Interim Condensed
Consolidated Financial Statements

30 June 2018

Under IFRS

GENERAL INFORMATION

Lecta Group is engaged in the production and sale of Coated Woodfree ("CWF") and Specialty papers. Lecta Group has production sites in France, Italy and Spain and sells all around the world. It employed circa 3,245 FTE people in the six-month period ended 30 June 2018.

The parent company of the Lecta Group is Lecta SA, a limited company incorporated and domiciled in the Grand Duchy of Luxembourg. The address of its registered office is:
LECTA SA
20, rue de la Poste
L-2346 Luxembourg

These interim condensed financial statements were approved for issue on 25 July 2018.

All the amounts in the present report are in thousands of euros (EUR K or K€) unless otherwise stated.

INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

Consolidated income statement

Lecta Group
(in EUR K)

	Notes	Jan to Jun 2018		Jan to Jun 2017	
			%		%
Revenue	(5)	747,105	100	736,971	100
Changes in inventories of finished goods and work in process		19,054	3	3,303	0
Raw materials and consumables used		(404,110)	(54)	(376,116)	(51)
Labor costs		(96,556)	(13)	(95,764)	(13)
Other operating costs except non-recurring items		(200,352)	(27)	(208,290)	(28)
EBITDA		**65,142**	**9**	**60,104**	**8**
Depreciation		(25,146)	(3)	(26,935)	(4)
Amortization		598	0	(162)	(0)
Non recurring items	(6)	(2,000)	(0)	(3,043)	(0)
Profit (loss) from operations		**38,594**	**5**	**29,964**	**4**
Financial income		644	0	440	0
Financial expense		(32,123)	(4)	(30,986)	(4)
Finance costs	(12)	(31,479)	(4)	(30,545)	(4)
Share of results in associates		0	0	0	0
Profit (loss) before tax		**7,115**	**1**	**(581)**	**(0)**
Income tax	(7)	(5,177)	(1)	(5,445)	(1)
Profit (loss) after tax from continuing operations		**1,938**	**0**	**(6,026)**	**(1)**
Profit (loss) after tax from discontinued operations		0	0	0	0
Profit (loss) after tax		**1,938**	**0**	**(6,026)**	**(1)**
Attributable to:					
Equity holders of the parent	(8)	141	0	(7,504)	(1)
Non-controlling interests	(8)	1,797	0	1,477	0

The accompanying Notes are an integral part of these Interim Consolidated financial statements.

Consolidated statement of comprehensive income

Lecta Group
(in EUR K)

	Notes	Jan to Jun 2018	Jan to Jun 2017
Profit (loss) for the period		**1,938**	**(6,026)**
Exchange differences on translation of foreign operations		137	(109)
Net (loss)/gain on cash flow hedges	(10)	0	312
Income tax effect		0	(84)
		0	228
Net (loss)/gain on available-for-sale financial assets	(10)	0	0
Income tax effect		0	0
		0	0
Net other comprehensive income to be reclassified to profit or loss in subsequent periods		***137***	***118***
Actuarial gains (losses) on defined benefits plans		0	0
Income tax effect		0	0
		0	0
Net other comprehensive income not being reclassified to profit or loss in subsequent periods		***0***	***0***
Other comprehensive income, net of tax		**137**	**118**
Total comprehensive income, net of tax		**2,076**	**(5,908)**
Attributable to:			
Equity holders of the parent		278	(7,431)
Non-controlling interests		1,797	1,523

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Consolidated income statement Quarter

Lecta Group

(in EUR K)

	Notes	2nd quarter 2018		2nd quarter 2017	
			%		%
Revenue	(5)	371,670	100	360,685	100
Changes in inventories of finished goods and work in process		16,789	5	8,743	2
Raw materials and consumables used		(203,476)	(55)	(189,487)	(53)
Labor costs		(49,564)	(13)	(48,846)	(14)
Other operating costs except non-recurring items		(95,563)	(26)	(101,220)	(28)
EBITDA		**39,857**	**11**	**29,875**	**8**
Depreciation		(12,597)	(3)	(13,564)	(4)
Amortization		(49)	(0)	(58)	(0)
Non recurring items	(6)	(1,336)	(0)	(7,529)	(2)
Profit (loss) from operations		**25,875**	**7**	**8,724**	**2**
Financial income		167	0	246	0
Financial expense		(16,288)	(4)	(15,296)	(4)
Finance costs	(12)	(16,121)	(4)	(15,050)	(4)
Share of results in associates		0	0	0	0
Profit (loss) before tax		**9,753**	**3**	**(6,326)**	**(2)**
Income tax	(7)	(4,075)	(1)	(4,204)	(1)
Profit (loss) after tax from continuing operations		**5,679**	**2**	**(10,531)**	**(3)**
Profit (loss) after tax from discontinued operations		0	0	0	0
Profit (loss) after tax		**5,679**	**2**	**(10,531)**	**(3)**
Attributable to:					
Equity holders of the parent	(8)	4,283	1	(11,048)	(3)
Non-controlling interests	(8)	1,396	0	517	0

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Consolidated statement of comprehensive income

Lecta Group
(in EUR K)

	Notes	2nd quarter 2018	2nd quarter 2017
Profit (loss) for the period		**5,679**	**(10,531)**
Exchange differences on translation of foreign operations		34	(174)
Net (loss)/gain on cash flow hedges	(10)	0	306
Income tax effect		0	(82)
		0	224
Net (loss)/gain on available-for-sale financial assets	(10)	0	0
Income tax effect		0	0
		0	0
Net other comprehensive income to be reclassified to profit or loss in subsequent periods		***34***	***50***
Actuarial gains (losses) on defined benefits plans		0	0
Income tax effect		0	0
		0	0
Net other comprehensive income not being reclassified to profit or loss in subsequent periods		***0***	***0***
Other comprehensive income, net of tax		**34**	**50**
Total comprehensive income, net of tax		**5,712**	**(10,481)**
Attributable to:			
Equity holders of the parent		4,316	(11,040)
Non-controlling interests		1,396	560

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Consolidated statement of financial position

Lecta Group
(in EUR K)

	Notes	30 Jun 2018	31 Dec 2017	30 Jun 2017
ASSETS				
Property, plant and equipment	(11)	474,951	469,042	467,341
Investment properties	(11)	1,363	1,363	1,363
Goodwill		118,252	118,252	118,252
Other intangible assets		2,629	3,227	567
Available-for-sale financial investments		141	140	140
Biological assets		284	284	282
Deferred income tax assets		47,293	47,585	53,385
Other non-current receivables		1,623	1,722	1,487
Non-current assets		**646,536**	**641,616**	**642,817**
Income tax receivable		6,157	6,744	7,645
Inventories		227,698	202,699	203,226
Trade receivables		224,716	223,115	231,580
Prepayments		1,244	396	2,082
Other current receivables		9,027	11,254	10,509
Cash & cash equivalents		101,088	141,062	107,845
Current assets		**569,930**	**585,270**	**562,887**
Non-current assets held for sale	(11)	**0**	**0**	**0**
TOTAL ASSETS		**1,216,466**	**1,226,886**	**1,205,704**

