

FBA Independent Sheet Plant Presentation

New Orleans, March 2011



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GP Georgia-Pacific
Packaging

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Major Themes / Outline

- GP overview
- Sheetfeeder / sheet plant value chain
- Current industry statistics
- Global industry overview
- Recovered paper
- Innovation – disruptive technologies

Business Segments

Global Consumer Products

~54% of LTM Sales



North America

- Retail
- Washroom
- Foodservice
- Uncoated freesheet



EMEA

- Retail
- Commercial
- Personal Care

Building Products

~19% of LTM Sales



Bldg Products

- Plywood
- Oriented Strand Board
- Gypsum
- Lumber
- Chemicals

Packaging

~27% of LTM Sales



Packaging

- Containerboard
- Packaging
- Kraft
- Bleached Board
- Cellulose

Note: LTM is defined as: "Latest Twelve Months for the period ended 3Q10"

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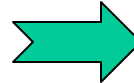
GP Packaging Locations



Sheet Plant – Sheet Feeder Value Chain Works

At First there were Sheet Plants...

- Made nice profits making boxes the box plants either couldn't or wouldn't make (small quantities, short lead time, multiple converting steps)
- Bought sheets from box plants: sheet plants maintained inventory of sheets and slit to size as needed



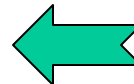
Then there were sheet feeders...

- By trimming its corrugator with a basket of orders from multiple sheet plants and maintaining a large, varied inventory of roll-stock, sheet feeders could offer sheet plants JIT supply of custom-sheets



What's next for Sheet Plants and Sheet Feeders?

- Customer expectations are advancing (sustainability, graphics, food safety, retail-ready packaging)
- Sheet Feeders will play a key role in Sheet Plants' ability to meet these expectations (continued quality improvement, new service models, technical support and expertise)

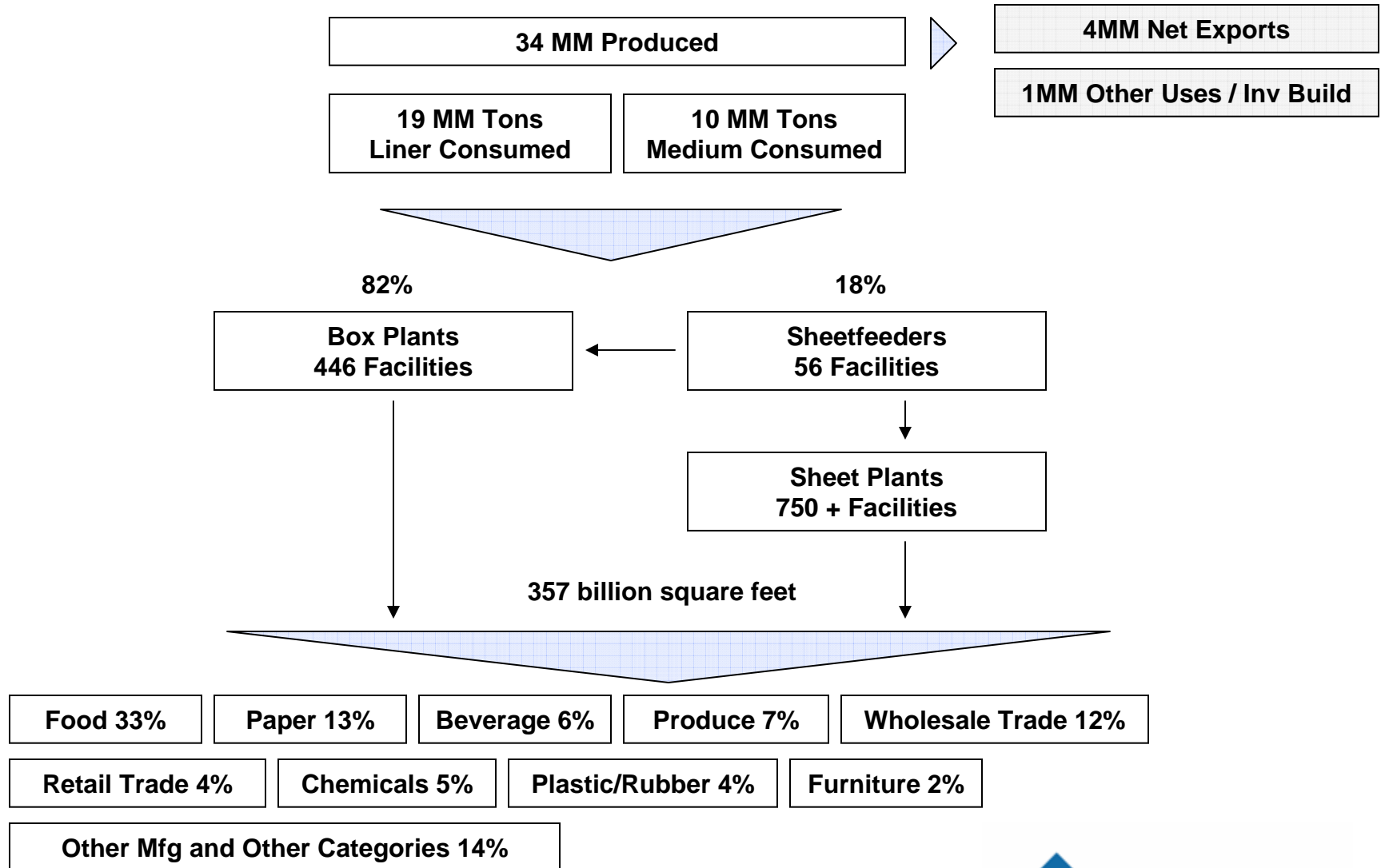


Convergence of Sheet Plants and Box Plants...

