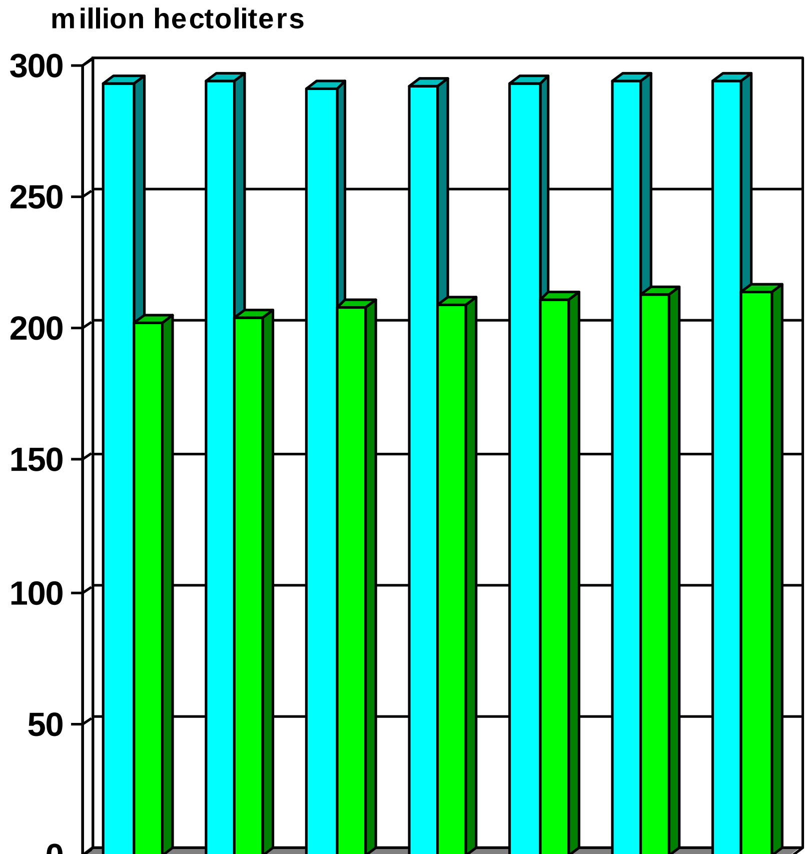
European Market

Beverage

Europe

Beer Market: Liquid Volume



	1996	1997	1998	1999	2000	2001	2002
Total Volume	293	294	292	292	293	294	295
Packaged Volume	202	205	208	209	211	213	214

