

nuplex[®]



2013
FINANCIAL YEAR
HALF YEARLY REPORT

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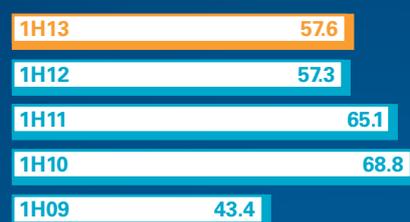
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FINANCIAL HIGHLIGHTS

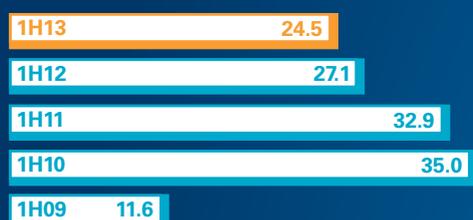
REVENUE NZ\$(m)



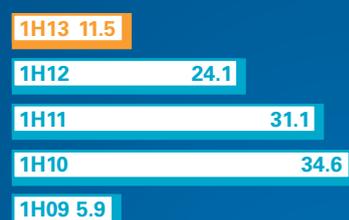
EBITDA NZ\$(m)



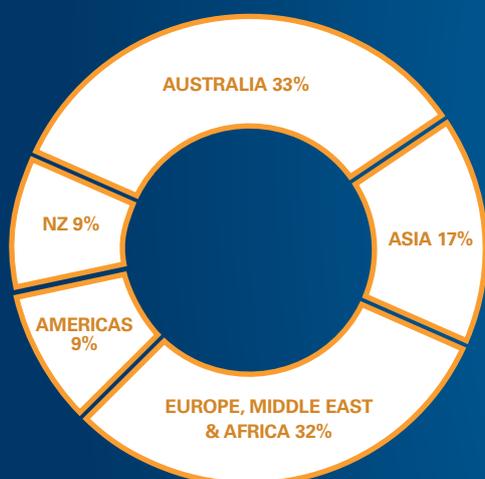
OPERATING PROFIT NZ\$(m)



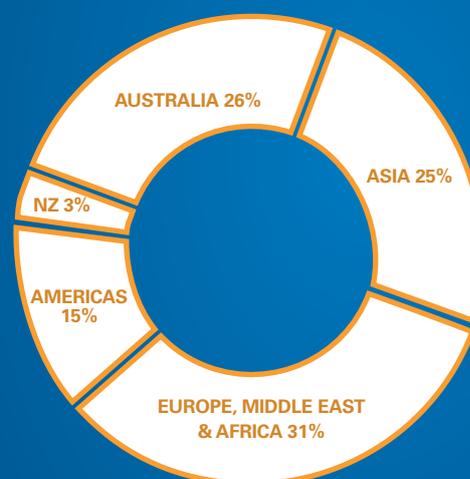
NPAT ATTRIBUTABLE TO SHAREHOLDERS NZ\$(m)



REGIONAL SALES (%)



REGIONAL EBITDA (%)



All figures in this report are in New Zealand Dollars (NZ\$) unless stated otherwise.

Where appropriate and to show the performance of the business without the impact of currency fluctuations, Nuplex refers to the constant currency equivalent figure. Nuplex calculates the constant currency figure by translating the current period performance into NZ\$ at the average exchange rates of the prior corresponding period.

CHAIRMAN'S AND CHIEF EXECUTIVE OFFICER'S REPORT

OUR SIGHTS ARE FIRMLY SET ON OUR AMBITION TO BE THE
WORLD'S LEADING
TRUSTED INDEPENDENT
RESINS MANUFACTURER
AND LEADING SPECIALITY CHEMICALS DISTRIBUTOR
IN AUSTRALIA AND NEW ZEALAND.

DEAR SHAREHOLDER,

We were able to deliver solid earnings from operations for the six-month period ended 31 December 2012 despite the ongoing difficult market conditions. Additionally, during the half we continued to take the necessary action required to strengthen Nuplex and in doing so progress our strategy to improve future shareholder returns.

1H13 FINANCIAL RESULT

Sales

Sales growth of 11% reflected that this was the first time the interim half results included the acquired German-based Vivero operations and a full six-month contribution from Nuplex Masterbatch (formed via the integration of the acquired Australian based Acquos masterbatch operations and Nuplex's existing masterbatch operations in FY2012).

Sales revenue excluding acquisitions and the negative impact of a stronger New Zealand dollar, was down 2.7%. Again the benefit of our geographic diversity was evident in our performance as volume growth in Asia (up 10.3%) and the Americas (up 3.7%) helped offset the impact of steady volumes in Europe (up 2.5%) and the decline in volumes in Australia and New Zealand (down 11.4%).

Earnings before interest, tax, depreciation and amortisation

Reported earnings before interest, tax, depreciation and amortisation (EBITDA) for the period was \$57.6 million – broadly in line with the \$57.3 million reported in the prior corresponding period.

Steady EBITDA was the result of the earnings contribution from recent acquisitions being largely offset by the costs associated with taking action to strengthen Nuplex and deliver benefits in future periods. These included costs associated with the restructure of the Australian and New Zealand operations and the upfront costs incurred as a result of the implementation of the global procurement initiative.

Additionally, EBITDA was further supported by disciplined margin management and the benefit of NuLEAP sales, cost and procurement initiatives.

Had the New Zealand dollar not strengthened over the period, EBITDA would have been \$59.7 million, up 4%.

CHAIRMAN'S AND CHIEF EXECUTIVE OFFICER'S REPORT – CONTINUED

Net profit after tax

Net profit after tax attributable to shareholders (NPAT) after significant items was \$11.5 million, down 52% when compared with the prior corresponding period.

