

GALE PACIFIC LIMITED

(ASX: GAP)

ASX and Media Release

20 June 2016

GALE Pacific announces updated earnings guidance for FY2016

- FY2016 profit before tax to be at the upper end of previous guidance range at \$13.0 million - \$13.5 million (FY2015 underlying: \$8.7 million).
- Net debt anticipated to be around \$10.0 million (FY2015: \$16.7 million)
- Senior management appointments in key markets
- Long term global banking facilities secured
- Further growth anticipated in FY2017

GALE Pacific Limited (**GALE** or the **Company**) is pleased to confirm that, following continued strong operating performance, the Company anticipates its profit before tax for the financial year ending 30 June 2016 to be in excess of \$13.0 million, being at the upper end of its guidance range at \$13.0 million - \$13.5 million.

The Company anticipates further growth in FY2017.

In addition to the strong operating performance, disciplined operating cash flow management will result in net debt of around \$10.0 million, a significant improvement over the prior corresponding period.

Senior Management Appointments in Key Markets

The Company is pleased to announce a number of senior management appointments in our key markets.

In line with the strategy to accelerate growth within the USA market the Company has appointed Lindsay Klebenow to the role of President/General Manager of the Americas region, commencing 6 June 2016.

Lindsay has considerable leadership experience across both retail and commercial sectors in large multi-national companies; with a proven track record of delivering rapid and sustained growth.

The Company appointed Cliff Zhang as General Manager – Manufacturing in China. Cliff will lead the Company's manufacturing business in China and will focus on strategies to further reduce product costs and improve service. Cliff commenced with the Company on 3 May 2016.

Craig Fuller commenced as General Manager – Australia/New Zealand on 22 March 2016, based in Melbourne. Craig has a background across both commercial and retail sectors as well as experience in product innovation, manufacturing and supply chain functions. Craig will take responsibility to drive further growth and efficiencies in our significant Australia and New Zealand business.

Long Term Banking Arrangements

The Company is pleased to confirm the finalisation of new long term global banking arrangements with the ANZ Banking Corporation. The new banking arrangements support the Company's growth aspirations and international expansion ambitions.

Nick Pritchard, GALE's Group Managing Director, said "we are pleased with the achievements throughout the year. Our team have delivered improvements across all areas of the business and we now have a stronger overall business platform to support further growth. We have done this whilst simultaneously delivering a strong financial result. We are encouraged and excited by the opportunities ahead".

The Company anticipates releasing its Appendix 4E in mid-late August 2016.

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About GALE Pacific

GALE Pacific is a manufacturer and marketer of commercial and DIY products that protect and enhance environments around the world.

Our products are marketed across commercial and retail sectors, with distribution into agricultural, horticultural, agricultural, mining, construction, and home improvement channels. They are stocked by many of the world's largest retailers and also have strong online distribution.

GALE Pacific is a world leader in specialised textiles and associated products and is recognised in our markets as an innovator and long-term producer of premium quality products.

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