

Smurfit Kappa Group | Delivering to Plan



people
innovative

market leader

latin america

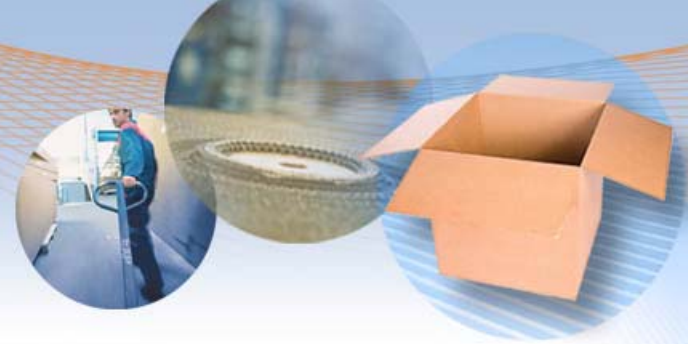


europe

growth

integrated

Key Investment Highlights



Focused market leader

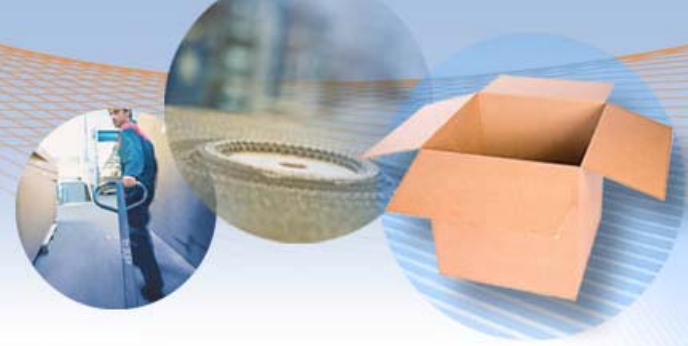
Improving industry with robust outlook

Transformed business

Proven management team

IPO Milestones

Objectives Set



Expected FY '07 EBITDA outcome

- ☑ Industry leading EBITDA Margins

Defined Synergy Benefits

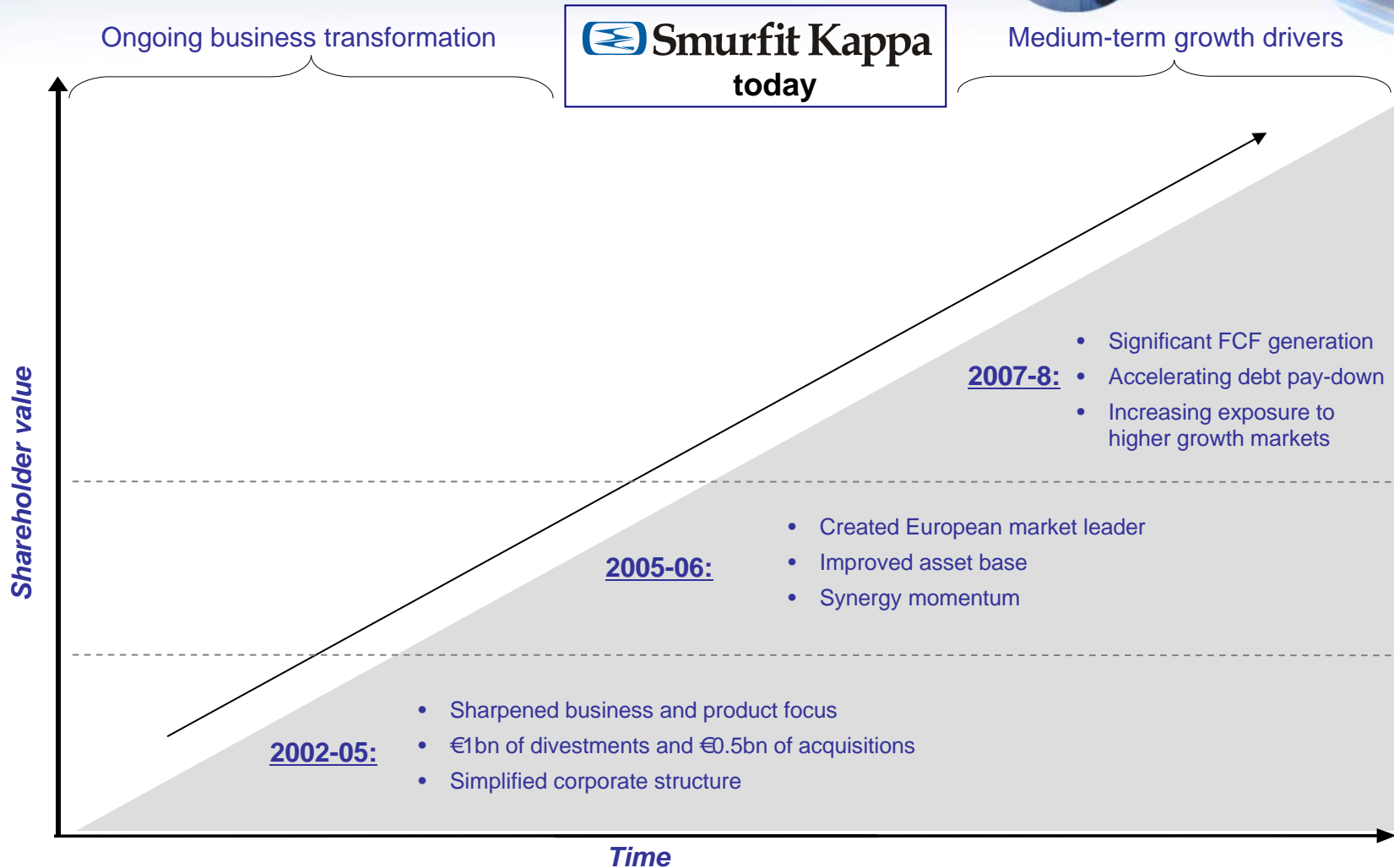
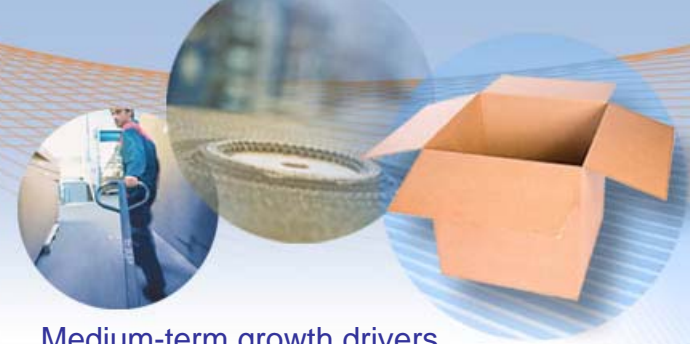
- ☑ Increased target of €180 million

