



Delivering on the
Promise[™]

VIRGINIA RECYCLING ASSOCIATION

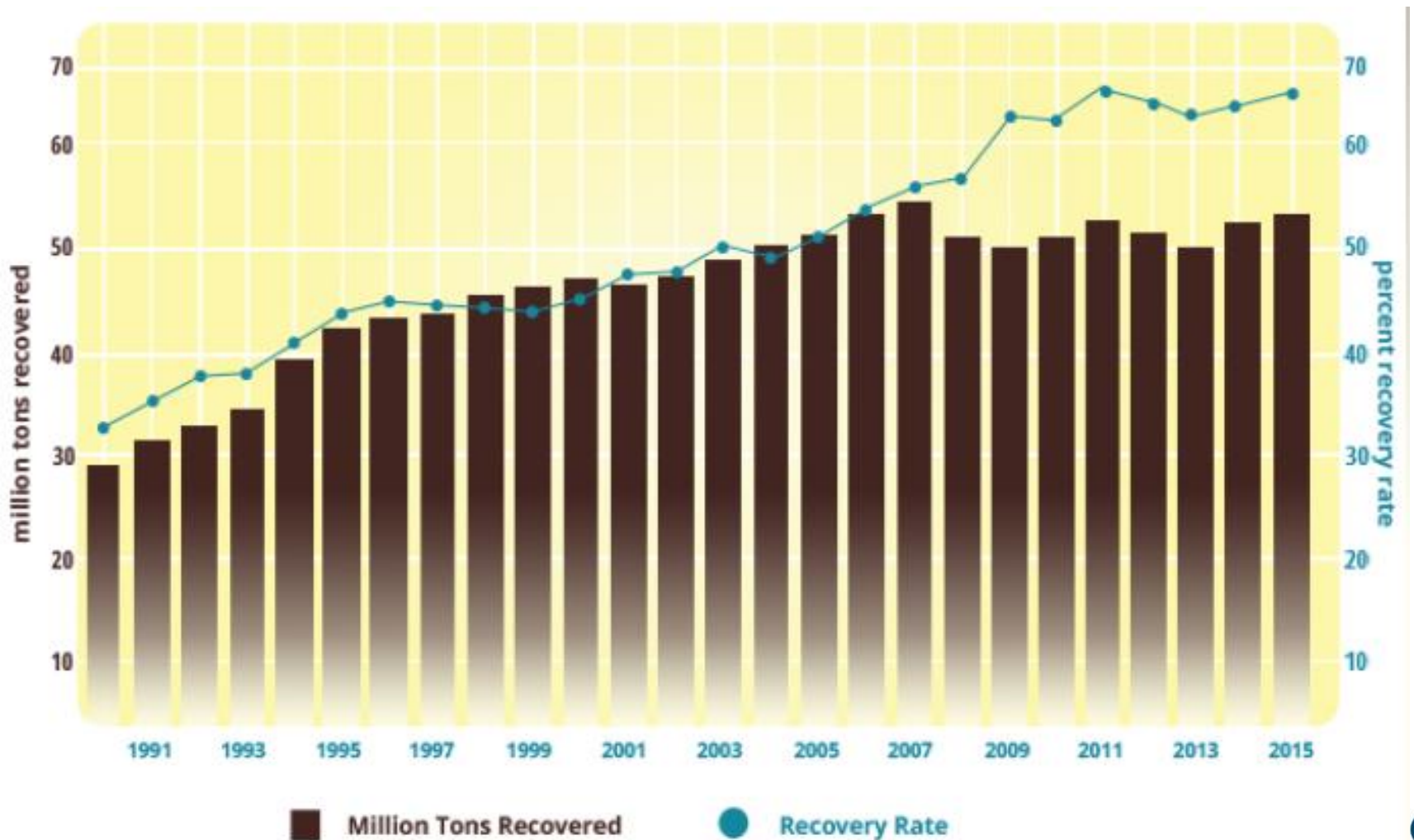
May 10-11, 2016

Mark Worten, SONOCO International Trade Group

SONOCO
RECYCLING[®]

