



Acquisition of Constantia Flexibles

Transaction overview

- On December 23, Wendel signed a share purchase agreement to acquire Constantia Flexibles, a global leader in Flexible packaging

In recent years Constantia Flexibles has developed from a supplier with a strong European regional focus into a group which is active on a global basis in the world's most attractive and fastest-growing markets for flexible packaging.

Constantia Flexibles group supplies its products to numerous multinational corporations and local market leaders in the food, pet food, pharmaceuticals and beverage industries.

Constantia Flexibles stands for premium positioning, leading technology, customer proximity and highly efficient production facilities.

- Deal's key figures

- **Enterprise value of €2.3 billion** i.e. ca. **9x 2014e EBITDA**
- **Debt leverage of ca. 5x 2014e EBITDA**

- Timing

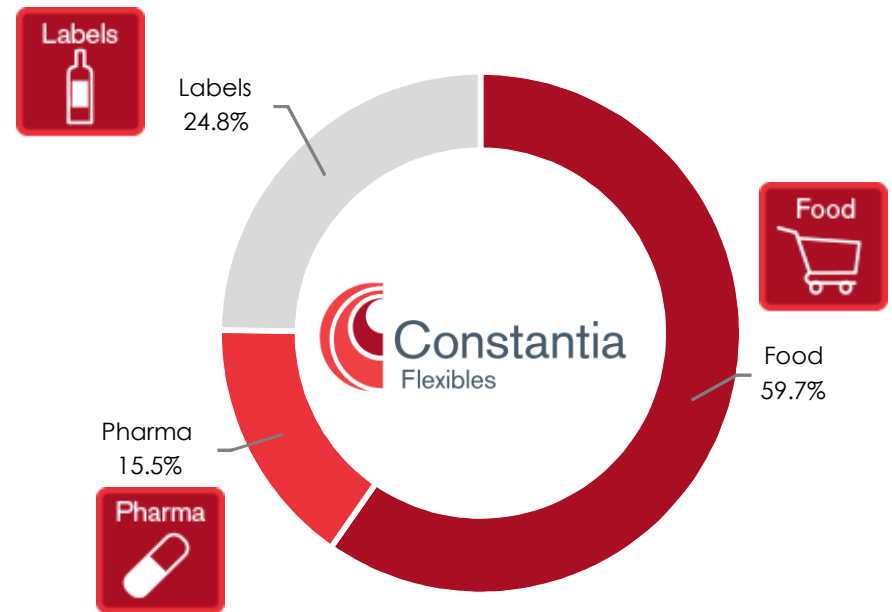
- The transaction is expected to close in the first half of 2015, subject to necessary consultations and authorizations

Company snapshot

Constantia Flexibles in figures

- **#2** market position in Europe
- **#4** market position globally
- leading (#1 or 2) market positions in key segments
- FY2013 revenues over **€1.6bn**
- FY2013 EBITDA **€233m** i.e. **14.3% margin**
- **>8,000** employees
- **43** production facilities in **18** countries worldwide
- The company serves global customers in over **115** countries

2013 FY sales by segment



The vast product portfolio is grouped into 3 divisions



Product Examples

Lidding die cut



Blister lidding foil



Pressure sensitive labels



Confectionery foil and film



Suppository foil



Aluminum foil bottle neck



Snack laminates



Stick pack foil



Aluminum lid labels



Dried food laminates



Sachet foil



Wrap around labels



Alu-container systems



Wipe film



In-mould decoration



Blue chip customers



Innovation driven by customer needs

Customer needs

Sustainability

Child resistance

Cost saving

Barrier

Brand differentiation

High functionality

Convenience

Innovation examples

✓ Feinschmecker Pouch

Dry Soup Packaging peelable the first time

- Combination of two flaps and easy peel opening allows opening in a very convenient way
- No additional equipment such as scissors or knife needed
- Pack does not get split into two pieces compared to conventional packages with tear opening



✓ Aseptic Pouch

Reel-fed plastic material for aseptic packaging of pouches containing orange juices, dairy, etc. A range of spouts can be included.

- No undesired liquid spill
- Reduced environmental impact vs. rigid containers
- Long shelf life with no preservatives



✓ CONSTANTIA Perform

Lidding Foil for High Performance Packaging.

