



North American Market





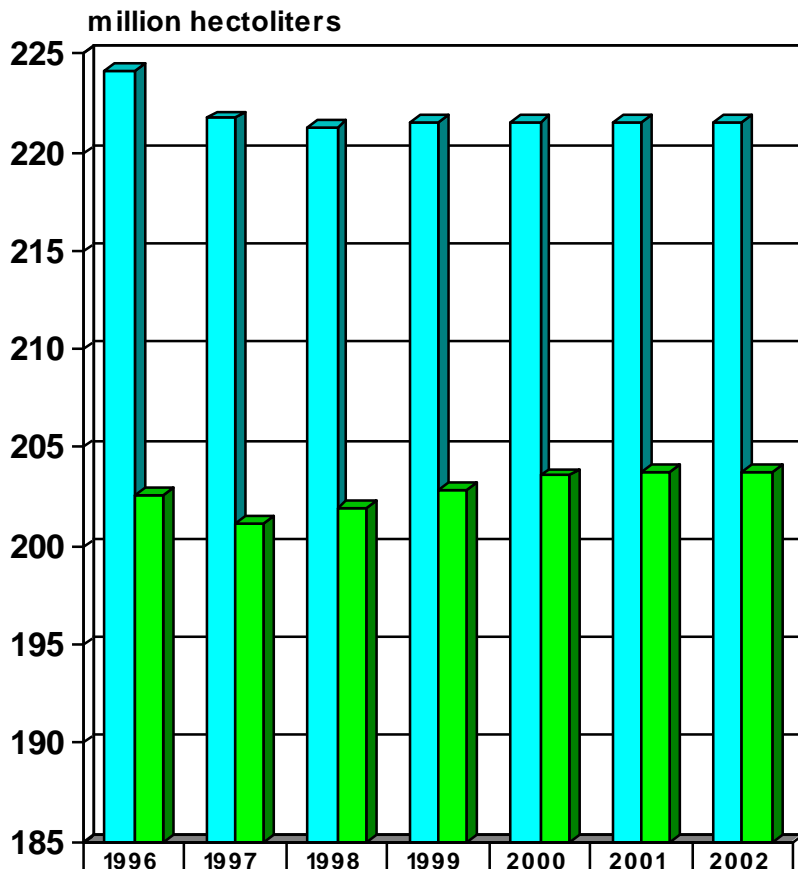
Beverage





United States

Beer Market: Liquid Volume



Total Volume	224	222	221	222	222	222	222
Packaged Volume	203	201	202	203	204	204	204

- ☺ Growth Rate
 - 1996-1998 Total -0.6% per year
 - 1996-1998 Packaged -0.2% per year
 - 1998-2002 Total 0% per year
 - 1998-2002 Packaged 0.2% per year

☺ While the total market is flat, packaged beer production will grow slightly from 1999 to 2002

☺ Packaged beer volume represents 91+% of the total

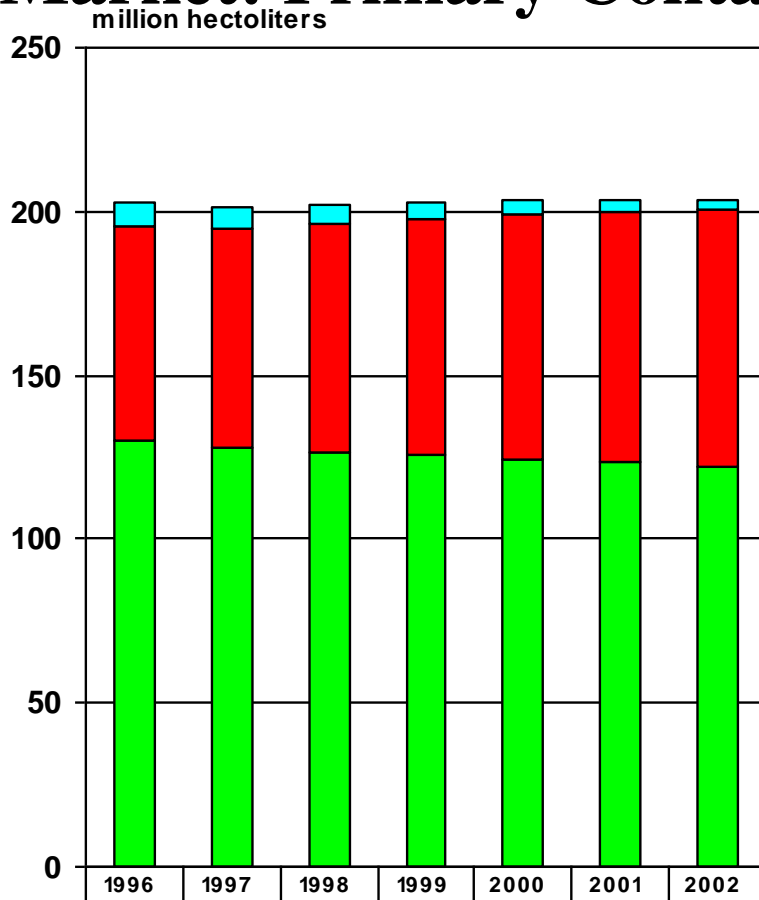
Source: Global Total Beer HL





United States

Beer Market: Primary Container Trends



☺ NR Glass Bottles are projected to continue to increase in share to 38% in 2002

☺ Cans will remain the dominant primary container although their share of market will decline from 50% in 1999 to 47% in 2002