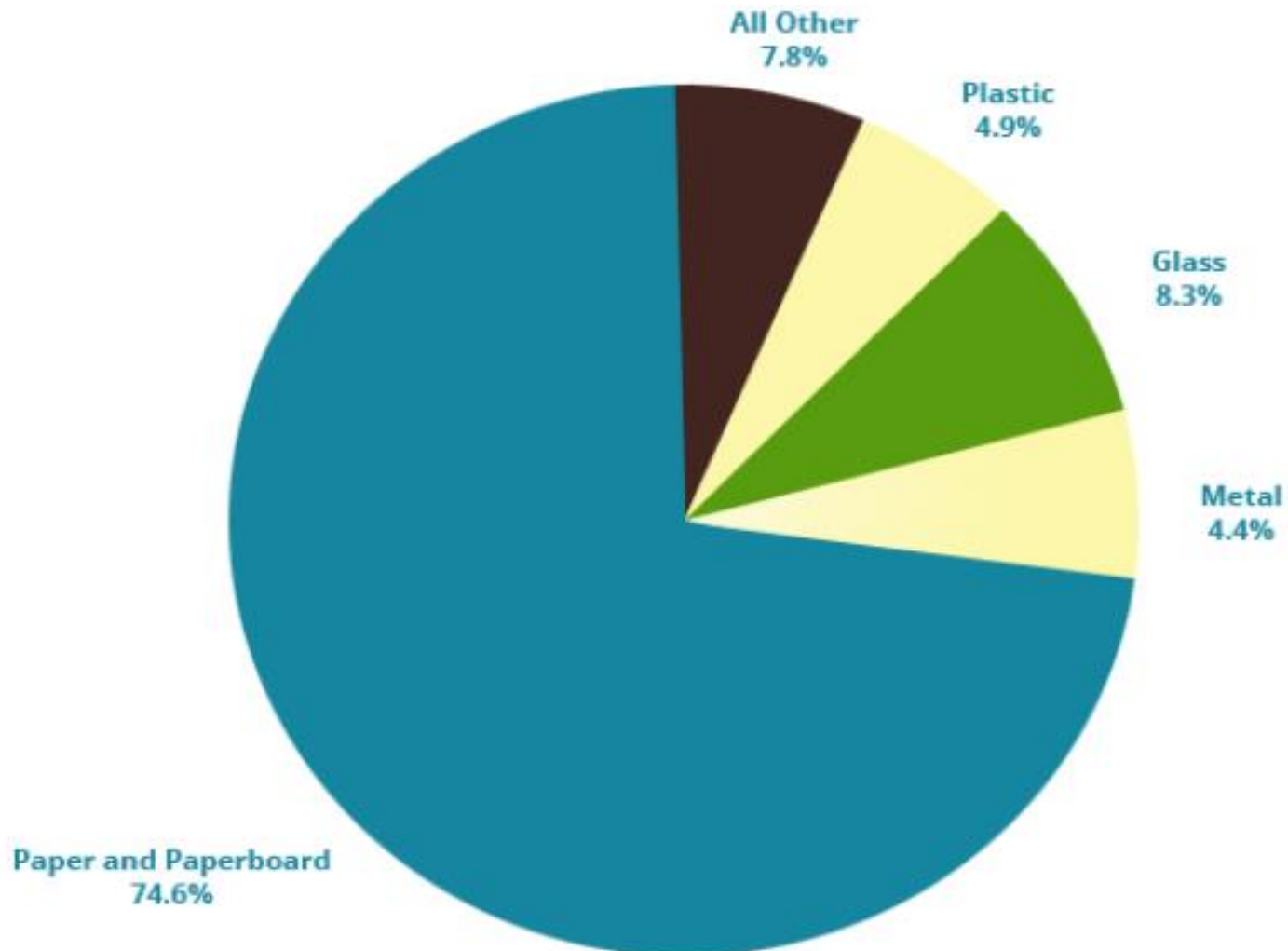
Paper & Paperboard Recovery

The U.S. paper recovery rate increased in 2015 to a record-high 66.8 percent.



