

Smurfit Kappa Group

March, 2008



people
innovative



market leader
latin america
europe
growth
integrated

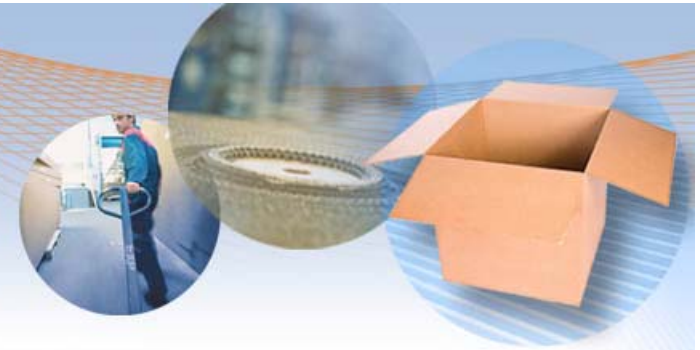
 **Smurfit Kappa Group**

Presentation Agenda

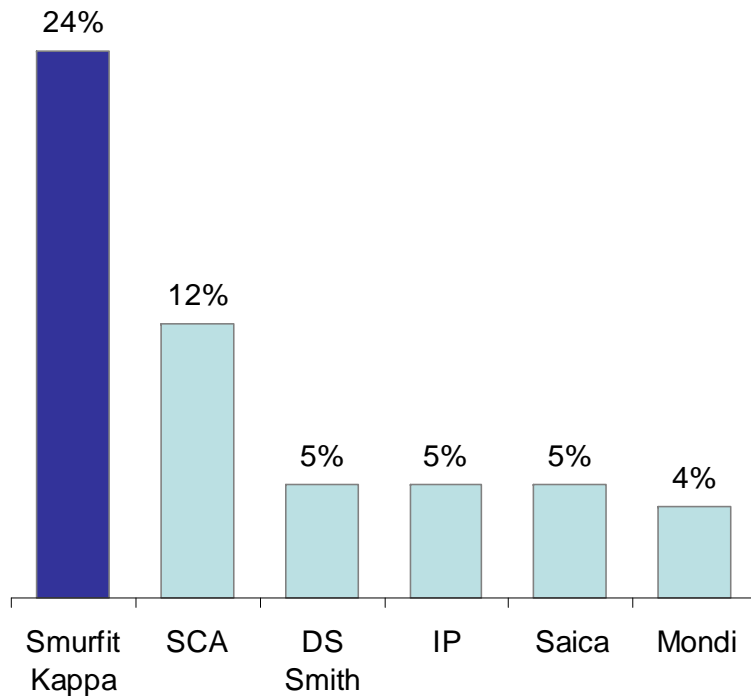


- Business Overview
- Performance Highlights
- Operating and Market Review
- Financial Review
- Outlook

SKG | Corrugated Industry Leader

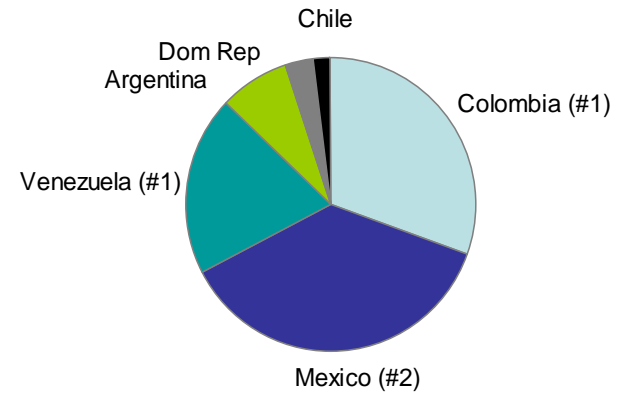


Focused European leader

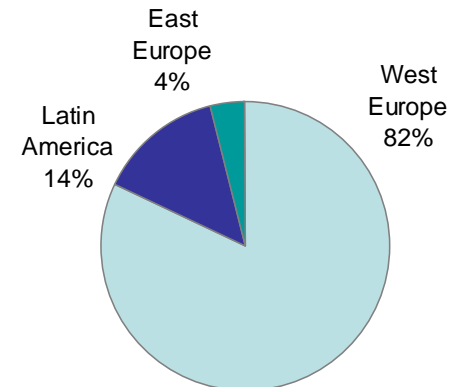


Source: 2005 production - RISI, company estimates based on Europe excl Russia

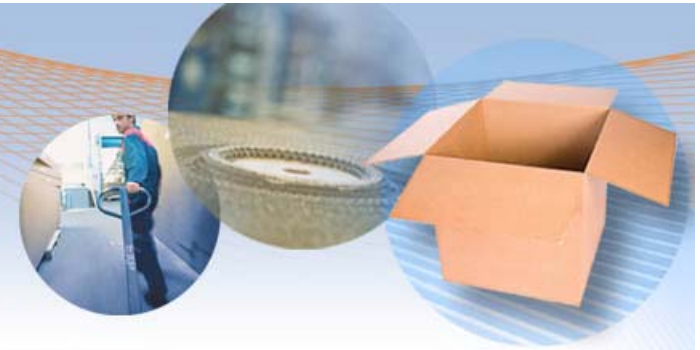
The only Pan Lat-Am player



Gross sales split by region (2007)



