PACT GROUP

2015 ANNUAL REPORT

Pact Group Holdings Ltd
ABN 55 145 989 644

CONTENTS

Overview
Contents 1
Who We Are 2
Highlights 3
View from the Chairman 4
A Message from the CEO 6
Our Products 8
Scale and Diversity 11
Our Leadership Team 12
Our Customers 13

Performance 14
Our Performance 15
Strategy and Future Focus 19
Mergers and Acquisitions 20
Innovation 22
Awards 23

Governance 24
Sustainability 25
People 26
Environment 29
Community 29
Corporate Governance 30
Directors Report 31

Financial Statements 55

Shareholder Information 111

Our Products

The packaging product and services solutions we offer.

See page 8

Scale and Diversity

The global markets in which we operate.

See page 11

Our People

Our highly experienced leadership team.

See page 12

Our Customers

The customers we serve.

See page 13

WHO WE ARE

Pact Group is the largest manufacturer in Australasia of rigid plastics packaging.

The Group has operations across seven countries, converting plastic resin and steel into packaging and related products that service a diverse customer base across a breadth of market sectors. Our well-invested packaging technology, sector know-how and global licences enable us to continually deliver superior design and functionality to our customers. With a focus on resilience, innovation and growth, our vision is to enrich lives everyday through sustainable packaging solutions.

64

Operating sites

in 7 countries with over 3,000 Employees

Indonesian factory completed

A market leader

in Australia and New Zealand in rigid plastics packaging

44*

Acquisitions

since 2002 – **5 in FY15**

Track record of growth

and earnings diversification through organic growth and acquisitions

Large, diversified customer base

of >6,000

>500 new customers added through Sulo acquisition

Listed on the ASX

on 17 December 2013

Proven

product and process innovator

Operating in more than 100 market segments

across 22,000 product variants

* Includes Jalco completed post year end

HIGHLIGHTS OF FY15

Sales up 9%
EBITDA up 5%*
NPAT up 43%*

Strong operating cash flow and debt reduction

5 acquisitions completed in FY15

Jalco acquisition announced. Completed on 1 September 2015

Growth driven by acquisitions with stability in core markets

Increased investment in diversified businesses and markets

Major efficiency review program underway

FY15 final dividend increased by more than 5%

* Before significant items

VIEW FROM THE CHAIRMAN

Overview of the year

I am delighted to once again report on our strong group-wide performance, which builds on our initial successful year as an ASX listed company. The inaugural debut year is always a milestone for a listed enterprise, but it's the ongoing stability and positive momentum that is the ultimate aspiration of every enterprise, and I am very happy with our result.

Our company's success is directly correlated to our people and this year is no exception. Our team's relentless commitment, hard work and dedication, has helped reaffirm and differentiate Pact Group as an Australasian manufacturing success story. Our business trades in two broad regions, Australia and International (primarily New Zealand and Asia). Each region has grown. Some areas have been stronger than others, but it's been our diversification in products, customers, countries and sectors that has ultimately contributed to our resilient results.

Economy

Pact remains absolutely focused on cost and efficiency and above all, our customers. Our ultimate objective is to help our customers grow their businesses and win in their chosen categories. It's tough out there and things are changing all the time. We must maintain our ability to be agile, listen to our customers' challenges and respond with solutions that will enable them to rapidly respond to changing markets and conditions. We can never lose sight that our customers are ultimately the reason for our being and I wish to thank them for their ongoing support and guidance.

Our success directly corresponds to meeting the needs of our customers and we will continue to invest in the latest technology to support their growth through manufacturing innovative products which are underpinned by globally licensed technology.

Innovation

Change is the one constant that we can rely on and as a result a culture of innovation is absolutely critical to our success. *Applause* is our internal innovation program designed to wire the entire organisation and infect the business with a culture of innovation. It's been in place for a few years and it's starting to develop a broad capability throughout the organisation. A culture of innovation is aspirational and difficult to achieve, but it will enhance our ability to discover new insights; spot unexploited opportunities; generate novel lateral business ideas; reduce operating costs and improve processes. Ultimately we believe that innovation is the ultimate cornerstone of strong customer relationships that will help everyone win. We were delighted to be recognised once again by BRW as one of Australia's most innovative companies for the third year. We are exceptionally proud of this achievement as only nine businesses have made the list over three consecutive years.

Mergers and Acquisitions

We remain focused on our three growth platforms, namely organic growth, domestic tuck-in opportunities/adjacencies and transformational opportunities. Some of these platforms are progressing faster than others, but overall I am happy with the pace, our ability to manage this activity and our patience.

“Strict financial discipline and an intense focus on customers and on cost, has made our organisation exceptionally successful. I would like to thank our customers, suppliers, shareholders and Board for their ongoing support”.

Raphael Geminder **Chairman**

Good decisions take time and it’s essential to remain disciplined and measured. We remain focused on building value in these three platforms and I am pleased to report that our pipeline of growth is healthy and robust. Our successful acquisition of both Sulo and more recently Jalco, have allowed the Group to move into two very exciting pillars of growth, namely material handling and contract packaging. Both sectors are fragmented and large, and in both cases, we will leverage the overall capabilities of Pact Group and invest in technology and innovation. Ultimately our long-term aspiration in these two highly accretive adjacencies is to broaden and deepen our customer base, diversify our portfolio and put us in a position to grow the market.

Sustainability

Our vision of enriching lives everyday through sustainable packaging solutions remains core to the Group. Experience has ultimately informed us that environmental solutions cannot sacrifice performance and cost, they must add value to sustain long-term viability.
No one approach works and so this year we have broadened and redefined our approach on sustainability, launching our *War on Waste* initiative. Pact’s *War on Waste* aims to redefine the packaging industry’s approach to waste management and sustainability, which currently takes a non-holistic approach. Our *War on Waste* campaign is aspirational and extends beyond the traditional pillars to the entire supply chain, from our manufacturing process to our customers’ issues and ultimately to the end-consumer.

Governance

We are committed to running this Company both ethically and responsibly, recognising that a focus on excellent corporate governance, supports the long-term health of the Company.
An intense focus in 2014, coupled with refinement and sophistication in 2015, has delivered a more robust platform and not impeded our ability to remain agile and nimble. Our systematic approach and our well-documented processes, have allowed the Group to acquire, integrate and operate five new opportunities, while successfully running the existing business. Our approach to risk mitigation and risk in general remains an ongoing focus for both our business and our customers. Finally the Group’s health, safety and environmental record is delivering acceptable results, as we focus on a Group wide objective of zero harm.

Board

I want to take this opportunity to highlight a change to the Board this year. Tony Hodgson, an independent Non-executive Director and Chairman of the Audit, Business Risk and Compliance Committee retires from the Board with effect from September 30th. Tony has been a member of the Board since shortly prior to Pact’s listing and has been a long-standing member of the Pact Advisory Committee. Tony’s guidance, friendship and support has been instrumental over the years and as we navigated between private and public. He has been a mentor and a friend throughout the journey and I convey my deepest appreciation to him for that support.

Dividend

The Board has confirmed an increase in the dividend to 10 cps franked to 65%. The Board has continued in its intention to pay out approximately 65-75% of the Company’s NPAT before significant items, attributable to shareholders in dividend.

Raphael Geminder
Chairman

A MESSAGE FROM THE CEO

Dear Shareholder

I'm pleased to report Pact Group has continued its positive growth momentum during our second year of listing, achieving solid year-on-year growth in sales, EBITDA and NPAT. We are delighted with our continued strong performance.

Highlights

The business has reported statutory NPAT, before significant items, of $85 million, up 43% on last year. Growth momentum has continued with year-on-year growth in statutory sales of +9% and statutory EBITDA before significant items of +5%. The Directors have declared a full year dividend of 10cps, franked at 65%.

Pact has demonstrated the ability to generate strong cash flow with operating cash flow of $215 million up 8% on FY14. During the year the business also securitised its Australian debtors increasing operating cash by a further $97 million, taking the total operating cash to $312 million. The acquisition and integration of Sulo; moderate organic growth; improved productivity through automation; simplification and innovation have all contributed to this positive result.

Business Overview

Pact Australia sales revenue increased to $889.9 million compared to $822.7 million in the prior year. Pact International sales revenue was $359.3 million compared to $320.5 million against the previous year. In addition, our result benefitted from the positive effect of consistently strong currency translations.

Merger and acquisition opportunities and flow on productivity gains have remained a focus for the business. We are delighted with the integration of the Sulo business into our operations in Australia and New Zealand.

We have also successfully managed to complete four additional bolt-on acquisitions throughout the year. We acquired Jalco, on 1 September 2015 which operates in adjacent categories.

We are proud of our strong customer relationships and have seen growth in new and niche customers which have expanded as a result of our acquisitions. We see ongoing demand in substrate conversion particularly in the transition to returnable packaging, which offers a more sustainable and lower cost solution for customers. We continue to operate in more than 100 different market segments serving a very diverse and large customer base. This breadth provides our business strong resilience in earnings.

The past year has seen a number of new lines launched by the Group. We invested in large format injection moulding in New Zealand and have been able to enter the Hort Bin market, providing a more hygienic solution to customers who want to move away from wooden picking bins. We have commercialised our Moisture Lock rPET meat tray which removes the need for additional soaker pads with a large retailer. This idea was developed through our internal reward and recognition program *Applause*. We have driven lots of innovation in the dairy category, with a wide variety of products including PET bottles in New Zealand for premium milk brands, our flip top cream cap and our Lightproof™ milk bottle.

Our sustainability operations continue to play a critical role in assisting our customers in providing services for hard to collect recycling schemes, recycling polymers and reconditioning products. Pact Group has launched a *War on Waste* initiative, and is actively working with customers on packaging solutions to extend shelf life and reduce retailer store waste from landfill.

Our people remain a key priority. Following the launch of our *Towards Zero Harm Safety* campaign last year, we have continued in building employee engagement through our *Safety Selfie* Campaign. This raised awareness of the need for all employees to take responsibility for their own safety. The campaign resulted in us receiving submissions from nearly all our sites from each geographical location, and several hundred employees participating in the initiative.

We were proud to come first in the Asia Pacific region for Manufacturing in 2014 for the *Global Corporate Challenge*. More than 50 teams entered from across our business to improve their health and walk at least 10,000 steps each day. This program was supported with workplace health checks to support the wellbeing of our employees. A further 39 teams have entered the event this year.

Innovation and Growth

This year has seen a strong focus on reducing the weight of our packaging, whilst enhancing performance in key areas. This was demonstrated through the launch of our Extralok cap range and our Infini bottle in New Zealand which is more than 20% lighter than other milk bottles. We continue to further invest strongly in our technology portfolio and have broadened our packaging solutions in the chilled convenience area.

Our plant in Jakarta is complete and we expect first production to commence in the first quarter of FY16. Our joint venture in Thailand is complete and we are seeing strong demand for specialty closures in the personal care categories.

We are delighted that our strength in innovation continues to be widely recognised having been placed on the BRW list of Australia's most innovative companies for the third year running. In addition to this, we have won the WorldStar award for our Lightproof™ milk bottle. We were also awarded the World Dairy Innovation award for our flip top cream cap.

Outlook

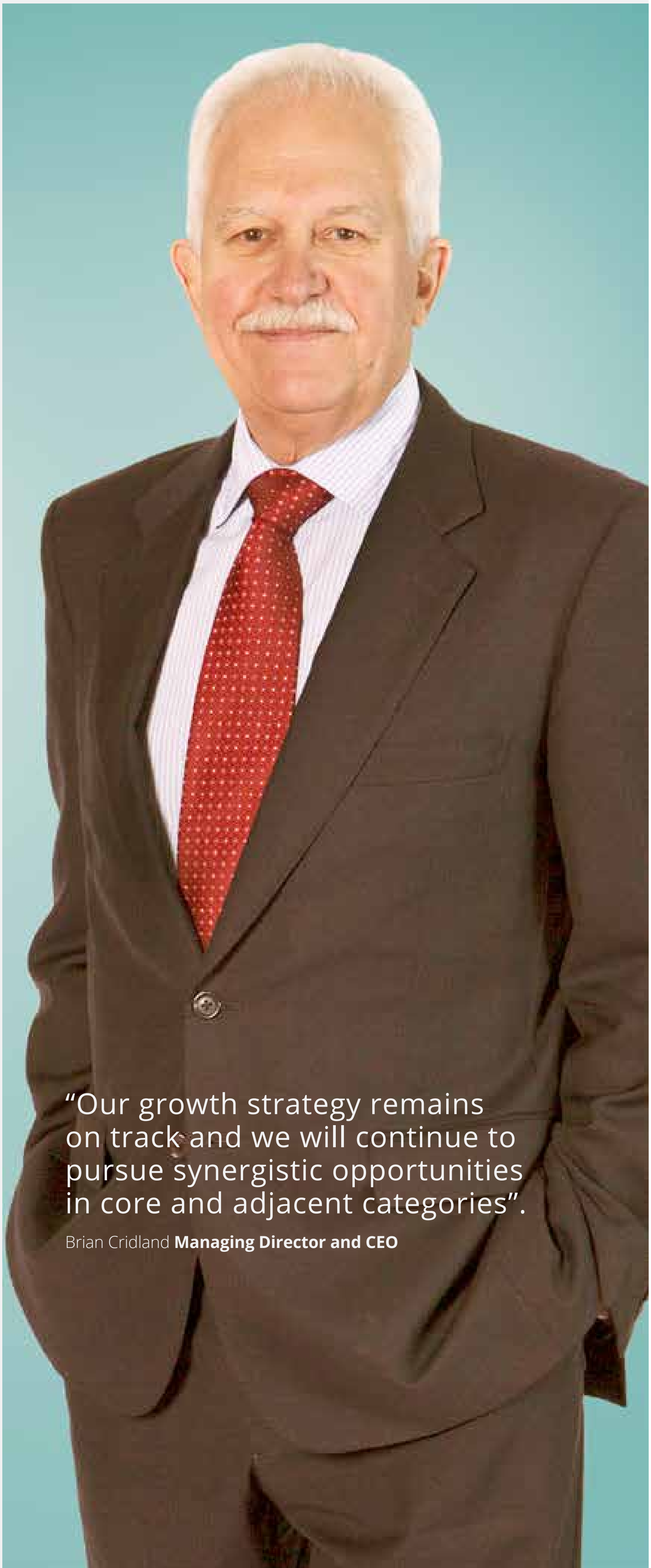
Our growth strategy remains on track and we will continue to pursue synergistic opportunities in core and adjacent categories. FY16 should see synergistic benefits from the 4 bolt-on acquisitions most of which were completed in late FY15. The completion of Jalco will bring further synergies as we integrate this business into the Pact Group. Jalco manufactures a wide range of personal care, household and automotive products.

We remain focussed on controlling our costs and delivering our *Efficiency Review program* across the business. This will include the rationalisation of assets including acquired excess capacity.

Currently we are confident the business will continue to perform with free cash flow generation and balance sheet strength. Our broad customer base and diverse product portfolio means that our business reflects broader market conditions.

I would like to take this opportunity to thank our talented team of people for their discipline, commitment and valued contribution to the business. I would like to recognise the Board and our Chairman for their enormous contribution. And I'd like to thank our shareholders, for their investment as we undertake the next phase of our journey in successfully growing our Company.

Brian Cridland
Managing Director and CEO



OUR PRODUCTS

Pact Group manufactures products for a diverse range of industries in more than 100 market segments.

Chilled, Fresh and Frozen Food

Pact supplies a broad range of products for the chilled, fresh and frozen food categories including meat, bakery, produce, deli, dairy and frozen food packaging. Our products are specifically designed to withstand the temperature requirements of the chilled and frozen supply chain.

Our product range includes milk and juice bottles, closures and crates. We manufacture thermoformed, round paper board and injection moulded tubs suitable for yogurts, spreads and dips. We also manufacture a wide range of ice cream paperboard and plastic tubs. Our expansive range of chilled and frozen meals packaging suit all applications including CPET and ovenable paper board trays and, injection moulded tubs.

Our comprehensive thermoformed range includes foam, CPET, PP and PET; covering all of the tray requirements in fresh food categories. We offer multilayer structures to help extend shelf life that are customised to each application.

Our extensive range has enabled us to satisfy all of our diverse customer requirements including the introduction of rPET meat trays in leading New Zealand supermarkets. These trays include up to 50% recycled content and have saved the equivalent of 14 Olympic swimming pools of polystyrene going to landfill. The trays include Pact's proprietary Moisturelock™ technology removing the need for additional soaker pads.

Ambient Food and other Household consumables

Pact manufactures a substantial range of plastic and tin packaging to keep grocery food fresh. Our global alliances ensure that we can offer our customers a comprehensive variety of dispensing closures, triggers and sprays that are both functional and user-friendly. Our strong technical expertise supported by our access to the latest global licences enable us to offer our customers substrate conversion to plastic that can reduce breakage during transit and storage and ultimately, reduce cost. We offer rigid packaging solutions to most grocery food, household and personal care categories including tubes, heat resistant containers and bottles. Our products are found in most supermarkets, pharmacies and hardware shops throughout our region.

Industrial Packaging

Pact offers a vast range of blow moulded, injection moulded and tin plate solutions for our industrial customers who need larger containers that are reliable, durable and safe. Our extensive range of pails in both plastic and tin plate can be decorated to a high standard and our blow moulded cubes and jerrycans are designed to optimise freight and storage efficiencies. We also have specific ranges that are designed to store and transport dangerous goods. Our industrial packaging solutions service a broad array of markets including edible oils, food service, lubricants, paints and surface coatings, building products and chemicals.

Materials Handling and Infrastructure

Pact has been able to transform the cost base of its customers through the manufacture, maintenance and asset management of returnable packaging solutions. Our crate solutions have been custom designed to optimise freight efficiency, protect products and reduce waste throughout the supply chain. Our one touch solutions reduce the costs of merchandising within a store environment providing efficiencies throughout the supply chain. The elimination of cost and labour for our customers has been carried through in the design and supply of our infrastructure solutions which are easy to install, durable and remove the need for specialised lifting and installation equipment on site.

Sustainability Services

Pact offers a diverse range of reconditioning and recycling services to our customers specifically focussed on hard to recycle and collect schemes. We have eight plants in the business dedicated to the recycling of polymers, reconditioning and recycling of drums and intermediate bulk container (IBCs). Our environmental scientists assist our customers in understanding the impact of their product choices on the environment and we have active innovation programs to reduce the amount of resources required to manufacture our products.

SERVICING MORE THAN 6,000 CUSTOMERS WITH MORE THAN 22,000 PRODUCTS VARIANTS, OUR MANUFACTURING FOOTPRINT ENCOMPASSES FACILITIES IN AUSTRALIA, NEW ZEALAND, CHINA, INDONESIA, PHILIPPINES AND THAILAND.

Case study:

PACT GROUP FLIPS ITS LID FOR MURRAY GOULBURN

Pact Group and Murray Goulburn's Devondale brand collaborated to launch a new closure innovation – the flip top cream cap.

The easy open flip top caps on Devondale's 300ml cream bottles are more sustainable with a lower carbon footprint than the previous closure and feature improved tamper evidence. The primary benefit of the closure is the easy open flip top lid with a curved hinge to keep the lid open whilst pouring. The opening is designed to permit access with table spoon or pouring direct from container. The arched hinge allows the flip lid to be fully opened and eliminates the need to remove the closure from the bottle.

Features

Ease of Opening: The flip top lid makes opening the cream bottle a single action allowing consumers to break the tamper evidence in one step as opposed to the traditional two stage process of the former design.

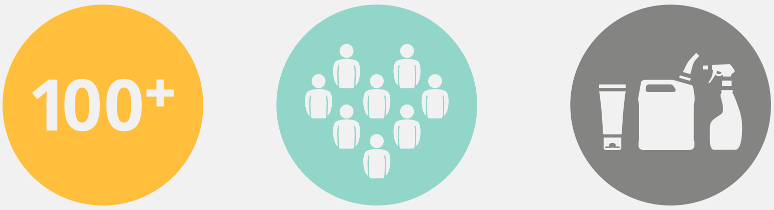
Improve Tamper Evidence: The flip top cap has improved tamper evidence eliminating the tear band system. The new flip top cream cap has connecting bridges located between the flip lid and the tamper band. The connection bridges are broken when the flip top lid is opened.

The Accolades

The Flip top cream cap won the 2015 World Dairy Innovation Award in the Best Dairy Packaging Innovation category. The awards, are designed to celebrate excellence and innovation across every category of the global dairy industry. This year, the awards received more than 200 nominations from more than 30 countries.

SCALE AND DIVERSITY

We are the largest manufacturer of rigid plastic packaging products in Australasia.



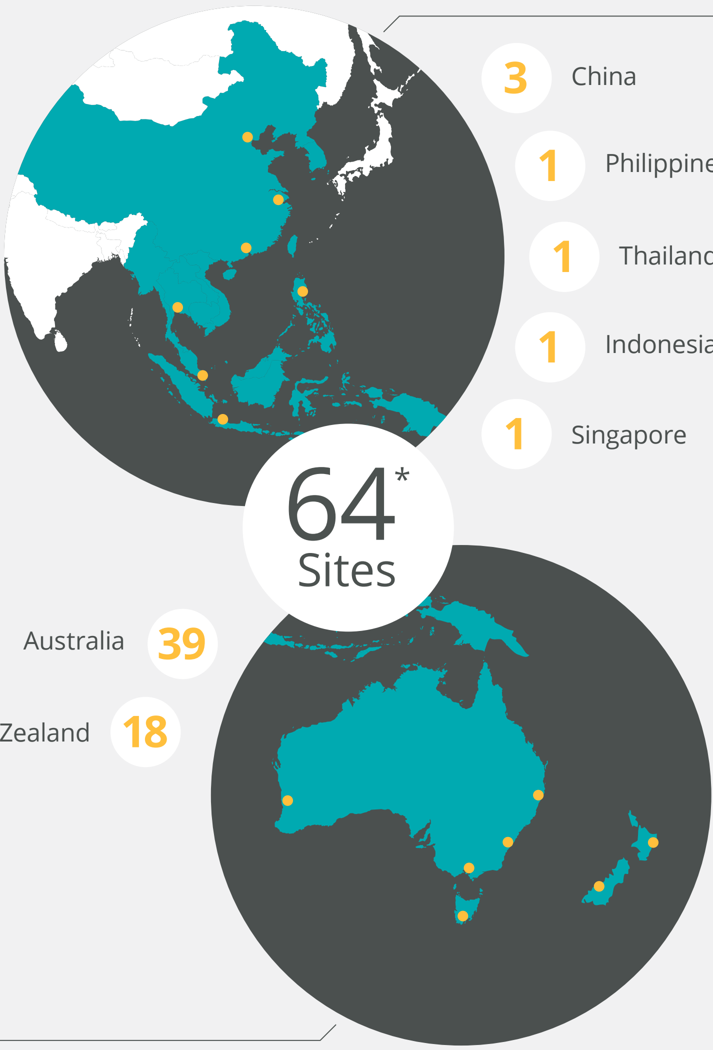
100+ product segments

6,000+ customers

22,000+ product variants

Asian expansion

- JV established in Thailand
- Indonesian plant constructed
- Partnering with our multinational customers



3 China

1 Philippines

1 Thailand**

1 Indonesia

1 Singapore

Australia 39

New Zealand 18

- 2 new manufacturing sites through Sulo
- Rationalised 2 manufacturing sites

* Does not include Jalco

** Thailand is a 50/50 joint venture with Weener Plastics

OUR LEADERSHIP TEAM

Pact's highly experienced leadership team is focused on finding ways to improve performance and profitability.

Brian Cridland
Managing Director and CEO

Richard Betts
Chief Financial Officer

Jim Barnes
General Manager – Human Resources

Greg Beilby
General Manager – Shelf Stable and Industrial

Brendon Chandulal
General Manager – Food and Beverage

Paul Geyde
General Manager – Industrial Products, New Zealand

Penny Grau
General Counsel and Company Secretary

Eric Kjestrup
General Manager – Food Packaging, New Zealand

Siobhan McCrory
General Manager – Sales, Marketing and Innovation

Mark Nothnagel
General Manager – Technology

Raymond Purcell
General Manager – Sourcing and Logistics

Andrew Smith
General Manager – Sustainability

Wayne Williams
General Manager – Materials Handling and Infrastructure

OUR CUSTOMERS

We believe that the most important part of our business is our customers. This is why our number one corporate value that we installed within our culture is "to walk in our customers' shoes to serve them better".

Our established and enduring relationships with our diverse customer base has facilitated our growth over the past 13 years.

To help our blue chip customers win in their chosen categories, we continue our relentless focus on maintaining our ability to be agile; listen to their challenges and respond to them with solutions that will enable them to grow. We will also continue to invest in the latest technology to support the manufacture of products, which are underpinned with globally licensed technology. This will enable our customers to rapidly respond to changing market needs and conditions.

This year, we received recognition from some of our blue chip customers who elected to give us their supplier of the year awards. We also had many significant product launches during the year that won global design and innovation awards. This included winning the WorldStar Award, Global Dairy Innovation Award and inclusion in BRW's Most Innovative Australian Companies' list for the third consecutive year.

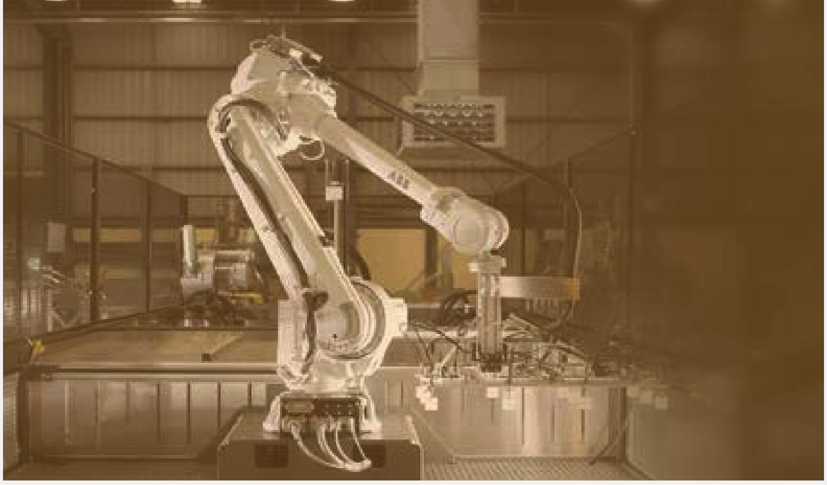
PERFORMANCE

OUR PERFORMANCE

In FY15 Pact continued its growth momentum, achieving growth across all key metrics and demonstrating again the diversity and resilience of the business.

Year in review

- Sales up 9%
- EBITDA before significant items up 5%
- NPAT before significant items up 43%
- Strong operating cash flow, up 8% (excluding the impact of a receivables securitisation)
- Reduced net debt by 22%
- 5 acquisitions completed, including Sulo, and the acquisition of Jalco announced
- Increased investment in diversified businesses and markets
- Major *Efficiency Review Program* commenced
- Total dividends for the year of 19.5 cps



Performance

Earnings

Sales revenue for the year was $1,249.2 million, up $106.0 million or 9.3% compared to the prior year. Sales were positively impacted by acquisitions, favourable currency translation and the pass through of higher raw material cost increases, with underlying volumes remaining stable.

EBITDA before significant items was $208.7 million, up $10.5 million or 5.3% compared to the prior year. EBITDA was positively impacted by the growth in sales revenue and the Group's continued focus on delivering efficiency and supply chain improvements, offset by higher public company costs associated with the first full year of listing. Significant volatility in material costs was also experienced in the year, driven by volatile underlying resin prices and a weakening of local currencies against the US dollar. Despite significant falls in resin prices in the second half of the year, overall average resin prices were higher in Australian dollar terms compared to the prior year. The Group has a disciplined strategy in place to manage material cost increases and decreases.

EBIT before significant items was $152.5 million, up $5.5 million or 3.7% compared to the prior year, with increased depreciation and amortisation compared to the prior year due primarily to the impact of acquisitions.

NPAT before significant items was $85.2 million, up $25.5 million or 42.7% over the prior year.

Increased earnings were augmented by lower interest costs compared to the prior year, as the capital structure that existed until listing on the ASX in December 2013 was substantially different to that put in place at the time of the IPO.

NPAT after significant items was $67.6 million, up $9.9 million or 17.2% compared to the prior year. Significant items of $17.6 million (net of tax) in the financial year related to costs associated with the major *Efficiency Review Program* commenced in the year and costs related to the acquisitions. Significant items of $2.0 million (net of tax) in the prior year related to transactions that occurred as a result of the IPO, offset by a tax benefit relating to forming a new consolidated tax group.

Balance Sheet

The Group strengthened its balance sheet in the 2015 financial year, reducing net debt by $125.0 million to $440.3 million and improving gearing metrics. The reduction in debt was achieved through a combination of strong operating cash generation and the introduction of a receivables securitisation facility, which contributed $96.9 million and reduced the trade and other receivables in the balance sheet. Furthermore, the Group successfully completed a revision and extension to its debt facilities, comprising a A$590 million facility and a NZ$180 million facility, each equally split between a three year tranche maturing in July 2018 and a five year tranche maturing in July 2020.

Cash flows

Cash generation was strong in the 2015 financial year, with operating cash flow of $215.3 million up 8.2% compared to the prior year (excluding the impact of the $96.9 million receivables securitisation). This represented an operating cash conversion rate of 103% (defined as operating cash flow divided by EBITDA before significant items). The strong cash performance funded the FY15 acquisitions and dividend payments whilst still reducing net debt.

Operating cash was improved by a further $96.9 million, to $312.2 million on the back of the receivables securitisation.

Dividends

The total dividend paid or payable in respect of the year ended 30 June 2015 is 19.5 cents per share, representing a payout ratio of 67% of NPAT before significant items. An interim dividend of 9.5 cents per share, unfranked, was paid to shareholders during the financial year, and a final dividend of 10.0 cents per share, franked to 65%, has been determined since the end of the financial year, payable to shareholders on 5 October 2015. The final dividend of 10.0 cents per share represents an increase of 5.3 % on the prior year final dividend. An interim dividend was not paid in the prior financial year as the Company only listed on the ASX in December 2013.

Case study:

WHAT'S BEST FOR KIWI FRUIT IS BETTER FOR BUSINESS

The New Zealand kiwifruit industry is regarded as a horticultural success story.

Innovation

After more than six years of industry collaboration with orchards, pack-houses and industry bodies (Zespri), the Hortbin® was developed to replace the traditional timber harvest bin. The Hortbin® can be sterilised after each use to inhibit the spread of virulent diseases such as PSA (Pseudomonas syringae pv. Actinidiae) whereas traditional timber bins, once infected, need to be destroyed if PSA is detected.

The Hortbin® also represents a new era of innovation and technology for the industry in terms of improved fruit quality along the supply chain in comparison to the timber harvest bin. Its features include:

- Rounded smooth interiors to minimise movement, bruising, abrasions and damage during transit
- Vent holes for optimum water drainage and improved storage
- Lightweight yet strong and safe to handle
- Increased efficiency and better freight loading
- Hygienic and easy to clean
- Resilient, long lasting and recyclable

Impact

To accommodate the demand Pact Group invested more than $5 million to purchase the largest injection moulding machine in the southern hemisphere. The Hortbin® has been widely embraced by the industry; in the March-April 2015 pre-harvest period, more than 6,000 Hortbin® were ordered by New Zealand's largest orchards and packing houses.

THE HORTBIN® IS NOW BEING MODIFIED AND ROLLED OUT TO OTHER AREAS OF THE PRODUCE INDUSTRY AS A MORE HYGIENIC ALTERNATIVE TO THE TRADITIONAL WOODEN CRATE.

Our scale, diversity and leading packaging technology enable us to deliver superior design and functionality to our customers. Pact strives to achieve manufacturing excellence and is a proven product and process innovator.

Review of Operations

Pact is the largest manufacturer in Australasia of rigid plastics packaging. The Group has 64 operating sites across seven countries in Australasia and Asia, converting plastic resin and steel into packaging and related products and servicing a large diversified base of more than 6,000 customers.

The Group operates in more than 100 market segments with more than 22,000 product variants. Our scale, diversity and leading packaging technology enable us to deliver superior design and functionality to our customers. Pact strives to achieve manufacturing excellence and is a proven product and process innovator.

During the 2015 financial year, Pact enhanced its scale and diversity following five new acquisitions, gaining entry into new markets and adding to our manufacturing sites and customer base. A joint venture was also established in Thailand and our new Indonesian manufacturing facility constructed, both to allow the Group to better align with its multinational customers in Asia.

