

DS SMITH PLC INTERIM MANAGEMENT STATEMENT

DS Smith Plc (“DS Smith” or “the Group”), the international supplier of recycled packaging for consumer goods, today publishes its Interim Management Statement in respect of the period since 30 April 2012. DS Smith will hold its Annual General Meeting at 2pm today.

Financial position

On 30 June 2012 DS Smith completed its acquisition of SCA Packaging, as planned, for consideration of €1.58 billion (£1.28 billion), funded from bank facilities and cash raised earlier in the year via an equity issue. Accordingly, net debt increased commensurately and SCA Packaging is consolidated in the accounts of DS Smith from this date. Save for this acquisition, there has been no material change in the financial position of the Group since the publication of our full year results to 30 April 2012.

Integration of SCA Packaging

On completion of the acquisition, we immediately put in place a combined management structure, and communicated our plans to both customers and employees. We have been pleased with the reaction from our key customers and the enthusiasm of all our employees for the creation of this leading pan European recycled packaging supplier. The integration work is proceeding slightly ahead of the planned schedule and we are pleased with progress to date. We look forward to updating investors with more details at our scheduled presentation on 11 October 2012.

Trading update

In the period since 30 April 2012, DS Smith has transformed its position in the European market for recycled packaging, having completed its acquisition of SCA Packaging on 30 June 2012 as planned.

Trading for the Group in the period has continued in line with our expectations, with good corrugated box volumes in the legacy DS Smith business, slightly ahead of our GDP+1% target, with particularly encouraging volume growth continuing in Continental Europe. This has led to our operating profit margin for the Group continuing to improve despite the continued difficult market for our moderately sized paper business.

Outlook

In the period we have seen good performance from the legacy DS Smith business despite the ongoing tough trading environment. Trading in the SCA Packaging business has been fully in line with expectations, reflecting the continuing difficult market conditions. As previously announced, we expect to deliver a return on capital from the acquisition above our weighted average cost of capital, in the financial year. This is based on the cost and capital synergies previously announced. We also continue to expect net debt / EBITDA to fall below 2.0x by the end of the first full financial year of ownership.

The company is trading in line with current market expectations for substantial year-on-year EPS growth and the Board views the remainder of the year with confidence.

Miles Roberts, Group Chief Executive, said

“The Group has made a good start to the year by focusing on what our customers value - service, quality and innovation. 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 and to deliver substantial value for our customers, shareholders and employees.”

Enquiries**DS Smith Plc**

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+44 (0)20 7353 4200**Conference call**

A conference call for analysts and investors, hosted by Miles Roberts and Steve Dryden, will take place today, 4 September 2012 at 08.00 BST. The dial-in number is:

UK / International +44 (0)20 3003 2666
Password DS Smith

A play-back facility of this call will be available until 11 September 2012. The dial-in number is: +44 (0)20 8196 1998, access pin 3388102. A recording and transcript of the call will also be available through the Investor Relations section of our website: www.dssmith.uk.com

Forthcoming dates

100-day presentation on SCA Packaging
Pre-close statement
Results for the half year to 31 October 2012

11 October 2012
6 November 2012
6 December 2012