

NOT FOR PUBLICATION, RELEASE OR DISTRIBUTION, DIRECTLY OR INDIRECTLY, IN WHOLE OR IN PART, IN OR INTO THE UNITED STATES, AUSTRALIA, CANADA, JAPAN OR SOUTH AFRICA OR ANY OTHER JURISDICTION IN WHICH IT WOULD BE UNLAWFUL TO DO SO.

THIS ANNOUNCEMENT IS AN ADVERTISEMENT AND NOT A PROSPECTUS AND INVESTORS SHOULD NOT SUBSCRIBE FOR OR PURCHASE ANY SECURITIES REFERRED TO IN THIS ANNOUNCEMENT EXCEPT ON THE BASIS OF INFORMATION CONTAINED IN THE PROSPECTUS PUBLISHED BY THE COMPANY IN CONNECTION WITH THE PROPOSED ACQUISITION AND RIGHTS ISSUE. COPIES OF THE PROSPECTUS WILL BE AVAILABLE FROM THE COMPANY'S REGISTERED OFFICE.

17 January 2012
For immediate release

DS SMITH PLC
PUBLICATION OF PROSPECTUS
PROPOSED ACQUISITION OF SCA PACKAGING AND RIGHTS ISSUE
CREATION OF A LEADING PAN-EUROPEAN RECYCLED PACKAGING BUSINESS

Further to the announcement earlier today by DS Smith Plc ("**DS Smith**" or "**the Company**") regarding the proposed acquisition of the packaging division of Svenska Cellulosa Aktiebolaget SCA excluding the kraftliner assets ("**SCA Packaging**") for a net consideration of approximately €1.6 billion (c. £1.3 billion¹) ("**the Acquisition**") and the proposed Rights Issue to raise approximately £466 million, the Company announces that the combined prospectus and circular to the shareholders of the Company dated 17 January 2012 ("**the Prospectus**") regarding the Acquisition and the Rights Issue has been approved by the UK Listing Authority.

A copy of the Prospectus will be posted to Shareholders today and the Prospectus will be made available on DS Smith's website, www.dssmith.uk.com and will be submitted to the National Storage Mechanism, where it will be available for inspection at www.hemscott.com/nsm.do. Copies of the Prospectus will also be available for inspection during normal business hours on any Business Day, free of charge, at the registered office of the Company 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 the date of the Prospectus up to and including the date of Re-admission.

Terms used in this announcement shall have the same meanings as set out in the Prospectus.

¹ Based on an exchange rate of €1.00 to £0.8263 on 16 January 2012.

DS Smith Plc +44 (0) 1628 583 400
Miles Roberts, Group Chief Executive
Steve Dryden, Group Finance Director
Rachel Stevens, Head of Investor Relations

J.P. Morgan Cazenove (Financial Adviser, Corporate Broker, Sponsor and Sole Bookrunner) +44 (0) 20 7588 2828
Jonathan Wilcox (Equity Capital Markets)
Mark Breuer
Malcolm Moir
Luke Bordewich
Julia Thomas

HSBC (Co-Bookrunner) +44 (0) 20 7991 8888

Stuart Dickson
Nick Donald

RBS Hoare Govett (Co-Lead Manager)

+44 (0)20 7678 8000

Nick Adams
Lee Morton

Tulchan

+44 (0) 20 7353 4200

John Sunnucks
David Allchurch
James Macey White

This announcement is not for release, publication or distribution, in whole or in part, directly or indirectly, in or into the United States, Australia, Canada, Japan or South Africa or any other jurisdiction into which the publication or distribution would be unlawful. These materials do not constitute an offer to sell or issue or the solicitation of an offer to buy or acquire securities in the United States, Australia, Canada, Japan or South Africa or any other jurisdiction in which such offer or solicitation would be unlawful.

This announcement has been issued by, and is the sole responsibility of, DS Smith Plc. No representation or warranty express or implied, is or will be made as to, or in relation to, and no responsibility or liability is or will be accepted by J.P. Morgan Securities Ltd, J.P. Morgan Limited, HSBC Bank plc or The Royal Bank of Scotland plc (trading as RBS Hoare Govett) (the "Banks") or by any of their affiliates or agents as to or in relation to, the accuracy or completeness of this announcement or any other written or oral information made available to or publicly available to any interested party or its advisers, and any responsibility or liability therefore is expressly disclaimed.

