



2017 ANNUAL GENERAL MEETING





CHAIRMAN'S REVIEW

Mr Matthew Bickford-Smith



Opening Remarks

The Board is aware that shareholders would be very disappointed by the guidance downgrade PMP issued to the market on Monday. The CEO and I will address this issue shortly.

FY17 HIGHLIGHTS

Merger with IPMG



First, we should acknowledge the very positive event in the previous financial year. Fiscal 2017 was notable for the achievement of PMP's long-term strategic objective of participating in the consolidation of the heatset printing market. The Board has long been of the belief that, in an industry with high fixed costs and substantial over capacity, consolidation was inevitable, and with consolidation capacity could be reduced.

It is important to note that with overwhelming shareholder support, we were able to complete the merger with our largest competitor IPMG. While this was occurring IVE acquired the heatset printers, Franklin Print and AIW, and consequently the heatset print market consolidated from five to two – both operating in a listed environment. This means that, for the first time in more than a decade, print industry conditions have the potential for improved market discipline and to create stable profitable companies over the medium term.

FY17

I will leave it to Peter George to take you through PMP's financial results.

Taking a high-level look at the key milestones in the reporting year, on 28 October 2016, PMP announced an all scrip merger with IPMG. After an extended review the Australian Competition and Consumer Commission agreed that it would not oppose the transaction, enabling the merger to be completed on 1 March 2017.

At that point, PMP acquired 100% of the shares in IPMG Holdco Pty Ltd with the shareholders of that company being issued new shares in PMP. This resulted in the IPMG shareholders being issued 188 million shares and thereby holding 37% of PMP's shares.

NEW MERGED COMPANY

MELBOURNE: closure of IPMG Noble Park;
work moved to PMP Clayton

BRISBANE: closure of PMP Wacol;
work moved to IMPG Geebung

SYDNEY: closure of web printing at IMPG
Lidcombe; work moved to PMP Moorebank

Retired presses;
and relocated
other presses
and bindery
equipment



Integration

• In fiscal 2017, PMP completed a number of key initiatives to create a merged structure.

The major transformational projects completed at 30 June included:

- closing the IPMG Noble Park print facility in Melbourne, with that work moving into the PMP print facility at Clayton
- closing the PMP Wacol print facility in Brisbane, with that work moving into the IPMG print facility at Geebung
- closing the Offset Alpine web printing facility at Lidcombe, with that work moving into PMPs print facility at Moorebank; and
- retiring a number of presses, and moving other presses and bindery equipment

PRINT AUSTRALIA

Profitability affected by:

- Labour and operational costs as a consequence of higher volume of labour intensive short run work
- Lower than expected pricing on some work
- Series of initiatives underway to address operational cost issues



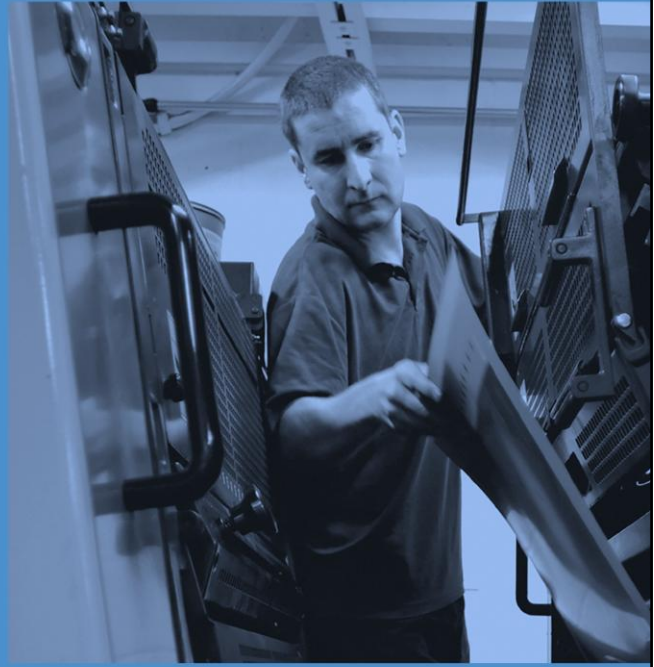
We expected to deliver \$55m of cost synergies as a result of the merger and \$43M of savings have been delivered to date.

As noted in the recent guidance, Print Australia's profitability has been adversely affected by labour and operational costs as a consequence of higher volume of labour intensive short run work, and we assumed average higher prices for some of the work in the post-merger volumes.

