

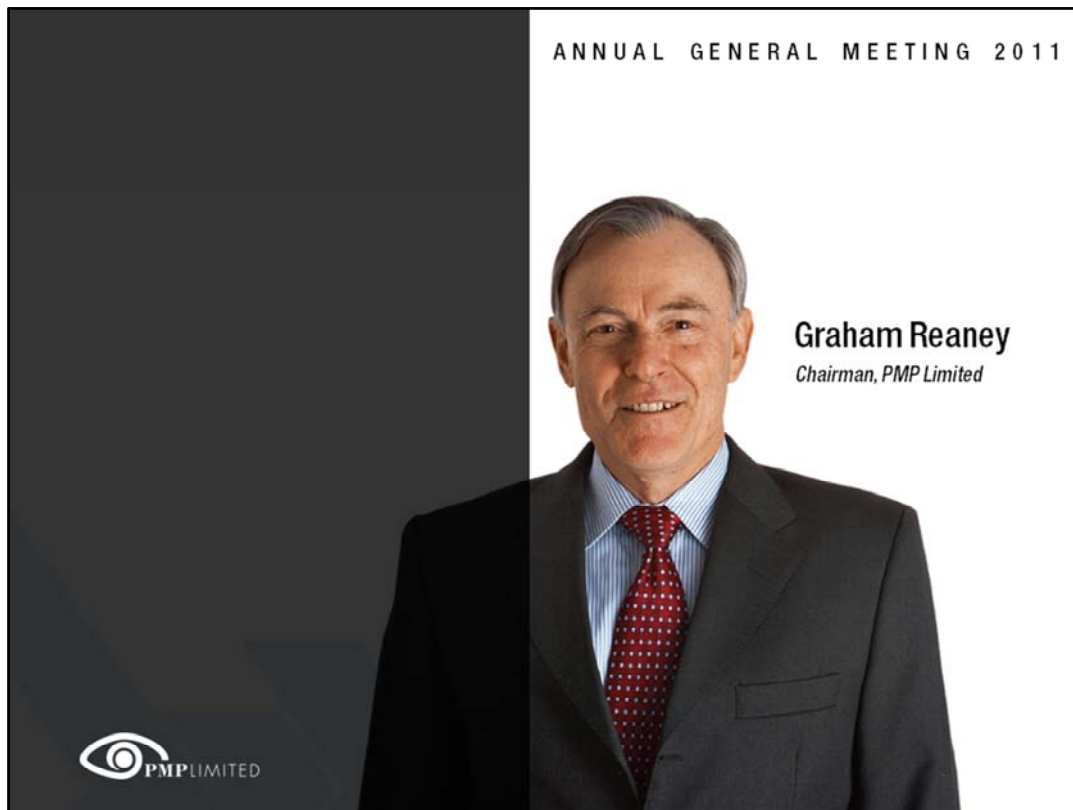
# ANNUAL GENERAL MEETING 2011

18 NOVEMBER 2011

└ Graham Reaney Chairman

└ Richard Allely CEO





## **Chairman's Address**

### **OPENING REMARKS**

Good morning ladies and gentlemen. Welcome to PMP Limited's 2011 AGM.

First I ask as a courtesy to other shareholders that you turn off your mobile phones until the meeting is concluded. Thank you.

I understand the necessary quorum is present so I am pleased to declare this year's AGM open.

My name is Graham Reaney, and I am your Chairman.

The Board and senior management group are here today to report on PMP's performance in fiscal 2011 and to discuss the Group's outlook for the current year and beyond.

Presentations from today's meeting will be posted on the PMP Website, which also contains copies of all our press releases together with materials provided at analyst briefings.

## AGENDA

Presentation by Chairman  
Presentation by Chief Executive  
Formal Business




### **FORMAL BUSINESS**

The format for today's meeting is that the formal business will follow presentations from myself and Richard Allely, our Chief Executive Officer.

Shareholders will then be invited to vote on a number of matters, including the Remuneration Report, amendments to our constitution, our CEO's share rights and the re-election of two directors.

## VOTING CARDS

<b>BLUE</b> <ul style="list-style-type: none"><li>• Eligible to vote</li></ul>	<b>PINK</b> <ul style="list-style-type: none"><li>• Not eligible to vote from floor</li><li>• Welcome to speak to motions</li></ul>	<b>WHITE</b> <ul style="list-style-type: none"><li>• Not eligible to vote or speak</li></ul>
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ANNUAL GENERAL MEETING 2011

At this point, let me remind shareholders how to use the voting cards you will have received after registering for the meeting.

Only those holding **blue** cards are eligible to vote, as they represent voting shareholders and proxy-holders.

**Pink** cards represent shareholders who have already lodged a proxy and who are therefore not eligible to vote from the floor today. However, these shareholders are welcome to speak to motions.

If you are holding a **white** card, this indicates you are not a shareholder and are not eligible to vote or speak to motions.

### NOTICE OF MEETING

The Notice convening this Meeting has been sent to all registered shareholders.

If there is no objection I shall take the Notice as read...thank you.

## PMP LIMITED DIRECTORS



Graham Reaney



Richard Allely



Matthew Bickford-Smith



Peter George



Ian Fraser



Naseema Sparks



Goh Sik Ngee



ANNUAL GENERAL MEETING 2011

### INTRODUCTIONS

First, let me introduce your Directors.

They are, on my far left: Mr Ian Fraser, Ms Naseema Sparks and Mr Goh Sik Ngee.

On my far right: Mr Peter George and Mr Matthew Bickford-Smith, who are both seeking re-election today. And finally our CEO, Mr Richard Allely, who is joined by our Chief Financial Officer, Mr Geoffrey Stephenson, and the rest of our executive team – seated in the front row.

