



In Everything You Do

INTERIM REPORT 2004

Chairman's Report

FRED HOLLAND



you need Nuplex

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The Directors are pleased to announce an unaudited consolidated net surplus for the 6 months ended 31 December 2004 of \$16.2 million (\$15.5 million), 5% ahead of last year. This was achieved through reduced interest at \$5.6 million (\$6.8 million), lower depreciation at \$6.1 million (\$6.8 million) and no abnormals (\$0.5 million gain) and represents an excellent result during a period of massive global raw material cost increases of a magnitude not seen for 30 years.

Revenue of \$344 million (\$329 million) was 5% ahead of last year reflecting higher average selling prices in the dominant Resin and Specialty Products divisions. EBITDA was \$36.8 million (\$37.0 million) and was impacted by an unfavourable translation of our Australian and Vietnam earnings into the strengthened NZ currency of \$1.4 million.

The result was substantially assisted by a 50% growth in EBITDA contribution from the smaller businesses, Construction Products and Environmental Services. Construction Products benefited from market share gains in New Zealand and a move into profit in Australia. Environmental Services recovered market share in the New Zealand liquid waste business and benefited from technology upgrades at the Melbourne operation.

Demand for the company's Resins and Specialty Products materials in New Zealand and Australia was much on line with the same period last year. Some sales were lost through raw material shortages as world demand outstripped supply and margins were reduced in some segments.

Sales volume in Vietnam grew 20% while our initial investment in China, although operating at a loss, achieved our expectations.

A surge in raw material costs towards the end of the period has seen a substantial increase in working capital requirements although this has been somewhat offset with capital expenditure running well below our anticipated level.

Cash reserves have increased due to the requirement to raise capital for the acquisition of the Coatings Resins business of Akzo Nobel. The initial part of this transaction was settled on 31 December 2004 with additional amounts to be paid after balance date. Directors were pleased with the support from institutional and private shareholders enabling the Group to raise \$71 million in a very timely and cost effective manner.

A dividend of 12.0 cents per share (11.5) has been declared and is payable on April 1, 2005.

The dividend will absorb \$9.2 million or 57% of the period's net surplus and carry 100% imputation and franking credits.

Looking ahead, there are signs that demand has softened in some areas in Australia and New Zealand. We also expect some major raw materials will continue to rise in price before softening later this calendar year. The emphasis will continue to be on working capital control and cost recovery. Market behaviour will largely determine our success in achieving higher prices.

The full year result will benefit from the global coating resin business acquired from Akzo Nobel at the beginning of January 2005. It is expected that this business will meet our financial expectations in this period. However, we have experienced soft trading in New Zealand and Australia at the start of the second half and with this in mind we now expect a full year net surplus in the range \$32-\$35 million. With strong cash flow, Directors expect to be able to at least maintain dividends at 2004 levels.

Fred Holland
Chairman

25 February, 2005

Managing Director's Report

JOHN HIRST



Resins

Year on year performance of traditional businesses was unchanged prior to the impact of exchange rate translation and first year losses from the China operation. These resulted in sales being up 1% and EBITDA down by 6%. This represents a good result in a very difficult market. Overall demand remained largely in line with the prior year except in Asia where we continue to experience growth.

The feature of this period is undoubtedly both the availability and cost of raw materials. These price increases resulted in raw material costs being between 10% and 40% higher than the prior period, dependant upon the product. While individual raw materials have had a history of major pricing fluctuations, it is necessary to go back to the early 1970's to experience the magnitude that we have had this past quarter. Strong local currencies have offset some of these increases in Australasian markets.

It was particularly pleasing that the majority of business units were able to largely recover the higher costs. Some segments proved more difficult than others, the paper resins an example. Pressures on their customers from imports due largely to strong domestic currencies and a highly competitive selling environment, combined to make recovery extremely difficult. Technology changes also had an unsettling effect on the market although we continue to be well equipped to deal with these. Timing of material price rises also had a major impact on competitiveness, particularly against imported finished products.

