

**May 13, 2003:** MDP Acquisitions plc (the 'issuer'), incorporating Jefferson Smurfit Group ('JSG' or 'Group'), today announced results for the quarter ended March 31, 2003.

#### **First Quarter, 2003: Year-on-year performance**

First quarter net sales of €1,178 million increased 9% against € 1,081 million in the first quarter of 2002. Excluding the effect of acquisitions, disposals and currency movements, sales increased € 9 million or approximately 1% on the comparable period in 2002.

First quarter EBITDA, before exceptional items, of € 155 million increased 22% against €127 million in the first quarter of 2002. Excluding the effect of acquisitions, disposals and currency movements, EBITDA increased € 8 million or 6% on the comparable period in 2002. EBITDA, before exceptional items, of € 155 million represents a margin of 13.2% on net sales against 11.7% in the first quarter of 2002.

#### **First Quarter, 2003: Quarter-on-quarter performance**

First quarter net sales increased € 14 million or 1% on the fourth quarter of 2002. Excluding the effect of acquisitions, disposals and currency movements, first quarter sales increased € 27 million or 2% on the fourth quarter of 2002.

First quarter EBITDA, before exceptional items, of € 155 million decreased € 16 million or 9% on the fourth quarter of 2002. The EBITDA margin on net sales of 13.2% compares to 14.7% in the fourth quarter of 2002. Excluding the effect of acquisitions, disposals and currency movements, first quarter pre-exceptional EBITDA decreased € 13 million or 8% on the fourth quarter of 2002.

#### **Pre-tax profit: Year-on-year performance**

EBITDA, before exceptional items, of € 155 million corresponds to profit before goodwill amortisation, interest, tax and exceptional items of € 94 million in the first quarter against € 113 million on the comparable period in 2002. Profit before exceptional items, for the quarter, was approximately € 11 million compared to € 60 million in 2002. The decline reflects the absence of Smurfit-Stone Container Corporation (SSCC) and increased interest charges associated with JSG's new capital structure. After exceptional items, pre-tax profit was € 6 million for the quarter against € 58 million in 2002. Subsidiaries contributed € 4 million and associates € 2 million to pre-tax profit against € 49 million and € 9 million in 2002 respectively. Exceptional charges of € 5 million in the first quarter reflect rationalisation costs.

#### **Capital Structure, Expenditure and Cash Flows**

Free cash flow in the first quarter of € 11 million compares to € 43 million in 2002. The decrease reflects lower subsidiary earnings due to the changed capital structure of the Group. In particular, net interest charges in the first quarter of € 74 million compares to € 19 million in the first quarter of 2002.

Depreciation and amortisation increased from € 59 million in the first quarter of 2002 to € 72 million reflecting the acquisition of JSG by the issuer. Capital expenditure of € 32 million in the first quarter represents 51% of depreciation compared to 63% in the first quarter of 2002. JSG's 2003 full year capital expenditure target is 85% of depreciation.

Financing and investment outflows include significant investments in the first quarter of 2002 and 2003. JSG acquired SSCC's European packaging assets in March 2003 in exchange for JSG's 50% ownership in Smurfit MBI and cash consideration of € 185 million. Of the € 185 million, € 88 million represents consideration for equity and € 97 million is the repayment of SSCC inter-company debt. The acquisition of SSCC's European packaging assets was financed by US\$205 million of 9.625% senior notes due 2012 issued in February, 2003. The notes were issued at 102% of par value reflecting a yield of 9.25% when adjusted for the related premium. Outflows in the first quarter of 2002 reflect part consideration relating to the acquisition of Munksjö.

The relative strengthening of the euro in the first quarter resulted in the decrease in value of our non-euro debt and a consequent currency gain of € 41 million in the period. Net debt was also reduced through the disposal of € 25 million of debt and the acquisition of € 13 million of cash as part of the Smurfit MBI asset exchange. Net borrowing at March 2003 amounted to € 3,269 million (including approximately € 34 million in respect of capital leases) compared to € 3,135 million (including approximately € 23 million in respect of capital leases) at December 2002. Net debt to capitalisation of 79% at March 2003 compares to 78% at December 2002 and 35% at March 2002.

