

DRAWDOWN PROSPECTUS dated 14 September 2015



DS Smith Plc

(incorporated with limited liability in England and Wales with registered number 01377658)

Issue of EUR 500,000,000 2.250 per cent. Notes due 2022 under the EUR 2,500,000,000 Euro Medium Term Note Programme

Issue Price: 99.095 per cent.

The EUR500,000,000 2.250 per cent. Notes due 2022 (the **Notes**) are to be issued by DS Smith Plc (the **Issuer**) under its EUR 2,500,000,000 Euro Medium Term Note Programme (the **Programme**).

The Notes will bear interest from (and including) 16 September 2015 (the **Issue Date**) to (but excluding) 16 September 2022 (the **Maturity Date**) at 2.250 per cent. per annum, and will be payable annually in arrear on 16 September in each year, commencing on 16 September 2016 (each an **Interest Payment Date**) subject to adjustment from time to time in the event of a Step Up Rating Change and/or a Step Down Rating Change (as defined below), as the case may be.

The Notes will be in bearer form in denominations of EUR100,000 and integral multiples of EUR1,000 in excess thereof up to and including EUR199,000 and will initially be represented by a temporary global Note, exchangeable for a permanent global Note not earlier than 40 days after the Issue Date upon certification of non-U.S. beneficial ownership. The global Notes will be deposited on or about the Issue Date with a common safekeeper for Euroclear Bank S.A./N.V. (**Euroclear**) and Clearstream Banking, *société anonyme* (**Clearstream, Luxembourg**). Definitive Notes will be issued only in certain limited circumstances.

The Notes have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the **Securities Act**), and may not be offered or sold or delivered within the United States, absent registration or an applicable exemption from registration under the Securities Act. In addition, the Notes are subject to U.S. tax law requirements and may not be sold to U.S. persons.

Prospective investors should have regard to the factors referred to under the section headed "Risk Factors" in the Base Prospectus (as defined, and incorporated by reference, herein).

Application has been made to the *Commission de Surveillance du Secteur Financier* (the **CSSF**) in its capacity as competent authority under the Luxembourg Act dated 10 July 2005 on prospectuses for securities (the **Prospectus Act 2005**) to approve this Drawdown Prospectus document for the trading of the Notes on the regulated market of the Luxembourg Stock Exchange and listing of the Notes on the Official List of the Luxembourg Stock Exchange. By approving this Drawdown Prospectus the CSSF assumes no responsibility for the economic and financial soundness of the transactions contemplated by this Drawdown Prospectus or the quality or solvency of the Issuer in accordance with Article 7(7) of the Prospectus Act 2005. The Luxembourg Stock Exchange's regulated market is a regulated market for the purposes of the Markets in Financial Instruments Directive (Directive 2004/39/EC).

The Notes are expected to be rated BBB- by Standard & Poor's Credit Market Services Europe Limited (**S&P**). S&P is established in the European Union and is registered under Regulation (EC) No. 1060/2009 (as amended) (the **CRA Regulation**). As such S&P is included in the list of credit rating agencies published by the European Securities and Markets Authority on its website (at <http://www.esma.europa.eu/page/List->

registered-and-certified-CRAs) in accordance with the CRA Regulation. A security rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, reduction or withdrawal at any time by the assigning rating agency.

Joint Lead Managers

HSBC

Lloyds Bank

J.P. Morgan

The Royal Bank of Scotland

IMPORTANT INFORMATION

This Drawdown Prospectus constitutes a prospectus for the purposes of Article 5.3 of the Prospectus Directive. **Prospectus Directive** means Directive 2003/71/EC (as amended, including by Directive 2010/73/EU, and includes any relevant implementing measures in the relevant Member State of the European Economic Area).

The Issuer accepts responsibility for the information contained in this Drawdown Prospectus. To the best of the knowledge of the Issuer (having taken all reasonable care to ensure that such is the case) the information contained in this Drawdown Prospectus is in accordance with the facts and does not omit anything likely to affect the import of such information.

The only persons authorised to use this Drawdown Prospectus in connection with an offer of Notes are the Issuer and each of HSBC Bank plc, J.P. Morgan Securities plc, Lloyds Bank plc and The Royal Bank of Scotland plc (together the **Joint Lead Managers** which term shall, where the context admits, be deemed to include their respective affiliates).

Copies of this Drawdown Prospectus will be available from the registered office of the Issuer, the specified office of the Paying Agent for the time being in Luxembourg and it will also be published on the website of the Luxembourg Stock Exchange www.bourse.lu).

This Drawdown Prospectus is to be read in conjunction with all documents which are deemed to be incorporated herein by reference (see "*Documents Incorporated by Reference*"). This Drawdown Prospectus shall be read and construed on the basis that such documents are incorporated and form part of this Drawdown Prospectus.