Debt Paydown

- ☑ Net debt EBITDA in 3.25x to 4.25x range

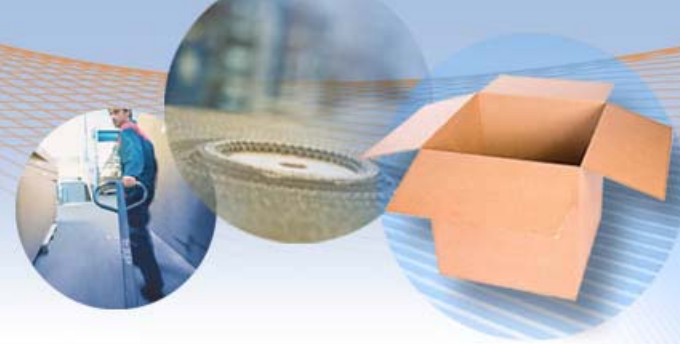
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Re-positioned as a focused, industry leader



Focused European Industry Leader

European Containerboard



➤ Recycled containerboard

Balanced market in recycled containerboard

Rising recovered fibre costs +22% year-on-year

Inventories tight and product price momentum

➤ Kraftliner

Market conditions generally good

- but rising input costs

White-top market strengthening

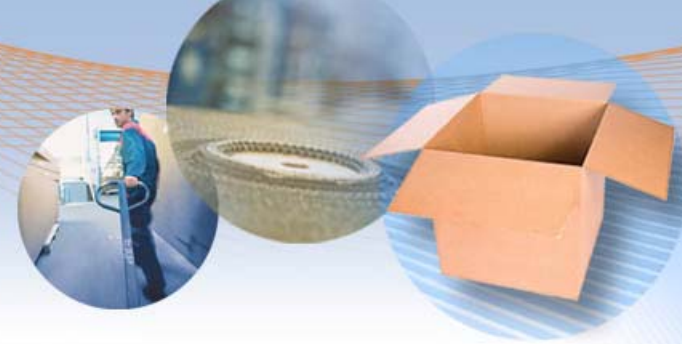
US imports major factor in H1 performance

SKG Containerboard Volumes

<i>Volumes m tonnes</i>	H1 '06	H1 '07	Change
Recycled	1,553	1,612	+3.8%
<i>Volumes down 4% including closed facilities</i>			
Kraftliner	793	714	(10%)
<i>Includes Facture impact</i>			

