

2007 First Half Results

August, 2007



people
innovative

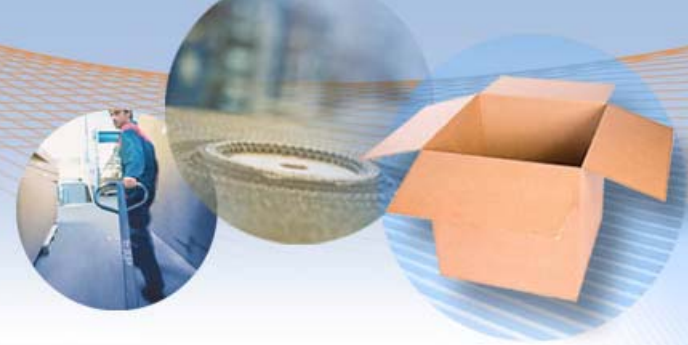
market leader

latin america

integrated
europe
growth

 Smurfit Kappa

Presentation Agenda



- Highlights
- Operating and Market Review
- Financial Review
- Outlook
- Q&A

2007 First Half Results

Highlights & Operating/Market review

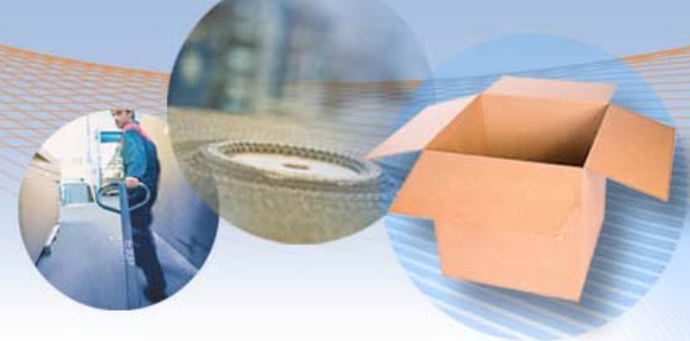


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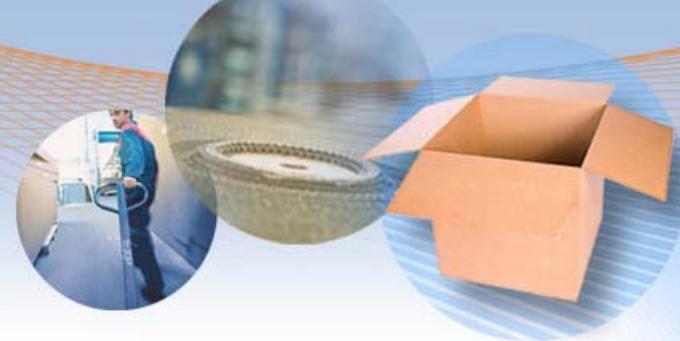
 Smurfit Kappa

Financial Highlights | 2007 Q2



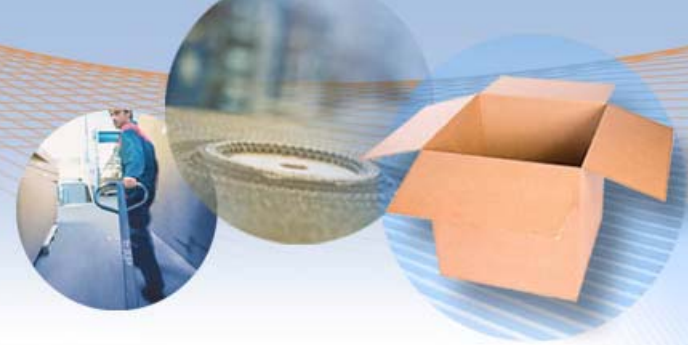
		Amount	Increase Y-on-Y
Revenue	(€m)	1,831	+4%
Pre-Exceptional EBITDA	(€m)	260	+18%
<i>EBITDA margin</i>		14.2%	+1.7pts
Free cash flow	(€m)	3	NM