None of the Joint Lead Managers or the Trustee (as defined below) have independently verified the information contained herein. Accordingly, no representation, warranty or undertaking, express or implied, is made and no responsibility or liability is accepted by the Joint Lead Managers or the Trustee as to the accuracy or completeness of the information contained or incorporated in this Drawdown Prospectus or any other information provided by the Issuer in connection with the Programme or the Notes. None of the Joint Lead Managers or the Trustee accepts any liability in relation to the information contained or incorporated by reference in this Drawdown Prospectus or any other information provided by the Issuer in connection with the Issuer, the Programme or the Notes.

No person is or has been authorised by the Issuer, any of the Joint Lead Managers or the Trustee to give any information or to make any representation not contained in or not consistent with this Drawdown Prospectus or any other information supplied in connection with the Programme or the Notes and, if given or made, such information or representation must not be relied upon as having been authorised by the Issuer, any of the Joint Lead Managers or the Trustee.

Neither this Drawdown Prospectus nor any other information supplied in connection with the Issuer, the Programme or the Notes (a) is intended to provide the basis of any credit or other evaluation or (b) should be considered as a recommendation by the Issuer, any of the Joint Lead Managers or the Trustee that any recipient of this Drawdown Prospectus or any other information supplied in connection with the Programme or any Notes should purchase any Notes. Each investor contemplating purchasing any Notes should make its own independent investigation of the financial condition and affairs, and its own appraisal of the creditworthiness, of the Issuer. Neither this Drawdown Prospectus nor any other information supplied in connection with the Issuer, the Programme or the Notes constitutes an offer or invitation by or on behalf of the Issuer, any of the Joint Lead Managers or the Trustee to any person to subscribe for or to purchase any Notes.

Neither the delivery of this Drawdown Prospectus nor the offering, sale or delivery of any Notes shall in any circumstances imply that the information contained herein concerning the Issuer is correct at any time subsequent to the date hereof or that any other information supplied in connection with the Issuer, the Programme or the Notes is correct as of any time subsequent to the date indicated in the document containing the same. The Joint Lead Managers and the Trustee expressly do not undertake to review the financial condition or affairs of the Issuer during the life of the Notes or to advise any investor in the Notes of any information coming to their attention.

STABILISATION

In connection with the issue of the Notes, Lloyds Bank plc (the Stabilisation Manager) (or persons acting on behalf of the Stabilisation Manager) may over-allot Notes or effect transactions with a view to supporting the market price of the Notes at a level higher than that which might otherwise prevail. However, there is no assurance that the Stabilisation Manager (or persons acting on behalf of the Stabilisation Manager) will undertake stabilisation action. Any stabilisation action may begin on or after the date on which adequate public disclosure of the terms of the Notes is made and, if begun, may be ended at any time, but it must end no later than the earlier of 30 days after the issue date of the Notes and 60 days after the date of the allotment of the Notes. Any stabilisation action or over-allotment must be conducted by the Stabilisation Manager (or persons acting on behalf of the Stabilisation Manager) in accordance with all applicable laws and rules.

IMPORTANT INFORMATION RELATING TO THE USE OF THIS DRAWDOWN PROSPECTUS AND OFFERS OF NOTES GENERALLY

This Drawdown Prospectus does not constitute an offer to sell or the solicitation of an offer to buy any Notes in any jurisdiction to any person to whom it is unlawful to make the offer or solicitation in such jurisdiction. The distribution of this Drawdown Prospectus and the offer or sale of Notes may be restricted by law in certain jurisdictions. The Issuer, the Joint Lead Managers and the Trustee do not represent that this Drawdown Prospectus may be lawfully distributed, or that any Notes may be lawfully offered, in compliance with any applicable registration or other requirements in any such jurisdiction, or pursuant to an exemption available thereunder, or assume any responsibility for facilitating any such distribution or offering. In particular, no action has been taken by the Issuer, the Joint Lead Managers or the Trustee which is intended to permit a public offering of any Notes or distribution of this Drawdown Prospectus in any jurisdiction where action for that purpose is required. Accordingly, no Notes may be offered or sold, directly or indirectly, and neither this Drawdown Prospectus nor any advertisement or other offering material may be distributed or published in any jurisdiction, except under circumstances that will result in compliance with any applicable laws and regulations. Persons into whose possession this Drawdown Prospectus or any Notes may come must inform themselves about, and observe, any such restrictions on the distribution of this Drawdown Prospectus and the offering and sale of Notes. In particular, there are restrictions on the distribution of this Drawdown Prospectus and the offer or sale of Notes, see "*Subscription and Sale*".