Source: Global Total Beer HL

☺ <u>Growth Rate</u>

1996-1998 Total -0.3% per year

Packaged 1.4% per year

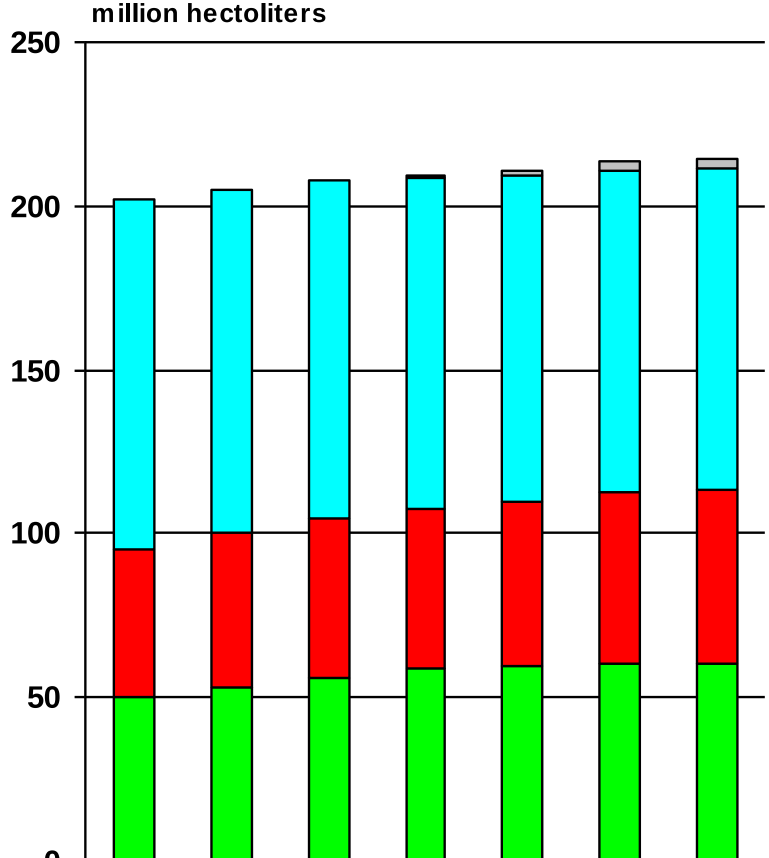
1998-2002 Total 0.2% per year

Packaged 0.7% per year

☺ Packaged beer will continue to grow as a % of the total liquid volume, increasing from 72% of the market in 1999 to 73% in 2002

Europe

Beer Market: Primary Container Trends



	1996	1997	1998	1999	2000	2001	2002
NR PET Bottle	0	0	0	1	1	2	3
Ret. Glass Bottle	107	104	103	101	100	98	98
NR Glass Bottle	45	48	49	49	50	52	53
Cans	50	53	56	59	60	60	61

Source: Global Total Beer HL

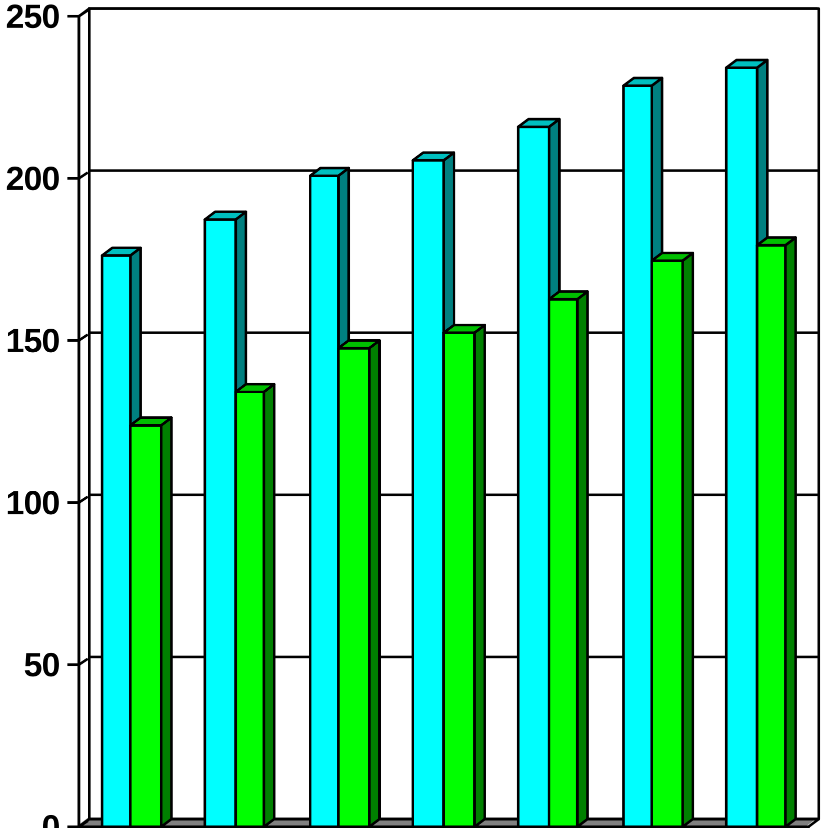
- ☺ Returnable Glass Bottles are currently the "largest" primary container with 48% of the volume in 1999, but they are losing share to both Cans and NR Glass Bottles. This trend bodes well for multiple packaging

- ☺ By 2002, cans will represent 28% of the packaged liquid volume, NR Glass Bottles will represent 25% and Returnable Glass Bottles will represent 46%

Europe

Beer Multiple Packaging

Gross Short Tons (000's)



