



Orora acquires IntegraColor



1 March 2016

Transaction summary

- Orora acquired US-based IntegraColor
- Consideration of US\$77M (approximately A\$107M)
- EBITDA multiple of 6.9 times
- RoAFE expected to be in excess of 15% by third full year and 20% by year five
- Approximately US\$100M sales revenue
- Acquisition enhances Orora's packaging solutions capability and geographic footprint
- IntegraColor to be managed as a separate division within Orora
- Synergies relating to purchasing and administrative shared services in excess of US\$2M (approximately A\$2.7M) are expected to be realised over 2-3 years.
- Acquisition effective 1 March 2016
- Funded from existing bank debt facilities
- Transaction costs of approximately US\$1.0m (approximately A\$1.4m) will be expensed in FY16



IntegraColor overview



- IntegraColor is a well regarded US provider of point of purchase (POP) retail display solutions and other visual communications services
- Serves blue-chip corporate customers across the consumer (including food and beverage), horticulture and healthcare/education sectors
- Established 1956
- Located in Dallas, Texas
- Large long-term leased facility
- Vertically integrated manufacturing operations
- Approximately 300 employees
 - Plus 135 casuals – demand driven



IntegraColor overview



- Offers a broad set of value-added services and complete supply chain solutions including:
 - Design
 - Campaign development
 - Data management & proprietary analytics
 - Digital media
 - Logistics
 - Fulfilment
- High class modern manufacturing operations
 - Eight different printing processes, multi substrate capability on over 40 presses
- Long-term customer relationships
- Well-established position in both defensive and growth markets



Alignment with Orora's growth strategy



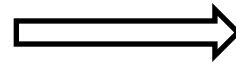
Orora North America

Objective: Drive regional growth/expand capability



Organic growth

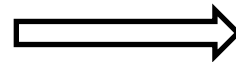
- ✓ Continue to target large corporate accounts and increase share of wallet with current customers



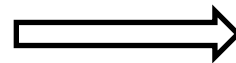
Focused on large corporate customers

Adjacent M&A

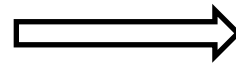
- ✓ Investments in parallel packaging substrates/markets
- ✓ Targets servicing preferred markets of food, pharma/health, IT & automotive
- ✓ Enhance geographic footprint and/or extend product offering/value proposition



Well regarded provider of point of purchase retail display solutions and other visual communications services



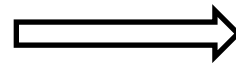
Established position servicing consumer, healthcare/education & horticulture markets



Enhances Orora's packaging solutions capability and geographic footprint

Integrated fibre offering

- ✓ Sell the improved performance characteristics of B9 paper



B9 paper expected to complement customer offering

IntegraColor - Enhances Orora's customer value proposition

- Landsberg Orora offers custom packaging solutions from concept to consumer
- IntegraColor enhances Orora's customer-value proposition, particularly in high value-added areas such as:
 - Design
 - Fulfilment
 - Logistics
 - POP - retail ready displays
- Orora North America target markets:
 - Food & Beverage ✓
 - Healthcare/Pharmaceutical ✓
 - Information Technology
 - Automotive
- IntegraColor sales by segment:
 - Consumer – approx 60%
 - Horticulture – approx 30%
 - Healthcare/Education – approx 10%



Integration

- Landsberg and IntegraColor will be managed as separate divisions within Orora
 - Landsberg will continue as a solutions provider for customised packaging requirements
 - IntegraColor's primary focus will be on POP solutions to its existing customers and, in time, Landsberg customers
 - IntegraColor will report directly to the Orora MD&CEO
- A detailed 100 day plan has been prepared with clear responsibilities and accountabilities
 - Steering group includes Orora MD&CEO/CFO
- As soon as practical, both divisions will utilise a centrally managed service model, encompassing design, supply chain and logistics
 - Procurement and administrative functions will also be integrated and optimised across the group in time
 - The integration of IntegraColor onto SAP (likely FY17) will be scheduled but will not disrupt the existing Landsberg SAP roll out program
 - Cross-sell opportunities will be coordinated centrally
- Several key senior IntegraColor executives have been provided earn out incentives on the achievement of minimum RoAFE requirements over the first three years

