Amcor Australasia – Folding Cartons
David Berry, Vice President & General Manager
Cartons & Sacks

Key messages

- Australasian market leader
- Strong customer relationships predominantly with large FMCG customers
- National footprint across key markets
- Improved industry structure
- Good position in stable market
- Petrie closure on track
- Well positioned to benefit from
  - Consolidated manufacturing footprint
  - Amcor breadth, scale and innovation capability

Earnings growth driven by consolidation benefits and improved operating performance
Folding cartons business overview

Key Facts and Figures (FY 2012)

- Co-workers: ~720
- Plants: 4 main plants

Key Markets

- Bakery (Biscuits)
- Frozen & Other Food
- Cereal / Snacks
- Personal Care
- Confectionery
- QSR

Key competitors

- Colorpak, VisyGlama, Hannapak

Capabilities and Technologies

- National footprint located in key markets
- Strong technical and supply chain capability
- Diverse technology and product offering

Capital Investments

- Acquisition of Smithfield plant from Carter Holt Harvey
- Robotics prototypes

Industry structure and footprint

- Significant improvement in industry structure over the past two years
  - Colorpak purchased Carter Holt Harvey’s folding carton operations (other than the Smithfield site acquired by Amcor)
  - Post Petrie closure, no integrated players in the Australasian market
- Consolidated manufacturing footprint and improved operating performance
  - Smithfield plant closure

Business has improved significantly over the past two years
Australasian folding carton market

**Australian demand**

- **Demand is stable**
- **Total cost of ownership favours local supply**
  - FMCG volatility generally demands short lead times
  - High frequency of new packaging design draws heavily upon local innovation support and service

![Graph showing Australian demand from 2006 to 2012](source: BIS Shrapnel Pty Ltd 2012)

**Good position in a stable market**

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Petrie closure on track

- Closure by December 2013
- Annualised PBIT benefit of $13 million
- Net cash closure costs of $13 million
- Cartonboard sourcing from a number of regional & European suppliers

**Substantial earnings benefit to be fully realised in FY 2015**
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Aspiring to new heights