



Smurfit-Image Pac
a division of Smurfit-MBI

Smurfit-Image Pac 
Display Group
a division of Smurfit-MBI



IMAGE PAC
GRAPHICS

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SMURFIT-MBI HISTORY

July 1, 1983, MacMillan Bathurst commenced operation as a national corrugated container company with the combination of the Canadian corrugated container divisions of MacMillan Bloedel Limited and Consolidated-Bathurst Inc. MBI was owned 50% by each of these companies. Both parent organizations had a long history of involvement in the corrugated industry through both the establishment of corrugated operations and the acquisition of existing facilities across Canada.

MBI was formed in response to the need to rationalize the over capacity existing in Canadian production facilities as a result of the 1982-1983 recession. Prior to 1983, a total of 18 corrugated plants were operated by MacMillan Bloedel Limited and Consolidated Bathurst Inc. After combination the number of plants was reduced to 14 due to plant closures and by 1993 was further reduced to 12 plants as facilities consolidated in an ongoing cost control effort.

In March 1989, Consolidated-Bathurst Inc. was acquired by Stone Container Corporation of Chicago, Illinois, with its name subsequently being changed to Stone-Consolidated Inc. Effective December 31, 1990, MBI's corrugated assets became a limited partnership registered in the province of Ontario. The two limited partners, MacMillan Bloedel Limited and Stone-Consolidated Inc., remained 50% owners of the operations. On December 20, 1993, as a result of an organizational structural change, Stone-Consolidated Inc. became Stone Container (Canada) Inc. while retaining its 50% interest in MBI.

In 1994, MBI made a commitment to providing consumer packaging and point-of-purchase displays with the creation of Image Pac, a division of MBI. With specialty gluing, lamination, printing and co-packing capabilities, this new company provides award winning packaging and displays for the retail marketplace.

On September 4, 1998, Stone Consolidated acquired the 50% interest previously owned by MacMillan Bloedel and immediately resold this 50% interest to Jefferson Smurfit Group plc of Dublin, Ireland.

On July 1, 1999, MBI announced a name change to Smurfit-MBI.

On June 2000, Smurfit-Stone Container Corporation (SSCC) completed the acquisition of Montreal based St. Laurent Paperboard Inc. In order to take advantage of synergies and capacities and to better serve the Eastern Canadian marketplace, SSCC asked Smurfit-MBI to manage St. Laurent Packaging, Burlington, Ontario and the two SSCC plants located in Buffalo, New York.

Smurfit-MBI announced the launch of Smurfit-Image Pac Display Group in September 2001 - an operation dedicated to the design and production of complex high-graphic displays and point-of-purchase units.

May 2003 SSCC completed transactions with Jefferson Smurfit Group, involving the exchange of SSCC's European operations for JS Group's 50% ownership. As a result, Smurfit-MBI is a wholly-owned company of Smurfit-Stone Container Corporation, the industry's leading integrated manufacturer of paperboard and paper-based packaging.

In July 2003, Smurfit-MBI announced the construction of a new high performance corrugated container plant in Milton, Ontario. The Greenfield facility would increase manufacturing capacity to service the Southern Ontario and upper New York State markets. In May 2005, the new Milton facility became operational.



CORPORATE OFFICES

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KEY PERSONNEL

V.P. & General Manager

C. (Colin) Fernie

V.P., Sales, Marketing & Business Development

G. (Gary) Corcoran

Regional Controller

C. (Chris) Legge

Director, Employee Relations

J.M. (Jean-Marc) Thibodeau

Regional Manager, Quality

Dr. T. (Tony) Kadai

Regional Manager, Safety

D. (Dave) Provencher

VISION

Smurfit-MBI will be recognized as Canada's premier packaging company and as a Tier 1 company that delivers exceptional value to our customers and shareholders; achieves high profitability through a satisfied, growing customer base; continually strives for operating excellence and efficiency; and attracts and retains highly motivated, committed employees.

ENVIRONMENTAL POLICY

Smurfit-MBI is committed to environmental protection through designing, manufacturing, and delivering products in a manner that will ensure the well being of the environment and all of its employees. To fulfill this goal, Smurfit-MBI will implement and maintain environmental management systems in order to:

- Meet or exceed the requirements of all applicable environmental laws and regulations.
- Participate in exchange of environmental management techniques and, where feasible, adopt best available environmental technologies and best business practices.
- Adopt and follow industry policies and initiatives, where appropriate.
- Promote ownership, responsibility, and accountability for environmental protection and management among all employees.
- Increase employee awareness of environmental issues
- Contribute to conservation of energy, materials and water resources.
- Prevent/Reduce environmental impact of operations aimed at controlling waste generation, air emissions, and effluent discharge.
- Continually improve environmental performance through:
 - setting and reviewing measurable environmental performance objectives and targets,
 - reporting on environmental performance.

