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DS SMITH ACQUIRES TIMMERMANS TO EXTEND SPICERS' EUROPEAN NETWORK

DS Smith Plc, the international packaging manufacturer and office products wholesaler, has acquired Timmermans NV, the largest office products wholesaler in the Benelux region of Europe. Timmermans had sales of €45m in 2004, net assets of €7.5m as at 31 December 2004 and employs 130 people. The business supplies 15,000 office products lines to dealers and retailers throughout Belgium and Holland from its distribution centre at Deinze, near Ghent, in Belgium and through a sales office at Almere in Holland. Its previous owners, Michel and Patrick Timmermans, will remain in the business and continue to lead it.

The acquisition of Timmermans extends the continental European sales coverage of DS Smith's Spicers business, which has an existing network of 21 distribution centres in the UK, Ireland, France, Germany, Spain and Italy. The enlarged business will have sales of over £530 million per annum. This acquisition will further strengthen Spicers' pan-European buying capability, which enables it to provide its customers with a broad range of competitively priced merchandise. Spicers' product range includes traditional stationery lines, electronic office supplies, office furniture, janitorial supplies and office catering and vending provisions.

Tony Thorne, Chief Executive of DS Smith said:

"I am pleased that we have been able to add the well-established Timmermans business to Spicers' European network. This acquisition further develops Spicers' position as the leading European wholesaler of office products by extending our presence into the Belgian and Dutch markets. For DS Smith, the transaction will be immediately earnings enhancing and is expected to produce returns above the Group's cost of capital."

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