	Notes	30 Jun 2018	31 Dec 2017	30 Jun 2017
EQUITY & LIABILITIES				
Paid-in capital		1,446	1,446	1,446
Share premium		136,669	136,669	136,669
Net incomes (expenses) recognized directly through Equity		(8,079)	(7,896)	(8,559)
Foreign currency translation		(1,312)	(1,450)	(1,213)
Accumulated net profits (losses)		(34,620)	(34,760)	(30,052)
Equity holders of the parent		**94,103**	**94,008**	**98,291**
Non-controlling interests		**17,568**	**15,970**	**14,101**
TOTAL EQUITY		**111,671**	**109,979**	**112,392**
Interest-bearing borrowings	(12)	608,244	605,960	614,668
Non-current grants		9,689	10,620	11,184
Non-current provisions		29,128	28,630	35,756
Deferred income tax liabilities		11,316	11,861	13,160
Other non-current liabilities		0	0	0
Non-current liabilities		**658,378**	**657,072**	**674,769**
Current portion of interest-bearing borrowings	(12)	35,167	18,468	16,062
Bank overdrafts		20,714	14,686	11,095
Current grants		2,356	2,543	3,129
Current provisions		1,445	4,961	2,762
Income tax payable		7,531	3,219	3,331
Trade payables		364,453	381,632	357,022
Other liabilities		14,750	34,326	25,143
Current liabilities		**446,418**	**459,836**	**418,544**
TOTAL LIABILITIES		**1,104,795**	**1,116,908**	**1,093,312**
TOTAL EQUITY AND LIABILITIES		**1,216,466**	**1,226,886**	**1,205,704**

The accompanying Notes are an integral part of these Interim Consolidated financial statements.

Consolidated cash flow statement

Lecta Group
(in EUR K)

	Notes	Jan to Jun 2018	Jan to Jun 2017
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit (loss) before tax		7,115	(581)
Net finance costs		31,479	30,545
Non recurring items		2,000	3,043
Depreciation & Amortization		24,548	27,097
EBITDA		**65,142**	**60,104**
Inventories decrease (increase)		(24,996)	(6,274)
Trade receivable decrease (increase)		(1,593)	(13,412)
Prepayments decrease (increase)		(847)	(742)
Trade payables increase (decrease)		(17,184)	1,274
Working Capital decrease (increase)		**(44,620)**	**(19,154)**
Provisions increase (decrease)		(7)	297
GHG emission rights decrease (increase)		(2,017)	(524)
Proceeds (payments) related to non-recurring items		(2,699)	(3,480)
Income tax paid	(7)	(531)	(2,936)
Net cash flow (used in) / from operating activities		**15,267**	**34,308**
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from disposal of Property, plant and equipment		135	5,890
Purchase of property, plant and equipment		(50,785)	(22,362)
Receipt of Grants		2,222	(3,547)
Purchase of subsidiary, net of cash acquired		0	65
Purchase of other assets		(1)	0
Proceeds from disposal of other assets		100	62
Net cash flow (used in) / from investing activities		**(48,329)**	**(19,893)**
CASH FLOWS FROM FINANCING ACTIVITIES			
Dividends paid to non controlling interest		(200)	0
Interest paid		(30,403)	(29,413)
Issue costs of Borrowings		(10)	(794)
Proceeds from Borrowings	(12)	54,506	16,178
Repayment of Borrowings	(12)	(36,581)	(18,182)
Payment of finance lease liabilities		(385)	(297)
Net cash flow (used in) / from financing activities		**(13,073)**	**(32,508)**
Net increase (decrease) in Cash & cash equivalents net of Bank overdrafts		(46,134)	(18,092)
Net foreign exchange difference		132	44
Cash & cash equivalents net of Bank overdrafts at 1 January		126,376	114,798
Cash & cash equivalents net of Bank overdrafts at 30 June		**80,374**	**96,750**
Of which Cash & cash equivalents		101,088	107,845
Of which Bank overdrafts		(20,714)	(11,095)

The accompanying Notes are an integral part of these Interim Consolidated financial statements.

Consolidated cash flow statement

Lecta Group
(in EUR K)

		2nd quarter 2018	2nd quarter 2017
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit (loss) before tax		9,753	(6,326)
Net finance costs		16,121	15,050
Non recurring items		1,336	7,529
Depreciation & Amortization		12,647	13,622
EBITDA		**39,857**	**29,875**
Inventories decrease (increase)		(18,802)	(10,321)
Trade receivable decrease (increase)		(3,763)	(9,964)
Prepayments decrease (increase)		(740)	855
Trade payables increase (decrease)		666	5,782
Working Capital decrease (increase)		**(22,638)**	**(13,648)**
Provisions increase (decrease)		29	133
GHG emission rights decrease (increase)		(2,009)	(524)
Proceeds (payments) related to non-recurring items		(1,540)	(2,700)
Income tax paid	(7)	15	(2,769)
Net cash flow (used in) / from operating activities		**13,714**	**10,367**
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from disposal of Property, plant and equipment		2	(69)
Purchase of property, plant and equipment		(20,650)	(8,904)
Receipt of Grants		3,049	(1,341)
Purchase of subsidiary, net of cash acquired		0	65
Purchase of other assets		(0)	0
Proceeds from disposal of other assets		183	95
Net cash flow (used in) / from investing activities		**(17,416)**	**(10,154)**
CASH FLOWS FROM FINANCING ACTIVITIES			
Dividends paid to non controlling interest		(200)	0
Interest paid		(9,490)	(8,108)
Issue costs of Borrowings		(6)	(784)
Proceeds from Borrowings	(12)	24,382	1,046
Repayment of Borrowings	(12)	(18,169)	(1,781)
Payment of finance lease liabilities		(304)	(167)
Net cash flow (used in) / from financing activities		**(3,787)**	**(9,794)**
Net increase (decrease) in Cash & cash equivalents net of Bank overdrafts		(7,489)	(9,581)
Net foreign exchange difference		57	(18)
Cash & cash equivalents net of Bank overdrafts at 1 April		87,807	106,348
Cash & cash equivalents net of Bank overdrafts at 30 June		**80,374**	**96,750**
Of which Cash & cash equivalents		101,088	107,845
Of which Bank overdrafts		(20,714)	(11,095)

The accompanying Notes are an integral part of these Consolidated financial statements.