NR PET Bottle	0	0	0	0	0	0	0
Ret. Glass Bottle	8	6	6	5	5	4	3
NR Glass Bottle	65	67	70	72	75	77	78
Cans	130	128	126	125	124	123	122

Source: Global Total Beer HL

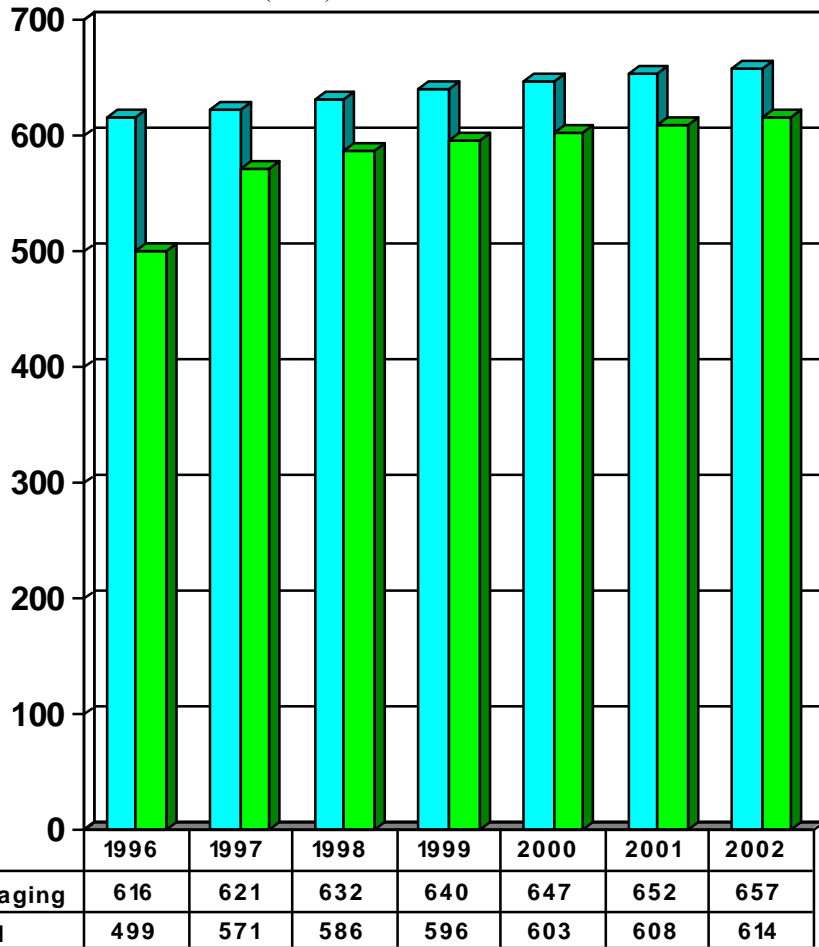




United States

Beer Multiple Packaging

Gross Short Tons (000's)



- ☺ Paperboard will remain the overwhelmingly preferred packaging substrate, representing 93% of the US beer secondary packaging.
- ☺ Hi-Cone is the second largest US beer secondary packaging substrate with 5%

