PMP Limited Full Year Results 2007 Presentation

Thursday, 9th August 2007

AGENDA

- Highlights for Fiscal 2007 – Brian Evans, CEO
- Review of Financial Results – Richard Allely, CFO
- Operating Review – Brian Evans, CEO
- NZ Operations – Rodger Shepherd, CEO NZ
- PMP Outlook – Brian Evans, CEO
- Questions & Answers

Highlights for Fiscal 2007

PMP Delivers on its Promise:

➢ **EBIT growth (after sig. items)**	✔ up 48.3%
➢ **Reduction in significant items**	✔ down $19m
➢ **Roll-out of national GPS-based letter box delivery**	✔ complete
➢ **Reduction in Net Debt**	✔ down 26.0%
➢ **Volume growth underpinned by long-term contracts**	✔ Print up 5.0%
	✔ Dist up 13.7%
	✔ Mags up 2.4%

Highlights for Fiscal 2007

Other Highlights:

- Net profit up 37.9% to $46.4m
- Final Dividend (fully franked) of 3c / share to be paid in October (1^{st} in 7 years)
- Free Cash Flow $90.6m used to pay down debt
- EPS up 38.4% to 15.5c / share
- ROCE up 47.8% to 16.4%

Financial Review – Richard Allely, CFO

Full Year Result Highlights

Sales Revenue (operating)	**$1,288.1m**	↑	**3.5%** on pcp
Net Profit (after significant items)	**$46.4m**	↑	**37.9%** on pcp
EBIT (before significant items)	**$91.3m**	↑	**11.3%** on pcp
EBIT (after significant items)	**$90.0m**	↑	**48.3%** on pcp
Net Debt	**$255.1m**	↓	**$344.8m June 2006**
Net Assets	**$271.7m**	↑	**$227.2m June 2006**
Net Debt / Equity	**93.9%**	↓	**151.8% June 2006**

Full Year Result Highlights

	Measurement	30 June 2007	30 June 2006	Variance
Operating Performance	**EBIT** (before significant items) **($m)**	**91.3**	**82.0**	**9.3**
	EBIT %	**7.1%**	**6.6%**	**0.5%**
Cash for debt repayment or distribution	**Free Cash Flow ($m)**	**90.6**	**3.7**	**86.9**
Economic Value Creation	**ROCE%** (EBIT after significant items / Average capital Employed)	**16.4%**	**11.1%**	**5.3%**
Growth over time	**EPS** (cents) (after Sig & Tax Expense)	**15.5**	**11.2**	**4.3**

Income Statement

Year Ended 30 June 2007

	2007 ($m)	2006 ($m)	Variance %
Sales Revenue (operating)	1,288.1	1,245.0	3.5%
EBITDA	128.3	115.8	10.8%
Depreciation & Amortisation	(37.0)	(33.8)	(9.5%)
EBIT	91.3	82.0	11.3%
Borrowing Costs	(23.8)	(26.5)	10.2%
Income Tax Expense	(18.9)	(0.6)	
Net Profit (before significant items)	48.6	54.9	(11.5%)
Significant items	(2.2)	(21.3)	89.7%
Net Profit (after significant items)	46.4	33.6	37.9%

Segment Reporting - Revenue

Year Ended 30 June 2007

	2007 ($m)	2006 ($m)	Variance %
REVENUE			
Printing	675.1	681.4	(0.9%)
Distribution & Fulfilment	563.7	521.6	8.1%
Digital Premedia	49.3	42.0	17.4%
Total	1,288.1	1,245.0	3.5%

Segment Reporting - EBIT

Year Ended 30 June 2007

	2007 ($m)	2006 ($m)	Variance %
EBIT (before significant items)			
Printing	81.1	71.5	13.4%
Distribution & Fulfilment	13.5	12.1	11.6%
Digital Premedia	7.5	3.9	92.3%
Corporate	(10.8)	(5.5)	(96.4%)
Total	91.3	82.0	11.3%

Balance Sheet

Year Ended 30 June 2007

	Jun 2007 ($m)	Jun 2006 ($m)
Receivables	152.5	134.3
Inventories	81.7	80.8
Property, Plant & Equipment	384.8	383.2
Intangibles	101.4	99.4
Deferred Tax Assets	34.4	39.0
Investments	-	27.3
Other Assets	14.3	14.2
Net Bank Debt	(196.9)	(284.6)
Net Other Debt	(58.2)	(60.2)
Other Liabilities	(242.3)	(206.2)
Net Assets	271.7	227.2

