

ASX / Media Release

29 August 2012

## PRO-PAC PACKAGING DELIVERS RECORD RESULTS

### HIGHLIGHTS

- Revenues up 15% to \$133.1m
- PBT before one off relocation costs up 20% to \$8.9m
- Virtually no net debt and undrawn bank facilities of \$24m
- Momentum continues with strong growth prospects and a pipeline of good quality accretive acquisitions
- Final dividend of 1 cent per share declared, taking full year fully franked dividend to 2 cents per share for FY12

The Company is pleased to announce that it continues to grow strongly both organically and through acquisitions. The Company grew revenue by 15% to \$133.1m. EBITDA was up 11% to \$12.0m and profit before tax was up 16% at \$8.1m.

Revenue in the Industrial Division grew 29% to \$92.9m and pre-tax earnings for the Industrial Division were \$6.9m (2011: \$5.2m). The Rigid Division's sales were marginally lower at \$54.8m (2011: \$54.9m) but margin and cost pressures resulted in reduced pre-tax divisional earnings of \$4.6m (2011: \$5.0m).

The 2012 result included \$763,000 of one off relocation and rationalisation costs relating predominantly to the consolidation of the Industrial Division's sites and operations in NSW and QLD and adjusting for these costs, profit before tax was up 20% on the prior year.

While these costs impact on earnings in the short term, as previously highlighted, they provide the essential infrastructure to support continued growth, allowing PPG capacity to increase turnover through the new facilities by approximately 40% with minimal additional capex spend.

In April 2012, the Company raised an additional \$28m in new equity, placing the Company in a very strong position to pursue its stated acquisition policy. The balance sheet with virtually no net debt and undrawn bank facilities of approximately \$24m places the Company in excellent shape for future opportunities.

Looking forward the momentum is continuing and the growth prospects remain strong throughout the group with good organic growth predicted from the existing businesses. This

growth will come from continued cross selling of additional products into the existing customer base as well as capitalising on the Company's aggressive sales and marketing activities. The Company has embarked on a focused strategy of growing its food service and food related packaging business silos. We view these as strong growth sectors in the Australian industrial landscape, where we currently have minimal overall market share.

The Company has a pipeline of good quality accretive acquisitions some of which are expected to close in the first half of this financial year. We are seeing more opportunities of all sizes and this gives us the flexibility to pick the best quality strategic acquisitions for our business.

A fully franked interim dividend of one cent per share was paid on 12 April 2011. The Company has today declared a fully franked final dividend of one cent per share. The record date for determining entitlement to the dividend is 11 September 2012 and the dividend will be paid on 25 September 2012. The Company's Dividend Reinvestment Plan will not apply to this dividend.

### **Enquiries**

For further information please contact Mr Brandon Penn, CEO, Pro-Pac Packaging Limited on Tel (02) 8781 0500 or Mr Elliott Kaplan, Chairman, on Tel (02) 9087 8022.

### **About PPG**

Pro-Pac Packaging Limited is a diversified manufacturing and distribution company, providing innovative, flexible and rigid packaging solutions for a broad group of clients. PPG is headquartered in Sydney with operations in Adelaide, Brisbane, Melbourne and Perth. PPG's securities are listed and quoted on the ASX. For further information on PPG visit [www.ppgaust.com.au](http://www.ppgaust.com.au)

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