APPENDIX 4D
Half-Year Report

Name of entity:	**Pact Group Holdings Ltd**
ABN:	**55 145 989 644**

Half-year ended ('current period')	Half-year ended ('previous corresponding period')
31 December 2016	**31 December 2015**

Results for announcement to the market

$'000

Revenue from ordinary activities	Up	5.8%	to	730,681
Net profit from ordinary activities after tax attributable to members	Up	20.0%	to	50,246
Net profit for the period attributable to members	Up	20.0%	to	50,246

Dividends	Amount per security	Franked amount per security	Total dividend amount ($'000)
Current year to 31 December 2016			
Interim Dividend (per ordinary share)	11.5 cents	7.48 cents	34,412
Prior year to 30 June 2016			
Final Dividend (per ordinary share)	11.0 cents	7.15 cents	32,644
Interim Dividend (per ordinary share)	10.0 cents	6.50 cents	29,653

Record date for determining entitlements to the dividend:	Ordinary shares	3 March 2017
Payment date of dividend:	Ordinary shares	5 April 2017

	Current period	Previous corresponding period
Net tangible asset backing per ordinary security [(1)]	$(0.36)	$(0.15)

[(1)] Net tangible assets excludes goodwill and other intangible assets (refer to note 3.1 in the Half-year Consolidated Financial Report)

For the profit commentary and any other significant information needed by an investor to make an informed assessment of the results for Pact Group Holdings Ltd ('Pact') please refer to the accompanying Half-year Consolidated Financial Report.

Jonathon West
Company Secretary

Dated: 22 February 2017

REVIEW OF OPERATIONS AND FINANCIAL PERFORMANCE

Pact Group Holdings Ltd

Results for the half-year ended 31 December 2016

The Group has reported statutory net profit after tax (NPAT) for the half-year ended 31 December 2016 of $50.2 million, compared to $41.9 million in the prior corresponding period (pcp). NPAT before significant items[3] for the half-year was $52.9 million (pcp: $45.9 million).

SUMMARY

- Sales revenue up 6% to $727.4 million (pcp: $688.2 million)
- EBITDA before significant items[1] up 11% to $120.9 million (pcp: $109.4 million)
- EBIT before significant items[2] up 13% to $90.2 million (pcp: $80.0 million)
- NPAT before significant items[3] up 15% to $52.9 million (pcp: $45.9 million)
- Strong earnings growth from acquisitions with the acquisition of Australian Pharmaceutical Manufacturers and the Fruit Case Company completed in the period, and incremental earnings benefits delivered from prior year acquisitions
- Efficiency benefits of $8 million delivered in the period, offsetting the impact of subdued demand conditions
- Establishment of crate pooling operations in Australia progressing to schedule
- Continued strong cash generation and a robust balance sheet with gearing[4] of 2.9x and interest cover[5] of 7.6x
- Interim ordinary dividend of 11.5 cents per share, up 15% (pcp: 10.0 cents per share)
- Total Shareholder Return (TSR) for 12 months ending December 2016 of 41%[6]

Key Financial Highlights - $millions	Dec 2016	Dec 2015	Change %
Sales Revenue	**727.4**	688.2	6%
EBIT before significant items[2]	**90.2**	80.0	13%
NPAT before significant items[3]	**52.9**	45.9	15%
NPAT after significant items	**50.2**	41.9	20%
Interim Dividend – cents per share	**11.5**	10.0	15%

BUSINESS HIGHLIGHTS

- Earnings growth delivered despite subdued demand conditions supported by a relentless focus on operational excellence and efficiency and a value accretive acquisition strategy.
- New contract wins in the period, supported by disciplined sales pipeline management processes established in FY2016.
- Operational Excellence Program well progressed with the implementation of lean manufacturing underway at 15 plants.
- 2015 Efficiency Program complete and delivering benefits slightly ahead of expectations.
- Establishment of operations to support crate pooling services in Australia progressing to schedule with construction of the crate pool and wash sites well advanced. Operations to commence in Q1 FY2018.
- Acquisition strategy continues to drive diversification of the Group's product and customer portfolio and deliver earnings growth:
  - The acquisition of Australian Pharmaceutical Manufacturers (APM), a specialty contract manufacturer, was completed in September 2016. The acquisition expands the Group's operations in specialised contract manufacturing and provides increased exposure to the attractive nutraceutical sector.
  - The acquisition of the Fruit Case Company (FCC), a crate pooling and hire business in New Zealand, was completed in July 2016. FCC provides the Group with a leading position in crate pooling services in New Zealand.
  - The acquisition of Pascoe's Group, a specialty contract manufacturer, is expected to complete in February 2017. Pascoe's expands the Group's contract manufacturing capability into aerosol based products and extends its capability in liquids filling.
  - Jalco and bolt-on acquisitions made in FY2016 have all performed in line with expectations.

DIVIDENDS

The Board has determined an interim dividend of 11.5 cents per share, 15% higher than the prior year's interim dividend of 10 cents per share. The dividend was franked to 65%. The Group's franking capacity was positively impacted by available franking credits from recent acquisitions. Excluding the beneficial impact of acquisitions, the Group's capacity to frank in the future will be in the range of 30-50%.

OUTLOOK

Demand conditions across some sectors in which we operate remain subdued, however acquisition benefits and our efficiency programs continue to support earnings growth. Accordingly, we maintain our previous earnings guidance. That is, we expect to achieve higher revenue and earnings (before significant items) in FY2017, subject to global economic conditions.

REVIEW OF OPERATIONS AND FINANCIAL PERFORMANCE

GROUP RESULTS

Half Year ended - $'000	Dec 2016	Dec 2015	Change %
Sales revenue	**727,386**	688,202	5.7%
Other revenue (excluding interest revenue)	**3,008**	2,352	
Expenses	**(609,537)**	(581,184)	
EBITDA (before significant items)[1]	**120,857**	109,370	10.5%
EBITDA margin (before significant items)	**16.6%**	15.9%	
Depreciation and amortisation	**(30,706)**	(29,367)	
EBIT (before significant items)[2]	**90,151**	80,003	12.7%
EBIT margin (before significant items)	**12.4%**	11.6%	
Significant items (before tax)	**(2,963)**	(5,398)	
EBIT	**87,188**	74,605	16.9%
Net finance costs expense	**(15,625)**	(15,473)	
Income tax expense	**(21,653)**	(18,631)	
Significant tax items	**336**	1,349	
NPAT	**50,246**	41,850	20.1%
Non-controlling interest	**-**	7	
Net profit after tax attributable to shareholders	**50,246**	41,857	20.0%

Sales Revenue

Sales revenue increased 5.7% ($39.2 million) versus the pcp to $727.4 million, with growth from acquisitions contributing $73.0 million in revenue. This included the contributions from APM and FCC in addition to the incremental contribution from acquisitions made in FY2016. Sales also benefitted from contract wins, notably in contract manufacturing, and from favourable currency translation, as the New Zealand dollar strengthened against the Australian dollar in the period.

