

Nuplex Industries Limited

Results announcement to the market

Reporting period	6 months to 31 December 2006
Previous reporting period	6 months to 30 June 2006

	Amount (000s)	Percentage change
Revenue from ordinary activities	\$722,747	up 20%
Profit from ordinary activities after tax attributable to security holder	\$16,758	Nil%
Net profit attributable to security holders	\$8,646	Down 78%

Interim/Final dividend	Amount per security	Imputed amount per security
Interim	15.5 cents per share	4 cents per share

Record date	23 March, 2007
Dividend payment date	5 April, 2007
Dividend Reinvestment Plan to apply with a discount of 25 cps from the Strike Price	

Comments	Unusual (gains)/losses after tax for the current year comprise:	NZD '000
	Change in valuation of employee provisions	564
	Restructuring provisions	4,802
	Gain on sale of businesses	(1,539)
	Business impairment	2,491
	Others	439
	Total unusual (gains)/losses after tax	6,757



22 February, 2007

Chairman's Statement

The directors of Nuplex Industries Limited advise that operating profit for the half year ended 31 December 2006 was \$16.8 million, unchanged from the first half year of last financial year.

Unusual Costs were \$6.8 million compared with Unusual Items of \$24.4 million profit last year from the sale of the Environmental Services Group. Amortisation of intangibles was \$1.4 million (\$1.1 million). As a result Net Profit attributable to shareholders reduced to \$8.6 million (\$40.1 million last year).

The Unusual Costs of \$6.8 million after tax arose primarily from restructuring activities that will contribute substantially to future profits. The principal items are:

1. Write-down of buildings and plant at the UK facility plus provision for redundancy totalling \$6.3 million following a decision to concentrate solely on powder resin manufacture on that site. Simplifying operations will achieve significant future efficiency benefits. This required the closure of an operating unit additional to that closed in the prior period. Production of all products other than powder resins will transfer to the Netherlands plant. The UK operation results will improve from the start of the 2007/08 financial year with the benefit of these efficiencies, and move into profit late in the second half.
2. Provision of \$2.5 million for full write-down of all business assets in Brazil in response to continuing losses. These losses will be eliminated in the current financial year.
3. Profit of \$1.1 million realised on the sale of specialty chemicals businesses and product lines.
4. Write-back of \$0.9 million of unused redundancy provisions in the Netherlands business.

Sales increased by 20% to \$723 million (\$603 million), reflecting higher pricing and the business portfolio switch from Environmental Services to PML specialty chemicals. EBITDA increased by 4% to \$49 million (\$47 million), in line with prior guidance to full year performance. Unusual factors affecting this result were:

1. The requirement under IFRS to bring foreign exchange hedging contracts to market rates at year end; this reduced EBITDA by \$2 million and affected the New Zealand result in particular.
2. The impact of loss making operations of \$5.2 million EBITDA which will be eliminated in future years.

The effective tax rate of 55% resulted from an inability to utilise losses from the Brazil and UK operations. With current turnaround plans well advanced, it is anticipated that a tax benefit from accumulated losses of \$ 6.8 million should be available in future years.

FINANCIAL POSITION

The financial position of the Group is at a level acceptable to the Board. Net Debt as a percentage of Total Tangible Assets has increased slightly from 39% in June 2006 to 41% as at 31 December 2006, but as a percentage of Total Funds Employed is unchanged at 51%.

CASH FLOW

Operating cash flows of \$11.8 million (\$19.9 million) were down from a strong period last year due to higher tax payments.

Working capital increased by \$14 million (\$10.8 million) with a reduction in creditors while Capital Expenditure of \$6.7 million (\$7.1 million) was similar to last year.

DIVIDEND

An Interim Dividend of 15.5 cents per share (14 cps) will be paid on Thursday 5 April 2007 to shareholders on the register at the close of trading on Friday 23 March 2007. This represents a distribution of 73% of the half year Operating Profit.

The dividend will carry a New Zealand imputation credit of 4 cents per share and will be fully franked for Australian shareholders. Overseas resident shareholders will receive a supplementary dividend of 1.433 cents per share.