Financial Highlights | 2007 H1

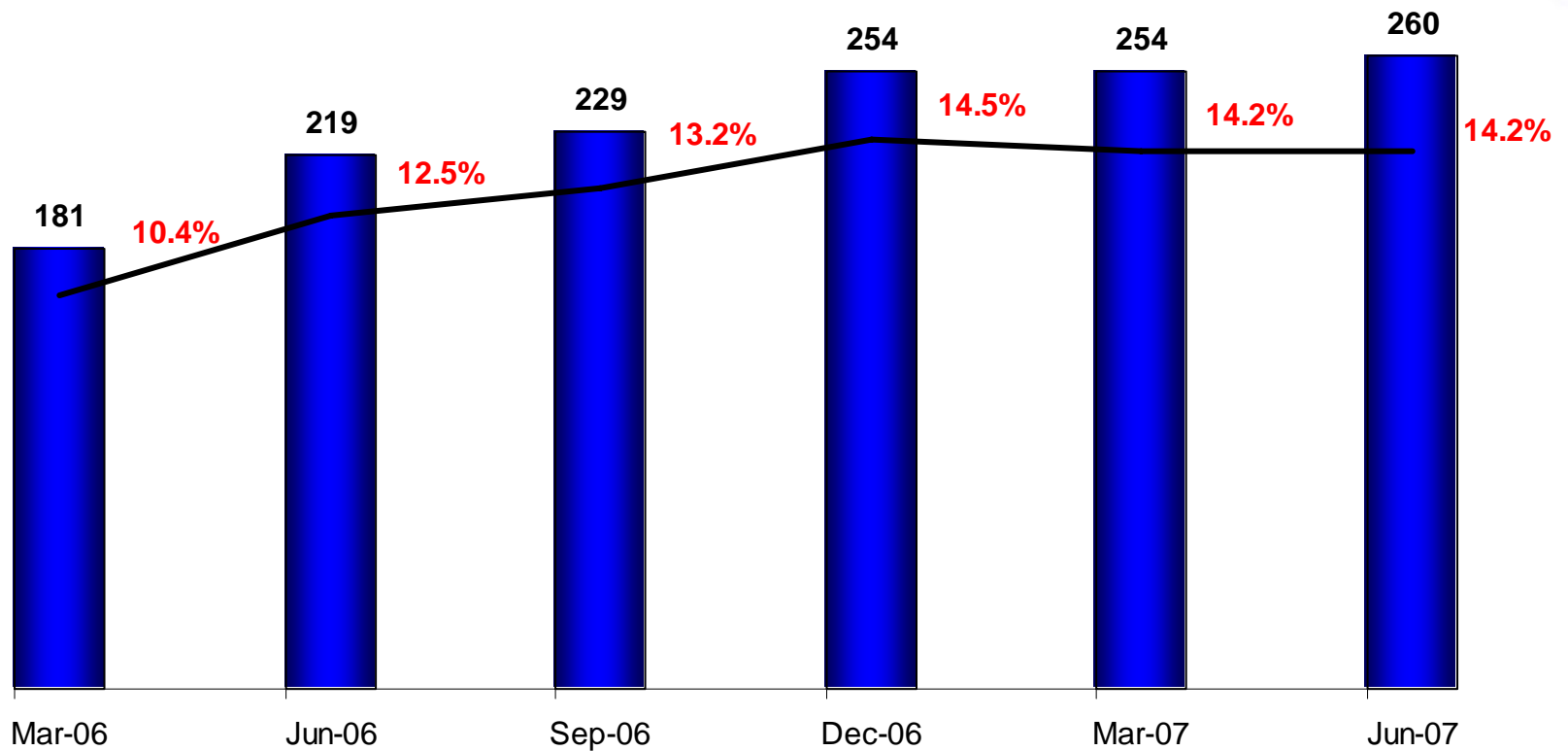


		Amount	Increase Y-on-Y
Revenue	(€m)	3,625	+4%
Pre-Exceptional EBITDA	(€m)	514	+28%
<i>EBITDA margin</i>		14.2%	+2.7pts
Free cash flow	(€m)	(37)	+71%

SKG | EBITDA Progression

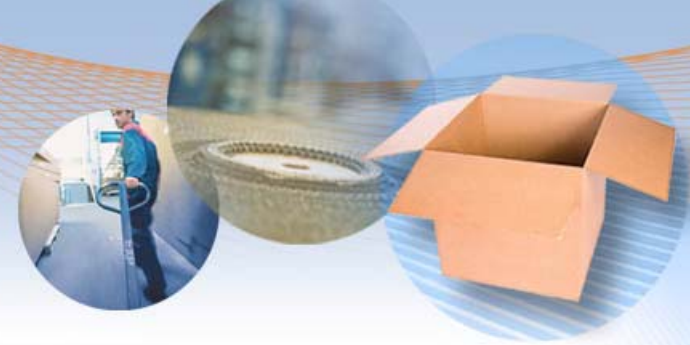


Quarterly EBITDA and Margin Progression (€m)