These benefits were partly offset by lower underlying net sales volume and lower resin prices. Volumes were adversely impacted by generally subdued consumer demand, particularly in the dairy, food and beverage sector, customer destocking in the health and wellness sector, lower demand for industrial packaging from dairy customers in New Zealand, and the incremental impact of prior year contract losses.

EBIT (before significant items)

The Group delivered EBIT (before significant items) of $90.2 million for the half year, up 12.7% ($10.2 million) compared to the pcp. EBIT was favourably impacted by acquisitions ($6.9 million), benefits from the FY2015 Efficiency Program ($5.0 million) and benefits from the Operational Excellence Program ($2.8 million). In addition, the Group benefitted from favourable foreign currency translation in the period ($1.2 million) and lower costs following the commissioning of the new Indonesian plant in FY2016. These benefits were partly offset by the earnings impact of lower underlying sales volume ($4.5 million) and costs associated with the implementation of the lean manufacturing program. The benefit of lower resin prices in the period was passed through to customers.

EBIT margins increased to 12.4% from 11.6% in the pcp, with the strong improvement largely driven by efficiency programs.

Significant Items

Pre-tax significant items for the half year were an expense of $3.0 million. This included costs associated with the completion of the Efficiency Program announced in FY2015 ($2.0 million) and acquisition costs ($1.0 million).

Net Finance Expense

Net financing costs for the half year were $15.6 million, an increase of $0.1 million versus the pcp. The benefit of lower market interest rates was offset by the impact of higher net debt following the funding of acquisitions in the second half of FY2016 and the first half of FY2017. Interest cover improved to 7.6x from 6.7x in the pcp.

Income Tax Expense and Significant Tax Items

The income tax expense for the half year was $21.7 million, representing an average tax rate of 29.1% of net profit before tax and significant items, in line with the statutory tax rates payable by the Group across its main operating geographies, and in line with pcp (28.9%).

The significant tax item for the half year is a benefit of $0.3 million relating to the significant expense items noted above. In the prior half year the significant tax item was a benefit of $1.3 million.

Net Profit after Tax

Group net profit after tax attributable to shareholders for the half year was $50.2 million compared to $41.9 million in the pcp. Excluding significant items, net profit after tax attributable to shareholders was $52.9 million, an increase of $7.0 million over the pcp.

REVIEW OF OPERATIONS AND FINANCIAL PERFORMANCE

BALANCE SHEET

$'000	Dec 2016	June 2016	Change %
Cash	**42,521**	51,885	(18.0%)
Other current assets	**328,362**	269,123	22.0%
Property plant & equipment	**636,796**	582,723	9.3%
Intangible assets	**510,996**	417,944	22.3%
Other assets	**52,465**	51,363	2.1%
Total Assets	**1,571,140**	1,373,038	14.4%
Interest bearing liabilities	**705,462**	561,440	25.7%
Other Liabilities payables & provisions	**462,305**	442,404	4.5%
Total Liabilities	**1,167,767**	1,003,844	16.3%
Net Assets	**403,373**	369,194	9.3%
Net Debt	**662,941**	509,555	30.1%

Net debt at the end of the half year was $662.9 million, an increase of $153.4 million from 30 June 2016, impacted by funding requirements of $94.2 million for acquisitions and an increase in working capital in line with normal seasonal requirements. The increase in net debt compared to the 31 December 2015 comparative period is $94.2 million.

Following the successful negotiation of a new $150 million, 5 year debt facility in October 2016, total term loan debt facilities are $915.8 million. This comprises a $381.6 million loan facility maturing in July 2018, a $384.2 million loan facility maturing in July 2020 and a $150.0 million loan facility maturing in October 2021. Average tenor is 2.9 years.

The increase in the Group's intangible assets relates primarily to provisional goodwill recognised on the acquisitions of APM and FCC. The increase in property plant and equipment relates to those acquisitions along with additional capital expenditure associated with the establishment of crate pooling operations in Australia to support Woolworths ($25.8 million).

Financing metrics	Dec 2016	Dec 2015	Change
Gearing[4]	**2.9x**	2.7x	0.2
Interest Cover[5]	**7.6x**	6.7x	0.9

The Group retains a robust balance sheet. As at 31 December 2016 gearing (defined as closing net debt / 12 month rolling EBITDA before significant items) was 2.9x, up from 2.7x in the pcp. This was due to funding requirements of $156.7 million for major growth projects over the last 12 months, including acquisitions ($128.2 million) and the Woolworths crate pooling project ($28.5 million). Excluding the spend on the crate pooling project (which is yet to deliver EBITDA benefits), gearing would have been 2.7x, in line with the pcp.

CASHFLOW

$'000	Dec 2016	Dec 2015	Change %
Cashflow from operating activities	**25,190**	21,773	15.7%
Capital expenditure	**(50,599)**	(28,943)	(74.8%)
Purchase of businesses and subsidiaries	**(94,163)**	(79,868)	(17.9%)

Statutory operating cash flow including proceeds from securitisation was $25.2 million for the half year, up $3.4 million compared to the pcp. The inflow from securitisation of trade debtors was $4.3 million in the half year compared to $6.1 million in the pcp. Excluding securitisation inflows, statutory operating cash flow was $5.2 million higher than the pcp.

Payments for property plant and equipment were $50.6 million in the half year, compared to $28.9 million in the pcp. The increase predominantly relates to capital expenditure in the period for the establishment of crate pooling operations in Australia ($25.8 million). Underlying operational capital expenditure is in line with standard Group metrics.

Payments for purchase of businesses and subsidiaries of $94.2 million includes APM ($72.4 million), FCC ($14.7 million) and an additional $7.1 million paid for the purchase of property associated with the Power Plastics acquisition following the completion of key conditions in the related Sales Agreement.

