



# ASX ANNOUNCEMENT

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**DATE: 17 JUNE 2015**

## **PACT GROUP ANNOUNCES ACQUISITION OF JALCO GROUP**

Pact Group Holdings Ltd (Pact Group, ASX code: PGH) has signed an agreement to acquire Jalco Group Pty Ltd (Jalco).

Jalco was established in 1973, and is a leading supplier of outsourced manufacturing and filling in the non-food FMCG (Fast Moving Consumer Goods) sector. The business operates across 6 sites in NSW and comprises a number of divisions, the largest two being Homecare and Personal Care. Trailing annual sales for Jalco are approximately \$165m. The business has an experienced and highly skilled workforce of approximately 500 people.

Pact Group will acquire Jalco for a total consideration of approximately \$80m, which equates to an EBITDA multiple of approximately 6.5x. The consideration includes a conditional deferred component and acquisition costs, of which, approximately \$1m will be expensed during the 2015 financial year. The acquisition will be funded through Pact Group debt facilities.

Completion is subject to customary conditions and a restructure by the sellers to retain the Health and Wellness division and as a consequence is expected to occur no later than 1 September 2015.

The acquisition of Jalco is expected to be immediately EPS accretive and to generate an ROI in excess of 20% within 3 years.

Pact Group CEO, Brian Cridland, said "We are extremely excited about the Jalco acquisition, an adjacent and highly complementary business to the Pact Group enterprise. We have been a supplier to Jalco for many years, we understand the business and I am delighted to see these two businesses come together.

Jalco is an ideal strategic fit as it will allow us to deepen our existing FMCG customer relationships and to enter new areas of growth serving customers in outsourced contract manufacturing and packaging. Pact has continued to lead the packaging sector in investment and innovation over the last decade and we are committed to a program of sustained investment in the Jalco business to better serve our customers and enhance their competitive capabilities.

I am also delighted to welcome the Jalco team to the Pact family and most importantly we look forward to continuing to partner and supply our customers with innovative, high quality, locally produced, world class solutions."

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