GALE PACIFIC LIMITED
2012 ANNUAL GENERAL MEETING

26 OCTOBER 2012

CHAIRMAN'S ADDRESS

DAVID ALLMAN

CHIEF EXECUTIVE OFFICER & MANAGING DIRECTOR'S ADDRESS

PETER MCDONALD

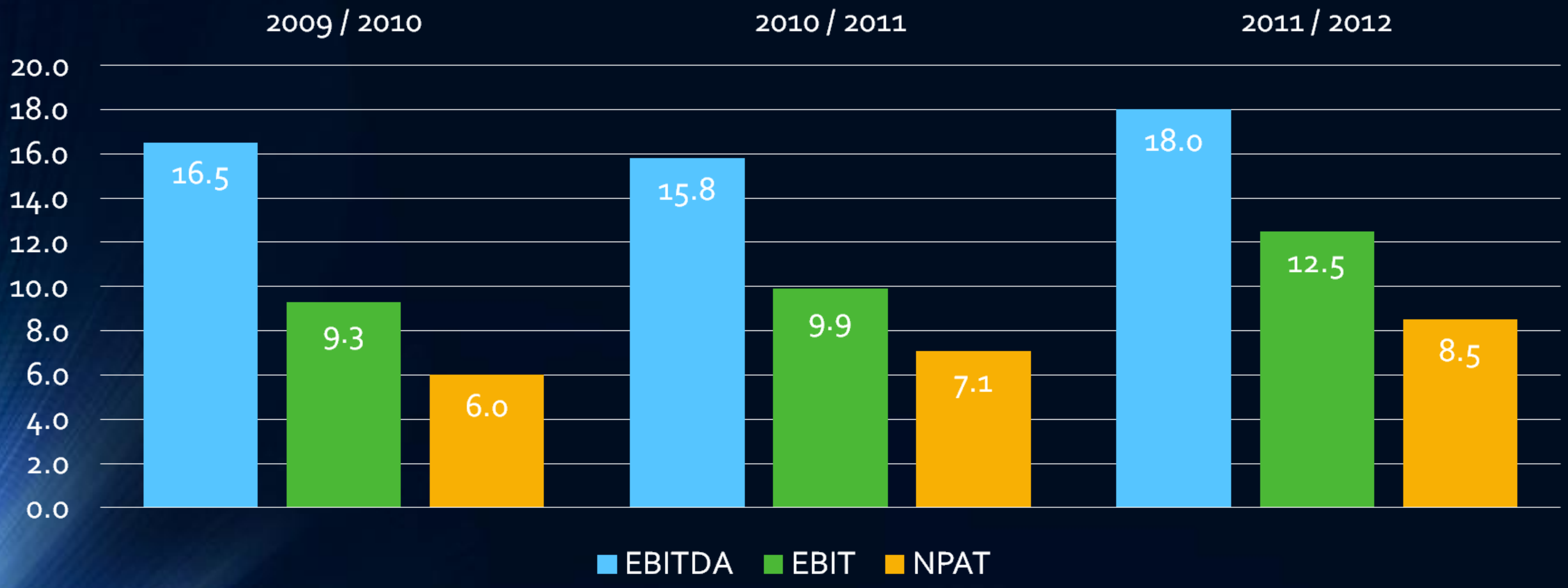
FY12 Results – Key Points

- NPAT up 20% to $8.5 million.
- Earnings per share of 2.86 cents. Return on invested capital (EBIT / shareholders funds plus net debt) improved to 15.7% in FY12 from 13.5% in FY11 and 12.2% in FY10.
- Net Debt of $4.1 million. Net debt / equity ratio 5.5%.
- Full year dividend increased 11% to 2.45 cents per share fully franked, from 2.2 cents.
- Gale continued to generate strong cash flows which have been used to reduce debt, reintroduce the payment of dividends in the past three years (at an 86% payout ratio in FY12) and fund the Zone and Riva acquisition ($12 million) in June 2011.