Focused European Industry Leader

European Corrugated



Market leader in Europe

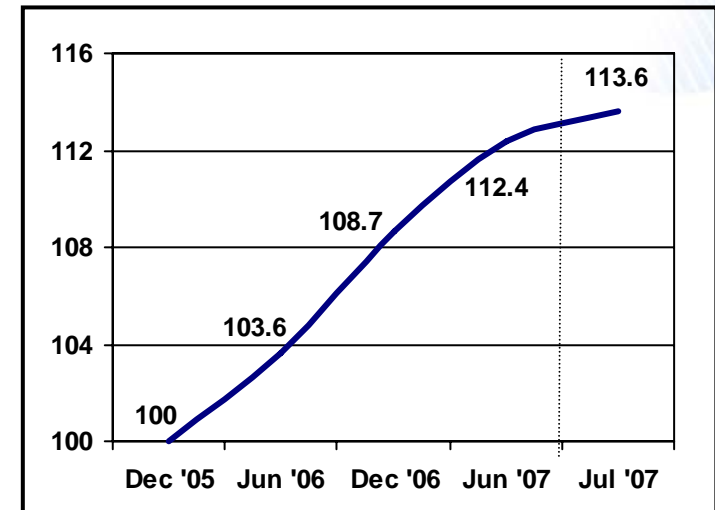
Good demand growth

Corrugated prices increasing

Short-term margin compression

Improved pricing in H2 and into 2008

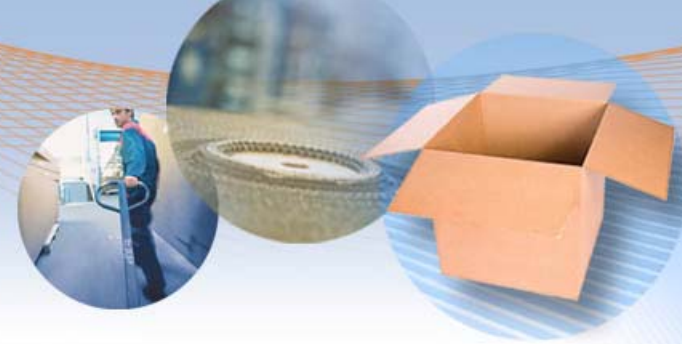
SKG Corrugated Pricing



Note – Point to point movements

<i>Volumes m sq metres</i>	H1 '06	H1 '07	Change
Corrugated	4,210	4,264	+1.3%
<i>Excludes closed & sold operations</i>			

Focused European Industry Leader Specialties



➤ Solidboard & Boxboard

Boxboard improving

Rising input costs – all grades

Competitive market conditions

Closures & rationalisation

➤ Sacks & Sack kraft

Strong pricing momentum in paper

Difficult market in converting

➤ Bag-in-Box

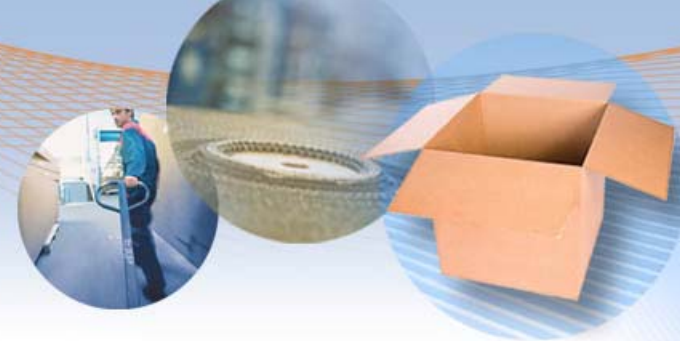
Continued growth in bags and taps

SKG Specialties Volumes

<i>Volumes m tonnes</i>	H1 '06	H1 '07	Change
Solidboard	402	367	(8.7%)
Boxboard	145	154	+6.2%
Sackpaper	64	63	(1.6%)
Bag-in-Box Bags	52	65	+25%

Leader in Latin America

High growth markets



Strong market positions - high growth markets

Portfolio of businesses and markets

Sustained EBITDA contribution

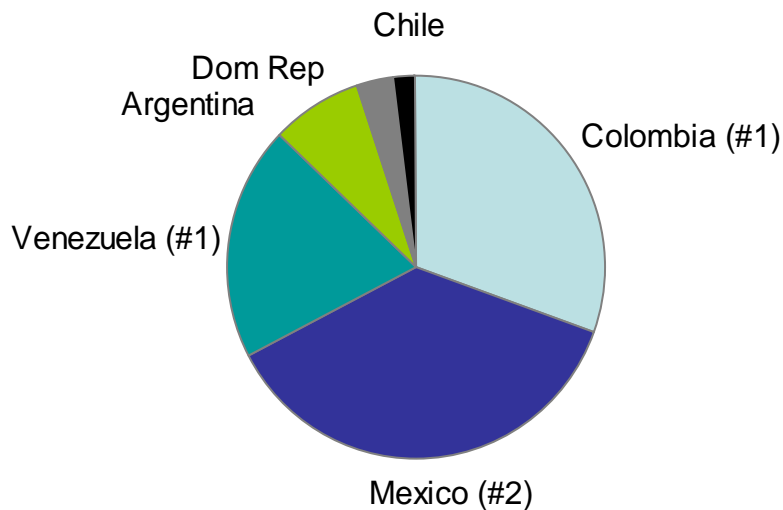
Key component of SKG's business model

Ongoing investments in region

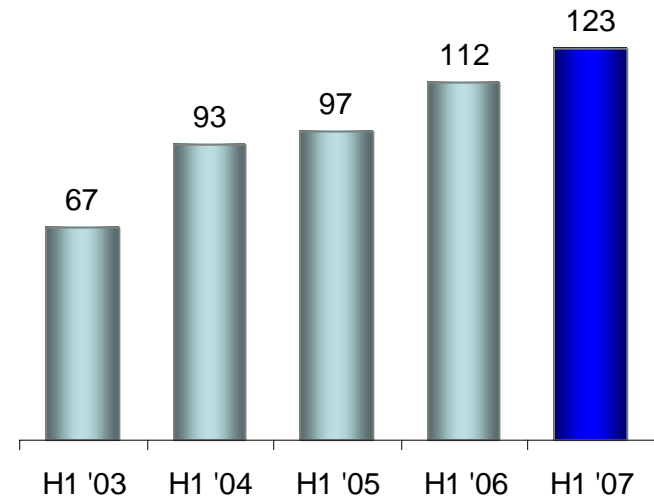
SKG H1 Volumes

Volumes m tonnes	H1 '06	H1 '07	Change
Containerboard	336	359	+6.8%
Corrugated	390	418	+7.2%