Consolidated statement of changes in equity
(in EUR K)
Lecta Group

	Paid-in capital	Share premium	Available-for-sale investments reserve	Cash flow hedging reserve	Actuarial gains (losses) on defined benefits plans reserve	FTA IFRS 9	Foreign currency translation	Accumulated net profits (losses)	**Total Equity holders of the parent**	**Non-controlling Interest**	**TOTAL EQUITY**
AT 1 JANUARY 2017	**1,446**	**136,669**	**(67)**	**(183)**	**(8,492)**	**0**	**(1,103)**	**(22,549)**	**105,721**	**12,578**	**118,300**
Profit for the period			0	0	0		0	(7,504)	(7,504)	1,477	(6,026)
Other comprehensive income (loss)			0	182	0		(109)	0	73	45	118
Total comprehensive income of the period	**0**	**0**	**0**	**182**	**0**		**(109)**	**(7,504)**	**(7,431)**	**1,523**	**(5,908)**
Variation of percentages of consolidation (see Note 2.2)	0	0	0	0	0		0	(0)	(0)	0	(0)
AT 30 JUNE 2017	**1,446**	**136,669**	**(67)**	**(0)**	**(8,492)**		**(1,213)**	**(30,052)**	**98,291**	**14,101**	**112,392**
AT 1 JANUARY 2018	**1,446**	**136,669**	**(69)**	**0**	**(7,828)**	**0**	**(1,450)**	**(34,760)**	**94,008**	**15,970**	**109,979**
Effect of adopting IFRS 9	0	0				(183)	0	0	(183)	0	(183)
Profit for the period			0	0	0		0	141	141	1,797	1,938
Other comprehensive income (loss)			0	0	0		137	0	137	0	137
Total comprehensive income of the period	**0**	**0**	**0**	**0**	**0**		**137**	**141**	**278**	**1,797**	**2,076**
Variation of percentages of consolidation (See Note 2.2)									0	0	0
Dividends to non-controlling interests										(200)	(200)
AT 30 JUNE 2018	**1,446**	**136,669**	**(69)**	**0**	**(7,828)**	**(183)**	**(1,312)**	**(34,620)**	**94,103**	**17,568**	**111,671**

The accompanying Notes are an integral part of these Interim Consolidated financial statements.

NOTES

1. Basis of preparation and accounting policies

1.1. Basis of preparation

The interim condensed consolidated financial statements of Lecta Group for the six months ended 30 June 2018 have been prepared in accordance with IAS 34 Interim Financial Reporting.
The interim condensed consolidated financial statements do not include all the information and disclosures required in the annual financial statements, and should be red in conjunction with the Group's annual consolidated financial statements as at 31 December 2017.

1.2. Significant accounting policies

The accounting policies adopted in the preparation of the interim condensed consolidated financial statements are consistent with those followed in the preparation of the Group's annual financial statements for the year ended 31 December 2017.

Since 1 January 2018, Lecta complemented the accounting policy of CO2 emission rights. The rights that have been granted free of charge by each National Authority continue not to be recognized. But as they are granted at the beginning of the year, they are used to fully neutralize the CO_2 emissions until there is no more rights instead of being allocated over the twelve months of the year. This translates into no CO_2 cost in the six-month period ended as at 30 June 2018 vs EUR (0.6) M in the same period of 2017.

New amended IAS or interpretations effective as of 1 January 2018:

- In July 2014, the IASB completed the final element of its comprehensive response to the financial crisis by issuing **IFRS 9** Financial Instruments (replacement of IAS 39). The package of improvements introduced by IFRS 9 includes a logical model for classification and measurement, a single, forward-looking 'expected loss' impairment model and a substantially-reformed approach to hedge accounting. The new Standard will come into effect on 1 January 2018 with early application permitted.

Lecta Group evaluated the effect of the above standard and concluded that its impact is limited to the application of the expected loss impairment model to its trade receivables. The increase in impairment of trade receivables at 1 January 2018 is EUR 0.2 M.

Additionally, Lecta Group started the analysis of IFRS 15 "Revenue from Contracts with Customers" and IFRS 16 "Leases" effective for annual periods beginning on or after 1 January 2018 and 1 January 2019, respectively.

- **IFRS 15** "Revenue from Contracts with Customers" was issued in May 2014 and establishes a five-step model to account for revenue arising from contracts with customers. Under IFRS 15, revenue is recognized at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer. The new revenue standard will supersede all current revenue recognition requirements under IFRS. The new standard is applicable for annual periods beginning on or after 1 January 2018.

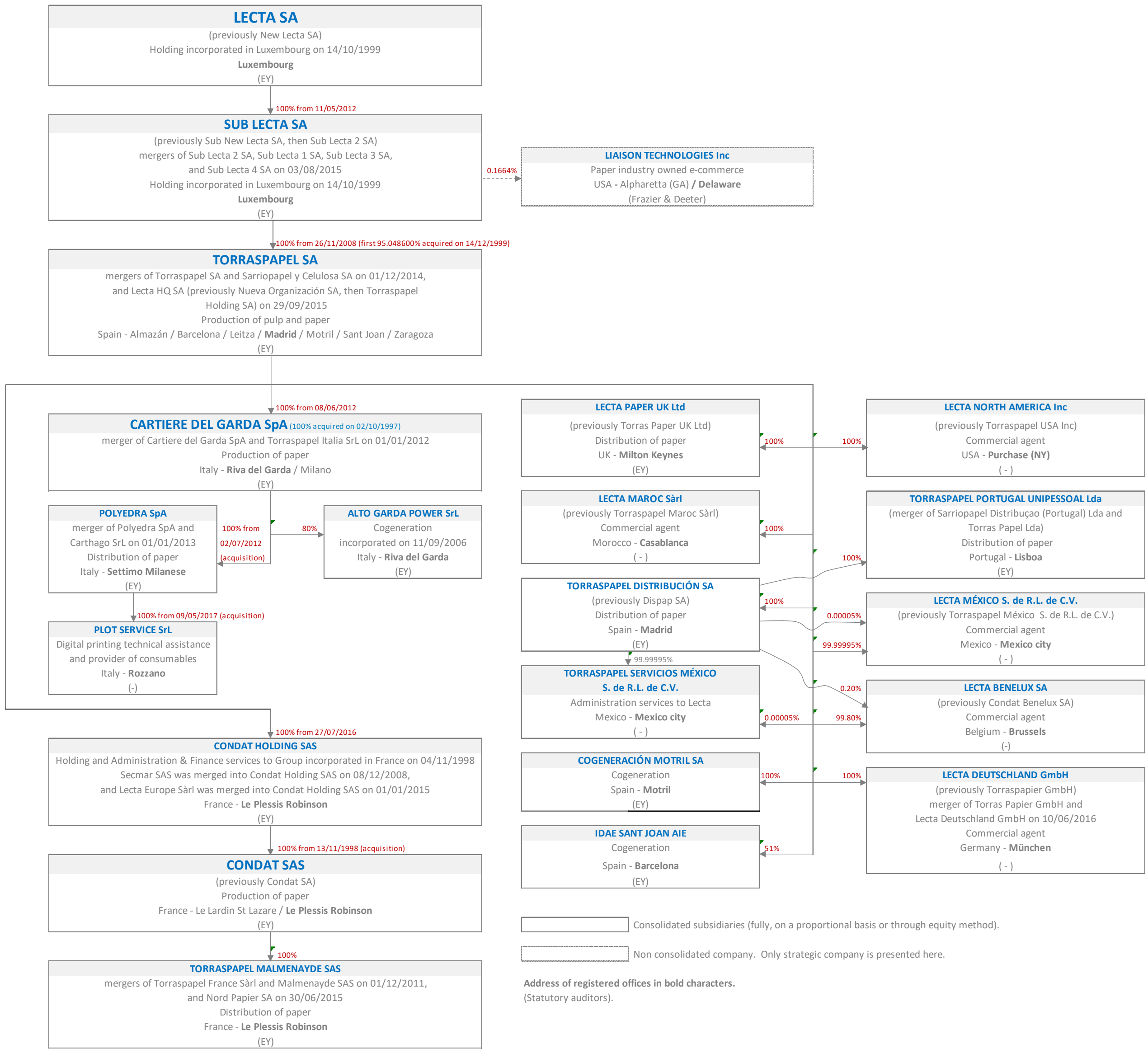
Lecta Group evaluated the effect of the above standard and concluded that its impact is immaterial.

