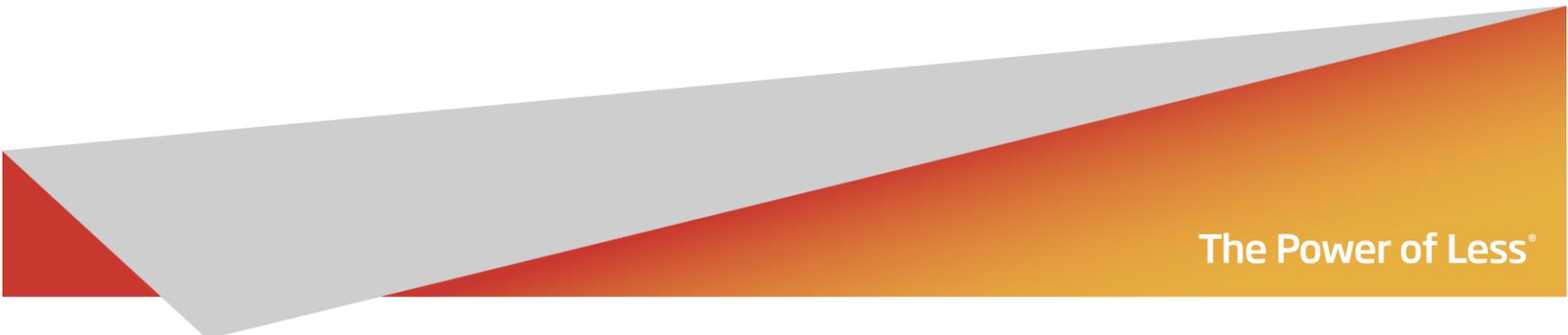




Half year results to 31 October 2014

4 December 2014

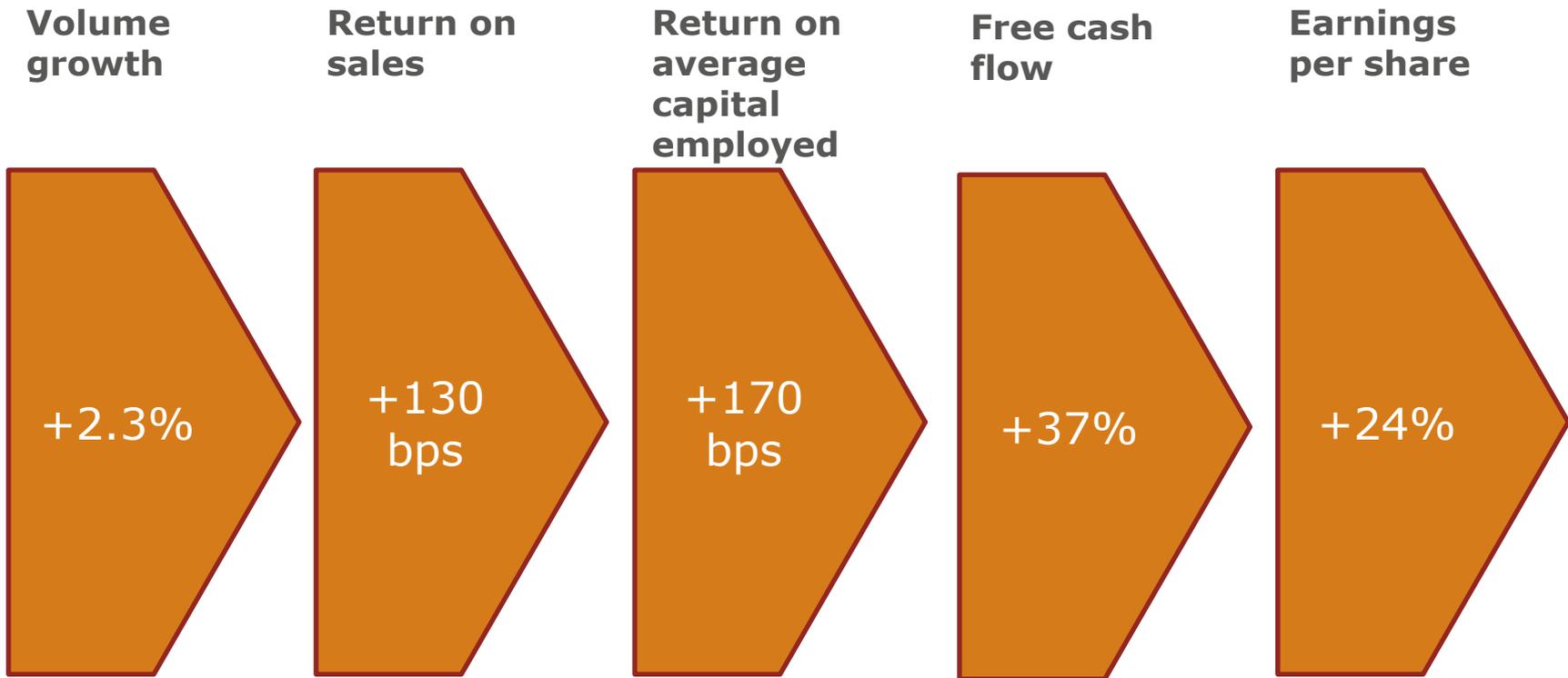
A decorative graphic at the bottom of the slide consisting of overlapping geometric shapes in shades of red, orange, and grey.

