

Appendix 4E Preliminary Final Report



Nuplex Industries Limited (NPX)

1.	Reporting period - Year ended 30 June, 2011 (June '11) Previous corresponding period - Year ended 30 June, 2010 (June '10)			
2.	Results for announcement to the market	June '11 NZ\$,000	% change	June '10 NZ\$,000
2.1	Revenue from ordinary activities	1,575,014	up 7.9%	1,459,933
2.2	Profit from ordinary activities after tax attributable to members	67,968	down 4.9%	71,444
2.3	Net profit for the period attributable to members	66,543	up 3.6%	64,210
2.4	Final Dividend	11.0 cps		11.0 cps
2.5	Record Date	30 September 2011		
2.6	See attached Chairman's Report			
3.	Income Statement - see attached Financial Statements			
4.	Balance Sheet - see attached Financial Statements			
5.	Statement of Cash Flows - see attached Financial Statements			
6.	Dividends			
	- Final Dividend	11.0 cps		
	- Payable in cash			
	- Supplementary dividend to non-resident shareholders	Nil		
	- New Zealand imputation credit	Nil		
	- Conduit Foreign Income credit	Nil		
	- Australian franking credit	60% Franked		
	- Record date	30 September 2011		
	- Payment date	7 October 2011		
7.	Dividend Reinvestment Plan The dividend reinvestment plan is suspended from operation in connection with the Final dividend			
8.	Statement of Retained Earnings - see attached Financial Statements			
9.	Net tangible assets per share	\$2.08		\$1.96
10.	Entities acquired during the period: NONE			
11.	Associates			
		Percentage Holding		Contribution to Net Profit
		June '11	June '10	June '10
	Quaker Chemical (Australasia) Pty Limited	49%	49%	1,403
	Others	47.5-50%	47.5-50%	504
	Total			1,907
				2,131

Appendix 4E Preliminary Final Report (cont'd)**Nuplex Industries Limited (NPX)**

12.	Other information:		
	Unusual (gains)/losses after tax:	June '11	June '10
	Earn-out provisions	739	-
	Others		(45)
	Nuplex Resins LLC waste water discharge legal costs provision	457	1,220
	NZ Securities Commission legal costs provision	229	910
	Impairment of assets and reversals thereof		4,455
	Remediation provisions		693
	Total unusual (gains)/losses after tax	1,425	7,233
13.	Financial statements are prepared in accordance with NZ IFRS		
14.	Chairman's Report		
	- see Attached Chairman's Report		
	Industry Segment Report		
	- see attached Financial Statements		
	Geographic Segment Report		
	- see attached Financial Statements		
15.	Financial Statements are based on audited accounts.		
	There are no audit disputes or qualifications.		



NZX/ASX release

22 August 2011

Nuplex financial results for the 12 month period ending 30 June 2011

NZ\$ millions	FY11	FY10	Growth	
			Actual FX	Constant FX
Sales revenue	1,575.0	1,459.9	7.9%	10.6%
EBITDA	130.9	139.4	(6.1)%	(3.1)%
NPAT	66.5	64.2	3.6%	7.5%
Earnings per share (cents)	34.2	33.7	1.5%	-
Dividend per share (cents)	21.0	21.0	-	-

Global resins manufacturer Nuplex today reported net profit after tax (NPAT) of \$66.5 million for the 12 months ended 30 June 2011, up from \$64.2 million recorded in the same period last year.

Nuplex CEO Emery Severin said: "Overall this is a solid result. It highlights the strength and diversity of both our global Resins footprint and our Australasian Specialties business to deliver solid returns during a challenging operating environment.

"We were able to deliver earnings similar to the record result of 2010 despite rapidly rising raw material costs, weak Australasian economic conditions and a higher New Zealand dollar. Pleasingly, we also made significant progress in putting the foundations in place to take Nuplex to the next stage of performance and growth."

Earnings before interest, tax, depreciation and amortization (EBITDA) were \$130.9 million, 6.1% lower than the \$139.4 million achieved in the record 2010 financial year. At a constant foreign exchange rate, using the prior period average exchange rate, EBITDA was \$135 million or 3.1% lower than last year's result. This result also includes a restructuring charge of \$3.6 million.

Resins segment sales rose 8.8% from \$1,170 million to \$1,273 million while EBITDA was down 10.4% from \$120 million to \$107 million. Sales were driven by volume growth of 3.5% and increased selling prices to recover rising raw material costs. A higher New Zealand dollar accounted for 4% of the decline in EBITDA.

"In our global coatings resins operations, the largest business within our Resins segment, stronger volumes, particularly in Europe and the Americas, were offset by the lag in the recovery of raw material costs.

"We recovered over 90% of these higher raw material costs through price increases implemented during the year - a pleasing outcome given some raw materials rose by 20% to 35% and our raw material costs increased on average by 13% over the period. We continue to work on recovering the remaining cost lag in the new financial year.

"Year on year, the major impact on the Resins segment result was due to lower volumes in our Australasian non coatings businesses. Demand for composites, paper and ink resins as well as construction products were all impacted by weaker consumer demand, lower construction and manufacturing activity and strong local currencies.

"Our Specialties segment performed strongly. Sales rose 4.1% from \$290 million to \$302 million and EBITDA rose 20.2% from \$19.5 million to \$23.4 million. With sales to over 25 different industries, our Specialties segment continued to benefit from its broader exposure to the Australasian economy.

"Meanwhile we made good progress in relation to setting our strategic priorities, improving safety and maximizing the efficiency of the business through project NuLEAP, our three-year program to deliver a step change in the performance of the group.

"As the first year on a three year journey to take Nuplex to its next stage of performance and growth, the foundations laid this year will provide a strong base upon which we will be able to build in the coming years."

Safety

Nuplex's commitment to its safety vision of 'Zero Harm' continues. Over the past 12 months there was a 30% improvement in the lost time injury frequency rate (LTIFR) and the total injury frequency rate (TIFR). The LTIFR was 1.25 per million hours worked, down from 2 and the TIFR was 12.8, down from 17.6.

NuLEAP

During the year, NuLEAP initiatives identified as 'Quick Wins' delivered over \$3 million in savings net of consulting costs. Planning and development of larger initiatives is underway and expected to deliver approximately \$10 million of incremental benefits in the next financial year. Longer term, NuLEAP remains on track to deliver in total, approximately \$30 million in benefits by the end of FY2013, with the aim of improving Nuplex's EBITDA/sales margin towards its target of 12%.

Asian capacity expansion

During the year, Nuplex continued its program of investing in capacity in high growth markets with the commencement of expansion projects in Vietnam and China. The two projects are expected to increase Nuplex's Asian resins capacity by approximately 50% within the next three years.

The Vietnamese expansion will double the site's waterborne capacity and is progressing on time and in line with its budgeted cost of USD\$7.5 million. First production is expected in the second half of the 2012 financial year.

In China, a new site has been located and secured in Changshu (west of Shanghai). The permitting and design phase of this project is now well underway. Construction will begin towards the end of the second half of the 2012 financial year and first production is expected in the second half of the 2013 financial year. The total cost for the project is expected to be USD\$35 million. This site will double Nuplex's Chinese capacity and introduce the ability to produce water based resins in China.

Meanwhile, we are actively pursuing a new site in Southern China.

Research and Development

Throughout the year a number of new and improved technologies were launched. Two key technologies were recently released in March, at the 2011 European Coatings Show in Nuremberg, Germany.

The first was a water borne resin to be used in brush and roller applied decorative coatings, as well as joinery and wood coatings. The leading edge technology used in this resin, increases the length of time that the paint can be retouched without leaving brush strokes by approximately 50%. This improves the appearance of surfaces that are touched up as well as making it easier to use.

Nuplex's leading market position in Sag Control Agents (SCA) used within the Automotive OEM resins market was further strengthened by the release of its new, "Strong" Sag Control Agent. When added to a resin used in the formulation of a coating, SCA's allow the coating to be applied on vertical surfaces without it sagging as it dries. The benefit of this new technology is that it also enables the coating to evenly cover sharp edges, improving the appearance and reducing the risk of corrosion on metal edges.

Both products were well received and are currently being reviewed by customers. Initial sales of both products are expected within the 2012 financial year.

Balance Sheet

The balance sheet remains strong and flexible with the gearing ratio, as measured by net debt to net debt plus equity, of 11.7%. At this level of gearing, Nuplex is well placed to undertake strategic, value creating M&A activity if such opportunities arise.

Working Capital

Working capital as a percentage of sales held constant year on year, despite rapidly rising raw material costs.

Funding

Subsequent to year end, Nuplex completed the renegotiation of its bank facilities through to August 2014, and reduced the total available facilities from AUD\$300 million to AUD\$200 million. These new facilities will deliver annualised savings of \$4 million pre tax assuming the current level of debt. Reducing the total facilities available brings them into line with the expected organic growth needs of the business, including the funding of the Asian capacity expansion projects.

Dividend

Having reviewed the Company's dividend policy, the Board expects to pay dividends in the range of 55-65% of profits attributable to shareholders, subject to funding requirements for organic growth and acquisition activity.

Nuplex Chairman, Rob Aitken said "This dividend payout ratio range is consistent with what Nuplex has delivered historically to shareholders, and reflects the ability of Nuplex's operations to generate strong cash flows."

The Board has declared a final dividend of 11 NZ cents per share. Taking into account the interim dividend of 10 NZ cents per share, the total dividend for the 2011 financial year of 21 NZ cents per share was in line with the full year dividend paid in 2010, when Nuplex delivered record earnings. The final dividend will be franked at 60% for Australian shareholders, but will not carry any New Zealand imputation credits.

With the funding available to meet Nuplex's operating and organic growth needs, the Board has decided to suspend the Dividend Reinvestment Plan with respect to this dividend payment. The dividend will be paid on 7 October 2011, to all shareholders on the register on 30 September 2011.

NZ Securities Commission

As announced earlier in the year, the dispute with the New Zealand Securities Commission (NZSC) was settled. An independent committee of Nuplex directors concluded that a settlement was in the best interests of shareholders.

As part of the settlement, Nuplex agreed to provide a sum of up to \$3.055 million to compensate shareholders who acquired and retained shares between December 22, 2008 and February 18, 2009. A full provision for settlement with the NZSC was made at the half year. The total cost to Nuplex was \$1.5 million, with an impact of \$229,000 in FY2011.

Outlook & Priorities

Commenting on the outlook, Mr Severin said: "Whilst the impact of recent financial market volatility on general economic activity is still unclear, given our products are inputs into goods used in everyday living and our operations are geographically diversified, we have a sound position from which to operate.

"Looking around the world, in Europe we are predominantly exposed to the better performing northern European economies, whilst in the US our resins go into consumer durables. In Asia, we are more focused on domestic end-use markets than export related manufacturing, whilst in Australia and New Zealand, we are exposed to a diverse mix of industries.

"Despite the near term uncertainty, we remain focused on those elements we can control.

"Through focusing on our priorities of safety, NuLEAP, cost control and margin management, product development through innovation, and our capacity expansion projects in Asia we will continue to work towards improving our operational performance and delivering future growth" Mr Severin said.

Ends.

For further information, please contact:

Josie Ashton, Nuplex Investor Relations, +612 9666 0342 or +61 416 205 234

Nuplex Industries Limited is a leading global manufacturer of polymer resins with operations in ten countries on four continents and sells its products in over 80 countries. Polymer resins are essential ingredients in a wide range of products used every day, from basic necessities, through consumer durables to luxury goods. Nuplex also distributes raw materials to a wide cross section of industries in Australia and New Zealand including the chemical, plastics, general industrial, food and pharmaceutical sectors.

Webcast

Further details of Nuplex's 2011 full year results are set out in the following pages. Nuplex will webcast a results briefing at 12.30pm NZST (10.30 am AEST) today. The webcast will be available both live and archived at www.nuplex.co.nz. Nuplex will post presentation materials on its website prior to the webcast briefing.



Review of financial results for the 12 months ended 30 June 2011

Operational Segment Review

RESINS

NZ\$m	FY11 actual	FY11 at prior period FX rates	FY10 actual	Growth (%)	
				Actual	Constant
Sales revenue	1,272.8	1,319.8	1,169.7	8.8%	12.8%
EBITDA	107.4	112.2	119.3	(10.4)%	(6.4)%

Table 2: Resins results by region in local currencies

	30 June 2011	30 June 2010	Growth (%)
Sales revenue			
Australasia (AUD million)	354.8	365.1	(3)%
Asia (US\$ million)	193.8	160.0	21%
Europe (Euro million)	228.5	181.0	26%
Americas (US\$ million)	108.2	88.0	23%
EBITDA			
Australasia (AUD million)	19.9	30.3	(34)%
Asia (US\$ million)	21.5	23.5	(9)%
Europe (Euro million)	21.5	17.8	21%
Americas (US\$ million)	10.6	9.3	16%

Coatings

Globally, sales were up 8.8% for the period, driven by 2.5% volume growth and price increases implemented throughout the year to recover rising raw material costs. Reported EBITDA was down 10.4% compared with the prior period. A stronger New Zealand dollar accounted for 4.4% of this EBITDA decline.

In Australasia, coatings resins volumes, whilst positive, were softer than expected due to weak economic activity which was exacerbated by natural disasters. EBITDA was impacted by margin pressure due to increased competition from imports and increased demand from consumers for lower cost products.

Volume growth for Asia was effectively flat as the region continues to operate at near full capacity. Whilst price increases were implemented throughout the year, the lag in raw material cost recovery combined with wage cost increases impacted EBITDA for the period.

In Europe, sales were driven by a combination of raw material price recovery and volume growth. Volumes returned to pre GFC levels driven by strong demand from the northern European economies. Nuplex's UK based, powder resins plant delivered a record volume year reflecting increased demand for powder coatings used on construction related products and automotive parts. EBITDA benefited from increased NuLEAP cost savings achieved during the period.

The American business experienced sales growth reflecting both steady volume growth and increased selling prices implemented to recover rising raw material prices. Volume growth was predominantly driven by the manufacturing sector's increased demand for high end metal coating resins. A number of NuLEAP initiatives were delivered in the second half, their cost benefit positively impacting EBITDA.

Despite some wage inflation in Asia, non raw material costs were tightly controlled, and remained in line with the previous period.

Composites, Paper & Ink, Building Materials & other

Over the past 12 months, composites volumes were impacted by reduced demand conditions as a result of wet weather, continued consumer spending restraint and fewer infrastructure projects in the 2010 financial year. Additionally, given the strength of the Australian and New Zealand dollars, increased import competition and reduced domestic manufacturing activity placed further pressure on demand.

Reflecting Nuplex's expectation that challenging conditions will remain for some time, a restructure of this business was announced in May 2011. The rationalisation of Nuplex's three composite brands into one Nuplex Composites business will better align this business' cost base with its revenue opportunities. Following the restructure, this business will be increasingly focused on pursuing growth in the South East Asian region.

The acquisition of Fibrelogic Pipe Systems, via a 50:50 joint venture with RPC Technologies has been completed. Fibrelogic manufactures wide diameter pipes used in the growing water and mining infrastructure segments and Nuplex's Australian composites operations are expected to benefit from the long term supply agreement with the joint venture company.