The Banks, each of which is authorised and regulated in the United Kingdom by the Financial Services Authority, are acting exclusively for DS Smith Plc in connection with the matters set out in this announcement and the proposed Acquisition and Rights Issue. The Banks are not, and will not be, responsible to anyone other than DS Smith Plc for providing the protections afforded to their respective clients or for providing advice in relation to the proposed Acquisition and Rights Issue or any other matters referred to in this announcement. Apart from the responsibilities and liabilities, if any, which may be imposed on it by the Financial Services and Markets Act 2000, each of the Banks accepts no responsibility whatsoever and makes no representation or warranty, express or implied, for the contents of this announcement, or for any other statement made or purported to be made by it, or on its behalf, in connection with the Company, the proposed Acquisition or the Rights Issue, and nothing in this announcement is, or shall be relied upon as, a promise or representation in this respect, whether as to the past or the future. Each of the Banks accordingly disclaims to the fullest extent permitted by law all and any responsibility and liability whether arising in tort, contract or otherwise (save as referred to above) which it might otherwise have in respect of this announcement or any such statement.

This announcement has been prepared in accordance with English law, the Listing Rules and the Disclosure Rules and Transparency Rules and information disclosed may not be the same as that which would have been prepared in accordance with the laws of jurisdictions outside England.

The distribution of this announcement in jurisdictions other than the United Kingdom may be affected by the laws of relevant jurisdictions. Therefore any persons who are subject to the laws of any jurisdiction other than the United Kingdom will need to inform themselves about, and observe any applicable requirements.

This announcement is for information purposes only and shall not constitute an offer to buy, sell, issue or subscribe for, or the solicitation of an offer to buy, sell, issue, or subscribe for, any securities in DS Smith Plc or any other entity. Any such offer will be made solely by means of the Prospectus and any supplement or amendment thereto and any acquisition of securities in DS Smith Plc should be made solely on the basis of the information contained in the Prospectus.

Neither the content of the Company's website (or any other website) nor the content of any website accessible from hyperlinks on the Company's website (or any other website) is incorporated into, or forms part of, this announcement.

This announcement contains (or may contain) certain forward-looking statements with respect to certain of DS Smith's current expectations and projections about future events. These statements, which sometimes use words such as "anticipate", "believe", "intend", "estimate", "expect", "will", "shall", "may", "aim", "predict", "should", "continue" and words of similar meaning and/or other similar expressions that are predictions of or indicate future events and/or future trends, reflect the directors' beliefs and expectations at the date of this announcement and involve a number of risks, uncertainties and assumptions that could cause actual results and performance to differ materially from any expected future results or performance expressed or implied by the forward-looking statement.

Statements contained in this announcement regarding past trends or activities should not be taken as a representation that such trends or activities will continue in the future. The information contained in this announcement is subject to change without notice and, except as required by applicable law, neither DS Smith nor either of the Banks assumes any responsibility or obligation to update publicly or review any of the forward-looking statements contained herein. You should not place undue reliance on forward-looking statements, which speak only as of the date of this announcement.

No statement in this announcement is or is intended to be a profit forecast or to imply that the earnings of DS Smith for the current or future financial years will necessarily match or exceed the historical or published earnings of DS Smith. The Nil Paid Rights, the Fully Paid Rights, the New Ordinary Shares, the Provisional Allotment Letters and the Shares have not been, and will not be, registered under the U.S. Securities Act of 1933, as amended and may not be offered, sold or transferred, directly or indirectly, within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and the securities laws of any state or other jurisdiction of the United States. This announcement does not constitute an offer to sell or issue or the solicitation of an offer to buy or acquire, nor shall there be any sale of, the Nil Paid Rights, the Fully Paid Rights, the New Ordinary Shares, the Provisional Allotment Letters and the Shares in any jurisdiction in which such offer, solicitation or sale would be unlawful. The Nil Paid Rights, the Fully Paid Rights, the New Ordinary Shares, the Provisional Allotment Letters and the Shares have not been, and will not be, registered with any regulatory authority of any state within the United States. No money, securities or other consideration is being solicited and, if sent in response to the information herein, will not be accepted. There will be no public offer of any securities of the Company in the United States.