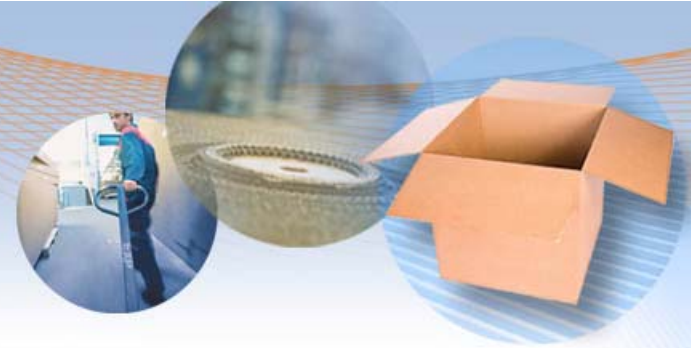


Smurfit Kappa Group

Results presentation, Q2 and H1 2008

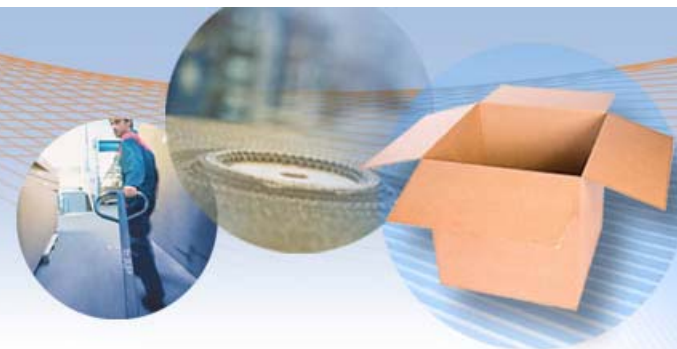


Agenda



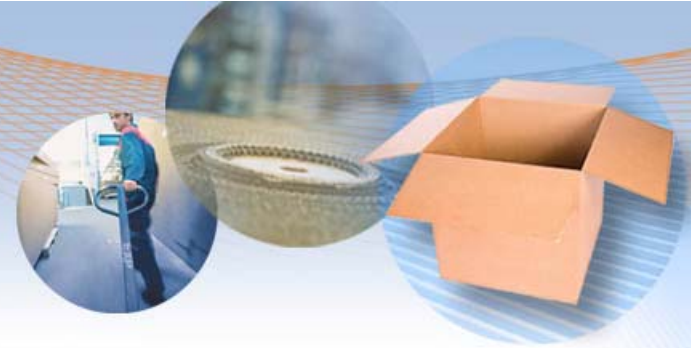
- Delivering strong performance through the cycle
- Financial review | 2008 H1
- Cash focus & financial discipline
- Strategy & Outlook

Performance Highlights | 2008 H1



		H1 2008	H1 2007	Increase Y-on-Y
Revenue	(€m)	3,678	3,625	+1%
Pre-Exceptional EBITDA	(€m)	514	514	-
<i>EBITDA margin</i>		14.0%	14.2%	-
Free cash flow	(€m)	77	(37)	-
Net debt	(€m)	3,285	3,605	(9%)
ROCE		11.3%	10.5%	

Delivering strong performance through the cycle



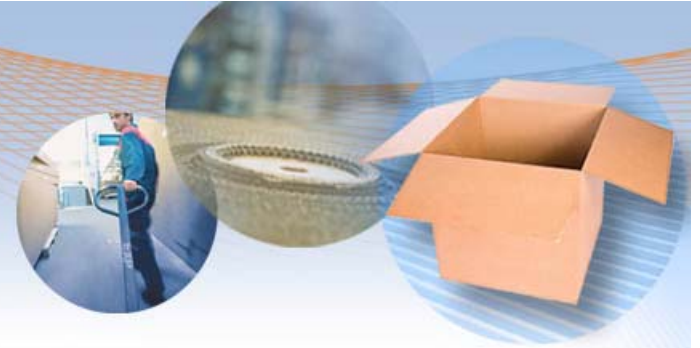
Strong customer focus & geographic spread