- New converting technology (quicker setups, functionality) allows box plants to compete for shorter-run orders previously best served by sheet plants
- Sheet Feeder efficiencies and availability of large-volume sheet purchases allow sheet plants to compete for larger-run orders previously best served by box plants



U.S. Corrugated Market

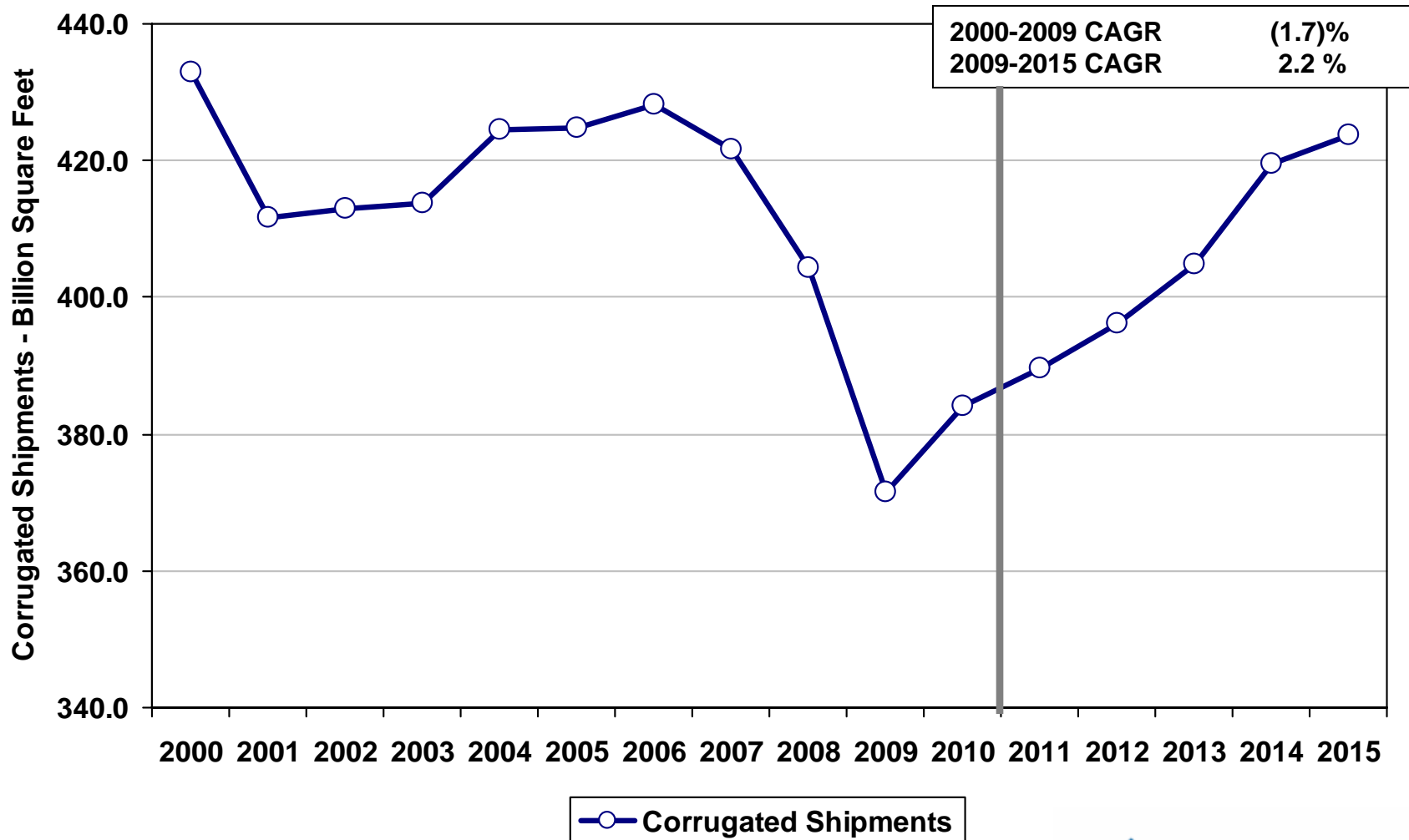


Source: FBA Directory, RISI North American Five Year Forecast February 2011, FBA 2009 Annual Report

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North American Corrugated Shipments

