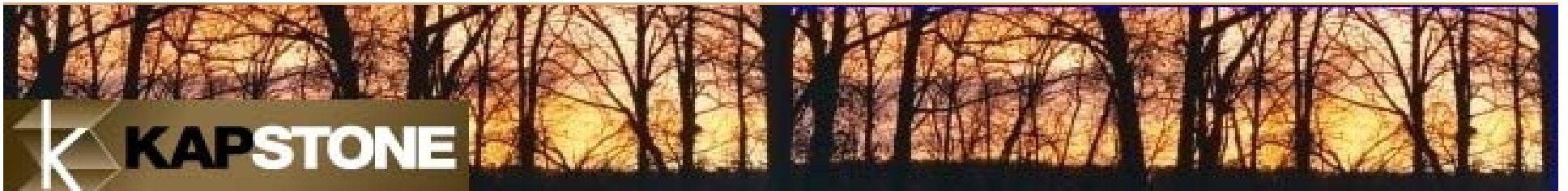


KapStone Charleston Kraft Investor Day Presentation

October 21, 2008



Cautionary Statement Regarding Forward Looking Statements

Certain matters contained in this presentation regarding the future opportunities for Kapstone Paper and Packaging Corporation and its subsidiaries (collectively the “Company”) and other statements about management’s future expectations, beliefs, goals, plans or prospects constitute “forward looking statements” intended to qualify for the safe harbor from liability established by the U.S. Private Securities Litigation Reform Act of 1995. These forward-looking statements are based on management’s beliefs, assumptions and current expectations and are subject to certain risks and uncertainties which could cause actual results to differ materially from those presented in those forward-looking statements. The potential risks and uncertainties include, among others, general economic conditions and industry specific conditions. In addition, please refer to the documents that the Company files with the Securities and Exchange Commission on Forms 10-K, 10-Q and 8-K. Those filings identify and address other important factors that could cause the Company’s financial and operational results to differ materially from those contained in the forward –looking statements set forth in this presentation. Accordingly, you are cautioned not to place undue reliance on these forward looking statements which speak only of the date of this presentation. Except to the extent required by law, the Company undertakes no obligation to publicly revise forward-looking statements to reflect events or circumstances that arise after the date of this presentation.

Attendees

Roger Stone – Chairman and CEO, KapStone Paper and Packaging

Matt Kaplan – President and COO KapStone, Paper and Packaging

Tim Keneally – President, KapStone Kraft Paper

Andrea Tarbox – VP and CFO, KapStone Paper and Packaging

Bruce Hoffman – VP and General Manager, Charleston Kraft

Rick Hyatt – VP of Mill Operations, Charleston Kraft

Charleston Overview

- KapStone Charleston Kraft is a competitive manufacturer of unbleached kraft products in attractive markets across various retail and industrial applications
 - DuraSorb® Saturating Kraft
 - Kraftpak® (unbleached folding carton)
 - Lightweight/high-performance linerboard
- Consists of one mill located in Charleston, S.C.
 - Three paper machines with an associated pulp mill
 - Integrated with a lumber/chip mill in Summerville, S.C., and four other chip mills in South Carolina
 - Also operates a modern cogeneration facility

Mill Asset Overview

Facility	Machine	Product	Capacity (tons)	2008E Production
Charleston, S.C.	No. 1	DuraSorb®	275,000 ¹ , or	76,000
		Kraftpak®	316,000 ¹ , or	110,000
		Linerboard	324,000 ¹	118,000
	No. 2	DuraSorb®	248,000	248,000
	No. 3	Linerboard	310,000	295,000
Subtotal			833,000 - 882,000	847,000
Summerville, S.C.		Lumber (thousand board feet)		93,000 - as 2-shift operation
		Chips to paper mill (tons)		720,000
Cogeneration Facility		Electricity (Megawatts)	100 Megawatt	

¹ Total capacity potential if the machines were to run each product exclusively

DuraSorb® Saturating Kraft



A Saturating Kraft
This Consistent
Deserves A Name
Of Its Own...