In seeking to deliver manufacturing excellence the Group maintained its ongoing and relentless focus on reducing its cost base through footprint optimisation, with three facilities rationalised during the year, whilst continuing to invest in automation across our facilities. The major *Efficiency Review Program* commenced during the year will enhance the cost position into 2016 and beyond.

8.2%

Pact Australia Sales revenue up 8.2% compared to the prior year

12.1%

Pact International Sales revenue up 12.1% compared to the prior year

5.0%

Pact Australia EBIT before significant items up 5.0% compared to the prior year

2.1%

Pact International EBIT before significant items up 2.1% compared to the prior year

Pact Australia

Pact Australia comprises the Group's operations in Australia, with manufacturing plants in New South Wales, Victoria, Queensland, Western Australia and Tasmania. The segment accounted for 71% of Group sales revenue in the 2015 financial year.

Sales revenue for the financial year was $889.9 million, up $67.2 million or 8.2% compared to the prior year. Sales were positively impacted by the acquisitions, primarily Sulo Australia, the pass through of higher raw material costs and a recovery in the agricultural sector following the previous year's drier conditions. Underlying volumes were broadly stable.

EBIT before significant items was $86.3 million, up $4.1 million or 5.0% compared to the prior year. EBIT growth was driven by the successfully integrated acquisitions delivering synergies, with efficiency and procurement savings offset by inflationary impacts and higher corporate costs under a full year of the post-IPO Company structure.

Pact International

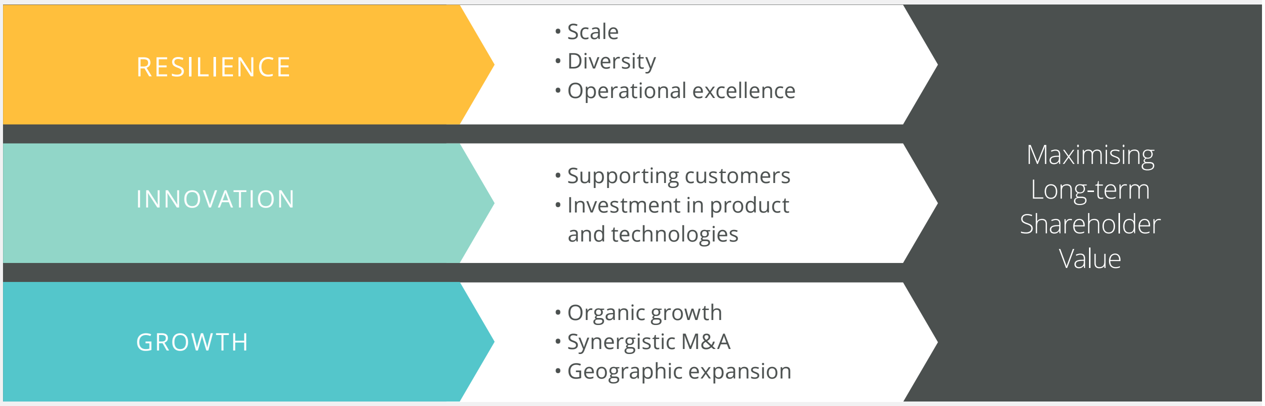
Pact International comprises the Group's operations in New Zealand, China, the Philippines, Singapore and Thailand. The segment accounted for 29% of Group sales revenue in the 2015 financial year.

Sales revenue for the financial year was $359.3 million, up $38.8 million or 12.1% compared to the prior year. Sales were positively impacted by the acquisitions, both Sulo New Zealand and a full year contribution from the acquisitions completed at the time of the IPO, as well as favourable foreign exchange conditions. These factors more than offset softer agricultural and dairy related sales in New Zealand following a drier season this year and subdued industrial demand in China.

EBIT before significant items was $66.2 million, up $1.4 million or 2.1% compared to the prior year. EBIT growth reflected the impact of the acquired businesses and favourable foreign currency translation, but was mitigated by the impact on earnings of lower demand in the New Zealand agriculture sector, the industrial sector in China and from the early development stage of the Asian businesses.

STRATEGY AND FUTURE FOCUS

Pact's growth ambitions are underpinned by its focus on resilience, innovation and growth as strategies to maximise long-term shareholder value.



Resilience

Pact's strategy benefits from the resilience of its earnings stream, which is a function of the Group's scale, diversity and operational excellence.

This is demonstrated by the Group's geographic spread across Australia, New Zealand and Asia, the wide variety of market segments which the Group services and the broad product portfolio. Additionally, Pact benefits from servicing a large and diversified customer base with no reliance on any one customer or business segment.

Resilience is further augmented by the Group's relentless focus on operational and manufacturing excellence. Pact continually seeks to reduce the cost of production through footprint optimisation, automation and improved measuring of performance metrics.

Innovation

A core focus of the Group is innovation, this includes innovation in both products and processes, resulting in a pipeline of leading edge products and investment in new technologies to enhance the speed of commercialisation.

Pact's innovation provides a competitive advantage, resulting in ongoing business opportunities and a deepening of our customer relationships. It is a key to success in increasing sales to both new and existing customers as they seek innovative designs and product differentiation.

The Group's commitment to innovation has been recognised through multiple industry and customer awards and Pact was recently recognised on BRW's 50 Most Innovative Companies list for the third consecutive year.

Pact will continue to lead with innovation and pursue opportunities for growth.

Growth

Pact is committed to delivering growth through a combination of organic growth, synergistic acquisitions and geographic expansion.

The Group seeks to drive organic growth in the business through investment in innovation and best-in-class customer service, leveraging off customer relationships to gain entry into new markets and increasing sales to new, existing and niche customers.

Pact also aims to penetrate new areas of the packaging market where it sees opportunities for substrate conversion.

Growth through acquisition remains a key focus, and Pact has a long history of successfully acquiring and integrating businesses, generating synergies, providing entry into new markets and adding further scale and diversity to the Group.

Geographic expansion may occur via acquisition or organically through partnering with our multinational customers in different regions. An example of this is the recent investments in a joint venture in Thailand and the new manufacturing facility in Indonesia, both to support multinational customers in these countries.

Pact has identified opportunities for growth and will continue to focus on executing its strategy to maximise long-term shareholder value.

MERGERS AND ACQUISITIONS

Pact began its journey is 2002 with 15 manufacturing plants generating sales revenue of $223 million and EBITDA of $31 million.

Since inception, Pact has successfully integrated 43* acquisitions and now generates sales revenue of $1.25 billion and EBITDA of $209 million. These acquisitions have been driven by a highly experienced management team, with a long history of delivering synergies, geographic expansion, scale and increased diversity.

Pact maintains a patient and disciplined approach to identifying and evaluating acquisitions, but will also take an opportunistic view when attractive opportunities are identified.

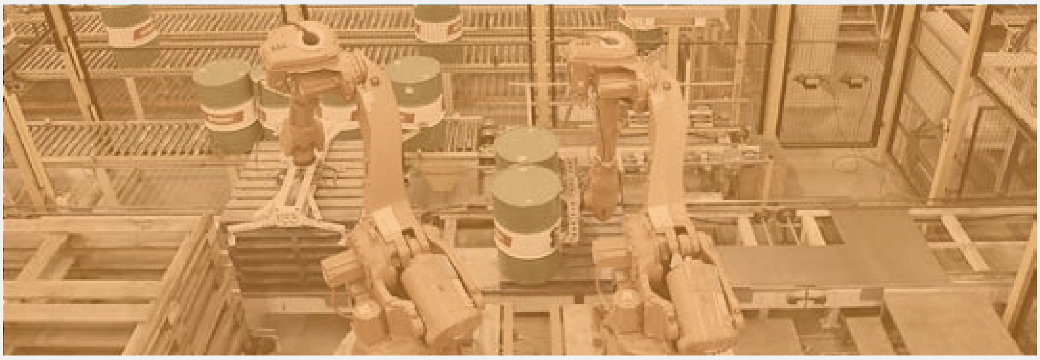
Acquisitions must be value accretive, be in the best interests of shareholders and should meet a hurdle rate of 20% return on investment within three years.

Potential acquisitions may fall into three focus areas: adjacent and overlapping industries; those that provide geographical expansion; or those with the potential to drive transformational change.

Adjacent and overlapping industries

Geographical expansion

Potential to drive transformational change



* Does not include Jalco

Sulo

In August 2014, Pact acquired Sulo MGB in Australia and Sulo in New Zealand, a leading manufacturer of plastic waste and recycling bins. This acquisition provided more than 500 new customers and entry into a new market whilst complementing the Group's existing and growing materials handling, infrastructure and sustainability businesses. The Sulo acquisition is on target to exceed Pact's return on investment hurdle rate.

Jalco

On 1 September 2015 Pact completed the acquisition of Jalco Group Pty Ltd in New South Wales, Australia. Jalco is a leading contract filler and manufacturer of non-food FMCG personal care and household products with trailing annual sales of approximately $165 million. This acquisition will deepen Pact's FMCG customer relationships, increase the Group's diversity and provide a new growth sector. The acquisition will be immediately earnings accretive and is expected to meet Pact's hurdle rates.

Pact continues to assess further potential acquisition opportunities.

INNOVATION

Inpact Innovation – from concept to commercialisation.

Inpact Innovation is Pact's internal stand-alone innovation business. Inpact works with some of the world's biggest brands to engineer leading-edge packaging solutions that drive transformational change.

Inpact's experienced, creative consultants and hard-wired technical, engineering and design experts work collaboratively to stretch conventional thinking and identify opportunities through insight led innovations, to take a creative concept into the commercial world.

INPACT INNOVATION

1. Create

The creative process starts with category mapping to gain an insight into the competitive environments in which our customers operate. We identify the key influences of brand, product, packaging design and retail navigation. Throughout the process, the consumer remains the central focus so we can better understand their behaviour and improve their experience. The insights extracted during this process guide our strategic innovation.

2. Source

Pact searches the world to find and secure the latest technological innovations so we can deliver world-class packaging solutions and designs. Our innovation and technical teams work collaboratively to ensure each design challenge is considered from all angles. If we do not already hold the solution, we will find a way to make it happen.

3. Engineer

Concepts are transitioned from sketched illustrations on a page to full 3D rendering and tool design. Our engineers manage each step of the process, taking the project from the conceptual phase through to implementation. This end-to-end process means each project is consistently monitored, enabling us to identify potential hurdles early and safeguard our success.

4. Manufacture

Inpact is the innovation hub of Pact. Created as a standalone business within the Group, Inpact is designed to help our customers excel in their field. Using a cross-functional team of industrial designers, engineers, inventors, marketing, sustainability and environmental specialists, our innovation hub employs rapid prototyping, 3D modelling and printing to identify and eliminate flaws and strengthen product outcomes. This is particularly useful when developing a new packaging concept or technology.

AWARDS

Corporate

BRW Most Innovative Companies List 2014 and 2015

2014 Best in Sector: Packaging Solutions, Australasia (Sector Success Awards)

2014 Sector Innovator Award: Impact (Sector Success Awards)

2015 Manufacturing Management Team of the Year (Australia) – Business Excellence Awards

2015 Award for Excellence in Innovative Food Packaging (Australia) – 2015 Business Excellence Awards

2015 Innovation and Excellence in Packaging Solutions (Australia) – Corporate Livewire's Innovation and Excellence Awards

2015 Australian Game Changer of the Year (Packaging Solutions) – ACQ Global Awards

Customer

2014 Overall Supplier of the Year – DuluxGroup

2014 Supplier of the Year – Dulux

2014 Supplier of the Year – Selleys

2014 Supplier of the Year – Yates

Industry

2015 WorldStar Packaging Award – Anchor LightProof™ Bottle

2015 Global Dairy Innovation Awards – Best Dairy Packaging Innovation (Murray Goulburn Flip Top Cream Cap)

GOVERNANCE

SUSTAINABILITY

At Pact, we believe every manufacturer has a responsibility to their people, the environment and communities in which they operate.

We believe every product should be the result of a robust research and development process; a fusion of innovation and function, culminating in a quality packaging solution that is right for the customer, and for the future.

Sustainability is a major consideration in everything we do. It shapes our core philosophy, our day-to-day business decisions, and stewardship choices. For us, sustainability is by no means an end result. It is an ongoing process of improvement and care.

For more detailed information on this section please refer to Pact's *2014–2015 Sustainability Report* which can be accessed at http://pactgroup.com.au/investors/corporate-governance/sustainability

People

Employee input is not simply encouraged; it's considered a vital part of our growth as a diverse and adaptable workplace.

Through continuous and open communication and implementation of targeted strategic initiatives, we seek to ensure the safety, wellbeing, engagement and development of every Group employee.

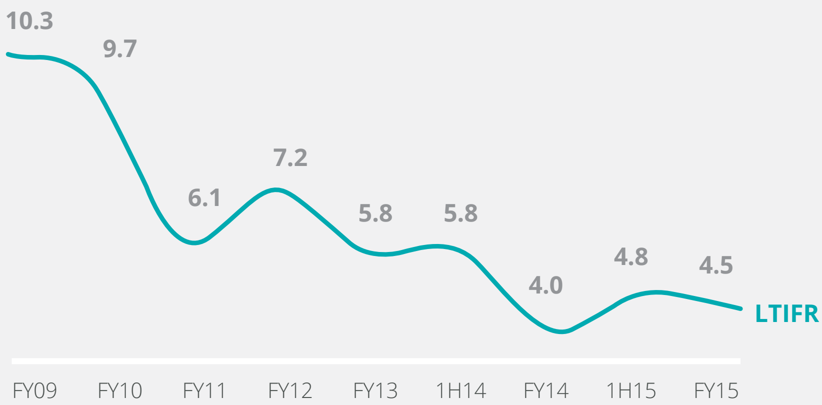
Workplace Health and Safety

Workplace health and safety (WHS) has been, and will continue to be a key priority for Pact. We are committed to providing a workplace that is incident and injury free; a zero harm workplace. Following its successful launch in FY14, the strategic initiative *Towards Zero Harm* (TZH) continued this year. TZH aims to increase consistency and management of health and safety across all Group sites utilising three key strategic pillars:

BUILDING THE RIGHT SYSTEM

ENGAGING OUR PEOPLE

EFFECTIVELY MANAGING OUR RISKS



Each Group site has been internally audited under the new TZH WHS Audit Program.

Employee engagement is critical in the adoption of safe behaviours in and around the workplace. To this end, we hold quarterly safety webinars for each Group site. Discussion points include safety performance across the Group, sharing best practice strategy and priorities for the next quarter. Pact also initiated quarterly awareness campaigns across all sites this financial year. These campaigns included compulsory *tool box talks* and posters outlining key safety priorities.

This financial year we also focused on managing our hazards on-site. Supporting this initiative, the National Safety Council of Australia (NSCA) was engaged to develop and deliver Plant Safety Risk Management training. This training was administered to more than 100 employees throughout Australia and will be rolled out in New Zealand in FY16.

WHS Performance

The TZH goal seeks to transform Group sites into zero harm work environments, and ultimately to achieve zero injuries in the workplace.

In the event of an injury or incident, details are recorded on Pact's online incident reporting system. This allows real-time reporting, visibility, immediate escalation and management of incidents and injuries where required.

The primary measurement of safety performance we track is Lost Time Injury Frequency Rate (LTIFR). LTIFR represents the number of lost-time injuries recorded for every one million hours worked over a rolling 12-month period. The graph above illustrates a sustained improvement over more than a decade, albeit with a disappointing finish for FY15 of 4.5. This translates to an approximately 20% reduction in actual Lost Time Injuries (LTIs) when compared with December 2013.

In keeping with our strategic intent to drive zero harm activity, we commenced internal reporting of the Total Recordable Injury Frequency Rate (TRIFR), which at Pact, represents the number of Medical Time Injuries (MTIs) and LTIs recorded over a rolling 12 month period per one million hours worked.

Each of our sites has safety performance targets and action plans, which they continue to work towards as part of their journey to zero harm and we continue to share best practice with relevant sites across the Group.

Health and Wellbeing

Improving the safety of our workplace goes beyond compliance. Promoting the health and wellbeing of employees both at work and at home supports a better way of living and a more productive workplace.

Employee Engagement

At Pact, we want to engage with our people and build a sense of trust and commitment to ensure sustainable employment opportunities in the context of challenging economic times. Participation in our voluntary *Employee Engagement Survey* gives Group employees the opportunity to have their say anonymously on everything from their workplace, colleagues and managers to the broader business.

Diversity

The Group lodged its annual public report with the Workplace Gender Equality Agency (WGEA) in June 2015. It has been confirmed by WGEA that it achieved compliance status. The public report is available on the Company's website at www.pactgroup.com.au/responsibilities/corporate-social-responsibilities.

Please refer to the *2014–2015 Sustainability Report* for further details on diversity at Pact.

Applause AWARDS

Employee Development and Recognition

We recognise that our people deserve reward and recognition for their positive contribution to the organisation. We are proud to invest in the training and development of our people, and offer a dynamic reward and recognition program to foster success and team spirit.

Applause is our a Group-wide reward and recognition program that helps drive innovation throughout the business. Acknowledging that the best ideas come from engaged and talented employees across the Pact business, *Applause* rewards individuals who demonstrate passion, persistence, drive, initiative, dedication and commitment beyond their role.

Company Ethics and Behaviour

Pact is committed to upholding high standards of business integrity and honesty in all its dealings. The Code of Conduct (the Code) is designed to ensure Pact delivers on its commitment to corporate responsibility and sustainable business practice and covers key topics including conflicts of interest; facilitation payments; political contributions; bribes, gifts and commissions; and securities trading.

The Code is supported by a suite of Group policies, including a Whistleblower Policy, which has been designed to ensure compliance with laws and regulations. The Code and related policies are available on the Pact Group website www.pactgroup.com.au

Ritchie Eustaquio
2014 Applause Winner

Case study:

AN ENVIRONMENTALLY SUSTAINABLE SOLUTION TO A MAJOR LANDFILL PROBLEM

Problem

As councils roll out new wheelie bins to businesses and households within their municipality, what happens to the damaged and unserviceable bins?

Without a holistic solution, almost 2,000 tonnes (or 186,000 plastic bins) can end up as landfill, costing Australian councils significantly in terms of financial and environmental impact.

Innovation

Pact has developed a *whole of life* solution that involves buying back damaged or unserviceable wheelie bins from councils, recycling them and using the recycled resin.

The unserviceable bins are put through a grinding process to produce small chips which are carefully washed and spun dry. The chips are then melted into long, thin strands and chopped into pellets which are used in the manufacture of new high-quality bins. All bin tyres are manufactured from 100% recycled car tyres, reducing the number going to landfill.

By recycling, we effectively eliminate the need to send bins to landfill or stockpile them. Reducing landfill is an important environmental outcome while eliminating storage has significant cost savings and occupational health and safety benefits.

Impact

More than 250 local councils across Australia are now actively participating in this initiative. This has significantly improved the sustainability of wheelie bins renewal across Australia.

OVER THE LAST YEAR PACT HAS DIVERTED OVER 1,675 TONNES OF PLASTIC FROM LANDFILL AND CONVERTED THESE INTO MORE THAN 585,000 NEW BINS.

The environmental benefits achieved in the last year of this program are the equivalent to:

Planting more than 2,000 trees

Powering more than 1,280 homes

Diverting more than 600 B-Doubles worth of plastic from going to landfill

The proprietary systems used to recover the old bins have meant that we are able to forge new bins from old ones without compromising quality, strength and functionality – giving the humble wheelie bin approximately another 10 years of life.

• PIQET accurate as of 30 June 2015

Environment

At Pact, we believe the only way to be a sustainable organisation is to operate sustainably within our environment.

That is why at every site and at every level of the Group, sustainability is entrenched in our way of thinking; from the design and life cycle of our products through to the minimisation of manufacturing waste. The Group provides a range of sustainability, recycling and environmental services to assist our customers in reducing the environmental impact of their product packaging and related processes.

Pact is a signatory to the Australian Packaging Covenant and the New Zealand Product Packaging Stewardship Scheme. Both schemes contribute to guiding decision-making and activity across the business in relation to ongoing improvements in the Group's environmental performance, through their focus on identifying litter components, opportunities for light weighting, recyclability and label information.

Environment and Compliance Management

Pact operates under a Corporate Environmental Management System (EMS) aligned with ISO 14001 and under an Environmental Policy. The EMS is fundamental to achieving compliance with environmental regulations in all jurisdictions in which we operate. Sites are audited internally on an annual basis. We intend to rollout similar environmental practices and compliance procedures for the Group's Asian operations.

Where applicable, licences and consents are in place in respect of each site.

Resource Management

The Company is subject to the reporting and compliance requirements of the *National Greenhouse and Energy Reporting Act 2007* (Cth). This requires Pact to report its annual greenhouse gas emissions and energy use. We have submitted all annual reports, and are due to submit our next report by 31 October 2015.

Community

Like the citizens that make up a nation, every business has a responsibility to the community in which it resides.

The actions undertaken by one party will no doubt impact another; that is why we believe it is important to engage with and support the communities in which we operate.

The past financial year has seen the Group support a number of events and awareness campaigns across health and wellbeing, community and environmental causes.

We actively participate in our local communities through corporate investment, sponsorship, fundraising and employee participation and we are always on the lookout for new ways to contribute.

Corporate Governance

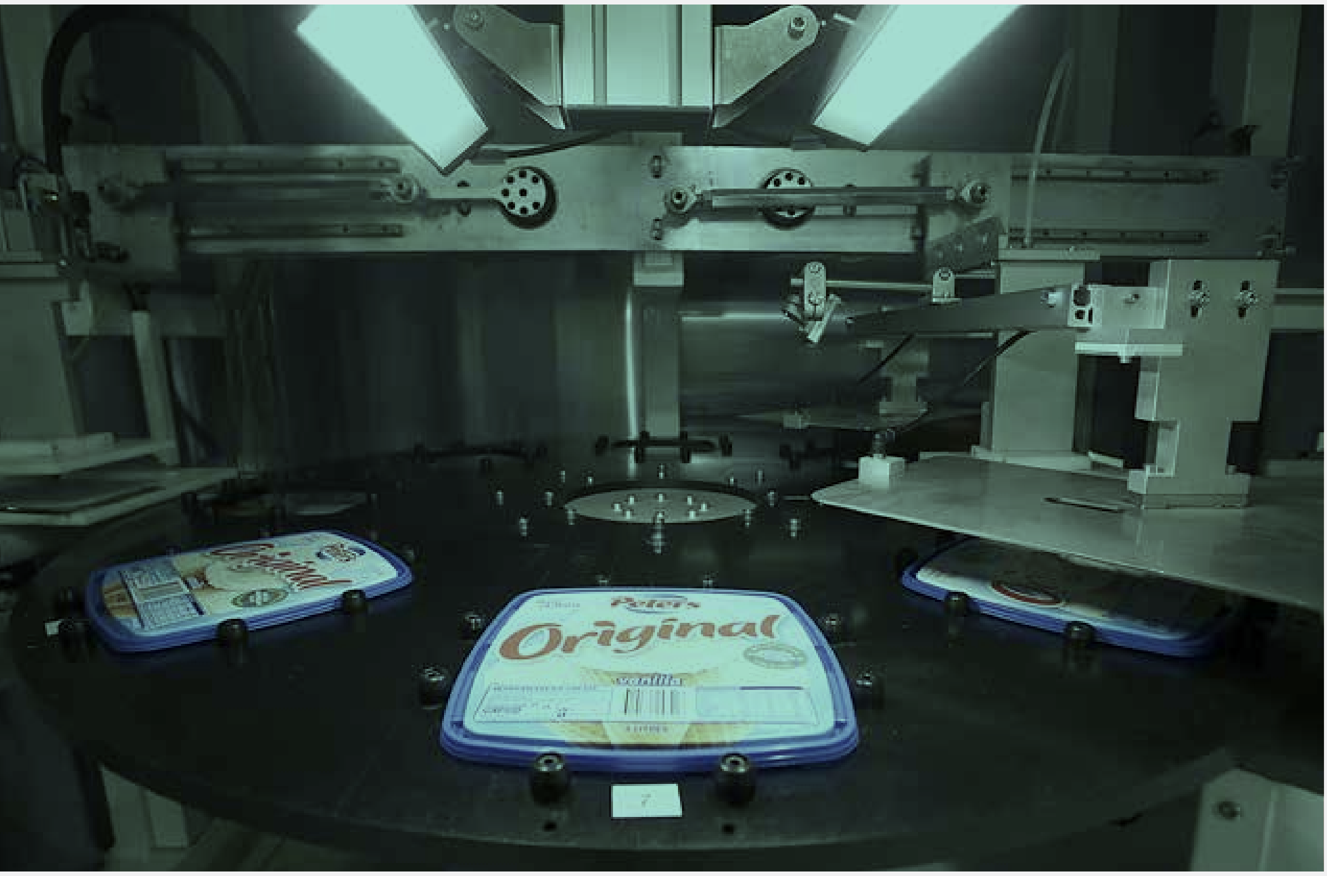
The Board recognises the importance of good corporate governance and its role in ensuring the accountability of the Board and management to shareholders.

The Board is concerned to ensure that the Group is properly managed to protect and enhance shareholder interests and that the Company, its directors, officers and employees operate in an appropriate environment of corporate governance.

The Board has adopted a corporate governance framework comprising principles and policies that are consistent with the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations (3rd edition) (ASX Recommendations).

The Corporate Governance Statement outlines the key aspects of the Group's corporate governance framework and is available on the Company's website at www.pactgroup.com.au/investors/corporate-governance.

The Board considers that the Company's corporate governance framework and practices have complied with the ASX Recommendations for the financial year, except as otherwise detailed in the Corporate Governance Statement.



DIRECTORS' REPORT

Left to right:
Peter Margin,
Brian Cridland,
Lyndsey Cattermole,
Jonathan Ling,
Tony Hodgson,
Raphael Geminder

The Directors present their report on the consolidated entity consisting of Pact Group Holdings Ltd ("Pact" or the "Company") and the entities it controlled at the end of, or during, the year ended 30 June 2015 (the "Group").

1. Directors

The following persons were Directors of the Company from their date of appointment up to the date of this report:

i. Non-Executive

Raphael Geminder

Non-Executive Chairman

Member of the Board since 19 October 2010
Member of the Nomination and Remuneration Committee

Raphael founded Pact in 2002. Prior to founding Pact, Raphael was the co-founder and Chairman of Visy Recycling, growing it into the largest recycling company in Australia. Raphael was appointed Victoria's first Honorary Consul to the Republic of South Africa in July 2006. He also holds a number of other advisory and Board positions.

Raphael holds a Masters of Business Administration in Finance from Syracuse University, New York.

Other current directorships

Non-Executive Director of Academies Australasia Group Limited.

Director of the Carlton Football Club and several other private companies.

Directors' Report

Lyndsey Cattermole AM

Independent Non-Executive Director

Member of the Board since 26 November 2013
Member of the Audit, Business Risk and Compliance Committee
Member of the Nomination and Remuneration Committee

Lyndsey founded Aspect Computing Pty Limited and remained as Managing Director from 1974 to 2003, before selling the business to KAZ Group Limited, where she served as a Director from 2001 to 2004. Lyndsey has held many board and membership positions including the Committee for Melbourne, the Prime Minister's Science and Engineering Council, the Australian Information Industries Association, the Victorian Premier's Round Table and the Woman's and Children's Health Care Network.

Lyndsey holds a Bachelor of Science from the University of Melbourne and is a Fellow of the Australian Computer Society.

Other current directorships

Non-Executive Director of both Treasury Wine Estates Limited and Tatts Group Limited.

Director of the Victorian Major Events Company and several private companies.

Former listed company directorships in last 3 years

Non-Executive Director of Paperlinx Limited (2010-2012).

Tony Hodgson AM

Independent Non-Executive Director

Member of the Board since 26 November 2013
Chairman of the Audit, Business Risk and Compliance Committee

Tony Hodgson was the co-founder and former Senior Partner of the chartered accounting firm Ferrier Hodgson from which he retired in 2000 after 24 years. He serves as a consultant to BRIFerrier Chartered Accountants and has extensive experience serving on various board committees including audit, nomination, risk and compliance committees.

Tony holds a Certificate of Commerce, is a Fellow of the Institute of Chartered Accountants in Australia and a Fellow of the Australian Institute of Company Directors.

Other current directorships

Member of the Advisory Council of J.P. Morgan, and a Non-Executive Director of Racing NSW.

Peter Margin

Independent Non-Executive Director

Member of the Board since 26 November 2013
Chairman of the Nomination and Remuneration Committee
Member of the Audit, Business Risk and Compliance Committee

Peter has many years of leadership experience in major Australian and international food companies. His most recent role was Chief Executive Officer of Goodman Fielder Limited. Prior to that Peter was Chief Executive Officer and Chief Operating Officer of National Foods Limited. Peter has also held senior management roles in Simplot Australia Limited, Pacific Brands Limited (formerly known as Pacific Dunlop Limited), East Asiatic Company and HJ Heinz Company Australia Limited.

Peter holds a Bachelor of Science from the University of New South Wales and a Master of Business Administration from Monash University.

Directors' Report

Other current directorships

Non-Executive Director of Bega Cheese Limited, PMP Limited, Nufarm Limited, Huon Aquaculture Ltd and Costa Group Holdings Limited.

Former listed company directorships in last 3 years

Non-Executive Director of Ricegrowers Limited (2012–2015).

Jonathan Ling

Independent Non-Executive Director

Member of the Board since 28 April 2014
Member of the Nomination and Remuneration Committee

Jonathan has extensive experience in complex manufacturing businesses from his current role as the Chief Executive Officer and Managing Director of GUD Holdings Limited and following a number of leadership roles with Fletcher Building, Nylex, Visy and Pacifica.

Prior to Jonathan's GUD role, he was the Chief Executive Officer and Managing Director of Fletcher Building Ltd (2006–2012), one of New Zealand's largest listed companies.

Jonathan has a Bachelor of Engineering (Mechanical) from the University of Melbourne and a Masters of Business Administration from the Royal Melbourne Institute of Technology.

Other current directorships

Director of various GUD Holdings Limited subsidiary companies.

Former listed company directorships in last 3 years

Non-Executive Director of Pacific Brands (2013–2014).

ii. Executive

Brian Cridland

Managing Director and Chief Executive Officer

Member of the Board since 26 November 2013

Brian is the Managing Director and Chief Executive Officer of Pact. He has been the Chief Executive Officer at Pact since its inception in 2002. Brian has been in the Manufacturing Industry for approximately 42 years. He previously held senior roles including General Manager Visypak, Managing Director Rexel Australia, Managing Director GEC Australia, General Manager Rigid Packaging Southcorp and many senior roles in Rheem Australia Limited and other companies.

Brian has a Bachelor of Chemical Engineering and Bachelor of Commerce from the University of Queensland.

Other current directorships

No other external directorships.

iii. Company Secretary

Penny Grau was appointed to the position of Company Secretary of Pact on 10 February 2014.

Prior to this appointment, Penny was General Counsel and Company Secretary of listed company, Tatts Group Limited, from April 2007 until July 2013. Prior to this, Penny practised as a corporate lawyer for 18 years, the last 8 as partner, with national law firm Clayton Utz.

Penny holds Bachelors of Laws and Commerce, a Masters of Laws, a Graduate Diploma in Applied Finance and Investment and is a Fellow of the Governance Institute of Australia.

Directors' Report

2. Directors' Shareholding

As at the date of this report, the relevant interests of the Directors in the shares of the Company were as follows:

	Relevant Interest in Ordinary Shares
Raphael Geminder	117,036,546
Lyndsey Cattermole	78,948
Tony Hodgson	50,000
Peter Margin	7,894
Jonathan Ling	2,365
Brian Cridland	50,000

3. Directors' Meetings

The table below shows the number of Directors' meetings (including meetings of Board committees), and the number of meetings attended by each Director in their capacity as a member during the year:

	Directors' Meetings		Audit, Business Risk & Compliance Committee		Nomination & Remuneration Committee	
	Meetings held	Meetings attended	Meetings held	Meetings attended	Meetings held	Meetings attended
Raphael Geminder	10	10	NM	N/A	4	4
Lyndsey Cattermole	10	10	4	4	4	4
Tony Hodgson	10	10	4	4	NM	N/A
Peter Margin	10	10	4	4	4	4
Jonathan Ling	10	10	NM	N/A	4	4
Brian Cridland	10	10	NM	N/A	NM	N/A

NM - Not a member of the relevant committee
N/A – Not applicable

4. Principal Activities

The principal activities of the Group during the year were the conversion of plastic resin and steel into rigid plastics and metals packaging and related products for customers in the food, dairy, beverage, personal care, other household consumables, chemicals, agricultural, industrial and other sectors. The Group also provides a range of sustainability, recycling and environmental services to assist its customers in reducing the environmental impact of their product packaging and related processes.