Sales by Country

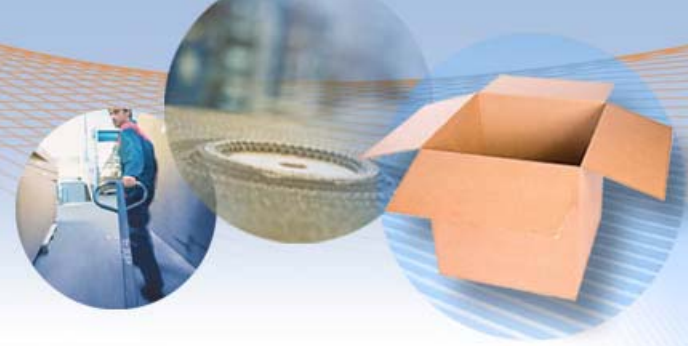


Latin American H1 EBITDA (US\$m)



Integrated, demand-driven business

Market Led



Fully integrated

Market led

Demand driven

Earnings quality



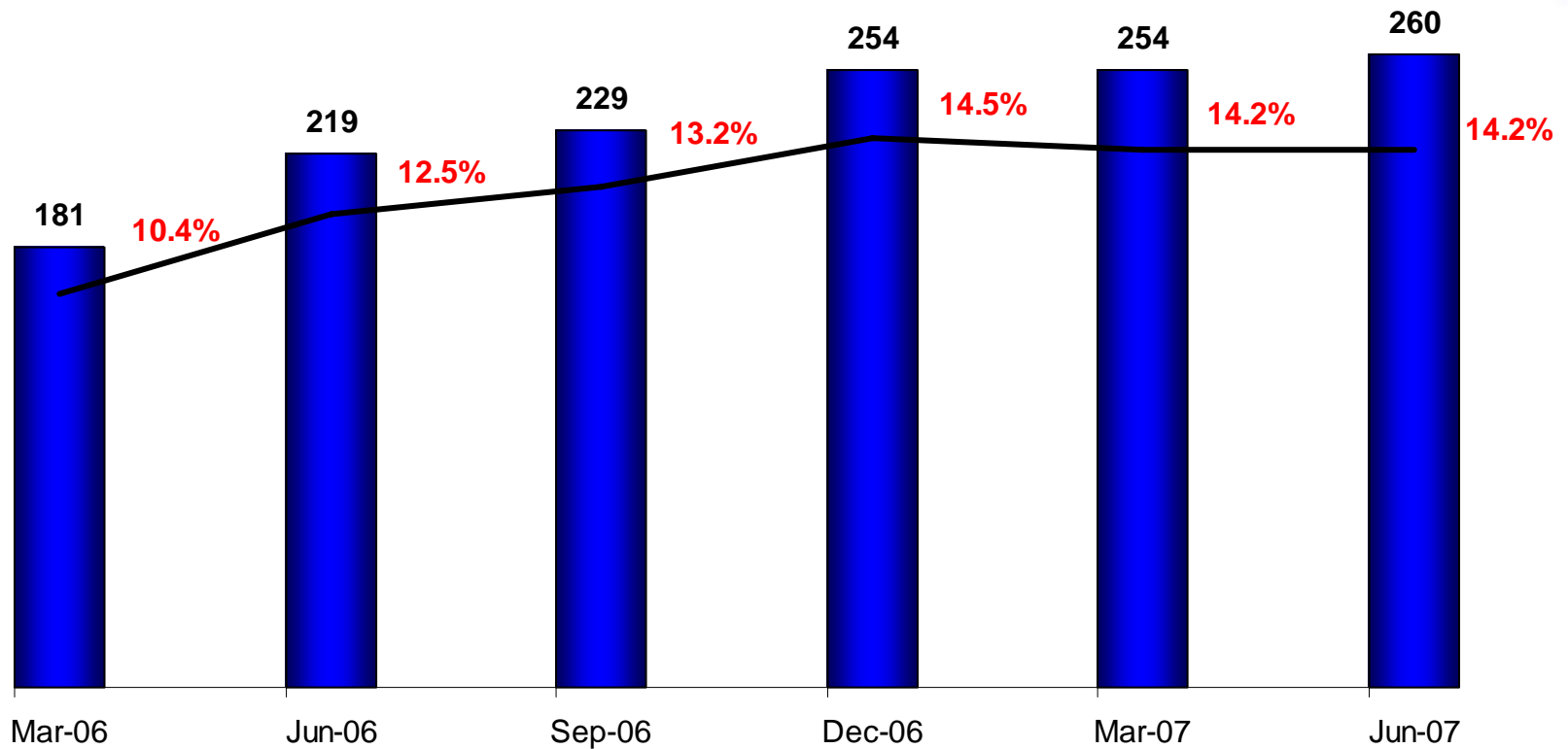
Smurfit Kappa Group | A Box Business

EBITDA Progression

...despite significant cost increases

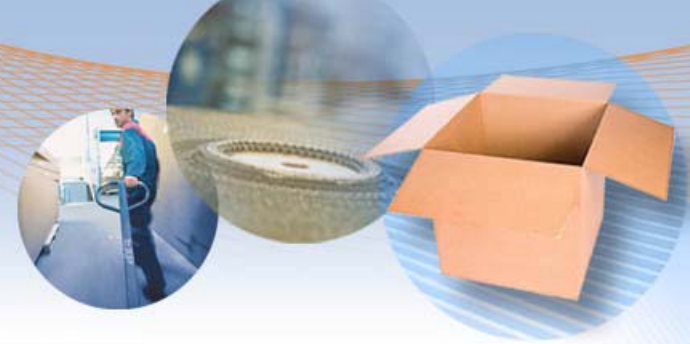


Quarterly EBITDA and Margin Progression (€m)