### External Auditor

Your external auditors, Deloitte Touche Tohmatsu, are also here this morning. The Audit Partner, Greg Couttas, is available to answer questions should you have any later in the meeting.

In my address as Chairman I will comment in broad terms on PMP's performance and outlook, before Richard provides an overview of future strategy.

After these presentations, we will open the meeting to questions from shareholders before voting on the formal resolutions circulated in the Notice of Meeting.

## OVERVIEW

- EBIT (before significant items) \$56.7M, up 8.5%
- Strong free cash flow of \$27.1M
- Significant items included:
  - \$26.5M one-off Aust/NZ transformation
  - \$25.7M Scribo impairment



ANNUAL GENERAL MEETING 2011

### OVERVIEW

In fiscal 2011, PMP continued to benefit from the restructuring that began in early 2009, but the final EBIT result, while in line with forecast, was significantly impacted by the restructuring costs and the closure of Scribo.

PMP's full year result delivered an EBIT (before significant items) of \$56.7M up 8.5%. Higher profits resulted from another very good performance at Print Australia, combined with profit improvements at both Distribution and Print New Zealand.

Cash flow performance was also strong, with free cash flow of \$27.1M.

After significant items of \$52.2 million, PMP recorded a loss of \$11.3M. These items included \$26.5M of one-off costs from the Australia and New Zealand transformation, mostly relating to site relocations, redundancies and lease obligations. The remainder came from the Scribo impairment of \$25.7M.

## DIVISIONAL BREAKDOWN

\$M	2011	2010
Print Australia	55.4	47.7
Distribution Australia	1.1	(2.2)
Gordon and Gotch	3.7	7.5
Digital	0.1	3.5
New Zealand	4.8	5.5
Corporate	(8.4)	(9.8)
<b>EBIT (before significant items)</b>	<b>56.7</b>	<b>52.2</b>
Borrowing costs	(15.0)	(17.6)
Mark to market adjustment	0.5	2.3
<b>EBT (before significant items)</b>	<b>42.2</b>	<b>36.9</b>
Income Tax	(13.5)	(12.4)
Net profit (before significant items)	28.7	24.5
Significant items	(52.2)	(5.5)
Tax on significant items	12.2	1.6
<b>Net profit / (loss)</b>	<b>(11.3)</b>	<b>20.6</b>



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### DIVISIONAL BREAKDOWN

Drilling down from these top line results, this chart shows the divisional breakdown.

As you can see, the Australian Print division is performing well, with a much lower cost model and improved freight and logistics efficiencies. During the year, the heatset business was successful in securing long-term contracts with major corporate and retail clients, increasing its market share. However, the high Australian dollar impacted book reprints, and directory printing volumes continued to decline.

By year end, the Distribution division was restored to profitability, although its market share was significantly below the level of two years ago. Distribution has substantially improved its network efficiency and has a compelling value proposition. We expect further gains next year.

In Gordon and Gotch, EBIT fell, largely due to declining magazine circulations and adverse trading conditions experienced by its book distribution business, Scribo, which was closed at 30 June this year.

PMP Digital also had a challenging year, but by year end was in more robust shape, having secured several long-term accounts with major corporates.

In New Zealand, the local economy remained very soft, leading to a drop in EBIT. The print business performed better year on year and with a new long term printing contract from APN and consolidated operations, this business will continue to improve.

## BALANCE SHEET

- Net debt reduced from \$168.1M to \$141.0M
- Gearing ratio (debt to equity) reducing from 45% to 40%
- Interest cover (EBITDA / interest expense) improved from 5.3 times to 6.7 times



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### BALANCE SHEET

Pleasingly, PMP ended the year with net bank debt of \$141.0M, down from \$168.1M at June 2010. The Group's gearing ratio also reduced from 45% to 40%, with interest cover improving from 5.3 to 6.7 times.

## DIVIDEND

- The Board declared a fully franked one cent dividend for fiscal 2011
- The Board's policy to only pay dividends to the level of available franking credits
- At June 2011 PMP had tax losses of \$129.3M available in Australia



ANNUAL GENERAL MEETING 2011

### **Dividend**

The Board declared a fully franked 1 cent dividend for fiscal 2011. As previously disclosed, it is the Board's policy to only pay dividends to the level of available franking credits.

At June 2011, PMP had tax losses of \$129.3M available in Australia.

## SHARE BUY BACK

- As part of its capital management program, PMP continues to undertake an on-market share buy back program
- During fiscal 2011, PMP bought back approximately 5.5M shares for \$3.7M
- Current program scheduled to continue until 30 June 2012



ANNUAL GENERAL MEETING 2011

### Share Buy Back

As part of its capital management program, PMP continues to undertake an on-market share buy back program. During fiscal 2011, PMP bought back approximately 5.5M shares for \$3.7M. The current share buy back program is scheduled to continue to 30 June 2012.

## DEBT FINANCING

- In May 2011 debt maturity profile extended from May 2012 to September 2014



ANNUAL GENERAL MEETING 2011

### **Debt Financing**

In May 2011 we completed our debt refinancing which effectively extended our debt maturity profile from May 2012 to September 2014.

## TRANSFORMATION UPDATE

### New Zealand

- Progressed well, three months behind original plan due to late arrival of press
- Move to new Auckland site almost complete
- By January relocated and consolidated from four sites to one site, and reduced press numbers from six to four



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### TRANSFORMATION UPDATE

In New Zealand, our transformation plans have progressed well but are about three months behind the original plan because of the late arrival of the KBA press. The move to the new site in Auckland is almost complete.

Only one press remains to be relocated in December and, by January, we will have relocated and consolidated from four sites to one new site and reduced press numbers from six to four, including the new 64 page KBA press.

