $50 million corporate bond on 23rd October 2015.

PMP entered into a Euro 17 million export financing loan agreement in February 2013, secured against an offset rotary press. As at 31st December 2015, this loan was fully drawn and after amortisation payments has a balance of Euro 11.9 million. This facility has maturity date of 30th September 2021 with semi-annual amortisations. The lender is Commerzbank AG.

As at 31st December 2015, PMP has a $15 million working capital and overdraft facility. Subsequent to this date, PMP renegotiated this facility to a $10 million facility, commencing 4th February 2016. These overdraft facilities are subject to an annual review.

(d) Net debt

PMP has taken out a cross currency swap to exchange the Euro 11.9 million export financing loan's principal and floating Euro interest payments for an equally valued AUD loan and AUD interest payments. This loan has formed part of the overall PMP Group debt that is hedged to fixed rates. For the purposes of calculating PMP's net debt, the hedged fixed rate Australian obligation of the Euro loan of $14.6 million has been used.

	December 2015 $'000	June 2015 $'000
Cash	**(44,286)**	(49,529)
Corporate bond	**40,000**	50,000
Bank loans repayable in: Euros measured at the exchange rate prevailing at balance date	**18,104**	18,765
Cross currency swap revaluation - adjusted to measure the loan at the hedged fixed rate of the Australian obligation	**(3,456)**	(2,897)
Net debt	**10,362**	16,339

To calculate gross debt, total interest bearing liabilities of $58.1 million is adjusted by $3.5 million being the revaluation of the above Euro loan to the hedged fixed rate.

8. FAIR VALUE MEASUREMENT OF FINANCIAL INSTRUMENTS

The fair value measurement principles adopted in this report are consistent with those applied in the PMP Limited Annual Report for the year ended 30th June 2015.

The table on the following page provides an analysis of financial instruments that are measured subsequent to initial recognition of fair value, grouped into Level(s) 1 to 3 based on the degree to which the fair value is observable:

- Level 1 quoted prices (unadjusted) in active markets from identical assets or liabilities;
- Level 2 inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable for the asset or liability.

8. FAIR VALUE MEASUREMENT OF FINANCIAL INSTRUMENTS (continued)

	As at 31 December 2015			
	Level 1 $000	Level 2 $000	Level 3 $000	Total $000
Financial derivatives being hedge accounted				
Forward Foreign Exchange Contracts	-	(418)	-	(418)
Cross Currency Swaps	-	3,082	-	3,082
Financial derivatives at fair value through profit or loss				
Interest Rate Swaps	-	-	-	-
Total financial derivatives	-	2,664	-	2,664

	As at 30 June 2015			
	Level 1 $000	Level 2 $000	Level 3 $000	Total $000
Financial derivatives being hedge accounted				
Forward Foreign Exchange Contracts	-	1,787	-	1,787
Cross Currency Swaps	-	2,423	-	2,423
Financial derivatives at fair value through profit or loss				
Interest Rate Swaps	-	(122)	-	(122)
Total financial derivatives	-	4,088	-	4,088

9. SUBSEQUENT EVENTS

Subsequent to 31st December 2015, Dick Smith was placed in voluntary administration. Dick Smith is one of PMP Group's trade debtors. The PMP Group has fully impaired the receivable balance of $3.9 million owed by Dick Smith in the consolidated interim financial statements.

As announced to the market on 13th January 2016, Gordon and Gotch has entered into an agreement with Bauer Media to provide the retail magazine distribution activities provided by its Australian distribution division following Bauer Media's decision to close that Division. The agreement is for a term of five years. Gordon and Gotch has entered into similar arrangements with Bauer Media's New Zealand distribution division.

Since the balance date, the Directors have declared an interim dividend of 1.2 cents per fully paid ordinary share, unfranked. The aggregate amount of the proposed dividend expected to be paid on the 6th April 2016, but not recognised as a liability at 31st December 2015, is $3.8 million.

Since the balance date, the Directors have resolved to increase its market share buy-back by $1.9 million from $6.2 million to $8.1 million. As at 31st December 2015, $2.7 million shares have been bought back with the remaining $5.4 million to be bought back between 23rd February 2016 and 30th June 2016.

Apart from the matters above, the Directors are not aware of any matters or circumstance arising since balance date not otherwise dealt with in this report or the consolidated financial statements, that has significantly affected or may significantly affect the operations of the PMP Group, the results of those operations or the state of affairs of the PMP Group in subsequent years.

PMP LIMITED

Directors' Declaration

In the opinion of the Directors:

(a) the financial statements and notes of the consolidated entity:

(i) give a true and fair view of the financial position as at 31 December 2015 and the performance for the half-year ended on that date of the consolidated entity; and

(ii) comply with Accounting Standards and the Corporations Regulations 2001; and

(b) there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of the Directors pursuant to s303(5) of the *Corporations Act 2001.*

On behalf of the Board

Matthew Bickford-Smith
Director and Chairman

Sydney, 22 February 2016

Deloitte.

Deloitte Touche Tohmatsu
ABN 74 490 121 060

Grosvenor Place
225 George Street
Sydney NSW 2000
PO Box N250 Grosvenor Place
Sydney NSW 1217
Australia

DX 10307SSE
Tel: +61 (0) 2 9322 7000
Fax: +61 (0) 2 9322 7001
www.deloitte.com.au

The Board of Directors
PMP Limited
Level 12, 67 Albert Avenue
CHATSWOOD NSW 2067

22 February 2016

Dear Board Members

PMP Limited

In accordance with section 307C of the Corporations Act 2001, I am pleased to provide the following declaration of independence to the directors of PMP Limited.

As lead audit partner for the review of the financial statements of PMP Limited for the half-year ended 31 December 2015, I declare that to the best of my knowledge and belief, there have been no contraventions of:

(i) the auditor independence requirements of the Corporations Act 2001 in relation to the review; and

(ii) any applicable code of professional conduct in relation to the review.

Yours sincerely

Deloitte Touche Tohmatsu

DELOITTE TOUCHE TOHMATSU

Tara Hynes

T Hynes
Partner
Chartered Accountant

Deloitte.

Deloitte Touche Tohmatsu
A.B.N. 74 490 121 060

Grosvenor Place
225 George Street
Sydney NSW 2000
PO Box N250 Grosvenor Place
Sydney NSW 1220
Australia

DX 10307SSE
Tel: +61 (0) 2 9322 7000
Fax: +61 (0) 2 9322 7001
www.deloitte.com.au

Independent Auditor's Review Report to the Members of PMP Limited

We have reviewed the accompanying half-year financial report of PMP Limited, which comprises the condensed statement of financial position as at 31 December 2015, and the condensed consolidation statement of profit or loss and other comprehensive income, the condensed statement of cash flows and the condensed statement of changes in equity for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the end of the half-year or from time to time during the half-year as set out on pages 5 to 18

Director's Responsibility for the Half-Year Financial Report

The directors of the company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the consolidated entity's financial position as at 31 December 2015 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of PMP Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Deloitte.

Auditor's Independence Declaration

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of PMP Limited, would be in the same terms if given to the directors as at the time of this auditor's review report.

Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of PMP Limited is not in accordance with the *Corporations Act 2001*, including:

(a) giving a true and fair view of the consolidated entity's financial position as at 31 December 2015 and of its performance for the half-year ended on that date; and

(b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Deloitte Touche Tohmatsu

DELOITTE TOUCHE TOHMATSU

Tara Hynes

T Hynes
Partner
Chartered Accountants
Sydney, 22 February 2016