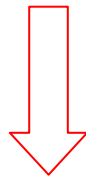
Industry pricing dynamics



**Input costs increases
(OCC, Energy)**

*Negative impact
on earnings*

catalyst

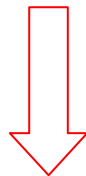


Quick pass through

**Recycled containerboard
price increase**

*Pressure into
integrated model*

catalyst



3 to 6 month time lag

**Corrugated box price
increases**

*Profit
enhancement*

SKG Corrugated Pricing structure

Fixed prices

**Indexed prices
(3 or 6 mths)**

**Open
negotiation**

Sensitivity analysis



EBITDA impacts (€m)

Recovered fibre (OCC) + €10/t	(50)
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Wood prices + 10%	(30)
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Oil Barrel + \$10	(15)
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Corrugated volume + 1%	14
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Corrugated price + 1%	45
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Interest rates – 1% move	(12)
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Source: Company data, Sensitivity numbers for European operations (except Oil & interest rate: Group)

Performance Highlights

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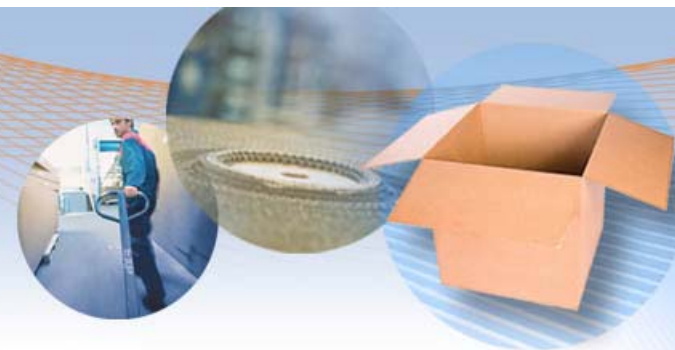
The graphic features three circular inset images: a cardboard box, a person in a blue jacket operating a pallet jack, and a close-up of a circular object. A stylized world map is composed of blue dots, with the Americas and Europe highlighted. The background has a light blue gradient at the top and a wavy orange pattern at the bottom.