The move to rationalise manufacturing sites continued with the closure of Campbellfield, Victoria following the commissioning of additional capacity at Wangaratta. Construction of a new large reactor for the Vietnam plant has commenced as we ensure that we have capacity in place to meet the future demands of that market. Work also commenced on a large dangerous goods warehouse in Auckland. Expenditure on compliance in traditional businesses is falling as most historical issues are resolved.

Asian operations performed well. Vietnam volumes grew 19% while the new China acquisition slowly built third party sales and had its quality and technology qualified so that we can look forward to an increasing level of future sales. The business registered a loss in this period but this was less than had been anticipated. The plant is being refurbished to improve efficiency while expenditure on maintenance and modifications has been necessary to meet our standards of housekeeping, safety, health and environmental protection. When completed, the operation will be capable of producing a broader range of Nuplex resins, and capacity will have been increased.

There are indications of a softening of demand in some market segments, particularly in Australia which is leading to destocking. We anticipate volumes in the second half of this financial year to be lower in those segments. Raw material costs will remain high on average and management will maintain the focus on full recovery. Asian demand remains high and the

addition of the Coating Resins business acquired from Akzo Nobel, provides the benefit of a broader market exposure, increased technology opportunities, and is expected to deliver both growth and some counter cyclical effect.

Specialty Products

Sales increased by 10% over the prior period reflecting the impact of increased material costs, and the addition of CDC and Megachem to the business unit. Headline EBITDA reduced by 15%. However, after considering the translation differences, a positive write back of an accrual in last year's accounts, and higher equity earnings this year, the results were similar.

Resale distribution segments had strong demand and the business dealt well with both rising costs and shortages of products derived from petrochemicals. It delivered an improved result in spite of these difficulties and continues to see growth through the addition of new agencies and product lines. Both New Zealand and Australia businesses delivered similar performance.

Our manufactured product segment suffered from high input costs, strong Australian currency, and a highly competitive market. Raw material costs increased substantially. The relative strength of the currency against the US dollar favoured import competition which had already enjoyed price advantage through a lag effect during a period of rapidly rising raw material costs. Exports were similarly affected with some sales lost through

an inability to compete on price, and remaining margins were significantly reduced.

Operational costs were higher than anticipated. Megachem proved more difficult to integrate than expected but this was largely achieved by year end. Absenteeism on the major site lead to a demand for temporary staff and added substantially to unit cost. Plans are well advanced to improve the profitability of the manufactured product segment.

Construction Products

A strong performance from this operating division with sales up by 4% and EBITDA ahead by 51% through excellent cost control and elimination of less profitable activities.

Functional flooring sales were strong. In particular, the New Zealand primary producer and institutional segments showed firm demand while the burgeoning wine business has developed expanded market for our durable hygiene systems. New bacterial and fungal inhibited flooring materials enjoyed good market acceptance. The Australian business recovered and with Architectural Terrazite® now becoming more widely recognised as the premium flooring for shopping centres, growth is expected to continue.

Insulclad®, Thermoclad® and our other exterior plaster products provided an excellent performance in spite of difficulties in New Zealand with skilled labour shortages, building permits slowing, and hangover from the leaky

building problem. Market share growth was achieved as this business continued to demonstrate leadership in design, systems, materials and quality. The Australian operation moved into profit as our system continues to gain recognition as a viable alternative to traditional cladding materials in that market.

The partnership between Nuplex and its committed team of Contractors differentiated this business and provides specifiers and consumers with assurance of a quality result.

The outlook remains positive with an expectation that the balance of the year will see steady demand.

Environmental Services

Sales grew by 29% and EBITDA by 53% as this business continued the turnaround from its troubled 2003 performance.

Medismart enjoyed a better than expected period and grew business in the specialty Sharpsmart segment. The Christchurch incinerator was decommissioned and replaced with environmentally friendly steam sterilisation within the timeframe required by our operating licence.

Both New Zealand and Australian industrial waste operations showed substantial improvement. UEL gained its Licence Consent and grew volumes as a result. This has impacted operational efficiencies while a shortage of labour is also having an effect. A new processing plant is under construction which should

alleviate these issues when completed. The Australian business successfully focused on recovery of costs from ever increasing landfill fees and gaining efficiencies through optimising the performance of the sludge drier.