The Power of Less®

Introduction

01

Consistent out-performance



- **Continued success with customers**
- **Active management of business portfolio**

Note – all figures on a constant currency basis, before exceptional items and amortisation

Financial review

02

Metric	Medium-term target	H1 2014/15	Progress
Volume growth ⁽¹⁾	GDP ⁽²⁾ + 1% = 2.3%	2.3%	✓ In line with target
Return on sales ⁽³⁾	7% - 9%	8.9%	✓ +130 bps
ROACE ⁽³⁾	12% - 15%	13.8%	✓ +170 bps
Cash conversion ⁽⁴⁾	≥120%	124%	✓ In target range
Net debt / EBITDA ⁽⁵⁾	≤2.0x	1.6x	✓ In target range

(1) Corrugated box volumes, adjusted for working days

(2) GDP growth (year-on-year) from April 2014 – Sept 2014, for the countries in which DS Smith operates, weighted by our sales by country for the FY 2013/14 = 1.3%. Source: Eurostat (14 November 2014)

(3) Earnings before interest, tax, amortisation and exceptional items as a percentage of the average monthly capital employed over the previous 12 months

(4) Free cash flow before tax, net interest, growth capital expenditure, pension payments and exceptional cash flows as a percentage of earnings before interest, tax, amortisation and exceptional items

(5) Calculation as defined by the Group's banking covenants

(6) Organic growth and return on sales for the 6 months to 31 October 2014. ROACE, net debt / EBITDA and cash conversion given for the 12 months to 31 October 2014