Source: Global Total

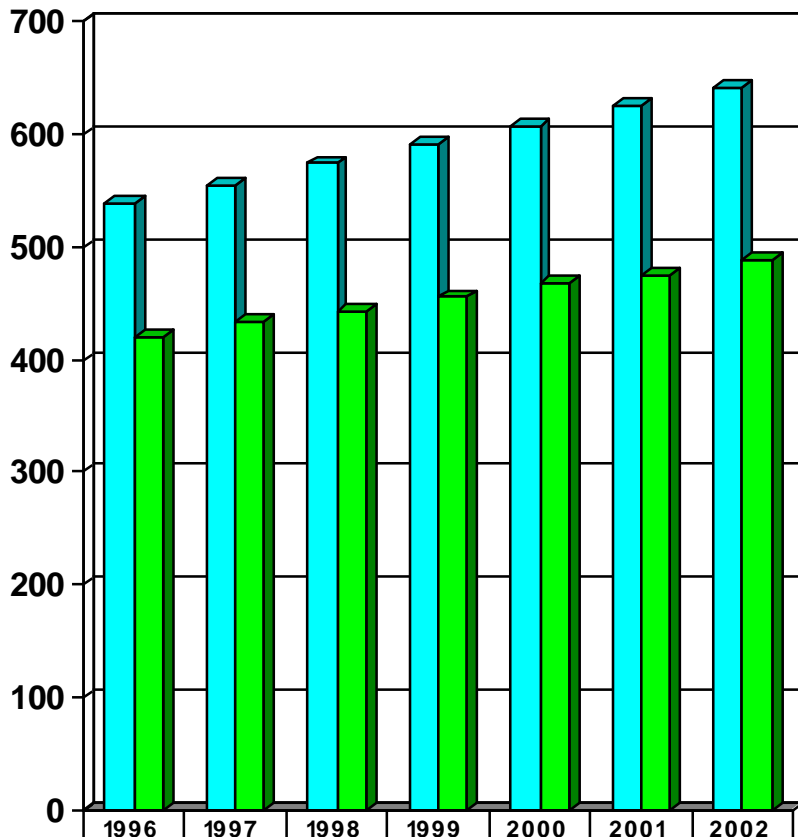




United States

Soft Drink Market: Liquid Volume

million hectoliters



Total Volume	537	555	574	591	608	625	642
Packaged Volume	419	433	442	455	468	475	488

- 😊 Growth Rate
 - 1996-1998 Total 3.3% per year
 - 1996-1998 Packaged 2.7% per year
 - 1998-2002 Total 2.8% per year
 - 1998-2002 Packaged 2.5% per year

😊 Packaged soft drink volume is projected to lose approximately one share point to fountain between 1999 and 2002, but still represent 76% of the total liquid volume

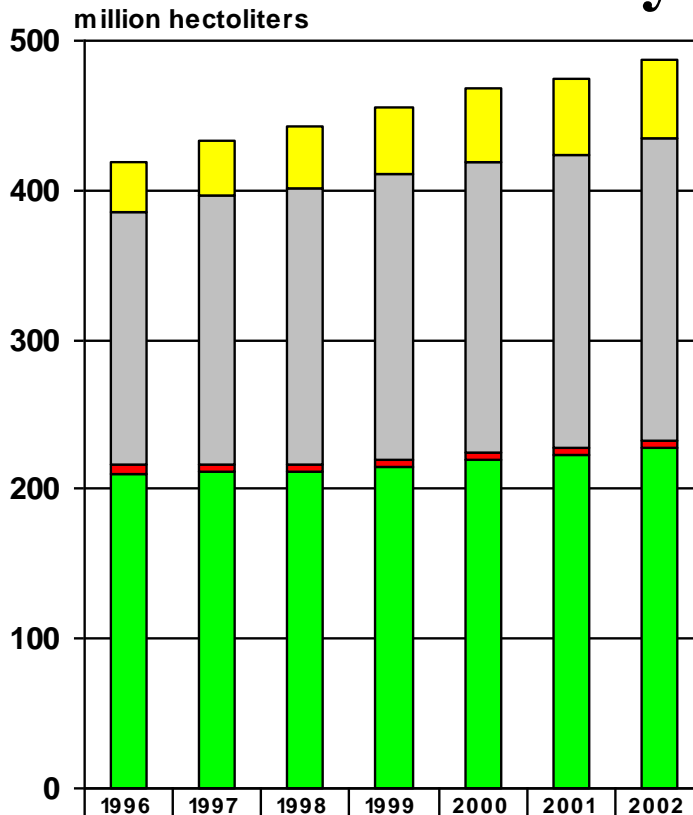
Source: Global Total Soft Drink HL





United States

Soft Drink Market: Primary Container Trends



	1996	1997	1998	1999	2000	2001	2002
■ Ret. PET Bottle	0	0	0	0	0	0	0
■ NR PET Bottle - Small	35	37	41	45	49	52	54
■ NR PET Bottle - Large	169	179	184	191	194	195	202
■ Ret. Glass Bottle	0	0	0	0	0	0	0
■ NR Glass Bottle	6	6	5	5	5	5	5
■ Cans	210	211	212	215	220	224	227

☺ Can volume will continue to grow, but will lose share as NR PET bottles have become the largest volume primary container

☺ PET share gain due to single serve PET, of which a small percent is multipacked

