

---

**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, DC 20549**

**FORM 8-K**

**CURRENT REPORT  
Pursuant to Section 13 or 15(d) of  
the Securities Exchange Act of 1934**

May 31, 2007  
(Date of Report/Date of earliest event reported)

**SOLO CUP COMPANY**

(Exact name of registrant as specified in its charter)

Commission file number 333-116843

**Delaware**  
(State or other jurisdiction of  
incorporation or organization)

**47-0938234**  
(I.R.S. Employer  
Identification No.)

**1700 Old Deerfield Road, Highland Park,**  
**Illinois**  
(Address of principal executive offices)

**60035**  
(Zip Code)

Registrant's telephone number, including area code: 847/831-4800

**N/A**  
(Former name or former address, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
  - Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
  - Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
  - Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
-

**ITEM 7.01.Regulation FD Disclosure**

On May 31, 2007, Solo Cup Company held a conference call with investors and lenders. A copy of the presentation is attached as Exhibit 99.1 and is incorporated by reference into this item.

This presentation includes non-GAAP financial measures, including EBIT, EBITDA, Adjusted EBITDA and Bank EBITDA. These measures are not measures of financial performance under GAAP and should not be considered alternatives to net loss or any other performance measure derived in accordance with GAAP. They should not be considered in isolation, or as a substitute for analysis of the Company's results as reported under GAAP or as an alternative measure of liquidity. We provide EBIT, EBITDA, Adjusted EBITDA and Bank EBITDA to provide a view to measures similar to those used for pricing under the terms of our First and Second Lien Credit Facilities and to those used in evaluating our compliance with certain covenants under our First and Second Lien Credit Facilities and the indenture governing our 8.5% senior subordinated notes. They are also used as a metric to determine certain components of management compensation. Reconciliations of EBIT, EBITDA, Adjusted EBITDA and Bank EBITDA included in the presentation to the most directly comparable GAAP measures can be found in Exhibit 99.2 included with this Form 8-K filing and is incorporated by reference to this item.

The information contained in this Form 8-K, including Exhibits 99.1 and 99.2 attached hereto, are being furnished and shall not be deemed to be "filed" for the purposes of Section 18 of the Securities Exchange Act of 1934, as amended, or otherwise subject to the liabilities of that Section, nor shall it be deemed to be incorporated by reference into any filing under the Securities Act of 1933, as amended, or Exchange Act, except as expressly set forth by specific reference in such filing. The furnishing of the information in this Form 8-K is not intended to, and does not, constitute a representation that such furnishing is required by Regulation FD or that the information in this Form 8-K contains material investor information that is not otherwise publicly available.

**Item 9.01. Financial Statements and Exhibits.**

The following exhibits relating to Item 7.01 shall be deemed to be furnished, and not filed:

(d) Exhibits

<u>Exhibit No.</u>	<u>Description</u>
99.1	Presentation dated May 31, 2007
99.2	Non-GAAP Reconciliation for Presentation dated May 31, 2007

**SIGNATURE**

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

SOLO CUP COMPANY

By: /s/ Robert D. Koney, Jr.

Robert D. Koney, Jr.

Executive Vice President and Chief Financial  
Officer

Date: May 31, 2007

Ex. 99.1

**Public**

The logo for SOLO, featuring the word "SOLO" in white, bold, sans-serif capital letters on a dark purple rectangular background. The background image behind the logo shows a stack of colorful plastic cups in shades of purple, red, yellow, teal, and blue.