Management is now working extremely hard to redress the situation by undertaking a series of initiatives to address the operational cost issues.

PRINTING INDUSTRY

- Rationale behind merger remains sound
- Reduction in capacity and change in the industry structure better positions the printing industry for the future



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I would remind shareholders that the rationale behind the merger remains sound. The resultant reduction in capacity of the merged group coupled with the overall change in industry structure should provide comfort that the print industry is far better positioned for the future.

PMP

- PMP is now the pre-eminent print media, marketing services and distribution company in Australasia
 - offering market-leading services across print, digital, catalogue and magazine distribution



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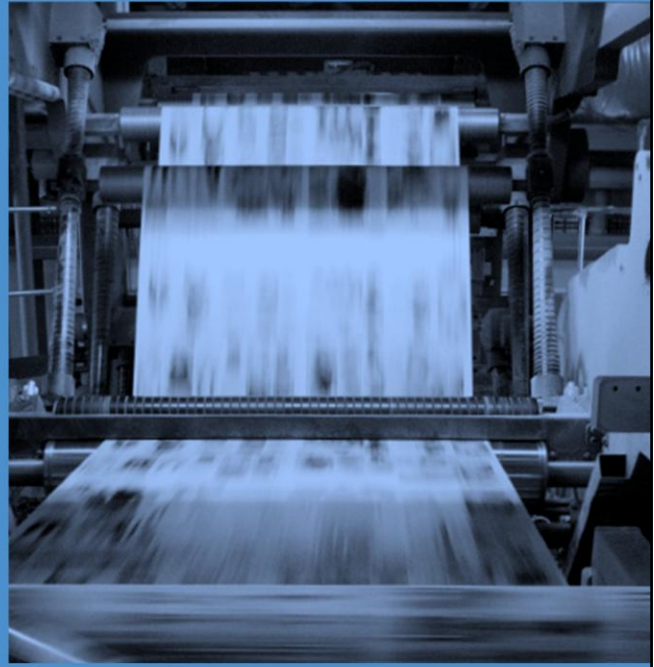
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And I would like to re-enforce that with the merger, PMP is now the pre-eminent print media, marketing services and distribution company in Australasia, offering market-leading services across print, digital, catalogue and magazine distribution.

PRINTING

- The leading heatset printer in both Australia and New Zealand
- A dedicated sheetfed facility at Lidcombe



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In Printing, PMP is the leading heatset printer in both Australia and New Zealand, with a dedicated sheetfed facility at Lidcombe in Sydney.

DISTRIBUTION

- Gordon & Gotch is the market leader in both Australia and New Zealand
- In Australia, PMP Distribution holds 35% of market share in the letterbox distribution industry



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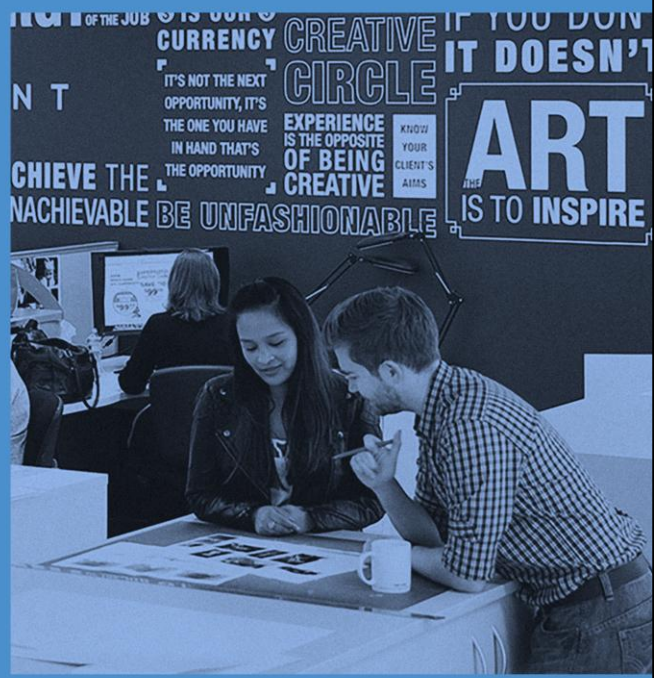
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In Distribution, PMP's Gordon & Gotch is the market leader in both Australia and New Zealand. And in Australia, PMP Distribution holds 35% of market share in the letterbox distribution industry.