This site consolidation will deliver significant cost savings and the opportunity to provide faster lead times and better service to our customers. Richard will provide an update on the forecast outcome for this project in his report.

We recently conducted an investor presentation to major shareholders at our new plant at Enterprise Park, where we were able to witness the benefits of integrating all infrastructure on to the one site.

## TRANSFORMATION UPDATE

### Australia

- New 48 page \$24M duplex press ordered for WA
- There continue to be opportunities to improve both cost and process efficiencies



ANNUAL GENERAL MEETING 2011

In Australia, we have not been able to locate a suitable second hand press for our print operation in Western Australia. As such, we have ordered a new 48 page duplex press at a cost of \$24M, which will provide additional revenues and savings to those previously advised.

As part of PMP's strategic planning this year, we reviewed PMP's Australian printing operations, where it's clear there continue to be opportunities to improve both cost and process efficiencies.

As a consequence of lower demand levels and competitive rivalry in our core print markets, we have commenced a program to restructure the cost base to achieve further efficiencies.

## MARKETING SERVICES DIVISION

- New Executive General Manager
- Significant opportunities for growth and earnings



ANNUAL GENERAL MEETING 2011

We also commissioned an external review of our print and online products and services. The insights gained from this exercise have identified opportunities for our Marketing Services division.

This led, as shareholders will have recently read, to the appointment of a new Executive General Manager for PMP's Marketing Services division. This is an area where we see significant opportunities for growth and earnings. I will leave it to the CEO to comment further on this in his address.

## GOVERNANCE

- Directors' fees for fiscal 2011 did not increase, remaining at fiscal 2008 level and are being held at this level during the current year



ANNUAL GENERAL MEETING 2011

### GOVERNANCE

The Annual Report provides a detailed report on the various issues associated with PMP's governance, including its remuneration and reward structure.

Director's fees for fiscal 2011 did not increase, remaining at their fiscal 2008 level, and are being held at this level during the current year.

## REMUNERATION REPORT

- Direct link between executive remuneration and corporate performance
- In fiscal 2011 the Group did not achieve the EBIT targets so no managers (with the exception of the Print senior management) received that component of their STI bonus
- New CEO three year contract



ANNUAL GENERAL MEETING 2011

### REMUNERATION REPORT

PMP's remuneration policy provides a direct link between executive remuneration and corporate performance by putting a significant proportion of executive remuneration at risk against performance benchmarks. In fiscal 2011, the Group generally did not achieve the EBIT targets set, so with the exception of the Print senior management, no managers received that component of their Short Term Incentive bonus.

The Board also entered into a new employment agreement with our CEO, Richard Allely, who has agreed to another three-year term. The new agreement is structured to provide stronger alignment with the interests of shareholders and reflects current market practices and good governance principles. Under this contract, Mr Allely will participate in PMP's short term and long term incentive programs, with short-term incentives set annually by the Board and a long-term incentive plan for Share Rights to be approved at this meeting.

The new contract marginally reduces the fixed salary but compensates for this with a well-structured long-term incentive plan.

## SUSTAINABILITY

- PMP is proud of the progress in this area
- Emissions decreases every year since 2007
- Greenhouse lifecycle analyses carried out for all print sites
- Freight optimisation tool to help customers reduce their carbon footprints



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### SUSTAINABILITY

I would like to draw shareholders attention to the sustainability section of the Annual Report. PMP is proud of the progress in this area. In addition to continuing progress with our CO2 emissions reduction program, which has resulted in emissions decreases every year since 2007, this year PMP carried out greenhouse life cycle analyses for all our print sites. We are now able to provide carbon offsets to our customers based on the life cycle impact of their print run. PMP has also developed a freight optimisation tool to help our customers reduce their carbon footprints.

## OUTLOOK

- Difficult and volatile market
- First four months slightly lower EBIT compared to previous year
- Forecast FY12 EBIT to approximate last year's EBIT of \$56.7M
- EBIT for H1 will be lower but expect H2 to exceed H1 due to transformation plan savings
- Full year debt likely to be marginally less than last year
- Stronger free cash flows expected in H2



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## OUTLOOK

After four months of trading in fiscal 2012, EBIT is slightly lower on the previous year, in what can only be described as a difficult and volatile market. The business environment has been extremely challenging, with retailers in particular reducing the frequency and pagination of catalogues. Magazines have also been impacted, with lower pagination reflecting a lower advertising spend, and we have not renewed the Pacific Magazine contract.

When taking into account the likely short-term continuation of difficult market conditions, and given our visibility on forward orders, the guidance we are currently able to provide towards the full year EBIT before significant items is that it is likely to approximate last year's EBIT of \$56.7M. EBIT for the first half will be lower, on the back of difficult market conditions and the loss of the Pacific contract.

In the second half, the transformation plan savings will flow through primarily from New Zealand, and we expect H2 EBIT to exceed H1.

Our net debt is expected to increase in the first half of fiscal 2012, largely due to transformation payments particularly in New Zealand, working capital movements, and capital expenditure for the Perth Press although we will see an improvement in the second half of the year. The full year net debt number depends on trading result but is likely to be marginally less than last year which benefited from delays in capital expenditure payments, namely the new Perth press, which will be paid in the current year. We expect stronger free cash flows in the second half as the transformation plan is completed.