NPAT before significant items of \$24.5 million was 9.6% lower than in the prior corresponding period. The difference between these two numbers predominantly reflects the one-off non cash significant items incurred as part of the Australian and New Zealand restructure including the write down of obsolete plant and equipment and the write down of Nuplex's investment in Fibrelogic.

Excluding the impact of the above mentioned significant items and the costs relating to the restructure of the Australian and New Zealand operations, as well as the global procurement initiative, NPAT would have been \$29.5 million, 9% higher than in the prior corresponding period.

Earnings per share

As a result of reduced NPAT, earnings per share was 5.8 cents, down from 12.3 cents in the prior corresponding period.

Return on funds employed was 9.8% down from 12.1%. Excluding the impact of the costs associated with the restructure in Australia and New Zealand and the global procurement initiative, return on funds employed would have been 11.2% for the period.

Balance Sheet

Importantly, our Balance Sheet remains strong. Gearing as measured by net debt to net debt plus equity was 27.4% and remains well within the Board's target gearing range of between 20 to 35%.

DIVIDEND MAINTAINED REFLECTING STRONG CASH FLOWS AND SOLID UNDERLYING OPERATIONAL PERFORMANCE

The Board maintained the interim dividend of 10 cents per share reflecting the strong cash flows generated during the period and the underlying operational performance of the business.

This dividend will be partially imputed for New Zealand shareholders at 1.4 cents per share, however, there are no franking credits available for Australian shareholders. The dividend will be paid on 2 April 2013 to all shareholders on the register on 15 March 2013. The Dividend Reinvestment Plan will not be active.

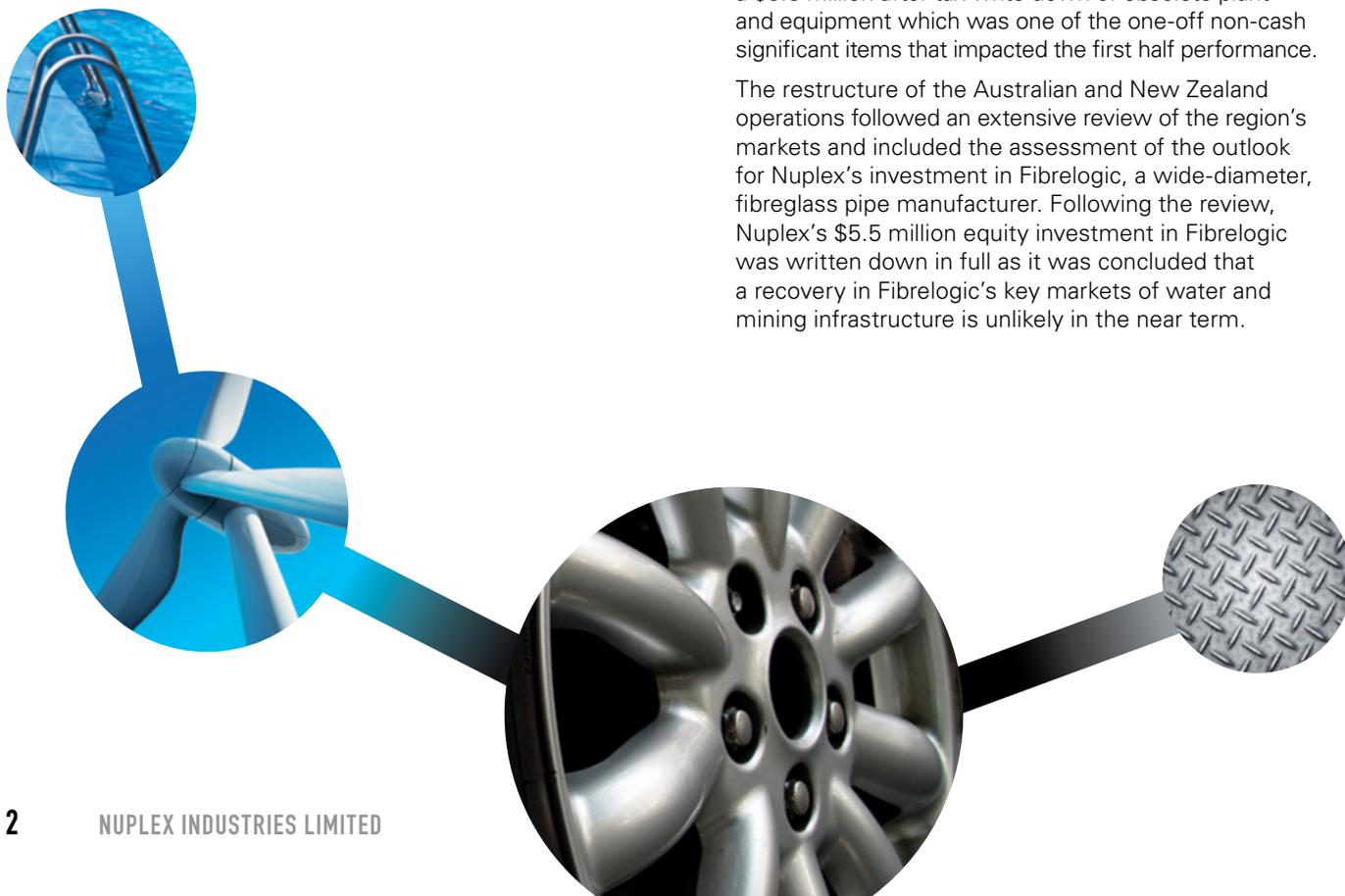
STRENGTHENING NUPLEX IN AUSTRALIA AND NEW ZEALAND

In September, we announced the restructure of our Australian and New Zealand manufacturing network in response to the ongoing challenging market conditions.

