

ASX RELEASE
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Fixed Overhead Cost Savings and Change of Company Secretary

The Directors of sustainable packaging company SECOS Group Limited (ASX: SES, "the Company") are pleased to provide an update regarding the Company's ongoing review of operations and the achievement of synergies between the Group's business units.

SECOS expects that recent initiatives will achieve fixed overhead cost savings of approximately \$250,000 per annum. The Company expects these cost savings to impact net profit after termination costs by the first quarter of FY18.

Savings in fixed costs relate to a reduction in staff costs due to the consolidation of the Group's finance department and other operational expenses.

As part of the review, Ms Rekha Bhambhani will be leaving the Company. The Board wishes to thank Ms Bhambhani for her services and wishes her well in her future endeavors.

SECOS advises the appointment of Mr Edmond Tern as Company Secretary with immediate effect.

Mr Tern is Group Chief Financial Officer of SECOS and is experienced with company secretarial roles, having previously served as CFO and Company Secretary of two other ASX-listed companies.

Accordingly, Edmond Tern is now the nominated person responsible for communication with the ASX in relation to listing rule matters under Listing Rule 12.6.

SECOS Managing Director, Mr Stephen Walters, said:

"SECOS is streamlining its corporate finance function as part of the current review of operations. Optimising this division ensures the Company's focus and resources are best matched to the highest performing areas of the business. This is a critical component of implementing the prudent financial management required to maximise shareholder value as SECOS continues its journey to profitability."

The Company will continue to review the Group's operations and will seek to achieve further cost savings as it implements efficiency initiatives. SECOS looks forward to advising investors of ongoing progress on this front as sales are expected to grow in coming months.

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About SECOS Group Limited

SECOS Group Limited (ASX: SES) is a leading developer and manufacturer of sustainable packaging materials. Based in Melbourne, Australia, SECOS supplies its proprietary biodegradable resins, packaging products and high-quality cast films to a blue-chip global customer base.

SECOS holds a strong patent portfolio and the global trend toward sustainable packaging is fueling the Company's growth, bringing FY16 revenue of \$21 million.

The Company's headquarters and Global Application Development Centre are based in Melbourne, Australia. SECOS has a Product Development Centre and manufacturing plant for resins and finished products in Nanjing, China, with manufacturing plants for high quality cast films in Melbourne and Kuala Lumpur, Malaysia. SECOS' annual production capacity is 7,200 tonnes of bioplastic resins, 15,000 tonnes of cast film and 2,000 tonnes of blown film and finished products.

SECOS has sales offices in Australia, Malaysia, China and the US, with a network of leading distributors across the Americas, Asia and Europe.

SECOS Group Limited (ASX: SES)

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