Shareholders are offered the opportunity to participate in the Dividend Reinvestment Plan (DRP). The strike price will be calculated as the weighted average sale price of all shares traded on the NZX during the first five of the last eight days prior to 23 March 2007 less a discount of \$0.25 per share.

BUSINESS CONDITIONS

With continuing high crude oil prices and strong demand for petrochemicals, raw material cost and supply continued to be dominating features of performance, with prices increasing some 10% over the prior period. Most operations successfully recovered this through pricing, but some lag inevitably impacted margins.

The sale of the Environmental Services business, a downturn in the demand for some products in the Construction Products segment, and the impact of foreign exchange adjustments, all combined to reduce New Zealand operations contribution to group profit significantly. Australian demand was generally soft but improved results from Specialty Products, and an advantageous exchange rate, offset the effect of this. A 37% lift in aggregate performance in the Americas, Europe and Asia, in spite of continuing losses in some operations, was as a result of business and efficiency gains, underpinning the company's strategy of international expansion.

The PML speciality chemicals group suffered a bad debt with the failure of the Feltex Group but before this write down the contribution fully offset the loss of EBITDA resulting from the sale of the Environmental Services business. This was in line with expectations.

PROSPECTS

The full year forecast remains in line with previous advice. Business conditions are expected to be similar in most regions to the first half although there are signs of strengthening in the European market. Raw material costs are expected to peak and retreat during the period with reasonable prospects of some margin recovery over the course of the next few months.

Restructuring of the UK and Netherlands will be well advanced with significant savings in this period. Plans to eliminate the losses from the Brazilian business will also be expedited during this period and all operations are expected to cease on the Seven Hills site readying it for subsequent sale.

The acquisition of Huntsman Composites was completed in January. Demand for product is strong and the business is performing to expectations.

EBITDA expectations for the full year remain on the range \$103 – 110 million.

Fred Holland
Chairman

Notice of event affecting securities

New Zealand Stock Exchange Listing Rule 7.12.2. For rights, Listing Rules 7.10.9 and 7.10.10.
For change to allotment, Listing Rule 7.12.1, a separate advice is required.

Number of pages including this one
(Please provide any other relevant
details on additional pages)

1

Full name of Issuer	Nuplex Industries Limited		
Name of officer authorised to make this notice	Graeme J Storey	Authority for event, e.g. Directors' resolution	Director's Resolution
Contact phone number	649 580 0876	Contact fax number	649 580 0895
Date	22 / 2 / 07		

Nature of event Tick as appropriate	Bonus Issue <input type="checkbox"/>	If ticked, state whether: Taxable <input type="checkbox"/> / Non Taxable <input type="checkbox"/>	Conversion <input type="checkbox"/>	Interest <input type="checkbox"/>	Rights Issue Renounceable <input type="checkbox"/>
	Rights Issue non-renounceable <input type="checkbox"/>	Capital change <input type="checkbox"/>	Call <input type="checkbox"/>	Dividend <input checked="" type="checkbox"/>	If ticked, state whether: Interim <input checked="" type="checkbox"/>
				Full Year <input type="checkbox"/>	Special <input type="checkbox"/>

EXISTING securities affected by this

If more than one security is affected by the event, use a separate form.

Description of the class of securities	Ordinary Shares	ISIN	NZNPXE0001S8
			If unknown, contact NZSE

Details of securities issued pursuant to this event

If more than one class of security is to be issued, use a separate form for each class.

Description of the class of securities		ISIN	
			If unknown, contact NZSE

Number of Securities to be issued following event		Minimum Entitlement		Ratio, e.g. ① for ②	<input type="checkbox"/>	for	<input type="checkbox"/>
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Conversion, Maturity, Call Payable or Exercise Date	Enter N/A if not applicable	Treatment of Fractions	
Strike price per security for any issue in lieu or date Strike Price available.		Tick if <i>pari passu</i> <input type="checkbox"/>	OR provide an explanation of the ranking

Monies Associated with Event

Dividend payable, Call payable, Exercise price, Conversion price, Redemption price, Application money.