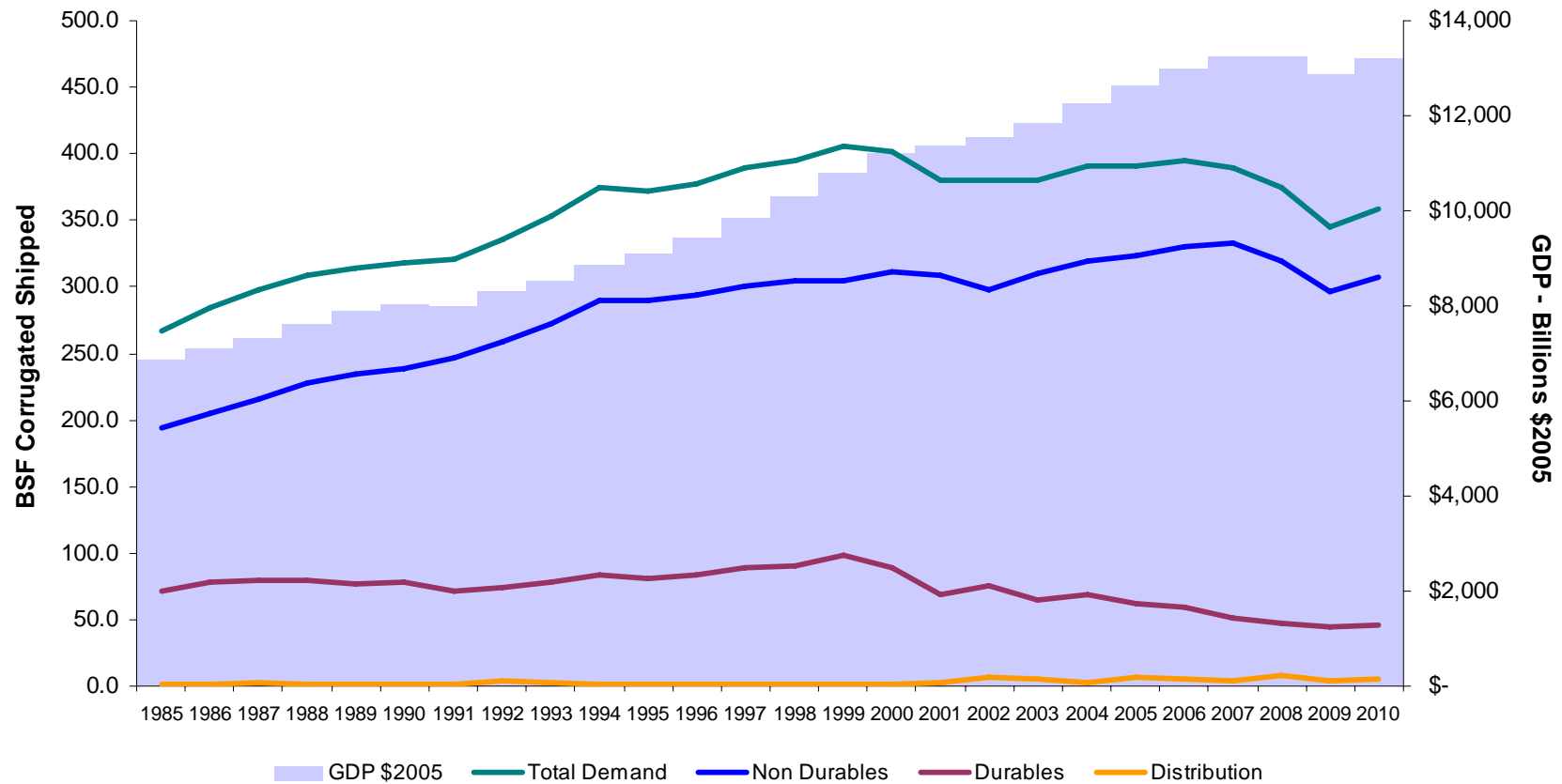


Source: RISI North American 5 Year Forecast and Historical Data February 2011



U.S. Corrugated Shipments and GDP Consumption Categories

U.S. GDP and Corrugated Demand by End-Use Segment 1985 - 2010