SPECIALTIES

NZ\$m	FY11 actual	FY11 at prior FX rates	FY10 actual	Growth (%)	
				Actual	Constant
Sales revenue	302.2	296.6	290.2	4.1%	2.2%
EBITDA	23.4	22.8	19.5	20.2%	16.9%

Sales growth was driven by increased sales in the majority of the industries into which the Specialties businesses services. Sales to the Food & Nutrition industries were particularly strong as a result of the MedChem acquisition in FY2010. The restructure of the Specialties management team, and the continued focus on delivering efficiencies, contributed to delivering strong EBITDA growth over the year.

Nuplex Industries Limited

Results announcement to the market

Reporting period	12 months to 30 June 2011
Previous reporting period	12 months to 30 June 2010

	Amount (000s)	Percentage change
Revenue from ordinary activities	\$1,575,014	up 7.9%
Profit from ordinary activities after tax attributable to security holder	\$67,968	down 4.9%
Net profit attributable to security holders	\$66,543	up 3.6%

Interim/Final dividend	Amount per security	Imputed amount per security
Final	11.0 cents per share	0.0 cents per share

Record date	30 September, 2011
Dividend payment date	7 October, 2011

Comments	Unusual (gains)/losses after tax for the current year comprise:
	NZD '000
	Nuplex Resins LLC waste water discharge legal provision 457
	NZ Securities Commission legal costs provision 229
	Earn-out provisions 739
	Total unusual losses after tax 1,425

2011 FINANCIAL STATEMENTS

for the year ended 30 June 2011

The Directors are pleased to present the Financial Statements of the Nuplex Group for the year ended 30 June 2011.



Rob Aitken
Chairman
22 August 2011



David Jackson
Director
22 August 2011

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Independent Auditor's Report

To the Shareholders of Nuplex Industries Limited

Report on the Company and Group Financial Statements

We have audited the accompanying financial statements of Nuplex Industries Limited ("the company") and the group, comprising the company and its subsidiaries, on pages 4 to 45. The financial statements comprise the statements of financial position as at 30 June 2011, the statements of comprehensive income, changes in equity and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information, for both the company and the group.

Directors' Responsibility for the Company and Group Financial Statements

The directors are responsible for the preparation of company and group financial statements in accordance with generally accepted accounting practice in New Zealand and International Financial Reporting Standards that give a true and fair view of the matters to which they relate, and for such internal control as the directors determine is necessary to enable the preparation of company and group financial statements that are free from material misstatement whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these company and group financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing (New Zealand). Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the company and group financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the company and group financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the company and group's preparation of the financial statements that give a true and fair view of the matters to which they relate in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company and group's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates, as well as evaluating the presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Our firm has also provided other services to the company and group in relation to taxation and general accounting services. Partners and employees of our firm may also deal with the company and group on normal terms within the ordinary course of trading activities of the business of the company and group. These matters have not impaired our independence as auditors of the company and group. The firm has no other relationship with, or interest in, the company and group.



Independent Auditor's Report (*continued*)

Opinion

In our opinion the financial statements on pages 4 to 45:

- comply with generally accepted accounting practice in New Zealand;
- comply with International Financial Reporting Standards;
- give a true and fair view of the financial position of the company and the group as at 30 June 2011 and of the financial performance and cash flows of the company and the group for the year then ended.

Report on Other Legal and Regulatory Requirements

In accordance with the requirements of sections 16(1)(d) and 16(1)(e) of the Financial Reporting Act 1993, we report that:

- we have obtained all the information and explanations that we have required; and
- in our opinion, proper accounting records have been kept by Nuplex Industries Limited as far as appears from our examination of those records.

22 August 2011

KPMG Sydney

Statements of Comprehensive Income
for the year ended 30 June 2011

(NZD in thousands)

Sales revenue
Cost of sales

Gross profit

Other operating income
Distribution expenses
Marketing expenses
Administration expenses
Other operating expenses

Operating profit before financing costs

Financial income
Financial expenses

Net financing costs

Share of profits/(losses) of associates

Profit before tax

Income tax (expense)/benefit

Profit for the year

Other comprehensive income

Foreign currency translation differences for foreign operations
Net gain/(loss) on hedge of net investment in foreign operation
Effective portion of changes in fair value of cash-flow hedges
Income tax on other comprehensive income
Other comprehensive income for the period, net of income tax

Total comprehensive income for the year

Profit attributable to:

Equity holders of the parent
Non-controlling interests

Total comprehensive income attributable to:

Equity holders of the parent
Non-controlling interests

Basic earnings per share

Diluted earnings per share

Note

	GROUP		COMPANY	
	2011	2010	2011	2010
	1,575,014	1,459,933	91,838	89,766
	(1,235,589)	(1,111,071)	(68,710)	(65,073)
	339,425	348,862	23,128	24,693
3	2,766	2,532	20,744	59,434
	(76,953)	(70,732)	(4,569)	(4,403)
	(85,058)	(85,864)	(9,180)	(8,114)
	(64,415)	(65,858)	(7,910)	(9,998)
4	(8,885)	(22,905)	(1,671)	(2,746)
	106,880	106,035	20,542	58,866
	1,797	1,420	10,444	3,349
	(18,374)	(22,126)	(7,068)	(8,555)
7	(16,577)	(20,706)	3,376	(5,206)
12	1,907	2,131	-	-
	92,210	87,460	23,918	53,660
8	(22,939)	(20,478)	(1,263)	959
	69,271	66,982	22,655	54,619

(8,338)	(39,483)	-	-
1,701	1,821	-	-
(268)	6,999	(356)	911
(423)	(2,632)	107	(273)
(7,328)	(33,295)	(249)	638

61,943	33,687	22,406	55,257
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66,543	64,210	22,655	54,619
2,728	2,772	-	-
69,271	66,982	22,655	54,619

60,069	31,262	22,406	55,257
1,874	2,425	-	-
61,943	33,687	22,406	55,257

9	0.342	0.337
9	0.329	0.325

To be read in conjunction with the notes to the financial statements on pages 8 to 44

Statements of Changes in Equity

for the year ended 30 June 2011

	GROUP					COMPANY			
	Attributable to equity holders of the parent					Share Based Payments reserve	Retained earnings	Hedging reserve	Total
(NZD in thousands)	Share capital	Share Based Payments reserve	Translation reserve	Retained earnings	Hedging reserve	Total	Non-controlling interest	Total Equity	Share capital
Balance at 1 July 2010	349,664	-	(8,932)	175,345	(536)	515,541	7,769	523,330	349,664
Other Comprehensive Income									
Foreign currency translation differences	-	-	(7,484)	-	-	(7,484)	(854)	(8,338)	-
Net gain/(loss) on hedge of net investment in foreign operation, net of tax	-	-	1,191	-	-	1,191	-	1,191	-
Effective portion of changes in fair value of cash-flow hedges, net of tax	-	-	-	-	(181)	(181)	-	(181)	(249)
Total other Comprehensive Income	-	-	(6,293)	-	(181)	(6,474)	(854)	(7,328)	(249)
Profit for the year	-	-	-	66,543	-	66,543	2,728	69,271	-
Total comprehensive income for the year	-	-	(6,293)	66,543	(181)	60,069	1,874	61,943	22,406
Contributions by and distributions to owners									
Dividend reinvestment plan	14,580	-	-	-	-	14,580	-	14,580	-
Performance rights plan	-	1,200	-	-	-	1,200	-	1,200	-
Dividends paid	-	-	-	(40,652)	-	(40,652)	(2,781)	(43,433)	-
Non-controlling interest on acquisition	-	-	-	-	-	-	3,112	3,112	-
Balance as at 30 June 2011	364,244	1,200	(15,225)	201,236	(717)	550,738	9,994	560,732	364,244

Statements of Changes in Equity

for the year ended 30 June 2010

	GROUP					COMPANY			
	Attributable to equity holders of the parent					Share Based Payments reserve	Retained earnings	Hedging reserve	Total
(NZD in thousands)	Share capital	Share Based Payments reserve	Translation reserve	Retained earnings	Hedging reserve	Total	Non-controlling interest	Total Equity	Share capital
Balance at 1 July 2009	341,944	-	28,929	146,248	(5,449)	511,672	9,950	521,622	341,944
Other Comprehensive Income									
Foreign currency translation differences	-	-	(39,136)	-	-	(39,136)	(347)	(39,483)	-
Net gain/(loss) on hedge of net investment in foreign operation, net of tax	-	-	1,275	-	-	1,275	-	1,275	-
Effective portion of changes in fair value of cash-flow hedges, net of tax	-	-	-	-	4,913	4,913	-	4,913	-
Total other Comprehensive Income	-	-	(37,861)	-	4,913	(32,948)	(347)	(33,295)	-
Profit for the year	-	-	-	64,210	-	64,210	2,772	66,982	-
Total comprehensive income for the year	-	-	(37,861)	64,210	4,913	31,262	2,425	33,687	-
Contributions by and distributions to owners									
Shares issued	7,720	-	-	-	-	7,720	-	7,720	7,720
Dividends paid	-	-	-	(35,113)	-	(35,113)	(4,586)	(39,699)	-
Balance as at 30 June 2010	349,664	-	(8,932)	175,345	(536)	515,541	7,769	523,330	349,664

To be read in conjunction with the notes to the financial statements on pages 8 to 44



Statements of Financial Position

As at 30 June 2011

(NZD in thousands)

	Note	GROUP		COMPANY	
		2011	2010	2011	2010
Equity attributable to members of the parent company	20				
Share capital		364,244	349,664	364,244	349,664
Share based payments reserve		1,200	-	1,200	-
Translation reserve		(15,225)	(8,932)	-	-
Retained earnings		201,236	175,345	82,543	100,540
Hedging reserve		(717)	(536)	(430)	(181)
Non-controlling interests	20	9,994	7,789	-	-
Total Equity		560,732	523,330	447,557	450,023
Property, plant and equipment	14	282,919	272,163	18,960	19,683
Intangible assets	15	152,391	146,334	2,154	2,155
Investments in associates	12	4,946	4,371	-	-
Investments in subsidiaries		-	-	177,725	177,725
Trade and other receivables	11	-	-	287,179	274,405
Deferred tax asset	13	8,292	9,393	199	86
Non-current Assets		448,548	432,261	486,217	474,054
Inventories	10	196,508	192,780	15,598	15,467
Trade and other receivables	11	310,713	287,113	17,485	16,617
Income tax receivable		9,434	10,077	-	3,434
Cash and cash equivalents		66,850	82,063	4,275	12,424
Current Assets		583,505	572,033	37,358	47,942
Total Assets		1,032,053	1,004,294	523,575	521,996
Borrowings	17	53,077	154,067	52,649	52,659
Employee provisions	18	20,887	23,413	543	617
Deferred tax liability	13	14,017	13,953	-	-
Non-current Liabilities		87,981	191,433	53,192	53,276
Borrowings	17	87,695	356	77	74
Trade and other payables	16	246,052	238,735	18,690	15,317
Employee provisions	18	23,936	23,585	1,744	1,251
Provisions	19	10,855	10,637	1,820	2,055
Income tax payable		14,803	16,218	495	-
Current Liabilities		383,341	289,531	22,826	18,697
Total Liabilities		471,322	480,964	76,018	71,973
Total Net Assets		560,732	523,330	447,557	450,023

To be read in conjunction with the notes to the financial statements on pages 8 to 44



Cash Flow Statements

for the year ended 30 June 2011

(NZD in thousands)

Note	GROUP		COMPANY	
	2011	2010	2011	2010
Receipts from customers	1,652,319	1,518,671	102,531	92,295
Interest received	1,797	1,046	6,761	3,349
Payments to suppliers and employees	(1,553,464)	(1,385,908)	(98,037)	(90,264)
Interest paid	(18,437)	(20,357)	(6,778)	(6,891)
Dividends received	1,334	844	-	-
Income taxes (paid)/received	(23,413)	(9,590)	292	-
Net cash from/(used in) operating activities	60,136	104,706	4,769	(1,511)
Disposal of property, plant and equipment	41	7	-	-
Acquisition of property, plant, equipment and intangibles	(17,193)	(9,860)	(546)	(728)
Loans to subsidiaries	-	-	13,700	28,866
Increase in investment in subsidiaries less cash acquired	(12,706)	-	-	-
Purchases of businesses, net of cash acquired	-	(5,317)	-	-
Net cash from/(used in) investing activities	(29,858)	(15,170)	13,154	28,138
Proceeds from borrowings	24,725	-	-	-
Repayment of borrowings	(40,552)	(88,533)	-	-
Dividends paid to shareholders	(28,853)	(31,979)	(26,072)	(27,393)
Net cash from/(used in) financing activities	(44,680)	(120,512)	(26,072)	(27,393)
Increase/(decrease) in cash and cash equivalents	(14,402)	(30,976)	(8,149)	(766)
Cash and cash equivalents at 1 July	82,063	119,499	12,424	13,190
Effect of exchange rate fluctuation	(811)	(6,460)	-	-
Cash and cash equivalents at 30 June	66,850	82,063	4,275	12,424
Comprising:				
Cash balances	48,947	61,308	4,275	7,424
Cash on call deposit	17,903	20,755	-	5,000
	66,850	82,063	4,275	12,424

To be read in conjunction with the notes to the financial statements on pages 8 to 44



1. Statement of significant accounting policies

Nuplex Industries Limited (the 'Company') is a Company registered and domiciled in New Zealand. The consolidated financial statements of the Company comprise the Company and its subsidiaries (the 'Group') and the Group's interest in associated entities.

(a) Statement of compliance

The financial statements have been prepared in accordance with New Zealand Generally Accepted Accounting Practice (NZ GAAP). They comply with New Zealand equivalents to International Financial Reporting Standards (NZIFRS), and other applicable Financial Reporting Standards, as appropriate for profit-orientated entities. The financial statements also comply with International Financial Reporting Standards (IFRS).

The accounting policies set out below have been applied consistently to all periods in these financial statements, there have been no changes in the accounting policies during the year.

The International Accounting Standards Board has issued a number of other standards, amendments and interpretations which are not yet effective, detailed below. The Group has not yet applied these in preparing these financial statements and will apply each in the period in which it becomes mandatory.

Standard	Description	Mandatory for the year-ending
NZ IFRS 9	Financial Instruments	June 30, 2014
NZ IAS 24	Related Party Disclosures (revised 2009)	June 30, 2012
NZ IFRIC 14	Amendments to The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction	June 30, 2012
NZ IFRS 7	Disclosures - Transfers of Financial Assets	June 30, 2012
NZ IFRS 1	Amendments - Severe Hyperinflation and Removal of Fixed Dates for first-time adopters	June 30, 2012
FRS-44	New Zealand Additional Disclosures	June 30, 2012
NZ IAS 12	Amendments - Deferred tax: recovery of underlying assets	June 30, 2013
NZ IAS 1	Amendments - Presentation of items of Other Comprehensive Income	June 30, 2013
NZ IFRS 10	Consolidated Financial Statements	June 30, 2014
NZ IFRS 11	Joint Arrangements	June 30, 2014
NZ IFRS 12	Disclosure of interests in other entities	June 30, 2014
NZ IFRS 13	Fair Value Measurement	June 30, 2014
NZ IAS 19	Employee Benefits (amended 2011)	June 30, 2014
NZ IAS 27	Separate Financial Statements (2011)	June 30, 2014
NZ IAS 28	Investments in Associates and Joint Ventures (2011)	June 30, 2014

The above standards and interpretations are not considered likely to have a material impact for the Group.



