



20 April 2011

## **DS SMITH PLC PRE-CLOSE STATEMENT**

DS Smith Plc, the international supplier of recycled packaging for consumer goods, today issues its pre-close statement for the full-year to 30 April 2011.

### **DS Smith Group**

The encouraging overall trading reported in our IMS of 10 March 2011 has continued, with further strong volume growth driven by our focus on the resilient fast moving consumer goods sector.

The year to 30 April 2011 is progressing in line with expectations for good improvements in return on sales and return on capital, with significant EPS growth. This reflects the continued benefit of our focus on service, quality and innovation to our customers. While we have seen the anticipated further input cost increases come through in the final quarter of the year, these costs are being recovered successfully.

### **Packaging**

Our corrugated packaging businesses have experienced further strong underlying volume growth of around 8% in the year to date. The phased recovery of input cost increases continues in line with our strategy to achieve a shorter recovery period. The re-branding of our UK businesses, aligned under the DS Smith name for the first time, is currently underway. Our operations in France, including the Otor operations are now together under one brand, DS Smith Packaging France.

The performance of the Plastics business continues to be good, with strong volume growth, cost control and recovery of input costs.

### **Office Products Wholesaling**

The trading performance at Spicers has continued satisfactorily. Profit improvement is expected to be good, due to continued growth in continental Europe and decisive cost control actions in the UK.

### **Outlook**

DS Smith has strong foundations, a disciplined approach to capital allocation and cost control with attractive growth opportunities within the UK, France and Central and Eastern Europe as corrugated packaging outperforms other materials on ease of recycling.

In respect of the coming financial year, the Group expects to continue to make further progress towards its financial objectives – being sales volume growth over 3%, return on sales between 6% and 8% and return on average capital employed between 12% and 15%. This progress is a result of the successful integration of Otor combined with the continued implementation of our strategy.

**Forthcoming Dates**

Results for the full-year to 30 April 2011

23 June 2011

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