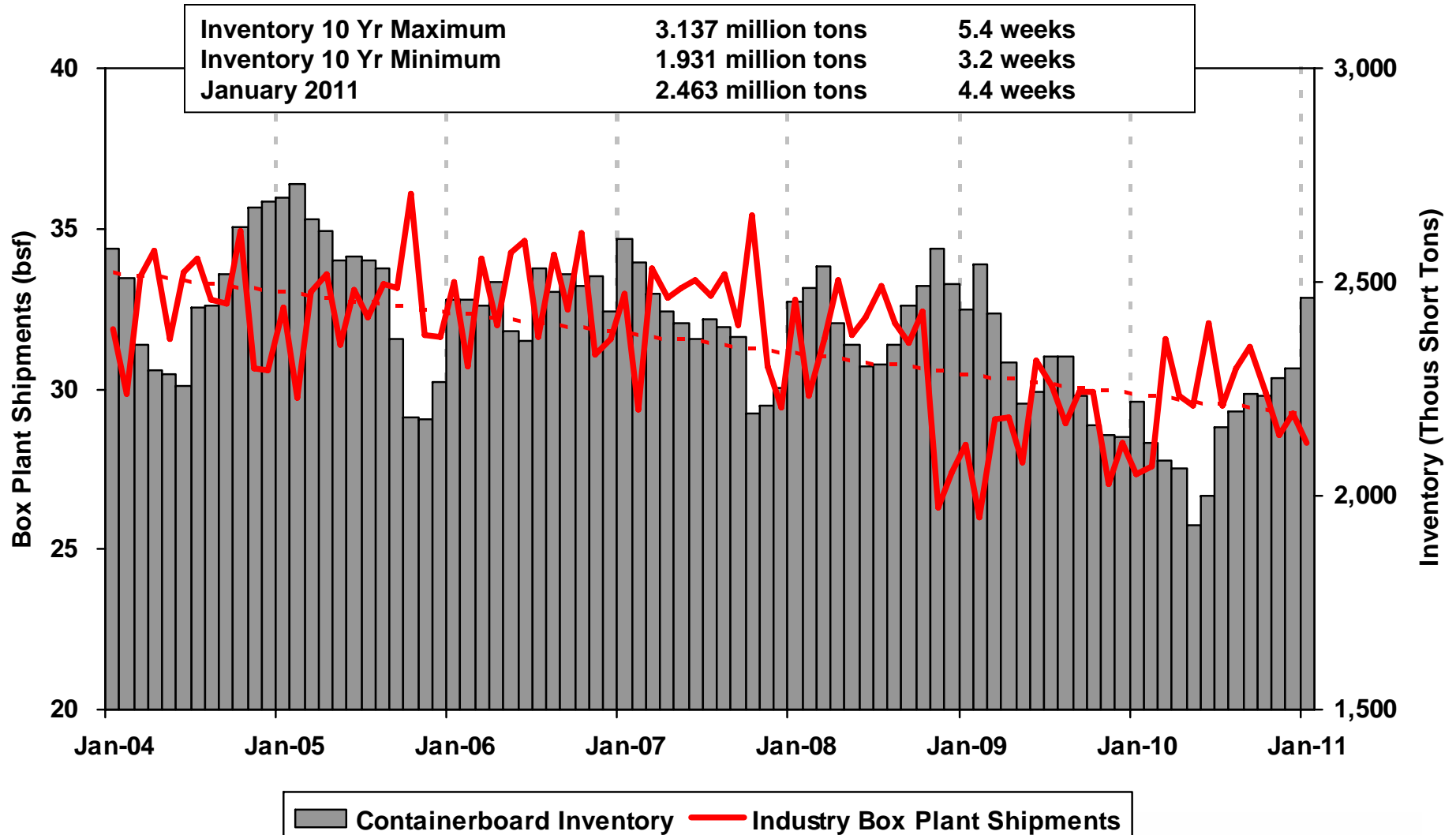


Source: AF&PA Containerboard Monthly Reports, BEA National Economic Accounts On-line Database

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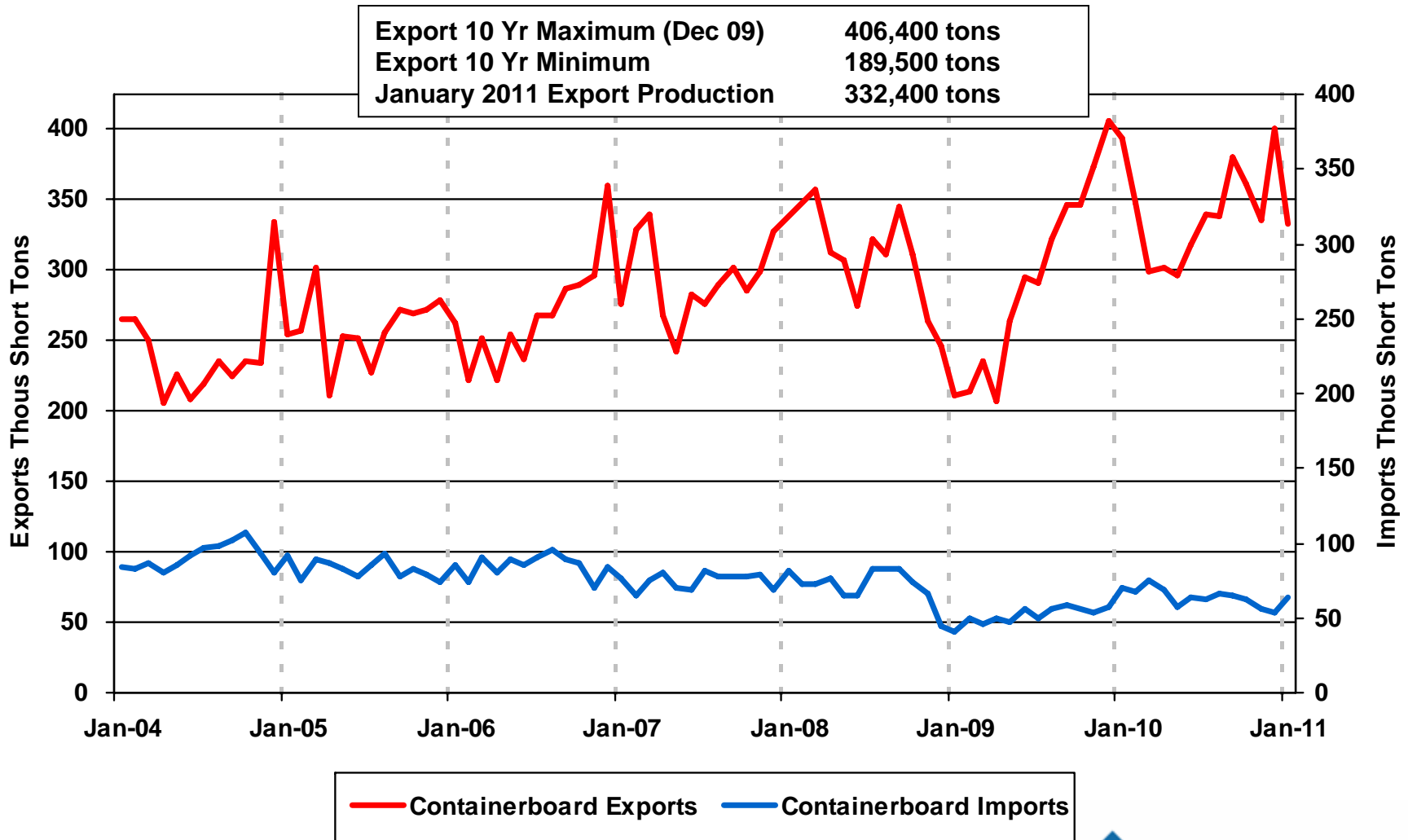
U.S. Industry Shipments and Inventory