In order to reduce costs and excess capacity, we will close three of our existing seven sites over the next 18 months. Additionally we will be investing \$13 million in the remaining four sites to increase their efficiency and further reduce costs.

Initially, the restructure is expected to deliver \$3.7 million in cost savings in the 2014 financial year. Once complete, it will deliver ongoing per annum cost savings of \$5.6 million and these will be realised in full in the 2015 financial year. The restructure will incur \$6.8 million in costs in the current financial year and another \$2.8 million in the next financial year. It also incurred a \$5.8 million after tax write down of obsolete plant and equipment which was one of the one-off non-cash significant items that impacted the first half performance.

The restructure of the Australian and New Zealand operations followed an extensive review of the region's markets and included the assessment of the outlook for Nuplex's investment in Fibrelogic, a wide-diameter, fibreglass pipe manufacturer. Following the review, Nuplex's \$5.5 million equity investment in Fibrelogic was written down in full as it was concluded that a recovery in Fibrelogic's key markets of water and mining infrastructure is unlikely in the near term.



WE TOOK ACTION TO STRENGTHEN NUPLEX GLOBALLY

We continued to execute our strategic initiatives implemented in previous periods. This included taking action to continue improving our safety performance, develop our global workforce and improve the way we work through NuLEAP I, which contributed \$6 million of benefits during the first half and is on track to deliver its total program target of \$30 million by the end of the current financial year.

During the half, we commenced the next phase of our operational performance improvement program, NuLEAP II via the undertaking of a global procurement initiative. Expected to deliver \$5.3 million in benefits in the second half of this financial year, during the first half, we incurred \$3.2 million of implementation costs.

Also, we continued to grow through leveraging our global R&D portfolio, integrating our value creating acquisitions and increasing our presence in the faster growing emerging markets.

EXECUTION REMAINS CENTRAL TO ACHIEVING OUR STRATEGY

EBITDA for the 2013 financial year is now expected to be within the range of \$135 to \$140 million. Previously it was expected to be between \$135 and \$150 million. The EBITDA guidance range has been tightened as we now expect the same challenging market conditions experienced throughout the first half to continue in the second half.

This guidance also includes the benefit of a full year of earnings from Vivero of at least EUR 12 million and Nuplex Masterbatch of A\$5 million as well as the delivery of \$13 million in incremental NuLEAP benefits (which will bring the total net benefits realised by NuLEAP I to \$30 million). It will also benefit from \$5.3 million in

procurement benefits and accounts for \$6.8 million in costs associated with the restructure of Australia and New Zealand.

We know that central to our success is the disciplined execution of our initiatives focused on strengthening Nuplex through operational excellence and growing Nuplex through building market leading positions in select segments through organic growth, innovative R&D and suitable acquisitions.

Our focus remains on managing costs and margins as well as improving our operational performance to maximise earnings and cash generation irrespective of the business cycle.

Our sights are firmly set on our ambition to be the world's leading, trusted, independent resins manufacturer and leading specialty chemicals distributor in Australia and New Zealand and, in doing so, deliver improved returns and sustainable earnings growth to shareholders.

The pursuit of our ambition is made possible by the hard work and dedication of our talented global workforce, and, we would like to thank them for their ongoing efforts.



ROB AITKEN
CHAIRMAN



EMERY SEVERIN
CHIEF EXECUTIVE OFFICER



Left: Rob Aitken
Right: Emery Severin

BUSINESS OVERVIEW

OUR BUSINESSES, PRODUCTS AND MARKETS.

Nuplex is a leading independent manufacturer of polymer resins. Our operations are located throughout Australia and New Zealand, Asia, Europe and North America, and our distribution network covers over 80 countries.

In Australia and New Zealand we also supply specialty chemicals and are a market leader in plastic colour and performance additives.

Our products are key ingredients in a range of surface coatings and structural materials including automotive coatings, vehicle refinish coatings, wood flooring, wood furniture coatings, metal furniture coatings, decorative and trim paint, curtain and blind backings, consumer electronic coatings, metal coatings, industrial vehicle coatings, marine coatings and white goods coatings as well as marine leisure craft and water storage tanks made out of composite materials.

Our ambition is to be the world's leading, trusted, independent resins manufacturer and leading specialty chemicals distributor in Australia and New Zealand and, in doing so, deliver improved returns and sustainable earnings growth to shareholders.



WHAT EXACTLY IS A POLYMER?

POLYMERS ARE MADE UP OF MOLECULES BONDED TOGETHER IN LONG REPEATING CHAINS (IN FACT, "POLYMER" MEANS "MUCH MORE" IN ANCIENT GREEK).

Polymer resins have unique properties that can be tailored depending on their intended purpose. Some are rubbery, some are sticky and some are tough and shiny. These unique properties can be fine tuned so that the polymer resin has specific performance characteristics.

That's why innovative research and development is central to our business: we are continually pushing the boundaries to create more advanced and higher performing polymers that protect and enhance the world around us by making it durable, fade proof, appealing and resistant to the elements.

AUSTRALIA & NEW ZEALAND

COATING AND OTHER RESINS



COMPOSITES



PAPER



CONSTRUCTION PRODUCTS



SPECIALTIES: TRADING & AGENCY



MASTERBATCH

AMERICAS

COATING RESINS



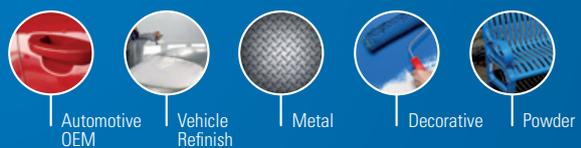
EUROPE, MIDDLE EAST & AFRICA

COATING RESINS



ASIA

COATING RESINS



COMPOSITES



OUR BUSINESS AT A GLANCE

RESINS

THE RESINS SEGMENT INCLUDES NUPLEX'S GLOBAL COATINGS OPERATIONS WHICH CONTRIBUTE APPROXIMATELY 80% OF THE RESIN'S SEGMENT SALES.

