

ASX RELEASE

26 June 2019

APPROVAL OF SCHEME AND CAPITAL RETURN AT TRANSACTION MEETINGS

Spicers Limited ('Spicers') is pleased to announce that at the Scheme Meeting held earlier today, Spicers shareholders overwhelmingly voted to approve the scheme of arrangement ('Scheme') for the proposed acquisition of Spicers by Kokusai Pulp & Paper Co., Ltd. ('KPP') by the requisite majorities.

Spicers shareholders also voted strongly in favour to approve an interconditional return of capital to shareholders ('Capital Return') by the requisite majority at the special general meeting held immediately after the Scheme Meeting ('Special General Meeting').

Voting results – Scheme Meeting

The resolution to approve the Scheme ('Scheme Resolution'), as set out in the Notice of Scheme Meeting included in the Explanatory Booklet that was announced to ASX on 17 May 2019, was approved by the requisite majorities of Spicers shareholders. The Scheme Resolution was decided by way of a poll, and details of the poll and proxy results are set out in Annexure A to this announcement.

In summary:

- 99.75% of the votes cast were in favour of the Scheme Resolution; and
- 91.63% of Spicers shareholders present at the meeting (in person or by proxy or representative) voted in favour of the Scheme Resolution.

Voting results – Special General Meeting

The resolution to approve the Capital Return ('Capital Return Resolution'), as set out in the Notice of Special General Meeting included in the Explanatory Booklet that was announced to ASX on 17 May 2019, was approved by the requisite majority of Spicers shareholders. The Capital Return Resolution was decided by way of a poll, and details of the poll and proxy results are set out in Annexure B to this announcement.

In summary, 99.76% of the votes cast were in favour of the Capital Return Resolution.

Implementation of the Scheme

The Scheme remains subject to approval by the Federal Court of Australia ('Court') in order to be implemented. Spicers has applied to the Court for approval of the Scheme at a hearing scheduled for Wednesday, 3 July 2019. Spicers will make a further announcement after the Court has considered the matter.

If the Court approves the Scheme, Spicers proposes to lodge the orders of the Court with the Australian Securities and Investments Commission on Wednesday, 3 July 2019, at which time the Scheme will become legally effective pursuant to section 411(10) of the *Corporations Act 2001* (Cth) ('Effective').

Subject to the Scheme becoming Effective as noted above:

- Spicers will apply for its shares to cease trading on the ASX from the close of trading on Wednesday, 3 July 2019; and
- the Scheme and Capital Return are expected to be implemented on Tuesday, 16 July 2019 ('Implementation Date').

Transaction Consideration

If the Scheme becomes Effective, Spicers shareholders who hold shares at 7.00pm (Melbourne time) on Monday, 8 July 2019 ('Scheme Shareholders') are currently expected to receive a total cash payment in the range of \$0.070 (7.0 cents) to \$0.072 (7.2 cents) per share on the Implementation Date as follows:

- Scheme consideration of \$0.043 (4.3 cents) per share; and
- Capital Return consideration currently expected to be in the range of \$0.027 (2.7 cents) to \$0.029 (2.9 cents) per share.

By way of clarification, Spicers notes that the expected excess net cash component of the Capital Return consideration is in the range of \$21.0 million to \$25.0 million as set out in the Chairman's address for the Special General Meeting released earlier today (and not the \$20.8 million to \$25.5 million range set out in the slides for the Special General Meeting).

Spicers will confirm the final amount to be paid to Scheme Shareholders prior to the Implementation Date.

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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.

Annexure A

**Spicers Limited
Scheme Meeting
Wednesday, 26 June 2019
Voting Results**

The following information is provided in accordance with section 251AA(2) of the Corporations Act 2001 (Cth)

Resolution details	Instructions given to validly appointed proxies (as at proxy close)				Number of votes cast on the poll			Resolution Result
Resolution	For	Against	Proxy's Discretion	Abstain	For	Against	Abstain*	Carried / Not Carried
1 Approve the Scheme of Arrangement	1,365,323,993 95.85%	3,490,338 0.24%	55,720,211 3.91%	257,642	1,430,483,224 99.75%	3,557,338 0.25%	257,642	Carried
					Number of shareholders voting on the poll			
					For	Against	Abstain*	
					799 91.63%	73 8.37%	13	

* Votes cast by a person who abstains on an item are not counted in calculating the required majority on a poll

Annexure B

**Spicers Limited
2019 Special General Meeting
Wednesday, 26 June 2019
Voting Results**

The following information is provided in accordance with section 251AA(2) of the Corporations Act 2001 (Cth).

Resolution details		Instructions given to validly appointed proxies (as at proxy close)				Number of votes cast on the poll (where applicable)			Resolution Result
Resolution	Resolution Type	For	Against	Proxy's Discretion	Abstain	For	Against	Abstain*	Carried / Not Carried
1 Approve the Capital Return	Ordinary	1,327,127,312	3,171,572	6,967,468	115,873	1,343,533,800 99.76%	3,238,572 0.24%	115,873	Carried

* Votes cast by a person who abstains on an item are not counted in calculating the required majority on a poll.