

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE**

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	:	Chapter 11
In re	:	
	:	Case No. 09-10235 (BLS)
Smurfit-Stone Container Corporation, <u>et al.</u> ,	:	
	:	(Jointly Administered)
Debtors.	:	
	:	
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DECLARATION OF RODNEY N. FISHER

Update of Analysis of Containerboard Market Discounts

Rodney N. Fisher
May 4, 2010

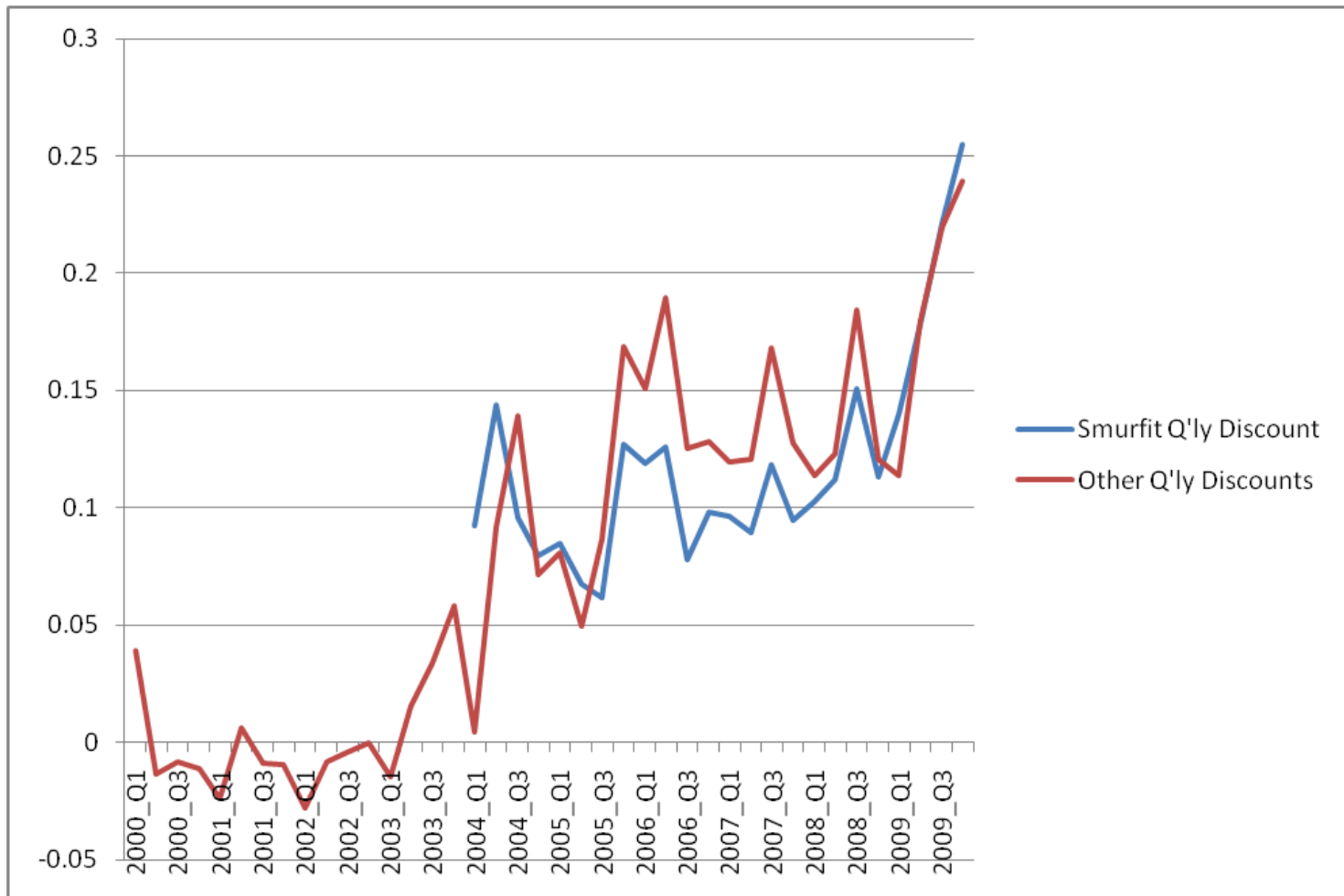
Note on Disputed Data

- I understand that there is a dispute over whether two figures used on page 30 of my Report (2007 and 2008 Smurfit actual transaction prices for Linerboard) were correctly identified and/or transcribed by me from the Levin model.
- I cannot say without looking at the Levin model again whether or not they are correct. However, I can say that those figures did not affect the conclusions I drew. Their presence in my Report were intended only to give perspective to the forecast data that they preceded. (I used them because I believed that they represented Smurfit's own discount experience rather than that of the market as a whole.) However, those two figures were not used in analyzing the trend in discount inflation.
- The figures in dispute did not contribute to my conclusions because, in analyzing discount behavior in the marketplace, I relied instead on discount data that was more detailed and that extended over a much longer period of time than the annual information that seemed to have been available in the Levin model. (The Smurfit data I originally had from the Levin model contained only 6 pieces of annual data whereas I relied on 40 quarterly data points that I considered to be more reliable and useful.)
- I do not believe that questioning the two pieces of data on page 30 can add any value whatsoever to the analysis of Smurfit's POR.
- However, now that I have access to a longer and more detailed series of discount data from Smurfit, I have analyzed it and found entirely to support the original conclusions of my Report. The remaining slides in this presentation show this analysis.