Financial highlights

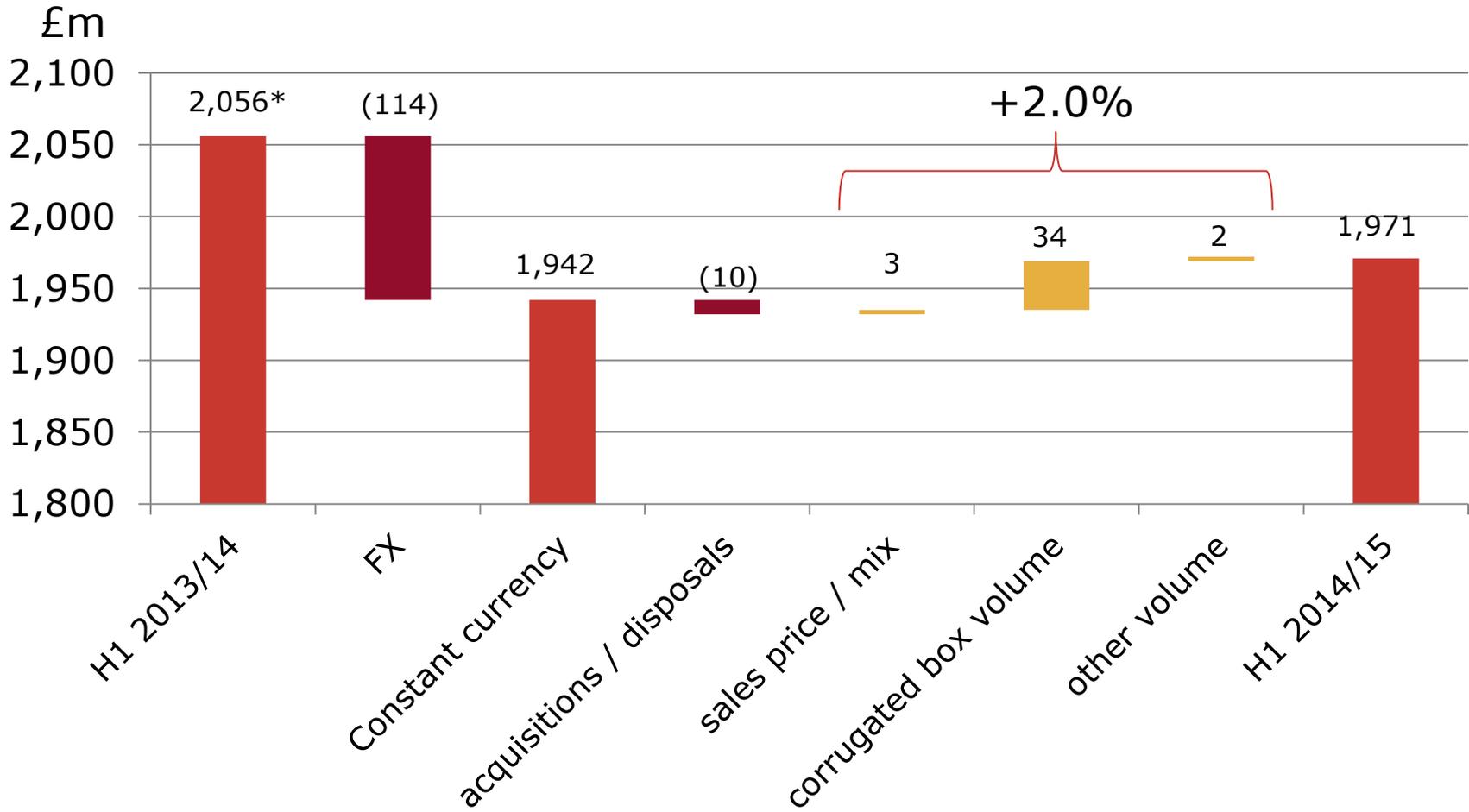
Continuing operations	H1 2014/15	Change at constant currency
Revenue (£m)	1,971	0%
Operating profit ⁽¹⁾ (£m)	176	+17%
Return on sales	8.9%	+130bps
Profit before tax ⁽³⁾ (£m)	133	+32%
Adjusted EPS	12.9p	+24%
Dividend per share	3.7p	+16%
Asset turnover ⁽²⁾	1.7x	0bps
Return on average capital employed	13.8%	+170bps

