

# Ardagh Group: GLOBAL OPERATIONS

In this article, we take a look at the general situation of the Ardagh Group, considering its recent acquisitions, and with its financial situation in mind. We are taken through its markets, brands and production methods, all aimed at creating a global based and focussed company.

## Group at a Glance

- > **Scale** - Revenues €4.1Bn, EBITDA €0.7Bn
- > **Stability** - Food & Beverage sectors represent 90% of our business
- > **Balance** - Diversified by Sector, Customer and Geography
- > **Strength** - Attractive Positions in all of our Markets
- > **Record** - Delivering strong Growth, backed by Investment

**A**rdagh Group is a Luxembourg-based producer of glass and metal products. It was founded in 1952 as the Irish Glass Bottle Company. In 1999 it expanded by buying Rockware Glass and in 2007 by buying the Rexam Glass Division. In 2011 Ardagh Group bought the metal packaging company Impress Group for EUR 1.7 billion and acquired Fi Par in March 2011 for EUR 125 million. In August 2012, the company acquired Anchor Glass in a USD 880 million transaction. In January 2013, Ardagh Group agreed to acquire Saint-Gobain's Verallia North America for EUR 1.275 billion. The company operates 100 facilities in 25 countries, employs approximately 18,000 people and has more than EUR 4.1 billion in revenue.



## COMPANY PROFILE

### LEADING MARKET POSITIONS

Ardagh Group operates globally through two business segments: Glass and Metal Packaging. In both segments, the Group has secured leading positions in the key end markets it serves.

The company believes its value proposition in terms of product quality, reliability, innovation, customer service and geographical reach will enable it to continue to grow its business alongside that of its customers.

#### Facts & Figures

- EUR 4.2 billion revenue
- 100 facilities worldwide
- 18,000 employees
- 32 billion containers annually

#### Market Leading Research and Development

Ardagh's dedicated Research and Development facility is unique within its industries. The company offers customers concept development and material and shelf-life testing, as well as support in differentiating their products.

As well as focusing on product research and development,

## Key Facts & Figures

	GLASS	METAL	GROUP
Sales	€2.0bn	€2.1bn	€4.1bn
EBITDA	€403m	€279m	€682m
Facilities	33	67	100
Countries	9	24	25
Employees	10,000	8,000	18,000

Note: Based on Last 12 Months to 30 September 2012 including Boral, Leone Industries and Anchor Glass

Ardagh is constantly improving its process technology. Among other key benefits, this has allowed Ardagh to lead the market in raw material reduction and energy efficiency.

#### Operational Excellence

Maintaining competitiveness relies on operations leading the way in the implementation of best practice and technological advances. An industry-leading level of investment supports Ardagh's programme of continual improvement.

The operational excellence teams focus on standardizing and simplifying processes and identifying best practices for the Group. This approach has enabled Ardagh to establish a culture

of improvement that is supported by consistent working practices across all facilities.

#### Reducing the weight of packaging

Lighter packaging reduces energy and raw material consumption, transportation costs and significantly contributes to the Group's sustainability credentials. Glass and metal containers have been reduced in weight by up to 20 per cent in the last decade. This has been achieved without compromising on strength or preservation.

Investing in new design software, analytical systems and inspection technology helps support continuous improvement. Thanks to advanced analytical software, including FEA (Finite Element Analysis), Ardagh is able to model new container designs and find optimum weights in advance of production.

## Our Markets



- 1 Soups, Sauces Dressing and Ready Meals
- 2 Toiletries, Cosmetics & Pharmaceuticals

#### The appeal of glass packaging

Its history stretches back long before many other forms of packaging existed, and it is still as relevant today as it has ever been.

From its shelf presence to its practical and sustainable qualities, glass is unrivalled. Ardagh Group manufactures glass packaging for the world's biggest brands across all food



## Geographical Presence



and beverage markets, in a wide variety of award-winning designs, shapes and sizes. For enjoyment, protection, preservation, innovation and sustainability, the alternatives just don't match up, it has to be glass.

### BEERS

The properties of glass mean that it perfectly retains the freshness, taste and quality of beer. Ardagh Group provides glass packaging in various shapes and designs for some of the world's biggest brewers, including such iconic brands as Budweiser, Carlsberg, Heineken, Peroni and Stella Artois.

### FLAVOURED ALCOHOLIC BEVERAGES (FABS)

FABs come in a multitude of colours and flavours and are wonderfully showcased by contemporary glass packaging.