Introducing **DuraSorb®**

DuraSorb® Saturating Kraft End-Use Markets

Kitchen Countertops



Munich Airport – Interior Cladding



Exterior Siding

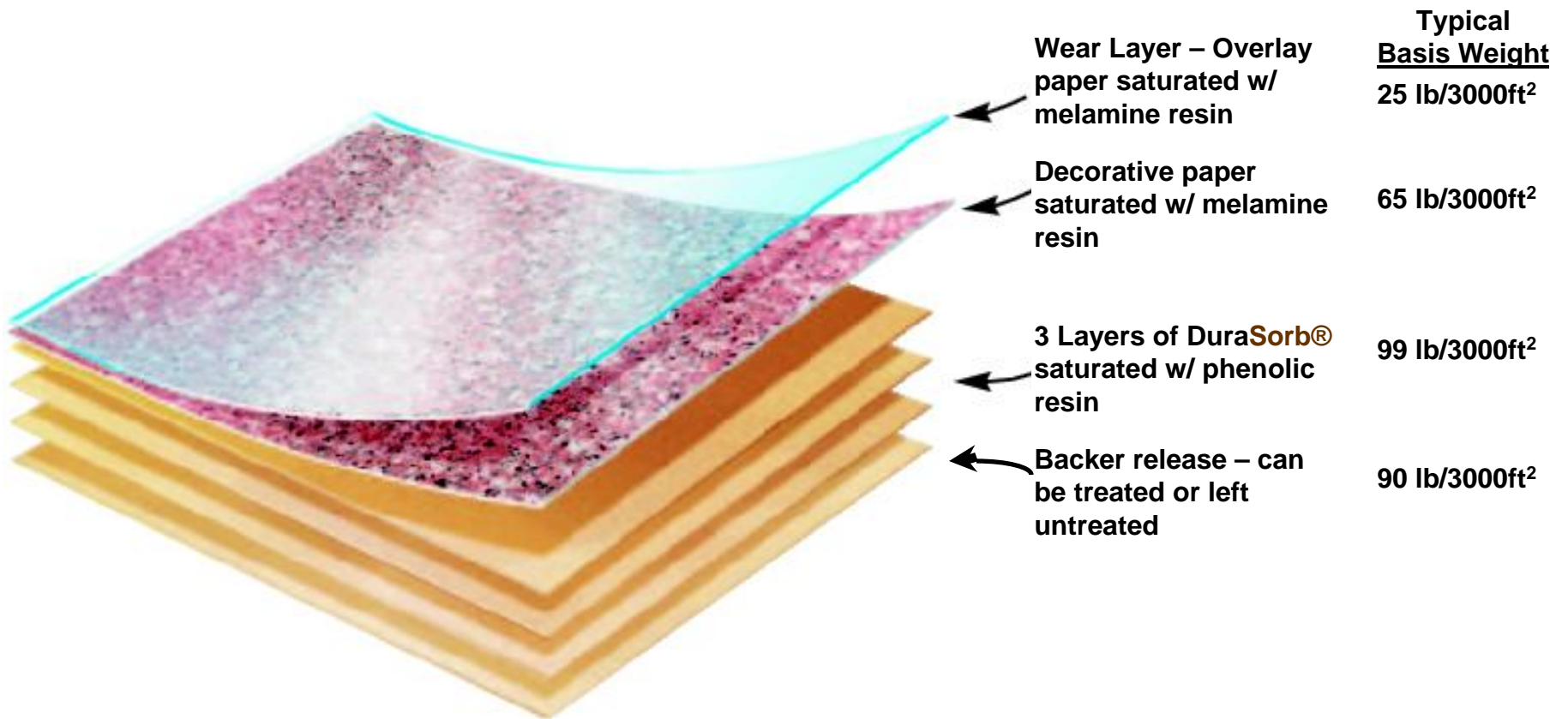


Georgia Tech Labs – Office/Furniture/Counters



Bathroom Partitions

Composition of High Pressure Laminate



Typical Applications for DuraSorb®

High Pressure Laminate

- Standard thickness of 0.5 to 1.0mm
- End uses include countertops, shelving, office furniture and vertical surfaces

