

DS Smith enters into exclusive discussions with The Carlyle Group to acquire a majority interest in Otor

London and Paris, July 7, 2010

DS Smith Plc (“DS Smith”) and The Carlyle Group (“Carlyle”) today announce that they have entered into exclusive discussions regarding the acquisition of the entire interest controlled by Carlyle in Otor SA (“Otor” or the “Company”). The contemplated transaction would involve, directly and indirectly, the sale of 94.75% of the share capital of Otor. In addition, shares detained by Otor’s chairman would also be sold to DS Smith, which would post closing of the transaction control more than 95.00% of the share capital and voting rights of the Company. The price per Otor share offered by DS Smith is €8.97. Following completion of the transaction, DS Smith intends to launch a squeeze out offer on the remaining listed shares.

DS Smith is an international packaging supplier and one of the leading European suppliers of recycled corrugated packaging, with a record of successful innovation and strong customer relationships.

Otor is the number two French corrugated board packages producers, with operations throughout the country to efficiently serve its customers. It operates six best-in-class corrugated box plants, three specialty sheet plants, two paper mills and one packaging machine unit. Otor has a long history of innovation and product development to the benefit of its customers, and holds numerous proprietary patents in that respect. Otor’s network of licensees covers countries all over the world. The Company had revenues of €315 million in 2009.

Miles Roberts, Group Chief Executive of DS Smith stated: *« The acquisition of Otor realises a number of key strategic objectives for DS Smith. It makes us one of the leading players in corrugated packaging in France with 80% of Otor’s sales derived from the fast moving consumer goods sector (FMCG). We are confident that Otor is a high quality business with structural growth opportunities notably in shelf-ready packaging. Otor also offers an excellent platform for DS Smith to increase its European presence. »*

« Under Carlyle’s ownership and with our continued support, Jean-Marie Paultes and his team have refocused Otor on its core packaging business while dramatically improving its operations and financial results. The company is performing extremely well and has excellent prospects that would be even further improved by the transaction announced today. » declared Franck Falézan, Managing Director, Carlyle. *« We would like to thank Otor’s management and all employees for their continued support throughout the years and are very happy to help create this European packaging champion. This transaction would be very good for our investors as well as Otor’s employees, customers and shareholders.»* added Jonathan Zafrani, Director, Carlyle.

« This announcement is a real satisfaction and I would like to thank the Carlyle team for their commitment and support in transforming the company into one of the focused, best-in-class and financially sound packaging leaders. The combination with DS Smith will take us to the next level of development for the benefit of our customers, employees and shareholders. We are enthused to work with DS Smith management and employees with whom we share common values and strategic vision and we believe this transaction would be a great success.» declared Jean-Marie Paultes, Otor CEO.

Closing would be expected to occur in Q4 2010 following satisfaction of the necessary regulatory and corporate approvals.

About DS Smith

DS Smith is an international group listed on the London Stock Exchange; it has a market capitalisation of £475 million and revenue of £2.1 billion. DS Smith employs over 10,500 people in 16 countries.

About Carlyle

The Carlyle Group is a global alternative asset manager with \$90.5 billion of assets under management committed to 67 funds as of March 31, 2010. Carlyle invests across three asset classes - private equity, real estate and credit alternatives - in Africa, Asia, Australia, Europe, North America and South America focusing on aerospace & defense, automotive & transportation, consumer & retail, energy & power, financial services, healthcare, industrial, infrastructure, technology & business services and telecommunications & media. Since 1987, the firm has invested \$60.6 billion of equity in 969 transactions. The Carlyle Group employs more than 880 people in 19 countries. In the aggregate, Carlyle portfolio companies have more than \$84 billion in revenue and employ more than 398,000 people around the world. For additional information, please visit www.carlyle.com.

About Otor

Otor is an industrial group specialized in manufacturing recycled corrugated board packaging mainly for transportation and sale of food products. It has a turnover of 315.1 million euros with a headcount of 1,560 people located on 15 sites in France. The six box plants of the Group produce 1.7 billion packages per year, or the equivalent of 750 million m² of corrugated board. Integrated upstream and downstream of corrugated board production, Otor also possesses paper mills and a specific site for the construction of packaging and processing machines. It delivers to customers all over France and in neighboring European countries. Beyond these borders, Otor is present on every continent via its network of licensed partners, which utilize Otor's patented products (packaging & machine) and technological know-how to develop their own markets. A forerunner in many domains and recognized as a major innovator in its sector, Otor is a dynamic company on the cutting edge of technology. Otor is listed on NYSE Alternext Paris. For additional information, please visit www.otor.com.

Allen & Overy LLP in London and Paris advised DS Smith. Darrois Villey Maillot Brochier advised Carlyle. J.P. Morgan Cazenove acted as financial adviser to DS Smith.