Glass is perfect for creating eye-catching designs, with endless decorative possibilities and a wealth of creative techniques to choose from.

### CIDERS

It's hard to imagine capturing the essence of golden, sparkling cider in any material other than glass. The coldness in your hand

### > Glass

- # 1 Producer in Northern Europe
- # 1 Germany, UK, Nordics
- # 2 Benelux, Poland
- # 3 USA (entered 2012)

### > Metal

- # 1 Globally in seafood packaging
- # 2 food metal packaging in Europe and Australia
- # 1 in European and Australian aerosol markets

## Attractive Market Positions



and the fizz on opening are all part of the brand experience, made possible by glass.

### FOODS

From baby food to vegetables and coffee to cook-in sauces, glass is available in every conceivable size and shape. Glass provides the highest level of protection; nothing gets in or out, so food stays fresh and tasting good, without the need for refrigeration.

### WINES

Glass has long been the packaging choice for wine connois-

seurs. Wine bottled in glass stays tasting great, year after year. Glass also provides the opportunity to differentiate brands with colour, shape and decoration to reflect the exceptional wine they contain.

### NON-ALCOHOLIC BEVERAGES (NABS)

NABs include everything from the purest of bottled waters to the

COMPANY PROFILE

most iconic and globally recognized soft drinks. Ardagh provides glass packaging solutions across a broad spectrum of colours, sizes and shapes, enhancing the image of some of the world's most renowned brands.

SPIRITS

Glass remains the material of choice for spirit drinkers around

Our 2012 Acquisitions

Leone Industries	Boxal	Anchor Containers
<ul style="list-style-type: none"> <li>• 1 Facility</li> <li>• North America</li> <li>• Glass</li> </ul> 	<ul style="list-style-type: none"> <li>• 3 Facilities</li> <li>• France, the Netherlands &amp; Hungary</li> <li>• Aluminium</li> </ul> 	<ul style="list-style-type: none"> <li>• 11 Facilities</li> <li>• North America</li> <li>• Glass</li> </ul> 

the world, from famous whiskies to the most renowned vodkas and gins. Ardagh provides award-winning glass packaging for global brands including Absolut, Glenfiddich, Jameson and Smirnoff.

PHARMACEUTICALS

When product protection and safety are of the utmost importance, an inert material such as glass is the ideal packaging option. Glass packaging safeguards

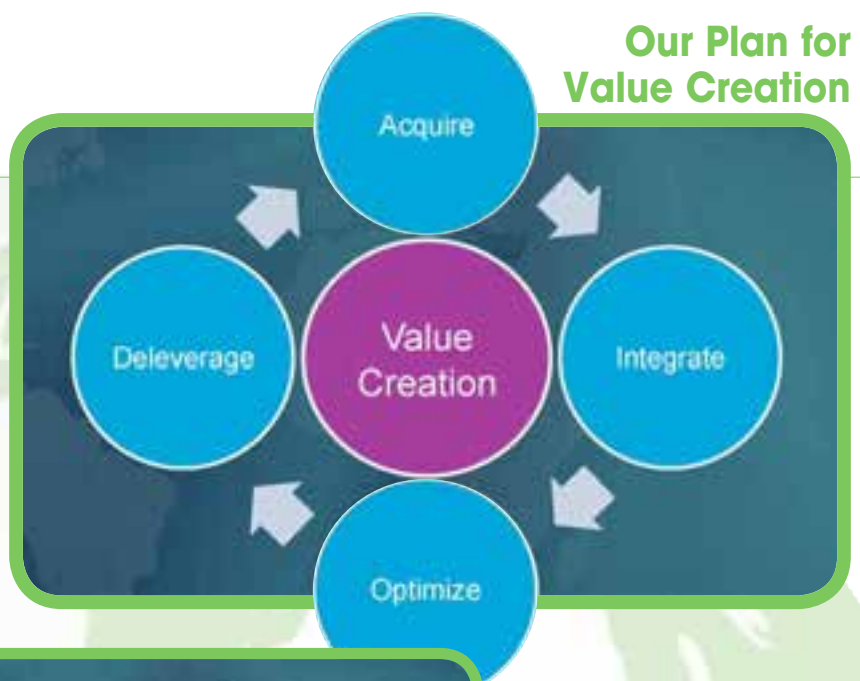
contents from oxygen invasion and cross contamination, providing the ultimate protection.