Source: Global Total Soft Drink HL

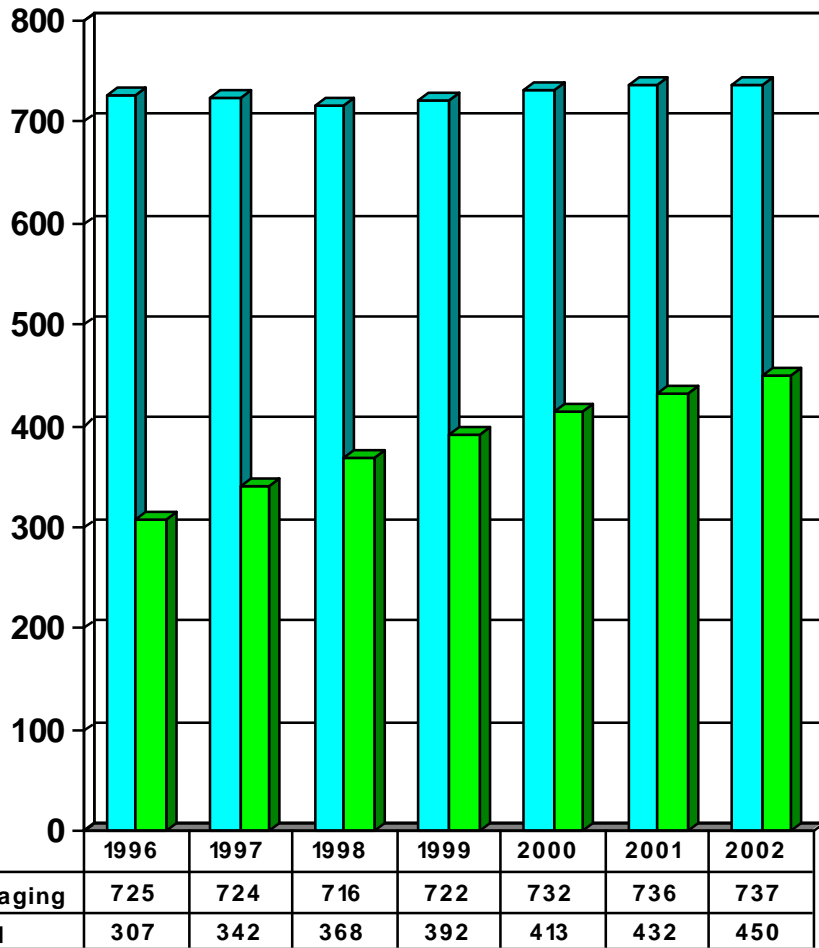




United States

Soft Drink Multiple Packaging

Gross Short Tons (000's)



☺ Paperboard will continue to increase its dominance of US soft drink multiple packaging, increasing from 54% of the US soft drink packaging market in 1999 to 61% in 2002

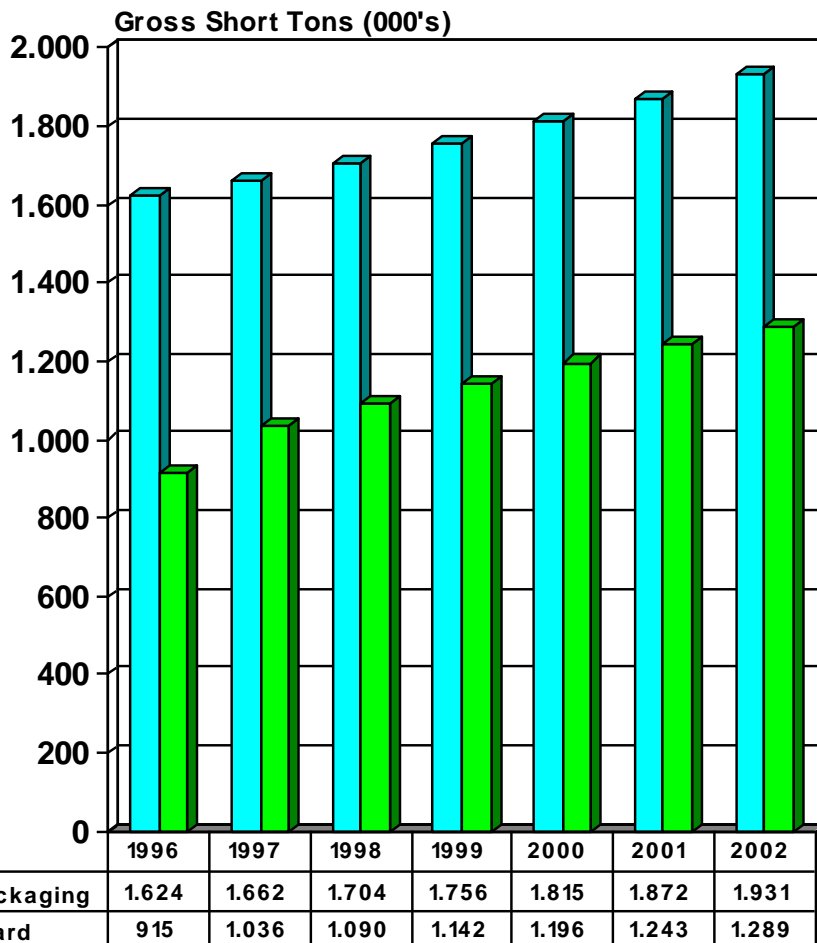
☺ Paperboard growth will come from the loss of hi-cone packaging into paperboard and the potential of PET multipacks

Source: Global Total





North America Beverage Packaging Market Paperboard Trends



- ☺ Paperboard will increase its share of the North American beverage packaging market from 65% in 1999 to 67% in 2002
- ☺ This market share gain for paperboard comes from a paperboard share increase in Canada, Mexico and US soft drink.
- ☺ Shrink film is projected to increase its overall share from 14% (1999) to 17% (2002), with most of the increase attributable to growth in the water multiple packaging market. There is modest share increase in soft drink multiple packaging
- ☺ The share gains registered by both paperboard and shrink film come at the expense of Hi-Cone which is projected to fall from 18% (1999) to 13% (2002)