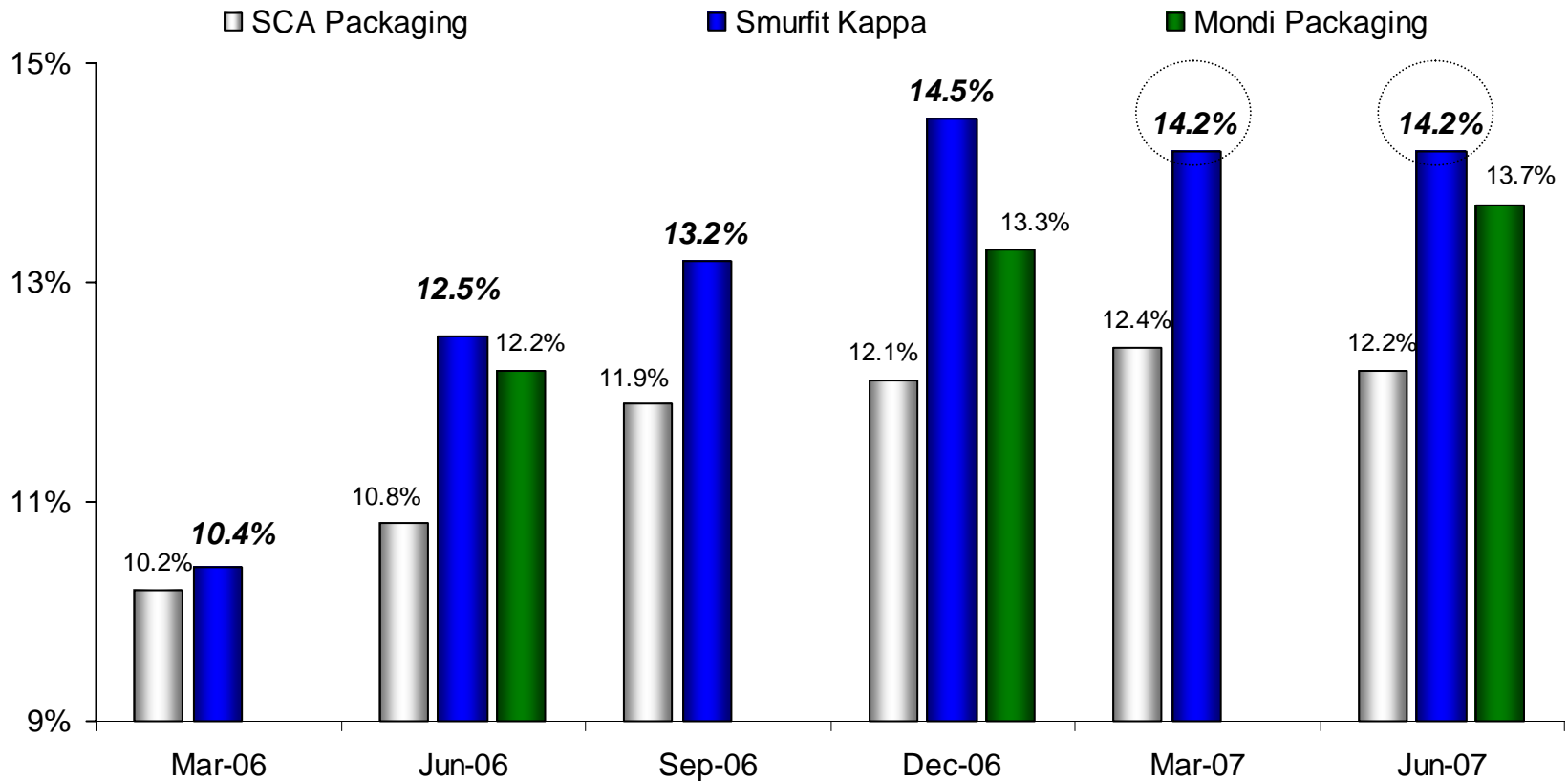


EBITDA Progression

Industry leading EBITDA Margins



Comparative EBITDA Margins



Note: Quarterly data for Smurfit Kappa and SCA; half yearly data for Mondi Group
 Source: Company data, SCA 2007 H1 Report, Mondi Group 2007 H1 Report

