

DS Smith Plc – Interim Management Statement

DS Smith Plc, the leading supplier of recycled packaging for consumer goods, today issues its Interim Management Statement in respect of the three month period to 31 January 2014.

Trading

The business has continued to perform well, in line with our plans, driven by growth across the Group and the ongoing delivery of the previously announced synergies from the acquisition of SCA Packaging.

Like-for-like corrugated box volume growth has remained good and ahead of our medium term financial target of GDP +1%, with Germany and Central and Eastern Europe particularly strong. This volume growth reflects a strengthened customer proposition, driven by innovation and removing complexity and cost from our customers' supply chain. The pass through of input cost rises to date, with the usual short-term impact, has been as expected. Return on sales and ROACE continue to improve as the benefit of synergies flow through.

There has been no significant change in DS Smith's financial position during the period.

Outlook

Our outlook remains positive. Volumes continue to grow and the pass through of increased input costs remains ongoing. The Board expects performance in line with our medium term financial targets and views the remainder of the year with confidence.

Miles Roberts, Group Chief Executive, said:

“The year has continued in line with our plans, despite market conditions remaining difficult. We are continuing to grow volumes in these competitive markets, as our customers seek to consolidate their supplier base, by offering a complete service from design and production right through to supply and recycling via our closed loop model, delivered across Europe. DS Smith's recycled corrugated packaging offers our customers the opportunity to package their products in a cost effective material that provides consistent quality both in their supply chain and the retail environment. As such, we continue to see opportunities for growth in this market and are confident in the prospects for the business.”

Conference Call

A conference call for analysts and investors, hosted by Miles Roberts, will take place today, 6 March 2014 at 08.00 GMT. The dial-in number is:

UK / International +44 (0)20 3003 2666
UK Toll Free 0808 109 0700
Password DS Smith

A play-back facility of this call will be available until 13 March 2014. The dial-in number is: +44 (0)20 8196 1998, access pin 9913447. A recording and transcript of the call will also be available through the Investor Relations section of our website: www.dssmith.com/investors.

Forthcoming Dates

Pre-close trading update	30 April 2014
Results for the year to 30 April 2014	26 June 2014

Enquiries

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Glossary of terms

- *Return on sales*: earnings before interest, tax, amortisation and exceptional items as a percentage of revenue.
- *Return on average capital employed (ROACE)*: earnings before interest, tax, amortisation and exceptional items as a percentage of the average monthly capital employed over the previous 12 month period. Average capital employed includes property, plant and equipment, intangible assets (including goodwill), working capital, provisions, capital debtors/creditors and assets/liabilities held for sale.