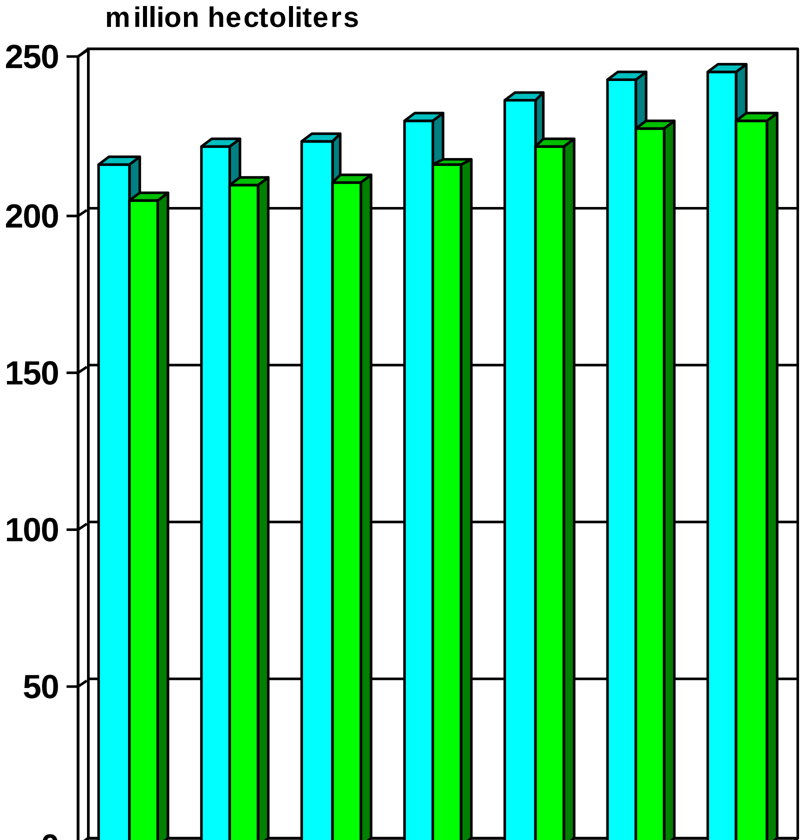
	1996	1997	1998	1999	2000	2001	2002
Total Packaging	176	187	200	206	216	229	234
Paperboard	124	135	148	153	162	174	179

Source: Global Total

- ☺ Paperboard is projected to maintain and increase its dominant position with 77% of the European beer packaging market in 2002, up from 74% in 1999
- ☺ Hi-Cone, the second largest beer secondary packaging substrate, is projected to lose a couple of share points, falling from 19% in 1999 to 17% in 2002

Europe

Soft Drink Market: Liquid Volume



	1996	1997	1998	1999	2000	2001	2002
Total Volume	216	222	223	230	236	243	245
Packaged Volume	204	209	210	216	222	228	230

