

Welcome to PaperlinX Europe

Eduard de Voogd
Zutphen, the Netherlands
27 November 2006

Programme 27th November 2006

10.30	PaperlinX Europe today	Eduard de Voogd
11.30	PaperlinX Benelux	Anne Schouten
12.30	Lunch	
13.30	BührmannUbbens	René Olsthoorn
14.00	Site visit	
16.00	Departure to Amsterdam	
18.30	Dinner at restaurant Reflet, Amsterdam	

PAPERLINX in Europe



PaperlinX Europe's Operating Companies

Austria
PaperNet

Belgium
Epacar

Croatia
Adria Papir

Czech Republic
Ospap

Denmark
Udesen Grafiskt
CC&Co Group
PaperNet Cons

Finland
PaperNet

France
Axelium

Germany
Deutsche Papier

Hungary
Budapest Papir

Ireland
Robert Horne Ireland
DM Paper

Italy
Polyedra

Netherlands
BührmannUbbens
Proost en Brandt

Poland
Mercator Papier

Slovakia
Bratislavská Papier

Slovenia
Alpe Papir

South Africa
Finwood Papers

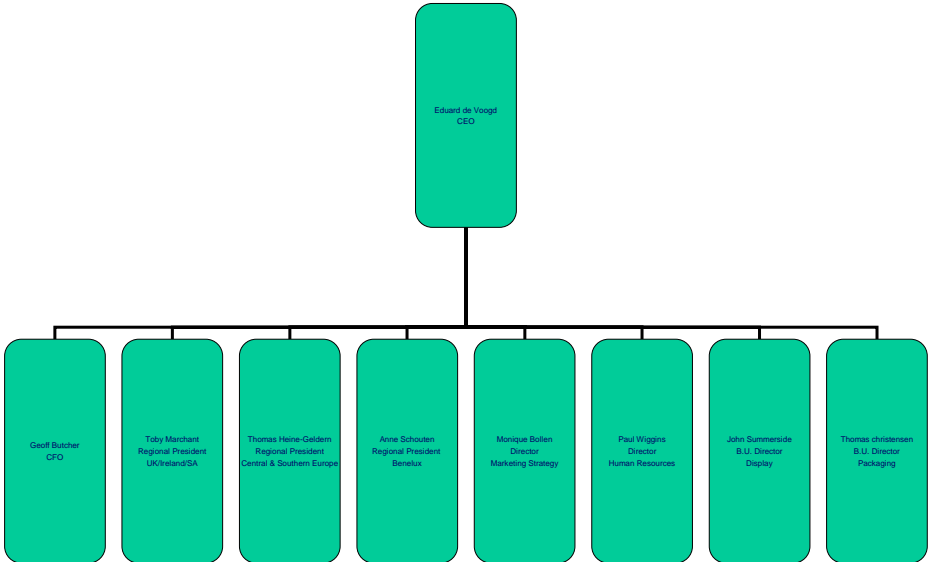
Spain
Union Papelera

UK
Robert Horne
HSPG
The Paper Company

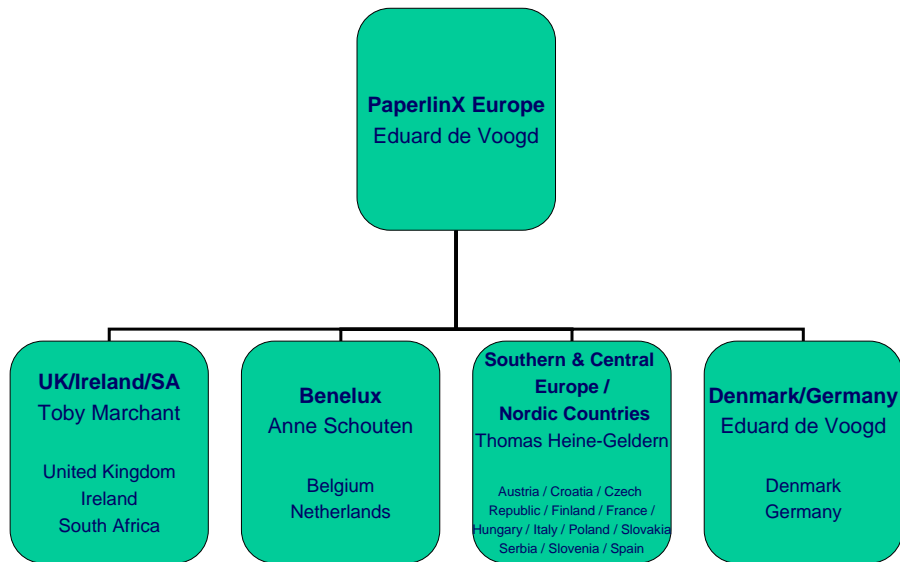
Completed Projects past 18 months

- Acquisition and integration Hestbech Packaging Denmark
- Restructuring Irish OpCo's
- Implementation new ERP system in Ireland
- Divestment Portugal and Sweden
- Acquisition and Integration Antalis Denmark
- Integration DRiem Papier into Proost en Brandt
- Acquisition and integration Display company in Italy
- Start DeliveryCo
- Acquisition and integration First Class Packaging UK

