Pro-Pac Group Broker Presentation 25 July 2007

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PB Acquisition – Highlights

- Pro-Pac have announced a company transforming acquisition of Plastic Bottles Pty Ltd for $21.2 million
- Group Revenue increase – circa $26.0 million (2007) to circa $73.4 million (2008)
- Group EBITDA increase – circa $2.4 million (2007) to circa $8.5 million (2008)
- EBITDA cps increase – 5.7 cents (est.) to 7.2 cents (est.)
- Shareholder funds increase - $21.14 million to $48.49 million
- Gearing (debt/equity) – 14.5% reducing to 12.3%
- Significant strategic benefits identified
- New strategic shareholder with excellent industry positioning

Pro-Pac Packaging (Aust) Pty Ltd

- Established in 1987 with operations in Sydney, Melbourne and Brisbane
- Listed on ASX in April 2005 (PPG)
- A leader in the manufacture, import and distribution of environmentally friendly, cost effective, industrial packaging.
- Successfully completed 8 synergistic acquisitions in the last four years
- A diverse customer base of 2500+ clients including many blue chip and household names with particular focus on :
  - Pharmaceutical
  - Entertainment
  - Cosmetics
  - Automotive
- Employs in excess of 65 staff

Plastic Bottles Pty Ltd

- Established in 1990 with operations in Sydney, Melbourne, Brisbane and Adelaide (4 distribution centres and 5 manufacturing plants)
- Specialist general container and closure packaging manufacturer, importer and distributor
- Successfully completed 13 synergistic acquisitions in recent years
- Forecast revenues of $43 million
- 7,000 customers being supplied with a wide product range
- A diverse customer base with emphasis on the following sectors:
  - Pharmaceutical
  - Industrial
  - Food & Beverage
  - Cosmetic
- Employs in excess of 150 staff

Pro-Pac Group Business Streams

- **Leader in biodegradable flowable void fill**
  - Efficient, bulk feed, patented environmentally friendly packaging systems
- **Major distributor of general industrial packaging products** – including
  - Bubble wrap, pallet stretch film, tapes, strapping, plastics, cartons and safety wear
- **Manufacturer importer and distributor of bottles and caps**
  - Complete container/closure solutions including sprays and pumps, design and labelling, blown and injection moulding, bottles, pails and bins

Acquisition – Key Parameters

- Pro-Pac to acquire Plastic Bottles for $21.2 million
  - $10.2 million cash plus $2 million if earnings targets met
  - 29.7 million shares @ $0.37 ($11 million)
- The deal will be funded by:
  - $15.2 million institutional/professional share placement at $0.37 per share
  - A minimum $2 million (underwritten) Share Purchase Plan for PPG shareholders to purchase $5,000 of shares at $0.37 per share
- Revenue increase – circa $26.0 million (2007) to circa $73.4 million (2008)
- EBITDA increase – $2.4 million est.(2007) to $8.5 million est.(2008)
- EBITDA cps increase – approx. 5.7 cents to 7.2 cents
- Shareholder funds increase from $21.14 million to $48.49 million
- Gearing (debt/equity) – 14.5% reducing to 12.3%

Benefits of Acquisition

- Pro-Pac to more than double in size to $73 million+ provides market traction
- Increased market penetration – cross selling and synergy benefits from a combined customer base of 9,500 companies
- Centralised procurement with increased overseas imports will improve margin
- Shared corporate overhead, rationalised shared services, common reporting will lead to a lower cost base
- Additional operations create a larger national footprint
- The addition of this new product line creates enhanced acquisitive growth opportunities

Shareholder Base & Board Structure

- There will be 3 significant shareholders
  - CVC approx 25.4%
  - PB Vendors (voluntary escrow) approx 25%
  - Bennamon Pty Ltd (associate of Visy Industrial Packaging) approx 19%
- Post acquisition the PPG board will have John Read (chairman), Trevor Morrow (managing director), Elliott Kaplan (non-executive director), Hadrian Morrall (executive director), and Brandon Penn (non-executive director)
- Hadrian Morrall will continue as Managing Director of the Plastic Bottles business
- Bennamon Pty Ltd is not involved at Board or management level

Strategic Outlook – Combined Group

Strategy	Outcome
Revenue	❑ Continue industry consolidation strategy in each business line
Organic Growth	❑ Harness cross-selling opportunities of 9,000 customers
Procurement Strategy	❑ Expand product range ❑ Utilise purchasing scale to enhance competitiveness ❑ Develop new margin enhancing products (IP)
Operations	❑ Reduce operating costs by establishing shared services

Financial Summary

	PPG (unaudited) 2007	Forecast 2008
Revenue	$26.0m	$73.4m
EBITDA	$2.4m	$8.5m
EBITDA cps	5.7 cents	7.2 cents
Shareholders Funds	$21.14m	$48.49m
Gearing (debt to equity)	14.5%	12.3%

Contact Details

Trevor Morrow Group CEO & Managing Director

Address: Pro-Pac Packaging (Aust) Pty Ltd
6 Rich Street
Marrickville NSW 2204

Phone: (02) 9560 7799

Facsimile: (02) 9560 4447

Email: trevor.morrow@pro-pac.com.au