

UKRPLASTIC



WELCOME TO THE WORLD
OF FLEXIBLE PACKAGING



UPDATE UKRAINE FORUM, November 4, 2014

- ✓ **Ukrplastic is a leading Ukrainian and one of TOP 15 European flexible packaging producers.**
- ✓ **The production site and the head office are located in Kyiv. There are a number of representative and logistic offices in other countries.**
- ✓ **The full production cycle includes film manufacturing and converting.**
- ✓ **30 000 ton output annually
1400 employees**
- ✓ **ISO 9001, ISO 22 000, ISO 14001; OHSAS 18001, BRC/IOP**



EUROPEAN CONVERTED FLEXIBLE PACKAGING CONSUMPTION FORECAST 2012 to 2017

Country	2012, MEUR	2017, MEUR	Growth, MEUR	Average % change 2012 to 2017
Austria	197	218	21	2.1
France	1967	2190	223	2.3
Germany	2598	2950	352	2.7
UK	1521	1634	113	1.5
Scandinavian countries	486	481	-5	-0.2
Other	3220	3560	340	2.1
Total West European	9989	11033	1044	2.1
Balkan States	127	138	11	1.7
Baltic States	99	123	24	4.8
Bulgaria	49	54	5	2.0
Czech Republic	136	170	34	5.0
Hungary	92	102	10	2.2
Poland	365	465	100	5.5
Romania	80	92	12	3.0
Russia	823	1165	342	8.3
Slovak Republic	63	79	16	5.1
Ukraine	241	316	75	6.2
Belarus	36	41	5	2.8
Moldova	18	20	2	2.2
Total East European	2129	2765	618	6.0
Total European	11295	12633	1338	2.4

Source: PCI Films Consulting Ltd: The European Flexible Packaging Market to 2017, July 2013

Consumer market is a chief mover of the packaging development

✓ Population growth, increased purchasing power of the growing global middle class

✓ Global retail chains expansion
✓ On-the-go lifestyle

✓ Globalization of the food producers
✓ Competition between private trade names and brands

✓ Optimising the use of resources throughout the value chain, mitigating food waste

✓ New standards in transfer of information about consumer goods for advertising and communication with consumer



Flexible packaging has minor effects on environment and human health

- ✓ 3-4 times lighter in weight than the polymer laminated carton package, 4-5 times lighter than the PET-bottle, 5-8 times lighter than the aluminum can, 20-25 times lighter than the tin can and 50 - 80 times lighter than the glass bottle
- ✓ consumes 1.5 – 2.5 times less energy than the polymer laminated carton package, 3-4 times less than the PET- bottle, 10 – 13 times less than the aluminum can, 13 - 14 times less than the tin can and 7 - 8 times less than the glass bottle
- ✓ uses only 18 % of energy and 3 % of water in comparison with paper packaging
- ✓ generates 5 times less CO₂ and by 80 % less wastes than paper materials
- ✓ significantly reduces fuel costs while in transportation of packaging and finished products



UKRPLASTIC is a TOP-15 European flexible packaging producer



- ✓ Ukrplastic produces and markets flexible packaging for consumer goods
- ✓ Being one of the most innovative companies in the packaging industry, Ukrplastic focuses on high end products and tailor-made solutions for flexible packaging
- ✓ Ukrplastic's key segment is food, but the company is also active in other segments, such as pharmaceuticals, pet food, and home care
- ✓ Ukrplastic successfully covers Central & Eastern European, CIS and other countries

TARGETS

ACTIONS

Core markets

- ✓ Focus on sales development in different markets
- ✓ Improve market leader position in Ukraine, Baltic States, Moldova, Belarus, Kazakhstan etc.
- ✓ Enter new markets such as Middle East and Africa etc.
- ✓ Develop in new product markets

- ✓ Reorganize sales and marketing towards pro-active development
- ✓ Become a TOP10 supplier for European producers

Value proposition

- ✓ Tailor-made packaging solutions to customers
- ✓ Top-notch quality and service
- ✓ Innovative approach, joint market development with our clients

- ✓ Continue and support long term cooperation with key customers
- ✓ Develop semi-finished films production and further converting
- ✓ Strict quality and production standards

