Smurfit Kappa Group

Credit Suisse Global Forest Products Conference, February 2009

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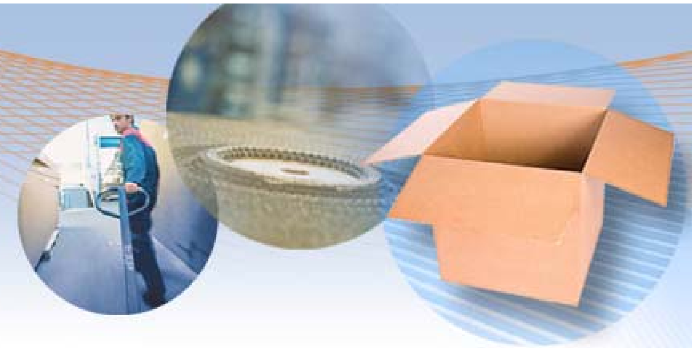
Performance overview 2008 FY



- Strong financial outcome in line with expectations
- Strong free cash flow performance
- Continued net debt reduction

Financial Highlights | 2008 FY

		FY 2008	FY 2007	Variance
Revenue	(€m)	7,062	7,272	(3%)
Pre-Exceptional EBITDA	(€m)	941	1,064	(12%)
EBITDA margin		*13.3%*	*14.6%*	-
Free cash flow	(€m)	281	186	51%
Net debt	(€m)	3,185	3,404	(6%)
ROCE		10.3%	11.3%	

Resilient operating model

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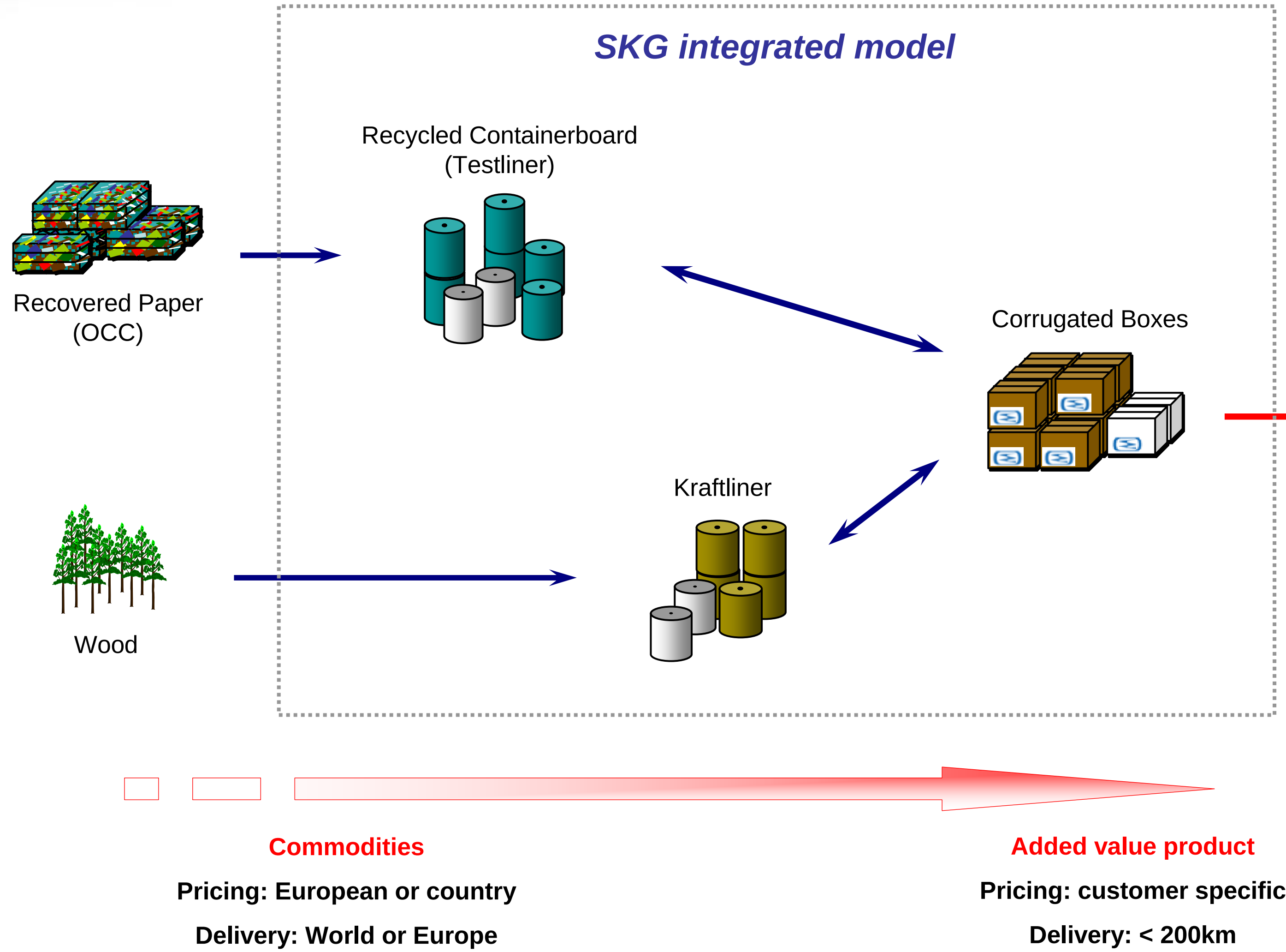
Integrated model



