

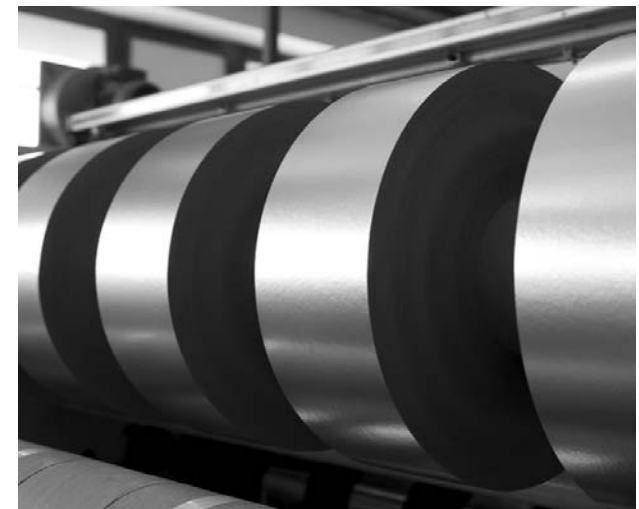
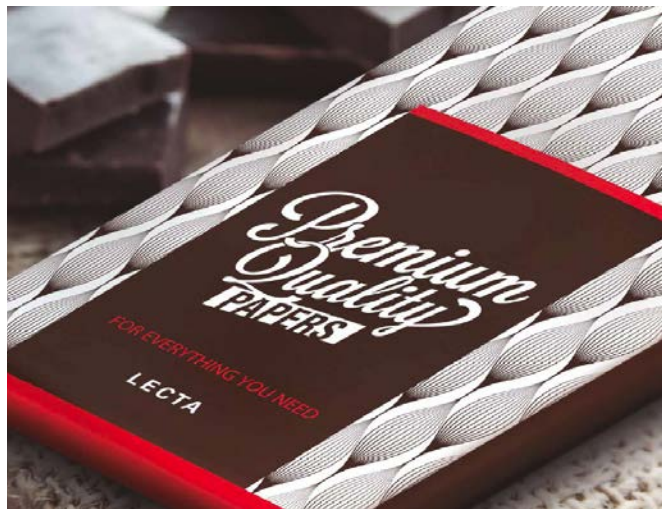


Lecta Group

Investor Presentation

Recent developments & Q1 2016 results

London, 12 May 2016



Disclaimer

By reading or attending the presentation that follows, you agree to be bound by the following limitations.

This presentation has been prepared by Lecta S.A. and its subsidiaries (the “Company” or “We”) solely for informational purposes and does not constitute, and should not be construed as, an offer to sell or issue securities or otherwise constitute an invitation or inducement to any person to purchase, underwrite, subscribe to or otherwise acquire securities in the Company. For the purposes of this disclaimer, the presentation that follows shall mean and include the slides that follow, the oral presentation of the slides by the Company or any person on its behalf, any question-and-answer session that follows the oral presentation, hard copies of this document and any materials distributed in connection with the presentation. By attending the meeting at which the presentation is made, dialling into the teleconference during which the presentation is made or reading the presentation, you will be deemed to have agreed to all of the restrictions that apply with regard to the presentation and acknowledged that you understand the legal regulatory sanctions attached to the misuse, disclosure or improper circulation of the presentation.

The Company has included non-IFRS financial measures in this presentation. These measurements may not be comparable to those of other companies. Reference to these non-IFRS financial measures should be considered in addition to IFRS financial measures, but should not be considered a substitute for results that are presented in accordance with IFRS.

The information contained in this presentation has not been subject to any independent audit or review. A significant portion of the information contained in this presentation, including all market data and trend information, is based on estimates or expectations of the Company, and there can be no assurance that these estimates or expectations are or will prove to be accurate. Our internal estimates have not been verified by an external expert, and we cannot guarantee that a third party using different methods to assemble, analyse or compute market information and data would obtain or generate the same results. We have not verified the accuracy of such information, data or predictions contained in this presentation that were taken or derived from industry publications, public documents of our competitors or other external sources. Further, our competitors may define our and their markets differently than we do. In addition, past performance of the Company is not indicative of future performance. The future performance of the Company will depend on numerous factors, which are subject to uncertainty, including factors which may be unknown on the date hereof.

Each attendee or recipient acknowledges that neither it nor the Company intends that the Company act or be responsible as a fiduciary to such attendee or recipient, its management, stockholders, creditors or any other person. By accepting and providing this document, each attendee or recipient and the Company, respectively, expressly disclaims any fiduciary relationship and agrees that each attendee or recipient is responsible for making its own independent judgment with respect to the Company and any other matters regarding this document.

Certain statements contained in this presentation that are not statements of historical fact, including, without limitation, any statements preceded by, followed by or including the words “targets,” “believes,” “expects,” “aims,” “intends,” “may,” “anticipates,” “would,” “could” or similar expressions or the negative thereof, constitute forward-looking statements, notwithstanding that such statements are not specifically identified. Examples of forward-looking statements include, but are not limited to: (i) statements about future financial and operating results; (ii) statements of strategic objectives, business prospects, future financial condition, budgets, projected levels of production, projected costs and projected levels of revenues and profits of the Company or its management or boards of directors; (iii) statements of future economic performance; and (iv) statements of assumptions underlying such statements.

Forward-looking statements are not guarantees of future performance and involve certain risks, uncertainties and assumptions which are difficult to predict and outside of the control of the Company. Therefore, actual outcomes and results may differ materially from what is expressed or forecasted in such forward-looking statements. We have based these assumptions on information currently available to us, if any one or more of these assumptions turn out to be incorrect, actual market results may differ from those predicted. While we do not know what impact any such differences may have on our business, if there are such differences, our future results of operations and financial condition, could be materially adversely affected. You should not place undue reliance on these forward-looking statements. Forward-looking statements speak only as of the date on which such statements are made. The Company expressly disclaims any obligation or undertaking to disseminate any updates or revisions to any forward-looking statement to reflect events or circumstances after the date on which such statement is made, or to reflect the occurrence of unanticipated events.