REVIEW OF OPERATIONS AND FINANCIAL PERFORMANCE

REVIEW OF OPERATIONS

Pact Australia

Pact Australia comprises the Group's operations in Australia where it has manufacturing plants in New South Wales, Victoria, Tasmania, Queensland and Western Australia. Pact Australia contributed 75% of the Group's total sales revenue in the first half of FY2017.

Half Year Ended 31 December $'000	Dec 2016	Dec 2015	Change %
Sales Revenue	**543,008**	508,983	6.7%
EBIT before significant items[2]	**53,261**	44,877	18.7%
EBIT Margin %	***9.8%***	*8.8%*	*1.0%*

Pact Australia delivered strong growth in sales revenue and EBIT before significant items in the period.

Sales revenue of $543.0 million was up 6.7% or $34.0 million compared to the pcp, positively impacted by acquisitions ($60.7 million). APM delivered $12.2 million in revenue, while contributions from bolt-on acquisitions completed in the second half of FY2016, and the incremental impact of the Jalco acquisition favourably impacted revenue by $48.5 million. Excluding acquisitions, underlying sales were lower. Whilst new business in the contract manufacturing sector delivered volume growth, this was offset by generally subdued consumer demand in Australia, particularly in the dairy, food and beverage sector, softer demand from the health and wellness sector due to customer destocking and the incremental impact of contract losses in the prior year.

EBIT (before significant items) for the half year was $53.3 million, up $8.4 million or 18.7% compared to the pcp. Growth in earnings was driven by acquisitions and efficiency benefits arising from both the 2015 Efficiency Program and the Operational Excellence Program. These benefits more than offset the impact on earnings of lower underlying volumes, costs associated with the implementation of the Operational Excellence Program and a profit on disposal of property in the pcp.

The focus on efficiency and cost control has driven a strong improvement in EBIT margins to 9.8% compared to 8.8% in the pcp.

Pact International

Pact International comprises the Group's operations in New Zealand, China, the Philippines, Singapore, Indonesia and Thailand. Revenue sourced from these regions contributed 25% of the Group's total sales revenue in the first half of FY2017.

Half Year Ended 31 December $'000	Dec 2016	Dec 2015	Change %
Sales Revenue	**184,378**	179,219	2.9%
EBIT before significant items[2]	**36,890**	35,126	5.0%
EBIT Margin %	***20.0%***	*19.6%*	*0.4%*

Pact International also delivered growth in sales revenue and EBIT before significant items in the period.

Sales revenue of $184.4 million was up 2.9%, or $5.2 million, compared to the pcp, positively impacted by acquisitions ($12.3 million). This included the acquisition of the Fruit Case Company, completed in July, and the acquisition of Stowers Containment Solutions, completed in the second half of FY2016. Sales were also positively impacted by growth in South East Asia following the commissioning of the new facility in Indonesia and by favourable foreign currency translation as the New Zealand dollar strengthened against the Australian dollar. These benefits were partly offset by lower underlying demand, particularly for industrial packaging from dairy customers in New Zealand, adversely impacted by weather, and weaker consumer demand in the dairy, food and beverage sector.

EBIT (before significant items) for the half year was $36.9 million, up $1.8 million or 5.0% compared to the pcp. Earnings growth was positively impacted by acquisitions and efficiency benefits delivered through the Operational Excellence Program. Earnings also benefitted from favourable foreign currency translation and lower costs in South East Asia following the Indonesian start-up. These benefits more than offset the adverse impact to earnings from lower underlying sales volume.

EBIT margins in Pact International improved to 20.0% from 19.6% in the pcp as a result of efficiency improvements.

Footnotes

This report includes certain non-IFRS financial information which have not been subject to review by the Company's external auditor. This information is used by Pact, the investment community and Pact's Australian peers with similar business portfolios. Pact uses this information for its internal management reporting as it better reflects what Pact considers to be its underlying performance.

(1) EBITDA before significant items is a non-IFRS financial measure which is calculated as earnings before significant items, finance costs (net of interest revenue), tax, depreciation and amortisation.
(2) EBIT before significant items is a non-IFRS financial measure which is calculated as earnings before significant items, finance costs (net of interest revenue) and tax.
(3) NPAT before significant items is a non-IFRS financial measure which is calculated as net profit after tax before significant items.
(4) Gearing is a non-IFRS financial measures which is calculated as net debt divided by 12 month rolling EBITDA before significant items. Net debt is calculated as current debt plus non-current debt less cash.
(5) Interest cover is a non-IFRS financial measures which is calculated as 12 month rolling EBITDA before significant items divided by 12 month rolling net interest expense.
(6) TSR measured as December 2016 31 day volume weighted average share price plus dividends received by shareholders in the 12 months to 31 December 2016, compared to December 2015 31 day volume weighted average share price.

HALF YEAR CONSOLIDATED FINANCIAL REPORT

For the period ended 31 December 2016

Pact Group Holdings Ltd
ABN: 55 145 989 644

PACT GROUP

HALF-YEAR FINANCIAL REPORT

Consolidated Half-Year Financial Report For the period ended 31 December 2016

Introduction

This is the Consolidated Half-Year Financial Report of Pact Group Holdings Ltd ("Pact" or the "Company") and its subsidiaries (together referred to as the "Group") including the Group's interest in associates and jointly controlled entities at the end of, or during the period ended 31 December 2016. This Consolidated Half-Year Financial Report was issued in accordance with a resolution of the Directors on 22 February 2017.