SKG CUSTOMERS

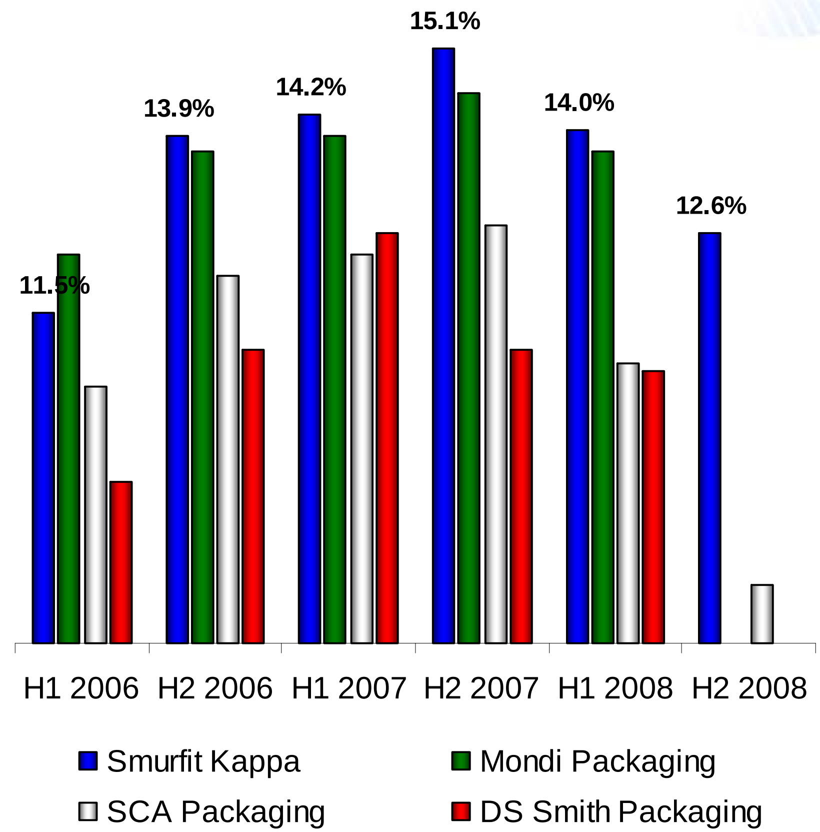
60% FOOD & BEVERAGE

DEMAND GROWTH IN LINE WITH GDP

Industry leading EBITDA margins

- Corrugated pricing focus
- Integrated system, short recycled containerboard
- Lower cost containerboard capacity
- Superior Latin American margins
- Relentless focus on cost reduction

Comparative EBITDA Margins



Source: company reports

SKG focus on cost reduction

- 3-year cost reduction programme launched in 2008
  - €75 million of cost savings delivered in 2008
  - Increased target of a further €125 million to be generated between 2009/10

- 2008 Cost savings delivered :

