NOT FOR RELEASE, PUBLICATION OR DISTRIBUTION, DIRECTLY OR INDIRECTLY, IN WHOLE OR IN PART, IN OR INTO ANY OF THE UNITED STATES, AUSTRALIA, CANADA, HONG KONG, JAPAN, SOUTH AFRICA, SWITZERLAND OR THE UNITED ARAB EMIRATES OR INTO ANY JURISDICTION WHERE TO DO THE SAME WOULD CONSTITUTE A VIOLATION OF THE RELEVANT LAWS OF SUCH JURISDICTION.

THIS IS NOT A PROSPECTUS BUT AN ADVERTISEMENT. INVESTORS SHOULD NOT SUBSCRIBE FOR THE SECURITIES REFERRED TO IN THIS ADVERTISEMENT EXCEPT ON THE BASIS OF INFORMATION IN THE PROSPECTUS. A PROSPECTUS WILL BE PUBLISHED AND INVESTORS WILL BE ABLE TO OBTAIN IT FROM THE OFFICES OF DS SMITH.

19 June 2018

For immediate release

DS SMITH PLC

FULLY UNDERWRITTEN RIGHTS ISSUE RAISING PROCEEDS OF c. £1,000 MILLION TO PART FUND THE ACQUISITION OF EUROPAC

On 4 June 2018, DS Smith Plc ("**DS Smith**", or the "**Company**") announced the proposed acquisition of Papeles y Cartones de Europa, S.A., known as Europac ("**Europac**"), a leading Western European integrated packaging business (the "**Acquisition**").

The offer price of €16.80 per Europac share (the "**Offer Price**") values the entire share capital of Europac at €1,667 million (£1,453 million), with an implied enterprise value of €1,904 million (£1,659 million) and which represents an EV/EBITDA multiple of 8.4 times Europac's LTM EBITDA to 31 March 2018 including the full run rate of pre-tax cost synergies.

The Acquisition will be conditional on the approval of the shareholders of the Company (the "**Shareholders**") at a general meeting of the Company which is to be held on 10 July 2018 (the "**General Meeting**"). A notice of the General Meeting will be released with the circular and prospectus (the "**Prospectus**"), which are expected to be published today, subject to approval by the UK Listing Authority. Capitalised terms used but not defined herein have the meanings assigned to them in the Prospectus. The directors of DS Smith (the "**Directors**") unanimously consider that the resolution to approve the Acquisition is in the best interests of DS Smith and its Shareholders and recommend that Shareholders vote in favour of the resolution.

Today, DS Smith announces a fully underwritten rights issue, which is intended to raise proceeds of approximately £1,000 million (approximately €1,148 million) net of expenses, to be used to fund the Acquisition (the "**Rights Issue**").

The Rights Issue will result in the issue of 293,064,829 new ordinary shares (representing approximately 27.3 per cent. of the existing issued share capital of DS Smith and 21.4 per cent. of the enlarged issued share capital immediately following completion of the Rights Issue) (the "**New Shares**"). The Rights Issue will be on the following basis:

3 for 11 Rights Issue at 350 pence per New Share.

Details of the Rights Issue

Pursuant to the Rights Issue, the Company is proposing to offer 293,064,829 New Shares by way of a Rights Issue to qualifying shareholders other than to shareholders with a registered address in one of the Excluded Territories, subject to certain exceptions. The offer is to be made at 350 pence per New Share, payable in full on acceptance by no later than 11.00 a.m. on 24 July 2018. The Rights Issue is expected to raise proceeds of approximately £1,000 million net of expenses. The Issue Price represents a discount of approximately 30.9 per cent. to the theoretical ex-rights price based on the closing middle-market price of 549.6 pence per existing share on 18 June 2018 (being the latest business day before the announcement of the terms of the Rights Issue).

The New Shares, when issued and fully paid, will rank pari passu in all respects with the Existing Shares, including the right to receive dividends or distributions made, paid or declared after the date of the issue of the New Shares. Applications will be made to the FCA and to the London Stock Exchange for the New Shares to be admitted to the Official List and to trading on the London Stock Exchange. It is expected that Admission will occur and that dealings in the New Shares (nil paid) on the London Stock Exchange will commence at 8.00 a.m. on 10 July 2018.

293,064,829 New Shares will be issued, providing approximate net proceeds (after costs and expenses associated with the Rights Issue) of c. £1,000 million to be used to finance the Acquisition.