- **IFRS 16** "Leases" was issued in January 2016. It replaces IAS 17 "Leases". The major change introduced by the new Standard is that leases will be brought onto companies' balance sheets, increasing the visibility of their assets and liabilities. IFRS 16 removes the classification of leases as either operating leases or finance leases (for the lessee - the lease customer), treating all leases as finance leases. The new standard is applicable for annual periods beginning on or after 1 January 2019.

Lecta Group is in the process of analyzing the impact of this standard on the group.

2. Lecta Group as at 30 June 2018

2.1. Organization Chart



2.2. Consolidated subsidiaries

Subsidiaries	Activity	Country of incorporation	Interest	Control	Consol. Method
Alto Garda Power SrL	Cogeneration	Italy	80%	80%	Full
Cartiere del Garda SpA (absorbed Torraspapel Italia SrL)	Production of woodfree coated paper	Italy	100%	100%	Full
Cogeneración Motril SA	Cogeneration	Spain	100%	100%	Full
Condat Holding SAS (previously Condat Holding SA; absorbed Secmar SAS and Lecta Europe Sàrl)	Holding, Administration & Finance services to Group	France	100%	100%	Full
Condat SAS (previously Condat SA)	Production of woodfree coated paper	France	100%	100%	Full
IDAE Sant Joan AIE	Cogeneration	Spain	51%	51%	Full
Lecta Benelux SA (previously Condat Benelux SA)	Commercial agent	Belgium	100%	100%	Full
Lecta Deutschland GmbH (previously Torras Papier GmbH)	Commercial agent	Germany	100%	100%	Full
Lecta Maroc Sàrl (previously Torraspapel Maroc Sàrl)	Commercial agent	Morocco	100%	100%	Full
Lecta México S. de R.L. de C.V. (previously Torraspapel México S. de R.L. de C.V.)	Commercial agent	Mexico	100%	100%	Full
Lecta North America Inc (previously Torraspapel USA Inc)	Commercial agent	USA	100%	100%	Full
Lecta Paper UK Ltd (previously Torras Paper UK Ltd)	Distribution of paper	UK	100%	100%	Full
Plot Service SrL	Digital printing technical assistance and provider of consumables	Italy	100%	100%	Full
Polyedra SpA (absorbed Carthago SrL)	Distribution of paper	Italy	100%	100%	Full
Sub Lecta SA (previously Sub New Lecta SA, then Sub Lecta 2 SA; absorbed Sub Lecta 4 SA, Sub Lecta 3 SA, and Sub Lecta 1 SA)	Holding and IP management	Luxembourg	100%	100%	Full
Torraspapel Distribución SA (previously Dispap SA; spin-off of the distribution activity from Torraspapel SA)	Distribution of paper	Spain	100%	100%	Full
Torraspapel Malmenayde SAS (merger of Torraspapel France Sàrl and Malmenayde SAS, absorbed Nord Papier SA)	Distribution of paper	France	100%	100%	Full
Torraspapel Portugal Unipessoal Lda (merger of Sarriopapel Distribuiçao (Portugal) Lda and Torras Papel Lda)	Distribution of paper	Portugal	100%	100%	Full
Torraspapel Servicios México S. de R.L. de C.V.	Provider of administration services	Mexico	100%	100%	Full
Torraspapel SA (absorbed Sarriopapel y Celulosa SA and Lecta HQ SA; spin-off of the distribution activity to Torraspapel Distribución SA)	Production of pulp and paper	Spain	100%	100%	Full

1997

Sub Lecta 1 SA

Sub Lecta 1 SA was incorporated in Luxembourg on 11 August 1997. On 2 October 1997, Sub Lecta 1 SA acquired Cartiere del Garda SpA, an Italian producer of coated woodfree paper, from Bertelsmann Group

1998

Condat Holding SAS

Condat Holding SAS was set up by Cartiere del Garda SpA and incorporated in France on 4 November 1998.

On 13 November 1998, Condat Holding SAS acquired Condat SAS, a French producer of coated woodfree paper, from Jefferson Smurfit Group.

Lecta Europe Sàrl

Lecta Europe Sàrl, in charge of administration and finance for the Group was set up by Condat Holding SAS and incorporated in France on 30 November 1998

1999

Sub Lecta 2 SA

Sub Lecta 2 SA was incorporated in Luxembourg on 14 October 1999

Lecta HQ SA

Lecta HQ SA (previously called Torraspapel Holding SA), incorporated in Spain on 24 September 1999, became a subsidiary of Sub Lecta 2 SA on 28 October 1999

Lecta HQ SA

On 14 December 1999, Lecta HQ SA acquired 95.05% of Torraspapel SA, a Spanish paper merchant and producer of pulp and paper, from Grupo Torras SA and Paltor ApS, two companies under the control of Kuwait Investment Authority.

Lecta SA

The parent company Lecta SA was incorporated in Luxembourg on 14 October 1999. On 13 December 1999, the shares of Sub Lecta 1 SA and Sub Lecta 2 SA were contributed to Lecta SA. Consequently, the above subsidiaries have been consolidated since 1 December 1999

2002

Torraspapel SA

On 13 December 2002, Torraspapel SA acquired 25.59% of Sub Lecta 1 SA. Due to the presence of non-controlling interests in Torraspapel SA, this acquisition resulted in non-controlling interests in Sub Lecta 1 SA and its subsidiaries

2004

Torraspapel Servicios México S. de R.L. de C.V.

Torraspapel Servicios México S. de R.L. de C.V. was set up by Dispap SA and incorporated in Mexico on 6 October 2004. It is a provider of administration services to Lecta México S. de R.L. de C.V.. It started its activities in 2005. It is consolidated since 01 January 2005.

2006

Sarriopapel Distribuiçao (Portugal) Lda

On 1 July 2006, Sarriopapel Distribuiçao (Portugal) Lda absorbed Torras Papel Lda and was renamed Torraspapel Portugal Lda. Both companies were consolidated before the merger.

Alto Garda Power SrL

On 11 September 2006, Alto Garda Power SrL was incorporated in Italy. It is 80% owned by Cartiere del Garda SpA and 20% by Alto Garda Servizi SpA, a local utility controlled by the City of Riva del Garda. This company's purpose is to own and operate a cogeneration plant and provide steam and electricity to its shareholders and the market.

