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This document is supplemental to, and must be read in conjunction with, the combined circular and prospectus published by the Company on 17 January 2012 (the **Original Prospectus**) as supplemented on 26 January 2012 (the **First Supplementary Prospectus**, and together with the Original Prospectus, the **Prospectus**) in relation to the Acquisition. Save as disclosed in this document, since the publication of the Prospectus there have been no significant new factors, material mistakes or inaccuracies relating to the information contained in the Prospectus.

Except where the context otherwise requires, terms defined in the Original Prospectus shall have the same meaning when used in this document. Such defined terms can be found in Part XVIII (*Definitions and Glossary of Technical Terms*) of the Original Prospectus.

This document comprises a supplementary prospectus prepared in accordance with Rule 3.4 of the Prospectus Rules of the Financial Services Authority (**FSA**) made under section 73A of FSMA and has been approved by the FSA in accordance with section 87G of FSMA and made available to the public in accordance with Rule 3.2 of the Prospectus Rules.

Because the Acquisition is classified as a reverse takeover under the Listing Rules, upon Completion the listing on the Official List of the UKLA of all of the Ordinary Shares then in issue will be cancelled, and application will be made for the immediate readmission of those Ordinary Shares to the premium segment of the Official List of the UKLA and to trading on the London Stock Exchange's main market for listed securities (together, **Re-admission**).

The distribution of this document, the Original Prospectus and the First Supplementary Prospectus into jurisdictions other than the United Kingdom may be restricted by law. Persons into whose possession these documents come should inform themselves about and observe any such restrictions. Any failure to comply with these restrictions may constitute a violation of the securities laws of any such jurisdiction. In particular, subject to certain exceptions, the documents should not be distributed, forwarded to or transmitted in or into the United States or any Excluded Territories.

**This document, the Original Prospectus and the First Supplementary Prospectus should be read as a whole.**

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## **DS Smith Plc**

*(incorporated and registered in England and Wales with registered number 1377658)*

### **Supplementary Prospectus issued in connection with the**

### **Proposed Acquisition of SCA Packaging**

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**None of this document, the Original Prospectus, the First Supplementary Prospectus or any other document has been approved or disapproved by the US Securities and Exchange Commission, any state securities commission in the United States or any US regulatory authority, nor have any of the foregoing authorities passed upon or endorsed the accuracy or adequacy of this document. Any representation to the contrary is a criminal offence in the United States.**

J.P. Morgan Cazenove is authorised and regulated in the United Kingdom by the FSA, is acting solely for DS Smith and no one else in connection with the Acquisition and will not regard any other person (whether or not a recipient of this document) as a client in relation to the Acquisition and will not be responsible to anyone other than DS Smith for providing the protections afforded to clients of J.P. Morgan Cazenove nor for providing advice in connection with the Acquisition or any other matter referred to in this document.

Apart from the responsibilities and liabilities, if any, which may be imposed on J.P. Morgan Cazenove under FSMA or the regulatory regime established thereunder, J.P. Morgan Cazenove does not accept any responsibility whatsoever for the contents of this document, including its accuracy, completeness or verification or for any other statement made or purported to be made by it, or on its behalf, in connection with DS Smith or the Acquisition. Subject to applicable law, J.P. Morgan Cazenove accordingly disclaims all and any liability whether arising in tort, contract or otherwise (save as referred to above) which it might otherwise have in respect of this document or any such statement.

## NOTICE TO NEW HAMPSHIRE RESIDENTS

NEITHER THE FACT THAT A REGISTRATION STATEMENT OR AN APPLICATION FOR A LICENCE HAS BEEN FILED UNDER RSA 421-B WITH THE STATE OF NEW HAMPSHIRE NOR THE FACT THAT A SECURITY IS EFFECTIVELY REGISTERED OR A PERSON IS LICENCED IN THE STATE OF NEW HAMPSHIRE CONSTITUTES A FINDING BY THE SECRETARY OF STATE THAT ANY DOCUMENT FILED UNDER RSA 421-B IS TRUE, COMPLETE OR NOT MISLEADING. NEITHER ANY SUCH FACT NOR THE FACT THAT AN EXEMPTION OR EXCEPTION IS AVAILABLE FOR A SECURITY OR A TRANSACTION MEANS THAT THE SECRETARY OF STATE HAS PASSED IN ANY WAY UPON THE MERITS OR QUALIFICATIONS OF, OR RECOMMENDED OR GIVEN APPROVAL TO, ANY PERSON, SECURITY OR TRANSACTION. IT IS UNLAWFUL TO MAKE, OR CAUSE TO BE MADE, TO ANY PROSPECTIVE PURCHASER, CUSTOMER OR CLIENT ANY REPRESENTATION INCONSISTENT WITH THE PROVISIONS OF THIS SECTION.