MARKETING SERVICES

- Award winning portfolio of businesses offering an enhanced integrated suite of print and print-related services



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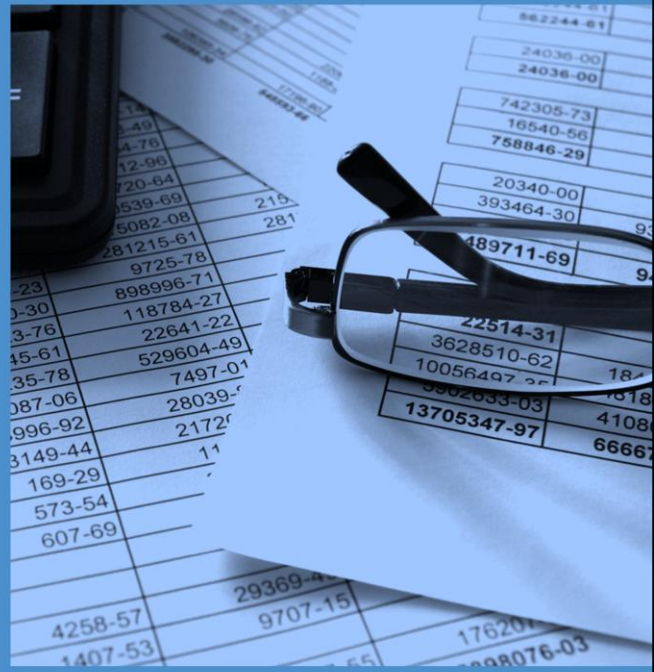
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And in Marketing Services PMP has an award winning portfolio of businesses offering an enhanced integrated suite of print and digital-related services.

CAPITAL MANAGEMENT

- The Board remains committed to its capital management strategy
- Rescheduling the recommencement of dividends



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Turning to capital management...

Capital Management

Given the cash demands of delivering synergies, PMP suspended both dividends and share buy-backs during the implementation period. Capital management was intended to recommence in the second half of fiscal 2018. The Board remains committed to its capital management strategy, but in light of the expected first half results, the Board now intends to recommence with the final dividend for fiscal 2018.

BOARD

- IPMG - Mr Michael Hannan
- Mr Stephen Anstice
- Ms Wai Tang
- Mr Terry Sinclair



Board changes

Since the last AGM, the Board composition has changed substantially.

In March, following completion of the merger with IPMG and the issue of 188 million shares to the IPMG shareholders, the Board was joined by Mr Michael Hannan former Executive Chairman of IPMG, and Mr Stephen Anstice former non-executive director of IPMG – both of whom are standing for election today.

At the end of June 2017, Ms Naseema Sparks resigned and on 30 September 2017, Mr Anthony Cheong, also retired from the Board.

Following a comprehensive external process the appointment of new directors, the Board announced on 10 October, the appointment of Ms Wai Tang and Mr Terry Sinclair as independent non-executive directors.

Wai and Terry are also standing for election today – and I will speak to their experience and skills when the resolutions for their appointment are put to you. Suffice it to say, their election will not only re-establish PMP's Board independence but also bring important experience and skills to complement those of the existing directors.

Board independence

The Board now has a majority of directors who can be regarded as independent. Mr Michael Hannan and Mr Stephen Anstice are not independent as they were nominated as directors by the IPMG shareholders.

The Board's directors have all declared areas where there are conflicts of interest, or where the perception of a conflict of interest could arise. Directors will continue to excuse themselves from participating in decisions about and voting on any such matters.

The Board will ensure that all directors are focused on the interests of all shareholders.

CEO

- Mr Peter George has notified the Board of his intention to resign by the end of November
- Interim CEO appointment
- Permanent appointment expected before the end of the year



CEO intention to resign

As notified to the market on Monday, I must inform shareholders that our Chief Executive Officer, Peter George, will be retiring at the end of November. The Board has been working through a structured succession program in preparation for Peter's planned retirement next year. Sadly, following a tragic family bereavement, his retirement has been brought forward to the end of November.

Peter was first appointed to the Board of PMP in 2001 and took over as CEO in 2012. He has played a pivotal role in helping the business to survive in a highly challenging environment and getting it to a point where consolidation could be negotiated.

Peter has been a tireless and highly focused leader who has made the tough decisions required to sustain the business.

