

PILOT- US Containerboard Net Change Indices

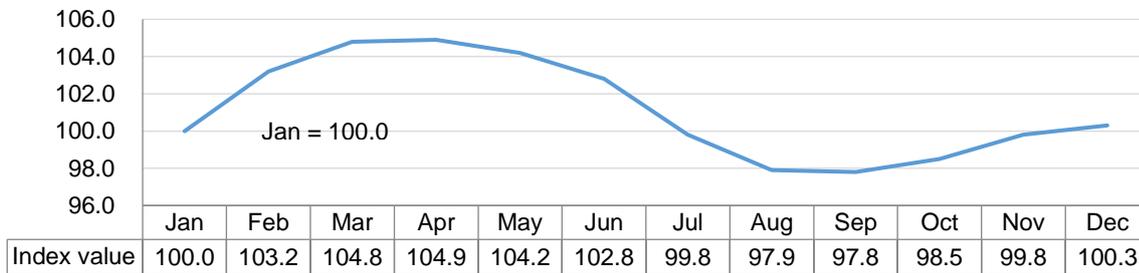
RISI is working with sister company FOEX to launch a pilot project to test a new indices for US Containerboard with three key distinctions:

- 1) Based on specific containerboard quality specification
- 2) Contributed figures based on starting point of 100; no need to contribute dollar price level
- 3) Data providers report the change in their net prices

The new indices will be based on an objective calculation method based on actual transactions.

Index Sample

The index value for the starting month will be set at 100 and the index will move from there based on changes in weighted average net price levels. In the sample below, Jan = 100.0 and Feb = 103.2, meaning that the weighted average net price would have increased by 3.2% from Jan to Feb.



Timing and Frequency

During the pilot period, the index will be available only to those who contribute data. The target publishing schedule will be monthly on the first tuesday day of each month (to be confirmed).

Product Specifications (To be finalized with PILOT team)

Linerboard		Medium	
Basis weight:	31-42lb (TBD)	Basis weight:	23-26lb (TBD)
Delivery terms:	Delivered	Delivery terms:	Delivered
Location:	United States	Location:	United States
Furnish:	Virgin, recycled and mixed linerboard	Furnish:	Virgin, recycled and mixed medium
Frequency:	Monthly	Frequency:	Monthly
Quality:	Ring Crush Minimum of 70 (TBD)	Quality:	Ring crush minimum of 35 (TBD)

Transactions Reflected

- Open market sales between producers (or producer's agent) and independent converters.
- All orders placed or received during the reporting month.
- Transactions whose price is determined by reference to an index are **included**.
- Transactions between majority owned affiliated parties are **excluded**.

Index Calculation

The index is based on transaction data from both buyers and sellers of containerboard. There will be a minimum number of 6 contributors and no contributor making up over 25% of index weighting. At the end of each month, contributors submit the percent change of that month's weighted average net delivered price versus the index starting month.

Data are weighted by the annual volume of sales or purchases of each data provider. Data are additionally weighted to ensure a 50-50 representation of buyers and sellers in the index value. The index value is the average of this weighted data.