Directors' Report

5. Operating and Financial Review

Financial Performance

The Group increased sales revenue, continuing its growth momentum, and delivering earnings growth in both EBIT and NPAT. The Group achieved sales revenue growth of 9.3% and EBIT (before significant items) growth of 3.7%. Net profit after tax attributable to shareholders was $67.6 million, compared to $57.7 million in the prior year.

The following table presents the statutory results of the Group for the year ended 30 June 2015 compared to the prior financial year.

Year ended 30 June **A$ in millions**	**30 June 15** **Actual**	**30 June 14** **Actual**
Sales revenue	1,249.2	1,143.2
Other revenue (excluding interest revenue)	5.3	11.7
Total revenue (excluding interest revenue)	**1,254.5**	**1,154.9**
Expenses	(1,045.8)	(956.7)
Depreciation and amortisation	(56.2)	(51.2)
EBIT (before significant items)[(1)]	**152.5**	**147.0**
EBIT margin (before significant items)	*12.2%*	*12.9%*
Significant items (before tax)	(23.6)	(26.2)
EBIT	**128.9**	**120.8**
Net finance costs expense	(33.1)	(66.7)
Income tax expense	(34.1)	(20.5)
Significant tax items	6.0	24.2
Net profit after tax	**67.7**	**57.8**
Minority interests	(0.1)	(0.1)
Net profit after tax attributable to shareholders	**67.6**	**57.7**

(1) EBIT before significant items is a non-IFRS financial measure which is calculated as earnings before finance costs, net of interest revenue, and tax.

Commentary

Group sales revenue increased by $106.0 million to $1,249.2 million, representing growth of 9.3% compared to the prior year. Sales were positively affected by the contribution of the businesses acquired during the year, predominantly the Sulo mobile garbage bin operation (acquired in August 2014), as well as a full year contribution from the businesses acquired in Australia, China and the Philippines at the time of the Initial Public Offering (IPO). In addition, sales benefitted from generally favourable currency translation across the international geographies in which the Group operates, as well as the positive impact from the pass through of higher raw material and other cost increases. Overall, despite generally subdued market conditions, underlying volumes were stable. A recovery in the agricultural sector in Australia helped to offset softer dairy volumes in New Zealand and weaker underlying sales in China.

The Group reported EBITDA (before significant items) of $208.7 million representing a 5.3% increase over the prior year. Expenses were higher predominantly as a result of the increased raw material costs, along with the operating costs associated with the acquired businesses. Resin prices were extremely volatile, climbing to a near record high, before briefly declining on the back of falls in crude oil prices, however returned rapidly to previous highs in Australian dollar terms following higher oil prices and supplier shortages. Resin costs incurred by the Group were also negatively impacted by the falling Australian dollar relative to the US dollar. Despite the volatility in both underlying resin prices and exchange rates, the Group successfully managed these costs through a disciplined cost recovery strategy with customers. Expenses were also impacted by a full year of listed public company costs and inflation on the employee and other operating costs.

Directors' Report

These increases were mitigated by continued efficiency and supply chain improvements implemented across the business. Focus on lowering the Group's cost of production through operating efficiency and footprint optimisation remains a key priority, and will be enhanced through the Efficiency Review Program announced at the same time as our half year results.

EBIT (before significant items) of $152.5 million were up 3.7% on the prior year despite an increased depreciation and amortisation charge, primarily related to the acquired businesses. The EBIT margin declined to 12.2% from 12.9%, with the reduction attributable to a number of factors including lower margins in the businesses acquired compared to the underlying Group, and the impact of increased cost pass throughs (which maintain earnings on a higher sales revenue base). The continuing change in our customer base also leads to movements in the EBIT margin, however the business continually seeks to improve margins through its focus on efficiency and innovation.

Pre-tax significant items for the year were an expense of $23.6 million. This primarily related to costs associated with the Efficiency Review Program ($20.9 million) and costs related to the acquisition of the Sulo business and other acquisitions completed during the year ($2.7 million). The pre-tax significant items of $26.2 million in the prior year related entirely to transactions that occurred as a consequence of the IPO.

Net financing costs for the period of $33.1 million included no material interest revenue. Gross financing costs primarily comprised $31.2 million relating to the $750 million Syndicated Revolving Loan Facility along with interest on the overdraft facilities and the amortisation of borrowing costs. The reduction in finance costs compared to the prior year reflects the impact of reductions in interest rates during the year, a reduced net debt position, and also the benefits of the post IPO capital structure. The capital structure that existed until listing on the ASX in December 2013 was substantially different to that which was put in place at the time of the IPO.

The income tax expense for the year of $34.1 million represents approximately 29% of net profit before tax and significant items, broadly in line with the statutory tax rates payable across the Group's main operating geographies of Australia and New Zealand. This compares to $20.5 million in the prior year, at an effective rate of approximately 26% which benefitted from an adjustment in respect of tax relating to the previous year.

The significant tax item for the year is a benefit of $6.0 million relating to the Efficiency Review Program and acquisition costs pre-tax significant items noted above. In the prior year a $19.2 million significant tax benefit was recorded relating to the formation of a new tax consolidated group (as announced to the ASX in August 2014). This was in addition to a $5.0 million significant tax benefit from the pre-tax significant items relating to the transactions that occurred at the time of the IPO.

The ASX announcement made on 7 August 2014 also referred to a potential adverse effect arising from proposed changes in tax law relating to the formation of a new income tax consolidated group. As these proposed changes in tax law have not been enacted, no amounts have been recognised in the Financial Report for 30 June 2015.

The Group has a robust balance sheet as at 30 June 2015. Net debt at the end of the financial year was $440.3 million, $125.0 million lower than the prior year. As announced to the ASX on 23 June 2015 the Group has successfully completed a revision and extension to its debt facilities, comprising a A$590 million facility and a NZ$180 million facility, each equally split between a 3 year tranche maturing in July 2018 and a 5 year tranche maturing in July 2020. Alongside this, the Group entered into a new $100 million receivables securitisation facility to sell a portfolio of trade receivables, reducing the total of trade and other receivables in the balance sheet. Both of these initiatives have improved gearing metrics and allowed the Group to diversify its funding base, as well as giving the Group access to capital to fund the ongoing business and future potential growth opportunities.

Excluding the impact of the receivables securitisation facility, net debt was reduced by $28.1 million on a consistent basis. Strong operating cash generation through the management of working capital has allowed the Group to fund the Sulo acquisition, capital investment and dividend payments whilst reducing debt.

Directors' Report

Review of operations

Pact is the leading supplier of rigid plastic packaging and related products in Australia and New Zealand and has an emerging presence in Asia.

Pact Australia comprises the Group's operations in Australia where it has manufacturing plants in New South Wales, Victoria, Tasmania, Queensland and Western Australia. Pact Australia is where the Group sources the majority of its revenue, accounting for 71% of the Group's total sales revenue in FY15.

Pact International comprises the Group's operations in New Zealand, China, the Philippines, Singapore, Indonesia and Thailand. Revenue sourced from these regions contributed 29% of the Group's total sales revenue in FY15.

The following table represents the results of segment operations during the year compared to the prior year.

A$ in millions	30 June 15 Actual	30 June 14 Actual
Sales Revenue		
Pact Australia	889.9	822.7
Pact International	359.3	320.5
Total	**1,249.2**	**1,143.2**
EBIT (before significant items)[(1)]		
Pact Australia	86.3	82.2
Pact International	66.2	64.8
Total	**152.5**	**147.0**

(1) EBIT before significant items is a non-IFRS financial measure which is used to measure segment performance and has been extracted from the segment information disclosed in the Consolidated Financial Statements. EBIT is calculated as earnings before finance costs, net of interest revenue, and tax.

Pact Australia

Pact Australia achieved growth in both sales revenue and EBIT during the year.

Sales revenue grew by $67.2 million, or 8.2%, and was positively affected by acquisitions including Sulo Australia (acquired August 2014) and the full year effect of Cinqplast (acquired December 2013) and minor contributions from smaller acquisitions completed towards the end of the financial year. Sales revenue was also positively impacted by the pass-through of higher raw material and other input costs, and a recovery in the agricultural sector in the second half of the year, alleviating the negative impact of previously drier conditions. Whilst different market segments saw different growth profiles, underlying volumes were broadly stable.

EBIT (before significant items) of $86.3 million for Pact Australia was up $4.1 million or 5.0%. A strong performance from the acquired businesses, particularly Sulo Australia, which was successfully integrated and delivered synergies allowing it to meet the Group's acquisition hurdles within the first year of ownership. Pact Australia also delivered cost benefits from the efficiency and procurement savings programs already in place, although these savings were partly offset by inflation year on year and costs relating to the new public listed cost structure. The EBIT margin of 9.7% was slightly lower than the prior year, negatively affected by acquisitions which reported lower margins than the underlying business and the impact of the pass through of higher raw material and input costs. Margins were however higher in the second half of the year as cost savings and synergies were delivered.

Directors' Report

Pact International

Pact International also achieved growth in both sales and EBIT.

Sales revenue grew by $38.8 million, or 12.1%, predominantly from the impact of the acquisition of Sulo New Zealand and a full year effect of the businesses acquired at the time of the IPO. Reported sales were also positively affected by foreign exchange translation which remained favourable for the majority of the year. These factors more than offset the adverse impact of softer agricultural and dairy sales in New Zealand following drier conditions in FY15, down from record levels in FY14 and weakened demand in China off the back of weaker economic activity. A focus in FY15 has been on investment to deliver future benefits for Pact International, including the commencement of a joint venture in Thailand with Weener Plastic Packaging Group and the construction of a new plant in Indonesia expected to commence production in FY16. In addition, New Zealand has invested in the largest injection moulder in the Southern Hemisphere to expand its horticultural bin production capacity.

EBIT (before significant items) at $66.2 million was up $1.4 million, or 2.2%. The growth in EBIT reflects the contribution from the acquired businesses and a favourable foreign currency translation impact, partly offset by the impact of softer New Zealand dairy earnings and weakening industrial demand in China. EBIT margins for the year remained strong at 18.4%, albeit lower than the 20.2% achieved in the prior year, primarily due to the effect of acquisitions which are at lower margins than the underlying international businesses.

Likely developments and expected results from operations

The 2016 financial year will deliver a full year contribution from the Sulo businesses (acquired 8 August 2014), as well as a contribution from the acquisition of Jalco Group Pty Ltd (Jalco), as announced to the ASX on 17 June 2015. The Jalco acquisition is expected to be completed on 1 September 2015.

The outlook for the Group is for higher revenue and earnings in FY16, subject to global economic conditions. Pact will benefit from both acquisitions and the diversified and resilient nature of the business.

Whilst immediately earnings per share accretive, the Jalco acquisition will lower the overall Group margin, notwithstanding the expected delivery of synergies.

In the Directors' opinion, any further disclosure of information would be likely to result in unreasonable prejudice to the Group.

Business strategies and future prospects

The Group's long-term focus is to maximise returns to shareholders and deliver growth in the business. The Group has a vision to be a $5 billion company, operating in five regions within five years.

The key strategic focus areas for the Group are:

Resilience – through diversity, rationalisation, productivity strategies, and business simplification

Innovation – a continuing commitment to investment in innovative products and technologies

Growth – focussing on driving both organic growth, and growth via a synergistic and disciplined M&A program

Directors' Report

Resilience

The Group's long term strategy benefits from the resilience in its earnings, underpinned by its scale and diversity through both geographic spread and a broad product portfolio. In addition the Group maintains a strong focus on financial discipline, manufacturing productivity and efficiency.

In FY16, the Group will continue to focus on lowering the cost of production through procurement savings, business rationalisation and production consolidation, which will include optimising its manufacturing footprint across its Australian and International operations. The Group has announced an Efficiency Review Program to eliminate excess capacity and align the Group with customers' requirements and expected long term volumes. The first projects have been approved and commenced, and benefits are expected to begin flowing in FY16, with full benefits realised in FY17. The Group will also continue to review areas of the business that can benefit from simplification, including its manufacturing technology, IT platform and shared business services.

The Group services a large number of customers, many of whom have multiple contracts covering a variety of products in various geographies. During any financial year there are typically numerous customer wins and losses, new business wins, volume increases and reductions, some of which may involve a positive or negative margin impact. These changes are constantly managed by the Group with the aim to avoid material adverse impacts on financial performance. In addition, many large customers are contracted with a cost pass through mechanism providing resilience and assisting in margin maintenance.

Innovation

A core focus of the Group centres on innovation and rolling out a pipeline of leading edge products to underpin growth across its business. Developing and sourcing innovative products for our customers is key to the Group's success in increasing sales from new and existing customers. Customer retention is particularly strong where the Group provides new products which create a competitive advantage for its customers. The Group's commitment to innovation has been recognised through multiple industry and customer awards including being recognised on BRW's Most Innovative Companies' list for the past 3 years and winning the Vendor of the Year award for Dulux Group.

In FY15 the Group developed an innovative flip-top cream cap, which is lighter, easier to open and removes the tamper evident ring left behind from conventional caps. The design was awarded the 2015 World Dairy Innovation Award in the Best Dairy Global Packaging Innovation category. Other recent innovation has included a re-usable and collapsible Slurpee cup, and an ovenable paperboard packaging for ready meals which has enhanced sealing capabilities, making it easier to run through our customers' filling lines.

In Australia, including through its licence partners, Pact continues to deliver new technologies to market. Combining global technologies and customised designs for local markets has enabled both enhanced speed to market, and the ability to offer leading edge technologies to Australian customers.

The Group continues to seek opportunities to provide innovative packaging solutions to customers in adjacent markets, looking to modernise and differentiate their products, and seeks to service new customers. The Group has invested in digital printing as a platform to offer customers direct to container printing and printed closures. This enables each pack to be decorated differently and create new ways to activate brand marketing for our customers.

Directors' Report

Growth

The Group is committed to seek to drive organic growth within the business. This strategy includes an ongoing investment in, and commitment to innovation in products, processes and costs as well as fostering strong licence agreements to secure new technologies for the Group's markets. The Group will continue to focus on best-in-class customer service and leverage off customer relationships for entry into new markets.

In Australia, the Group aims to continue to leverage its leadership in innovation to increase sales to new and existing customers, servicing new and niche customers, and responding to customers' increased desire for innovative packaging, labelling, performance features and product differentiation. The Group also seeks to penetrate areas of the packaging market where it sees opportunities for substrate substitution.

In the International segment in FY16, the Group will commence production at its new manufacturing plant in Jakarta, Indonesia, supplying personal care packaging to a multinational customer. The Group has also executed a joint-venture heads of agreement for the manufacturing of high value add proprietary closures in Thailand, providing a regional offering for its global customers and delivering innovative closure capability to the region. Furthermore the Group has invested in the expansion of its hort bin offering in New Zealand, an example of product extension. The product provides a more robust but also lighter and more hygienic alternative to traditional wooden fruit crates.

The Group also remains focussed on delivering growth through acquisition and has a long history of successfully acquiring and integrating businesses, including the acquisition of Sulo in FY15 which provided customer and product extension into mobile garbage bins.

The Board takes a disciplined approach to evaluating acquisitions which must be value accretive, synergistic and in the best interests of shareholders. Acquisitions generally should meet an aspirational 20% return on investment within three years and may fall into one of three focus areas: adjacent and overlapping industries; those that provide geographical expansion; or those with potential to drive transformational change. The Sulo acquisition achieved the Group's hurdle rate within the first year of ownership.

Further evidence of this strategy is the recently announced acquisition of Jalco which will drive growth in FY16. Jalco is a highly complementary business, deepening our existing FMCG customer relationships and providing a new area of growth in outsourced contract manufacturing, packaging and filling.

In the Directors' opinion, any further disclosure of information would be likely to result in unreasonable prejudice to the Group.

6. Dividends

In respect of the 2014 financial year, a final dividend was paid on 3 October 2014 of 9.5 cents per share, partially franked to 65%. The financial effect of this dividend has been included in the financial statements for the year ended 30 June 2015.

In respect of the 2015 financial year, an interim dividend of 9.5 cents per share, unfranked, was paid on 2 April 2015. The financial effect of this dividend has been included in the financial statements for the year ended 30 June 2015.

On 26 August 2015, the Directors determined to pay a final dividend of 10 cents per share partially franked to 65%. The dividend is payable on 5 October 2015. The record date for entitlement to the dividend is 4 September 2015.

The Board's current intention is to pay out approximately 65% - 75% of the Company's net profit before significant items after tax attributable to shareholders in dividends.

There is a Dividend Reinvestment Plan (DRP); however, the Directors have determined not to activate the DRP at this time.

Directors' Report

7. Other events of significance

The Group entered into a debtors securitisation program on 22 June 2015, which allows the Group to sell a portfolio of receivables. The terms of the debtor securitisation program run for a period of 3 years. Under the program, substantially all the risks and rewards of a portfolio of receivables are transferred to the participants of the program. The Group derecognised receivables of $127.6 million when they were sold under the program.

For the financial year ended 30 June 2015, the Group received cash totalling $96.9 million from the initial sale of receivables, which has been used to repay long term debt. As the program commenced just prior to financial year end, the initial sale (and upfront costs) is the only cash impact of the program.

There are several levels of participation under the program based on risk. The Group currently holds a medium level of participation under the program, which is classified under other receivables, at 30 June 2015 $30.7 million was recognised. Given the short-term nature of this financial asset, the carrying value of the associated receivable approximates its fair value and represents the Group's maximum exposure to the receivables derecognised as part of the program. The Group also acts as a servicer to the program to facilitate the collection of receivables.

The sale of trade receivables is at a discount, which is included as part of the loss on derecognition of financial assets in the Consolidated Statement of Comprehensive Income.

Costs associated with establishing the facility are capitalised and amortised over the term of the facility, being three years. The amortisation of these costs is included as part of the loss on derecognition of financial assets in the Consolidated Statement of Comprehensive Income.

At balance date, a liability is recognised because the amount of collections received is higher than the amount of receivables available for sale. A liability of $37.4 million was therefore recognised in the financial statements at 30 June 2015.

8. Significant events after balance date

The completion of the Jalco Group Pty Ltd acquisition as announced on 17 June 2015 is expected to occur on 1 September 2015.

Other than the matter mentioned above, in the opinion of the Directors, there have been no other material matters or circumstances which have arisen between 30 June 2015 and the date of this report that have significantly affected or may significantly affect the operations of the Group, the results of those operations and the state of affairs of the Group in subsequent financial periods.

9. Risks

There are various internal and external risks that may have a material impact on the Group's future financial performance and economic sustainability. The Group makes every effort to identify material risks and to manage these effectively.

The material financial risks include:

Customer risks:

Customers are fundamental to the success of the business and, in recognition of this, Pact invests in strong relationships with key material customers, and to producing quality products to customers required specification and standard. The loss of key material customers or a reduction in their demand for Pact's products can have a negative effect on the future financial performance of the Group.

People attraction and retention:

Future financial and operational performance of the Group is significantly dependant on the performance and retention of key personnel, in particular Senior Management. The unplanned or unexpected loss of key personnel, or the inability to attract and retain high performing individuals to the business may adversely impact the Group's future financial performance.

Directors' Report

Competitor risks:

Pact operates in a highly competitive environment as a result of factors including actions by existing or new competitors, price, product selection and quality, manufacturing capability, innovation and the ability to provide the customer with an appropriate range of products and services in a timely manner. Any deterioration in the Group's competitive position as a result of actions from competitors or customers may result in a decline in sales revenue and margins, and an adverse effect on the Group's future financial performance.

Consumer preferences:

Changes in consumer preference for Pact's products or adverse activities in key industry sectors which Pact and its customers service may be influenced by various factors. These industry sectors include consumer goods (e.g. food, dairy, beverages, personal care and other household consumables) and industrial (e.g. surface coatings, petrochemical, agriculture and chemicals) industry sectors. Factors which may influence these sectors include climate conditions, seasonality of foods and an increased focus in Australian and New Zealand supermarket chains on private brands. Demand for Pact's products may materially be affected by any of these factors which could have an adverse effect on the Group's future financial performance.

Strategic acquisitions:

Pact's strong growth over time has been aided by the acquisition of numerous businesses and assets. This growth has placed, and may continue to place, significant demands on management, information reporting systems and financial and internal control systems. Effective management of Pact's growth, including identification of suitable acquisition candidates and effective management of integration costs will be required on an ongoing basis. If this does not occur then there may be an adverse effect on the Group's future financial performance.

Foreign exchange rates:

Pact's financial reports are prepared in Australian dollars. However, a substantial proportion of Pact's sales revenue, expenditures and cash flows are generated in, and assets and liabilities are denominated in, New Zealand dollars. Pact is also exposed to a range of other currencies including the US dollar, China's yuan, the Philippines peso, the Indonesian rupiah and the Thai baht in relation to Pact's business operations. Any depreciation of the Australian dollar and adverse movement in exchange rates would have an adverse effect on the Group's future financial performance.

Supply chain:

The ability for the supply chain to meet the Group's requirements including the sourcing of raw materials, is reliant on key relationships with suppliers. The price and availability of raw materials, input costs, and future consolidation in industry sectors could result in a decrease in the number of suppliers or alternative supply sources available to Pact. Additionally Pact may not always be able to pass on changes in input prices to its customers. Any of these factors may have an adverse effect on the Group's future financial performance.

Interruption to operations:

Pact operates across a diverse geographical footprint and situations may arise in which sites are not able to operate. Factors include emergency situations such as natural disasters, failure of information technology systems or security, or industrial disputes. Any of these factors may lead to disruptions in production or increase in costs, and may have an adverse effect on the Group's financial performance.

Compliance risks:

Pact is required to comply with a range of laws and regulations, and those of particular significance to Pact are in the areas of employment, work health and safety, property, environmental, competition, anti-bribery and corruption, customs and international trade, and taxation.

Directors' Report

10. Environmental Regulation

The Group's vision statement 'Enriching lives every day through sustainable packaging solutions' also encompasses our commitment to sustainability and minimizing the environmental impacts of our operations.

The Group operates under a Corporate Environmental Management System aligned with ISO 14001 and under an Environmental Policy. The EMS is fundamental to achieving compliance with environmental regulations in all jurisdictions in which we operate and is implemented at all of our sites.

Where applicable, licences and consents are in place in respect of each site within the Group. An interactive database is further used to ensure compliance and completion of all required actions are completed.

On occasion, the Group receives notices from relevant authorities pursuant to local environmental legislation and in relation to the Group's environmental licences and consents. The Group takes all notices seriously, conducting a thorough investigation into the cause and ensuring that there is no reoccurrence. Pact endeavours to work with appropriate authorities to address any requirements and to proactively manage any obligations.

The Group is also subject to the reporting and compliance requirements of the *Australian National Greenhouse and Energy Reporting Act 2007* (Cth).

The *National Greenhouse and Energy Reporting Act 2007* requires that Pact reports its annual greenhouse gas emissions and energy use. Pact has submitted all annual reports, and is due to submit its next report by 31 October 2015.

11. Share Options and Rights

The Company does not have any options or rights over issued or unissued shares on issue.

12. Indemnification and Insurance of Officers

The Company's Constitution requires the Company to indemnify current and former Directors, alternate Directors, executive officers and such other officers of the Company as the Board determines on a full indemnity basis and to the full extent permitted by law against all liabilities incurred as an officer of the Group. Further, the Company's Constitution permits the Company to maintain and pay insurance premiums for Director and Officer liability insurance, to the extent permitted by law.

Consistent with (and in addition to) the provisions in the Company's Constitution outlined above, the Company has also entered into deeds of access, indemnity and insurance with all Directors of the Company and the Company Secretary which provide indemnities against losses incurred in their role as Directors or Company Secretary, subject to certain exclusions, including to the extent that such indemnity is prohibited by the *Corporations Act* or any other applicable law. In addition, a wholly owned subsidiary of the Company has entered into deeds of indemnity with those of its current and former Directors' and secretaries involved in a potential transaction which provide indemnities against losses incurred in the event of breaches of their obligations under confidentiality deeds entered into by them for the purpose of such transaction, and in the course of their employment, subject to certain exclusions including to the extent that such indemnity is prohibited by the *Corporations Act*. The deeds stipulate that the Company will meet the full amount of any such liabilities, costs and expenses (including legal fees).

During the financial year the Company paid insurance premiums for a Directors and Officers liability insurance contract that provides cover for the current and former Directors, alternate Directors, secretaries, executive officers and officers of the Group. The Directors have not included details of the nature of the liabilities covered in this contract or the amount of the premium paid, as disclosure is prohibited under the terms of the contract.

Pursuant to the terms of the Company's standard engagement letter with Ernst & Young (EY), it indemnifies EY against all claims by third parties and resulting liabilities, losses, damages, costs and expenses (including reasonable legal costs) arising out of, or relating to, the services provided by EY or a breach of the engagement letter. The indemnity does not apply in respect of any matters finally determined to have resulted from EY's negligent, wrongful or wilful acts or omissions nor to the extent prohibited by applicable law including the *Corporations Act 2001*.

Directors' Report

13. Proceedings on Behalf of the Company

No person has applied to the court under section 237 of the *Corporations Act* for leave to bring proceedings on the behalf of the Company, or to intervene in any proceedings to which the Company is a party, for the purpose of taking responsibility on behalf of the Company for all or part of those proceedings.

No proceedings have been brought or intervened in on behalf of the Company with the leave of the court under section 237 of the *Corporations Act*.

14. Non-audit services

The Company may decide to engage EY on assignments additional to their statutory audit duties where the auditor's expertise and experience with the Group is important.

Details of the amounts paid or payable to EY for non-audit services provided in respect of the Group during the year are as follows:

	30 June 15 ($000's)	30 June 14 ($000's)
Tax services	507	178
Other assurance related services	543	78
Services relating to the IPO	-	2,932
Total	**1,050**	**3,188**

The Board has considered the position and, in accordance with the advice received from the Audit, Business Risk and Compliance Committee, is satisfied that the provision of the non-audit services is compatible with the general standard of independence for auditors imposed by the *Corporations Act 2001*.

The Directors are satisfied that the provision of non-audit services by EY, given the amounts paid and the type of work undertaken, did not compromise the auditor independence requirements of the *Corporations Act 2001* for the following reasons:

- All non-audit services have been reviewed by the Audit, Business Risk and Compliance Committee to ensure they do not impact the impartiality and objectivity of the auditor; and
- None of the services undermine the general principles relating to auditor independence as set out in APES 110: *Code of Ethics for Professional Accountants*, including reviewing or auditing the auditors own work, acting in a management or decision-making capacity for the Group, acting as advocate for the Group or jointly sharing economic risk and rewards.

Directors' Report

15. Remuneration Report (audited)

This Remuneration Report for the year ended 30 June 2015 outlines the remuneration arrangements of the Company and the Group in accordance with the requirements of the *Corporations Act 2001* (the *Act*) and its regulations. This information has been audited as required by section 308(3C) of the *Act*.

The Remuneration Report is presented under the following sections:

1. Introduction
2. Remuneration governance
3. Executive remuneration arrangements
4. Executive remuneration outcomes for 2015 (including linkage to performance)
5. Executive KMP contracts
6. Non-Executive Directors' remuneration arrangements
7. Equity holdings of KMP
8. Related party transactions

1. Introduction

The Remuneration Report details the remuneration arrangements for key management personnel (KMP) who are defined as those persons having authority and responsibility for planning, directing and controlling the major activities of the Company and the Group, directly or indirectly, including any director (whether executive or otherwise) of the Company.

For the purposes of this report, the term KMP includes all Directors of the Board (both executive and non-executive) and the Chief Financial Officer (CFO) of the Company and the Group.

i. Key Management Personnel

Name	Position	Term as KMP in 2015
Non-Executive Directors (NEDs)		
Raphael Geminder	Chairman	Full Year
Lyndsey Cattermole	Non-Executive Director	Full Year
Tony Hodgson	Non-Executive Director	Full Year
Peter Margin	Non-Executive Director	Full Year
Jonathan Ling	Non-Executive Director	Full Year
Managing Director and Chief Executive Officer (CEO)		
Brian Cridland	Managing Director and CEO	Full Year
Other KMP		
Darren Brown	Chief Financial Officer	Full Year

As announced to the ASX on 15 April 2015, Richard Betts was appointed to the role of Chief Financial Officer, effective 1 July 2015, thus becoming a KMP as at that date. Darren Brown ceased to be a KMP at that date, but will continue to support the business until the expiry of his contract on 16 October 2015.

There have been no other changes to KMP after the reporting date and before the date the financial report was authorised for issue.

Directors' Report

2. Remuneration governance

i. Nomination and Remuneration Committee

The Nomination and Remuneration Committee (Committee) comprises four NEDs.

The responsibilities of the Committee which have a focus on remuneration include:

- Review and recommend to the Board appropriate remuneration policies and arrangements including incentive plans for the Chief Executive Officer (CEO) and Senior Executives & Managers;
- Review and approve short-term incentive plans, performance targets and bonus payments;
- Review the performance of the CEO;
- Review the Senior Executives' performance assessment processes to ensure they are structured and operate in a manner to realise business strategy; and
- Review and recommend to the Board, remuneration arrangements for the Chairman and NEDs.

The Committee will meet as often as the Committee members deem necessary to fulfil the Committee's obligations, and it is intended they will meet no less than three times a year. A copy of the Committee's charter is available at www.pactgroup.com.au.

ii. Use of remuneration consultants

To ensure the Committee is fully informed when making remuneration decisions, it may seek remuneration advice.

Hay Group was engaged during the year to undertake a review of Pact's remuneration structure for its senior executives. In the course of that review Hay Group made a recommendation regarding the remuneration structures applying to the KMPs. Pact paid Hay Group $11,600 for this review.

Hay Group also provided other advice during the year regarding Executive remuneration benchmarking. Pact paid Hay Group $14,000 for this advice.

Godfrey Remuneration Group (GRG) was engaged during the year to present data and recommendations arising from a benchmarking of Pact's NED remuneration practices against the market practices of a selected group of comparable ASX listed companies. In the course of that review GRG made remuneration recommendations regarding increasing the quantum of Board, Committee fees and Chair of Committee fees. Pact paid GRG $15,000 for this report. Pact has not obtained any other advice from GRG during the financial year.

As previously advised Pact has adopted a process which complies with the Corporations Act to ensure any remuneration recommendation is free from undue influence by the KMP to whom the recommendation relates (Process). The Process includes ensuring the decision to engage the remuneration consultant is made by the Committee or the Board, contractual engagement and briefing of the consultant is undertaken by the Chairman of the Committee and the remuneration recommendation is to be provided directly to the Chairman of the Committee.

The Board is satisfied that the remuneration recommendations from the Hay Group were made free from undue influence by the members of the KMP to whom the recommendations related. The reasons for this are:

- the Committee followed the Process;
- the KMPs to whom the Hay Group remuneration recommendations related were the CEO and CFO and they had no involvement in the engagement or instruction of Hay Group, nor in briefing the Chairman of the Committee; and
- Hay Group, as the remuneration consultant, provided a declaration of no undue influence and the Committee and the Board have no reason to believe that this is not accurate.

The Board is satisfied that the remuneration recommendations by GRG were made free from undue influence by the members of the KMP to whom the recommendations related. The reasons for this are:

- the Committee followed the Process;
- GRG, as the remuneration consultant provided a declaration of no undue influence and the Committee and the Board have no reason to believe that it is not accurate;
- the nature of the report, was based solely on market benchmarking data; and
- the fact that the recommendation of the Committee and the resolution of the Board was contrary to the remuneration recommendations made by GRG in that the Committee recommended the Board fees, Committee fees and Chair of Committee fees remain unchanged.

Directors' Report

3. Executive remuneration arrangements

i. Remuneration principles and strategy

Pact's executive remuneration strategy is designed to attract, retain, reward and motivate high performing individuals so as to achieve the objectives of the Company, in alignment with the interests of the Company and its shareholders.

A key performance criteria in the remuneration strategy is measuring EBITDA before significant items against budget. This incentivises KMP and Senior Executives and Managers to drive the profitability of the Company, which aligns with EPS growth and the ability to maintain a strong dividend payout ratio. Both of which contribute to shareholder wealth.