Content

Lecta – An Update

Key Lecta highlights

Financial overview

Conclusion

Q&A

Content

Lecta – An Update

Key Lecta highlights

Financial overview

Conclusion

Q&A

Evolving strategic direction

Starting point

Building the platform

Competitiveness improvement

Changing focus

1997 – 1999

2000 - 2006

2007 - 2011

2012 – 2015

	Oct-97
	Nov-98
	Dec-99

2000-2006 Strategic Plan:
Strong investment program focusing on:

- Improvement of production efficiency
- Increasing added value
- Improvement of product quality and service
- Environmental performance

2007-2011 Strategic Plan:
Fixed and variable costs reduction, efficiency and productivity increases, through:

- Operating integration
- Production reorganisation
- Optimisation of sales organisation

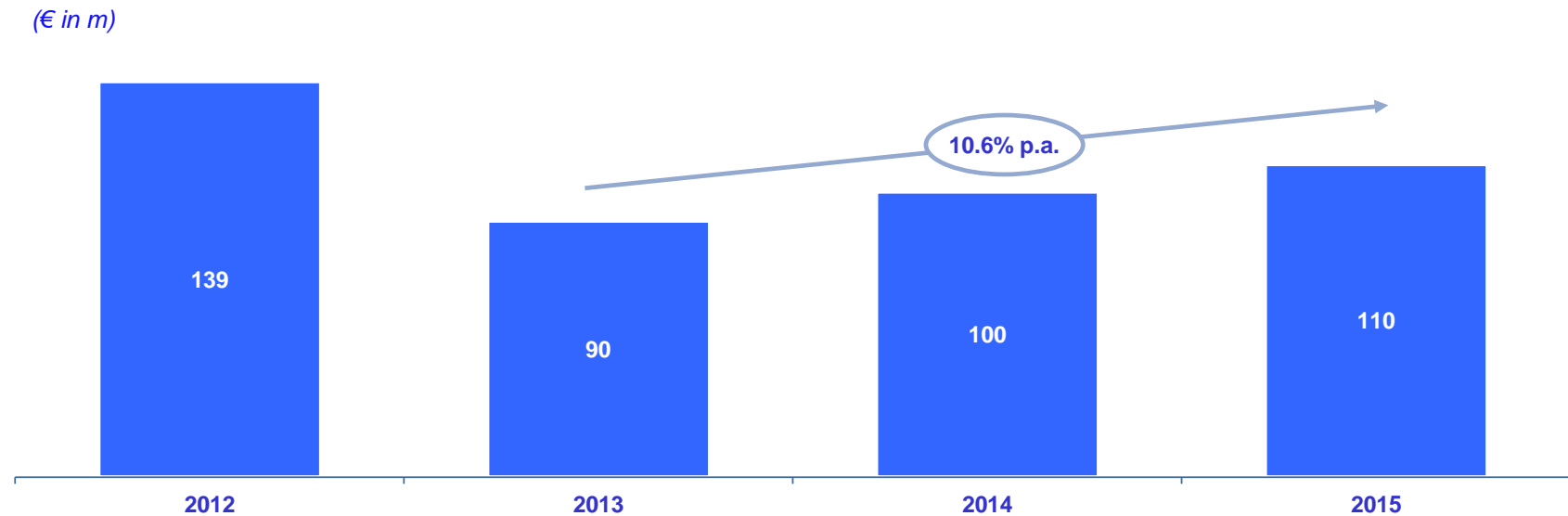
Acquisition of Malmenayde (May-08)

2012-2015 Strategic Plan:
EBITDA improvement, diversifying activities and increasing company value through:

- Investments focused on Specialties
- Organization efficiency programs
- Investments to improve Industrial performance
- Distribution integration
- Structural reorganization

Acquisition of Polyedra (Jul-12)

2013 EBITDA drop due to external factors before a recovery achieved thanks to improved product-mix, further integration in base paper, and organization efficiency programs



The combination of a changed energy legislation in Spain and CWF margin erosion impacted negatively the EBITDA in 2013

Changing focus 2012-2015

Main pillars

Adjustment of
CWF 2/s capacity

Increase in
Specialties converting
capacity

Increase in
Base Paper capacity

Closure of less-profitable
Paper Machine 6 Condat 2013 ✓

Self-Adhesive 2012 ✓

Investment in paper machine
PM7 to produce Base Paper and
allow closure of less competitive
Base Paper mills (Sarrià de Ter
and Uranga) 2013-2015 ✓

Capacity Conversion Motril
and Zaragoza 2013-2015 ✓

CWF 1/s WS 2014 ✓

Metallized 2015 ✓

+

Organization efficiency programs launched in all areas ✓

Changing focus 2012-2015

Implementation of Organization efficiency programs

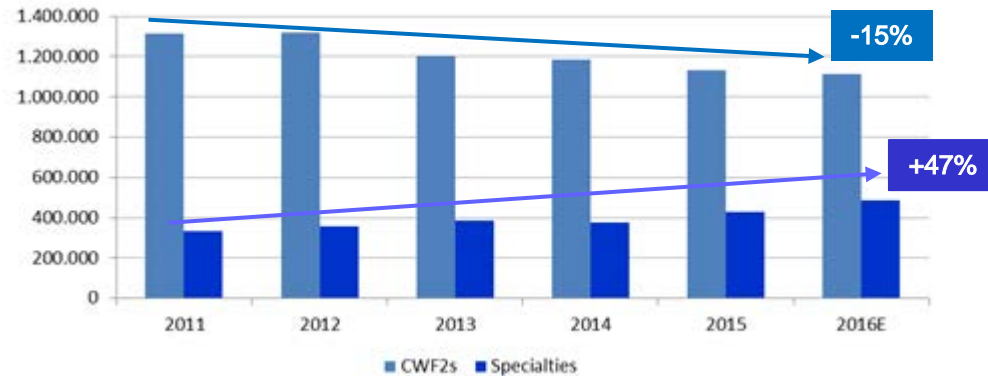
- The Company initiated a cost saving program in 2012
- Annual €44m fixed cost savings achieved at the end of 2015:
 - Industrial restructuring focused on efficiency
 - Closure and conversion of CWF 2/s capacity, more than 280kt since 2012
 - Own distributors rationalization
- Additional €15m fixed costs savings expected for the next three years

