

DS Smith Plc – Half-year pre-close trading statement

DS Smith Plc, the leading supplier of recycled packaging for consumer goods, today issues a pre-close trading update in respect of the half-year ending 31 October 2016.

The business has again made good progress and performance remains in line with our expectations. Volume growth continues to be supported by strong ongoing growth with our large pan European customers. Our return on sales and return on capital employed are expected to show progression over the comparative period last year despite the initially dilutive effect of recent acquisitions.

As in previous periods, we have invested in both organic and inorganic opportunities in the half-year and are pleased with the initial performance of the recently acquired display businesses, Creo and Deku-Pack, which form an important part of our strategy for this growth market segment.

Miles Roberts, Group Chief Executive, said:

“The business continues to demonstrate good momentum with growth in line with our expectations, despite the considerable political and economic uncertainty. Alongside our ongoing delivery, we are also investing in our growth markets, particularly in packaging that helps our customers serve consumers across a broader range of retail channels. These opportunities, together with our broader geographical footprint, give us continued confidence in our future.”

Forthcoming Dates

Results for the half year to 31 October 2016

8 December 2016

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Technical note

For detail of our business and financing by currency please refer to slides 33 and 34 of our full-year results presentation 2016 <http://www.dssmith.com/investors/results-and-presentations/2016/ds-smith-full-year-results-201516/>

The average EUR:GBP rate for H1 2015/16 was 1.3857. The rate on 31 October 2015 was 1.4019 and on 30 April 2016 was 1.2724.

Definitions

- *Return on sales*: earnings before interest, tax, amortisation and exceptional items as a percentage of revenue.
- *Return on average capital employed (ROACE)*: earnings before interest, tax, amortisation and exceptional items as a percentage of the average monthly capital employed over the previous 12 month period. Average capital employed includes property, plant and equipment, intangible assets (including goodwill), working capital, provisions, capital debtors/creditors and assets/liabilities held for sale.

Cautionary statement

This announcement contains certain forward-looking statements with respect to the operations, performance and financial condition of the Group. By their nature, these statements involve uncertainty since future events and circumstances can cause results and developments to differ materially from those anticipated. The forward-looking statements reflect knowledge and information available at the date of preparation of this announcement and DS Smith plc undertakes no obligation to update these forward-looking statements. Nothing in this trading statement should be construed as a profit forecast.