The following table illustrates how the Company's remuneration strategy aligns with its strategic direction and links remuneration outcomes to performance. The table also illustrates how the Short-term Incentive (STI) component is linked to the performance of both financial and non-financial measures.

Remuneration strategy

Attract, retain, reward and motivate high performing individuals	Align remuneration with the interests of shareholders
The remuneration arrangements are based on performance and experience, and are competitive for companies of a similar size and nature	The remuneration framework includes a STI component, which motivates and rewards management for the achievement of short-term performance measures. Performance is assessed against financial measures for all participants in the STI program. The CEO, CFO and Senior Executives and Managers also have various non-financial measures. These measures are a key driver in the achievement of business objectives and the ongoing success of the Group.

CEO, CFO and Senior Executives and Managers

Remuneration component	Purpose	Link to performance measure
Fixed remuneration		
Comprises base salary, company superannuation contributions and car allowance	To provide competitive fixed remuneration to attract high calibre executives with the right mix of experience, qualifications and industry expertise	Group financial achievements and individual performance are considered during annual remuneration reviews
STI and discretionary bonuses		
Paid in cash	To reward executives for their role in the achievement of Group financial performance measures, their own individual performance targets, and for performance in relation to specific projects	Group EBITDA before significant items as the key financial measure is assessed against budget on a quarterly basis. Non-financial measures are assessed on a semi-annual basis.

As advised in last year's Remuneration Report the Committee recognised the need to review the current incentive arrangements adopted by the Group and proposed to engage a remuneration consultant for that purpose. The Committee engaged Hay Group to undertake a review of Pact's remuneration structure for its senior executives. Hay Group provided the Committee with recommendations relating to the executive remuneration structure.

Directors' Report

The Committee has reviewed the recommendations made by Hay Group, and after consideration made its own recommendations which have been adopted by the Board. The Committee considered that the current short-term incentive plan appropriately incentivised and motivated the executive group and the Committee's recommendation was to not change the plan, or the current arrangements. The short-term incentive plan is structured to link performance of executives who participate in it, to the Group's financial outcomes (see section 4 for more detail). Further there is a retention element incorporated within the plan. It was recognised that a long-term incentive plan, would be appropriate for the CEO.

The Committee has instructed that further advice be obtained to develop a long term incentive plan, involving the issue of rights, for the CEO. It was also recognised that after a period of time a review occur of the operation of such a long term incentive plan to determine whether broader participation is warranted.

ii. Approach to setting remuneration

In FY15, the executive remuneration framework consisted of a mix of both fixed remuneration and short-term incentives for Executive KMP as outlined in the table below.

Executive KMP remuneration component at target	%
Fixed Remuneration	74%
Short term incentives	26%
Total	**100%**

The percentages in this table are based on a split of fixed remuneration and short term incentives for achieving 100% of the EBITDA before significant items target, and other agreed financial and non-financial metrics. It excludes discretionary bonuses and retention awards which are referred to in Executive KMP contracts in section 5.

Target remuneration is calculated as follows:

- Fixed remuneration plus STI at target remuneration = Total Target
- Fixed remuneration at target divided by Total Target = 74% of remuneration
- STI remuneration at target divided by Total Target = 26% of remuneration

The Group aims to reward executives with a level and mix of remuneration appropriate to their position, responsibilities and performance within the Group and aligned with market.

Remuneration levels are considered annually through a remuneration review that considers market data, insights into remuneration trends, the performance of the Group and individual, and the broader economic environment.

iii. Detail of incentive plans

a) KMP

The CEO and CFO have maximum STI excluding discretionary bonuses of 50% of their fixed remuneration if they achieve 110% of their stretch targets. Lower percentages (40% and 10%) are payable if 100% or 95%, of the target, respectively are achieved.

Both the CEO and CFO have the achievement of Group EBITDA before significant items, as a financial performance measure as part of their STI plans. Group EBITDA before significant items is a key driver of the financial performance of the Company, and can be reliably measured from the year end audited statutory accounts. The CEO and CFO also have a number of non-financial measures, as disclosed under Executive KMP contracts in section 5.

On an annual basis, after consideration of performance against KPI's, the Committee, in line with its responsibilities, approves the amount, if any, of the STI including discretionary bonuses to be paid to the CEO and the CFO. The Committee will seek recommendations from the CEO as appropriate when approving the STI of the CFO.

Directors' Report

The CEO and CFO were paid a retention award on 1 July 2015 for remaining employed until 30 June 2015. These awards reflect the need to retain the existing executive KMP in the years immediately following the IPO, to ensure stability and manage the transition to a public company environment. Full details have been disclosed under Executive KMP contracts in section 5.

The NEDs do not have any incentive component as part of their remuneration arrangements.

b) Senior Executives & Managers

The Group STI program for Senior Executives & Managers rewards a cash bonus of up to 40% of their annual base salary for the achievement of clearly defined targets. The Committee, in line with its responsibilities, approves the amount, if any, of the STI's to be paid to Senior Executives & Managers, seeking recommendations from the CEO as appropriate.

Senior "Operational" Executives & Managers with direct profit and loss accountability are rewarded for their achievement of EBITDA targets, and other non-financial measures delivered for the operations for which they are responsible.

Senior "Functional" Executives & Managers whom do not have direct profit and loss responsibility are rewarded for the achievement of both Group EBITDA before significant items performance and other non-financial targets relevant to their functional areas of responsibility.

Examples of some of the non-financial components include:

- Improved workplace health & safety performance;
- Improved environmental performance;
- Implementation of Group performance improvement programs;
- Implementation of significant capital expenditure programs;
- Successful implementation of business reorganization programs; and
- Successful integration of acquired businesses.

The STI program is predominantly focused towards the achievement of EBITDA targets at all levels of the organisation. However the STI program also provides for Senior Executives & Managers to be assessed on achievement of various non-financial measures. To the extent bonuses are earned at the relevant measurement period, 50% of any bonus entitlement is withheld and only paid after year-end conditional on achievement of full year targets, and remaining employed by the Group, unless otherwise agreed.

4. Executive remuneration outcomes for FY2015 (including linkage to performance)

i. Performance against targets - Executive KMP and Senior Executives & Managers

The table below outlines the Group's EBITDA performance for the year ended 30 June 2015, with the 30 June 2014 comparatives also shown. Historical information starts during the year ended 30 June 2014, as the Group only existed in its current structure following the IPO during that financial year.

The table below also illustrates the performance outcome against the EBITDA target for Executive KMP and Senior Executives & Managers.

Performance measure	Target applicable to	Year	Actual ($m)	% Achieved
EBITDA before significant items	Group	2015	208.7	101%
EBITDA before significant items	Group	2014	198.2	101%

ii. STI Outcomes – Executive KMP

The table below outlines the STI outcomes for Executive KMP for FY15.

Executive KMP	Proportion of maximum STI earned in FY15	Proportion of maximum STI forfeited in FY15
Mr Brian Cridland (CEO)	72%	28%
Mr Darren Brown (CFO)	70%	30%

Directors' Report

Table 1: Executive KMP remuneration for the year ended 30 June 2015

Executive	Year	Short term benefits				Post-employment benefits	Long term benefits	
		Salary & fees $	Cash bonus $	Non-monetary benefits (1) $	Other Benefits (2) $	Superannuation $	Long Service Leave $	Total $
CEO	2015	934,473	836,410 (3)	42,318	(10,854)	88,775	(7,631)	1,883,491
Mr Brian Cridland	2014	911,681	1,931,271 (3)(4)	41,780	1,256	84,330	23,957	2,994,275
CFO	2015	494,267	674,006 (3)	11,650	10,772	35,000	14,200	1,239,895
Mr Darren Brown	2014	475,195	1,244,624 (3)(4)	19,790	27,145	39,984	10,221	1,816,959
Total Executive	2015	1,428,740	1,510,416	53,968	(82)	123,775	6,569	3,123,386
KMP remuneration	2014	1,386,876	3,175,895	61,570	28,401	124,314	34,178	4,811,234

(1) Non-monetary benefits includes motor vehicle lease payments made by the Company on behalf of Mr Cridland, and FBT payments made by the Company on behalf of Mr Cridland and Mr Brown.

(2) Other benefits include the movement in the annual leave provision for the period for Mr Cridland and Mr Brown, and a car allowance of $35,040 paid to Mr Brown.

(3) Both Mr Cridland and Mr Brown were paid a retention award of $500,000 for the current year for remaining employed until 30 June 2015 (see section 5). In the prior year Mr Cridland was paid a sign on bonus of $500,000 within five days of him signing the employment agreement, a one off discretionary bonus of $500,000 on 31 December 2013 in relation to the successful IPO of the Company, and a retention award on 30 June 2014 of $500,000 for remaining employed to 30 June 2014. In the prior year Mr Brown was paid a one off discretionary bonus of $500,000 on 31 December 2013 in relation to the successful IPO of the Company, and a retention award on 30 June 2014 of $500,000 for remaining employed to 30 June 2014.

(4) In the prior year, in addition to the contracted amounts identified above the CEO and CFO were paid discretionary bonuses of $66,600 and $56,000 respectively in relation to performance on other measures and projects.

5. Executive KMP contracts

Remuneration arrangements for Executive KMP are formalised in employment agreements.

The following outlines the key details of contracts relating to Executive KMP:

i. Chief Executive Officer (CEO)

The CEO, Mr Brian Cridland, is employed under an agreement which is fixed for two years and will automatically terminate on 10 October 2015 unless, the Company in its sole discretion and on one month's notice extends the term by an additional year. As such there is no notice period for termination prior to the expiry of the term. Under the terms of his present contract, Mr Cridland's remuneration package contains the following components:

- The CEO receives fixed remuneration of $1,023,248 per annum including base salary of $934,473.
- The CEO is entitled to an incentive of up to 50% of his base salary if he achieves 110% of the target levels. Lower percentages (40% and 10%) are payable if 100% or 95%, of the target, respectively are achieved.
- The CEO has a financial performance measure based on the achievement of Group EBITDA before significant items. The CEO also has a number of non-financial performance measures, including but not limited to the successful integration of acquired businesses, executing and delivering on business strategy, providing leadership to the business, working capital management and improved workplace health & safety performance.
- The CEO was paid a retention award of $500,000 on 1 July 2015 for remaining employed to 30 June 2015.
- In the event a redundancy occurs, the CEO is entitled to receive a redundancy payment of 3 weeks for every year of service which is capped at 52 weeks. If the CEO is terminated without cause he is entitled to receive a payment equivalent to what he would have received if the agreement had not been terminated. The Company is not required to make any payment of a benefit which is not permitted by Part 2D.2, Division 2 or Chapter 2E of the *Corporations Act* in the absence of shareholder approval or the ASX Listing Rules. The Company must use its reasonable endeavours to try and obtain shareholder approval, if required.

Directors' Report

ii. Chief Financial Officer (CFO)

Mr Darren Brown, is employed as CFO under an agreement which is fixed for two years and will automatically terminate on 16 October 2015. As part of an announcement to the ASX on 15 April 2015, it was advised Mr Brown ceased as CFO on 1 July, 2015 and will continue to support the business and its new CFO until the expiry of his contract on 16 October 2015.

Under the terms of his contract:

- Darren Brown receives fixed remuneration of $564,307 per annum, including base salary of $494,267.
- Darren Brown is entitled to an incentive of up to 50% of his base salary if he achieves 110% of the target levels based on the achievement of the Group EBITDA before significant items. Lower percentages (40% and 10%) are payable if 100% of, or 95% of, the target, respectively are achieved.
- Darren Brown was paid a retention award of $500,000 on 1 July 2015 for remaining employed to 30 June 2015.
- In the event a redundancy occurs, Darren Brown is entitled to receive a redundancy payment of 3 weeks for every year of service which is capped at 60 weeks. If he is terminated without cause he is entitled to receive a payment equivalent to what he would have received if the agreement had not been terminated. The Company is not required to make any payment of benefit which is not permitted by Part 2D.2, Division 2 or Chapter 2E of the *Corporations Act* in the absence of shareholder approval or the ASX Listing Rules. The Company must use its reasonable endeavours to try and obtain shareholder approval, if required.

6. Non-Executive Directors' remuneration arrangements

i. Remuneration policy

The Committee seeks to set aggregate remuneration at a level that provides the Company with the ability to attract and retain directors of the highest calibre, whilst incurring a cost that is acceptable to shareholders.

The amount of aggregate remuneration sought to be approved by shareholders and the fee structure is reviewed annually against fees paid to NEDs of comparable companies (typically S&P ASX 200 listed companies with market capitalisation of 50% to 200% of the Company, as well as similar sized industry comparators).

The Company's Constitution and the ASX Listing Rules specify that the NED fee pool shall be determined from time to time by a general meeting. As disclosed in the Directors' Report for the year ending 30 June 2014, the total amount paid to NEDs must not exceed a fixed sum of $1,000,000 per financial year in aggregate. Raphael Geminder does not receive a fee for his position as Chairman and a NED of the Company.

ii. Structure

The remuneration of NEDs consists of directors' fees and committee fees. The payment of additional fees for serving on a committee or being the Chair of a committee recognises the additional time commitment required by NEDs who serve on committees.

The table below summarises the NED fees for FY15, which remains unchanged from FY14:

Responsibility	Fees $
Board fees	
Directors	110,000
Audit, Business Risk & Compliance Committee	
Chair	30,000
Member	7,500
Nomination & Remuneration Committee	
Chair	20,000
Member	7,500

All NED fees are inclusive of 9.5% of superannuation. NEDs do not participate in any incentive programs.

The remuneration of NEDs for the year ended 30 June 2015 is detailed in the following table.

Directors' Report

		Short-term benefits	Post-employment benefits	
		Fees	Superannuation	Total
		$	$	$
Ms Lyndsey Cattermole	**2015**	**114,155**	**10,845**	**125,000**
	2014	68,023	6,292	74,315
Mr Raphael Geminder	**2015**	**-**	**-**	**-**
	2014	-	-	-
Mr Tony Hodgson	**2015**	**127,854**	**12,146**	**140,000**
	2014	76,186	7,047	83,233
Mr Jonathan Ling	**2015**	**107,306**	**10,194**	**117,500**
	2014	18,858	1,744	20,602
Mr Peter Margin	**2015**	**125,570**	**11,930**	**137,500**
	2014	74,825	6,921	81,746
Total Non-executive KMP remuneration	**2015**	**474,885**	**45,115**	**520,000**
	2014	237,892	22,004	259,896

7. Equity holdings of KMP

The following table shows the respective shareholdings of KMP (directly and indirectly) and any movements during the year ended 30 June 2015.

KMP	Balance 1 July 2014	Movements	Balance 30 June 2015
Raphael Geminder	117,036,546	-	117,036,546
Lyndsey Cattermole	78,948	-	78,948
Tony Hodgson	50,000	-	50,000
Peter Margin	7,894	-	7,894
Jonathan Ling(1)	-	2,365	2,365
Brian Cridland	50,000	-	50,000
Darren Brown(1)	39,474	(31,579)	7,895

(1) During the current financial year Jonathan Ling acquired 2,365 shares in the Company. Darren Brown disposed of 31,579 shares held indirectly in the Company during the current financial year.

8. Related party transactions

The Group leased 16 properties (13 in Australia and 3 in New Zealand) from Centralbridge Pty Ltd (as trustee for the Centralbridge Unit Trust), Centralbridge Two Pty Ltd, Centralbridge (NZ) Limited and Albury Property Holdings Pty Ltd ("Centralbridge Entities"), which are each controlled by entities associated with Raphael Geminder (the Non-Executive Chairman of Pact) and are therefore related parties of the Group ("Centralbridge Leases"). The aggregate annual rent payable by Pact under the Centralbridge Leases for the twelve months ended 30 June 2015 was $6.6m. The rent payable under these leases was determined based on independent valuations and market conditions at the time the leases were entered into.

Of the Centralbridge Leases in Australia:

- seven of the leases contain early termination rights in favour of the landlord to terminate the lease at the expiry of the 6th and 9th term;
- two of the leases contain early termination rights in favour of the landlord to terminate the lease at the expiry of the 8th term;
- two of the leases do not contain standard default provisions which give the landlord the right to terminate the lease in the event of default.

Except as set out above, the Centralbridge Leases in Australia are on arm's length terms.

Of the Centralbridge Leases in New Zealand, three of the leases contain early termination rights in favour of the landlord to terminate the lease at the expiry of the 6th and 9th term. With the exception of the early termination rights, the Centralbridge Leases in New Zealand are on terms which are not uncommon for leases of commercial premises.

All other related party transactions are on arm's length terms, refer Note 24 of the Consolidated Financial Report for further details.

Directors' Report

16. Auditor's Independence Declaration

A copy of the auditor's independence declaration as required under section 307C of the *Corporations Act 2001* is set out at page 54.

17. Rounding

The amounts contained in this report and in the financial report have been rounded to the nearest $1,000 (unless otherwise stated) under the option available to the Company under ASIC Class Order 98/0100. The Company is an entity to which the class order applies.

Signed in accordance with a resolution of the Board of Directors:

Raphael Geminder
Chairman

Brian Cridland
Managing Director and Chief Executive Officer

26 August 2015

Building a better working world

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Auditor's Independence Declaration to the Directors of Pact Group Holdings Ltd

In relation to our audit of the financial report of Pact Group Holdings Ltd for the financial year ended 30 June 2015, to the best of my knowledge and belief, there have been no contraventions of the auditor independence requirements of the *Corporations Act 2001* or any applicable code of professional conduct.

Ernst & Young

Ernst & Young

Tim Wallace
Partner

26 August 2015

FINANCIAL STATEMENTS

Consolidated Statement of Comprehensive Income

For the year ended 30 June 2015

	Notes	2015 $'000's	2014 $'000's
Sales revenue	3 (a)	1,249,153	1,143,219
Raw materials and consumables used		(534,522)	(474,694)
Employee benefits expense	3 (b)	(291,137)	(287,752)
Occupancy, repair and maintenance, administration and selling expenses		(218,776)	(193,687)
Interest and other income	3 (a)	3,978	16,797
Other gains / (losses)	3 (c)	(24,879)	(26,716)
Depreciation and amortisation expense	3 (b)	(56,249)	(51,199)
Finance costs	3 (b)	(33,096)	(73,202)
Share of profit in associates	10	1,376	1,351
Profit before income tax expense		95,848	54,117
Income tax (expense) / benefit	4	(28,157)	3,680
Net Profit for the year		67,691	57,797
Net Profit attributable to non-controlling interests		(59)	(108)
Net Profit attributable to equity holders of the parent entity	17	67,632	57,689

Other comprehensive income			
Items that will be reclassified subsequently to profit or loss			
Cash flow hedges losses taken to equity		(1,657)	(2,280)
Foreign currency translation gains		7,036	4,625
Income tax on items in other comprehensive income		497	686
Other comprehensive income for the year, net of tax		5,876	3,031
Total comprehensive income for the year		73,567	60,828

Attributable to:			
Equity holders of the parent entity		73,508	60,720
Non-controlling interests		59	108
Total comprehensive income for the Group		73,567	60,828

Earnings per share		$	$
Basic & diluted earnings per share	29	0.23	0.35

The Consolidated Statement of Comprehensive Income should be read in conjunction with the accompanying notes.

Consolidated Statement of Financial Position

As at 30 June 2015

	Notes	2015 $'000's	2014 $'000's
Current assets			
Cash and cash equivalents	5	32,612	24,227
Trade and other receivables	6	93,685	150,348
Inventories	7	117,492	115,211
Other current financial assets	23	1,657	403
Prepayments	8	7,763	7,844
Total current assets		253,209	298,033
Non-current assets			
Prepayments	8	935	1,274
Property, plant and equipment	9	541,473	545,604
Investments in associates and joint ventures	10	14,639	4,087
Intangible assets and goodwill	11	340,069	327,127
Deferred tax assets	4	26,778	27,944
Total non-current assets		923,894	906,036
Total assets		1,177,103	1,204,069
Current liabilities			
Trade and other payables	12	267,532	203,734
Interest-bearing loans and borrowings	14	-	975
Provisions	13	38,139	41,119
Other current financial liabilities	23	187	1,342
Total current liabilities		305,858	247,170
Non-current liabilities			
Provisions	13	28,504	26,201
Interest-bearing loans and borrowings	14	472,900	588,595
Other non-current financial liabilities	23	3,327	-
Deferred tax liabilities	4	39,645	34,818
Total non-current liabilities		544,376	649,614
Total liabilities		850,234	896,784
Net assets		326,869	307,285
Equity			
Contributed equity	15	1,491,497	1,489,597
Reserves	16	(909,781)	(915,657)
Retained earnings	17	(255,157)	(266,906)
Parent entity interest		326,559	307,034
Non-controlling interests		310	251
Total equity		326,869	307,285

The Consolidated Statement of Financial Position should be read in conjunction with the accompanying notes.

Consolidated Statement of Changes in Equity

For the year ended 30 June 2015

	Attributable to equity holders of the Parent entity							
	Contributed equity	Common control reserve	Cash flow hedge reserve	Foreign currency translation reserve	Retained earnings(1)	Total	Non-controlling interest	Total equity
	$'000's	$'000's	$'000's	$'000's	$'000's	$'000's	$'000's	$'000's
Year ended 30 June 2015								
As at 1 July 2014	1,489,597	(928,385)	(630)	13,358	(266,906)	307,034	251	307,285
Profit / (Loss) for the year	-	-	-	-	67,632	67,632	59	67,691
Other comprehensive income / (loss)	-	-	(1,160)	7,036	-	5,876	-	5,876
Total comprehensive income	-	-	(1,160)	7,036	67,632	73,508	59	73,567
Shares issued as consideration for business acquisitions	1,900	-	-	-	-	1,900	-	1,900
Dividends paid	-	-	-	-	(55,883)	(55,883)	-	(55,883)
Transaction with owners in their capacity as owners	1,900	-	-	-	(55,883)	(53,983)	-	(53,983)
As at 30 June 2015	1,491,497	(928,385)	(1,790)	20,394	(255,157)	326,559	310	326,869
Year ended 30 June 2014								
As at 1 July 2013	180,000	(942,000)	964	8,733	(324,595)	(1,076,898)	143	(1,076,755)
Profit / (Loss) for the year	-	-	-	-	57,689	57,689	108	57,797
Other comprehensive income / (loss)	-	-	(1,594)	4,625	-	3,031	-	3,031
Total comprehensive income	-	-	(1,594)	4,625	57,689	60,720	108	60,828
Issuance of share capital	1,327,643	-	-	-	-	1,327,643	-	1,327,643
Transaction costs taken to equity	(25,285)	-	-	-	-	(25,285)	-	(25,285)
Tax benefit on transaction costs	7,239	-	-	-	-	7,239	-	7,239
Acquisitions under common control	-	13,615	-	-	-	13,615	-	13,615
Transaction with owners in their capacity as owners	1,309,597	13,615	-	-	-	1,323,212	-	1,323,212
As at 30 June 2014	1,489,597	(928,385)	(630)	13,358	(266,906)	307,034	251	307,285

(1) Includes the profits reserve of the parent entity

The above Consolidated Statement of Changes in Equity should be read in conjunction with the accompanying notes.

Consolidated Statement of Cash Flows

For the year ended 30 June 2015

	Notes	2015 $'000's	2014 $'000's
Cash flows from operating activities			
Receipts from customers		**1,417,715**	1,286,318
Payments to suppliers and employees		**(1,212,801)**	(1,109,717)
Income tax paid		**(18,797)**	(22,023)
Interest received		**62**	1,088
Proceeds from securitisation of trade debtors		**96,855**	-
Borrowing, trade debtor securitisation and other finance costs paid		**(32,627)**	(65,953)
Net cash flows from operating activities	20	250,407	89,713
Cash flows from investing activities			
Payments for property, plant and equipment		**(43,350)**	(36,397)
Proceeds on sale of property, plant and equipment		**243**	1,555
Dividends received		**407**	1,125
Purchase of businesses and subsidiaries	21	**(34,898)**	(47,617)
Net cash flows used in investing activities		(77,598)	(81,334)
Cash flows from financing activities			
Proceeds from borrowings		**176,537**	674,752
Repayment of borrowings		**(285,512)**	(1,007,564)
Repayment of promissory note		**-**	(549,407)
Proceeds from IPO		**-**	648,800
Issuance of shares		**-**	255,000
IPO transaction costs		**-**	(24,204)
Swap break cost		**-**	(6,407)
Payment of dividend		**(55,883)**	-
Net cash flows used in financing activities		(164,858)	(9,030)
Net increase/(decrease) in cash and cash equivalents		**7,951**	(651)
Cash and cash equivalents at the beginning of the year		**24,227**	22,629
Effect of exchange rate changes on cash and cash equivalents		**434**	2,249
Cash and cash equivalents at the end of the year	5	32,612	24,227

The Consolidated Statement of Cash Flows should be read in conjunction with the accompanying notes.

Notes to the Full Year Consolidated Financial Report

For the year ended 30 June 2015

Note 1: Corporate Information

Pact Group Holdings Ltd ("Pact" or the "Company") is a for-profit company limited by shares, incorporated and domiciled in Australia, whose shares are publicly traded. This Consolidated Financial Report includes the financial statements of the Company and the entities it controlled at the end of, or during the year ended 30 June 2015 (the "Group"), and was issued in accordance with a resolution of the Directors on 26 August 2015. The parent of the Group is Pact Group Holdings Ltd.

Pact's primary activities relate to the conversion of plastic resin and steel into rigid plastics and metals packaging and related products for customers in the food, dairy, beverage, personal care, other household consumables, chemicals, agricultural, industrial and other sectors.

Pact also provides a range of sustainability, recycling and environmental services to assist its customers in reducing the environmental impact of their product packaging and related processes.

The Company's registered office is at Level 1, Building 6, 650 Church Street, Richmond, Victoria, Australia.

Note 2: Summary of significant accounting policies

(a) Basis of preparation

The Consolidated Financial Report is a general purpose financial report, which has been prepared in accordance with the requirements of the *Corporations Act 2001*, Australian Accounting Standards and other authoritative pronouncements of the Australian Accounting Standards Board. The Consolidated Financial Report has also been prepared on a historical cost basis, except for derivative financial instruments which have been measured at fair value, refer Note 2 (u).

The consolidated entity is of a kind referred to in ASIC Class Order 98/0100 dated 10 July 1998 and in accordance with that Class Order, amounts in the Consolidated Financial Report have been rounded off to the nearest $1,000, unless otherwise specifically stated.

The Group is in a net current asset deficiency of $52.6m at balance date, however it has $293.1m of unused loan facility. The Directors have assessed that due to the Group's access to undrawn facilities and forecast positive cash flows into the future they will be able to pay their debts as and when they fall due, and therefore it is appropriate the financial statements are prepared on a going concern basis.

(b) Statement of compliance

The Consolidated Financial Report also complies with Australian Accounting Standards and International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board.

(c) New Accounting Standards and Interpretations

Australian Accounting Standards and Interpretations that have recently been issued or amended are outlined below, of which some of these amendments apply for the year ended 30 June 2015. The Group has assessed whether there is a material impact on the Consolidated Financial Report for the year, and also whether there is a requirement to restate prior year comparatives. The outcomes of this assessment are described below.

▸ Accounting Standards and Interpretations which have been issued and are effective

AASB 2012-3: ***Amendments to Australian Accounting Standards - Offsetting Financial Assets and Financial Liabilities*** - AASB 2012-3 adds application guidance to AASB 132: *Financial Instruments: Presentation* to address inconsistencies identified in applying some of the offsetting criteria of AASB 132, including clarifying the meaning of "currently has a legally enforceable right of set-off" and that some gross settlement systems may be considered equivalent to net settlement.

The application date of the standard was 1 January 2014 and was applied by the Group for the financial year commencing 1 July 2014. These amendments did not have a material impact on the Group.

AASB 1031: ***Materiality*** - The revised AASB 1031 is an interim standard that cross-references to other Standards and the framework (issued December 2013) that contain guidance on materiality. AASB 1031 will be withdrawn when references to AASB 1031 in all Standards and Interpretations have been removed.

Notes to the Full Year Consolidated Financial Report

For the year ended 30 June 2015

Note 2: Summary of significant accounting policies (continued)

AASB 2014-1 Part C issued in June 2014 makes amendments to eight Australian Accounting Standards to delete their references to AASB 1031. The amendments are effective from 1 July 2014.

The application date of the standard was 1 January 2014 and was applied by the Group for the financial year commencing 1 July 2014. These amendments did not have a material impact on the Group.

AASB 2013-9: *Amendments to Australian Accounting Standards – Conceptual Framework, Materiality and Financial Instruments* -The Standard contains three main parts and makes amendments to a number of Standards and Interpretations.

Part A of AASB 2013-9 makes consequential amendments arising from the issuance of AASB CF 2013-1.

Part B makes amendments to particular Australian Accounting Standards to delete references to AASB 1031 and also makes minor editorial amendments to various other standards.

Part C makes amendments to a number of Australian Accounting Standards, including incorporating Chapter 6 *Hedge Accounting* into AASB 9: *Financial Instruments*.

The application dates of AASB 2013-9 are as follows:

- Part A - periods ending on or after 20 December 2013.
- Part B - periods beginning on or after 1 January 2014.
- Part C - reporting periods beginning on or after 1 January 2015.

These amendments are not expected to have a material impact on the Group.

▶ Accounting Standards and Interpretations which have been issued but not yet effective

The following standards, interpretations and amendments below have been identified as those which may impact the Group in the period of initial application. They have been issued but are not yet effective and have not been early adopted by the Group as at 30 June 2015.

AASB 9: *Financial Instruments* - On 17 December 2014 the AASB issued the final version of AASB 9 and includes a logical model for classification and measurement, a single, forward-looking 'expected loss' impairment model and a substantially-reformed approach to hedge accounting. AASB 9 is effective for annual periods beginning on or after 1 January 2018. However, the Standard is available for early application. The own credit changes can be early applied in isolation without otherwise changing the accounting for financial instruments.

The final version of AASB 9 introduced a new expected-loss impairment model that requires a more timely recognition of expected credit losses. Specifically, the new Standard requires entities to account for expected credit losses from when financial instruments are first recognised and to recognise full lifetime expected losses on a more timely basis. It also includes the new hedge accounting requirements, including changes to hedge effectiveness testing, treatment of hedging costs, risk components that can be hedged and disclosures.

AASB 9 includes requirements for a simplified approach for classification and measurement of financial assets compared with the requirements of AASB 139.

The main changes are described below:

- Financial assets that are debt instruments will be classified based on (1) the objective of the entity's business model for managing the financial assets; (2) the characteristics of the contractual cash flows.
- Allows an irrevocable election on initial recognition to present gains and losses on investments in equity instruments that are not held for trading in other comprehensive income. Dividends in respect of these investments that are a return on investment can be recognised in the Consolidated Statement of Comprehensive Income and there is no impairment or recycling on disposal of the instrument.
- Financial assets can be designated and measured at fair value through the Consolidated Statement of Comprehensive Income at initial recognition if doing so eliminates or significantly reduces a measurement or recognition inconsistency that would arise from measuring assets or liabilities, or recognising the gains and losses on them, on different bases.
- Where the fair value option is used for financial liabilities the change in fair value is to be accounted for as follows:
  - The change attributable to changes in credit risk are presented in other comprehensive income (OCI).
  - The remaining change is presented in the Consolidated Statement of Comprehensive Income. AASB 9 also removes the volatility in the Consolidated Statement of Comprehensive Income that was caused by changes in the credit risk of liabilities elected to be measured at fair value. This change in accounting means that gains caused by the deterioration of an entity's own credit risk on such liabilities are no longer recognised in the Consolidated Statement of Comprehensive Income.

Notes to the Full Year Consolidated Financial Report

For the year ended 30 June 2015

Note 2: Summary of significant accounting policies (continued)

When applicable, these amendments are not expected to have a material impact on the Group.

AASB 2015-2: *Amendments to Australian Accounting Standards – Disclosure Initiative: Amendments to AASB 101* - This standard makes amendments to AASB 101: *Presentation of Financial Statements* arising from the IASB's Disclosure Initiative project. The amendments are designed to further encourage companies to apply professional judgement in determining what information to disclose. For example, the amendments make clear that materiality applies to the whole of financial statements and that the inclusion of immaterial information can inhibit the usefulness of financial disclosures. The amendments also clarify that companies should use professional judgement in determining where and in what order information is presented in the financial disclosures.