2008 Cost Take-out	Savings in €m	Primary source(s) of savings
Raw materials	€30	Corrugated waste reduction, improved paper production planning
Labour	€14	Headcount reduction
Energy	€9	Biomass boiler Sweden
Other	€28	Distribution, purchasing initiative, etc
TOTAL 2008	**€75**	

2008 | Input costs' evolution

- Limited cost increases in 2008 reflect continuing focus on cost reduction

	Actual cost movement (2008 vs. 2007)	**Underlying cost movement (2008 vs. 2007)**
Labour	1%	Flat
OCC	(11%)	(4%)
Wood	12%	3%
Distribution	3%	2%
Energy	11%	16%
Òther raw materials	(13%)	-
TOTAL SKG Cost base	**(1.4%)**	**1.9%**

Continuing focus on debt paydown

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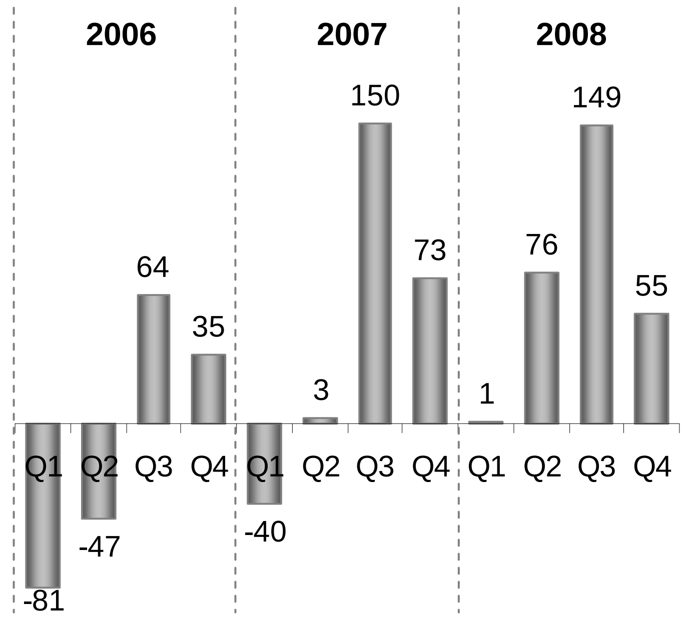
Strong free cash flow generation