In dollars and cents		Source of Payment	Retained Earnings
Amount per security	\$0.155	Supplementary dividend details - Listing Rule 7.12.7	Amount per security in dollars and cents
Currency	NZD		\$0.0143316
Total monies	\$12,284,998		Date Payable
			5 April, 2007

Taxation

Amount per Security in Dollars and cents to six decimal places

In the case of a taxable bonus issue state strike price	\$	Resident Withholding Tax	\$0.024350	Credits (Give details)	\$0.0400000
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Timing

(Refer Appendix 8 in the Listing Rules)

Record Date 5pm

For calculation of entitlements - must be the last business day of a week

23 March, 2007

Application Date

Also, Call Payable, Dividend / Interest Payable, Exercise Date, Conversion Date. In the case of applications this must be the last business day of the week.

Notice Date

Entitlement letters, call notices, conversion notices mailed

Allotment Date

For the issue of new securities. Must be within 5 business days of record date.

OFFICE USE ONLY

Ex Date:
Commence Quoting Rights:
Cease Quoting Rights 5pm:
Commence Quoting New Securities:
Cease Quoting Old Security 5pm:

Security Code:

Security Code:

NZSENew Zealand
Stock Exchange



Auditors' review report

To the shareholders of Nuplex Industries Limited

We have completed a review on the attached financial statements in accordance with the Review Engagement Standards issued by the Institute of Chartered Accountants of New Zealand. The financial statements provide information about the past financial performance of Nuplex Industries Limited and its financial position as at 31 December 2006.

Directors' responsibilities

The Directors of Nuplex Industries Limited are responsible for the preparation of financial statements which give a true and fair view of the financial position of the company as at 31 December 2006 and the results of its operations and cash flows for the six month period ended on that date.

Reviewers' responsibilities

It is our responsibility to express an independent opinion on the financial statements presented by the Directors and report our opinion to you.

Basis of opinion

A review is limited primarily to enquiries of company personnel and analytical review procedures applied to the financial data and thus provides less assurance than an audit. We have not performed an audit and, accordingly, we do not express an audit opinion.

Review opinion

Based on our review, nothing has come to our attention that causes us to believe that the attached financial statements do not give a true and fair view of the financial position of company as at 31 December 2006 and the results of its operations and cash flows for the six month period ended on that date.

Our review was completed on 22 February 2007 and our opinion is expressed as at that date.

A handwritten signature in black ink that reads 'KPMG'.

Auckland



INTERIM FINANCIAL STATEMENTS

for the half-year ended 31 December 2006

The Directors are pleased to present the Unaudited Financial Statements of the Nuplex Group for the half-year ended 31 December 2006.

Fred Holland
Chairman
22 February 2007

Bryan Kensington
Director
22 February 2007

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Consolidated Income Statement

for the six months ended 31 December 2006 (Unaudited)

(NZD in thousands)	Notes	6 months Dec 2006			6 months Dec 2005							
		Discontinued operations	Continuing operations	Total	Discontinued operations	Continuing operations	Total					
Sales revenue			722,747	722,747	13,164	590,280	603,444					
Cost of sales			(583,472)	(583,472)	(9,753)	(462,916)	(472,669)					
Gross Profit			-	139,275	139,275	3,411	127,364	130,775				
Other operating income				2,920	2,920	484	547	1,031				
Distribution expenses				(35,160)	(35,160)		(32,133)	(32,133)				
Marketing expenses				(37,565)	(37,565)	(706)	(35,713)	(36,419)				
Administrative expenses				(27,284)	(27,284)	(858)	(24,768)	(25,626)				
Other operating expenses				(10,218)	(10,218)	(50)	(3,080)	(3,130)				
Operating profit before financing costs				-	31,968	31,968	2,281	32,217	34,498			
Financial income					890	890	157	1,902	2,059			
Financial expenses					(12,029)	(12,029)	(224)	(10,020)	(10,244)			
Net Financing costs					-	(11,139)	(11,139)	(67)	(8,118)	(8,185)		
Share of profits of associates					541	541	54	620	674			
Profit before tax					-	21,370	21,370	2,268	24,719	26,987		
Income tax expense						(11,792)	(11,792)	(717)	(9,788)	(10,505)		
Profit after tax but before gain on discontinued operations						-	9,578	9,578	1,551	14,931	16,482	
Gain on sale of environmental services businesses, net of tax	5					-	-	24,405	-	24,405		
Profit for the period						-	9,578	9,578	25,956	14,931	40,887	
Attributable to:												
Equity holders of the parent							8,646	8,646	25,956	14,105	40,061	
Minority interests							932	932	-	826	826	
							-	9,578	9,578	25,956	14,931	40,887
Basic earnings per share	7							0.110			0.520	
Diluted earnings per share	7							0.110			0.520	