PaperlinX Organisation – Leadership Team



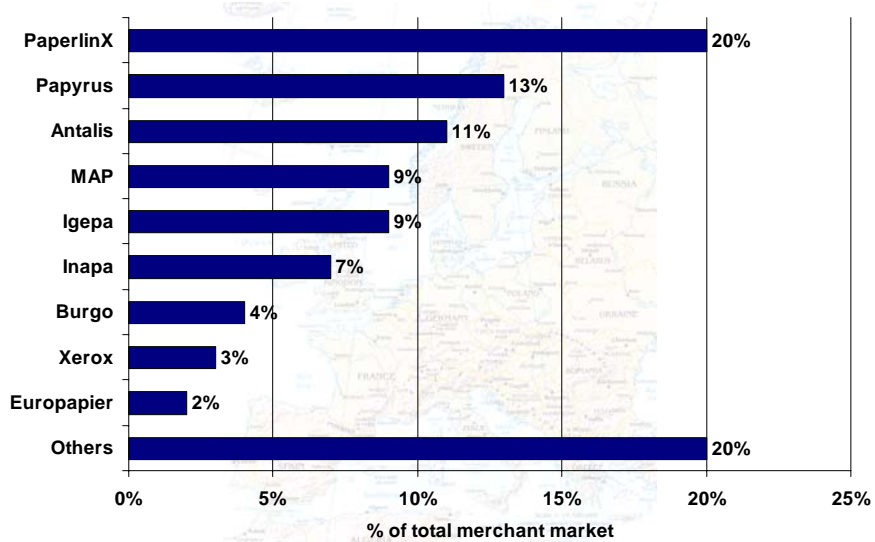
PaperlinX Europe Structure



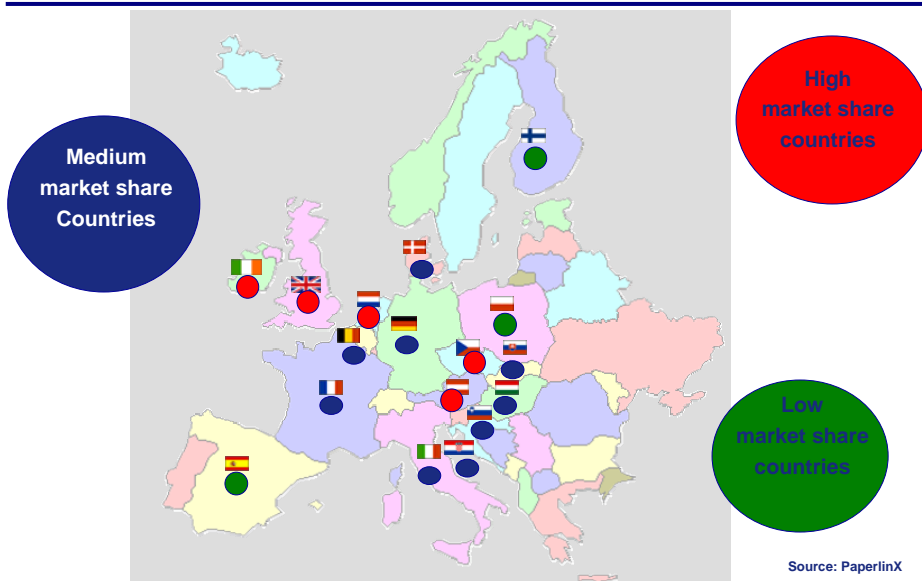
Market Positioning

Competitor market shares 2005

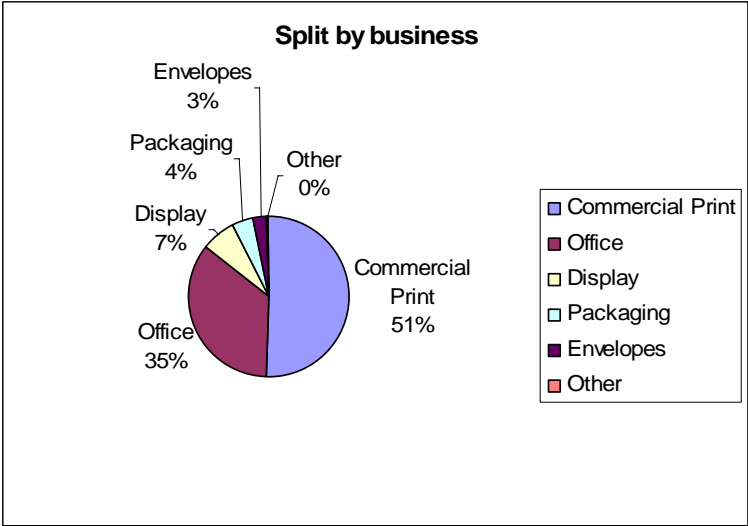
PaperlinX clear market leader overall



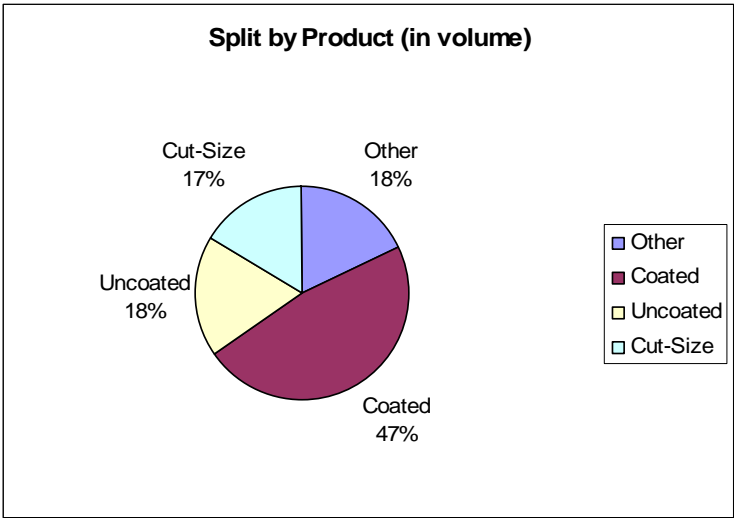
Market leading position in Europe



Business Segmentation



Product Segmentation



Projects PaperlinX Europe

- Multi Operating Company Countries
 - UK
 - Netherlands
 - Ireland