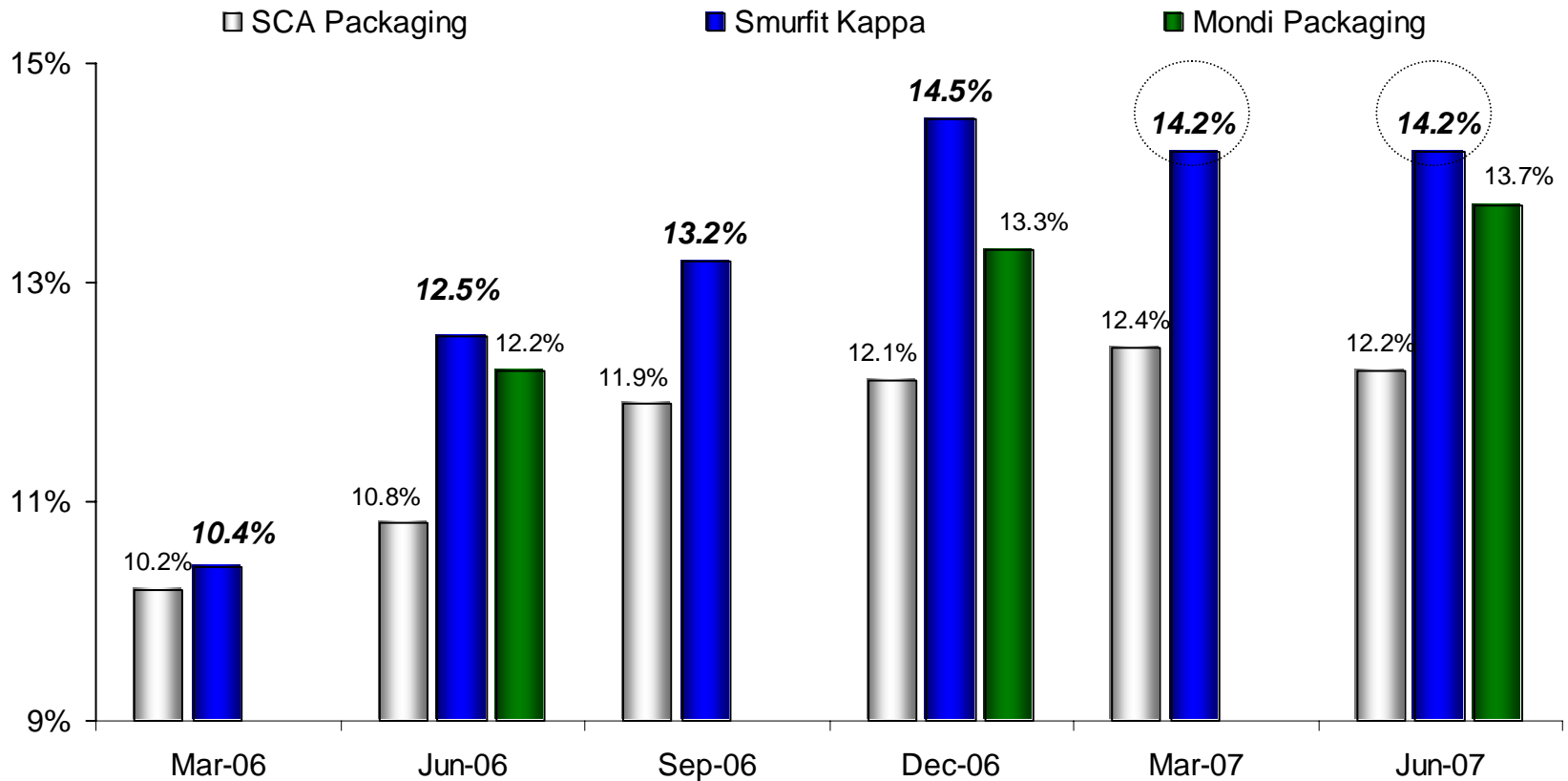


SKG | EBITDA Progression

Comparative Margin Performance



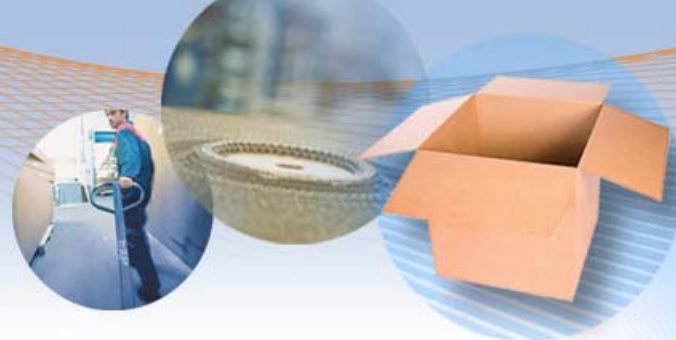
Industry leading EBITDA Margins



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

Packaging

European Containerboard



➤ Recycled containerboard

Balanced market in recycled containerboard

Rising recovered fibre costs +22% year-on-year
€19m in extra costs over expectation

Inventories tight and product price momentum

Price increases of €60 per tonne during H1

SKG recycled containerboard volumes +4%

➤ Kraftliner

Market conditions good

Supply side challenging

US imports significantly higher (+29%) year-on-year

Rising input (wood-chip) costs – up +17% year-on-year

SKG volumes impacted 90,000 tonnes for Factice fire

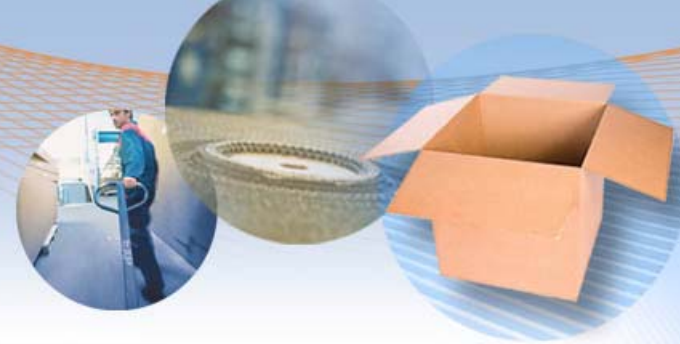
No pricing momentum - €8m EBITDA in Q2

SKG Containerboard Volumes

<i>Volumes m tonnes</i>	H1 '06	H1 '07	Change
Recycled	1,553	1,612	+3.8%
<i>Excludes closed operations If included, volumes down 4%</i>			
Kraftliner	793	714	(10%)
<i>Includes Factice impact</i>			

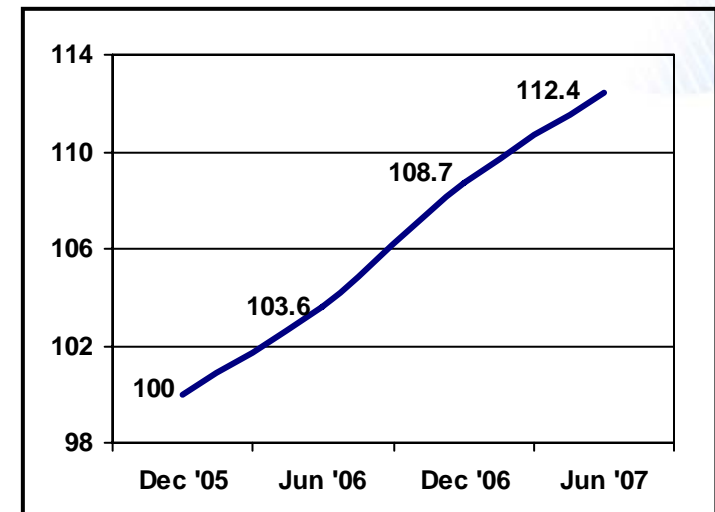
Packaging

European Corrugated



- Strong demand growth
- Corrugated prices increasing
- following paper increases...
- ... but short-term margin compression
- Market conditions and rising input costs will deliver improved pricing H2 and 2008

SKG Corrugated Pricing



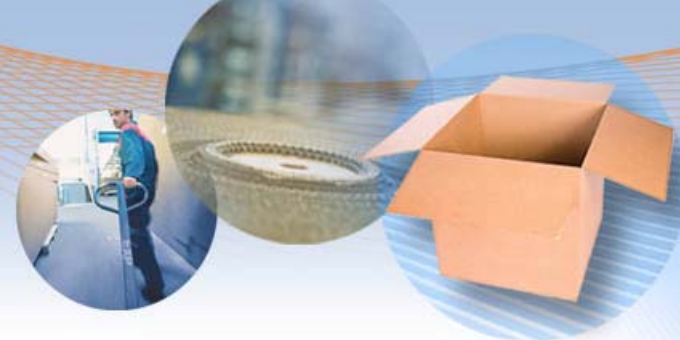
Note – Point to point movements

Volumes <i>m sq metres</i>	H1 '06	H1 '07	Change
Corrugated	4,210	4,264	+1.3%
<i>Excludes closed & sold operations</i>			
<i>If included, volumes down 2.5%</i>			

