

Smurfit Kappa Group

May 2010



people
market leader
innovative
latin america
europe
growth
integrated

Highlights | 2010 Quarter One

- Relatively strong EBITDA margin of 12.0% despite significant cost pressure
- Progressive pick-up in trading conditions. Particularly solid result in March
- 3% corrugated demand growth and continuation of pricing recovery in Europe
- Demand growth of 7% in Latin America & commencement of price recovery
- Continued efforts on cost efficiency. Additional €25m of CTO in Q1
- Further corrugated pricing momentum & incremental demand growth in April

Financial snapshot | 2010 Quarter One

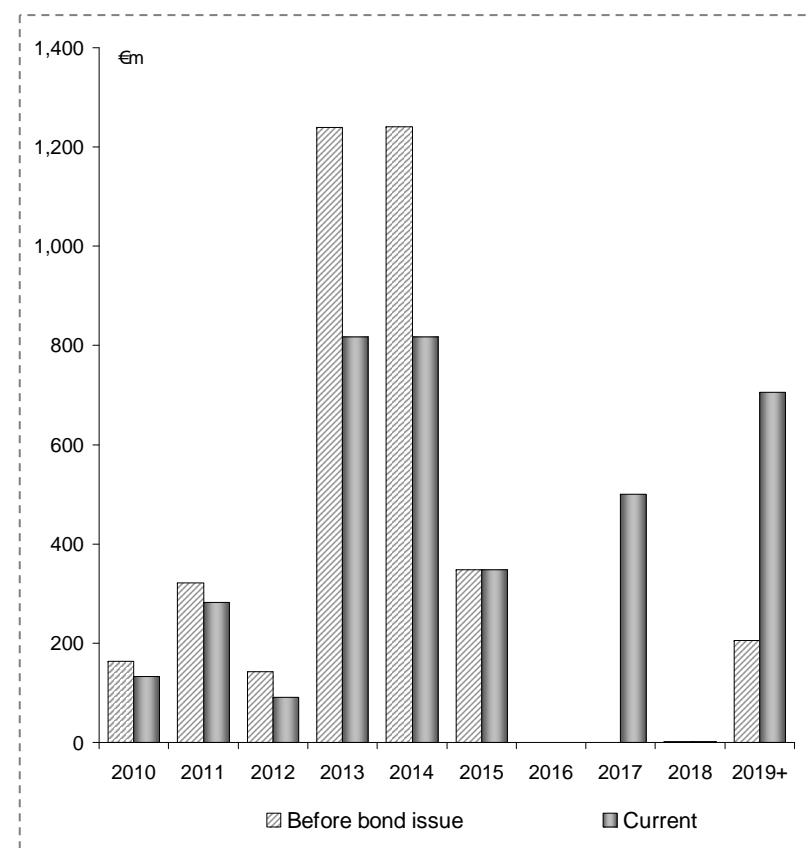
		Q1 2010	Q1 2009	Q4 2009
Revenue	(€m)	1,530	1,504	1,541
Pre-Exceptional EBITDA	(€m)	184	180	186
<i>EBITDA margin</i>		12.0%	11.9%	12.1%
Free cash flow	(€m)	(58)	-	29
Net debt	(€m)	3,162	3,187	3,052
<i>Net debt/EBITDA (LTM)</i>		4.2x	3.7x	4.1x

Source: Company data

Strong capital structure

- Strong available liquidity
 - c. €600m cash
 - €525m undrawn credit facilities
- Diversified sources of funding
- No material maturities before Dec-2013
- Bond issue in '09 extended average debt profile to 5.6 years

Long term debt maturity profile



Performance drivers



people
market leader
innovative
latin america
europe
growth
integrated

Market led

- Market leading positions
- Unrivalled geographic & product reach
- Ownership culture
- Profitability before volumes
- Innovative packaging solutions to help our customers differentiate and sell more