Performance Highlights

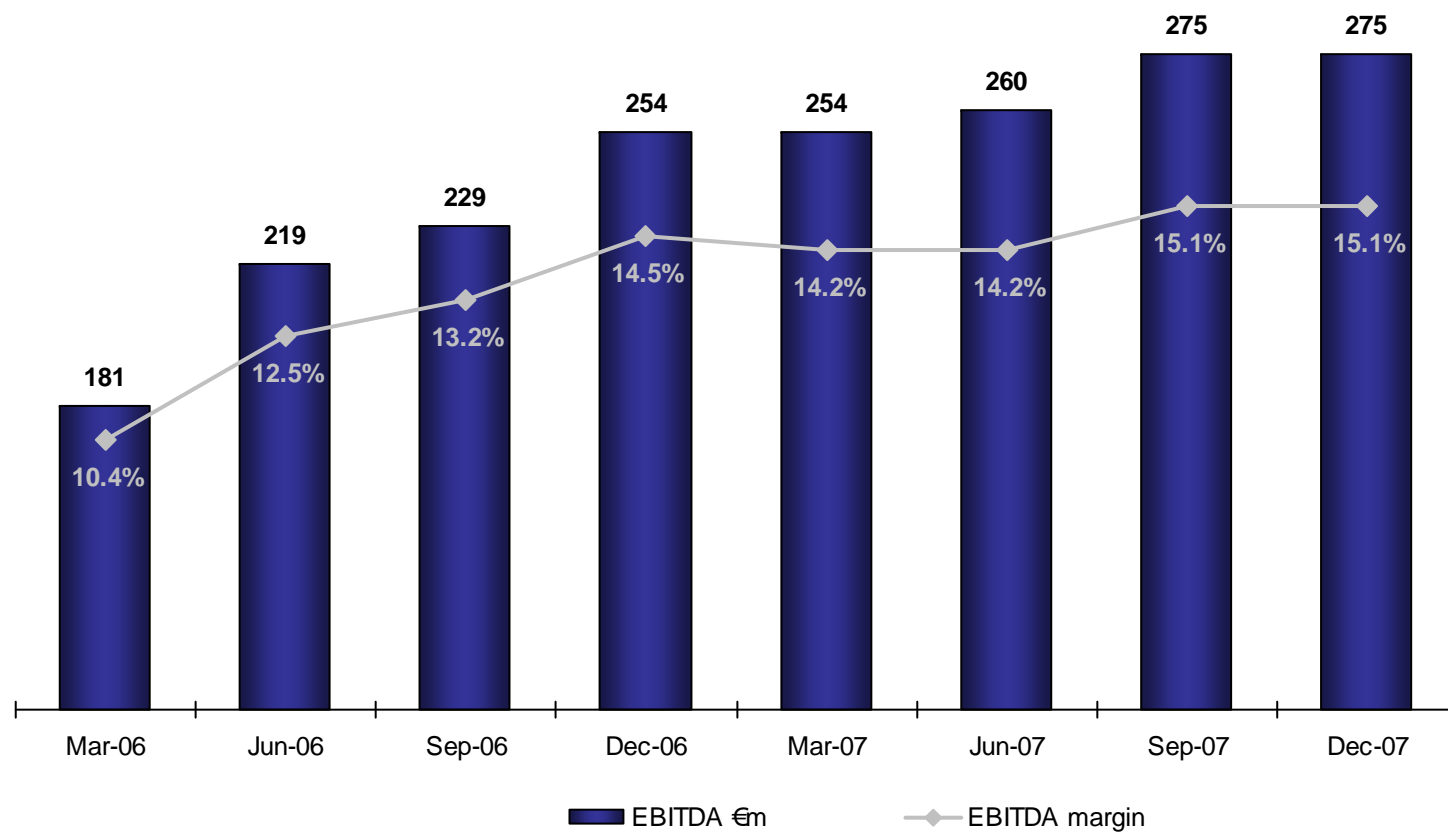


- **20% EBITDA growth**
Full year EBITDA of €1,064 million
- **Industry leading EBITDA margins**
Full year EBITDA margin increase to 14.6 per cent
- **Strong Cash Flow generation**
Full year Free Cash Flow of €186 million
- **30% net debt reduction**
Net debt to EBITDA of 3.2x – below the bottom end of the IPO range
- **Synergy target exceeded**
Increased synergy target to €180 million
- **Final dividend proposed of €16.05cts**

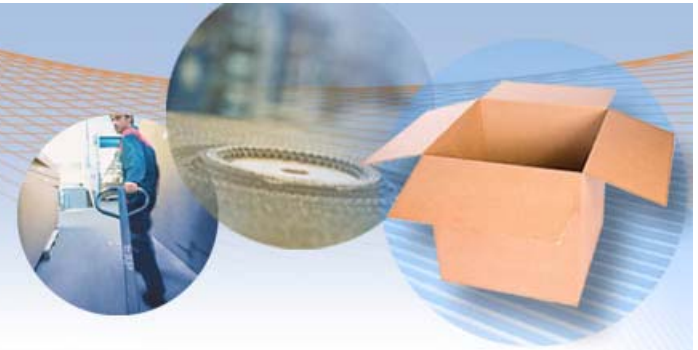
SKG | Strong EBITDA growth



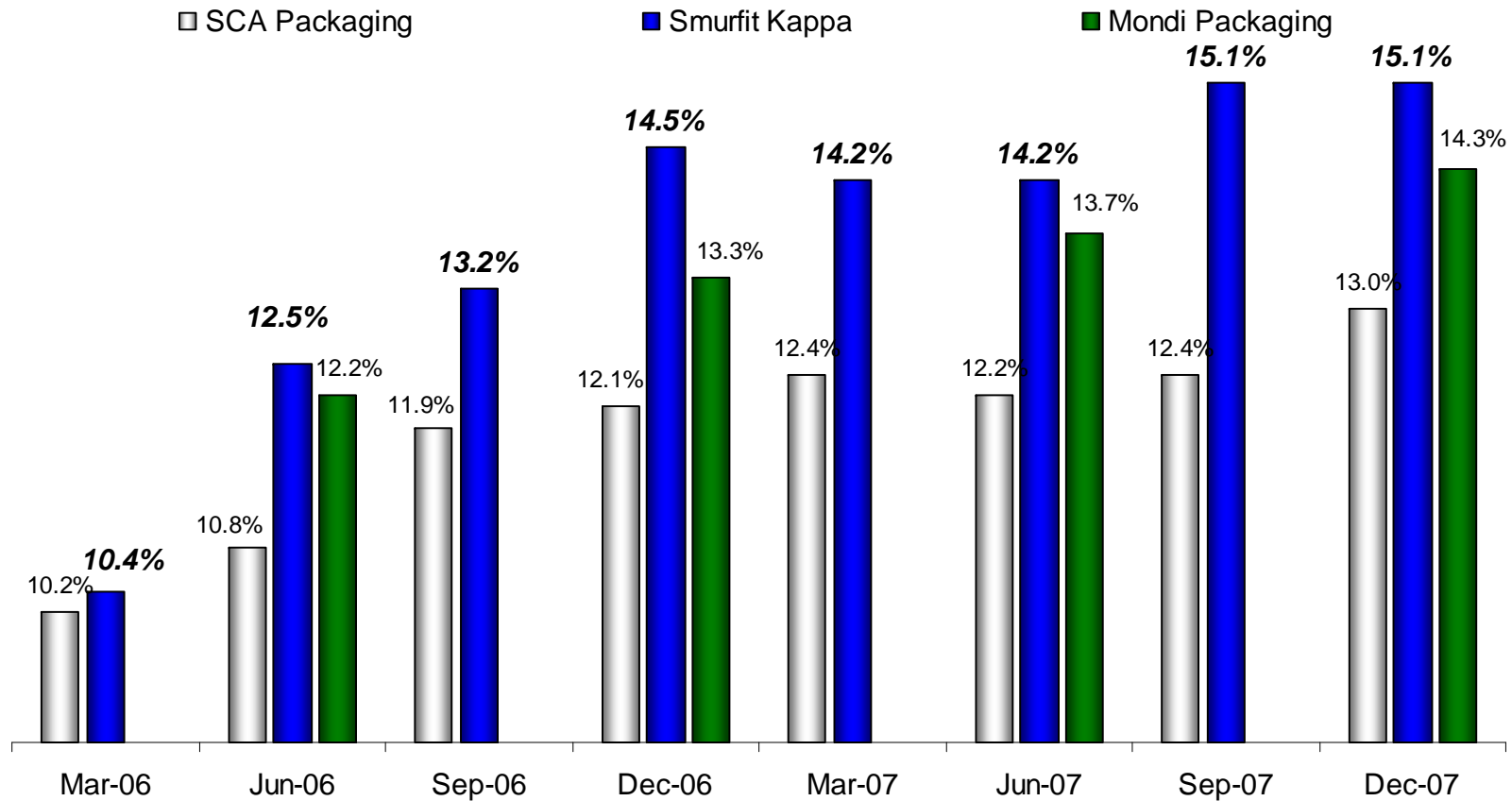
Quarterly EBITDA and Margin Progression (€m)