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Funding and Interest

	Jun 2007	Jun 2006	Change
Net Bank Debt ($m)	**196.9**	**284.6**	**30.8%**
Net Other Debt ($m)	**58.2**	**60.2**	**3.3%**
Total Equity ($m)	**271.7**	**227.2**	**19.6%**
Net debt / equity (%)	**93.9%**	**151.8%**	**38.1%**
Debt to (debt + equity) (%)	**48.4%**	**60.3%**	**19.7%**
Interest Expense ($m)	**23.8**	**26.5**	**10.2%**
Interest Cover (times) (EBITDA / Int Expense)	**5.4**	**4.4**	**23.4%**

Cash Flow

Year Ended 30 June 2007

	Jun 2007 ($m)	Jun 2006 ($m)
EBITDA (after significant items)	127.0	94.5
Non-cash	2.3	(3.7)
EBITDA (cash)	129.3	90.8
Borrowing Costs	(23.1)	(25.9)
Dividend Received	0.6	1.9
Income Tax Paid	(2.3)	(2.1)
Net Movement in Working Capital	(0.1)	(8.6)
Cash Flow from Operating Activities	104.4	56.1
Cash Flow applied to Investing Activities	(13.8)	(52.4)
Free cash Flow (before financing activities)	90.6	3.7

Significant Items

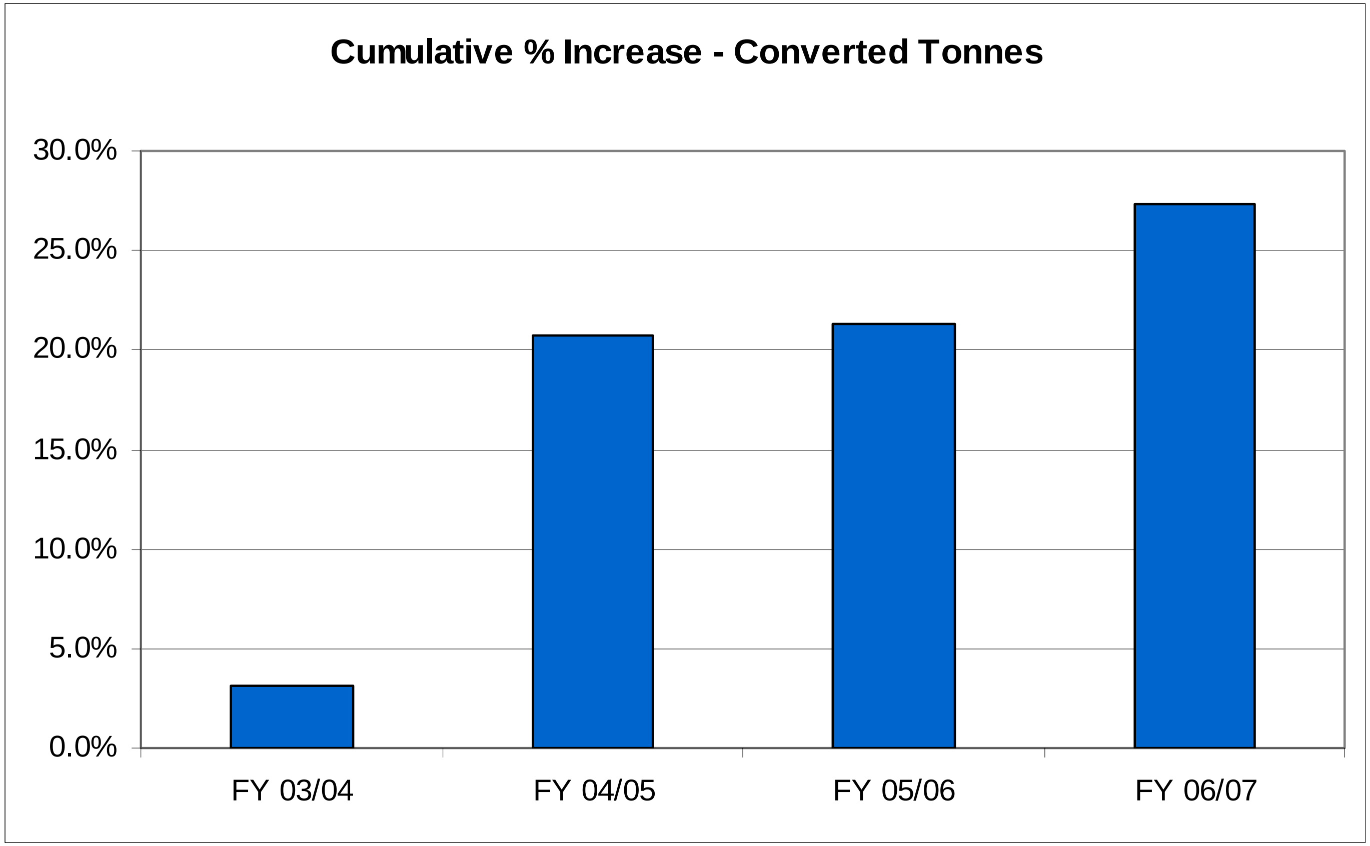
	2007 ($m)	2006 ($m)
Net gain on disposal of associates	7.8	
Discount on acquisition		1.1
Restructuring costs	(9.1)	(22.4)
W/off capitalised cost re debt refinancing	(0.9)	
Significant Items	(2.2)	(21.3)