This summary should be read in conjunction with the full text of this announcement.

A copy of this announcement will be made available at www.dssmith.com. The information contained within this announcement is inside information as stipulated under the Market Abuse Regulations (EU) No. 596/2014. The person responsible for this announcement on behalf of DS Smith is Iain Simm, Group General Counsel and Company Secretary.

For further information, please contact:

DS Smith
Investors **+44 (0)20 7756 1800**
Hugo Fisher, Group Communications Director
Rachel Stevens, Investor Relations Director

Media **+44 (0)20 7756 1886**
Greg Dawson, Corporate Affairs Director

Goldman Sachs International *(Lead Financial Adviser and Joint Bookrunner)* **+44 (0)20 7774 1000**
Anthony Gutman
Nick Harper
Charlie Lytle

J.P. Morgan Cazenove *(Sponsor, Financial Adviser and Joint Bookrunner)* **+44 (0)20 7777 2000**
Charles Harman
Richard Walsh
Guy Bomford

Citigroup Global Markets Limited *(Joint Bookrunner)* **+44 (0)20 7986 4000**
Andrew Seaton
Alex Carter
Christopher Wren

Brunswick Group LLP **+44 (0)20 7404 5959**
Simon Sporborg
Emma Walsh
Christina Clark

Goldman Sachs International ("**GSI**" or "**Goldman Sachs**") is acting as lead financial adviser to DS Smith in connection with the Acquisition. J.P. Morgan Securities plc (which conducts its UK investment banking business as J.P. Morgan Cazenove) ("**JPMC**" or "**J.P. Morgan**") is acting as financial adviser and sponsor to DS Smith in connection with the Acquisition. GSI and JPMC are acting as joint underwriters on debt financing. Citigroup Global Markets Limited ("**Citi**"), GSI and JPMC are acting as joint underwriters on equity financing.

Important Notice

This announcement does not constitute an offer to sell or a solicitation of an offer to purchase any securities in any jurisdiction.

Any offer to acquire the Company's securities pursuant to the proposed Rights Issue referred to in these materials will be made, and any investor should make his investment, solely on the basis of information that will be contained in the prospectus to be made generally available in the United Kingdom in connection with such Rights Issue. When made generally available, copies of the prospectus may be obtained at no cost from the Company or through the website of the Company.

The information contained herein is not for distribution or publication, whether directly or indirectly and whether in whole or in part, in or into the United States, Australia, Canada, Hong Kong, Japan, South Africa, Switzerland or the United Arab Emirates, or any other jurisdiction where to do so would constitute a violation of the securities laws of such jurisdiction. These materials do not contain or constitute an offer for sale or the solicitation of an offer to purchase securities in the United States, Australia, Canada, Hong Kong, Japan, South Africa, Switzerland or the United Arab Emirates.

The securities referred to herein have not been, and will not be, registered under the U.S. Securities Act of 1933, as amended (the "Securities Act") or under any securities laws of any state or other jurisdiction of the United States, and may not be offered or sold in the United States absent registration under the Securities Act or an available exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. There will be no public offering of securities in the United States.

There will be no public offering of securities in the United States, Australia, Canada, Hong Kong, Japan, South Africa, Switzerland or the United Arab Emirates, or any other jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration, exemption from registration or qualification under the securities laws of such jurisdiction

This announcement is for information purposes only and is not intended to and does not constitute, or form part of, any offer or invitation to purchase, subscribe for or otherwise acquire or dispose of, or any solicitation to purchase or subscribe for or otherwise acquire or dispose of, any securities in any jurisdiction. Persons needing advice should consult an independent financial adviser. The information contained in this announcement is not for release, publication or distribution to persons in any jurisdiction where to do so might constitute a violation of local securities laws or regulations. This announcement has been issued by and is the sole responsibility of the Company. The information contained in this announcement is for background purposes only and does not purport to be full or complete. The information in this announcement is subject to change without notice.

Citi, which is authorised by the PRA and regulated by the FCA and the PRA in the United Kingdom, is acting for the company and no one else in connection with the Acquisition and Rights Issue and will not be responsible to anyone other than the company for providing the protections afforded to clients of Citi, nor for providing advice in relation to the Acquisition or the Rights Issue. Neither Citi nor any of its respective subsidiaries, branches or affiliates owes or accepts any duty, liability or responsibility whatsoever (whether direct or indirect, whether in contract, in tort, under statute or otherwise) to any person who is not a client of Citi, in connection with the Acquisition or Rights Issue, any statement contained in this announcement or otherwise.