- European IT System
- E-commerce
- Logistics
- Branding
- Sales training

Industry Conditions - WFC

Industry volume growth has been good

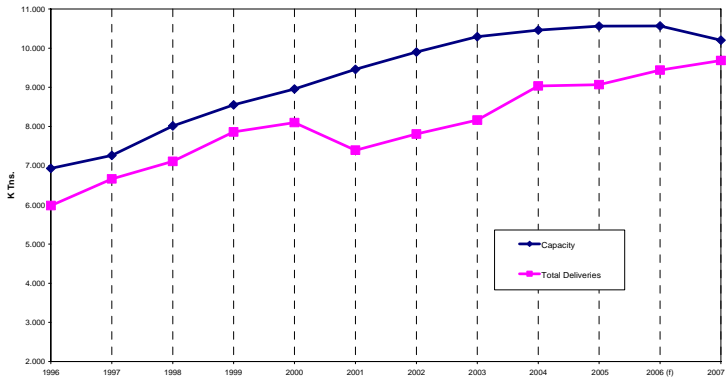
- Western Europe shipments September YTD + 1%
- Other Europe shipments September YTD + 8%
- Overseas shipments September YTD + 16%
- Total shipments September YTD + 4%

In the first 9 months of this year overall demand has been good, particularly so in Germany, Italy and Eastern Europe. The UK, France and Spain continue to be disappointing.