Continuous focus on operating efficiency

Increasingly efficient operating platform

Latin American advantage

Strong customer focus & unique geographic spread

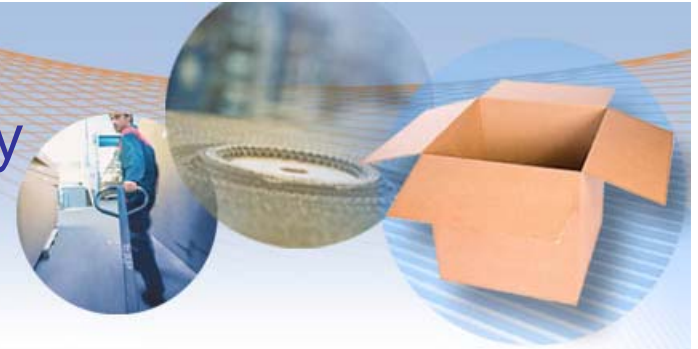


- Focused market leader
- 60% of SKG customers in Food & Beverage
- Loyal customer base
- Unique offering for Pan-European customers
 - Presence in 22 countries in Europe
 - Ability to offer full packaging product range across a broad range of markets
- Superior demand growth in Latin America

Unique Corrugated plants network



Continuous focus on operating efficiency



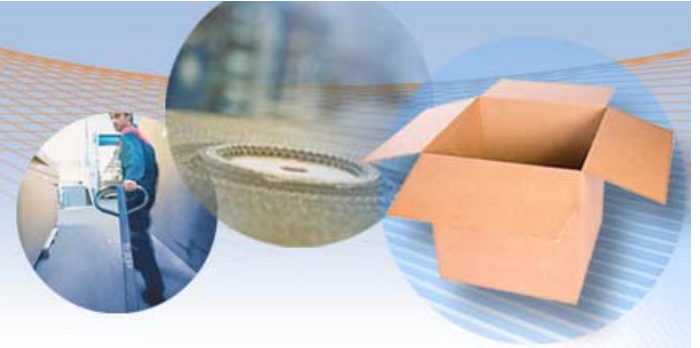
- **Corrugated: “Price not Volume”**
 - Broadly recovered 2006/07 cost increases
 - Stable prices in Q2 2008
- **Containerboard: efficient capacity management**
 - Permanent closure of 130,000 tons in H2 2008
 - 80,000 tons of market-related downtime in 08
- **Unrelenting cost control**

Optimised Working Capital

	Working Capital to Sales <i>H1 2008</i>
SKG	10.4%
SCA	12.3%
Mondi	15.5%

Source: Company, SCA and Mondi H1 2008 Reports

Increasingly efficient Recycled Containerboard system

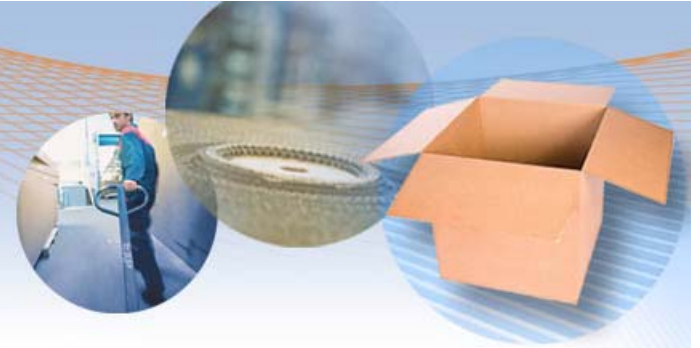


- Inevitable industry casualties if current conditions sustain :
 - Recycled containerboard prices declined by €90 per tonne to July
 - Cost base increased by €70-€80 per tonne since 2005 trough

- SKG system increasingly efficient :
 - Permanent closure of all higher cost capacity (20% of recycled capacity closed since 2005)
 - Optimised delivered cash cost of production
 - High quality system, no longer a likely source of material capacity rationalisation