Goldman Sachs, which is authorised by the PRA and regulated by the FCA and the PRA in the United Kingdom, is acting solely for the company and no one else in connection with the Acquisition and the Rights Issue and will not be responsible to anyone other than the company for providing the protections afforded to clients of Goldman Sachs, nor for providing advice in relation to the Acquisition or the Rights Issue. Neither Goldman Sachs nor any of its respective subsidiaries, branches or affiliates owes or accepts any duty, liability or responsibility whatsoever (whether direct or indirect, whether in contract, in tort, under statute or otherwise) to any person who is not a client of Goldman Sachs, in connection with the Acquisition or the Rights Issue, any statement contained in this announcement or otherwise.

JPMC, which is authorised by the PRA and regulated by the FCA and the PRA in the United Kingdom, is acting solely for the company as sponsor and financial adviser in connection with the Acquisition and as sponsor in connection with the Rights Issue and no one else and will not regard any other person as its client in relation to the Acquisition or Rights Issue and will not be responsible to anyone other than the company for providing the protections afforded to clients of JPMC, nor for providing advice in relation to the Acquisition or the Rights Issue. Neither JPMC nor any of its respective subsidiaries, branches or affiliates owes or accepts any duty, liability or responsibility whatsoever (whether direct or indirect, whether in contract, in tort, under statute or otherwise) to any person who is not a client of JPMC, in connection with the Acquisition or the Rights Issue, any statement contained in this announcement or otherwise.

Save for the responsibilities and liabilities, if any, of each of Citi, Goldman Sachs and JPMC under FSMA or the regulatory regime established under FSMA, each of Citi, Goldman Sachs and JPMC assumes no responsibility whatsoever and makes no representations or warranties, express or implied, in relation to the contents of this announcement, including its accuracy, completeness or verification or for any other statement made or purported to be made by the company, or on the company's behalf, or by Citi, Goldman Sachs or JPMC, or on any of their behalf, and nothing contained in this announcement is, or shall be, relied on as a promise or representation in this respect, whether as to the past or the future, in connection with the company or the Acquisition. Each of Citi, Goldman Sachs and JPMC disclaims to the fullest extent permitted by law all and any responsibility and liability whether arising in tort, contract or otherwise which it might otherwise be found to have in respect of this announcement or any such statement.

No person has been authorised to give any information or to make any representations other than those contained in this announcement and, if given or made, such information or representations must not be relied on as having been authorised by the Company, Citi, GSI or JPMC. None of the above take any responsibility or liability for, and can provide no assurance as to the reliability of, other information that you may be given. Subject to the Listing Rules, the Prospectus Rules and the Disclosure Guidance and Transparency Rules and the Disclosure Requirements, the issue of this announcement shall not, under any circumstances, create any implication that there has been no change in the affairs of the Company or Europac since the date of this announcement or that the information in this announcement is correct as at any time subsequent to the date of this announcement.

The distribution of this announcement in certain jurisdictions may be restricted by law. No action has been taken by the Company, Citi, GSI or JPMC that would permit an offering of such shares or possession or distribution of this announcement or any other offering or publicity material relating to such shares in any jurisdiction where action for that purpose is required. Persons into whose possession this announcement comes should inform themselves about and observe any such restrictions

Certain statements contained in this announcement or incorporated by reference into it constitute, or may be deemed to constitute, "forward-looking statements" with respect to the financial condition, results of operations and business of DS Smith and, upon completion of the Acquisition, the combined business and certain plans and objectives of the Directors with respect thereto. These forward-looking statements can be identified by the fact that they do not relate only to historical or current facts. Forward-looking statements often use forward-looking terminology including words such as "anticipate", "target", "expect", "estimate", "intend", "aim", "plan", "predict", "projects", "continue", "assume", "goal", "believe", "will", "may", "should", "would", "could" or, in each case, their negative, or other variations thereon or words of similar meaning, which identify certain of these forward-looking statements. Other forward-looking statements can be identified in the context in which the statements are made. In particular, any statements regarding the Company's strategy, plans, objectives, goals and other future events or prospects are forward-looking statements.