CEPIFINE DELIVERIES STATISTICS ©				
Coated WoodFree Total				
Summary				
Accumulated through September 2006				
From CEPIFINE to:	Deliveries		Change	
	2006 tonnes 1 - 9	2005 tonnes 1 - 9	2006 : 2005 tonnes 1 - 9	2006 : 2005 %
Austria	112 286	108 080	-4 206	-4%
Belgium/Luxembourg	208 745	201 205	-7 540	-4%
Denmark	74 223	77 149	-2 926	-4%
Finland	46 970	55 616	-8 646	-15%
France	656 478	666 094	-9 616	-1%
Germany	1 216 078	1 177 088	38 990	3%
Great Britain	946 113	963 506	-17 393	-2%
Greece	96 961	70 220	26 741	38%
Ireland	31 521	31 554	-33	-0%
Italy	735 221	706 865	28 356	4%
Netherlands	173 295	174 826	-1 531	-1%
Norway	33 894	34 634	-740	-2%
Portugal	56 979	59 317	-2 338	-4%
Spain	502 261	499 031	3 230	1%
Sweden	95 150	94 440	710	1%
Switzerland	106 968	106 608	360	0%
West_Europe	5 093 143	5 026 233	66 910	1%
Other Europe	585 595	541 193	44 402	8%
Europe_total	5 678 738	5 567 426	111 312	2%
Near East	156 977	156 652	325	0%
Far East	180 617	191 031	-10 414	-5%
Africa	140 277	110 916	29 361	26%
North America	399 311	301 120	98 191	32%
Latin America	383 211	302 293	80 918	27%
Oceania	72 857	84 407	-11 550	-14%
Overseas	1 333 256	1 146 419	186 837	16%
TOTAL	7 011 988	6 713 845	298 143	4%

Scenario

CWF 2/S WE: CAPACITY AND DELIVERIES

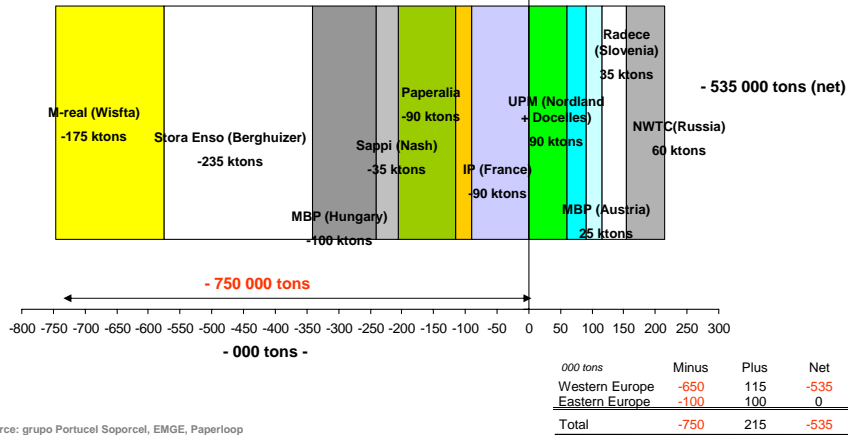


	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006 (p)	2007 (p)
Ratio Op.(%)	88	84	83	85	93	84	86	92	89	92	90	78	79	79	86	86	89	95
WE	76	73	71	71	76	68	71	74	72	74	73	64	62	60	64	64	65	68
Rest	12	11	11	14	17	16	16	18	17	18	17	14	17	19	23	22	25	27
Over capacity Ktons	485	746	903	861	417	1,045	950	598	907	691	857	2,062	2,092	2,129	1,426	1,493	1,126	520

Source: Industry

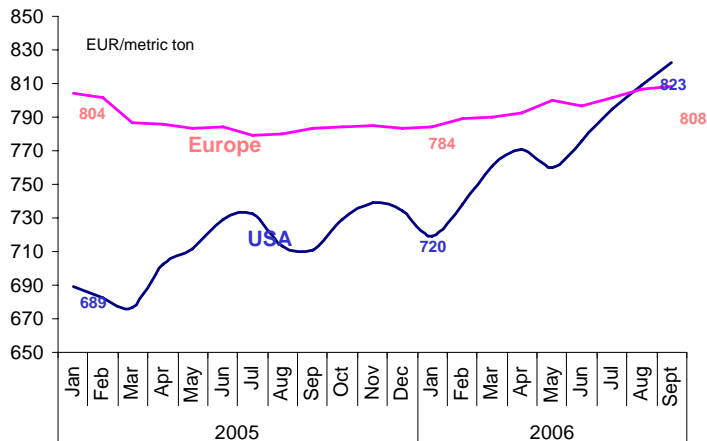
Business Outlook > UWF capacity changes (2007) - Europe

With a capacity decline of 535 000 tons (net of capacity additions), supply / demand balance is set to improve. This net reduction amounts to 6,2% of "official" capacity as reported to Cepifine. Outside Europe, April will start in a few weeks commercial production in a new PM.