Source: Global Total Soft Drink HL

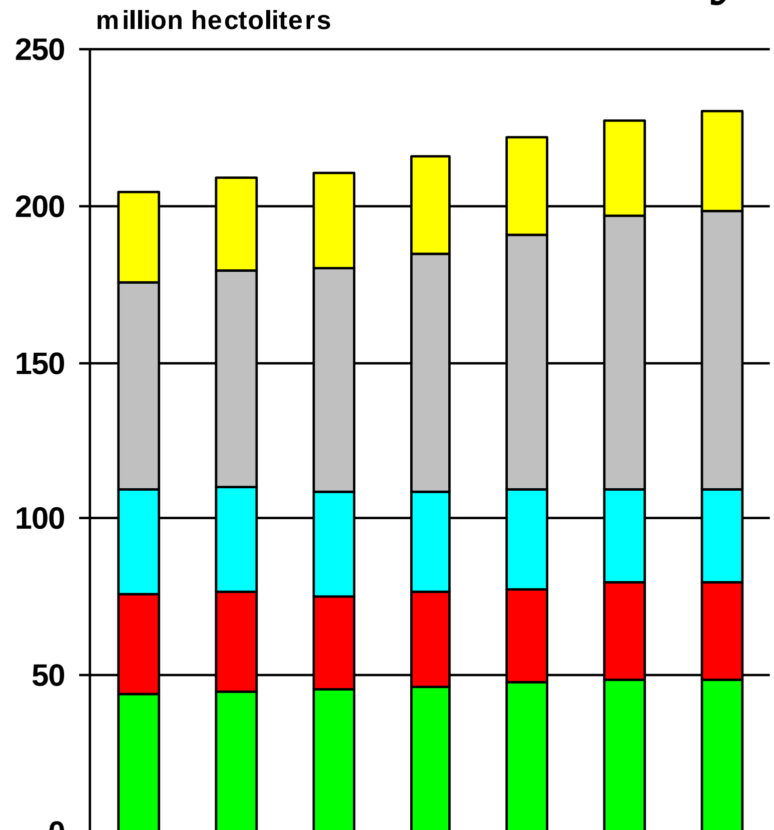
- Growth Rate
  1996-1998 Total 1.8% per year
  Packaged 1.5% per year

  1998-2002 Total 2.3% per year
  Packaged 2.2% per year

- Packaged soft drinks are projected to continue to represent just under 94% of the total liquid volume from 1999 to 2002

Europe

Soft Drink Market: Primary Container Trends



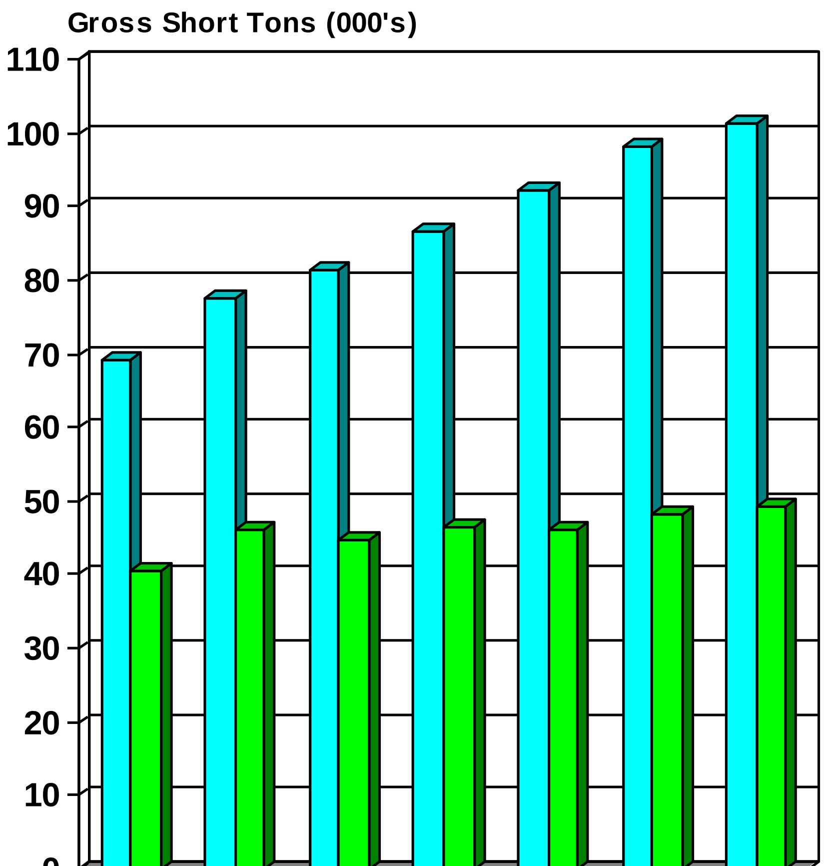
	1996	1997	1998	1999	2000	2001	2002
Ret. PET Bottle	29	29	30	31	31	31	32
NR PET Bottle	66	69	72	76	81	87	89
Ret. Glass Bottle	34	34	33	32	31	30	30
NR Glass Bottle	32	31	30	30	30	31	31
Cans	44	45	46	47	48	49	49