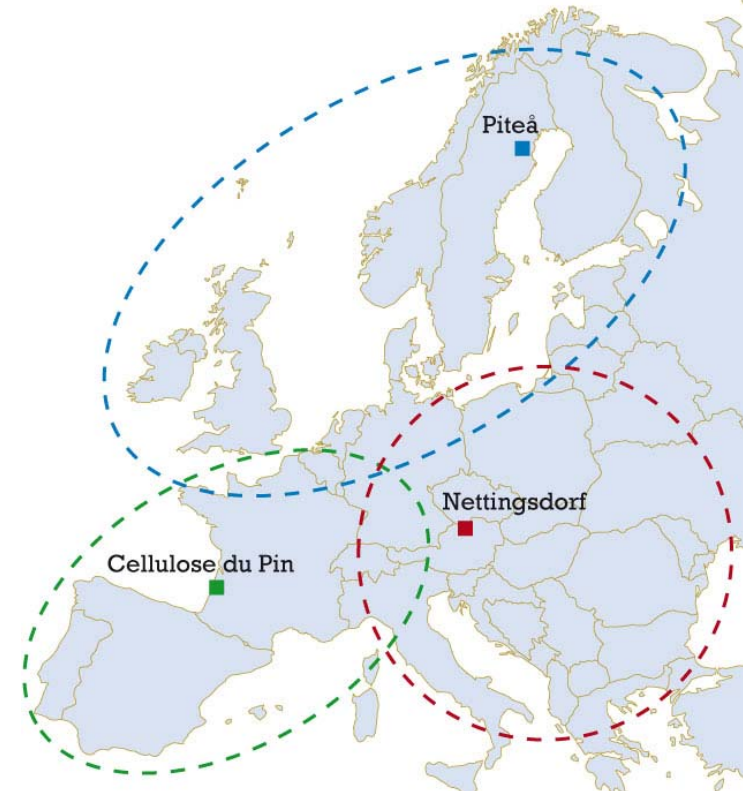
- SKG benefits from integration:
 - Reduced earnings volatility
 - Secure customers in oversupplied market

Most advanced Kraftliner system in Europe

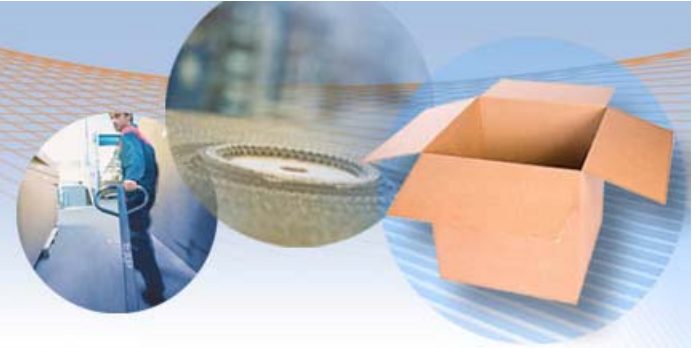


SKG kraftliner mill system

- Ideal locations close to raw materials & end markets
- Major barriers to entry, no new capacity
 - Replacement cost of SKG system > €3.0 bn
- High market share, especially in White-Top
 - Best grade, margins 50% higher than Brown Kraft
- Low cost position
 - Wood: lower inflation through geo. diversity
 - Energy: state of the art boilers & pro-active hedging
- Announced price increases for Q4 2008