AASB 15: *Revenue from Contracts with Customers* - In May 2014, the IASB issued IFRS 15: *Revenue from Contracts with Customers*, which replaces IAS 11: *Construction Contracts*, IAS 18: *Revenue* and related Interpretations (IFRIC 13: *Customer Loyalty Programmes*, IFRIC 15: *Agreements for the Construction of Real Estate*, IFRIC 18: *Transfers of Assets from Customers* and SIC-31: *Revenue—Barter Transactions Involving Advertising Services*).

The core principle of IFRS 15 is that an entity recognises revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. An entity recognises revenue in accordance with that core principle by applying the following steps:

Step 1: Identify the contract(s) with a customer
Step 2: Identify the performance obligations in the contract
Step 3: Determine the transaction price
Step 4: Allocate the transaction price to the performance obligations in the contract
Step 5: Recognise revenue when (or as) the entity satisfies a performance obligation

Early application of this standard is permitted. The International Accounting Standards Board (IASB) has amended IFRS 15, with the application date of the standard extended from 1 January 2017 to 1 January 2018 and will be applied by the Group commencing 1 July 2018. Management is assessing the impact of IFRS 15.

(d) Basis of consolidation

The Consolidated Financial Report comprise the financial statements of Pact Group Holdings Ltd and its controlled entities as specified in Note 25. Interests in associates are equity accounted (refer Note 2 (y) below).

Control is achieved when the Group is exposed, or has the rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if and only if the Group has: power over the investee (ie existing rights that give it the current ability to direct the relevant activities of the investee); exposure, or rights, to variable returns from its involvement with the investee; and the ability to use its power over the investee to affect its returns.

The financial reports of the subsidiaries are prepared for the same reporting period as the parent company, using consistent accounting policies. In preparing the Consolidated Financial Report, all intercompany balances, transactions, income and expenses and profit and losses resulting from intra-group transactions have been eliminated in full.

Controlled entities are fully consolidated from the date on which control is obtained by the Group and cease to be consolidated from the date on which control is transferred out of the Group.

(e) Business combinations

The acquisition method of accounting is used to account for all business combinations regardless of whether equity instruments or other assets are acquired. Cost is measured as the fair value of the assets given, shares issued or liabilities incurred or assumed at the date of exchange. Acquisition related costs are expensed as incurred. Where equity instruments are issued in a business combination, the fair value of the instruments is their published market price as at the date of exchange. Transaction costs arising on the issue of equity instruments are recognised directly in equity.

Notes to the Full Year Consolidated Financial Report

For the year ended 30 June 2015

Note 2: Summary of significant accounting policies (continued)

The cost of an acquisition is measured as the aggregate of the consideration transferred, measured at acquisition date fair value and the amount of any non-controlling interest in the acquiree. For each business combination, the Group elects whether it measures the non-controlling interest in the acquiree either at fair value or at the proportionate share of the acquirees identifiable net assets. However, acquisitions occurring while under common control are accounted at the carrying amount of assets and liabilities of the acquiree immediately before control over the acquiree is obtained. Any difference between the fair value of consideration paid and the fair value net identifiable assets acquired is recognised in reserves.

Except for non-current assets or disposal groups classified as held for sale (which are measured at fair value less costs to sell), all identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. The excess of the cost of the business combination over the net fair value of the Group's share of the identifiable net assets acquired is recognised as goodwill. If the cost of acquisition is less than the Group's share of the net fair value of the identifiable net assets of the subsidiary, the difference is recognised as a gain in profit or loss on the acquisition date, but only after a reassessment of the identification and measurement of the net assets acquired. Where settlement of any part of the consideration is deferred, the amounts payable in the future are discounted to their present value. The discount rate used is the entity's incremental borrowing rate, being the rate at which a similar borrowing could be obtained from an independent financier under comparable terms and conditions.

(f) Significant accounting judgements, estimates and assumptions

Management has identified the following critical accounting policies for which significant judgements, estimates and assumptions are made. Actual results may differ from these estimates under different assumptions and conditions and may materially affect financial results or the financial position reported in future periods. Further details of the nature of these assumptions and conditions may be found in the relevant notes to the Consolidated Financial Report.

▶ Significant accounting judgements

In the process of applying the Group's accounting policies, Management has made the following judgements, apart from those involving estimations, which have the most significant effect on the amounts recognised in the notes to the Consolidated Financial Report:

i) Taxation

The Group is subject to income taxes in Australia and foreign jurisdictions and as a result significant judgement is required in determining the Group's provision for income tax. Deferred tax assets, including those arising from un-recouped tax losses, capital losses and temporary differences, are recognised only where it is considered more likely than not that they will be recovered, based upon the timing and generation of sufficient future taxable profits.

Assumptions about the generation of future taxable profits and repatriation of retained earnings depend on management's estimates of future cash flows. These depend on estimates of future production and sales volumes, operating costs, capital expenditure, dividends and other capital management transactions. Judgements are also required about the application of income tax legislation. These judgements and assumptions are subject to risk and uncertainty, hence there is a possibility that changes in circumstances will alter expectations, which may impact the amount of deferred tax assets and deferred tax liabilities recognised on the Consolidated Statement of Financial Position and the amount of other tax losses and temporary differences not yet recognised. In such circumstances, some or all of the carrying amounts of recognised deferred tax assets and liabilities may require adjustment, resulting in a corresponding credit or charge to the Consolidated Statement of Comprehensive Income, or other comprehensive income.

ii) Impairment of non-financial assets other than goodwill

The Group assesses impairment of all assets at each reporting date by evaluating conditions specific to the Group and to the particular asset that may lead to impairment. These include product and manufacturing performance, technology, social, economic and political environments and future product expectations. If an impairment trigger exists the recoverable amount of the asset is assessed.

Notes to the Full Year Consolidated Financial Report

For the year ended 30 June 2015

Note 2: Summary of significant accounting policies (continued)

iii) Impairment of net investment in associates

The Group applies AASB 139: *Financial Instruments: Recognition and Measurement* to determine whether there is an indicator that the Group's net investment in associates is impaired, after first applying equity accounting in accordance with AASB 128: *Investments in Associates*. The Group must apply judgement to determine whether there is objective evidence that one or more events have had an impact on the estimated future cash flows of its associates.

▸ Significant accounting estimates and assumptions

The carrying amounts of certain assets and liabilities are often determined based on estimates and assumptions of future events. The key estimates and assumptions which have a significant risk of causing a material adjustment to the carrying amounts of certain assets and liabilities within the next annual reporting period are:

i) Impairment of goodwill

The Group determines whether goodwill is impaired at least on an annual basis. This requires an estimation of the recoverable amount of cash-generating units, using a value in use discounted cash flow methodology, to which the goodwill is allocated. The assumptions used in this estimation of recoverable amount and the carrying amount of goodwill is discussed in Note 2 (m).

ii) Make good provision on leased premises

A provision has been made for the present value of anticipated costs of future restoration of leased premises. The provision includes future cost estimates associated with dismantling, closure and decontamination. The calculation of this provision requires assumptions such as contractual obligations, application of environmental legislation, plant closure dates, available technologies and engineering cost estimates. These uncertainties may result in future actual expenditure differing from the amounts currently provided. The provision recognised for each site is periodically reviewed and updated based on the facts and circumstances available at the time. Changes to the estimated future costs for site exits are recognised in the Consolidated Statement of Financial Position by adjusting both the expense and provision. The related carrying amounts are disclosed in Note 13.

iii) Estimation of useful lives of assets

The estimation of the useful lives of assets has been based on historical experience and lease terms (for assets under finance leases). In addition, the condition of the assets is assessed at least once per year and considered against the remaining useful life. Adjustments to useful lives are made when considered necessary. Depreciation charges are included in Notes 3 and 9.

iv) Business reorganisation

Business reorganisation provisions are only recognised when a detailed plan has been approved and the business reorganisation has either commenced or been publicly announced, or contracts relating to the business reorganisation have been entered into. Costs related to ongoing activities are not provided for.

v) Business combinations

The Consolidated Financial Report includes the information and results of each controlled entity from the date on which the Group obtains control until such time as the Group ceases to control such entity (refer Note 2 (e)).

The determination as to the existence of control or significant influence over an entity necessarily requires management judgement to assess when the Group is exposed, or has the rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. In making such an assessment, a range of factors are considered including if and only if the Group has: power over the investee (ie existing rights that give it the current ability to direct the relevant activities of the investee); exposure, or rights, to variable returns from its involvement with the investee; and the ability to use its power over the investee to affect its returns.

A business acquisition also requires judgement with respect to the determination of the fair value of purchase consideration given and the fair value of identifiable net assets and liabilities acquired. Many of these assets and liabilities either given up or acquired are not normally traded in active markets, and thus management judgement is required in determining the fair values. Management judgement is also required in ascertaining the assets and liabilities which should be recognised, in particular with respect to intangible assets such as brand names, customer relationships, patents and trademarks and contingent liabilities.

Notes to the Full Year Consolidated Financial Report

For the year ended 30 June 2015

Note 2: Summary of significant accounting policies (continued)

(g) Revenue and other income

Revenue is recognised and measured at the fair value of the consideration received or receivable to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognised:

(i) Sale of goods

Revenue from the sale of goods is recognised when there has been a transfer of risks and rewards to the customer (through the execution of a sales agreement at the time of delivery of the goods to the customer), no further work or processing is required, the quantity and quality of the goods has been determined, the price is determined and generally title has passed.

(ii) Interest income

Income is recognised as interest accrues using the effective interest method. This is a method of calculating the amortised cost of a financial asset and allocating the interest income over the relevant period using the effective interest rate, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

(iii) Dividend income

Income is recognised when the Group's right to receive the payment is established.

(h) Finance costs

Finance costs are recognised as an expense when incurred. Finance costs associated with qualifying assets are capitalised. Borrowing costs which are directly attributable to the acquisition of, or production of, a qualifying asset are capitalised as part of the cost of that asset using the weighted average cost of borrowings.

(i) Leases

The determination of whether an arrangement is or contains a lease is based on the substance of the arrangement and requires an assessment of whether the fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset.

(i) Finance leases

Finance leases, which transfer to the Group substantially all the risks and benefits incidental to ownership of the leased item, are capitalised at the inception of the lease at the fair value of the leased property or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between the finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognised as an expense in the Consolidated Statement of Comprehensive Income.

(ii) Capitalised leased assets

Capitalised leased assets are depreciated over the shorter of the estimated useful life of the asset and the lease term if there is no reasonable certainty that the Group will obtain ownership by the end of the lease term.

(iii) Operating lease commitments

The Group has entered into commercial property, office equipment and motor vehicles leases. The entity has determined that it does not obtain all the significant risks and rewards of the properties, office equipment and motor vehicles and has thus classified the leases as operating leases.

Operating lease payments are recognised as an expense in the Consolidated Statement of Comprehensive Income on a straight-line basis over the lease term. Lease incentives are recognised as a liability when received and subsequently reduced by allocating lease payments between rental expense and reduction of the liability.

(j) Cash and cash equivalents

Cash and cash equivalents in the Consolidated Statement of Financial Position comprise cash at bank and on hand and short-term deposits with a maturity of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

For the purposes of the Consolidated Statement of Cash Flows, cash and cash equivalents consist of cash and cash equivalents as defined above, inclusive of bank overdraft balances. Bank overdrafts are included within cash and cash equivalents in current assets on the Consolidated Statement of Financial Position.

Notes to the Full Year Consolidated Financial Report

For the year ended 30 June 2015

Note 2: Summary of significant accounting policies (continued)

(k) Property, plant and equipment

Property, plant and equipment is stated at historical cost less accumulated depreciation and any accumulated impairment losses. All costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management are capitalised. Such costs include the cost of replacing major parts that are eligible for capitalisation when the cost of replacing the parts is incurred. Similarly, when each major inspection is performed, the part's cost is recognised in the carrying amount of the plant and equipment as a replacement only if it is eligible for capitalisation.

Where assets are in the course of construction at the reporting date they are classified as capital works in progress. Upon completion, capital works in progress are reclassified to plant and equipment and subject to fair value assessments and depreciation from this date.

Depreciation is calculated on a straight line basis over the estimated useful life of the assets as follows:

Buildings freehold	40 – 50 years
Buildings leasehold	10 – 15 years
Plant and equipment	3 – 20 years

(l) Trade and other receivables

Trade receivables, generally have 30 day terms from the end of the month and are non-interest bearing. They are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less an allowance for impairment.

Collectability of trade receivables is reviewed on an ongoing basis. A provision for impairment of trade receivables is recognised to reduce the carrying amount of accounts receivable when there is objective evidence that the receivable will not be collected, and excludes those receivables sold to a third party. Financial difficulties of the debtor, default payments or debts more than 90 days overdue are considered objective evidence of impairment, subject to review of the particular debtor. Impairment losses incurred which were specifically provided for in previous years are eliminated against the provision for impairment. In all other cases, impairment losses are written off as an expense in the Consolidated Statement of Comprehensive Income.

Trade receivables securitisation

The Group's trade receivables securitisation program allows for the transfer of substantially all the risks and rewards associated with the receivables sold to participants of the program. The Group therefore derecognises the receivables when they are sold under the program.

The sale of trade receivables is at a discount. This discount is included as part of the loss on derecognition of financial assets in the Consolidated Statement of Comprehensive Income. Costs associated with establishing the program are capitalised and amortised over the term of the program, being three years. The amortisation of these costs are included as part of the loss on derecognition of financial assets in the Consolidated Statement of Comprehensive Income.

The terms also require the Group to be a participant of the program. The Group has recorded its participation as an 'other receivable' in the Consolidated Statement of Financial Position.

The Group also acts as a servicer to the program to facilitate the collection of receivables. Income received for being a servicer is recorded as an offset to the loss on derecognition of receivables.

At balance date, a liability is recognised if the amount of collections received is higher than the amount of receivables available for sale or if the Group have not paid these collections to other participants of the program.

(m) Goodwill

Goodwill acquired in a business combination is initially measured at cost being the excess of the cost of the business combination over the Group's interest in the net fair value of the acquired identifiable assets, liabilities and contingent liabilities.

Following initial recognition, goodwill is measured at cost less any accumulated impairment losses.

Goodwill is reviewed for impairment annually or more frequently if events or changes in circumstances indicate that the carrying value may be impaired.

Notes to the Full Year Consolidated Financial Report

For the year ended 30 June 2015

Note 2: Summary of significant accounting policies (continued)

For the purposes of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units (CGUs), or groups of cash-generating units, that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the Group are assigned to those units or groups of units.

Impairment is determined by assessing the recoverable amount of the cash-generating unit (or group of cash-generating units), to which the goodwill relates. The recoverable amount is determined by using a value in use discounted cash flow methodology. When the recoverable amount of the cash-generating unit (or group of cash-generating units) is less than the carrying amount, an impairment loss is recognised.

When goodwill forms part of a cash-generating unit (or group of cash-generating units) and an operation within that unit is disposed of, the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss on disposal of the operation. Goodwill disposed of in this manner is measured based on the relative values of the operation disposed of and the portion of the cash-generating units retained.

Impairment losses recognised for goodwill are not subsequently reversed.

(n) Intangible assets

Intangible assets acquired separately outside of a business combination are initially measured at cost. The cost of an intangible asset acquired in a business combination is its fair value as at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses.

Intangible assets with finite lives are amortised over the useful life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset is reviewed at least at each financial year end. Changes in the expected useful life or expected pattern of consumption of future economic benefits embodied in the asset are accounted for by changing the amortisation period or method, as appropriate, which is a change in accounting estimate. The amortisation expense for intangible assets with finite lives is recognised in the Consolidated Statement of Comprehensive Income.

(o) Impairment of non-financial assets other than goodwill

The Group assesses at each reporting date whether there is an indication that an asset with a finite life may be impaired. If any such indication exists, the Group makes an estimate of the asset's recoverable amount. An asset's recoverable amount is the higher of its fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset generates cash inflows that are largely dependent on those from other assets or groups of assets and the asset's value in use cannot be estimated to approximate its fair value. In such cases the asset is tested for impairment as part of the cash-generating unit to which it belongs. When the carrying amount of an asset or cash-generating unit exceeds its recoverable amount, the asset or cash-generating unit is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Impairment losses relating to continuing operations are recognised in the Consolidated Statement of Comprehensive Income unless the asset is carried at a revalued amount (in which case the impairment loss is treated as a revaluation decrement).

An assessment is also made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such an indication exists, the recoverable amounts are estimated. A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If this is the case the carrying amount of the asset is increased to its recoverable amount. The increased amount cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years.

Notes to the Full Year Consolidated Financial Report

For the year ended 30 June 2015

Note 2: Summary of significant accounting policies (continued)

(p) Income tax

Income tax expense comprises current and deferred tax and is recognised in profit or loss except to the extent that it relates to items recognised directly in equity, in which case the deferred tax is also recognised directly in equity, or where it arises from the initial accounting for a business combination, in which case it is taken into account in the determination of goodwill or the excess in acquired interests in net fair value of identifiable assets, liabilities and contingent liabilities at cost.

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities for the year and any adjustment in respect of previous years. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the reporting date in the countries where the Group operates and generates taxable income and as a result significant judgement is required in determining the Group's current tax.

Current income tax relating to items recognised directly in equity is recognised in equity and not in the statement of profit or loss.

Deferred tax is recognised using the balance sheet method, providing for temporary differences between the carrying amount of assets and liabilities in the financial reporting purposes and the amounts used for taxation purposes at the reporting date. In principle, deferred tax liabilities are recognised for all taxable temporary differences. Deferred tax assets are recognised to the extent that it is probable that sufficient taxable amounts will be available against which deductible temporary differences or unused tax losses and tax offsets can be utilised. Assumptions about the generation of future taxable profits and repatriation of retained earnings depend on management's estimates of future cash flows which are dependent on estimates of future production and sales volumes, operating costs, capital expenditure, dividends and other capital management transactions. Judgements are also required about the application of income tax legislation. These judgements and assumptions are subject to risk and uncertainty, hence there is a possibility that changes in circumstances will alter expectations, which may impact the amount of deferred tax assets and deferred tax liabilities recognised on the Consolidated Statement of Financial Position and the amount of other tax losses and temporary differences not yet recognised. In such circumstances, some or all of the carrying amounts of recognised deferred tax assets and liabilities may require adjustment, resulting in a corresponding credit or charge to the Consolidated Statement of Comprehensive Income, or other comprehensive income.

Deferred tax assets and liabilities are not recognised if the temporary differences giving rise to them arise from the initial recognition of assets and liabilities (other than as a result of a business combination) which affects neither taxable income nor accounting profit. Furthermore, a deferred tax liability is not recognised in relation to taxable temporary differences arising from goodwill.

Deferred tax liabilities are recognised for taxable temporary differences arising on investments in subsidiaries except where the consolidated entity is able to control the reversal of the temporary differences and it is probable that the temporary differences will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with these investments and interests are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period(s) when the asset and liability giving rise to them are realised or settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the reporting date. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the consolidated entity expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities. Deferred tax assets and liabilities are offset when they relate to income taxes levied by the same taxation authority on the same taxable entity, and the company/consolidated entity intends to settle its current tax assets and liabilities on a net basis.

Notes to the Full Year Consolidated Financial Report

For the year ended 30 June 2015

Note 2: Summary of significant accounting policies (continued)

(q) Interest bearing loans and borrowings

All loans and borrowings are initially recognised at the fair value of the consideration received less directly attributable transaction costs.

After initial recognition, interest bearing loans and borrowings are subsequently measured at amortised cost using the effective interest method, which is calculated based on the principal borrowing amount less directly attributable transaction costs.

Gains and losses are recognised in the Consolidated Statement of Comprehensive Income when the liabilities are derecognised.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

(r) Inventories

Inventories have been classified as follows:

- Raw Materials:

Plastic resins, steel and tinplate.

- Work in Progress:

Manufactured plastic, steel and tin packaging that have not yet reached a full stage of completion.

- Finished Goods:

Manufactured plastic, steel and tin packaging that are intended for sale to external customers.

Inventories are valued at the lower of cost and net realisable value, with directly attributable costs incurred in bringing each product to its present location and condition being accounted for, on a full absorption basis as follows:

- Raw Materials:

Purchase cost of material, including discounts, rebates, duties, taxes and other inward transport costs, on a moving average cost basis.

- Work in Progress and Finished Goods:

Cost of raw materials, direct labour and a proportion of manufacturing overheads based on a normal level of operating capacity, but excluding costs that relate to general administration, finance, marketing, selling and distribution.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

(s) Trade and other payables

Trade and other payables are carried at amortised cost which due to the terms associated with these items equates to their principal amounts and are not discounted. They represent liabilities for goods and services provided to the Group prior to the end of the financial year that are unpaid and arise when the Group becomes obliged to make a future payment with respect to the purchase of these goods and services. The amounts are generally unsecured and are usually paid within 30–90 days of recognition.

(t) Contributed equity

Issued and paid up capital is classified as contributed equity and recognised at the fair value of the consideration received by the entity. Incremental costs directly attributable to the issue of new shares or options are shown in contributed equity as a deduction, net of tax, from the proceeds.

Notes to the Full Year Consolidated Financial Report

For the year ended 30 June 2015

Note 2: Summary of significant accounting policies (continued)

(u) Derivatives

The Group uses derivative financial instruments such as forward currency contracts, cross currency interest rate swaps, and interest rate swaps to hedge its risks associated with foreign currency and interest rate fluctuations. Such derivative financial instruments are initially recognised at fair value on the date at which the derivative contract is entered into and are subsequently remeasured to fair value at each reporting date. Derivatives are classified as assets when their fair value is positive and as liabilities when their fair value is negative.

Any gains or losses arising from changes in the fair value of derivatives, except for those that qualify as cash flow hedges, are taken directly to the Consolidated Statement of Comprehensive Income for the year.

The fair value of forward currency contracts is calculated by using valuation techniques such as present value techniques, comparison to similar instruments for which market observable prices exist and other relevant models used by market participants. These valuation techniques use both observable and unobservable market inputs, which are not considered to be significant. The fair value of cross currency interest rate swaps and interest rate swap contracts is determined by reference to market values for similar instruments.

For the purposes of hedge accounting, hedges are classified as:

- fair value hedges when they hedge the exposure to changes in the fair value of a recognised asset or liability;
- cash flow hedges when they hedge exposure to variability in cash flows that is attributable either to a particular risk associated with a recognised asset or liability or a forecast transaction; or
- hedge of a net investment in a foreign operation.

At the inception of a hedge relationship, the Group formally designates and documents the hedge relationship to which the Group wishes to apply hedge accounting and the risk management objective and strategy for undertaking the hedge. The documentation includes identification of the hedging instrument, the hedged item or transaction, the nature of the risk being hedged and how the entity will assess the hedging instrument's effectiveness in offsetting the exposure to changes in the hedged item's fair value or cash flows attributable to the hedged risk. Such hedges are expected to be highly effective in achieving offsetting changes in fair value or cash flows and are assessed on an ongoing basis to determine that they have actually been highly effective throughout the financial reporting period for which they were designated.

Cash flow hedges are accounted for as follows:

Cash flow hedges are hedges of the Group's exposure to variability in cash flows that are attributable to a particular risk associated with a recognised asset or liability or a highly probable forecast transaction that could affect the Consolidated Statement of Comprehensive Income. The effective portion of the gain or loss on the hedging instrument is recognised directly in equity, while the ineffective portion is recognised in the Consolidated Statement of Comprehensive Income. The Group uses forward exchange contracts (FECs) to hedge foreign exchange purchases. The FECs are accounted for as cash flow hedges. Refer Note 23 for details.

Amounts taken to equity are transferred to the Consolidated Statement of Comprehensive Income when the hedge transaction affects the Consolidated Statement of Comprehensive Income, such as when hedged income or expenses are recognised or when a forecast sale or purchase occurs. When the hedged item is the cost of a non-financial asset or liability, the amounts taken to equity are transferred to the initial carrying amount of the non-financial asset or liability.

If the forecast transaction is no longer expected to occur, amounts previously recognised in equity are transferred to the Consolidated Statement of Comprehensive Income. If the hedging instrument expires or is sold, terminated or exercised without replacement or rollover, or if its designation as a hedge is revoked, amounts previously recognised in equity remain in equity until the forecast transaction occurs. If the related transaction to which the hedging instrument relates is not expected to occur, the amount is taken to the Consolidated Statement of Comprehensive Income.

(v) Foreign currency translation

Both the functional and presentation currency of Pact is Australian dollars (AUD).

Transactions in foreign currencies are initially recorded in the functional currency of the individual entity by applying the exchange rates ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange prevailing at reporting date.

Notes to the Full Year Consolidated Financial Report

For the year ended 30 June 2015

Note 2: Summary of significant accounting policies (continued)

The table below outlines the functional currencies that the Group has determined to apply for each country in which the Group's entities are domiciled.

Country	Functional currency
Australia	AUD
New Zealand	NZD
Thailand	THB
Singapore	USD
China	RMB
Philippines	PHP
Indonesia	IDR

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate as at the date of the initial transaction.

Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined.

As at the reporting date the assets and liabilities of the controlled entities with non-Australian dollar functional currency are translated into the presentation currency of Pact at the rate of exchange at the reporting date and their statements of comprehensive income are translated at the weighted average exchange rate for the year (where appropriate).

The exchange rate differences arising on the translation to presentation currency are taken directly to the foreign currency translation reserve, in equity.

On disposal of a foreign entity, the deferred cumulative amount recognised in equity relating to that particular foreign operation is recognised in the Consolidated Statement of Comprehensive Income.

(w) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST except:

- where the GST incurred on a purchase of goods and services is not recoverable from the taxation authority, in which case the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item to which it relates; and
- receivables and payables are stated as GST inclusive amounts.

The net amount of GST recoverable from or payable to the taxation authority is included as part of receivables or payables in the Consolidated Statement of Financial Position.

Cash flows are included in the Consolidated Statement of Cash Flows on a gross basis and the GST component of cash flows arising from investing and financing activities which is recoverable from, or payable to, the taxation authority are classified as operating cash flows.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to the taxation authority.

(x) Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the reporting date.

When the Group expects some or all of the provision to be reimbursed, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the Consolidated Statement of Comprehensive Income net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Notes to the Full Year Consolidated Financial Report

For the year ended 30 June 2015

Note 2: Summary of significant accounting policies (continued)

Employee benefits

Provision is made for employee benefits accumulated as a result of employees rendering services up to the reporting date. These benefits include wages and salaries, annual leave and long service leave.

Liabilities arising in respect of wages and salaries, annual leave and any other employee benefits are recognised for employees' services up to the reporting date. Benefits expected to be settled within 12 months of the reporting date are classified as current and are measured at their nominal amounts based on remuneration rates which are expected to be paid when the liability is settled.

The liability for long service leave is recognised and measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date using the projected unit credit method. Under this method consideration is given to expected future wage and salary levels, experience of employee departures, and periods of service. Expected future payments are discounted using market yields at the reporting date on national government bonds (except for Australia where high quality corporate bond rates are used in accordance with the standards) with terms to maturity and currencies that match, as closely as possible, the estimated future cash outflows.

(y) Investment in associates

The Group's investment in its associates is accounted for using the equity method of accounting in the Consolidated Financial Report and at cost in the parent. The associates are entities over which the Group has significant influence and that are neither subsidiaries nor joint ventures. The Group generally deems they have significant influence if they have over 20% of the voting rights.

Under the equity method, investments in the associates are carried in the Consolidated Statement of Financial Position at cost plus post-acquisition changes in the Group's share of net assets of the associates. Goodwill relating to an associate is included in the carrying amount of the investment and is not amortised. After application of the equity method, the Group determines whether it is necessary to recognise any impairment loss with respect to the Group's net investment in associates. Goodwill included in the carrying amount of the investment in associates is not tested separately, rather the entire carrying amount of the investment is tested for impairment as a single asset.

The Group's share of its associates' post-acquisition profits or losses is recognised in the Consolidated Statement of Comprehensive Income, and its share of post-acquisition movements in reserves is recognised in reserves. The cumulative post-acquisition movements are adjusted against the carrying amount of the investment.

When the Group's share of losses in an associate equals or exceeds its interest in the associate, including any unsecured long-term receivables and loans, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associate.

(z) Comparatives

Comparative figures can be adjusted to conform to changes in presentation for the current financial year where required by accounting standards or as a result of changes in accounting policy.

Notes to the Full Year Consolidated Financial Report

For the year ended 30 June 2015

Note 3: Revenue and expenses

	2015 $'000's	2014 $'000's
(a) Revenue		
Sales revenue	**1,249,153**	**1,143,219**
Interest income		
Interest income (external)	62	1,089
Interest income on related party loans	-	5,388
Total interest income	**62**	**6,477**
Other income		
Management fees received	500	1,650
Sundry income items	3,416	8,670
Total other income	**3,916**	10,320
Total interest & other income	**3,978**	**16,797**
Total sales revenue, interest & other income	**1,253,131**	**1,160,016**
(b) Expenses		
Depreciation		
Depreciation of buildings – freehold	278	110
Depreciation of buildings – leasehold	2,387	1,671
Depreciation of plant & equipment	53,382	49,323
Total depreciation	**56,047**	**51,104**
Amortisation		
Amortisation of patents, trademarks and licences	202	96
Total amortisation	**202**	**96**
Total depreciation and amortisation expense	**56,249**	**51,200**
Finance costs		
Interest on Syndicated Facility Agreement	31,169	17,545
Interest on Revolving Credit Facility	-	1,901
Interest on Term Loan B Facility	-	29,492
Interest rate swaps	89	-
Interest on overdraft facility	499	828
Finance charges payable on finance lease and hire purchase contracts	52	133
Borrowing costs amortisation	1,046	1,176
Interest on promissory note & related parties loans	-	22,116
Property make good provision discount adjustment	199	11
Total finance costs	**33,054**	**73,202**
Loss on de-recognition of financial assets	42	-
Total finance costs & loss on de-recognition of financial assets	**33,096**	**73,202**
Employee benefits expense		
Provision for employee entitlements	986	656
Wages and salaries	261,231	257,030
Defined contribution superannuation expense	14,014	14,187
Other employee benefits expense	14,906	15,879
Total employee benefits expense	**291,137**	**287,752**

Notes to the Full Year Consolidated Financial Report

For the year ended 30 June 2015

Note 3: Revenue and expenses (continued)

		2015 $'000's	2014 $'000's
(b) Expenses (continued)			
Other expense items			
Operating lease and rental expense		**44,033**	40,735
Research and development costs		**392**	392
Provision for impairment of trade receivables		**214**	133

(c) Significant items and other gains / (losses) before tax			
Significant items[1]			
Acquisition related costs[2]		**(2,691)**	-
Business Reorganisation Program			
- restructuring costs[3]	**(6,788)**		-
- asset write downs[3]	**(12,582)**		-
- loss on partial disposal of subsidiary (refer Note 22)	**(1,486)**	**(20,856)**	-
Reversal of unrealised revaluation gain on hedges associated with the Term Loan B Facility		**-**	(3,791)
Swap break costs[4]		**-**	(6,407)
Gain on business acquisition[5]		**-**	10,834
Write-off of capitalised borrowing costs in relation to the Term Loan B Facility		**-**	(21,576)
IPO transaction costs		**-**	(5,245)
Total significant items		**(23,547)**	**(26,185)**

Other gains/(losses)		
Unrealised gains on revaluation of foreign exchange forward contracts	**39**	(256)
(Loss)/gain on sale of property, plant and equipment[6]	**(1,511)**	34
Realised net foreign exchange gains/(losses)	**140**	(309)
Total other gains/(losses)	**(1,332)**	(531)
Total significant items and other gains/(losses) before tax	**(24,879)**	**(26,716)**

[1] Total significant items after tax are as follows:

Significant items in other gains/(losses) before tax	**(23,547)**	(26,185)
Tax benefit on significant items in other gains/(losses) before tax (refer Note 4)	**5,965**	4,959
Tax benefit relating to reset of tax cost base (refer Note 4)	**-**	19,190
Total significant items after tax	**(17,582)**	**(2,036)**

[2] Acquisition related costs includes stamp duty and professional fees associated with business acquisitions.
[3] The business reorganisation program relates to the optimisation of business facilities across the Group.
[4] Swap break costs in the prior year relate to the early termination of the cross currency interest rate swaps and other derivative instruments associated with the Term Loan B Facility, refer Note 23.
[5] Gain on business acquisition in the prior year relates to the Group acquiring the remaining 49% of Cinqplast Plastop Australia Pty Ltd on 17 December 2013.
[6] (Loss)/gain on sale of property, plant and equipment is determined as follows:

Proceeds on sale of property, plant and equipment	**243**	1,555
Carrying amount of property, plant and equipment disposed	**(1,754)**	(1,521)
Profit/(loss) on disposal of property, plant and equipment	**(1,511)**	**34**

Notes to the Full Year Consolidated Financial Report

For the year ended 30 June 2015

Note 4: Income tax

	2015 $'000's	2014 $'000's
Statement of Comprehensive Income		
The major components of income tax expense are:		
Current year income tax expense	**20,780**	13,633
Adjustments in respect of previous years income tax	**(711)**	(3,880)
Deferred income tax expense	**8,088**	(13,433)
Income tax expense/(benefit) reported in the Consolidated Statement of Comprehensive Income	**28,157**	**(3,680)**

	2015 $'000's	2014 $'000's
Statement of Changes in Equity		
Deferred income tax relating to items charged directly to equity:		
Tax effect of IPO transaction costs charged to equity	**-**	5,188
Net (gain)/loss on interest rate and foreign exchange hedging instruments	**497**	686
Income tax benefit charged direct to equity	**497**	**5,874**

	2015 $'000's	2014 $'000's
Tax on significant items before tax		
Reversal of unrealised revaluation gain on hedges associated with the Term Loan B Facility	**-**	1,137
Swap break costs	**-**	726
Write-off of capitalised borrowing costs	**-**	1,523
IPO transaction costs	**-**	1,573
Acquisition related costs	**159**	-
Business reorganisation program	**5,806**	-
Total tax benefit on significant items before tax	**5,965**	**4,959**
Tax significant item relating to reset of tax cost base (refer Note 3)	**-**	**19,190**
Total tax benefit on significant items (refer Note 3)	**5,965**	**24,149**

(i) A reconciliation between tax expense and the product of accounting profit before income tax multiplied by the Group's applicable income tax rate is as follows:

	2015 $'000's	2014 $'000's
Accounting profit before tax	**95,848**	54,117
Income tax calculated at 30% (2014: 30%)	**28,755**	16,235
Adjustments in respect of income tax of previous years	**(711)**	(3,880)
Share of net results of associates and joint ventures	**(411)**	(632)
Difference between book and tax cost base	**(57)**	756
Losses acquired unable to be utilised on formation of new tax consolidated group	**-**	672
Non-deductible expenses for tax purposes:		
- Withholding taxes	**620**	-
- Acquisition costs	**649**	-
- Other	**673**	117
Gains on acquisitions and disposals	**-**	(3,250)
Non-deductible swap break costs	**-**	1,196
Non-deductible write-off of capitalised borrowing costs	**-**	4,949
Tax benefit relating to reset of tax cost base	**-**	(19,190)
Income assessable/expenses deductible for tax purposes only	**(128)**	-
Overseas tax rate differential	**(1,233)**	(653)
Income tax expense/(benefit) reported in the Consolidated Statement of Comprehensive Income	**28,157**	**(3,680)**

Notes to the Full Year Consolidated Financial Report

For the year ended 30 June 2015

Note 4. Income tax (continued)

(ii) Tax consolidation

Until 17 December 2013, Pact Group Holdings Ltd, previously Pact Group Holdings Pty Ltd, and its 100% owned Australian resident subsidiaries were members of a tax consolidated group which was formed on 1 July 2003. Geminder Holdings Pty Ltd, the previous parent entity of Pact, was head of this tax consolidated group. As a result of the initial public offering on 17 December 2013, Pact and its 100% owned Australian resident subsidiaries exited the Geminder Holdings tax consolidated group. Contribution amounts under the tax sharing agreement were determined and paid by the exiting Pact entities pursuant to the tax sharing agreement. Deeds of release were entered into and executed by the Pact entities and Geminder Holdings. These deeds together with the contributed amounts above resulted in the exiting entities leaving the Geminder Holdings tax consolidated group clear from any further income tax liability, relating to the period during which they were part of the Geminder Holdings tax consolidated group.