The Coating Resins operations develop and manufacture polymer resins across Nuplex's four regions of Australia & New Zealand, Asia, Europe, Middle East & Africa and the Americas.

The segment also includes Nuplex Composites, Australia and New Zealand's leading composites resins producer which is growing its South East Asian presence through its operations in Vietnam and Indonesia. Additionally, the Resins segment includes Nuplex's Australian and New Zealand based Pulp & Paper and Construction Products businesses.

2013 HALF YEARLY RESULTS	AUSTRALIA & NEW ZEALAND	ASIA	EUROPE, MIDDLE EAST AND AFRICA (EMEA)	AMERICAS	TOTAL RESINS
SALES	<p>↓ DOWN 12.3%</p> <p>\$189.2m</p>	<p>↑ UP 8.2%</p> <p>\$137.6m</p>	<p>↑ UP 46.1%</p> <p>\$268.7m</p>	<p>↑ UP 10.2%</p> <p>\$75.6m</p>	<p>↑ UP 12.7%</p> <p>\$671.1m</p>
EBITDA (EARNINGS BEFORE INTEREST, TAX, DEPRECIATION AND AMORTISATION)	<p>↓ DOWN 57.5%</p> <p>\$4.8m</p>	<p>↑ UP 15.5%</p> <p>\$14.9m</p>	<p>↑ UP 20.9%</p> <p>\$19.7m</p>	<p>↑ UP 38.5%</p> <p>\$9m</p>	<p>↓ DOWN 3.6%</p> <p>\$45.2m</p>
OPERATIONAL INSIGHTS	<ul style="list-style-type: none"> - Volumes down 11.4%. - Performance impacted by extremely weak conditions in Australian construction and manufacturing markets. - Restructure of manufacturing network underway to reduce capacity and increase efficiency of remaining capacity. - EBITDA is after \$2m of restructure costs. 	<ul style="list-style-type: none"> - Volumes up 10.3%. - Growth in China (Automotive OEM, Vehicle Refinish), Indonesia (Decorative) and Malaysia (Regional exports). - Vietnam impacted by slowdown in housing market. - Benefited from the sale of Vivero products. 	<ul style="list-style-type: none"> - Volumes up 58.6%. - Reflects inclusion of acquired German based Vivero operations, now renamed Nuplex Germany. - Demand was volatile during the period and overall volumes were impacted by an earlier than usual end-of-year activity slow down. - Excluding Vivero, volumes from existing operations were up 2.5% reflecting growth in powder resins. - Fixed costs were higher due to increased R&D costs and additional provisioning for staff entitlement fund. - Vivero is on track to deliver €12m EBITDA in FY13. 	<ul style="list-style-type: none"> - Volumes up 3.7%. - Increasing proportion of sales are in higher margin performance metal coating products eg; resins for coatings used on agricultural machinery. - Benefited from the sale of Vivero products. 	<p>EBITDA</p> <ul style="list-style-type: none"> - Benefited from the contribution from the acquired Vivero operations. - Supported by geographic diversity and NuLEAP initiatives which resulted in improved unit margins. - Impacted by the \$3.2m in upfront costs from the global procurement initiative which is expected to deliver \$5.3m in benefits in 2H13.

SPECIALTIES

Nuplex's Specialties segment consists of two Australian and New Zealand based businesses, Nuplex Specialties and Nuplex Masterbatch. Nuplex Specialties acts as an agent for the sale and distribution of internationally manufactured products to a wide range of industries including the plastics, food and nutrition, pharmaceutical and healthcare, mining and agricultural sectors. Nuplex's Masterbatch operations produce colour and performance additives for the plastics industry.

NUPLEX SPECIALTIES, THE AGENCY AND DISTRIBUTION BUSINESS CONTRIBUTES APPROXIMATELY 70% OF THE SPECIALTY SEGMENT'S SALES.

2013 HALF YEARLY RESULTS	TOTAL SPECIALTIES	TOTAL GROUP
SALES	<p>UP</p> <p>↑ 4.4%</p> <p>\$157.6m</p>	<p>UP</p> <p>↑ 11%</p> <p>\$828.7m</p>
EBITDA (EARNINGS BEFORE INTEREST, TAX, DEPRECIATION AND AMORTISATION)	<p>UP</p> <p>↑ 19.2%</p> <p>\$12.4m</p>	<p>STEADY</p> <p>↑ 0.5%</p> <p>\$57.6m</p>

OPERATIONAL INSIGHTS

Agency and Distribution

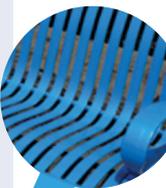
- Sales up 1% as 10% sales growth in Australia offset an 18% sales decline in New Zealand.
- Growing sales in Food & Nutrition sector, particularly chocolate.
- Steady sales into non-cyclical Personal & Healthcare sectors.
- Sales to sectors exposed to construction and manufacturing continued to be weak.

Nuplex Masterbatch

- Manufacturing network streamlined from six sites to four.
- On track to deliver FY13 EBITDA target of A\$5m.