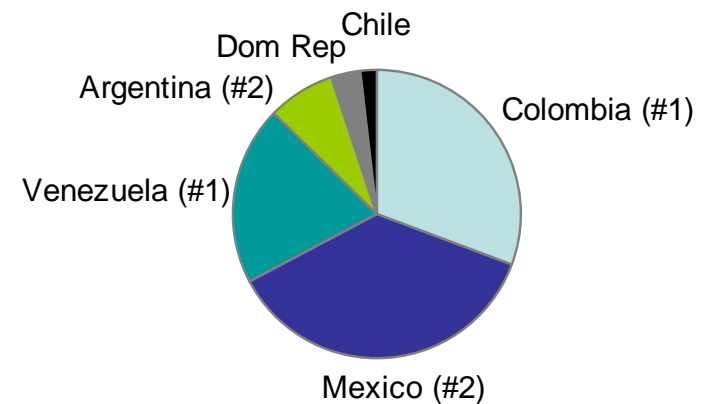


Latin American advantage

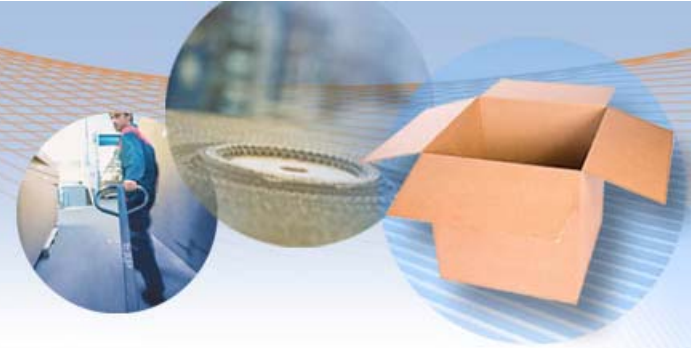


- Leading market positions
- Highly consolidated markets
- Strong barriers to entry
- Incentivised local management with excellent track record
- Portfolio of businesses and markets

Unique pan-Regional presence

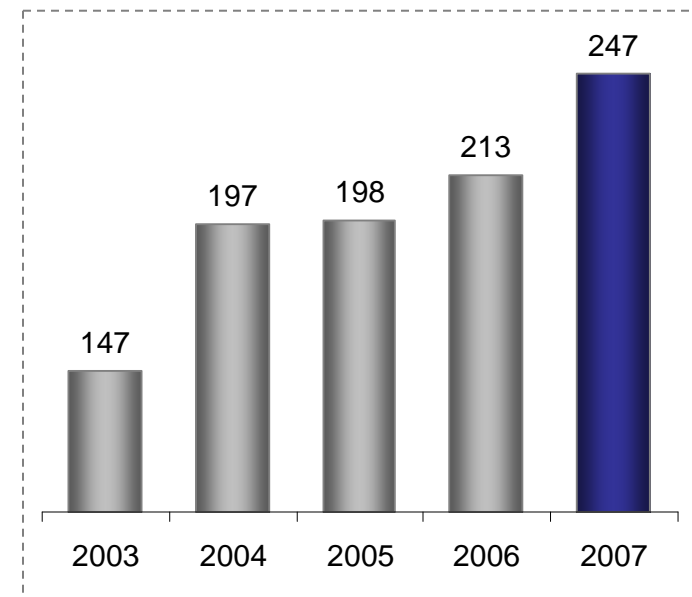


Latin American advantage



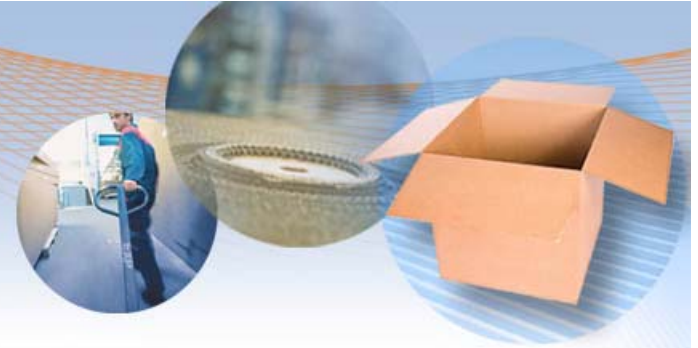
- Superior business growth
- 20% average EBITDA margins
- Enhanced cost control through forestry & OCC integration
- Track record of effective cash extraction
- Target market for growth

Latin American EBITDA (US\$m)