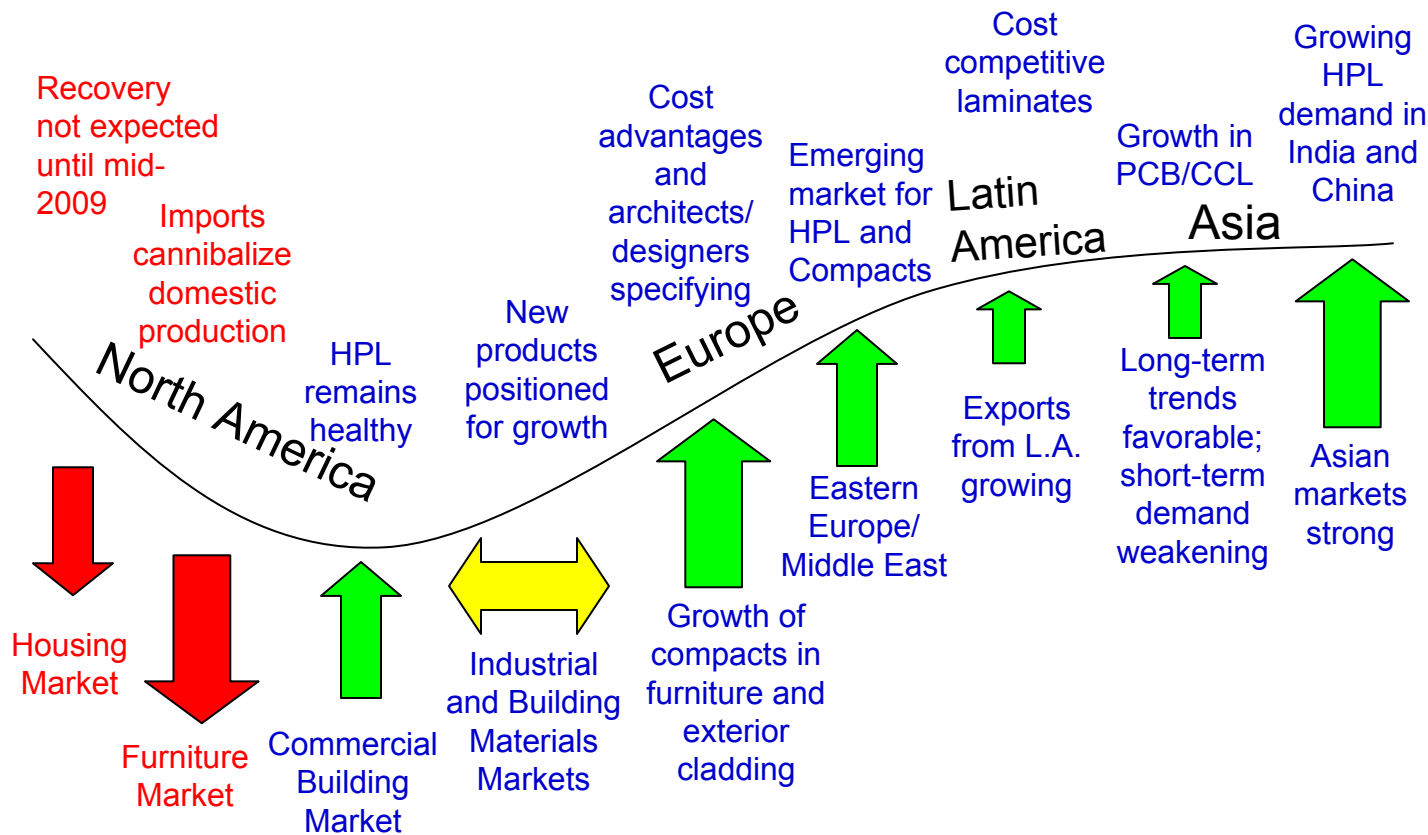
Compact Laminate

- A type of high pressure laminate (HPL)
- Standard thickness of 3.0 to 13.0mm
- End uses include exterior wall cladding for buildings, interior walls, bathroom partitions, lockers, furniture, medical surfaces and recreation (bowling alleys, skateboard ramps, squash courts, etc...)

Industrial Laminate

- Used as overlay in siding and plywood
- Other end uses include rods, tubes and other forms that utilize paper as a base and thermosetting resins as binder materials
- Also used in HPL such as gears, electrical parts and press pad stock

Major Drivers for Saturating Kraft: Maturity of HPL in N. America and Growth in Developing Countries



Implications:

Growth rates for HPL will continue positively in developing countries, while remaining under pressure in N. America

Must continue to take advantage of Compact laminate/CPL growth in Europe through superior service and excellent product consistency

Global Saturating Kraft Market

- 850,000 tons
 - Americas – 27%
 - Europe – 35%
 - Asia – 38%
- KapStone Share – 36 – 40%

2008 KapStone DuraSorb® Top Ten Customers

Arclin - U.S.