Summary cash flows for the first quarter are set out in the following table.

	<b>Issuer*</b> <b>Q1 2003</b> <b>€ Million</b>	<b>JSG</b> <b>Q1 2002</b> <b>€ Million</b>
Profit before tax – subsidiaries	4	49
Depreciation and amortization	72	59
Non cash interest expense	14	-
Working capital change	(23)	(12)
Capital expenditure	(32)	(36)
Sales of fixed assets	1	-
Tax paid	(17)	(13)
Other	(8)	(4)
<b><u>Free cash flow</u></b>	<b>11</b>	<b>43</b>
Investments	(88)	(132)
Sale of businesses and investments	7	2
Share issues	-	2
Transaction related movements	(24)	-
Dividends	(4)	(3)
<b><u>Net cash (outflow) / inflow</u></b>	<b>(98)</b>	<b>(88)</b>
Debt acquired/disposed	41	(152)
SSCC debt repaid	(97)	-
Non-cash interest accrued	(10)	-
Currency translation adjustments	41	(19)
<b><u>(Increase) / decrease in net borrowing (excluding leases)</u></b>	<b>(123)</b>	<b>(259)</b>

\*For comparison purposes, the financial results of Jefferson Smurfit Group Limited and subsidiary companies (JSG) for the periods prior to its acquisition on September 3, 2002 have been shown above as comparative figures for those of MDP Acquisitions plc (issuer) for periods following such acquisition.

## Organisation structure

JSG completed the acquisition of SSCC's European packaging interests in exchange for JSG's 50% ownership in Smurfit MBI and consideration of € 185 million in the quarter.

The transaction provides JSG with 3 paperboard mills, 20 converting facilities and 5 recycling facilities in Europe. These facilities comprise production capacity of approximately 450,000 tonnes of containerboard and boxboard and 675,000 tonnes of corrugated. The operations had sales of approximately € 640 million in 2002. Smurfit-MBI has 15 facilities in Canada and production capacity of approximately 450,000 tonnes of corrugated. MBI's sales were approximately € 470 million in 2002.

SSCC's packaging assets represent a compelling strategic fit with JSG's existing operations. The transaction also enhances JSG's integration level and provides 'cut-up' for an additional 250,000 annual tonnes of containerboard.

## Performance Review and Outlook

Gary McGann, Chief Executive Officer, commented “In tough product markets, most measures of performance show year-on-year improvement.

We are not waiting for a demand driven recovery; and, we cannot expect any less volatility in the underlying raw materials cost base. The backdrop of a leveraged capital structure and challenging business conditions sharpens our focus on each corporate and financial objective. We have addressed each significant associate investment in our structure. The planned disposal of non-cash generative and non-strategic assets is in line with expectations. We continue to control capital expenditure and to reduce operating costs. As we achieve each of these objectives, we enhance the sustainable EBITDA generation capability of the business.”

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## MDP Acquisitions plc

### Summary Group Profit and Loss Account

	<b>Issuer*</b> <b>3 months to</b> <b>31 Mar 2003</b> <b>€ 000</b> <b>Unaudited</b>	<b>JSG</b> <b>3 months to</b> <b>31 Mar 2002</b> <b>€ 000</b> <b>Unaudited</b>
Turnover	1,178,330	1,081,395
Cost of sales	859,110	780,401
Gross profit	319,220	300,994
Net operating expenses	236,431	233,263
Reorganisation and restructuring costs	5,346	-
Operating profit subsidiaries	77,443	67,731
Share of associates' operating profit	1,982	43,524
Share of associates' restructuring costs	-	(2,219)
Total operating profit	79,425	109,036
Group net interest	(73,677)	(18,997)
Share of associates' net interest	(244)	(32,247)
Total net interest	(73,921)	(51,244)
Profit before taxation	5,504	57,792
Taxation		
Group	24,072	17,380
Share of associates	83	4,861
	24,155	22,241
(Loss) / profit after taxation	(18,651)	35,551
Equity minority interests	5,666	7,846
Retained (losses) / profits	€ (24,317)	€ 27,705

