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## Nippon Paper and Australian Paper pursue growth in Australasia

Nippon Paper Industries Co., Ltd. (Nippon Paper) has announced an agreement with Orora Limited to acquire its Australia and New Zealand fibre packaging division. The contract was signed today following the Nippon Paper Board of Directors meeting held in Tokyo, Japan. The purchase will be subject to final approval from the relevant authorities and is expected to be completed by the end of March 2020.

The AUD \$1.72 billion acquisition will be made through a newly incorporated subsidiary of Australian Paper, a wholly owned subsidiary of Nippon Paper. The purchase includes the Botany Paper Mill, corrugated box converting, specialty packaging, folding cartons, sacks and bags, WRS packaging distribution and associated businesses and will build on Australian Paper's strong position as a local manufacturer for the growing fibre packaging market. Australian Paper's Maryvale Mill is one of the leading employers in the Latrobe Valley and a major exporter from the Port of Melbourne.

The acquisition of Orora's fibre packaging division is aligned with Nippon Paper's strategy to expand through packaging as one of its key focus areas and Australian Paper's mission of sustainable growth for the next generation.

"As a major domestic packaging paper manufacturer we are positioning our operation for ongoing success in this growing sector. With the acquisition Australian Paper will improve our ability to meet emerging customer needs," said Mr Peter Williams, Australian Paper's Chief Operating Officer.

"The Orora fibre packaging business is a strong fit with our existing operation and provides an opportunity for Australian Paper to broaden its value proposition. The two companies have a long-standing successful business relationship based on the supply of kraft linerboard and bag and sack papers. This will allow us to expand into new sectors such as box and carton manufacture along with paper bags and sacks, and other specialty products bringing us closer to end markets," said Mr Williams.

The Nippon Paper purchase of Orora's fibre packaging business is subject to regulatory approvals and will take time to be finalised.

"Our customers will remain our key point of focus throughout this process and we are committed to ensuring our high standards of service to the market remain unchanged.

"In addition to our focus on packaging, Australian Paper is the leading local manufacturer of copy paper including Reflex, and we also remain committed to continued success in this important market segment," Mr Williams said.

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