FY12 Results – Key Points

- Sales up 16% to $110.5 million.
  - Sales revenues grew by 10% in the USA (US dollars) and 27% in the Middle East (US dollars). Our International business increased sales by more than 100%. Australia experienced another poor summer which had a negative impact on sales of Coolaroo product.
- EBITDA up 14% to $18.0 million.
- EBIT up 26% to $12.5 million. EBIT is 11.3% to sales.
- Consolidated sales and earnings were adversely impacted by the translation of foreign currency amounts to a stronger A$.

EBITDA / EBIT / NPAT (A$ Million)



GALE PACIFIC

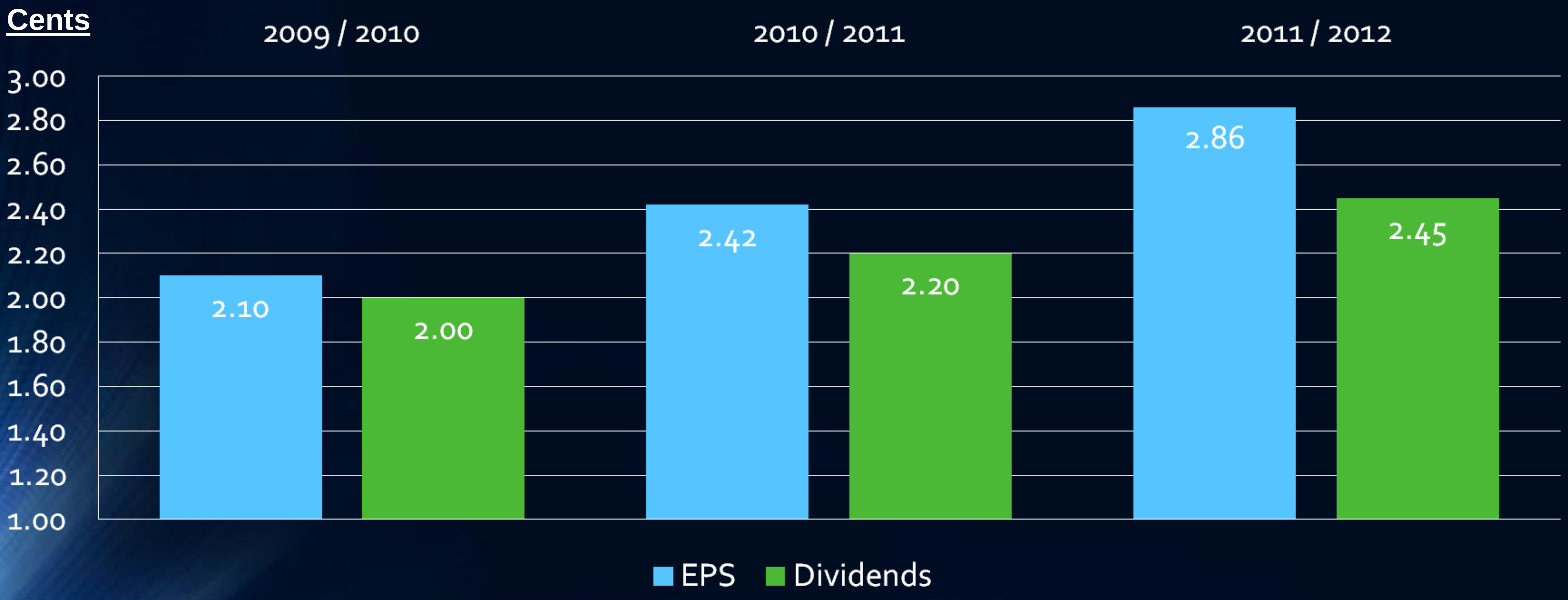
coolaroo MADE FOR LIFE

riva window fashions

Synthesis Advanced Polymer Fabrics

ZONE hardware

Earnings per Share and Dividends per Share



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coolaroo MADE FOR LIFE riva window fashions Synthesis Advanced Polymer Fabrics ZONE hardware