### **Notice to all Investors**

By accepting delivery of this document, each Shareholder agrees to the foregoing.

The distribution of this document in certain jurisdictions may be restricted by law. No action has been taken by DS Smith or by J.P. Morgan Cazenove that would permit possession or distribution of this document, the Original Prospectus, the First Supplementary Prospectus or any other publicity material, in any jurisdiction where action for that purpose is required, other than in the United Kingdom. Persons into whose possession this document comes should inform themselves about and observe any such restrictions. Any failure to comply with these restrictions may constitute a violation of the securities laws of any such jurisdiction. Pursuant to the requirements of applicable United States securities laws, the documents are confidential for distribution in the United States.

**No person has been authorised to give any information or make any representations other than those contained in the Original Prospectus, the First Supplementary Prospectus and this document or incorporated by reference in the Original Prospectus, the First Supplementary Prospectus or herein and, if given or made, such information or representations must not be relied upon as having been authorised by DS Smith or by J.P. Morgan Cazenove. None of the above take any responsibility for, or can provide assurance as to the reliability of, other information that you may be given. The Company will comply with its obligation to publish a supplementary prospectus containing further updated information required by law or by any regulatory authority but assumes no further obligation to publish additional information. Neither the delivery of this document nor any subscription or sale made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of DS Smith and/or SCA Packaging since the date of this document or that the information in this document is correct as at any time subsequent to its date.**

The contents of this document are not to be construed as legal, business or tax advice. Each prospective investor should consult their own legal adviser, financial adviser or tax adviser for legal, financial or tax advice.

This document is dated 18 April 2012.

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## Part 1

### Supplementary Information to the Prospectus

#### 1. INTRODUCTION

This document is supplemental to, and should be read in conjunction with, the Original Prospectus published by the Company on 17 January 2012 and the First Supplementary Prospectus published by the Company on 26 January 2012 (together, the **Prospectus**). To the extent that there is any inconsistency between a statement in this document and a statement contained in the Prospectus, the statement in this document will prevail.

The Directors regard the information set out in this document to be a significant new factor relating to the information contained in the Prospectus which has arisen prior to Re-admission and accordingly have prepared and published this document in accordance with section 87G of FSMA, the Prospectus Rules and the Listing Rules.

Save as disclosed in this document, there is no further information that is required to be disclosed in this supplementary prospectus pursuant to section 87G of FSMA.

#### 2. PUBLICATION OF SCA UNAUDITED RESULTS FOR THE FIRST QUARTER ENDED 31 MARCH 2012

Following the publication of the Original Prospectus by the Company on 17 January 2012 and the First Supplementary Prospectus on 26 January 2012, Svenska Cellulosa Aktiebolaget SCA (publ) (**SCA**) has today issued an announcement setting out financial information for the SCA discontinuing operations prepared in accordance with the SCA Group accounting policies and presentation (the **SCA Q1 Announcement**).

Set out below is selected unaudited financial information for the quarters ended 31 March 2012 and 31 March 2011 in relation to the packaging division of SCA excluding the kraftliner assets (**SCA Packaging**) prepared using the DS Smith accounting policies and presentation, together with a table showing the profit after tax for the financial period by quarter for the quarters ended 31 December 2010 through to the quarter ended 31 March 2012.

The key differences between the unaudited financial information in the SCA Q1 Announcement and in this document relate to adjustments to reflect the scope of the Acquisition, reclassifications within the balance sheet and cash flow statement and the translation of the results into euros and are summarised below:

- Emission rights are presented gross on the balance sheet of SCA, whereas for DS Smith these are presented net.
- Certain other income, expenses and cash flow items have been reclassified on the income statement and cash flow statement to reflect the presentation under the DS Smith accounting policies.
- The SCA Q1 Announcement is presented in Swedish Krona, whereas for DS Smith euros is the presentational currency for SCA Packaging. Income statement and cash flow line items have been translated at the average rate for the period and balance sheet items at the rate ruling at the balance sheet date, using the rates set out below.