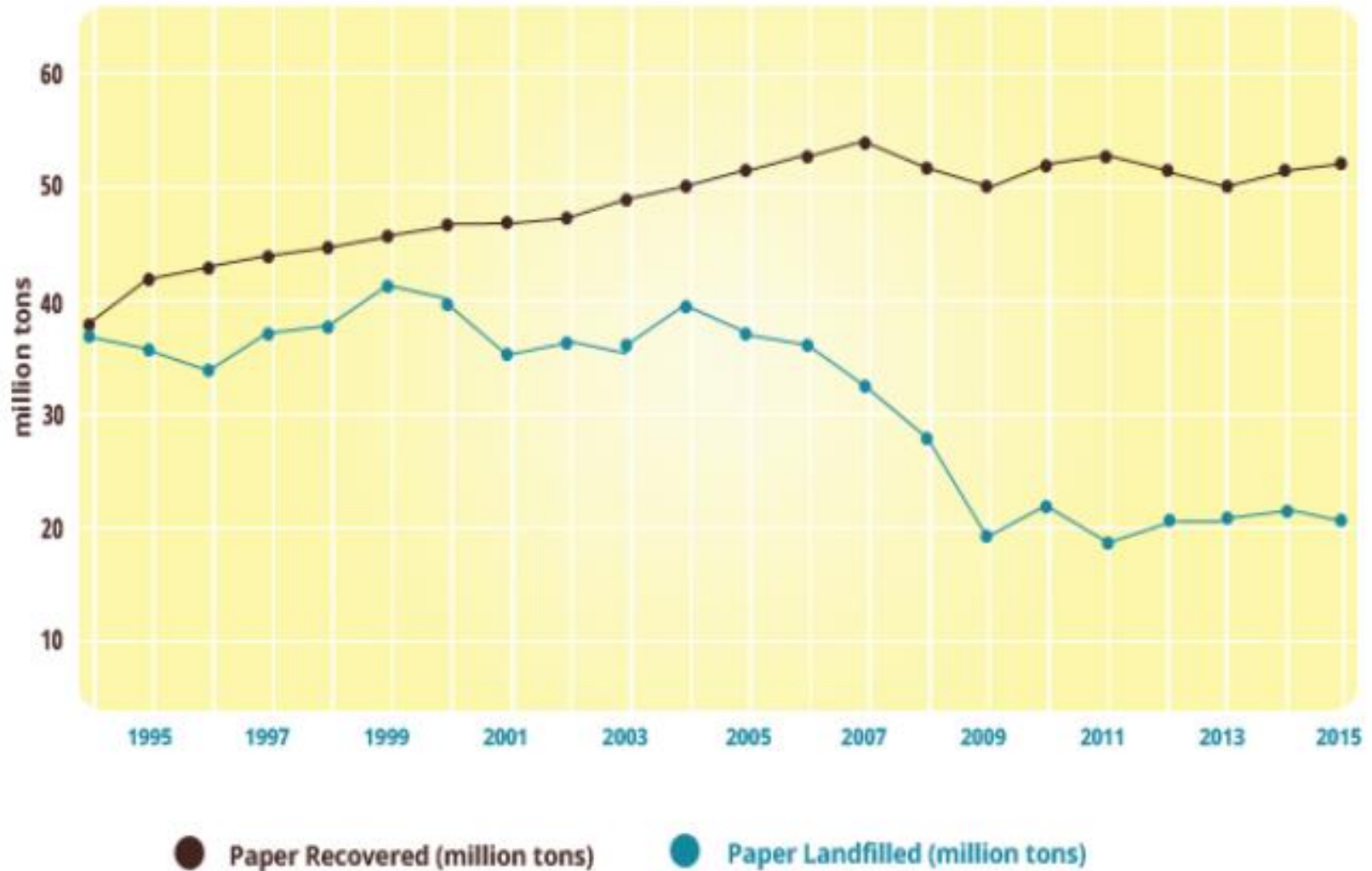
Packaging Recovery

The Environmental Protection Agency (EPA) indicates that paper and paperboard packaging accounts for nearly three-quarters of packaging materials recovered for recycling in the U.S.



Paper Recovery & Landfill

The amount of paper going to landfills is estimated to have declined by more than half since 2003.