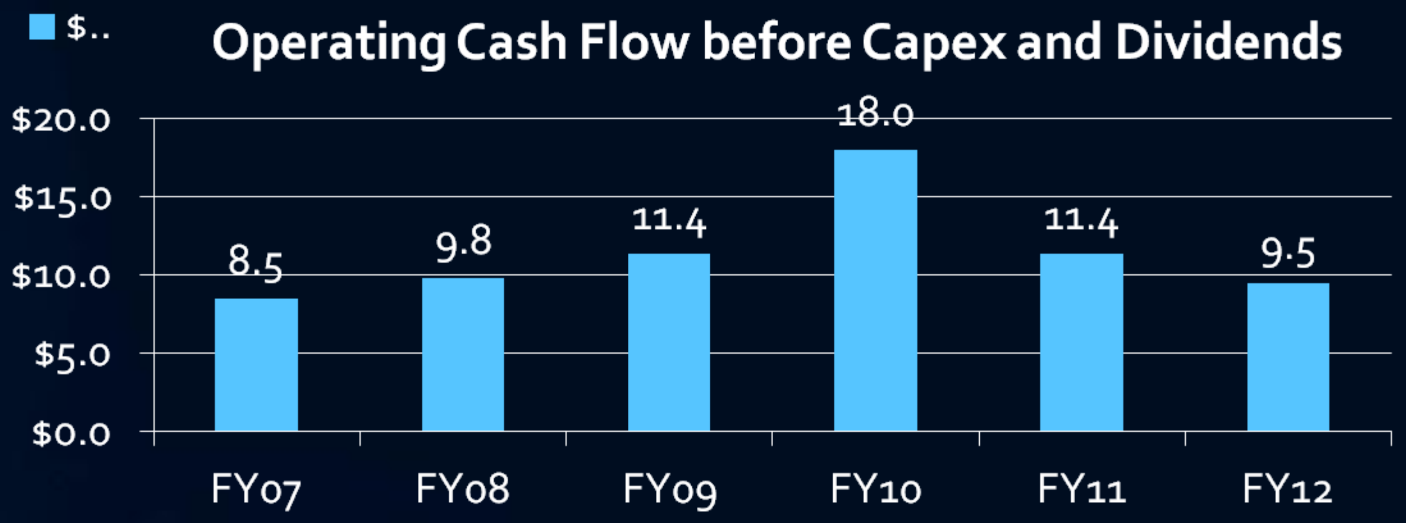
FY12 Review

	FY12	FY11		FY10
	A$M'S	A$M'S	% Variance	A$M'S
Sales	110.5	95.6	16%	98.8
EBITDA	18.0	15.8	14%	16.5
EBIT	12.5	9.9	26%	9.3
NPAT	8.5	7.1	20%	6.0
Earnings per share - cents	2.86	2.42	18%	2.10
Dividends per share - cents	2.45	2.20	11%	2.00
Cash from operations	9.5	11.4	(17)%	18.0
Net cash on deposit/ (net debt)	(4.1)	(5.7)	29%	3.1

Operating Cash Flow

- Continuing strong annual cash flows from operations. Operating cash generated of $9.5M for FY12.
- Operating cash flow down in FY12 due to higher inventory levels from poor summer conditions in Australia, higher tax payments and higher working capital to support sales growth.
- Low capital expenditure requirements due to plant capacity investments previously made.
- Dividend payments comfortably below operating cash flow in FY12 after allowing for capital expenditure.