From 17 December 2013 until the formation of the new tax consolidated group with effect from 1 January 2014, each entity was recognised as a stand-alone tax payer.

The Company notified the ATO of its election to form a tax consolidated group with each of its wholly owned Australian resident subsidiaries with effect from 1 January 2014. As a consequence, all members of the tax consolidated group are taxed as a single entity from this date. Under the current income tax consolidation rules, the tax cost of assets brought into the tax consolidated group by subsidiary members that join the group was required to be reset under the tax cost setting process. Work performed based on independent expert valuations, as part of the tax cost setting process resulted in a net increase in the tax cost of the depreciable assets, inventory and certain other sundry assets which resulted in a net income tax benefit in the prior period of $19.2 million.

Sulo MGB Australia Pty Ltd joined the Australian consolidated tax group on the 8 August 2014 and under the current income tax consolidation rules, the tax cost of the assets brought into the tax consolidated group were reset under the tax cost setting process.

(iii) Members of the tax consolidated group and the tax sharing arrangement

The previous tax sharing arrangement provided for the allocation of income tax liabilities between the entities, should the head entity default on its tax payment obligations. No amounts have been recognised in the financial statements in respect of this agreement, due to the clear exit of the Pact entities from the Geminder Holdings tax consolidated group.

(iv) Tax effect accounting by members of the Australian tax consolidated group

Measurement method adopted under AASB Interpretation 1052: *Tax Consolidation Accounting*

The head entity and the controlled entities in the Australian tax consolidated group accounted for their own current and deferred tax amounts. The Australian tax consolidated group applied a modified "stand alone taxpayer" approach in determining the appropriate amount of current taxes and deferred taxes to allocate to members of the tax consolidated group – as if each member continued to be a taxpayer entity in its own right, subject to certain adjustments. The current and deferred tax amounts were measured in a systematic manner, consistent with the broad principles in AASB 112: *Income Taxes*. The nature of the tax funding agreement is discussed further below.

In addition to its own current and deferred tax amounts, the head entity also recognised current tax liabilities (or assets) and the deferred tax assets arising from unused tax losses and unused tax credits assumed from controlled entities in the tax consolidated group.

Nature of the tax funding agreement

The tax funding agreement requires payments to/from the head entity to be recognised via an inter-entity receivable/payable at call. To the extent there is a difference between the amount charged under the tax funding agreement and the allocation under AASB Interpretation 1052, the head entity would account for these differences as equity transactions with the subsidiaries.

The Company and all its wholly owned Australian resident entities are part of the Pact Consolidated Tax Group under Australian tax law which formed with effect from 1 January 2014 with Pact Group Holdings Ltd as the head entity of the tax consolidated group. For the period 1 January 2014 to 30 June 2014 and in the current financial year the accounting treatment for the new tax consolidated group applied the tax sharing arrangement which provided for the allocation of income tax liabilities between the entities, should the head entity default on its tax payment obligations. No arrangements were recognised in the Consolidated Financial Report in respect of this agreement.

Notes to the Full Year Consolidated Financial Report

For the year ended 30 June 2015

Note 4. Income tax (continued)

The head entity and the controlled entities account for their own current and deferred tax amounts during the reporting period. In addition to its own current and deferred tax amounts, the head entity also recognises current tax liabilities (or assets) and the deferred tax assets arising from unused tax losses and unused tax credits assumed from controlled entities in the tax consolidated group.

The law applying to the formation of an income tax consolidated group is subject to various proposed changes announced by the former Federal Government at the time of delivering its federal budget in May 2013. The current Federal Government has released exposure draft law with regards to the amendments which are proposed to apply from May 2013.

The exposure draft law is subject to ongoing consultation and may be revised. Depending on the final form of the proposed law changes they could have a material negative impact on Pact's financial performance and position at 30 June 2015.

The estimation of liability will be subject to the final form and content of the law once released. As these changes are not currently enacted or substantially enacted, in accordance with IFRS the potential impact of this measure has not been taken into account in the 30 June 2015 Consolidated Financial Report.

(v) Recognised current and deferred tax assets and liabilities

	2015 $'000's Current income tax	2015 $'000's Deferred income tax	2014 $'000's Current income tax	2014 $'000's Deferred income tax
Opening balance	(5,481)	(6,874)	928	(24,016)
Charged to income	(20,780)	(8,088)	(9,753)	13,432
Adjustments in respect of income tax of previous years	1,140	(428)	-	-
Charged to other comprehensive income	-	497	-	686
Receipt from head entity(1)	-	-	(20,024)	-
Payments	18,797	-	22,023	-
IPO transaction costs charged to equity	-	-	2,051	5,188
Acquisitions/disposals	(547)	1,760	(78)	(1,642)
Foreign exchange translation movement	773	266	(628)	(522)
Closing balance	(6,098)	(12,867)	(5,481)	(6,874)

	2015	2014
Amounts recognised in the Statement of Financial Position:		
Deferred tax asset	26,778	27,944
Deferred tax liability	(39,645)	(34,818)
Net deferred tax assets/(liabilities)	(12,867)	(6,874)

	2015	2014
Deferred tax assets and liabilities relate to the following:		
Deferred tax assets		
Doubtful debts provision	57	144
Business reorganisation provision	3,363	4,319
Make good on leased premises provision	3,428	3,355
Fixed rent provision	2,937	2,341
Employee entitlements provision	10,269	11,219
IPO transaction costs	3,976	5,188
Other provisions	234	124
Hedges	767	-
Unrealised foreign currency losses	215	270
Unutilised tax losses	243	119
Other	1,289	865
Deferred tax assets	26,778	27,944

	2015	2014
Deferred tax liabilities		
Property, plant and equipment	37,753	32,782
Other	1,892	2,036
Deferred tax liabilities	39,645	34,818

(1) Represents a receipt from the head of the Geminder Holdings tax consolidated group in the prior year. These receipts are reflected in the financing section of the Consolidated Statement of Cash Flows.

Notes to the Full Year Consolidated Financial Report

For the year ended 30 June 2015

Note 5: Cash and cash equivalents

	2015 $'000's	2014 $'000's
Cash at bank and on hand	**32,612**	25,603
Bank overdraft	**-**	(1,376)
Total cash and cash equivalents	**32,612**	**24,227**

Note 6: Trade and other receivables

	2015 $'000's	2014 $'000's
Current		
Trade receivables(1) (3)	**50,559**	137,438
Allowance for impairment loss(2)	**(318)**	(490)
Other receivables(3)	**43,444**	13,400
Total current trade and other receivables	**93,685**	**150,348**

(1) The ageing of trade receivables (net of allowance of impairment loss) is as follows:

	Total	Not Due	< 30 days	31 – 60 days	61 – 90 days	> 90 days
2015	**50,241**	**36,485**	**9,926**	**2,382**	**749**	**699**
2014	136,948	108,118	25,364	2,564	533	369

(2) At 30 June 2015 trade receivables with an initial value of $318,000 (2014: $490,000) were impaired and fully provided for.
The movements in the allowance for impairment of receivables are as follows:

	2015 $'000's	2014 $'000's
Allowance for impairment Loss		
Opening balance for the year	**(490)**	(440)
Charge for the year	**(550)**	(508)
Utilised	**404**	344
Acquired	**(25)**	(248)
Used amounts reversed	**336**	375
Foreign exchange translation movement	**7**	(13)
Closing balance for the year	**(318)**	**(490)**

Debtors securitisation program(3)

The Group entered into a debtors securitisation program on 22 June 2015, which allows the Group to sell a portfolio of receivables. The term of the debtor securitisation program is for a period of 3 years. Under the program, substantially all the risks and rewards of the portfolio of receivables are transferred to participants of the program. The Group therefore derecognises the receivables when they are sold under the program.

The program requires the Group (or an entity other than the bank) to be a participant of the program. At 30 June 2015 $30.7 million has been recognised as part of other receivables representing the Group's participation in the program. Given the short term nature of this financial asset, the carrying value of the associated receivable approximates its fair value and represents the Group's maximum exposure to the receivables derecognised as part of the program.

Although allowable under the terms of the contract, the Group has no plans to repurchase any of the receivables transferred into the program.

For the financial year ended 30 June 2015, the Group received cash totalling $96.9 million from the transfer of receivables into the securitisation program. As the program commenced just prior to financial year end, the initial sale (and upfront costs) is the only cash impact, under the program. Refer Note 2 (l) for the Group's accounting policy in relation to this program.

Notes to the Full Year Consolidated Financial Report

For the year ended 30 June 2015

Note 7: Inventories

	2015 $'000's	2014 $'000's
Raw materials and stores	**49,103**	45,105
Work in progress	**15,290**	14,368
Finished goods	**53,099**	55,738
Total inventories	**117,492**	**115,211**

Note 8: Prepayments

	2015 $'000's	2014 $'000's
Current		
Prepayments	**7,763**	7,844
Non-current		
Prepayments	**935**	1,274

Note 9: Property, plant and equipment

Reconciliation of carrying amounts at the beginning and end of the year are as follows:

	Property[1] $'000's	Plant and equipment $'000's	Capital work in progress $'000's	Total $'000's
Year ended 30 June 2015				
At 1 July 2014 net of accumulated depreciation	28,902	486,991	29,711	545,604
Additions and transfers	6,814	44,086	(728)	50,172
Acquisition of subsidiaries and businesses (Note 21)	3,300	21,052	-	24,352
Divestment of subsidiary	-	(7,728)	(1,623)	(9,351)
Disposals	-	(1,754)	-	(1,754)
Asset write downs (refer Note 3 (c))	-	(12,582)	-	(12,582)
Foreign exchange translation movement	3,080	(2,337)	336	1,079
Depreciation charge for the year	(2,665)	(53,382)	-	(56,047)
At 30 June 2015 net of accumulated depreciation	39,431	474,346	27,696	541,473
Represented by:				
At cost	53,111	924,150	27,696	1,004,957
Accumulated depreciation	(13,680)	(449,804)	-	(463,484)
Net carrying amount	39,431	474,346	27,696	541,473

Notes to the Full Year Consolidated Financial Report

For the year ended 30 June 2015

Note 9: Property, plant and equipment (continued)

Reconciliation of carrying amounts at the beginning and end of the year are as follows:

	Property[(1)] $'000's	Plant and equipment $'000's	Capital work in progress $'000's	Total $'000's
Year ended 30 June 2014				
At 1 July 2013 net of accumulated depreciation	15,557	463,842	13,371	492,770
Additions and transfers	1,876	36,538	15,030	53,444
Acquisition of subsidiaries and businesses (Note 21)	13,882	29,955	-	43,837
Disposals	-	(1,521)	-	(1,521)
Foreign exchange translation movement	(633)	7,500	1,310	8,177
Depreciation charge for the year	(1,780)	(49,323)	-	(51,103)
At 30 June 2014 net of accumulated depreciation	**28,902**	**486,991**	**29,711**	**545,604**

Represented by:				
At cost	38,610	907,880	29,711	976,201
Accumulated depreciation	(9,708)	(420,889)	-	(430,597)
Net carrying amount	**28,902**	**486,991**	**29,711**	**545,604**

	2015 $'000's	2014 $'000's
(1) Property consists of the following:		
Leasehold improvements	**15,077**	13,703
Freehold property	**38,034**	25,215
Less: accumulated depreciation	**(13,680)**	(10,016)
Total property	**39,431**	**28,902**

Note 10: Investments in associates and joint ventures

	2015 $'000's	2014 $'000's
Investments in associates and joint ventures	**14,639**	**4,087**

The Group accounts for its investments in associates and joint ventures using the equity method in the Consolidated Financial Report. The following tables illustrate the summarised financial information of the Group's investments in associates and joint ventures at 30 June 2015, and the reconciliation to the carrying amount of the investment:

Associate and joint venture summarised financial information

			2015 $'000's		
	Viscount Oriental Mould[(1)]	Spraypac Products (NZ)[(2)]	Weener Plastop[(3)]	Gempack Weener[(4)]	Total
Current assets	599	691	5,874	4,592	11,756
Non-current assets	113	108	4,388	20,215	24,824
Current liabilities	(112)	(172)	(3,272)	(4,335)	(7,891)
Net assets	**600**	**627**	**6,990**	**20,472**	**28,689**
Proportion of the Group's ownership interest	40%	50%	50%	50%	
Carrying amount of the investment	**240**	**668**	**3,495**	**10,236**	**14,639**

Notes to the Full Year Consolidated Financial Report

For the year ended 30 June 2015

Note 10: Investments in associates and joint ventures (continued)

	2015 $'000's				
	Viscount Oriental Mould[1]	Spraypac Products (NZ)[2]	Weener Plastop[3]	Gempack Weener[4]	Total
Revenue	679	1,039	10,459	3,140	15,317
Expense	(684)	(782)	(7,556)	(3,543)	(12,565)
Net profit/(loss) after tax	**(5)**	**257**	**2,903**	**(403)**	**2,752**
Group's share of profit/(loss) for the year	**(2)**	**128**	**1,451**	**(201)**	**1,376**

[1] Changzhou Viscount Oriental Mould Co Ltd (Oriental Mould)

The Group holds a 40% interest in Oriental Mould, which was acquired as part of the Viscount Plastics (China) Pty Ltd acquisition. Oriental Mould manufactures moulds, of which a proportion is purchased by the local Chinese subsisdiaries of Viscount Plastics (China) Pty Ltd.

[2] Spraypac Products (NZ) Ltd (Spraypac)

The Group holds a 50% interest in Spraypac. Spraypac is a private company which distributes plastic bottles and related spray products. The Group's investments in Spraypac includes $0.4 million of goodwill.

[3] Weener Plastop Asia Inc (Weener)

The Group acquired a 50% interest in Weener as part of its acquisition of Ruffgar Holdings Pty Ltd (Ruffgar) on 17 December 2013. Weener is a joint venture, integrated with Plastop Asia Inc operations which was also acquired as part of the Ruffgar acquisition.

[4] Gempack Weener (Gempack)

The Group established a new joint venture with Weener Plastik GMBH from 1 April 2015. The Group contributed the operations from Gempack Asia Ltd, a 100% controlled entity until 31 March 2015. Weener Plastik GMBH has contributed customers and contracts to the joint venture, which have been merged into the operations of Gempack Asia Ltd.

[5] Cinqplast Plastop Australia Pty Ltd (Cinqplast)

In the prior period Cinqplast has been classified as an investment in an associate for the period 1 July 2013 to 17 December 2013, as the Group held a 51% interest in the shares of Cinqplast. On 17 December 2013, the Group acquired the remaining interest in Cinqplast and its 100% owned subsidiary Steri-Plas Pty Ltd.

The joint ventures and associates had no contingent liabilities or significant capital commitments at 30 June 2015 (2014: nil).

Associate and joint venture summarised financial information

	2014 $'000's			
	Viscount Oriental Mould[1]	Spraypac Products (NZ)[2]	Weener Plastop[3]	Total
Current assets	590	514	3,245	4,349
Non-current assets	142	137	4,382	4,661
Current liabilities	(126)	(84)	(1,311)	(1,521)
Net assets	**606**	**567**	**6,316**	**7,489**
Proportion of the Group's ownership interest	40%	50%	50%	
Carrying amount of the investment	**242**	**687**	**3,158**	**4,087**

	2014 $'000's				
	Cinqplast[5]	Viscount Oriental Mould[1]	Spraypac Products (NZ)[2]	Weener Plastop[3]	Total
Revenue	15,230	25	1,060	4,953	21,268
Expense	(14,532)	(118)	(770)	(3,178)	(18,598)
Net profit after tax	**698**	**(93)**	**290**	**1,775**	**2,670**
Group's share of the profit for the year	**356**	**(37)**	**145**	**887**	**1,351**

Notes to the Full Year Consolidated Financial Report

For the year ended 30 June 2015

Note 11: Intangible assets and goodwill

Reconciliation of carrying amounts at the beginning and end of the year are as follows:

	Patents, trademarks and licences[(1)] $'000's	Goodwill $'000's	Total $'000's
Year ended 30 June 2015			
At 1 July 2014 net of accumulated amortisation and impairment	**917**	**326,210**	**327,127**
Additions	**14**	**-**	**14**
Intangible assets arising on acquisitions (Note 21)	**2,146**	**17,426**	**19,572**
Foreign exchange translation movements	**(26)**	**(6,416)**	**(6,442)**
Amortisation	**(202)**	**-**	**(202)**
At 30 June 2015 net of accumulated amortisation and impairment	**2,849**	**337,220**	**340,069**

Represented by:			
At cost	**4,006**	**337,220**	**341,226**
Accumulated amortisation and impairment	**(1,157)**	**-**	**(1,157)**
Net carrying amount	**2,849**	**337,220**	**340,069**

	Patents, trademarks and licences[(1)] $'000's	Goodwill $'000's	Total $'000's
Year ended 30 June 2014			
At 1 July 2013 net of accumulated amortisation and impairment	**1,065**	**249,977**	**251,042**
Additions	52	-	52
Intangible assets arising on acquisitions (Note 21)	-	63,757	63,757
Disposals	(178)	-	(178)
Foreign exchange translation movements	74	12,476	12,550
Amortisation	(96)	-	(96)
At 30 June 2014 net of accumulated amortisation and impairment	**917**	**326,210**	**327,127**

Represented by:			
At cost	2,235	326,210	328,445
Accumulated amortisation and impairment	(1,318)	-	(1,318)
Net carrying amount	**917**	**326,210**	**327,127**

[(1)] Patents, trademarks and licences

Patents, trademarks and licences are carried at cost less accumulated amortisation and accumulated impairment losses. They have a finite life and are amortised using the straight line method over their useful life.

Acquisitions during the year

As a result of business acquisitions during the year end 30 June 2015, $17.4 million of goodwill has been recognised (2014: $63.8 million). Details of businesses acquired are disclosed in Note 21.

Goodwill acquired in a business combination is initially measured at cost being the excess of the consideration paid over the Group's interest in the net fair value of the acquired identifiable assets, liabilities and contingent liabilities.

Following initial recognition, goodwill is measured at cost less any accumulated impairment losses. Goodwill is reviewed for impairment annually or more frequently if events or changes in circumstances indicate that the carrying value may be impaired.

At year end, there were no indicators of impairment and no impairment losses recognised.

Notes to the Full Year Consolidated Financial Report

For the year ended 30 June 2015

Note 11: Intangible assets and goodwill (continued)

Impairment tests for goodwill

For impairment testing purposes goodwill acquired through business combinations has been allocated to and tested at the level of their respective cash generating units (or group of CGU's) in accordance with the level at which management monitors goodwill. For the Group, the lowest level where goodwill is monitored is at its segments, being:

- Pact Australia (PA)
- Pact International (PI)

(i) Description of the cash generating units and other relevant information

The recoverable amount of each of the cash generating units has been determined based on Value in Use calculations using cash flow projections contained within next year's financial budget approved by management and other forward projections.

(ii) Carrying amount of goodwill allocated to each of the cash generating units (CGU's) or group of CGU's

The carrying amounts of goodwill allocated to the PA and the PI segments are as follows:

	Pact Australia		Pact International	
	2015 $'000's	2014 $'000's	2015 $'000's	2014 $'000's
Carrying amount of goodwill	**164,708**	149,600	**172,512**	176,610

(iii) Key assumptions used in Value in Use calculations

The calculations of Value in Use for both PA and PI CGU's are sensitive to the following assumptions:

- Gross margins and raw material price movement
- Cash flows
- Discount rates

Gross margins and raw material price movement – Gross margins are based on average margins achieved in the year preceding the current budget period. These are increased over the budget period for any anticipated efficiency improvements. Estimates are obtained from published indices for the countries from which materials are sourced, as well as data relating to specific commodities. Forecast figures are used if data is publicly available, otherwise past actual raw material price movements are used as an indicator of future price movements.

Cash Flows – Cash flows beyond the one year period are extrapolated using growth rates which are a combination of volume growth and price growth. Rates are based on published industry research and economic forecasts relating to GDP growth rates. The long-term growth rates are in the range of 2.7% - 6.0% (2014: 2.7% - 6.5%).

Discount rates – Discount rates represent the current market assessment of the risk specific to each CGU, taking into consideration the time value of money and individual risks of the underlying assets. The discount rate calculation is based on the specific circumstances of the Group and its operating segments and is derived from its weighted average cost of capital (WACC). The WACC takes into account both debt and equity. The cost of equity is derived from the expected return on investment by the Group's shareholders. The cost of debt is based on the cost of funds relating to the interest bearing loans of the Group. Segment-specific risk is incorporated by applying individual beta factors. The beta factors are evaluated annually based on publicly available market data where applicable.

Discount rates applied are based on the pre-tax weighted average cost of capital applicable to the relevant CGU. The pre-tax risk discount rates applied to these cash flow projections are in the range of 11.0% - 19.0% (2014: 11.0% -14.0%).

(iv) Sensitivity to changes in assumptions

The key estimates and assumptions used to determine the Value in Use of a CGU are based on management's current expectations and are considered to be reasonably achievable.

With regard to the assessment of Value in Use, management believes that no reasonable possible change in any of the above key assumptions would cause the carrying value of the CGU to materially exceed its recoverable amount.

Notes to the Full Year Consolidated Financial Report

For the year ended 30 June 2015

Note 12: Trade and other payables

	2015 $'000's	2014 $'000's
Current		
Trade payables	**188,969**	176,210
Other payables	**72,465**	22,043
Income tax payable	**6,098**	5,481
Total current trade and other payables	**267,532**	**203,734**

Note 13: Provisions

	2015 $'000's	2014 $'000's
Current		
Annual leave	**14,397**	15,247
Long service leave	**11,759**	11,382
Business reorganisation	**11,224**	14,404
Other	**759**	86
Total current provisions	**38,139**	**41,119**

Non-current		
Long service leave	**7,012**	6,820
Fixed rent	**9,882**	7,874
Make good on leased premises	**11,610**	11,507
Total non-current provisions	**28,504**	**26,201**

(a) Movement in provisions

	Business reorganisation $'000's	Fixed rent provision $'000's	Make good on leased premises $'000's	Total $'000's
Year ended 30 June 2015				
At 1 July 2014	**14,404**	**7,874**	**11,507**	**33,785**
Acquisition of subsidiaries and businesses	**-**	**-**	**94**	**94**
Provided for during the year	**6,788**	**2,987**	**746**	**10,521**
Utilised	**(9,935)**	**(913)**	**-**	**(10,848)**
Unutilised amounts reversed	**-**	**-**	**(819)**	**(819)**
Discount rate adjustments	**-**	**-**	**199**	**199**
Foreign exchange translation movement	**(33)**	**(66)**	**(117)**	**(216)**
At 30 June 2015	**11,224**	**9,882**	**11,610**	**32,716**

Year ended 30 June 2014				
At 1 July 2013	**22,748**	**9,960**	**10,964**	**43,672**
Acquisition of subsidiaries and businesses	-	-	274	274
Provided for during the year	-	1,784	673	2,457
Utilised	(8,449)	(1,849)	-	(10,298)
Unutilised amounts reversed	-	(2,144)	(687)	(2,831)
Discount rate adjustments	-	-	11	11
Foreign exchange translation movement	105	123	272	500
At 30 June 2014	**14,404**	**7,874**	**11,507**	**33,785**

Notes to the Full Year Consolidated Financial Report

For the year ended 30 June 2015

Note 13: Provisions (continued)

(b) Nature of provisions

(i) Business reorganisation

The business reorganisation program relates to the optimisation of business facilities by eliminating excess capacity.

(ii) Fixed rent

Annual rentals for some of the property operating leases increase annually by fixed increments. The provision has been recognised to spread these increments on a straight line basis over the minimum non-cancellable lease term.

(iii) Make good on leased premises

In accordance with the form of lease agreement, the Group may be required to restore the leased premises to their original condition at the end of the lease term and upon exiting the site. The provision is based on the costs which are expected to be incurred using historical costs as a guide.

Note 14: Interest bearing loans and borrowings

	Notes	2015 $'000's	2014 $'000's
Current			
Other borrowings		-	975
Total current interest bearing loans and borrowings		**-**	**975**
Non-current			
Syndicated Facility Agreement A Tranche 1 (1)	23	**295,000**	295,000
Syndicated Facility Agreement A Tranche 2 (1)	23	**22,000**	130,000
Syndicated Facility Agreement B Tranche 1 (1)	23	**79,766**	83,534
Syndicated Facility Agreement B Tranche 2 (1)	23	**79,766**	83,534
Capitalised borrowing costs		**(3,632)**	(3,473)
Total non-current interest bearing loans and borrowings		**472,900**	**588,595**

(1) At 22 June 2015, the Group extended and amended its syndicated debt facilities, comprising a A$590m facility (loans A above) and a NZ$180m facility (loans B above). The size of the facilities remained unchanged, each facility is split between a 3 year tranche maturing July 2018 and a 5 year tranche maturing in July 2020.

(a) Fair values

Fair values of the Group's interest-bearing loans and borrowings are determined by using a discounted cash flow method, applying a discount rate that reflects the issuer's borrowing rate at the end of the reporting period. As the underlying debt has a floating interest rate (excluding the impact of the separate interest rate swaps), the Group's own performance risk at 30 June 2015 was assessed to be insignificant.

The carrying amount and fair value of the Group's current and non-current borrowings are as follows:

		2015 $'000's		2014 $'000's	
	Average interest rate	Carrying Value	Fair Value(2)	Carrying Value	Fair Value(2)
Syndicated Facility Agreement A Tranche 1	**4.09%**	295,000	295,000	295,000	295,000
Syndicated Facility Agreement A Tranche 2	**4.39%**	22,000	22,000	130,000	130,000
Syndicated Facility Agreement B Tranche 1	**5.17%**	79,766	79,766	83,534	83,534
Syndicated Facility Agreement B Tranche 2	**5.48%**	79,766	79,766	83,534	83,534
Total borrowings		**476,532**	**476,532**	**592,068**	**592,068**

(2) The fair value of borrowings is derived using significant observable inputs (Fair Value Hierarchy Level 2).

Notes to the Full Year Consolidated Financial Report

For the year ended 30 June 2015

Note 14: Interest bearing loans and borrowings (continued)

(b) Interest rate, foreign exchange and liquidity risk

Details regarding interest rate, foreign exchange and liquidity risk are disclosed in Note 23.

(c) Defaults and breaches

During the current and prior year, there were no defaults or breaches on any of the loan terms and conditions.

Note 15: Contributed equity

	2015 $'000's	2014 $'000's
Issued and paid up capital		
Ordinary shares fully paid	**1,491,497**	1,489,597

	2015 $'000's		2014 $'000's	
	Number of shares	$'000's	Number of shares	$'000's
Movements in contributed equity				
Ordinary shares:				
Beginning of the year	**294,097,961**	**1,489,597**	12	180,000
Issued during the year[1]	**457,894**	**1,900**	294,097,949	1,327,643
Transaction costs taken to equity	**-**	**-**	-	(25,285)
Tax benefit on transaction costs	**-**	**-**	-	7,239
End of the year	**294,555,855**	**1,491,497**	**294,097,961**	**1,489,597**

[1] Shares issued during the year include:

(i) On 23 December 2014, 47,058 shares in the Company were issued as part of the acquisition of Brazier Pty Ltd (refer Note 21), the shares are subject to voluntary escrow for 12 months and will be released from escrow on 24 December 2015.

(ii) On 7 May 2015, 410,836 shares in the Company were issued as part of the acquisition of A & C Packers Pty Ltd (refer Note 21), the shares are subject to voluntary escrow for 12 months and will be released from escrow on 8 May 2016.

(a) Terms and conditions of contributed equity

Ordinary shares participate in dividends and the proceeds on winding up of the Company in proportion to the number of shares held.

(b) Capital management

When managing capital, management's objective is to ensure the entity continues as a going concern as well as to provide optimal returns to shareholders. Management also aims to maintain a capital structure that ensures the lowest cost of capital available to the entity.

Management is constantly assessing the capital structure to take advantage of favourable costs of capital or high returns on assets. As the market is constantly changing, management may recommend to the Board the amount of dividends (if any) to be paid to shareholders, a return of capital to shareholders, the issue of new shares or to sell assets to reduce debt.

Notes to the Full Year Consolidated Financial Report

For the year ended 30 June 2015

Note 16: Reserves

	2015 $'000's	2014 $'000's
Foreign currency translation reserve	**20,394**	13,358
Cash flow hedge reserve	**(1,790)**	(630)
Common control reserve	**(928,385)**	(928,385)
Total reserves	**(909,781)**	**(915,657)**

Nature and purpose of reserves:

(a) Foreign currency translation reserve

The foreign currency translation reserve is used to record foreign exchange fluctuations arising from the translation of the financial statements of foreign subsidiaries.

(b) Cash flow hedge reserve

This reserve records the portion of the gain or loss on a hedging instrument and the related transaction in a cash flow hedge that are determined to be an effective relationship.