RESEARCH & TECHNICAL SERVICES

Specific tests that the laboratory is capable of completing:

- ASTM testing
- ISTA Certification
- Dangerous Goods
- New package design
- New product evaluation
- Prototype testing
- Drop Test
- Vibration Test
- Incline Impact
- Compression
- Material basis weight
- Angle of slide
- Plybond peel test
- Porosity
- STFI compression
- U.N. Testing
- Water absorption (Cobb)
- Moisture content
- Board caliper
- Flat crush resistance
- Edgewise compression test (ECT)
- Burst Strength
- Glue line evaluation
- Rub Test
- MBR wet shear test
- Score Ratio Test
- Component analysis
- Finished containers
- Spot checking raw materials
- Test equipment calibration
- Other custom designed tests

QUALITY

In 1987, Smurfit-MBI embarked upon a quality program that was acclaimed at that time as the most sophisticated and advanced in the North American corrugated industry. Under this program, each plant assumed responsibility for meeting goals of managing the quality variables using statistical techniques. Over time, Smurfit-MBI continues to enhance its Quality by implementing process control strategies, such as the corporate-driven Corrugator and Converting Initiatives. In addition, other strategies such as Lean Manufacturing and 5 S are being implemented.

AREAS OF QUALITY MANAGEMENT

1. Each plant employs a Quality Facilitator responsible to the General Manager.
2. Smurfit-MBI's Corporate Manager of Quality reports directly to the Vice President & General Manager.
3. Smurfit-MBI maintains national standards for box performance: dimensions, caliper, score and slotting tolerances and box skew.
4. Each operator is accountable for the quality of his/her work.
5. Each order is operator-inspected at setup and checked periodically throughout the order.
6. Results are recorded on a computer at the machine centre by the operator.
7. The operator is responsible for corrective action when limits are exceeded.
8. It is Smurfit-MBI's objective to continuously tighten controls or limits as consistency within the range is achieved.



SAFETY

Safety Mission Statement:

"To be the best of the best in the industry as measured by the Recordable Case Rate (RCR)".

In 2001, Smurfit-MBI implemented a proven and superior safety process from our parent company Smurfit– Stone Container Corporation (SSCC), called S.A.F.E, **S**murfit **A**ccident **F**ree **E**nvironment.

The philosophy of S.A.F.E, expressed to all employees in the organization in annual day-long safety stand downs held since 2004 is:

- Commitment from the top down
- Injuries are not part of doing business
- Safety is a process – not a program
- Safety is a success measure of our business
- All employees must accept responsibility for safety

S.A.F.E. is built on a foundation of 5 Basic beliefs taught to all employees and used as the value system for decision-making on a day-by-day basis:

- All injuries are preventable
- Safety is everyone's responsibility
- Working safely is a condition of employment
- Training employees to work safely is essential
- Prevention of injuries is good business

12 Elements of S.A.F.E:

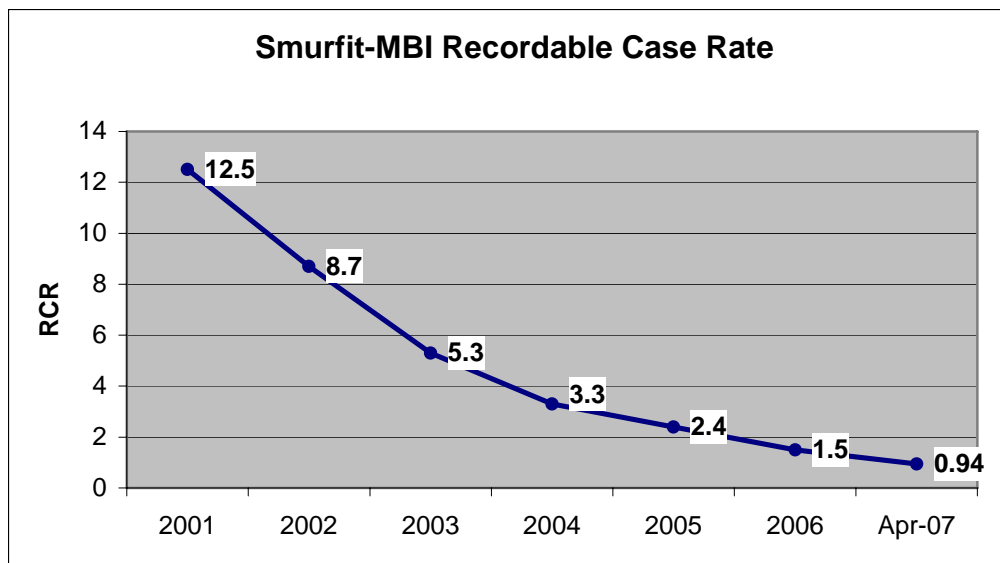
1. Management commitment
2. Documented safety program
3. Safety goals and objectives
4. Committee organization for safety
5. Line responsibility for safety
6. Supportive safety staff
7. Rules and procedures
8. Audits
9. Safety communications
10. Safety training
11. Accident investigations
12. Motivation