Peter – we will miss you – but we understand your need to be with your family at this time.

On behalf of the Board, management, employees and shareholders, thank you for 16 years of invaluable service to PMP.

[LEAD APPLAUSE]

Interim CEO Appointment

Until our succession planning program is complete, the Board has appointed Kevin Slaven as Interim CEO to commence on 1 December. Kevin is the former IPMG Group CEO, who joined PMP with the merger in March 2017. He is currently responsible for PMP's Distribution and Marketing Services division.

Kevin is well-respected as a highly effective leader in the industry with a strong track record of managing integrated print and distribution. We are fortunate to have someone with his experience of print leadership and knowledge of our business to step in at short notice.

The Board intends to announce a permanent CEO appointment before the end of the year.

OUTLOOK

- Guidance has been reduced from \$70 - \$75M to \$50 - \$55M, rising to \$70 - \$80M in FY19
- The Board is confident in management's ability to reset the business and deliver the benefits of the merger



Outlook

As announced on Monday, fiscal 2018 EBITDA (per significant items) guidance has now reduced from \$70 to \$75M to \$50M to \$55M, rising to \$70M to \$80M in FY19.

Initiatives are underway to deliver more cost savings and further reduce divisional inefficiencies. The Board is confident in management's ability to reset the business and deliver the benefits of the merger.

Your Board and management remain committed to leveraging PMP's new strengths and capabilities and delivering the benefits to shareholders.

THANKS

- Board members
- Peter George and the new senior management team
- PMP's merged workforce
- Shareholders
- Our valued customers



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Thanks

Finally, I must acknowledge the critical contributions of PMP's incoming and outgoing Board members in getting the merger across the line.

On behalf of the Board, I would also like to thank Peter George and the new senior management team for their exemplary efforts in working through the integration program. To PMP's recently merged workforce: thank you for your patience and understanding in a difficult year of significant change.

And, of course, thank you to our customers and shareholders for their ongoing support.

I will now ask Peter to talk in more detail about PMP's performance last year and the operating conditions that led to our revised guidance.



CEO'S REVIEW

Mr Peter George



Thank you Matthew. Good morning ladies and gentlemen.

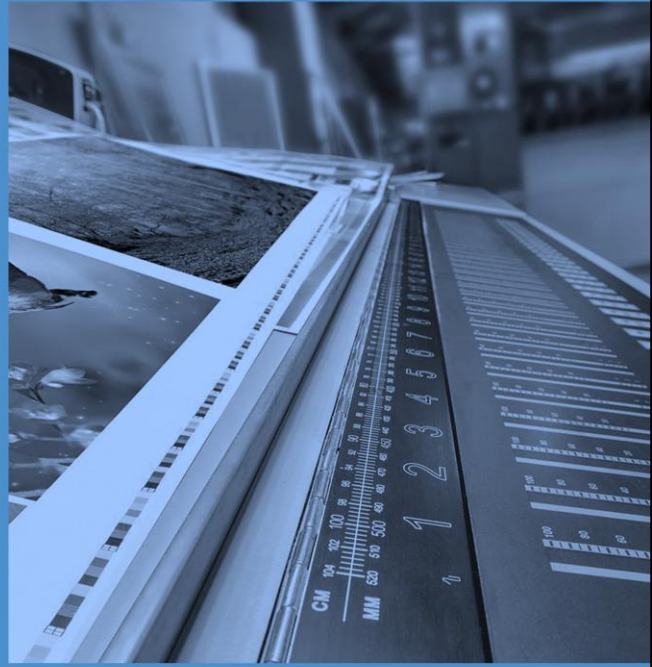
FY17 RESULTS SUMMARY

First half FY17:

adversely affected by every major heatset printer pursuing industry consolidation

Second half FY17:

was taken up with the logistics of the merger



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FY17 – results summary

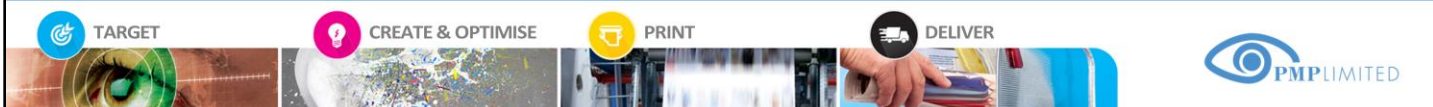
Due to the merger, fiscal 2017 saw dramatic changes to both our operating structure and our industry environment.