## OUTLOOK

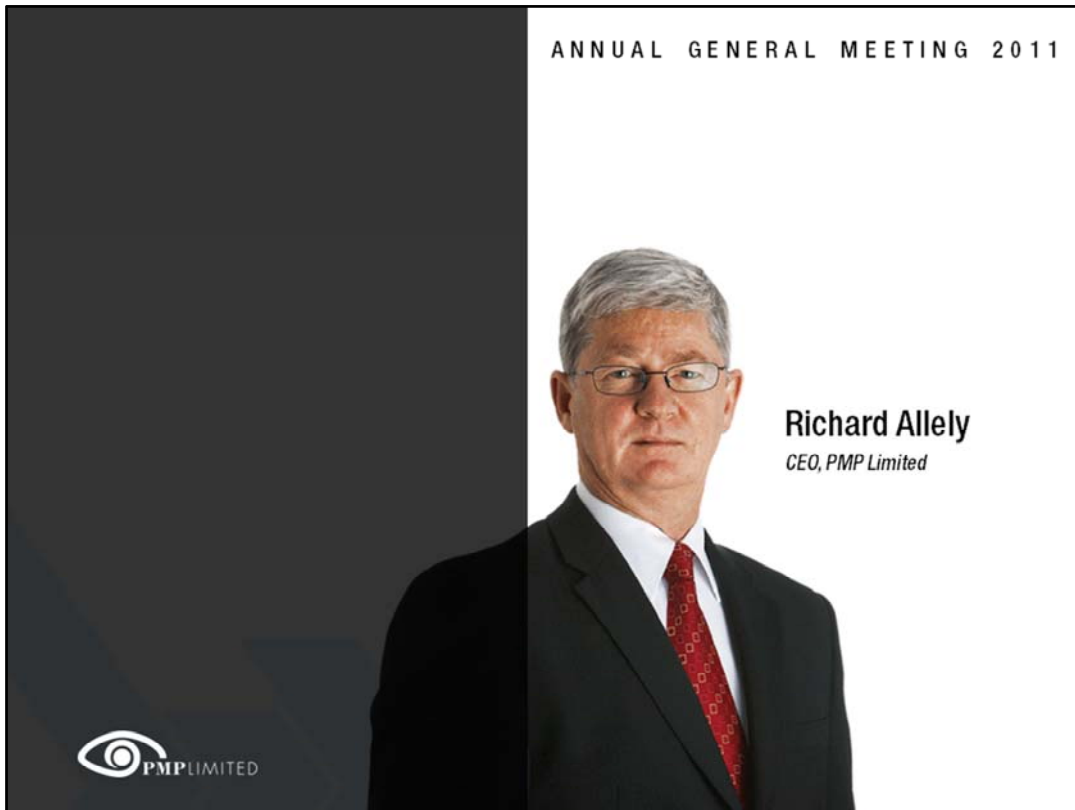
- Mr Ian Fraser will take over as Chairman
- New Director in H2



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Finally, you will be aware that PMP has three long serving Directors who are due to retire in the next three to four years. To facilitate a smooth transition, I have decided to retire at the end of this meeting, and Mr Ian Fraser will take over as Chairman and is planning to appoint a further director in the second half.

I now invite Richard Allely, to address the meeting.



**Richard Allely**

*CEO, PMP Limited*

**CEO's ADDRESS**

Good morning ladies and gentleman.

## OPERATING PERFORMANCE

- PMP continues to strengthen
- Earnings before significant items growing steadily
- Gearing improving
- Balance sheet strongest in over a decade
- Net debt continuing to fall



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As the Chairman said, our financial position continued to improve through fiscal 2011, with earnings before significant items growing steadily and gearing improving. Our balance sheet is now the strongest it has been in over a decade, with net debt continuing to fall.

## TRANSFORMATION PLAN

### New Zealand

- Largely completed and spent \$4M less than expected

### Australia

- New \$24M press
- Total transformation spend \$55M (\$42M capex, \$13M restructuring)
- \$17M of annualised savings, reflecting a full year rate of \$30M in fiscal 2013
- Total transformation spend expected to have a three year payback



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At last year's AGM we announced the transformation plan and advised that we expected to spend \$45M. After 12 months, I'm pleased to advise that we have largely completed the New Zealand transformation and spent \$4M less than expected.

In Australia we had planned to purchase a 2<sup>nd</sup> hand press for \$10M. As the chairman has previously advised, we were unable to locate a suitable press and we are now buying a new press for \$24M, which will deliver a much lower unit cost base for our printing division and provide a much needed competitive advantage in Perth for many years to come.

The total transformation spend is expected to be \$55M, of which \$42M will be capex and \$13M restructuring. This year, this project will deliver \$17M of annualised savings, reflecting a full year run rate of \$30M in fiscal 2013. On this basis, the total transformation spend is expected to have a three-year payback.

## TWO KEY STRATEGIES

### 1. LOWEST COST PRINT BUSINESS

- Strategic focus is to create the lowest cost and most efficient print operations in Australia and New Zealand



This morning, I'd like to brief you on the two key strategies that will drive the future performance of our company.

#### **Lowest Cost Printing (Australia & NZ)**

Our first area of strategic focus is to create the lowest cost and most efficient print operations in both Australia and New Zealand.

## TWO KEY STRATEGIES

### 1. LOWEST COST PRINT BUSINESS

- New Zealand
  - Auckland has moved to a purpose built 22,000 square metre super-site in Manukau
  - Far more cohesive and integrated business
  - A lower cost and more efficient service
  - A single point of access for our print, database marketing and distribution services



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As the Chairman indicated, in New Zealand, we are already a long way down that track. In Auckland, our printing operation has moved to a purpose-built 22,000 square metre super-site in Manukau, and now operates with a significantly more streamlined and efficient production model.

This is the first time our New Zealand head office, printing plant and warehouses have been based in one location, resulting in a far more cohesive and integrated business. The reduced cost base will generate operational efficiencies, enabling us to provide our New Zealand customers with a lower cost and more efficient service – and giving them a single point of access for our print, database marketing and distribution services.