An investor should not place undue reliance on forward-looking statements because they involve known and unknown risks, uncertainties and other factors that are in many cases beyond the Company's control. Forward-looking statements are based on assumptions and assessments made by the Directors in light of their experience and their perception of historical trends, current conditions, expected future developments and other factors they believe appropriate. By their nature, forward-looking statements involve risk and uncertainty, and any forward-looking statements in this announcement relating to the Acquisition reflect the Company's view with respect to future events as of the date of this announcement and are subject to risks relating to future events and other risks, uncertainties and assumptions relating to the condition of the Acquisition being satisfied, management's maintenance of the business and the process of integrating the Acquisition following completion of the Acquisition including the retention of certain key Europac management, foreign exchange risks related to the price of the Acquisition, the successful realisation of the combined business' growth strategy, the successful realisation of the anticipated synergies and strategic benefits, an adequate return on its investment from the Acquisition and foreign exchange rate fluctuation between the euro and pound sterling, as well as the principal risks and uncertainties facing the business as described in the risk factors highlighted in the Company's 2018 annual report. The factors described in the context of such forward-looking statements in this announcement could cause actual results and developments to differ materially from those expressed in or implied by such forward-looking statements.

The Company cautions investors that forward-looking statements are not guarantees of future performance and that its actual results of operations and financial condition, and the development of the industry in which it operates, may differ materially from those made in or suggested by the forward-looking statements contained in this announcement and/or information incorporated by reference into it.

Each forward-looking statement speaks only as of the date it was made and is not intended to give any assurances as to future results. Furthermore, forward-looking statements contained in this announcement that are based on past trends or activities should not be taken as a representation that such trends or activities will continue in the future. Except as required by the Listing Rules, the Disclosure Guidance and Transparency Rules and/or the Disclosure Requirements, none of the Company, Citi, GSI or JPMC undertakes any obligation to update or revise these forward-looking statements, and will not publicly release any revisions it may make to these forward- looking statements that may result from new information, events or circumstances arising after the date of this announcement. The Company will comply with its obligations to publish updated information as required by the Listing Rules, the Disclosure Guidance and Transparency Rules and/or the Disclosure Requirements or otherwise by law and/or by any regulatory authority, but assumes no further obligation to publish additional information.

Any indication in this announcement of the price at which DS Smith shares have been bought or sold in the past cannot be relied upon as a guide to future performance. No statement in this announcement is intended to be a profit forecast and no statement in this announcement should be interpreted to mean that earnings per share of the Company for the current or future financial years would necessarily match or exceed the historical published earnings per share of the Company.

This announcement does not constitute a recommendation concerning any investor's options with respect to the Rights Issue. Any decision to participate in the Rights Issue must be made solely on the basis of the prospectus to be published by the Company in due course. The price and value of securities can go down as well as up. Past performance is not a guide to future performance. The contents of this announcement are not to be construed as legal, business, financial or tax advice. Each shareholder or prospective investor should consult his, her or its own legal adviser, business adviser, financial adviser or tax adviser for legal, financial, business or tax advice. Neither the content of the Company's website nor any website accessible by hyperlinks on the Company's website is incorporated in, or forms part of, this announcement.

Unless otherwise indicated, references to pounds sterling, sterling, pence, p or £ are to the lawful currency of the United Kingdom, references to € are to the currency introduced at the start of the third stage of European economic and monetary union pursuant to the Treaty establishing the European Community, as amended. Unless otherwise stated in this announcement, for current euro amounts, a rate of £1 to €1.1477 has been used.

Information to Distributors

Solely for the purposes of the product governance requirements contained within: (a) EU Directive 2014/65/EU on markets in financial instruments, as amended ("**MiFID II**"); (b) Articles 9 and 10 of Commission Delegated Directive (EU) 2017/593 supplementing MiFID II; and (c) local implementing measures (together, the "**MiFID II Product Governance Requirements**"), and disclaiming all and any liability, whether arising in tort, contract or otherwise, which any "manufacturer" (for the purposes of the MiFID II Product Governance Requirements) may otherwise have with respect thereto, the Nil Paid Rights, the Fully Paid Rights and the New Shares have been subject to a product approval process, which has determined that they each are: (i) compatible with an end target market of retail investors and investors who meet the criteria of professional clients and eligible counterparties, each as defined in MiFID II; and (ii) eligible for distribution through all distribution channels as are permitted by MiFID II (the "**Target Market Assessment**"). Notwithstanding the Target Market Assessment, Distributors should note that: the price of the Nil Paid Rights, the Fully Paid Rights and/or the New Shares may decline and investors could lose all or part of their investment; the Nil Paid Rights, the Fully Paid Rights and the New Shares offer no guaranteed income and no capital protection; and an investment in the Nil Paid Rights, the Fully Paid Rights and/or the New Shares is compatible only with investors who do not need a guaranteed income or capital protection, who (either alone or in conjunction with an appropriate financial or other adviser) are capable of evaluating the merits and risks of such an investment and who have sufficient resources to be able to bear any losses that may result therefrom. The Target Market Assessment is without prejudice to the requirements of any contractual, legal or regulatory selling restrictions in relation to the offer. Furthermore, it is noted that, notwithstanding the Target Market Assessment, the Underwriters (as defined below) will only procure investors who meet the criteria of professional clients and eligible counterparties.