**SOLO**

---

# **Lender Presentation**

*May 31, 2007*

# Forward Looking Statements

This presentation contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995 that involve risks and uncertainties, which could cause actual results to differ materially from the forward-looking statements. Such statements are based on management's current reasonable and good faith expectations. A number of risks and uncertainties could cause results to differ from forward-looking statements. These risks and uncertainties include, among others, any material weaknesses in our internal control over financial reporting that are not remedied effectively, the impact of our significant debt on our financial health and operating flexibility, the impact of any legal or regulatory proceedings as a result of our restatement of our consolidated financial statements, the ability of the Company to effectively implement the integrated performance improvement program and other initiatives designed to reduce cost and improve operating efficiencies, the effect of general economic and competitive business conditions, increases in energy, raw material and other manufacturing costs, and fluctuations in demand for the company's products. For further details of these and other risks and uncertainties that may impact forward-looking statements and the company's business and financial results, see information set forth under the heading "Risk Factors" in our most recent Quarterly Report filing on Form 10-Q, our Annual Report on Form 10-K for the fiscal year ended December 31, 2006 and in our other filings made from time to time with the SEC. The company does not undertake any obligation to update or revise any forward-looking statements as a result of new information, future events, changed assumptions or otherwise; and all forward-looking statements speak only as of the time when made.

## GAAP Disclaimer:

This presentation includes non-GAAP financial measures, including EBITDA, Adjusted EBITDA and Bank EBITDA. These measures are not measures of financial performance under GAAP and should not be considered alternatives to net loss or any other performance measure derived in accordance with GAAP. They should not be considered in isolation, or as a substitute for analysis of the Company's results as reported under GAAP or as an alternative measure of liquidity. We provide EBITDA, Adjusted EBITDA and Bank EBITDA to provide a view to measures similar to those used for pricing under the terms of our First and Second Lien Credit Facilities and to those used in evaluating our compliance with certain covenants under our First and Second Lien Credit Facilities and the indenture governing our 8.5% senior subordinated notes. They are also used as a metric to determine certain components of management compensation.

# Agenda

**Executive Summary**

**Bob Koney**  
*Chief Financial Officer*

**Q1 Overview**

**Bob Koney**  
*Chief Financial Officer*

**Performance Improvement Program Update**

**Pete Mendola**  
*SVP Manufacturing*

**Public Q&A**

**Private Investor Financial Update**

**Bob Koney**  
*Chief Financial Officer*

**Private Q&A**



# **Executive Summary**

Bob Koney

*Chief Financial Officer*

# Executive Summary

## Overview

- We appreciate the opportunity to introduce new members of the management team and update you on the business
- Since our last investor meeting, Solo has made significant progress on numerous fronts
- Importantly, we have filled critical spots on our executive leadership team and added experienced industry executives to our board
  - Bob Koney – EVP and CFO – previously CFO of Russell Athletic and Controller of Goodrich Corporation
  - Steve Jungmann – SVP Consumer – previously SVP Sales for Spectrum Brands
  - Malcolm Simmonds – SVP Foodservice – previously SVP Foodservice for The Schwan Food Company
  - Pete Mendola – SVP Manufacturing – previously VP Paper Operations for Dixie

# Q1 2007 Overview

- On a comparable basis, Q1 2007 Adjusted EBITDA was flat year over year
  - Net Sales decreased 2.3%. Essentially flat excluding the sale of Japan dairy business in Q4 2006
    - Units down 4.4%, impacted by sale of Japan dairy business and implementation of new order to cash system
    - ANSP up 2.1% primarily due to annualization of price increases from prior year (+3.3% ex. Japan)
  - Gross profit down \$7.3 million due to raw material cost increases and mix
  - Gross profit decline offset by lower SG&A due to lower headcount and tighter expense controls
- Bank EBITDA down \$8.8 million year over year but includes:
  - \$5.0 million of professional fees related to the Performance Improvement Plan
  - \$3.5 million of expenses related to implementing new order to cash system

# Q1 2007 Overview

## First quarter Financial Performance

(\$ in millions)

	Actual YTD Q1 2007	Actual YTD Q1 2006
Net sales	\$ 554.0	\$ 567.2
Cost of goods sold	507.5	513.4
Gross Profit	46.5	53.8
Gross Margin	8.4%	9.5%
Operating expenses	58.8	67.0
EBIT	\$ (12.3)	\$ (13.2)
D&A	24.4	25.7
EBITDA	\$ 12.1	\$ 12.5
Adjustments*	9.3	9.2
Adjusted EBITDA	\$ 21.4	\$ 21.7
Adjusted EBITDA Margin	3.9%	3.8%

\*Adjustments in 2007 include \$5.0 million for professional fees related to the Performance Improvement Program, \$3.5 million related to the implementation of our order management system and \$0.8 million of other expenses.

