

NOT FOR PUBLICATION, RELEASE OR DISTRIBUTION, DIRECTLY OR INDIRECTLY, IN WHOLE OR IN PART, IN OR INTO THE UNITED STATES, AUSTRALIA, CANADA, JAPAN OR SOUTH AFRICA OR ANY OTHER JURISDICTION IN WHICH IT WOULD BE UNLAWFUL TO DO SO.

THIS ANNOUNCEMENT IS AN ADVERTISEMENT AND NOT A PROSPECTUS AND INVESTORS SHOULD NOT SUBSCRIBE FOR OR PURCHASE ANY SECURITIES REFERRED TO IN THIS ANNOUNCEMENT EXCEPT ON THE BASIS OF INFORMATION CONTAINED IN THE ORIGINAL PROSPECTUS DATED 17 JANUARY 2012, THE FIRST SUPPLEMENTARY PROSPECTUS DATED 26 JANUARY 2012, THE SECOND SUPPLEMENTARY PROSPECTUS DATED 18 APRIL 2012 AND THE THIRD SUPPLEMENTARY PROSPECTUS DATED 28 JUNE 2012 PUBLISHED BY THE COMPANY IN CONNECTION WITH THE PROPOSED ACQUISITION. COPIES OF THE ORIGINAL PROSPECTUS, THE FIRST SUPPLEMENTARY PROSPECTUS, THE SECOND SUPPLEMENTARY PROSPECTUS AND THE THIRD SUPPLEMENTARY PROSPECTUS WILL BE AVAILABLE FROM THE COMPANY'S REGISTERED OFFICE.

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.

**DS Smith Plc**

+44 (0) 1628 583 400

Miles Roberts, Group Chief Executive  
Steve Dryden, Group Finance Director  
Simon Craven, Group Communications Director  
Rachel Stevens, Head of Investor Relations

**J.P. Morgan Cazenove**

+44 (0) 20 7588 2828

**(Financial Adviser, Corporate Broker and Sponsor)**

Mark Breuer  
Malcolm Moir  
Luke Bordewich  
Julia Thomas

**Tulchan**

John Sunnucks  
David Allchurch

+44 (0) 20 7353 4200

*This announcement is not for release, publication or distribution, in whole or in part, directly or indirectly, in or into the United States, Australia, Canada, Japan or South Africa or any other jurisdiction into which the publication or distribution would be unlawful. These materials do not constitute an offer to sell or issue or the solicitation of an offer to buy or acquire securities in the United States, Australia, Canada, Japan or South Africa or any other jurisdiction in which such offer or solicitation would be unlawful.*

*This announcement has been issued by, and is the sole responsibility of, DS Smith. No representation or warranty express or implied, is or will be made as to, or in relation to, and no responsibility or liability is or will be accepted by J.P. Morgan Limited or by any of their affiliates or agents as to or in relation to, the accuracy or completeness of this announcement or any other written or oral information made available to or publicly available to any interested party or its advisers, and any responsibility or liability therefore is expressly disclaimed.*

*J.P. Morgan Limited is authorised and regulated in the United Kingdom by the Financial Services Authority, and is acting exclusively for DS Smith in connection with the matters set out in this announcement, the proposed Acquisition and Re-admission. J.P. Morgan Limited is not, and will not be, responsible to anyone other than DS Smith for providing the protections afforded to its clients or for providing advice in relation to the proposed Acquisition, the Re-admission or any other matters referred to in this announcement. Apart from the responsibilities and liabilities, if any, which may be imposed on it by the Financial Services and Markets Act 2000, J.P. Morgan Limited accepts no responsibility whatsoever and makes no representation or warranty, express or implied, for the contents of this announcement, or for any other statement made or purported to be made by it, or on its behalf, in connection with the Company, the proposed Acquisition or the Re-admission and nothing in this announcement is, or shall be relied upon as, a promise or representation in this respect, whether as to the past or the future. J.P. Morgan Limited accordingly disclaims to the fullest extent permitted by law all and any responsibility and liability whether arising in tort, contract or otherwise (save as referred to above) which it might otherwise have in respect of this announcement or any such statement.*

*This announcement has been prepared in accordance with English law, the Listing Rules and the Disclosure Rules and Transparency Rules and information disclosed may not be the same as that which would have been prepared in accordance with the laws of jurisdictions outside England.*

*The distribution of this announcement in jurisdictions other than the United Kingdom may be affected by the laws of relevant jurisdictions. Therefore any persons who are subject to the laws of any jurisdiction other than the United Kingdom will need to inform themselves about, and observe any applicable requirements.*

*This announcement is for information purposes only and shall not constitute an offer to buy, sell, issue or subscribe for, or the solicitation of an offer to buy, sell, issue, or subscribe for, any securities in DS Smith or any other entity.*

*Neither the content of the Company's website (or any other website) nor the content of any website accessible from hyperlinks on the Company's website (or any other website) is incorporated into, or forms part of, this announcement.*

*This announcement contains (or may contain) certain forward-looking statements with respect to certain of DS Smith's current expectations and projections about future events. These statements, which sometimes use words such as "anticipate", "believe", "intend", "estimate", "expect", "will", "shall", "may", "aim", "predict", "should", "continue" and words of similar meaning and/or other similar expressions that are predictions of or indicate future events and/or future trends, reflect the directors' beliefs and expectations at the date of this announcement and involve a number of risks, uncertainties and assumptions that could cause actual results and performance to differ materially from any expected future results or performance expressed or implied by the forward-looking statement.*

*Statements contained in this announcement regarding past trends or activities should not be taken as a representation that such trends or activities will continue in the future. The information contained in this announcement is subject to change without notice and, except as required by applicable law, neither DS Smith nor J.P. Morgan Limited assumes any responsibility or obligation to update publicly or review any of the forward-looking statements contained herein. You should not place undue reliance on forward-looking statements, which speak only as of the date of this announcement.*

*No statement in this announcement is or is intended to be a profit forecast or to imply that the earnings of DS Smith for the current or future financial years will necessarily match or exceed the historical or published earnings of DS Smith. The Shares have not been, and will not be, registered under the U.S. Securities Act of 1933, as amended and may not be offered, sold or transferred, directly or indirectly, within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and the securities laws of any state or other jurisdiction of the United States. This announcement does not constitute an offer to sell or issue or the solicitation of an offer to buy or acquire, nor shall there be any sale of the Shares in any jurisdiction in which such offer, solicitation or sale would be unlawful. The Shares have not been, and will not be, registered with any regulatory authority of any state within the United States. No money, securities or other consideration is being solicited and, if sent in response to the information herein, will not be accepted. There will be no public offer of any securities of the Company in the United States.*