Paperboard Market Share: 56% 62% 64% 65% 66% 66% 67%

Source: Paperboard Tons- Total



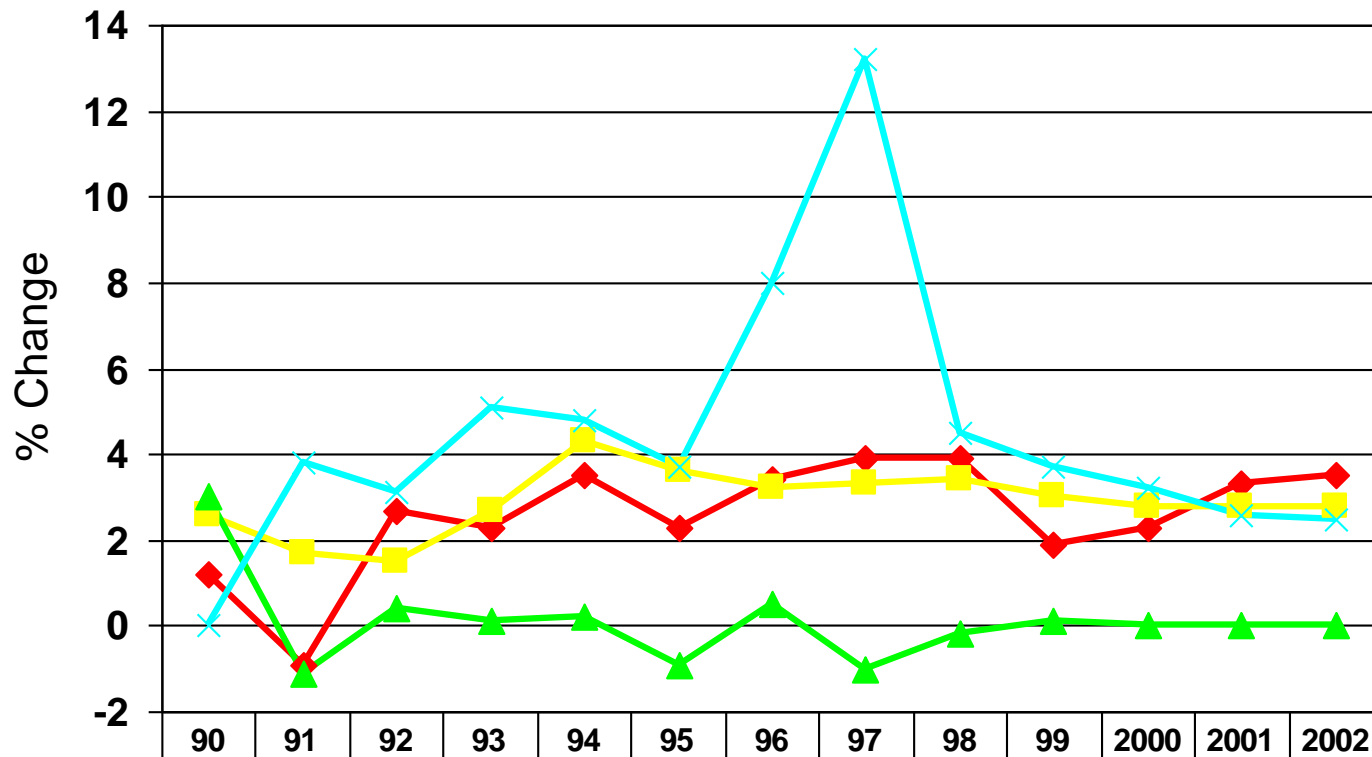


Back Up





Assessment of US Recession Risk

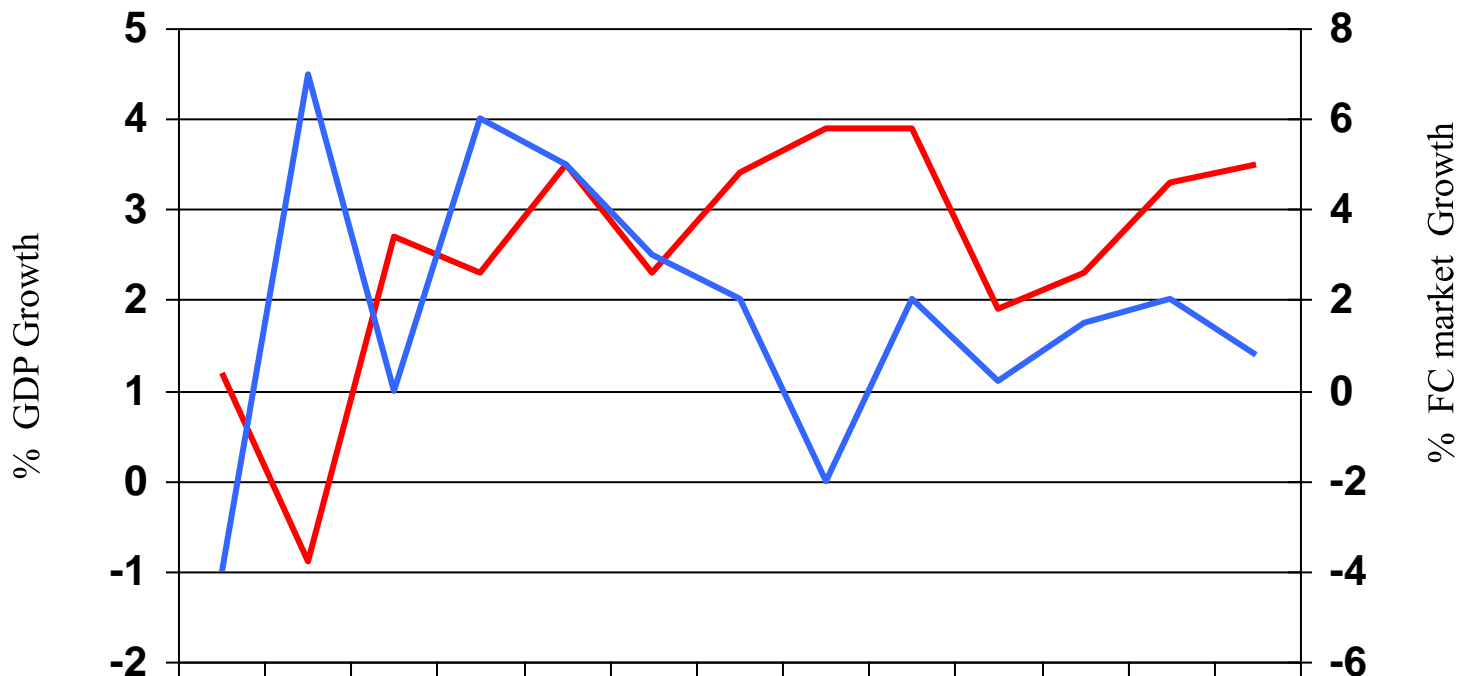


◆ GDP	1,2	-0,9	2,7	2,3	3,5	2,3	3,4	3,9	3,9	1,9	2,3	3,3	3,5
■ Soft Drink HL	2,6	1,7	1,5	2,7	4,3	3,6	3,2	3,3	3,4	3	2,8	2,8	2,8