## TWO KEY STRATEGIES

### 1. LOWEST COST PRINT BUSINESS

- Australia
  - Despite falling revenues, Print Australia increased EBIT by 16% last year
  - Further opportunity to reduce cost in Print Australia



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In Australia, much good work has already been done to make the Print business far more efficient. As you've heard, despite falling revenues, Print Australia increased EBIT by 16% last year.

However, I believe there remains significant upside to both lowering costs and improving service delivery in this business, which will necessitate further changes to our business model. These plans are currently being developed and I will provide more details when announcing the first half results in February next year.

## TWO KEY STRATEGIES

### 2. MARKETING SERVICES BUSINESS

- Strategic focus is to develop PMP's full potential in the marketing services sector
- PMP Digital offers photographic services, digital asset management, image libraries and marketing automation
- Existing offerings plus adding further services to effectively answer the question:  
"How do I get the best return for my advertising dollar?"



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#### MARKETING SERVICES BUSINESS

Our second – and arguably more exciting – area of strategic focus is to develop PMP's full potential in the marketing services sector.

You will be aware of the PMP Digital business, which offers photographic services, digital asset management, image libraries and marketing automation. Our marketing services strategy is about taking these existing offerings, and adding further services that enable our clients' marketing directors to effectively answer the question: How do I get the best return for my advertising dollar?

The rise of the internet and digital media has led to an explosion in marketing channels. Faced with so much choice, today's marketers are struggling to understand the most effective mix of channels – and how to quickly and easily repurpose content from one to another. PMP already has the experience and technology to answer these questions.

## TWO KEY STRATEGIES

### 2. MARKETING SERVICES BUSINESS

- New Executive General Manager, Dr Anna Cicognani
- Important developmental step towards creating sustainable revenue streams for the long term
- Growth market: creating additional opportunities with existing customers and opening doors to many new clients
- Significantly enhance PMP's overall offer, as well as ensure print continues to get its proper recognition in the marketing mix



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Now, under the guidance of our recently appointed Executive General Manager, Dr Anna Cicognani, PMP's refocused Marketing Services business will develop new product lines and services for the marketers of the future.

This is an important developmental step towards creating sustainable revenue streams for PMP into the long-term. It gives us entry into a growth market – creating additional opportunities with existing customers and opening doors to many new clients. Our Marketing Services portfolio will significantly enhance PMP's overall offer, as well as ensure print continues to get its proper recognition in the marketing mix.

## SAFETY

- Last month PMP recorded its lowest ever Lost Time Injury Rate of 4.2
- Worksafe Victoria most prestigious award for “Excellence in Return to Work Programs” to Clayton employee



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### SAFETY

Critical to our business success is the need to provide a safe working environment for all our employees and to that end I'm delighted to inform shareholders that last month, we recorded a Lost Time Injury Frequency Rate of 4.2 which is the lowest in our recorded history. This is a credit to the hard work and dedication of all our employees.

In addition to this excellent trend and reflecting our strong safety culture, Worksafe Victoria last month awarded one of employee's with the State's most prestigious award for Excellence in Return to Work Programs.

## CONCLUSION

- New CEO three year contract
- Morale is high, our employees are more engaged than ever
- Recent survey tells us that our customers are more likely to refer us because of the way we do business
- Real teamwork is the necessary enabling capability to deliver the strategies



ANNUAL GENERAL MEETING 2011

## CONCLUSION

Given this potential, I am particularly delighted that the Board has decided to engage me for another three years. We've already done great work to turn this business around. Morale is high, our employees are more engaged than ever, and a recent survey tells us that our customers are more likely to refer us because of the way we do business.

Notwithstanding the difficult market conditions, PMP's results are starting to reflect these important changes. And I am now very much looking forward to completing the job that I started.

As I said in my note to shareholders in this year's annual report: while individuals can influence change, the delivery can only be achieved through a team of people working together. At PMP, we have real teamwork now – and that excites me, because that is the necessary enabling capability to deliver the strategies I've talked about.

I want to extend my sincere thanks to all PMP employees for their very hard work and an excellent team effort in the last financial year.

In closing, I must also thank our Chairman, Mr Graham Reaney, who retires at the end of this meeting. Graham has been Chairman for most of my employment at PMP, and it has been a pleasure to work with him, and I look forward to continuing our relationship on a more personal level in the future. Notwithstanding what has been achieved over the past few years to improve business performance and strengthen our financial position, there is much more to be done. To that end, I'm delighted that the Board has decided to engage my services for another three years. I'm equally delighted that our morale in the business is high, our employees are more engaged than ever, and a recent survey tells us that our customers are more likely to refer us because of the way we do business.

As I said in my note to shareholders in this year's annual report: while individuals can influence change, the delivery can only be achieved through a team of people working together. At PMP, we have real teamwork now – and that excites me, because that is the necessary enabling capability to deliver the strategies I've talked about.

I want to extend my sincere thanks to all PMP employees for their very hard work and an excellent team effort in the last financial year.

In closing, I must also thank our Chairman, Mr Graham Reaney, who retires at the end of this meeting. Graham has been Chairman for most of my employment at PMP, and it has been a pleasure to work with him, and I look forward to continuing our relationship on a more personal level in the future.

## AGENDA

### Formal Business

- Financial Statements and Reports
- To adopt the Remuneration Report
- Amendments to Constitution
  - General Amendments
  - Insertion of proportional takeover bid approval rules
- Approval of Share Rights to the PMP CEO, Mr Richard Allely
- Re-election of Director
  - Mr Peter George
  - Mr Matthew Bickford-Smith



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### CEO's ADDRESS

We will now proceed with today's formal business.