Source: Global Total Soft Drink HL

- ☺ NR PET Bottles are the "largest" primary container and are projected to increase their share from 35% in 1999 to 39% in 2002.
- ☺ The rest of the packaged soft drink market in 2002 will be split between Cans (21%), NR Glass Bottles (14%), Returnable Glass Bottles (13%) and Returnable PET Bottles (14%)

Europe

Soft Drink Multiple Packaging



	1996	1997	1998	1999	2000	2001	2002
Total Packaging	69	78	81	87	92	98	101
Paperboard	41	46	45	46	46	48	49

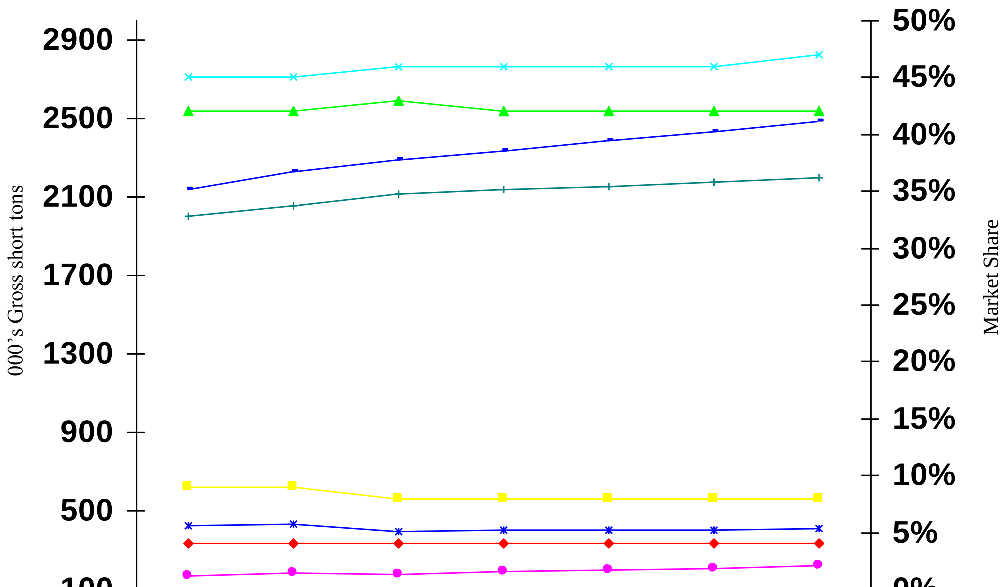
- ☺ Paperboard will continue to lose share of the European soft drink packaging market, falling from 54% of the market in 1999 to 49% in 2002
- ☺ Shrink film is projected to pick up the market share lost by paperboard, and by 2002 shrink film will represent 41% of the European soft drink packaging market

Source: Global Total

Folding Carton

Substrates Share of Folding Carton

Europe -- Gross Short Tons (000)