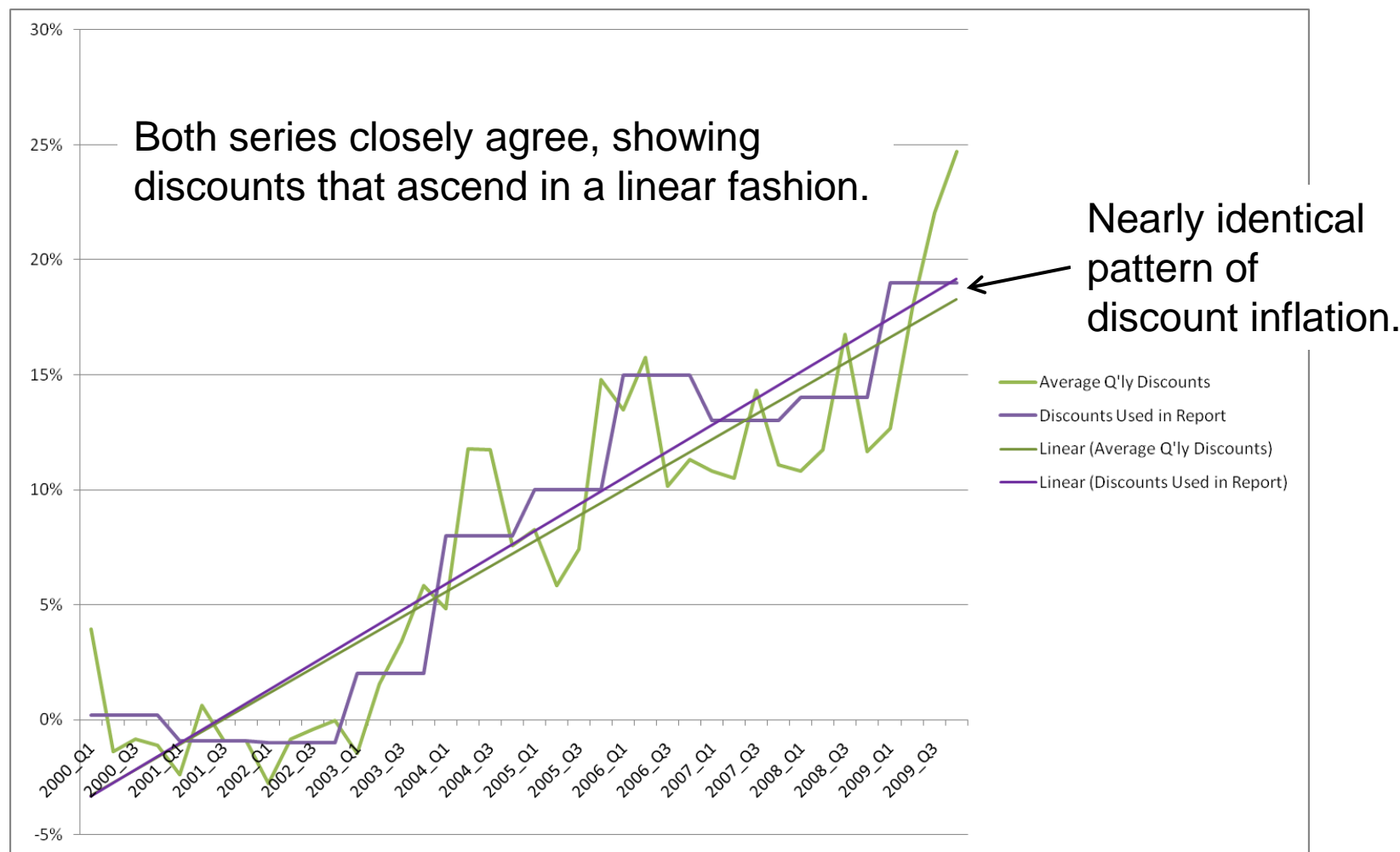
Comments on the Data

- This analysis is of the history of discounts for 42 lb Kraft Linerboard from the PPW “List” price series for Eastern US.
- I now have data on Smurfit’s actual monthly history of discounts from 2004 through the end of 2009, comparable to discount data from other sources for 2000 through 2009.
- As other source data has a quarterly frequency, I converted Smurfit’s monthly data to quarterly averages to allow for direct comparison.
- The sources agree with each other in level, slope, and quarter-to-quarter pattern, as can be seen on page 4. Differences between companies’ mix of basis weights and types and locations of customers likely account for the relatively small remaining differences.
- As the companies serve the same market, I averaged their discount data series to create an aggregate market discount series. Regression lines through the market data and Smurfit’s own data series are nearly identical. The results are shown on page 5.

Smurfit and Fisher Data Share Similar Patterns, Slope, and Levels



The Difference Between the Discounts Used in My Report and the Average of Fisher Data and the Data Recently Provided by Smurfit Is Immaterial



