

Media Release

25 February, 2015

PACT GROUP RELEASES 1H15 RESULTS

HIGHLIGHTS

- **Increased sales revenue** – 1H15 sales revenue of \$635.0 million, up 11.9%
- **Continued track record of growth** – year-on-year EBITDA up 5.2% to \$104.8 million before significant items
- **Increased NPAT** – net profit after tax, before significant items, increased by 92.6%
- **Commitment to financial discipline** – net debt reduced by 6.1% on the prior half year
- **Strong cash flow generation** – improved operating cash conversion of 51%, up from 47% in 1H14 due to tight control of working capital
- **Interim Dividend of 9.5 cps** – unfranked, for the period ended 31 December 2014
- **Efficiency Review Program** – a proactive response to changing market conditions

Key Financials for the Half Year Ended 31 December 2014

A\$ in millions	1H15	1H14	Change (%)
Sales revenue	635.0	567.6	11.9%
EBITDA before significant items	104.8	99.6	5.2%
EBITDA Margin	16.5%	17.5%	
EBIT before significant items	76.7	75.0	2.3%
EBIT Margin	12.1%	13.2%	
NPAT before significant items	41.8	21.7	92.6%
NPAT after significant items	41.8	(2.0)	n/a
Net Debt	621.0	661.3	6.1%

Review of Results

Pact Group Holdings Ltd ('Pact' ASX: **PGH**) today announced it exceeded year-on-year results for sales and EBITDA for the half year ending 31 December 2014. Compared to the prior year, sales revenue increased by 11.9% to \$635 million and the Group achieved EBITDA (before significant items) of \$104.8 million, a 5.2% increase on the prior comparative period.

Pact Group Holdings Limited

ABN 55 145 989 644

Level 16/644 Chapel St, South Yarra, VIC, Australia 3141

Telephone +61 3 8825 4100 Fax +61 3 9815 8388

www.pactgroup.com.au



Growth & Strong Cash Flow Generation

Pact Managing Director and Chief Executive Officer, Mr Brian Cridland, said, "Pact Group has continued its growth momentum in the first half of the financial year despite subdued trading conditions, achieving sales revenue growth of 11.9% and EBITDA (before significant items) growth of 5.2%. Sales revenue was positively impacted by the partial contribution of the Sulo business acquired in August 2014 and a full half year of the businesses acquired at the time of IPO."

Mr Cridland further added that, "Pact has maintained its strong cash flow generation and NPAT growth through a continued commitment to operational and financial discipline."

Business Overview

Pact Australia comprises the Group's operations across Australia and accounts for 71% of the Group's sales in the first half of FY15. Pact Australia sales were positively impacted by the contributions from both the Sulo and Cinqplast acquisitions and the sell price increases recovering the lag impact from 1H14. Overall, Pact Australia experienced sales growth of 9.0% compared to the previous half-year.

Pact International (New Zealand, China, the Philippines, Singapore and Thailand) contributed 29% of the Group's total sales in the first half of FY15. Pact International sales were 19.7% higher in the first half in part due to the contributions from the Asian businesses acquired at the time of the IPO. Drought conditions in New Zealand have led to some softness in agricultural and dairy sales within Pact International.

The near even balance in EBIT (53% - 47%) between Pact Australia and Pact International enhances the robust and defensive nature of Pact's business offering.

Commitment to Financial Discipline

Pact Group retained its focus on achieving operational efficiencies and productivity gains through cost control and the integration of synergistic acquisitions.

Pact Australia EBIT increased due to increased sales revenue; the positive contributions from acquisitions and the effect of the business and efficiency programs implemented by the Group.

Pact International increased EBIT through the contribution from acquisitions, albeit at lower margins than other international business; similar business efficiency programs and a modest favourable currency translation.

Net debt as at 31 December 2014 was \$621 million, \$40 million lower than the prior comparative period.

Capital Management

The Directors have determined to pay an unfranked interim dividend of 9.5 cents per share to be paid on 2 April 2015 to shareholders on record as at 6 March 2015.

A 2014 final dividend of 9.5 cents per share franked to 65% per ordinary share was paid by the company on 3 October 2014.

Based on the average daily share price for calendar year 2014, this represents an attractive annual dividend yield of 5.2% to shareholders.



Growth & Outlook

Pact will continue to deliver on its strategy and on its aspirational vision for the future through a combination of innovation, resilience and growth.

Mr Cridland said, “The first half of the year contained the usual seasonal outflow of working capital, with operating cash flow weighted towards the second half of the financial year, consistent with the normal cycle of our business.

“Pact is committed to investing in developing our strong pipeline of innovative products and technologies to support customer demands and market drivers. The market continues to shift towards rigid packaging and substrate conversion and we continue to partner with customers and assist them in responding to these opportunities.”

In commenting on the outlook, Mr Cridland said, “As previously stated, the business will continue to make efficiency savings and continued improvements to lower the Group’s overall cost of operations. As a proactive response to changing market conditions, Pact will implement an efficiency review program, which will comprise a detailed review of its activities. Work is still in the preliminary phase, however, any outcome will be compliant with Pact financial hurdles.”

Mr Cridland added, “Pact will also continue to deliver on our strong pipeline of innovative products and technologies, and seek to achieve geographical expansion and acquisitions that support our customers in their regions and deliver long-term shareholder value. Pact reiterates its full year guidance for higher revenue and underlying earnings in FY15 subject to domestic and global economic conditions.”

ABOUT PACT GROUP

Pact Group is Australasia’s largest supplier of rigid plastics packaging, with operations throughout Australia, New Zealand and Asia. Pact converts plastics resin and steel into packaging and related products that service customers in food, dairy, beverage, chemical, agricultural, industrial and many other sectors. We employ more than 3,500 people across our business and produce over 8 billion units of packaging annually. Our vision is to enrich lives every day through sustainable packaging.

For further information, contact:

	For Investors & Analysts	For Media
Name	Stephen Harper	Alexia Lyons
Position	GM Treasury & Investor Relations	PR & Communications Executive
Contact Number	+61 3 8825 4142	+61 3 9320 5318