Statements of Changes in Equity
for the six months ended 31 December 2006 (Unaudited)



(NZD in thousands)	Attributable to equity holders of the parent				Minority Interest	Total Equity
	Share capital	Translation reserve	Retained earnings	Total		
Balance at 1 July 2006	161,783	30,210	134,022	326,015	8,732	334,747
Changes in equity for the six months ended 31 December 2006						
Exchange translation difference	-	(31,440)	-	(31,440)	(1,111)	(32,551)
Changes in fair value of cash-flow hedges	-	-	620	620	-	620
Net income recognised directly in equity	-	(31,440)	620	(30,820)	(1,111)	(31,931)
Profit for the period	-	-	8,646	8,646	932	9,578
Total recognised income and expense for the period	-	-	8,646	8,646	932	9,578
Dividend Reinvestment Plan	5,162	-	-	5,162	-	5,162
Dividends paid	-	-	(15,293)	(15,293)	(1,004)	(16,297)
Balance as at 31 December 2006	166,945	(1,230)	127,995	293,710	7,549	301,259

for the six months ended 31 December 2005 (Unaudited)

(NZD in thousands)	Attributable to equity holders of the parent				Minority Interest	Total Equity
	Share capital	Translation reserve	Retained earnings	Total		
Balance at 1 July 2005	153,582	442	93,995	248,019	6,996	255,015
Fair value of cash-flow hedges at 1 July 2005	-	-	(777)	(777)	-	(777)
Opening equity as adjusted for adoption of IAS32/39	153,582	442	93,218	247,242	6,996	254,238
Changes in equity for the six months ended 31 December 2005						
Exchange translation difference	-	(2,237)	-	(2,237)	206	(2,031)
Changes in fair value of cash-flow hedges	-	-	686	686	-	686
Net income recognised directly in equity	-	(2,237)	686	(1,551)	206	(1,345)
Profit for the period	-	-	40,061	40,061	826	40,887
Total recognised income and expense for the period	-	-	40,061	40,061	826	40,887
Dividend reinvestment plan	4,061	-	-	4,061	-	4,061
Dividends paid	-	-	(11,119)	(11,119)	-	(11,119)
Balance as at 31 December 2005	157,643	(1,795)	122,846	278,694	8,028	286,722



Consolidated Balance Sheet

As at 31 December 2006 (Unaudited)

(NZD in thousands)	as at 31 Dec 2006	as at 30 June 2006	as at 31 Dec 2005
Equity attributable to members of the parent company	293,710	326,015	278,694
Minority interests	7,549	8,732	8,028
Total Equity	301,259	334,747	286,722
Property, plant and equipment	278,293	318,139	288,402
Intangible assets	116,732	127,344	116,440
Investments in associates	2,006	2,551	2,574
Deferred tax asset	7,840	9,567	2,674
Non-current Assets	404,871	457,601	410,090
Inventories	196,309	216,360	179,846
Trade and other receivables	254,695	296,961	232,288
Income tax receivable	3,308	3,388	1,492
Cash and cash equivalents	30,178	36,742	58,579
Current Assets	484,490	553,451	472,205
Total Assets	889,361	1,011,052	882,295
Borrowings	318,062	344,587	333,202
Employee benefits	25,462	27,271	55,348
Provisions	4,832	3,554	-
Deferred tax liability	23,512	23,446	14,528
Non-current Liabilities	371,868	398,858	403,078
Borrowings	663	835	1,002
Trade and other payables	174,702	220,769	168,438
Employee benefits	23,156	32,141	14,276
Provisions	11,705	10,746	2,255
Income tax payable	6,008	12,956	6,524
Current Liabilities	216,234	277,447	192,495
Total Liabilities	588,102	676,305	595,573
Total Net Assets	301,259	334,747	286,722



Consolidated Cash Flow Statements

For the six months ended 31 December 2006 (Unaudited)