▲ Beer HL	3	-1,1	0,4	0,1	0,2	-0,9	0,5	-1	-0,2	0,1	0	0	0
✕ Paperboard	0	3,8	3,1	5,1	4,8	3,7	8	13,2	4,5	3,7	3,2	2,6	2,5





Assessment of U.S. Recession Risk



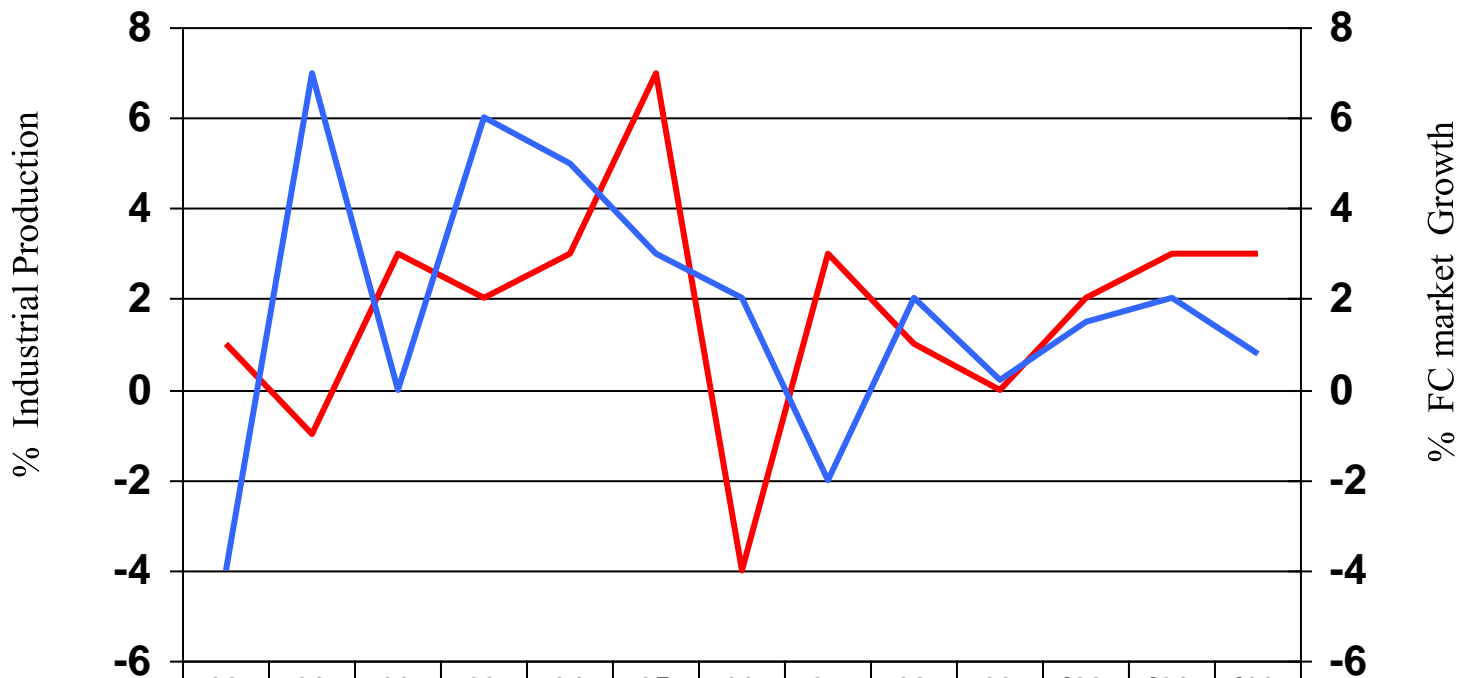
— GDP Growth (1)	1,2	-0,9	2,7	2,3	3,5	2,3	3,4	3,9	3,9	1,9	2,3	3,3	3,5
— Folding Carton Growth (2)	-4	7	0	6	5	3	2	-2	2	0,2	1,5	2,0	0,8