Conclusions

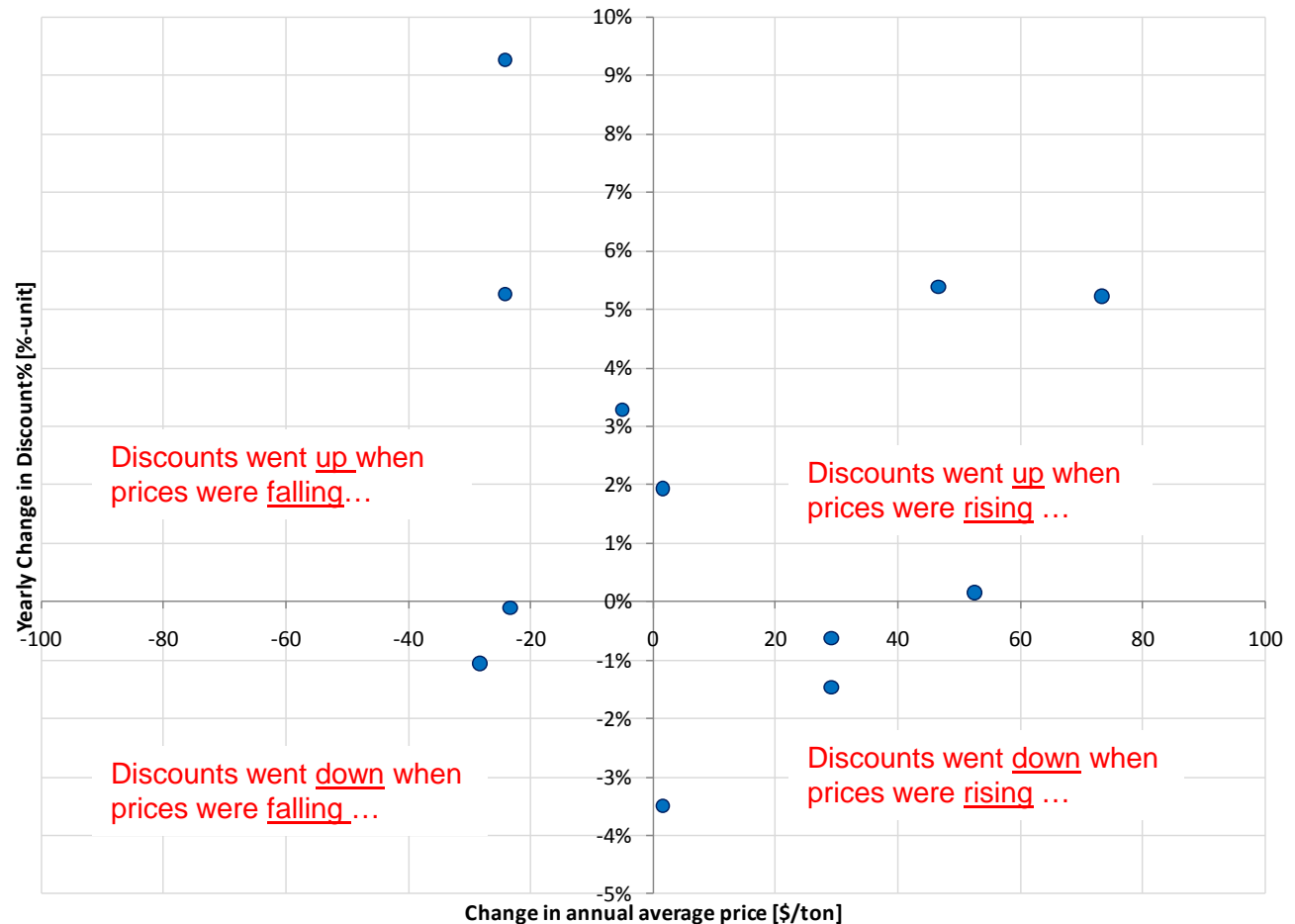
- I find no reason to change the conclusions of my initial Report. In fact, the data newly available from Smurfit reinforce my conclusions and create a higher level of certainty on my part that the original conclusions were correct.
- It is not surprising that Smurfit and other data sets agree as they describe the same marketplace and that marketplace is highly competitive and price-driven. It would be highly unusual and unlikely for one market participant to be able to sell at prices significantly different from others.
- The data sets agree not only on the fact that there is a linear inflation in discounts, but also the similar patterns of discount inflation between data sets suggest similar reasons for inflation.
- As in my initial Report, there is no evidence that increases in discounts are related to movement of prices or operating rates. (See new scatter plots that include the newly-available Smurfit data on pages 7 and 8.)

Discount Trend Is Not Related to Changes in Price

(Annual Change in Discount vs Change in Price)

Discounts went up more often and faster than they went down, so the trend over time is a constantly increasing discount rate.

The same phenomenon is observed in pulp and newsprint markets.



