



28 April 2017



SENT TO LSU AGCENTER/LOUISIANA FOREST PRODUCTS DEVELOPMENT CENTER - FOREST SECTOR / FORESTY PRODUCTS INTEREST GROUP

LED NEWS

04.28.17

Gov. Edwards Announces \$274 Million Expansion In Northeast Louisiana

Graphic Packaging to retain over 800 jobs; project to create 93 new jobs for 1.27 million-square-foot converting/logistics center in Monroe

MONROE, La. — Today, Gov. John Bel Edwards joined President and CEO Michael Doss of Graphic Packaging International Inc. and CEO Scott Sureddin of DHL Supply Chain, North America, to announce the companies will make a combined \$274 million capital investment in Northeast Louisiana and develop a 1.27 million-square-foot folding carton plant and logistics center in Monroe.

In West Monroe, Graphic Packaging will continue to reinvest in its paper manufacturing location, including upgrades to the mill's paper machines. The company's West Monroe operations will supply paperboard for the new packaging and logistics center in Monroe, where DHL will build the 1.27 million-square-foot center consisting of a 793,000-square-foot distribution facility and a 480,000-square-foot carton converting facility.

The project will create 93 new direct jobs, and Louisiana Economic Development estimates the warehouse operations will result in an additional 74 new indirect jobs, for a total of more than 160 new jobs in Northeast Louisiana. Graphic Packaging will continue to employ more than 800 people in its West Monroe mill and in the new combined folding carton plant, where Graphic Packaging will move carton production from the company's two existing carton sites in West Monroe to the new Monroe site. A combined annual payroll of more than \$78 million will be associated with the investments in Northeast Louisiana.

"For decades, Graphic Packaging has been a backbone of the West Monroe community and a leading economic driver for Northeast Louisiana," Gov. Edwards said. "With this modernization and expansion announcement, we are securing the future of Graphic Packaging in Louisiana for generations to come while attracting an invaluable logistics partner in DHL. The massive new facility in Monroe will combine Graphic Packaging's skill as a global paperboard and folding carton producer with DHL's expertise as a global logistics leader. Everyone in Louisiana will benefit from these investments, and the families of Ouachita Parish and Northeast Louisiana will be the biggest beneficiaries."

In addition to West Monroe mill investments totaling \$120 million over the next several years, Graphic Packaging will invest \$70 million in new state-of-the-art folding carton plant equipment for the converting plant in Monroe. DHL will construct that building and the adjoining distribution center. The total construction investment for the new Monroe facility will be over \$84 million.

"After a thorough analysis of our manufacturing needs, it was clear that Ouachita Parish was the best



28 March 2017



SENT TO LSU AGCENTER/LOUISIANA FOREST PRODUCTS DEVELOPMENT CENTER - FOREST SECTOR / FORESTY PRODUCTS INTEREST GROUP
location for this new facility,” said Graphic Packaging’s Doss. “A number of factors influenced our decision, including access to an experienced and skilled local workforce and our relationship with the State of Louisiana and local community.”

Louisiana successfully competed against other states – including Georgia, Arkansas and Mississippi – to attract the combined folding carton and logistics facility to Monroe. The companies evaluated multiple sites before choosing the 726-acre Millhaven Road property, an LED Certified Site adjacent to the Kansas City Southern Railroad and the north side of Interstate 20, and about two miles east of Monroe Regional Airport.

“DHL Supply Chain is eager to break ground today and begin work on this new facility in Louisiana,” Sureddin said. “The quality location and high-caliber workforce in the area are certainly appealing to us. DHL Supply Chain’s relationship with Graphic Packaging helps enable the customer to take business to the next level. The launch of this partnership means the beginning of increased efficiency for the organization and its customers, and that’s something DHL Supply Chain is proud to enable.”

“As the police juror for this district, I’d like to welcome DHL and commend Graphic Packaging for their partnership that will be firmly rooted and nurtured in our rich Delta community,” said Ouachita Parish Police Juror Dr. Ollibeth Reddix. “DHL and Graphic Packaging will find that Ouachita Parish offers economic strength and sustainability for businesses.”