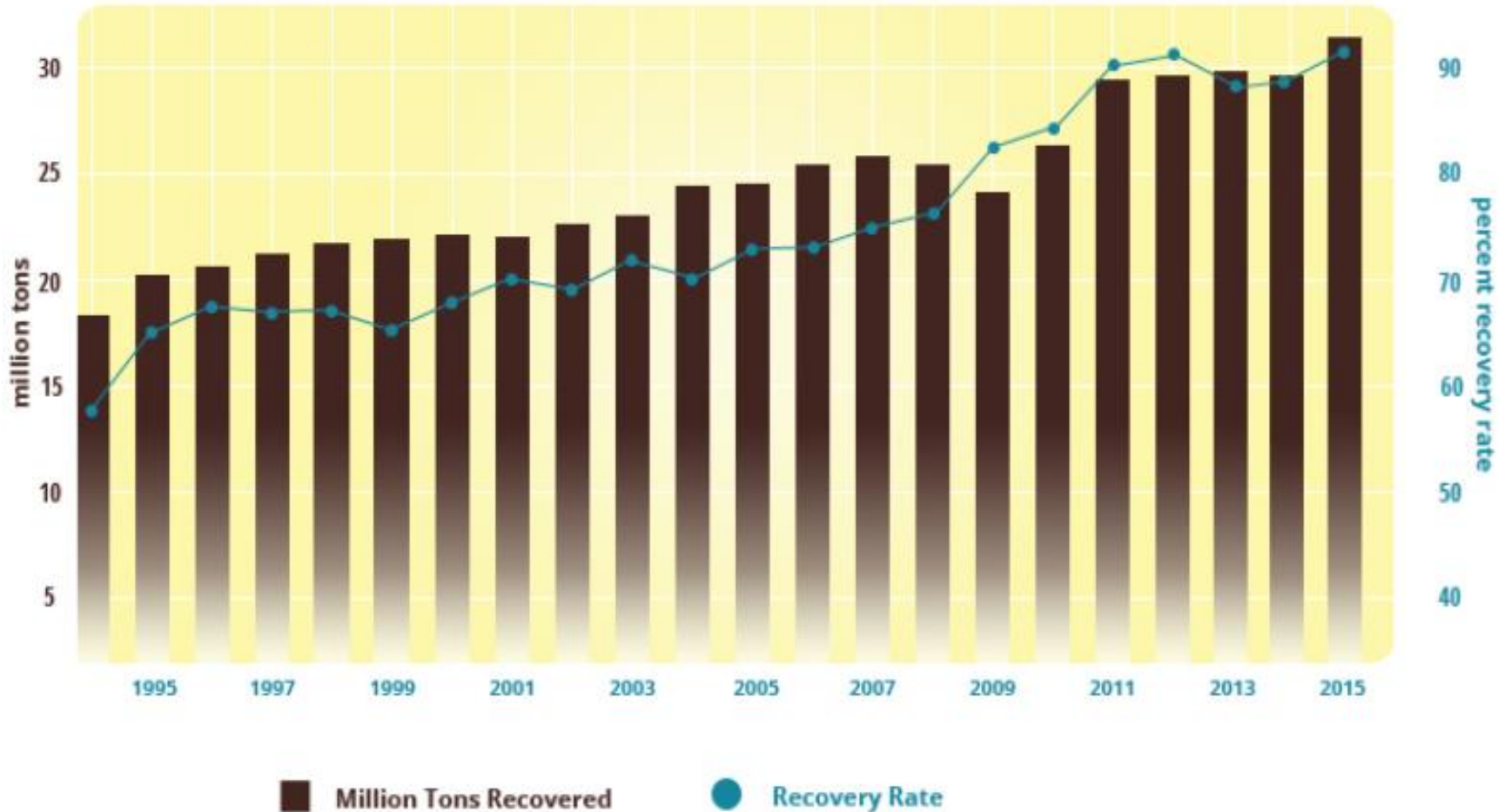
VA Consuming Paper Mills

- Rock Tenn: Lynchburg & West Point - 600,000 TPY OCC, mix
- Georgia Pacific: Big Island - 420,000 TPY OCC & DLK
- Greif Brothers: Amherst - 312,000 TPY OCC
- Sonoco-Richmond -120,000 TPY OCC, mix, cores
- White Birch Paper: Ashland - 102,00 TPY ONP, OMG
- ST Tissue: Franklin VA - 72,000 TPY SOP, OCC, DLK

Total Annual Recycle Fiber Consumption = 1.626 million tons

Recovery & Use of Old Corrugated Containers (OCC)

The recovery rate of OCC in 2015 rose to a record-high 92.9 percent. The increase was driven by a 3.5 percent increase in domestic consumption of OCC and a 10.6 percent jump in OCC exports.