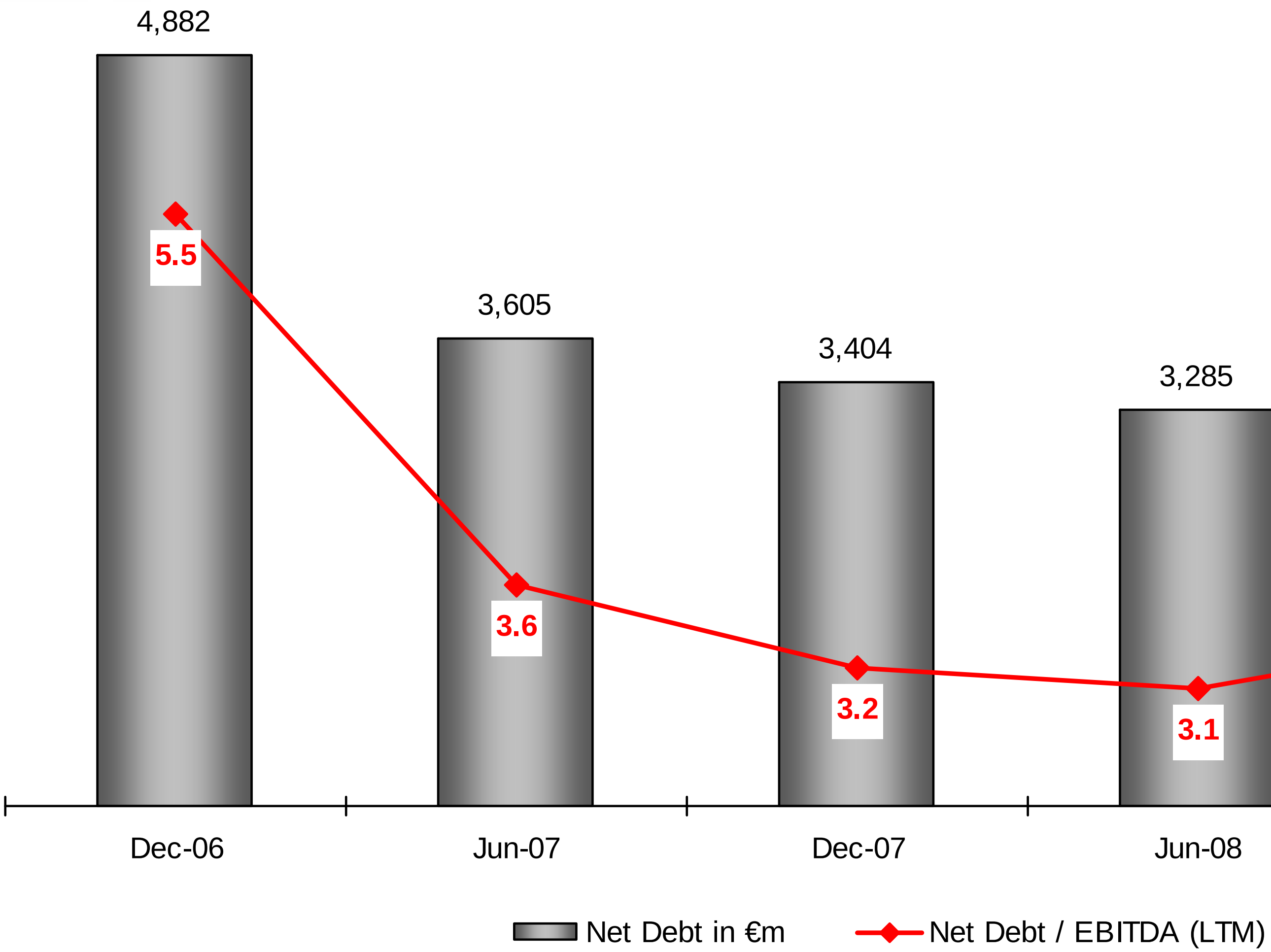
- Industry leading EBITDA margins
- Lowest working capital to sales ratio in the industry
- Actively managed capital expenditure
- Sustainable low cash tax rate
- Reduced interest payments by c. €100m p.a. from 2006 to 08

SKG Free Cash flow generation



Source: company data

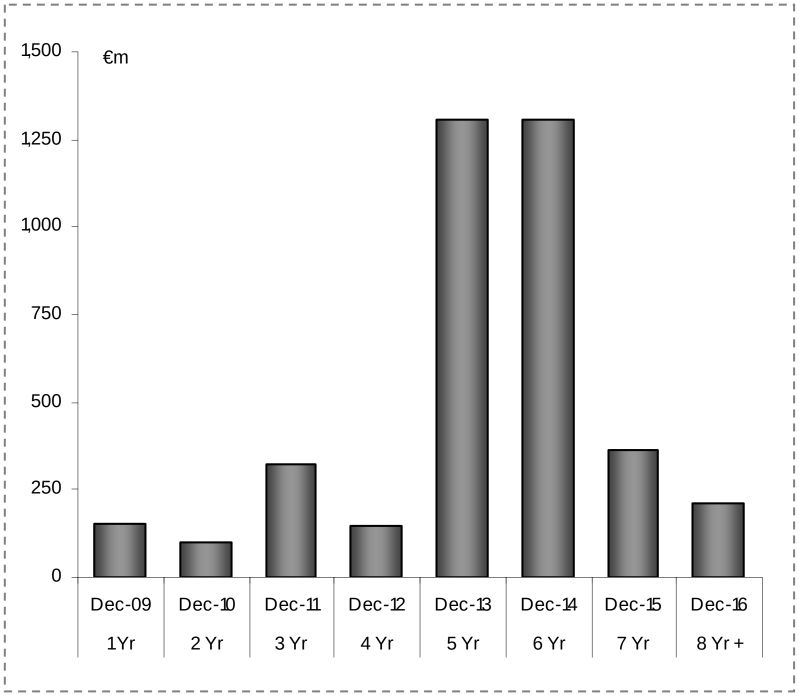
Significant & continued net debt reduction