Industrial efficiency

- Increase of Base Paper integration and concentrate production in fewer paper mills and more efficient paper machines

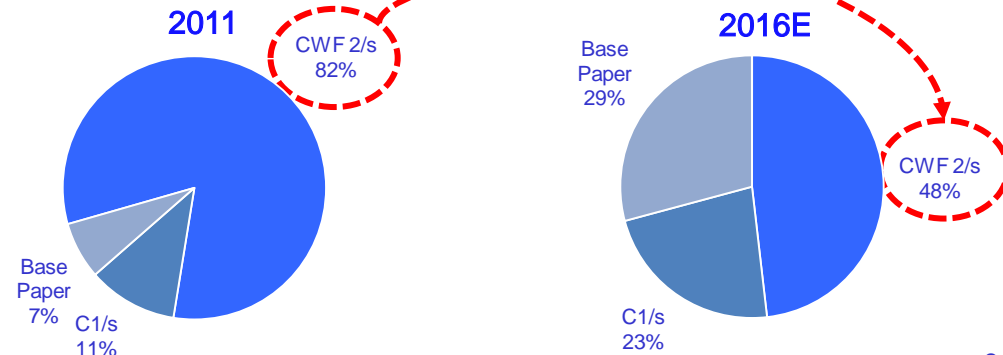
(in kt)	2013	2015	2016E
Sarria de Ter	38		
Uranga	24		
Motril	26	44	60
Zaragoza	29	81	84
Total Base Paper	117	125	144

Lecta production mix evolution in kt



Motril Mill transformation process

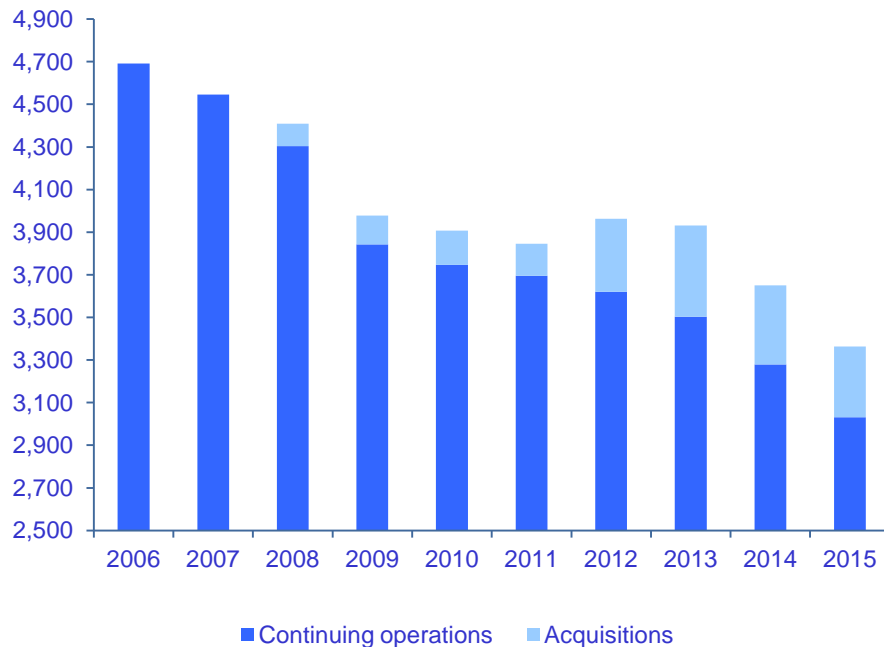
- New production mix reducing CWF 2/s dependency
- Relevant number of sales of Specialty Coated 1/s and higher integration of Base paper.



Changing focus 2012-2015

Successful track record of cost reduction

Headcount reduction



Highlights of competitiveness improvement strategy

Operational integration of Garda, Condat and Torraspapel

- Increased efficiency across the Group
- Strengthened relationships with customers

Significant production reorganisation

- Targeted headcount reductions
- Mill restructurings and closures
- Inter-changeability of production among mills

Renegotiation of social benefits

- Pension scheme cancellation in Spain and France
- Variabilisation of salary in Italy

From 2006 -1,328 FTE employees and -1,659 FTE at constant scope

Evolving strategic direction



2015-2019 Strategic Plan:

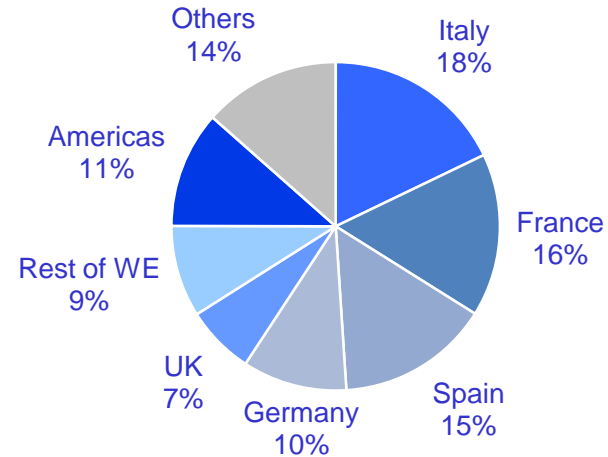
- Accelerate the development of Labels & Flexible Packaging
- Continuing structural reorganization
- Simplification of processes
- Functional Optimization
- Development of a new company culture