The Notes may not be a suitable investment for all investors. Each potential investor in the Notes must determine the suitability of that investment in light of its own circumstances. In particular, each potential investor may wish to consider, either on its own or with the help of its financial and other professional advisers, whether it:

- (i) has sufficient knowledge and experience to make a meaningful evaluation of the Notes, the merits and risks of investing in the Notes and the information contained or incorporated by reference in this Drawdown Prospectus or any applicable supplement;
- (ii) has access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the Notes and the impact the Notes will have on its overall investment portfolio;
- (iii) has sufficient financial resources and liquidity to bear all of the risks of an investment in the Notes, including Notes where the currency for principal or interest payments is different from the potential investor's currency;
- (iv) understands thoroughly the terms of the Notes and is familiar with the behaviour of financial markets; and
- (v) is able to evaluate possible scenarios for economic, interest rate and other factors that may affect its investment and its ability to bear the applicable risks.

Legal investment considerations may restrict certain investments. The investment activities of certain investors are subject to legal investment laws and regulations, or review or regulation by certain authorities. Each potential investor should consult its legal advisers to determine whether and to what extent (1) Notes are legal investments for it, (2) Notes can be used as collateral for various types of borrowing and (3) other restrictions apply to its purchase or pledge of any Notes. Financial institutions should consult their legal advisers or the appropriate regulators to determine the appropriate treatment of Notes under any applicable risk-based capital or similar rules.

The Notes have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the **Securities Act**), and may not be offered or sold or delivered within the United States, absent registration or

an applicable exemption from registration under the Securities Act. In addition, the Notes are subject to U.S. tax law requirements and may not be sold to U.S. persons.

PRESENTATION OF INFORMATION

In this Drawdown Prospectus, all references to **euro, EUR** and **€** refer to the currency introduced at the start of the third stage of European economic and monetary union pursuant to the Treaty on the Functioning of the European Union, as amended.

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OVERVIEW

This overview must be read as an introduction to this Drawdown Prospectus and any decision to invest in the Notes should be based on a consideration of this Drawdown Prospectus as a whole, including the documents incorporated by reference. Words and expressions defined in the Programme Conditions and the Final Terms of the Notes set out in the section of this Drawdown Prospectus entitled "Terms and Conditions of the Notes" or elsewhere in this Drawdown Prospectus shall have the same meanings in this overview.

Issuer:	DS Smith Plc
Description of the Notes:	EUR 500,000,000 2.250 per cent. Notes due 2022 (the Notes) issued pursuant to the Issuer's EUR 2,500,000,000 Euro Medium Term Note Programme
Issuing and Principal Paying Agent:	Citibank, N.A., London Branch
Trustee:	Citicorp Trustee Company Limited
Luxembourg Listing Agent:	Banque Internationale à Luxembourg, <i>société anonyme</i>
Issue Date:	16 September 2015
Issue Price:	99.095 per cent.
Status of the Notes:	The Notes will constitute direct, unconditional, unsubordinated and (subject to the provisions of Programme Condition 4 (<i>Negative Pledge</i>)) unsecured obligations of the Issuer and will rank <i>pari passu</i> among themselves and (save for certain obligations required to be preferred by law) equally with all other unsecured obligations (other than subordinated obligations, if any) of the Issuer, from time to time outstanding.
Redemption:	Unless previously redeemed or purchased and cancelled, the Notes will be redeemed on 16 September 2022 (the Maturity Date) at their principal amount together with any accrued but unpaid interest up to (but excluding) the Maturity Date.
Optional Redemption:	The Notes will be redeemable at the option of (i) the Issuer on any day from and including the Issue Date to but excluding the day that is 3 months prior to the Maturity Date pursuant to Condition 7.3 (<i>Redemption at the option of the Issuer (Issuer Call)</i>) and (ii) the Issuer on any day during the period from (and including) the day that is 3 months prior to the Maturity Date to (but excluding) the Maturity Date pursuant to Programme Condition 7.4 (<i>Redemption at the option of the Issuer (Issuer Par Call)</i>) and/or (iii) the Noteholders pursuant to Programme Condition 7.6 (<i>Redemption at the option of the Noteholders upon a change of control (Change of Control Put)</i>).
Early Redemption:	Except as provided in "Optional Redemption" above, the Notes are redeemable at the option of the Issuer prior to maturity only for tax

reasons. See Programme Condition 7.2 (*Redemption for tax reasons*).

