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25 August 2017

DS SMITH PLC

COMPLETION OF THE ACQUISITION OF INTERSTATE RESOURCES

DS Smith Plc (the **Company**) is pleased to announce that completion of the acquisition by the Company and its wholly-owned U.S. subsidiary, DS Smith Holdings, Inc., of 80 per cent. of the shares of common stock in the capital of Indevco Management Resources, Inc. from Merpas Co. S.à r.l. (**Merpas**) (the **Acquisition**) took place earlier today.

Together with the 52,474,156 new ordinary shares allotted to Merpas which are expected to be admitted to listing on the premium listing segment of the Official List of the Financial Conduct Authority and to trading on the London Stock Exchange's main market for listed securities at 8.00 a.m. on 29 August, DS Smith has paid US\$ 835 million (approximately £642 million¹) in respect of cash consideration and repayment of IRI Group's financial indebtedness.

Miles Roberts, Group Chief Executive, commented:

"We are delighted to complete the acquisition of Interstate. The response from employees and customers has been excellent and trading at Interstate in the calendar year to date is fully in line with our expectations at the time of the acquisition, which supports our confidence in this business. We look forward to working with all Interstate stakeholders and building a successful business in North America, as part of DS Smith's overall growth strategy."

Neemat Frem, INDEVCO Group CEO, said: "With DS Smith, we believe the opportunities created will take Interstate to its full potential. The values and expertise of our two groups ensure that our loyal and prospective customers receive the best service from Interstate. I extend my personal gratitude to the Interstate team for their continuous dedication and service, and I trust they will always deliver beyond expectation."

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¹ Based on an exchange rate of 1.30

Citigroup Global Markets Limited (**Citi**) and J.P. Morgan Securities plc (**JPMS**) are acting as joint sponsors to the Company in connection with the Acquisition. Citi and J.P. Morgan Limited (**JPML**) are acting as joint financial advisers to the Company in connection with the Acquisition. Each of JPMS and JPML (together, **JPM**) conducts its UK investment banking business as J.P. Morgan Cazenove.

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