



Jefferson Smurfit Group and Kappa Packaging announce agreement to merge

23 November, 2005: Jefferson Smurfit Group and Kappa Packaging today announced that the consultation and advisory processes with the relevant employee representative organisations have now been completed. A merger agreement between Jefferson Smurfit Group and Kappa Packaging, to form Smurfit Kappa Group, has also been signed. It is expected that the transaction will close on or about 1 December, 2005.

Gary McGann, Jefferson Smurfit Group CEO, commented "We are pleased to announce the achievement of these milestones. Jefferson Smurfit and Kappa will form a focused industry leader with compelling strategic, operational and geographic fit. Our objective now is the effective integration of the two businesses."

Frits Beurskens, Kappa Packaging CEO, concluded "The merger of Kappa Packaging and Jefferson Smurfit Group creates an exciting platform which combines two highly complementary businesses. Smurfit Kappa Group will have a well invested asset base to provide creative packaging solutions to current and prospective customers."

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