



GALE PACIFIC LIMITED

(ASX: GAP)

ASX and Media Release

18 October 2013

2013 Annual General Meeting – Chairman's Address

Before the main business of the meeting I would like to make some brief comments regarding the Company's financial performance during the 2012/2013 financial year. Following this, Peter McDonald our Managing Director and Chief Executive Officer will give a more detailed presentation on the Company's operations and results, and current trading conditions.

I am pleased to report that in 2012/2013 Gale Pacific Limited achieved positive outcomes for our key financial objectives, despite tough trading conditions in our key markets.

In relation to our key financial objectives:

- Earnings per share increased by 5% in 2012/2013 compared with the previous year and earnings per share have increased each year for the past 4 years;
- Dividend payments increased by 8% compared with the previous year;
- Strong cash flow saw cash from operations exceed net profit after tax by 26% which enabled a high dividend payout ratio, and funding of the Highgrove acquisition, while maintaining a very conservative balance sheet;
- Return on invested capital (defined as earnings before interest and tax as a percentage of shareholders equity plus net debt) at 15% was above the companies weighted average cost of capital.

Our financial objective is to continue to increase earnings per share through undertaking investment which generates strong profitability and cash flow. The business strategy to achieve this will continue to involve both organic growth and growth by acquisition.

On behalf of the Directors I would like to take this opportunity to congratulate the management team on the year's performance.

On behalf of the Board I would also like to take the opportunity to thank Jeff Cox our Chief Financial Officer, who is retiring at the end of this month after more than 7 years in the role. Jeff has been a great strength for the company, including assisting with navigating Gale through some very difficult times. We wish Jeff well for a happy and healthy retirement.

I am pleased to announce that Howard Abbey has been recruited into the role of Chief Financial Officer. Howard is a Chartered Accountant and also has a Masters of Engineering Degree. He has had extensive manufacturing and financial experience at senior levels across a range of industries and geographies. We welcome Howard to Gale Pacific Limited.

-Ends

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Company Secretary

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Gale Pacific is a leading manufacturer and marketer of branded industrial and consumer screening, shading and home improvement products with operations in Australia, New Zealand, the USA, UAE, and China.