Formiline - Brazil

Fundermax - Austria

Hans Schmid - Germany

Maica - Malaysia

Nan Ya - Taiwan

Panolam - U.S.

Pfleider/Pergo - Germany, Sweden

Trespa - Netherlands

Wilsonart - U.S., Germany, France, Thailand, China

* Listed in alphabetical order

DuraSorb® Saturating Kraft Value Proposition

- Superior product consistency, both side-to-side and roll-to-roll
- Price/value consistency
- Minimizes customer conversion cost
- Widest basis weight range and saturability offerings give customers a customization lever with the best fit for their operations
- High-quality customer service
- Excellent technical support staff – global coverage
 - Staff has intimate knowledge of customer processes
- Recognized as industry leader in product development and innovation
- Long-term market presence

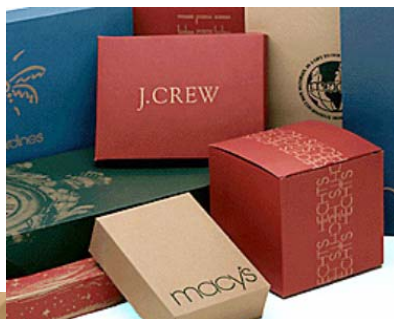
DuraSorb® Growth Opportunities

- Leverage superior customer value proposition to grow share and profitability
 - Dedicated global sales and support systems
 - Heavy basis weight production for compact laminate producers
- Grow in key emerging markets
 - Focus on growth in Asia, specifically at higher end of the decorative market in China and India

Kraftpak® Folding Carton Board



Kraftpak® End Products



2008 Kraftpak® Top Ten Customers

Atlantic Packaging
Boelter Industries
Dopaco
DuraFibre
Graphic Packaging
Huhtamaki
Malnove
Paris Packaging
Rock Tenn
Southern Champion Tray
Stratagraph

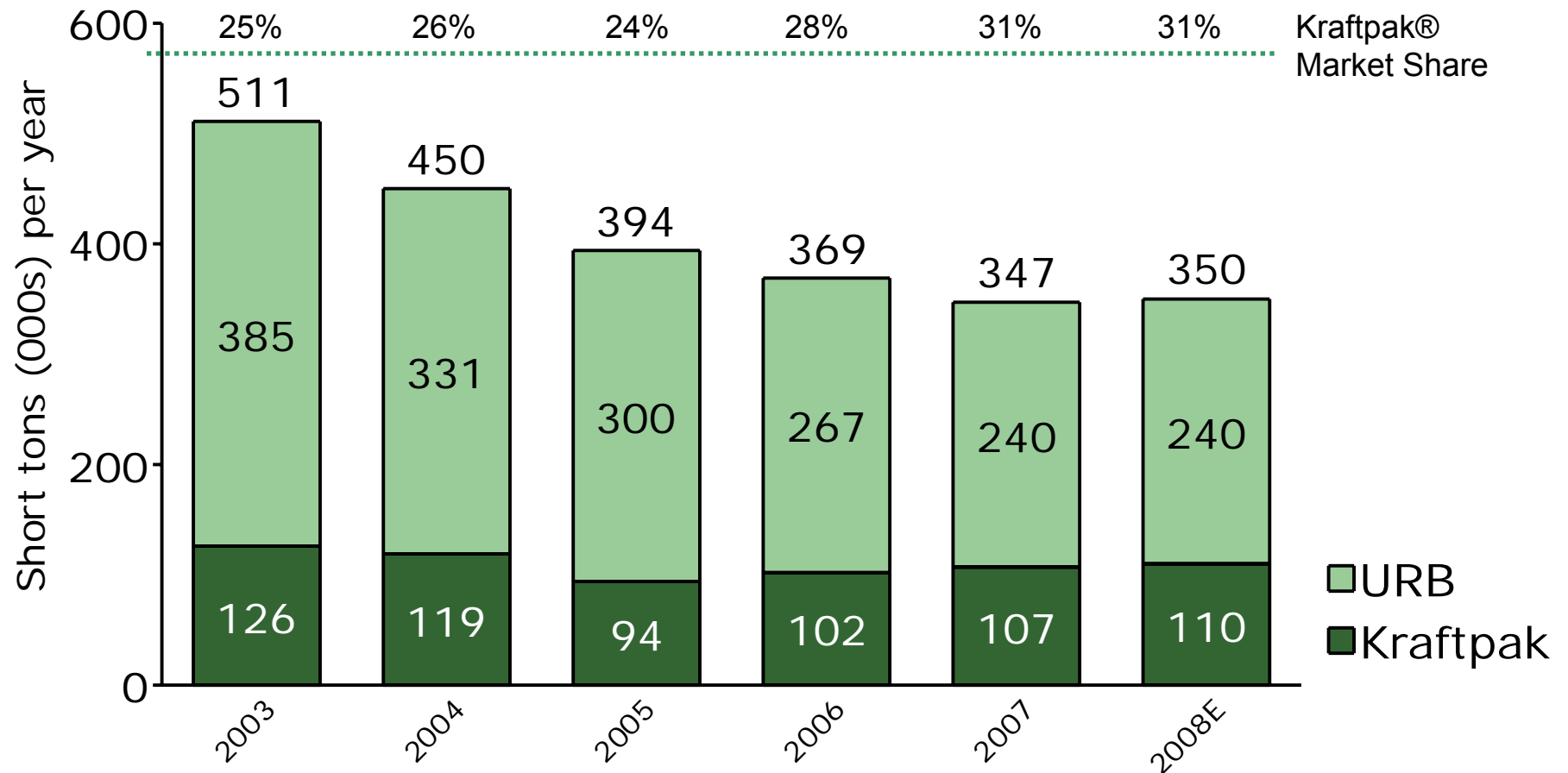
Note: All are U.S. customers – Listed in alphabetical order