(NZD in thousands)	Notes	6 months Dec 2006	6 months Dec 2005
Receipts from customers		738,721	620,844
Interest received		890	795
Payments to suppliers and employees		(701,813)	(583,494)
Interest paid		(11,404)	(9,968)
Dividends received		852	1,353
Income taxes paid		(15,467)	(9,623)
Net cash from operating activities	3	11,779	19,907
Disposal of fixed assets		159	80
Acquisition of fixed assets		(6,738)	(7,060)
Purchases of businesses, net of cash acquired	4	-	(46,798)
Disposal of businesses, net of cash disposed of	5	846	53,462
Net cash from investing activities		(5,733)	(316)
Proceeds from issue of shares		-	-
Proceeds from borrowings		22,122	102,617
Repayment of borrowings		(19,226)	(115,050)
Dividends paid to shareholders		(10,131)	(7,058)
Dividends paid to minority interests		(1,020)	-
Net cash from financing activities		(8,255)	(19,491)
Increase/(decrease) in cash		(2,209)	100
Cash at 1 July		36,742	58,771
Exchange rate adjustment		(4,356)	(292)
Cash at 31 December		30,177	58,579
Comprising:			
Cash balances		26,818	39,702
Cash on call deposit		3,359	18,877

Notes to the consolidated financial statements
for the six months ended 31 December 2006 (unaudited)



1. Statement of significant accounting policies

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

(a) Statement of compliance

The financial statements have been prepared in accordance with New Zealand International Financial Reporting Standard NZ IFRS 34 Interim Financial Reporting. The interim financial statements do not include all of the information required for full annual financial statements and should be read in conjunction with the consolidated financial statements of the Group for the year ended 30 June 2006.

(b) Significant accounting policies

The accounting policies applied by the group in these condensed consolidated financial statements are the same as those applied by the Group in its consolidated financial statements for the year ended 30 June 2006.

The Group has elected to comply with the Amendment to International Accounting Standard No. 19 Employee Benefits, prior to its mandatory implementation date. This has not changed the measurement of the Group's results.

In addition the International Accounting Standards Board has issued a number of other standards, amendments and interpretations which are not yet effective. The Group has not yet applied these in preparing these financial statements although the application of these standards, amendments and interpretations would require further disclosures but is not expected to have a material impact on the Group's results.

(c) Restatement of December 2005 comparatives

Certain comparatives in the December 2005 balance sheet have been restated to be consistent with the June 2006 treatment of increases in liabilities and reductions in fixed asset balances of acquired businesses, due to NZIFRS transition, as adjustments to goodwill rather than equity.

The impact on the December 2005 balance sheet was as follows:

Balance sheet at 31 December 2005

(NZD in thousands)

Property, plant and equipment	(621)
Intangible assets	25,312
Employee provisions	(236)
Deferred tax liability	<u>(6,251)</u>
Increase in equity	<u>18,204</u>

2. Segment analyses

Segment information is presented in respect of the consolidated entity's business and geographical segments. The primary format, business segments, is based on the consolidated entity's management and internal reporting structure.

Inter-segment pricing is determined on an arm's length basis.

Segment results, assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items comprise mainly income-earning assets and revenue, interest-bearing loans, borrowings and expenses, and corporate assets and expenses.

Business segments

The consolidated entity comprises the following main business segments:

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. Manufacture of resin based flooring and building products. Distribution of related agency products and resilient flooring in NZ. Manufacture of light-weight plasters in Australasia.
Environmental Services (discontinued)	Collection and treatment of liquid, hazardous, medical and quarantine wastes in Australasia. Distribution and servicing of re-usable medical sharps disposal systems.

Geographical segments

In presenting information on the basis of geographical segments, segment revenue is based on the geographical location of customers. Segment assets are based on the geographical location of the assets.