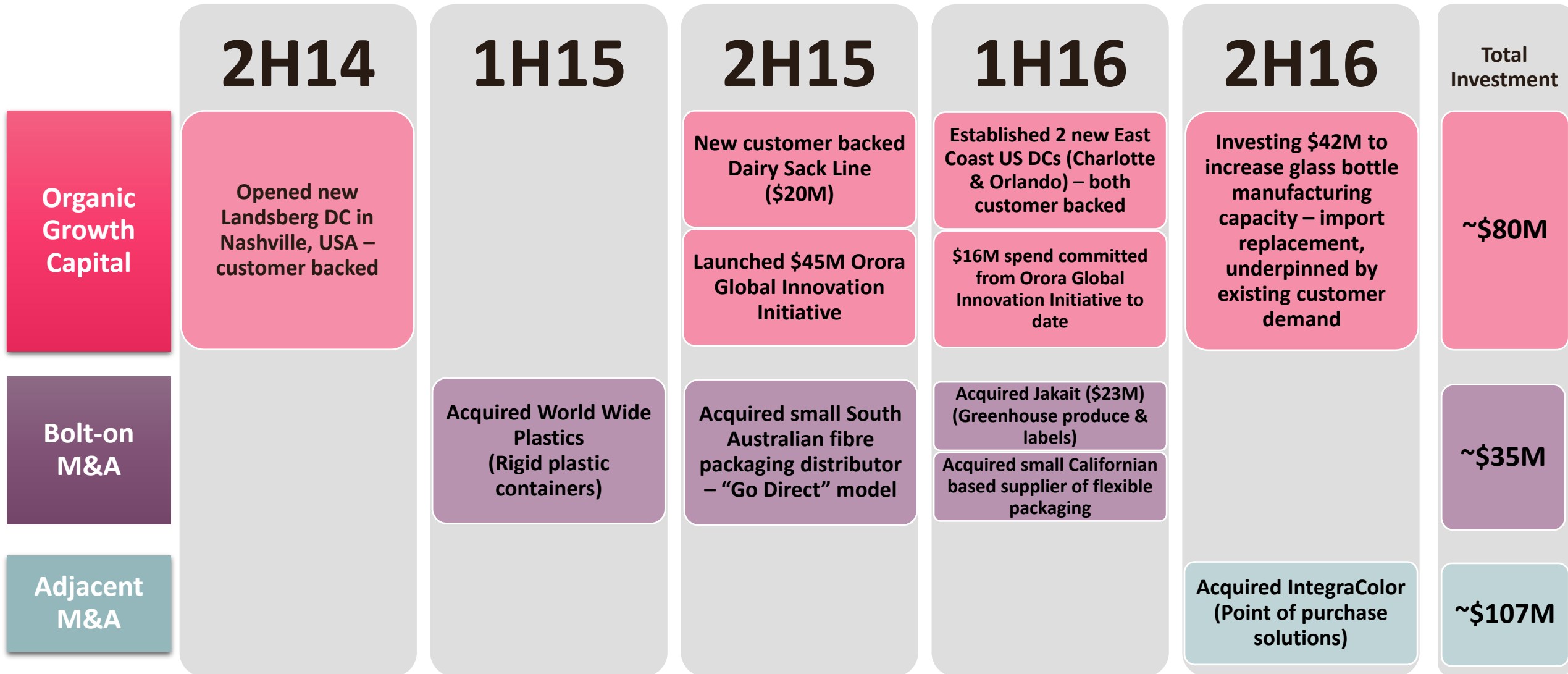


Key Financial Metrics



- The purchase price has two components:
 1. Up-front price of US\$70M (approximately A\$97.0M) paid on completion
 2. A reps and warranties holdback of US\$7M (approximately A\$10.0M), to be paid in equal instalments after 12 months and 18 months from the date of acquisition
- Orora expects the acquisition to achieve a return on investment in excess of 15% by the third full year of ownership and 20% by year five
- Cost synergies of approximately US\$2M (approximately A\$2.7M) are expected to be realised over two to three years primarily through improved procurement and integration of shared administrative services
- Approximately US\$100M sales revenue
- The acquisition will be funded utilising Orora's existing debt facilities
- Transaction has been structured to enable tax deductibility (over time) of the full purchase price
- Transaction costs of approximately US\$1.0M (approximately A\$1.4M) will be expensed in FY16

Orora has invested approx. \$220M in growth since ASX Listing in December 2013



Summary



- Acquisition is in line with stated growth strategy
- Provides a platform in POP - an adjacent customised value added proposition
- Provides another platform, in addition to Landsberg, to support future bolt-on M&A growth for Orora
- Enhances Orora's North American geographic footprint through bolstering position in Texas
- Strengthens Orora North America's corporate account revenue growth strategy
- Services two of our four identified target markets – food/beverage and healthcare
- Opportunities for cross sell between Landsberg and IntegraColor



