

ASX RELEASE

21 June 2019

VESTING OF PERFORMANCE RIGHTS

Further to the Explanatory Booklet announced to ASX on 17 May 2019, Spicers Limited ('Spicers') announces that the Board of Spicers has resolved that, subject to the scheme of arrangement ('Scheme') for the proposed acquisition of Spicers by Kokusai Pulp & Paper Co., Ltd ('KPP') becoming legally effective, all of the 50,200,000 Spicers performance rights on issue ('Performance Rights') will vest and automatically convert into shares in Spicers. For the Scheme to become legally effective, it must be approved by Spicers shareholders at the upcoming Scheme Meeting on 26 June 2019, and then be approved by the Court.

If the Scheme becomes legally effective, then:

- the Performance Rights will vest on the date on which the Scheme becomes legally effective (currently expected to be 3 July 2019);
- the holders of the Performance Rights will be issued a total of 50,200,000 shares in Spicers (representing 2.44% of total Spicers shares on issue¹); and
- in the same manner as all other Spicers shares on issue, these Spicers shares will be acquired by KPP under the Scheme, and receive the associated return of capital ('Capital Return') on the Implementation Date (currently expected to be 16 July 2019).

Under the proposed transaction with KPP (comprising of the Scheme and the Capital Return), and based on current expected 'excess net cash' estimates as the 30 June 2019 calculation date approaches, Spicers shareholders are currently expected to receive a total 'transaction consideration' cash payment in the range of \$0.070 (7.0 cents) to \$0.072 (7.2 cents) per share.

Shareholders will vote on the Scheme and the Capital Return at the upcoming Scheme Meeting and Special General Meeting, to be held from 10.00am on 26 June 2019 at the Computershare Conference Centre, Yarra Falls, 452 Johnston Street, Abbotsford, Victoria, Australia.

The Explanatory Booklet contains further detail regarding the transaction with KPP.

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1. Calculated based on 2,056,942,649 ordinary shares outstanding immediately prior to the Performance Rights vesting

About Spicers Limited (SRS)

Spicers is a dynamic and solutions-focused distribution business with an extensive network in the geographies we serve. We offer a full suite of products and services to our customers, incorporating commercial print, digital media, label & packaging, industrial packaging, sign & display consumables and hardware, and architectural offerings.