Easy and clean opening, high mechanical consistency against abrasion of the print, sensitive for lasermarking (print of 2D-code, lot-no. and date of expiry)



✓ Thermochromic Labels on metalized paper

- Thermochromic inks are activated and at set temperatures colors will appear and disappear
- Advantage vs. current roll-fed labels is that the adhesive is mended on the label and can run at high speed



room temperature

cooled

Investment thesis

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Large and growing market

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Global player with leading positions in segments on which it competes

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Strong and resilient financial performance

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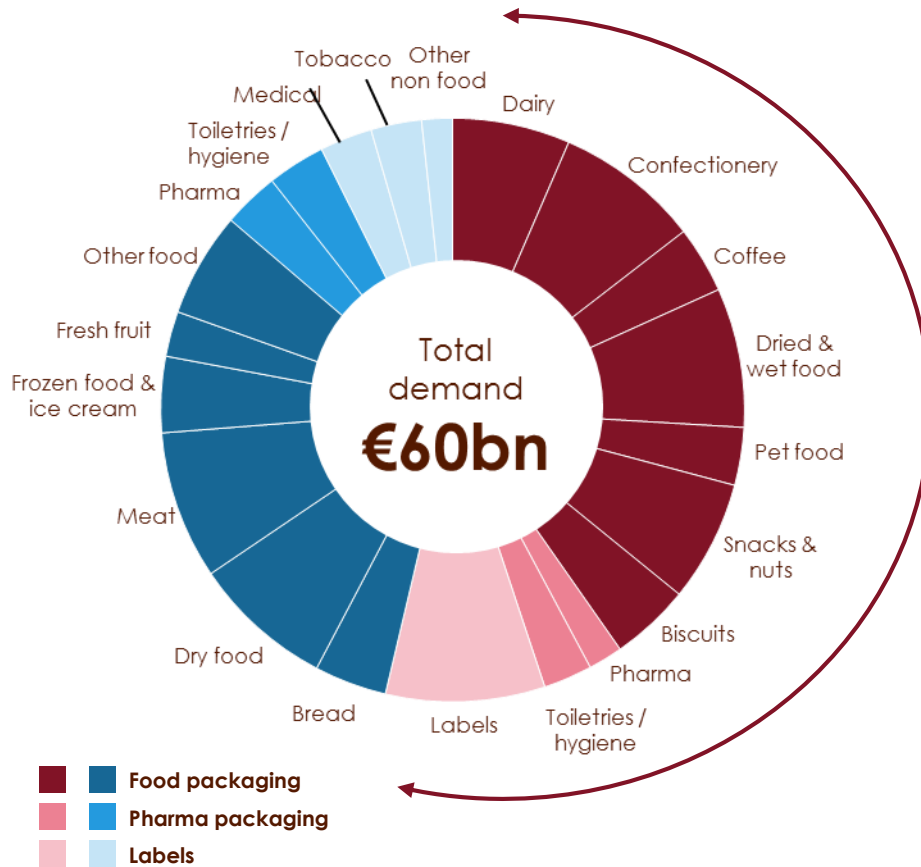
Ability to drive market consolidation suggested by M&A track-record

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Development strategy & outlook

Large and growing market

Total relevant market 2013



Constantia Flexibles addresses **more than 50% of a total relevant market worth €60bn**




Large and growing market

Secular trends drive demand for flexible packaging applications

Global trend	Demand drivers		Flexible packaging solutions
Urbanisation	<ul style="list-style-type: none"> Transition from unpacked to packed food Large families to small families Increased shelf life due to longer supply chains 		  Packaged food
Growing middle class	<ul style="list-style-type: none"> Aspirational buying Smaller packaging 		  Premium brand packaging <i>c.8x packaging material for capsules compared to traditional vacuum packs</i>
Premiumisation	<ul style="list-style-type: none"> Demand for better quality packaging Focus on convenience and functionality Importance of marketing to drive branding 		  Convenient packaging
Health	<ul style="list-style-type: none"> Ageing societies consuming more pharmaceuticals Emerging market healthcare standards rising 		  Cold-form blister
Sustainability	<ul style="list-style-type: none"> Lower carbon footprint Down-gauging and material engineering 		  Flexible packaging