# Q1 2007 Overview

## Summary Balance Sheet

(\$ in millions)

	Q1 2007	Q4 2006
Cash and cash equivalents	\$20.8	\$26.4
Accounts receivable	239.9	254.3
Inventories	401.5	389.1
Spare parts	26.3	26.2
Other current assets	56.0	46.2
Total Current Assets	<u>\$744.5</u>	<u>\$742.2</u>
Property, plant & equipment, net	689.0	709.9
Goodwill & Intangibles	36.8	38.7
Other Assets	50.9	51.6
Total Assets	<u><u>\$1,521.2</u></u>	<u><u>\$1,542.4</u></u>
Accounts payable	142.9	134.6
Current maturities of long-term debt	8.1	8.1
Income taxes payable		
Other current liabilities	126.9	137.4
Total current liabilities	<u>\$277.9</u>	<u>\$280.1</u>
Long-term debt, less current maturities	1,165.3	1,142.0
Deferred income taxes	54.3	54.3
Pensions and other postretirement benefits	36.4	37.5
Other liabilities	15.0	14.9
Total liabilities	<u>\$1,548.9</u>	<u>\$1,528.8</u>
Total shareholder's (deficit) equity	(27.7)	13.6
Total liabilities and shareholder's (deficit) equity	<u><u>\$1,521.2</u></u>	<u><u>\$1,542.4</u></u>

# Q1 2007 Overview

## Q1 Liquidity / Cash Flow

- The Company was in compliance with all financial covenants in the first quarter
- Liquidity is currently outperforming expectations
  - As of May 30<sup>th</sup>, cash and availability on the revolver exceeded \$100 million
  - New order to cash system is already delivering results in inventory management
  - Capital spending was down \$2 million from 1Q06
  - Inventory was down \$17 million since 1Q06 and \$40 million since 3Q06
- Various asset sale processes are proceeding according to plan
  - Meaningful debt reduction expected in 2007



# **Performance Improvement Program Update**

Pete Mendola

SVP Manufacturing

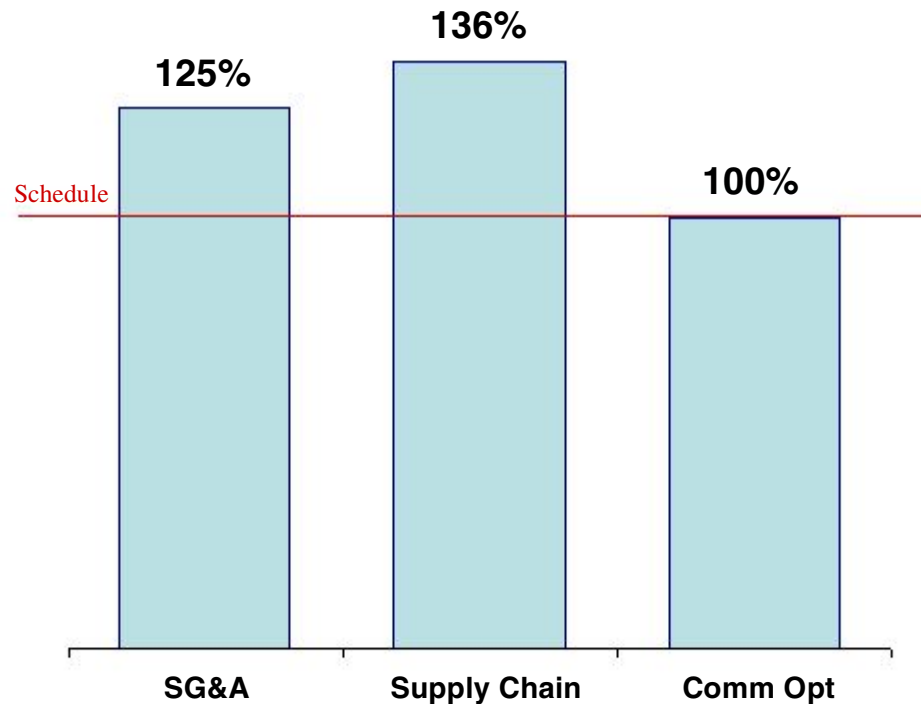
# Performance Improvement Program Update

