

Papyrus Australia Ltd

AGM 2011



PPY SNAPSHOT (31 October 2011)



No. of Shareholders (approx.)	1,750
Ordinary Shares on Issue	123,944,764
Unlisted Options on Issue	8,692,641
Market Capitalisation (approx.)	\$6.82m
Funds Raised - Share Issues	\$19.2m
Total Expenditure	\$23.2m
Cash on Hand	\$1.1m

PPY SNAPSHOT (22 November 2011)



1.	MR RAMY AZER <AZER FAMILY A/C>	22,637,489	18.26
2.	MRS MARGARET FAY FULLER	10,000,000	8.07
3.	MRS MARCELLE BOCTOR	4,000,000	3.23
4.	MR ALLAN HARVEY MOFFATT <EST P N FLEMING A/C>	3,227,125	2.60
5.	STROUD NOMINEES PTY LTD <BYRT SUPER FUND-EM BYRT A/C>	2,356,061	2.00
6.	BIJO (SA) PTY LTD <AZER FAMILY A/C>	1,750,000	1.00

PAPYRUS' EXPANSION PLANS – PAPYRUS EUROPE

PAPYRUS EUROPE - Introduction



Papyrus Europe to market and trade Papyrus Technology Products



- Papyrus Europe will create demand for Papyrus Technology Products by focusing on those market segments which offer the most optimal mix of strategic visibility and long term profitability.
- Papyrus Europe will drive product development to create fit-to-application factory output.
- Papyrus Europe will establish a brand for Papyrus Technology Products to support European customers in marketing final products to B2B specifiers and consumers.
- Papyrus Europe will service European customers by coordinating product flow, providing warehousing facilities, technical support and quality control.

PAPYRUS EUROPE – Why Europe



Europe has a large market for panel and veneer products and has tightening environmental regulation

- There is a large market for veneer and panel products in Europe.
- Europe's building rating systems drive demand for energy efficient and environmental sustainable building materials.
- Europe's tightening environmental regulation pushes wood product customers to develop or purchase alternative processes and products.
- Europe's tightening environmental policy leads to higher costs for existing wood based panels producers.
- There is increasing consumer demand for "green" products.



PAPYRUS EU Steward Design Acoustic Panels



101105/01

PAPYRUS EU Steward Design order



101105/01

PAPYRUS EU – Team



- Papyrus Australia has identified an operational team for Papyrus Europe with a strong background in international business development and general management.
- As Papyrus Europe will be driving business expansion beyond the first factory, establishing a brand for Papyrus Technology products is key. The team has both strategic and operational skills ensuring the alignment of Papyrus Australia's long term interest with that of Papyrus Europe's shareholders.



Rob de Jong MBA

Business Development Director

Background as Managing Director , over 15 years international experience in building materials and industrial marketing from companies like Hunter Douglas and Verosol.



Ir. Hein van Opstal MBA

Business Development Director

Background as Managing Director and entrepreneur, over 15 years international experience in international trade , M&A and technology from companies like AT&T and private equity investors.



Dr. Ir. Ing. Gert Kema

Industry Expert

Leading researcher at Plant Research International at the University of Wageningen, renowned expert on sustainable banana cultivation and increasing intrinsic resistance of cropping systems.

PAPYRUS EU



Yellow Pallet builds on the banana fiber technology developed by Papyrus Australia.

Yellow Pallet



1

harvest
pseudo stems

- Papyrus has developed a patented technology to harvest and transfer banana pseudo stems to banana fiber.
- It operates a factory in Walkamin which produces veneer and fiber. It has a joint venture in Egypt which will produce veneer and fiber in 2012.
- Papyrus aims to produce banana fiber panels.

2

convert to
banana fiber

3

mix fiber
and resin

- Yellow Pallet has assembled a team of experts in packaging & pallets, bio-chemicals, production equipment and business development.
- Yellow Pallet will develop its' technology in co-operation with Wageningen University.
- Yellow Pallet is in discussion with Chiquita as a launching customer.

4

press
pallets

Yellow Pallet

PAPYRUS EU



Yellow Pallet will add equipment and proprietary resin to convert banana fiber chips into ISPM-15 compliant export pallets.