(1) Before amortisation, exceptional items and share of associates

(2) Revenue divided by average capital employed for the year

(3) Before exceptional items and share of associates

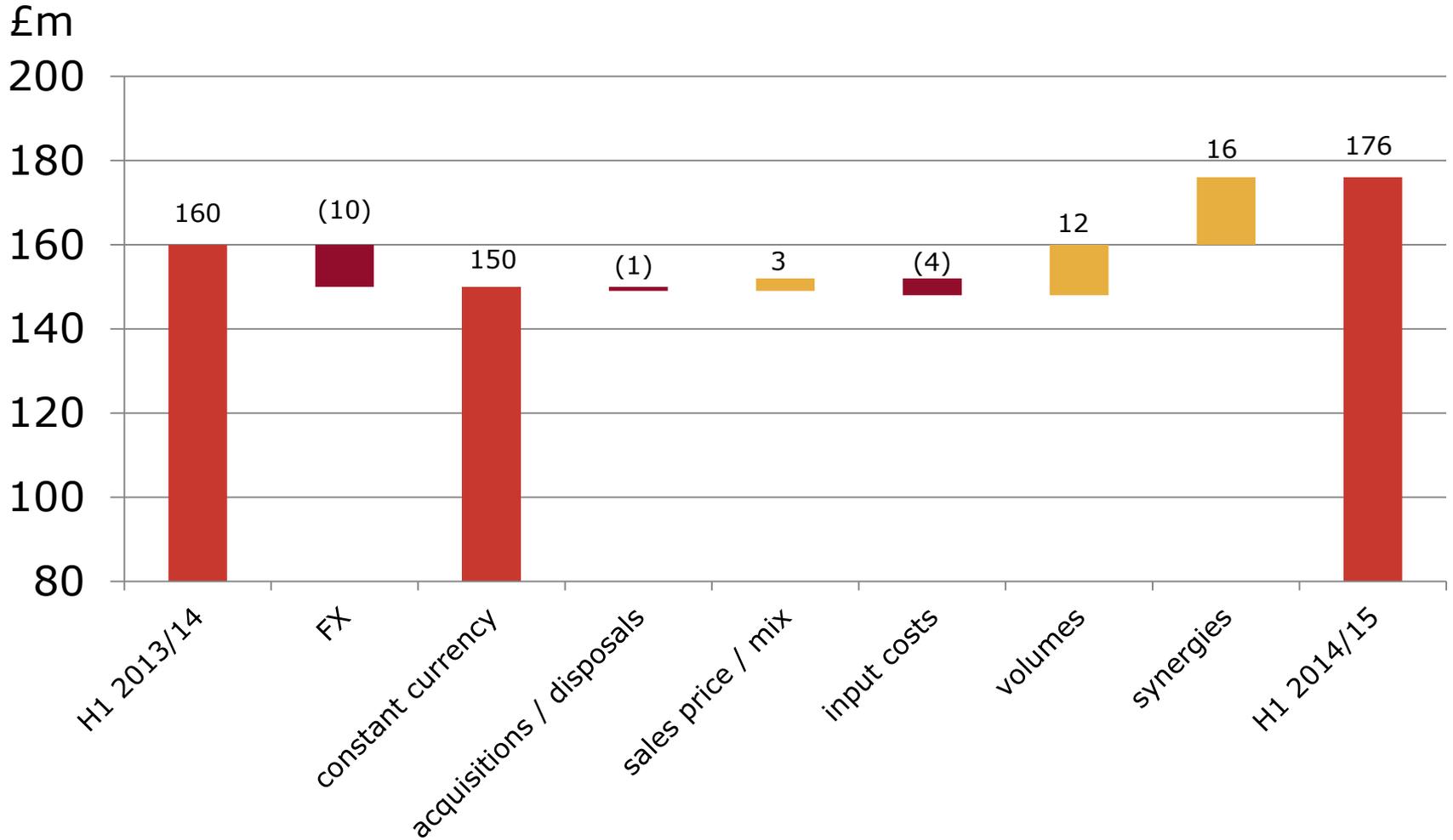
Revenue bridge



* H1 2013/14 comparable revenue excludes the impact of the change in accounting presentation for income from tooling and waste of £25m

Note: Other volume includes paper, corrugated sheet and recycling

Operating profit bridge



Continued margin improvements

Return on sales	H1 2014/15	FY 2013/14	H1 2013/14	Change (reported) VS H1 13/14	Change (constant currency) VS H1 13/14
UK	9.9%	6.9%	5.8%	+410bps	+410bps
Western Europe	7.7%	6.6%	8.5%	-80bps	-80bps
DACH & Northern Europe	10.0%	9.3%	8.5%	+150bps	+160bps
Central Europe & Italy	8.4%	7.2%	7.8%	+60bps	+60bps
Plastics	7.8%	8.4%	8.2%	-40bps	-30bps
Group	8.9%	7.6%	7.7%	+120bps	+130bps

