



Pro-Pac Packaging Limited
ACN 112 971 874

6 February 2012

Pro-Pac Packaging commences 2012 with a Strategic NSW acquisition

ASX listed national packaging group, Pro-Pac Packaging Ltd (ASX: PPG) today announced the purchase of the business and assets of Hills Industrial Products (Hills).

Hills is a Sydney based distributor of industrial packaging, safety and warehouse products, providing a comprehensive range of products to diverse businesses and industries. Hills have developed a unique value proposition that differentiates it from most other distributors by selling direct via a catalogue and a newly launched online ordering system. Over the past 5 years Hills has developed significant intellectual property in the creation of comprehensive catalogues and mailing lists.

The business has had consistent annual growth since inception with a current annualized turnover in excess of \$7.5m and complements Pro-Pac's existing product and customer profiles.

The purchase consideration will be funded from Pro-Pac's existing cash resources and debt facilities.

Commenting on the acquisition, Pro-Pac's CEO, Brandon Penn, said *"the purchase of Hills is a very exiting opportunity to take this successful NSW business model national through our existing national infrastructure. Hills have developed significant intellectual property and business methodologies that we will be able to leverage on and which will give us new sources of revenue streams. Hills will be run as a separate sales unit and brand but will utilise Pro-Pac's existing back end and logistics infrastructure."*

For further information please contact Mr Brandon Penn, CEO, on Tel 02 87810500 or Mr Elliott Kaplan, Chairman, on Tel 02 90878022.

About PPG

Pro-Pac Packaging Limited is a diversified manufacturing and distribution company, providing innovative, flexible and rigid packaging solutions for a broad group of customers. PPG is headquartered in Sydney with operations in Adelaide, Brisbane, Melbourne and Perth. PPG's securities are listed and quoted on the ASX.

For further information on PPG visit www.ppgaust.com.au