U.S. Paperboard Market Overview/Drivers

- Overall 2008E Domestic URB Folding Carton (FC)
Production: 240,000 tpy
- Domestic URB FC Capacity Reduction in 2008: 100,000 tpy, though some of this reduction will be offset by machines swinging from plain chipboard to FC grades
- Sustainable Packaging Movement - Driving package redesign in some segments toward reduced fiber and cost efficiencies

Kraftpak® vs. URB Volume Trend



Kraftpak® Value Proposition

- Maximum strength per pound of fiber (lowest density paperboard produced in U.S.)
- Virgin fiber - Uniformity of properties allows for reliable and improved runnability over recycled board. Clean appearance/FDA compliance/low bacteria
- Kraftpak offers superior strength and quality improvement, yield and performance advantages over URB
- Efficiency for customers
 - Yield and uniformity advantage over recycled board result in better performance on converting equipment
 - High strength/low density allows customers to produce more cartons per ton of board
 - Lower finished carton freight cost

Kraft Linerboard

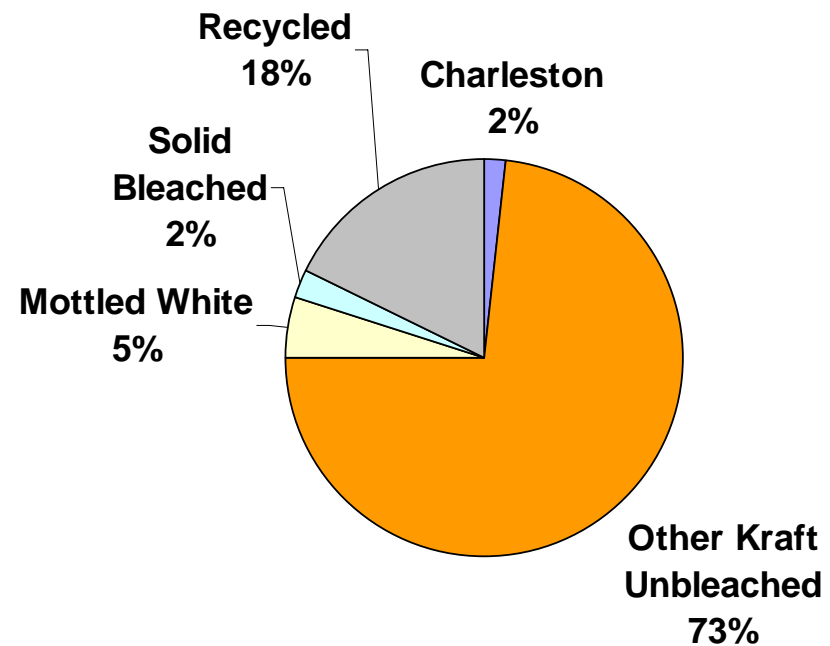


Competitive Market Overview (Recycled and virgin)