## **Presented Plan in December: Achieve Sustainable \$60MM-\$70MM Annualized Increase in EBITDA Plus Inventory Reduction**

- Supply Chain
  - Strategic sourcing (resins, paper, packaging, MRO, transportation)
  - Manufacturing productivity improvement (OEE)
  - Distribution center operational efficiencies
  - Inventory: finished goods dial-down and SKU rationalization
- SG&A
  - Organization restructuring
  - SG&A expense (non-personnel)
  - Performance management and incentives
- Commercial Optimization
  - Customer and product profitability
  - Pricing optimization and realization
  - Sales force productivity; marketing spend effectiveness
  - New product development process improvement

# Performance Improvement Plan Update

Each Work Stream is On Track or Ahead of Implementation Schedule with Results Starting to Impact the Bottomline\*



\* YTD April

# Performance Improvement Program Update

## Case Study – Kostner Facility

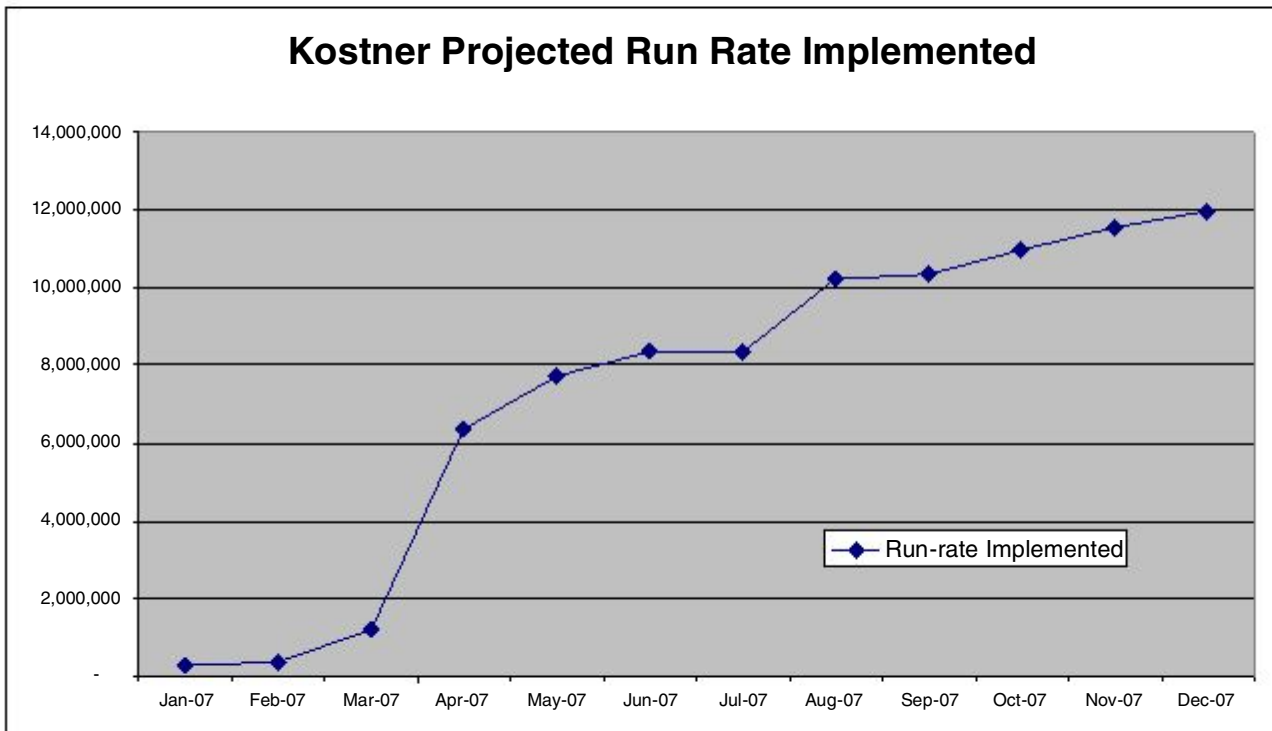
- **Original Target 6 – 8% Controllable Cost of Production**
- **Original Target Savings ~\$9 million**
  - **Stretch Goal ~\$11 million**
- **Latest Projected Savings ~\$12 million**