Lecta today: Overview

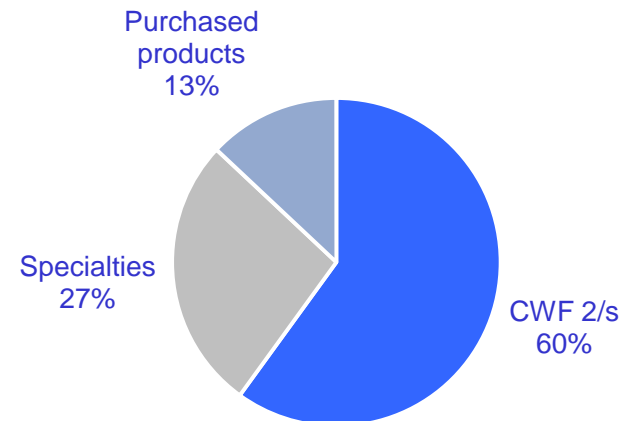
Company Description

- With its unique range of products, today, Lecta is one of the leading manufacturers and distributors of Specialty papers for labels and flexible packaging, premium coated paper for wide format advertising, high quality publishing and commercial printing, along with other high value-added paper product
- Recognized as a premier supplier of paper solutions worldwide in over 130 countries
- Integrated production system with an aggregated (Pulp, Base Paper, and Finished Goods) manufacturing capacity of 2m tonnes
- Distribution business in Southern Europe with over 20,000 active customers
- Key FY2015 highlights:
 - Total revenue of €1,491m
 - 1.56m tonnes of paper sold
 - 3,363 FTE employees

2015 paper sales breakdown by country (in volume)



2015 paper sales breakdown by product line (in value)



Product offering now reflecting our higher margin strategy

	Coated woodfree (CWF 2/s)	Uncoated Woodfree (UWF)	Specialties		
Main applications	<p>CWF 2/s</p> <p>Magazines</p> <p>Guide books</p>  <p>Mailings</p> <p>Catalogues</p> <p>Brochures</p>	<p>UWF</p> <p>Books</p> <p>Shopping Bags</p> 	<p>Self-adhesive</p> <p>Labels</p> 	<p>Metalized</p> <p>Labels & tobacco</p> 	<p>Coated 1/s</p> <p>Labelling and flexible packaging</p> 
			<p>Thermal</p> <p>Point of sale receipts</p> 	<p>Carbonless</p> <p>Invoices</p> 	<p>Cast-coated</p> <p>Deluxe labels</p> 

Strategic focus

Shifting to a higher margin product-mix



Established leader in our key markets

Top Western European CWF 2/s producers⁽¹⁾

Rank	Company	2016E capacity (kt)	Share
1	Sappi	1,765	25%
2	UPM	1,280	18%
3	Lecta	1,133	16%
4	Stora Enso	1,105	16%
5	Burgo	850	12%
6	Arctic Papers	265	4%
7	Arjowiggins	260	4%
8	Scheufelen	140	2%
9	Fedrigoni	120	2%
10	Feldmuehle Uetersen	90	1%
Western Europe		7,008	100%

(1) Source: Company information

Market leadership maintained in domestic and main strategic CWF2/s markets

Established presence in targeted niche markets with growing footprint.

Top European producer in attractive specialty markets⁽²⁾

Specialty grade	Lecta position	Description
Self-adhesive	No 6	• Top 5 = 79%
Metallised	No 3	• Top 5 = 76%
Coated 1/s	No 4	• Top 5 = 51%
Thermal	No 5	• Top 5 = 89%
Carbonless	No 4	• Top 5 = 93%
Cast coated	No 2	• Top 5 = >95%

