



4 March 2010

DS SMITH PLC INTERIM MANAGEMENT STATEMENT

DS Smith Plc, the international packaging manufacturer and office products wholesaler, today publishes its Interim Management Statement, in respect of the period since 1 November 2009.

DS Smith Group

As discussed in our previous statements, the Group's results have been underpinned by the actions taken to cut costs, raise productivity and generate cash. In the third quarter of financial year 2009/10, trading has been ahead of management's expectations at the time of the Group's interim results announcement in December 2009. Primarily this reflects better sales than previously anticipated, across both Packaging and Office Products Wholesaling.

There has been no significant change to the financial position of the Group since the publication of the results for the six months to 31 October 2009. Cash flow generation remains strong.

Packaging

As reported in our December 2009 statement, demand for corrugated packaging in the European market continues to recover, although it is still below the level at this time in 2007. Our corrugated case material (CCM) price increases of September and October 2009 were implemented as expected and we are continuing the programme of increasing box prices. Combined, these actions are progressively allowing us to recover the significantly higher input costs incurred in the second half of the last calendar year. The cost of our key raw material, waste paper has continued to move up and we have advised our customers of a further increase in CCM prices.

Plastic Packaging has continued to display the recovery in profits noted in the first half; benefiting from restructuring, cost cutting and sales into new markets.

Office Products Wholesaling

As previously advised demand for office products across our markets is substantially affected by the slowdown in the European economy. Against this background, Spicer's sales performance continues to be good. The actions taken in the UK business are improving its performance and this is starting to come through in the results. Outside of the UK the combined profits are in line with last year.

Outlook

We continue to be faced by both the uncertainty surrounding the strength of the economic recovery and the need to recover rising input costs. Nevertheless, business performance remains encouraging and management is confident of meeting its expectations for the year to April 2010.

The Group plans to announce its preliminary results for the financial year to 30 April 2010 on 24 June 2010.

Enquiries

DS Smith Plc

01628 583 400

Tony Thorne, Group Chief Executive
Steve Dryden, Group Finance Director
Liz Christie, Group Investor Relations Manager

Financial Dynamics

020 7831 3113

Andrew Dowler

A conference call for analysts and investors, hosted by Tony Thorne and Steve Dryden, will take place today, 4 March at 09.00 GMT. The dial-in numbers are:

UK participants: 020 8817 9301 or 0845 634 0041

International participants: +44 20 8817 9301 or +353 1 436 4265

A recording of this conference call will be available by telephone from two hours after the call has ended until 23.59 GMT on 11 March. The dial-in numbers for this recording are:

UK callers: 020 7769 6425

International callers: +44 20 7769 6425

Replay security code: 2463147#

A recording of the call will also be available through the Investor Relations section of our website: www.dssmith.uk.com from 15.00 GMT today.