### **Areas of Focus:**

- **Asset Effectiveness**
- **Material Utilization**
- **Maintenance Effectiveness**
- **Labor Effectiveness**

# Performance Improvement Plan Update

## Case Study – Kostner Facility



### Projects Driving Early Savings

- Indirect and salaried labor adjustments
- Direct labor crewing adjustments
- Better management of equipment rates
- Set-up/roll change reduction
- MRO spend control
- Inventory Control – Direct Materials

# Performance Improvement Plan Update

## Summary

- Well on track to exceed targeted savings run rate of \$60-70 million by year-end
  - Results are already impacting operating profit as SG&A and Supply Chain initiatives are running ahead of schedule
  - Believe there is more upside
  - Commercial optimization initiatives just beginning to yield benefit
  
- Management team taking ownership of various initiatives
  - Best practices being shared across managers
  - Culture of accountability is taking hold

# Public Q&A

## Outlook

- Numerous positive initiatives going on at the Company
- Commercial presence remains strong
- Asset sale processes are expected to reduce debt burden over next 12-18 months
- Information systems limitations slowly improving
- Management team coming together and driving performance-based culture
- Near term, continued focus on:
  - Realizing price increases
  - Delivering on PIP
  - Managing and generating cash for debt paydown

# Public Q&A

**Exhibit 99.2**

The following table and related footnotes reconcile EBIT, EBITDA, Adjusted EBITDA and Bank EBITDA (non-GAAP measures) to Net loss (GAAP measure):

(Unaudited, in thousands)	Thirteen weeks ended April 1, 2007	Thirteen weeks ended April 2, 2006
Net loss (GAAP measure)	\$ (38,736)	\$ (20,155)
Interest expense, net	25,696	20,379
Income tax provision (benefit)	742	(13,437)
EBIT (non-GAAP measure)	(12,298)	(13,213)
Depreciation and amortization	24,367	25,710
EBITDA (non-GAAP measure)	12,069	12,497
Other unusual charges	9,346 <sup>(1)</sup>	9,178 <sup>(2)</sup>
Adjusted EBITDA (non-GAAP measure)	<u>\$ 21,415</u>	<u>\$ 21,675</u>

- <sup>(1)</sup> Includes \$3.5 million related to the implementation of our order management system, \$5.0 million for professional fees related to the Performance Improvement Program, and \$0.8 million for other expenses. For purposes of evaluating our covenant compliance under our current credit facilities, Bank EBITDA was \$12.9 million and was calculated by adding \$0.8 million of the \$9.3 million to EBITDA.
- <sup>(2)</sup> Includes \$4.0 million related to the implementation of our order management system, \$3.5 million for restructuring and integration expense, \$1.6 million for legal expenses related to resolution of contractual disputes arising from the SF Holdings acquisition. For purposes of evaluating our covenant compliance under our credit facilities in place during the first quarter of 2006, Bank EBITDA was \$21.7 million and was calculated by adding all of these unusual charges to EBITDA.

EBIT, EBITDA, Adjusted EBITDA and Bank EBITDA are not measures of financial performance under GAAP and should not be considered alternatives to net loss or any other performance measure derived in accordance with GAAP. They should not be considered in isolation, or as a substitute for analysis of the Company's results as reported under GAAP or as an alternative measure of liquidity. We provide the non GAAP measures to provide a view to measures similar to those used for pricing under the terms of our First and Second Lien Credit Facilities and to those used in evaluating our compliance with certain covenants under our First and Second Lien Credit Facilities and the indenture governing our 8.5% senior subordinated notes. They are also used as a metric to determine certain components of management compensation.