Containerboard Developments

2014 Conversions/Shifts

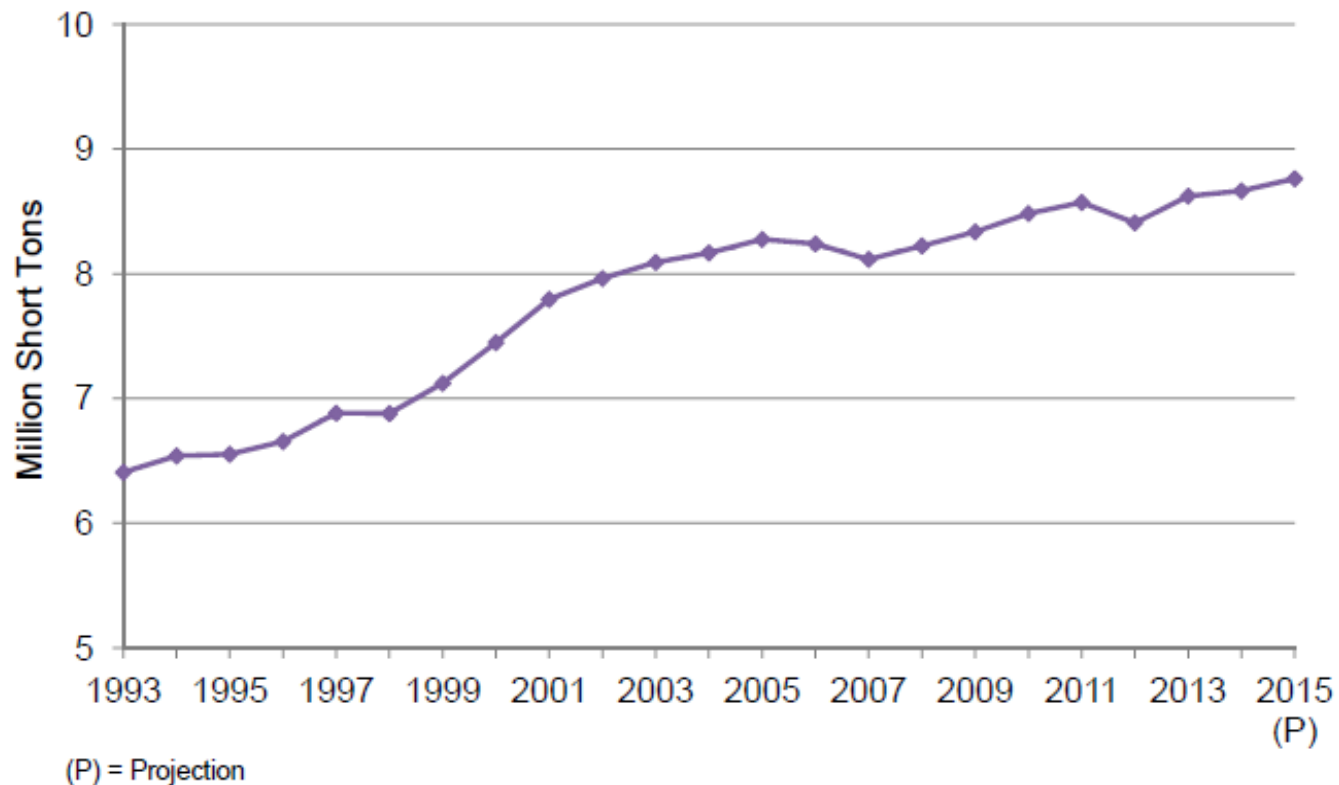
SP Fiber Technologies, Dublin, GA – 2014 (PM1 shift from newsprint to containerboard and packaging paper)	200,000 tons
International Paper, Newport, IN – 3Q 2014 (Shift to gypsum wallboard facing)	(200,000 tons)
Packaging Corp. of America, DeRidder, LA – Oct 2014 (D3 newsprint machine conversion to containerboard)	355,000 tons

2015 New Machines/Mills/Conversions/Restarts

SP Fiber Technologies, Newberg, OR – 1Q 2015 (PM5 conversion to containerboard and packaging paper)	150,000 tons
International Paper, Valliant, OK – Apr 2015 (PM3 restart)	360,000 tons
*Pratt Industries, Valparaiso, IN – 4Q 2015 (New one-machine mill to produce recycled containerboard)	360,000 tons
Alsip MiniMill, Alsip, IL – 4Q 2015 (Coated printing-writing paper mill will be converted to containerboard)	160,000 tons

* New Mill

U.S. Tissue Paper Capacity



Tissue Paper Developments

New Machines/Rebuilds/Shuts (Continued)

2015 New Machines

Orchids Paper, Pryor, OK – Mar 2015	31,000 tons
Royal Paper, Gila Bend, AZ – 1Q 2015	32,000 tons
First Quality Tissue, Anderson, SC – Nov 2015	70,000 tons
St. Croix Tissue, Woodland, ME – 4Q 2015	66,000 tons
Von Drehle, Natchez, MS – 4Q 2015	<u>30,000 tons</u>

2015 Total

229,000 tons

2016 New Machines

First Quality Tissue, Anderson, SC – 1Q 2016	70,000 tons
St. Croix Tissue, Woodland, ME – 1Q 2016	66,000 tons
First Quality Tissue, Lock Haven, Dec 2016	<u>70,000 tons</u>