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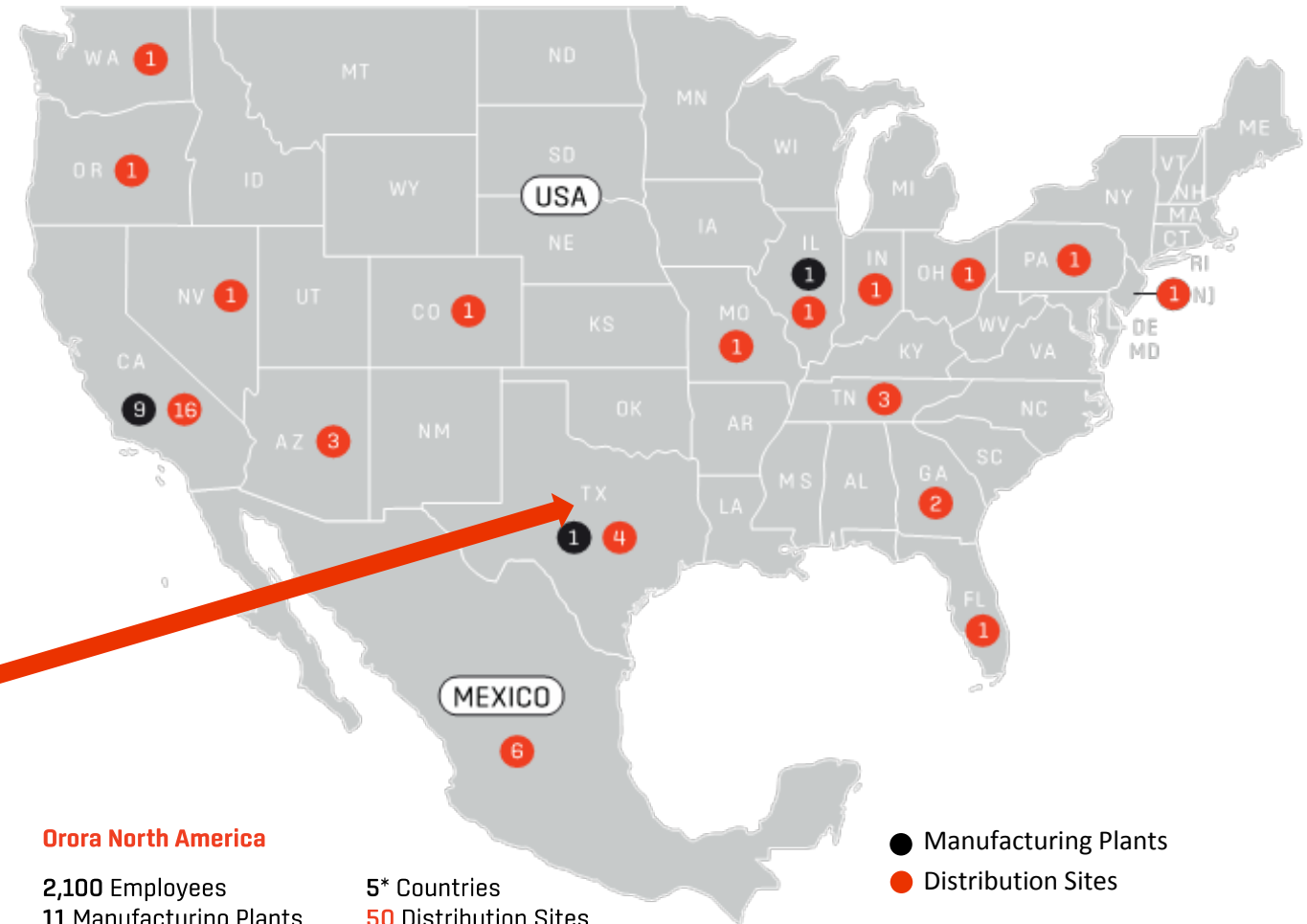
Appendix

1 March 2016

Appendix 1 : Orora North America Geographic footprint



- Landsberg Orora has 11 manufacturing plants and 50 distribution sites across 5 countries – opportunity to leverage IntegraColor offering
- IntegraColor is based in Dallas, Texas
 - Serves over 3,200 customer locations across North America
- Central location, ideally located to facilitate southern and national distribution
- Expands Orora’s presence in Texas
- Enhances Orora’s geographic footprint and reach



Orora North America

2,100 Employees
11 Manufacturing Plants

5* Countries
50 Distribution Sites

* USA, Canada, Mexico, China, UK



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