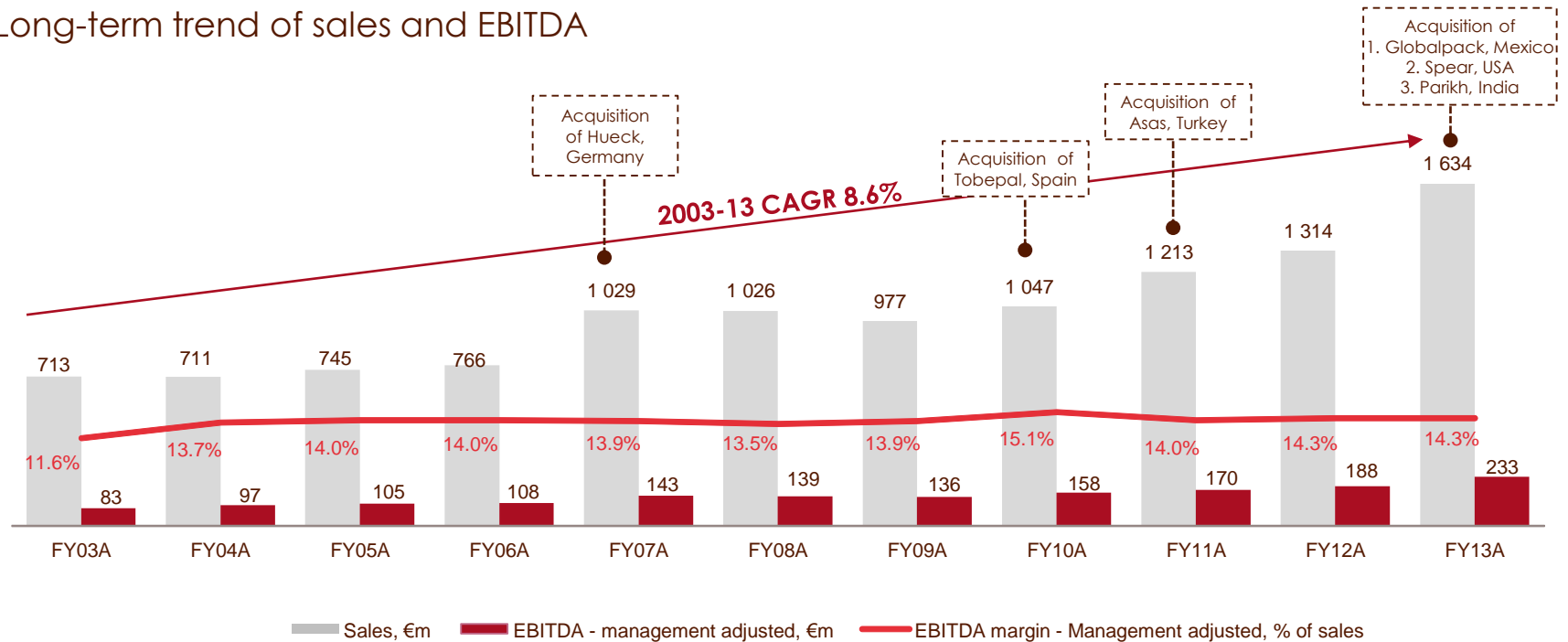
Global player with leading positions in segments in which it operates

- **European #2**
- **Global #4**
- **~60% of 2012 sales** were generated in market segments where Constantia Flexibles is **#1 or #2**

	 Food	 Pharma	 Labels		
€m	Confectionary foil	Blister foils	Coldform flexible	Beer labels	In-mould labels
Position (global)	#1	#2	#2	#1	#1

Strong and resilient financial performance

Long-term trend of sales and EBITDA



Source: Constantia Flexibles

Amounts disclosed for 2003-2009 relate to the flexible packaging business and do not necessarily include an appropriate share of central overhead costs incurred by Constantia Packaging AG (then holding company), or any adjustments which may have been appropriate relating to non-recurring items.

Ability to drive market consolidation suggested by M&A track-record



Tobepal, Spain

Revenues: ~€100m

Employees: 407

Rationale: Entry into Spanish flexible packaging market and expansion of presence in both the HPC and dried food business



Globalpack, Mexico /USA

Revenues: ~€180m

Employees: 1,500

Rationale: Consolidation of presence in North and Central America and establishment of a low cost manufacturing base close to the US market



Parikh, India

Revenues: ~€20m

Employees: 500

Rationale: Entry into the fast growing Indian market through one of the top 10 local producers of flexible packaging



Asas, Turkey

Revenues: ~€60m

Employees: 360

Rationale: Access to the food packaging markets of Turkey, SEE and Middle East with a low cost manufacturing base



Spear, USA

Revenues: ~€150m

Employees: 650

Rationale: Gain of access to the PSL market segment and expansion of global presence in the labels market into North America and South Africa

Growth drivers, development strategy & outlook

- Market consolidation
 - Opportunities to be seized via acquisitions, strong pipeline and M&A track-record

- Enter new emerging markets through acquisitions
 - Exposure to emerging markets increase already on track: >30% of 2014e sales vs.<20% in 2011

- Clear commercial roadmap, with division-specific strategies

- Well-identified priority focus areas for additional operational improvements
 - Portfolio and footprint optimization
 - Implementation of a strong group Operational Excellence unit
 - Set-up of value engineering program



Q&A