2007

Cogeneración del Ter SL

Cogeneración del Ter SL is a cogeneration plant located in Sarrià de Ter (Spain). It was 70% owned by Torraspapel SA and 30% by La Energía SA, a subsidiary of energy services Gas Natural Group when it was consolidated from 1 July 2007.

IDAE Sant Joan AIE

On 11 December 2007, IDAE Sant Joan AIE was incorporated in Spain. It is 51% owned by Torraspapel SA and 49% by Instituto para la Diversificación y Ahorro de la Energía (IDAE) the Spanish Institute for Energy Diversification and Saving. This company's purpose is to own and operate a cogeneration plant and provide steam and electricity to Torraspapel SA and the market.

2008

Lecta North America Inc.

On 1 January 2008, Lecta North America Inc, the 100% owned commercial agent in North America for Lecta Group, was included in the consolidation perimeter.

Dispap SA

On 1 January 2008, Dispap SA, a paper distributor in Spain having no more operating activity, was excluded from the consolidation perimeter.

Torraspapel SA
On 6 May 2008, Torraspapel SA acquired 100% of Secmar SAS. Secmar SAS was a French company holding 100% of Malmenayde SAS and 66% of Nord Papier SA, two French paper merchants

Torraspapel SA
On 3 November 2008, Torraspapel SA contributed Secmar SAS to Condat Holding SAS and received in return a 23.17% interest in that company

Lecta HQ SA
On 26 November 2008, Lecta HQ SA acquired 4.95% non-controlling interests in Torraspapel SA following the exercise of a put option, negotiated in December 1999 at the time of the acquisition of Torraspapel SA. It now holds 100% in Torraspapel SA

Secmar SAS
On 8 December 2008, Secmar SAS was merged into Condat Holding SAS. Malmenayde SAS and Nord Papier SA became direct subsidiaries of Condat Holding SAS.

2009

Torraspapel SA
On 18 December 2009, Torraspapel SA acquired an additional 5% in Cogeneración del Ter SL. It now holds 75% in Cogeneración del Ter SL.

2010

Lecta Deutschland GmbH
On 1 January 2010, Lecta Deutschland GmbH, the 100% owned commercial agent in Germany for Lecta Group products, was included in the consolidation perimeter.

Lecta Benelux SA
On 1 January 2010, Lecta Benelux SA, the 100% owned commercial agent in Benelux for Condat products, was included in the consolidation perimeter.

2011

Torraspapel SA
On 26 July 2011, Torraspapel SA acquired 24% additional equity in Cogeneración Motril SA to increase its participation to 75%.

Malmenayde SAS
On 1 December 2011, Malmenayde SAS was merged into Torraspapel France Sàrl, and the resulting entity was named Torraspapel Malmenayde Sàrl.

Torraspapel SA
On 5 December 2011, Torraspapel SA acquired 6% additional equity in Cogeneración Motril SA. It now holds 81% in Cogeneración Motril SA.

Torraspapel Italia SrL
On 31 December 2011, Torraspapel Italia SrL, the commercial agent in Italy for Torraspapel products was excluded from the consolidation perimeter. On 1 January 2012, Torraspapel Italia SrL was merged into Cartiere del Garda SpA.

2012

Sub Lecta 3 SA
On 26 April 2012, Sub Lecta 3 SA was incorporated in Luxembourg. It is 100% owned by Sub Lecta 1 SA. Its purpose is to be a holding company.

Cartiere del Garda SpA
On 2 July 2012, Cartiere del Garda SpA acquired 100% of Polyedra SpA. Polyedra SpA is an Italian paper merchant who in turn holds 100% of Carthago SrL, another Italian paper merchant.

Condat Holding SAS
On 25 September 2012, Condat Holding SAS acquired 34% non-controlling interests in Nord Papier SA. It now holds 100% in Nord Papier SA.

2013

Carthago SrL
On 1 January 2013, Carthago SrL was merged into Polyedra SpA.

Sub Lecta 4 SA
On 29 November 2013, Sub Lecta 4 SA was incorporated in Luxembourg. It is 100% owned by Sub Lecta 3 SA. Its purpose is to be a holding company.

Torraspapel SA
On 10 December 2013, Torraspapel SA and Sarriopapel y Celulosa SA sold 100% of their participation in the Argentinean paper distributor Torraspapel Argentina SA.

2014

Cogeneración del Ter SL
On 23 October 2014, following the permanent closure of the paper mill located in Sarrià de Ter, the liquidation of Cogeneración del Ter SL was initiated.

2015

Sarriopapel y Celulosa SA

On 1 December 2014, Sarriopapel y Celulosa SA was merged into Torraspapel SA. Following this merger, Torraspapel SA directly holds 100% in Torraspapel Portugal Lda and Torras Papier GmbH.

Lecta Europe Sàrl

On 1 January 2015, Lecta Europe Sàrl was merged into Condat Holding SAS.

Nord Papier SA

On 30 June 2015, Nord Papier SA was merged into Torraspapel Malmenayde SAS.

Cogeneración Motril SA

On 6 July 2015, the shareholders meeting of Cogeneración Motril SA, decided a share capital decrease to 0€ against losses, immediately followed by a capital increase of 2.6M€. The majority shareholder of 81% (Torraspapel SA) subscribed to the capital increase for an amount of 2.1M€, while the minority shareholders of 19% did not take part to the capital increase. This operation was delivered to the Registry of the Commercial Court (“Registro Mercantil”) in October 2015.

Sub Lecta 4 SA, Sub Lecta 3 SA and Sub Lecta 1 SA

On 3 August 2015, Sub Lecta 4 SA, Sub Lecta 3 SA and Sub Lecta 1 SA were merged into Sub Lecta 2 SA and the resulting entity was renamed Sub Lecta SA on 17 August 2015.

Lecta HQ SA

On 29 September 2015, Lecta HQ SA was merged into Torraspapel SA (reverse merger).

Torraspapel SA

On 16 November 2015, Torraspapel SA acquired 25% additional equity in Cogeneración del Ter SA, en liquidación (liquidation initiated on 23 October 2014), against 1€ cash payment to increase its participation to 100%.

2016

Dispap SA

On 1 January 2016, Dispap SA a holding company having no operating activity was included in the consolidation perimeter (See Note 2.3).

Lecta Deutschland GmbH

On 10 June 2016, Lecta Deutschland GmbH was merged into Torras Papier GmbH and the resulting entity was renamed Lecta Deutschland GmbH.

Cogeneración del Ter SA

On 13 June 2016, Cogeneración del Ter SA was liquidated.

2017

Plot Service SrL

On 9 May 2017, Polyedra SpA acquired 100% of Plot Service SrL. Plot Service SrL is specialized in technical assistance for professional large format graphic peripherals.

Torraspapel Distribución SA

On 15 December 2017, the distribution activity in Spain was spin-off from Torraspapel SA to Dispap SA. Torraspapel SA also assigned its participation in Torraspapel Portugal Unipessoal Lda to Dispap SA. The latter was renamed Torraspapel Distribución SA.