Industry Leading EBITDA Margins

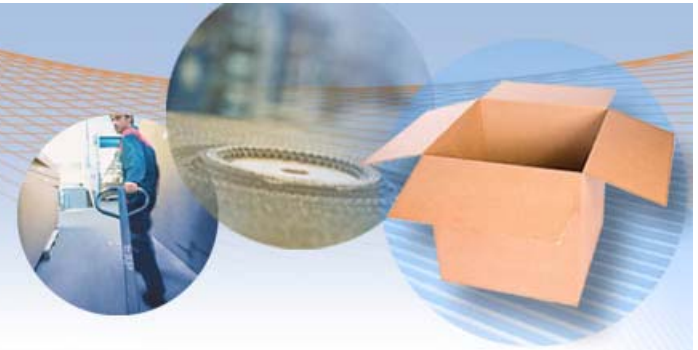


Comparative EBITDA Margins

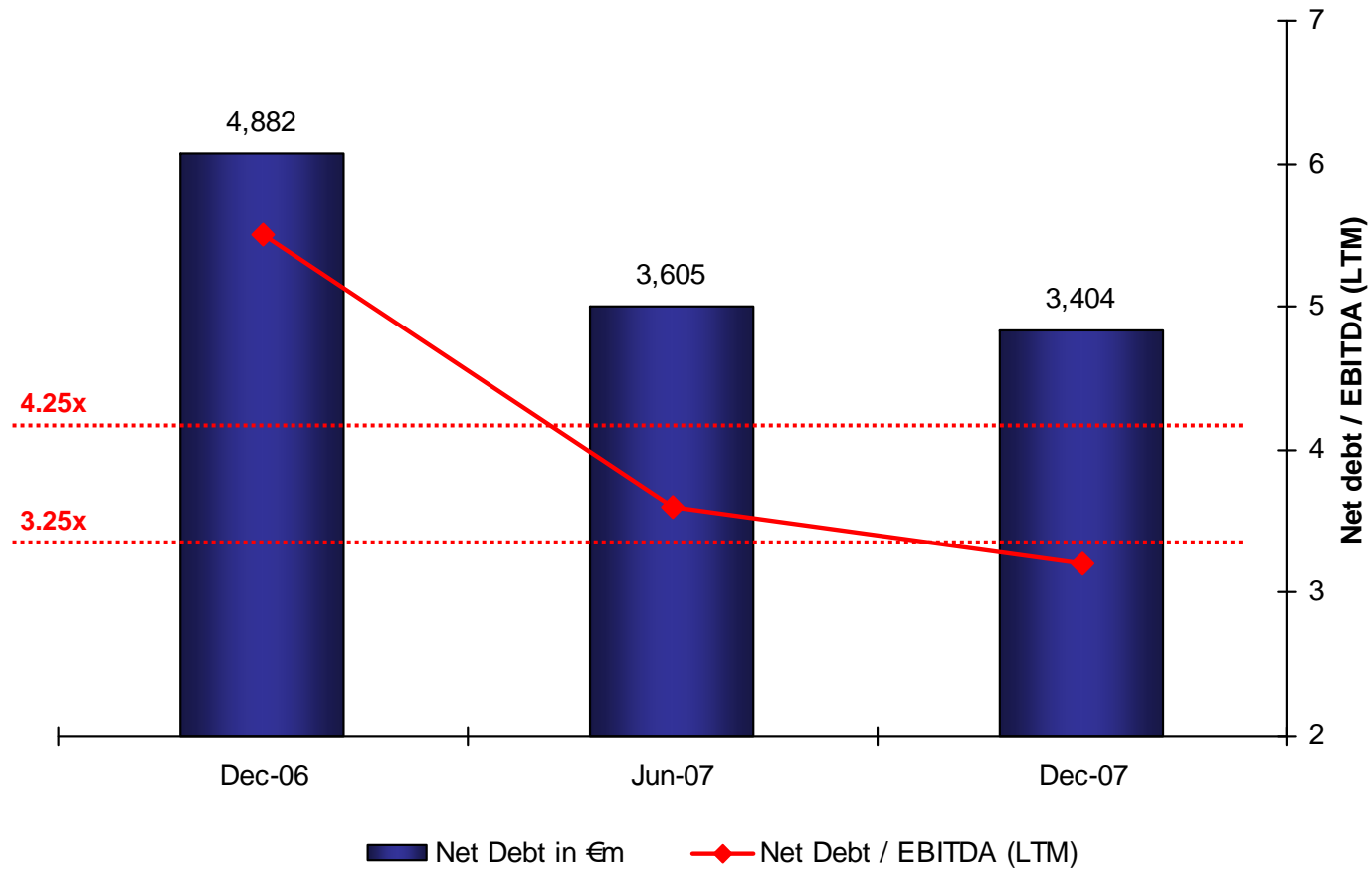


Note: Quarterly data for Smurfit Kappa and SCA; half yearly data for Mondi Group
 Source: Smurfit Kappa data, SCA Reports, Mondi Group Reports