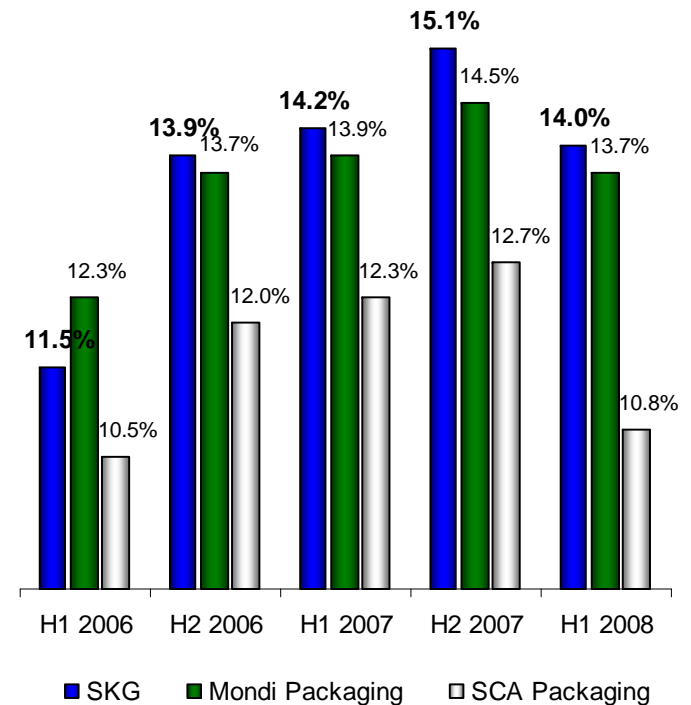
Source: company data

Strong returns through the cycle



- Continuous focus on margins
- Best in Class operators
- Increasingly efficient, high quality assets
- Unrelenting pressure on cost reduction
 - €180m of synergies achieved from 2005-08
 - New €160m cost Take-out program for 2008-10
- Superior margins in Latin America

Industry leading EBITDA margins



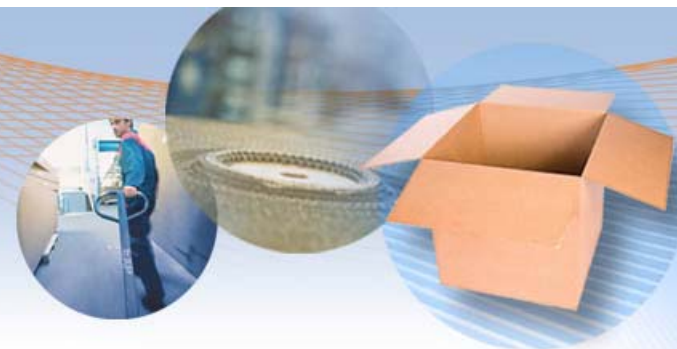
Source: SKG data, SCA and Mondi (restated) Annual and H1 08 Reports

Financial review | 2008 H1

people
innovative
market leader
latin america
europe
growth
integrated

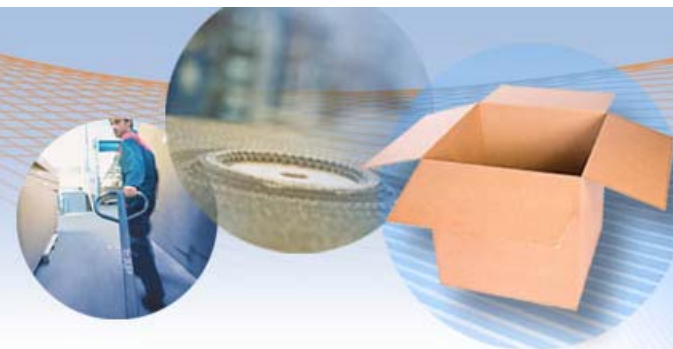
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Financial review | 2008 H1



		H1 2008	H1 2007	Increase Y-on-Y
Revenue	(€m)	3,678	3,625	+1%
Pre-Exceptional EBITDA	(€m)	514	514	-
<i>EBITDA margin</i>		14.0%	14.2%	-
Operating profit	(€m)	312	300	+4%
<i>Pre-exceptional</i>				
Profit before tax	(€m)	180	139	+30%
<i>Pre-exceptional</i>				
Basic EPS	(€cts)	56.7	(21.9)	n/a

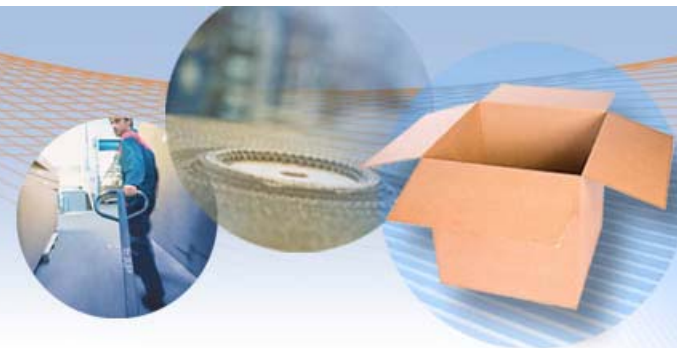
Financial review | 2008 Q2



		Q2 2008	Q2 2007	Increase Y-on-Y
Revenue	(€m)	1,846	1,831	+1%
Pre-Exceptional EBITDA	(€m)	257	260	(1%)
<i>EBITDA margin</i>		13.9%	14.2%	-
Operating profit	(€m)	156	159	(2%)
<i>Pre-exceptional</i>				
Profit before tax	(€m)	90	96	(6%)
<i>Pre-exceptional</i>				
Basic EPS	(€cts)	38.3	14.4	+166%