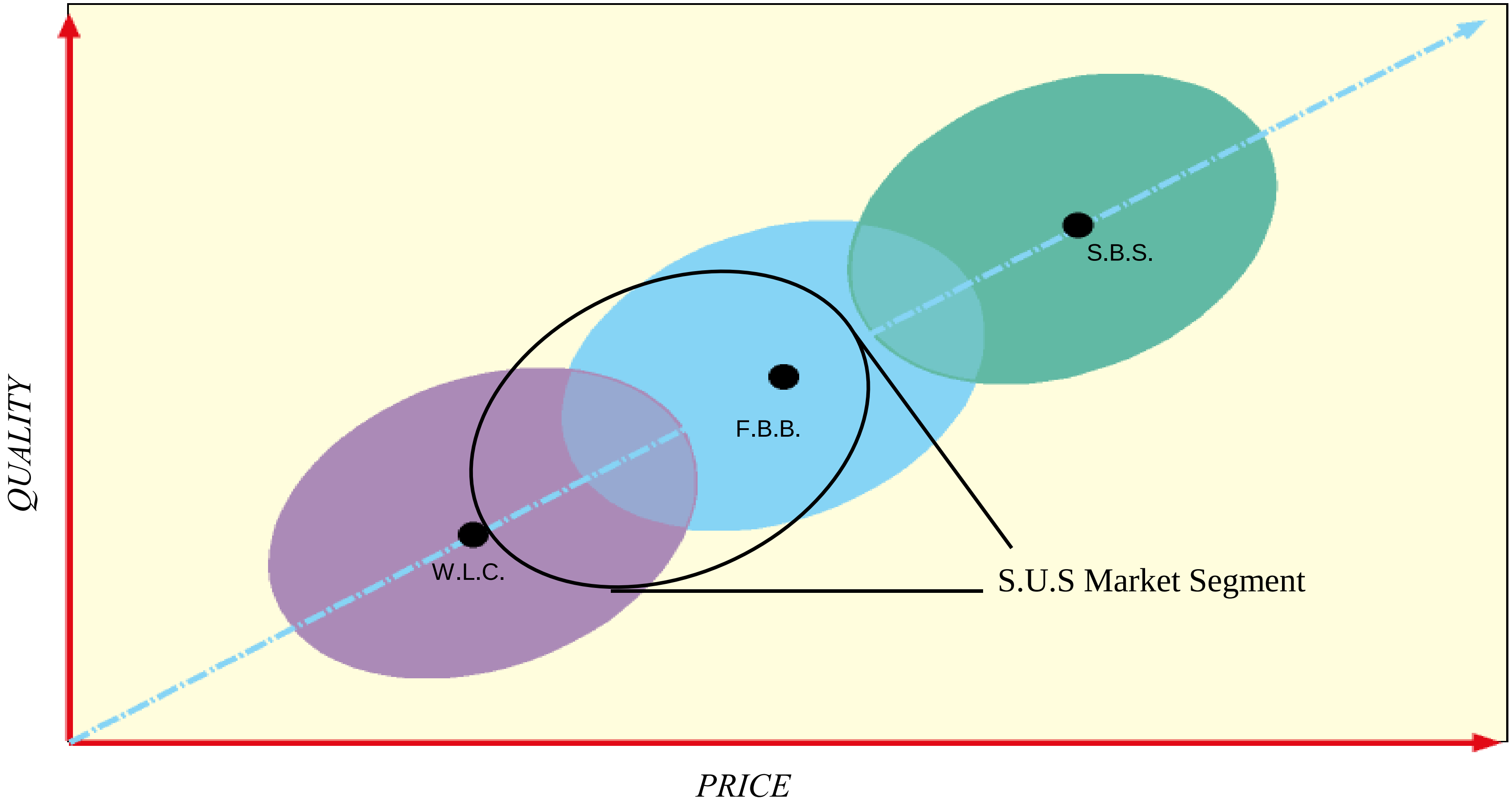


	1996	1997	1998	1999	2000	2001	2002
SBS	421	434	398	400	403	405	408
CUK	168	184	176	187	201	206	219
FBB	2.005	2.056	2.117	2.137	2.157	2.178	2.198
WLC	2.142	2.230	2.289	2.337	2.387	2.437	2.488
SBS %	9%	9%	8%	8%	8%	8%	8%
CUK %	4%	4%	4%	4%	4%	4%	4%
FBB %	42%	42%	43%	42%	42%	42%	42%
WLC %	45%	45%	46%	46%	46%	46%	47%

- FBB and WLC combined have almost 90% of the folding carton market in Europe
- European CUK production is a threat for Riverwood
  - Frovi's CUK capacity is forecast to increase to 350 thousand tons by 2002
  - Stora/Enzo introduced CKB in 1997
- UK, Germany and France account for 62% of the CUK consumption in Europe

Source: CDC Ltd., UK

European Paperboard Market
Where do Riverwood “Folding Carton Grades” fit ??



- Riverwood “Omnikote & Pearlkote” should compete with the lower end of the F.B.B. grades and the higher quality W.L.C. grades
- With the introduction of Stora CKB and Frövi Light, this area has become extremely competitive.

Source: Riverwood Europe