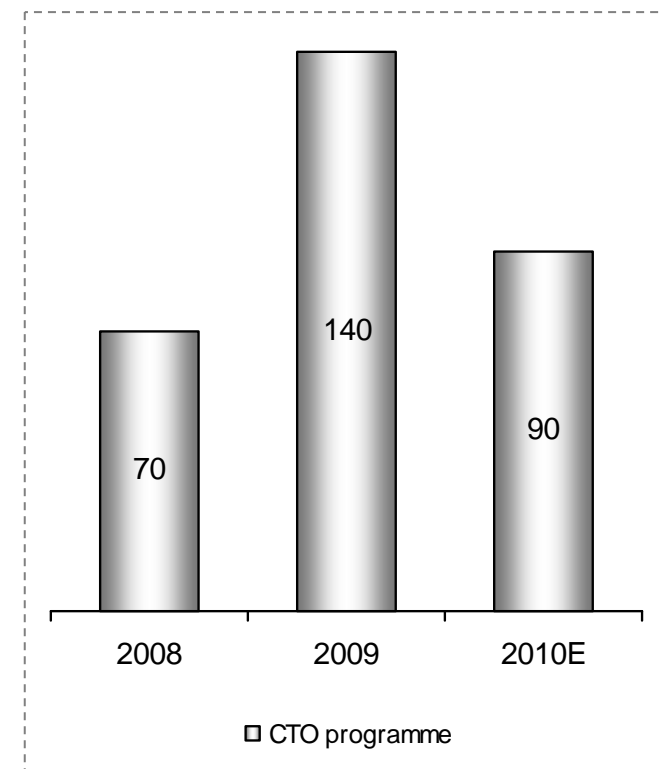
SKG European footprint



Ongoing focus on operating efficiency

- 2010 cost take-out target of at least €90m
- Address under-performing operations
- Judicious capital allocations
- Proactive capacity management
- Benefits of ongoing cost efficiency actions reflected in margin levels

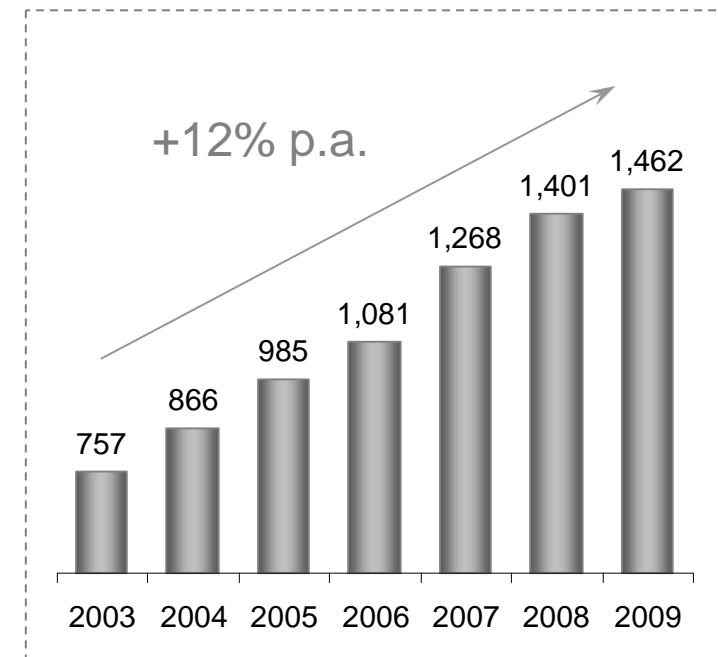
3-years CTO program of €300m



Superior performance in Latin America

- SKG's chosen region for growth
- 7% corrugated demand growth in Q1'10
- Unique portfolio of businesses and markets
- Leading market positions, local management
- Superior margins of 15-20% through the cycle

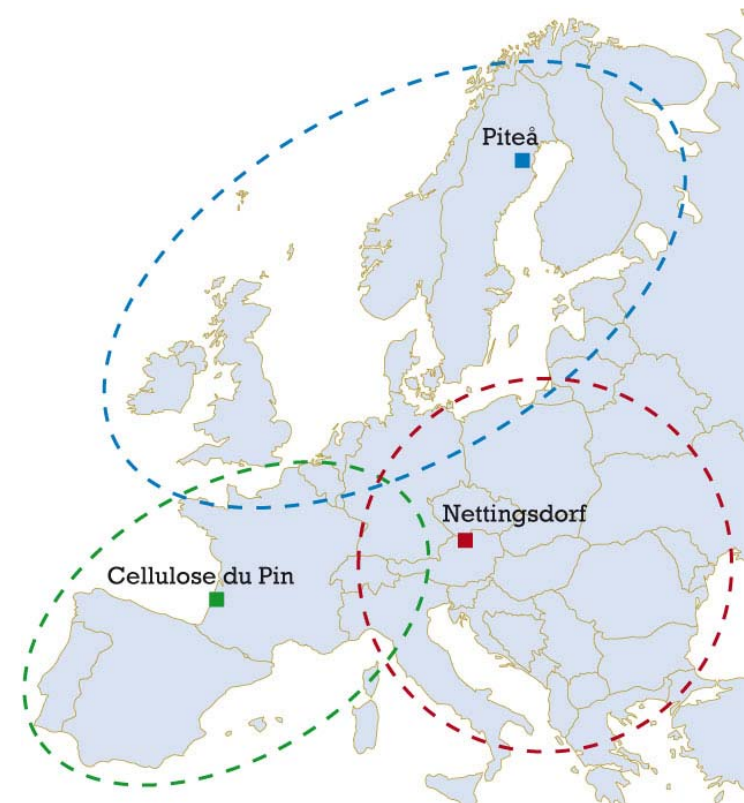
LatAm revenue evolution (US\$m)