Segmental analysis | 2008 H1

Packaging division



		H1 2008	H1 2007	Increase Y-on-Y
Revenue	(€m)	3,190	3,154	+1%
Operating profit	(€m)	304	302	+1%
<i>Pre-exceptional</i>				
Exceptionals	(€m)	(28)	(18)	-
Operating profit	(€m)	275	284	(3%)
<i>Post-exceptional</i>				

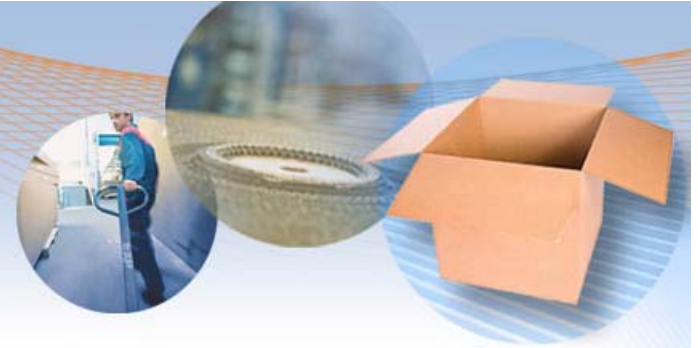
Segmental analysis | 2008 H1

Specialties division



		H1 2008	H1 2007	Increase Y-on-Y
Revenue	(€m)	488	471	+4%
Operating profit	(€m)	31	24	+30%
<i>Pre-exceptional</i>				
Exceptionals	(€m)	-	(7)	-
Operating profit	(€m)	31	17	+88%
<i>Post-exceptional</i>				

Cost & Cost Savings Initiative



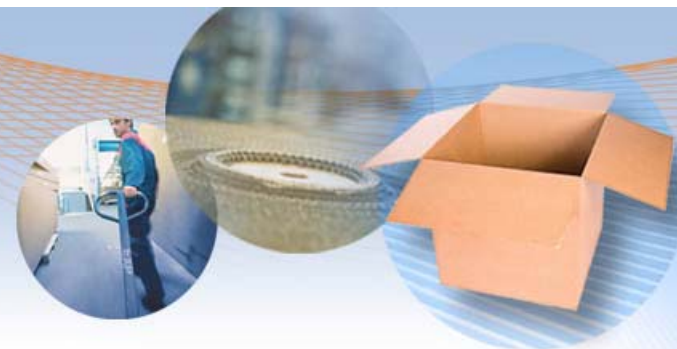
	Underlying cost movement (H1 08 vs. H1 07)
OCC	15%
Energy	10%
Wood	5%
Labour	2%
Distribution	0%
Expected cost increase for 2008 (excl. fibre & energy)	2.5%

SKG Competitive advantages

- **Energy**
 - *Pro-active hedging*
 - *High level of self-sufficiency*
- **Wood**
 - *Lower cost inflation in France and Austria*
- **Distribution**
 - *Continuous optimisation of integrated system*

- New cost take-out program for up to €160 million by 2010

Cashflow | 2008 H1



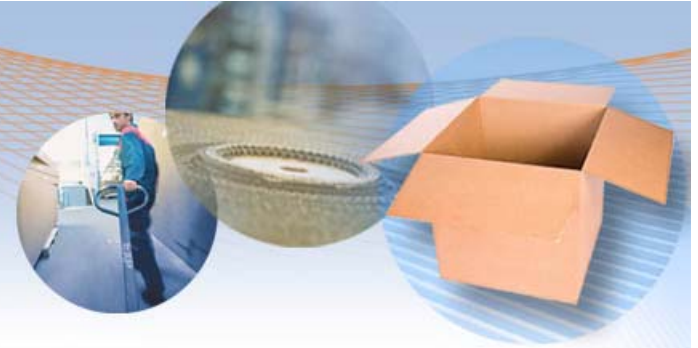
€m	H1 2008	H1 2007
Pre-exceptional EBITDA	514	514
Exceptional items	-	(14)
Cash interest	(122)	(151)
Working capital change	(83)	(98)
Current provisions	(23)	(61)
Capital expenditure	(128)	(147)
Change in capital creditors	(19)	(48)
Tax paid	(30)	(25)
Other	(32)	(7)
Free cash flow	77	(37)