Operating Review – Brian Evans, CEO

Volume Growth 5%

- 13.4% increase in EBIT (before Significant Items) to $81.1m, on marginally softer revenue of $675.1m
- Pricing pressure offset by:
  - 5% increase in volume (tonnage throughput)
  - Improved throughput particularly at our Moorebank & Clayton sites
  - Efficiency gains from print upgrade, smarter plant and labour operations
  - Intensified sales and marketing
- Solid contribution from Griffin Press
  - ACCC decision on merger Griffin Press and McPherson's Printing pending
- NZ position continues to perform

PMP Print - Volume



Volume Growth

- 11.6% uplift in combined EBIT (before Significant Items) to $13.5 million

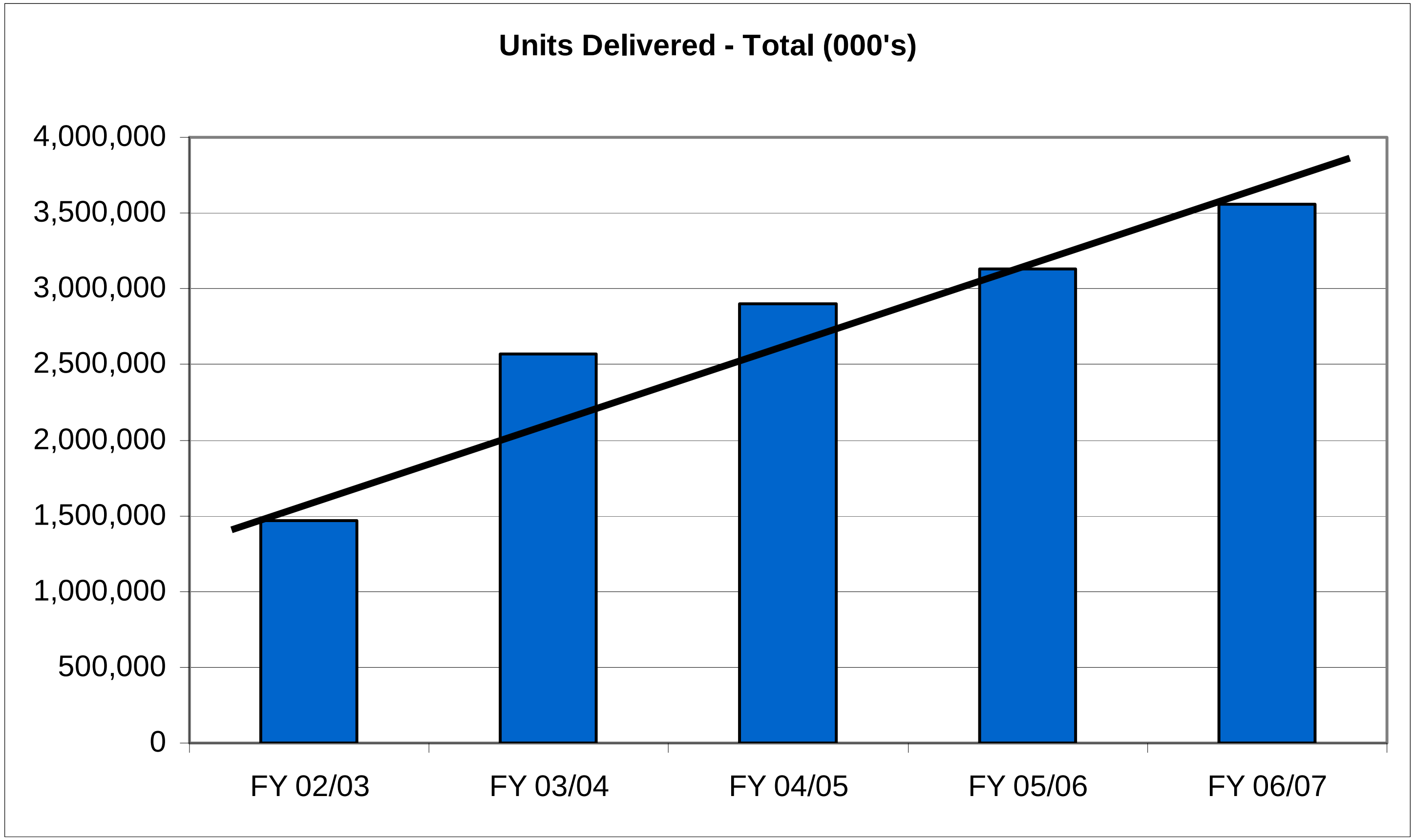
➢ Letterbox Distribution:

- 13.7 % growth in letterbox volumes offsetting price pressure
- GPS-based letterbox delivery now in all major capitals
- Early days, increasingly robust data suggests significant DIFOT improvements
- Major customer wins: Pizza Haven; Kincrome, Wizard Warehouse Pharmacy; Foodland House (SA); Sensis; and further Suburban Newspaper deliveries

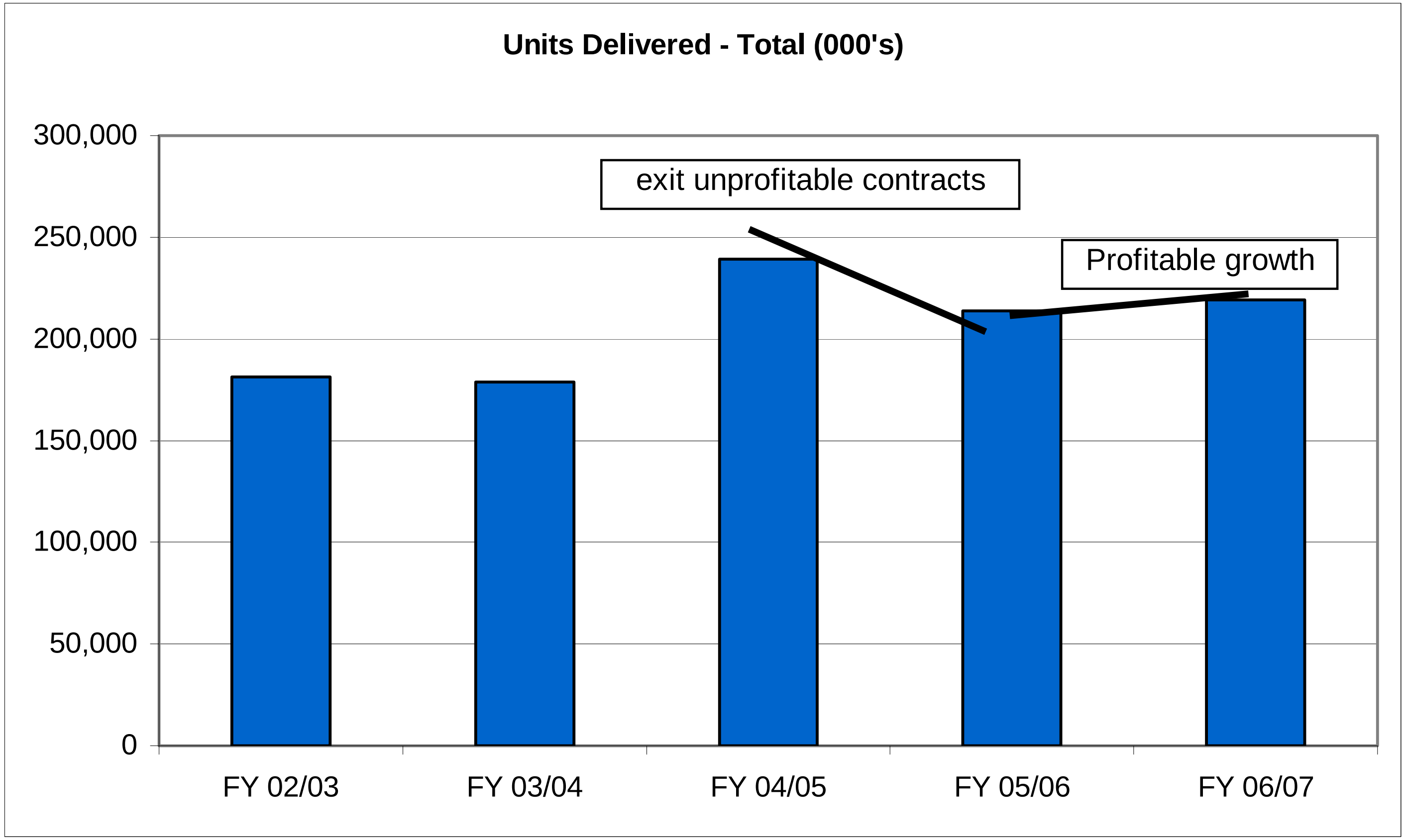
➢ Gordon & Gotch:

- 2.4% growth in magazine volumes
- PDA technology introduced across Gordon & Gotch merchandise network
- Trend from monthly to weekly titles encouraging

Distribution - Volume



Gordon & Gotch - Volume



Growth in Revenues

- 17.4% growth in revenue to $49.3m

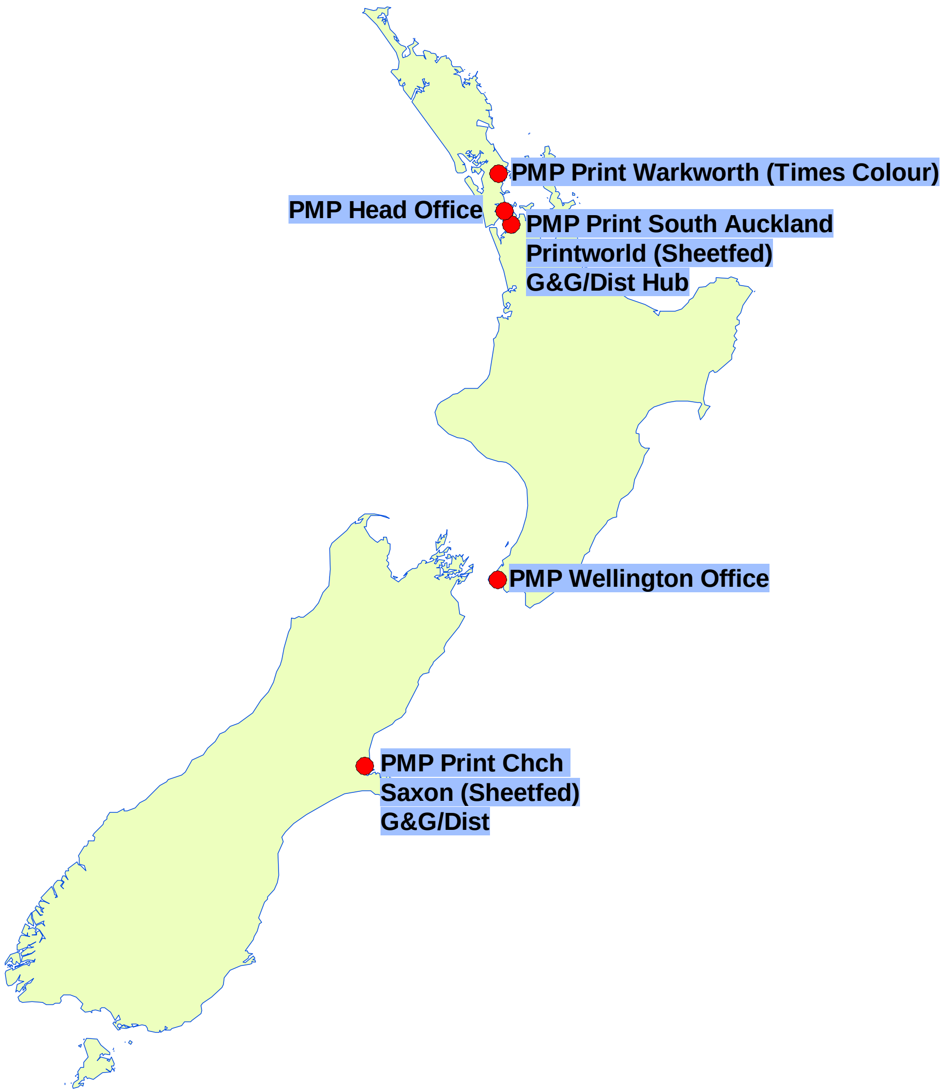
- EBIT (before Significant Items) of $7.5m ($3.9m pcp)
  - Re-energised creative services offering
  - Growth in ‘share-of-wallet’ of key customers
  - Onset licensing partnership with US-based Xinet