Refer to Note 23 for further disclosure on forward exchange contracts designated in cash flow hedge relationships.

(c) Common control reserve

The common control reserve of $928.4 million includes a balance of $942.0 million that arose through a Group restructure in the financial year ended 30 June 2011, less $13.6 million in relation to the acquisition of Viscount Plastics (China) Pty Ltd and Asia Peak Pte Ltd in the year ended 30 June 2014.

Note 17: Retained earnings

	2015 $'000's	2014 $'000's
Retained losses at the beginning of the financial year	**(266,906)**	(324,595)
Net profit attributed to members of the Group	**67,632**	57,689
Dividend paid	**(55,883)**	-
Retained losses at the end of the financial year	**(255,157)**	**(266,906)**

Note 18: Dividends

	2015 $'000's	2014 $'000's
(a) Dividends paid		
Dividends paid during the year	**55,883**	-
(b) Dividends not recognised at 30 June 2015		
Since the end of the year the directors have determined payment of a 65% franked final dividend of 10 cents per ordinary share (2014: 9.5 cents, 65% franked). The final dividend is expected to be paid on 5 October 2015.		
Based on the number of shares on issue at reporting date, the aggregate amount of the proposed dividend would be:	**29,456**	27,939
(c) Franking credit balance		
The amount of franking credits available for the subsequent financial year are:		
Franking account balance as at the end of the financial year at 30% (2014: 30%)	**1,707**	2,196
Franking credits that will arise from the payment of income tax payable as at the end of the financial year	**964**	1,940
Franking debits that will arise from the payment of dividends as at the end of the financial year	**(8,206)**	(7,783)
Total franking credit balance	**(5,535)**	**(3,647)**

Notes to the Full Year Consolidated Financial Report

For the year ended 30 June 2015

Note 19: Commitments and contingencies

	Notes	2015 $'000's	2014 $'000's
(a) Lease expenditure commitments			
The future minimum lease payments under non-cancellable operating leases contracted for but not capitalised in the financial statements are payable as follows:			
Within one year		**36,466**	39,265
After one year but not more than five years		**105,031**	109,735
More than five years		**79,336**	90,902
Total lease expenditure commitments		**220,833**	**239,902**

The Group leases buildings and plant and equipment. Rental payments are generally fixed, but with inflation escalation clauses on which contingent rentals are determined. Property leases generally provide the Group with a right of renewal at which time terms are renegotiated. There are no restrictions placed upon the lessee by entering into these leases.

	Notes	2015 $'000's	2014 $'000's
(b) Finance lease and hire purchase commitments			
The Group has finance leases and hire purchase contracts for various items as follows:			
Minimum lease payments are as follows:			
Within one year		-	1,022
After one year but not more than five years		-	-
More than five years		-	-
Total minimum lease payments		-	1,022
Less amounts representing finance charges		-	(47)
Present value of minimum lease payments		-	**975**
Current	14	-	975
Non-current	14	-	-
Total		-	975

	2015	2014
(c) Other expenditure commitments		
Other expenditure commitments contracted for at reporting date, but not provided for are:		
Capital expenditure projects	4,844	6,551
These are payable as follows:		
Within one year	**3,720**	6,441
After one year but not more than five years	**1,124**	110
Total	4,844	6,551

(d) Contingencies

From time to time, the Group may be involved in litigation relating to claims arising out of its operations. The Group is not party to any legal proceedings that are expected, individually or in the aggregate, to have a material adverse effect on its business, financial position or operating results.

Notes to the Full Year Consolidated Financial Report

For the year ended 30 June 2015

Note 20: Cash flow information

	Notes	2015 $'000's	2014 $'000's
(a) Reconciliation of cash and cash equivalents			
Cash at the end of the financial year as shown in the Consolidated Statement of Cash Flows is reconciled to the related items in the Consolidated Statement of Financial Position as follows:			
Cash at bank and on hand	5	**32,612**	25,603
Bank overdraft	5	**-**	(1,376)
Total net cash		**32,612**	**24,227**

		2015 $'000's	2014 $'000's
(b) Reconciliation of net profit before income tax to net cash flow from operations			
Net profit before income tax		**95,848**	**54,117**
Adjustments to reconcile profit before tax to net cash flow:			
Depreciation and amortisation		**56,249**	51,200
Significant items		**21,917**	-
Employee entitlement provisions		**9,317**	11,098
Trade receivables impairment provision		**214**	165
Fixed rent provision		**(913)**	(2,209)
Property make good provision		**(819)**	(687)
Loss/(gain) on sale of property, plant and equipment		**1,511**	(34)
Gain on business acquisition		**-**	(10,834)
Share of net profit in associates		**(1,376)**	(1,351)
Unrealised gain on revaluation of cross currency swaps		**-**	3,791
Loss/(gain) on revaluation of foreign exchange contracts		**(55)**	280
Swap break costs		**-**	6,407
IPO transaction costs (recorded against profit for the year)		**-**	5,245
Write-off capitalised borrowing costs in relation to the Term Loan B Facility		**-**	21,576
Finance costs		**33,096**	73,202
Interest income		**(62)**	(6,477)
Changes in assets and liabilities:			
Decrease in trade and other receivables		**65,384**	18,458
Decrease/(increase) in prepayments		**1,467**	(639)
Decrease/(increase) in inventory		**3,670**	(1,259)
Decrease in trade and other payables		**26,951**	(22,722)
Decrease in provisions		**(10,630)**	(22,726)
Cash flow from operating activities		**301,769**	**176,601**
Interest income received		**62**	1,088
Finance costs paid		**(32,627)**	(65,953)
Income tax paid		**(18,797)**	(22,023)
Net cash flow from operating activities		**250,407**	**89,713**

In the prior year, a non-cash repayment of a promissory note amounting to $387.3 million was recorded as a result of the issue of shares to a related party.

(c) Non-cash investing activities

During the financial year ended 30 June 2015, Pact securitised $126 million of receivables. As Pact is a participant of the program, there was a non-cash item of $30.7 million for Pact's share in the program as Pact essentially paid itself for the securitised receivables.

Notes to the Full Year Consolidated Financial Report

For the year ended 30 June 2015

Note 21: Business combinations

The fair values of the identifiable assets and liabilities as of the date of the acquisition for business combinations during the financial year are:

Summary of 30 June 2015 acquisitions

	Sulo[1]	Brazier[2]	Brackley[3]	A&C Packers[4]	NCI[5]	Total
	$'000's	$'000's	$'000's	$'000's	$'000's	$'000's
Date acquired	08/08/2014	23/12/2014	6/5/2015	7/5/2015	15/5/2015	
Fair value of net assets acquired						
Cash	1,088	-	-	-	-	1,088
Trade and other receivables	4,954	-	-	-	-	4,954
Prepayments	154	-	-	-	-	154
Inventory	5,312	-	442	-	978	6,732
Property, plant & equipment	19,677	198	27	2,055	2,395	24,352
Intangibles	85	-	2,061	-	-	2,146
Deferred tax asset	1,915	-	-	-	-	1,915
Total assets	**33,185**	**198**	**2,530**	**2,055**	**3,373**	**41,341**
Trade Payables and other provisions	11,074	-	-	-	-	11,074
Employee provisions	995	-	29	-	-	1,024
Deferred tax liability	155	-	-	-	-	155
Total liabilities	**12,224**	**-**	**29**	**-**	**-**	**12,253**
Fair value of identifiable net assets	**20,961**	**198**	**2,501**	**2,055**	**3,373**	**29,088**
Cash consideration paid	24,173	1,000	4,440	3,000	3,373	35,986
Deferred settlement	7,248	175	1,000	-	-	8,423
Shares issued as consideration	-	200	-	1,700	-	1,900
Total consideration paid	**31,421**	**1,375**	**5,440**	**4,700**	**3,373**	**46,309**
Goodwill arising on acquisition	10,460	1,177	2,939	2,645	-	17,221
Net difference between fair value and consideration paid	**10,460**	**1,177**	**2,939**	**2,645**	**-**	**17,221**
Reconciliation of cash paid to Consolidated Statement of Cash Flows						
Net cash acquired	1,088	-	-	-	-	1,088
Cash paid	24,173	1,000	4,440	3,000	3,373	35,986
Net cash consideration paid	**23,085**	**1,000**	**4,440**	**3,000**	**3,373**	**34,898**

Finalisation of prior year acquisition accounting (Cinqplast)

Additional acquisition provisions of $0.2 million in relation to the Cinqplast acquisition were raised in the current year. The Company has recorded a total of $17.4 million of goodwill in the current year.

Notes to the Full Year Consolidated Financial Report

For the year ended 30 June 2015

Note 21: Business combinations (continued)

Summary of 30 June 2015 acquisitions (continued)

(1) Sulo MGB Australia Pty Ltd (Sulo)

On 8 August 2014 the Group purchased 100% of the shares in the Australian and New Zealand operations of Sulo MGB (Australia) Pty Ltd including its subsidiary Sulo (NZ) Ltd from Plastics Group Pty Ltd. The Group acquired Sulo as its activities compliment the goods and services provided by the Group.

Goodwill of $10.5 million has arisen as a result of the purchase consideration exceeding fair value of identifiable net assets acquired. Goodwill is allocated to both the Pact Australia and Pact International operating segments.

The fair value of Sulo's trade and other receivables acquired amounted to $5.0 million. None of the trade receivables were impaired and it was expected that the full contractual amounts would be collected.

From the date of acquisition of 8 August 2014 to 30 June 2015 Sulo contributed $48.4 million of revenue and $7.2 million to the net profit before tax of the Group. If the combination had taken place at 1 July 2014, contributions to revenue for the 12 months ended 30 June 2015 would have been $5.5 million higher and the contribution to profit before tax for the Group would have been $0.5 million lower.

(2) Brazier Pty Ltd (Brazier)

On 23 December 2014 the Group acquired the drum recycling assets from Brazier Group Pty Ltd for $1.4 million. The Group acquired Brazier as its activities compliment the services of the Group.

The provisional goodwill of $1.2 million has arisen as a result of the purchase consideration exceeding the fair value of identifiable net assets acquired. Goodwill is allocated to the Pact Australia operating segment.

From the date of acquisition of 23 December 2014 to 30 June 2015 Brazier contributed $0.6 million of revenue and $0.2 million to the net profit before tax of the Group. If the combination had taken place at 1 July 2014, contributions to revenue for the 12 months ended 30 June 2015 would have been $0.6 million higher and the contribution to profit before tax for the Group would have been $0.2 million higher.

(3) Brackley Industries Pty Ltd (Brackley)

On 6 May 2015 the Group acquired the business assets from Brackley Industries Pty Ltd for $5.4 million. Brackley is a supplier of consol games, computer software and other media packaging products.

In the Consolidated Statement of Financial Position provisional goodwill of $2.9 million has been recognised, $2.1 million has been recognised for intangibles and $0.4 million for inventory acquired. The total consideration of $5.4 million is represented by $4.4 million of cash payment and $1.0 million of deferred settlement.

From the date of acquisition of 6 May 2015 to 30 June 2015 Brackley contributed $1.4 million of revenue and $0.1 million to the net profit before tax of the Group. If the combination had taken place at 1 July 2014, contributions to revenue for the 12 months ended 30 June 2015 would have been $8.0 million higher and the contribution to profit before tax for the Group would have been $0.5 million higher.

(4) A&C Packers Pty Ltd (A&C Packers)

On 7 May 2015 the Group acquired the business assets from A&C Packers Pty Ltd for $4.7 million.

In the Consolidated Statement of Financial Position provisional goodwill of $2.6 million has been recognised, and $2.1 million has been recognised for property, plant and equipment. The total consideration of $4.7 million is represented by $3.0 million of cash payment and the issue of $1.7 million shares in the Company.

From the date of acquisition of 7 May 2015 to 30 June 2015 A&C Packers contributed $0.9 million of revenue and $0.1 million to the net profit before tax of the Group. If the combination had taken place at 1 July 2014, contributions to revenue for the 12 months ended 30 June 2015 would have been $5.5 million higher and the contribution to profit before tax for the Group would have been $0.6 million higher.

(5) National Can Industries Pty Ltd (NCI)

On 15 May 2015 the Group acquired the drum business assets of NCI for $3.4 million by a cash payment. Management is in the process of finalising the acquisition, and provisional goodwill has not been recorded at 30 June 2015.

In the Consolidated Statement of Financial Position $2.4 million has been recognised in property, plant and equipment, and $1.0 million for inventory.

From the date of acquisition of 15 May 2015 to 30 June 2015 NCI contributed $0.8 million of revenue and $0.1 million to the net profit before tax of the Group. If the combination had taken place at 1 July 2014, contributions to revenue for the 12 months ended 30 June 2015 would have been $5.6 million higher and the contribution to profit before tax for the Group would have been $0.6 million higher.

Notes to the Full Year Consolidated Financial Report

For the year ended 30 June 2015

Note 21: Business combinations (continued)

Summary of 30 June 2014 acquisitions

	Asia Peak[1] $'000's	Viscount China[2] $'000's	Ruffgar[3] $'000's	Cinqplast[4] $'000's	Total $'000's
Date acquired	17/12/2013	17/12/2013	17/12/2013	17/12/2013	
Fair value of net assets acquired					
Cash	378	1,238	554	106	2,276
Trade and other receivables (net of provision)	15,802	16,605	3,553	5,195	41,155
Prepayments	-	921	134	102	1,157
Inventory	-	3,374	1,680	3,707	8,761
Property, plant & equipment	15	19,662	6,711	17,449	43,837
Equity method investments	-	300	4,062	-	4,362
Deferred tax asset	-	127	34	421	582
Total assets	**16,195**	**42,227**	**16,728**	**26,980**	**102,130**
Trade Payables and other provisions	16,070	10,073	1,746	6,026	33,915
Employee provisions	-	72	62	929	1,063
Interest bearing liabilities	92	-	11	10,440	10,543
Deferred tax liability	-	-	829	1,396	2,225
Total liabilities	**16,162**	**10,145**	**2,648**	**18,791**	**47,746**
Fair value of identifiable net assets	**33**	**32,082**	**14,080**	**8,189**	**54,384**
Cash consideration paid	500	18,000	23,200	7,000	48,700
Shares issued as consideration paid	-	-	24,870	11,599	36,469
Total consideration paid	**500**	**18,000**	**48,070**	**18,599**	**85,169**
Common control reserve	(467)	14,082	-	-	13,615
Goodwill arising on acquisition	-	-	33,990	29,767	63,757
Net difference between fair value and consideration paid	**(467)**	**14,082**	**33,990**	**29,767**	**77,372**
Reconciliation of cash paid to Consolidated Statement of Cash Flows					
Net cash acquired	378	1,238	554	106	2,276
Cash paid	500	18,000	23,200	7,000	48,700
Net cash consideration paid	**122**	**16,762**	**22,646**	**6,894**	**46,424**

[1] Asia Peak Pte Ltd (Asia Peak)

On 17 December 2013 the Group purchased 100% of the shares in Asia Peak for cash. Asia Peak is incorporated in Singapore and was associated with Geminder Holdings Pty Ltd, the Group's former parent entity. Asia Peak acts as a procurement office for the Group. The Group acquired Asia Peak due to the integrated nature of Asia Peak's activities with those of the Group.

As Asia Peak was acquired by way of the common control exemption under AASB 3: *Business Combinations*, the difference between the fair value of the identifiable net assets acquired and the cash consideration paid of $0.5 million has been recorded in the common control reserve, refer Note 16.

The trade and other receivables acquired amounted to $15.8 million of which $15.3 million was with Group entities. None of the trade receivables have been impaired and it is expected that the full contractual amounts will be collected.

For the period 17 December 2013 to 30 June 2014 Asia Peak contributed $2.8 million of revenue and $0.7 million to the net profit before tax of the Group. If the combination had taken place at 1 July 2013, revenue from continuing operations for the 12 months ended 30 June 2014 would have been $4.4 million higher and the profit from continuing operations for the Group would have been $0.1 million higher.

Notes to the Full Year Consolidated Financial Report

For the year ended 30 June 2015

Note 21: Business combinations (continued)

Summary of 30 June 2014 acquisitions (continued)

(2) Viscount Plastics (China) Pty Ltd (Viscount China)

On 17 December 2013 the Group acquired 100% of the shares in Viscount China. Viscount China holds three manufacturing plants Changzhou Viscount Plastics Co. Ltd, Guangzhou Viscount Plastics Co. Ltd, Langfang Viscount Plastics Co. Ltd. and a 40% interest in Changzhou Viscount Oriental Mould Co Ltd. Viscount China manufactures and distributes injection moulded plastic products, bottles and rotationally moulded rigid plastic products. The Group acquired Viscount China as part of the Group's overall growth strategy to expand its presence in the Asian markets.

As Viscount China was acquired by way of the common control exemption under AASB 3: *Business Combinations*, the difference between the fair value of the net assets acquired of $32.1 million and the cash consideration paid of $18.0 million has been recorded in the common control reserve, refer Note 16.

The fair value of trade and other receivables acquired amounted to $16.6 million. None of the trade receivables have been impaired and it is expected that the full contractual amounts will be collected. The deferred tax asset of $0.1 million mainly comprised the tax effect of provisions acquired.

For the period 17 December 2013 to 30 June 2014 Viscount China contributed $22.4 million of revenue and a net loss before tax of $0.1 million to the Group. If the combination had taken place at 1 July 2013, revenue from continuing operations for the 12 months ended 30 June 2014 would have been $23.6 million higher and the profit from continuing operations for the Group would have been $0.1 million lower.

(3) Ruffgar Holdings Pty Ltd (Ruffgar)

On 17 December 2013 the Group acquired 100% of the shares in Ruffgar. Ruffgar owns 100% of PT Plastop Asia Inc (Plastop Asia) and a 50% interest in Weener Plastop Asia Inc (Weener Plastop). Plastop Asia and Weener Plastop manufacture personal care injection moulded plastic products. The Group acquired Ruffgar as part of its overall growth strategy within the Asian region. Ruffgar shares were purchased for cash of $23.2 million and shares with a fair value of $24.9 million at the date of acquisition. The goodwill of $34.0 million has arisen as a result of the purchase consideration exceeding the fair value of identifiable net assets acquired. Goodwill is allocated to the Pact International operating segment.

The fair value of Ruffgar's trade receivables acquired amounted to $3.6 million. None of the trade receivables were impaired and it was expected that the full contractual amounts would be collected.

For the period 17 December 2013 to 30 June 2014 Ruffgar contributed $8.8 million of revenue and $1.9 million to the net profit before tax of the Group. If the combination had taken place at 1 July 2013, contributions to revenue from continuing operations for the 12 months ended 30 June 2014 would have been $7.2 million higher and the contribution to profit from continuing operations for the Group would have been $0.6 million higher.

(4) Cinqplast Plastop Australia Pty Ltd (Cinqplast)

On 17 December 2013 the Group acquired the remaining shares in Cinqplast including its controlled entity Steri-Plas Pty Ltd for cash of $7.0 million and shares with a fair value of $11.6 million at the date of acquisition. Cinqplast is involved in the manufacture of speciality plastic products. The Group acquired the remaining shares in Cinqplast as part of the Group's overall strategy to diversify its presence in plastic related industries. The goodwill of $29.8 million has arisen as a result of the purchase consideration exceeding the fair value of assets acquired. Goodwill is allocated to the Pact Australia operating segment.

The carrying value of the equity interest in Cinqplast immediately prior to the acquisition was $8.5 million. A gain of $10.8 million was recognised from remeasuring the equity interest in Cinqplast held by the Group to fair value in accordance with AASB 3: *Business Combinations*. The gain is disclosed in Note 3.

The fair value of trade and other receivables acquired amounted to $5.2 million. The gross amount of trade receivables was $5.3 million. The deferred tax asset mainly comprises the tax effect of provisions acquired.

For the period 17 December 2013 to 30 June 2014 Cinqplast contributed $13.7 million of revenue and a net profit before tax of $1.7 million to the Group. If the combination had taken place at 1 July 2013, revenue from continuing operations for the 12 months ended 30 June 2014 would have been $15.2 million higher and the profit from continuing operations for the Group would have been $0.6 million higher.

Notes to the Full Year Consolidated Financial Report

For the year ended 30 June 2015

Note 22: Business divestments

Summary of 30 June 2015 divestments

During the financial year, Pact established a joint venture with Weener Plastik GMBH through the partial disposal of its ownership in Gempack Asia Ltd (Gempack). This joint venture came into effect on 1 April 2015. As a result, Pact ceased consolidating the results of Gempack from that date and instead recognised an Investment in associate which Pact have equity accounted for. The fair value of identifiable net assets derecognised was $10.9m. The divestment of Gempack resulted in a loss on partial disposal of $1.5m (refer Note 3).

Summary of 30 June 2014 divestments

For the year ended 30 June 2014 the Group has not sold any of its subsidiaries.

Note 23: Financial assets and financial liabilities

	2015 $'000's	2014 $'000's
Other current financial assets		
Foreign exchange forward contracts[1]	**1,657**	403
Other current financial liabilities		
Foreign exchange forward contracts[1]	**187**	1,342
Other non-current financial liabilities		
Interest rate swap contracts[2]	**3,327**	-

[1] Foreign exchange forward contracts – cash flow hedges

To protect against exchange rate movements, the Group has entered into forward currency contracts to purchase foreign currency. These contracts are to hedge committed purchases or payment obligations and their terms reflect those of the underlying committed payment obligations. At 30 June 2015, the Group hedged 91% (2014: 88%) of its foreign currency purchases for which purchase orders existed at the reporting date.

For purchases of inventory, the cash flows are expected to occur within six months of balance date and the cost of sales within the Consolidated Statement of Comprehensive Income will be affected over the following year as the inventory is either used in production or sold. For the purchases of capital goods the cash flows are expected to occur over a period of up to two years.

[2] Interest rate swap contracts – cash flow hedges

To protect against interest rate movements, the Group has entered into interest rate swap contracts under which it receives interest at variable rates and pays interest at fixed rates. At 30 June 2015, the Group hedge cover is 52% (2014: 0%) of its long term variable debt excluding working capital facilities

Counterparty security risk

As the Group does not seek security from the counterparties with whom it enters into derivative financial instruments, the Group also considers the risk of counterparty non-performance. As at 30 June 2015 the Group assessed this risk to be insignificant.

Fair value hierarchy

The Group uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

(i) **Level 1:** quoted (unadjusted) prices in active markets for identical assets or liabilities;

(ii) **Level 2:** other techniques for which all inputs that have a significant effect on the recorded fair value are observable, either directly or indirectly; and

(iii) **Level 3:** techniques that use inputs that have a significant effect on the recorded fair value that are not based on observable market data.

Notes to the Full Year Consolidated Financial Report

For the year ended 30 June 2015

Note 23: Financial assets and financial liabilities (continued)

The following table provides the measurement hierarchy for the Group's financial assets and liabilities that are measured at fair value.

	Fair value measurement using			
	Quoted prices in active markets Level 1 $'000's	Significant observable inputs Level 2 $'000's	Significant unobservable inputs Level 3 $'000's	Total $'000's
Year ended 30 June 2015				
Assets measured at fair value				
Foreign exchange forward contracts	-	1,657	-	1,657
Liabilities measured at fair value				
Foreign exchange forward contracts	-	187	-	187
Interest rate swap contracts	-	3,327	-	3,327
Total	-	3,514	-	3,514
Year ended 30 June 2014				
Assets measured at fair value				
Foreign exchange forward contracts	-	403	-	403
Liabilities measured at fair value				
Foreign exchange forward contracts	-	1,342	-	1,342

There are no differences between the fair value and the book value of the assets and liabilities for the current or comparative period. For assets and liabilities that are recognised in the Consolidated Financial Report on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by reassessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

Financial Risk Management

The Group's principal financial instruments comprise cash, receivables, payables, bank loans, bank overdrafts, finance leases, securitisation program and derivative instruments.

(a) Fair value

The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

The Group's financial instruments measured at fair value comprises of derivatives only. The Group enters into derivative financial instruments with various counterparties, principally financial institutions with investment grade or better credit ratings. These derivatives are not quoted in active markets. The Group therefore uses valuation techniques such as present value techniques, comparison to similar instruments for which market observable prices exist and other relevant models used by market participants. These valuation techniques use both observable and unobservable market inputs, of which the unobservable market inputs are considered to be insignificant. These inputs include current spot rates, forward rates and implied yield curves.

(b) Risk exposures and responses

The Group's activities expose it to a variety of financial risks: market risk (including foreign currency risk, interest rate risk, and commodity price risk), liquidity risk and credit risk. The following describes the Group's exposure to these risks as well as the objectives, policies and processes for measuring and managing risk.

The Group enters into derivative transactions, principally interest rate swaps, forward currency contracts and cross currency interest rate swaps as deemed appropriate. The purpose is to manage the interest and currency risks arising from the Group's operations and its financing activities. The Group uses different methods to measure and manage risk to which it is exposed. These include monitoring levels of exposure to interest rate and foreign exchange risk and assessments of market forecasts for interest rate and foreign exchange levels. Ageing analyses and monitoring of specific credit allowances are undertaken to manage credit risk. Liquidity risk is monitored through rolling cash flow forecasts.

Primary responsibility for identification and control of financial risks rests with the Treasury Risk Management Committee.

Notes to the Full Year Consolidated Financial Report

For the year ended 30 June 2015

Note 23: Financial assets and financial liabilities (continued)

(i) Market Risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate due to changes in market prices. Market risk comprises the following types of risk: interest rate risk, currency risk and commodity price risk. Financial instruments affected by market risk include loans and borrowings and derivative financial instruments.

▶ Interest rate risk

The Group is exposed to interest rate risk as it borrows funds at floating rates. Interest rate risk is the risk that the Group will be adversely affected by movements in floating interest rates that will increase the cost of floating rate debt.

The Group seeks to manage its finance costs by assessing and, where appropriate, utilising a mix of fixed and variable rate debt. Borrowings at fixed rates are carried at amortised cost and it is acknowledged that fair value exposure is a by-product of the Group's attempt to manage its cash flow volatility arising from interest rate changes.

The Group constantly analyses its interest rate exposure. Within this analysis consideration is given to potential renewals of existing positions, alternative financing, alternative hedging positions and the mix of fixed and variable interest rates.

The following sensitivity analysis is based on the interest rate risk exposures in existence at the reporting date. For the Group, no financial assets or liabilities that are subject to interest rate risk have been designated at fair value through other comprehensive income or as available-for-sale, therefore with the exception of the impact of the interest rate swaps, there is no impact on equity at 30 June 2015 (2014: nil). At balance date, if interest rates had moved with all other variables held constant, net profit after tax would have been higher/(lower) as follows:

	Interest rate increase +1%[1]		Interest rate decrease -1%[1]	
	2015 $'000's	2014 $'000's	2015 $'000's	2014 $'000's
Impact on net profit after tax				
Australian Dollar (AUD)	**(469)**	(2,975)	**469**	2,975
New Zealand Dollar (NZD)	**(1,149)**	(1,203)	**1,149**	1,203
Impact on equity				
Australian Dollar (AUD)	**1,783**	(2,975)	**(1,783)**	2,975
New Zealand Dollar (NZD)	**(1,149)**	(1,203)	**1,149**	1,203

(1) The impact of a +/- 1% movement in interest rates was determined based on the Group's mix of debt, credit standing with finance institutions, the level of debt that is expected to be renewed and economic forecasters' expectations.

▶ Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Group's exposure to the risk of changes in foreign exchange rates relates to the Group's (i) operating activities (when revenue, expense or capital expenditure is denominated in a different currency from an entity's functional currency); (ii) financing activities; and (iii) net investments in foreign subsidiaries.

Less than 1% of the Group's sales are denominated in currencies other than the functional currency of the operating entity making the sale.

At reporting date, the Group had significant exposure to the USD against AUD and NZD which are not designated as cash flow hedges. The Group utilises forward foreign currency contracts to eliminate or reduce currency exposures of individual transactions once the Group has entered into a firm commitment for a sale or purchase. It is the Group's policy not to enter into forward foreign currency contracts until a firm commitment is in place and to structure the terms of the hedge derivatives to match the terms of the hedged item to maximise hedge effectiveness.

During the year to 30 June 2015 the Group extended and amended its syndicated bank debt facility arrangement with available tranches denominated in both AUD and NZD. The NZD debt is borrowed by NZD functional currency entities and is used as a natural hedge against NZD assets, to reduce Pact's translation exposure.

Notes to the Full Year Consolidated Financial Report

For the year ended 30 June 2015

Note 23: Financial assets and financial liabilities (continued)

The following table illustrates the sensitivity of the foreign currency contracts of the Group to movements in the value of the Australian dollar against the relevant foreign currencies, with all other variables held constant, taking into account all underlying exposures and related hedges.

	(Decrease) / Increase in Net profit after tax		(Decrease) / Increase in Equity	
	2015 $'000's	2014 $'000's	2015 $'000's	2014 $'000's
Judgements of reasonably possible movements:				
AUD to USD + 10%	**(68)**	(40)	**(1,298)**	1,256
AUD to USD - 10%	**83**	35	**1,579**	(1,534)
NZD to USD + 10%	**(42)**	66	**(307)**	649
NZD to USD - 10%	**52**	(94)	**368**	(792)

Significant assumptions used in the foreign currency exposure sensitivity analysis include:

- A sensitivity of 10% has been selected based on the reasonably possible movements given recent and historical levels of volatility and exchange rates and economic forecast expectations.
- The reasonably possible movements were calculated by taking the USD and NZD spot rate as at reporting date, moving this spot rate by the reasonably possible movements and then re-converting the USD, NZD into AUD with the "new spot-rate". This methodology reflects the translation methodology undertaken by the Group.
- A price sensitivity of derivatives has been based on reasonably possible movements of spot rates at reporting dates rather than forward rates.
- The effect on other comprehensive income is the effect on the cash flow hedge reserve.
- The sensitivity does not include financial instruments that are non-monetary items as these are not considered to give rise to currency risk.

▶ Commodity Price risk

The Group is exposed to price risk in relation to a number of raw materials. This risk is partially mitigated by 'rise and fall' clauses in contracts with customers. In managing commodity price risk, the Group ordinarily seeks to pass on commodity price risk to both contracted and uncontracted customers. As the Group has historically passed on the movement risk associated with commodity prices, no sensitivity analysis has been performed. However the speed, magnitude and competitive dynamics of end markets can adversely impact the Group's ability to fully pass on commodity price changes.

(ii) Counterparty credit risk

Credit risk arises from the potential failure of counterparties to meet their obligations at the maturity of contracts. The Group is exposed to credit risk arising from its operating activities (primarily from customer receivables) and financing activities, including deposits with banks and financial institutions, foreign exchange transactions and other financial instruments. There have been no significant changes in relation to financial guarantees and trade finance credit arrangements utilised by the Group compared to the previous period.

The Group does not hold any credit derivatives to offset its credit exposures and there is no significant concentration of credit risk.

▶ Trade receivables

The Group generally trades only with recognised, creditworthy third parties. It is the Group's policy that all customers that wish to trade on credit terms are subject to credit verification procedures which may include an assessment of their independent credit rating, financial position, past experience and industry reputation. Risk limits are set for each individual customer in accordance with set parameters. These risk limits are regularly monitored. In addition, receivable balances are stringently monitored on an ongoing basis with the result that the Group's bad debt experience has not been significant.

The Group has also entered into a securitisation program, where substantially all the risks and rewards of receivables within the program are transferred to a third party, resulting in a significant decline in the credit risk of trade receivables. Refer Note 6 for details of the securitisation program.

Notes to the Full Year Consolidated Financial Report

For the year ended 30 June 2015

Note 23: Financial assets and financial liabilities (continued)

▶ Financial instruments

Credit risks relating to financial instruments entered into with banks and financial institutions are managed by Group Treasury in accordance with the approved policies. Such policies only allow financial instruments to be entered into with high credit quality financial institutions.

The maximum exposure to credit risk by class of recognised financial assets at the end of the reporting period is equivalent to the carrying amount as presented in the Consolidated Statement of Financial Position.

(iii) Liquidity risk

Liquidity risk arises from the financial liabilities of the Group and the Group's subsequent ability to meet its obligations to repay these financial liabilities as and when they fall due. Liquidity risk management involves maintaining available funding and ensuring the Group has access to an adequate amount of committed credit facilities. The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of bank overdrafts, loans, debtor securitisation and finance leases.

The Group manages its liquidity risk by monitoring the total cash inflows and outflows expected on an ongoing basis.