Operating Cash Flow



	FY07	FY08	FY09	FY10	FY11	FY12
Capital Expenditure (Gross)	(4.0)	(3.4)	(1.0)	(1.2)	(0.6)	(1.4)
Dividends Paid	-	-	-	-	(8.4)	(6.9)

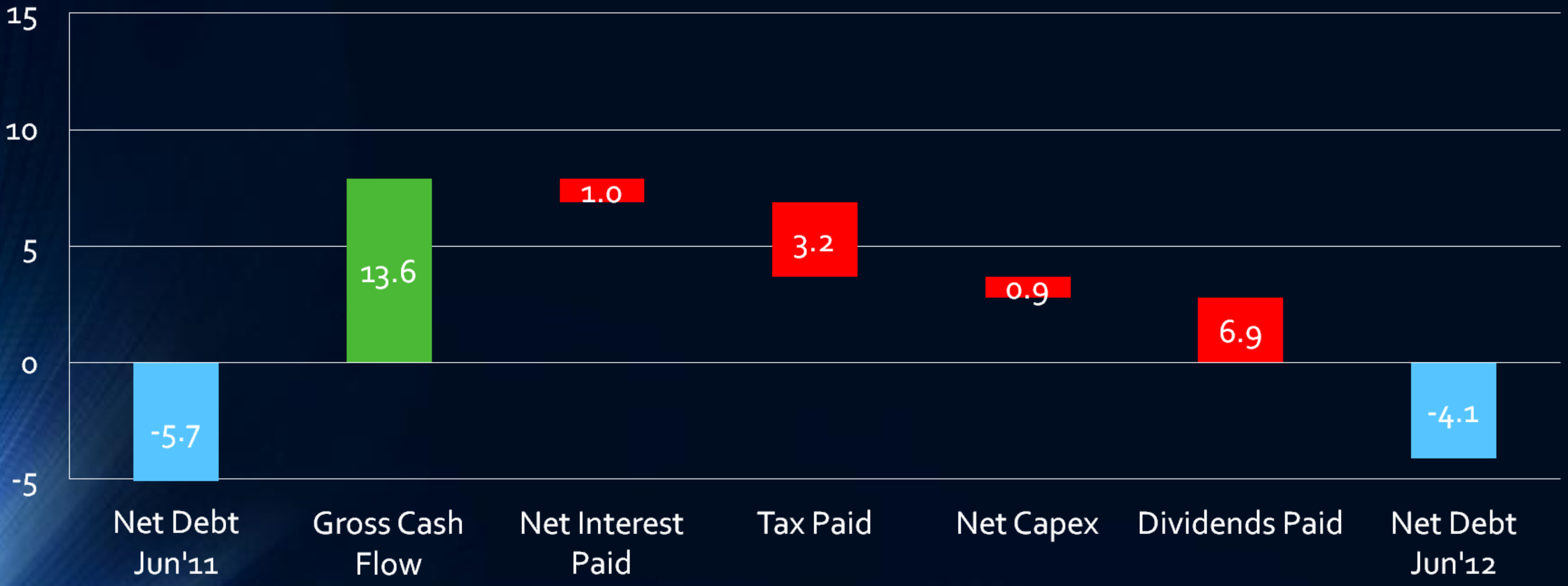
Debt Position

- Net debt at 30 June 2012 of $4.1 million. This low net debt position at year end was after paying out $6.9 million to shareholders in dividend payments.

- Net debt to equity at 5.5%.

- Interest cover of 12.9 times (EBIT/interest).

Changes in Net Debt



Regional Business Unit Update

Australasia

- Sales increased 10% over the prior year to A$71.0 million.
  - Full year contribution from the Zone Hardware and Riva Window Fashions businesses acquired in June 2011.
  - Sales declined in Gale's traditional Australian markets due to weak consumer demand and cool, wet summer conditions across most of Australia. 2011 was Australia's second-wettest calendar year since national rainfall records began in 1900 (Source: Bureau of Meteorology).
  - Price deflation – Selling prices to customers have been reduced due to the strength of the Australian dollar and competitive market forces in commercial and retail markets reducing overall sales revenues. In many segments, volumes have increased year on year.
  - Sales in New Zealand declined due also to weakness in consumer demand and poor seasonal conditions in both retail and commercial markets.
- EBITDA declined by 7% to A$7.8 million.

Australasia (cont.)