Sources: (1) Bureau of Economic Analysis
 (2) AFPA; NAOM Marketing





Assessment of U.S. Recession Risk



	90	91	92	93	94	95	96	97	98	99	'00	'01	'02
— IPND A. Change (1)	1	-1	3	2	3	7	-4	3	1	0	2	3	3
— Folding Carton Growth (2)	-4	7	0	6	5	3	2	-2	2	0,2	1,5	2	0,8

Sources: (1) RISI
 (2) AFPA; NAOM Marketing

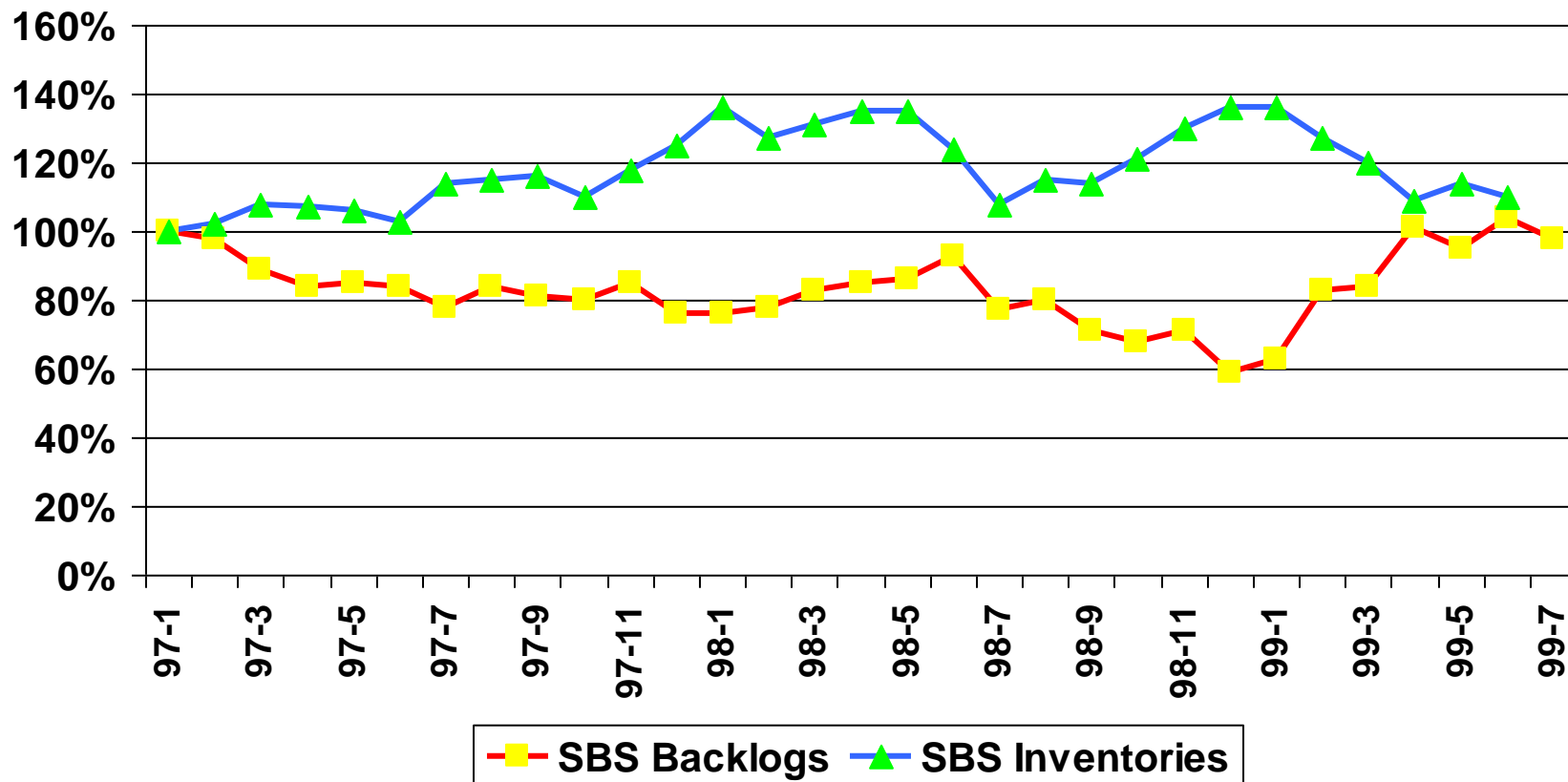
IPND = Industrial Production of Non-Durable