Yellow Pallet

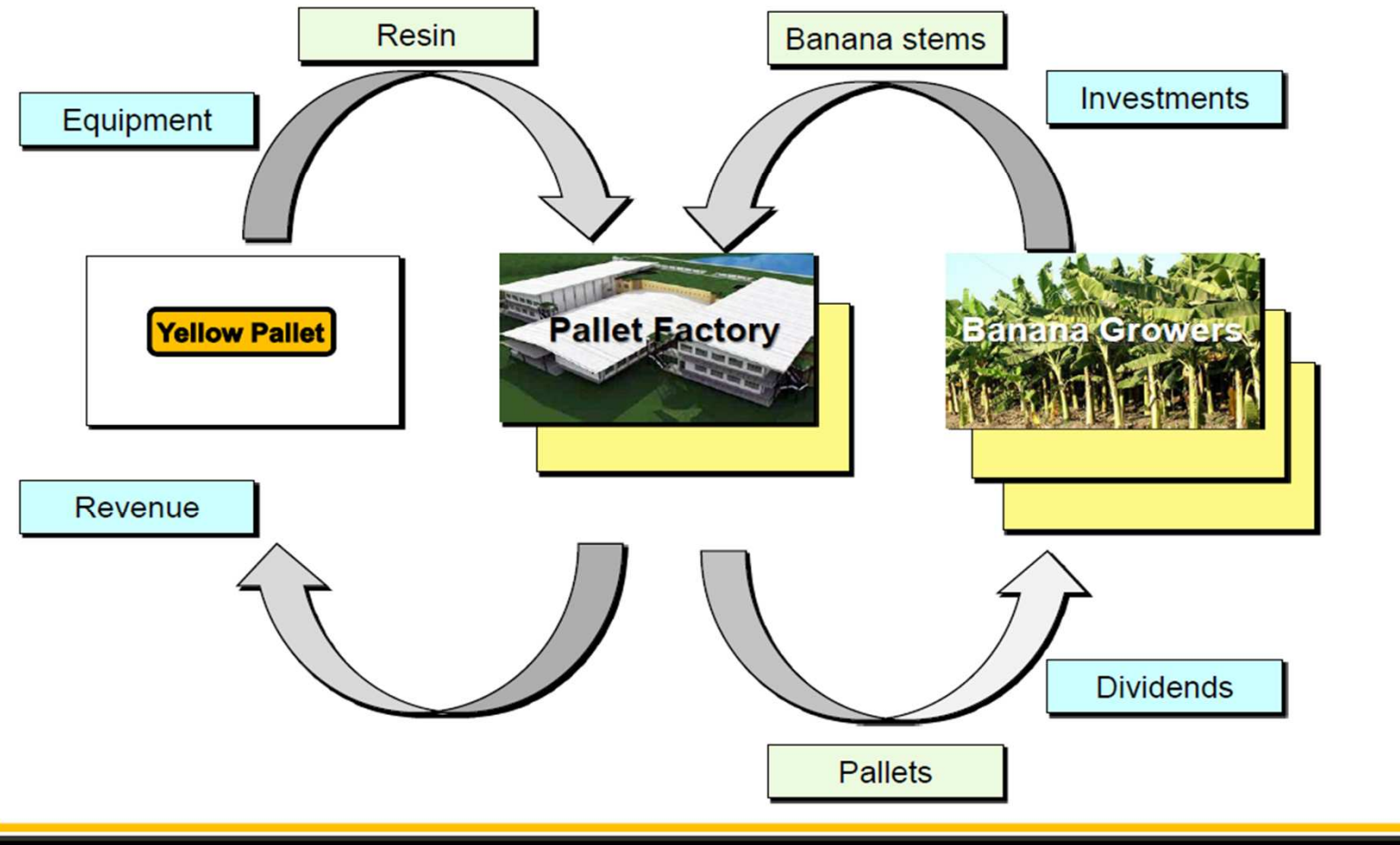


PAPYRUS EU



Yellow Pallet's customers are banana growers and exporters who can reduce supply chain costs by setting up banana fiber pallet factories.

Yellow Pallet



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Yellow Pallet aims to set up 10 factories within the next 5 years each producing 1-2 mio. pallets annually.