BUSINESS SEGMENTS 2006	Resins	Specialties	Eliminations	Total Group		
Sales to outside customers	558,145	164,602	-	722,747		
Inter-segment sales	3,053	716	(3,769)	-		
Segment sales	<u>561,198</u>	<u>165,319</u>	<u>(3,769)</u>	<u>722,747</u>		
EBITDA	40,387	8,677	-	49,064		
Depreciation	(8,888)	(932)	-	(9,820)		
Segment result	<u>31,499</u>	<u>7,745</u>	-	39,244		
Net financing costs				(11,139)		
Share of profits of associates				541		
Minority interest				(932)		
Tax on operating profits				(10,956)		
Operating profit after tax				<u>16,758</u>		
Unusual items				(6,757)		
Amortisation of intangibles				(1,355)		
Net profit attributable to equity holders of the parent				<u>8,646</u>		
Assets	681,396	169,947	-	851,343		
Unallocated assets				38,018		
				<u>889,361</u>		
Liabilities	191,459	48,398	-	239,857		
Unallocated liabilities				348,245		
				<u>588,102</u>		
Other segment information						
Equity accounted investments included in segment assets	293	1,713	-	2,006		
GEOGRAPHIC SEGMENTS 2006	New Zealand	Australia	Asia	Europe	Americas	Total Group
	88,771	288,965	92,217	174,112	78,682	722,747
Assets	<u>108,257</u>	<u>333,290</u>	<u>107,387</u>	<u>253,370</u>	<u>49,039</u>	<u>851,343</u>

Notes to the consolidated financial statements (continued)



2. Segment analyses (continued)

BUSINESS SEGMENTS 2005	Resins	Specialties	Environmental Services (discontinued)	Eliminations	Total Group	Less Environmental Services (discontinued)	Total Group (Continuing Operations)
Sales to outside customers	473,678	116,602	13,164	-	603,444	(13,164)	590,280
Inter-segment sales	1,161	3,273	543	(4,977)	-	(543)	(543)
Segment sales	<u>474,839</u>	<u>119,875</u>	<u>13,707</u>	<u>(4,977)</u>	<u>603,444</u>	<u>(13,707)</u>	<u>589,737</u>
EBITDA	37,687	6,493	2,996	-	47,176	(2,996)	44,180
Depreciation	(9,816)	(1,041)	(716)	-	(11,573)	716	(10,857)
Segment result	<u>27,871</u>	<u>5,452</u>	<u>2,280</u>	-	<u>35,603</u>	<u>(2,280)</u>	<u>33,323</u>
Net financing costs					(8,185)	(29)	(8,214)
Share of profits of associates					674	(54)	620
Minority interest					(826)	-	(826)
Tax on operating profits					(10,505)	717	(9,788)
Operating profit after tax					<u>16,761</u>	<u>(1,646)</u>	<u>15,115</u>
Unusual items					24,405	(24,405)	-
Amortisation of intangibles					(1,105)	-	(1,105)
Net profit attributable to equity holders of the paren					<u>40,061</u>	<u>(26,051)</u>	<u>14,010</u>
Assets	634,764	186,278	-	-	821,042		
Unallocated assets					61,253		
					<u>882,295</u>		
Liabilities	192,601	477,16	-	-	240,317		
Unallocated liabilities					355,256		
					<u>595,573</u>		
Other segment information							
Equity accounted investments included in segment assets	386	2,188	-	-	2,574		
GEOGRAPHIC SEGMENTS 2005		New Zealand	Australia	Asia	Europe	Americas	Total Group
Sales by destination		<u>74,245</u>	<u>237,927</u>	<u>81,468</u>	<u>148,812</u>	<u>60,992</u>	<u>603,444</u>
Assets		<u>83,460</u>	<u>309,799</u>	<u>78,989</u>	<u>292,839</u>	<u>55,955</u>	<u>821,042</u>

Notes to the consolidated financial statements (continued)