Well structured debt package

- Low cost of financing
  - Average interest cost = 5.8%
- Strong available liquidity
  - Cash ~ €720 million
  - Unused credit lines ~ €600 million
- Continuous cash flow generation through the cycle

SKG debt maturity profile



Decisive actions to maximise debt paydown in 2009

- Increased cost take-out objective to €125 million for 2009 & 2010
- Reduced capital expenditure towards 60% of depreciation in 09
- Suspended dividend payments in 2009
- Senior debt buy-back tender offer of €100 million

Industry challenges & Outlook

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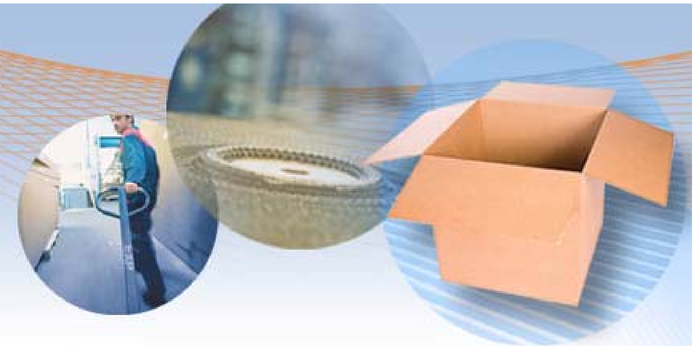
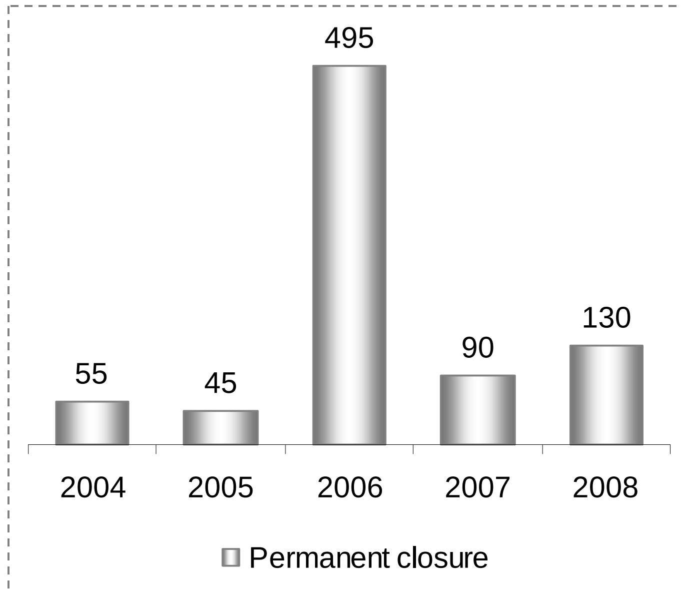


Industry challenges | 2009 -10

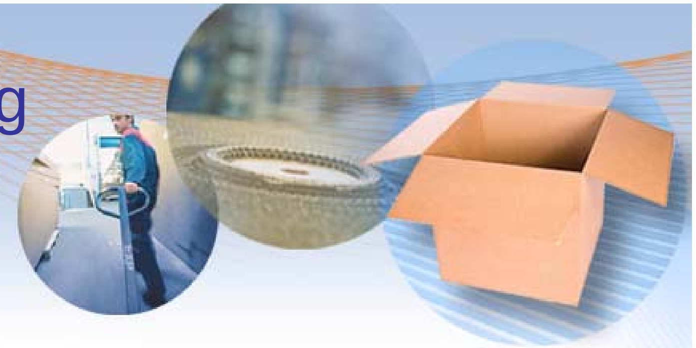
- New capacity entering the market in a declining environment
- SKG operates lower cost system
  - 20% of capacity closed in past few years
  - Capacity fully integrated within SKG corrugated
  - SKG net buyer of recycled containerboard
- Higher cost or non-integrated producers likely to face financial difficulties

SKG Capacity closures ('000 tons)



Source: company data, 2006 figure includes grades switch

How will the expected capacity overhang be solved?