- Zone Hardware and Riva Window Fashions businesses now fully integrated into the Australian business operations resulting in a number of one off costs in FY12.
- Riva Window Fashions roll out through the Bunnings network now complete. Additional resources and structure added to fully commercialise in FY13.
- Improved efficiencies in the Australian coated fabrics manufacturing operation resulted in positive manufacturing gains being made.

Australasia (cont.)

- Australia's wheat harvest is now not expected to be as good as originally forecast, however we have received solid orders for grain storage tarps in FY13.
- The business has experienced reduced sales of coated fabrics in the mining sector recently due to slowing coal mining production.
- Bureau of Meteorology predictions of a return to more 'normal' summer weather patterns this year in Australia with El Nino-like conditions returning and a warm spring likely for northern and eastern Australia have been revised to "neutral". The chances of an El Nino weather pattern developing in 2012 have now been reduced (Source: Bureau of Meteorology).

Americas

- Sales increased 10% to US$21.2 million.
  - Strong sales growth and ranging achieved with most major accounts.
  - Hot summer conditions aided the sale of outdoor shading and screening products in the USA and Canada.
  - Sales of commercial fabrics increased by 25% over prior year. Recently launched full range of Fire Retardant architectural shade fabrics (SaFRshade) and Synthesis Waterproof Commercial 95 architectural fabrics.
  - Invested in additional retail sales and marketing resources to drive product range expansion and future sales growth.
  - Expanded range commitments in hand for next season from two largest wholesale clubs in the USA.
- EBITDA increased 220% to US$1.6 million.

Middle East

- Sales increased 27% to US$8.1 million.
  - Increased sales in key markets of Saudi Arabia, United Arab Emirates, Qatar and Oman.
  - Secured and shipped our largest ever single project of approximately 300,000m².
  - Increased sales and demand for Synthesis Commercial 95 and Waterproof Commercial 95 architectural fabrics.
- EBITDA increased 23% to US$1.6 million.
- Excellent debtor collections in FY12 with strict trading terms maintained.

China

- Strong, stable management and technical support teams.
- Record volumes, increased efficiencies, improved yields and reduced waste levels contributed to our strongest result from the China operation to date. These efficiency gains have all helped offset higher wage rates and labour on costs.
- EBITDA increased 21% to US$7.0 million.
- Ongoing plant modification has enabled us to increase capacity and flexibility to support growth in the business.

China (cont.)

- Polymer prices have been relatively stable throughout the year.
- Safety statistics (LTI's) improved by 38% year on year.
- Out-sourcing department established to manage the sourcing of finished traded product from outside factories. Trading company is now established to further improve product sourcing and supplier trading terms from China.
- Focus now on improving automation to reduce labour units to continue to offset rising labour costs where possible.
- EBITDA includes the margin on sales direct to international customers and a commercial margin on intercompany sales.

International Markets

- Sales increased by more than 100% to US$10.4 million.
  - Strong growth in sales to our Japanese distributor with sales more than doubling year on year. Gale products are now sold through approximately 60 retail groups and approximately 1800 outlets in Japan.
  - 60 new product lines developed for Japanese market in FY12. 42 currently being finalised for FY13. Developed and launched 30 new product lines with European and South African clients in FY12.
  - Established a solid platform in the South African retail sector with our exclusive distribution partner. Sales in South Africa more than doubled year on year. All major home improvement chains now carrying the Coolaroo range.

International Markets (cont.)

- Strong growth with our two primary European distributors in FY12.
- Gale Pacific products now being sold in 26 countries serviced by the international market team.
- An additional export marketing resource has been added to the International team with further business development resources planned for FY13.
- Additional marketing investment budgeted this year for further tradeshow participation and client marketing support to continue to expand our expat market activity.
- The 2012 summer season in Japan was not as strong as anticipated and our distribution partner has inventory carry over into next season which will limit the growth originally anticipated for FY13.