(b) Basis of Preparation

The financial statements of the Group and Company comply with the Financial Reporting Act 1993 and the Companies Act 1993. These financial statements are presented in New Zealand dollars, which is the Company's functional currency, except where stated otherwise, rounded to the nearest thousands. They are prepared on the historical cost basis except that previously revalued property, plant and equipment carrying values which on transition to NZIFRS have been deemed as cost, and the following assets and liabilities are stated at their fair values: derivative financial instruments and deferred acquisition settlements payable.

The consolidated financial statements have been approved by the Board of Directors on 22 August 2011.

The preparation of financial statements in conformity with NZIFRS's requires management to make judgements, estimates and assumptions that effect the application of policies and reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis for making judgements about carrying values of some assets and liabilities. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of revision and future periods if the revision affects both current and future periods. Information about the significant areas of judgement exercised or estimation in applying accounting policies that have had a significant impact on the amounts recognised in the financial statements are described below.

(i) Classification of investments

Classifying investments as either subsidiaries, associates or joint ventures requires that management assess the degree of influence which the Group holds over the investee. In arriving at a conclusion management take into account the constitutional structure of the investee, governance arrangements, current and future representation on the Board of Directors, and all other arrangements which might allow influence over the operating and financial policies of the investee.

(ii) Valuation of goodwill and other intangibles

The carrying value of goodwill is assessed at least annually to ensure that it is not impaired. This assessment requires management to estimate future cash flows to be generated by cash generating units to which goodwill has been allocated. Estimating future cash flows entails making judgements including the expected rate of growth of revenues and expenses, margins and market shares to be achieved, and the appropriate discount rate to apply when discounting future cash flows. Note 15 of these financial statements provides more information on the assumptions management have made in this area and the carrying values of goodwill. As the outcomes in the next financial period may be different to the assumptions made, it is impracticable to predict the impact that could result in a material adjustment to the carrying amount.

(iii) Recognition of deferred tax assets

The value of deferred tax assets recognised in the financial statements involve a significant degree of judgement around the future profitability, ownership and legislative outcomes impacting on the Group entity to which the assets or potential assets relate. In making the required judgements management take account of all circumstances of which they are aware and current economic forecasts which might have bearing on the tax situation of the entity concerned. Note 13 to these financial statements contains further information on tax losses the Group has incurred but not recognised as a deferred tax asset.

(iv) Doubtful debt provisions

Provisioning for doubtful debts takes into account known factors impacting specific debtors, as well as the overall profile of each Group company's debtors portfolio. Factors such as the age of receivable balances, past collection history, the level of activity in customer accounts are taken into account. Further information on the doubtful debt provision is contained in note 21 to these financial statements.

(v) Provisions and contingencies

Identification, recognition and valuation of provisions requires management to make judgements about the likelihood of an amount becoming payable or an economic benefit being foregone, estimation of the value of the potential obligations based on available information and estimating when such obligations are likely to be settled. Where a range of possible outcomes exist, management must apply judgement in assessing the probability that any given outcome may occur. Note 19 to these financial statements gives further information on the value of provisions recognised. As new contingencies can arise unexpectedly or existing items be resolved at short notice, it is impracticable to predict how the carrying value may be impacted over the next financial period but changes could result in a material adjustment to the carrying amount.

(vi) Employee provisions

The Group is exposed to defined benefit obligations and long service leave obligations that require significant judgements to be made in the calculation of the Group's expected future liability and its present value. Significant assumptions made include the expected asset growth rates, social security rates, pension and salary growth rates and the discount rates to be applied in calculating present values. For each significant defined benefit scheme a qualified external actuary is engaged to provide a valuation based, where possible, on externally verifiable assumptions. As the outcomes in the next financial period may be different to the assumptions made, it is impracticable to predict the impact that could result in a material adjustment to the carrying amount.

(vii) Property plant and equipment and finite-life intangible assets

In accounting for Property plant and equipment and finite-life intangible assets management is required to make judgements on the expected life of the asset, the likelihood of the assets obsolescence and the likelihood that the asset will continue to be utilised. Management reassesses useful lives at least annually and considers whether indicators of impairment have occurred that might necessitate impairment testing. Assessing impairment where required may involve estimation and valuation of future cash-flows that an asset is expected to generate and making assumptions thereon. As the outcomes of the next financial period may differ from the assumptions made, it is impractical to predict the impact that could result in a material adjustment to the carrying amount.



(c) Basis of consolidation

Accounting for business combinations

Prior to 1 July 2009 all business combinations were dealt with using the purchase method. All business combinations occurring on or after 1 July 2009 are accounted for by applying the acquisition method. The change in accounting policy was due to the adoption of NZ IFRS 3 Business Combinations in the year ended 30 June 2010. The change in accounting policy had no impact on assets, profit or earnings per share in the year ended 30 June 2010.

Control is the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. In assessing control the Group takes into consideration potential voting rights that are currently exercisable. Acquisition date is the date on which control is transferred to the acquirer. Judgement is applied in determining the acquisition date and determining whether control is transferred from one party to another.

The Group measures goodwill as the fair value of the consideration transferred including the recognised amount of any non-controlling interest in the acquiree, less the net recognised amount (generally fair value) of the identifiable assets acquired and liabilities assumed, all measured as at the acquisition date.

Consideration transferred includes the fair value of the assets transferred, liabilities incurred by the Group to the previous owners of the acquiree, and equity interests issued by the Group. Consideration transferred also includes the fair value of any contingent consideration and share-based payment awards of the acquiree that are replaced mandatorily in the business combination. If a business combination results in the termination of pre-existing relationships between the Group and the acquiree, then the lower of the termination amount, as contained in the agreement, and the value of the off-market element is deducted from the consideration transferred and recognised in other expenses.

Transaction costs that the Group incurs in connection with a business combination, such as finders fees, legal fees, due diligence fees, and other professional and consulting fees are expensed as incurred in the Group financial statements.

A contingent liability of the acquiree is assumed in a business combination only if such a liability represents a present obligation and arises from a past event, and its fair value can be measured reliably.

When share-based payment awards (replacement awards) are exchanged for awards held by the acquiree's employees (acquiree's awards) and relate to past services, then a part of the market-based measure of the replacement awards is included in the consideration transferred. If future services are required, then the difference between the amount included in consideration transferred and the market-based measure of the replacement awards is treated as post combination compensation cost.

Accounting for acquisitions of non-controlling interests

Acquisitions of non-controlling interests are accounted for as transactions with equity holders in their capacity as equity holders and therefore no goodwill is recognised as a result of such transactions.

Subsidiaries

Subsidiaries are entities controlled by the Group. Control exists when the Group has the power, directly or indirectly, to govern the financial and operating policies of an entity so as to obtain benefits from its activities. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

In the Company's financial statements, investments in subsidiaries are carried at the lower of cost or recoverable amount.

Associates

Associates are those entities in which the Group has significant influence, but not control, over the financial and operating policies. Investments in associates are accounted for using the equity method and are initially measured at cost. The consolidated financial statements include the Group's share of the total recognised income, expense and equity movements of associates on an equity accounted basis, net of any impairment losses, from the date that significant influence commences until the date that significant influence ceases. When the Group's share of losses exceeds its interest in the associate, the Group's carrying amount is reduced to nil and recognition of further losses is discontinued except to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate.

Transfer of entities or assets under Group control

Business combinations arising from the transfer of assets or interests from one Group entity to another Group entity are accounted for at the carrying amounts recognised previously in the Group's controlling shareholders consolidated financial statements.

Transactions eliminated on consolidation

IntraGroup balances and any unrealised gains or losses or income and expenses arising from intraGroup transactions are eliminated in preparing the consolidated financial statements. Unrealised gains arising from transactions with associates are eliminated to the extent of the Group's interest in the entity. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.



(d) Foreign currency

Foreign currency transactions

Transactions in foreign currencies are translated at the foreign exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are translated to the functional currency at the foreign exchange rate ruling at that date. Foreign exchange differences arising on translation are recognised in the income statement. Non-monetary assets and liabilities denominated in foreign currencies that are stated at fair value are translated to the functional currency at foreign exchange rates ruling at the dates the fair values were determined.

Financial statements of foreign operations

The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on consolidation, are translated to New Zealand dollars at foreign exchange rates ruling at the balance sheet date. The revenues and expenses of foreign operations are translated to New Zealand dollars at rates approximating to the foreign exchange rates ruling at the dates of the transactions. This would normally be the average foreign exchange rate for the reporting period, or such shorter period for an entity or business acquired or disposed of during the period. Exchange differences arising on these retranslations are recognised in other comprehensive income and presented in the translation reserve.

Net investment in foreign operations

Exchange differences arising from the translation of the net investment in foreign operations, and the related hedges and deferred tax impact are recognised in other comprehensive income to the extent that the hedge is effective and are presented within equity in the translation reserve. If ineffective, it is recognised in profit or loss. Amounts recognised in equity are released to profit or loss upon disposal.

(e) Revenue and other operating income

Sale of goods

Revenue from the sale of goods is measured at the fair value of the consideration received or receivable, net of returns and allowances, trade discounts and volume rebates. Revenue is recognised when the significant risks and rewards of ownership have been transferred to the buyer, recovery of the consideration is probable, the associated costs and possible return of goods can be estimated reliably, and there is no continuing management involvement with the goods. If it is probable that discounts will be granted and the amount can be measured reliably, then the discount is recognised as a reduction in revenue as the sales are recognised.

Dividend income

Dividend income is recognised in profit and loss on the date the entity's right to receive payment is established, which is when the dividend is declared. Dividend income from associates reduces the investment balance shown in the consolidated statement of financial position.

(f) Expenses

Operating lease payments

Payments made under operating leases are recognised in profit and loss on a straight-line basis over the term of the lease.

Net financing costs

Net financing costs comprise interest payable on borrowings calculated using the effective interest rate method, foreign exchange gains and losses, and gains and losses on hedging instruments that are recognised in profit and loss. The interest expense component of finance lease payments is recognised in profit and loss using the effective interest rate method. Interest income is recognised in profit and loss as it accrues, using the effective interest rate method.

(g) Income tax

Income tax on the profit or loss for the year comprises current and deferred tax. Income tax is recognised in profit and loss except if it relates to items recognised directly in equity or other comprehensive income, in which case the income tax is recognised therein. Current tax is the expected tax payable on the taxable income for the period, using tax rates enacted or substantially enacted at the balance sheet date, and any adjustments to tax payable in prior years.

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for accounting purposes and the amounts used for taxation purposes. The following temporary differences are not provided for: goodwill not deductible for taxation purposes, the initial recognition of assets and liabilities that affect neither accounting, nor taxable profit, and differences relating to investments in subsidiaries to the extent that they will probably not reverse in the foreseeable future. The amount of deferred tax provided is based on the expected realisation or settlement of the carrying amount of assets and liabilities, using tax rates at balance date, or if known, tax rates at the expected time of realisation or settlement.

Tax losses and other deferred tax assets are recognised only to the extent that it is probable that future tax profits will be available against which the asset can be utilised. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realised. Additional income taxes that arise from the distribution of dividends are recognised at the same time as the liability to pay the related dividend.

(h) Earnings per share

The Group presents basic and diluted earnings per share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by weighted average number of ordinary shares outstanding during the period. Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding for the effects of all dilutive potential ordinary shares, which comprise convertible notes and share options granted to employees.

(i) Property, plant and equipment

Owned assets

Items of property, plant and equipment are stated at cost or deemed cost less accumulated depreciation and impairment losses.

Cost includes expenditure that is directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials and direct labour, any other costs directly attributable to bringing the asset to a working condition for its intended use, the costs of dismantling and removing the items and restoring the site on which they are located and capitalised borrowing costs.

The cost of replacing part of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Group and its cost can be measured reliably. The carrying value of the replaced part is derecognised. The cost of the day-to-day servicing of property, plant and equipment are recognised in profit or loss as incurred.

Gains and losses on disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment and are recognised within "other income" in profit or loss.

Leased assets

Leases in terms of which the Group assumes substantially all the risks and rewards of ownership of the leased asset are classified as finance leases.

Depreciation

Depreciation is charged to profit and loss on a straight-line basis over the estimated useful lives of each part of an item of property, plant and equipment. Depreciation is classified as Distribution, Marketing, Administration or other based on the function of the underlying asset to which the charge relates. The land component of land and buildings is not depreciated. The estimated useful lives for the current and comparative year are as follows:

Land and buildings	20 - 50	years
Plant and equipment	3 - 20	years
Motor vehicles	5	years



(j) Intangible assets

Goodwill

All business combinations are accounted for by applying the acquisition method. Goodwill represents amounts arising on acquisition of subsidiaries and associates, and represents the difference between the cost of the acquisition and the fair value of the net identifiable assets acquired. Goodwill is stated at cost less any accumulated impairment losses. Goodwill is allocated to cash-generating units and is tested annually for impairment. In respect of associates, the carrying amount of goodwill is included in the carrying amount of the investment in the associate. Negative goodwill arising on an acquisition is recognised directly in profit and loss.

Intellectual property

Expenditure on research activities, undertaken with the prospect of gaining new scientific or technical knowledge, is recognised in profit and loss as an expense as incurred. Expenditure on product or process development activities, whereby research findings are applied to the development of new or substantially improved products and processes, is capitalised if the product or process is technically and commercially feasible with the probability of future economic benefits and the Group has sufficient resources to complete development. The expenditure capitalised includes the cost of materials, direct labour and an appropriate proportion of overheads. Capitalised development expenditure is stated at cost less accumulated amortisation and impairment losses. Other development expenditure is recognised in profit and loss as an expense as incurred.

Purchased agency portfolio

Agency agreements acquired are capitalised as intangible assets at a value based on a discounted cash flow analysis of their expected net worth at acquisition. The portfolio of agreements is not considered to have a finite life, as agreements can be rolled over at the option of the Group, and it is reasonably expected that this will occur, and as such the portfolio is not amortised. The portfolio is tested for impairment each reporting period and any impairment is recognised in profit and loss.

Other intangible assets

Other intangible assets that are acquired by the Group are stated at cost less accumulated amortisation and impairment losses.

Subsequent expenditure

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the asset to which it relates. All other expenditure, including expenditure on internally generated goodwill and brands, is recognised in profit or loss as incurred.

Amortisation

Amortisation is charged to profit and loss on a straight-line basis over the estimated useful lives of the finite life intangible assets. Goodwill and intangible assets with an indefinite useful life are not amortised but tested for impairment at each annual balance sheet date. Other intangible assets are amortised from the date they are available for use. The estimated useful lives for the current and comparative years are as follows:

Intellectual property	up to 15 years
Other	up to 5 years

(k) Trade and other receivables

Trade and other receivables are initially stated at fair value and are categorised as loans and receivables which are subsequently measured at amortised cost less impairment.

(l) Inventories

Inventories are stated at lower of cost and net realisable value with due allowance for rework and/or obsolescence. Raw materials, packaging and inventories purchased for resale are valued on a weighted average cost basis. Manufactured inventories and work in progress are valued at the cost of materials plus direct labour and factory overheads based on normal operating capacity, including all costs of bringing items to their present location and condition.

(m) Cash and cash equivalents

Cash and cash equivalents comprise cash balances and call deposits maturing in less than three months and readily convertible to cash. Bank overdrafts that are repayable on demand and form part of the Group's cash management are included for the purposes of the cash flow statements.

