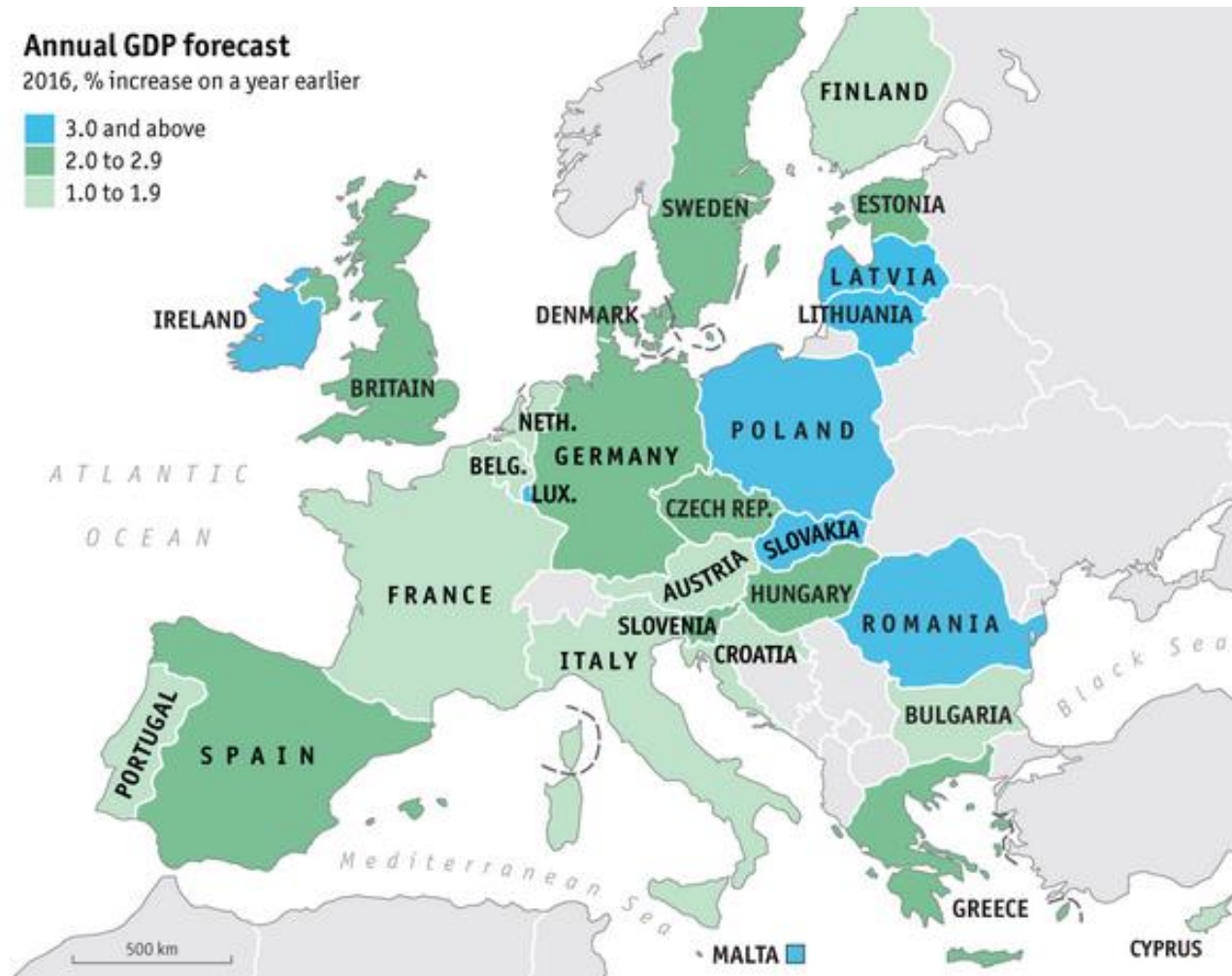




Christian Korn, APEAL Board member

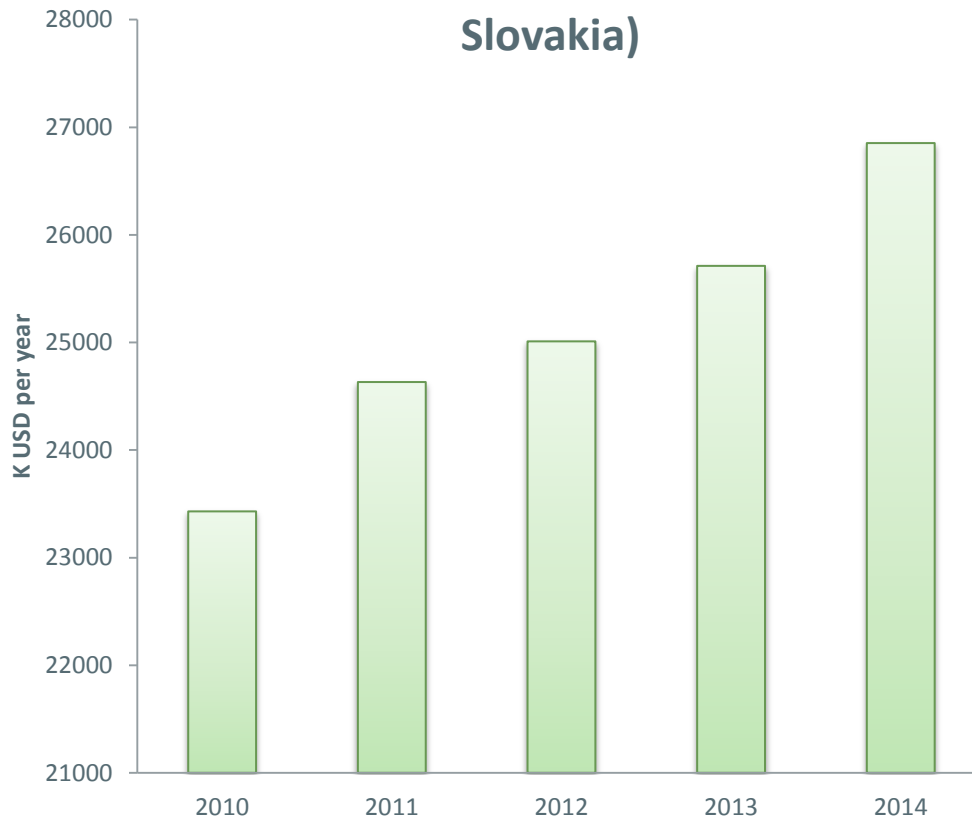
Steel for Packaging in Central Europe

Central Europe Economic outlook is good



Disposable per capita income for consumption is increasing

**Average GDP per capita in V4 countries
(Czech Republic, Hungary, Poland,
Slovakia)**



Source: World International Bank

- Increased domestic demand
- More on-the-go consumption
- Increased environmental consumer awareness and choice of healthy products
- Busier lifestyles influence packaging choices

The packaging supply chain in Poland is evolving

- Restricted packaging market for consumers until 1990
- In 1990s liberalisation of market: increasing numbers of FMCG products / variety of packaging materials

Since 2000 → increased focus on resources and recycling by consumers and policy makers

Global megatrends are driving market demand for packaging

Eco trends

A growing interest in environmental concerns informs consumers' choice of packaging format and favours glass and paper, despite metal's strong recycling credentials.

Convenience: easy to open and easy to use

Consumers seek out packaging that simplifies their lives in terms of use, storage, transportability and ease of use. Multifunctional packs (microwaveable or squeezable packs for pastes) are also of note.

Small packs: on-the-go and single-person households

Small packs for single-serve eating, snacking, on-the-go eating and small households are a key trend. Resealable packs also tap into this demand pattern.