3. Reconciliation of the Net Surplus with the Net Cash Flows from Operating Activities:

(NZD in thousands)	6 months Dec 2006	6 months Dec 2005
Profit for the period	9,578	40,887
Non-cash items:		
Depreciation	9,821	11,573
Tax	11,792	15,190
Amortisation	1,296	434
Non-current provisions	1,938	1,732
Doubtful debts provisions	898	568
Stock obsolescence provisions	(184)	(700)
Equity earnings of associate	(541)	(674)
Amortisation of capital notes expenses	161	276
Impairment write-down of UK assets	4,539	-
Impairment write-down of Brazilian assets	2,491	-
	<u>32,211</u>	<u>28,399</u>
Classified as investing/financing:		
Loss/(profit) on sale of fixed assets	(45)	-
Surplus on disposal	(1,938)	(29,090)
Foreign exchange (gain)/loss on loan balances	626	(1,264)
(Increase)/Decrease in working capital:		
Receivables	15,037	16,361
Inventories	2,659	8,902
Creditors and current provisions	(31,734)	(36,018)
	<u>(14,038)</u>	<u>(10,755)</u>
Income tax paid	(15,467)	(9,623)
Dividend received from associate	852	1,353
Cash Flow from Operating Activities:	<u>11,779</u>	<u>19,907</u>

4. Acquisition of subsidiaries and business assets

	6 months Dec 2006	12 months Jun 2006	6 months Dec 2005
The assets and liabilities acquired are as follows:			
Fixed assets	-	1,391	1,425
Future income tax benefit	-	(1,190)	(1,246)
Inventories	-	11,161	10,931
Current receivables	-	16,613	16,491
Non current provisions	-	-	3,117
Current payables	-	(19,812)	(20,157)
Current provisions	-	3,180	-
Provision for tax	-	(900)	(492)
Net identifiable assets and liabilities	<u>-</u>	<u>10,443</u>	<u>10,069</u>
Acquisition costs	-	678	553
Cash consideration paid in cash, net of cash acquired	-	46,246	46,245
Cash consideration payable	-	-	-
Deferred consideration	-	3,596	-
Goodwill arising on acquisition	<u>-</u>	<u>40,077</u>	<u>36,729</u>

In accordance with the deferred closing provisions of the agreement to acquire the coating resins group from Akzo Nobel, the Brazilian operations of the above Coating Resins group were acquired for cash of \$6.3m in November 2005.

On 30 November 2005 the group acquired 100% of the voting equity of PML Holdings Limited, a group of chemical raw material suppliers operating in Australia and New Zealand. The group operates in New Zealand as Polychem Marketing and in Australia as Multichem. Nuplex paid NZD44m for the shares with an additional amount, maximum \$4m, payable upon achieving earnings and growth targets over the next two and a half years. The additional amount has been provided in full due to the likelihood of achieving targets.

Notes to the consolidated financial statements (continued)

**5. Disposal of subsidiaries and business assets**

On 1 November 2006 Nuplex Industries Limited subsidiary Nuplex Industries (Aust) Pty Ltd sold its Finechem business for consideration of AUD975,000

On 17 November 2006 Nuplex Industries Limited subsidiary Nuplex Industries (Aust) Pty Ltd sold its Protectolene business for consideration of AUD500,000

On 4 August 2006 Nuplex Industries Limited sold its Metallex business to for consideration of NZD458,000

On 1 December 2005 the group sold its environmental services group, including Nuplex Medismart Limited, Nuplex Healthcare Waste Limited, United Environmental Limited and Nuplex Special Waste Pty Limited. These companies were sold for cash to Transpacific Industries, an Australian based public company.

The results of the entities disposed of and the gain on disposal and tax thereon have been disclosed as discontinued on the face of the consolidated income statement.

The assets and liabilities disposed of are as follows:

	6 months Dec 2006	6 months Dec 2005
Fixed assets		18,031
Intangibles		6,167
Investments		714
Future income tax benefit		888
Inventories		196
Current receivables		5,071
Cash		1,109
Non current payables		(208)
Current payables		(4,515)
Borrowings		(303)
Current provisions		(210)
Net assets and liabilities	-	26,940
Disposal costs	(176)	(615)
Cash consideration paid/payable	2,109	56,645
Profit on disposal before tax	1,933	29,090
Income tax on profit	(443)	(4,685)
Profit on disposal after tax	1,490	24,405

6. Dividend declared

On 22 February 2007, the directors declared an interim dividend of 15.5 cents per share. The dividend is partially imputed for New Zealand tax residents and fully imputed for Australian tax residents and is payable on 5 April 2007.

