



Exploring Industry Consolidation & Integration

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RockTenn

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[APPROVED]

Audience: Members of the Flexographic, Prepress trade

Bio:
Luke Collings, - Business Unit General Manager for RockTenn, Prepress Division
Graduate Humber, Graphic and Package Design Program 1992
With RockTenn Legacy companies since 1992, in various Prepress positions
Responsible for 3 production facilities and 28 satellite offices in North America
Resides north of Toronto, ON

Outline of Topics:

History of RKT (fairly generic) - RKT
What driving factors that are at work to make mergers and acquisitions in the converged industry inevitable?
The thought process from RockTenn's point of view in buying competitors and reducing some of the combined
operations
What is the moving of manufacturing off shore affected the dynamics of consolidation and cost?
Global trends

History of MBI > RKT Ppress 1984-today, discussion of MBI's vision & WHY it succeeded
Driving factors in going internal? (1-10) What is the MBI's vision? Why Plate success? (1-10) What is the MBI's vision?
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Positives for a plate maker in a tough market
What is the MBI's vision? Why Plate success? (1-10) What is the MBI's vision? Why Plate success? (1-10) What is the MBI's vision?
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Benefits of RKT Pre-Press
Ability to treat our customers better than 3rd party vendor
Complete integration - real vs. perceived
One stop shop - End Customers don't want to know
Mutual goals with the plants, focus on sharing wins and profits

Outro

Thank you for your time. If you have any questions, please come up to me anytime, I will be glad to speak with you.



Delivering Value Every Day

RockTenn is one of North America's leading integrated manufacturers of corrugated and consumer packaging and recycling solutions, and is committed to creating and delivering value through:

- Product innovation and customer satisfaction
- Cost-effective manufacturing
- Investment in our people and technology

Beginning as a single-plant folding carton converter in 1936, RockTenn has since expanded through

strategic acquisitions, becoming a leading integrated

manufacturer of corrugated, consumer packaging and recycling solutions.



With net sales of \$10 billion, RockTenn's 26,000 employees are committed to exceeding their customers' expectations - every time.



Based in Atlanta, GA, our 26,000 employees are located in over 240 facilities in the United States, Canada, Mexico, Chile, Argentina and China. Our facilities include:

- 177 converting plants
- 25 paper mills
- 39 recycling facilities
- 6 platemaking facilities

In North America, we are the:

- Largest paper recycler in North America
- Largest pre-print linerboard producer
- Largest merchandising display manufacturer
- 2nd largest producer of containerboard and corrugated packaging
- 2nd largest producer of coated recycled board and folding cartons



Acquisition of Smurfit-Stone by RockTenn

RockTenn's Mission - "To be the most respected Company in our Industry"

Overview of Integration



Applying the RockTenn business model to the box plant system, driving product innovation, a strong focus on customer satisfaction, merging OPX and Lean 6 Sigma manufacturing

- Creating a single RockTenn culture - moving away from “100 independent plants with the same logo”
- Consolidating administrative activities
- Leveraging purchasing with a strong Procurement team
- Standardizing systems, functional activities and processes
- Identifying and executing opportunities within the operating businesses

Evolution of an Organization

In-house Prepress Group



An untouched business model under multiple banner heads - WHY??

- 400 different prepress vendors = 400 different products
- A Growing Profit Center vs. Non-Growth Cost Center
 - Mutual Goals with the plants



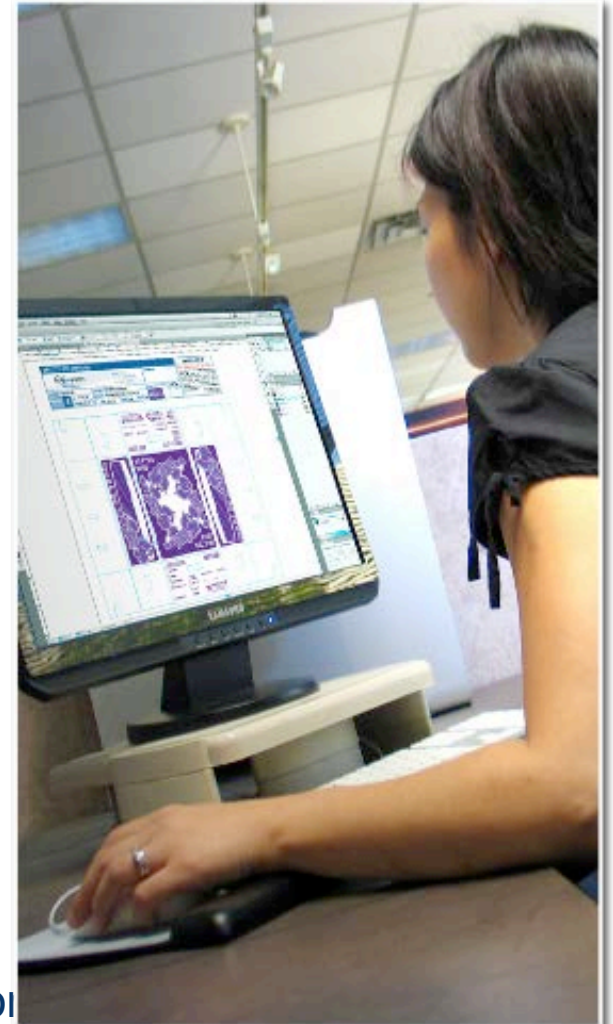


Locations

- Full Prepress Facilities
- In-House Prepress Art Facilities
- Plants We Service
- Arriving Soon
- RockTenn Box Plants

Benefits of an Integrated In-house Pre-press Group

- Speed to Market - One-Stop-Shop -
“Customers are looking at their watch, not the calendar”
- Quality of Tooling Validates our Product & Services
- Sharing wins and profits
- Intimate knowledge of our equipment & facilities
throughout North America
- Embedded within the RockTenn Plant and Culture
- Boots on the ground, building the relationship,
increasing our collective skill set & knowledge
- Complete Integration
Access to capital / technology / streamlining / standardization



Opportunities

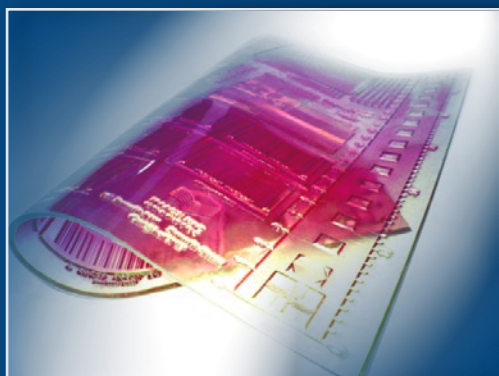
Where you come in

- Partnering with us locally
- Outsourcing
- Rush Work & Repairs
- Steel Rule Dies with Plate overflow
- Let's Talk!





Questions?
RockTenn



Thank you!

For more information, please contact:

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