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AMCOR ANNOUNCES AGREEMENT TO ACQUIRE ALUSA – THE LARGEST FLEXIBLE PACKAGING BUSINESS IN SOUTH AMERICA

Amcor (ASX: AMC) announces today an agreement to acquire Alusa, the largest flexible packaging business in South America. The purchase price of US\$435 million represents 8.5 times PBITDA. Alusa – which includes Alusa (Chile), Peruplast (Peru), Aluflex (Argentina) and Flexa (Colombia) – is owned by Techpack S.A. and Nexus Private Equity.

The business has four plants and a broad range of capabilities including film extrusion, flexographic and gravure printing and lamination. It is the largest flexible packaging manufacturer and supplier in Chile and Peru, and a leading participant in Colombia and Argentina, with one plant in each of these four countries.

Alusa has strong, long standing relationships with large multinational and regional customers and generates sales of approximately US\$375 million from the supply of flexible packaging for food, personal care and pet food applications.

Inclusive of synergy benefits of approximately US\$25 million and growth in the underlying markets, PBIT is expected to be approximately US\$65 million at the end of year three. The return on cash invested is expected to have reached approximately 15% at that time, taking into account costs to be incurred to realise synergies and working capital benefits. Given the unique and scalable position this provides in the South American region, further growth opportunities underpinned by a strong customer value proposition provide a pathway for returns to reach 20% by the end of year five.

Amcor CEO and Managing Director, Ron Delia said: "With the creation of a new Flexibles Americas Business Group in July 2015, there was an expectation this business could accelerate growth in both North and South America. It is pleasing that over a relatively short period of time, our flexible packaging sales in the region will almost double to nearly US\$1 billion with the acquisition of Alusa, and the recently completed acquisition of Deluxe Packages in the USA."

"Alusa comes with a strong management team and provides a unique platform in an important growth region. A large number of Amcor's multinational customers operate in South America, and this acquisition significantly improves our ability to support their needs and to grow with them in these markets.

“Along with our leadership positions in Europe and Asia, Amcor’s customer value proposition will substantially improve with a strong presence in South America. A truly global product offering differentiates Amcor in the flexible packaging marketplace, positioning us as a partner of choice for customers.”

Techpack S.A. is listed on the Santiago Stock exchange. The acquisition is subject to approval by Techpack shareholders as well as approval by the relevant regulatory authorities. Completion is expected in the coming months.

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ALUSA ACQUISITION

Alusa has a broad geographic footprint across the US\$4.8 billion South American market, complementing Amcor's existing position in Brazil



Alusa sales by production source, end market and destination