|                                               |        |
|-----------------------------------------------|--------|
| SEK/EUR exchange rate as at 31 March 2012:    | 8.8376 |
| SEK/EUR exchange rate as at 31 December 2011: | 8.9383 |

|                                                                |        |
|----------------------------------------------------------------|--------|
| SEK/EUR average exchange rate for year ended 31 December 2011: | 9.0241 |
|----------------------------------------------------------------|--------|

|                                                                        |        |
|------------------------------------------------------------------------|--------|
| SEK/EUR average exchange rate for the quarter ended 31 March 2012:     | 8.8466 |
| SEK/EUR average exchange rate for the quarter ended 31 December 2011:  | 9.0833 |
| SEK/EUR average exchange rate for the quarter ended 30 September 2011: | 9.1462 |
| SEK/EUR average exchange rate for the quarter ended 30 June 2011:      | 9.0081 |
| SEK/EUR average exchange rate for the quarter ended 31 March 2011:     | 8.8628 |
| SEK/EUR average exchange rate for the quarter ended 31 December 2010:  | 9.2097 |

|                                                                    | Quarter ended<br>31 March<br>2012<br>(unaudited) | Quarter ended<br>31 March<br>2011<br>(unaudited)<br>€ millions | Year ended<br>31 December<br>2011<br>(unaudited) |
|--------------------------------------------------------------------|--------------------------------------------------|----------------------------------------------------------------|--------------------------------------------------|
| Profit after tax for the financial period <sup>(1)</sup> . . . . . | 30.4                                             | 26.2                                                           | 101.5                                            |

|                                                                       | Quarter ended                |                                 |                                  |                             |                              |                                 |
|-----------------------------------------------------------------------|------------------------------|---------------------------------|----------------------------------|-----------------------------|------------------------------|---------------------------------|
|                                                                       | 31 March 2012<br>(unaudited) | 31 December 2011<br>(unaudited) | 30 September 2011<br>(unaudited) | 30 June 2011<br>(unaudited) | 31 March 2011<br>(unaudited) | 31 December 2010<br>(unaudited) |
|                                                                       | € millions                   |                                 |                                  |                             |                              |                                 |
| Profit after tax for the<br>financial period <sup>(1)</sup> . . . . . | 30.4                         | 29.7                            | 19.5                             | 25.0                        | 26.2                         | 28.9                            |

(1) Quarterly results have been translated at the average exchange rate for the quarter, annual results have been translated at the average exchange rate for the year.

|                             | 31 March 2012<br>(unaudited)<br>€ millions | 31 December 2011<br>(unaudited) |
|-----------------------------|--------------------------------------------|---------------------------------|
| Total assets . . . . .      | 4,129.4                                    | 4,105.5                         |
| Total liabilities . . . . . | 3,343.5                                    | 3,332.1                         |

|                                                                   | Quarter ended 31 March            |                     |
|-------------------------------------------------------------------|-----------------------------------|---------------------|
|                                                                   | 2012<br>(unaudited)<br>€ millions | 2011<br>(unaudited) |
| Cash flow from operating activities . . . . .                     | 26.7                              | (9.8)               |
| Cash flow used in investing activities . . . . .                  | (10.6)                            | (18.8)              |
| Cash flows used in financing activities . . . . .                 | (3.2)                             | 28.0                |
| <b>Increase/(decrease) in cash and cash equivalents . . . . .</b> | <b>12.9</b>                       | <b>(0.6)</b>        |
| <b>Operating net cash flow<sup>(1)</sup> . . . . .</b>            | <b>16.0</b>                       | <b>(28.1)</b>       |

(1) This is a non-IFRS measure, disclosed by SCA and determined as cash flow from operating activities, investing activities and any dividends paid or received

The information above supplements the information set out in (i) paragraphs 3 and 6 of the section of the Original Prospectus entitled “Summary” and in paragraph 5 of Part 1 (*Letter from the Chairman*) of the Original Prospectus, and (ii) paragraph 2 of Part 1 (*Supplementary Information to the Original Prospectus*) of the First Supplementary Prospectus.

## Part 2

### Additional Information

#### 1. RESPONSIBILITY

The Directors, whose names appear below, and DS Smith accept responsibility for the information contained in this document. To the best of the knowledge and belief of the Directors and DS Smith (who have each taken all reasonable care to ensure that such is the case) the information contained in this document is in accordance with the facts and does not omit anything likely to affect the import of such information.

|                                        |                             |
|----------------------------------------|-----------------------------|
| Gareth Davis . . . . .                 | Chairman                    |
| Miles William Roberts . . . . .        | Group Chief Executive       |
| Stephen William Dryden . . . . .       | Group Finance Director      |
| Christopher Jonathan Bunker . . . . .  | Senior Independent Director |
| Philippe Jean-Claude Mellier . . . . . | Non-Executive Director      |
| Jonathan Clive Nicholls . . . . .      | Non-Executive Director      |

#### 2. NO SIGNIFICANT CHANGE

Save as disclosed in this document, no significant new factor, material mistake or inaccuracy has arisen or has been noted in relation to the information contained in the Prospectus since the publication of the Prospectus.