Price situation > Cut-size prices in USA and Europe

European paper prices have been increasing during 2006, but only recovering the levels of Jan/2005, while the US prices are now 120 EUR/ton higher than Jan/2005. Due to more favourable environment in Europe, UBS forecasts a price increase of 5,4% for 2007 and Deutsche Bank forecasts 5%.



Source: grupo Portucel Soporcel, Risi, FOEX

Conclusion

- WFU
 - Demand – Supply balanced
 - Swing capacity WFC
- WFC
 - Balance depending on exports
- European GNP starting to grow?
- Decline in Specialties
- Shift printed artwork to low labor cost countries
- Industry low returns
- Consolidation will continue

The Benelux Cooperation

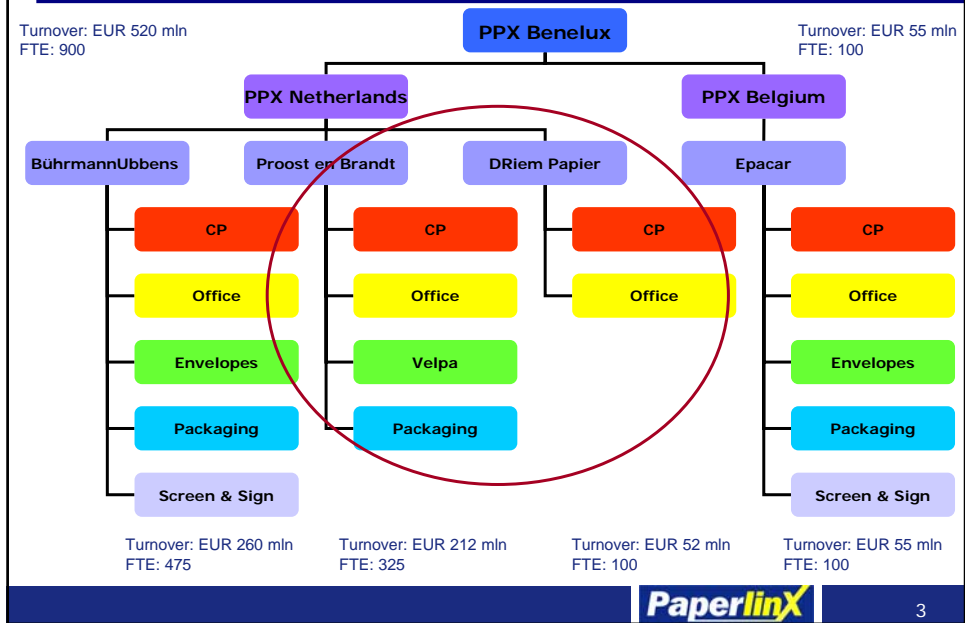
Profit improvement strategy Project Mercure

27 November 2006

Content

1. PaperlinX companies in the Benelux
2. Relevant markets
3. Economic conditions
4. Paper consumption
5. Market developments
6. Way to go
7. Strategy, goals and guiding principles
8. Profit improvement strategy Mercure
9. Top line growth

Activities – PPX Benelux



Relevant markets The Netherlands

Market	size	growth
• Commercial Print	820,000 t	0
• Office Papers	200,000 t	+
• Screen & Sign	€ 100 mio	+
• Packaging	€ 350 mio	0
• Envelopes	€ 200 mio	-

Biggest player in the market

Relevant markets Belgium/Luxembourg

Market	size	growth
• Commercial Print	317,000 t	0
• Office Papers	110,000 t	+
• Screen & Sign	€ 50 mio	+
• Packaging	€ 400 mio	0
• Envelopes	€ 125 mio	-