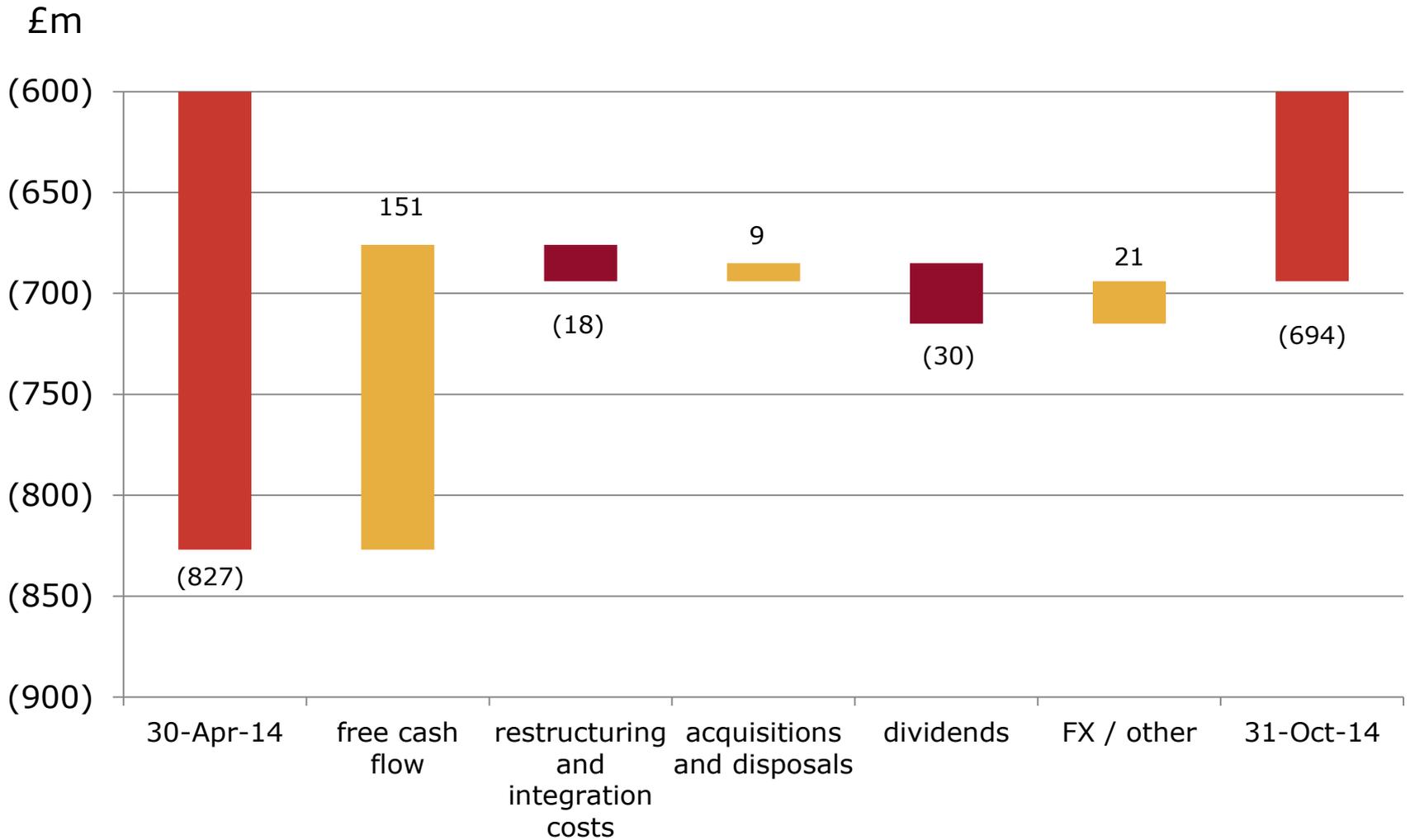
Working capital momentum maintained

10

£m	H1 2014/15	H1 2013/14
EBITDA	233	221
Working capital	23	7
Pension payments/other	(19)	(12)
Capex (net of proceeds)	(63)	(55)
Tax and interest	(23)	(51)
Free cash flow	151	110
FCF per share	16.1p	11.8p