- Xinet shows enormous potential
  - Leading-edge software supporting digital workflows in media production
  - Used by 90% of advertising companies in North America
  - Readily bundled with PMP photography offering; new customers in the Health Insurance, Auto Parts and Jewellery sectors

- Early stages of licensing partnership with Danish-based Stibo
  - Enterprise-level software for B2B catalogue production

NZ Operations – Rodger Shepherd, CEO NZ

PMP New Zealand



PMP NZ offer:

- Pre-press
- Web printing
- Sheet-fed printing
- Letterbox distribution
- Magazine distribution
- Magazine subscriptions
- Micromarketing Analysis

Our Brands:

PMP PRINT — Gordon & Gotch (A PMP GROUP COMPANY)

PMP DISTRIBUTION — mercury subs (a PMP Group company)

PMP MAXUM — PMP MICROMARKETING

PMP NZ – Business Overview

Printing

- Three web printing sites: in South Auckland, Christchurch and Warkworth (Times Colour)
- First in Print acquisition (two A4 presses) consolidated into South Auckland
- Two competitors in web market; APN and Webstar (Bluestar)
- Print almost all large magazines in NZ: ACP Media, Fairfax, Pacific, Sky
- Print majority of retail catalogues in NZ: Harvey Norman, Woolworths, Coles, Farmers
- 2 Sheet-fed printing sites and 'front end' technology for real estate. Provide printing solutions for Ray White, Harcourts, Harveys

PMP NZ – Business Overview

Distribution & Fulfilment

- #1 in unaddressed mail, 2 competitors being NZ Post and Deltarg (Salmat) – likely merging
- Delivering over 600 million pieces
- Micromarketing/Analysis business
- G&G has around 45% magazine distribution market share (competitor being Netlink/ACP)
- #1 Magazine subscription service, small mail house

PMP NZ 2007 Year – Highlights

- The Times Colour Warkworth site performed exceptionally well, delivering on all our acquisition benchmarks
- The First in Print consolidation into South Auckland was more difficult but performance in second half of the year encouraging
- Extremely good Christchurch print result – best Pride in Print result in the industry with 4 gold medals and supreme finalist for web heat-set printing
- Consolidation of sheet-fed acquisitions and re-branding to PMP Maxum
- Continued growth in Micromarketing profitability
- Completed Gordon & Gotch IT system upgrade

PMP NZ 2008 – Outlook

- Further efficiencies through technology - purchasing two new stitchers. Expected to be running by January 2008
- Further continuous improvement across the three print sites from formal ‘Improve’ Manufacturing Excellence Programme
- Further growth in PMP Maxum as we continue to develop Real Estate growth and magazine printing
- Expect volume growth in NZ to be in line with GDP

PMP Outlook – Brian Evans, CEO

PMP LIMITED

PMP Outlook

- Volumes committed to long term contracts
- Price competition in core printing market will continue to be a feature in FY08
- Ongoing Debt reduction
- Continual change management & efficiencies
- We don't expect that the full year earnings performance will be significantly different to the last financial year. Further guidance update at AGM in November 07
- Looking for business opportunities to grow the business

Thank You!

Questions