

Community update: Investing in future growth

With a total asset replacement value of over \$3 billion, Australian Paper Maryvale is one of the largest manufacturing businesses in Victoria, and we are continuing to deliver on our mission of Sustainable Growth for the Next Generation.

Australian Paper contributes more than \$900 million to Australia's GDP annually and our Maryvale Mill is also one of the largest employers in Victoria's Latrobe Valley. Australian Paper supports 2,387 direct and flow-on jobs in the region.

Our August annual shut is fast approaching. During this time the Maryvale Mill will shutdown for 26 days, one of the longest periods in the site's 80 year history.

The time will be put to good use with \$51 million to be spent on capital upgrades to strategic infrastructure and site maintenance.

At peak periods in the shut, there will be more than 1,000 employees and contractors on site. This is 3 times our usual staff level per shift.

More than 30 capital projects and over 3,500 individual maintenance jobs will be completed by the army of people on site.

Over 60 local businesses will be involved in the major outage, boosting the Latrobe Valley economy and generating employment opportunities.

Safety will be a key focus with the objective being Zero Harm in line with our vision of THINK SAFE, WORK SAFE, HOME SAFE for everyone working at Australian Paper Maryvale.

M4 Rebuild

Maryvale 4 paper machine is our largest machine, making more than 230,000 tonnes of kraft linerboard each year for the booming packaging market. After 40 years of service at Maryvale, M4 is being rebuilt to improve production and quality to make it ready for the next 40 years. The M4 capital upgrade is a \$15 million investment in the future of Australian packaging and is the key focus of the 2018 shutdown.



M2 Rebuild

Maryvale M2 paper machine makes bag papers with a gloss on one side for improved appearance and printability. Every time you buy a food item in a bag, or unwrap a hamburger, the paper was probably made on M2.

As part of the ongoing improvements at M2, last year the complex task of grinding the glazing cylinder was completed. This cylinder weighs 88 tonnes and is 5 meters in diameter. In April this year we replaced the headbox in an upgrade that cost \$3.1 million and took 21 days to complete, employing 25 extra contractors on site. Our operators are now achieving quality and efficiency gains from these major investments.



R5 Rebuild

Maryvale is the largest base load renewable energy producer in Victoria. Recovery boiler 5 is one of 2 recovery boilers on the Maryvale site that use bio fuel from the pulping process to produce steam and electricity. The \$18 million investment to the economiser section of the boiler will provide ongoing reliability and increase capacity to produce renewable energy into the future. As with Maryvale 4 paper machine, Recover 5 will be the key focus on the 2018 shutdown.



Energy from Waste study

Our \$7.5 million study into a \$600 million Energy from Waste (EfW) plant at Maryvale has reached an important stage. The project has been lodged with the EPA for approval before final analysis of commercial viability and financing can proceed. The EfW project would secure Australian Paper's energy future by reducing our reliance on natural gas and grid electricity. This is an exciting project which has the potential to save over 500,000 tonnes of carbon emissions each year and support hundreds of jobs ongoing at Australian Paper and in supporting industries.



Summary:

More than 60 local businesses will be involved in Australian Paper's 2018 planned major shut, providing a boost to the region's economy, and generating employment opportunities for the Latrobe Valley. We are committed to ongoing investment at Maryvale to deliver on our mission of Sustainable Growth for the Next Generation.