(n) Impairment

The carrying amounts of the Group's assets, other than inventories and deferred tax assets, are reviewed at each balance sheet date to determine whether there is any indication of impairment. If any such indication exists, the assets recoverable amount is estimated. For intangible assets that have an indefinite useful life and intangible assets that are not yet available for use, the recoverable amount is estimated at each balance sheet date. An impairment loss is recognised whenever the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. Impairment losses are recognised in the income statement. Impairment losses recognised in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to cash-generating units and then to reduce the carrying amount of other assets in the unit on a pro-rata basis. The recoverable amount of other assets is the greater of their net selling price and value in use.

(o) Equity

Share capital is recognised at the fair value of the consideration received by the Company. Transaction costs attributable to the issue of ordinary shares are recognised directly in equity as a reduction of the share proceeds received. Dividends are recognised as a liability in the period in which they are declared.

(p) Interest-bearing borrowings

Interest-bearing borrowings are recognised initially at fair value less attributed transaction costs, and the attributed transaction costs are amortised over the period of the borrowings on an effective interest basis.

Subsequent to initial recognition, borrowings are measured at amortised cost using the effective interest rate method, less any impairment losses.

(q) Employee benefits

Share-based transactions

Performance share rights are granted to senior management. The fair value of the rights is recognised as an employee expense with a corresponding increase in equity. The fair value of rights are measured at the grant date and spread over the vesting period, taking into account the terms and conditions upon which the rights were granted. The amount recognised as an expense is adjusted to reflect the number of rights for which the service and non-market vesting conditions are expected to be met at the vesting date. The rights are equity settled.



Defined contribution plans

Obligations for contributions to defined contribution pension plans are recognised as an expense in profit or loss in the periods during which services are rendered by employees.

Defined benefit plans

The Group's net obligation in respect of defined benefit pension and medical plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned or might receive in return for their service in the current and prior periods. That benefit is discounted to determine its present value and the fair value of any plan assets is deducted. The discount rate is the yield at the balance sheet date on government bonds that have maturity dates approximating to the terms of the Group's obligations. The calculation is performed by a qualified actuary using the projected unit credit method. When the benefits of a plan are improved, the portion of the increased benefit relating to past service by employees is recognised immediately as an expense in the income statement.

In respect of actuarial gains and losses that arise subsequent to transition in calculating the Group's obligation in respect of a plan, to the extent that any cumulative unrecognised actuarial gain or loss exceeds 10 per cent of the greater of the present value of the defined benefit obligation and the fair value of plan assets, that portion is recognised in profit and loss over the expected average remaining working lives of the employees participating in the plan. Otherwise, the actuarial gain or loss is not recognised.

Long-term service benefits

The Group's obligation in respect of long-term service benefits, other than pension plans, is the amount of the future benefit, including on-costs, and discounted to present value at discount rates appropriate to the local jurisdiction in which the liability arises, that employees have earned in return for their service in the current and prior periods.

Termination benefits

Termination benefits are recognised as an expense when the Group is demonstrably committed, without realistic possibility of withdrawal, to a formal detailed plan to terminate employment before the normal retirement date. If benefits are payable more than 12 months after the end of the reporting period then they are discounted to their present value.

Other

Vested sick leave, annual leave and bonuses are measured at their nominal amounts, based on remuneration rates which are expected to be paid when the liability is settled. These amounts are disclosed in current employee benefits.

(r) Provisions

A provision is recognised in the statement of financial position when the Group has a present legal or constructive obligation as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation.

(s) Payables

Liabilities for trade payables and other amounts are carried at cost which is the fair value of the consideration to be paid in the future for goods or services received, whether or not billed.

(t) Segment reporting

The Group determines and presents operating segments based on the information that is internally provided to the CEO, who is the Group's chief operating decision maker.

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components. An operating segment's operating results are reviewed regularly by the CEO to make decisions about resources to be allocated to the segment and to assess its performance, and for which discrete financial information is available.

Segment capital expenditure is the total cost incurred during the period to acquire property, plant and equipment, and intangible assets other than goodwill.

(u) Financial instruments

Non-derivative financial instruments

Non-derivative financial instruments comprise trade and other receivables, cash and cash equivalents, loans and borrowings and trade and other payables.

Non-derivative financial instruments are recognised initially at fair value plus, for instruments not at fair value through profit or loss, any directly attributable transaction costs. Subsequent to initial recognition non derivative financial instruments are measured at amortised cost using the effective interest rate method, less any impairment losses.

A financial instrument is recognised if the Group becomes a party to the contractual provisions of the instrument. Financial instruments are derecognised if the Group's obligations specified in the contract expire or are discharged or cancelled.

Derivative financial instruments

The Group uses derivative financial instruments to hedge its exposure to foreign exchange and interest rate risks arising from operational, financing and investment activities. In accordance with its treasury policy, the Group does not hold or issue derivative financial instruments for trading purposes. However, derivatives that do not qualify for hedge accounting are accounted for as trading instruments. Derivative financial instruments are recognised initially at fair value (transaction price). Subsequent to initial recognition, derivative financial instruments are stated at fair value. The gain or loss on re-measurement to fair value is recognised immediately in profit and loss except where the derivatives qualify for hedge accounting, as described in policy (v).

The fair value of interest rate swaps is the estimated amount that the Group would receive or pay to terminate the swap at the balance sheet date, taking into account current interest rates and the current creditworthiness of the swap counterparties. The fair value of forward exchange contracts is their quoted market price at the balance sheet date.



(v) Hedging

Cash flow hedges

Where a derivative financial instrument is designated as a hedge of the variability in cash flows of a recognised asset or liability, or a highly probable forecasted transaction, the effective part of any gain or loss on the derivative financial instrument is recognised directly in equity. For cash flow hedges, the associated cumulative gain or loss is removed from equity and recognised in profit and loss in the same period or periods during which the underlying exposure impacts profit and loss. When the hedged item is a non-financial asset, the amount recognised in other comprehensive income is transferred to the carrying amount of the asset when the asset is recognised. The ineffective part of any gain or loss is recognised immediately in profit and loss.

Hedges of net investments in foreign operations

The portion of the gain or loss on an instrument used to hedge a net investment in a foreign operation that is determined to be an effective hedge is recognised in other comprehensive income and presented in the hedging reserve in equity. Any ineffective portion is recognised immediately in profit and loss.

(w) Assets held for sale and discontinued operations

Immediately before classification as held for sale, the measurement of the assets (and all assets and liabilities in a disposal Group) is brought up-to-date in accordance with applicable accounting standards. Then, on initial classification as held for sale, non-current assets and disposal Groups are recognised at the lower of carrying amount and fair value less costs to sell.

Impairment losses on initial classification as held for sale are included in profit or loss, even when there is a revaluation. The same applies to gains and losses on subsequent remeasurement.

A discontinued operation is a component of the consolidated entity's business that represents a separate major line of business or geographical area of operations that has been disposed of or is held for sale, or is a subsidiary acquired exclusively with a view to resale.

Classification as a discontinued operation occurs upon disposal or when the operation meets the criteria to be classified as held for sale, if earlier.

(x) Determination of fair values

A number of the Group's accounting policies and disclosures require the determination of fair value, for both financial and non-financial assets and liabilities. The following summarises the major methods and assumptions used in estimating those fair values. Where applicable, further information about the assumptions made in determining fair values is disclosed in the notes specific to that asset or liability.

Trade receivables and payables

Fair value is estimated as the present value of future cash-flows discounted at market rates of interest where settlement is not expected within 12 months.

Secured bank loans

Fair value is taken to be the carrying value of these assets and liabilities due to their short term repricing.

Derivatives

For forward exchange contracts and interest rate swaps, independent third party valuations are used.

Capital notes

Fair value is calculated based on discounted expected future principal and interest cash flows.

Finance lease liabilities

The fair value is estimated as the present value of future cash flows, discounted at current market interest rates for homogeneous lease agreements. The estimated fair values reflect changes in interest rates.

2. Segment analysis

The Group has two reportable segments, as described below. The reportable segments offer products and services with markedly different production processes and are managed separately. For each of the reporting segments the CEO reviews internal management reports monthly. The following summary describes the operations in each of the Group's reportable segments: Inter-segment pricing is determined on an arm's length basis.

Resins Global manufacture of synthetic resins for regional markets. Distribution of complementary functional materials.

Specialties Manufacture and distribution of a range of functional materials for regional markets.

Geographical segments

In presenting information on the basis of geographical segments, segment sales are based on the ultimate country of destination of the product if known. Segment assets are based on the geographical location of the assets.

Information about reportable segments

(NZD in thousands)	Resins	2011 Specialties	Total Group	Resins	2010 Specialties	Total Group
Sales to outside customers	1,272,848	302,166	1,575,014	1,169,766	290,167	1,459,933
Inter-segment sales	370	5,787		447	7,311	
Segment sales	<u>1,273,218</u>	<u>307,953</u>		<u>1,170,213</u>	<u>297,478</u>	
EBITDA	107,464	23,441	130,905	119,935	19,501	139,436
Depreciation and amortisation	(21,094)	(1,271)	(22,365)	(21,245)	(1,604)	(22,849)
Segment result	<u>86,370</u>	<u>22,170</u>	<u>108,540</u>	<u>98,690</u>	<u>17,897</u>	<u>116,587</u>
Net financing costs			(16,577)			(20,706)
Share of profits of associates			1,907			2,131
Non-controlling interest			(2,728)			(2,772)
Tax on operating profits			(23,174)			(23,796)
Operating profit after tax			67,968			71,444
Avondale and Seven Hills Remediation provisions			-			(991)
Earn-out provision on Med-Chem acquisition			(739)			-
Nuplex US waste water discharge costs and legal costs provision			(692)			(1,787)
NZ Securities Commission proceedings costs			(229)			(1,300)
Other non-operating items			-			184
Income tax benefit on non-operating items			235			3,318
Reversal of writedown of Brazilian operation			-			687
Impairments and reversal thereof			-		(7,345)	(7,345)
Net profit attributable to equity holders of the parent			<u>66,543</u>			<u>64,210</u>
Net profit attributable to non-controlling interests			<u>2,728</u>			<u>2,772</u>
Profit for the period			69,271			66,982
Assets	772,723	174,755	947,478	741,780	160,981	902,761
Unallocated assets			84,576			101,533
			<u>1,032,053</u>			<u>1,004,294</u>
Liabilities	260,372	41,358	301,730	240,888	55,482	296,370
Unallocated liabilities			169,592			184,594
			<u>471,322</u>			<u>480,964</u>
Other segment information						
Equity accounted investments included in segment assets	2,442	2,504	4,946	2,032	2,339	4,371
Capital and acquisition expenditure	28,622	1,235	29,858	9,185	5,992	15,177

GEOGRAPHIC SEGMENTS

	Sales by Destination		Non-current assets	
	2011	2010	2011	2010
New Zealand	159,071	145,770	47,197	48,625
Australia	581,819	568,707	217,630	182,991
Asia	284,320	278,314	47,970	53,473
Europe	393,853	331,341	116,127	122,218
Americas	155,951	135,801	19,625	24,954
Total Group	<u>1,575,014</u>	<u>1,459,933</u>	<u>448,549</u>	<u>432,261</u>

Revenues in the resins segment from one group of customers under common control amount to 13.4% of the Group's total revenues.

3. Other income

	GROUP		COMPANY		Note
	2011	2010	2011	2010	
(NZD in thousands)					
Gain on disposal of property, plant and equipment	-	16	-	5	
Dividends received from subsidiaries	-	-	20,744	59,327	
Commissions and fees received	1,210	829	-	-	
Rental income received	686	604	-	50	
Income received from subsidiaries	-	-	-	52	
Reversal of writedown of Brazilian operation	-	687	-	-	
Other	870	396	-	-	
	2,766	2,532	20,744	59,434	

Dividends received from subsidiaries

Dividends recognised in Company other income represent the value of dividends declared by Nuplex Operations (Aust) Pty Limited and applied to intercompany loan accounts during the year.

4. Other operating expenses

	GROUP		COMPANY		Note
	2011	2010	2011	2010	
(NZD in thousands)					
Loss on sale of property, plant and equipment	-	798	-	-	
Impairment recognised on property, plant and equipment	-	7,345	-	-	14
Non-recurring legal costs and settlements	1,087	3,087	1,305	-	
Site remediation costs provided	520	3,058	-	569	
Amortisation of intellectual property	2,381	2,611	-	-	
Restructuring and retirement	3,930	5,991	251	586	
Earm-out provision on Med-Chem acquisition	739	-	-	-	
Other	228	15	115	1,591	
	8,865	22,905	1,671	2,746	

5. Personnel expenses

Included in cost of sales, distribution, marketing, administration and other expenses are the following personnel expenses:

	GROUP		COMPANY		Note
	2011	2010	2011	2010	
(NZD in thousands)					
Wages and salaries	136,235	136,729	12,772	12,873	
Social security contributions	8,176	8,291	563	724	
Contributions to defined contribution plans	10,642	10,316	-	-	
Expenses related to defined benefit plans	473	1,031	-	-	
Increase/(decrease) in liability for leave	1,323	808	(10)	(182)	
Share based incentive scheme	1,200	-	210	-	
Restructuring and retirement	3,930	5,991	251	586	
Other benefits	2,206	2,345	-	-	
	184,185	165,510	13,786	14,001	

6. Auditors' remuneration

	GROUP 2011	2010	COMPANY 2011	2010
(NZD in thousands)				
Audit services				
Auditors of the Company				
KPMG Sydney:	641	727	298	360
Audit and review of financial reports				
Overseas KPMG Firms:				
Audit and review of financial reports	731	794	77	77
	1,372	1,521	375	437
Other auditors	8	9	-	-
Audit and review of financial reports	1,380	1,530	375	437
Other services				
Auditors of the Company				
KPMG Sydney:	204	90	-	-
Taxation services	108	-	-	-
Other services				
Overseas KPMG Firms:	560	932	182	555
Taxation Services	-	34	-	-
Other services	872	1,056	182	555

The lead auditors of the Group are KPMG Sydney.

7. Financial Income and Expense

Recognised in profit and loss

	GROUP 2011	2010	COMPANY 2011	2010
(NZD in thousands)				
Interest income from outside the Group	977	1,046	135	240
Interest income from subsidiaries	-	-	6,626	3,109
Foreign exchange gain	820	374	3,683	-
Financial income	1,797	1,420	10,444	3,349
Interest expense	16,268	20,357	6,632	6,829
Interest paid to subsidiaries	-	-	81	69
Foreign exchange loss	2,106	1,769	355	1,657
Financial expenses	18,374	22,126	7,068	8,555
Net financing costs	16,577	20,706	(3,376)	5,206

8. Income tax expense

	GROUP		COMPANY	
	2011	2010	2011	2010
Recognised in profit and loss				
(NZD in thousands)				
Current tax expense				
Current year	22,589	25,998	1,269	(1,745)
Adjustments for prior years	(683)	(926)	-	82
	21,906	25,072	1,269	(1,663)
Deferred tax expense				
Temporary differences	1,033	(4,594)	(6)	704
	1,033	(4,594)	(6)	704
	22,939	20,478	1,263	(959)
Total income tax expense/(benefit) in profit and loss				

Reconciliation between tax expense and pre-tax net profit

	GROUP		COMPANY	
	2011	2010	2011	2010
(NZD in thousands)				
Profit before tax	92,210	87,460	23,918	53,660
Income tax using the New Zealand corporate tax rate of 30% (2010: 30%)	27,663	26,238	7,175	16,098
Increase in income tax expense due to:				
Non-deductible expenses	809	248	311	88
Change in tax cost base of New Zealand buildings	-	571	-	571
Tax losses not recognised	32	180	-	-
Decrease in income tax expense due to:				
Dividends from subsidiaries	-	-	(6,223)	(17,798)
Utilisation of previously unrecognised tax losses	(1,059)	(2,369)	-	-
Effect of tax rate in foreign jurisdictions	(2,915)	(2,352)	-	-
Equity earnings of associates	(572)	(640)	-	-
Tax incentives	(337)	(472)	-	-
Under / (over) provided in prior years	(683)	(926)	-	82
Income tax expense/(benefit) on pre-tax net profit	22,939	20,478	1,263	(959)

Losses generated in the Company during the prior year have been recognised as they are expected to be utilised against profits in other New Zealand domiciled entities in either the current or following year.