For the avoidance of doubt, the Target Market Assessment does not constitute: (a) an assessment of suitability or appropriateness for the purposes of MiFID II; or (b) a recommendation to any investor or group of investors to invest in, or purchase, or take any other action whatsoever with respect to the Nil Paid Rights, the Fully Paid Rights and/or the New Shares.

Each distributor is responsible for undertaking its own target market assessment in respect of the Nil Paid Rights, the Fully Paid Rights and/or the New Shares and determining appropriate distribution channels.

DS SMITH PLC ("DS SMITH")

PROPOSED ACQUISITION OF EUROPAC AND FULLY UNDERWRITTEN RIGHTS ISSUE

CREATING A HIGHER QUALITY, HIGHER MARGIN GROUP WITH FURTHER GROWTH POTENTIAL

1. Introduction

On 4 June 2018, DS Smith Plc ("**DS Smith**", or the "**Company**") announced the proposed acquisition of Papeles y Cartones de Europa, S.A., known as Europac ("**Europac**"), a leading Western European integrated packaging business (the "**Acquisition**"). The offer price of €16.80 per Europac share (the "**Offer Price**") values the entire share capital of Europac at €1,667 million (£1,453 million), with an implied enterprise value of €1,904 million (£1,659 million).

Today, DS Smith announces a fully underwritten rights issue, which is intended to raise proceeds of approximately £1,000 million (approximately €1,148 million) net of expenses, to be used to fund part of the cash consideration for the Acquisition (the "**Rights Issue**"). The Rights Issue is being fully underwritten by Citi, GSI and JPMC (the "**Underwriters**") subject to certain customary conditions pursuant to an agreement entered into between the Underwriters and DS Smith (the "**Underwriting Agreement**").

The Rights Issue will result in the issue of 293,064,829 new ordinary shares (representing approximately 27.3 per cent. of the existing issued share capital of DS Smith and 21.4 per cent. of the enlarged issued share capital immediately following completion of the Rights Issue) (the "**New Shares**"). The Rights Issue will be on the basis of a 3 for 11 Rights Issue at 350 pence per New Share.

Dealing in the New Shares (nil-paid) is expected to commence on 10 July 2018, the trading day of the approval of the Acquisition by Shareholders at the General Meeting to be held on 10 July 2018.

The notice of the General Meeting and related form of proxy are being mailed to Shareholders today subject to approval by the UK Listing Authority, and, in accordance with paragraph 9.6.1 of the FCA Listing Rules, will be submitted to the National Storage Mechanism where they will be available for inspection at http://www.morningstar.co.uk/uk/NSM.

2. Background to and reasons for the Acquisition

The Board believes that the Acquisition represents an exceptional scale opportunity to enhance its position in one of the largest and fastest growing European fibre-based packaging regions to further accelerate DS Smith's vision to be the leading supplier of sustainable packaging solutions on a broader geographic basis.

The Board believes that the Acquisition has a highly compelling strategic rationale, will create significant value for customers and expects it to create consistent and attractive returns for shareholders:

- Exceptional scale opportunity to enhance DS Smith's customer offer in a key packaging growth region for DS Smith;
- Clear opportunity to develop Europac's packaging assets;
- Strengthens DS Smith's global supply chain;
- Significant cost synergies, delivering estimated €50 million (c.£44 million) annual run-rate pre-tax cost synergies identified from procurement and operational efficiencies by the end of 30 April 2021 with over 50 per cent. achieved in the first full financial year; and,
- Anticipated to be accretive to EPS and offering an expected pre-tax return on invested capital above DS Smith's pre-tax weighted average cost of capital in the first full financial year following completion.