This Consolidated Half-Year Financial Report does not include all the notes of the type normally included in an Annual Financial Report. Accordingly, this report is to be read in conjunction with the Annual Report for the year ended 30 June 2016 and any public announcements made by Pact during the reporting period in accordance with the continuous disclosure requirements of the *Corporations Act 2001.*

Contents

Consolidated Statement of Comprehensive Income
For the period ended 31 December 2016

$'000	Notes	Dec 2016	Dec 2015
Sales revenue		**727,386**	688,202
Raw materials and consumables used		**(303,525)**	(296,397)
Employee benefits expense		**(180,366)**	(166,163)
Occupancy, repair and maintenance, administration and selling expenses		**(126,781)**	(120,236)
Interest and other income		**3,295**	2,419
Other losses	1.2	**(2,693)**	(4,625)
Depreciation and amortisation expense		**(30,706)**	(29,367)
Finance costs and loss on de-recognition of financial assets	4.1	**(15,912)**	(15,540)
Share of profit in associates		**865**	839
Profit before income tax expense		**71,563**	59,132
Income tax expense		**(21,317)**	(17,282)
Net Profit for the period		**50,246**	41,850
Net Loss attributable to non-controlling interest		**-**	7
Net Profit attributable to equity holders of the parent entity		**50,246**	41,857
Items that will be reclassified subsequently to profit or loss			
Cash flow hedges losses taken to equity		**970**	(768)
Foreign currency translation gains		**509**	5,974
Income tax on items in other comprehensive income		**(291)**	230
Other comprehensive income for the period, net of tax		**1,188**	5,436
Total comprehensive income for the period		**51,434**	47,286
Attributable to:			
• Equity holders of the parent entity		**51,434**	47,293
• Non-controlling interests		**-**	(7)
Total comprehensive income for the Group		**51,434**	47,286
$			
Basic earnings per share		**0.17**	0.14
Diluted earnings per share		**0.17**	0.14

The Consolidated Statement of Comprehensive Income should be read in conjunction with the accompanying notes.

Consolidated Statement of Financial Position
As at 31 December 2016

$'000	Notes	Dec 2016	June 2016
CURRENT ASSETS			
Cash and cash equivalents		**42,521**	51,885
Trade and other receivables		**150,827**	114,604
Inventories		**159,783**	146,632
Other current financial assets		**1,655**	487
Prepayments		**16,097**	7,400
TOTAL CURRENT ASSETS		**370,883**	321,008
NON-CURRENT ASSETS			
Trade and other receivables		**2,540**	905
Prepayments		**3,435**	5,289
Property, plant and equipment		**636,796**	582,723
Investments in associates and joint ventures		**18,287**	16,039
Intangible assets	3.1	**510,996**	417,944
Deferred tax assets		**28,203**	29,130
TOTAL NON-CURRENT ASSETS		**1,200,257**	1,052,030
TOTAL ASSETS		**1,571,140**	1,373,038
CURRENT LIABILITIES			
Trade and other payables		**328,903**	314,176
Employee benefits provisions		**32,373**	30,129
Other provisions		**4,601**	6,111
Other current financial liabilities		**1,019**	2,396
TOTAL CURRENT LIABILITIES		**366,896**	352,812
NON-CURRENT LIABILITIES			
Trade and other payables		**11,436**	5,392
Employee benefits provisions		**8,075**	8,293
Other provisions		**23,479**	22,532
Interest-bearing loans and borrowings		**705,462**	561,440
Other non-current financial liabilities		**2,004**	3,481
Deferred tax liabilities		**50,415**	49,894
TOTAL NON-CURRENT LIABILITIES		**800,871**	651,032
TOTAL LIABILITIES		**1,167,767**	1,003,844
NET ASSETS		**403,373**	369,194
EQUITY			
Contributed equity	4.2	**1,517,097**	1,502,097
Reserves		**(901,784)**	(903,361)
Retained earnings		**(211,940)**	(229,542)
TOTAL EQUITY		**403,373**	369,194

The Consolidated Statement of Financial Position should be read in conjunction with the accompanying notes.

Consolidated Statement of Changes in Equity
For the period ended 31 December 2016

	Attributable to equity holders of the Parent entity								
$'000	Contributed equity	Common control reserve	Cash flow hedge reserve	Foreign currency translation reserve	Share based payments reserve	Retained Earnings	Total	Non-controlling interest	Total equity
Half-Year ended 31 December 2016									
As at 1 July 2016	**1,502,097**	**(928,385)**	**(2,498)**	**27,200**	**322**	**(229,542)**	**369,194**	**-**	**369,194**
Profit / (Loss) for the period	**-**	**-**	**-**	**-**	**-**	**50,246**	**50,246**	**-**	**50,246**
Other comprehensive income (loss)	**-**	**-**	**679**	**509**	**-**	**-**	**1,188**	**-**	**1,188**
Total comprehensive income	**-**	**-**	**679**	**509**	**-**	**50,246**	**51,434**	**-**	**51,434**
Shares issued as consideration for business acquisitions	**15,000**	**-**	**-**	**-**	**-**	**-**	**15,000**	**-**	**15,000**
Dividends paid	**-**	**-**	**-**	**-**	**-**	**(32,644)**	**(32,644)**	**-**	**(32,644)**
Share based payments expense	**-**	**-**	**-**	**-**	**389**	**-**	**389**	**-**	**389**
Transactions with owners in their capacity as owners	**15,000**	**-**	**-**	**-**	**389**	**(32,644)**	**(17,255)**	**-**	**(17,255)**
Balance as at 31 December 2016	**1,517,097**	**(928,385)**	**(1,819)**	**27,709**	**711**	**(211,940)**	**403,373**	**-**	**403,373**
Half-Year ended 31 December 2015									
As at 1 July 2015	1,491,497	(928,385)	(1,790)	20,394	-	(255,157)	326,559	310	326,869
Profit / (Loss) for the period	-	-	-	-	-	41,857	41,857	(7)	41,850
Other comprehensive income (loss)	-	-	(538)	5,974	-	-	5,436	-	5,436
Total comprehensive income	-	-	(538)	5,974	-	41,857	47,293	(7)	47,286
Acquisition of non-controlling interests	-	-	-	-	-	(327)	(327)	-	(327)
Dividends paid	-	-	-	-	-	(29,456)	(29,456)	(303)	(29,759)
Transactions with owners in their capacity as owners	-	-	-	-	-	(29,783)	(29,783)	(303)	(30,086)
Balance as at 31 December 2015	1,491,497	(928,385)	(2,328)	26,368	-	(243,083)	344,069	-	344,069

The above Consolidated Statement of Changes in Equity should be read in conjunction with the accompanying notes.