Deferred tax recognised directly in equity

	GROUP		COMPANY	
	2011	2010	2011	2010
(NZD in thousands)				
Fair valuation of hedge accounted derivatives	(423)	(2,632)	107	(273)
	(423)	(2,632)	107	(273)

9. Earnings per share

The calculation of basic earnings per share is based on:

	GROUP 2011	2010
Net surplus attributable to ordinary shareholders	66,543	64,210
Weighted average number of ordinary shares (in thousands of shares):		
Ordinary shares on issue at 1 July	192,233	189,798
Dividend reinvestment plan shares issued 1 April 2010	-	602
Dividend reinvestment plan shares issued 8 October 2010	2,059	-
Dividend reinvestment plan shares issued 1 April 2011	417	-
	194,709	190,400
Basic earnings per share	\$0.342	\$0.337

The calculation of diluted earnings per share is based on:

Net surplus attributable to ordinary shareholders	66,543	64,210
Interest expense on convertible notes, net of tax	3,422	3,422
Net surplus attributable to ordinary shareholders (diluted)	69,965	67,632
Basic weighted average number of ordinary shares (in thousands of shares)	194,709	190,400
Effect of Performance rights plan	634	-
Effect of conversion of convertible notes	17,221	17,772
Diluted weighted average number of ordinary shares	212,564	208,172
Diluted earnings per share	\$0.329	\$0.325

10. Inventories

	GROUP 2011	2010	COMPANY 2011	2010
(NZD in thousands)				
Raw materials and consumables	54,863	49,883	4,906	4,270
Finished goods	149,073	150,618	11,253	11,784
Provision for stock obsolescence	(7,428)	(7,721)	(561)	(587)
	196,508	192,780	15,598	15,467

Separately identifiable unmodified purchased inventory included in the above note may be subject to a retention of title clause in the normal course of business.

11. Trade and other receivables

	GROUP 2011	2010	COMPANY 2011	2010
(NZD in thousands)				
Current				
Trade receivables	288,089	264,696	15,544	14,632
Other receivables and prepayments	22,236	20,987	915	1,081
Receivables due from controlled entities	-	-	1,026	904
Fair value derivatives	126	444	-	-
Prepaid loan restructure fees	262	986	-	-
	310,713	287,113	17,485	16,617
Non-current				
Loans to controlled entities	-	-	287,179	274,405
	-	-	287,179	274,405

The Company's loans to controlled entities are repayable on demand and bear market interest rates with the exception of a NZD147,854,000 (2010: NZD163,417,000) loan to Nuplex Finance Holdings Limited which is non-interest bearing.

12. Investments accounted for using the equity method

Investments in associates

The Group has the following investments in associates:

	Principal activities	Country	Reporting Date	Ownership 30 June 2010	2009
Quaker Chemical (Australia) Pty Limited	Distributor of specialty products	Australia	31-Dec	49%	49%
Innospec Valvemaster Limited	Distributor of specialty products	UK	31-Dec	50%	50%
Synthese (Thailand) Co Limited	Manufacture and distribution of synthetic resins	Thailand	31-Dec	47.5%	47.5%

(NZD in thousands)	Revenues (100%)	Profit/(loss) (100%)	Share of associates net profit/(loss) recognised	Total Assets (100%)	Total Liabilities (100%)	Net assets as reported by associates (100%)	Share of associate's net assets
2011							
Quaker Chemical (Australia) Pty Limited	17,143	2,864	1,403	8,566	3,547	5,019	2,459
Innospec Valvemaster Limited	1,091	(46)	(23)	623	539	84	42
Synthese (Thailand) Co Limited	34,096	1,110	527	20,118	14,916	5,202	2,445
	52,330	3,928	1,907	29,307	19,002	10,305	4,946
2010							
Quaker Chemical (Australia) Pty Limited	15,332	2,392	1,172	7,742	3,146	4,597	2,252
Innospec Valvemaster Limited	984	(20)	(10)	546	420	126	63
Synthese (Thailand) Co Limited	30,596	2,040	969	21,230	16,491	4,739	2,056
	46,912	4,412	2,131	29,518	20,057	9,462	4,371

Results of associates

(NZD in thousands)	GROUP	2011	2010
Share of associate profit before income tax		2,724	3,044
Share of income tax expense		(817)	(913)
Share of associates net profit as disclosed by associates		1,907	2,131
Share of associates net profit accounted for using the equity method		1,907	2,131

Reconciliation of investment balance

(NZD in thousands)	GROUP	2011	2010
Balance at 1 July		4,371	3,092
Share of associates net profit/(loss)		1,907	2,131
Dividends received		(1,334)	(844)
Exchange translation difference		2	(6)
Balance at 30 June		4,946	4,371

13. Deferred tax assets and liabilities



Recognised deferred tax assets and liabilities

Deferred tax assets and liabilities are attributable to the following:

	GROUP			
	Assets		Liabilities	
	2011	2010	2011	2010
(NZD in thousands)				
Property, plant and equipment	206	163	19,958	20,446
Intangible assets	135	196	3,502	3,813
Receivables	944	1,312	17	264
Inventories	1,197	647	683	25
Employee benefits	10,169	6,113	-	-
Payables	1,925	2,549	-	-
Provisions	2,021	5,818	-	-
Fair value derivatives	366	226	-	-
Other items	2,164	3,121	693	157
Tax assets / liabilities	19,128	20,145	24,953	24,705
Set off of tax	(10,836)	(10,752)	(10,836)	(10,752)
Net tax assets / liabilities	8,292	9,393	14,017	13,953

	COMPANY			
	Assets		Liabilities	
	2011	2010	2011	2010
(NZD in thousands)				
Property, plant and equipment	-	-	1,280	1,423
Intangible assets	-	66	-	-
Receivables	119	63	-	-
Inventories	178	176	-	-
Employee benefits	641	558	-	-
Payables	126	112	-	-
Provisions	509	616	-	-
Fair value derivatives	76	2	-	-
Other items	-	-	170	84
Tax assets / liabilities	1,649	1,593	1,450	1,507
Set off of tax	(1,450)	(1,507)	(1,450)	(1,507)
Net tax assets / liabilities	199	86	-	-

Movement in temporary differences during the year

	GROUP		COMPANY	
	2011	2010	2011	2010
Balance at 1 July	(4,560)	(9,666)	86	1,063
Recognised in profit or loss	(1,033)	4,594	6	(704)
Recognised in equity	(423)	(2,632)	107	(273)
Exchange adjustment	291	3,144	-	-
Balance at 30 June	(5,725)	(4,560)	199	86

Unrecognised deferred tax assets

Deferred tax assets have not been recognised in respect of the following items:

	GROUP		COMPANY	
	2011	2010	2011	2010
(NZD in thousands)				
Gross value of tax losses	28,171	31,467	-	-

The tax losses will not expire under local legislation, subject to the local taxpaying entities meeting any conditions relating to continuity of business and ownership. Deferred tax assets have not been recognised in respect of these losses because it is not probable that taxable profit will be available in the immediate future against which the losses can be applied. The losses originate in Brazil (NZD8,252,000 (2010: NZD6,614,000)) and the UK (NZD19,919,000 (2010: 22,853,000)).

14. Property, plant and equipment

nuplex

(NZD in thousands)	GROUP				COMPANY				
	Land and buildings	Plant and equipment	Motor vehicles	Under construction	Total	Land and buildings	Plant and equipment	Motor vehicles	Total
Cost									
Balance at 1 July 2009	198,044	304,476	8,672	1,944	513,136	17,066	28,224	35	45,325
Additions/transfers	2,511	3,623	423	(343)	6,214	2	731	-	733
Disposals	(573)	(38,156)	(1,774)	-	(40,503)	-	(6)	-	(6)
Effect of movements in foreign exchange	(14,742)	(16,176)	(865)	(207)	(31,990)	-	-	-	-
Balance at 30 June 2010	185,240	253,767	6,456	1,394	446,857	17,068	28,949	35	46,052
Balance at 1 July 2010	185,240	253,767	6,456	1,394	446,857	17,068	28,949	35	46,052
Acquisitions through business combinations	-	20,895	-	-	20,895	-	-	-	-
Additions/transfers	834	7,958	977	1,463	11,232	10	556	-	566
Disposals	(180)	(2,902)	(1,140)	-	(4,222)	-	(38)	-	(38)
Effect of movements in foreign exchange	(1,229)	(2,340)	(143)	(78)	(3,790)	-	-	-	-
Balance at 30 June 2011	184,665	277,377	6,150	2,779	470,972	17,078	29,467	35	46,580
Depreciation and impairment losses									
Balance at 1 July 2009	28,887	159,422	5,828	-	193,937	1,731	23,298	24	25,053
Depreciation charge for the year	3,732	15,549	747	-	20,028	317	1,002	3	1,322
Impairment charge	7,345	-	-	-	7,345	-	-	-	-
Disposals	(573)	(37,351)	(1,774)	-	(39,698)	-	(6)	-	(6)
Effect of movements in foreign exchange	(2,605)	(3,879)	(434)	-	(6,918)	-	-	-	-
Balance at 30 June 2010	36,586	133,741	4,367	-	174,694	2,048	24,294	27	26,369
Balance at 1 July 2010	36,586	133,741	4,367	-	174,694	2,048	24,294	27	26,369
Depreciation charge for the year	3,509	15,802	765	-	19,876	316	970	3	1,289
Disposals	(180)	(2,902)	(1,140)	-	(4,222)	-	(38)	-	(38)
Effect of movements in foreign exchange	(1,200)	(1,064)	(31)	-	(2,295)	-	-	-	-
Balance at 30 June 2011	38,715	145,377	3,961	-	188,053	2,364	25,226	30	27,620
Carrying amounts									
At 1 July 2009	169,357	133,835	2,844	1,944	319,199	15,335	4,926	11	20,272
At 30 June 2010	148,654	120,027	2,089	1,394	272,163	15,020	4,655	8	19,683
At 1 July 2010	148,654	120,027	2,089	1,394	272,163	15,020	4,655	8	19,683
At 30 June 2011	145,950	132,001	2,189	2,779	282,919	14,714	4,241	5	18,960

Impairment

The Directors impaired the value of land holdings in the year ended 30 June 2010. The Group had received indicative valuations of certain land holdings. As the valuations were less than the carrying value of the land, the Directors considered these to provide an indicator of impairment and reduced the carrying value to the estimated fair value less costs to sell. Further valuations obtained in the current year suggest there has been no change to the estimated fair value less costs to sell.

Leased plant and machinery

The Group leases plant and equipment under a number of finance lease agreements. At 30 June 2011, the net carrying amount of leased plant and machinery was NZD955,000 (2010: NZD1,003,000) for the Group and NZD153,000 (2010: NZD135,000) for the Company. The leased equipment secures the underlying lease obligations (see note 17).

Assets pledged as security for loan facility

The Group's loan facility is secured by a charge over the group's Netherlands, New Zealand and Australian assets and undertakings. The net book value of the property, plant and equipment covered by that charge at 30 June 2011 was:

	GROUP	COMPANY
Land and buildings	127,345	14,714
Plant and equipment	83,133	4,241
Motor vehicles	1,453	5
Total	211,931	18,960

15. Intangible assets

(NZD in thousands)	GROUP			COMPANY		
	Goodwill	Agencies	Intellectual property	Other	Goodwill	Total
Cost						
Balance at 1 July 2009	123,271	28,660	31,238	3,045	186,214	2,858
Acquisitions through business combinations	499	3,177	-	-	3,676	-
Other acquisitions	-	-	-	3,646	-	-
Disposals	-	-	-	(978)	(978)	-
Effect of movements in foreign exchange	(8,631)	-	(5,501)	(133)	(14,265)	-
Balance at 30 June 2010	115,139	31,837	25,737	5,580	178,293	2,858
Balance at 1 July 2010	115,139	31,837	25,737	5,580	178,293	2,858
Acquisitions through business combinations	715	-	-	-	715	-
Other acquisitions	-	-	-	6,030	-	-
Effect of movements in foreign exchange	3,169	-	(926)	192	2,435	-
Balance at 30 June 2011	119,023	31,837	24,811	11,802	187,473	2,858
Amortisation and impairment losses						
Balance at 1 July 2009	18,240	-	11,984	2,588	32,812	500
Amortisation for the year	-	-	2,611	210	2,821	11
Disposals	-	-	-	(978)	(978)	-
Effect of movements in foreign exchange	(147)	-	(2,511)	(38)	(2,696)	-
Balance at 30 June 2010	18,093	-	12,084	1,782	31,959	703
Balance at 1 July 2010	18,093	-	12,084	1,782	31,959	703
Amortisation for the year	-	-	2,381	107	2,488	1
Effect of movements in foreign exchange	722	-	(129)	42	635	-
Balance at 30 June 2011	18,815	-	14,336	1,931	35,082	704
Carrying amounts						
At 1 July 2009	105,031	28,660	19,254	457	153,402	2,166
At 30 June 2010	97,046	31,837	13,653	3,798	146,334	2,155
At 1 July 2010	97,046	31,837	13,653	3,798	146,334	2,155
At 30 June 2011	100,208	31,837	10,475	9,871	152,391	2,154

Agencies
Agencies disclosed above represent the fair value assessed at the time of acquisition of certain agency agreements acquired as part of the PML Holdings Limited group of companies and Med-Chem business.

Amortisation charge

The amortisation charge is recognised in the following line items in profit and loss:

	GROUP		COMPANY	
	2011	2010	2011	2010
(NZD in thousands)				
Administration expenses	107	210	1	11
Other operating expenses	2,381	2,611	-	-
	2,488	2,821	1	11

Impairment tests for cash generating units containing goodwill and capitalised agencies

The following segments have significant carrying amounts of goodwill and capitalised agencies:

	GROUP		COMPANY	
	2011	2010	2011	2010
(NZD in thousands)				
Resins goodwill	87,463	84,545	2,150	2,150
Specialties goodwill	12,745	12,501	-	-
Specialties agencies	31,837	31,837	-	-
	132,045	128,883	2,150	2,150

For the purposes of impairment testing, goodwill and agencies are allocated to the groups operating divisions which represent the lowest level within the Group at which goodwill is monitored for internal management purposes. The recoverable amount of each cash-generating unit ("CGU") is based on value in use calculations. Those calculations use cash flow projections based on actual operating results, budgets and forecasts.