7. Earnings per share

	6 months Dec 2006	6 months Dec 2005
The calculation of basic earnings per share is based on:		
Net surplus attributable to ordinary shareholders	8,646	40,061
Weighted average number of ordinary shares:		
Ordinary shares on issue at 1 July	78,425	76,683
DRP shares issued 15 October 2005	-	411
DRP shares issued 20 October 2006	321	-
	78,746	77,094



8. Estimates

Except for the items noted below, significant judgements made by management in applying the Group's accounting policies and the key sources of estimation of uncertainty were the same as those that applied to the consolidated financial statements for the year ended 30 June 2006.

During the six months ended 31 December 2006 management reassessed its estimates as follows:

The recoverable amount of property, plant and equipment, receivables and goodwill associated with the Group's operations in Brazil. This resulted in the following write-downs being made:

Property, plant and equipment	1,208
Receivables	753
Goodwill	<u>530</u>
Total Brazil write-down	<u>2,491</u>

The recoverable amount of property, plant and equipment associated with the Group's operations in the UK has also been reassessed, resulting in the following write-down:

Property, plant and equipment	<u>4,539</u>
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9. Contingent liabilities and other contingent commitments

There have been no significant changes in contingent liabilities in the six months to 31 December 2006

10. Acquisition of Huntsman Chemical Composites business

Nuplex Industries Limited subsidiary Nuplex Industries (Aust) Pty Ltd ("NIAL") acquired all the Composites business assets of Huntsman Chemical Company Australia Pty Ltd ("HCCA") on 2nd January 2007. NIAL paid AUD20.3m in cash for the assets, including inventory. An additional amount is payable conditional upon achieving certain earnings targets over the next three years.



Media Release
22 February 2007

NUPLEX RAISES DIVIDEND 10%

SOLID PERFORMANCE – ON LINE FOR TARGETTED FULL YEAR RESULT

A strong performance from Nuplex's international businesses enabled the Group to post an unchanged operating profit of \$16.8 million for the six months ending 31st December 2006.

Directors have declared an interim dividend of 15.5 cents per share, 10% higher than the last year interim dividend.

The six months results include one off charges related primarily to ongoing restructuring in UK and Brazil. No further charges are anticipated for these operations and losses will be substantially reduced during the next 6 months with profits expected to be generated during 2008.

Net profit was further impacted by a high tax rate – however future tax benefits of \$6.8 million should be achieved when all businesses move into profit.

Foreign exchange rates had a mixed impact on the reported result with improved returns from overseas operations but the requirement to write down hedging accounts, largely in New Zealand reduced EBITDA by \$2 million.

With EBITDA of \$49 million, up 4% on the prior year, the company remains on track to achieve its forecast annual result.

Resins continued to be the core business contributing 82% of group profit with operations outside historical New Zealand and Australia markets growing by 37% over the prior year, giving a strong endorsement of the international expansion strategy.

Group sales grew by 20% to \$723 million with higher unit prices and the impact of the portfolio switch from Environmental Services to the PML Group.

Results for the PML Group acquired in December 2005 were solid and in line with pre acquisition expectations.

Great progress was made towards finalising Specialty Products business restructure with the target for completion before the end of the current financial year. Proceeds from this restructuring are expected to be in the region of \$40 million.

Raw material shortages and cost increases averaging around 10% over the prior period made for a difficult trading environment. Markets in mature economies were generally soft to steady while Asia demonstrated strong growth. Nuplex businesses performed well and produced a quality result in difficult conditions.

European business restructuring is delivering early results and the outlook is for this to continue to rapidly improve over the next 3 years. The Group has a number of other strategic initiatives to increase market share and profits, and ensure sustainable growth in every business. Huntsman Composites, an Australian based operation was acquired in January to build critical mass and ensure a sustainable business to support the local customer base.

Raw material costs are expected to peak, and retreat during the next few months with reasonable prospect of recovery of margins, which have been severely pinched after 3 years of constant petrochemical cost pressure.

With a second half result expected to be stronger than the first, the full year EBITDA is expected to better last year's record performance to achieve a result of \$103 -110 million, in line with previous guidance.

The 15.5 cps will be paid on Thursday 5 April 2007 to shareholders on the register at the close of trading on Friday 23 March 2007. Overseas shareholders will receive a supplementary dividend of 1.433 cents per share.

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Issued on behalf of Nuplex by Network PR (Dennis Lynch_ telephone +64 9 379 3154