Interest:	The Notes bear interest from (and including) the Issue Date and the rate of interest shall be 2.250 per cent. per annum, subject to adjustment from time to time in the event of a Step Up Rating Change and/or a Step Down Rating Change, as the case may be.
Interest Payment Dates:	Interest payments in respect of the Notes will be payable annually in arrear on 16 September in each year, commencing on 16 September 2016.
Taxation:	All payments in respect of the Notes will be made without deduction for or on account of withholding taxes imposed by any Tax Jurisdiction as provided in Programme Condition 8 (<i>Taxation</i>). In the event that any such deduction is made, the Issuer will, save in certain limited circumstances provided in Programme Condition 8 (<i>Taxation</i>), be required to pay additional amounts to cover the amounts so deducted.
Cross-default:	The terms of the Notes contain a cross default provision as further described in Programme Condition 10 (<i>Events of Default and Enforcement</i>).
Negative pledge:	The terms of the Notes contain a negative pledge provision as further described in Condition 4 (<i>Negative Pledge</i>).
Form:	The Notes will be issued in global bearer form, initially represented by a temporary global Note, exchangeable for a permanent global Note not earlier than 40 days after the Issue Date upon certification of non-U.S. beneficial ownership. The global Notes will be deposited on or about the Issue Date with a common safekeeper for Euroclear and Clearstream, Luxembourg. Definitive Notes will be issued only in certain limited circumstances.
Denomination:	The Notes will be issued in denominations of EUR100,000 and integral multiples of EUR1,000 in excess thereof up to and including EUR199,000. No definitive Notes will be issued in a denomination above EUR199,000.
Governing Law:	The Notes and any non-contractual obligations arising out of or in connection with the Notes will be governed by, and shall be construed in accordance with, English law.
Rating:	The Notes are expected to be rated BBB- by Standard & Poor's Credit Market Services Europe Limited, which is established in the European Union and registered under Regulation (EC) No. 1060/2009 (as amended). A rating is not a recommendation to buy, sell or hold securities and may be subject to revision, suspension or withdrawal at any time by the assigning rating organisation.
Listing and admission to trading:	Application has been made for the Notes to be admitted to trading on the regulated market of the Luxembourg Stock Exchange and listed on the Official List of the Luxembourg Stock Exchange.

Selling Restrictions:	See section of the Base Prospectus entitled " <i>Subscription and Sale</i> ".
U.S. Restrictions:	Regulation S, Category 2; TEFRA D.
Use of Proceeds:	The net proceeds of the issue of the Notes will be applied by the Issuer for its general corporate purposes.
Risk Factors:	Prospective investors should carefully consider the information set out in the section entitled " <i>Risk Factors</i> " in conjunction with the other information contained in or incorporated by reference in this Drawdown Prospectus.
ISIN:	XS1291448824
Common Code:	129144882

RISK FACTORS

The Issuer believes that the factors described in the section of the Base Prospectus entitled “*Risk Factors*” (the **Programme Risk Factors**), which are incorporated by reference in this Drawdown Prospectus, may affect its ability to fulfil its obligation under the Notes. Most of these factors are contingencies which may or may not occur and the Issuer is not in a position to express a view of the likelihood of any such contingency occurring.

In purchasing the Notes, investors assume the risk that the Issuer may become insolvent or otherwise be unable to make all payments due in respect of the Notes. There is wide range of factors which individually or together could result in the Issuer becoming unable to make all payments due in respect of the Notes. It is not possible to identify all such factors or to determine which factors are most likely to occur, as the Issuer may not be aware of all relevant factors and certain factors which it currently deems not to be material may become material as a result of the occurrence of events outside the Issuer’s control. The Issuer has identified in the Programme Risk Factors a number of factors which could materially adversely affect its business and ability to make payments due under the Notes.

In addition, factors which are material for the purpose of assessing the market risk associated with the Notes are described in the Programme Risk Factors.

Prospective investors should also read the detailed information set out, or incorporated by reference in, this Drawdown Prospectus and reach their own views prior to making any investment decision.

DOCUMENTS INCORPORATED BY REFERENCE

The following documents which have previously been published and have been filed with the CSSF shall be incorporated in, and form part of, this Drawdown Prospectus:

- a) the Base Prospectus dated 10 March 2015 relating to the Programme (the **Base Prospectus**), other than the section therein entitled "Overview of the Programme" which is not incorporated by reference herein, including the information set out at the following pages in particular:

Risk Factors.....	Pages 12 to 24 (inclusive)
Form of the Notes.....	Pages 27 to 29 (inclusive)
Terms and Conditions of the Notes	Pages 40 to 74 (inclusive)
Use of Proceeds.....	Page 75
Description of the Issuer	Pages 76 to 88 (inclusive)
Taxation.....	Pages 89 to 93 (inclusive)
Subscription and sale.....	Pages 94 to 96 (inclusive)
General Information.....	Page 97 to 99 (inclusive)

- b) the Supplement dated 7 September 2015 (the **Supplement**) to the Base Prospectus which for the purposes of this Drawdown Prospectus shall be construed as though: (i) the reference to “7.6 per cent.” in the last line of the sub-section entitled “*Western Europe*” is a reference to “6.9 per cent.”; and (ii) the reference to “8.5 per cent.” in the last line of the sub-section entitled “*Central Europe and Italy (including Poland, Czech Republic, Romania, Hungary, Slovakia, Latvia, Lithuania, Estonia and Italy)*” is a reference to “8.7 per cent.”;
- c) the auditors' report and audited consolidated annual financial statements for the financial year ended 30 April 2015 of the Issuer including the information set out at the following pages in particular:

Statement of Financial Position.....	Page 86
Income Statement.....	Page 84
Accounting Principles and Notes.....	Pages 89 to 129 (inclusive)
Audit Report.....	Pages 80 to 83 (inclusive)
Statement of Comprehensive Income.....	Page 85
Statement of Changes in Equity.....	Page 87
Statement of Cash Flows.....	Page 88