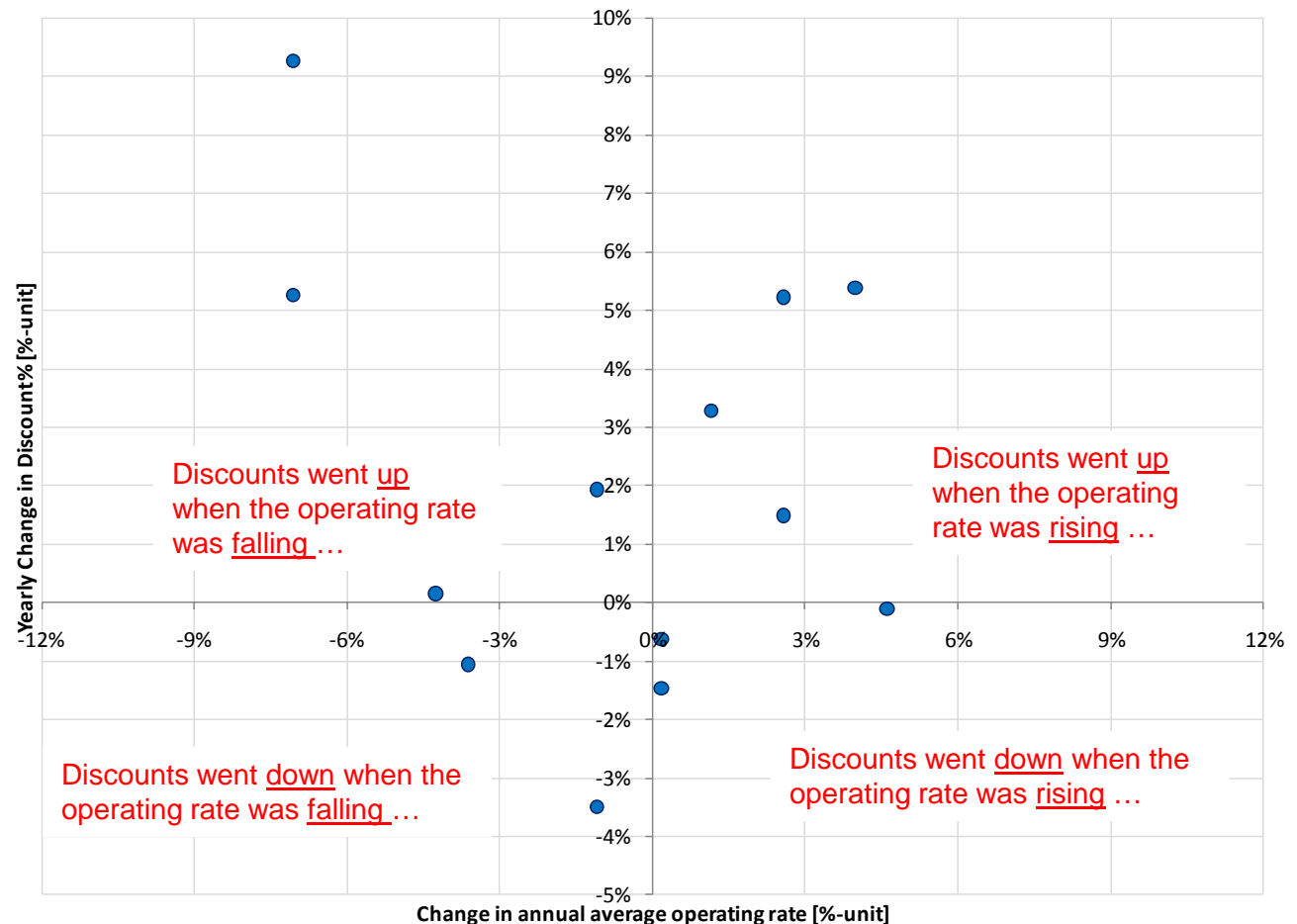
Last Historical Data Point: Dec-09
Data Source: Fisher, STE

Discount Trend Is Not Related to Changes in Operating Rate

(Annual Change in Discount vs Change in Operating Rate)