Packaging

Latin America

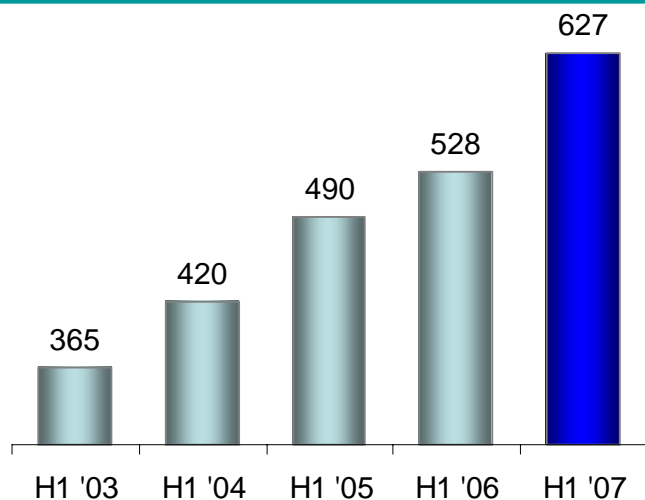
- Sustained, strong contribution
- Strong market positions in high growth markets
- Key component of SKG's business model
- Portfolio of businesses and markets



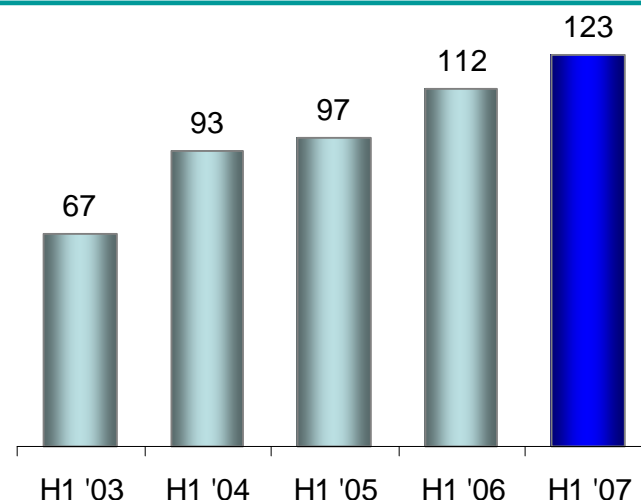
SKG H1 Volumes

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

Latin American H1 Revenue (US\$m)



Latin American H1 EBITDA (US\$m)



Specialties

➤ Solidboard & Boxboard

Boxboard improving

Rising input costs – all grades

Competitive market conditions

Closures & rationalisation

SKG disciplined on pricing

Pricing impact on volumes

➤ Sacks & Sack kraft

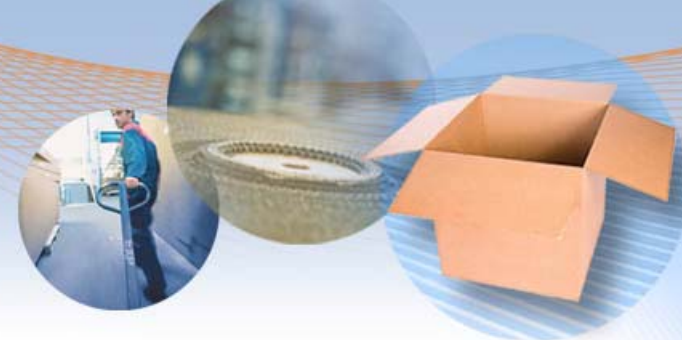
Strong pricing momentum in paper

Difficult market in converting

➤ Bag-in-Box

Continued growth in bags and taps

Expanding applications



SKG Specialties Volumes

<i>Volumes m tonnes</i>	H1 '06	H1 '07	Change
Solidboard	402	367	(8.7%)
S'board Pack	195	184	(5.6%)
Boxboard	145	154	+6.2%
Cartons	28	27	(3.6%)
Sackpaper	64	63	(1.6%)
Sacks	334	345	+3.3%
Bag-in-Box Taps millions	82	105	+28%
Bag-in-Box Bags	52	65	+25%

2007 First Half Results

Financial Highlights & Outlook

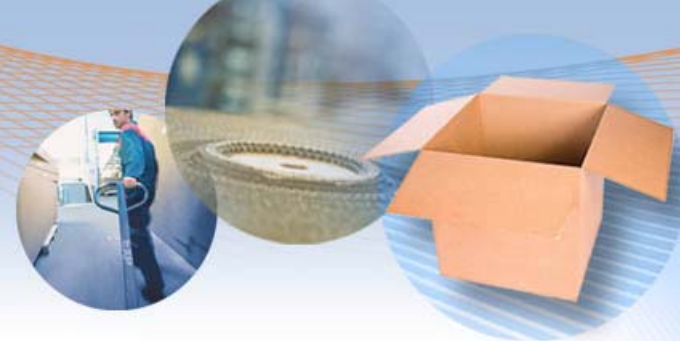


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2007 H1 P&L

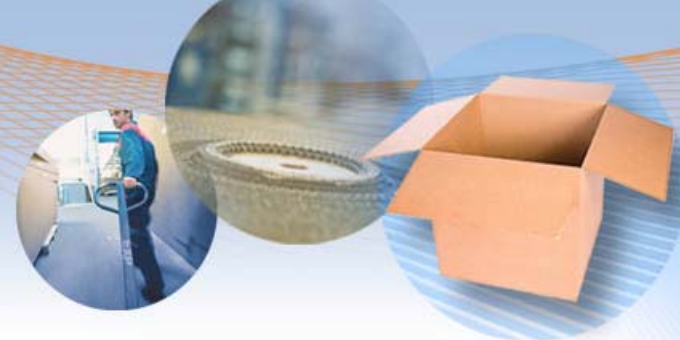
Strong Performance



€m	H1 2007	H1 2006	Change
Revenue	3,625	3,486	+4%
Gross Profit	1,030	967	+7%
Pre-exceptional EBITDA	514	400	+28%
Operating Profit	300	195	+54%
<i>Pre-exceptional</i>			
Profit before tax	139	34	+312%
<i>Pre-exceptional</i>			
Exceptionals	(35)	(83)	+57%
<i>Operational</i>			
<i>Financial</i>	(103)	-	-