Any other information incorporated by reference that is not included in the cross-reference list above is considered to be additional information to be disclosed to investors rather than information required by the relevant Annexes of Commission Regulation (EC) No 809/2004 implementing the Prospectus Directive (the **Prospectus Regulation**); and

- d) the auditors' report and audited consolidated annual financial statements for the financial year ended 30 April 2014 of the Issuer including the information set out at the following pages in particular:

Statement of Financial Position.....	Page 81
Income Statement.....	Page 79
Accounting Principles and Notes.....	Pages 84 to 122 (inclusive)
Audit Report.....	Pages 75 to 78 (inclusive)
Statement of Comprehensive Income.....	Page 80
Statement of Changes in Equity.....	Page 82
Statement of Cash Flows.....	Page 83

Any other information incorporated by reference that is not included in the cross-reference list above is considered to be additional information to be disclosed to investors rather than information required by the relevant Annexes of the Prospectus Regulation.

Any statement contained or incorporated by reference in the Base Prospectus or the Supplement shall be deemed to be modified or superseded for the purpose of this Drawdown Prospectus to the extent that a statement contained or incorporated by reference herein modifies or supersedes such earlier statement (whether expressly, by implication or otherwise). Any statement so modified or superseded shall not be deemed, except as so modified or superseded, to constitute a part of this Drawdown Prospectus.

Except to the extent expressly stated above, any documents incorporated by reference in the Base Prospectus or the Supplement shall not constitute part of this Drawdown Prospectus. Any part of a document referred to herein that is not incorporated by reference is either deemed not relevant for an investor or is otherwise covered elsewhere in this Drawdown Prospectus.

This Drawdown Prospectus must be read in conjunction with the Base Prospectus and the Supplement and full information on the Issuer and the offer of the Notes is only available on the basis of the combination of the provisions set out within this document, the Base Prospectus and the Supplement.

Copies of documents incorporated by reference in this Drawdown Prospectus can be obtained from the registered office of the Issuer at 350 Euston Road, London NW1 3AX and from the specified office of the Principal Paying Agent.

For the avoidance of doubt, the content of the websites referred to in this Drawdown Prospectus are not incorporated into, and do not form part of, this Drawdown Prospectus.

TERMS AND CONDITIONS OF THE NOTES

The terms and conditions of the Notes shall consist of the “*Terms and Conditions of the Notes*” set out in the Base Prospectus (the **Programme Conditions**) as amended by the information set out below. References in the Programme Conditions to “applicable Final Terms” shall be deemed to refer to the information set out under the heading “*Part A – Contractual Terms*” below.

ISSUE SPECIFIC TERMS

14 September 2015

DS SMITH PLC

**Issue of EUR 500,000,000 2.250 per cent. Notes due 2022 under the EUR 2,500,000,000
Euro Medium Term Note Programme**

PART A – CONTRACTUAL TERMS

- | | | | |
|----|-----|--|--|
| 1. | (a) | Series Number: | 1 |
| | (b) | Tranche Number: | 1 |
| | (c) | Date on which the Notes will be consolidated and form a single Series: | Not Applicable |
| 2. | | Specified Currency or Currencies: | Euro (EUR) |
| 3. | | Aggregate Nominal Amount: | |
| | (a) | Series: | EUR 500,000,000 |
| | (b) | Tranche: | EUR 500,000,000 |
| 4. | | Issue Price: | 99.095 per cent. of the Aggregate Nominal Amount |
| 5. | (a) | Specified Denominations: | EUR100,000 and integral multiples of EUR1,000 in excess thereof up to and including EUR199,000. No Notes in definitive form will be issued with a denomination above EUR199,000. |
| | (b) | Calculation Amount: | EUR1,000 |
| 6. | (a) | Issue Date: | 16 September 2015 |
| | (b) | Interest Commencement Date: | Issue Date |
| 7. | | Maturity Date: | 16 September 2022 |
| 8. | | Interest Basis: | 2.250 per cent. Fixed Rate, subject to adjustment from time to time in the event of a Step Up Rating Change |

and/or a Step Down Rating Change. See paragraph 13 below.