## FINANCIAL STATEMENTS AND REPORTS

### – Questions

- Please state name and name of organisation
- Only blue and pink card holders are eligible to address the meeting

#### BLUE

- Eligible to vote

#### PINK

- Not eligible to vote from floor
- Welcome to speak to motions



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### **FORMAL BUSINESS**

#### **2011 ACCOUNTS**

The Board has received and agreed to adopt the Financial Statements, Directors' Report and the Audit Report of PMP Limited for the financial year ended 30 June 2011.

While there is no need for shareholders to formally approve the accounts, I now open the meeting to questions and comments on the 2011 financial results and the Operations Report.

If you have a question could you please move to the microphone and state your name, and, if you represent an organisation, the name of that organisation.

I would remind you that only shareholders are entitled to ask questions.

#### **QUESTIONS ON FINANCIAL PERFORMANCE AND OPERATIONS REPORT**

## FORMAL BUSINESS

- **Resolution** To adopt the Remuneration Report
- PMP's remuneration policy provides a direct link between executive remuneration and corporate performance with a percentage of executive remuneration tied to both short and long-term goals



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### RESOLUTION 2. REMUNERATION REPORT

Moving on to consider the formal resolutions, the first one deals with adopting the Remuneration Report for the year ended 30 June 2011.

I would now like to give shareholders an opportunity to ask questions about the Remuneration Report, as set out on pages 32 to 44 in the Annual Report.

PMP's remuneration policy provides a direct link between remuneration and corporate performance, with a percentage of executive remuneration tied to short and long-term goals.

This requires executives to achieve performance criteria to be eligible for incentive payments. These criteria include a mix of financial targets such as Total Shareholder Return and Return on Capital, as well as measures of organisational performance such as safety and development – along with individual goals and objectives.

## FORMAL BUSINESS

- Resolution To adopt the Remuneration Report
- Questions
- Proxy Result



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### QUESTIONS ON REMUNERATION REPORT

If you have any questions about the Remuneration Report, please proceed to a microphone.

### VOTE ON REMUNERATION REPORT

I now move for shareholders to consider and, if thought fit, to pass the adoption of the Remuneration Report by way of a non-binding, ordinary Resolution.

Due to the changes in the Corporations Act regarding the significance of a company recording a no vote of 25% or more on this resolution, if the show of hands is not consistent with the proxy results, I will exercise my powers under the constitution, and call a poll on this resolution to ensure the results of this resolution accurately reflect shareholder intentions.

*(Proxy Result Appears)*

The proxy votes for this resolution have been cast as shown on the screen, and I will now put the resolution to a vote on a show of hands.

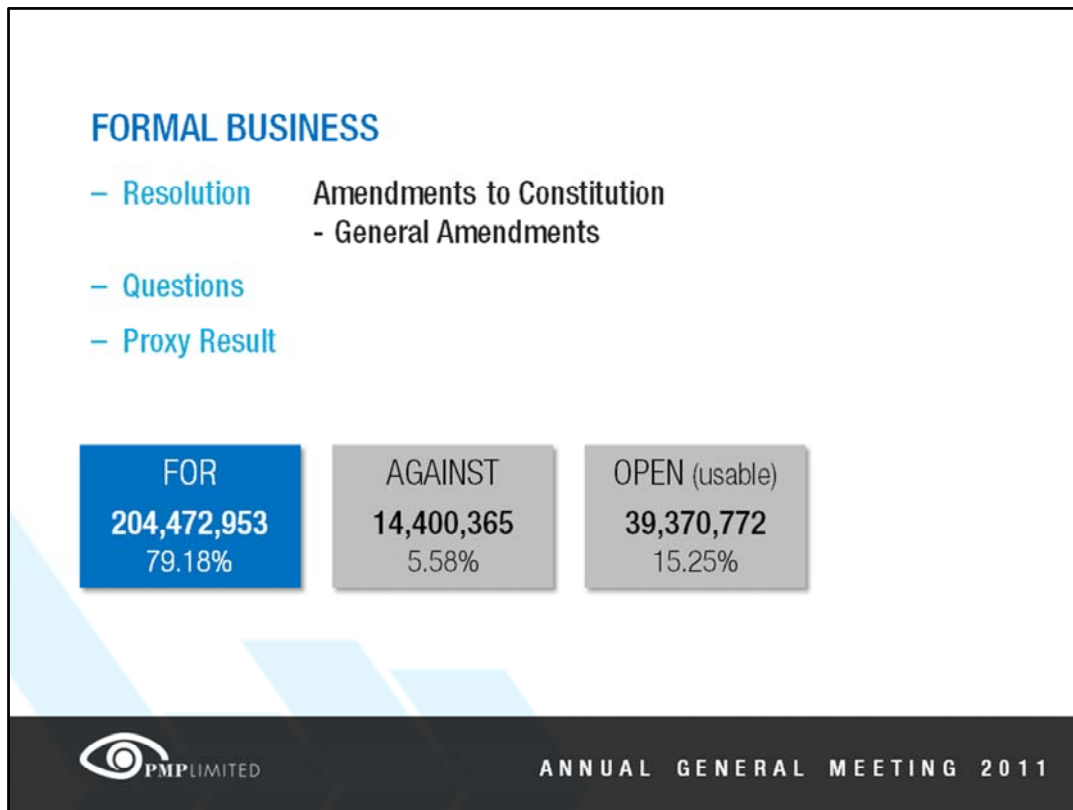
Please note: the Company will disregard any votes cast on Resolution 2 by any Key Management Personnel the details of whose remuneration are included in the Remuneration Report, and any Closely Related Party of such Key Management Personnel in any capacity.

Remember only those present holding **blue** attendee cards are eligible to vote. For this and subsequent resolutions I intend to direct the open votes in favour of the resolutions.