Fourth player in the market

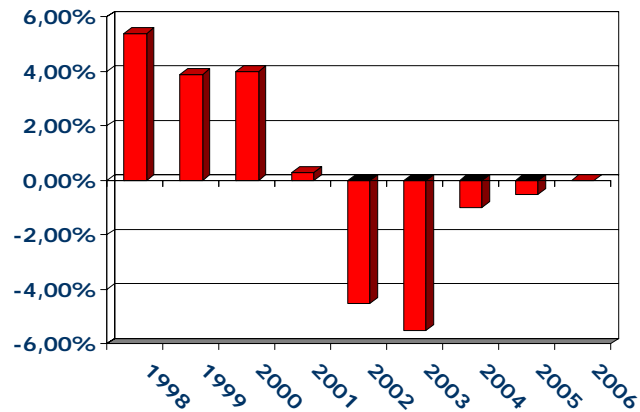
Economic conditions

Tough economic conditions

- Small economic growth
- Low level consumption, growth in export

%	2002	2003	2004	2005	2006
GDP	0.1	-0.1	1.7	0.5	2.5
Export	2.0	3.2	9.4	4.0	7.0
Consumer consumption	0.9	-0.7	0.0	-0.8	-2.3

Paper consumption



Market developments

- Growth GDP and growth paper volume no longer in line
- Overcapacity in almost all segments we operate in
- Consolidation of customers, mills and competitors
- Increased bargaining power of customers and mills
- Trend to bulk and downgrading
- Prices and margins under pressure

Way to go

Continuity and profits
will not come from volume + margin growth



It is all about costs



Efficiency



Scale

Strategy, goals & guiding principles

Strategy

- To structurally enhance the strength of our Dutch activities we need to leverage our total scale, delete unnecessary duplications and increase cooperation



Ensure long term sustainable returns

Goals

- Maintain market share
- Costs 10% lower
- Working capital 5-10% lower

Guiding principles

- Front office
 - Differentiate where necessary
 - Integrate where possible
- Back office
 - Integrate "unless"

Overview profit improvement strategy Mercure 13 projects

1. Go-to-market strategy Proost en Brandt and BührmannUbbens
 - Commercial Print
 - Office Papers
2. Integration
 - DRiem into Proost en Brandt
 - Proost en Brandt Packaging into BührmannUbbens
 - Back offices
3. Optimisation
 - Assortment/inventory/working capital
 - Production of envelopes
 - Printing of envelopes
 - Distribution
 - Location
4. Best practise/cooperation
 - Benchmarking
 - Purchasing
5. One ICT platform

Go-to-market Proost en Brandt and BührmannUbbens

Commercial Print

- Define value proposition



Differentiation vs. overlap

Office Papers

- Redesign value proposition for endusers and resellers
- Develop strategy for office supplies distributors
- Redesign organisation



New business model

Integration

DRiem into Proost en Brandt

- Finished October 2006

Proost en Brandt Packaging into BührmannUbbens

- Finished June 2006



Complementary and rationalised product ranges
Scale benefits
Costs down

Optimisation - 1

Assortment/inventory/working capital

- Dutch product range open to Epacar
- Rationalisation product ranges
- Inventories down



Working capital down

Production of envelopes

- Efficiency
- Intercompany sales (e.g. Belgium)

Optimisation - 2

Printing of envelopes

- Cooperation Velpa and BührmannUbbens

Distribution

- Combined warehousing and transportation
- Cross border deliveries

Locations

- Combined operations
- Locations redundant

Best practice

- Benchmarking of key performance indicators
- Coordination of purchasing



Costs down
Margins up

One ICT platform

- ASW in the future
- ICT connection in the meantime (Epacar Belgium is already connected)



ICT is a condition for most back office projects

Top line growth

Commercial Print

- Value proposition and customer segmentation
- CRM

Office Paper

- New business model

Packaging

- Extended product range
- From product to process ELP
- Catalogue sales Packaging Pro



Envelopes

- Intercompany sales

Display

- > 10% market growth

Projects are:

In time
On budget



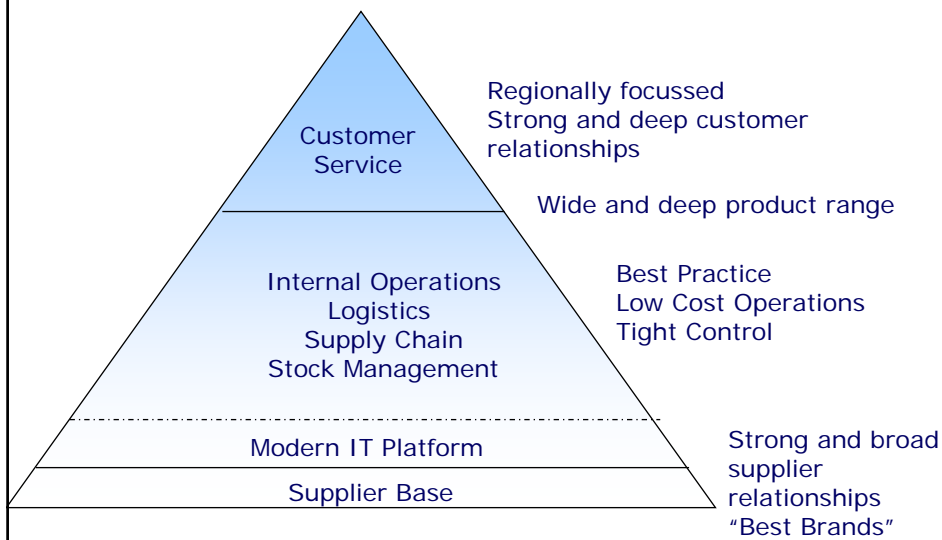
BührmannUbbens

A PaperlinX company in The Netherlands

Content

- PaperlinX merchants business model
- BührmannUbbens key figures
- The customers of the business units
- The business units
- Commercial strengths
- Operations
- Logistical strengths
- Vision on the future