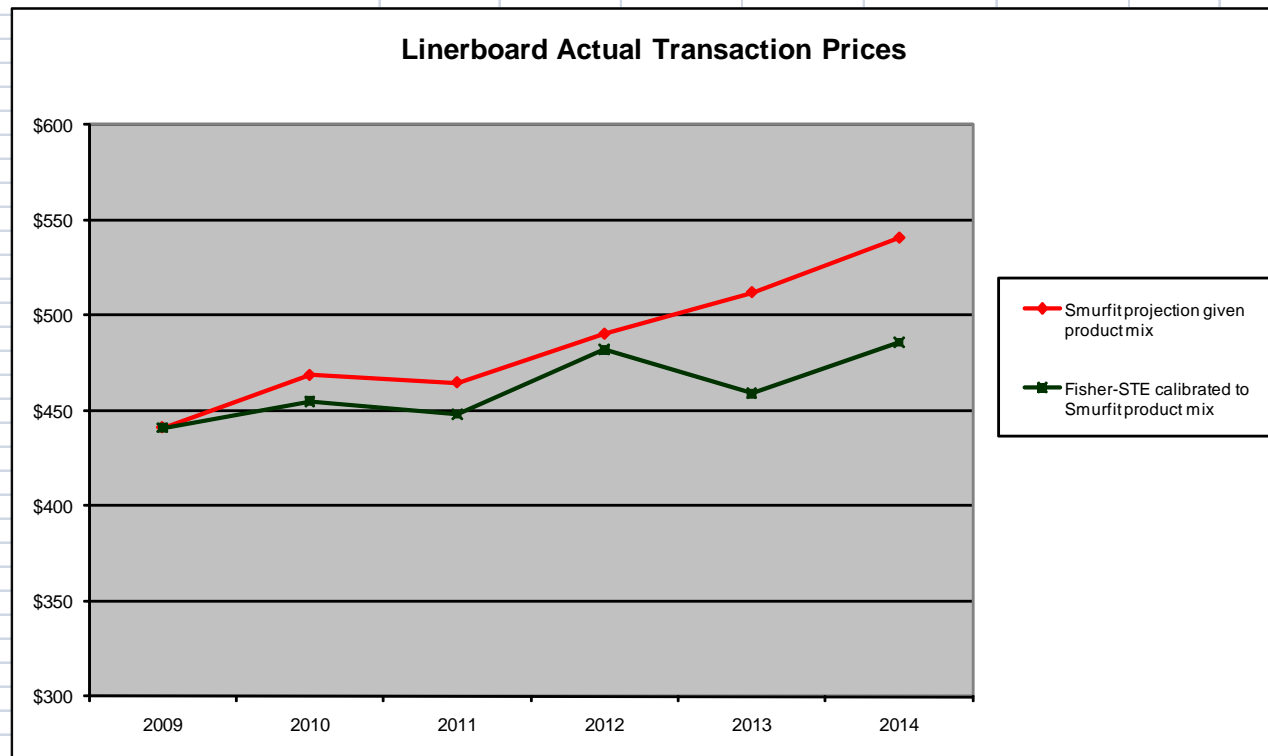
Discounts went up more often and faster than they went down, so the trend over time is a constantly increasing discount rate.

