Year End Debt Investor Call - 2016

Another year of growth, returns and momentum

28 June 2016

The Power of Less®

Another year of growth, returns and momentum

- Continued outperformance of the market
  - Volumes +3.1%
  - Growth in all regions
  - Excellent growth from pan-European customers

- Significant investment in strengthening the business
  - Five acquisitions in the 2015/16 financial year
  - New or expanded presence in 13 countries and c. 4,000 new employees
  - Investment to drive strategic priorities

- Further acquisitions announced today
  - Gopaca – corrugated business in Portugal
  - Creo – specialist Point of Sale / display in the UK

- Continued delivery against all our financial medium-term targets

- Good momentum into 2016/17

2015/16: another year of out-performance

Volume growth	Return on sales	Return on average capital employed	Net debt / EBITDA	Earnings per share
+3.1%	+50 bps	+70 bps	2.0x	+16%

Note – Volumes on a like-for-like basis. All figures on a constant currency basis, before exceptional items and amortisation

Sustainable delivery against medium term targets

Metric	Medium-term target	2015/16		Progress
Volume growth(1)	GDP(2) + 1% = 2.8%	3.1%	✓	Growing ahead of the market
Return on sales(3)	8% - 10%	9.3%	✓	+50bps
ROACE(3)	12% - 15%	15.4%	✓	+70bps
Cash conversion(4)	≥100%	112%	✓	In target range
Net debt / EBITDA(5)	≤2.0x	2.0x	✓	In target range

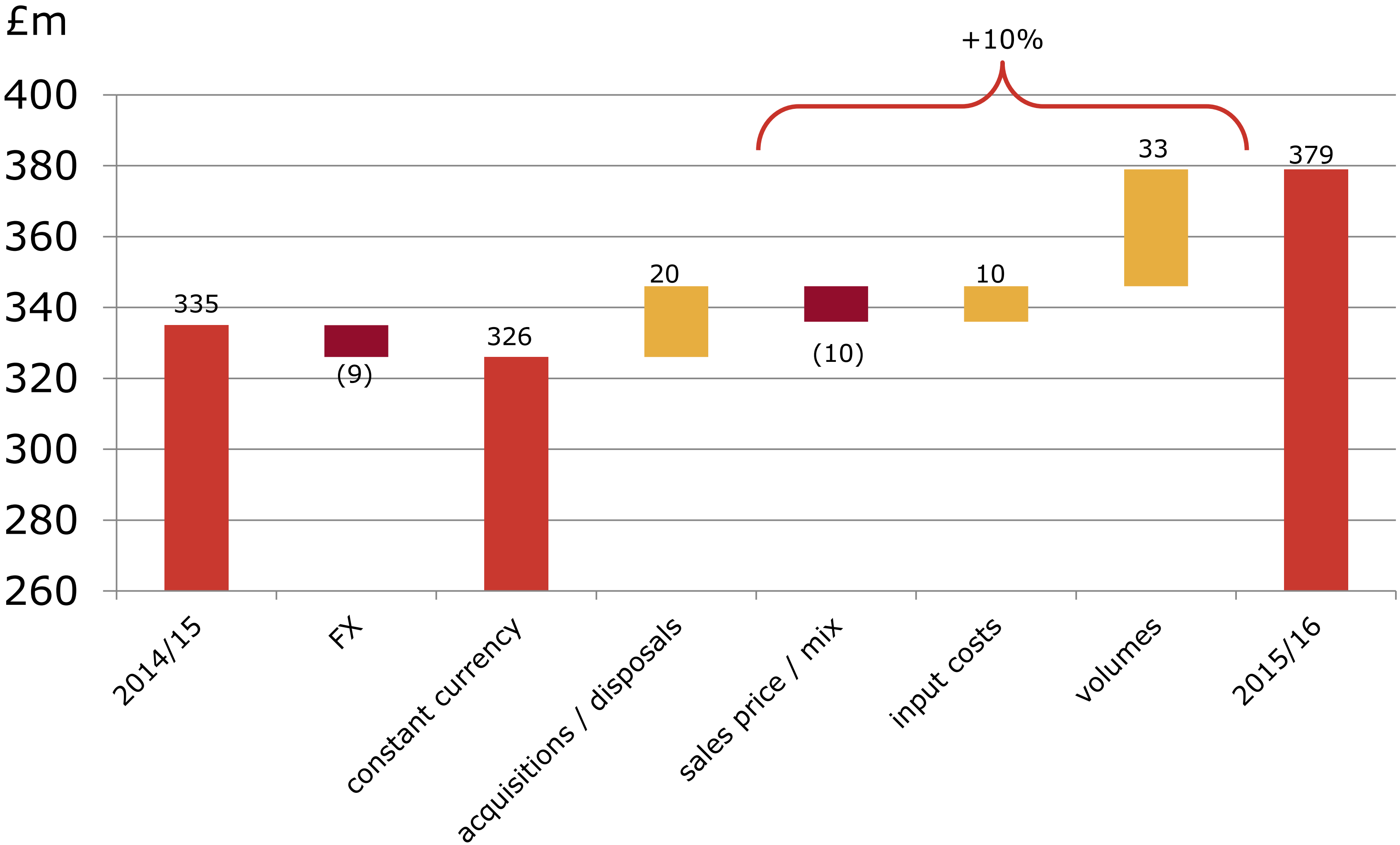
(1) Corrugated box volumes, adjusted for working days, on a like-for-like basis
(2) GDP growth (year-on-year) for the countries in which DS Smith operates, weighted by our sales by country for the period April 2015– March 2016 = 1.8%. Source: Eurostat (13 May 2016)
(3) Calculated on operating profit before amortisation and exceptional items (on a constant currency basis)
(4) Free cash flow before tax, net interest, growth capital expenditure, pension payments and exceptional cash flows as a percentage of earnings before interest, tax, amortisation and exceptional items
(5) Calculation as defined by the Group's banking covenants

