

25th August 2010

PGI – MARKET ANNOUNCEMENT

2010 – Back on track with a return to consistent dividend.

In June, Pacific Green resolved its 6-year battle for compensation for a fire that nearly destroyed the company. No doubt many opportunities were lost during this long fight for restitution, however, the management team worked tirelessly throughout, and continues to work towards a better future for PGI.

The building and re-equipping the Fiji factory is underway. When completed, it will be the world's premier Palmwood® manufacturing facility. Furniture production will be ramped up, destined for international markets. Prototype concepts of the design have been created by the architects and detailed plans are now being drawn up for approval by the management team and then local authorities. A capital expenditure budget is being finalised. New manufacturing equipment and machines have been ordered and are due for delivery.

When construction work begins on the factory, there is a possibility that the Fiji operation/production will be disrupted. However, our Asian manufacturing unit - which rescued the whole business after the fire – will continue to assist.

Looking at the Financials, the first half of the year traditionally contributes less income and profit. During the first six months of this year we invested significantly in international exhibition and advertising activities, which boosted Sales (which grew by 39% on sales in the corresponding period for 2009) and created a healthy order book for the second half of the year. This is particularly encouraging in the context of continued economic woes in our key markets and the weakened state of global furniture retail.

After a 5-year programme of aggressive debt reduction, debts have now been completely cleared. Over the period, more than \$5 million was repaid. The Company also recorded a strong cash flow with the insurance payout.

Earnings per share increased from \$0.01 to \$0.36.

PGI is on track to achieve both targeted sales and profit for 2010. In June this year, the PGI Board announced and paid an Interim Dividend of \$0.05 per share. With strong cash flow and healthy order books for second half of the year, the Board has approved a second interim dividend. This will bring total the interim dividend for the year to \$0.07 per share.

On current indications, the last half of this year will be solid for PGI Group. July performance was good. The PGI Board and management team are hopeful for further progress and a profitable 2010 and continue working towards a better return for shareholders.

Yours faithfully,

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Ravin Chandra

DIRECTOR/COMPANY SECRETARY

Save the Forest – Use Palmwood

**APPENDIX 4
HALF YEAR REPORT ANNOUNCEMENT**

Pacific Green Industries (Fiji) Limited

(Half Year Report can be audited or unaudited. If accounts are audited, an audit statement needs to be attached)

**PROFIT & LOSS STATEMENT (UNAUDITED)
FOR HALF YEAR ENDED 30th JUNE 2010**

1. OPERATING REVENUE

- (a) Sales Revenue
- (b) Other revenue
- (c) Total Operating Revenue
- 2. (a) Net Profit/Loss before Tax**
- (b) Income tax Expense
- (c) **Net Profit/Loss after Tax**
- 3. (a) Extraordinary item after tax
- (b) **Net Profit/Loss after Tax & Extraordinary Item**
- 4. (a) OEI in net profit and extraordinary items after income tax
- (b) Minority interest in profit of subsidiary
- (c) **Net Profit/Loss after Extraordinary Items and Income Tax Attributable to Members of the Company**
- (c) Accumulated losses at beginning
- (d) **Total available for appropriation**
- (e) Ordinary dividend provided for
- (f) Preference dividend provided for
- (g) Transfer to general reserves
- (h) Total appropriations
- (i) Retained profit at year end

5. Earnings Per Share

- (a) Basic earnings per share
- (b) Diluted earnings per share

CONSOLIDATED		
Current half year F\$	*Increase/ Decrease %	corresponding half year F\$
4,339,789	39%	3,119,714
2,904,628		
7,244,417		3,119,714
2,811,587	26898%	10,414
-		-
2,811,587		10,414
-		-
2,811,587		10,414
(92,282)		(86,732)
2,719,305	3663%	(76,318)
(4,251,704)		(4,139,722)
-		-
380,962		-
-		-
-		-
(1,913,361)	55%	(4,216,040)
0.36	-	0.010
0.36	-	0.010

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Ravin Chandra
DIRECTOR/COMPANY SECRETARY