	H1 2014/15	H1 2013/14
Average monthly working capital/sales	3.4%	3.6%

Net debt analysis



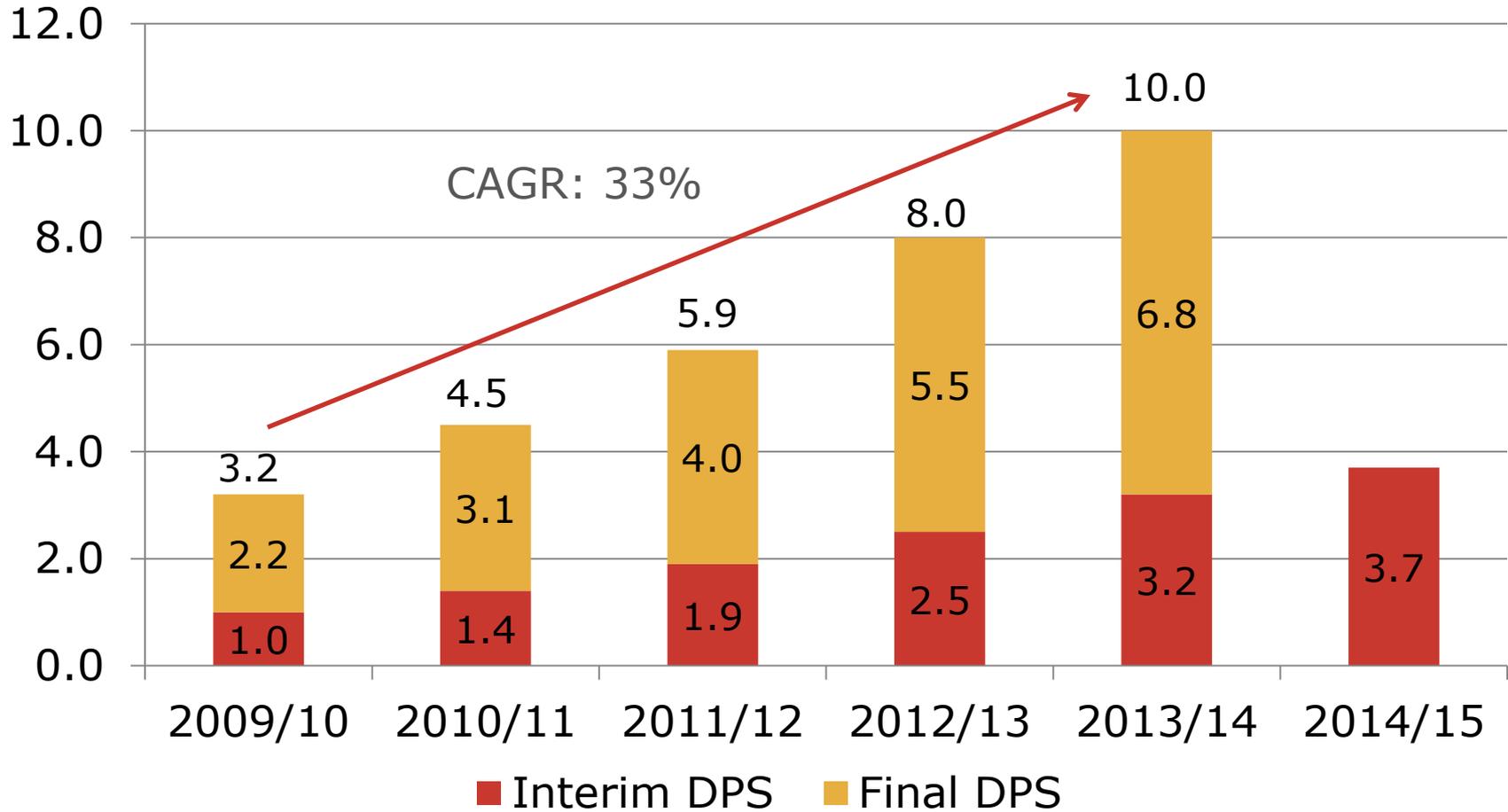
For the financial year 2014/15:

- Capex £150 – 160m
- Depreciation c. £115 - 120m
- Tax rate c. 23%
- Amortisation charge c. £50m
- Total interest – similar run-rate to H1
- IAS 19 pension interest charge £6m
- Pension deficit reduction cash contribution c. £15m
- Expected exceptional costs (excluding potential costs relating to the Nantes Mill): c. £30m
- FX: €1c move impacts EBITA by £1.7m