Paper industry is recovering in 1999, SBS backlogs and inventories are reaching 1997 level

(Index = January 1997 = 100%)



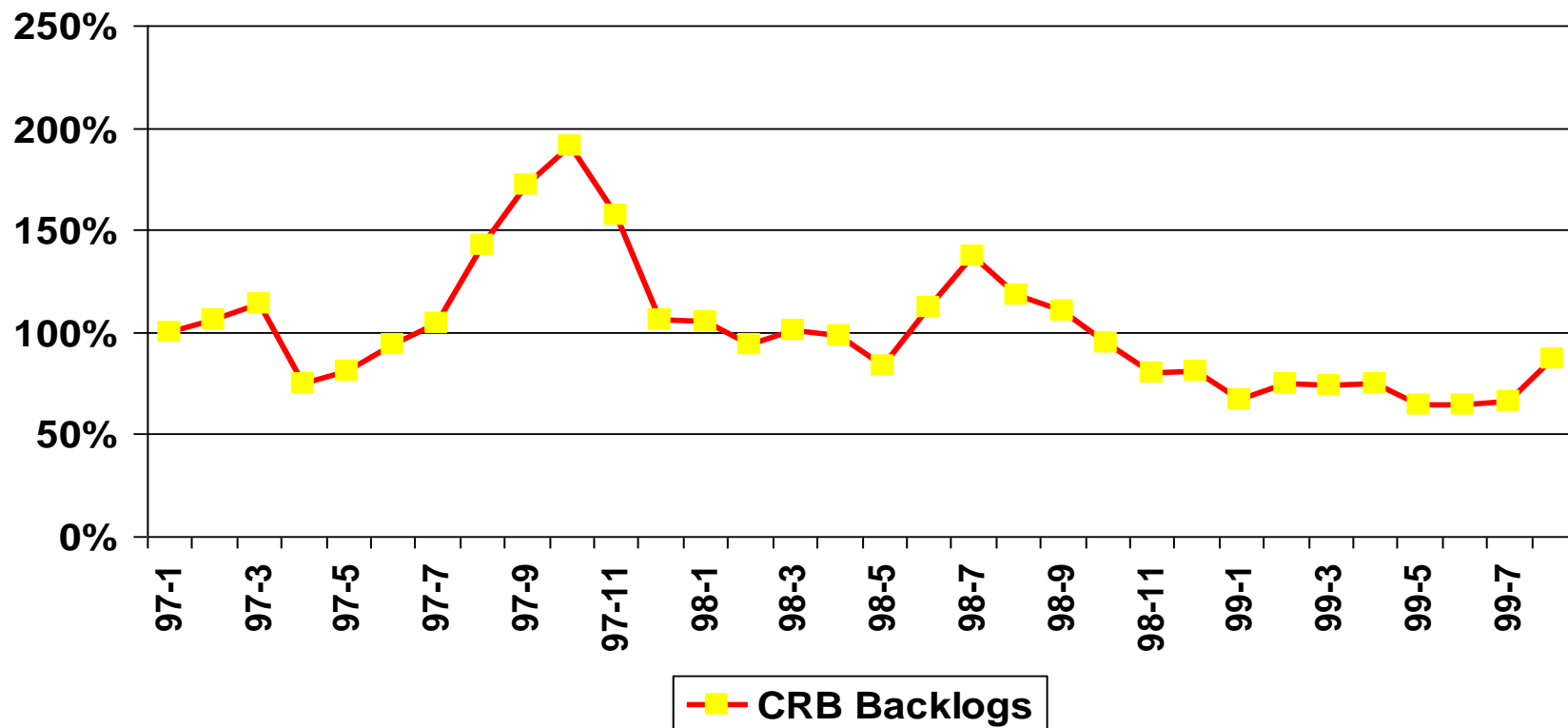
Source: AFPA





CRB Backlogs are not reaching 1997 levels

(Index = January 1997 = 100%)



Source: AFPA