Quality

Maximizing competitiveness relies on quality and customer service being the best in the industry. Ardagh's glass business prides itself on industry leading performance that is consistently recognized in customer feedback.

Continual improvement processes, rigorous key performance

potential qualified buyers, each of which is well capitalized and owns and operates other industrial businesses in the US. The plants included in the standalone business are Ardagh's Jacksonville, FL and Warner Robins, GA facilities as well as the plants currently operated by VNA at Dolton, IL and Wilson, NC. The sale of the standalone business will create a strong, viable competitor for the manufacture and sale of glass containers in the US, in particular in the beer and spirits sectors. The manufacturing capacity of the standalone business is equivalent to more than 100% of Ardagh's existing beer business and more than 100% of VNA's existing spirits business.



indicators, state-of-the-art inspection and production monitoring systems all form part of Ardagh's focus on delivering zero defect quality in all its facilities.

Customer Service

An industry-leading level of investment supports

Ardagh's programme of continual quality and service improvement.

The company's customer service teams are skilled in the application of filling line monitoring systems which display data in real-time allowing to drive the pace of improvement.

A Group-wide initiative ensures that best practice is continuously implemented so Ardagh can continue to meet its customers' requirements.

Ardagh is currently defending its acquisition of VNA in litigation with the Federal Trade Commission. Whilst Ardagh firmly believes that its acquisition of VNA, as originally structured, is fully consistent with the antitrust laws, it is very clear that the amended transaction would more than overcome any possible regulatory concerns.

Ardagh Group is a global leader in packaging solutions, producing metal and glass packaging for the world's leading food, beverage and consumer care brands. It operates 100 facilities in 25 countries, employs approximately 18,000 people and has global sales in excess of EUR 4.1 billion.

ARDAGH GROUP  
ACQUISITION OF  
VERALLIA NORTH  
AMERICA

Ardagh Group has announced that it is in the process of restructuring its proposed acquisition of the Verallia North America (VNA) business by selling, contingent on closing of its agreement with Saint-Gobain to acquire VNA, four glass container manufacturing plants as a standalone business to a single buyer. Ardagh is currently in negotiations with a number of



### Design Expertise

Ardagh's team of in-house designers work closely with leading design agencies, in partnership with customers, to develop exciting and bold new packaging. Every project brings an opportunity to challenge the boundaries of design and deliver innovative solutions.

Ardagh is pioneering the use of new technologies such as Finite Element Analysis (FEA) to enhance design possibilities as well as improve production performance. The company has also implemented a global design platform to streamline and standardize its design process.

Ardagh boasts the largest range of in-house decoration facilities in Europe, creating endless possibilities for adding value and product differentiation.

Working continuously with customers to further the opportunities for brand enhancement on their packaging is all part of Ardagh's core service.

The Group provides a wide variety of decoration techniques including Embossing, Screen Print, Base Printing, Coating, PSL and Sleeving.

### EMBOSSING

The most cost-effective way to decorate bespoke glass packaging is with embossing.

Embossing is achieved during the primary process of glass manufacture and creates a permanent feature within the glass container.

### SCREEN PRINTING

A variety of screen printing options are available for glass packaging, including lead-free, ceramic inks and organic inks. 360°

printing on round containers is also possible with up to eight colours on the body and five colours on the neck.

### BASE PRINTING

Base printing is a popular option for real brand differentiation and can be produced with unlimited colour options in a variety of styles to create a striking on-shelf brand presence.

### COATING

Ardagh's coating options are wide and varied, providing a cost-effective and flexible way to achieve colour and a premium look on glass containers. Techniques include spray coating using KALEIDOCOAT™ advanced technology.

Matt, Gloss, Egg Shell, Acid Etch, Metallic and Pearlescent coatings are often combined with other decoration options such as PSL labelling, printing or embossing, offering unlimited options and uniquely tailored branding.

### PSL

Pressure Sensitive Labels (PSL) achieve a clear, 'no label' look. Intricate graphics can be created including metallic, var-

nish (tactile effects) and foil (silver and gold) effects.

This state-of-the-art labelling technique can place up to four labels in a single process with the ability to apply PSL labels to all shapes of glass containers.

### SLEEVING

Sleeving is a popular technique providing 360° full-colour branding.

It is perfect for both high-volume and limited edition products. It allows for the decoration of almost 100 per cent of the surface area of the bottle, so design and branding are not limited to a small label panel. ■



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