(2) Company information; based on 2016E capacities

Lecta specialty sales growth +11% in 2015

Content

Lecta – An Update

Key Lecta highlights

Financial overview

Conclusion

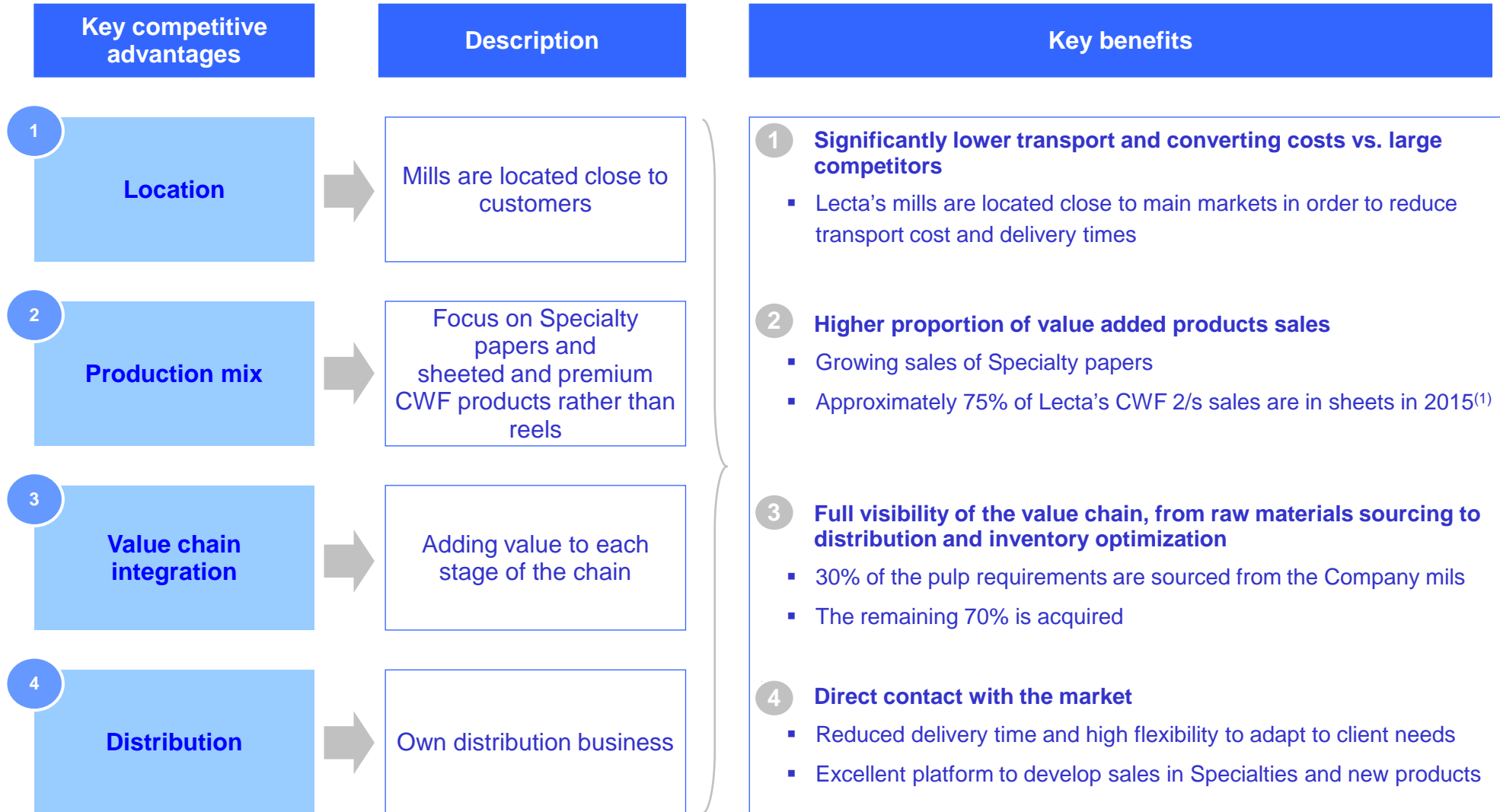
Q&A

Key Lecta highlights

- 1 Value added business model and focus on higher margin products with growing demand
- 2 Market leading positions in CWF 2/s
- 3 Balanced channel mix and increasing distribution platform
- 4 Well invested and flexible asset base
- 5 Resilient financial performance with consistent track record of cash generation
- 6 Environmental commitment
- 7 Experienced and committed management team

1

Value added business model ...



⁽¹⁾ Company information: Market mix 70% sheets, and 30% reels in 2015

1

... in markets with a positive outlook

Growth

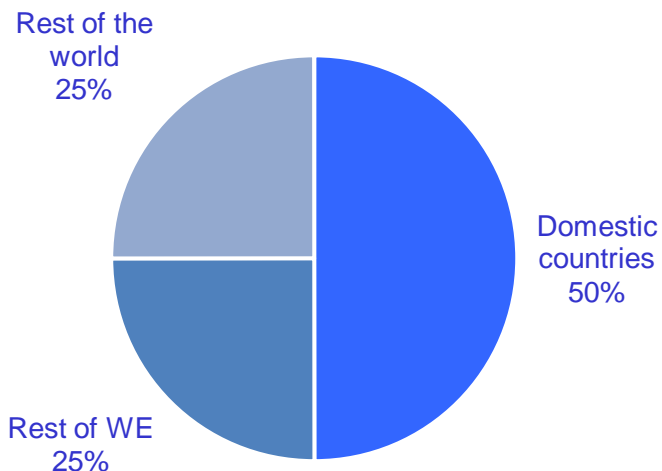
Product	Demand evolution ⁽¹⁾	European Market size ⁽¹⁾	End-uses	Comments
 Thermal	+4%	440kt	<ul style="list-style-type: none"> Medical, tickets, point-of-sale machines 	<ul style="list-style-type: none"> Demand evolution positive due to favorable end market developments
 Self -adhesive	+3%	6,400Mm2	<ul style="list-style-type: none"> Food, beverage, pharmaceuticals and cosmetics 	<ul style="list-style-type: none"> Dominant labeling technology in Europe, experiencing a positive trend
 Metallized	+2%	104kt	<ul style="list-style-type: none"> Beer, tobacco, gift wrapping and other labels 	<ul style="list-style-type: none"> Good market prospect globally Linked to premium labels for beverage
 Coated 1/s	+1.5%	1.3Mt	<ul style="list-style-type: none"> Flexible packaging bags, pouches, sachets etc. 	<ul style="list-style-type: none"> Prospects differ between end market segments
 Cast Coated	0% to +2%	109kt	<ul style="list-style-type: none"> Face stock for self adhesive products, film carrier 	<ul style="list-style-type: none"> Different demand evolution by market segment
 CWF 2/s	-2%	5.4Mtons	<ul style="list-style-type: none"> Publishers and Commercial printing 	<ul style="list-style-type: none"> Moderately declining demand
 Carbonless	-10%	200kt	<ul style="list-style-type: none"> Business forms 	<ul style="list-style-type: none"> Declining demand

(1) Thermal and Carbonless: Laves Chemie and Company information
 Self Adhesive, Coated 1/s and Metallized: Alexander Watson Associates
 CWF 2/s: EMGE
 Cast Coated: Company information

Extensive range of products meeting the growing needs of consumers across a wide range of markets

Market leading position in CWF 2/s...

2015 Lecta CWF 2/s volume shipped: 1,134kt



Solid market position in CWF 2/s

Country	Market share	
	2015	Ranking
Domestic countries	>30%	1
Rest of Western Europe	>10%	4
Western Europe	>15%	2

Source: Company information; Domestic countries consist of France, Italy, Portugal, and Spain.

Geographically diversified

Source: Company information; Domestic countries consist of France, Italy, Portugal, and Spain.