A reasonable level of industrial activity and continuing focus on cost management is anticipated to produce a strong result for the balance of this financial year.

Summary

Management is proud of the result they have delivered in this period. Looking forward, demand is expected to be lower in some major market segments while there will remain pressures from high raw material costs. It will be a difficult market and expectations are that performance of traditional businesses will not meet first half levels in the second half. Trading conditions for the following financial year in these segments are expected to reflect more traditional returns. The new Coating Resins business however will make a very positive contribution to the group result.

Auditors' Review Report



To the shareholders of Nuplex Industries Limited

We have reviewed the financial statements on pages 5 to 11 in accordance with the Review Engagement Standards issued by the Institute of Chartered Accountants of New Zealand. The financial statements provide information about the financial performance and cash flows of the Group for the six month period ended 31 December 2004 and its financial position as at that date. This information is stated in accordance with the accounting policies set out on page 9.

Directors' responsibilities

The Group's Directors are responsible for the preparation and presentation of financial statements that give a true and fair view of the financial position of the Group as at 31 December 2004 and its financial performance 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 personnel and analytical review procedures applied to the financial data and thus provides less assurance than an audit. We have not performed an audit on the financial statements and, accordingly we do not express an audit opinion.

Our firm has also provided other services to the Group in relation to taxation. We have no other relationship with or interest in the Group other than in our capacity as auditors conducting this review.

Review opinion

Based on our review, nothing has come to our attention that causes us to believe that the financial statements on pages 5 to 11 do not:

- comply with New Zealand generally accepted accounting practice, and;
- give a true and fair view of the financial position of the Group as at 31 December 2004 and the results of its operations and cash flows for the six month period ended on that date.

Our review was completed on 25 February 2005 and our opinion is expressed as at that date.

KPMG
Auckland

Statements of Financial Performance

FOR THE SIX MONTHS ENDED 31 DECEMBER 2004 (Unaudited)

(DOLLARS IN THOUSANDS)	6 months Dec 2004	6 months Dec 2003	12 months June 2004
Sales Revenue	344,249	328,671	654,675
Interest Received	1,357	649	1,356
Equity accounted earnings	790	617	1,084
Other income	212	111	699
Operating Revenue	346,608	330,048	657,814
Depreciation	6,129	6,831	12,846
Goodwill Amortisation	1,606	1,610	3,276
Interest Expense	6,948	7,424	14,481
Abnormal Items	-	(525)	4,145
Other operating expenses	307,689	291,765	581,220
Operating Expenses	322,372	307,105	615,968
Operating Surplus Before Tax Expense	24,236	22,943	41,846
Tax expense	8,007	7,456	13,432
Net Surplus After Tax	16,229	15,487	28,414

Statements of Movements in Equity

FOR THE SIX MONTHS ENDED 31 DECEMBER 2004 (Unaudited)

(DOLLARS IN THOUSANDS)	6 months Dec 2004	6 months Dec 2003	12 months June 2004
Total recognised revenues and expenses			
Net Surplus	16,229	15,487	28,414
Exchange translation difference	(622)	(1,801)	(8,957)
	15,607	13,686	19,457
Contributions from owners			
Dividend Reinvestment Plan	-	2,688	2,688
Shares issued	71,009	-	-
Distributions to owners			
Dividends paid	(8,070)	(6,438)	(13,577)
Movement in minority interests	5,719	-	-
Movements in equity for the period	84,265	9,936	8,568
Equity at the beginning of the period	166,035	157,467	157,467
Equity at the end of the period	250,300	167,403	166,035

Statements of Financial Position

AS AT 31 DECEMBER 2004 (Unaudited)