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|-----|---|--|
| 9. | Redemption Basis: | Subject to any purchase and cancellation or early redemption, the Notes will be redeemed on the Maturity Date at 100 per cent. of their nominal amount |
| 10. | Change of Interest Basis: | Not Applicable |
| 11. | Put/Call Options: | Change of Control Put
Issuer Call
Issuer Par Call |
| 12. | Date approval for issuance of Notes obtained: | 20 January 2015 and 25 February 2015 |

PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

- | | | |
|-----|---|--|
| 13. | Fixed Rate Note Provisions | Applicable |
| | (a) Rate(s) of Interest: | 2.250 per cent. per annum payable annually in arrear on each Interest Payment Date subject to adjustment from time to time in the event of a Step Up Rating Change and/or a Step Down Rating Change, as the case may be (<i>see Annex below</i>) |
| | (b) Interest Payment Date(s): | 16 September in each year, commencing on 16 September 2016, up to and including the Maturity Date |
| | (c) Fixed Coupon Amount(s):
(<i>Applicable to Notes in definitive form.</i>) | EUR 22.50 per Calculation Amount for as long as no Step Up Rating Change is continuing; EUR 35.00 per Calculation Amount for as long as a Step Up Rating Change is continuing |
| | (d) Broken Amount(s):
(<i>Applicable to Notes in definitive form.</i>) | Not Applicable |
| | (e) Day Count Fraction: | Actual/Actual (ICMA) |
| | (f) Determination Date(s): | 16 September in each year |
| 14. | Floating Rate Note Provisions | Not Applicable |
| 15. | Zero Coupon Note Provisions | Not Applicable |

PROVISIONS RELATING TO REDEMPTION

- | | | |
|-----|---|---|
| 16. | Notice periods for Programme Condition 7.2 (<i>Redemption for tax reasons</i>): | Minimum period: 30 days
Maximum period: 60 days |
| 17. | Issuer Call: | Applicable |
| | (a) Optional Redemption Date(s): | Any day from and including the Issue Date to but excluding the day that is 3 months prior to the Maturity |

		Date
(b)	Optional Redemption Amount and method, if any, of calculation of such amount(s):	Make Whole Redemption Amount
(A)	Reference Bond:	DBR 1.500 per cent. due September 2022
(B)	Redemption Margin:	0.35 per cent.
(C)	Quotation Time:	11 a.m. Frankfurt time
(c)	If redeemable in part:	
(i)	Minimum Redemption Amount:	Not Applicable
(ii)	Maximum Redemption Amount:	Not Applicable
(d)	Notice periods:	Minimum period: 15 days Maximum period: 30 days
18.	Issuer Par Call:	Applicable
(a)	Issuer Par Call Date:	Any day during the period from (and including) the day that is 3 months prior to the Maturity Date to (but excluding) the Maturity Date
(b)	If redeemable in part:	
(i)	Minimum Redemption Amount:	Not Applicable
(ii)	Maximum Redemption Amount:	Not Applicable
(c)	Notice periods:	Minimum period: 15 days Maximum period: 30 days
19.	Investor Put:	Not Applicable
20.	Change of Control Put:	Applicable
(a)	Change of Control Redemption Amount:	EUR1,000 per Calculation Amount
(b)	Notice periods:	Minimum period: 15 days Maximum period: 30 days
21.	Final Redemption Amount:	EUR1,000 per Calculation Amount
22.	Early Redemption Amount payable on redemption for taxation reasons or on event of default:	EUR1,000 per Calculation Amount

GENERAL PROVISIONS APPLICABLE TO THE NOTES

23. Form of Notes:

(a) Form:

Bearer:

Temporary Global Note exchangeable for a Permanent Global Note which is exchangeable for Definitive Notes only upon an Exchange Event

(b) New Global Note/NSS:

Yes

24. Additional Financial Centre(s):

Not Applicable

25. Talons for future Coupons to be attached to Definitive Notes:

No

Signed on behalf of DS Smith Plc:

By:

Director/Authorised signatory

PART B – OTHER INFORMATION

1. LISTING AND ADMISSION TO TRADING

- | | | |
|------|---|---|
| (i) | Listing and Admission to trading | Application has been made by the Issuer (or on its behalf) for the Notes to be admitted to trading on the regulated market of the Bourse de Luxembourg with effect from the Issue Date. |
| (ii) | Estimate of total expenses related to admission to trading: | EUR 4,345 |

2. RATINGS

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| Ratings: | The Notes to be issued are expected to be rated:

BBB- by Standard & Poor's Credit Market Services Europe Limited (S&P).

S&P is established in the European Union and is registered under Regulation (EC) No. 1060/2009 (as amended) (the CRA Regulation). |
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3. INTERESTS OF NATURAL AND LEGAL PERSONS INVOLVED IN THE ISSUE

Save for any fees payable to the Joint Lead Managers, so far as the Issuer is aware, no person involved in the issue of the Notes has an interest material to the offer. The Joint Lead Managers and their affiliates have engaged, and may in the future engage, in investment banking and/or commercial banking transactions with, and may perform other services for, the Issuer and its affiliates in the ordinary course of business.