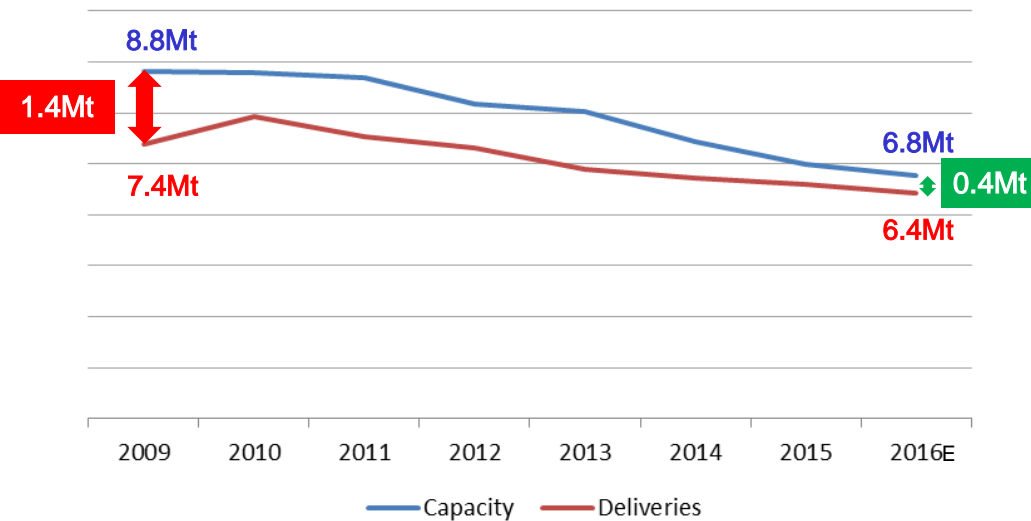
Leadership and track record of increasing market share in targeted segments and diversification by geography and customers

...in a better balanced CWF 2/s Market

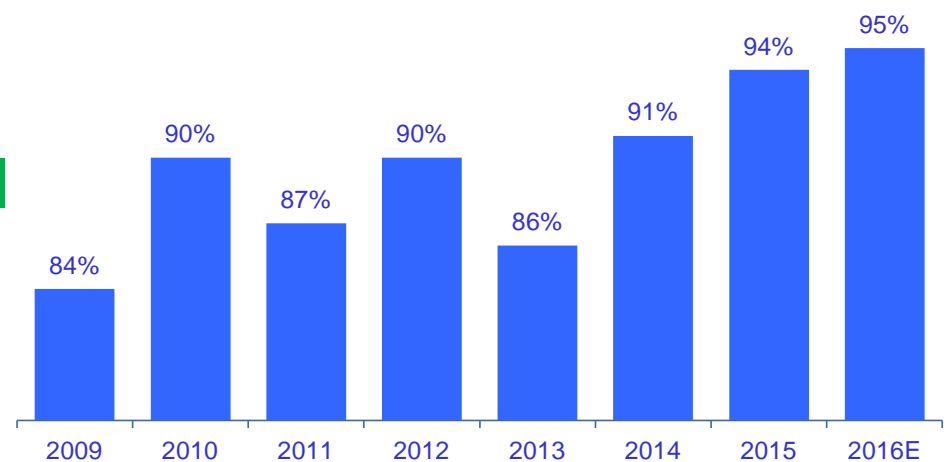
CWF paper market - Europe								
(in Kt)	2009	2010	2011	2012	2013	2014	2015	2016E
Capacity	8,815	8,790	8,680	8,165	8,015	7,425	6,995	6,770
% var.	(10%)	-	(1%)	(6%)	(2%)	(7%)	(6%)	(3%)
Deliveries	7,395	7,925	7,535	7,310	6,890	6,725	6,595	6,420
% var.	(20%)	7%	(5%)	(3%)	(6%)	(2%)	(2%)	(3%)
Op. Rates	84%	90%	87%	90%	86%	91%	94%	95%

Source: EMGE European Woodfree Forecast March 2016

European CWF Balance and overcapacity

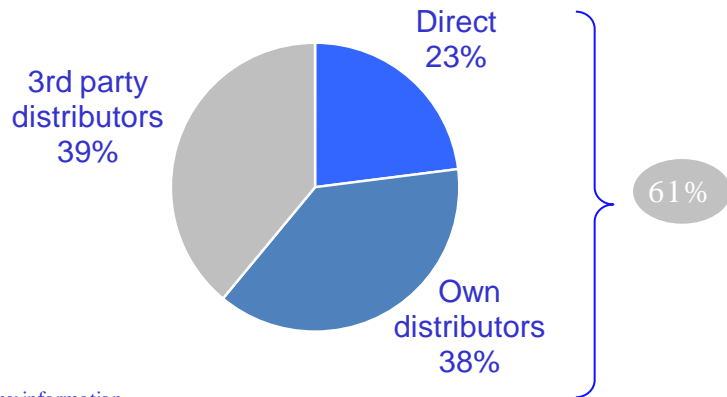


European Operating Ratios evolution



3 Balanced Channel Mix and increasing distribution platform

Well balanced mix of channels (in value)

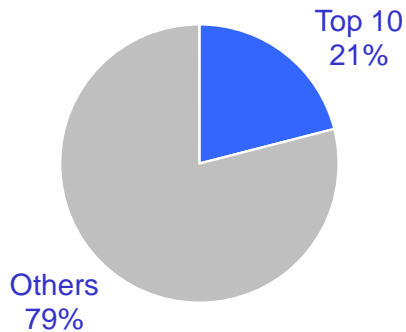


Source: Company information

Own Distributors Key highlights

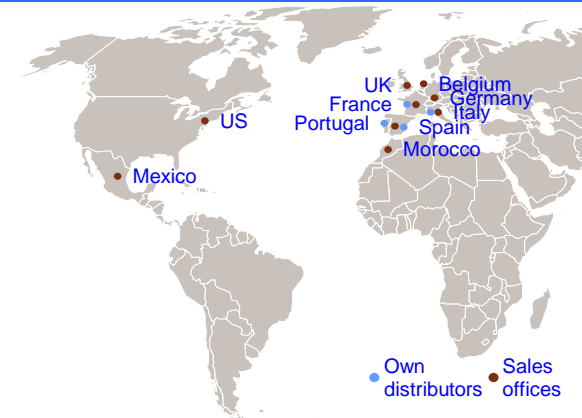
- 1 Sales of €544m in 2015 (of which 140kt of third party products)
- 2 Over 20,000 customers in paper distribution
- 3 Providing market presence with a wide range of products covering all printing needs
- 4 Strong focus on quality service