▶ Debtors securitisation program

The Group operates a debtors securitisation program which allows the Group to sell a portfolio of debtors. The size of the portfolio can be changed (up to the maximum limit) to assist with liquidity needs. In preparing cash flow projections and analysing liquidity risk, management take into consideration the timing of potential cash flows associated with the securitisation program.

▶ Credit Facilities

The table below summarises the outstanding and unused credit facilities available to the Group:

	Term	2015 $'000's	2014 $'000's
Available Credit Facilities			
Syndicated Facility Agreement A Tranche 1 (AUD $295m)	3 years	**295,000**	295,000
Syndicated Facility Agreement A Tranche 2 (AUD $295m)	5 years	**295,000**	295,000
Syndicated Facility Agreement B Tranche 1 (NZD $90m)	3 years	**79,766**	83,534
Syndicated Facility Agreement B Tranche 2 (NZD $90m)	5 years	**79,766**	83,534
Overdraft facility		**19,875**	20,105
Multi Option Interchangeable Working Capital Facility(1)		**18,175**	15,175
Total available credit facilities		**787,582**	**792,348**
Credit Facilities Utilised			
Syndicated Facility Agreement A Tranche 1 (AUD $295m)	3 years	**295,000**	295,000
Syndicated Facility Agreement A Tranche 2 (AUD $295m)	5 years	**22,000**	130,000
Syndicated Facility Agreement B Tranche 1 (NZD $90m)	3 years	**79,766**	83,534
Syndicated Facility Agreement B Tranche 2 (NZD $90m)	5 years	**79,766**	83,534
Overdraft facility		**-**	1,376
Multi Option Interchangeable Working Capital Facility(1)		**17,996**	11,463
Total available credit facilities		**494,528**	**604,907**
Net unused credit facilities		**293,054**	191,441
Cash and cash equivalents		**32,612**	25,603
Net unused facilities and cash and cash equivalents		**325,666**	**217,044**

(1) These facilities provide for trade finance requirements as well as performance and financial guarantee requirements for the Group to procure goods and services on credit. The liability attaching to these transactions is recognised in the Consolidated Statement of Financial Position when title or risk associated with these goods and services passes to the Group or an event occurs which causes the liability to be crystallised in accordance with normal accounting principles. Up until such time, any obligation attaching to the procurement of these goods and services does not represent a liability and therefore has not been recognised in the Consolidated Statement of Financial Position.

Notes to the Full Year Consolidated Financial Report

For the year ended 30 June 2015

Note 23: Financial assets and financial liabilities (continued)

▶ Derivative and non-derivative financial assets and liabilities

The following liquidity risk disclosures reflect all contractually fixed payments, repayments and interest resulting from recognised financial liabilities as at 30 June 2015. For all obligations, the respective undiscounted cash flows for the respective upcoming fiscal years are presented. The timing of cash flows for assets and liabilities is based on the contractual terms of the underlying contract.

When the Group is committed to make amounts available in instalments, each instalment is allocated to the earliest period in which the Group is required to pay.

The risk implied from the values shown in the table below, reflects a balanced view of cash inflows and outflows of financial instruments. Leasing obligations, trade payables and other financial liabilities mainly originate from the financing of assets used in the Group's ongoing operations such as property, plant, equipment and investments in working capital.

Included in the Consolidated Statement of Financial Position are loans and receivables consisting of trade and other receivables of $77.9 million (2014: $150.3 million).

Liquid non-derivative assets comprising cash and receivables are considered in the Group's overall liquidity risk. The Group ensures that sufficient liquid assets are available to meet all the required short term cash payments.

The table below summarises the maturity profile of the Group's assets and liabilities based on contractual undiscounted payments:

	≤ 6 months $'000's	6–12 months $'000's	1–5 years $'000's	> 5 years $'000's	Total $'000's
Year ended 30 June 2015					
Financial assets					
Cash and cash equivalents	32,612	-	-	-	32,612
Trade and other receivables	93,685	-	-	-	93,685
Foreign exchange forward contracts	66,553	260	1,283	-	68,096
Total inflows	192,850	260	1,283	-	194,393
Financial liabilities					
Trade and other payables	(261,434)	-	-	-	(261,434)
Foreign exchange forward contracts	(65,105)	(264)	(1,257)	-	(66,626)
Interest rate swaps	(898)	(896)	(1,652)	-	(3,446)
Syndicated Facility Agreement	(11,039)	(10,919)	(433,385)	(102,234)	(557,577)
Total outflows	(338,476)	(12,079)	(436,294)	(102,234)	(889,083)
Net inflow/(outflow)	(145,626)	(11,819)	(435,011)	(102,234)	(694,690)

	≤ 6 months $'000's	6–12 months $'000's	1–5 years $'000's	> 5 years $'000's	Total $'000's
Year ended 30 June 2014					
Financial assets					
Cash and cash equivalents	24,227	-	-	-	24,227
Trade and other receivables	150,348	-	-	-	150,348
Foreign exchange forward contracts	47,275	2,650	824	-	50,749
Total inflows	221,850	2,650	824	-	225,324
Financial liabilities					
Trade and other payables	(192,916)	-	-	-	(192,916)
Foreign exchange forward contracts	(48,362)	(2,456)	(869)	-	(51,687)
Syndicated Facility Agreement	(14,739)	(14,499)	(655,588)	-	(684,826)
Finance leases	(975)	-	-	-	(975)
Total outflows	(256,992)	(16,955)	(656,457)	-	(930,404)
Net inflow/(outflow)	(35,142)	(14,305)	(655,633)	-	(705,080)

Notes to the Full Year Consolidated Financial Report

For the year ended 30 June 2015

Note 23: Financial assets and financial liabilities (continued)

In addition to maintaining sufficient liquid assets to meet short-term payments, at reporting date, the Group has available $293.1 million (2014: $191.4 million) of unused credit facilities available for its immediate use.

Due to the unique characteristics and risks inherent to derivative instruments, the Group, through its Group Treasury Function, separately monitors the liquidity risk arising from transacting in derivative instruments.

The contractual maturity amounts disclosed for financial derivative instruments in the previous table are the gross undiscounted cash flows however these amounts may be settled gross or net.

The following table shows the corresponding reconciliation of those amounts to their carrying amounts:

	≤ 6 months $'000's	6–12 months $'000's	1–5 years $'000's	> 5 years $'000's	Total $'000's
Year ended 30 June 2015					
Derivative liabilities – gross settled					
Inflows	**66,553**	**260**	**1,283**	**-**	**68,096**
Outflows	**(65,105)**	**(264)**	**(1,257)**	**-**	**(66,626)**
Net maturity	**1,448**	**(4)**	**26**	**-**	**1,470**
Year ended 30 June 2014					
Derivative liabilities – gross settled					
Inflows	47,275	2,650	824	-	50,749
Outflows	(48,362)	(2,456)	(869)	-	(51,687)
Net maturity	**(1,087)**	**194**	**(45)**	**-**	**(938)**

Note 24: Related party disclosures

Parent entity

The parent of the Group is Pact Group Holdings Ltd. In the comparative year, Pact Group Holdings Ltd became the ultimate parent of the Group on the date it was listed on the Australian Securities Exchange on 17 December 2013.

Terms and conditions of transactions with related parties

The purchases from and sales to related parties (refer Note 24 (a)) are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the end of the year are unsecured and interest free and settlement occurs in cash. There have been no guarantees provided or received for any related party receivables or payables. For the year ended 30 June 2015, the Group has not recorded any impairment of receivables relating to amounts owed by related parties (2014: nil).

Terms and conditions of property leases with related parties

The Group leased 16 properties (13 in Australia and 3 in New Zealand) from Centralbridge Pty Ltd (as trustee for the Centralbridge Unit Trust), Centralbridge Two Pty Ltd, Centralbridge (NZ) Limited and Albury Property Holdings Pty Ltd ("Centralbridge Entities"), which are each controlled by entities associated with Raphael Geminder (the Non-Executive Chairman of Pact) and are therefore related parties of the Group ("Centralbridge Leases"). The aggregate annual rent payable by Pact under the Centralbridge Leases for the year ended 30 June 2015 was $6.6 million (2014: $10.2 million). The rent payable under these leases was determined based on independent valuations and market conditions at the time the leases were entered into.

Of the Centralbridge Leases in Australia:

- seven of the leases contain early termination rights in favour of the landlord to terminate the lease at the expiry of the 6th and 9th term;
- two of the leases contain early termination rights in favour of the landlord to terminate the lease at the expiry of the 8th term; and
- two of the leases do not contain standard default provisions which give the landlord the right to terminate the lease in the event of default.

Except as set out above, the Centralbridge Leases in Australia are on arm's length terms.

Of the Centralbridge Leases in New Zealand, three of the leases contain early termination rights in favour of the landlord to terminate the lease at the expiry of the 6th and 9th term. With the exception of the early termination right, the Centralbridge Leases in New Zealand are on terms which are not uncommon for leases of commercial premises.

Notes to the Full Year Consolidated Financial Report

For the year ended 30 June 2015

Note 24: Related pary disclosures (continued)

(a) Transactions with related parties

The following table provides the total amount of transactions with related parties for the year ended 30 June 2015 (2014 comparatives):

		Sales to related parties $'000's	Purchases from related parties $'000's	Other (income) / expense with related parties $'000's	Amounts (owed to) / receivable from related parties $'000's
Entity which previously controlled the Group					
	2015	**-**	**-**	**(500)**	**-**
	2014	-	-	(1,650)	(72)
Associates					
	2015	**-**	**-**	**-**	**-**
	2014	268	458	(48)	-
Joint Ventures					
	2015	**-**	**-**	**-**	**-**
	2014	-	-	(30)	-
Other related parties – other director's interests[1]					
	2015	**9,385**	**19,544**	**514**	**568**
	2014	9,399	54,859	(1,147)	1,012

(1) Pro-Pac Packaging Limited (Pro-Pac)
Pro-Pac an entity for which Raphael Geminder owns approximately 44%, is an exclusive supplier of certain raw materials such as flexible film packaging, flexible plastic bags and tapes to Pact for an initial term that expires on 1 October 2016. Total fees under this arrangement are approximately $4.8 million for the 12 months ended 30 June 2015. The supply arrangement is on arm's length terms.

(b) Loans from related parties

		Interest income $'000's	Interest expense $'000's
Entity which previously controlled the Group			
	2015	**-**	**-**
	2014	5,388	22,116

(c) Transactions with Key Management Personnel

	2015 $'000's	2014 $'000's
Compensation of Key Management Personnel of the Group		
Short-term employee benefits	**3,468**	4,891
Post-employment benefits	**169**	146
Long-term benefits	**6**	34
Total compensation	**3,643**	5,071

The amounts disclosed in the table are the amounts recognised as an expense during the reporting period related to Key Management Personnel.

Notes to the Full Year Consolidated Financial Report

For the year ended 30 June 2015

Note 25: Controlled entities

(a) The following entities are controlled entities that are party to the Deed of Cross Guarantee (refer Note 27):

Entity	Country of Incorporation	Equity Interest (%) 2015	2014
Alto Manufacturing Pty Ltd	Australia	**100**	100
Alto Packaging Australia Pty Ltd	Australia	**100**	100
Astron Plastics Pty Ltd	Australia	**100**	100
Baroda Manufacturing Pty Ltd	Australia	**100**	100
Brickwood (NSW) Pty Ltd (formerly Full View Plastics Pty Ltd) as trustee for the Full View Plastics Unit Trust	Australia	**100**	100
Brickwood (QLD) Pty Ltd (formerly Logan Moulders Pty Ltd)	Australia	**100**	100
Brickwood (VIC) Pty Ltd (formerly Brickwood Holdings Pty Ltd)	Australia	**100**	100
Cinqplast Plastop Australia Pty Ltd	Australia	**100**	100
Inpact Innovation Pty Ltd	Australia	**100**	100
MTWO Pty Ltd	Australia	**100**	100
Pact Group Holdings (Australia) Pty Ltd (formerly Pact Group Pty Ltd)	Australia	**100**	100
Pact Group Industries (ANZ) Pty Ltd (formerly Pact Group Industries Pty Ltd)	Australia	**100**	100
Pact Group Industries (Asia) Pty Ltd	Australia	**100**	100
Pact Group Finance (Australia) Pty Ltd (formerly Pact Group Transaction Services Pty Ltd)	Australia	**100**	100
Plaspak Pty Ltd	Australia	**100**	100
Plaspak Closures Pty Ltd	Australia	**100**	100
Brickwood (Dandenong) Pty Ltd (formerly Plaspak Peteron Pty Ltd)	Australia	**100**	100
Ruffgar Holdings Pty Ltd	Australia	**100**	100
Salient Asia Pacific Pty Ltd	Australia	**100**	100
Skyson Pty Ltd	Australia	**100**	100
Snopak Manufacturing Pty Ltd	Australia	**100**	100
Steri-Plas Pty Ltd	Australia	**100**	100
Sulo MGB Australia Pty Ltd	Australia	**100**	-
Summit Manufacturing Pty Ltd	Australia	**100**	100
Sunrise Plastics Pty Ltd	Australia	**100**	100
VIP Drum Reconditioners Pty Ltd	Australia	**100**	100
VIP Plastic Packaging Pty Ltd	Australia	**100**	100
VIP Steel Packaging Pty Ltd	Australia	**100**	100
Viscount Logistics Services Pty Ltd	Australia	**100**	100
Viscount Plastics Pty Ltd	Australia	**100**	100
Viscount Plastics (Australia) Pty Ltd	Australia	**100**	100
Viscount Rotational Mouldings Pty Ltd	Australia	**100**	100
Viscount Plastics (China) Pty Ltd	Australia	**100**	100

Notes to the Full Year Consolidated Financial Report

For the year ended 30 June 2015

Note 25: Controlled entities (continued)

(b) The following entities are controlled entities of the Group, however are not party to the Deed of Cross Guarantee:

Entity	Country of Incorporation	Equity Interest (%) 2015	2014
Plaspak Contaplas Pty Ltd	Australia	**100**	100
Plaspak Management Pty Ltd	Australia	**100**	100
Plaspak Minto Pty Ltd	Australia	**100**	100
Plaspak (PET) Pty Ltd	Australia	**100**	100
Sustainapac Pty Ltd	Australia	**100**	100
Vmax Returnable Packaging Systems Pty Ltd	Australia	**51**	51
Alto Packaging Ltd	New Zealand	**100**	100
Astron Plastics Ltd	New Zealand	**100**	100
Auckland Drum Sustainability Services Ltd	New Zealand	**100**	100
Pacific BBA Plastics (NZ) Ltd	New Zealand	**100**	100
Pact Group Finance (NZ) Ltd	New Zealand	**100**	-
Pact Group (NZ) Ltd	New Zealand	**100**	100
Pact Group Holdings (NZ) Ltd	New Zealand	**100**	100
Sulo NZ Ltd	New Zealand	**100**	-
Tecpak Industries Ltd	New Zealand	**100**	100
VIP Plastic Packaging (NZ) Ltd	New Zealand	**100**	100
VIP Steel Packaging (NZ) Ltd	New Zealand	**100**	100
Viscount Plastics (NZ) Ltd	New Zealand	**100**	100
Pact Group (USA) Inc.	United States of America	**100**	100
Gempack Asia Ltd (refer Note 22)	Thailand	**50**	100
Asia Peak Pte Ltd	Singapore	**100**	100
Plastop Asia Inc	Philippines	**100**	100
Guangzhou Viscount Plastics Co Ltd	China	**100**	100
Langfang Viscount Plastics Co Ltd	China	**100**	100
Changzhou Viscount Plastics Co Ltd	China	**100**	100
PT Plastop Asia Indonesia	Indonesia	**100**	-
PT Plastop Asia Indonesia Manufacturing	Indonesia	**100**	-

Note 26. Parent entity financial statements

	2015 $'000's	2014 $'000's
Current assets	**337,780**	361,376
Total assets	**1,350,326**	1,345,311
Current liabilities	**234**	650
Total liabilities	**6,968**	650
Net assets	**1,343,358**	**1,344,661**
Issued capital	**1,311,497**	1,309,597
Retained earnings	**64**	64
Profit reserve	**31,797**	35,000
Total equity	**1,343,358**	**1,344,661**
Profit / (Loss) of the Parent entity	**52,680**	34,895
Total comprehensive income / (Loss) of the Parent entity	**52,680**	**34,895**

Note 27. Deed of cross guarantee

On 28 May 2014, a Deed of Cross Guarantee (Deed) was executed between Pact Group Holdings Ltd and some of its wholly owned entities (refer Note 25(a)). During the year Sulo MGB (Australia) Pty Ltd and Pact Group Finance (Australia) Pty Ltd became parties to the Deed by way of deeds of assumption dated 14 May and 23 June, 2015, respectively. Under the Deed, each company guarantees the debts of the other subsidiaries that form part of the Deed in the event of the winding up of any of the companies party to the deed in the circumstances contained in the Deed. Pursuant to Class Order 98/1418 (class order), for those entities that enter into the Deed relief has been granted from the *Corporations Act 2001* requirements to prepare and lodge audited financial statements.

Notes to the Full Year Consolidated Financial Report

For the year ended 30 June 2015

Note 27. Deed of cross guarantee (continued)

During the year Brickwood (Dandenong) Pty Ltd (formerly Plaspak Peteron Pty Ltd) ceased to be a large proprietary company and accordingly is ineligible for the relief under the class order for 2015.

Brickwood (NSW) Pty Ltd and Pact Group Industries (Asia) Pty Ltd have become large proprietary companies and accordingly are eligible for the relief under the class order for 2015.

The entities that are parties to the Deed represent a "Closed Group" for the purposes of the Class Order.

The consolidated income statement and balance sheet of the entities that are members of the Closed Group are as follows:

Closed group consolidated income statement

	2015 $'000's	2014 $'000's
Profit before income tax	**47,595**	**45,168**
Income tax expense	(11,981)	16,612
Net profit for the year	**35,614**	**61,780**
Retained losses at beginning of the year	**(14,163)**	**(75,943)**
Net profit for the year	35,614	61,780
Dividends provided for or paid	(9,279)	-
Transfers (to) / from reserves	(4,052)	-
Retained profit / (losses) at end of the year	**8,120**	**(14,163)**

Closed group consolidated balance sheet

	2015 $'000's	2014 $'000's
Current assets		
Cash and cash equivalents	12,711	-
Trade and other receivables	58,399	106,514
Inventories	90,649	81,905
Loans to related parties	31,351	25,699
Other financial assets	1,657	-
Prepayments	9,110	8,935
Total current assets	**203,877**	**223,053**
Non-current assets		
Other receivables	-	13
Property, plant and equipment	392,349	399,139
Investments in subsidiaries	363,322	371,233
Investments in associates	13,971	-
Intangible assets and goodwill	167,009	149,795
Deferred tax assets	24,177	25,154
Total non-current assets	**960,828**	**945,334**
Total assets	**1,164,705**	**1,168,387**
Current liabilities		
Trade and other payables	178,554	135,239
Interest bearing loans and borrowings	-	1,220
Loans from related parties	52,431	18,487
Current tax liabilities	706	1,830
Provisions	22,904	22,251
Other current financial liabilities	3,514	938
Total current liabilities	**258,109**	**179,965**
Non-current liabilities		
Provisions	35,098	35,622
Interest bearing loans and borrowings	317,000	425,975
Deferred tax liabilities	27,927	23,256
Total non-current liabilities	**380,025**	**484,853**
Total liabilities	**638,134**	**664,818**
Net assets	**526,571**	**503,569**

Notes to the Full Year Consolidated Financial Report

For the year ended 30 June 2015

Note 27. Deed of cross guarantee (continued)

	2015 $'000's	2014 $'000's
Equity		
Contributed equity	**1,491,497**	1,489,597
Reserves	**(973,046)**	(971,865)
Retained earnings	**8,120**	(14,163)
Total equity	**526,571**	**503,569**

The Closed Group is in a net current asset deficiency at balance date, however the Directors have assessed that due to the Group's access to undrawn facilities and forecast positive cashflows into the future they will be able to pay their debts as and when they fall due (refer Note 2(a)).

Note 28. Auditors remuneration

The auditor of Pact Group Holdings Ltd is Ernst & Young. Amounts received or due and receivable by Ernst & Young are as follows:

	2015 $'000's	2014 $'000's
Audit or review of the Consolidated Financial Report of the Group and audit or review of other entities in the consolidated Group	**1,300**	1,490
Tax services	**507**	178
Other assurance related services	**543**	78
Other services relating to the IPO	**-**	2,932
	2,350	**4,678**

Note 29: Earnings per share

Basic and diluted earnings per share amounts are calculated by dividing the net profit for the year attributable to ordinary equity holders of Pact by the weighted average number of ordinary shares outstanding during the year.

The following reflects the income and share data used in the basic and diluted earnings per share computations:

	2015 $'000's	2014 $'000's
Net profit attributable to ordinary equity holders of Pact from continuing operations	**67,632**	57,689
Net profit attributable to ordinary equity holders of Pact from basic earnings	**67,632**	57,689
Net profit attributable to ordinary equity holders of Pact adjusted for the effect of dilution(1)	**67,632**	**57,689**

Weighted average number of ordinary shares for basic earnings per share	**294,183,109**	**164,471,919**
	$	**$**
Earnings per share	**0.23**	**0.35**

(1) There is no dilutive impact as the Group does not have options over shares as at 30 June 2015 (2014: nil).

There have been no other transactions involving ordinary shares or potential ordinary shares between the reporting date and the date of authorisation of the Consolidated Financial Report.

Notes to the Full Year Consolidated Financial Report

For the year ended 30 June 2015

Note 30: Segment information

A reportable segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components.

Reportable segments have been identified based on the information provided to the executive decision maker, being the Chief Executive Officer (CEO). The CEO provides strategic direction and management oversight to the day-to-day activities of the Group in terms of monitoring results and approving strategic planning.

Description of segments

The CEO monitors results by reviewing two reportable segments, Pact Australia (PA) and Pact International (PI), focusing on earnings before net finance costs and tax (EBIT) before significant items as a segment result. EBIT is calculated as earnings before finance costs, net of interest revenue, and tax.

Geographic segments

The Group operates in the following countries, Australia, New Zealand, China, Philippines, Indonesia and Thailand. Revenues have been allocated to the individual countries stated above based on the location of the customers to which the revenue relates.

Comparative information has been presented in conformity with the identified reporting segments of the Group as at the reporting date in accordance with AASB 8: *Operating Segments*.

(a) Segment Results

	2015 $'000's			2014 $'000's		
	Pact Australia	Pact International	Total	Pact Australia	Pact International	Total
Sales Revenue	**889,911**	**359,242**	**1,249,153**	822,671	320,548	1,143,219
EBIT before significant items	**86,313**	**66,116**	**152,429**	82,250	64,777	147,027

(b) Reconciliation from EBIT before significant items to net profit after tax

		2015 $'000's	2014 $'000's
EBIT before significant items		**152,429**	**147,027**
Significant items			
Acquisition related costs		**(2,691)**	-
Business Reorganisation Program			
- restructuring costs	**(6,788)**		-
- asset write downs	**(12,582)**		-
- loss on partial disposal of subsidiary	**(1,486)**	**(20,856)**	-
Reversal of unrealised revaluation gain on hedges		**-**	(3,791)
Swap break costs		**-**	(6,407)
IPO transaction costs		**-**	(5,245)
Write-off of capitalised borrowing costs		**-**	(21,576)
Gain on business acquisition		**-**	10,834
Total significant items		**(23,547)**	**(26,185)**
EBIT after significant items		**128,882**	**120,842**
Finance costs		**(33,034)**	(66,725)
Net (loss)/profit before tax		**95,848**	**54,117**
Income tax (expense)/benefit		**(28,157)**	3,680
Net Profit/(loss) after tax		**67,691**	**57,797**

Notes to the Full Year Consolidated Financial Report

For the year ended 30 June 2015

Note 30: Segment information (continued)

(c) Geographical information

	2015 $'000's	2014 $'000's
Sales revenue from external customers		
Australia	**905,357**	824,448
New Zealand	**280,372**	276,919
Asia	**54,872**	36,183
North America	**4,106**	3,832
Rest of world	**4,446**	1,837
Total sales revenue as reported in the Consolidated Statement of Comprehensive Income	**1,249,153**	**1,143,219**

The sales revenue information above is based on the location of the customers.

(d) Non-current assets

	2015 $'000's	2014 $'000's
Non-current assets		
Australia	559,663	549,217
New Zealand	251,429	255,907
Asia	70,450	67,607
Total non-current assets	**881,542**	**872,731**

Non-current assets for this purpose consists of property, plant and equipment, goodwill and intangible assets.

Note 31: Subsequent events

The completion of the Jalco Group Pty Ltd acquisition as announced on 17 June 2015 is expected to occur on 1 September 2015.

Other than the matter mentioned above, in the opinion of the Directors, there have been no other material matters or circumstances which have arisen between 30 June 2015 and the date of this report that have significantly affected or may significantly affect the operations of the Group, the results of those operations and the state of affairs of the Group in subsequent financial periods.

Directors' Declaration

In the Directors' opinion:

1. The consolidated financial statements and notes, and the Remuneration Report included in the Directors' report are in accordance with the *Corporations Act 2001* including:
   (a) giving a true and fair view of the Group's financial position as at 30 June 2015 and of its performance for the year ended on that date;
   (b) complying with Australian Accounting Standards and the *Corporations Regulations 2001*; and
   (c) complying with International Financial Reporting Standards as disclosed in Note 2 (b);
2. There are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable; and
3. As at the date of this Declaration, there are reasonable grounds to believe that the members of the Closed Group identified in Note 27 will be able to meet any obligations or liabilities to which they are or may become subject by virtue of the Deed of Cross Guarantee described in Note 27.

This declaration has been made after receiving the declarations required to be made to the Directors by the Chief Executive Officer and Chief Financial Officer in accordance with section 295A of the *Corporations Act 2001* for the financial year ended 30 June 2015.

This Declaration is made in accordance with a resolution of the Directors.

Raphael Geminder
Chairman

Brian Cridland
Managing Director and Chief Executive Officer

Dated 26 August 2015

Building a better working world

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Independent auditor's report to the members of Pact Group Holdings Ltd

Report on the financial report

We have audited the accompanying financial report of Pact Group Holdings Ltd, which comprises the consolidated statement of financial position as at 30 June 2015, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the year's end or from time to time during the financial year.

Directors' responsibility for the financial report

The directors of the company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal controls as the directors determine are necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error. In Note 2, the directors also state, in accordance with Accounting Standard AASB 101 *Presentation of Financial Statements*, that the financial statements comply with *International Financial Reporting Standards*.

Auditor's responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance about whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal controls relevant to the entity's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Independence

In conducting our audit we have complied with the independence requirements of the *Corporations Act 2001*. We have given to the directors of the company a written Auditor's Independence Declaration, a copy of which is included in the Directors' Report.

Opinion

In our opinion:

a. the financial report of Pact Group Holdings Ltd is in accordance with the *Corporations Act 2001*, including:

   i giving a true and fair view of the consolidated entity's financial position as at 30 June 2015 and of its performance for the year ended on that date; and

   ii complying with Australian Accounting Standards and the *Corporations Regulations 2001*; and

b. the financial report also complies with *International Financial Reporting Standards* as disclosed in Note 2.

Report on the remuneration report

We have audited the Remuneration Report included in the Directors' Report for the year ended 30 June 2015. The directors of the company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

Opinion

In our opinion, the Remuneration Report of Pact Group Holdings Ltd for the year ended 30 June 2015, complies with section 300A of the *Corporations Act 2001*.

Ernst & Young

Ernst & Young

Tim Wallace
Partner

Melbourne
26 August 2015

SHAREHOLDER INFORMATION

SHAREHOLDER INFORMATION

The shareholder information set out below is based on the information in the Pact Group Holdings Ltd share register as at 14 September 2015.

Ordinary shares

Pact has on issue 294, 555,855 fully paid ordinary shares.

Voting rights

The voting rights attaching to the only class of equity securities, being fully paid ordinary shares, are on a show of hands every member present at a meeting in person or by proxy, attorney or representative has one vote and on a poll has one vote for each fully paid ordinary share held.

Substantial shareholders

The following is a summary of the current substantial shareholders in the Company pursuant to notices lodged with the ASX in accordance with section 671B of the Corporations Act as at 14 September 2015:

Name	Date of interest	Number of ordinary shares	% of issued capital
Geminder Holdings Pty Ltd	17/12/13	117,036,546	39.80
Mondrian Investment Partners Limited (in the capacity of Fund Manager)	06/06/14	25,484,653	8.67

On market buy-back

There is no current on-market buy-back in respect of the Company's ordinary shares.

Distribution of securities held

Analysis of number of ordinary shareholders by size of holding:

	Ordinary Shares	
Range	Number of holders	Number of securities
1 – 1,000	522	285,972
1,001 – 5,000	1,586	4,681,151
5,001 – 10,000	764	5,747,614
10,001 – 100,000	467	10,881,170
100,001 and over	46	272,959,948
Total	**3,385**	**294,555,855**

There were 73 holders of less than a marketable parcel of ordinary shares ($500 or more equivalent to 109 ordinary shares based on a market price of $4.62 at the close of trading on 14 September, 2015).

Top twenty largest shareholders

The names of the twenty largest quoted equity security holders as they appear on the Pact Group Holdings Ltd share register are listed below:

	Ordinary Shares	
Name	**Number of shares**	**% of total shares**
Geminder Holdings Pty Ltd	113,764,210	38.62
HSBC Custody Nominees (Australia) Limited	44,264,336	15.03
JP Morgan Nominees Australia Limited	30,774,628	10.45
National Nominees Limited	24,287,281	8.25
Citicorp Nominees Pty Limited	11,132,179	3.78
RBC Investor Services Australia Nominees Pty Limite <Bkcust A/C>	9,345,252	3.17
AMP Life Limited	5,468,667	1.86
BNP Paribas Noms Pty Ltd <DRP>	5,404,730	1.83
Gaja Consolidated Pty Ltd	3,272,336	1.11
Salvage Pty Ltd	3,272,336	1.11
Argo Investmenets Limited	3,237,038	1.10
S&J Capital Pty Limited	2,605,625	0.88
Citicorp Nominees Pty Limited <Colonial First State Inv A/C>	1,874,977	0.64
Brispot Nominees Pty Ltd <House Head Nominee No 1 A/C>	1,838,926	0.62
Custodial Services Limited <Beneficiaries Holding A/C>	1,626,967	0.55
Bond Street Custodians Limited <MPPMIMV16636 A/C>	1,449,944	0.49
Sanhurst Trustees LTD <SISF A/C>	980,000	0.33
RBC Investor Services Australia Nominees Pty Limited <PISELECT>	928,476	0.32
HSBC Custody Nominees (Australia) Limited <NTComnwlth Super Corp A/C>	768,390	0.26
Investment Custodial Services Limited <R A/C>	702,500	0.24
Totals: Top 20 holders of fully paid ordinary shares (total)	**266,998,798**	90.64
Total remaining holders balance	**27,557,057**	9.36

Unquoted equity securities

There are no unquoted equity securities on issue.

Restricted equity securities

There are no restricted equity securities in the Company. However, there are 457,894 ordinary shares which are subject to voluntary escrow. 47,058 of these shares will cease to be subject to voluntary escrow on 24 December, 2015 and the balance of 410,839 shares will cease to be subject to voluntary escrow on 8 May 2016.

Manage your shareholding online

To view and update your details online and access all your holdings and other valuable information, visit the Computershare Investor Centre www.investorcentre.com.

2016 SHAREHOLDER CALENDAR

Event	Dates
Half-year results announcement	24 February 2016
Ex-dividend	3 March 2016
Record date	7 March 2016
Dividend payment	6 April 2016
Full year results announcement	24 August 2016
Ex-dividend	1 September 2016
Record date	2 September 2016
Dividend payment	6 October 2016
Annual General Meeting	16 November 2016

All dates may be subject to change.

CORPORATE DIRECTORY

Registered and Principal Administrative office in Australia

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Richmond, Victoria 3141, Australia
Telephone: + 61 3 8825 4100
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Website Address

www.pactgroup.com.au

Australian Securities Exchange (ASX) Listing

Pact Group Holdings Ltd shares are listed on the ASX under the code PGH.

Directors

Refer to profiles on pages 31–33.

Senior Executives

Refer to profiles on page 12.

General Counsel and Company Secretary

Penny Grau

Auditor

Ernst & Young
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Melbourne, Victoria 3000, Australia

Share Registry

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