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2 July 2012

For immediate release

## DS SMITH PLC

### COMPLETION OF ACQUISITION OF SCA PACKAGING RE-ADMISSION OF THE ENLARGED GROUP

DS Smith Plc ("**DS Smith**" or "**the Company**") is pleased to announce that completion of the Acquisition of the packaging division of Svenska Cellulosa Aktiebolaget SCA (publ) ("**SCA**") excluding the kraftliner assets ("**SCA Packaging**") occurred on 30 June 2012 as planned.

The consideration paid on Completion was €1,582 million (£1,280 million) net of cash and external debt, €1,606 million gross. This is subject to customary post Completion price adjustments.

SCA Packaging is the second largest packaging business in Europe and the Acquisition represents a significant opportunity for DS Smith to achieve its stated strategic aim of becoming the leading supplier of recycled packaging for consumer goods in Europe.

As identified at the time of announcement of the Acquisition on 17 January 2012 the Board of DS Smith believes that the Acquisition will drive growth in the business and add value for DS Smith Shareholders by:

- providing access to new geographical markets across continental Europe that better match the location and scale of key pan-European FMCG customers, given the complementary geographic business and customer fit between the two businesses;
- developing broader relationships with existing customers as well as the potential to win new customers through increased ability to supply and innovate new products and improve service levels;
- driving further benefits from the Enlarged Group's operational structure, utilising the strengthened resource in key commercial and operational functions of DS Smith's business; and
- delivering estimated annualised pre-tax cost synergies from procurement and operational efficiencies of at least €75 million per annum and cumulative capital expenditure and working capital benefits of at least €40 million by the end of the third full financial year following Completion.

In addition the Board believes that it has adopted a prudent financial structure for the Acquisition with the equity issue successfully backed by shareholders. As set out at the time of announcement in January, the

Board expects the net debt to EBITDA ratio of the Group will have returned to the targeted level of 2.0x or less, by the end of the first full financial year following Completion.

Since the announcement of the Acquisition in January DS Smith has put in place detailed integration plans which it will now be implementing.

Applications have been made to the UK Listing Authority and the London Stock Exchange for the re-admission to listing on the premium segment of the Official List of the UK Listing Authority and to trading on the main market of the London Stock Exchange of 926,976,137 Ordinary Shares upon the cancellation of the listing of such shares in accordance with the requirements for reverse takeovers, which are applicable to the Acquisition under the Listing Rules, and Re-admission is expected to occur at 8.00 a.m. on 2 July 2012.

Commenting on the completion of the Acquisition, Miles Roberts, Group Chief Executive, said “We are delighted to have completed this acquisition, which is a key step in our strategic plan to become the leading supplier of recycled packaging across Europe.”

“The SCA Packaging business is very complementary to DS Smith’s strengths and creates a significantly enlarged geographic footprint. Together, we are now better positioned to meet the needs of our pan-European customers, deliver higher standards of customer service and drive forward product innovation. We are very excited about the opportunity to create an outstanding supplier for our customers and to make DS Smith a fulfilling place for our staff to work.”

“We can now start to integrate, develop and grow these two excellent businesses as we look to deliver substantial value for our customers, shareholders and employees.”

Unless otherwise defined herein, terms used in this announcement have the same meanings as those defined in the Original Prospectus.

A presentation is planned for 11 October 2012 at which DS Smith’s executive management will update investors and analysts on the progress made in respect of the Acquisition.

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