Financial disciplines

Focus on Cash



Free cash flow generation

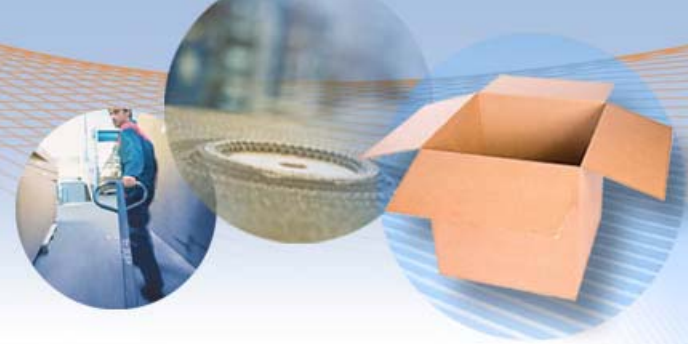
Disciplined working capital management

Judicious capital spend

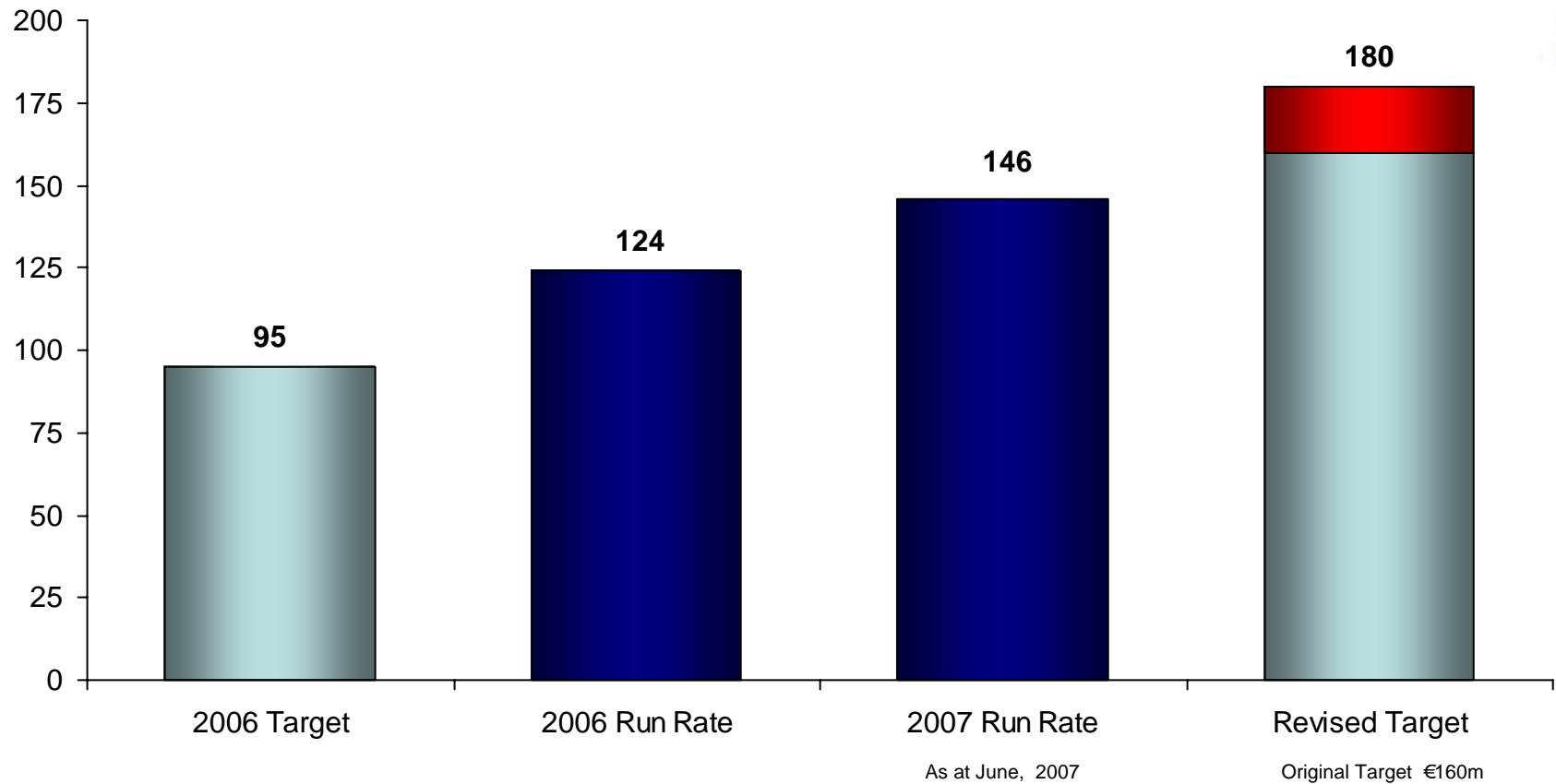
Low cash taxes

Combined public and private equity disciplines

Synergy Programme Ahead of Plan

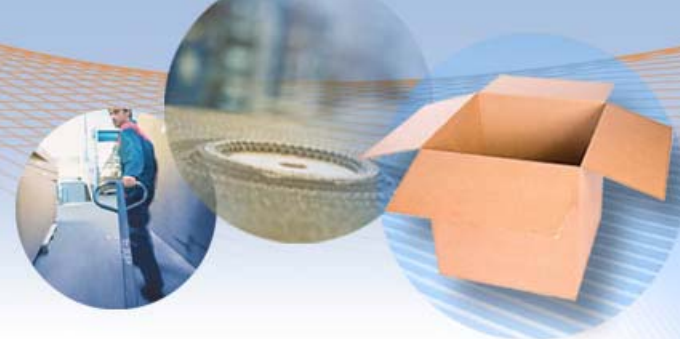


Synergy Run Rate (€m)