Consolidated Statement of Cash Flows
For the period ended 31 December 2016

$'000	Notes	Dec 2016	Dec 2015
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers		**224,087**	272,920
Receipts from securitisation program		**553,240**	464,473
Payments to suppliers and employees		**(724,039)**	(686,743)
Income tax paid		**(16,848)**	(18,293)
Interest received		**59**	67
Proceeds from securitisation of trade debtors		**4,338**	6,146
Borrowing, trade debtor securitisation and other finance costs paid		**(15,647)**	(16,797)
Net cash flows provided by operating activities		**25,190**	21,773
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for property, plant and equipment		**(50,599)**	(28,943)
Purchase of businesses and subsidiaries, net of cash acquired	2.1	**(94,163)**	(79,868)
Proceeds from sale of property, plant and equipment		**188**	1,451
Sundry items		**142**	(4,496)
Net cash flows used in investing activities		**(144,432)**	(111,856)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from borrowings		**386,181**	222,000
Repayment of borrowings		**(243,621)**	(103,000)
Payment of dividend		**(32,644)**	(29,456)
Payment of dividend to non-controlling interest		**-**	(303)
Net cash flows provided by financing activities		**109,916**	89,241
Net decrease in cash and cash equivalents		**(9,326)**	(842)
Cash and cash equivalents at the beginning of the period		**51,885**	32,612
Effect of exchange rate changes on cash and cash equivalents		**(38)**	920
Cash and cash equivalents at the end of the period		**42,521**	32,690

The Consolidated Statement of Cash Flows should be read in conjunction with the accompanying notes.

Section 1 – Our Performance

1.1 GROUP RESULTS

Sales revenue

$'000	Dec 2016	Dec 2015
Pact Australia	**543,008**	508,983
Pact International	**184,378**	179,219
TOTAL	**727,386**	**688,202**

Pact's chief operating decision maker is the Managing Director and Chief Executive Officer (CEO). The CEO monitors results by reviewing two reportable segments, Pact Australia (PA) and Pact International (PI), focusing on reported EBIT (earnings before finance costs and loss on de-recognition of financial assets, net of interest income, tax and significant items). As required by AASB 8: *Operating Segments*, the results above have been reported on a consistent basis to that supplied to the CEO.

Reportable segments	Countries of Operation	Products/services
• Pact Australia	• Australia	• Manufacture and supply of rigid plastic and metal packaging and associated services
• Pact International	• New Zealand • China • Indonesia • Philippines • Singapore	• Contract manufacturing and packing services (Pact Australia only) • Manufacture and supply of materials handling products and associated services • Recycling and sustainability services

EBIT

$'000	Dec 2016	Dec 2015
Pact Australia	**53,261**	44,877
Pact International	**36,890**	35,126
EBIT before significant items	**90,151**	**80,003**

Net profit after tax

The reconciliation of EBIT before significant items shown above and the net profit after tax disclosed in the Consolidated Statement of Comprehensive Income is as follows:

$'000	Dec 2016	Dec 2015
EBIT before significant items (Pact Australia + Pact International)	**90,151**	80,003
Significant items		
Acquisition costs(1)	**(977)**	(1,389)
Business Reorganisation Program(2)		
• restructuring costs	**(1,986)**	(2,628)
• asset write downs	**-**	(1,381)
Total significant items	**(2,963)**	(5,398)
EBIT after significant items	**87,188**	74,605
Finance costs and loss on derecognition of financial assets(3)	**(15,625)**	(15,473)
Net profit before tax	**71,563**	59,132
Income tax expense	**(21,317)**	(17,282)
Net profit after tax	**50,246**	41,850

(1) Acquisition costs include stamp duty, professional fees and all other costs associated with both potential and completed business acquisitions.
(2) The business reorganisation program relates to the optimisation of business facilities across the Group as announced in a prior period.
(3) Net finance costs includes Interest income of $287,000 (Dec 2015: $67,000).

1.2 OTHER (LOSSES) / GAINS

The amounts disclosed in the table below are the amounts recognised in the Statement of Comprehensive Income:

$'000	Dec 2016	Dec 2015
Total Significant items	**(2,963)**	(5,398)
Other gains		
Unrealised gains / (losses) on revaluation of foreign exchange forward contracts	**91**	(63)
Realised net foreign exchange gains	**94**	412
Gain on sale of property, plant and equipment	**85**	424
Total other gains	**270**	773
Total other losses	**(2,693)**	(4,625)

1.3 DIVIDENDS

$'000	Dec 2016	Dec 2015
Dividends paid during the financial period	**32,644**	29,456

Dividends not recognised at 31 December 2016

Since the end of the period the directors have determined payment of a 65% franked interim dividend of 11.5 cents per ordinary share (Dec 2015: 10.0 cents). The interim dividend is expected to be paid on 5 April 2017		
Based on the number of shares on issue at reporting date, the aggregate amount of the proposed dividend would be:	**34,412**	29,456

There is a dividend reinvestment plan (DRP), however, the Directors have determined not to activate the DRP at this time.

Section 2 – Our Operational Footprint

2.1 BUSINESSES ACQUIRED

Period ended 31 December 2016 acquisitions:

$'000	Fruit Case Company(1)	Australian Pharmaceutical Manufacturers(2)	Total
Consideration paid	**17,056**	**87,891**	**104,947**
Comprising of:			
● Cash consideration paid(3)	14,673	72,427	87,100
● Contingent consideration	2,383	-	2,383
● Deferred settlement	-	464	464
● Shares issued as consideration	-	15,000	15,000
Fair value of identifiable net assets	**3,281**	**11,277**	**14,558**
● Assets			
▫ Cash(3)	-	61	61
▫ Trade and other receivables	8,712	8,271	16,983
▫ Inventory	-	5,246	5,246
▫ Property, plant & equipment	8,531	7,181	15,712
▫ Other assets	-	10	10
● Liabilities			
▫ Trade payables and other provisions	(13,729)	(9,113)	(22,842)
▫ Employee benefits provisions	(233)	(379)	(612)
Goodwill arising on acquisition	**13,775**	**76,614**	**90,389**

(1) On 1 July 2016 the Group purchased the assets, brands and trademarks of the Fruit Case Company (FCC), for a provisional consideration of $17.1 million. FCC is a crate pooling and hire business in New Zealand.

The acquisition aligns with the Group's strategic intent to expand within the materials handling sector.

Provisional goodwill of $13.8 million has arisen as a result of the purchase consideration exceeding the fair value of identifiable net assets acquired, and represents the provisional value attributed to established networks and strong long term relationships that FCC currently enjoys with growers and retailers. Goodwill is allocated to the Pact International reportable segment. This goodwill will not be deductible for tax purposes.

The fair value of FCC's trade and other receivables acquired amounted to $8.7 million and it is expected that the stated fair value amount will be collected.

From the date of acquisition to 31 December 2016 FCC contributed $6.8 million of revenue and $1.4 million to net profit before tax of the Group.