Key budget and forecast assumptions, including market growth rates, wages growth rates and inflation are set based on independent economic forecasts for each relevant jurisdiction and approved at Board level.

Detailed budgets and forecast cash flows are prepared for a two year period and are extrapolated using the following growth rates, in accordance with current business plans and forecasts and with reference to long term independent economic forecasts.

Growth rate assumptions:

Australian Resins	1.9-3%
New Zealand Resins	2%
Australia and New Zealand Specialties	0-3%
Europe Resins	2%
Americas Resins	1%
Asia Resins	3%

The period over which cash-flows are considered for each region is consistent with the Group's long term commitment and certainty of cash-flows in each region. The following pre-tax discount rates have been used in discounting the projected cash flows:

Discount rates Used:

New Zealand	16.7%
Australia	17.0%
Europe	14.8%
Americas	15.0%
Asia	16.2%

There was a significant amount of headroom between the recoverable amount and the carrying value of goodwill by CGU and no impairment was recognised. Management do acknowledge that the value in use calculations are sensitive to changes in interest rates, earnings and foreign exchange rates varying from the assumptions and forecast data used in the impairment testing. As such, sensitivity analysis was undertaken to examine the effect of a change in a variable on each CGU. Management believes that any reasonably possible change in the key assumptions on which recoverable amount is based would not create a situation where the carrying value of goodwill allocated to a particular CGU would exceed its recoverable amount other than in respect of the NZ Plaster Systems and ANZ Polychem Multichem CGU's where a 2% increase in discount rate or a 2% decrease in long-term growth rates would result in the carrying value of the CGU equalling its recoverable amount.

16. Trade and other payables

	GROUP		COMPANY	
	2011	2010	2011	2010
(NZD in thousands)				
Trade payables and accrued expenses	244,718	237,503	17,274	12,335
Trade payables and accruals owed to subsidiaries	-	-	1,162	2,977
Fair value derivatives	1,334	1,232	254	5
	246,052	238,735	18,690	15,317

17. Interest-bearing loans and borrowings

This note provides information about the contractual terms of the Group's interest-bearing loans and borrowings. For more information about the Group's exposure to interest rate and foreign currency risk, see note 21.

	GROUP		COMPANY	
(NZD in thousands)	2011	2010	2011	2010
Current liabilities				
Current portion of secured bank loans	87,243	-	-	-
Current portion of finance lease liabilities	452	356	77	74
	87,695	356	77	74
Non-current liabilities				
Secured bank loans	-	101,340	-	-
Capital notes	52,568	52,568	52,568	52,568
Finance lease liabilities	509	159	81	91
	53,077	154,067	52,649	52,659
Financing facilities				
Secured bank loans	388,954	369,140	-	-
Facilities utilised at reporting date				
Secured bank loans	87,243	101,340	-	-
Facilities not utilised at reporting date				
Secured bank loans	301,710	267,800	-	-

Terms and debt repayment schedule

The terms and conditions of outstanding loans were as follows:

(NZD in thousands)	Currency	Nominal interest rate		Maturity	2011		2010	
		2011	2010		Face value	Carrying amount	Face value	Carrying amount
Capital Notes	NZD	9.30%	9.30%	Sep-12	52,568	52,568	52,568	52,568
Cash advance facility loan	USD		1.71%	Mar-12	-	-	19,543	19,543
Cash advance facility loan	USD		1.88%	Mar-12	-	-	2,012	2,012
Cash advance facility loan	AUD	6.42%	6.15%	Mar-12	78,439	78,439	68,906	68,906
Cash advance facility loan	EUR	3.04%	2.16%	Mar-12	8,804	8,804	8,769	8,769
Cash advance facility loan	CNY		5.10%	Mar-12	-	-	2,110	2,110
Total interest bearing liabilities					139,811	139,811	153,908	153,908

Financing arrangements

Capital notes

The capital notes have an election date of 15 September 2012, at which point the Company can redeem for cash or roll over the notes on revised terms. Unless the Company has given notice that it will redeem all capital notes, noteholders must elect to retain some or all of their notes on revised terms or convert some or all notes to shares. Despite a noteholders election, the Company can elect to redeem for cash some or all of the notes. The capital notes have an interest rate of 9.3% per annum.

Revolving multi-currency cash advance facilities

Bank loans are denominated in Australian Dollars, Euro, US Dollars and Chinese Yuan (refer note 21). The overall facility limit is denominated in AUD and is AUD300,000,000 (2010: AUD300,000,000).

The bank loans are secured by a charge over the Group's Netherlands, New Zealand and Australian assets and undertakings.

The bank loans are also secured by a negative pledge whereby Nuplex Industries Limited and a guaranteeing group of its subsidiary companies undertake to the lenders that they will not create or allow to continue any security interest over any part of its property other than in limited circumstances. The guaranteeing group comprises all wholly owned subsidiary companies except Nuplex Resins (Foshan) Co Limited, Nuplex Resins (Suzhou) Co Limited, Nuplex Resins (Thailand) Limited, Nuplex Industries (Hong Kong) Limited and Nuplex Producao de Resinas Ltda.

Loans are drawn on a revolving facility and are drawn for periods of 1, 2, 3 or 6 months under the facilities and interest accrues at a rate fixed on the date of drawdown for that period. The facilities have a maturity of March 2012 and as such have been disclosed as current in the statement of financial position.

The Group's borrowings are subject to various covenants pursuant to the financing arrangements with the Group's bank lenders.

Renewal of multi-currency cash advance facilities

On 19 August 2011 the group renewed its multi-currency cash advance facility. The facility was extended for a further three year period with a reduced facility limit of AUD200,000,000. Under the renewed agreement no assets are pledged as security for the facility.

Finance lease liabilities

Finance lease liabilities of the Group and Company are payable as follows:

(NZD in thousands)	GROUP			COMPANY		
	Minimum lease payments	Principal	Interest	Minimum lease payments	Principal	Interest
2011						
Less than one year	484	452	32	82	77	5
Between one and five years	532	509	22	87	81	6
	1,016	961	54	169	158	11
2010						
Less than one year	396	356	40	99	91	8
Between one and five years	172	159	13	78	74	4
	568	515	53	177	165	12

The Group leases equipment under finance leases expiring from one to five years.

18. Employee provisions

	GROUP		COMPANY	
Current	2011	2010	2011	2010
(NZD in thousands)				
Bonus provisions	7,352	9,184	465	366
Liability for annual leave	11,126	9,770	1,259	885
Redundancy	3,436	2,427	-	-
Other	2,022	2,204	-	-
	23,936	23,585	1,744	1,251
Non Current				
(NZD in thousands)				
Present value of unfunded obligations	10,630	14,054	-	-
Present value of funded obligations	-	2,010	-	-
Fair value of plan assets	-	(1,796)	-	-
Present value of net obligations	10,630	14,268	-	-
Unrecognised actuarial amounts	(206)	(857)	-	-
Recognised liability for defined benefit obligations (see below)	10,424	13,411	-	-
Liability for long-service leave	8,424	8,218	314	388
Other	2,039	1,784	229	229
Total non-current employee benefits	20,887	23,413	543	617

The movement in the redundancy provision included utilisations of NZD3,424,000.

(a) Liability for defined benefit obligation

The Group makes contributions to two defined benefit plans that provide benefits for employees upon retirement. The plans include a retirement scheme in The Netherlands and a United States medical scheme. During the year the Group's one remaining New Zealand defined benefit retirement scheme was terminated.

Plan assets consist of the following:

	GROUP		COMPANY	
	2011	2010	2011	2010
Equity securities	-	916	-	-
Property	-	180	-	-
Fixed interest	-	611	-	-
Other	-	89	-	-
	-	1,796	-	-

None of the plans held any investments in Nuplex shares.

Movements in the net liability for defined benefit obligations:

	GROUP		COMPANY	
(NZD in thousands)	2011	2010	2011	2010
Net liability for defined benefit obligations at 1 July	16,064	17,223	-	-
Benefits and settlements paid	(4,485)	(1,452)	-	-
Current service costs and interest	541	1,000	-	-
Actuarial gain/(loss)	118	747	-	-
Exchange adjustment	(1,608)	(1,454)	-	-
Net liability for defined benefit obligations at 30 June	10,630	16,064	-	-

Movements in plan assets:

	GROUP		COMPANY	
	2011	2010	2011	2010
Fair value of plan assets at 1 July	1,796	1,626	-	-
Employer contributions paid into the plan	80	88	-	-
Participant contributions paid into the plan	38	42	-	-
Benefits and settlements paid by the plan	(2,016)	-	-	-
Expected return on plan assets	79	84	-	-
Actuarial gain/(loss)	23	(44)	-	-
	-	1,796	-	-

(NZD in thousands)

Site restoration
Provisions for site restoration are made where the Group has an obligation to remediate a site on which contamination has occurred. Provisions are based upon prior experience and surveyors reports. The amounts are expected to be utilised within the year.

Other provisions include provisions for costs to defend legal claims and earn-outs payable on acquisitions as disclosed in note 26.

20. Capital and reserves

Reconciliation of movement in capital and reserves

(NZD in thousands)	GROUP					
	Attributable to equity holders of the parent					
	Share capital	Share Based Payments reserve	Translation reserve	Retained earnings	Hedging reserve	Non-controlling interest
Balance at 1 July 2009	341,944	-	28,929	146,248	(5,449)	9,950
Total comprehensive income for the year	-	-	(37,861)	64,210	4,913	2,425
Shares issued	7,720	-	-	-	-	-
Dividends paid	-	-	-	(35,113)	-	(39,699)
Balance as at 30 June 2010	349,664	-	(8,932)	175,345	(536)	7,769
Balance at 1 July 2010	349,664	-	(8,932)	175,345	(536)	7,769
Total comprehensive income for the year	-	-	(6,293)	66,543	(181)	1,874
Shares issued	14,580	-	-	-	-	-
Performance rights plan	-	1,200	-	-	-	-
Dividends paid	-	-	-	(40,652)	-	(2,781)
Non-controlling interest in acquisition	-	-	-	-	-	3,112
Balance as at 30 June 2011	364,244	1,200	(15,225)	201,236	(717)	9,984

	COMPANY					
	Attributable to equity holders of the parent					
	Share capital	Share Based Payments	Retained earnings	Hedging reserve	Non-controlling interest	Total Equity
Balance at 1 July 2009	341,944	-	81,034	(819)	-	422,159
Total comprehensive income for the year	-	-	54,619	638	-	55,257
Shares issued	7,720	-	-	-	-	7,720
Dividends paid	-	-	(35,113)	-	-	(35,113)
Balance as at 30 June 2010	349,664	-	100,540	(181)	-	450,023
Balance at 1 July 2010	349,664	-	100,540	(181)	-	450,023
Total comprehensive income for the year	-	-	22,655	(249)	-	22,406
Shares issued	14,580	-	-	-	-	14,580
Performance rights plan	-	1,200	-	-	-	1,200
Dividends paid	-	-	(40,652)	-	-	(40,652)
Balance as at 30 June 2011	364,244	1,200	82,543	(430)	-	447,557

Share capital

	COMPANY AND GROUP		
	(NZD in thousands)		
	2011	2010	2010
Fully Paid Ordinary shares			
On issue at 1 July	192,233	189,798	341,944
Dividend reinvestment plan	4,515	2,435	7,720
On issue at 30 June	196,748	192,233	349,664

The holders of ordinary shares are entitled to receive dividends as declared from time to time, are entitled to one vote per share at meetings of the Company and participate equally on winding up of the Company.

Share based payments reserve

The share based payments reserve comprises the equity impact of the Group's performance rights plan as disclosed in note 18.

Translation reserve

The translation reserve comprises all foreign exchange differences arising from the translation of the financial statements of foreign operations where their functional currency is different to the functional currency of the reporting entity, as well as from the translation of liabilities designated as hedges of the Company's net investment in a foreign subsidiary.

Hedging reserve

The hedging reserve comprises the effective portion of the cumulative net change in the fair value of effective cash flow hedging instruments related to hedged transactions that have not yet occurred.

Dividends

Dividends recognised in the current and previous years by the Company are as follows:

(NZD in thousands)	2011			2010		
	Cents per share	Total amount	Imputation cents per share	Date of payment	Cents per share	Total amount
Interim current year ordinary	10.0	19,506	Nil	Apr-11	10	18,980 Nil
Final prior year special	-	-	-	-	3.5	6,643 Nil
Final prior year ordinary	11.0	21,146	Nil	Oct-10	5.0	9,490 Nil
Total amount	21.0	40,652			18.5	35,113

Dividends include tax credits from the Company's Imputation Credit Account as noted above. Dividends also include Australian franking credits at 80% of the maximum rate for the prior year interim dividend 40% for the prior year final dividend and 50% of the maximum rate for the current year interim dividend.

After the balance sheet date the following dividends were proposed by the directors. The dividends have not been provided.

(NZD in thousands)	Cents per share	Total amount	Imputation cents per share	Date of payment
Final Dividend	11.0	21,642	Nil	7 October 2011

Imputation credits

	GROUP	
	2011	2010
(NZD in thousands)		
Balance at 1 July	1,915	2,688
Prior year adjustment	175	(151)
Tax paid / (refunded) and interest applied	(995)	(622)
Balance at 30 June	1,095	1,915

The Company is part of a New Zealand tax group with the Group's other New Zealand domiciled entities. The imputation credit balance presented above represents that of the Group.

Australian franking credits

	GROUP	
	2011	2010
(AUD in thousands)		
Balance at 1 July	927	19,445
Franking credits attached to dividends received	441	294
Tax paid	8,840	1,872
Franking credits attached to dividends paid	(6,857)	(20,684)
Balance at 30 June	3,351	927

21. Financial risk management

Exposure to credit, liquidity, interest rate and currency risks arises in the normal course of the Group's business. This note presents information about the Group's exposure to those risks, the objectives, policies and processes for measuring and managing financial risks, and the Group's management of capital. Further quantitative disclosures are included throughout these financial statements.

The Board of Directors has overall responsibility for the establishment and oversight of the Group's risk management framework. The Group's risk management policies are set to identify and analyse the risks faced by the Group, to set appropriate limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities.

The Board oversees how management monitors compliance with the Group's risk management policies and procedures and reviews the adequacy of the risk management framework in relation to risks faced by the Group.

Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's receivables from customers.

Trade and other receivables

The Group has a credit policy which restricts the exposure to individual trade debtors. Each new customer is analysed for creditworthiness before the Group offers payment and delivery terms. The review includes external ratings where available. Credit limits are established for each customer, representing the maximum open amount without requiring approval from senior management or the board. The Board of Directors reviews the exposure to trade debtors on a regular basis. 13.4% of the Group's revenue is attributable to one global group of customers under common control.

Goods are sold subject to retention of title clauses, so that in the event of non-payment the Group may have a secured claim. The Group does not require collateral in respect of trade receivables.

Guarantees

The Company has issued a guarantee to HSBC to enable associate company Synthese Thailand Co Limited to borrow up to USD5.6million, as detailed in note 24.