Market leading position in Kraftliner

- Consolidated market, high barriers to entry
- SKG market leader & net seller of c. 500kT p.a.
- European market short capacity
- Significant reduction of US imports since '09
- Strong pricing recovery

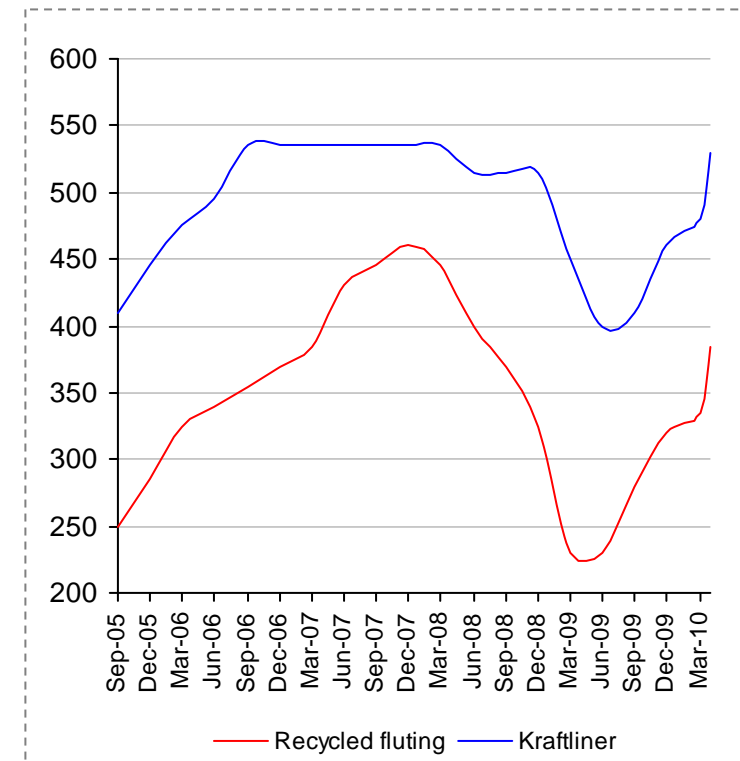
SKG kraftliner mill system



Supply discipline in recycled containerboard

- c. 9% of industry capacity closed in '09
- Ongoing supply-side discipline across Industry
- Inventory levels at 2 years lows despite introduction of new capacity in H2'09/Q1'10
- Next new paper machine in Europe over 2 years away
- Higher OCC prices support strong pricing recovery

European containerboard prices

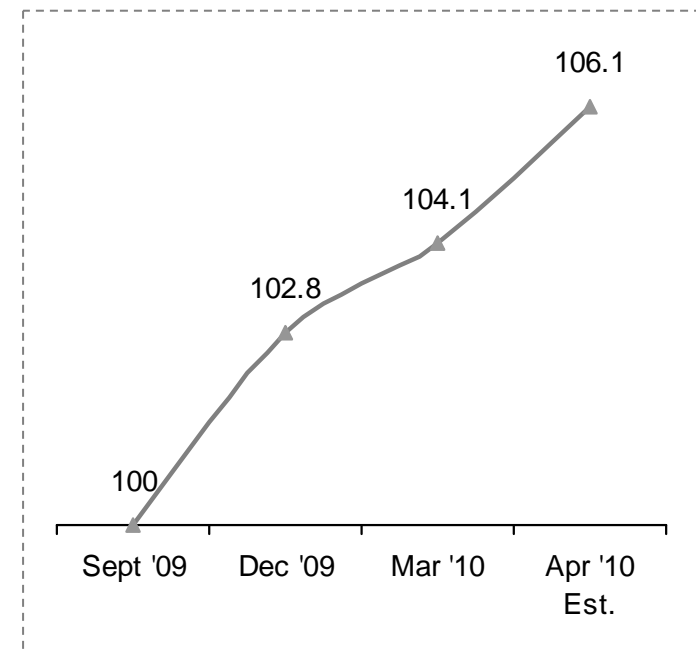


Source: PPI Europe. Prices in €/tonne

Corrugated recovery

- SKG's business driver
- Positive demand growth of 3% in Q1'10
- Time lag of up to 6 months to fully offset higher paper prices through box pricing
- Pace of corrugated demand & pricing recovery increasing in April

SKG corrugated price index



Source: company

Strategy & Outlook



people
market leader
innovative
latin america
europe
growth
integrated

A clear strategy delivering above market returns

Commercial
strategy

Packaging, not paper
Focus on customer service & Innovation

Operational
strategy

Driving cost efficiency & capital discipline
Integration to optimise asset efficiency