Cash focus & financial discipline

people
innovative
market leader
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europe
growth
integrated

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Strengthened Financial Capacity



➤ Strong cash flow generation across industry cycle

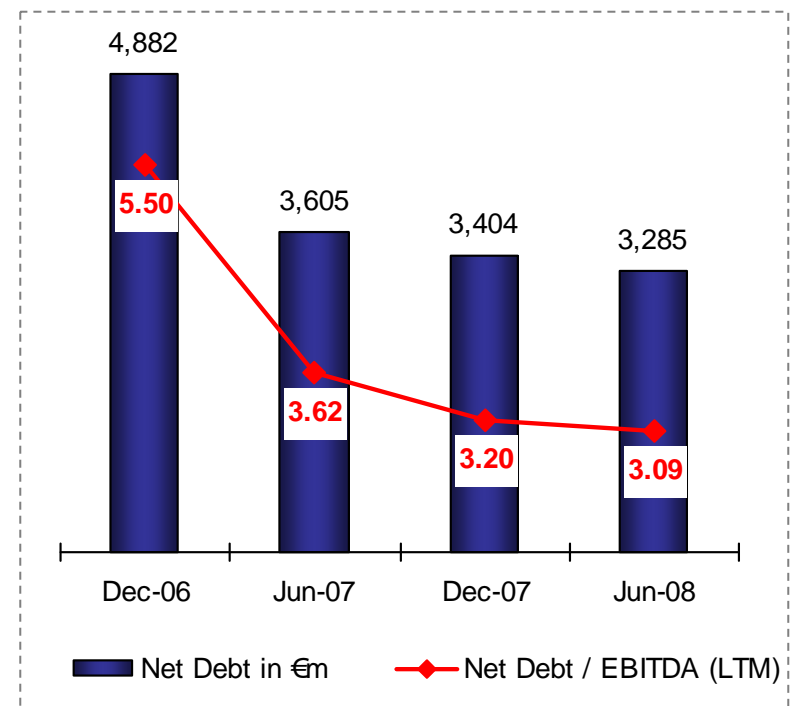
- Capital expenditure < 100% depreciation
- Lowest working Capital in industry
- Sustainable low cash tax rate