2007 H1 | Segmental Analysis

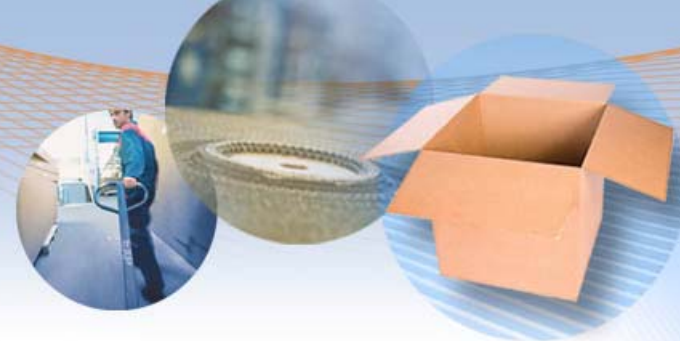
Packaging



€m	H1 2007	H1 2006	Change
Revenue	3,154	3,003	+5%
Operating Profit <i>Pre-exceptional</i>	302	183	+65%
Exceptionals	(18)	(82)	+78%
Operating Profit <i>Post-exceptional</i>	284	102	+179%

2007 H1 | Segmental Analysis

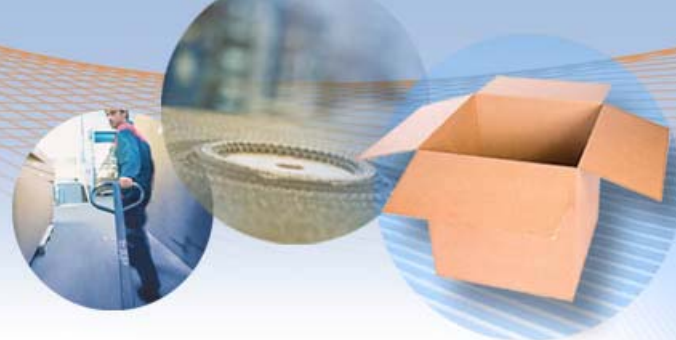
Specialties



€m	H1 2007	H1 2006	Change
Revenue	471	482	(2%)
Operating Profit <i>Pre-exceptional</i>	24	26	(8%)
Exceptionals	(7)	(1)	N/M
Operating Profit <i>Post-exceptional</i>	17	25	(33%)

Costs

2007 H1 | Europe



European Headline Cost movements

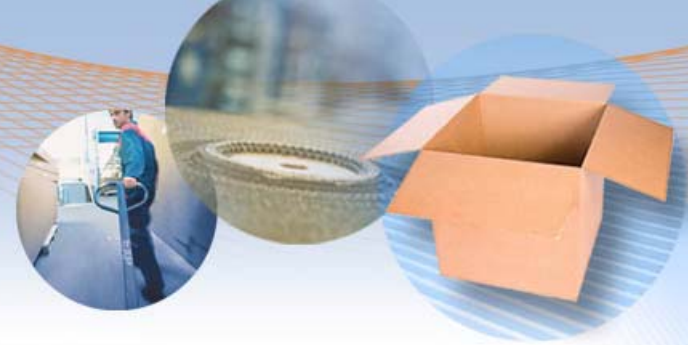
Recovered Fibre	+2%
Wood	+5%
Other Raw Material	(1%)
Distribution	(4%)
Energy	Unch
Labour	(2%)
Other	(7%)

European Underlying Cost movements

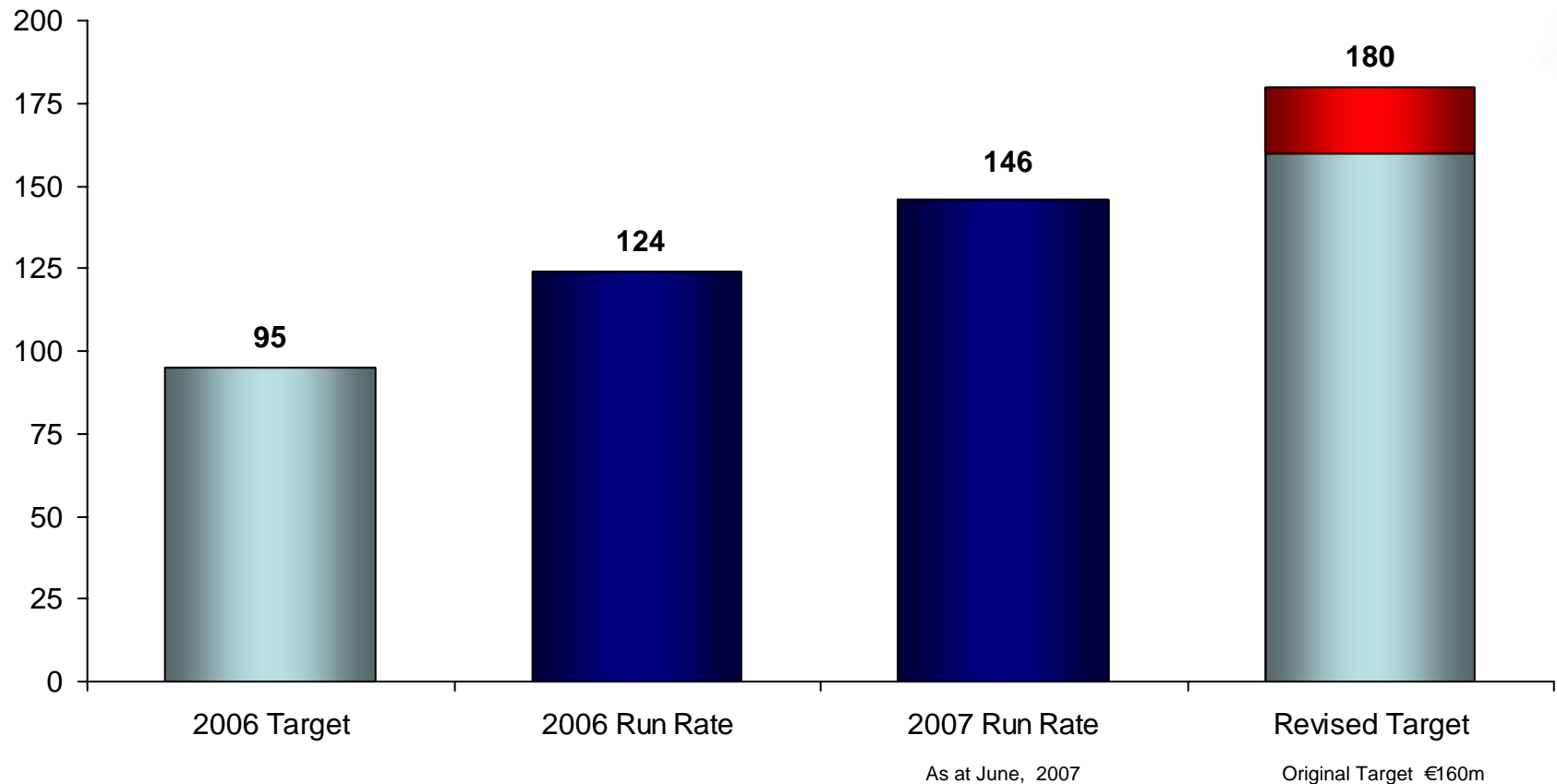
Recovered Fibre	+22%
Wood	+16%
Other Raw Material	+ 7%
Distribution	(1%)
Energy	+8%
Labour	+1%
Other	Unch