- Positive macro factors
- Accelerated downtime
- Further high cost capacity closures
- Downstream integration a key advantage in a challenging market

Containerboard capacity breakdown

Total Europe capacity	20.9mT
Machines < 100kT	6.8mT
Non-integrated < 100kT	2.9mT
# machines	*80*

Most vulnerable

Summary

SKG delivered the expected level of performance for 2008

Expect continuation of tough operating conditions in 2009

SKG taking decisive actions to maximise cash generation and debt paydown in 2009 and beyond

Questions & Answers Session

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Appendix

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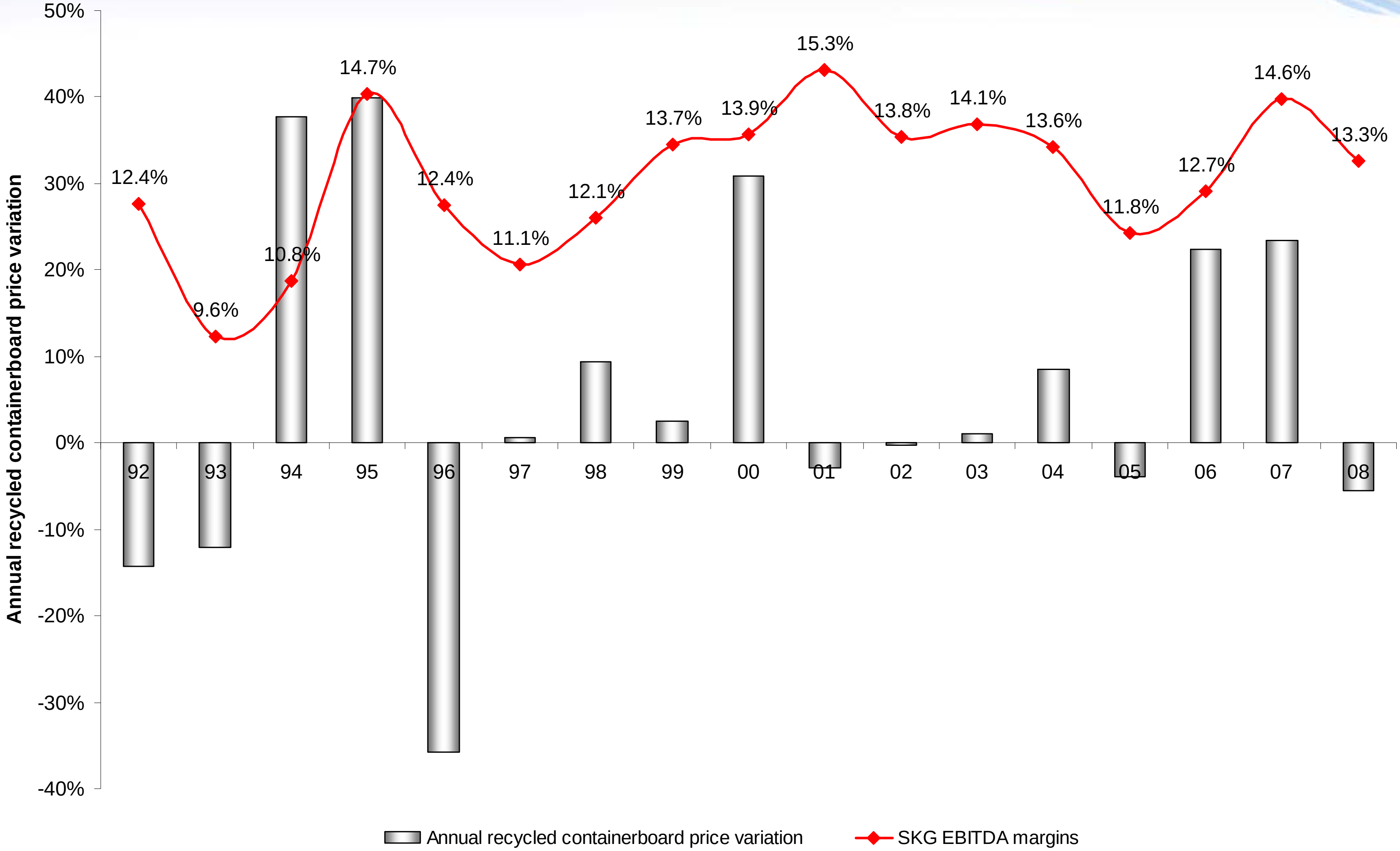
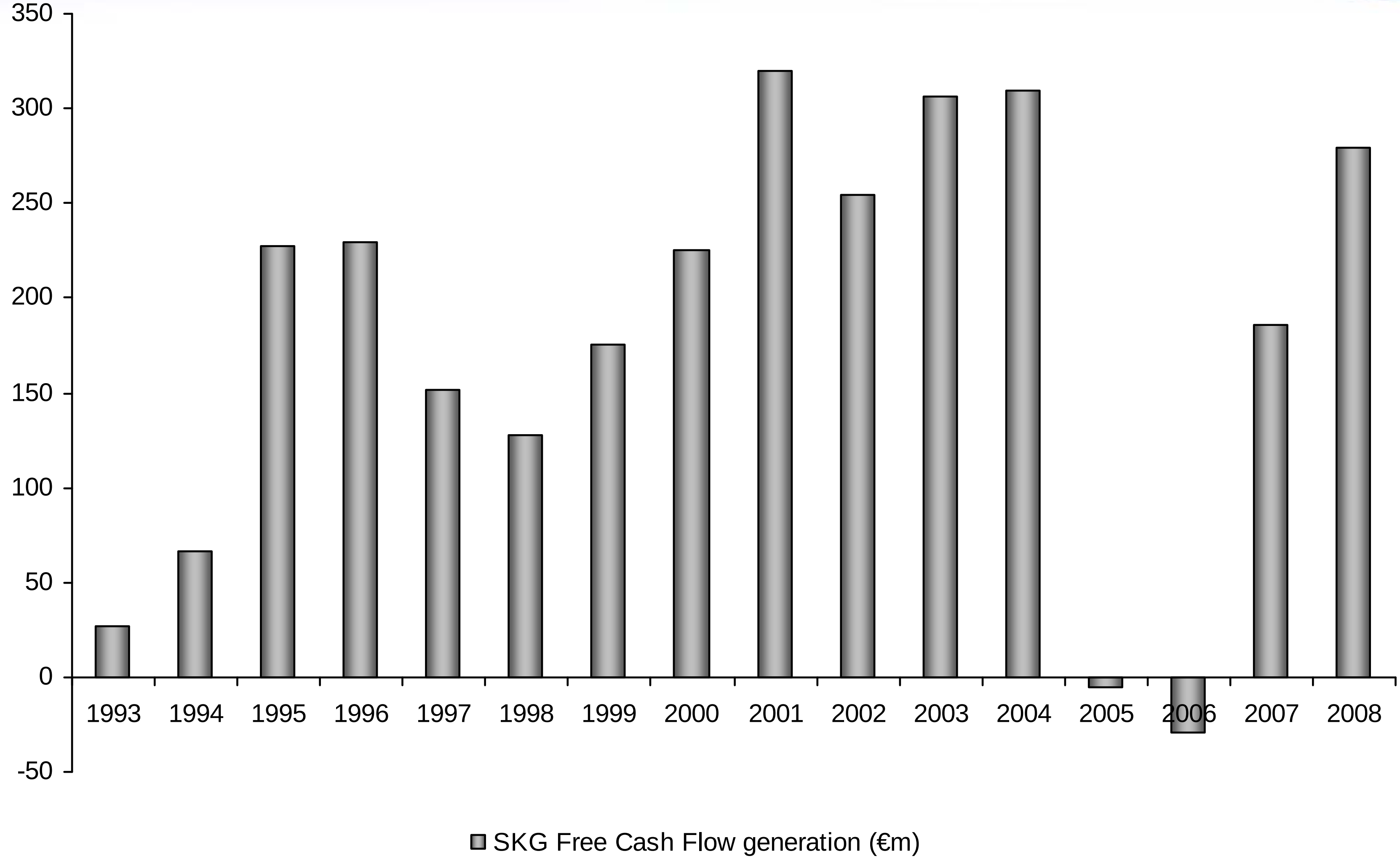
Resilient margins through the cycle



Source: RISI, company

Free cash flow generation through the industry cycle



Source : company

Smurfit Kappa Group plc
Beech Hill, Clonskeagh,
Dublin 4,
Ireland.

+353 1 202 7000
www.smurfitkappa.com

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