2.3. Interests in non-consolidated companies

Companies	Activity	Country of incorporation	Interest	Control	Comments
Catalana d'Iniciatives CR SA	*In liquidation*	*Spain*	*0.39%*	*0.39%*	*(a)*
Condat Energie Biomasse SAS	*Exploitation of cogeneration assets*	*France*	*100%*	*100%*	*(b)*
Consorzio Nazionale Imballaggi Scarl	*Recovery & Recycling*	*Italy*	*0.0075%*	*0.0075%*	*(a)*
Gas Intensive Scarl	*Purchase of methane by Italian industries*	*Italy*	*0.52%*	*0.52%*	*(a)*
Liaison Technologies Inc (previously Liaison Technologies LLC)	*Paper industry owned e-commerce platform*	*USA*	*0.1664%*	*0.1664%*	*(a)*
Promotora del Ulla SA	*No operating activity*	*Spain*	*45.2%*	*45.2%*	*(b)*
SREP SA	*Recycling of packaging and paper in France*	*France*	*0.4%*	*0.4%*	*(a)*
SVL Pilote SAS	*Logistics*	*France*	*0%*	*0%*	*(a)*
SVS SAS	*Forwarding agent*	*France*	*0%*	*0%*	*(a)*
SVT SAS	*Packing*	*France*	*0%*	*0%*	*(a)*

In italic: Non-strategic companies.

Other companies are considered as strategic, even if they are not consolidated because of the following reasons:
(a) Lecta Group has no control and no significant influence in these companies.
(b) Immateriality.

Other comments
- On 29 May 2017, Condat Energie Biomasse SAS was incorporated in France. Its sole activity until 30 September 2017 was the presentation on 1 June 2017 of a proposal in response to a public tender organized by the French Authorities for biomass energy.
- On 27 June 2017, the shareholders meeting of Ecofolio SAS approved the merger by absorption of the company into Eco-Emballages SA. This merger was effective as of 1 Sept 2017. In accordance with the exchange parity Torraspapel Malmenayde SAS has 558 shares of the company representing 0.41% of its share capital. The resulting company is called SREP SA.

3. Lecta capital structure and Significant events

3.1. Lecta capital structure

On 27 July 2016, Lecta Group successfully completed its offering of EUR 600 M new notes (“2016 notes”):
- EUR 225 M of floating rate senior secured notes due 2022, bearing an interest rate of 3-month Euribor (with a floor at 0%) + 6.375%,
- EUR 375 M of fixed rate senior secured notes due 2023, bearing an interest rate of 6.500%,

and the negotiation of a new EUR 65 M Revolving Credit Facility due 2022.

The 2016 notes are listed on the Official List of the Luxembourg Stock Exchange and traded on the Euro MTF market.

3.2. Projects and plans

Lecta has Board authorization to explore projects aimed at (i) the simplification of the Group structure from a corporate and tax standpoint, (ii) the optimization of the operating organization, (iii) the strengthening of its specialty papers and merchanting operations, and (iv) the identification of exit opportunities.

On 26 May 2017, Lecta announced its intention to offer newly issued ordinary shares in a private placement to institutional investors. Certain of Lecta’s shareholders also intended to sell part or all of their shares. The shares were expected to be admitted to trading on the Madrid, Barcelona, Bilbao and Valencia stock exchanges.

On 21 June 2017, Lecta Board decided not to pursue a listing at this point despite the positive response shown by some potential investors, and to continue assessing all options to optimize value for all stakeholders.

3.3. Organization efficiency program

The integration process covers Lecta industrial operations in Italy, France and Spain, as well as the paper distribution ones in the same countries and, additionally, Portugal. Within the Organization efficiency program, Lecta planned several cost reduction projects.

For the six-month period ended 30 June 2018 the restructuring cash cost associated to Lecta efficiency programs was EUR (2.2) M, reported in the line "Non-recurring items" (see Note 6).

Organization Efficiency Program allows Lecta to maintain the labor costs in spite of salary increases and new job positions in relation with the investments in Specialties.

3.4. Acquisition of Plot Service SrL

On 9 May 2017, Lecta – through its subsidiary Polyedra SpA - completed the acquisition of 100% shares in Plot Service SrL. This company, headquartered in Rozzano (Milan), is specialized in technical assistance for professional large format graphic peripherals, such as plotters, digital printers, scanners and digitizers. Plot Service SrL has service centers located throughout the country with highly qualified and specialized technicians. This service network will complement the already extensive presence of Polyedra SpA throughout Italy.
This acquisition reaffirms Lecta's desire to further strengthen its leading position in the Print & Communication, Sign & Display, and Packaging segments, progressively addressing the market more as a partner offering complete solutions to its customers' communication needs.

The cost of acquisition was EUR 13 K. As the part of equity purchased was also EUR 13 K, there was no Goodwill to be considered. The purchase price allocation has been performed, and the measurement period will be closed with the publication of 30 June 2018 accounts.
At acquisition, Cash & cash equivalents net of Interest-bearing borrowings was EUR 39 K.
The fees and expenses in relation with this acquisition amounted to EUR 4 K.

The detail of assets and liabilities at acquisition date was as follows (in EUR K):

ASSETS	
Property, plant and equipment	14
Other intangible assets	0
Deferred income tax assets	0
Other non-current receivables	5
Non-current assets	**20**
Inventories	109
Trade receivables	130
Cash & cash equivalents	78
Current assets	**317**
TOTAL ASSETS	**337**

EQUITY & LIABILITIES	
Paid-in capital	10
Accumulated net profits (losses)	3
Equity holders of the parent	**13**
TOTAL EQUITY	**13**
Interest-bearing borrowings	39
Non-current provisions	47
Non-current liabilities	**86**
Income tax payable	(0)
Trade payables	238
Current liabilities	**238**
TOTAL LIABILITIES	**324**
TOTAL EQUITY AND LIABILITIES	**337**

3.5. Refinancing of Alto Garda Power SrL debt

On 1 March 2017, Alto Garda Power SrL refinanced its existing debt with a new borrowing having the following main features:
- Amount 7,500,000€
- Duration 6 years
- Amortization in 12 equal installments (principal and interest), the first one on 15 September 2017
- Interest 6-month Euribor (with a floor at 0%) + 1.650%
- Covenants: net equity of AGP has to be higher than two times outstanding debt at year-end; negative pledge in case of additional debt

The existing hedging instrument, a Collar indexed to 6-month Euribor for the period from June 2007 to December 2018, was terminated on 28 February 2017 for a cost of 380k€ (see Note 16).

4. Information by Operating Segment

Lecta Group applied IFRS 8 "Operating Segments" as of 1 January 2009. The Chief Operating Decision Makers analyze the group activity through three lines of products and services, within a unique operating segment, "**production and sale of paper**".

The definition of **products and services** is:
- Coated Woodfree consists in the sale of fine paper manufactured by Lecta. The Coated Woodfree is quasi exclusively sold to third parties;
- Specialties consist in the sale of specialty papers manufactured by Lecta. The Specialties are quasi exclusively sold to third parties;
- Purchased Products consist in the sale of products purchased from third parties.