SAFETY

Established standards are set for each element and sub element based on a combination of regulatory agency requirements, company policies, and “Best Management Practices (BMP’s)” developed at various facilities within the SSC and Smurfit-MBI organization.

Annual plant action plans are prepared consisting of monthly scheduled activities and initiatives with assigned responsibility to ensure that the standards of the process and BMP’s are implemented. Action plans evolve each year to include additional shared best practices and gaps identified in audits conducted by plant or external personnel.



Recordable Case:

Is a workplace injury or illness requiring medical treatment (but not including first aid treatment or diagnostic procedures) and/or which is serious enough to prevent an employee from performing his/her regular duties following the date of the injury

$$\text{RCR} = \frac{\# \text{ Recordable Cases} \times 200,000}{\text{Total Exposure Hours}}$$

S.A.F.E. Process Goal:

“The elimination of all workplace injuries and illnesses and a commitment to achieving world-class status in safety, with an RCR of <1.0 by 2007.

CERTIFICATIONS

1. Each plant at Smurfit-MBI is ISO 9001 registered. This extends the Quality documentation process into areas of product design.
2. Each plant has achieved the American Institute of Baking (A.I.B.) certification.
3. Carton Specification/Statistical Techniques:
 1. Smurfit-MBI can provide CAD produced, fully detailed manufacturing specifications for each carton assigned, if requested.
 2. Smurfit-MBI can provide printing specifications detailing box references and colour breakdowns for each carton assigned, if requested.
 3. Each supplying plant maintains responsibility for providing updated or revised specifications as changes occur, if requested.
4. Capital expenditures and ongoing training of staff are continuing in support of the Smurfit-MBI Quality Management Program.
5. All Smurfit-MBI manufacturing plants are ISO 14001 registered.



TECHNICAL DEVELOPMENTS

Smurfit-MBI's direction into the specialized area of new technical developments closely parallels the developments and experiences of our parent organization, Smurfit-Stone Container Corporation.

In general terms, new developments and processes underway include:

High Performance Liners:

A family of lightweight high performance liners and mediums are now being converted in all Smurfit-MBI plants.

A Flute:

The 98" corrugators in Burlington and Buffalo (Shawnee Rd.) produce A flute, the original flute. It is the largest flute size and it makes the thickest singlewall board. A flute makes the most of corrugated cushioning and stacking properties. Combining A flute with C flute to make AC doublewall or ABC triple wall produces ultimate strength characteristics for large format boxes.

Super C Flute:

Corrugators in Town of Mount Royal, P.Q. and Whitby, Ontario have been upgraded to produce this high compression flute profile which can provide increased product protection and superior stacking strength.

E Flute:

In response to demands of warehouse retail stores and environmental pressures, this flute capability is available in New Westminster, Winnipeg, Smurfit-Image Pac and St. Laurent. This material may benefit buyers who source folding cartons for retail packaging.

F Flute:

This micro caliper gives F flute board a smooth flat surface for excellent printing capability. A full range of high-end graphics are available including preprint, direct print, and single face litho laminating. Combined with more structural design options, F flute is well suited for use in POP packaging and displays. F flute is presently available from Smurfit-Image Pac in Etobicoke.

Preprint:

Wide web and narrow web preprint is available as a result of Smurfit-MBI's association with SCI Canada. SCI Canada operates 3 central impression flexo web presses.