The Directors recommend Shareholders vote in favour of this resolution.

All those in favour please raise your blue attendee voting card.

All those against, please raise your blue attendee voting card.



**RESOLUTION 3. AMENDMENTS TO CONSTITUTION – GENERAL AMENDMENT**

The Board is seeking approval to adopt a number of general amendments to the PMP Constitution to bring it in line with recent regulatory changes and developments in company practice, as shown in the Notice of Meeting.

**QUESTIONS ON CONSTITUTION AMENDMENTS**

If you have any questions about the Constitution Amendments, please proceed to a microphone.

**VOTE ON CONSTITUTION AMENDMENTS**

I now move for shareholders to consider and, if thought fit, to pass the resolution on constitutional amendments as set out in the Notice of Meeting as a special resolution.

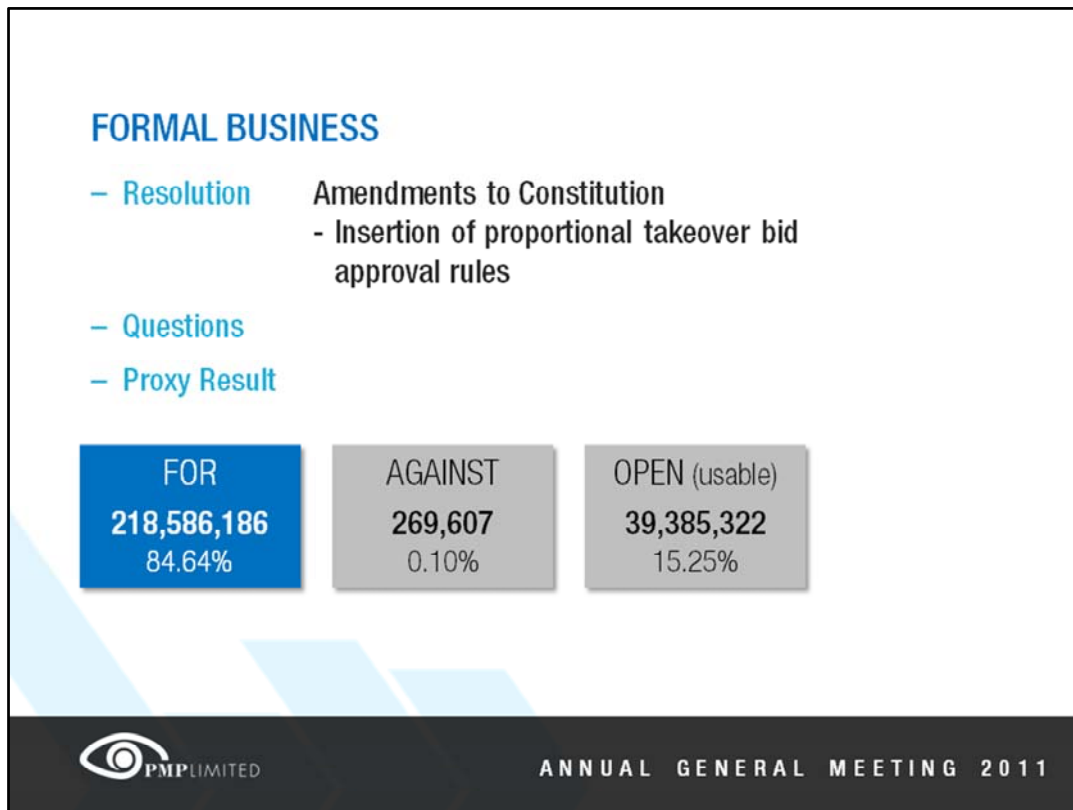
This resolution requires a majority of at least 75% of votes in favour of the resolution to be passed.

*(Proxy Result Appears)*

The proxy votes for this resolution have been cast as shown on the screen, and I will now put the resolution to a vote on a show of hands. The Directors recommend Shareholders vote in favour of this resolution.

All those in favour please raise your blue attendee voting card.

All those against, please raise your blue attendee voting card.



**RESOLUTION 4. AMENDMENTS TO CONSTITUTION – INSERTION OF PROPORTIONAL TAKEOVER BID APPROVAL RULES**

The Board is seeking approval to include proportional takeover provisions in PMP’s constitution. These provisions are designed to help shareholders get proper value for their shares, if a proportional takeover bid is made. A proportional takeover bid is one where a bidder for the shares offers to take only a specified proportion of the shares in a company.

Without proportional takeover provisions, a proportional takeover bid may enable control of PMP to pass, without shareholders having the chance to sell all of their shares to the bidder. Shareholders may be exposed to the risk of being left as a minority shareholder of PMP and the risk of the bidder being able to acquire control of PMP without paying an adequate control premium for their shares.

This amendment to the constitution allows shareholders to have control of whether an offer for less than all of a shareholder’s shares is acceptable.

The Directors consider that inserting proportional takeover provisions into the PMP Constitution is in the interests of all shareholders.

**QUESTIONS ON INSERTION OF PROPORTIONAL TAKEOVER BID APPROVAL RULES**

If you have any questions about this amendment, please proceed to a microphone.

**VOTE ON INSERTION OF PROPORTIONAL TAKEOVER BID APPROVAL RULES**

I now move for shareholders to consider and, if thought fit, to pass the resolution on the insertion of proportional takeover bid approval rules as set out in the Notice of Meeting as a special resolution.

This resolution requires a majority of at least 75% of votes in favour of the resolution to be passed.  
*(Proxy Result Appears)*

The proxy votes for this resolution have been cast as shown on the screen, and I will now put the resolution to a vote on a show of hands. The Directors recommend Shareholders vote in favour of this resolution.

All those in favour please raise your blue attendee voting card.