The first half of FY17 was adversely affected by every major heatset printer pursuing industry consolidation.

The second half was taken up with the logistics of the merger, which I will shortly discuss further.

FY17 RESULTS SUMMARY

- **EBITDA \$32.2M** - within guidance
- **SALES \$1,051.1M** - up 28.9%
- **FREE CASH FLOW \$37.2M** - down \$0.3M
- **WORKING CAPITAL** - favourable \$12M
- **NET DEBT \$18.5M** - better than guidance by \$26.5M



Touching briefly on the results, by 30 June 2017:

EBITDA ended up at \$32.2M – within the guidance issued on 2 June 2017. This was \$19.0M or 37% lower than \$51.2M in the previous year.

Sales at \$1,051.5M were up by \$235.5M or 28.9% on the previous year. Notably:

Gordon & Gotch sales were up \$185M in Australia/New Zealand as the full year run rate came through on new contracts.

Print Australia sales rose by \$63.3M or 31.7% on four months of IPMG trading, partially offset by lower print sales at PMP.

Free cash flow was \$37.2M, down \$0.3M on the previous year, as better working capital movements, lower interest expense and capex broadly offset lower EBITDA.

Working capital was a favourable \$12M, a \$15M improvement on the previous year. This came from Gordon & Gotch Australia, mostly due to changes in trading terms along with better than expected debtor collections across the Group.

At year end, PMP's **Net Debt** position was \$18.5M – \$26.5M better than guidance due mainly to changes in working capital and lower capital expenditure.

INTEGRATION UPDATE

- Removed capacity
- New national footprint in place across Australia by August 2017
- PMP's manufacturing fleet has the widest range of print formats and the ability to meet peak demand



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Integration update

After the merger completed, the new leadership team at PMP worked quickly to implement the major transformation projects to optimise the two press fleets and take out capacity.

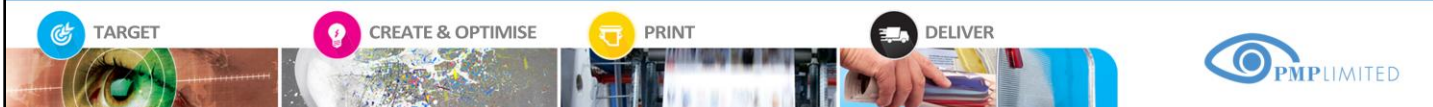
This involved the three site closures mentioned by the Chairman that, together with the loss of some head office staff, saw our merged company cutting headcount by approximately 350 people. Working with the AMWU, we made all attempts to ensure that those leaving the business did so with the best possible support.

The upshot was that in August 2017, Print's new optimised, national manufacturing footprint was in place across Australia.

This combined press fleet has less capacity, having retired the oldest equipment during the rationalisation process. We retain the broadest range of print formats and the ability to cope with peak seasonal demand.

REASONS FOR THE NEW GUIDANCE

- Merging the two largest printers in Australia was always going to have challenges
- The delay in ACCC approval resulted in a compressed timeline to close sites, relocate and recommission presses etc at a time of peak demand



Reasons for the new guidance

Let me now turn to the matter of the new guidance issued to the market on Monday.

The merger of PMP and IPMG involved the two largest printers in Australia. It was always going to have challenges because of the number of sites, the variety of presses and finishing equipment, and the mix of customer work involved.

The new guidance announced on Monday reflects this reality. To give shareholders two examples:

First, the integration of both companies' work necessitated a deferred commencement following the ACCC's delay in approving the merger.

This delay affected the timing of the site closures, and thereby increased the risk of problems flowing from closing sites and relocating presses. This process was originally intended to commence during the relatively quiet period following the Christmas holidays, which would have left time for troubleshooting during a relatively quiet period. In fact, it did not begin until March, resulting in a shortened timeframe to complete this activity before peak seasonal demand.

While the plant closures, relocation of presses etc were all completed on time, this meant that the resultant problems were initially masked by the significant efforts required in undertaking the restructuring.

REASONS FOR THE NEW GUIDANCE

- More short run labour intensive work and other post press finishing work was retained while we continued our obligation to meet customer expectations
- Lower than expected pricing on some work



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Second, we have retained more of the short run labour intensive work and other post press finishing work than was anticipated while we continued our obligation to meet customer expectations. The higher volumes of this work has come with a substantial cost including through the temporary use of casuals and overtime, and has delayed our headcount reduction programs.

