



19 September 2011

## **DS SMITH PLC – DISPOSAL OF HIGHER KINGS MILL PAPER MILL**

DS Smith Plc (DS Smith) announces that its DS Smith paper business has entered into a binding legal agreement for the sale of its Higher Kings Mill paper mill in the United Kingdom to Asia File Corporation Berhad, for an enterprise value of £4.6 million payable in cash on completion. As at 30 April 2011, the net assets of the Higher Kings Mill business (on a cash and debt free basis) were £3.8 million and gross assets were £8.0 million. Higher Kings Mill is a leading European producer of filing and educational papers, producing 34 thousand tonnes of paper per annum. The sale is expected to be completed on 30 September 2011.

This transaction marks a further development in the execution of DS Smith's strategy to focus on recycled packaging for consumer goods and to reduce paper manufacture that does not directly support the packaging business. This transaction follows the announcement on 23 June 2011 of the intention to close the Hollins paper mill, which produces 95 thousand tonnes per annum. This reduction in DS Smith's exposure to paper manufacturing will help DS Smith achieve its goal of delivering higher returns on capital with reduced cyclicalities.

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