Capital Structure & Debt Paydown

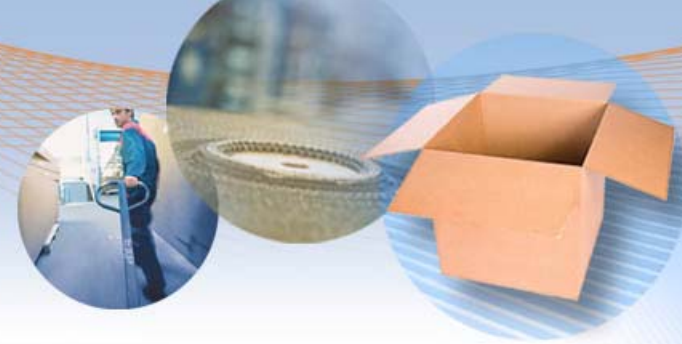
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	€m	Net debt to EBITDA
Net debt at December 31, 2006	(4,882)	5.5x
Free cash flow	(37)	
IPO proceeds	1,495	
IPO costs	(58)	
Refinancing costs	(74)	
Other	(49)	
Net debt at June 30, 2007	(3,605)	3.6x
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Net debt to total capitalisation	63%	
EBITDA to net interest	3.4x	

Capital Structure & Debt Paydown

Delivering to Plan



Well structured debt portfolio

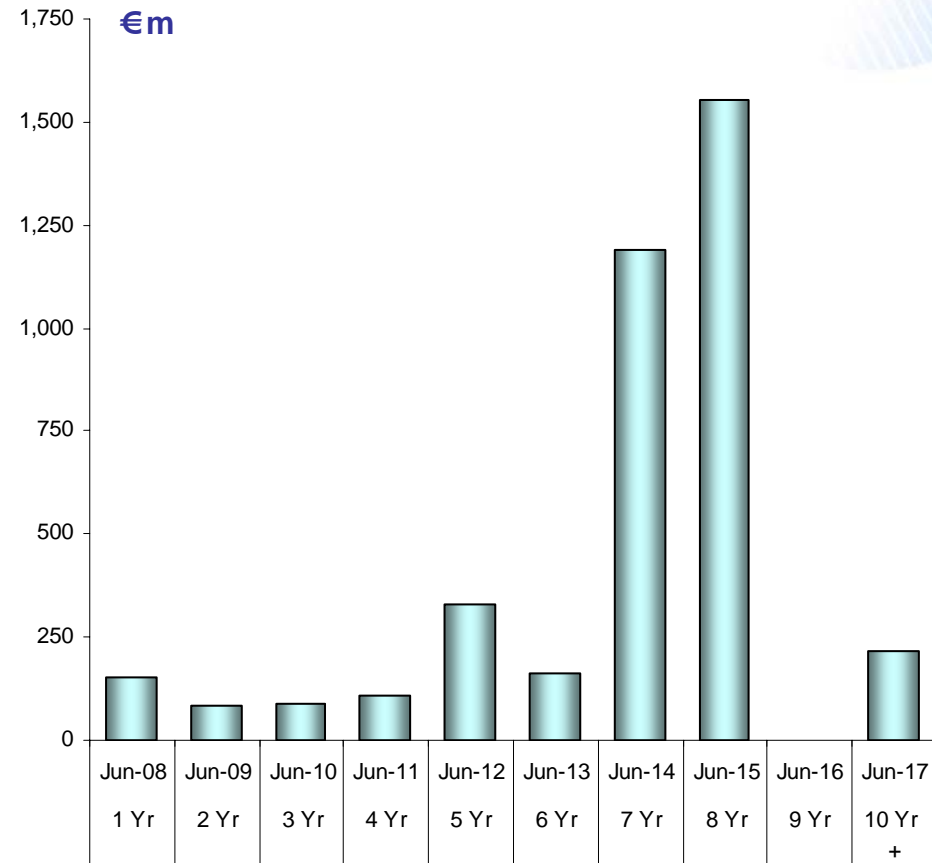
High cost debt repaid

Cost of existing debt reduced
c. €50 million over the facility's life

No material near term maturities

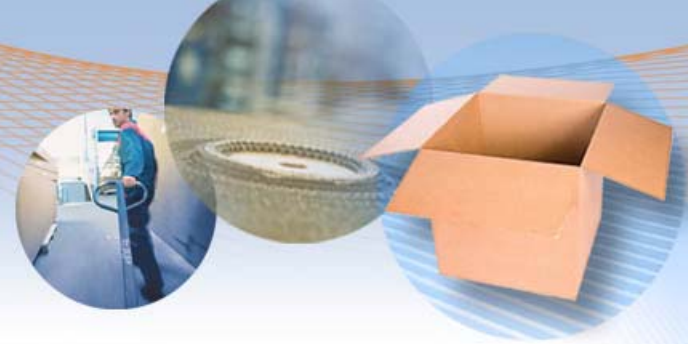
Flexible covenant structure

SKG Debt Maturity Profile



2007 H1 | Summary

Delivering to plan | IPO Milestones



Strong H1 performance – expected FY '07 EBITDA outcome

Industry leading EBITDA margins

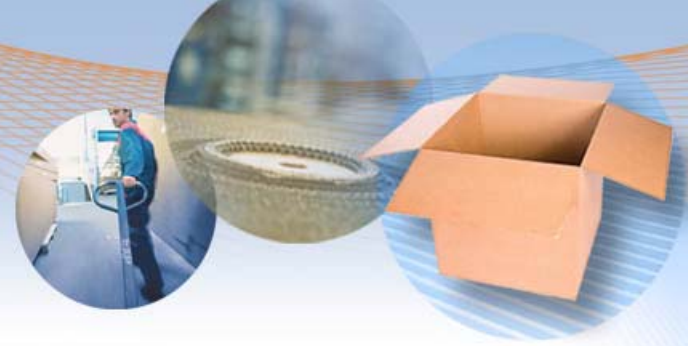
Sustained synergy progress

Continuing focus on debt paydown

	€m	Increase Y-on-Y
Revenue	3,625	+4%