For products and services reporting, definitions are as follows:
- Net sales of Paper consist of Revenue reported in the Income statement less Sales of energy (see Note 5).
  The rationale is that the activity of Lecta is to produce and sell paper. In this context, Lecta operates cogeneration plants that burn gas and produce electricity and steam. The production of steam is internally consumed, while the production of electricity can be internally consumed or sold to the grid. For "Operating Segment" reporting, the sale of electricity to the grid is not considered as revenue but as reduction in energy cost to produce paper.
- EBITDA is the EBITDA reported in the Income statement. There is no significant non-cash expense within the EBITDA.
- Non-current assets is the sum of Property, plant and equipment, Investment properties, Other intangible assets and Biological assets reported in the Statement of Financial Position.
  Following items are not included: Goodwill, Investment in associates, Available-for-sale financial investments, Deferred income tax assets, Non-current income tax receivable, Other non-current receivables and Non-current assets held for sale.

The intra-segment and inter-segment sales are made at market price.

4.1. Information about profit or loss

The following table compares sales and profit information of the products and services for the six-month period ended 30 June 2018, with the prior year. It considers the above definitions:

Net Sales of Paper

Products & Services (in EUR M)	30 Jun 2018	30 Jun 2017	Change absolute	Change %
Coated Woodfree	382	377	+5	+1%
Specialties	230	222	+7	+3%
Purchased products	92	88	+4	+5%
Total	**704**	**687**	+17	+2%

EBITDA

Products & Services (in EUR M)	30 Jun 2018	30 Jun 2017	Change absolute	Change %
Coated Woodfree	30	31	-1	-3%
Specialties	32	25	+7	+28%
Purchased products	3	4	-1	-24%
Total	**65**	**60**	+5	+8%

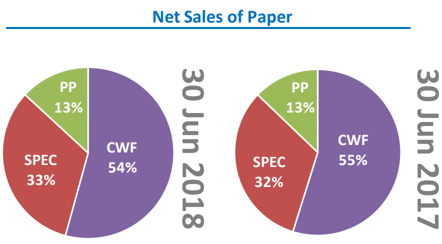
EBITDA Margin

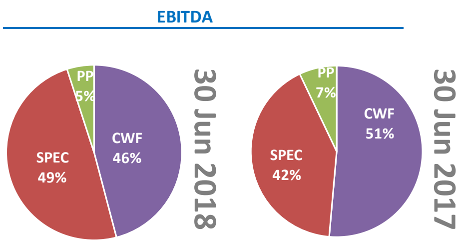
Products & Services	30 Jun 2018	30 Jun 2017	Change Percentage points
Coated Woodfree	7.8%	8.2%	-0.4
Specialties	13.9%	11.2%	+2.7
Purchased products	3.5%	4.8%	-1.3
Total	**9.3%**	**8.7%**	+0.5

Breakdown of Net Sales of Paper and EBITDA by Product and Service:

	Net Sales of Paper 30 Jun 2018	Net Sales of Paper 30 Jun 2017	Net Sales of Paper Change	EBITDA 30 Jun 2018	EBITDA 30 Jun 2017	EBITDA Change
Coated Woodfree	**54%**	55%	-1pp	**46%**	51%	-5pp
Specialties	**33%**	32%	+0pp	**49%**	42%	+8pp
Purchased products	**13%**	13%	+0pp	**5%**	7%	-2pp
	100%	100%		**100%**	100%	

CWF: Coated WoodFree
SPEC.: Specialities
PP: Purchased products





4.2. Information about geographical areas

The following table presents Net sales of paper to third parties and Non-current assets of the Group's products and services for the six-month periods ended 30 June 2018 and 30 June 2017:

Geographical location of customers (in EUR M)	Net sales of paper 30 Jun 2018	Net sales of paper 30 Jun 2017
Europe	576	555
Americas	79	80
Rest of world	49	53
Total	**704**	**687**

Geographical location of assets (in EUR M)	Non-current assets 30 Jun 2018	Non-current assets 30 Jun 2017
Luxembourg	0	0
Italy	80	88
France	43	52
Spain	356	330
Other	0	0
Total	**479**	**470**

5. Revenue

(in EUR K)	2018	2017
Net Sales of Paper	703,889	687,333
Sales of energy	43,217	49,638
Revenue	**747,105**	**736,971**

(in metric tonnes)	2018	2017
Volume sold of paper	744,982	777,429

(in MWh)	2018	2017
Volume sold of energy	539,439	592,661

6. Non-recurring items

(in EUR K) Profit (Loss) on:	2018	2017
Property, plant and equipment	131	5.196
Ineffective portion in the variation of cash flow hedging derivatives	438	45
Organization efficiency program	(2.222)	(1.408)
Other non-recurring items	(347)	(6.876)
Income / (Expense)	**(2.000)**	**(3.043)**

Property, plant and equipment

- In January 2018, Torraspapel SA sold three long time unused offices in Bilbao against a payment of EUR 120 K.
- In January 2017, Torraspapel SA sold a plot of land and a building of the mill in Sarrià de Ter, permanently closed in October 2014 (see Note 3.3) against the payment of EUR 6.0 M, leading to the recognition of a pre-tax capital gain of EUR 5.3 M. The payment of this transaction was made in two phases: EUR 0.4 M in December 2016 and EUR 5.6 M in January 2017.

Ineffective portion in the variation of cash flow hedging derivatives
This line was the consequence of the introduction of IAS 32 & 39 (see Note 1.36 of Lecta annual report).

Organization efficiency program (see Note 3.3)
The Organization efficiency program is a body of several plans, aimed at improving the group's competitiveness. The charges for the six months of the year were as follows:
- In 2018: EUR (2,222) K
- In 2017: EUR (1,408) K

Other non-recurring items
An accrual of EUR (6.8) M was booked in June 2017 for the fees and costs associated to the attempt of private placement to institutional investors made in the 2nd Quarter 2017 (see Note 3.2).

7. Income tax in the income statement

	January to June	
(in EUR K)	2018	2017
Current tax	(5,430)	(4,042)
Deferred tax	253	(1,404)
Income / (Expense)	**(5,177)**	**(5,445)**

The deferred tax profit of EUR 253 K booked in 2018 was the result of:
- EUR (177) K of net deferred tax charge on tax losses, used against taxable profits
- EUR 430 K of deferred tax profit on temporary differences.

The deferred tax charge of EUR (1,404) K booked in 2017 was the result of:
- EUR 802 K of net deferred tax profit on tax losses to be used against future taxable profits;
- EUR (2,206) K of deferred tax charge on temporary differences.