(2) On 16 September 2016 the Group purchased 100% of the issued capital of Australian Pharmaceutical Manufacturers Pty Ltd (APM) for a provisional consideration of $87.9 million, consisting of a $72.4 million cash payment, deferred consideration of $0.5 million and the issue of $15.0 million shares in the Company. APM is one of the largest providers of manufacturing and packaging services for nutraceuticals in Australia and has established, long term relationships with leading participants in the health and wellness sector. The acquisition is a further step in the Group's strategy to expand in specialised contract manufacturing.

Provisional goodwill of $76.6 million has been recognised as a result of the purchase consideration exceeding the fair value of the identifiable net assets acquired. Goodwill is allocated to the Pact Australia reportable segment. This goodwill will not be deductible for tax purposes. The assessment of separately identifiable intangible assets is ongoing and is expected to be completed by 30 June 2017.

The fair value of APM's trade and other receivables acquired amounted to $8.3 million. It is expected that the stated fair value amount will be collected.

From the date of acquisition to 31 December 2016 APM contributed $12.2 million of revenue and $1.5 million to the net profit before tax of the Group. If the combination had taken place at 1 July 2016, contributions to revenue for the period ended 31 December 2016 would have been $11.5 million higher and the contribution to profit before tax for the Group would have been $2.0 million higher.

(3) The difference between this balance and amounts recorded in the Consolidated Statement of Cash Flows is: the net cash acquired as part of the transaction; and in the current period an additional $7.1 million consideration paid for the purchase of property associated with the Power Plastics Pty Ltd acquisition following the completion of key conditions in the related Property Sale Agreement.

2.2 ASSOCIATES AND JOINT VENTURES

At 31 December 2016 the Group held the following investments in associates:

Name of associate	Pact's ownership interest
Changzhou Viscount Oriental Mould Co Ltd	**40%**
Spraypac Products (NZ) Ltd	**50%**
Weener Plastop Asia Inc	**50%**
Gempack Asia Ltd	**50%**

There have been no material changes in Investments in Associates in the six months ended 31 December 2016. The results of the above operations are not material to the Group.

Section 3 – Intangible Assets

3.1 INTANGIBLE ASSETS

Intangible assets are comprised of the following:

$'000	Other intangibles	Goodwill	Total
Half year ended 31 December 2016			
At 1 July 2016 net of accumulated amortisation and impairment	**2,472**	**415,472**	**417,944**
Goodwill arising on acquisition[1]	**-**	**91,602**	**91,602**
Foreign exchange translation movements	**2**	**1,650**	**1,652**
Amortisation	**(202)**	**-**	**(202)**
At 31 December 2016 net of accumulated amortisation and impairment [2]	**2,272**	**508,724**	**510,996**
Represented by:			
At cost	**4,137**	**508,724**	**512,861**
Accumulated amortisation and impairment	**(1,865)**	**-**	**(1,865)**

[1] An additional $1.2m goodwill has been recognised in the period on completion of the Power Plastics Pty Ltd acquisition.
[2] There are $nil impairment charges against the goodwill balance at 31 December 2016 (Dec 2015: $nil).

$'000	Other Intangibles	Goodwill	Total
Year ended 30 June 2016			
At 1 July 2015 net of accumulated amortisation and impairment	2,849	337,220	340,069
Additions	19	-	19
Intangible asset arising on acquisition	-	67,620	67,620
Foreign exchange translation movements	35	10,632	10,667
Amortisation	(431)	-	(431)
At 30 June 2016 net of accumulated amortisation and impairment [3]	**2,472**	**415,472**	**417,944**
Represented by:			
At cost	4,125	415,472	419,597
Accumulated amortisation and impairment	(1,653)	-	(1,653)

$'000	Dec 2016	June 2016
Goodwill allocated to the following group of CGU's and segments[3]:		
• Pact Australia	**297,836**	219,967
• Pact International	**210,888**	195,505

[3] This is the lowest level where goodwill is monitored.

Section 4 – Capital Structure

4.1 NET DEBT

Debt profile

Pact has the following non-current interest bearing loans and borrowings at 31 December:

$'000	Dec 2016	June 2016
Syndicated Facility Agreements[1]	**708,304**	564,240
Capitalised borrowing costs	**(2,842)**	(2,800)
Total non-current interest bearing loans and borrowings	**705,462**	561,440

[1] The Group has several term loan debt facilities and a working capital facility, with total commitments of $937.5 million. The working capital facility has an annual review. The term loan debt facilities include a $381.6 million loan facility maturing in July 2018, a $384.2 million loan facility maturing in July 2020, and a $150.0 million loan facility maturing in October 2021.

The Group uses interest rate swaps to manage interest rate risk.

(a) Fair values

All loans and borrowings are initially recognised at the fair value of the consideration received less directly attributable transaction costs.

Fair values of the Group's interest-bearing loans and borrowings are determined by using a discounted cash flow method, applying a discount rate that reflects the issuer's borrowing rate at the end of the reporting period. As the underlying debt has a floating interest rate (excluding the impact of the separate interest rate swaps), the Group's own performance risk at 31 December 2016 was assessed to be insignificant.

The computation of the fair value of borrowings is derived using significant observable inputs (Fair Value Hierarchy Level 2).

The carrying amount and fair value of the Group's non-current borrowings are as follows:

	31 December 2016 $'000's		30 June 2016 $'000's	
	Carrying Value	Fair Value	Carrying Value	Fair Value[2]
Syndicated Facility Agreements	**708,304**	**708,304**	564,240	564,240
Total borrowings	**708,304**	**708,304**	**564,240**	**564,240**

(b) Defaults and breaches

During the current period, there were no defaults or breaches on any of the loan terms and conditions.

(c) Finance costs

Pact has incurred the following finance costs during the period ended 31 December:

$'000	Dec 2016	Dec 2015
Interest on Syndicated Facility Agreement	**11,766**	12,131
Borrowing costs amortisation	**733**	716
Amortisation of Securitisation Program costs	**232**	286
Interest rate swaps	**1,265**	809
Sundry items	**390**	179
Total finance costs	**14,386**	14,121
Loss on de-recognition of financial assets	**1,526**	1,419
Total finance costs & loss on de-recognition of financial assets	**15,912**	15,540

Finance costs are recognised as an expense when incurred.