2016 Total

206,000 tons

2017 New Machines

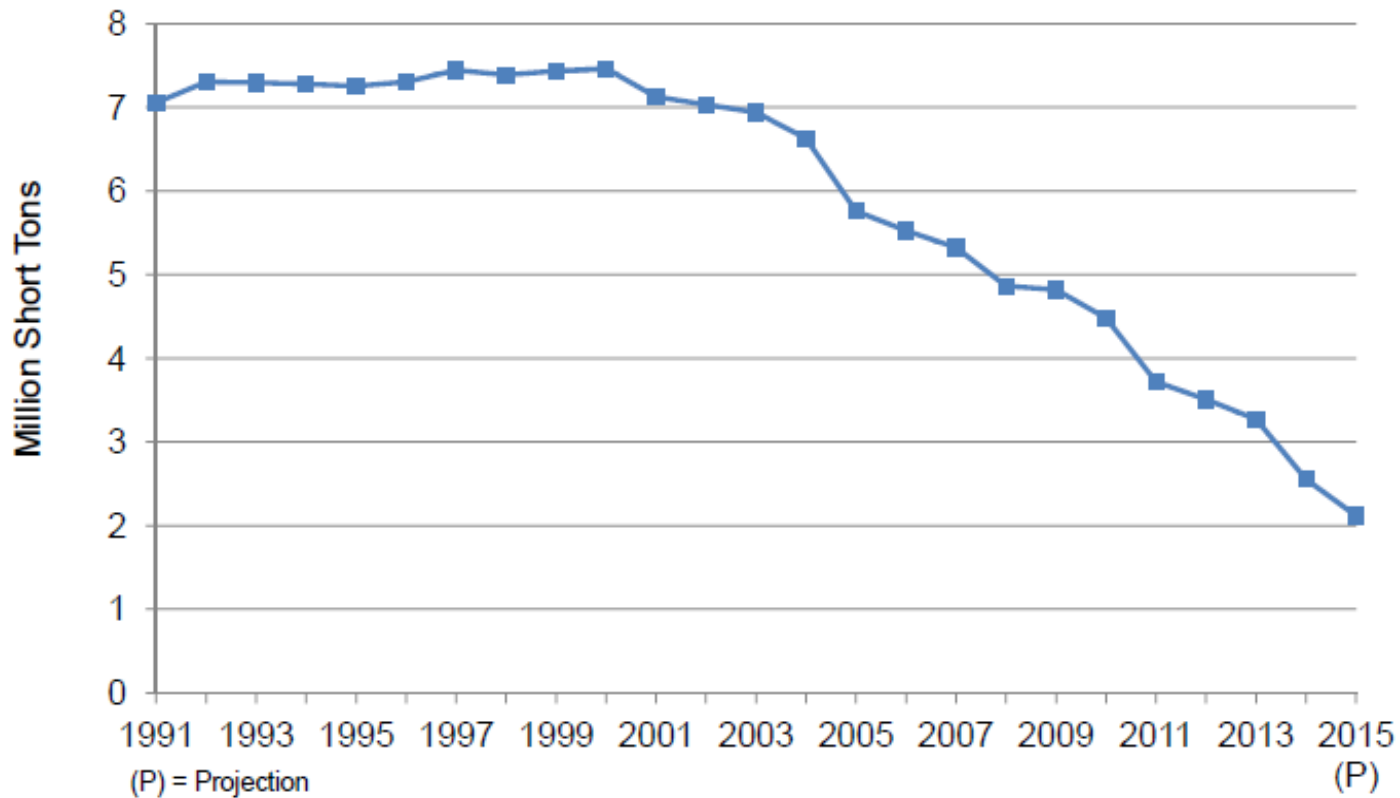
*Orchids Paper, Barnwell, SC – 1Q 2017	<u>35,000 – 40,000 tons</u>
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2017 Total

35,000 – 40,000 tons

*New mill

U.S. Newsprint Capacity



Newsprint Developments

2013 Conversions

SP Fiber Technologies, Dublin, GA – Apr 2013 (77,000 tons)
(PM2, the larger newsprint machine, converted to lightweight recycled containerboard and bag paper. PM1 reverted back to making newsprint after a period of producing containerboard and packaging paper)

2014 Conversions/Shifts/Shuts

SP Fiber Technologies, Dublin, GA – 2014 (243,000 tons)
(PM1 shift to containerboard and packaging paper)

SP Fiber Technologies, Newberg, OR – Jan 2014 (165,000 tons)
(PM5 conversion to make containerboard and packaging paper)

Resolute, Calhoun, TN – 1Q 2014 (237,000 tons)
(PM5 shift to uncoated mechanical)

Packaging Corp. of America, DeRidder, LA – Sep 2014 (230,000 tons)
(D3 newsprint machine conversion to containerboard)

*Great Northern Paper, East Millinocket, ME – Dec 2014 (288,000 tons)
(Includes some uncoated mechanical)

*Entire Mill

Friday, May 5, 2016

AUGUSTA, Ga. (WRDW/WAGT) -- Representatives for an Augusta paper mill say they are laying off as many as 95 workers.

In a news release Thursday morning, Resolute Forest Products explained the layoffs come as the company plans to permanently shut down one of its paper machines. Machine #1 will cease operations on May 16, 2016. The decision, leaders admit, is "motivated by the ongoing structural challenges in the newsprint market." The machine closure also cause a permanent reduction of 189,000 metric tons of production capacity.

The mill currently employs 250 people.