Financial highlights

Continuing operations	2015/16	Change *constant currency*
Revenue (£m)	4,066	+9%
Operating profit[1] (£m)	379	+16%
Return on sales	9.3%	+50bps
Adjusted EPS[1]	27.4p	+16%
Dividend per share	12.8p	+12%
Asset turnover[2]	1.7x	0bps
Return on average capital employed[1]	15.4%	+70bps

(1) Before amortisation, exceptional items and share of associates
(2) Revenue divided by average capital employed for the year

Organic and acquisition driven profit growth



Sustained improvement in working capital

£m	2015/16	2014/15
EBITDA	**506**	**452**
Working capital	56	101
Pension payments/other	(42)	(35)
Capex (net of proceeds)	(201)	(149)
Tax and interest	(81)	(62)
Free cash flow	**238**	**307**
FCF per share	**25.2p**	**32.6p**

	2015/16	2014/15
Average monthly working capital/sales	1.6%	2.7%

Investing in the business

- Capex
  - Strict financial discipline and criteria
  - Opportunity to invest ahead of depreciation in growth and efficiency

- Acquisitions
  - Strict financial discipline and criteria
  - Track record of cost and cash synergies

- Strength of balance sheet
  - Consistent record of cash generation
  - Working capital discipline
  - Investment grade credit rating

Erlensee display plant, Frankfurt, opening Nov 2016

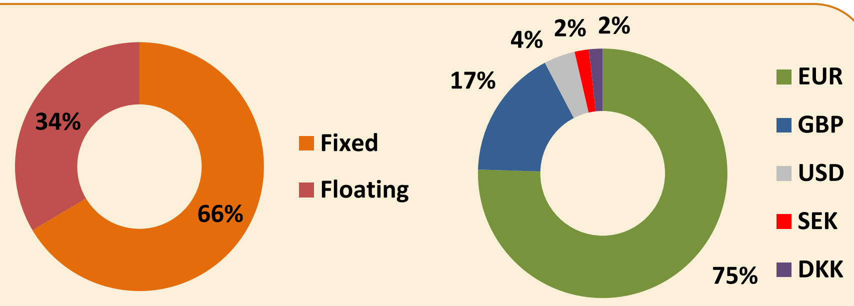
Appendix

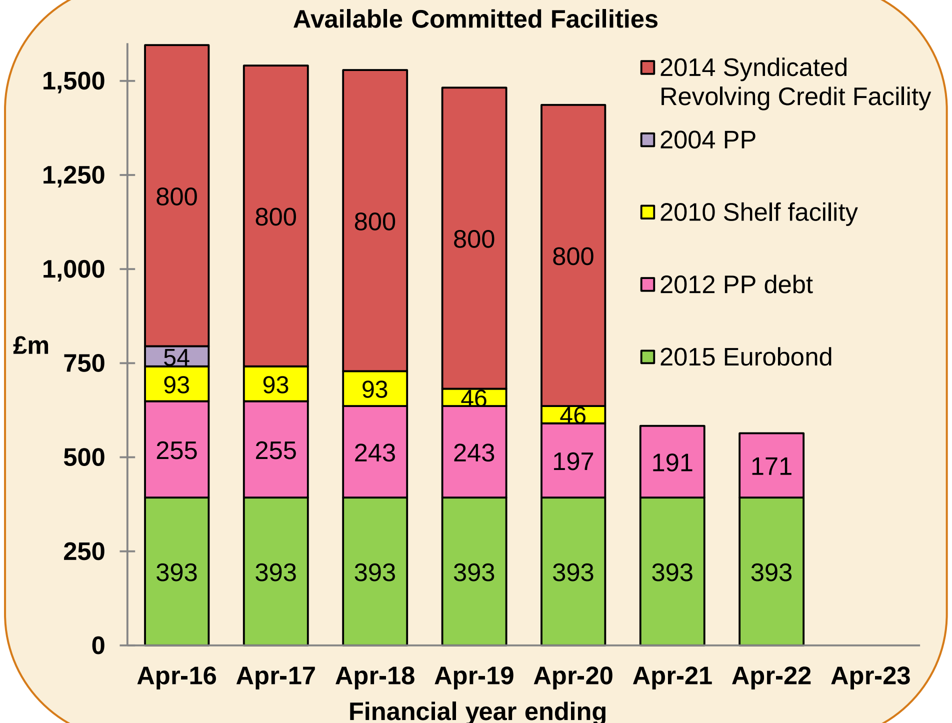
Foreign exchange exposure

2015/16	Revenue (%)	EBITA (%)	Average rate FY 2015/16	Closing rate 30 April 2016
GBP	22%	18%		
EUR	61%	65%	1.3401	1.2724
PLN	3%	3%	5.7321	5.5760
SEK	3%	3%	12.6004	11.6780
DKK	2%	1%	9.9082	9.4678
USD	2%	4%	1.4966	1.4673
Other	7%	6%		

- Note that the difference in the % of GBP at EBITA versus revenue is due to a significant proportion of central costs being in GBP

Debt analysis





Net Debt	£ 1,099m
Net Debt/ EBITDA ratio*	2.0x
EBITDA/ Net Interest ratio*	12.7x

As at 30 April 2016, the weighted average remaining life of the Group's committed borrowing facilities was 4.7 years.

* Ratios as defined in the Group’s banking agreements.