➤ Free Cash flow yield > 25% *

➤ Cash flow mainly applied to leverage reduction

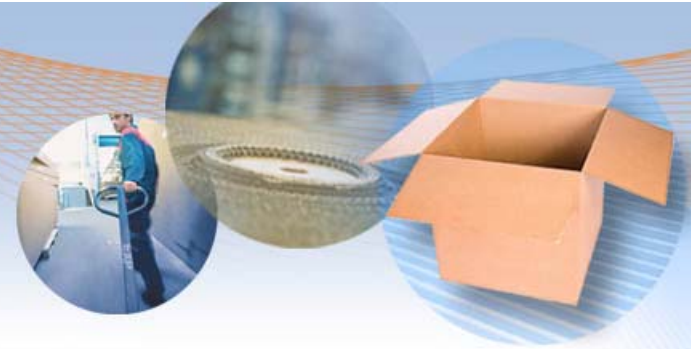
➤ Strong liquidity

Continuous net debt reduction



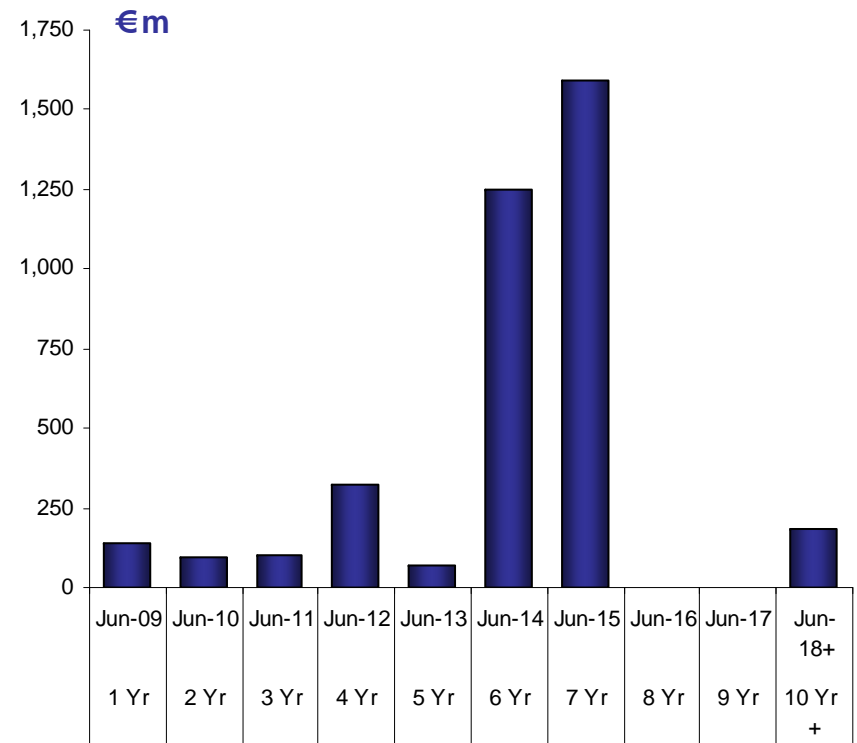
* Market consensus for 2008, as of market close on 5 August 2008

Well Managed Debt Structure



SKG Debt Maturity Profile

- S&P and Fitch upgrade to BB
- Average interest cost = 6.2%
- Flexible covenant structure
- Positive cash generation through the cycle



Strategy & Outlook

people

innovative

market leader

latin america

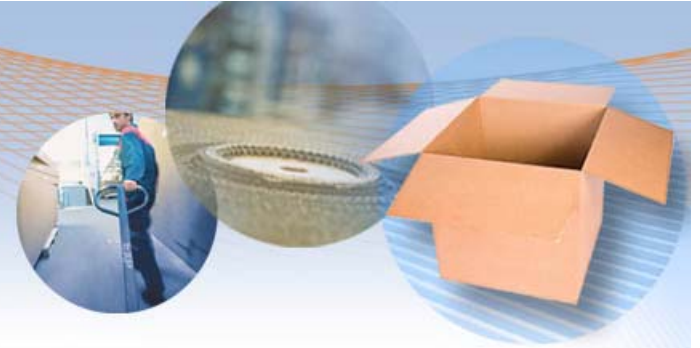
europe

growth

integrated

 **Smurfit Kappa Group**

Medium-term value drivers

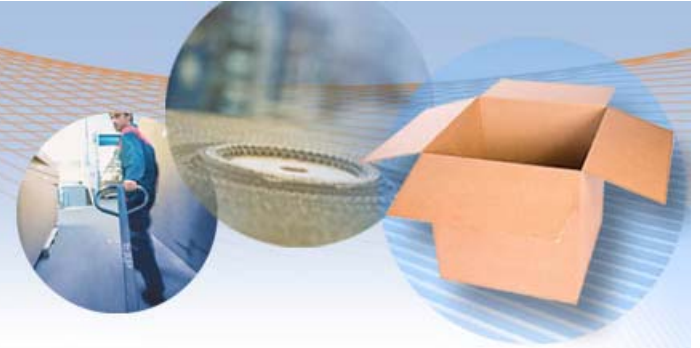


- **Management has proven its ability to manage through the cycle**
 - Previously delivered through the cycle
 - Are delivering in current challenging environment

- **Strengthening financial platform**
 - Strong free cash flow generation
 - Initial debt paydown objectives exceeded
 - Effective debt structure

- **Selectively increasing exposure to higher growth markets**

Well positioned to continue delivering strong returns through the cycle



Strong customer focus and geographic spread

Increasingly efficient operating platform

Strengthened financial capacity

Continued capital restraint

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