4. YIELD

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|----------------------|---|
| Indication of yield: | 2.392 per cent. per annum. The yield is calculated on an annual basis at the Issue Date on the basis of the Issue Price and the Rate of Interest applicable at the Issue Date. It is not an indication of future yield. |
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5. HISTORIC INTEREST RATES

Not Applicable

6. OPERATIONAL INFORMATION

- | | | |
|-------|--|----------------|
| (i) | ISIN: | XS1291448824 |
| (ii) | Common Code: | 129144882 |
| (iii) | Any clearing system(s) other than Euroclear Bank S.A./N.V. | Not Applicable |

and Clearstream Banking, *société anonyme* and the relevant identification number(s):

- | | | |
|-------|---|---|
| (iv) | Delivery: | Delivery against payment |
| (v) | Names and addresses of additional Paying Agent(s) (if any): | Not Applicable |
| (vi) | Deemed delivery of clearing system notices for the purposes of Programme Condition 14 (<i>Notices</i>): | Any notice delivered to Noteholders through the clearing systems will be deemed to have been given on the second business day after the day on which it was given to Euroclear and Clearstream, Luxembourg. |
| (vii) | Intended to be held in a manner which would allow Eurosystem eligibility: | Yes. Note that the designation “yes” simply means that the Notes are intended upon issue to be deposited with one of the ICSDs as common safekeeper and does not necessarily mean that the Notes will be recognised as eligible collateral for Eurosystem monetary policy and intra day credit operations by the Eurosystem either upon issue or at any or all times during their life. Such recognition will depend upon the ECB being satisfied that Eurosystem eligibility criteria have been met. |

7. DISTRIBUTION

- | | | |
|-------|---|--|
| (i) | Method of distribution: | Syndicated |
| (ii) | If syndicated, names of Managers: | HSBC Bank plc
J.P. Morgan Securities plc
Lloyds Bank plc
The Royal Bank of Scotland plc |
| (iii) | Date of Subscription Agreement: | 14 September 2015 |
| (iv) | Stabilising Manager(s) (if any): | Lloyds Bank plc |
| (v) | If non-syndicated, name of relevant Dealer: | Not Applicable |
| (vi) | U.S. Selling Restrictions: | Reg. S Compliance Category 2
TEFRA D |

ANNEX

Step Up Rating Change and/or Step Down Rating Change

The Rate of Interest payable on the Notes will be subject to adjustment from time to time in the event of a Step Up Rating Change and/or a Step Down Rating Change, as the case may be.

- a) Subject to paragraph d) below, from and including the first Interest Payment Date following the date of a Step Up Rating Change, the Rate of Interest payable on the Notes shall be increased by the Step Up Margin.
- b) Subject to paragraph d) below, in the event of a Step Down Rating Change following a Step Up Rating Change, with effect from and including the first Interest Payment Date following the date of such Step Down Rating Change, the Rate of Interest payable on the Notes shall be decreased by the Step Up Margin back to the initial Rate of Interest.
- c) If a Step Up Rating Change and, subsequently, a Step Down Rating Change occur during the same Fixed Interest Period, the Rate of Interest on the Notes shall be neither increased nor decreased as a result of either such event.
- d) The Issuer shall use all reasonable efforts to maintain credit ratings for its senior unsecured long-term debt from S&P and, if an additional Rating Agency is appointed to rate the Issuer's senior unsecured long-term debt by or with the consent of the Issuer, such additional Rating Agency. If, notwithstanding such reasonable efforts, any Rating Agency fails or ceases to assign a credit rating to the Issuer's senior unsecured long-term debt, the Issuer shall use all reasonable efforts to obtain a credit rating of its senior unsecured long-term debt from a Substitute Rating Agency approved (other than in the case of Moody's or Fitch) by the Trustee (such approval not to be unreasonably withheld or delayed), and references herein to such Rating Agency or the credit ratings thereof, shall be to such Substitute Rating Agency or, as the case may be, the equivalent credit ratings thereof as specified in or determined in accordance with the remainder of Annex.
- e) The Issuer will cause the occurrence of a Step Up Rating Change or a Step Down Rating Change giving rise to an adjustment to the Rate of Interest payable on the Notes pursuant to this Condition to be notified to the Trustee and the Principal Paying Agent and notice thereof to be published in accordance with Programme Condition 14 (*Notices*) as soon as reasonably practicable after the occurrence of such Step Up Rating Change or Step Down Rating Change, but in no event later than the fifth London Business Day thereafter.
- f) If the rating designations employed by any Rating Agency are changed from those which are described in this Condition or if a rating is procured from a Substitute Rating Agency other than Moody's or Fitch, the Issuer shall determine, with the prior approval of the Trustee (not to be unreasonably withheld or delayed), the rating designations of such Substitute Rating Agency as are most equivalent to the prior rating designations of the existing Rating Agency (or Rating Agencies, as the case may be).
- g) Notwithstanding any other provision contained herein, there shall be no limit on the number of times that the Rate of Interest may be adjusted pursuant hereto during the term of the Notes provided that at no time during the term of the Notes will the Rate of Interest be (i) less than the initial Rate of Interest or (ii) more than the initial Rate of Interest plus the Step Up Margin specified hereon.