	Capacity	Market
Company	(000 tons)	Share
IP	8420	29.6%
Smurfit-Stone	4550	16.0%
GP	3250	11.4%
Temple-Inland	2990	10.5%
PCA	1465	5.1%
Boise	560	2.0%
Green Bay Pkg	550	1.9%
KapStone	515	1.8%
Solvay	440	1.5%
Longview	435	1.5%

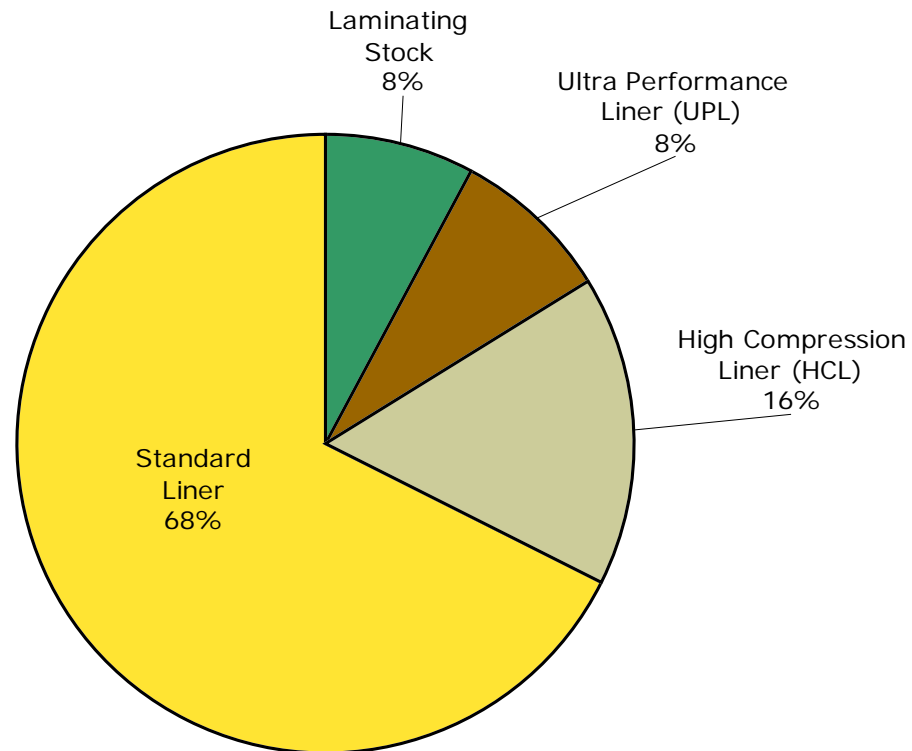
Source: P&P

North America 2007 Market Share



Total = 25.2MM Tons

Charleston 2008E Linerboard Product Segments



Charleston Linerboard Value Proposition

- Leading lightweight linerboard producer
- The Ultra High Performance grades yield unparalleled fiber savings, and all grades have superior consistency that result in converting cost savings relative to all other offerings
- Full range of basis weights and run cycles
- No internal consumption and swing tons from export
- Virgin fiber strengths and consistency of properties

Summerville Lumber Mill Summerville, South Carolina



Summerville Lumber Product Mix

- Prime — 2x4 through 2x12 square edge lumber with no wain sold to mass merchandiser – Lowes/Home Depot
- Timbers — 4 x 4, 4 x 6, 6 x 6 sold to treaters for deck supports and landscaping applications
All goes to treaters
- Decking — 5/4 radius edge, treated wood product for flooring on outdoor porches and decks
All goes to treaters
- Other — Construction grade 2x4 through 2x12 for interior framing applications for new homes and remodeling projects

Summerville Lumber Market Segments

- Treater — Adds chemicals to wood products to preserve wood for outdoor and high-moisture applications
- Truss plant — Manufacturer of engineered wood systems for roof and floor applications in new home construction
- Local Retail — Privately owned local lumber yards
- Retail Chain — Mass merchandiser like Lowes, Home Depot, Stock Building Supply and Builders First Source
- Industrial — Customers that take low grade lumber and cut into various sizes for heavy-duty packaging and pallet applications
- Wholesalers — Does not store or stock any wood themselves. Purchases from mills and brokers direct to customers that have special needs or do not qualify for credit from lumber mills

Summerville Lumber Profit Improvement

Profit Improvement Plan Elements

- Increase lumber recovery/yield
- Improve mix
- Improve sawmill availability
- Improve sawmill throughput

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