Overall result

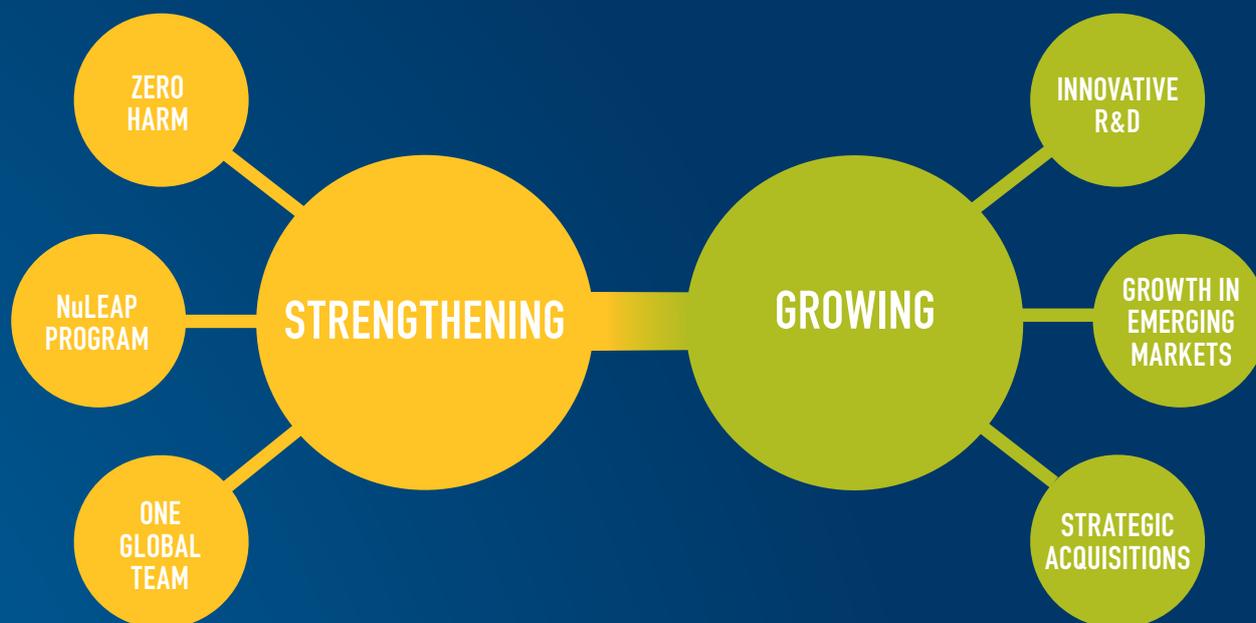
- Benefited from six month contribution from Vivero acquisition and Nuplex Masterbatch.
 - Acquisitions delivering in line with acquisition base case forecasts and on track to deliver FY13 EBITDA targets.
- Impacted by costs associated with actions taken to strengthen Nuplex in future periods.
 - Restructuring the Australian and New Zealand operations.
 - Implemented global procurement initiative.



**STRENGTHENING NUPLEX
THROUGH PURSUING
OPERATIONAL
EXCELLENCE
AND GROWING NUPLEX
THROUGH BUILDING MARKET
LEADING POSITIONS.**



OUR STRATEGY TO STRENGTHEN AND GROW NUPLEX.



PROGRESS REPORT

ZERO HARM

- Employee lost time injury frequency rate down to zero per million hours worked.
- Commenced publicly reporting safety statistics for contractors.
- Implementing global safety standards and processes.

NuLEAP PROGRAM

- Continues to deliver synergies, improved efficiencies and cost benefits.
- Realised \$6 million in benefits in 1H13, on track to deliver program's total net benefits target of \$30 million by the end of FY13.
- NuLEAP II commenced via an initiative to build and leverage a global approach to procurement.

ONE GLOBAL TEAM

- Held global Senior Management conference to drive co-operation across regions and functions.
- Launched Nuplex Leadership Academy, an online development program.

INNOVATIVE R&D

- Continued development of solutions to meet our customer's challenges.
- Our cross-regional R&D teams are leveraging Nuplex's regionally developed technologies across our global operations and into new markets.

GROWTH IN EMERGING MARKETS

- Our expansion into emerging markets keeps gathering pace: by FY15, we expect that sales in Europe and Asia will contribute 54% to the total Group Sales (compared to just 33% in FY09).
- China: Permitting for the new third site at Changshu received.
- Russia: Joint venture negotiations progressing.
- Indonesia and Thailand: Approved plans to expand capacity.

STRATEGIC ACQUISITIONS

- Successfully integrated the acquired German-based Viverso operations into Nuplex EMEA.
- Completed the restructure of the Australian-based Nuplex Masterbatch business (formed in FY12 following the integration of the acquired Acquos' masterbatch operations and Nuplex's existing masterbatch operations).

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FINANCIAL REPORT

STEADY EBITDA WAS THE RESULT OF THE POSITIVE EARNINGS CONTRIBUTION FROM RECENT ACQUISITIONS BEING LARGELY OFFSET BY THE COSTS ASSOCIATED WITH
**TAKING ACTION TO
STRENGTHEN NUPLEX
AND DELIVER BENEFITS IN FUTURE PERIODS.**

The Directors are pleased to present the Unaudited Financial Statements of the Nuplex Group for the half-year ended 31 December 2012.