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date was:

	GROUP		COMPANY	
	2011	2010	2011	2010
(NZD in thousands)				
Trade and other receivables	310,588	286,869	16,459	15,713
Cash and cash-equivalents	66,850	82,063	4,275	12,424
Interest rate swaps used for hedging:				
Assets	50	-	-	-
Forward exchange contracts used for hedging:				
Assets	76	444	-	-
	<u>377,564</u>	<u>369,176</u>	<u>20,734</u>	<u>28,137</u>

The maximum exposure to credit risk for financial assets at the reporting date by geographic region was:

	GROUP		COMPANY	
	2011	2010	2011	2010
(NZD in thousands)				
New Zealand	34,451	43,954	17,919	25,023
Australia	114,165	122,286	281	508
Americas	26,899	30,393	-	-
Europe	118,309	96,397	-	4
Asia	83,740	74,146	2,534	2,602
	<u>377,564</u>	<u>369,176</u>	<u>20,734</u>	<u>28,137</u>

The aging of trade receivables at the reporting date was:

	GROUP		COMPANY	
	Gross 2011	Impairment 2011	Gross 2011	Impairment 2011
(NZD in thousands)				
Not past due	251,476	(1,716)	233,392	(2,640)
Past due 0-30 days	30,934	-	23,243	-
Past due 31-90 days	5,534	(495)	8,523	-
Past due 91 days or more	3,822	(1,467)	4,186	(2,009)
Total	<u>291,766</u>	<u>(3,678)</u>	<u>269,345</u>	<u>(4,649)</u>
			<u>15,968</u>	<u>(424)</u>
			<u>13,072</u>	<u>1,338</u>
			<u>119</u>	<u>464</u>
			<u>(361)</u>	<u>(361)</u>

The movement in the allowance for impairment in respect of trade receivables during the year was:

	GROUP		COMPANY	
	2011	2010	2011	2010
(NZD in thousands)				
Balance at 1 July	4,649	4,805	361	209
Impairment loss recognised/(reversed)	(160)	1,803	153	154
Utilisation of existing provisions	(812)	(1,743)	(90)	(2)
Exchange adjustment	1	(216)	-	-
Balance at 30 June	3,678	4,649	424	361

Included in Group trade receivables are amounts totalling NZD474,000 (2010: NZD4,225,000) not past due having been renegotiated.

Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group ensures as far as possible that it maintains sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

In addition to the group debt facility companies in the Group maintain operating credit facilities for day to day operational purposes.

The following are the contractual maturities of financial liabilities, including interest payments and excluding the impact of netting arrangements:

	GROUP					
	2011			2010		
(NZD in thousands)	Carrying amount	Contractual cash flows	6 months or less	6-12 months	1-2 years	2-5 years
Non-derivative financial liabilities						
Secured bank loans:						
Capital notes	87,243	91,739	2,997	88,742	-	-
Finance lease liabilities	52,568	58,475	2,444	2,444	53,587	-
Trade and other payables	961	1,016	242	242	330	201
Derivative financial liabilities	244,718	244,718	244,718	-	-	-
Interest rate swaps	-	-	-	-	-	-
Forward exchange contracts						
Outflow	1,334	42,782	41,920	862	-	-
Inflow	(76)	(41,441)	(40,602)	(839)	-	-
	386,748	397,289	251,719	91,451	53,917	201

	COMPANY					
	2011			2010		
(NZD in thousands)	Carrying amount	Contractual cash flows	6 months or less	6-12 months	1-2 years	2-5 years
Non-derivative financial liabilities						
Capital notes	52,568	58,475	2,444	2,444	53,587	-
Finance lease liabilities	158	170	41	41	43	46
Trade and other payables	18,436	18,436	18,436	-	-	-
Derivative financial liabilities						
Forward exchange contracts						
Outflow	254	4,853	4,853	-	-	-
Inflow	(71,416)	(77,336)	(71,176)	(4,598)	-	-
	71,416	77,336	21,176	2,485	53,630	46

The following table indicates the periods in which the cash-flows associated with derivatives that are cash-flow hedges are expected to occur:

	GROUP					
	2011			2010		
(NZD in thousands)	Carrying amount	Expected cash flows	6 months or less	6-12 months	1-2 years	2-5 years
Interest rate swaps						
Assets	50	52	32	20	-	-
Liabilities	-	-	-	-	-	-
Forward exchange contracts						
Assets	76	41,441	40,602	839	-	-
Liabilities	(1,334)	(42,782)	(41,920)	(862)	-	-
	(1,208)	(1,289)	(1,286)	(3)	-	-

	COMPANY					
	2011			2010		
(NZD in thousands)	Carrying amount	Expected cash flows	6 months or less	6-12 months	1-2 years	2-5 years
Interest rate swaps						
Assets	-	4,598	4,598	-	-	-
Liabilities	(254)	(4,853)	(4,853)	-	-	-
	(254)	(255)	(255)	-	-	-
Forward exchange contracts						
Assets	-	-	-	-	-	-
Liabilities	-	-	-	-	-	-

The following table indicates the periods in which the cash-flows associated with derivatives that are cash-flow hedges are expected to impact profit and loss:

	GROUP					
	2011			2010		
(NZD in thousands)	Carrying amount	Expected cash flows	6 months or less	6-12 months	1-2 years	2-5 years
Interest rate swaps						
Assets	50	52	42	10	-	-
Liabilities	-	-	-	-	-	-
Forward exchange contracts						
Assets	76	41,441	40,602	839	-	-
Liabilities	(1,334)	(42,782)	(41,920)	(862)	-	-
	(1,208)	(1,289)	(1,276)	(13)	-	-

	COMPANY					
	2011			2010		
(NZD in thousands)	Carrying amount	Expected cash flows	6 months or less	6-12 months	1-2 years	2-5 years
Interest rate swaps						
Assets	-	4,598	4,598	-	-	-
Liabilities	(254)	(4,853)	(4,853)	-	-	-
	(254)	(255)	(255)	-	-	-
Forward exchange contracts						
Assets	-	-	-	-	-	-
Liabilities	-	-	-	-	-	-

Market risk
The Group is exposed to the risk that changes in foreign exchange rates and interest rates will affect the Group's income or value of financial instruments. The objective of managing these risks is to control exposures within acceptable parameters while optimising the impact on return.

The Group utilises forward currency contracts and interest rate swaps in the ordinary course of business in order to manage these risks. All such transactions are carried out within the guidelines of the Group's Treasury policy as set by the Board. The Group applies hedge accounting where permitted in order to limit volatility in profit and loss.

Capital management
The Group's capital structure comprises a mixture of equity, capital notes, bank debt of varying tenure and cash.

The structure gives a balance between costs of each component, the liquidity risk, the quantum of unused facilities and tenure such that the Group has adequate facilities available at all times to meet its short and medium term cash needs for operations, capital expenditure, financing and pursuit of growth opportunities.

Interest rate risk
The Group has adopted a policy of ensuring that 40-100% of its exposure to interest rates to reset within a year is fixed, that 30-80% of its exposure to rates to reset from one to three years time is fixed and that 0-60% of exposure to rates to reset from three to five years time is fixed. The Board regularly monitors compliance with this policy.

Interest rate swaps are used to convert the interest in floating rate borrowings to a fixed rate. The notional principal or contract amounts of swap instruments outstanding at balance date are as follows:

	2011	2010
(NZD in thousands)		
Net interest rate swaps	19,448	97,999
	Group	
	Company	

The Group classifies interest rate swaps as cash flow hedges and states them at fair value. The swaps are taken out for a period of three years to reprice consistent with the underlying borrowings they hedge.

Interest rate risk profile
At the reporting date the interest rate profile of the Group's interest-bearing financial instruments was:

	GROUP		COMPANY	
	2011	2010	2011	2010
(NZD in thousands)				
Fixed rate instruments				
Financial Liabilities	72,977	151,082	52,726	52,733
	(72,977)	(151,082)	(52,726)	(52,733)
Variable rate instruments				
Financial Assets	66,850	82,063	4,275	12,424
Financial Liabilities	67,795	3,341	-	-
	(945)	78,722	4,275	12,424

Sensitivity analysis

A change of 100 basis points in interest rates at the reporting date would have impacted equity and profit by the amounts shown below. The analysis assumes all other variables remain constant. The analysis is performed on the same basis for 2010.

	GROUP			COMPANY		
	Equity 2011	Profit 2011	Equity 2010	Profit 2010	Equity 2011	Profit 2010
(Impact NZD in thousands)						
100bp increase						
Variable rate instruments	-	190	-	791	43	124
Interest rate swaps	66	-	280	-	-	-
Cash-flow sensitivity (net)	66	190	280	791	43	124
100bp decrease						
Variable rate instruments	-	(190)	-	(791)	(43)	(124)
Interest rate swaps	(67)	-	(284)	-	-	-
Cash-flow sensitivity (net)	(67)	(190)	(284)	(791)	(43)	(124)

Effective interest rates and repricing analysis

In respect of income-earning financial assets and interest-bearing financial liabilities, the following table indicates their effective interest rates at the balance sheet date and the periods in which they reprice.

	2011						2010					
	Effective interest rate	Amount of interest rate hedged	6 months or less	6-12 months	1-2 years	2-5 years	Effective interest rate	Amount of interest rate hedged	6 months or less	6-12 months	1-2 years	2-5 years
(NZD in thousands)												
Cash and cash equivalents												
Secured bank loans:												
GBP loan	1.19	-	66,850	-	-	-	1.53	-	82,063	-	-	-
AUD loan	5.96	19,448	(78,439)	-	-	-	6.46	67,876	(88,906)	-	-	-
EUR loan	3.04	-	(8,804)	-	-	-	4.40	8,769	(8,769)	-	-	-
USD loan	-	-	-	-	-	-	3.73	21,555	(21,555)	-	-	-
CNY loan	-	-	-	-	-	-	5.10	-	(2,110)	-	-	-
Capital notes	9.30	-	(52,568)	-	(52,568)	-	9.30	-	(52,568)	-	(52,568)	-
Finance lease liabilities	-	(961)	-	(452)	(509)	-	-	-	(515)	(356)	(159)	-
		(73,922)	(20,393)	(452)	(53,077)	-		(72,360)	(19,277)	(356)	(159)	(52,568)
(NZD in thousands)												
Cash and cash equivalents												
Capital notes	2.02	-	4,275	-	-	-	1.45	-	12,424	-	-	-
Finance lease liabilities	9.30	-	(52,568)	-	(52,568)	-	9.30	-	(52,568)	-	-	(52,568)
		(48,451)	4,275	(77)	(81)	-		(40,309)	12,424	(91)	(74)	-

Currency risk

The Group has exposure to foreign exchange risk as a result of transactions in currencies other than the functional currency of the transacting Group entity. The Group uses forward exchange instruments to manage elements of these exposures. Significant exposures occur primarily in USD, EUR and AUD.

The Group aims to cover 80-100% of its 3 month forecast net currency exposure, up to 50% of its 4-6 month net exposure and up to 25% of its 7-12 month net exposure.

Interest on borrowings is denominated in currencies that match the cash-flows generated by the underlying operations of the Group. This provides an economic hedge and no derivatives are entered into in this respect.

Forecasted transactions

The Group hedge accounts its forward exchange contracts. These contracts are fair valued and any effective portion of hedge valuation movement is shown in the statement of changes in equity. The net fair value of these forward exchange contracts at 30 June was NZD(1,335,000) (2010: NZD348,000), comprising liabilities of NZD1,335,000 (2010: assets of NZD444,000 and liabilities of NZD96,000) that were recognised in fair value derivatives. Contracts are taken out for periods of 1 to 12 months depending upon the timing of the anticipated foreign currency purchases that the contracts hedge.

Hedge of net investments in foreign subsidiaries

The Group has designated one loan as a hedge of the Group's net investments in foreign subsidiaries as detailed below:

Subsidiary	Loan Currency	Loan (Ccy)	Principal amount (NZD)	Carrying amount (NZD)	Exchange gain recognised in equity
Nuplex Industries Australia Pty Ltd for Cong Ty Nuplex Resins (Vietnam)	USD	1,400,000	1,712,957	335,147	

Exposure to currency risk

The Group's exposure to foreign currency risk was as follows based on notional amounts:

	GROUP					
	AUD 2011	USD 2011	EUR 2011	AUD 2010	USD 2010	EUR 2010
Non functional currency amounts						
Trade receivables and cash balances	697	17,195	26,918	596	23,408	16,980
Trade Payables	(2,669)	(17,940)	(28,328)	(3,663)	(20,739)	(19,013)
Gross statement of financial position exposure	(1,972)	(745)	(1,410)	(3,067)	2,669	(2,033)
Subsidiary net assets	273,238	71,051	122,908	239,228	79,045	124,711
Forward exchange contracts	1,231	26,218	4,948	1,650	43,837	7,139
Statement of financial position exposure	272,497	96,524	126,446	237,811	125,551	129,817
Profit in functional currency	21,080	12,292	17,044	29,717	13,026	4,537
	COMPANY					
	AUD 2011	USD 2011	EUR 2011	AUD 2010	USD 2010	EUR 2010
Trade receivables and cash balances	139	1,617	-	242	6,114	150
Trade Payables	(321)	(2,033)	(165)	(2,819)	(1,726)	(202)
Gross statement of financial position exposure	(182)	(416)	(165)	(2,577)	4,388	(52)
Forward exchange contracts	819	3,539	341	1,100	4,198	524
Statement of financial position exposure	637	3,123	176	(1,477)	8,586	472

The following significant exchange rates applied during the year:

	Average rate		Reporting date mid-spot rate	
	2011	2010	2011	2010
USD	0.76	0.70	0.82	0.70
AUD	0.77	0.80	0.77	0.81
EUR	0.56	0.51	0.57	0.57

Sensitivity analysis

A 10% strengthening of the NZD against the following currencies at 30 June would have impacted equity and profit by the amounts shown below. The analysis assumes all other variables remain constant. The analysis is performed on the same basis for 2010.

	GROUP			COMPANY		
	Equity 2011	Profit 2011	Equity 2010	Profit 2011	Equity 2010	Profit 2010
Increase / (Decrease) (NZD in thousands)						
AUD	(27,453)	(1,911)	(24,039)	(72)	(97)	258
EUR	(12,421)	(1,563)	(12,597)	(30)	(46)	5
USD	(7,920)	(1,155)	(6,628)	(302)	(391)	(439)

A 10% weakening of the NZD would have had an equal but opposite impact.

Fair values

The fair values together with the carrying amounts shown in the statement of financial position are as follows:

	Note	2011				2010			
		At fair value	Loans and receivables	Other amortised cost	Carrying amount	Fair value	At fair value	Loans and receivables	Other amortised cost
(NZD in thousands)									
Trade and other receivables	11	-	310,588	-	310,588	310,588	-	286,669	-
Cash and cash equivalents		-	66,850	-	66,850	66,850	-	82,063	-
Interest rate swaps:									
Assets / (Liabilities)		50	-	-	50	50	(1,136)	-	-
Forward exchange contracts:									
Assets		76	-	-	76	76	444	-	-
Liabilities		(1,334)	-	-	(1,334)	(1,334)	(96)	-	-
Secured bank loans	17	-	-	(87,243)	(87,243)	(87,243)	-	(101,340)	(101,340)
Capital notes	17	-	-	(52,568)	(52,568)	(52,568)	-	(52,568)	(52,568)
Finance lease liabilities	17	-	-	(961)	(961)	(979)	-	-	(515)
Trade and other payables	16	-	-	(244,718)	(244,718)	(244,718)	-	(237,503)	(237,503)
		(1,208)	377,438	(385,490)	(9,260)	(12,159)	(788)	368,732	(391,926)
Unrecognised (losses) / gains									
									(4,055)

		COMPANY					
		2011			2010		
	Note	At fair value	Loans and receivables	Other amortised cost	Carrying amount	Fair value	
(NZD in thousands)							
Trade and other receivables	11	-	17,485	-	17,485	17,485	16,617
Cash and cash equivalents		-	4,275	-	4,275	4,275	12,424
Forward exchange contracts:							
Liabilities		(254)	-	-	(254)	(254)	(5)
Capital notes	17	-	-	(52,568)	(52,568)	(52,568)	(56,619)
Finance lease liabilities	17	-	-	(158)	(158)	(164)	(165)
Trade and other payables	16	-	-	(18,436)	(18,436)	(18,436)	(15,312)
		(254)	21,760	(71,162)	(49,658)	(25,152)	(39,008)
Unrecognised (losses) / gains						(2,887)	(4,048)

Estimation of fair values

The methods used in determining fair values of financial instruments are discussed in note 1(x).

