



THE MARKET

Office paper performs an essential role in our day to day lives. With technology dramatically increasing the amount of information available to businesses, paper remains a vital part of managing the flow of information. The unique physical properties of paper make it ideal for developing, sharing and retaining information and ideas at work and home.

As Australia's favourite office paper, Reflex[®] is made the Australian way; with ongoing investment in people and processes, adherence to the highest quality standards and world-class commitments to sustainability.

Today, Reflex[®] is the most widely available brand of office paper in the Australian market and can be found from supermarket retailers to large contract stationers. The successful branding and marketing investment in Reflex[®], coupled with a commitment to quality and innovation, has helped maintain Reflex[®] as the market leader.

ACHIEVEMENTS

Australian Paper is the only Australian manufacturer of office paper and launched Reflex[®] in 1984. Reflex[®] was the world's first office paper brand to be advertised on TV and has grown to be the most recognised office paper in Australia, with close to 100% brand recall among paper buyers. Reflex[®] continues to be proudly manufactured in Australia.

Australian Paper has also responded strongly to the increased interest in environmental issues in the office paper category, launching Reflex[®] Recycled in 2002. Australian Paper now supplies the majority of the recycled office paper sold in Australia each year. Reflex Carbon Neutral was also the first Carbon Neutral office paper to be launched in the Australian market. Reflex[®] Carbon Neutral Ultra White has been certified Carbon Neutral by The National Carbon Offset Standard's Carbon Neutral Program, which means that all direct and indirect greenhouse gas emissions associated with the product life cycle have been independently audited and then offset by investments in greenhouse gas reduction projects.

Australian Paper is committed to sustainable fibre sourcing and is Chain of Custody certified to the Australian Forestry Standard (AFS[®]). The AFS[®] is globally recognised by the PEFC (Programme for the Endorsement of Forest Certification) which is the world's largest sustainable forest management certification system.



HISTORY

Australian Paper, the manufacturer of Reflex[®], has a proud history in Victoria dating back to 1937 when the Maryvale mill was established in the Latrobe Valley. Today, the mill is the single largest private employer in the region, with over 890 employees.

Reflex[®] was launched in 1984 by APPM, who recognised that quality was a driving factor in the growing office papers market. Rebranding its premium office paper Reflex[®] and supporting the launch with a powerful integrated marketing campaign, the brand achieved immediate sales success.

APPM became Australian Paper after the company was purchased by Amcor in 1993 and the manufacture of Reflex[®] products was transferred to Australia's largest paper making complex at Maryvale.

Reflex[®] was given further quality boosts as Australian Paper invested in the Maryvale mill throughout the 1990s and 2000s. In 2008, Australian Paper completed a major upgrade of the mill in response to global trends and changing consumer expectations of office paper products. With an investment of \$600 million, the upgrade expanded the mill's production of bleached pulp capacity by 22% and also delivered a range of quality, environmental, safety and health benefits. The re-built bleach plant now produces ECF-Light (Elemental Chlorine Free) pulp, and has delivered significant improvements in emission reductions as well as further savings in water usage and increased use of renewable energy. Ultimately, this major capital investment also allowed Reflex[®] to be upgraded in whiteness, and to be relaunched

as Reflex[®] Ultra White in 2009 with a national integrated consumer communications campaign.

In 2006, Australian Office was formed as the integrated office products business unit of Australian Paper, combining local envelope and stationery manufacturing with the sales and marketing of office paper. Australian Paper became a member of the Nippon Paper Group in July 2009 as Paperlinx exited paper manufacturing to focus on global merchant services.

THE PRODUCT

Over nearly three decades, Australians have relied on Reflex[®] for superior quality and performance.

Reflex[®] maintains its premium quality, consistency and reliability by using advanced technology and ongoing quality testing during the manufacturing process. A dedicated auditing centre at Maryvale mill ensures that Reflex[®] is performance and quality tested every day on laser and inkjet equipment and machines, in low to high speed printing, in colour and mono. The facility also audits the paper's formation, toner adhesion, opacity, permanence and smoothness to ensure that Reflex[®] performs reliably through the variety of paper paths, fusing temperatures, feeding mechanisms and speeds employed by different makes and models of printers and copiers.

The reputation for quality and reliability that Reflex[®] established from the outset has also led to a natural expansion into the stationery market, challenging market leading brands in other stationery categories from notepads to mailing labels.

RECENT DEVELOPMENTS

Reflex[®] continues to respond to customer needs and market forces by investing in market research programs and tailoring its products accordingly. In keeping with the growing interest in sustainability, new offerings in Reflex[®] Recycled and Reflex[®] Carbon Neutral meet consumers' desire to purchase more environmentally responsible products.

In October 2012, Australian Paper announced plans to construct a major waste paper recycling plant at Maryvale mill which will create 50,000 tonnes of premium recycled pulp each year.





The capital investment, worth an estimated \$90 million, will divert up to 80,000 tonnes per year of white waste paper from landfill or export. The waste paper recycling plant is an important investment in sustainable Victorian manufacturing, and has received support from both Victorian and Federal governments, along with Union support for the construction project, and ENGO support for what will be the only white fine paper recycling facility in Australia.