At the same time, we had made some assumptions around sell price which have not come to fruition. This created a shortfall against our original forecasts, further adding to adverse results of the first half.

NEW INITIATIVES

- A change in shift patterns at the major sites will deliver significantly lower labour costs
- Further headcount reductions
- Repricing the work on smaller format presses
- A strategic review of the printing work mix



In response, the company has identified and is undertaking a series of initiatives including:

A change in shift patterns at the larger sites to deliver significantly lower labour costs

Further headcount reductions

Repricing work on smaller format presses

A review of the printing work mix

OUTLOOK

- EBITDA forecast for FY18 to be circa \$50 - \$55M (with underlying EBITDA run rate for the second half of FY18 being in line with original guidance)
- Expect market pricing to adapt over time to the new industry structure
- Distribution and Marketing Services in Australia and PMP's operations in New Zealand remain on target



The EBITDA for fiscal 2018 is forecast to be \$50 to \$55M. With these initiatives we expect the underlying EBITDA run rate for the second half of fiscal 2018 to be in line with original guidance.

Over time, we expect the market print pricing to adapt to the new industry structure.

Meanwhile, Distribution and Marketing Services in Australia and PMP's operations in New Zealand remain on target.

OUTLOOK

- The current resulting shortfall in PMP's results is not reflective of a flaw in the original strategy. The merger was a sound, strategic and necessary response to industry conditions.



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My concluding message to shareholders is this: the current resulting shortfall in PMP's results is not reflective of a flaw in the original strategy. The merger was a sound, strategic and necessary response to industry conditions.

End of an era

As you know, I intend to leave PMP by the end of November.

I have spent more than 15 years on the Board of PMP – and five as CEO.

THANKS

- PMP and IPMG executives
- The PMP Board
- Michael Hannan and the Hannan Family shareholders of IPMG
- John Nichols
- Employees of PMP and IPMG



I wish to thank:

The original PMP executive team and our senior colleagues at IPMG for their dedication to our merged company;

The PMP Board for their support through the various iterations of transformation plans that have been undertaken in shaping the business to better reflect the market;

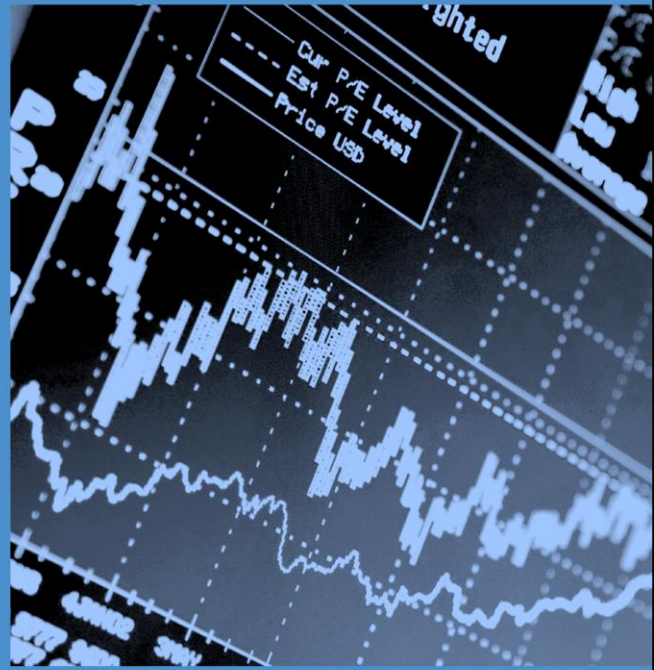
Michael Hannan and the Hannan Family shareholders generally for their support and belief in the benefits of the merger and in doing so combining their company with PMP.

Special thanks to John Nichols for leading the integration program. After nearly three decades with PMP, John is leaving us to pursue business opportunities outside the printing industry. We wish him well with his future endeavours.

And finally, I also thank the employees of PMP and IPMG, who had a very tough year. I thank them all for their patience, tenacity and professionalism and wish them well.

THANKS

- The company has a stronger and more sustainable business model
 - and a strategy that will deliver a solid return on capital to shareholders by FY19



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I leave PMP knowing that the company has a stronger and more sustainable business model – and an endgame strategy that will deliver a solid return on capital to you, our shareholders, by 2019.

Thank you.