...providing low concentration of customers



Source: Company information

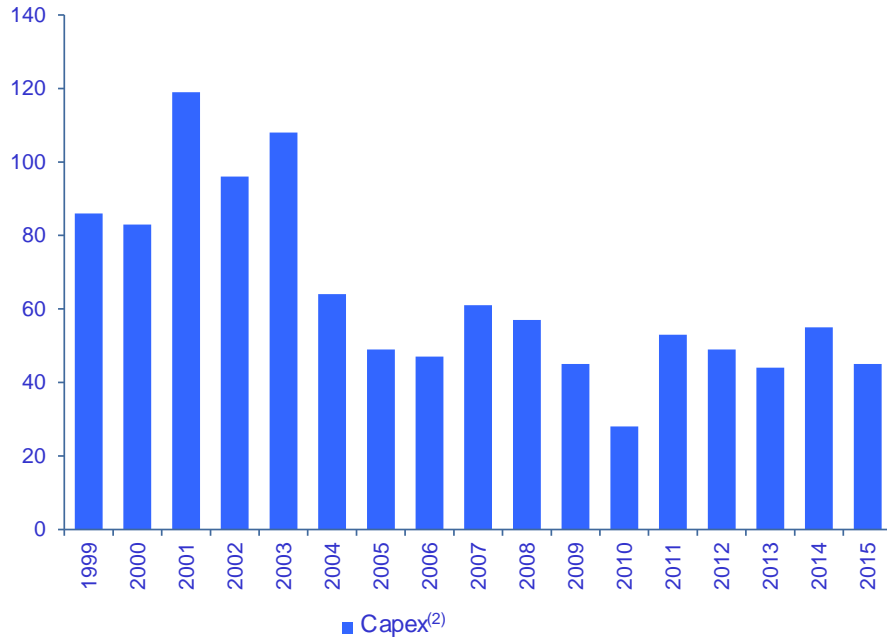
Paper distribution operations and sales offices



Global network of own distributors and sales offices across 10 countries

Well-invested and flexible asset base

More than €1,000m invested in tangible assets since 1999⁽¹⁾



In coming years, Lecta will approximately require €25-35m p.a. of maintenance capex

Note: (1) Excludes acquisitions of Malmenayde and Polyedra
 (2) Capex is defined as purchase of property, plant and equipment

Asset investment focus

Increasing higher margin product mix

Continuous cost reduction

Improving environmental performance

Cogeneration

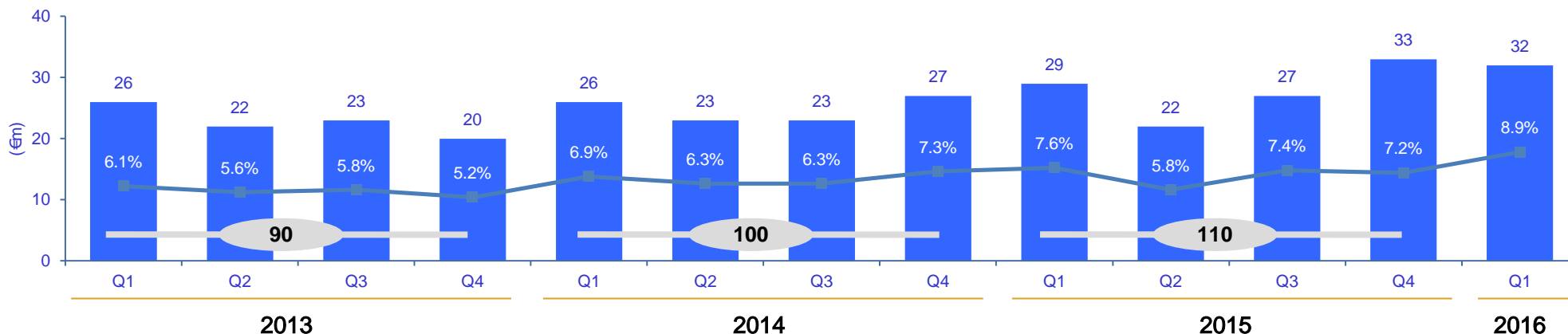
Manufacturing sites



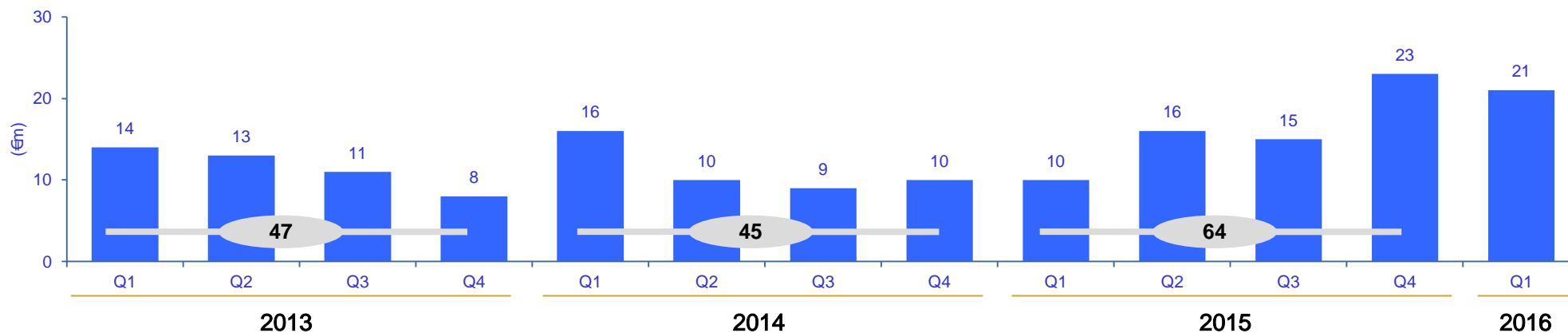
Historical capex focused on increasing added value, continuing cost reduction, increasing environmental performance and co-generation capabilities