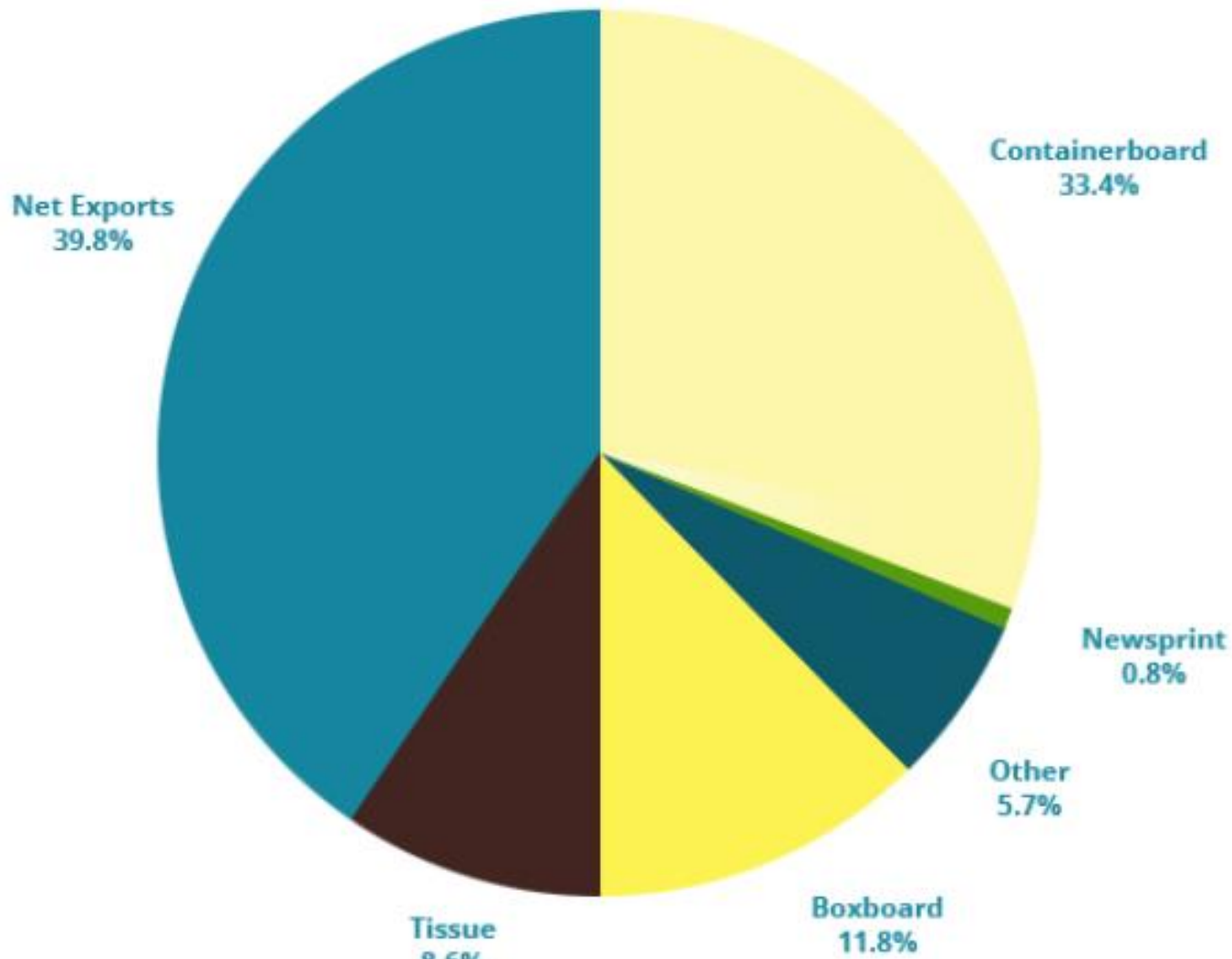
"Resolute understands the impact this decision will have on employees, their families and the local community," said Richard Garneau, president and CEO of the company. "As is customary, the company will work with employees and community representatives to mitigate the impacts of this decision."



Where Recovered Paper Goes

In 2015 33.4% of the paper and paperboard recovered in the U.S. went to produce containerboard and 11.8% went to produce boxboard.

Net exports of recovered paper to China and other nations accounted for 39.8%.