Where:

Rating Agency, Fitch, Moody's, S&P and Substitute Rating Agency have the meaning given in Programme Condition 7.6 (*Redemption at the option of the Noteholders upon a change of control (Change of Control Put)*);

Step Down Rating Change means the first public announcement by S&P and, if applicable, each other Rating Agency appointed by or with the consent of the Issuer, after a Step Up Rating Change, that the credit rating of the Issuer's senior unsecured long-term debt is at least BBB- in the case of S&P and, if applicable, at least Baa3 in the case of Moody's and at least BBB- in the case of Fitch. For the avoidance of doubt, any further increase in the credit rating of the Issuer's senior unsecured long-term debt above BBB- in the case of S&P and, if applicable, at least Baa3 in the case of Moody's and at least BBB- in the case of Fitch shall not constitute a further Step Down Rating Change;

Step Up Margin means 1.25 per cent. per annum; and

Step Up Rating Change means the first public announcement by S&P or, if applicable, any other Rating Agency appointed by or with the consent of the Issuer of a decrease in the credit rating of the Issuer's senior unsecured long-term debt to below BBB- in the case of S&P or, if applicable, below Baa3 in the case of Moody's or below BBB- in the case of Fitch. For the avoidance of doubt, any further decrease in the credit rating of the Issuer's senior unsecured long-term debt below BBB- in the case of S&P or, if applicable, below Baa3 in the case of Moody's or below BBB- in the case of Fitch shall not constitute a further Step Up Rating Change.

SUBSCRIPTION AND SALE

The Joint Lead Managers have, pursuant to a Subscription Agreement dated 14 September 2015 (the **Subscription Agreement**), jointly and severally agreed with the Issuer, subject to the satisfaction of certain conditions, to subscribe and pay for the Notes at 99.095 per cent. of their principal amount, plus accrued interest (if any) less certain fees and commissions. The Issuer has also agreed to reimburse the Joint Lead Managers for certain of their expenses, and has agreed to indemnify the Joint Lead Managers against certain liabilities, incurred in connection with the issue of the Notes.

The Joint Lead Managers are entitled to terminate the Subscription Agreement in certain circumstances prior to payment to the Issuer.

See "*Subscription and Sale*" in the Base Prospectus for details of the restrictions on the distribution of this Drawdown Prospectus and the Base Prospectus and on the offering and sale of the Notes.

GENERAL INFORMATION

Authorisation

The issue of the Notes has been duly authorised by a resolution of the Board of Directors of the Issuer dated 20 January 2015 and by a resolution of a duly authorised committee of the Board of Directors of the Issuer dated 25 February 2015.

Listing and admission of trading of the Notes

Application has been made to the CSSF to approve this document as a drawdown prospectus. Application has also been made to the Luxembourg Stock Exchange for the Notes to be admitted to trading on the Luxembourg Stock Exchange's regulated market and to be listed on the Official List of the Luxembourg Stock Exchange. The Luxembourg Stock Exchange's regulated market is a regulated market for the purposes of the Markets in Financial Instruments Directive (Directive 2004/39/EC). The listing of the Notes is expected to be granted on or about the Issue Date.

Documents Available

Copies of the following documents are available for inspection from the registered office of the Issuer, and from the specified office of the Principal Paying Agent so long as any of the Notes remain outstanding:

- (a) the Memorandum and Articles of Association of the Issuer;
- (b) the consolidated audited financial statements of the Issuer in respect of the financial years ended 30 April 2014 and 30 April 2015. The Issuer currently prepares audited accounts on an annual basis;
- (c) the most recently published audited annual financial statements of the Issuer and the most recently published unaudited interim financial statements (if any) of the Issuer, in each case together with any audit or review reports prepared in connection therewith. The Issuer currently prepares unaudited interim accounts on a half-yearly basis;
- (d) the Programme Agreement, the Trust Deed, the Agency Agreement, and the forms of the Global Notes, the Notes in definitive form and the Coupons;
- (e) the Base Prospectus;
- (f) the Supplement; and
- (g) this Drawdown Prospectus.

This Drawdown Prospectus will also be published on the website of the Luxembourg Stock Exchange (www.bourse.lu).

Clearing Systems

The Notes have been accepted for clearance through Euroclear and Clearstream, Luxembourg (which are the entities in charge of keeping the records).

The address of Euroclear is Euroclear Bank S.A./N.V., 1 Boulevard du Roi Albert II, B-1210 Brussels and the address of Clearstream, Luxembourg is Clearstream Banking, 42 Avenue JF Kennedy, L-1855 Luxembourg.

Significant or Material Change

There has been no significant change in the financial or trading position of the Issuer since 30 April 2015 and there has been no material adverse change in the financial position or prospects of the Issuer since 30 April 2015.

Litigation

There are no governmental, legal or arbitration proceedings (including any proceedings which are pending or threatened) of which the Issuer is aware in the 12 months preceding the date of this document which may have or have had in the recent past a significant effect on the financial position or profitability of the Issuer or the Group.

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