ROB AITKEN
CHAIRMAN

21 FEBRUARY 2013



DAVID JACKSON
DIRECTOR

21 FEBRUARY 2013

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR THE SIX MONTHS ENDED 31 DECEMBER 2012 (UNAUDITED)

(NZD in thousands)	Notes	6 months to 31 Dec 2012 Total	6 months to 31 Dec 2011 Total
Sales revenue		828,705	746,412
Cost of sales		(655,606)	(588,967)
Gross Profit		173,099	157,445
Other operating income		1,621	1,837
Distribution expenses		(39,501)	(36,623)
Marketing expenses		(42,753)	(43,294)
Administration expenses		(41,000)	(32,991)
Other operating expenses		(25,335)	(4,285)
Share of (losses)/profits of associates		807	(1,304)
Profit before financing costs and tax		26,938	40,785
Financial income		1,358	1,856
Financial expenses		(10,422)	(8,398)
Net Financing costs		(9,064)	(6,542)
Profit before tax		17,874	34,243
Income tax expense		(5,253)	(9,178)
Profit for the period		12,621	25,065
Other comprehensive income			
<i>Items that may be reclassified to profit or loss</i>			
Foreign currency translation differences for foreign operations		1,559	1,995
Effective portion of changes in fair value of cash-flow hedges		(9,984)	724
Income tax on other comprehensive income		2,451	(206)
Other comprehensive income for the period, net of income tax		(5,974)	2,513
Total Comprehensive income for the period		6,647	27,578
Profit attributable to:			
Equity holders of the parent		11,452	24,105
Non-controlling interests		1,169	960
		12,621	25,065
Total comprehensive income attributable to			
Equity holders of the parent		5,560	26,457
Non-controlling interests		1,087	1,121
		6,647	27,578
Basic earnings per share	5	\$0.058	\$0.123
Diluted earnings per share	5	\$0.057	\$0.118

STATEMENTS OF CHANGES IN EQUITY FOR THE SIX MONTHS ENDED 31 DECEMBER 2012 (UNAUDITED)

Statements of Changes in Equity for the six months ended 31 December 2012 (Unaudited)

(NZD in thousands)	Attributable to equity holders of the parent					Total	Non-controlling Interest	Total Equity
	Share capital	Translation reserve	Share based payments reserve	Retained earnings	Hedging reserve			
Balance at 1 July 2012	364,244	(32,155)	1,751	222,452	160	556,452	7,108	563,560
Other Comprehensive Income								
Foreign currency translation differences	–	1,641	–	–	–	1,641	(82)	1,559
Effective portion of changes in fair value of cash-flow hedges, net of tax	–	–	–	–	(7,533)	(7,533)	–	(7,533)
Total other Comprehensive Income	–	1,641	–	–	(7,533)	(5,892)	(82)	(5,974)
Profit for the period	–	–	–	11,452	–	11,452	1,169	12,621
Total comprehensive income for the period	–	1,641	–	11,452	(7,533)	5,560	1,087	6,647
Contributions by and distributions to owners								
Dividend reinvestment plan	4,209	–	–	–	–	4,209	–	4,209
Performance rights plan	–	–	718	–	–	718	–	718
Dividends paid	–	–	–	(21,642)	–	(21,642)	(1,297)	(22,939)
Balance as at 31 December 2012	368,453	(30,514)	2,469	212,262	(7,373)	545,297	6,898	552,195

Statements of Changes in Equity for the six months ended 31 December 2011 (Unaudited)

(NZD in thousands)	Attributable to equity holders of the parent					Total	Non-controlling Interest	Total Equity
	Share capital	Translation reserve	Share based payments reserve	Retained earnings	Hedging reserve			
Balance at 1 July 2011	364,244	(15,225)	1,200	201,236	(717)	550,738	9,994	560,732
Other Comprehensive Income								
Foreign currency translation differences	–	1,834	–	–	–	1,834	161	1,995
Effective portion of changes in fair value of cash-flow hedges, net of tax	–	–	–	–	518	518	–	518
Total other Comprehensive Income	–	1,834	–	–	518	2,352	161	2,513
Profit for the period	–	–	–	24,105	–	24,105	960	25,065
Total comprehensive income for the period	–	1,834	–	24,105	518	26,457	1,121	27,578
Contributions by and distributions to owners								
Non-controlling interest on disposal	–	–	–	–	–	–	(3,112)	(3,112)
Performance rights plan	–	–	(20)	–	–	(20)	–	(20)
Dividends paid	–	–	–	(21,642)	–	(21,642)	(695)	(22,337)
Balance as at 31 December 2011	364,244	(13,391)	1,180	203,699	(199)	555,533	7,308	562,841

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

AS AT 31 DECEMBER 2012 (UNAUDITED)

(NZD in thousands)	as at 31 Dec 2012	as at 30 June 2012	as at 31 Dec 2011
Equity attributable to members of the parent company			
Share capital	368,453	364,244	364,244
Translation reserve	(30,514)	(32,155)	(13,391)
Share based payments reserve	2,469	1,751	1,180
Retained earnings	212,262	222,452	203,699
Hedging reserve	(7,373)	160	(199)
Non-controlling interests	6,898	7,108	7,308
Total Equity	552,195	563,560	562,841
Property, plant and equipment	303,936	311,008	321,170
Intangible assets	216,046	215,786	228,534
Investments in associates	5,654	11,716	11,257
Deferred tax assets	10,260	8,075	6,665
Non-current Assets	535,896	546,585	567,626
Inventories	233,608	234,354	237,579
Trade and other receivables	322,306	361,835	308,066
Income tax receivable	17,943	11,963	13,169
Cash and cash equivalents	89,250	68,325	66,638
Current Assets	663,107	676,477	625,452
Total Assets	1,199,003	1,223,062	1,193,078
Borrowings	297,291	130,815	120,390
Employee benefits	23,691	22,947	24,302
Deferred tax liability	16,995	17,414	24,824
Non-current Liabilities	337,977	171,176	169,516
Borrowings	567	157,594	162,505
Trade and other payables	271,598	287,086	254,943
Employee benefits	16,717	21,306	19,020
Provisions	7,596	8,288	12,892
Income tax payable	12,353	14,052	11,361
Current Liabilities	308,831	488,326	460,721
Total Liabilities	646,808	659,502	630,237
Total Net Assets	552,195	563,560	562,841