Source: AF&PA Containerboard Monthly Report January 2011



U.S. Import and Export Trends

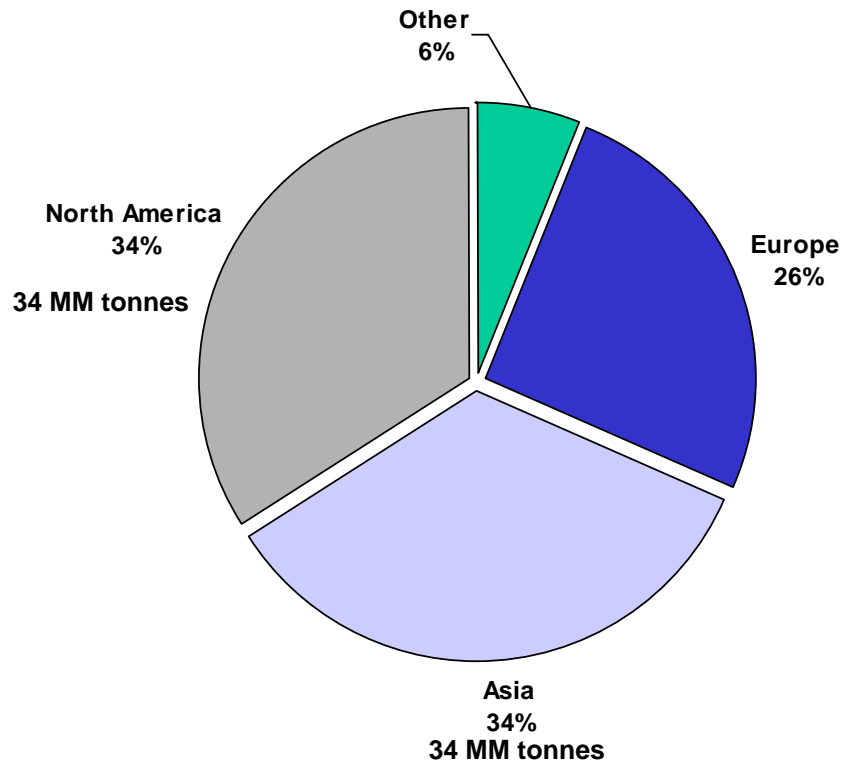


Source: AF&PA Containerboard Monthly Report January 2011



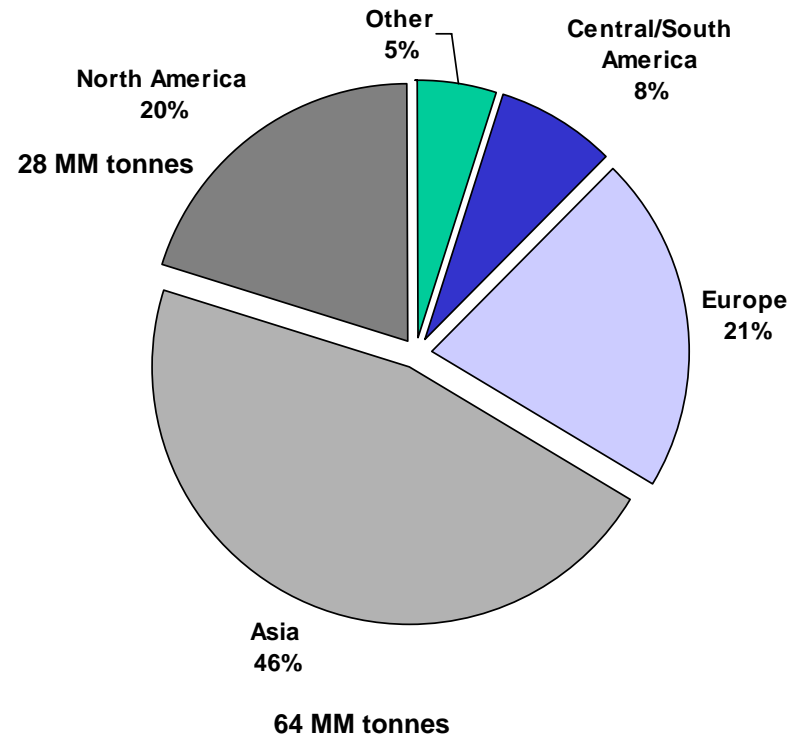
Containerboard Consumption by Region

