



Pro-Pac Packaging Limited ABN: 36112971874

10 October 2017

The Manager
Company Announcements
ASX Limited
Level 4, 20 Bridge Street
Sydney NSW 2000

Dear Sir/Madam

**Pro-Pac Packaging Limited (ASX:PPG)
Despatch of Letter to Ineligible Shareholders**

Pro-Pac Packaging Limited confirms that the enclosed letter will be despatched today.

Yours faithfully

Mark Saus
Company Secretary



Pro-Pac Packaging Limited
ABN 36112971874

10 October 2017

Dear Shareholder

**NON-RENOUNCEABLE ENTITLEMENT OFFER
NOTIFICATION TO INELIGIBLE SHAREHOLDERS**

On 11 September 2017 and 10 October 2017, Pro-Pac Packaging Limited (**PPG**) announced a non-renounceable, pro-rata entitlement offer to eligible shareholders to subscribe for 2 new PPG ordinary shares (**New Shares**) for every 3 existing PPG ordinary shares (**Existing Shares**) held at 7.00pm (Sydney time) on 13 October 2017 (**Record Date**) at the offer price of \$0.34 per New Share (**Entitlement Offer**).

The Entitlement Offer is fully underwritten by Bell Potter Securities Limited (**Bell Potter**).

The Entitlement Offer will raise \$54.8 million before costs, which will be used to partly fund the acquisition by PPG of Integrated Packaging Group Pty Limited ACN 132 697 664 and its subsidiaries (**IPG**). Further information on the Entitlement Offer and IPG are detailed in an ASX announcement and investor presentation dated 11 September 2017 and an entitlement offer booklet, which will be dispatched to shareholders on or about 18 October 2017 and be made available on the ASX's company announcement platform at www.asx.com.au and at www.ppgaust.com.au.

Following completion of the Entitlement Offer, PPG will have approximately 161.2 million New Shares resulting in a total of approximately 561.4 million PPG ordinary shares on issue (taking into account the issue of shares to the vendors of IPG).

This letter is to inform you about the Entitlement Offer and to explain why you will not be able to subscribe for New Shares under the Entitlement Offer. This letter is not an offer to issue New Shares to you, nor an invitation for you to apply for New Shares. You are not required to do anything in response to this letter but there may be financial implications for you as a result of the Entitlement Offer that you should be aware of.

Who is eligible to participate in the Entitlement Offer?

"Eligible Shareholders" are shareholders who:

- (A) **ARE REGISTERED AS A HOLDER OF EXISTING SHARES AS AT THE RECORD DATE, BEING 7:00PM (SYDNEY TIME) ON 13 OCTOBER 2017;**
- (B) **AS AT THE RECORD DATE, HAVE A REGISTERED ADDRESS IN AUSTRALIA OR NEW ZEALAND;**
- (C) **ARE NOT IN THE UNITED STATES AND ARE NOT ACTING FOR THE ACCOUNT OR BENEFIT OF A PERSON IN THE UNITED STATES (TO THE EXTENT THEY ARE HOLDING SHARES FOR THE ACCOUNT OR BENEFIT OF SUCH PERSON IN THE UNITED STATES); AND**
- (D) **ARE ELIGIBLE UNDER ALL APPLICABLE SECURITIES LAWS TO RECEIVE AN OFFER UNDER THE ENTITLEMENT OFFER WITHOUT ANY REQUIREMENT FOR A PROSPECTUS OR OFFER DOCUMENT TO BE LODGED OR REGISTERED.**

Shareholders who are not Eligible Shareholders are ineligible shareholders (**Ineligible Shareholders**).

Why are you not eligible to participate in the Entitlement Offer?

Unfortunately, according to our records, you do not satisfy the eligibility criteria for an Eligible Shareholder. Accordingly, in compliance with ASX Listing Rule 7.7.1(b) and section 9A(3)(b) of the *Corporations Act 2001* (Cth) (**Act**), PPG wishes to advise you that it will not be extending the Entitlement Offer to you and you will not be able to subscribe for New Shares under the Entitlement Offer. You will not be sent the documents relating to the Entitlement Offer.

