

Smurfit Kappa Group announces closure of Sturovo mill

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Dublin, London, October 01, 2009: Smurfit Kappa Group plc, today announced its plans to cease production at its Smurfit Kappa Sturovo AS (Sturovo) mill and to open discussions immediately with its employees and the local authorities.

The Sturovo mill has a production capacity of 200,000 tonnes of semi-chemical fluting and currently employs 350 people.

The planned closure is as a result of the excess capacity in the European containerboard market combined with the effect of the global economic downturn which has resulted in significantly reduced demand.

Furthermore, the advances made in the recycled containerboard industry have resulted in the widespread availability of the less expensive but equally strong high performance fluting. Further factors contributing to the proposal to close the mill have been currency swings and, in Smurfit Kappa's view, unwarranted government aid for new recycled capacity additions in Central and Eastern Europe.

The combination of all these factors has made the Sturovo mill unviable.

As a consequence of the proposed closure of the mill Smurfit Kappa Group's future fluting needs will be mainly supplied from other mills within its own system thereby preserving its integrated model and the primacy of its position in the European paper packaging industry.

About Smurfit Kappa Group

Smurfit Kappa Group is a world leader in paper-based packaging with operations in Europe and Latin America.

Smurfit Kappa Group operates in 22 countries in Europe and is the European leader in containerboard, solid board, corrugated and solid board packaging and has a key position in several other packaging and paper market segments, including graphic board, sack paper and paper sacks. Smurfit Kappa Group also has a growing presence in Eastern Europe. Smurfit Kappa Group operates in 9 countries in Latin America and is the only pan-regional operator.

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