Synergy Run Rate

2007 H1

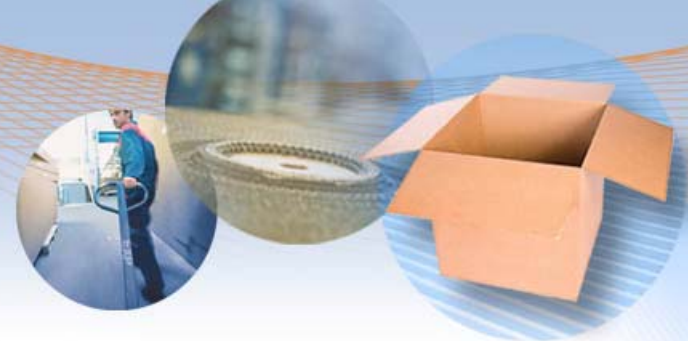


Synergy Run Rate (€m)



Cashflow

2007 H1

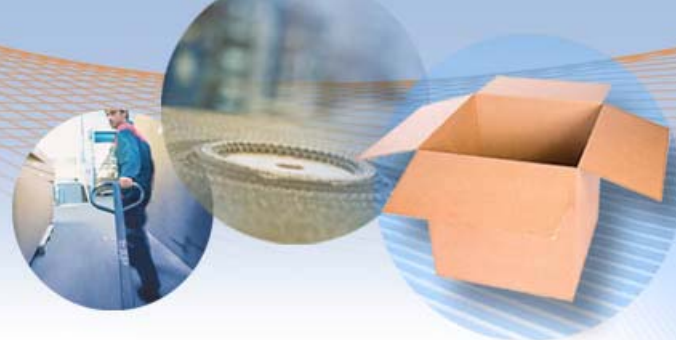


€m	H1 2007	H1 2006
Subsidiaries loss	(6)	(52)
Exceptionals	17	50
Impairment of fixed assets	5	-
Depreciation & depletion	176	180
Working capital	(98)	(136)
Capital expenditure	(147)	(140)
Tax paid	(25)	(22)
Other	41	(8)
Free cash flow	(37)	(128)

Note: 2007 Other also includes €42 million cash out for 2006 exceptionals

Debt Paydown

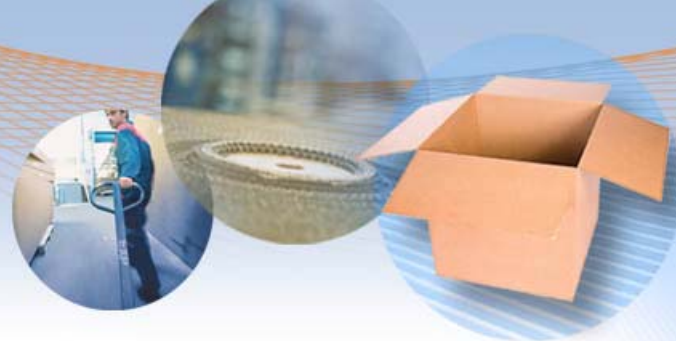
Improved balance sheet and dynamic ratios