The restrictions upon eligibility under the Entitlement Offer are due to a number of factors, including the legal and regulatory requirements in countries other than Australia and New Zealand, the relatively small number of PPG shareholders in those countries, the relatively small number of existing PPG ordinary shares they hold and the relatively low value of New Shares to which those shareholders would otherwise be entitled. PPG has determined, pursuant to ASX Listing Rule 7.7.1(a) and section 9A(3)(a) of the Act and having regard to the factors identified above, that it would be unreasonable to make or extend offers under the Entitlement Offer to Ineligible Shareholders.

As the Entitlement Offer is non-renounceable, entitlements in respect of the New Shares you would have been offered if you were an Eligible Shareholder will lapse and you will not receive any payment or value for those entitlements.

Determination of eligibility of investors for the purposes of the Entitlement Offer is determined by reference to a number of matters. PPG, Bell Potter and their respective affiliates and related bodies corporate and each of their respective directors, officers, partners, employees, advisers and agents disclaim any liability in respect of any determination as to eligibility, to the maximum extent permitted by law.

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Tel: (02) 8781 0500 **Fax:** (02) 8781 0599 **Web:** www.ppgaustr.com.au

On behalf of the Board, we thank you for your continued support of PPG.

Yours sincerely,



Mark Saus

Company Secretary

Further information

If you have any questions in relation to the Entitlement Offer, please contact the PPG Offer Information Line on 02 9290 9600 (within Australia) or +61 2 9290 9600 (outside of Australia) between 8:30am and 5:30pm (Sydney time) Monday to Friday. For other questions, you should consult your broker, solicitor, accountant, financial adviser or other professional adviser.

NOT FOR DISTRIBUTION OR RELEASE IN THE UNITED STATES

This announcement not constitute an offer to sell, or the solicitation of an offer to buy, any securities in the United States. This announcement may not be distributed or released in the United States. Any securities described in this announcement have not been, and will not be, registered under the *U.S. Securities Act of 1933*, as amended (**U.S. Securities Act**) or the securities laws of any state or other jurisdiction of the United States. Accordingly, no securities described in this announcement may be taken up by, offered or sold, directly or indirectly to, persons in the United States or persons who are acting for the account or benefit of a person in the United States unless they have been registered under the U.S. Securities Act (which PPG has no obligation to do so or procure) or in a transaction exempt from, or not subject to, the registration requirements of the U.S. Securities Act and any other applicable U.S. state securities laws. Any securities described in this announcement to be offered and sold in the Entitlement Offer may only be offered and sold outside the United States in "offshore transactions" (as defined in Rule 902(h) under the U.S. Securities Act) in compliance with Regulation S under the U.S. Securities Act.

Future performance and forward looking statements

This announcement contains forward looking statements and comments about future events. Forward looking statements can generally be identified by the use of forward looking words such as, "expect", "anticipate", "likely", "intend", "should", "could", "may", "predict", "plan", "propose", "will", "believe", "forecast", "estimate", "target" and other similar expressions. Indications of, and guidance or outlook on, future earnings or financial position or performance are also forward looking statements.

You are cautioned not to place undue reliance on any forward looking statement. While due care and attention has been used in the preparation of forward looking statements, forward looking statements, opinions and estimates provided in this announcement are based on assumptions and contingencies which are subject to change without notice, as are statements about market and industry trends which are based on interpretations of current market conditions. Forward looking statements are provided as

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a general guide only and should not be relied upon as an indication or guarantee of future performance and may involve known and unknown risks, uncertainties and other factors, many of which are outside the control of PPG. A number of important factors could cause PPG's actual results to differ materially from the plans, objectives, expectations, estimates and intentions expressed in such forward looking statements. Actual results, performance or achievements may vary materially from any forward looking statements and the assumptions on which statements are based. PPG disclaims any intent or obligation to update publicly any forward looking statements, whether as a result of new information, future events or results or otherwise.

The forward looking statements are based on information available to PPG as at the date of this announcement. Except as required by law or regulation (including the Australian Securities Exchange Listing Rules), PPG undertakes no obligation to provide any additional or updated information whether as a result of new information, future events or results or otherwise.