4.2 CONTRIBUTED EQUITY

Terms, conditions and movements in contributed equity

Ordinary shares are classified as equity. Ordinary shares entitle the holder to participate in dividends and the proceeds on winding up of the Company in proportion to the number of shares held.

	Dec 2016		June 2016	
	Number of shares	$'000's	Number of shares	$'000's
Movements in contributed equity				
Ordinary shares:				
Beginning of the year	**296,760,880**	**1,502,097**	294,555,855	1,491,497
Issued during the period[1]	**2,473,206**	**15,000**	2,205,025	10,600
End of the period	**299,234,086**	**1,517,097**	296,760,880	1,502,097

(1) Shares issued during the period include:

- On 16 September 2016, 2,473,206 shares in the Company were issued as part of the acquisition of Australian Pharmaceutical Manufacturers Pty Ltd (refer Note 2.1), 1,236,603 shares are subject to voluntary escrow for 12 months and will be released from escrow on 16 September 2017. The remaining 1,236,603 shares are subject to voluntary escrow for 24 months and will be released from escrow on 16 September 2018.

- Details of the movement in shares issued during the comparative period are disclosed in the 30 June 2016 Group financial statements.

Section 5 – Other Disclosures

5.1 BASIS OF PREPARATION

Basis of preparation and compliance

This Consolidated Half-Year Financial Report:

- Comprises the financial statements of Pact Group Holdings Ltd, being the ultimate parent entity, and its controlled entities.
- Is a general purpose financial report.
- Has been prepared in accordance and complies with the requirements of the *Corporations Act 2001* and Australian Accounting Standard 134: *Interim Financial Reporting*.
- Has the same accounting policies and methods of computation as were applied in the most recent annual financial statements.
- For foreign entities International Financial Reporting Standards are used in compiling this report.

The Group is a for-profit entity for financial reporting purposes under Australian Accounting Standards.

New Accounting Standards and Interpretations

New Standards, Interpretations or Amendments	Pact financial year that it is effective if not early adopted	Impact on Pact financial results
AASB 2015-2: *Amendments to Australian Accounting Standards – Disclosure Initiative: Amendments to AASB 101*	1 July 2016	No material impact

5.2 SHARE BASED PAYMENTS

Long Term Incentive Plan (LTIP)

A LTIP was introduced in 2016 as a component of the CEO's remuneration. The CEO is the sole participant in the LTIP and is entitled to performance rights equal to 100% of annual base salary with a vesting period of three years. The 2016 LTIP scheme commenced on 1 December 2015. Details of the 2016 LTIP can be found in the Remuneration Report on page 29 of the 2016 Annual Report.

At the Annual General Meeting on 16 November 2016, a resolution was approved for a grant of 192,376 performance rights to the CEO as part of the 2017 LTIP scheme. These rights were independently valued to establish the fair value in accordance with AASB 2: *Share Based Payments*. The fair value of each right at the valuation date of 16 November 2016 is $3.54.

A total share based payment expense of $223,000 (Dec 2015: nil) has been recognised in the current period in relation to both the 2016 LTIP and 2017 LTIP schemes.

The key assumptions in the independent valuation in relation to 2017 LTIP were as follows:

Share price at valuation date	**$6.01**
Annualised volatility	**25.0%**
Annual dividend yield	**4.5%**
Risk free rate	**1.8%**
Expected life of performance right	**36 months**
Model used	**Monte Carlo Simulation Model**

Initial Share Grant

At the Annual General Meeting on 16 November 2016, a resolution was approved for a grant of 209,205 performance rights in relation to the initial share grant of a $1 million in shares to the CEO. The shares are to be issued in equal proportions at the conclusion of each anniversary from 1 December 2015 for the first three years of employment. These shares are subject to escrow until 1 December 2018. Should the CEO cease employment before 1 December 2018 these shares will be forfeited.

The share based payments expense in relation to the initial share grant recognised in the current period was $166,000 (Dec 2015: nil).

5.3 RELATED PARTY DISCLOSURES

The following table provides the total amount of transactions with related parties for the period ended 31 December 2016:

$'000's		Sales to related parties	Purchases from related parties	Other (income) / expense with related parties	Amounts (owed to) / receivable from related parties
Related parties – director's interests[(1)]					
	2016	**6,026**	**9,592**	**263**	**(505)**
	2015	5,029	8,900	159	(737)

(1) Related parties – director's interests includes the following group of entities: P'Auer Pty Ltd, Pro-Pac Packaging Limited, Centralbridge Pty Ltd (as trustee for the Centralbridge Unit Trust), Centralbridge Two Pty Ltd, Centralbridge (NZ) Limited, Albury Property Holdings Pty Ltd and Green's General Foods Pty Ltd.

P'Auer Pty Ltd (P'Auer)

P'Auer, an entity controlled by Mr Raphael Geminder (the Non-Executive Chairman of Pact), has a supply agreement to provide label products to Pact. Pact has a Transitional Services and Support Agreement with P'Auer to provide support services. Agreements are on arm's length terms. In addition, P'Auer provides Pact with periodic warehousing services.

Pro-Pac Packaging Limited (Pro-Pac)

Pro-Pac, an entity for which Mr Raphael Geminder owns approximately 49%, is an exclusive supplier of certain raw materials such as flexible film packaging, flexible plastic bags and tapes to Pact. The agreement is currently being renewed and is expected to be finalised early in 2017. Total fees under this arrangement are approximately $2.4 million for the six months ended 31 December 2016 (Dec 2015: $2.5 million). The supply arrangement is at arm's length terms.

Terms and conditions of property leases with related parties

The Group leased 16 properties (13 in Australia and 3 in New Zealand) from Centralbridge Pty Ltd (as trustee for the Centralbridge Unit Trust), Centralbridge Two Pty Ltd, Centralbridge (NZ) Limited and Albury Property Holdings Pty Ltd ("Centralbridge Entities"), which are each controlled by entities associated with Mr Raphael Geminder and are therefore related parties of the Group ("Centralbridge Leases"). The aggregate annual rent payable by Pact under the Centralbridge Leases for the period ended 31 December 2016 was $3.4 million (Dec 2015: $3.3 million). The rent payable under these leases was determined based on independent valuations and market conditions at the time the leases were entered into.
Of the Centralbridge Leases in Australia:

- seven of the leases contain early termination rights in favour of the landlord to terminate the lease at the expiry of the 6th and 9th term;
- two of the leases contain early termination rights in favour of the landlord to terminate the lease at the expiry of the 8th term; and
- two of the leases do not contain standard default provisions which give the landlord the right to terminate the lease in the event of default.

