

Lecta S.A.

Q2 2017 Trading Update

For the first half of 2017, Lecta S.A. (“Lecta” or the “Company”) expects to benefit from several factors compared to the first half of 2016. The order intake on all grades continues to be strong. Specialties net sales and EBITDA grew by 14% and 26%, respectively, in the first quarter of 2017 compared to the first quarter of 2016. Specialties sales continue to outperform market growth. Specialties EBITDA represented 42% of Lecta’s EBITDA in the first quarter of 2017.

Lecta expects that its short-term performance will continue to be impacted by raw materials price increases. Prices for latex (a significant input) were 33% higher in the first quarter of 2017 compared to the first quarter of 2016, and 23% higher in April 2017 compared to the first quarter of 2017. Our latex costs were €2.6 million higher in the first quarter of 2017 compared to the last quarter of 2016. This increase was offset in April by a CWF price increase and is anticipated to be more than fully offset in May 2017. Latex prices for May and June 2017, however, are expected to decrease gradually by around 20%, with further reductions expected during the year (see www.icis.com). Prices for pulp (another significant input) during the first quarter of 2017 were in line with or below prices in 2016. These prices have been increasing, in U.S. dollars per tonne, since February 2017, and in euros per tonne, since November 2016 (effect of exchange rate). Lecta expects that increased cost pressure from pulp prices in the second quarter of 2017 will be partially offset by current and announced sales price increases.

Lecta believes that its performance in the second half of 2017 would benefit from any decrease in latex prices, the impact of new pulp capacity, the full effect of announced sales price increases and continued fixed costs reduction (reduction of €2 million, or 3%, in the first quarter of 2017 compared to the first quarter of 2016).

Disclaimer

This press release constitutes a public disclosure of inside information by Lecta S.A. under Regulation (EU) 596/2014 (16 April 2014). This notification was made by Mr. Andrea Minguzzi, Vice President of Finance of Lecta Group and Director of Lecta S.A. on May 26, 2017.

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Forward-Looking Statements

This announcement includes forward-looking statements, which are based on the Company’s current expectations and projections about future events and speak only as of the date hereof. Such forward-looking statements include statements relating to financial and operational outlook and trends. By their nature, forward-looking statements involve known and unknown risks, uncertainties, assumptions and other factors because they relate to events and depend on circumstances that will occur in the future whether or not outside the control of the Company. Such factors may cause actual results, performance or developments to differ materially from those expressed or implied by such forward-looking statements. Accordingly, no undue reliance should be placed on any forward-looking statements. The Company operates in a rapidly changing environment. New risks and uncertainties emerge from time to time and could cause actual results to differ materially from those indicated by such forward looking statements. It is not possible to predict all risks and uncertainties, nor to assess the impact that these factors will have on the Company. The Company expressly disclaims any obligation or undertaking to update, review or revise any forward-looking statements contained in this announcement to reflect any change in its expectations or any change in events, conditions or circumstances on which such statements are based unless required to do so by applicable law.