

DS Smith Plc



DS Smith Plc ("DS Smith")

Posting of Shareholder Circular and Notice of General Meeting

On 14 July 2010, DS Smith announced that it had entered into a binding share purchase agreement regarding the acquisition of the entire interest controlled by The Carlyle Group ("Carlyle") in Otor S.A. ("Otor" or the "Company"). The acquisition agreement is conditional, inter alia, upon obtaining the approval of DS Smith shareholders at a general meeting and relevant antitrust clearances having been received.

The Board of DS Smith is pleased to announce that it is today posting a circular to its shareholders (the "Circular") setting out more detail of the transaction and convening a General Meeting of shareholders. The Circular will be available to view shortly on DS Smith's website (www.dssmith.uk.com).

The Circular provides details of the principal terms of and rationale for the transaction, including information on the acquisition structure. The Circular contains a notice convening a General Meeting of shareholders to be held at the offices of Allen & Overy LLP, One Bishops Square, London E1 6AD, at 9.00am on 26 August 2010 to approve the transaction and the Minority Offer (as defined below).

This transaction will, as previously announced, involve, directly and indirectly, the sale of 94.75 per cent. of the share capital of Otor held by Carlyle as well as shares held by management. This will allow DS Smith to control more than 95 per cent. of the shares and voting rights of the Company. The price offered by DS Smith is €8.97 per Otor share (equivalent to €198,845,094.24 for the 22,167,792 acquired Otor shares).

Following the transaction, DS Smith intends to file a mandatory offer for all the Otor shares held by the public in accordance with the applicable regulatory provisions. This offer will be made in the form of a simplified offer followed by a mandatory squeeze out (the "Minority Offer"). It is expected that the transaction, including the Minority Offer, will complete in the fourth quarter of 2010.

Miles Roberts, DS Smith's Chief Executive, commented:

"As previously announced, the acquisition of Otor realises a number of key strategic objectives for DS Smith. It makes us one of the leading players in corrugated packaging in France with 80 per cent. of Otor's sales derived from cyclically less sensitive FMCG customers. Extensive due diligence gives us confidence that Otor is a high quality business with structural growth opportunities, notably in shelf-ready packaging where penetration is markedly lower than in the UK. Otor also offers an excellent platform for DS Smith to increase its European sales penetration.

The acquisition realises several of our financial objectives for DS Smith. Otor is a high margin business that should be accretive to both earnings and returns for the enlarged group in the first full year of ownership."

The Circular may be inspected during normal business hours on any business day at the registered office of DS Smith at Beech House, Whitebrook Park, 68 Lower Cookham Road, Maidenhead, Berkshire SL6 8XY and at the offices of Allen & Overy LLP, One Bishops Square, London E1 6AD, from today up to the conclusion of the General Meeting.

In addition, copies of the Circular have been submitted to the UK Listing Authority and will shortly be available for inspection during normal business hours on any business day at the UK Listing Authority's Document Viewing Facility, which is located at: Financial Services Authority, 25 The North Colonnade, Canary Wharf, London E14 5HS; telephone +44 (0)20 7066 1000.

Shareholders should read the whole of the Circular and not rely solely on the information in this announcement.

Enquiries

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