All those against, please raise your blue attendee voting card.

## FORMAL BUSINESS

- Resolution Approval of Share Rights to the PMP CEO, Mr Richard Allely
- Questions
- Proxy Result



ANNUAL GENERAL MEETING 2011

### RESOLUTION 5. APPROVAL OF SHARE RIGHTS TO THE PMP CHIEF EXECUTIVE OFFICER, MR RICHARD ALLELY

The Board is proposing that the new employment agreement with Mr Richard Allely, include performance rights to acquire fully paid ordinary shares in PMP under the PMP Long Term Incentive Plan. The maximum number of Share Rights to be

awarded to Mr Allely is 2,100,000 Share Rights. These Share Rights are split evenly against two performance targets –

Total Shareholder Return and EBITDA – and will vest subject to these hurdles being achieved. Total Shareholder Return will be measured against a comparator group, generally consisting of ASX listed entities ranked between the S&P/ASX 200-ASX 300. As indicated in the notice of meeting that it would be improper to disclose the EBITDA hurdle, as this could be conceived as a three year forecast. Let me assure you that the Board has factored in a suitable stretch earnings target.

#### QUESTIONS ON RICHARD ALLELY'S SHARE RIGHTS

If you have any questions about this amendment, please proceed to a microphone.

#### VOTE ON RICHARD ALLELY'S SHARE RIGHTS

I now move for shareholders to consider and, if thought fit, to pass the resolution as set out in the Notice of Meeting as an ordinary resolution.

*(Proxy Result Appears)*

The proxy votes for this resolution have been cast as shown on the screen, and I will now put the resolution to a vote on a show of hands. The Directors recommend Shareholders vote in favour of this resolution.

All those in favour please raise your blue attendee voting card.

All those against, please raise your blue attendee voting card.

## FORMAL BUSINESS

- Resolution That Mr Peter George, retiring by rotation in accordance with the Constitution, and being eligible, be re-elected as a Director
- Questions
- Proxy Result



ANNUAL GENERAL MEETING 2011

### ELECTION OF DIRECTORS

The next item of business is the re-election of two Directors: Peter George and Matthew Bickford-Smith.

#### RESOLUTION 6. a) RE-ELECTION OF PETER GEORGE

Mr George is an experienced Executive and Non-Executive Director with an extensive background in telecommunications, media and corporate finance including four years on the Board of Australia's second largest telecommunications carrier, Optus Communications. Mr George is currently a Non-Executive Director of Asciano Limited. He was also Executive Director, Strategy and Policy Development Cable and Wireless Optus Ltd from 1998 to 2001, and the Executive Chairman of Nylex Limited 2006 to 2008. Mr George made an invaluable contribution to PMP when he oversaw the early days of transformation, standing in as temporary Executive General Manager of the Print business.

I commend him to shareholders for re-election and invite him to address the meeting.

#### QUESTIONS

Does any shareholder wish to comment in respect of the proposed resolution?

#### VOTE

I now move for shareholders to consider and, if thought fit, to pass the following resolution as an ordinary resolution:

That Mr Peter George, who retires by rotation and being eligible, is re-elected as a Director of PMP.

*(Proxy Result Appears)*

The proxy votes for this resolution have been cast as shown on the screen and I will now put the resolution to a vote on a show of hands. The Directors, with Mr Peter George abstaining, recommend Shareholders vote in favour of this resolution.

All those in favour please raise your blue attendee voting card.

All those against, please raise your blue attendee voting card.

## FORMAL BUSINESS

- Resolution That Mr Matthew Bickford-Smith, retiring by rotation in accordance with the Constitution, and being eligible, be re-elected as a Director
- Questions
- Proxy Result



ANNUAL GENERAL MEETING 2011

### RESOLUTION 6 b). RE-ELECTION OF MATTHEW BICKFORD-SMITH

Mr Bickford-Smith was CEO of Ridley Corporation Limited until Dec 2007. He was previously with the Man Group and was MD of the Australian operations. Before moving to Australia Mr Bickford-Smith was based in Hong Kong with responsibility for managing risk relating to the Man Group's sugar business within the region. Before moving to the Man Group he spent five years with Phibro, the commodity trading arm of Salomon Brothers. Mr Bickford-Smith is a Director of Eastern

Agricultural Australia and The Julian Burton Burns Trust. Mr Bickford-Smith was previously a Director of Lanyon Asset Management Pty Ltd and Reclaim Industries Limited. Mr Bickford-Smith is doing an excellent job as Chair of the Appointment and Compensation Committee of the Board.

I commend him to shareholders for re-election and invite him to address the meeting.

#### QUESTIONS

Does any shareholder wish to comment in respect of the proposed resolution?

#### VOTE

I now move for shareholders to consider and, if thought fit, to pass the following resolution as an ordinary resolution:

That Mr Matthew Bickford-Smith, who retires by rotation and being eligible, is re-elected as a Director of PMP.

*(Proxy Result Appears)*

The proxy votes for this resolution have been cast as shown on the screen and I will now put the resolution to a vote on a show of hands. The Directors, with Mr Matthew Bickford-Smith abstaining, recommend Shareholders vote in favour of this resolution.

All those in favour please raise your blue attendee voting card.

All those against, please raise your blue attendee voting card.

# ANNUAL GENERAL MEETING 2011

18 NOVEMBER 2011

Graham Reaney Chairman

Richard Allely CEO



## OTHER BUSINESS

That concludes the formal business before the meeting.

As this is my last meeting I wish to thank my fellow Directors for their support over the years and Richard Allely and his senior management team for their dedication to PMP. Thank you also to you, our shareholders, for supporting me as your Chairman over the last nine years and I would like wish the company every success in the future.