Except as set out above, the Centralbridge Leases in Australia are on arm's length terms.

Of the Centralbridge Leases in New Zealand, three of the leases contain early termination rights in favour of the landlord to terminate the lease at the expiry of the 6th and 9th term. With the exception of the early termination rights, the Centralbridge Leases in New Zealand are on arm's length terms.

Terms and conditions of transactions with related parties

The purchases from and sales to related parties are made on terms equivalent to those that prevail in arm's length transactions, except as detailed above. Outstanding balances at the end of the period are unsecured and interest free and settlement occurs in cash. There have been no guarantees provided or received for any related party receivables or payables. For the period ended 31 December 2016, the Group has not recorded any impairment of receivables relating to amounts owed by related parties (Dec 2015: nil).

5.4 SEGMENT ASSETS AND SEGMENT LIABILITIES

Segment Assets

$'000	Dec 2016	Jun 2016
Pact Australia	**1,063,193**	905,714
Pact International	**507,947**	467,324
Total Segment Assets	**1,571,140**	**1,373,038**

Segment Liabilities

$'000	Dec 2016	Jun 2016
Pact Australia	856,554	750,079
Pact International	311,213	253,765
Total Segment Liabilities	**1,167,767**	**1,003,844**

5.5 CONTINGENCIES

Contingencies

The Group is not party to any legal proceedings that are expected, individually or in the aggregate, to have a material adverse effect on its business, financial position or operating results.

5.6 SUBSEQUENT EVENTS

On 21 February, 2017 the Company entered into an agreement to acquire specialty contract manufacturer, Pascoe's Group (Pascoe's), for cash consideration of $41 million. In addition, the agreement contains an earn-out arrangement payable on the delivery of specific financial hurdles for the calendar year ended 31 December, 2017. Completion is expected to occur on 28th February, 2017, subject to customary conditions.

There have been no other material matters or circumstances which have arisen between 31 December 2016 and the date of this report that have significantly affected or may significantly affect the operations of the Group, the results of those operations and the state of affairs of the Group in subsequent financial periods.

Directors' Declaration

In the Directors' opinion:

1. The half-year consolidated financial statements and notes are in accordance with the *Corporations Act 2001* including:

   (a) giving a true and fair view of the Group's financial position as at 31 December 2016 and of its performance for the half-year ended on that date;

   (b) complying with Australian Accounting Standards AASB 134: *Interim Financial Reporting* and the *Corporations Regulations 2001*.

2. There are reasonable grounds to believe that Pact Group Holdings Ltd will be able to pay its debts as and when they become due and payable.

This Declaration is made in accordance with a resolution of the Directors.

………………………………….	………………………..….
Raphael Geminder	Malcolm Bundey
Chairman	Managing Director and Chief Executive Officer

Dated 22 February 2017

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To the members of Pact Group Holdings Ltd

Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of Pact Group Holdings Ltd, which comprises the condensed statement of financial position as at 31 December 2016, the condensed statement of comprehensive income, condensed statement of changes in equity and condensed statement of cash flows for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the half-year end or from time to time during the half-year.

Directors' Responsibility for the Half-Year Financial Report

The directors of the company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal controls as the directors determine are necessary to enable the preparation of the half-year financial report that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the consolidated entity's financial position as at 31 December 2016 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of Pact Group Holdings Ltd and the entities it controlled during the half-year, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*. We have given to the directors of the company a written Auditor's Independence Declaration, a copy of which is included in the Directors' Report.

Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Pact Group Holdings Ltd is not in accordance with the *Corporations Act 2001*, including:

(a) giving a true and fair view of the consolidated entity's financial position as at 31 December 2016 and of its performance for the half-year ended on that date; and

(b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Ernst & Young

Ernst & Young

Glenn Carmody
Partner

Melbourne
22 February 2017

DIRECTORS' REPORT

The Directors present their report on the consolidated entity consisting of Pact Group Holdings Ltd ("Pact" or the "Company") and the entities it controlled at the end of, or during, the half-year ended 31 December 2016 (the "Group").

DIRECTORS

The following persons were Directors of the Company from the start of the half-year and up to the date of this report, unless otherwise stated:

Non-Executive

Raphael Geminder – Chairman

Lyndsey Cattermole AM

Peter Margin

Jonathan Ling

Ray Horsburgh AM

Executive

Malcolm Bundey – Managing Director and Chief Executive Officer

PRINCIPAL ACTIVITIES

The Group's principal activities relate to the manufacture and supply of rigid plastic and metal packaging and associated services, contract manufacturing and packing services, manufacture and supply of materials handling products and associated services and recycling and sustainability services. The Group supports a diverse customer base operating in sectors including: food and beverage, personal care, household consumer, industrial and chemical, materials handling and infrastructure.

REVIEW OF OPERATIONS & FINANCIAL PERFORMANCE

A review of the operations of the Group during the half-year and the results of those operations is contained in the ASX announcement on 22 February 2017.

DIVIDENDS

The Directors have determined to pay an interim dividend of 11.5 cents per ordinary share partially franked to 65%. This is 15.0% higher than the interim dividend of 10.0 cents paid in FY2016.

The dividend is payable on 5 April 2017. The record date for entitlement to the dividend is 3 March 2017.

A 2016 final dividend of 11.0 cents per ordinary share franked to 65% per ordinary share was paid by the Company on 6 October 2016.

AUDITOR'S INDEPENDENCE DECLARATION

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out at page 20.

ROUNDING

Is presented in Australian dollars with all values rounded to the nearest $1,000, unless otherwise stated, in accordance with the *ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191*.

Signed in accordance with a resolution of the Board of Directors.

Raphael Geminder
Chairman

Malcolm Bundey
Managing Director and Chief Executive Officer

Dated: 22 February 2017

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Auditor's Independence Declaration to the Directors of Pact Group Holdings Ltd

As lead auditor for the review of Pact Group Holdings Ltd for the half-year ended 31 December 2016, I declare to the best of my knowledge and belief, there have been:

(a) no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and

(b) no contraventions of any applicable code of professional conduct in relation to the review.

This declaration is in respect of Pact Group Holdings Ltd and the entities it controlled during the financial period.

Ernst & Young

Ernst & Young

Glenn Carmody
Partner

Melbourne
22 February 2017