

31 October 2018

ASX Announcement

PMP SEEKING TO ISSUE A SECURED CORPORATE BOND WITH PROCEEDS TO BE APPLIED TOWARDS THE REDEMPTION OF THE EXISTING CORPORATE BOND

PMP Limited ("PMP") is pleased to announce that it is seeking through its subsidiary PMP Finance Pty Ltd ("PMP Finance") to raise \$40 million by issuing a secured, subordinated and amortising corporate bond (the "New Notes") with the proceeds to be applied towards the redemption of PMP Finance's existing \$40 million 6.43% Notes due 17 September 2019 (ISIN: AU3CB0232932) (the "Existing Notes"). The New Notes will be guaranteed by certain subsidiaries of PMP.

PMP Finance will undertake a two stage process in order to effect the raising.

Under the first stage PMP Finance is seeking consent from holders of the Existing Notes to amend the terms and conditions of the Existing Notes (the "Conditions"). The amendments will provide for the inclusion in the Conditions of an issuer call option to redeem the Existing Notes prior to their scheduled maturity date. If the requisite level of consent is obtained from holders of the Existing Notes, it is intended that the issuer call option will be exercised and the Existing Notes will be redeemed on the date that the New Notes are issued ("Exchange/Call Date").

Under the second stage, holders of the Existing Notes who are eligible professional and sophisticated investors will be provided with an exchange offer memorandum inviting them to exchange any and all of their Existing Notes for the New Notes on a one-for-one basis ("Exchange Offer"). An exchange amount (being a redemption premium of 1% plus accrued interest from the last interest payment date to the Exchange/Call Date) will be paid to the holders who exchange their Existing Notes on the Exchange/Call Date.

Holders who do not participate in the Exchange Offer will have their Existing Notes redeemed (at 101% plus accrued interest) on the Exchange/Call Date.

As some holders are either not eligible or not expected to participate in the Exchange Offer, some of the New Notes will also be offered to eligible professional and sophisticated investors, concurrently with the Exchange Offer.

The Exchange Offer and offer of New Notes are subject to PMP Finance obtaining the consent from the holders of the Existing Notes to allow for the issuer call option to be included in the Conditions of the Existing Notes (as outlined in the first stage above).

By redeeming the Existing Notes prior to its intended maturity of September 2019 and offering the New Notes, PMP will strengthen its balance sheet and improve its funding mix of short and long term debt.

The Lead Arranger for the transaction is FIIG Securities Limited and PMP is advised by 333 Capital.

The Exchange Offer and offer of New Notes are only open to eligible professional and sophisticated investors. No prospectus or other disclosure documents in relation to the New Notes will be lodged with the Australian Securities & Investments Commission (ASIC) or any other regulatory authority.

For full terms and conditions of the New Notes please refer to the final information memorandum that will be issued in relation to the New Notes which will be lodged with ASX once the terms have been finalised. The information memorandum, and any exchange offer memorandum issued in connection with the Exchange Offer, are not a prospectus or other disclosure document for the purposes of the Corporations Act 2001 (Cwlth) and, as noted above, the Exchange Offer and offer of New Notes are only open to eligible professional and sophisticated investors.

A summary of the key terms of the proposed New Notes is set out below:

Issuer	PMP Finance Pty Limited
Guarantor	PMP Limited and certain of its subsidiaries (representing at least 90% of EBITDA and total assets of the Group)
Eligible Investors	The offering is only available to investors who qualify as professional and sophisticated investors as prescribed in and in accordance with Part 6D.2 of the Corporations Act 2001 (Cwlth)
Type	Fixed Rate Medium Term Notes
Status and ranking	The New Notes will be secured and subordinated with a second ranking charge over the assets and undertakings of the Issuer and Guarantor plus a first ranking priority over 3 month interest bond reserve account.
Denominations	The New Notes will be issued in denominations of A\$1,000, subject to a minimum subscription of A\$50,000
Indicative coupon	8.25 % per annum, payable quarterly in arrears
Term	4 years (callable / redeemable after 2 years at 102%, after 3 years at 101% and at par at any time within 3 months of the Maturity Date)
Issue price	100%
Rating	The New Notes will not be rated by any rating agency
Negative pledge and other covenants	<p>The New Notes will include</p> <ul style="list-style-type: none"> • Limitations on debt (max lease adjusted net debt to EBITDAR: 4.75x reducing to 3.5x; Min Debt Service Cover Ratio (EBITDAR/(P&I and Leases): 1.25x increasing to 1.50x) • Distribution restrictions (no Distributions until July 1 2019, Distributions may only be paid up to an amount equal to 50% of reported NPAT, after reaching certain EBITDA and leverage thresholds thereafter) • Restrictions on Asset Acquisitions and Asset Disposals • Excess Cash (above \$50m for 3 consecutive month ends) to be applied toward debt reduction
Purpose of the issue	Redemption of the Existing Notes

Lead Arranger: FIIG Securities Limited

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