2002



98 million tonnes

2010

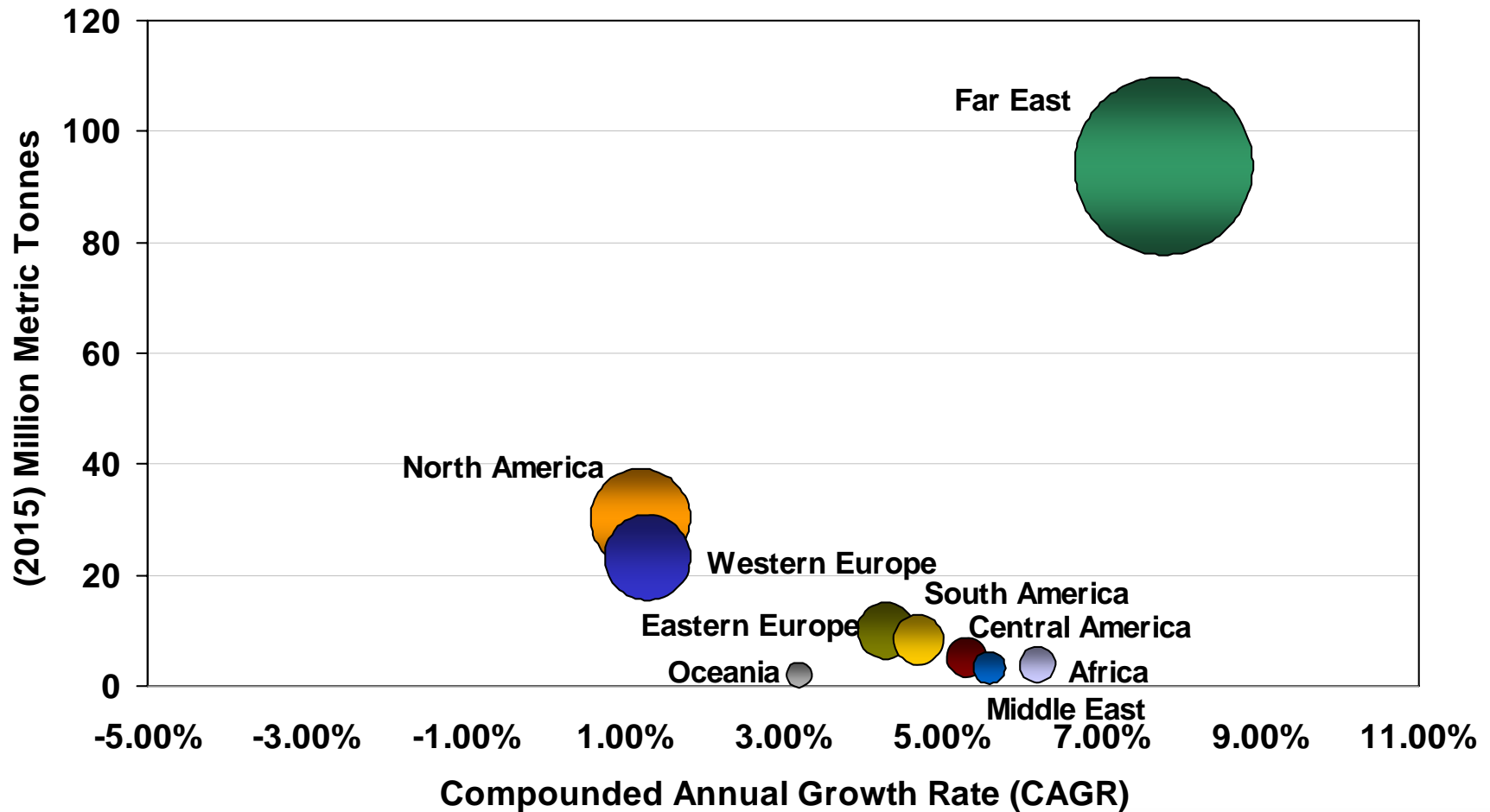


140 million tonnes

Source: RISI World Containerboard Forecast November 2010



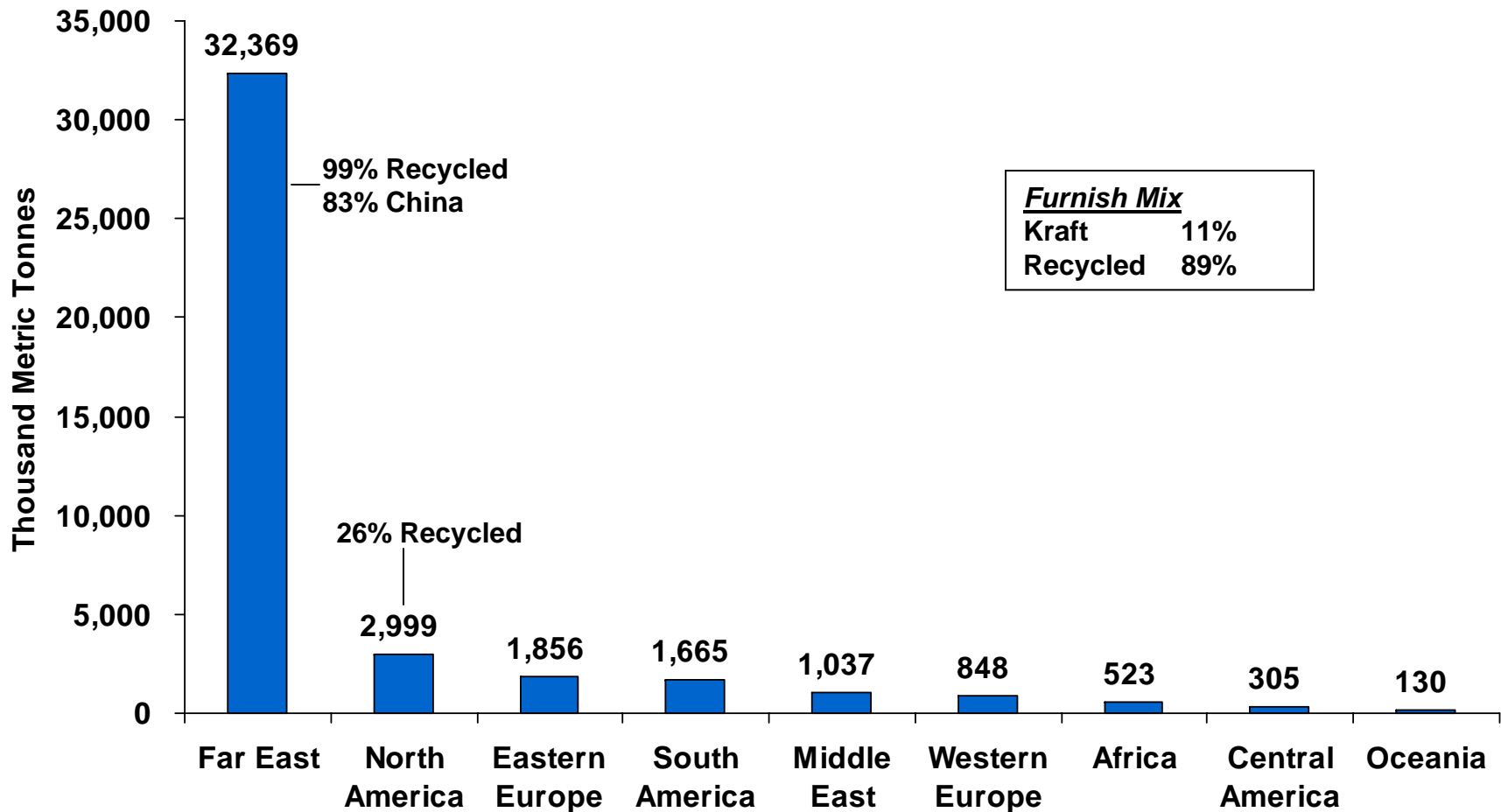
2010-2015 Containerboard Consumption Growth