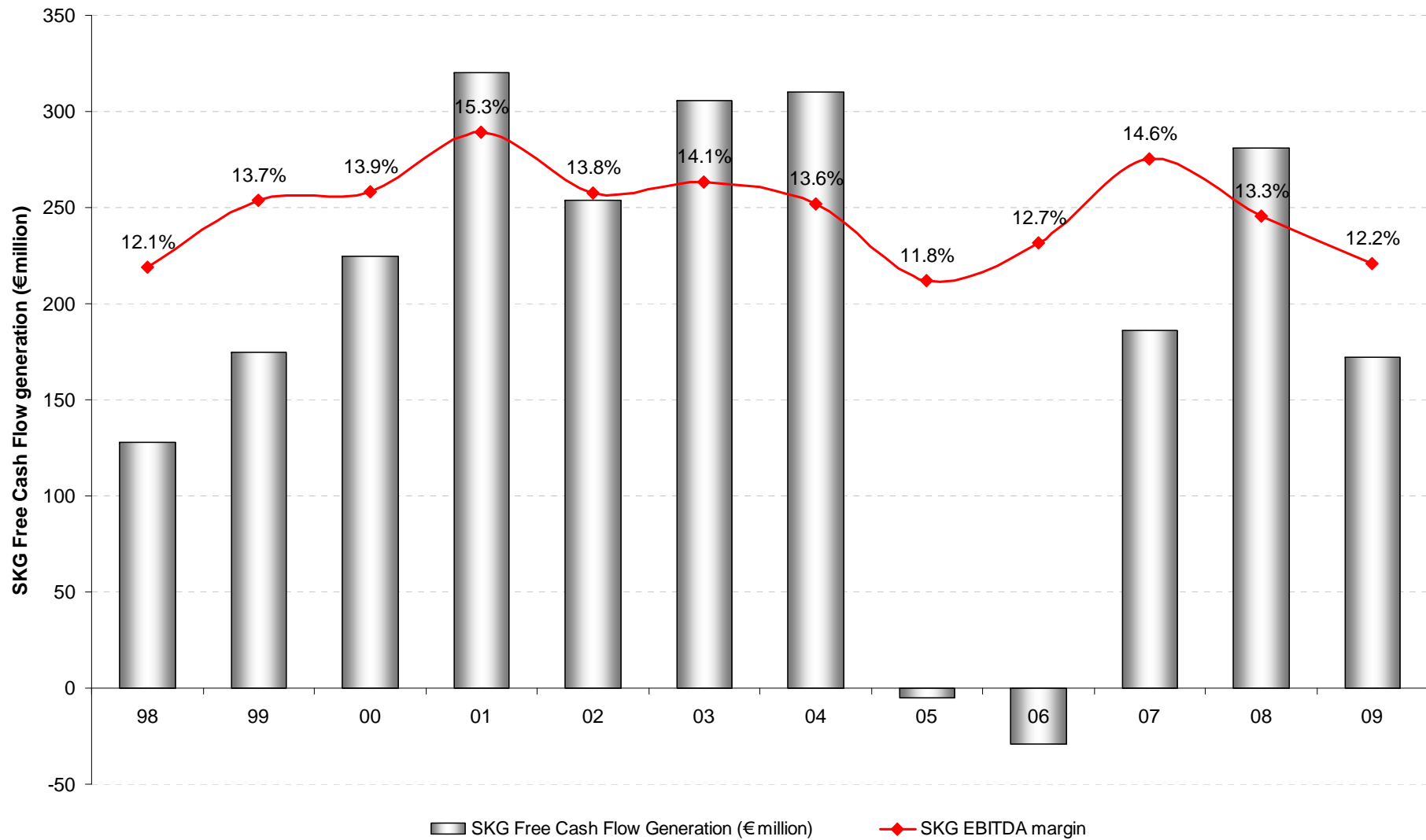
Financial
strategy

Cash flow generation. Strong liquidity
Proactive balance sheet management

Corporate
strategy

Reduce net debt/EBITDA ratio
Acquire & integrate well invested assets

Delivering stable margins & strong cash generation through the cycle



Outlook

- SKG has significant operating leverage to the expected economic recovery
- Strong operating base, combined with SKG's proven capital and financial discipline will contribute to deliver superior returns through the cycle
- In 2010, SKG will continue focusing on:
 - Corrugated price recovery
 - Reducing its net debt/EBITDA ratio

“Bearing in mind intensified input cost pressure, SKG maintains its expectation of meaningful overall EBITDA growth for 2010”

Smurfit Kappa Group plc

Beech Hill, Clonskeagh,
Dublin 4,
Ireland.

+353 1 202 7000
www.smurfitkappa.com



people
innovative

market leader

latin america



europa
europe

growth

integrated