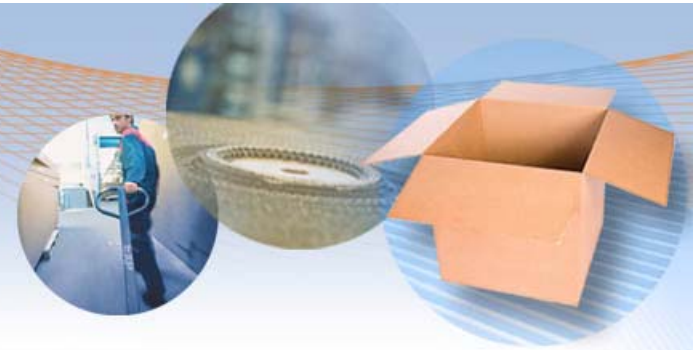
IPO leverage targets exceeded



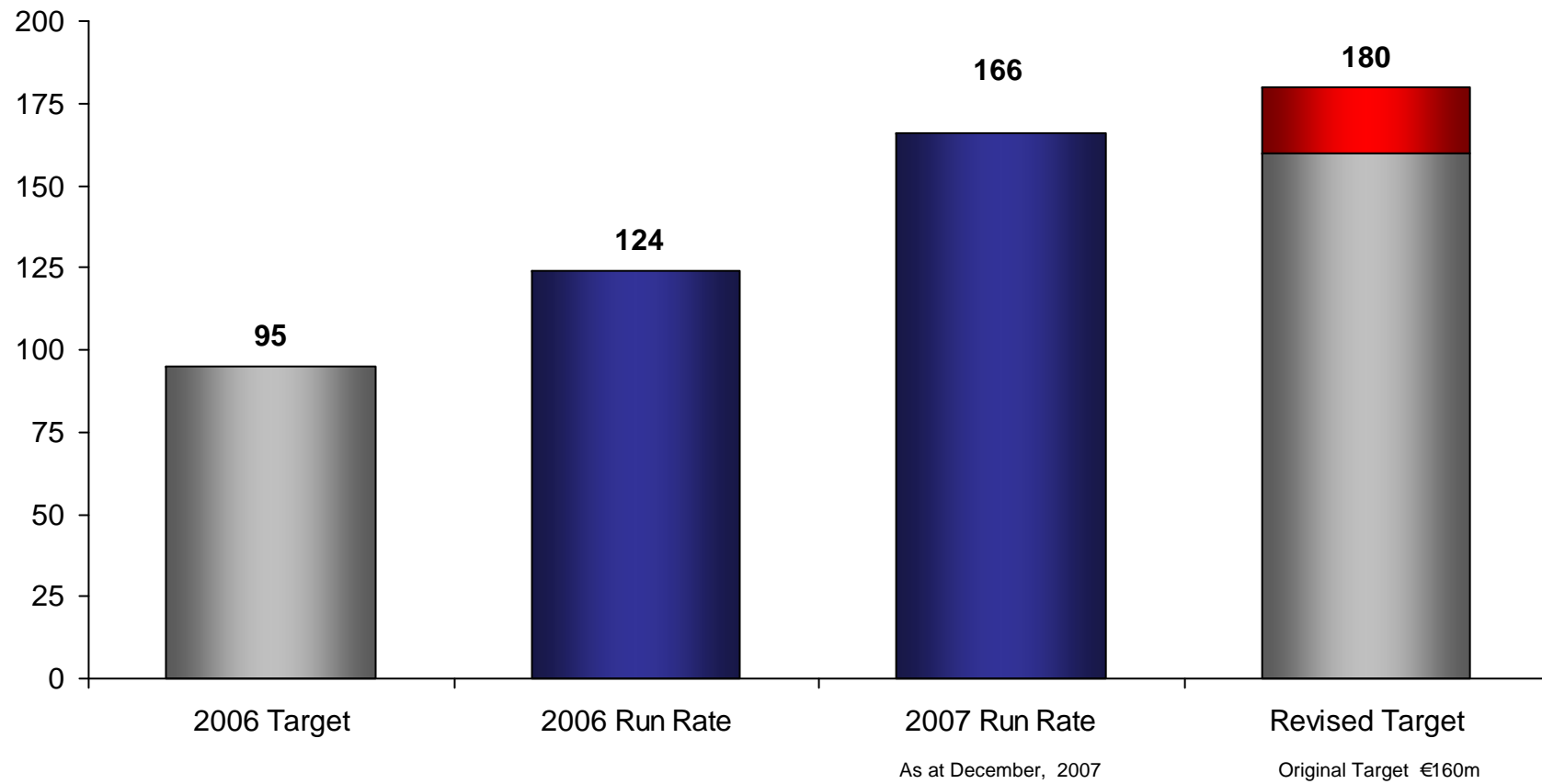
Significant net debt reduction



IPO synergy targets exceeded



Synergy Run Rate (€m)



