Amcor Australasia - Corrugated
Rick Woods, Vice President & General Manager
Fibre Packaging

Evacuation procedure

• Safety is our #1 Priority – Everyday
  (Today is no different to any other day)

Evacuation alarms
• In the event of an evacuation, you will be escorted to a “Safe Zone” by Amcor personnel
• Listen to instructions and follow them accordingly
Safety is our #1 priority

### Fibre Packaging safety performance

- **2008/09:** 14.8
- **2009/10:** 12.1
- **2010/11:** 7.6
- **2011/12:** 8.1

- **RCFR**
- **LTIFR**

*• 40% reduction in RCFR in 3 years*

Safety management has improved in recent years

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Key messages

- Extensive footprint across key markets
- Strong position and stable market share
- Stable volumes
- Sound cost management capability
- Benefits from improved recycled paper quality
- Development of new distribution channel
- Well positioned for earnings growth
- Innovation is key to delivering value

Business well positioned for growth
Corrugated business overview

Key Facts and Figures (FY 2012)
- Sales A$ million: ~750
- Co-Workers: ~2100
- Customers: ~3000

Key Markets
- Fruit & Produce
- Meat
- Beverage
- Dry goods
- Wine
- Industrial products

Key competitors
- Visy
- Abbe/Auscor
- Carter Holt Harvey

Capabilities and Technologies
- Plants located in key markets
- Significant improvement in recycled paper quality from Botany
- Substantial improvement in customer service and innovation being recognised

Capital Investments
- High Quality Printing (HQP), High Quality Die Cutting, I-Flute
- Distribution strategy – acquisition of WR3

Footprint driven by need for market responsiveness and distribution efficiencies

Australian corrugated market

Domestic corrugated consumption

Amcor Australian market share

Corrugated market flat; Amcor share stabilised over last three years
Track record of excellent cost management

• Necessary to remain agile, efficient and competitive
  • The Amcor way capabilities
    – Value Plus
    – Procure Plus
  • 2 plant closures since 2006
  • Continuous plant efficiency improvements
  • Smithfield transformed from converting to distribution site

Continued operating improvement has offset cost inflation

Value Plus

Continued and ongoing focus on profitability improvements utilising Amcor’s range of Value Plus tools

• Example: “iXplore”
  • Assists in designing an ‘end to end’ optimal box
  • Dynamic 3D visual marketing tool
  • Explore optimisation opportunities
  • Automatically run and display ‘what if’ scenarios
  • Provide quotes and efficiency reports in 3D
Continuous Improvement

Hourly machine performance

Visual management

Continuous Improvement

Tracking quality

*Note: Data is updated periodically. Data on NCR reflects the cumulative total.
No warning or "N" indicates NCNs below the threshold.
Largest previous period between NCNs is noted during last 12 months, DIY.
Average days between NCNs during last 12 months.

Amcor
Improving value proposition

- Innovation
- Distribution
- New markets for higher quality recycled paper including substitution of virgin kraft

Innovation capability and Botany recycled paper creates differentiated value proposition

Innovate for competitive advantage

Amcor nursery pallet box
- Awarded Gold in the Industrial category at 2012 Packaging Council of Australia Packaging Design Awards
- Delivers up to 30% in cost savings due to increased efficiency of transport and handling
- Converts to a retail display unit by removing body component to use base tray for display

New generation linerless frozen meat carton
- Initiated in response to poly bag entrapment issues
- Poly-entrapment leads to raw material claims/rejection and even finished product rejection
Innovate for competitive advantage

Photo SureFresh™
- Improved resistance to moisture, scuff, tear and base sag for enhanced supply chain performance and distribution
- High gloss surface finish for premium product appearance and tailored product branding in store
- 'One Touch' distribution and retail ready presentation for minimal handling

Banana packaging
- One-piece “GEN3” corrugated box
- Open top box that ensures superior stacking and product ventilation performance to achieve optimum product presentation at the retailer
- Design supports banana ripening process in cool room storage for superior presentation

Australian distribution strategy – new growth opportunity

- Customers want a more efficient supply chain model that delivers a lower "total cost to serve"
- Developing a new distribution channel leveraging Packaging Distribution’s experience and expertise to offer:
  - A broader range of products and services from a single supplier and simplified supply chain
  - Total packaging solutions including self-manufacture and third-party sourcing
- Wayne Richardson Sales (WRS) acquired in June 2012
  - Industrial and packaging consumables distribution
  - Well-established SME customer base

Leverage Amcor’s extensive footprint and experience to meet an evolving market need
Substantial recycled paper quality improvement

• New Botany mill creates differentiated position
  • Substantial product quality improvements
    – Surface finish and printability
    – Improved shelf presence
  • Lightweight papers
    – Environmental, innovation and cost benefits
  • Innovation
    – Shelf ready packaging
      – Enhanced visual appearance
      – Ongoing investment in high quality printing and die-cutting

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Business well positioned for growth
Plant tour

- Wear a high visibility vest, safety glasses and ear protection within the factory
- Stay with your group
- Stay within defined walkways where indicated/possible
- Do not touch any objects (dies, board, etc)
- Follow the instructions of your guide
- In the event of an evacuation, you will be escorted to a “Safe Zone”

Scoresby Site layout...
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Corrugator

Eterna die cutter

Apstar HQ printer

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