



Corporate Protective Packaging Specialists

Pro-Pac Packaging Limited  
ACN 112 971 874

24 February 2010.

## **PRO-PAC DECLARES RECORD HALF YEAR REVENUES AND PROFITS AND AN INCREASED INTERIM DIVIDEND**

Innovative packaging solutions provider, Pro-Pac Packaging Limited (ASX: PPG), today announced record half year revenues and profits. Revenue of \$46m was 22% up on the previous corresponding period and after tax profits were up 248% at \$3m. EBITDA was \$5.6m for the half as compared to \$2.6m for the previous corresponding period. Earnings per share for the half were approximately 2.5c.

Strong performances were recorded by both the industrial and rigid packaging divisions, both of which exceeded budget expectations for the half year.

Revenue growth and margin enhancement during the period under review were in large part driven by management's focus on winning and supporting key quality national corporate clients and offering a more diverse, integrated and cost effective packaging solution. The results for the period also reflect management's focus throughout calendar 2009 on improved customer support, procurement and logistics. A return to more stable input costs and a stronger Australian dollar were also positive contributors.

Cashflow generated from operating activities was positive \$2.8m for the period. During the period the Company continued to invest significantly in additional working capital to support its strong organic growth.

The Company's balance sheet remains robust with shareholders' equity growing to \$53.5m and total assets increasing during the six month period by \$5.6m to \$79m as at 31 December 2009. Net interest bearing debt was \$6.8m resulting in a conservative gearing ratio of 13% (net interest bearing debt/shareholders' equity).

In light of the strong result, the Company today declared a fully franked interim dividend of one (1c) cent per share. The Record Date for determining entitlements to the dividend is 12 March 2010. The dividend will be paid on 9 April 2010. The Company's Dividend Reinvestment Plan (DRP) will apply to this interim dividend at a discount of 3%.

For personal use only

The Company is actively considering a number of strategic earnings accretive acquisition opportunities. The quality of acquisition opportunities has improved over the reporting period as capital and credit markets for small to medium sized business enterprises remain difficult. Going forward the Company will continue to build enhanced shareholder returns through both revenue and acquisitive growth.

Traditionally revenue and profitability have been stronger in the first half of a financial year reflecting the run up to the peak Christmas trading period. Whilst this underlying trend is likely to continue, the Company is cautiously optimistic and is forecasting solid revenue and profitability for the second half of the financial year.

### **Enquires**

For further information please contact Mr. John Read Chairman, Pro-Pac Packaging Limited on Tel (02) 9087 8000.

### **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 and Melbourne. PPG's securities are listed and quoted on the ASX. For further information on PPG visit [www.pro-pac.com.au](http://www.pro-pac.com.au).