Overall, the Acquisition is expected to create a higher quality, higher margin group with further growth potential. In making the Acquisition, DS Smith expects to create significant value for its customers and offer DS Smith shareholders attractive financial returns.

3. Background to and reasons for the Rights Issue

The cash consideration for the Acquisition to be paid by DS Smith will be €1,667 million (£1,453 million).

The Acquisition will be financed through:

- a c.£1,000 million (c.€1,148 million) net of expenses fully underwritten Rights Issue; and
- the utilisation of up to €740 million (c.£645 million) from a new fully committed debt facility (the "**New Debt Facility**").

DS Smith will also absorb or refinance Europac's outstanding financial indebtedness at completion (as at 31 December 2017: c. €237 million (£206 million)). Headroom has been built into the New Debt Facility to ensure that DS Smith is able to refinance Europac's financial indebtedness, if necessary, including where change of control provisions apply.

The Rights Issue has been fully underwritten by Citi, Goldman Sachs and JP Morgan.

4. Principal terms and conditions of the Rights Issue

Pursuant to the Rights Issue, the Company is proposing to offer 293,064,829 New Shares to Qualifying Shareholders. The offer is to be made at 350 pence per New Share, payable in full on acceptance by no later than 11.00 a.m. on 24 July 2018. If the Rights Issue were to proceed but Completion does not take place, DS Smith intends to return substantially all of the net proceeds of the Rights Issue to Shareholders as soon as reasonably practicable. Such a return could carry costs for certain Shareholders and will have costs for the Company.

The Rights Issue is expected to raise approximately £1,000 million (approximately €1,148 million) net of expenses. The Issue Price represents a 30.9 per cent, discount to the theoretical ex rights price based on the closing middle market price of 549.6 pence per Share on 18 June 2018 (being the last business day before the announcement of the terms of the Rights Issue).

The Rights Issue will be made on the basis of 3 New Shares at 350 pence per New Share for every 11 Existing Shares held by qualifying shareholders at the close of business on the record date for entitlements under the Rights Issue.

Entitlements to New Shares will be rounded down to the nearest whole number and fractional entitlements will not be allotted to Shareholders but will be aggregated and issued into the market for the benefit of the Company. Holdings of Shares in certificated and uncertificated form will be treated as separate holdings for the purpose of calculating entitlements under the Rights Issue.

The Rights Issue will result in 293,064,829 New Shares being issued (representing approximately 27.3 per cent. of the existing issued share capital and 21.4 per cent. of the enlarged issued share capital immediately following completion of the Rights Issue, assuming that no options are exercised between the date of the Prospectus and Admission becoming effective).

The Rights Issue is conditional, inter alia, upon:

- Admission of the New Shares becoming effective by not later than 8.00 a.m. on 10 July 2018 (or such later time and/or date as DS Smith and the Underwriters may agree);
- save to the extent not material (in the good faith opinion of the Underwriters) in the context of the DS Smith Group before and after completion of the Acquisition, the Acquisition or the Rights Issue,

the warranties of DS Smith under the Underwriting Agreement being true and accurate at the time of Admission;

- save to the extent not materially adverse in the context of the Acquisition or the Rights Issue, DS Smith having complied with its obligations under the Underwriting Agreement;
- no material adverse change having occurred in respect of the DS Smith Group or the Europac Group prior to Admission;
- the Acquisition not having been withdrawn or terminated and nothing having arisen that would make completion of the Acquisition impossible, including that the resolution to approve the Acquisition would not be passed at the General Meeting, in each case prior to Admission; and,

no matter requiring a supplement to the Prospectus having arisen between the time of publication of the Prospectus and Admission and no such supplement being published by DS Smith before Admission, which (in the good faith opinion of the Underwriters and having consulted with DS Smith where reasonably practicable) the Underwriters consider to be material in the context of the Rights Issue.

5. Dividend and dividend policy

The Board considers the dividend to be an important component of shareholder returns and, as such, has a policy to deliver a progressive dividend, where dividend cover is between 2.0 and 2.5 times, through the cycle.

The New Shares, when issued and fully paid, will rank pari passu in all respects with the existing shares, including the right to receive dividends, which includes the final dividend for the financial year ended 30 April 2018.

6. Directors' intentions

The Directors of DS Smith unequivocally recommend that the Shareholders of DS Smith vote in favour of the resolution to approve the Acquisition at the General Meeting, as they intend to do.