LED began discussing the first component of the projects with Graphic Packaging in September 2014. To secure the projects, the State of Louisiana offered a competitive incentive package consisting of a performance-based, \$3 million Modernization Tax Credit, payable in five annual installments, for Graphic Packaging and associated chiefly with its investment in the new converting facility equipment. For its total \$190 million capital investment, Graphic Packaging secured a local tax exemption agreement with the Ouachita Industrial Development Board as an alternative to the state’s Industrial Tax Exemption Program. The agreement will exempt Graphic Packaging from paying \$1.9 million in local property taxes annually for 10 years on the new capital improvements. For its investment in the Monroe facility, DHL will receive an exemption of local property taxes equivalent to the estimated \$11 million to \$13 million it initially will provide for public infrastructure improvements at the Millhaven Road site.

In addition, Graphic Packaging will receive support from the nation’s No. 1 state workforce training program, LED FastStart®, and the warehouse operator will be eligible to participate in the state’s Enterprise Zone Program, which provides a one-time tax credit of up to \$3,500 for each new job created, along with either a sales tax rebate on capital equipment and materials purchased or a 1.5 percent tax credit on the company’s total capital investment.

“The DHL and Graphic Packaging project is very positive and exciting news for our community,” said Mayor Dave Norris of West Monroe. “Their investment in new and existing plants in Ouachita Parish ensures that high-paying manufacturing jobs stay in our community.”

“The City of Monroe is pleased that this joint project between DHL and Graphic Packaging will result in a large local investment with new facilities, new jobs and major upgrades to existing facilities,” Monroe



28 March 2017



SENT TO LSU AGCENTER/LOUISIANA FOREST PRODUCTS DEVELOPMENT CENTER - FOREST SECTOR / FORESTY PRODUCTS INTEREST GROUP
Mayor Jamie Mayo said. “We will continue to work hard with our many partners to help secure economic development projects like this to further strengthen job opportunities in Monroe and Ouachita Parish.”

DHL will complete the new logistics center by the second half of 2018, with Graphic Packaging consolidating the production of its two West Monroe carton plants into the new combined converting facility in 2019.

“This substantial investment in our community is a direct result of businesses and governmental entities in Ouachita Parish working together to retain jobs and attract capital investment,” said NLEP President Scott Martinez. “North Louisiana Economic Partnership is proud to have worked with Graphic Packaging, DHL Supply Chain and local and state partners to secure this project for North Louisiana.”

About Graphic Packaging International Inc.

Graphic Packaging International Inc., a wholly owned subsidiary of Graphic Packaging Holding Company (NYSE: GPK), headquartered in Atlanta, is committed to providing consumer packaging that makes a world of difference. The company is a leading provider of paper-based packaging solutions for a wide variety of products to food, beverage and other consumer product companies. The company operates on a global basis, is one of the largest producers of folding cartons in the United States, and holds leading market positions in coated unbleached kraft paperboard and coated-recycled paperboard. The company’s customers include many of the world’s most widely recognized companies and brands. For more information, visit GraphicPkg.com.

About DHL

DHL is the leading global brand in the logistics industry. The DHL family of divisions offers an unrivaled portfolio of logistics services that range from national and international parcel delivery to e-commerce shipping and fulfillment solutions; international express, road, air and ocean transport; and industrial supply chain management. With about 350,000 employees in more than 220 countries and territories worldwide, DHL connects people and businesses securely and reliably, enabling global trade flows. With specialized solutions for growth markets and industries – including technology, life sciences and healthcare, energy, automotive and retail – a proven commitment to corporate responsibility and an unrivaled presence in developing markets, DHL is decisively positioned as the logistics company for the world. DHL is part of Deutsche Post DHL Group, which generated more than 57 billion euros in 2016 revenue. For more information, visit DHL.com.

Richard P. Vlosky, Ph.D.
Director, Louisiana Forest Products Development Center
Crosby Land & Resources Endowed Professor of Forest Sector Business Development
Room 227, School of Renewable Natural Resources
Louisiana State University, Baton Rouge, LA 70803
Phone (office): (225) 578-4527; Fax: (225) 578-4251; Mobile Phone: (225) 223-1931
Web Site: www.LFPDC.lsu.edu



28 March 2017



SENT TO LSU AGCENTER/LOUISIANA FOREST PRODUCTS DEVELOPMENT CENTER - FOREST SECTOR / FORESTY PRODUCTS INTEREST GROUP



President, Forest Products Society; President-Elect, WoodEMA i.a.