Visual differentiation

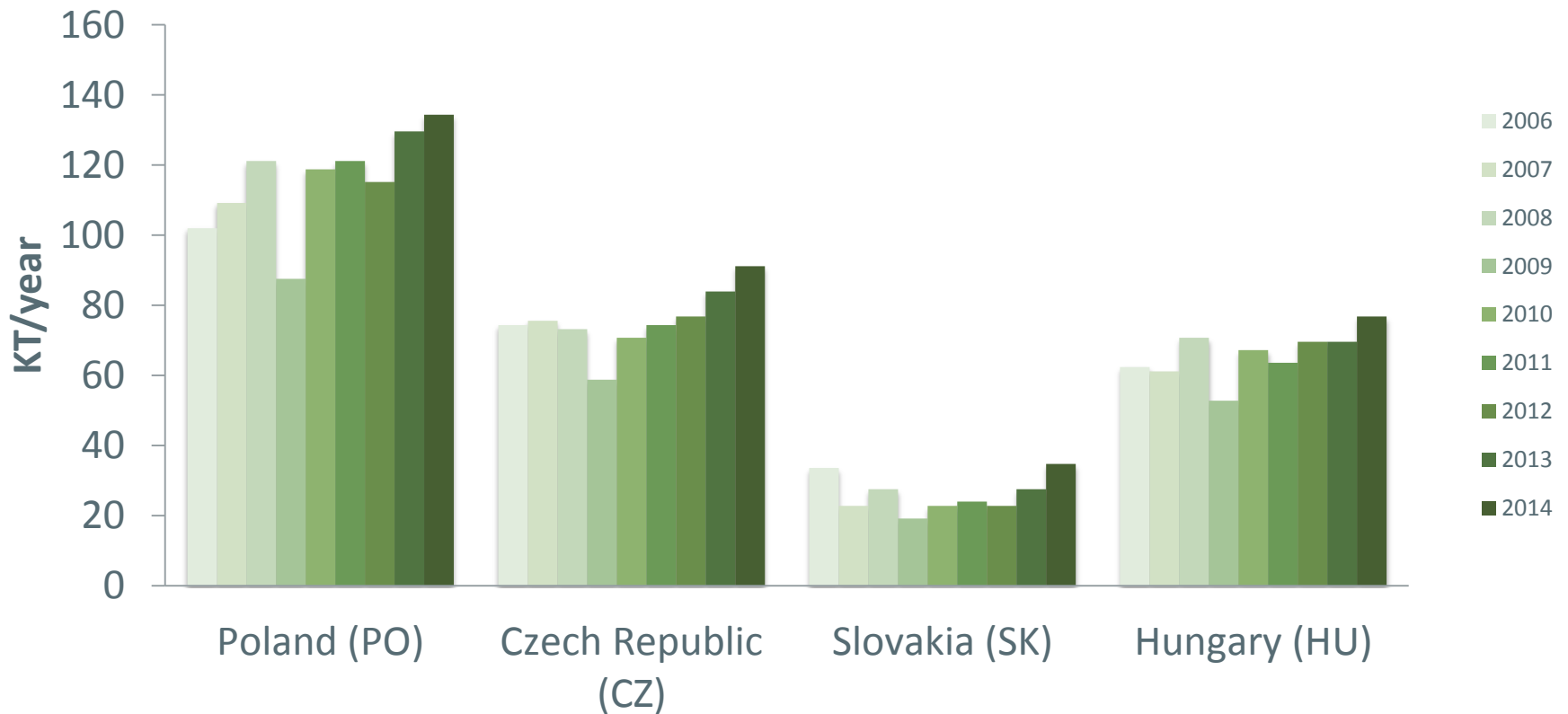
Colour and shape is used for new products to give make them stand out on store shelves or to attract specific demographic groups such as modern urban consumers or beauty-conscious women.

Value

Value for money emerged as a key trend during the recession and is expected to remain entrenched for some time. Consumers seek out bargain packs but also expect high quality products.

Steel packaging is well positioned and consumption is growing

Apparent consumption Tinplate, ECCS and Blackplate V4 countries (Poland, Czech Republic, Slovakia and Hungary)



Source: Eurofer

Local trends are driving demand specifically in Poland

Canned food

Increased demand for canned meat, fish, vegetables and ready meals

Pet food

Increased use of prepared food in Eastern Europe



Source: Euromonitor International

Steel delivers unique benefits for product protection

- 100% barrier against water, light & air
- Longest shelf life
- Tamper-proof, tamper-evident
- Safe solution for volatile and inflammable products
- Protects against bacteria

1		Steel Can	0 + total LIGHT barrier
2		Glass	0
3		Pouch	< 0,1 (with alu foil) 17,4 (with EVOH)
4		Carton	< 1
5		Rigid plastics	1,000

Oxygen intake
cm³/m²/day
/1 bar
atmosphere

Central Europe has clear opportunity to increase recycling

Evolution of the Steel recycling rates in V4 countries vs. Europe



Conclusions

- EU forecasts strong economic growth for Central European countries in 2016
- The packaging market grows, the steel for packaging consumption grows.
- Steel is the packaging material which best protects and preserves its contents.
- Central Europe has clear opportunity to increase recycling