The Directors are fully supportive of the Rights Issue. Each of the Directors who holds Shares either intends, to the extent that he or she is able, to take up in full his or her rights to subscribe for New Shares under the Rights Issue or to sell a sufficient number of their Nil Paid Rights during the nil paid trading period to meet the costs of taking up the balance of their entitlements to New Shares.

7. Expected timetable of principal events

Each of the times and dates in the table below is indicative only and may be subject to change[1,2].

Last Practicable Date	18 June 2018
Publication and posting of the Circular, Prospectus and the Form of Proxy	19 June 2018[1]
Latest date and time for receipt of Forms of Proxy, CREST Proxy Instructions and registration of online votes from Shareholders for the General Meeting	9.00 a.m. on 6 July 2018
Record Date for entitlements under the Rights Issue	4.30 p.m. on 6 July 2018
Provisional Allotment Letters despatched (to Qualifying Non-CREST Shareholders only)[3]	9 July 2018
Admission	8.00 a.m. on 10 July 2018

Dealings in New Ordinary Shares, nil paid, commence on the London Stock Exchange	8.00 a.m. on 10 July 2018
Ordinary Shares marked "ex-rights" by the London Stock Exchange	8.00 a.m. on 10 July 2018
Nil Paid Rights credited to stock accounts in CREST (Qualifying CREST Shareholders only)	8.00 a.m. on 10 July 2018
Nil Paid Rights and Fully Paid Rights enabled in CREST (Qualifying CREST Shareholders only)	as soon as practicable after 8.00 a.m. on 10 July 2018
General Meeting	11.00 a.m. on 10 July 2018
Recommended latest time for requesting withdrawal of Nil Paid Rights or Fully Paid Rights from CREST (i.e. if your Nil Paid Rights or Fully Paid Rights are in CREST and you wish to convert them into certificated form)	4.30 p.m. on 18 July 2018
Recommended latest time and date for depositing renounced Provisional Allotment Letters, nil paid or fully paid, into CREST or for dematerialising Nil Paid Rights or Fully Paid Rights into a CREST stock account	3.00 p.m. on 19 July 2018
Latest time and date for splitting Provisional Allotment Letters, nil paid or fully paid	3.00 p.m. on 20 July 2018
Latest time and date for acceptance in CREST and payment in full and registration of renounced Provisional Allotment Letters	11.00 a.m. on 24 July 2018
Expected date of announcement of the results of the Rights Issue	by 8.00 a.m. on 25 July 2018
Dealings in New Ordinary Shares, fully paid, commence on the London Stock Exchange and New Ordinary Shares credited to CREST stock accounts (uncertificated holders only)(3)	8.00 a.m. on 25 July 2018
Expected date of despatch of definitive share certificates for New Ordinary Shares in certificated form(3)	not later than 3 August 2018

Notes:

(1) The times and dates set out in the expected timetable of principal events above and mentioned throughout this Prospectus are indicative only and are subject to change. If any of the above times and/or dates change, the revised times and/or dates will be notified to Shareholders via a Regulatory Information Service and will be available on www.dssmith.com.

(2) References to times in the timetable above are to London time, unless otherwise stated.

(3) Subject to certain restrictions relating to Overseas Shareholders. See paragraph 2 of Part VII (Terms and Conditions of the Rights Issue) of the Prospectus.

KEY NOTES

In this announcement:

1. The financial information of Europac has been extracted, without material adjustment, from Europac's 2015, 2016 and 2017 Annual Report and Accounts and Europac's results announcement dated 9 May 2018 in respect of the quarter ended 31 March 2018 (which are unaudited).

2. The GBP:EUR exchange rate used in this announcement is £1: €1.1477.

3. All references to Europac shares are to Europac ordinary shares of €2 each.

4. As at the close of business on the Last Practicable Date, Europac had in issue 99,237,837 Europac shares (including 6,090,000 treasury shares). The ISIN for Europac Shares is BBG000BQXX19.

5. The implied value of the entire issued share capital of Europac at the Offer Price and implied enterprise value include the treasury shares held by Europac and, where appropriate, include Europac's net debt as at 31 December 2017 of c.€236 million (c.£206 million).

6. All references to DS Smith shares are to DS Smith ordinary shares of 10 pence each.

7. As at the close of business on the Last Practicable Date, DS Smith had in issue 1,074,571,043 DS Smith shares. The ISIN for DS Smith Shares is GB0008220112.

8. Certain figures included in this announcement have been subject to rounding adjustments.