Regional Business Unit Results

	Australasia (A$'s)	Americas (US$'s)	Middle East (US$'s)	International (US$'s)	China (US$'s)
FY12 Sales	71.0M	21.2M	8.1M	10.4M	23.0M*
	Up 10%	Up 10%	Up 27%	Up 104%	Up 1%
FY12 EBITDA	7.8M	1.6M	1.6M	Included in China	7.0M**
	Down 7%	Up 220%	Up 23%	Included in China	Up 21%

* Intercompany Sales
** Commercial Margin on Intercompany Sales

Outlook

- Global markets are expected to remain volatile and consumer demand weak as a result.
- Gale will continue to implement our growth strategy by expanding our product offer and presence in the markets for branded industrial and consumer screening, shading and home improvement products.
- Balance sheet strength provides flexibility in relation to future growth initiatives, including acquisitions which we continue to actively pursue.
- Trading conditions and consumer confidence remain weak, and market competition is tough as a result. It is too early to give any meaningful full year guidance at this stage. Year to date earnings are approximately in line with last year. The second quarter is an important quarter for the business as it is our peak selling season in the Australian market. We will continue to update the market as the year progresses.

Disclaimer

Statements contained in this presentation, particularly those regarding possible or assumed future performance, estimated company earnings, potential growth of the company, industry growth or other trend projections are or may be forward looking statements. Such statements relate to future events and expectations and therefore involve unknown risks and uncertainties. Actual results may differ materially from those expressed or implied by these forward looking statements.

BUSINESS OF THE MEETING

Financial and Related Reports

To lay before the annual general meeting the financial report of the Company and its controlled entities and the related Directors' and Auditor's reports for the year ended 30 June 2012 for shareholders to receive and consider.

Adoption of Remuneration Report
(Non Binding Vote)

That the Remuneration Report of the Company and its controlled entities for the year ended 30 June 2012 be adopted.

The vote on this item is advisory only and does not bind the Directors or the Company.

Proxies for resolution for the Adoption of the Remuneration Report

For:	**149,420,348**
Against:	687,365
Open-Useable:	14,343,133
Open-Conditional:	0
Open-Unusable:	0
Abstain:	130,048
Excluded:	9,220,004
Total:	173,800,898

Re-Election of Director

Mr David Allman retires as a director of the Company by rotation in accordance with rule 7.1(f) of the constitution of the Company and, being eligible, offers himself for re-election.

Proxies for resolution for the Re-election of Director

For:	**159,357,947**
Against:	97,268
Open-Useable:	14,343,612
Open-Conditional:	0
Open-Unusable:	0
Abstain:	2,071
Excluded:	0
Total:	173,800,898

Performance Rights Share Plan – Approval for exception 9(b), listing rule 7.2

To consider and, if thought fit, pass the following resolution as an ordinary resolution:

"That the issue of performance rights and underlying performance shares in the Company under the Company's Performance Rights Share Plan established by the directors on 21 November 2006, the terms and conditions of which are summarised in the explanatory notes to the notice convening this annual general meeting be approved as an exception to ASX listing rule 7.1 in accordance with exception 9(b) of ASX listing rule 7.2."

Proxies for resolution for the Performance Rights Share Plan

For:	**154,981,330**
Against:	908,313
Open-Useable:	14,288,998
Open-Conditional:	0
Open-Unusable:	0
Abstain:	394,152
Excluded:	3,228,105
Total:	173,800,898

Approval of issue of Performance Rights to the Company's Chief Executive Officer, Mr Peter McDonald

To consider and, if thought fit, pass the following resolution as an ordinary resolution:

"That approval be given for the purposes of Listing Rule 10.14 and all other purposes to the grant of Performance Rights and underlying Performance Shares to the Chief Executive Officer and executive director of the Company, Mr Peter McDonald, pursuant to the Company's Performance Rights Plan as described in the Explanatory Notes accompanying the Notice of Annual General Meeting."

Proxies for resolution for the Approval of Performance Rights to CEO

For:	**155,142,830**
Against:	**973,448**
Open-Useable:	**14,288,998**
Open-Conditional:	**0**
Open-Unusable:	**0**
Abstain:	**167,517**
Excluded:	**3,228,105**
Total:	173,800,898

QUESTIONS