#### 3. FORWARD LOOKING STATEMENTS

Certain statements contained in this document that are not historical facts are “forward-looking” statements within the meaning of section 27A of the Securities Act. These forward-looking statements are subject to a number of risks and uncertainties, many of which are beyond the Company’s control and all of which are based on the Directors’ current beliefs and expectations about future events. In some cases, these forward-looking statements can be identified by the use of forward-looking terminology, including the terms “targets”, “believes”, “estimates”, “anticipates”, “expects”, “intends”, “may”, “will” or “should” or, in each case, their negative or other variations or comparable terminology. They appear in a number of places throughout this document and include statements regarding the intentions, beliefs or current expectations of the Company concerning, among other things:

- (a) the Company’s objectives, acquisition and financing strategies, target return, results of operations, financial condition, prospects, capital appreciation of the Ordinary Shares and dividends;
- (b) trends in the sectors in which the Company intends to invest; and
- (c) anticipated financial and other benefits resulting from the Acquisition, and the Company’s plans and objectives following the Acquisition.

By their nature, forward-looking statements involve risks and uncertainties because they relate to events and depend on circumstances that may or may not occur in the future. Forward-looking statements are not guarantees of future performance. The Company’s actual performance, results of operations, internal rate of return, financial condition, distributions to Shareholders and the development of its financing strategies may differ materially from the impression created by the forward-looking statements contained in this document. In addition, even if the Company’s actual performance, results of operations, internal rate of return, financial condition, distributions to Shareholders and the development of its financing strategies are consistent with the forward-looking statements contained in this document, those results or developments may not be indicative of results or developments in subsequent periods.

Prospective investors should carefully review the section entitled “Risk Factors” of the Original Prospectus for a discussion of factors that could cause the Company’s actual results to differ materially from those expected before making an investment decision. For the avoidance of doubt, nothing in this paragraph constitutes a qualification of the working capital statement contained in paragraph 11 of Part XVI (*Additional Information*) of the Original Prospectus.

Forward-looking statements contained in this document apply only as at the date of this document. To the extent required by the Listing Rules, the Disclosure and Transparency Rules and the Prospectus Rules and

other applicable regulations, the Company will update or revise the information in this document. Otherwise, the Company undertakes no obligation publicly to update or revise any forward-looking statement, whether as a result of new information, future developments or otherwise.

Forward-looking statements contained in this document do not in any way seek to qualify the working capital statement contained in paragraph 11 of Part XVI (*Additional Information*) of the Original Prospectus.

#### **4. ROUNDING**

Some numbers in this document have been rounded and, as a result, the numbers shown as totals in this document may vary slightly from the exact arithmetic aggregation of the numbers that precede them.

#### **5. CURRENCY PRESENTATION**

All references in this document to **£**, **pounds**, **pounds sterling**, **sterling**, **pence** or **p** are to the lawful currency of the United Kingdom. All references to **€** or **euro** are to the single currency of the member states of the European Communities that adopt or have adopted the euro as their lawful currency under the legislation of the EU or European Monetary Union.

#### **6. NO INCORPORATION BY REFERENCE OF WEBSITE INFORMATION**

Neither the content of DS Smith's website nor SCA's website, nor the content of any website accessible from hyperlinks on DS Smith's website or SCA's website, is incorporated into, or forms part of, this document and investors should not rely on them, without prejudice to the documents incorporated by reference into this document, which will be made available on DS Smith's website.

#### **7. CONSENTS**

J.P. Morgan Cazenove has given and has not withdrawn its written consent to the inclusion in this document of its name and the references to it in the form and context in which they appear.

#### **8. DOCUMENTS AVAILABLE FOR INSPECTION**

In addition to the documents available for inspection listed in paragraph 18 of Part XVI (*Additional Information*) of the Original Prospectus, copies of the First Supplementary Prospectus, this document and the letter of consent referred to in paragraph 7 above 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 this document up to and including the date of Re-admission.

#### **9. DEFINITIONS**

Certain terms used in this document, including capitalised terms and certain technical and other items, are defined in Part XVIII (*Definitions and Glossary of Technical Terms*) of the Original Prospectus.