(DOLLARS IN THOUSANDS)	as at 31 Dec 2004	as at 31 Dec 2003	as at 30 June 2004
Total Equity	250,300	167,403	166,035
Property, plant and equipment	248,757	167,410	164,694
Intangibles	121,522	25,967	23,980
Investments	3,039	3,826	4,118
Receivables	578	625	518
Future income tax benefit	22,319	5,098	7,303
Non-current Assets	396,215	202,926	200,613
Inventories	169,164	93,618	97,267
Receivables	205,379	103,060	106,814
Other	15,858	9,856	14,428
Cash	48,991	37,325	27,098
Current Assets	439,392	243,859	245,607
Total Assets	835,607	446,785	446,220
Borrowings	351,400	190,734	186,934
Provisions	56,538	7,726	7,859
Other	-	169	-
Non-current Liabilities	407,938	198,629	194,793
Borrowings	10,204	-	-
Payables	144,496	72,224	75,321
Provisions	22,669	8,529	10,071
Current Liabilities	177,369	80,753	85,392
Total Liabilities	585,307	279,382	280,185
Total Net Assets	250,300	167,403	166,035

Statements of Cash Flows

FOR THE SIX MONTHS ENDED 31 DECEMBER 2004 (Unaudited)

(DOLLARS IN THOUSANDS)	Notes	6 months Dec 2004	6 months Dec 2003	12 months June 2003
Receipts from Customers		338,257	329,411	642,531
Interest Received		1,357	649	1,356
Payments to Suppliers and Employees		(315,744)	(299,127)	(587,706)
Interest Paid		(6,947)	(7,105)	(14,481)
Dividends Received		1,859	891	891
Income Taxes Paid		(5,962)	(6,581)	(13,883)
Net Operating Cash Flows	2	12,820	18,138	28,708
Disposal of fixed assets		32	355	1,147
Disposal of business assets		-	-	(164)
Acquisition of Fixed Assets		(7,342)	(7,513)	(18,126)
Loans to Associates		123	125	232
Purchases of businesses, net of cash acquired	3	(212,381)	(51)	(3,856)
Net Investing Cash Flows		(219,568)	(7,084)	(20,767)
Proceeds from issue of shares		71,009	-	-
Proceeds from Borrowings		169,015	1,087	5,126
Repayment of Borrowings		(3,242)	-	(3,495)
Dividends Paid		(8,149)	(3,802)	(11,002)
Net Financing Cash Flows		228,633	(2,715)	(9,371)
Increase/(Decrease) in Cash		21,885	8,339	(1,430)
Cash at the beginning of the period		27,098	29,062	29,062
Exchange Rate Adjustment		8	(76)	(534)
Cash at the end of the period		48,991	37,325	27,098
Comprising:				
Cash balances		17,586	13,322	9,247
Cash on call deposit		31,405	24,003	17,851

Segment Analyses

FOR THE SIX MONTHS ENDED 31 DECEMBER 2004 (Unaudited)

(DOLLARS IN THOUSANDS)

INDUSTRY	Resins		Specialty Products		Construction Products		Environmental Services		Total Group	
	2004	2003	2004	2003	2004	2003	2004	2003	2004	2003
	Total Segment Sales	206,865	205,702	103,592	95,055	19,731	18,931	15,403	11,896	
Inter Segment Sales	190	1,268	883	1,442	-	-	269	203		
Group Sales	206,675	204,434	102,709	93,613	19,731	18,931	15,134	11,693	344,249	328,671
EBITDA	24,755	26,355	5,365	6,278	3,052	2,026	3,600	2,358	36,772	37,017
% of sales	12%	13%	5%	7%	15%	11%	23%	20%	11%	11%
Depreciation	4,036	4,553	986	1,147	126	133	981	998	6,129	6,831
Goodwill Amortisation	933	938	-	-	119	118	554	554	1,606	1,610
Interest (Net)									5,591	6,775
Abnormal Items	-	-	-	(311)	-	351	-	(565)	-	(525)
Tax									8,007	7,456
									15,439	14,870
Equity Earnings of Associates	-	-	752	575	-	-	38	42	790	617
Net Surplus									16,229	15,487
Segment Assets	280,331	277,279	118,337	115,253	15,312	17,885	37,037	36,368	451,017	446,785
Coatings Resins										
- assets acquired	384,590	-	-	-	-	-	-	-	384,590	-
Total Assets	664,921	277,279	118,337	115,253	15,312	17,885	37,037	36,368	835,607	446,785

Inter segment pricing is based on market price less a selling and distribution margin in accordance with the Group's Transfer Pricing Policy.