PROMOTION

Since its TV launch in 1984, the Reflex® brand has been promoted through television advertising. Consistent advertising of the core Reflex® message “Always rely on Reflex®” has resulted in exceptional brand awareness and built a familiar platform for Reflex®.

The Reflex® television launch began with “the Chairman” in 1984 which won Commercial of the Year and was followed by the extremely successful Reflex® Action television campaign, which included “Spinning Chair” and “Falling Ladder”.

More recently, Reflex® returned to the foundations of the extremely successful “Bungee Jump” advertisement with the launch of “Ejector Seat” in 2008 which saw a highly dedicated office worker shoot up in his office chair to retrieve a pack of Reflex® from a delivery trolley. This campaign proved to be so popular that it continued to be screened until 2010.

In 2011 the new TV commercial named “Breakdancer” was launched, taking the Reflex® communications platform to a new level. This fun and upbeat commercial was supported by a significant integrated campaign spanning several consumer touchpoints. The campaign combined a dedicated website featuring an interactive dancer, with an entertaining consumer competition, online ad executions, trade press and point of sale items,



which all worked to continue delivering the single minded message “Always rely on Reflex®”.

BRAND VALUES

Since its launch, Reflex® has been positioned around the core brand value of reliability. In the office paper product category, paper performance and reliability through printers and copiers is imperative and Reflex® enjoys the strongest association. Reflex® is seen as the leading brand in terms of quality, whiteness, smoothness and availability, and for an ongoing genuine commitment to deliver quality products from responsibly managed, renewable resources. This long term commitment and responsibility to the environment is an increasingly important attribute in the paper category.

As the only local manufacturer of office papers, Australian Paper is committed to sound



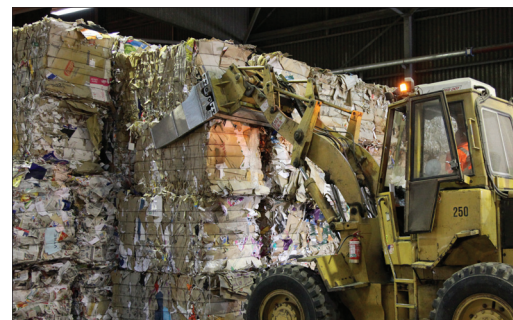
sustainability practices and the Reflex® range is certified to the Australian Forestry Standard. Reflex® customers are reassured to know the range of Reflex® continues to meet demand for environmentally responsible products, which comprises not only office papers, with Reflex® 50% and Reflex® 100% Recycled, along with Reflex® Carbon Neutral, but also encompasses Reflex® stationery, including mailing labels and envelope products which are AFS certified and adhesive notes made with Reflex® yellow carbon neutral paper.

Of course, whichever variety of Reflex® consumers choose, they know they can rely on Reflex® for exceptional quality, high environmental standards, the reassurance that they are supporting Australian jobs and contributing to Australia’s economic future.

CORPORATE SOCIAL RESPONSIBILITY

Reflex® and Australian Paper are committed to a balanced view of sustainability, in which the three areas of environmental, social and economic performance create value for the company, employees and the communities in which the company operates.

Australian Paper has a robust environmental governance framework that uses world’s best practice technology and methodologies. The company holds Australian Forestry Standard certification, which is globally endorsed by the PEFC, for fibre supply at both its mills and is certified to environmental management standard ISO14001 and quality standard ISO9001



throughout its manufacturing facilities. Ongoing innovation and investment has improved performance in energy efficiency and water use as well as reductions in air emissions and chemical use. A partnership with the Gippsland Water Factory will allow for a significant increase in the use of recycled water into the future.

Australian Paper directly employs around 1,400 people across its Australian operations. The safety and well-being of employees is critical to the company and a number of programs and initiatives have been put in place to ensure the safest possible working environment.

The company has also committed to an OHS Strategic Plan to 2015 that will deliver continuous improvement in safety outcomes.

Australian Paper supports a range of community activities and engages with members of the community on the company’s plans and activities.

The program ‘Transition to Climate Change’ - which Australian Paper and Monash University have conducted since 2009 - provides third year civil engineering and environmental engineering students with the opportunity to work on the systems and data required to meet Australia’s Climate Change Legislation.

Other programs support children’s health promotion, youth employment and education, local fire-fighting activities and community organisations.

THINGS YOU DIDN'T KNOW ABOUT REFLEX

- Reflex® brand was launched in 1984 and was the first paper brand to be advertised on TV in the world.
- The recycling plant at Maryvale will divert up to 80,000 tonnes of waste paper from landfill; equivalent to more than 16 billion sheets of A4 office paper every year.
- Australian Paper’s Maryvale mill in Gippsland Victoria, where Reflex® is made today, first opened for operations in 1937.
- Reflex® is produced at the rate of approximately 60km per hour on the paper machine at Maryvale mill, Victoria.
- Reflex® launched the first Australian made carbon neutral office paper in 2008.