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

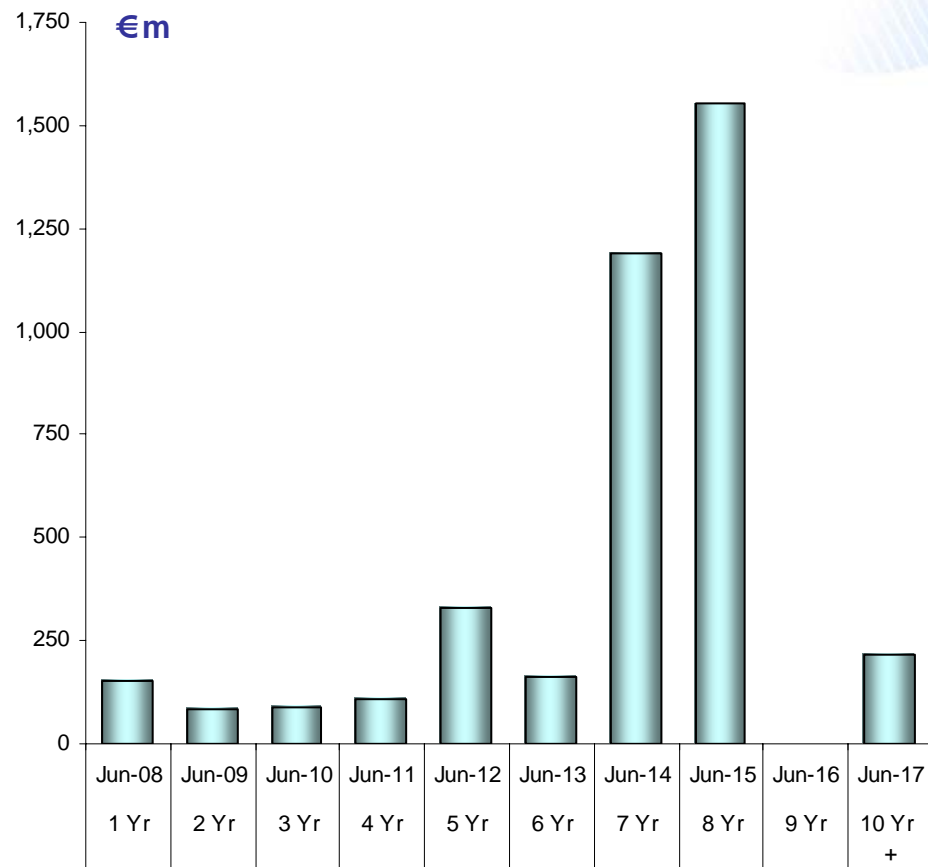
Debt Maturity

Long-term maturity profile

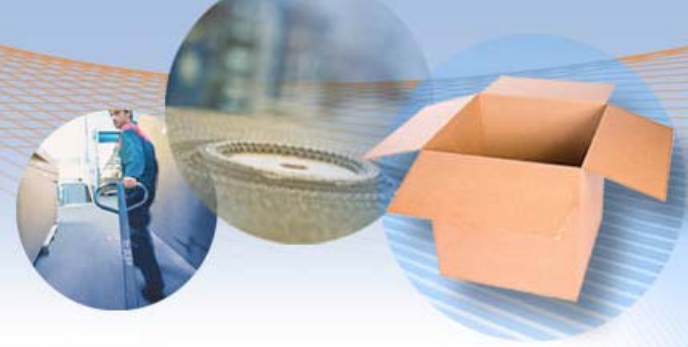


- Well structured debt portfolio
- High cost debt repaid
- Cost of existing debt reduced *c. €50 million over the facility's life*
- No material near term maturities
- Flexible covenant structure

SKG Debt Maturity Profile



2007 H1 | Summary



- Strong H1 performance
- Industry leading EBITDA margins
- Sustained progress in synergy programme
- Continuing focus on debt paydown

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

Outlook

Demand Growth

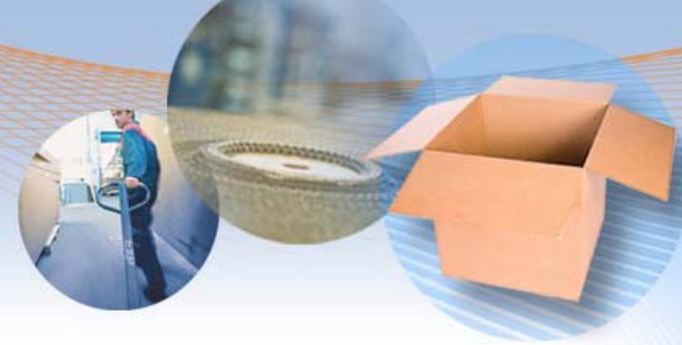
- Demand growth = 10.2% from 2007 to 2010
1.7m tonnes of demand growth
2007 being achieved

- Capacity announced from 2010 onwards

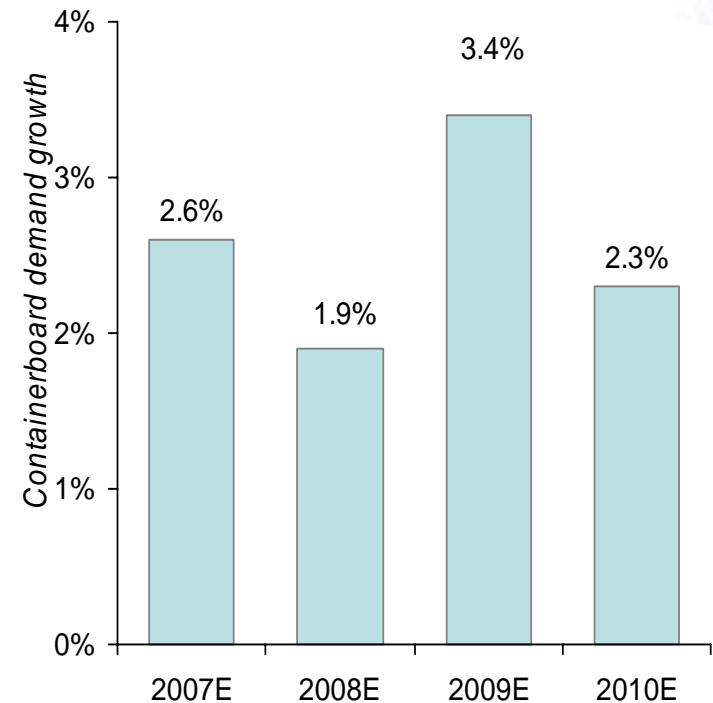
Prowell	650
Mondi	470
Hamburger	450
Total	1,570