Operating & Market review

people

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market leader

latin america

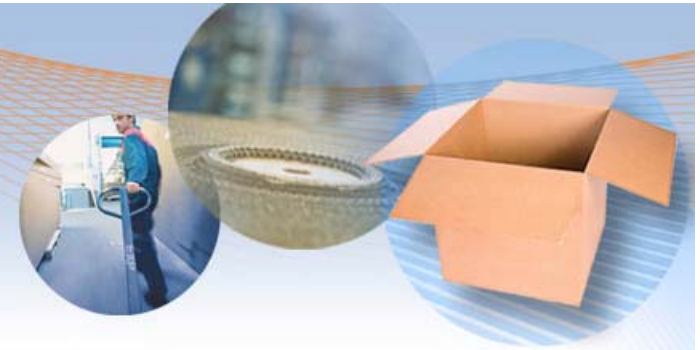
europe

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 **Smurfit Kappa Group**

Packaging | European Containerboard



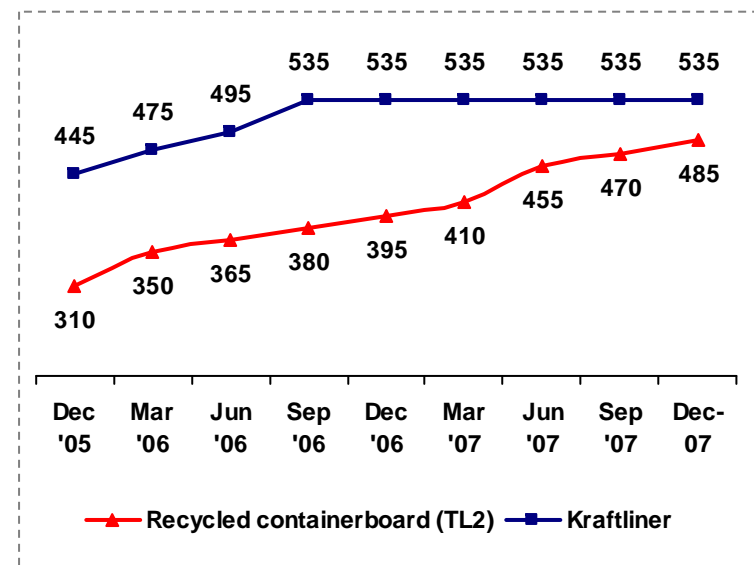
➤ Recycled – Strong Momentum

- Balanced market
- Price recovery
- Continuing input cost pressure

➤ Kraftliner – Different Drivers

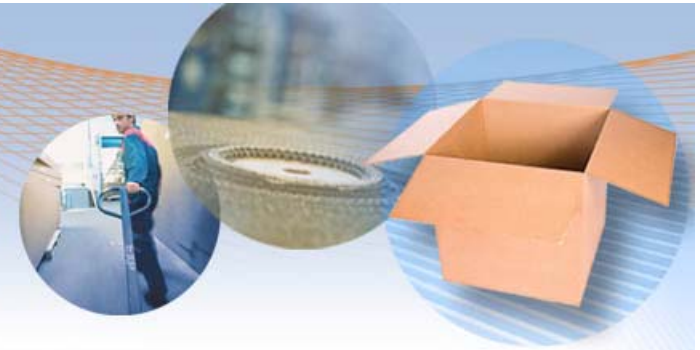
- Increased imports
- Pricing pressure in Europe
- Wood costs increasing

Containerboard pricing evolution



Source: PPI, German prices in Euro per tonne

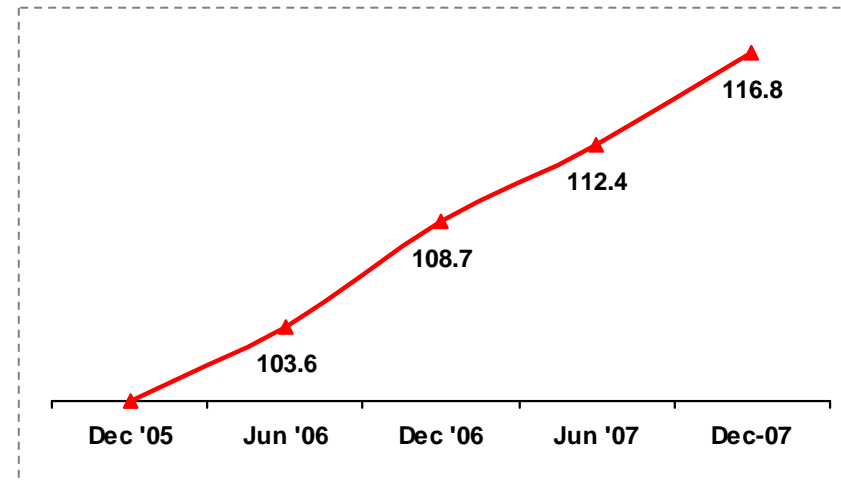
Packaging | European Corrugated



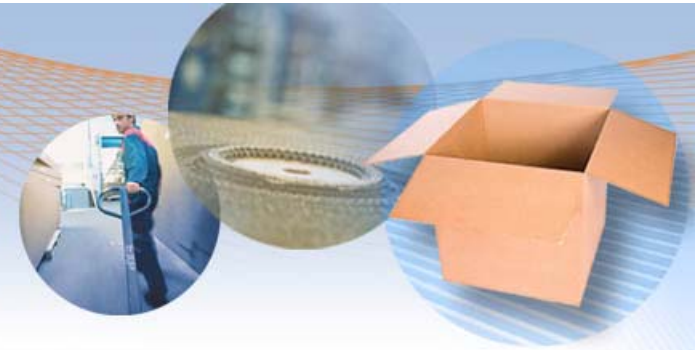
➤ SKG's Business Driver:

- Positive demand growth
- Continued price recovery
- Short-term margin compression
- Further price recovery expected in 08

SKG Corrugated Pricing Evolution

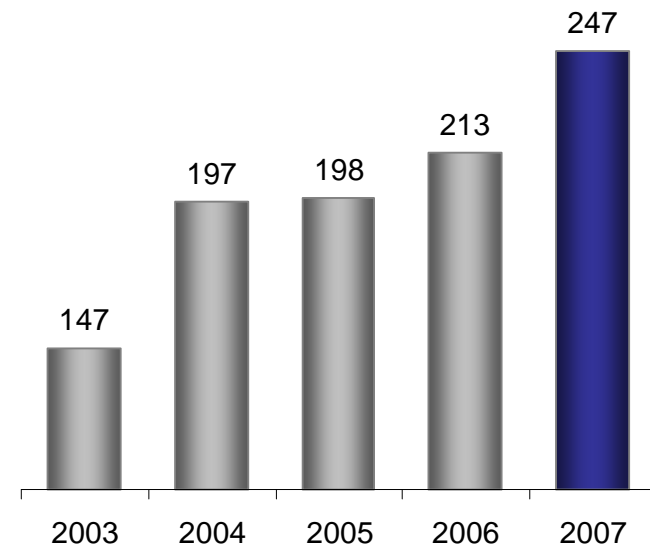


Packaging | Latin America



- Increasing EBITDA contribution
- Strong regional demand growth
- Good pricing momentum in all countries
- Leading market positions
- Portfolio of businesses and markets

Latin American EBITDA (US\$m)



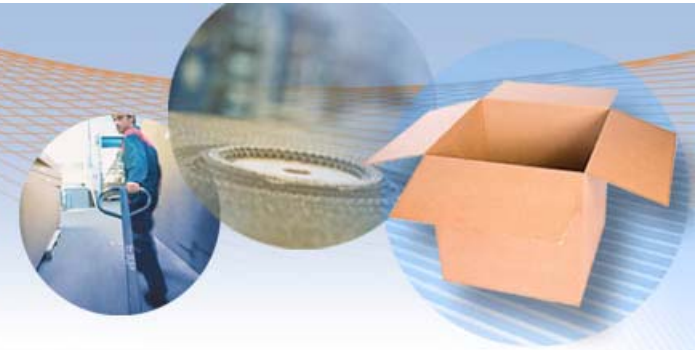
Specialties



- Improved divisional performance year-on-year
- Solidboard & boxboard:
 - Recovery of strong input cost increase remains challenging
- Sacks & Sack kraft:
 - Tight market & very good pricing momentum for sack kraft paper
 - Converting more challenging in 07, positive negotiations for 08
- Bag-in-Box:
 - Strong growth & superior profitability
 - Acquisition & greenfield in 07 to support growth

Costs

2007 Full Year | Europe



European Headline Cost movements

Recovered Fibre	+8%
Wood	+14%
Other Raw Material	(6%)
Distribution	(2%)
Energy	(1%)
Labour	(2%)
Other	(5%)

European Underlying Cost movements

Recovered Fibre	+24%
Wood	+18%
Other Raw Material	+11%
Distribution	Unch
Energy	+3%
Labour	+1%
Other	+3%

Financial review

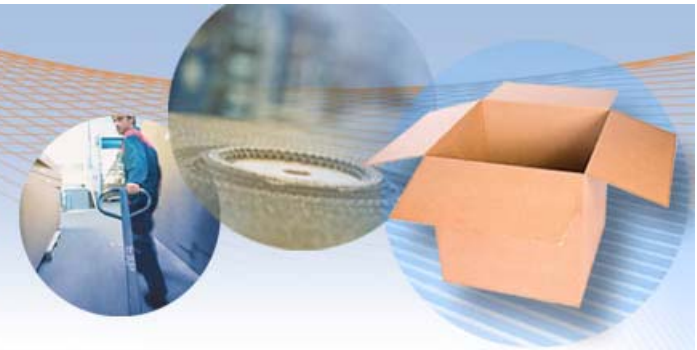
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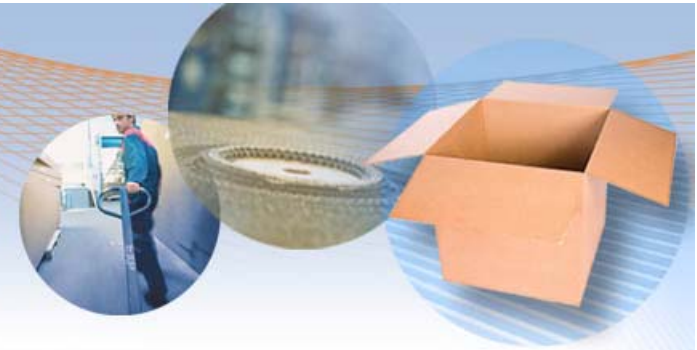
Debt Paydown