CONSOLIDATED STATEMENTS OF CASH FLOWS

FOR THE SIX MONTHS ENDED 31 DECEMBER 2012 (UNAUDITED)

(NZD in thousands)	Notes	6 months to 31 Dec 2012	6 months to 31 Dec 2011
Receipts from customers		932,557	822,405
Payments to suppliers and employees		(867,766)	(780,283)
Interest received		361	1,856
Interest paid		(4,729)	(8,067)
Dividends received		1,302	1,288
Income taxes paid		(14,261)	(15,924)
Net cash from operating activities	3	47,464	21,275
Proceeds on disposal of property, plant and equipment		134	5
Payments for property, plant and equipment		(18,949)	(12,999)
Payment for business acquisitions, net of cash acquired		(7,002)	(131,499)
Proceeds from disposal of businesses, net of cash disposed		2,005	3,954
Net cash from investing activities		(23,812)	(140,539)
Proceeds from borrowings		145,533	160,263
Repayment of borrowings		(129,018)	(19,475)
Dividends paid to shareholders		(17,433)	(21,642)
Dividends paid to non-controlling interests		(1,297)	(695)
Net cash from financing activities		(2,215)	118,451
Increase/(Decrease) in cash		21,437	(813)
Cash at 1 July		68,325	66,850
Exchange rate adjustment		(512)	601
Cash at 31 December		89,250	66,638
Comprising:			
Cash balances		65,956	57,544
Cash on call deposit		23,294	9,094
		89,250	66,638

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 31 DECEMBER 2012 (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 2012. 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 "NZD" are to New Zealand dollars. All financial information has been rounded to the nearest thousand, unless otherwise stated. These condensed financial statements are unaudited.

(a) Statement of compliance

The financial statements have been prepared in accordance with New Zealand equivalents to International Financial Reporting Standard NZ IAS 34 Interim Financial Reporting. The interim financial statements do not include all of the information required for full annual financial statements and should be read in conjunction with the consolidated financial statements of the Group for the year ended 30 June 2012.

These condensed consolidated interim financial statements were approved by the Board of Directors on 21 February 2013.

(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 2012.

2. SEGMENT ANALYSIS

The Group has two reportable segments, as described below. The reportable segments offer products and services with markedly different production processes 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 operations in each of the Group's reportable segments:

Resins Global manufacture of synthetic resins for regional markets. Distribution of complementary functional materials.

Specialties Manufacture and distribution of a range of functional materials for regional markets.

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.

Information about reportable segments

(NZD in thousands)	6 months to 31 Dec 2012			6 months to 31 Dec 2011		
	Resins	Specialties	Total Group	Resins	Specialties	Total Group
Sales to outside customers	671,059	157,646	828,705	595,513	150,899	746,412
Inter-segment sales	53	821		160	2,822	
Segment sales	671,112	158,467		595,673	153,721	
EBITDA	45,183	12,415	57,598	46,949	10,381	57,330
Depreciation and amortisation	(15,005)	(998)	(16,003)	(11,352)	(892)	(12,244)
Segment result	30,178	11,417	41,595	35,597	9,489	45,086
Net financing costs			(9,064)			(6,542)
Share of profits/(losses) of associates			807			(1,304)
Non-controlling interest			(1,169)			(960)
Tax on operating profits			(7,660)			(9,178)
Profit after tax and before non-operating items			24,509			27,102
Impairment of Property Plant and Equipment on Australasian restructuring			(8,220)			-
Impairment of investment in RPC Pipe Systems P/I			(5,516)			-
Loss on sale of Plaster Systems NZ business			(683)			-
Nuplex US waste water discharge costs and legal costs provision			-			(141)
Nuplex US tax audit legal costs provision			(292)			(214)
Acquisition related costs			(753)			(2,642)
Income tax credit on non-operating items			2,407			-
Net profit attributable to equity holders of the parent			11,452			24,105
Net profit attributable to non-controlling interests			1,169			960
Profit for the period			12,621			25,065
Assets	886,338	195,212	1,081,550	878,166	228,440	1,106,606
Unallocated assets			117,453			86,472
			1,199,003			1,193,078

Revenues in the resins segment from one group of customers under common control amount to 11.3% (2011: 12.9%) of the Group's total revenues.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS – CONTINUED FOR THE SIX MONTHS ENDED 31 DECEMBER 2012 (UNAUDITED)

3. RECONCILIATION OF THE NET SURPLUS WITH THE NET CASH FLOWS FROM OPERATING ACTIVITIES:

(NZD in thousands)	6 months to 31 Dec 2012	6 months to 31 Dec 2011
Profit for the period	12,621	25,065
Non-cash items:		
Depreciation	12,796	10,612
Tax	5,253	9,178
Amortisation	3,208	1,632
Doubtful debts provisions	80	125
Stock obsolescence provisions	28	(13)
Non-current provisions	921	(1,462)
Performance share rights expense	718	(20)
Share of losses/(profits) of associates	(807)	1,304
Impairment write-down of assets	13,736	–
	35,933	21,356
Classified as investing/financing:		
Loss on sale of fixed assets	9	–
Loss on disposal of business	641	–
Foreign exchange (gain)/loss on intra-group loan balances	–	(629)
	650	(629)
(Increase)/Decrease in working capital:		
Receivables	40,259	16,596
Inventories	(560)	(4,763)
Creditors and current provisions	(28,480)	(21,714)
	11,219	(9,881)
Income tax paid	(14,261)	(15,924)
Dividend received from associate	1,302	1,288
Cash Flow from Operating Activities	47,464	21,275