NZ IFRS 7 dictates a hierarchy of valuation methods for determining the fair value of financial instruments, as follows:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3: Inputs for the asset or liability that are not based on observable market data.

All of the Group and Company assets and liabilities valued at fair value are valued using level 2 methods.

Interest rates used for determining fair value

The entity uses the government yield curve as of 30 June 2011 plus an adequate constant credit spread to discount financial instruments. The interest rates used are as follows:

	2011	2010
Capital notes	3.5%	4.1%
Leases	10% - 12%	10% - 12%
Interest rate swaps	4.9% - 5.0%	0.4% - 5.0%

All assets and liabilities measured at fair value are valued using inputs other than quoted prices that are observable for the asset or liability either directly (i.e. as prices) or indirectly (i.e. derived from prices).

22. Operating leases

Non-cancellable operating lease rentals are payable as follows:

	GROUP		COMPANY	
	2011	2010	2011	2010
(NZD in thousands)				
Less than one year	8,593	7,359	1,553	1,809
Between one and five years	6,827	8,013	2,812	2,952
More than five years	12,198	11,522	11,162	11,520
	27,617	26,894	15,527	16,281

The Group leases a number of warehouse and factory facilities under operating leases. With the exception of New Zealand property leases, the leases typically run for a period of 3 to 5 years, with an option to renew the lease after that date. None of the leases include contingent rentals.

During the year ended 30 June 2011, NZD10,388,000 was recognised as an expense in profit and loss in respect of operating leases (2010: NZD10,935,000).

23. Capital and other commitments

	GROUP		COMPANY	
	2011	2010	2011	2010
(NZD in thousands)				
Plant and equipment contracted but not provided for and payable:				
Within one year	1,917	975	-	-
	1,917	975	-	-

24. Contingent liabilities

US Class Action.

Proceedings purporting to be a class action were commenced in Kentucky in March 2010 in connection with alleged contamination of the area surrounding the plant of a wholly owned subsidiary in Louisville Kentucky. The plaintiffs claim to represent a group of local residents. The claim is yet to be certified as a class action by the Kentucky court and does not specify an amount of damages.

US Income Tax

A wholly owned subsidiary in the USA has been the subject of an audit of its 2007 income tax return. The IRS process is not yet completed, but at this stage of the process the IRS has indicated that it believes there is additional tax owing of approximately USD14,000,000 plus any fines and penalties that may be imposed. Nuplex considers that it has appropriately applied the applicable tax regulations, that no additional tax is payable, and is defending its position. As at the date of preparation of these financial statements, the IRS has not imposed any obligation on Nuplex to pay any tax in relation to this matter.

Negative pledge deed

The Company and all the material wholly owned subsidiaries have entered into a negative pledge deed with the Group's lenders whereby all Group companies that are party to the deed have guaranteed the repayment of all liabilities in the event that any of these companies are wound up.

HSBC Guarantee

The Company has issued a guarantee to HSBC to enable associate company Synthese Thailand Co Limited to borrow up to USD5.6million (2010: USD5.6million). Nuplex has discharged the JV partner Thai Urethane Plastic Co Limited from its indemnity against 48% of all losses, costs, damages, expenses, claims and demands which may be incurred or sustained by reason or on account of having given the guarantee. Nuplex granted this discharge as part of its commitment to increase the funds available to Synthese Thailand Co Limited to meet an obligation to purchase plant and equipment from Thai Urethane Plastic Co Limited. This transaction was executed in January 2008.

Weatheright Homes Resolution

Plaster Systems Limited (PSL) has been notified of various claims against the Company under the Weatheright Homes Resolution Services Act 2002. PSL has provided for the costs of settlement of these claims as a current provision. PSL has denied liability for damages under these claims but has participated in the settlement process and contributed towards remediation as determined by the adjudicator without reverting to its full legal remedies as a gesture of good faith and to protect the reputation of its products suitability for purpose.

RPC Pipe Systems Pty Limited Guarantee

In connection with the Group's joint venture interest in RPC Pipe Systems Pty Limited, Nuplex Industries (Aust) Pty Limited has provided a guarantee to Westpac Banking Corporation for up to AUD17.5m to secure Westpac's facilities to the joint venture. Nuplex Industries (Aust) Pty Limited also provided additional funding for working capital purposes. Nuplex Industries (Aust) Pty Limited's position is secured by a registered charge over the assets of RPC Pipe Systems Pty Limited, which ranks behind a charge in favour of the bank.

The directors consider that no further provisions are required in respect of these matters as they are considered unlikely to result in future liability and/or the quantum of any future liability is not capable of reliable measurement.

25. Investments

The subsidiary and associate companies comprise:

Asia Pacific Specialty Chemicals Limited

Cong Ty Nuplex Resins (Vietnam)
Nuplex Finance Holdings Limited
Nuplex Industries (Aust) Pty Limited

Nuplex Industries BV
Nuplex Industries UK Limited
Nuplex Operations (Aust) Pty Limited
Nuplex Resins (Foshan) Co Limited
Nuplex Resins BV
Nuplex Resins Limited
Nuplex Resins LLC
Nuplex Resins (Suzhou) Co Limited*
Nuplex Resins (Thailand) Limited
Nuplex Sino Chemicals BV
Plaster Systems Limited

PT Nuplex Raung Resins
Silvertown Land Holdings Limited
Synthese (Malaysia) Sdn bhd
Nuplex Industries (Hong Kong) Limited
Quaker Chemical (Australia) Pty Limited
Innospec Valvemaster Limited*
(formerly Octel Valvemaster Limited)
Synthese (Thailand) Co Limited*
Pvt. Holdings Limited
Polychem Marketing Limited
Aushold Pty Limited
Multichem Pty Limited
Nuplex Producao de Resinas Ltda
Nuplex US Holdings Limited
RPC Pipe Systems Pty Limited



Principal Activity	Directors **	Country of Incorporation other than NZ	% Held 2011	% Held 2010
Manufacturer and supplier of specialty products, additives and ingredients	1, 2, 7	Australia	100%	100%
Manufacture and distribution of synthetic resins	1, 2, 3, 11	Vietnam	100%	100%
Investment and group finance company	2, 7	Australia	100%	100%
Manufacture, import and distribution of synthetic resins and emulsions, metal driers, paper-making chemicals and food ingredients	2, 10	Netherlands	100%	100%
Non-operating holding company	2, 7	UK	100%	100%
Non-operating holding company	2, 7	Australia	100%	100%
Manufacture and distribution of synthetic resins	1, 2	China	100%	100%
Manufacture and distribution of synthetic resins	2, 3, 5, 6, 8	Netherlands	100%	100%
Manufacture and distribution of synthetic resins	2, 3	UK	100%	100%
Manufacture and distribution of synthetic resins	2, 3	US	100%	100%
Manufacture and distribution of synthetic resins	1, 2, 3	China	100%	100%
Non-operating holding company	2, 7	Thailand	100%	100%
Non-operating holding company	2, 7	Netherlands	100%	100%
Manufacture of pre-mixed lightweight and strengthening plasters	2, 7			
Manufacture and distribution of synthetic resins	1, 2, 3	Indonesia	80%	80%
Property holding company	2, 7	UK	100%	100%
Manufacture and distribution of synthetic resins	1, 2, 3	Malaysia	62%	62%
Non-operating	2, 7	Hong Kong	100%	100%
Distributor of specialty products	1, 10	Australia	49%	49%
Distributor of specialty products	1, 2	UK	50%	50%
Manufacture and distribution of synthetic resins	1, 2, 3	Thailand	47.5%	47.5%
Non-operating holding company	2, 7		100%	100%
Import and distribution of specialty chemicals	2, 10	Australia	100%	100%
Non-operating holding company	2, 7	Australia	100%	100%
Import and distribution of specialty chemicals	2, 10	Brazil	100%	100%
Manufacture and distribution of synthetic resins	2, 4, 9		100%	100%
Investment and group finance company	2, 7		100%	100%
Manufacture and distribution of GRP piping	2, 10	Australia	82.2%	0%

*All the above companies have a balance date of 30 June, except companies marked "**" which are 31 December for statutory compliance purposes.

** - Nuplex executives acting as directors of the above companies are as follows:

1 Emory Severin, 2 Ian Davis, 3 Rob Harnsen, 4 Mike Kelly, 5 Paul Kieffer, 6 Robert Skarvan, 7 James Williams, 8 Pieter Geuze, 9 Norm Stallard, 10 Sam Bastounas, 11 John Prieas.

26. Acquisition and disposal of subsidiaries and business assets

(NZD in thousands)

The fair value of assets and liabilities acquired are as follows:

	GROUP		COMPANY	
	2011	2010	2011	2010
Property, plant and equipment	20,895	20	-	-
Agency agreement	-	3,177	-	-
Inventories	5,881	1,114	-	-
Current receivables	1,932	134	-	-
Employee benefits	(740)	(49)	-	-
Current payables	(11,950)	-	-	-
Net identifiable assets and liabilities	15,818	4,396	-	-
Minority interest	3,112	-	-	-
Cash consideration paid in cash, net of cash acquired	12,706	5,317	-	-
Deferred consideration	715	(422)	-	-
Goodwill arising on acquisition	715	499	-	-

Acquisitions in 2011

On 24 June 2011 Nuplex formed a joint venture company with RPC Technologies to acquire Fibrelogic Pipe Systems ("Fibrelogic"). At 30 June Nuplex owned 82.2% of the equity of the joint venture company for which cash consideration of AUD11.1m was paid; the amounts presented above are provisional, pending the finalisation of acquisition fair value adjustments. Subsequent to year-end Nuplex reduced its ownership of the joint venture company to 50% on sale of 32.2% of its equity ownership to RPC Technologies in return for cash consideration of AUD4.35m.

Acquisitions in 2010

On March 26 2010 Nuplex acquired the business assets of the Australian and New Zealand ingredients business of the Med-Chem group of companies for cash consideration of AUD2.455m and NZD2.237 respectively. Since acquisition the Med-Chem business has generated sales revenue of NZD2.7m and net profits of NZD0.3m. It is estimated that profit for the full year for the acquired business would have been NZD 1.2m had the business been owned for the full year.

During 2011 additional provision was made for amounts forecast to be payable for the current and following year under an earn-out arrangement.

27. Related parties

The Company has a related party relationship with its subsidiaries and associates (see note 25) and with its directors and executive officers.

Transactions with subsidiaries and associates

Transactions with subsidiaries and associates are carried out on an arms length basis.

The Group transacts in the normal course of business with its associates on commercial terms. In addition to dividends disclosed in note 12, the following amounts were received from associates during the year:

	2011	2010
Management fees	300	282
Toll manufacturing fees	1,544	1,424

The following transactions are carried out between the Company and its subsidiaries:

	2011	2010
Sale of goods and services	3,748	3,595
Purchases of goods and services	(5,071)	(5,123)

Dividends received from subsidiaries - refer note 3

Interest received and paid - refer note 7

Loans to subsidiaries and associates - refer note 11

Current receivables - refer note 11

Current payables - refer note 16

Transactions with key management personnel

In accordance with the Company's Constitution, the Company has made provision for a payment upon the cessation of office of one director who have been in office since prior to 1 May 2004.

None of the key management personnel were members of the defined benefit retirement schemes referred to in note 18.

The key management personnel compensation was as follows:

(NZD in thousands)	2011	2010
Directors remuneration	925	789
Executive officers remuneration:		
Short term benefits	5,717	5,477
Post employment benefits	324	327
Long term incentives	577	1,288
Termination and retirement benefits	1,403	3,056
Share based payments accrued	1,200	-
	9,220	10,148

28. Reconciliation of the Net Profit with the Net Cash Flows from Operating Activities:

	GROUP		COMPANY	
	2011	2010	2011	2010
(NZD in thousands)				
Profit for the period	69,271	66,982	22,655	54,619
Non-cash items:				
Depreciation	19,876	20,028	1,327	1,322
Tax	22,939	20,478	1,263	(959)
Amortisation	2,488	2,821	1	11
Impairment	-	7,345	-	-
Non current provisions	(2,654)	1,714	(74)	970
Doubtful debts provisions	(385)	1,792	127	(97)
Restructuring and remediation provisions	2,065	5,667	-	569
Intercompany dividends and interest	-	-	(20,744)	(59,327)
Equity earnings of associate	(1,907)	(2,131)	-	-
	42,442	57,714	(18,100)	(57,511)
Classified as investing/financing:				
Loss/(profit) on sale of property, plant and equipment	-	782	-	(5)
	-	782	-	(5)
(Increase)/Decrease in working capital:				
Receivables	(28,614)	(48,941)	(4,101)	(3,080)
Inventories	3,162	(25,797)	(105)	(380)
Creditors	(4,046)	62,712	4,128	4,806
	(29,498)	(12,026)	(76)	1,386
Income tax (paid)/received	(23,413)	(9,590)	292	-
Dividend received from associate	1,354	844	-	-
Cash Flow from Operating Activities	60,136	104,706	4,769	(1,511)

Reconciliation of statement of financial position working capital movements to operating cash-flow

	2011		2010	
	Receivables	Inventories	Creditors and current provisions	Total Working Capital
Balance as at 1 July	287,113	192,780	(272,957)	206,936
Balance as at 30 June	310,713	196,508	(280,843)	226,378
				287,113
				192,780
				(272,957)
				206,936
Statement of financial position movement	(23,600)	(3,728)	7,886	(19,442)
				(30,624)
				(19,112)
				45,335
				(4,401)
Retranslation of foreign currency balances	(7,331)	968	1,661	(8,377)
Business investment/divestment impacts	1,932	5,881	(13,405)	(8,377)
Movement in provision for doubtful debts	385	-	-	1,114
Movement in provision for obsolete stock	-	241	-	(49)
Movement in provisions	-	-	(385)	-
Movement in Hedges	-	-	697	578
				(5,667)
				6,630
Working capital cash-flow from operating activities	(28,614)	3,162	(4,046)	(25,797)
				(48,941)
				62,712
				(12,026)

29. Subsequent events

In addition to the renewal of the Group's multi-currency cash advance facilities as detailed in note 17 and the partial disposal of the Group's interest in the Fibrelogic joint venture company detailed in note 26, the following event occurred subsequent to 30 June 2011:

Acquisition of Acquos' Masterbatch business

On 18 August 2011 the Group announced its entry into an agreement to acquire Acquos' Masterbatch business. The transaction is subject to ACCC regulatory approval. If approved, the transaction is expected to have a positive but not material impact on earnings per share and no material impact on net assets.