- Stated industry commitment to capacity closures if market imbalanced

- 2005 to 2007 | Industry capacity
1.6m tonnes addition
2.0m tonnes closures

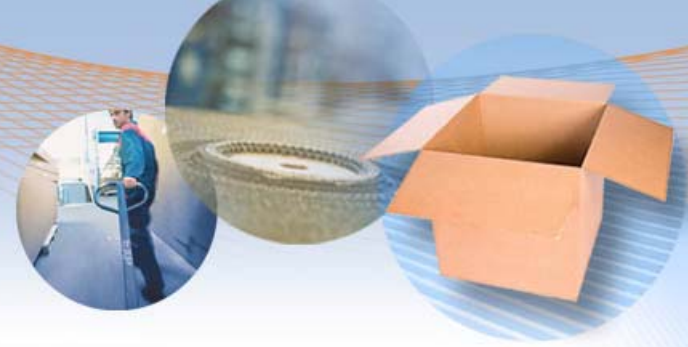


European demand growth



Source: RISI

SKG Outlook



➤ Strong demand growth

➤ Balanced capacity

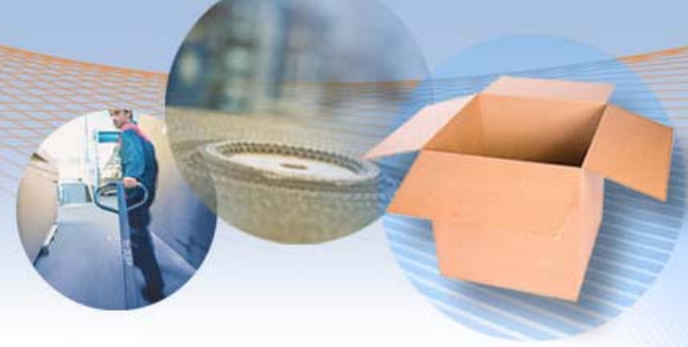
➤ Rising input costs

Delivering continued improvement in corrugated pricing in H2 '07 & into FY '08

➤ Positioned to continue to deliver EBITDA growth through H2 2007 and into 2008

SKG | Key Investment Highlights

Q&A



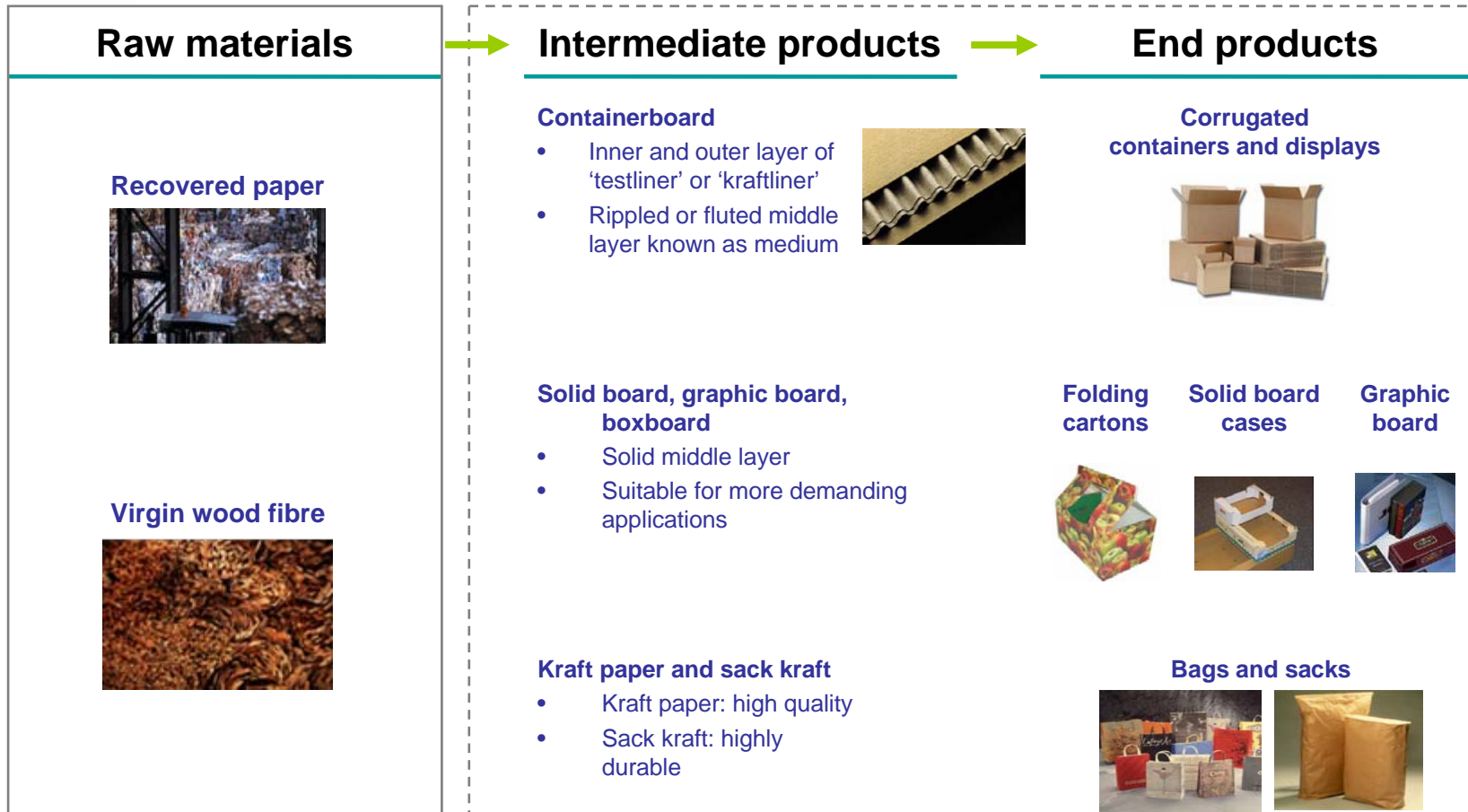
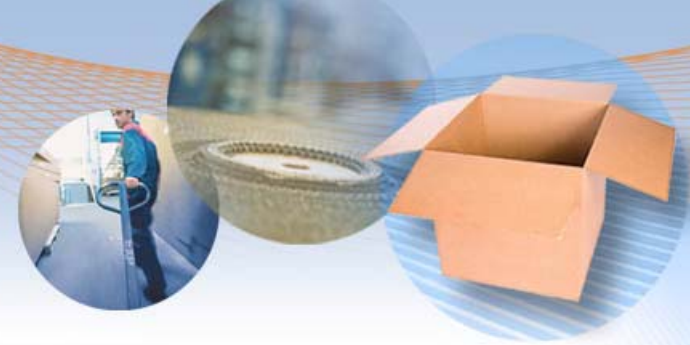
Focused market leader

Improved industry with robust outlook

Transformed company

Committed management team

Paper based packaging overview



⌋ : Represents scope of an 'integrated' producer