PaperlinX merchants business model

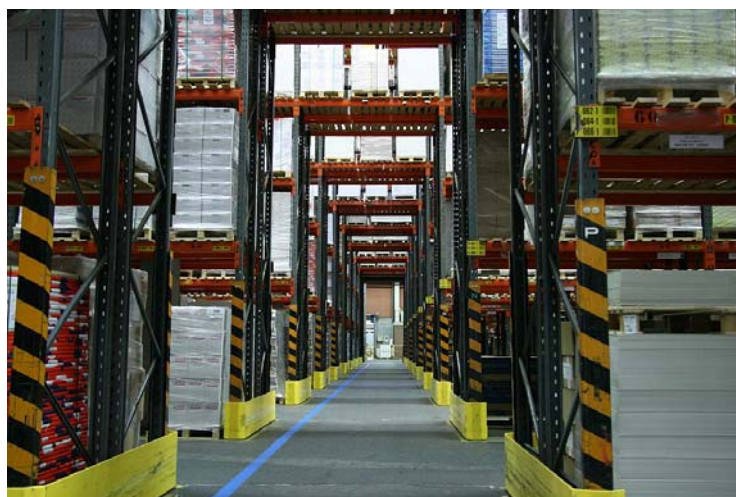


BührmannUbbens

Founded in 1820

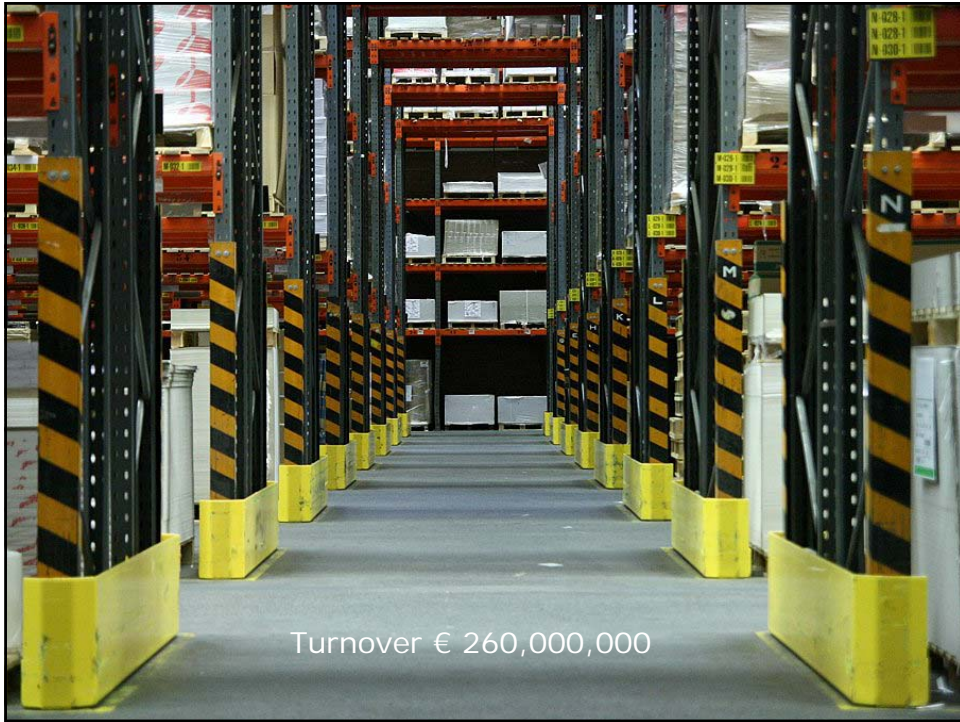


From old to new



PaperlinX

24









The customers of the business units

In most markets

- Overcapacity
- Concentration
- Cost and buying focus

Customers want

- Buying efficiency
 - One stop shopping
 - Less suppliers
 - Simplicity
- Technical support
- Logistical service and high delivery quality



BührmannUbbens must be the easiest to do business with

BührmannUbbens organisation

5 business units

- Commercial units in specific segments
- P&L responsible

7 central services

- Purchase
- Logistics
- HRM
- Finance
- Innovation & ICT
- Marketing
- Quality assurance, occupational health & environmental affairs

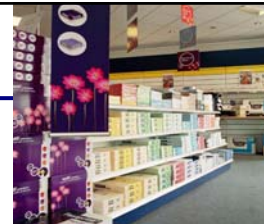
Business unit Commercial Print

Sales value	€ 135 million
Sales volume	stock 45,000 tonnes indent 80,000 tonnes
Employees	70
2,500 Customers	Printers (sheets, reels, labels, packaging) Publishers and Bookbinders
Product assortment	Any type of paper being used by printers Envelopes Packaging material
Organisation	4 Regional Offices (Amsterdam, Eindhoven, Utrecht, Zutphen) and National Account Group



Business unit Office Papers

Sales value	€ 35 million
Sales volume	35,000 tonnes
Employees	30
2,000 Customers	Office Suppliers and Contract Stationers End Users (government, banks, insurance companies, etc.) Professional users Retail
Product assortment	Office papers Professional printing papers Consumer products Envelopes Packaging material



PaperlinX

35

Business unit Packaging

Sales value	€ 50 million
Sales volume	29,000 tonnes
Employees	58
4,000 Customers	Medium Sized Industrial Companies Logistic Service Providers Packaging resellers
Product assortment	ELP: Machines and Packaging material Packaging paper Corrugated boxes Plastics Filling material Pallet stabilisation



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36

Business unit Screen & Sign

Sales value € 20 million
Sales volume 3,000 tonnes
Employees 30
2,500 Customers Sign makers
Digital printers
Full-service bureaus

Product assortment

One stop shop:
Systems (digital printers), Media, Inks,
Technical Support
Media: Self Adhesive Material, Plastics,
Paper, Board



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37

Business unit Envelopes

Sales value € 20 million
Number of envelopes ca. 700 million
Employees 100
Customers Paper merchants and mills,
Graphic industry, End Users, Retail,
Insurance companies, Banks,
Government
Product assortment All kinds of envelopes, focus on smaller
production runs (flexibility)
Pre-printed envelopes



PaperlinX

38

Commercial strengths

- Good people
- Reliability
- Quality and service
- Strong brands – our brands
- Widest and deepest product range
- Long term relationships



Know how

Customers want excellent logistics

- Short lead times
- Small orders – big orders
- Conversion (tailor made, press ready)
- Night distribution
- Courier deliveries
- Ordered = delivered
- No mistakes
- No credit invoices



Say what you do
Do what you say

Logistics – key figures

- 50 Dedicated distribution trucks



Logistics – key figures

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- 400 Tonnes per day (50 tonnes conversion)



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- Courier service



Logistics – key figures

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- Night distribution
- Courier service
- 1,500 Drops per day

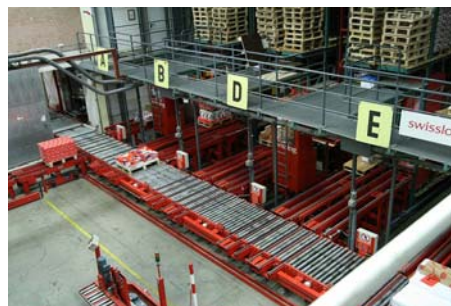


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3,500 order lines per day



Logistical strengths

- First time right
- Widest and deepest stocks
- Customer specific deliveries
- Predictability (fixed routes)



Large scale
High service



99,7% delivery reliability

BürrmannUbbens vision on the future