TECHNICAL DEVELOPMENTS

Enhanced Graphics:

Two presses installed in 1991 provide Quebec and Western Canadian clients with 4 - 5 colour process print with up to 85 line screen capabilities. A third 5 colour press started-up in Etobicoke in early 1993, augmenting 4 colour process print presses installed in Edmonton and Winnipeg in 1992. A 5 colour press with in-line rotary die cutting was installed in Quebec in 1994. During 1998, a 7 colour press 85 to 120 line screen capability was installed at Smurfit-Image Pac in Etobicoke, providing customers across Canada with world class graphics demanded by a competitive retail marketplace.

Single Face Laminating:

An Asitrade 63" Single Face Laminator was installed at Smurfit-Image Pac in Etobicoke in 1994. This machine provides our customers with flexibility between lithography and narrow web preprint graphics. Having B, E & F flute capabilities in combination with Bobst boxboard die cutters, it combines the strength of corrugated with the quality printing and structural design options traditionally available only from folding cartons.

Coatings and Adhesives:

Through joint technical development ventures, new "recyclable" coatings have been developed to provide moisture and grease barriers, augmenting the traditional wax "dipped", "coated" or "impregnated" processes available. Also, carbon impregnated "anti-static" corrugated is available through a joint venture with Induspac, our Canadian marketing licensee.

International Design Libraries:

Design Bank is an extensive web based library of structural designs that will be available to all Smurfit-MBI designers. Designers will be able access designs by conducting an extensive search on such criteria as SIC code, design style, design application as well as a variety of CAD data.



Cordeck:

Smurfit-Stone's unique recyclable all corrugated shipping platform provides for an effective alternative to wooden pallets.

Fanfold:

Fanfold is a continuous length of singlewall or doublewall corrugated board, accordion folded to form a bale. Scoring the fanfold adds a unique dimension that offers an unlimited variety of applications. Typical uses are for packing and shipping lengthy products such as aluminum siding, Venetian blinds, wood mouldings and metal and plastic pipes.

TECHNICAL DEVELOPMENTS

Triplewall:

When strength requirements are extreme for heavy or bulk packaging requirements, Triplewall is the solution. Produced with an ABC flute combination on a 98" corrugator, triplewall augments our bulk bin and large box capabilities.

Bulk Bins:

High performance corrugated bulk bins offer the optimum method to store and ship volume loads of products. Bulk bins are custom made to a variety of shapes and sizes and can be reinforced internally or externally with straps or reinforced paper. Bulk bins are cost effective and the ideal container to ship resins, chemicals, grains, auto parts, fresh produce, fresh meats and a multitude of other products. Bulk bins made with doublewall or triplewall are easy to set up, are stackable and reusable, and can also be printed to promote your product in a retail environment.

Large Boxes:

Our Burlington facility can produce unique Jumbo boxes to hold everything from appliances to watermelons. With two colour printing and partial die-cutting in one operation, it can also be combined with A Flute single wall or AC Flute doublewall to produce an exceptional strong box for specialized use.

All of the above technical developments contribute to reduced weights, improved performance and added value.



CORPORATE PACKAGING CONSULTANTS

Our Packaging Development Consultants offer expertise in package design, machinery and packaging methods unequalled in Canada. Available nationally, they resolve complex, packaging related challenges. Their mandate is to help you reduce your packaging costs.

Value Proposition Process (VPP)

Because a package costs more to use than to buy, we introduced the VPP program. By identifying savings in operations directly linked to package use, from receiving through shipping, we help you reduce packaging costs through:

- Reduced material in line with the Packaging Protocol
- Reduced assembly labour, increased automation and packaging efficiency
- Case consolidation and reduced SKU's
- Improved palletization, truck efficiency and warehouse practices

The VPP program is completed by a team skilled in the evaluation and design of high performance packaging and packaging systems, led by your sales representative.



IMAGE PAC GRAPHICS

Image Pac Graphics was formed in 1989 to service a growing need in the marketplace for a higher standard of graphic quality and accuracy. Image Pac Graphics has established two design centres; Vancouver and Toronto. Both operate as independent manufacturing centres for graphic design and photopolymer printing plate production. Both are ISO 9001 Registered.

In addition, Image Pac Graphics operates "satellite" graphic design locations. These locations are linked directly through a Wide Area Network at the following Smurfit-MBI Sales Offices: St-Laurent, Guelph, Burlington, Winnipeg, Regina and Calgary.