

**TO: COMPANY ANNOUNCEMENTS OFFICE**

**ASX LIMITED**

**DATE: 27 February 2014**

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## **Cardia Bioplastics develops innovative Biohybrid™ films technology for bag-in-bag water packaging**

- Innovative Biohybrid™ bag-in-bag water packaging replaces traditional rigid plastic bulk water bottles
- Enables single use bulk water distribution without the handling issues and cost of plastic bottles
- Redefines entire bulk water supply chain, delivering benefits to suppliers, distributors, consumers and the environment
- BOS Water and Yukon Spring launch their 'Bag-of-Spring Water' offering in the Australian and Canadian markets

Cardia Bioplastics Limited is pleased to announce that it has developed proprietary Biohybrid™ packaging films tailored to the innovative bag-in-bag water packaging process.

Australian Pacific Springs and Canadian Yukon Spring have launched their 'Bag-of-Spring Water' offering made from Cardia Biohybrid™ packaging in the Australian and Canadian markets.

Cardia delivered initial sales of \$80K from BOS Water and Yukon Spring for Biohybrid™ bag-in-bag packaging films. Whilst these orders are small (in a dollar sense) they represent an important milestone for the company and an opportunity to expand our product range, participate in our customers new offerings in Australia and Canada and develop new revenue streams for the company.

Please find attached the media release.

**Richard Tegoni**

Chairman

Cardia Bioplastics Limited

27 February 2014

For Immediate Release

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Cardia Bioplastics Limited is pleased to announce that it has developed proprietary Biohybrid™ packaging films tailored to the innovative bag-in-bag water packaging process. Australian BOS Water and Canadian Yukon Spring have launched their 'Bag-of-Spring Water' offering made from Cardia Biohybrid™ packaging in the Australian and Canadian markets.

Cory Reeve, Manager of BOS Water, stated: "We have launched our 'Bag-of Spring Water' offering in the Australian water distribution market. Our BOS Water bulk packaging redefines the entire bulk water supply chain. Replacing the traditional polycarbonate rigid bulk water bottles with our single-use Biohybrid™ bag solution, delivers commercial and environmental benefits to our spring water customers. This is of particular benefit to our mining and oil and gas customers operating in remote locations where the supply chain management of traditional rigid plastic bottles is particularly challenging and costly."

Paul Sheridan, President of Yukon Spring Inc., expanded: "Yukon Spring water is now available to be delivered to water coolers in a bag-in-bag format. We at Yukon Spring have chosen Cardia Biohybrid™ Bag-in-Bag packaging films as they are tailored to our bagged water production process and deliver exceptional Bag-in-Bag product performance. This single-use water bag is financially and environmentally attractive to our customers. They save the deposit on bulk water bottles and the hassles of managing bottle returns. In addition, the Biohybrid™ water bag offering is good for the environment as they are made with less oil and deliver a much lower carbon footprint than conventional packaging options."

"We are excited to be launching our Biohybrid™ packaging films with BOS Water and Yukon Spring in the Australian and Canadian water distribution markets," said Cardia Bioplastics Managing Director Dr Frank Glatz. "Collaborating with these innovative companies presented an exciting opportunity to develop high performance packaging with lower environmental impact. The bag-in-bag water packaging application expands the commercial successes of our Biohybrid™ packaging and further validates the commercial appeal of our unique patented resin technology. There are significant opportunities in extending the application of the Bag-in-Bag system to other bulk beverage and liquid product dispensing systems."

"In addition to offering a product with beneficial environmental profile and full food safety compliance, delivering superior packaging performance through the product life cycle is a key criterion for success."

The global bottled water market has seen a remarkable and continued annual growth, with much of the growth in global still water consumption been driven by water for coolers and other bulk formats. In 2012, retail sales of bottled water in Canada reaching 2.3 billion litres, while value grew 3% to reach C\$2.3 billion. Bottled water sales in Australia generated A\$1.4 billion in 2012, an increase of just over 3% in current value terms compared to the previous year. The Asian/Australasian region is second only to Western Europe in terms of volume consumption and is the fastest growth region across the globe. In terms of per capita consumption, the highest is in Australia, Indonesia and South Korea.



*Canadian Yukon Spring Bag-in-Bag and Australian BOS Water 'Bag-of-Spring Water' made from Cardia Biohybrid™ packaging*

## About BOS Water

BOS Water is a subsidiary of Pacific Springs, a Family Owned and established company we don't only strive on providing the purest, most refreshing spring water possible but we also strive on the satisfaction of our customers. BOS Water Natural Spring Water & Filtration Systems have been in business since 1995, established by Shane & Debbie Reeve who are still the operating Directors of the company.

## About Yukon Spring

Yukon Spring Inc based in Whithorse, Yukon, is a Canadian water business selling world class quality potable drinking water. Established in 1988, Yukon Spring is a family owned and managed company committed to product quality and superior customer service.

## About Cardia Bioplastics

Cardia Bioplastics Limited (ASX CODE: CNN) develops, manufactures and markets its patented renewable resource-based materials and finished products derived from Cardia's proprietary technology for the global packaging and plastic products industries. The company holds a strong patent portfolio and its growth is fuelled by the global trend towards sustainable packaging. Established in Australia in 2002 as Biograde, the company Headquarters and Global Applications Development Centre is in Melbourne, Australia. The Product Development Centre and manufacturing plant for resins and finished goods is in Nanjing, China. Cardia Bioplastics has offices in Australia, China, USA, Brazil and Malaysia, and a network of leading distributors across the Americas, Asia and Europe. Visit [www.cardiabioplastics.com](http://www.cardiabioplastics.com)

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