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## MDP Acquisitions plc

### Segmental Analyses

#### Sales - third party

	Issuer*		JSG	
	3 months to		3 months to	
	31 Mar 2003	%	31 Mar 2002	%
	€ 000		€000	
Packaging	655,031	55.6	610,814	56.5
Specialities	257,421	21.8	110,496	10.2
Europe	912,452	77.4	721,310	66.7
United States and Canada	104,355	8.9	163,550	15.1
Latin America	161,523	13.7	196,535	18.2
	<b>€ 1,178,330</b>	<b>100.0</b>	<b>€ 1,081,395</b>	<b>100.0</b>
Associates' third party sales	<b>€ 56,924</b>		<b>€ 2,387,551</b>	
Share of associates' third party sales	<b>€ 23,008</b>		<b>€ 713,475</b>	

#### Profit before goodwill amortisation, interest and exceptional items

	Issuer*		JSG	
	3 months to		3 months to	
	31 Mar 2003	%	31 Mar 2002	%
	€ 000		€000	
Packaging	56,328	59.7	45,864	40.5
Specialities	17,719	18.8	5,138	4.5
Associates	2,282	2.4	10,751	9.5
Europe	76,329	80.9	61,753	54.5
Packaging	7,775	8.2	6,080	5.4
Associates	-	-	30,547	27.0
United States and Canada	7,775	8.2	36,627	32.4
Packaging	17,172	18.2	22,739	20.1
Associates	(300)	(0.3)	1,441	1.3
Latin America	16,872	17.9	24,180	21.4
Asia (Associates)	-	-	785	0.7
Centre costs	(6,594)	(7.0)	(10,203)	(9.0)
Profit before goodwill amortisation, interest and exceptional items	<b>94,382</b>	<b>100.0</b>	113,142	100.0
Goodwill amortisation	(9,611)		(1,887)	
Group net interest	(73,677)		(18,997)	
Share of associates' net interest	(244)		(32,247)	
Profit before exceptional items	<b>10,850</b>		60,011	
Reorganisation and restructuring costs	(5,346)		-	
Share of associates' exceptional costs	-		(2,219)	
Profit before taxation	<b>€ 5,504</b>		<b>€ 57,792</b>	

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## MDP Acquisitions plc

### Summary Group Balance Sheet

	Issuer*	JSG
	31 Mar 2003	31 Mar 2002
	€ 000	€ 000
	Unaudited	Unaudited
<b>Assets Employed</b>		
<b>Fixed Assets</b>		
Intangible assets	1,793,132	232,583
Tangible assets	2,196,613	2,458,947
Amounts due by fellow subsidiaries (newcos)	238,516	-
Amounts due by Parent	3,579	-
Financial assets	141,982	1,610,219
	<b>4,373,822</b>	<b>4,301,749</b>
<b>Current Assets</b>		
Stocks	497,660	506,823
Debtors	1,084,596	1,195,945
Amounts due by fellow subsidiaries (newcos)	8,713	-
Cash at bank and in hand	150,330	296,067
	<b>1,741,299</b>	<b>1,998,835</b>
Creditors (amounts falling due within one year)	1,283,925	1,570,742
Net current assets	457,374	428,093
Total assets less current liabilities	<b>€ 4,831,196</b>	<b>€ 4,729,842</b>
<b>Financed by</b>		
Creditors (amounts falling due after more than one year)	3,139,583	1,588,428
Government grants	11,445	11,822
Provisions for liabilities and charges	586,714	386,569
Pension liabilities	116,091	-
	<b>3,853,833</b>	<b>1,986,819</b>
<b>Capital and Reserves</b>		
Called up share capital	40	333,230
Share premium	-	103,785
Revaluation reserve	-	10,579
Other reserves	891,793	303,164
Profit and loss account	(31,748)	1,811,317
Group shareholders' funds (equity interests)	<b>860,085</b>	<b>2,562,075</b>
Minority interests (equity interests)	117,278	180,948
	<b>977,363</b>	<b>2,743,023</b>
	<b>€ 4,831,196</b>	<b>€ 4,729,842</b>

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