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Peter Ryan
DIRECTOR

STATEMENT OF ASSETS, LIABILITIES AND SHAREHOLDERS' EQUITY
FOR HALF YEAR ENDED 30th JUNE 2010

	CONSOLIDATED		
	At end of current half year F\$	As shown in last Annual Report F\$	If half yearly as shown in last Half Yearly Report F\$
6. CURRENT ASSETS			
(a) Cash Assets	3,433,155	501,512	615,412
(b) Trade receivables	253,254	92,865	202,165
(c) Other receivables	281,317	222,653	114,355
(d) Inventories	2,783,745	3,084,967	2,786,110
(e) Short-term investment	-	-	-
(f) Other assets	328,428	418,906	363,266
(g) Total Current Assets	7,079,898	4,320,903	4,081,308
NON-CURRENTS ASSETS			
(h) Property, plant and equipment	3,086,433	3,188,853	3,275,902
(i) Long-term investment	-	-	-
(j) Term deposit	-	-	-
(k) Future income tax benefit	-	-	-
(l) Intangible assets	-	-	-
(m) Other	-	-	-
(n) Total Non-Current Assets	3,086,433	3,188,853	3,275,902
(o) Total Assets	10,166,331	7,510,756	7,357,210
7. CURRENT LIABILITIES			
(a) Trade payables	1,418,053	957,098	656,129
(b) Other payables and accruals	534,520	-	404,647
(c) Current tax liabilities	-	-	-
(d) Interest-bearing borrowings	-	217,395	-
(e) Term loan/lease - secured	13,524	-	100,950
(f) Bank overdraft	97,640	-	-
(g) Unsecured advance	-	-	-
(h) Inter-company loan	-	-	-
(i) Provisions	-	-	-
(j) Other	-	-	-
(k) Total Current Liabilities	2,163,737	1,174,493	1,161,726
NON-CURRENT LIABILITIES			
(l) Term loan - secured	-	855,729	1,072,485
- unsecured	-	-	-
(m) Unsecured advance	-	-	-
(n) Inter-company loan	-	-	-
(o) Deferred tax liabilities	-	-	-
(p) Provisions	-	-	-
(q) Other	-	-	-
(r) Total Non-Current Liabilities	-	855,729	1,072,485
(s) Total Liabilities	2,163,737	2,030,222	2,234,211
(t) NET ASSETS	8,002,594	5,480,534	5,122,999
8. EQUITY			
(a) Contributed equity	7,619,234	7,619,234	7,619,234
(b) Reserves	504,210	504,210	504,210
(c) Foreign currency translation	390,953	346,227	86,932
(d) Retained profits/accumulated losses	(1,913,361)	(4,251,704)	(4,216,040)
(e) Equity Attributable to Members	6,601,036	4,217,967	3,994,336
(f) Minority Interest	1,401,558	1,262,567	1,128,663
OEI in Controlled Entities			
(g) Contributed equity			
(h) Reserves			
(i) Retained profits/accumulated losses			
(j) Total Outside Equity Interest in Controlled Entities			
(k) TOTAL EQUITY	8,002,594	5,480,534	5,122,999

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 Ravin Chandra
 DIRECTOR/COMPANY SECRETARY

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 Peter Ryan
 DIRECTOR

**STATEMENT OF CASH FLOWS
FOR HALF YEAR ENDED 30th JUNE 2010**

9. CASH FLOW FROM OPERATING ACTIVITIES

- (a) Cash Received from Trading activities
- (b) Cash Payments
- (c) Insurance Claim Proceeds
- (d) Dividend Received
- (e) Interest Paid
- (f) Income Tax Paid
- (g) Net VAT Paid
- (h) **Net Cash Inflow from Operating Activities**

CONSOLIDATED	
Current half year F\$	corresponding half year F\$
4,120,737	3,199,635
(3,046,410)	(2,878,763)
2,904,628	-
-	-
(10,020)	(40,410)
-	-
-	(13,615)
3,968,935	266,847

10. CASH FLOWS FROM INVESTING ACTIVITIES

- (a) Acquisition of Fixed Assets
- (b) Proceeds from Sale of Fixed Assets
- (c) Acquisition of Investment
- (d) Long Term Deposit
- (e) Audio Visual Production
- (f) Proceeds from Sale of Associate
- (g) Proceed from Sale of Investment
- (h) **Net Cash (Outflow) from Investing Activities**

-75,332	-
-	-
-	-
-	-
-	-
-	-
-	-
-	-
-75,332	-

11. CASH FLOWS FROM FINANCING ACTIVITIES


- (a) Dividend Paid
- (b) Repayment of Secured Loan
- (c) Proceed from Issue of Shares
- (d) Proceeds from Borrowings
- (e) Repayment of Lease Principal
- (f) **Net Cash (Outflow)/Inflow from Financing Activities**

-	-
(1,054,671)	(96,294)
-	-
-	-
(4,929)	(4,929)
(1,059,600)	(101,223)

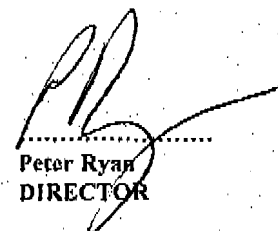
12. NET INCREASE/(DECREASE) IN CASH HELD

- (a) Cash/(Overdraft) at beginning of year
- (b) Effects of exchange rate changes on opening cash balances
- (c) Cash/(Overdraft) at end of half year

501,512	449,788
2,834,003	165,624
3,335,515	615,412



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Ravin Chandra
DIRECTOR/COMPANY SECRETARY



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Peter Ryan
DIRECTOR