Delivering sustainable shareholder returns

Pence per share



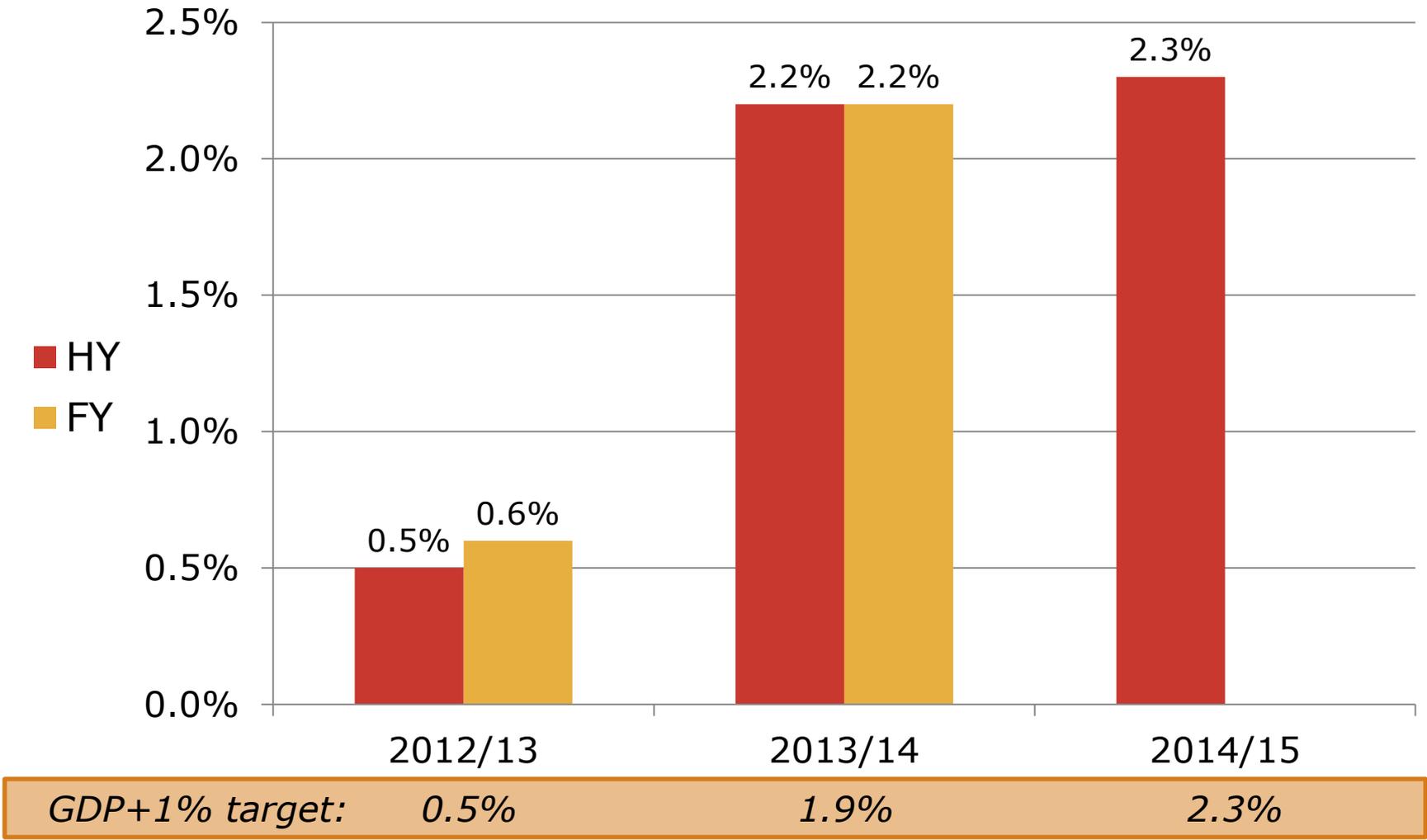
Chief Executive's review

03

- **Commercial success**
- **Developing our offering**
- **Expanding our capabilities**
- **Acquisitions and portfolio rationalisation**



Consistent volume out-performance



- **Mondelez contract**
 - All corrugated packaging in Europe
 - Five year sole-supply agreement
 - Launched in March 2014
 - 18 month roll-out
 - 60 Mondelez sites in 15 countries
 - 4,000 packaging specifications
- **Performance packaging expertise critical**
- **“STAR” supplier to Mondelez**



"We have given DS Smith our brands, we have trusted them with them, and we expect to grow them together, because that is the win-win we are both looking for."

Dan Pollitt, Mondelez procurement manager

- **Making further progress with other FMCG customers**

You don't buy a car by weight – so why a box?



Moving customers to paying by performance, not weight

Complex implementation process, joining up sales and operations

- **Rolled out >120 bespoke machines for real-time strength measurement**
- **Unique real-time process and intelligence - IP protected**
- **Pan-European roll-out planned**

Optimising cost, margin and environmental impact

Plastics - investing in capacity



Acquisitions

- Andopack - corrugated packaging
 - £35m consideration
 - Opportunity to grow in Spain - 4th largest corrugated market in Europe
 - Completed November 2014
- Italmaceri – Italian recycling
 - Increased holding from 50% to 100%
 - 500kt fibre collection p.a.
 - Completed July 2014
- Kaplast – injection moulded plastic packaging for beverage industry
 - Croatia
 - Expanding geographic footprint
 - Completed September 2014
- Turkey + Greece – corrugated packaging, recycling and paper
 - Letter of intent agreed for majority buy-out, December 2014

Disposal

- Scandinavian Foams
 - Non-core activity
 - £23m proceeds
 - Completed August 2014

Other

- Nantes paper mill
 - 60k tonnes capacity testliner
 - Received proposal – being evaluated
 - In works-council consultation

- **Continued success with customers driving growth**
- **Strong financial performance in line with our KPI**
- **Confidence to increase dividend by 16%**
- **Continued active management of business portfolio**

“Our outlook remains positive as the business continues to grow, despite ongoing economic headwinds in many of our markets. The Board expects continued performance in line with the Group’s medium term financial targets.”