Improved balance sheet and dynamic ratios



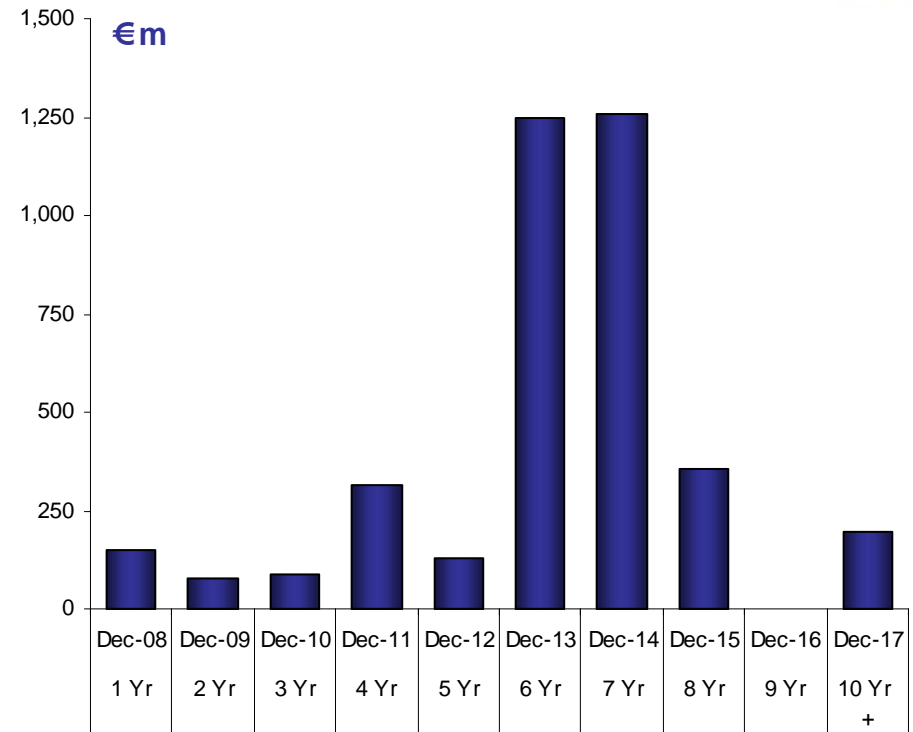
	€m	Net debt to EBITDA
Net debt at December 31, 2006	(4,882)	5.5x
Free cash flow	186	
IPO proceeds	1,495	
IPO costs	(62)	
Refinancing costs	(84)	
Other	(57)	
Net debt at December 31, 2007	(3,404)	3.2x
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EBITDA to net interest	2.6x	

Strengthened Financial Position

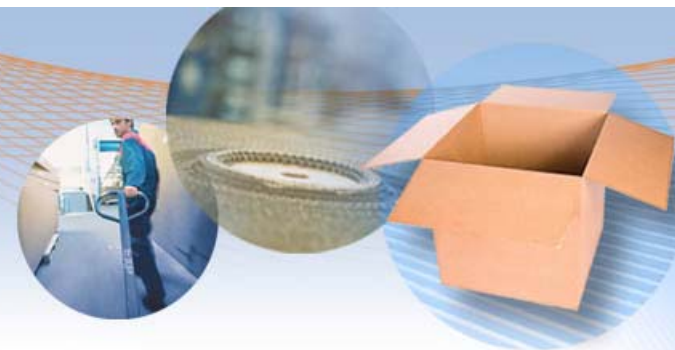


- Well structured debt portfolio
- High cost debt repaid
- Cost of existing debt reduced
Average interest cost 6.2%
- No material near term maturities
- Flexible covenant structure

SKG Debt Maturity Profile



SKG | Focus on cash



<i>Analyst 2008 estimates *</i>	SKG	SCA	Mondi
Working Capital / Sales	8.1%	8.9%	12.9%
Cash Tax / EBITDA	6.8%	11.1%	9.7%
Capex / Depreciation	100%	110%	210%
Free Cash Flow Yield	18.5%	7.4%	negative

Combined public and private equity disciplines

Outlook



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Industry Outlook



➤ Supply:

- 2008/09: No material capacity additions
- Mid-09/2010: New capacity introduced
- Supply side discipline
- Expected further closures of higher cost capacity

➤ Demand:

- Est. demand growth '08-'10 = 2.6% p.a. *

* Source: RISI, Western & Central Europe

SKG Outlook



“ Our corrugated operations have performed well year to date in 2008, in an operating environment where supply and demand are reasonably balanced. Assuming current market conditions prevail, SKG expects modest EBITDA growth for 2008 together with continuing and significant free cash flow generation.”

Medium-term SKG Opportunities



Further leverage reduction

Strengthening financial platform to:

- Participate in industry consolidation opportunities
- Increase exposure to higher growth markets
- or*
- Return excess capital to shareholders

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