MSC Oscar, Worlds Largest Container Ship

19,224 TEU, 395 M L , 59 M W, 16 M Draft

83,800 HP



**Announced Containerboard Capacity Changes by
Major World Region, 2015-2020**
Thousand Tonnes

North America	1,290
Europe	6,465
Far East	4,931
Middle East	355
Latin America	277
Africa	60
Oceania	0
World	13,378

**Announced Boxboard Capacity Changes by
Major World Region, 2015-2020**
Thousand Tonnes

North America	-189
Europe	2,481
Far East	2,304
Middle East	17
Latin America	675
Africa	0
Oceania	0
World	5,288

**Announced Newsprint Capacity Changes by
Major World Region, 2015-2020
Thousand Tonnes**

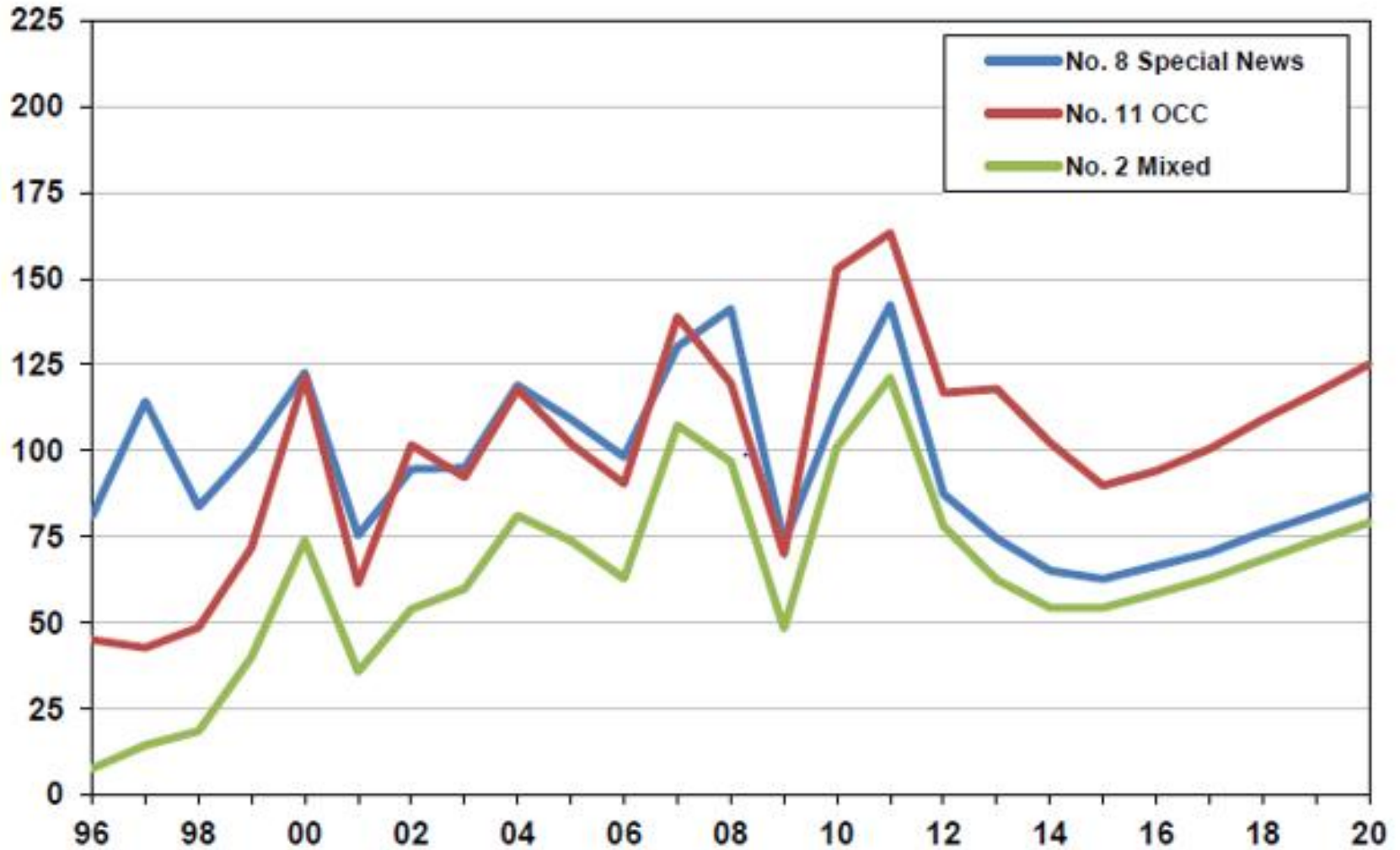
North America	-794
Europe	-1,450
Far East	-820
Middle East	0
Latin America	0
Africa	0
Oceania	0
World	-3,064

**Announced Tissue Capacity Changes by
Major World Region, 2015-2020
Thousand Tonnes**

Far East	3,662
Europe	652
North America	541
Latin America	714
Middle East (Incl Turkey)	566
Africa	207
Oceania	91
World	6,433

US Recovered Paper Prices

2015 US Dollars per Tonne



Chinese Bulk Grade Import Prices 2015 US Dollars per Tonne (CIF)

