



**Chairman's Statement to the Annual General Meeting  
3 September 2003**

*DS Smith Plc (LSE:SMDS), the international packaging and office products supplier, today issued the following update on trading at its Annual General Meeting.*

In financial year 2002/03, the Group demonstrated its resilience and its ability to operate in tough markets. We met our key financial objectives of maintaining progress in Packaging and rebuilding profitability in Office Products. Throughout the Group we improved our operations and continued the strategic development of our businesses.

In the current year, we have yet to see an improvement in the trading environment and consequently our focus continues to be on raising operational performance and building on our strong market positions. In June, when we announced our preliminary results, we reported that margins in our substantial Paper business were under pressure and this continues. However, we remain confident that the rest of the Group will make further progress this year.

The split of profits between the two halves of the current year is likely to be different from last year, when a number of factors, including unusually high sales of Packaging Recovery Notes, boosted the first half result.

DS Smith will issue a trading update in mid October, prior to the close of the first half of the financial year. At present, we continue to anticipate delivering a full year performance in line with expectations.

**Antony Hichens**  
Chairman

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