Source: RISI World Containerboard Forecast November 2010



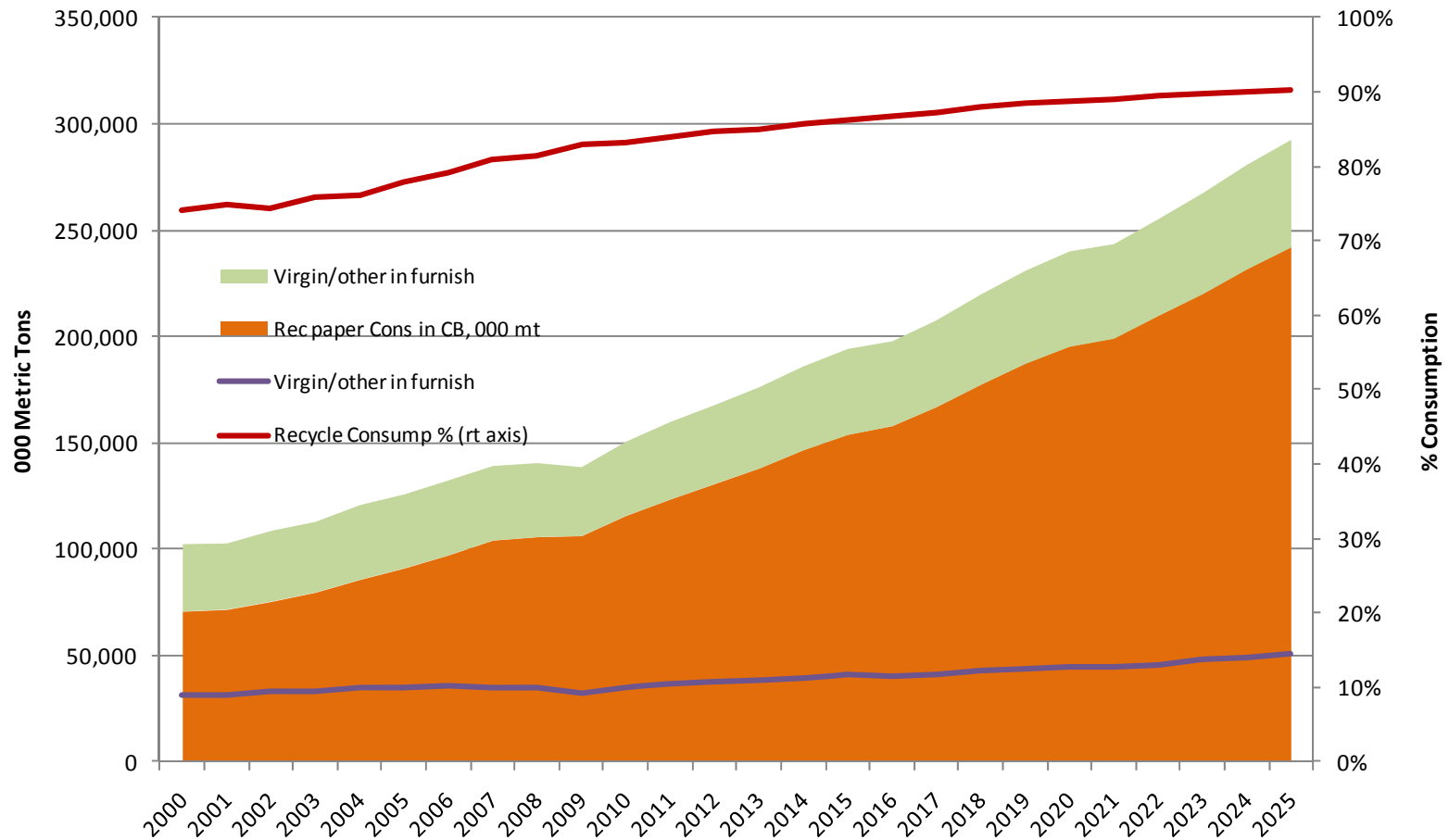
2010-2015 Containerboard Net Capacity Change



