FOR IMMEDIATE RELEASE

TO: **COMPANY ANNOUNCEMENTS OFFICE**
ASX LIMITED

DATE: **23 March 2016**

SECOS INCREASES SALES OF BIOPLASTICS BAG PRODUCTS TO MAJOR US AND EUROPEAN RETAILERS

- Monthly orders of Biohybrid™ and Compostable dog waste bags to major US and European Retailers have now increased to over $100,000 per month, a 60% increase on sales in the last 12 months
- Expansion of film and bag production at the Company's Nanjing, China plant has driven production efficiency
- Bag making capacity now exceeds 250 million Biohybrid™ and Compostable bags per year
- Current extrusion and bag making capacity at the Nanjing plant is fully utilised
- Approximately $300,000 of proceeds from the recently announced Share Purchase Plan earmarked to further expand production capacity to meet anticipated further growth in global demand

SECOS Group Limited (ASX: SES) is pleased to announce that that Cardia Bioplastics, its wholly owned subsidiary, has secured increased orders for its sustainable packaging and bag products. Monthly orders have increased by 60% over the last 12 months to over $100,000 for the Company's Biohybrid™ and Compostable dog waste bags from US and European Retailers.

The dog waste bags are being produced in Cardia's manufacturing operations in Nanjing, China. Film and bag production at the plant was expanded to a capacity of 250 million Biohybrid™ and Compostable bags per year in 2015. With current extrusion and bag making capacity at the plant fully utilised, the Company has achieved significant production and cost efficiencies.

Approximately $300,000 of the proceeds from the recently announced SECOS Share Purchase Plan is earmarked for further expansion of production capacity to meet anticipated further growth in demand from global customers

Cardia has established itself as an integrated manufacturer and efficient supplier of Biohybrid™ and Compostable bags for waste management solutions, including bags for the pet accessories market and household organic waste diversion. Cardia has secured a leading market position in the supply of organic waste management systems, with 17 Australian Councils now buying the Company's Bioproducts and has expanded sales of organic waste management solutions into the US and UK markets.

Cardia Bioplastics China General Manager, Jackie Chen stated, "We are delighted with the progress in our film and bag production. We are now delivering annual production of 250 million bags, enabling us to deliver on increased orders to further grow our business. We have received large orders from leading US and European Retailers who are keen to sell our Compostable and Biohybrid™ dog waste bags."

Dr. Frank Glatz, Cardia Bioplastics Managing Director stated, "The expansion of our film extrusion and bag making has been well timed, with the growing demand for sustainable bags and products with a lower carbon footprint, driven by consumers, brand owners, governments and councils. Our Compostable and Biohybrid™ bags and films are in demand as the quality sustainable solution." Dr Glatz continues, "Our 10 production lines are in full operation making specialist Compostable and Biohybrid™ waste bags. With modest planned capital expenditure we are well positioned to further expand capacity to meet increasing order volumes."

For more information please contact:

Mr Richard Tegoni
Executive Chairman
SECOS Group Limited
(614) 11110901

About SECOS

SECOS (ASX code SES) was formed in April 2015 by the merger of the business operations of Cardia Bioplastics Limited, a company listed on the ASX, and the Stellar Films Group of companies. .

SECOS' core business is the manufacture of sustainable resins and films for specific core markets comprising:

1. Sustainable films and packaging products targeting the hygiene sector; and

2. Sustainable waste management solutions.

SECOS' current operations include:

1. Manufacturing plants in Australia, Malaysia and China – all strategically located to support SECOS' target markets;

2. A global sales and distribution network with a presence in 27 countries;

3. Strong intellectual property and patent position on technology and comprehensive range of high performance sustainable products; and

4. A highly focused management team with internationally recognized industry expertise in sustainable packaging.