Reconciliation of statement of financial position working capital movements to operating cash flow

(NZD in thousands)	Receivables	Inventories	Creditors and current provisions	Total Working Capital
Balance as at 1 July 2012	361,835	234,354	(316,680)	279,509
Balance as at 31 December 2012	322,306	233,608	(295,911)	260,003
Balance Sheet Movement	39,529	746	(20,769)	19,506
Translation of foreign currency balances	810	(715)	(4,930)	(4,835)
Decrease in provision for doubtful debts	(80)	–	–	(80)
Decrease in provision for obsolete stock	–	(28)	–	(28)
Reduction in payable for purchase of business	–	–	7,002	7,002
Working capital disposed on sale of business	–	(563)	–	(563)
Movement in Hedges	–	–	(9,783)	(9,783)
Working capital cash flow from operating activities	40,259	(560)	(28,480)	11,219

4. DIVIDEND

On 20 February 2013, the directors declared an interim dividend of 10 cents per share. The dividend is payable on 2 April 2013 and carries 1.4 cents of 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 2012	6 months to 31 Dec 2011
Net surplus attributable to ordinary shareholders (NZD in thousands)	11,452	24,105
Shares on issue at 31 December ('000)	198,126	196,748

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 ('000):

Ordinary shares on issue at 1 July	198,126	196,748
Dividend reinvestment plan shares issued 12 October 2012	599	–
	198,725	196,748

Basic earnings per share	\$0.058	\$0.123
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The calculation of diluted earnings per share is based on:

Net surplus attributable to ordinary shareholders	11,452	24,105
Interest expense on convertible notes, net of tax	–	1,760
Net surplus attributable to ordinary shareholders (diluted)	11,452	25,865
Basic weighted average number of ordinary shares (in thousands of shares)	198,725	196,748
Effect of Performance rights plan	2,982	1,323
Effect of conversion of convertible notes	–	21,808
Diluted weighted average number of ordinary shares	201,707	219,879
Diluted earnings per share	\$0.057	\$0.118

6. CONTINGENT LIABILITIES AND OTHER CONTINGENT COMMITMENTS

With the exception of the matter noted below, there have been no significant changes in contingent liabilities in the six months to 31 December 2012.

The Company has been named as one of seventeen defendants in proceedings relating to the supply and installation of materials at the Botany Town Centre in Manukau, New Zealand between 2000 and 2001. When the initial proceedings were served against the Company in 2011, particulars of the quantum of the alleged damages claim against the company were not specified. In an amended statement of claim, the claim for damages against the Company was specified to be in the order of NZD34,000,000. The Company does not admit any liability in respect of the claim. The Company has a strong defence and will vigorously defend the matter. The Company has made provision for legal fees associated with the defence of the claim.

INDEPENDENT AUDITOR'S REVIEW REPORT TO THE DIRECTORS OF NUPLEX INDUSTRIES LIMITED



REPORT ON THE FINANCIAL STATEMENTS

We have reviewed the financial statements of the Nuplex Industries Limited Group (the Group), which comprise the statement of financial position as at 31 December 2012, the statement of comprehensive income and statement of changes in equity and cash flow statement for the period then ended, and the notes to the financial statements that include a summary of significant accounting policies and other explanatory information. 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 Company's Directors are responsible for the preparation and presentation of the financial statements that present fairly the financial position of the Group as at 31 December 2012, and its financial performance and cash flows for the period ended on that date.

Accountants' Responsibility

We are responsible for reviewing the financial statements presented by the Directors in order to report to you whether, in our opinion and on the basis of the procedures performed by us, anything has come to our attention that would indicate that the financial statements do not present fairly the matters to which they relate.

A review is limited primarily to enquiries of company personnel and analytical review procedures applied to financial data and thus provides less assurance than an audit. We have not performed an audit on the financial statements and, accordingly, we do not express an audit opinion.

We have reviewed the financial statements of the Group for the period ended 31 December 2012 in accordance with the Review Engagement Standards issued in New Zealand.

Other than in our capacity as accountants conducting this review we have no relationship with, or interests in, Nuplex Industries Limited Group.

Opinion

Based on our review, nothing has come to our attention that causes us to believe that the financial statements do not present fairly the financial position of the Group as at 31 December 2012 and its financial performance and cash flows for the period ended on that date.

Restriction on Distribution or Use

This report is made solely to the Company's Directors, as a body. Our review work has been undertaken so that we might state to the Company's Directors those matters which we are required to state to them in an accountants' 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 and the Company's Directors, as a body, for our review procedures, for this report or for the opinions we have formed.

PricewaterhouseCoopers

Chartered Accountants
Sydney, 21 February 2013

CORPORATE DIRECTORY

DIRECTORS

Robert Aitken, Chairman
Emery Severin, Managing Director
Barbara Gibson
David Jackson
Jeremy Maycock
Peter Springford

AUDITORS

PricewaterhouseCoopers

SOLICITORS

Allens Linklaters
Bell Gully

INSURANCE BROKERS

Marsh Limited

SHARE REGISTRARS

Computershare Registry Services Limited
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Commonwealth Bank of Australia
Australia and New Zealand Banking Group Limited
Hong Kong Shanghai Banking Corporation

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Chief Financial Officer

Clive Deetlefs
Vice President Operations

Mike Kelly
Regional President, The Americas

Paul Kieffer
Regional President Europe, Middle East and Africa

Ruben Mannien
Regional President, Asia

Hasan Shafi
Vice President Corporate Development and Planning

William Weaver
Vice President Technology

James Williams
Vice President General Counsel & Company Secretary

Josie Ashton
Director, Corporate Communications



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