Source: RISI World Containerboard Forecast November 2010



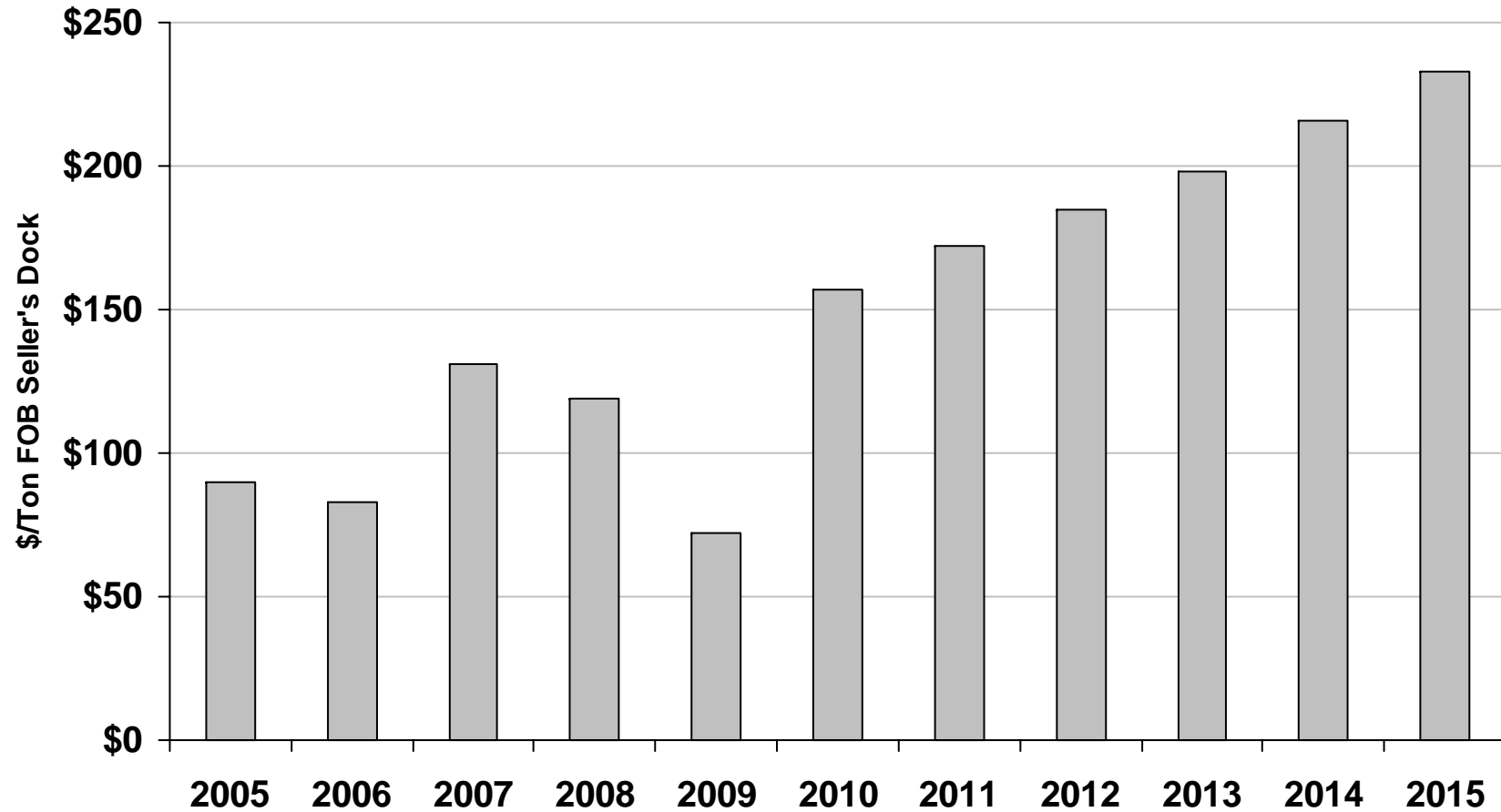
Global Containerboard and Recovered Paper Consumption



Source: RISI Recovered Paper 15 yr outlook, August, 2010



U.S. Recovered Corrugated



Source: RISI World Pulp & Recovered Paper Forecast - 5-Year



Technological Advances Creating Possible Opportunities and Disruptions in the Paper and Board Markets

- Internet news services
- Tablet computing
- Internet shopping
- Electronic books
- Functional coatings
- Digital archiving
- On-demand printing
- Text messaging
- Airlaid papermaking
- Cellulosic bioenergy
- Innovative packaging
- RFID
- Computer advances
- Exporting recovered fibers
- Fiber sources
- Hygienic and bioactive paper
- Video gaming versus reading
- Smart inks
- Tree bioengineering
- Microfluting
- Green marketing and regulations
- Moulded paper products
- Nanotechnology
- Web-formed composites
- Novel paper products

Source: *Ten-Year Forecasts of Disruptive Technologies in Paper and Board 2020*, PIRA International LTD.



Industry Papermaking Innovations

Offering - Containerboard

- Paper grades with greater strength/weight ratios – high performance liners, high performance mediums
- Gypsum facing paper
- Soft nip white top and natural liner
- Coated natural liners and white top
- Pre-printed liners
- Wet strength liners

Process - Papermaking

- Fiber sourcing and raw material enhancement
 - Species variety
 - Hemi-cellulose substrates
 - Filler agents
- Various fiber source combinations
- Fiber orientation and strength control – dilution control headboxes and strength sensors
- Moisture reduction thru dryer section
- De-foamer agents
- Bio-mass boiler technology

Industry Converting Innovations

Finance/Business Model:

- Sheetfeeder and sheet plant models
- Sheetfeeder cooperatives

Product Offering

- More efficient lightweight combinations
- Wax replacement
- Doublewall combinations
- Retail ready packaging
- Molded corrugated and honeycomb

Service

- PSO™ supply chain evaluations
- Sustainability platforms and consulting work
- Produce yards – corrugated - RPC

Process

- Cold corrugators
- Plant product flow: automated rollstands and conveyor systems
- Laser measurement systems
- EVOL flexo folder gluers
- ELAN flexo die cutters
- Case erectors
- Radio Frequency Identification (RFID)
- Digital printing

Customer Experience

- Design, sales, and innovation centers



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