Yellow Pallet

Revenu from supplying equipment and buidling factories

Yellow Pallet

Factory build – operate – transfer: 4.5 mio Euro / factory
Total funds needed for investment: 45 mio. Euro
Management fee: 250.000 Euro per factory
Set-up 10 factories: 47.5 mio Euro revenu
of which 23% Gross Margin: 11 mio Euro



Revenu from supplying Yellow Mix:

Yellow Pallet

Resin revenu: 1,00 Euro per pallet
Resin margin: 0,50 Euro per pallet
Annual Revenu: 10-20 mio Euro
Annual gross margin: 5-10 mio Euro



PAPYRUS' EXPANSION PLANS – PAPYRUS EGYPT

PAPYRUS EGYPT – Introduction



Egypt is an ideal location to supply Europe

- Egypt is a typical banana growing region close to Europe making it an ideal location for the first factory to supply the European markets.



PAPYRUS EGYPT – Why Egypt?



Egypt selected for the first factory to supply the European markets

- ✓ **Low cost skilled labour**
- ✓ **Low cost energy**
- ✓ **Established infrastructure**
- ✓ **Proximity to European markets**
- ✓ **Strong local networks**
- ✓ **Existing relationships with Government and other key stakeholders**

✓ **Accessibility of raw material:**

- Existing banana growing industry, infrastructure and culture
- More than 1 million tonnes of local annual banana production
- 56,508 ha of domestic banana harvesting area in 2008
- Substantial cultivation of most fibrous banana plant types

✓ **Foreign investment incentives:**

- Reduced industrial land, property cost
- Tax benefits for imported machines, material, chemicals
- Tax benefits for product exports from Egypt to EU
- Governmental facilitation and support in panel factory building
- Subsidised labour training programs

PAPYRUS Egypt (Egyptian Forests)



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PAPYRUS EGYPT – Factory location



A suitable factory location has been identified and selected



Initial site:

- More than 8,000 ha of existing banana plantations in the selected region.
- Significant potential to expand existing banana plantations
- Proximity to air and sea ports
- Government funded industrial serviced parks, providing gas, power, fibre optic communications, roads

PAPYRUS Egypt Banana Plantations between Sohag & Nag Hammadi



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PAPYRUS EGYPT – Factory location



A suitable factory location has been secured



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PAPYRUS Egypt Factory Land in Sohag



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PAPYRUS EGYPT – Factory



Papyrus has identified a company to operate the Egyptian factory

- Papyrus has identified The Egyptian Banana Fibre Company (EBFC) as the 50% JV partner in Papyrus Egypt.
- Purchase agreement to buy AU\$2M plant & equipment from Papyrus.
- Licence Agreement executed July 2011.
- EBFC has been a long standing customer of Papyrus Australia Ltd.
- EBFC has been buying veneer from the Walkamin factory to manufacture floor boards, doors, and decorative panels for the furniture and building markets.
- EBFC has been supplying their domestic market as well as export to their traditional export destination as well as to Papyrus Australia's customers in Europe.

PAPYRUS EGYPT – Factory location



Approximately 60km between PPY Egypt Factory & Nag Hammadi MDF Factory



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PAPYRUS EGYPT – Factory



Papyrus Egypt production facility

- The factory will install 1xVeneering Unit with the capacity to process 60 tonnes banana tree trunk per hour.
- These unit will be operated for one 8 hr shift per day, 330 days per year, processing around 80,000 tonnes of Banana Tree Trunk per year.
- The operation of the Beta Veneering Unit has been proven at the Walkamin demonstration factory. Each new unit will be dry commissioned at the Papyrus facility in Adelaide, followed by wet commissioning at the Walkamin demonstration factory and will then be shipped to Egypt.
- Papyrus Egypt will have the capacity to produce around 2million m² veneer per year.
- Papyrus Egypt will utilise the veneer to produce 250,000 m² floorboards and 80,000 decorative and furniture panels (2440*1220*16mm).
- Papyrus Egypt will supply 25,000 tonne banana fibre to the Nag Hamady Fibre board Co. as raw material for MDF panel production.

PAPYRUS EGYPT – Nag Hamady Fibre Board Co.

