



Proposed acquisition of Duropack

23 February 2015

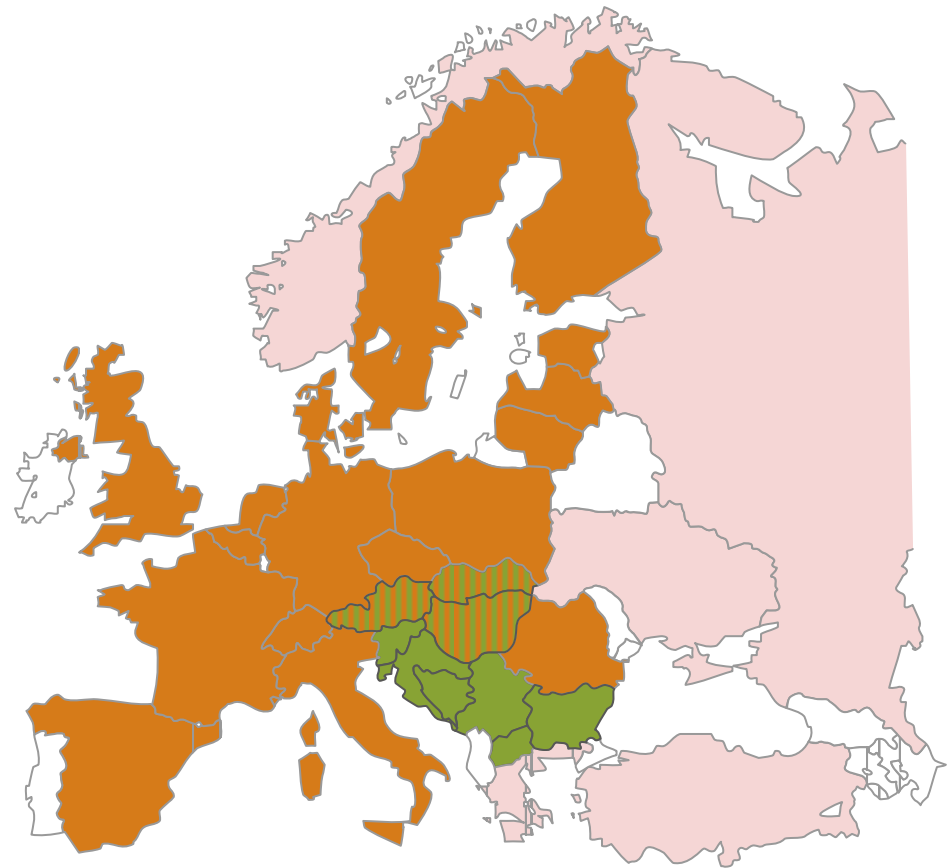
A decorative graphic at the bottom of the slide consisting of overlapping geometric shapes in shades of red, orange, and grey.

The Power of Less[®]

- Acquisition of corrugated packaging market leader in South Eastern Europe
- Further important step in delivery of strategy
- Highly complementary geographic fit
 - Immediate scale in south-eastern Europe region
 - Attractive, higher-growth region
- Strengthens pan-European capability and access to new customers
- Enterprise value c.€300m (c.£220m), funded from existing debt facilities
- Immediately EPS accretive
- Return on capital greater than our cost of capital during year 2
- Consistent with Group's medium term financial targets

Excellent geographic and strategic fit

- Highly complementary fit
 - Market leading positions in South Eastern Europe
 - Duropack is number 1 or 2 in majority of its markets
 - Reinforces Pan-European position for customers
 - Design Centre roll-out
- Attractive, higher growth region
 - GDP / capita growth of 2.6% CAGR (2015 – 2019)^(*)
 - Increasing consumption per capita
- Long corrugated / short paper model with recycling capability
- Expands our pan-European footprint and customer offering



- DS Smith corrugated operations
- Duropack operations
- Duropack operations – existing DS Smith coverage
- Limited DS Smith corrugated operations

* Source: IMF

Strong financial rationale

- 2014: €273m sales, €41m EBITDA (15.0%), €22m EBIT (8.1%)
- Well invested, high quality business
- Significant benefits from combination of businesses
 - €12 million cost synergies
 - Operational improvements
 - Procurement
 - Distribution
 - Costs to achieve of €13 million, funded by cash synergies
- Immediately EPS accretive, return in excess of cost of capital in year 2
- Competition clearance expected in Q2 2015, completion shortly thereafter
- Confidence in integration
 - Good access to business
 - Proven track record by highly experienced team

- Volume performance ahead of H1 run-rate
 - Positive in all regions
 - Italy and Central Europe particularly strong
- Retail and consumer environment increasing the relevance of packaging
- Active management of asset base
 - Disposal of Nantes paper mill
 - Andopack – very positive customer reaction
- Positive outlook
 - Continuing performance in line with medium term financial targets despite mixed economic conditions

Thank you

- 2,700 employees
- Corrugated packaging
 - 565msm^(*)
 - 14 sites in 9 countries (Austria, Hungary, Bosnia, Bulgaria, Macedonia, Serbia, Slovakia, Croatia and Slovenia)
 - c.65% paper sourced internally
- Testliner
 - 208kt production^(*)
 - 2 sites (Croatia and Bulgaria)
- Recycling
 - 160kt collection^(*)
 - 3 countries (Croatia, Serbia and FYR Macedonia)
 - C. 65% collected paper used internally

* 2014 Calendar year