The major products/services from which the above segments derive revenue are:

Resins	Manufacture of synthetic resins in New Zealand, Australia and Asia for regional markets. Distribution of complementary functional materials.
Specialty Products	Manufacture and distribution of a range of functional materials for regional markets.
Construction Products	Manufacture of resin based flooring and building products. Distribution of related agency products and resilient flooring in New Zealand. Manufacture of light-weight plasters in New Zealand and Australia.
Environmental Services	Collection and treatment of liquid, hazardous, medical and quarantine wastes in New Zealand and Australia.

GEOGRAPHIC	New Zealand		Australia		Asia		Europe		Americas		Total Group	
	2004	2003	2004	2003	2004	2003	2004	2003	2004	2003	2004	2003
	Total Segment Sales	83,643	78,376	247,733	245,712	17,264	9,767	-	-	-	-	
Inter Segment Sales	1,832	3,001	2,559	2,183	-	-	-	-	-	-		
Group Sales	81,811	75,375	245,174	243,529	17,264	9,767	-	-	-	-	344,249	328,671
EBITDA	11,149	9,729	24,166	25,345	1,457	1,943	-	-	-	-	36,772	37,017
% of sales	13%	12%	10%	10%	8%	20%	-	-	-	-	11%	11%
Depreciation	1,693	1,910	4,001	4,555	435	366	-	-	-	-	6,129	6,831
Goodwill Amortisation	673	672	933	938	-	-	-	-	-	-	1,606	1,610
Interest (Net)	2,734	3,149	2,613	3,394	244	232	-	-	-	-	5,591	6,775
Abnormal Items	(1,400)	212	1,400	(737)	-	-	-	-	-	-	-	(525)
Tax	2,078	1,497	5,498	5,521	431	438	-	-	-	-	8,007	7,456
	5,371	2,289	9,721	11,674	347	907	-	-	-	-	15,439	14,870
Equity Earnings of Associates	38	154	752	463	-	-	-	-	-	-	790	617
Net Surplus	5,409	2,443	10,473	12,137	347	907	-	-	-	-	16,229	15,487
Segment Assets	95,744	107,298	326,994	320,998	28,038	18,489	241	-	-	-	451,017	446,785
Coatings Resins												
- assets acquired	-	-	-	-	67,268	-	276,376	-	40,946	-	384,590	-
Total Assets	95,744	107,298	326,994	320,998	95,306	18,489	276,617	-	40,946	-	835,607	446,785

Notes to the Financial Statements

FOR THE SIX MONTHS ENDED 31 DECEMBER 2004 (Unaudited)

(DOLLARS IN THOUSANDS)

	6 months Dec 2004	6 months Dec 2003	12 months June 2004
1. The Interim Financial Statements have been prepared under NZ GAAP in accordance with FRS-24 and should be read in conjunction with the Annual Report for year ended 30 June 2004. The Interim Financial Statements and Segment Analyses have been prepared adopting accounting policies consistent with those adopted in the Annual Report for year ended 30 June 2004. <i>The above statements have not been audited.</i>			
2. Reconciliation of the Net Surplus with the Net Cash Flows from Operating Activities			
Surplus after tax	16,229	15,487	28,414
Non-cash items:			
Depreciation	6,129	6,831	12,846
Tax	8,007	7,456	13,432
Amortisation of goodwill	1,606	1,610	3,276
Write-off of goodwill	(1,400)	351	2,250
Non-current provisions	309	169	588
Doubtful debts provision	552	605	132
Equity earnings of associate	(790)	(617)	(1,084)
Amortisation of capital notes expenses	329	319	648
Write-off of fixed assets	-	(727)	936
	14,742	15,997	33,024
Classified as investing/financing:			
Loss/(profit) on sale of fixed assets	(4)	(13)	132
(Increase)/Decrease in working capital:			
Receivables	(4,592)	740	(6,207)
Inventories	(11,018)	166	(12,144)
Creditors and current provisions	1,566	(8,549)	(1,519)
	(14,044)	(7,643)	(19,870)
Income tax paid	(5,962)	(6,581)	(13,883)
Dividend received from associate	1,859	891	891
Cash Flow from Operating Activities	12,820	18,138	28,708