<i>Pre-Exceptional EBITDA</i>	514	+28%
<i>EBITDA margin</i>	14.2%	+2.7pts

European Industry Outlook

- Industry Firsts



Creation of clear market leader

Unprecedented and broad-based capacity rationalisation

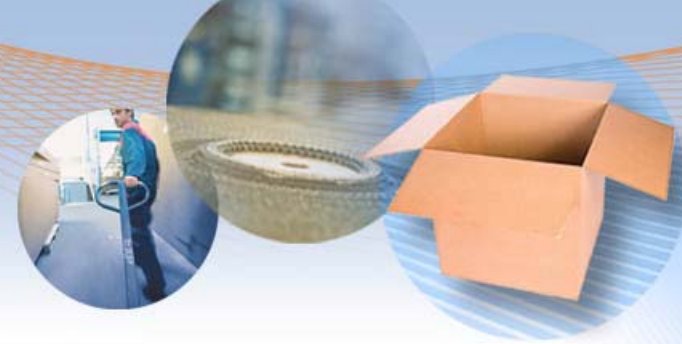
Step change to price psychology

Product prices and input costs reversing seasonal norms

Increasing barriers to entry

Robust Industry Fundamentals

Demand growth – Market in balance



Expected demand growth of 10.2% to 2010

Capacity announced from '10 onwards

Prowell	650
Mondi	470
Hamburger	450

Total **1,570**

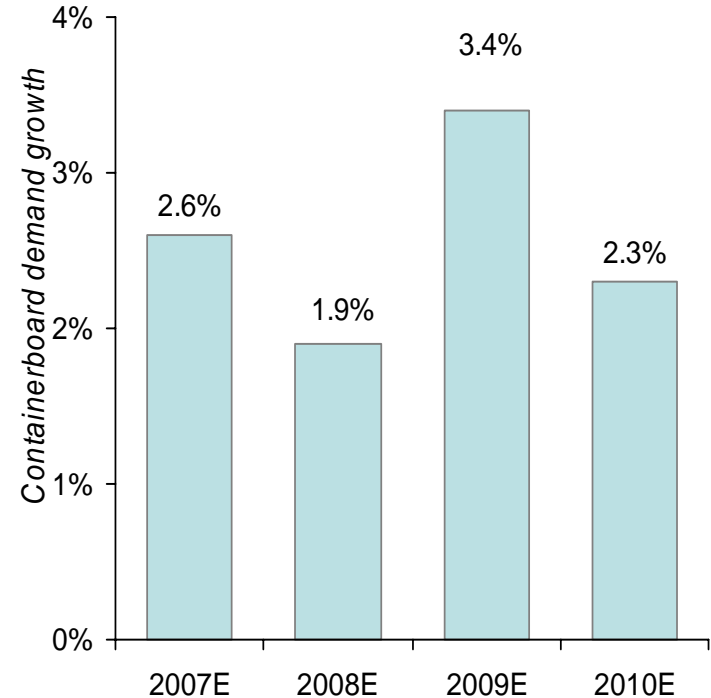
Emerging supply side discipline

Capacity Discipline | '05 to '07

1.6m tonnes addition

2.0m tonnes closures

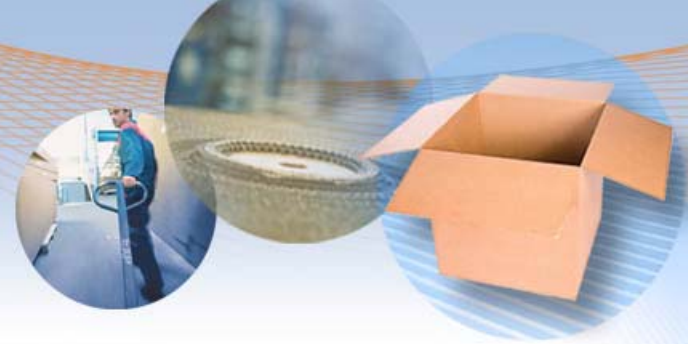
European demand growth



Source: RISI

SKG Outlook

Delivering to Plan



Strong demand growth

Balanced capacity

Rising input costs

Positioned to deliver
continued EBITDA growth

Key investment highlights



Focused market leader

Improving industry with robust outlook

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