

## Press Release.

### Transformation commences at PMP

The merger between PMP and IPMG has been completed, in the process forming Australia's largest print media marketing company delivering services across print, digital and distribution across a national footprint with revenues of more than a billion dollars.

Our company brings the experience, skills and innovation for our clients sufficient to create a sustainable future for our staff and industry.

The goal of the merger is to establish a sustainable business in an industry undergoing significant change.

PMP's investment in innovation and relentless drive for operational efficiency, combined with IPMG's 130-year reputation for excellence and solving business challenges with a family touch provides our organisation with the scale, foundation and expertise to deliver the highest quality solutions and services for customers.

Peter George, Managing Director of PMP, said, "As an integrated business, our skills and breadth of experience across print, digital and distribution services allow us to continue to work with brands to make a genuine connection with the right audiences, no matter how complex the challenge.

"Any merger of such scale requires change. Some changes will be taking effect immediately, others to come."

The new PMP Executive structure brings together the strengths of both executive teams with John Nichols, COO who is heading the transformation program; and Geoff Stephenson, CFO reporting into Peter George, Managing Director. The New Zealand business will sit separately in the structure.

Part of the transformation program involves the restructuring of the reporting lines in the Australian business. The Australian business will be organisationally restructured and will be split into a Printing division and a Digital and Distribution division.

- The Printing division will be run by Adrian O'Connor – former Executive General Manager IPMG Print.
- The Digital and Distribution division will be run by Kevin Slaven – former IPMG Group CEO, will be responsible for Letterbox Distribution, Gordon and Gotch, Digital, and Griffin Press.
- James Hannan – former IPMG Chief Operating Officer, will be responsible for operations across the Digital and Distribution division, reporting to Kevin.

Senior PMP management roles will largely remain unchanged. The restructure will allow John to focus on driving the transformation program through to its conclusion.

Building a sustainable business going forward will undoubtedly mean the closure of some sites.

Upon completion of consultation, we anticipate that this is likely to involve some immediate changes, and further changes in the new financial year once further business reviews have been conducted.

Our analysis at this point indicates that three sites (one each in Victoria, NSW and Queensland) will likely need to close, however, no decisions have or will be made until completion of the merger, Board approval and appropriate consultation with the AMWU as prescribed in our Enterprise Agreement.

Under the proposed changes, the majority of Sales, Estimators, Schedulers and customer service people will not be affected.

There are no changes planned in South Australia, Western Australia and New Zealand.

We have farewelled some colleagues from positions in our head offices today as well.

Peter George said, “We will be supporting all affected staff through these changes and will continue to work closely with our customers to ensure our quality of service and products remains at the highest standard, and as we deliver ongoing value to our shareholders.”

As a result of the merger, PMP has acquired 100 percent of IPMG and will issue new shares to IPMG shareholders, who hold a maximum 37 percent interest in PMP. IPMG will nominate two directors on the new PMP board.

The merger is expected to deliver \$55 million per annum cost synergies, with one-off cash costs totaling approximately \$80 million over the next 18 months. Further specifics are available on the ASX announcement <http://www.pmplimited.com.au/media/25595/asx-release-fy17-half-year-results-27-feb-17-v20.pdf>

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Through the 2017 merger with IPMG, PMP is now a billion-dollar print media and marketing company in Australasia. PMP’s investment in innovation and relentless drive for operational efficiency, combined with IPMG’s 130-year reputation for excellence and solving business challenges provides us with the scale, foundation and expertise to deliver the highest quality solutions and services for our customers. Our skills and breadth of experience across print, digital and distribution services allow our customers’ brands to make a genuine connection with the right audiences, no matter how complex the challenge.

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