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Last Historical Data Point: Dec-09
Data Source: Fisher, STE

The Table and Graph Below, Taken from My Original Worksheet, Shows that My Initial Analysis of Smurfit's Projections Agrees with Smurfit's Most Recent Monthly Dataset



Product and Customer Mix Adjusted	2009	2010	2011	2012	2013	2014
Smurfit projection given product mix	\$441	\$469	\$465	\$490	\$512	\$541
Fisher-STE Forecast - 42 lb Kraft LB only	\$472	\$486	\$479	\$513	\$490	\$517
2009 delta	-\$31					
Fisher-STE calibrated to Smurfit product mix	\$441	\$455	\$448	\$482	\$459	\$486
Delta	\$0	\$14	\$17	\$8	\$53	\$55
EBITDA impact per \$10 of LB price	\$50,000,000					
EBITDA impact	\$0	(\$67,661,993)	(\$83,518,584)	(\$41,291,677)	(\$265,791,590)	(\$274,291,477)
Domestic Revenue	\$205,019,415	\$236,060,017	\$266,719,397	\$281,581,314	\$294,158,474	\$310,640,871
Domestic Tons	464,849	503,780	573,900	574,300	574,300	574,300
Revenue per Ton	\$441	\$469	\$465	\$490	\$512	\$541

These numbers tie exactly to Smurfit's most recent data

I declare under penalty of perjury under the laws of the United States of America that the foregoing is true and correct. Executed on May 3, 2010.

Rodney N. Fisher

North American Office:

Rodney Fisher
Fisher International, Inc.
50 Water Street
Norwalk, CT 06854, USA
+1 203-854-5390
rfisher@fisheri.com

Latin American Office:

Marcello Collares
Fisher International, Inc.
Rua 38 – No. 10 apto 203
65077-360, São Luis-Ma, Brasil
+55 98 3227-7081
mcollares@fisheri.com

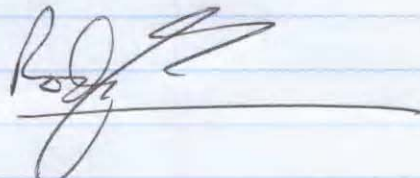
South Asian Office:

Tushar Deshpande
Fisher International, Inc.
406, Manchester Regent
Avinashi Road
Coimbatore Tamil Nadu 641037
India
Tel: +91 (984) 307 7796

European Office:

Armin Waidele
Fisher International, Inc.
Hochdorfer Strasse. 30
72294 Grömbach, Germany
Tel: +49-(0) 7453-95 94 94
Mobile: +49-(0) 171-22 33 453
awaidele@fisheri.com

I declare under penalty of perjury under the laws of the United States of America that the foregoing is true and correct. Executed on May 3, 2010.


Rodney N. Fisher