Competitive advantages

- ✓ State-of-the-art production facility
- ✓ High operational flexibility
- ✓ Dedicated and professional production team

- ✓ Well-balanced investment strategy
- ✓ Further improve production efficiency
- ✓ Strengthen operational and admin team

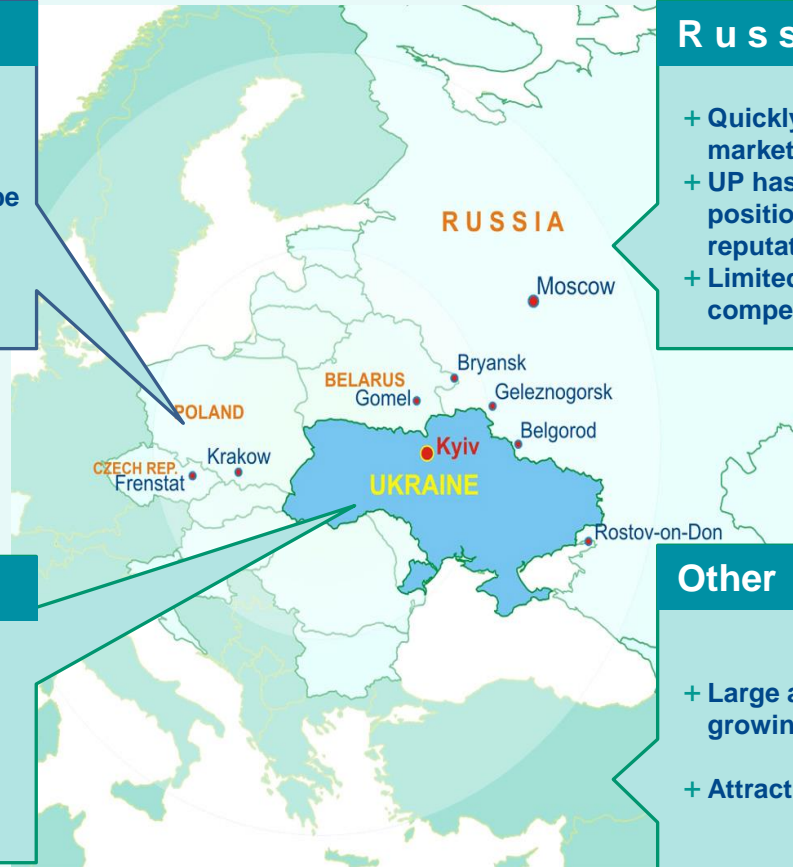
With mixed signals from traditional markets of Ukraine and Russia, the company re-focuses to new markets

Europe

- + Large market
- + Long term outlook
- + Low global risks
- + UP is cost leader
- High entry barriers, established competitive landscape
- Inertia of customers

Russia

- + Quickly growing market
- + UP has established position and reputation
- + Limited local competition
- Risks of market closure
- Customers tend to local production
- Import duty



Ukraine

- + Home market
- + Established reputation
- + No local competition
- + High growth potential
- High political and economic risks
- Limited room for growth

Other global markets

- + Large and quickly growing markets
- + Attractive pricing
- Market entrance strategies to be developed

* 2013 data

** UP: Ukrplastic

Source: PCI Films Consulting Ltd: *The European Flexible Packaging Market to 2017, July 2013*

- ✓ **UKRPLASTIC offers sophisticated, high quality, cost effective, sustainable solutions in packaging which meet current market demands.**
- ✓ **Based on its strong technological and innovative position UKRPLASTIC responds to current challenges of the macroeconomic trends.**
- ✓ **UKRPLASTIC offers partnership to food and non-food producers in realization and development of the right packaging for their needs.**
- ✓ **UKRPLASTIC creates and develops high-tech innovative packaging solutions and implements them together with customers and suppliers.**
- ✓ **UKRPLASTIC packaging is the competitive advantage on the market for our customers.**

**THANK YOU FOR YOUR
ATTENTION !**

Nataliya Kulyk
Head of R&D Department
UKRPLASTIC

www.ukrplastic.com
nataliya.kulyk@ukrplastic.com