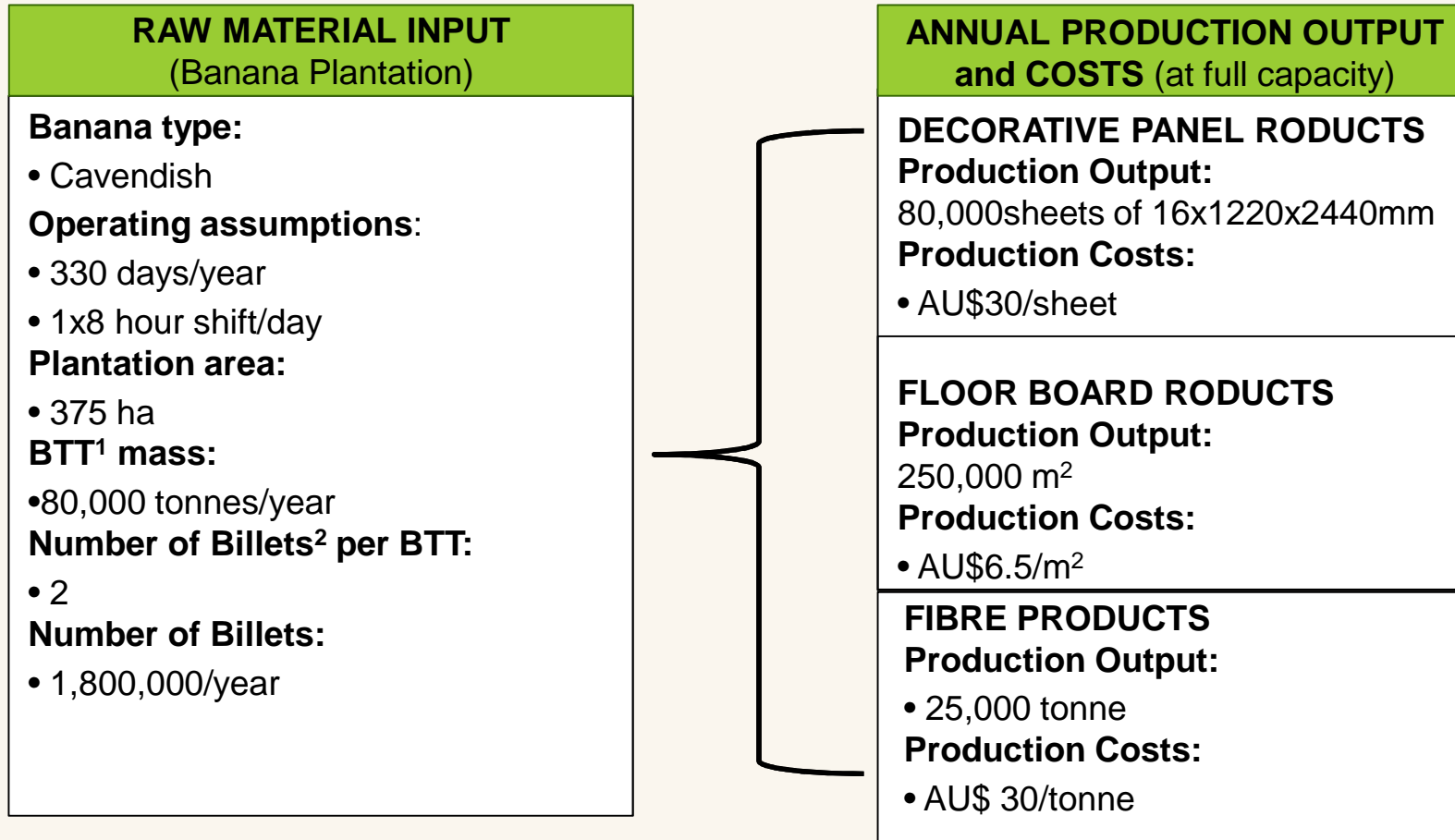


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PAPYRUS EGYPT – Production



Factory Capacity of 25,000 t of fibre and 2,000,000 m² veneer per year



¹BTT – Banana tree trunk

²Billet – BTT cut to size to fit into round up machine

PAPYRUS AUSTRALIA LTD.

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