Notes to the Financial Statements

FOR THE SIX MONTHS ENDED 31 DECEMBER 2004 (Unaudited)

(DOLLARS IN THOUSANDS)	Nuplex Foshan	Coatings Resins	6 months Dec 2004	6 months Dec 2003	12 months June 2004
3. Changes in the composition of the entity					
Acquisition of Subsidiaries and Business Assets					
On 1 July 2004 the Group acquired for cash the resin manufacturing assets of Foshan Veeya Chemical Company in Guangdong Province, China.					
On 31 December 2004 the Group acquired the Coatings Resins businesses from Akzo Nobel. Operations were acquired in the Netherlands, United Kingdom, USA, China, Malaysia, Indonesia and Thailand through a mix of shares and business assets.					
The assets and liabilities acquired are as follows					
Fixed assets	3,053	81,221	84,274	-	491
Investments	-	443	443	-	-
Intangibles	-	-	-	-	-
Non current receivables	-	183	183	-	-
Future income tax benefit	-	14,960	14,960	-	-
Inventories	697	60,511	61,208	-	1,011
Current receivables	-	97,119	97,119	-	(18)
Minority interests	-	(5,719)	(5,719)	-	-
Non current payables	-	(360)	(360)	-	-
Non current provisions	-	(48,007)	(48,007)	-	-
Current payables	-	(70,134)	(70,134)	-	-
Borrowings	-	(10,204)	(10,204)	-	-
Current provisions	-	(7,680)	(7,680)	-	(115)
Provision for tax	-	(1,001)	(1,001)	-	-
	3,750	111,332	115,082	-	1,369
Cash consideration paid, net of cash acquired	3,314	209,067	212,381	51	3,856
Cash deposit paid in prior period	436	-	436	-	-
Goodwill arising on acquisition	-	97,735	97,735	51	2,487

The small Brazilian operations of the above Coatings Resins group will be acquired in coming months when the outstanding regulatory approvals are obtained. The acquisition price will be approx. \$5 million.

The assets and liabilities included above for the Coatings Resins businesses acquired are based on the accounts of Akzo Nobel as at 31 December 2004. The final settlement for the acquisition is expected to be concluded by early March 2005 and no significant adjustments are anticipated. The exercise of assessing fair values for the assets and liabilities acquired, including asset valuations and provisions for pension liabilities and other employee entitlements acquired will be completed before the end of the financial year.

4. Events subsequent to reporting date

On 25 February 2005, the directors declared an interim dividend of 12 cents per share. The dividend is fully imputed for both New Zealand and Australian tax residents and is payable on 1 April 2005.

Notes to the Financial Statements

FOR THE SIX MONTHS ENDED 31 DECEMBER 2004 (Unaudited)

5. Implementation of International Financial Reporting Standards

Nuplex has commenced reviewing its accounting policies and financial reporting to comply with the New Zealand equivalents of International Financial Reporting Standards ("NZIFRS"). Nuplex will report using NZIFRS for the first time for the half-year ended 31 December 2005. The transitional rules for the first time adoption of NZIFRS require Nuplex to restate our comparative financial statements using all New Zealand equivalents of IFRS. The majority of the adjustments required on transition will be made to opening retained earnings in the opening NZIFRS balance sheet as at 1 July 2004. The company has allocated internal resources and engaged external consultants to conduct impact assessments to isolate key areas that will be impacted by the transition to NZIFRS.

Set out below are the key areas where accounting policies may change and have an impact on the financial reports of Nuplex. It should be noted that at this stage Nuplex has not fully quantified the impact of each area on the financial statements, and that there may be other areas where developments in NZIFRS impact on Nuplex prior to release of our first NZIFRS financial statements.

1. IFRS 3 – Business combinations

Goodwill acquired in a business combination will not require period amortization, but will be subject to an annual impairment test using discounted cashflows of the related cash generating unit. Any impairments identified will be recognised immediately in the statement of financial performance.

