

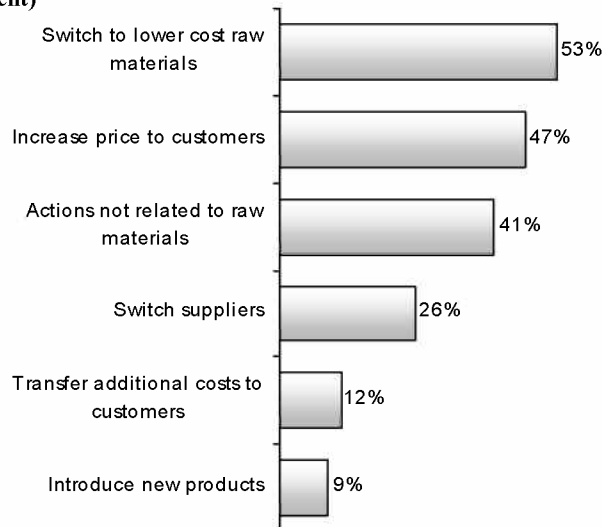
Boise® Raw Material Cost Snapshot Research Results

Given the recent volatile economic and operating environment, Boise conducted a survey to better understand the impact of raw material cost changes in the pressure sensitive industry. The online survey was conducted in November and December of 2008 and was completed by thirty-four pressure sensitive label printer converters. The results of this survey include broad representation across both company and individual characteristics.

Key Highlights

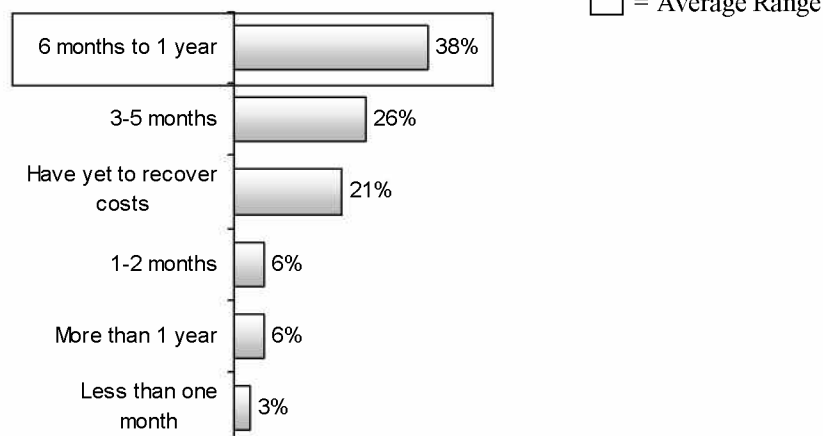
- Raw material costs average 44% to 50% of total product costs and increased 5% to 9% on average in 2008 after being flat in 2007.
- To offset increases in raw material costs, printer/converters' most frequently cited actions were switching to lower cost raw materials, increasing price to customers, or other actions not related to raw materials (see chart below).

Actions Ranked 1st or 2nd Most Effective At Offsetting Increased Raw Material Costs in 2007 & 2008 (Percent)



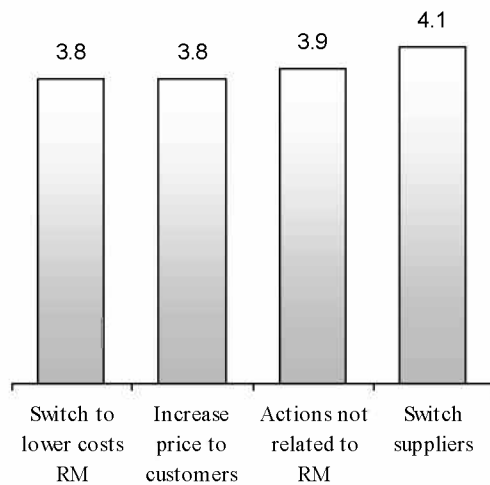
- On average, these actions were estimated to take 6 months to 1 year to offset increased costs, with 85% of printer/converters' reported cost recovery time frames exceeding 3 months (see chart below).

Time Period Of Cost Recovery (Percent)



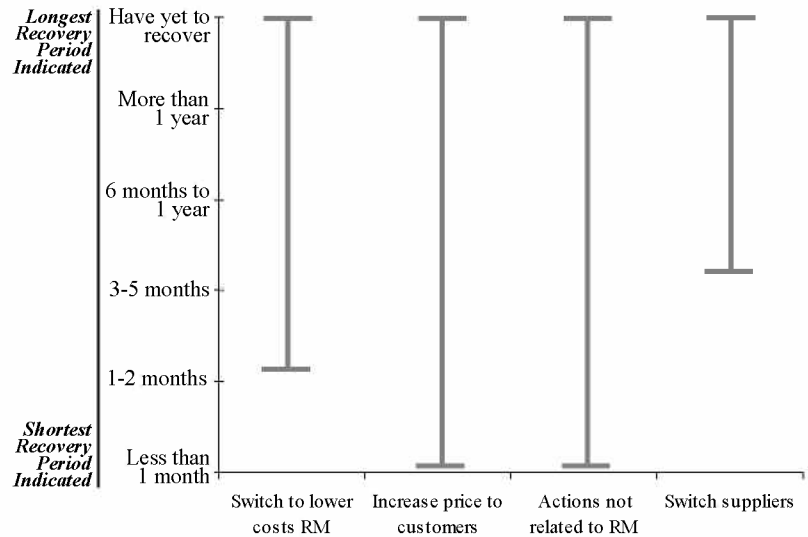
- The actions selected to combat raw material costs were widely adopted, however, the recovery performance varied significantly. Individual execution of an action appears to be a greater indicator of effective cost recovery than the action itself (see charts below).

**Average Time Period For Cost Recovery
Top-4 Cited As Most Effective
(Average Based on Assigned Values)**



Average performance displays limited distinction among actions

**Range Of Time Period For Cost Recovery
Top-4 Cited As Most Effective
(Percent)**



Performance varied significantly across top-4 actions

- Printer/converters indicated an average profit margin of 5% to 6% in 2008, a decline from the 7% to 8% indicated for 2007. Printer/converter profit margins displayed great variation, ranging from negative 5% or less to positive 15% or more. Raw material cost increases appear to have partially contributed to this change. However, in 2009 profit margins are expected to return to levels achieved in 2007, presumably as the benefit of cumulative actions are realized.
- In 2009, printer/converters displayed an increased preference to take actions not related to raw material costs and to switch suppliers, while indicating a decreased tendency to switch to lower cost raw materials.

About Boise Label & Release

Boise Label & Release is a leading supplier of release liner and label facestock papers to the global pressure sensitive industry. Our substrates are incorporated into pressure sensitive laminate constructions for use in label, graphic, health and medical, and tapes and industrial applications. Boise provides customers with the highest level of value through capability, insight, and collaboration. Visit us at www.boiselabelrelease.com.

Please contact Boise for additional insights on the survey results!