Questions please

Appendix

Exceptional items

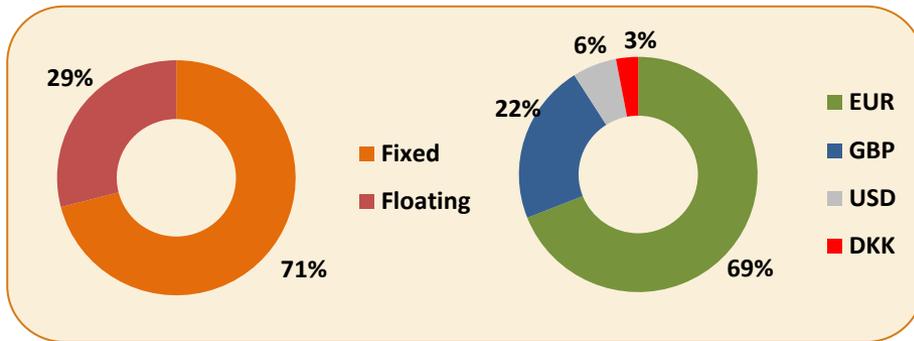
£m	H1 2014/15 Income statement	H1 2014/15 Cash flow
Restructuring	(5)	(10)
Gain on acquisitions/divestments	5	-
Exceptional FX on associate	(1)	-
Exceptional debt fees	(4)	-
Other	(5)	(8)
Total	(10)	(18)

Foreign exchange exposure

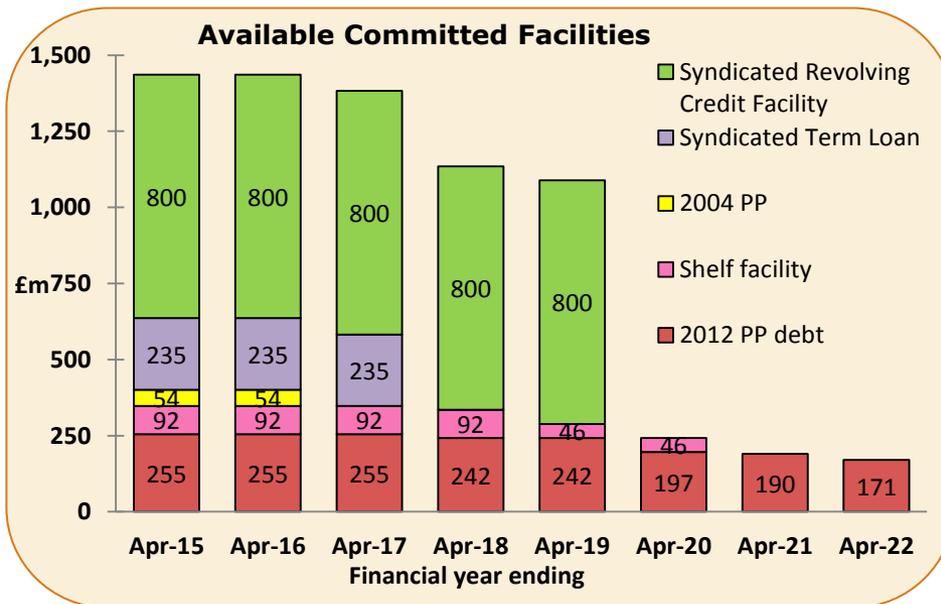
	HY 2014/15 Revenue	HY 2014/15 EBITA	Average rate HY 2014/15	Average rate FY 2013/14	Average rate HY 2013/14	Closing rate 31 October 2014
GBP	25%	18%				
EUR	59%	64%	1.260	1.191	1.171	1.277
SEK	4%	5%	11.574	10.492	10.209	11.872
PLN	3%	4%	5.266	5.027	4.984	5.399
USD	2%	4%	1.660	1.607	1.553	1.600
Other	7%	5%				

- Note that the difference in the % of GBP at EBITA versus revenue is due to a significant proportion of central costs being in GBP

Debt analysis



Net Debt	£ 694m
Net Debt/ EBITDA ratio	1.6x
EBITDA/ Net Interest ratio	11.9x



The Group refinanced its bank facilities on 20 May 2014. As at 31 October 2014, the weighted average remaining life of the Group's committed borrowing facilities was 4.5 years.

Ratios as defined in the Group's banking agreements.