8. Earnings per share

(in EUR K)	January to June 2018	January to June 2017	2nd quarter 2018	2nd quarter 2017
Profit (loss) after tax attributable to the equity holders of the parent (in EUR K)				
Income statement	141	(7,504)	4,283	(11,048)
Pro-forma interest on warrants	(0)	(0)	(0)	(0)
Total diluted	141	(7,504)	4,283	(11,048)
Weighted number of shares				
Basic shares	560,366	560,366	560,366	560,366
Warrants	5,496	7,246	5,496	7,246
Total	**565,862**	**567,612**	**565,862**	**567,612**
Earnings per share (in EUR)				
Basic	0.3	(13.4)	7.6	(19.7)
Diluted	0.2	(13.4)	7.6	(19.7)

"Basic earnings per share" were computed on the basis of the weighted average number of shares issued after deduction of the weighted average number of shares owned by Lecta Group consolidated companies (none for these two years).

"Diluted earnings per share" took into account share equivalents having a dilutive effect after deduction of the weighted average number of share equivalents owned by Lecta Group consolidated companies. The dilutive effect of warrants was calculated using the notional investment method for which the Net earnings were adjusted to include a notional after tax interest income on proceeds coming from the sale of warrants.

Nota
IAS 33 paragraph 43 requires that the diluted earnings per share does not assume conversion, exercise or other issue of potential ordinary shares that would have an anti-dilutive effect on earnings per share.

9. Dividends paid and proposed

No dividend was paid nor proposed.

10. Components of other comprehensive income

Components of other comprehensive income
Lecta Group
(in EUR K)

Movements of other comprehensive income before tax	Jan to Jun 2018	Jan to Jun 2017
Cash flow hedges		
Gains/(losses) arising during the year		
Foreign currency forward contracts	0	0
Futures contract	0	(1)
Reclassification adjustments for gains/(losses) included in the income statement	0	313
Total effect on other comprehensive income resulting from Cash flow hedges (before tax)	0	312
Available-for-sale financial assets		
Gains/(losses) arising during the year	0	0
Reclassification adjustments for gains included in the income statement	0	0
Total effect on other comprehensive income resulting from revaluation of Available-for-sale financial assets (before tax)	0	0

Tax effect of components of other comprehensive income Cash flow hedges	Jan to Jun 2018	Jan to Jun 2017
Cash flow hedges		
Gains/(losses) arising during the year		
Foreign currency forward contracts	0	0
Futures contract	0	(1)
Reclassification adjustments for gains/(losses) included in the income statement	0	(83)
Total tax effect on other comprehensive income resulting from Cash flow hedges	0	(84)
Available-for-sale financial assets		
Gains/(losses) arising during the year	0	0
Reclassification adjustments for gains included in the income statement	0	0
Total tax effect on other comprehensive income resulting from revaluation of Available-for-sale financial assets	0	0

Cash flow hedge is used to cover the exposure to variability in cash flows that is attributable to a particular risk associated with a forecast transaction.
In Lecta Group, these are foreign currency, interest rate and energy price hedging instruments (forward, option, cap, floor, collar, swap…). The portion of the gain or loss on the hedging instrument that is determined to be an effective hedge is recognized directly in the line “Net incomes (expenses) recognized directly through Equity” against “Other receivables” or “Other payables”. It is removed from Equity when the hedged item affects the Income statement. The ineffective portion of gain or loss is immediately recognized in the line “Non-recurring items” of the Income statement (see Note 6).

During the six-month period ended 30 June 2018, there was no Cash flow hedges effect.
During the six-month period ended 30 June 2017, there was a Cash flow hedges effect of EUR 312 K. It consisted of EUR (1) K in relation with the interest rate hedging, and EUR 313 K of real hedging payable transferred to Income statement.

11. Property, plant and equipment and Investment properties

During the six-month period ended 30 June 2018, Lecta Group acquired Property, plant and equipment with a cost of EUR 32.2 M compared to EUR 28.4 M in the same period of 2017.

As at 30 June 2018, Investment properties of EUR 1,363 K consisted in plots of land in Amorebieta / Carmen (EUR 540 K) and Sarrià de Ter (EUR 823 K).

12. Interest-bearing borrowings

During the six-month period ended 30 June 2018, the proceeds from borrowings net of repayment of borrowings were EUR 17.9 M.

13. Capital commitments

As at 30 June 2018, Lecta Group had firm commitments in relation with orders of Property, plant and equipment net of advances to suppliers of EUR 30.4 M.
These commitments were allocated as follows:
EUR 3.4 M in Italy
EUR 1.3 M in France
EUR 25.7 M in Spain

14. Related party disclosures

14.1. Transactions with non-consolidated companies

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					31 December 2017	
			January to June		30 June 2018	
(in EUR K)		Sales to related parties	(Purchases) from related parties	Finance (costs) from related parties	Amounts owed by related parties	Amounts owed to related parties
SVL Pilote SAS	2017	0	(3,385)	0	0	1,328
	2018	0	(3,246)	0	0	1,333
SVS SAS	2017	0	(290)	0	0	106
	2018	0	(290)	0	0	106
SVT SAS	2017	0	(1,002)	0	0	357
	2018	0	(653)	0	0	168

These companies were non-consolidated because of absence of control or immateriality (see Note 2.3)
All the transactions with related parties were made on an arm's length basis.

15. Hedging derivatives on foreign currencies

The Lecta Group operations are impacted by the fluctuations of the non-euro currencies, mainly USD, CAD and GBP.

At 30 June 2018, ordinary sales and purchases were specifically hedged through:
- Forward agreements on realized sales in foreign currencies:.. EUR 35.7 M
- Forward agreements on realized purchases in foreign currencies: .... EUR 15.9 M

The impact of these contracts has been accounted for as fair value hedging, hence recognized in the Income statement (see Note 1.36 of Lecta annual report).

At 30 June 2018, there were no options on future sales in foreign currencies and on future purchases in foreign currencies. Therefore, nothing had to be fair valued through Income statement.

16. Hedging derivatives on interest rates

Alto Garda Power SrL:
[1] In March 2017, Alto Garda Power SrL refinanced its debt (see Note 3.5). On 28 February 2017, the Collar indexed to 6-month Euribor was terminated.

IDAE Sant Joan AIE:
[2] On 23 December 2015, the interest rate of 70% of the forecast debt in IDAE Sant Joan AIE was hedged with a Cap indexed to 3-month Euribor for the period from June 2016 to September 2018. This Cap took effect 3 months after the termination of the prior interest rates hedge of the forecast debt in IDAE Sant Joan AIE.

The main characteristics of the above instruments are as follows:

(in EUR K)

	Instrument	Notional amount	Premium paid	Effective date	Termination date	Floor rate	Cap rate	Strike
[1]	Collar 6M Euribor	Max 27.644		29-Jun-2007	28-Feb-2017	4.05%	5.75%	
[2]	Cap 3M Euribor	Max 8,000	20	30-Jun-2016	30-Sep-2018		0.00%	

The impact of these agreements has been accounted for as cash flow hedge, none as fair value hedge.

For the cash flow hedge, the intrinsic value, considered as effective, was recognized directly in Equity while the time value was considered as ineffective, and thus recognized in the Income statement. For the fair value hedge, any gain or loss from re-measuring the hedging instrument at fair value is recognized in the Income statement

17. Hedging derivatives on raw materials prices

There were no hedging derivatives on raw materials prices.

18. Events after the Statement of Financial Position date

Nothing to be reported.