2. IAS 12 – Income taxes

A 'balance sheet' approach will be adopted, replacing the 'income statement' approach currently used by New Zealand companies. This method recognises deferred tax on most temporary differences between the carrying value of an asset or liability and its tax base. This change may lead to larger deferred tax balances being carried. Any initial impact will be on retained earnings as at 1 July 2004 but it is not expected to impact significantly on the tax expense reported in subsequent periods.

3. IAS 19 – Employee Benefits

Nuplex has made provision under existing NZ GAAP for employee benefits, including annual leave, long service leave, retirement provisions and defined benefit superannuation plans in accordance with both company policies and legal requirements in relevant jurisdictions. In undertaking our due diligence on the Coating Resins Group the impact of NZIFRS requirements has been considered and the issues identified will be addressed as part of establishing the fair values of the acquired assets and liabilities.

4. IAS 36 – Impairment of Assets

An asset is impaired if its carrying value exceeds its market value or 'value in use' to Nuplex. Fixed assets must be reviewed each year to determine whether there are any indications that they may be impaired. Any impairment identified be recognised immediately in the statement of financial performance.

5. IAS 37 – Clean Up Costs

Nuplex has made provision under existing NZ GAAP for site remediation. No significant impact is expected on the transition to NZIFRS, however the appropriateness of provisions for environmental remediation under NZIFRS for the acquired Coatings Resins sites will be reviewed as part of the process of establishing the fair values of the assets and liabilities acquired.

6. IAS 39 – Financial Instruments: Recognition and Measurement

NZIFRS requires Nuplex to recognise the derivatives used by the group to hedge exposures to foreign currencies and interest rates on the balance sheet at fair value. Gains or losses on such contracts, even if unrealised on unsettled transactions, will be reported in the statement of financial performance in each period except in those cases where effectiveness tests are met and hedge accounting can be used. When hedge accounting is available, gains and losses will be reported in a reserve until the underlying transaction occurs. Given the current level of hedging and short term nature of most hedges, no significant impact is anticipated. Higher volatility of earnings from period to period may result as the reported impact of a hedging instrument may now fall in a different reporting period to the impact of the underlying risk.

A number of other items related to financial reporting are also under consideration in conjunction with the transition to NZIFRS. These include:

- Consideration of the most appropriate presentational currency for Nuplex's external financial reporting.
- Consideration of the current accounting policy to revalue fixed assets, given the opportunity to apply a 'deemed cost' equivalent to current carrying values on the transition to NZIFRS.
- The appropriate breakdown of reported segments for future reporting given recent acquisitions.

Directory

Corporate	Directors
John Hirst, Managing Director	Fred Holland (Chairman)
Graeme Storey, Chief Financial Officer/Company Secretary	John Hirst (Managing Director)
Tony Cooke, Group General Manager, Operations	Bryan Kensington
Charles Northcote, Group Financial Controller	Colin Martin
Stuart Barry, Group Information Systems Manager	David Newton
	Michael Wynter
Construction Products Group	Founder President
David Evans, General Manager	William Campbell
Construction Products Division (NZ)	
Construction Products Division (Aust)	
Plaster Systems Ltd (NZ)	Auditors
	KPMG
Environmental Group	Solicitors
Tony Roderick, General Manager	Phillips Fox
Nuplex Medismart (NZ)	
Medical Waste Wellington (NZ)	Insurance Brokers
Nuplex Special Waste (Aust)	Willis New Zealand Limited
Nuplex Environmental (NZ)	International Insurance Brokers and Risk Consultants
Resins Management Group	Share Registrars
Richard Allan (NZ)	Computershare Registry Services Limited,
Ercilia Barahona (Paper)	Private Bag 92119, Auckland
Andrew Grimes (Asia)	
Mike Law (Coating Resins, Aust)	Bankers
Paul Schott (FGI)	Westpac Banking Corporation
	Commonwealth Bank of Australia
Specialty Products Group	Registered Office
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Coatings Resins Group	PO Box 12-841,
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Ger Hemke, Global Technical Manager	
Mario van Wingerde, Global Marketing Manager	
Ruben Mannien, Global Purchasing	