... and consistent cash generation with resilient financial performance

EBITDA / EBITDA margin %



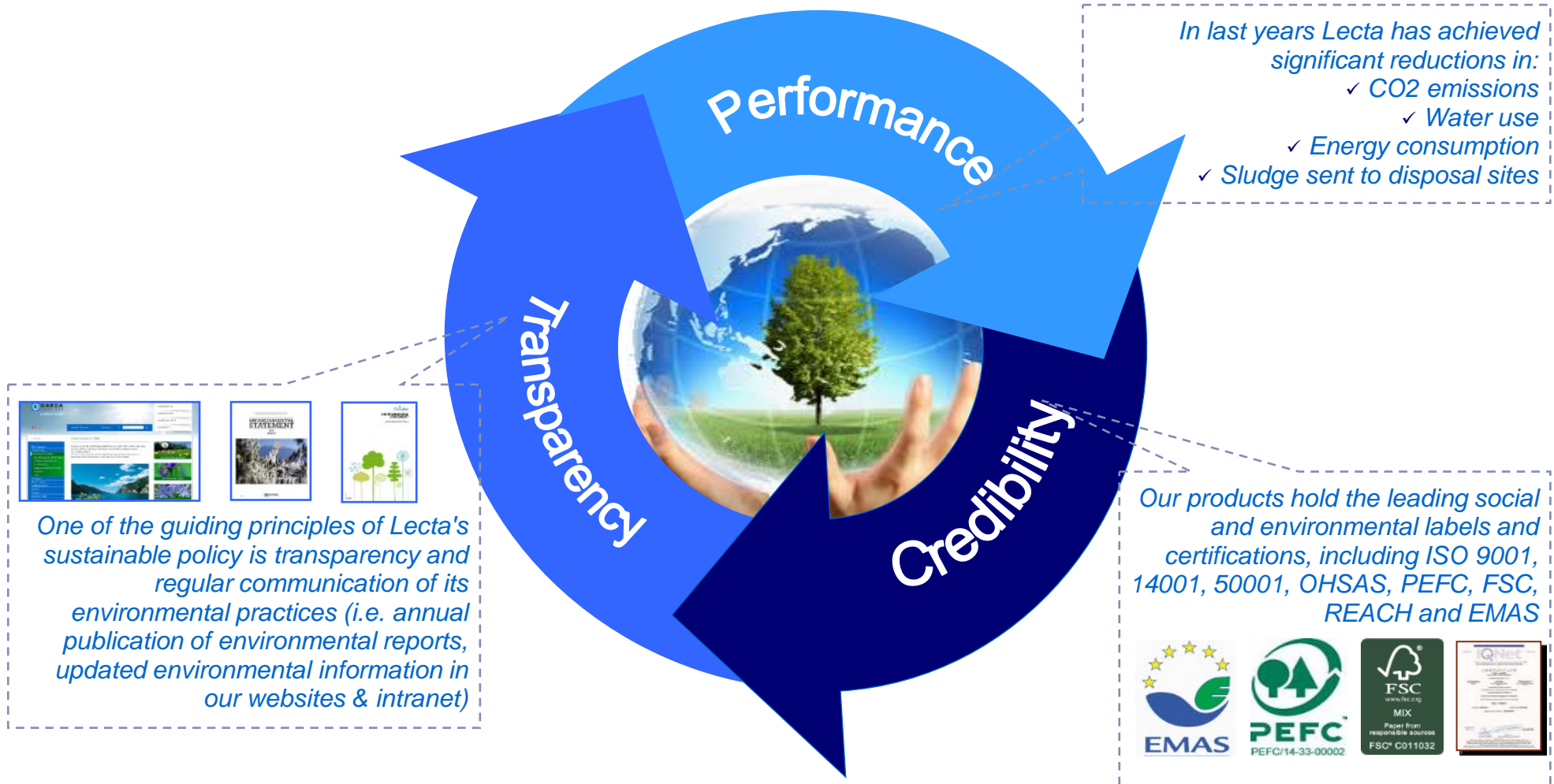
EBITDA less Capex⁽¹⁾



(1) Capex is defined as purchase of property, plant and equipment
Source: Company annual and quarterly information

Lecta has shown a continuous improvement in EBITDA

Environmental and Social commitment



In last years Lecta has achieved significant reductions in:

- ✓ CO2 emissions
- ✓ Water use
- ✓ Energy consumption
- ✓ Sludge sent to disposal sites

Our products hold the leading social and environmental labels and certifications, including ISO 9001, 14001, 50001, OHSAS, PEFC, FSC, REACH and EMAS



One of the guiding principles of Lecta's sustainable policy is transparency and regular communication of its environmental practices (i.e. annual publication of environmental reports, updated environmental information in our websites & intranet)

Lecta complies with the highest environmental standards and has a top level environmental performance

Experienced and committed management team

Name	Background
<p>Santiago Ramírez</p> <p>Executive Chairman</p>	<ul style="list-style-type: none"> ▪ Chairman since 2007 ▪ CVC Industrial Partner ▪ Former Chairman and CEO of BSN Glasspack (the European leader of the glass packaging industry), Exide Europe (the leading battery manufacturer) and Mivisa (the European manufacturer of tinplate cans for the food industry)
<p>Eduardo Querol</p> <p>Chief Executive Officer</p>	<ul style="list-style-type: none"> ▪ CEO and member of the Board of Directors ▪ Former sales & Marketing General Manager since 2009 after working during 25 years in different sales & Marketing Departments of Lecta
<p>Andrea Minguzzi</p> <p>Vice President of Finance</p>	<ul style="list-style-type: none"> ▪ Vice President of Finance since 1998 and member of the Board of Directors since 2000 ▪ Former Vice President of Finance for the European division of tissue paper manufacturer Fort James Corp

Content

Lecta – An Update

Key Lecta highlights

Financial overview

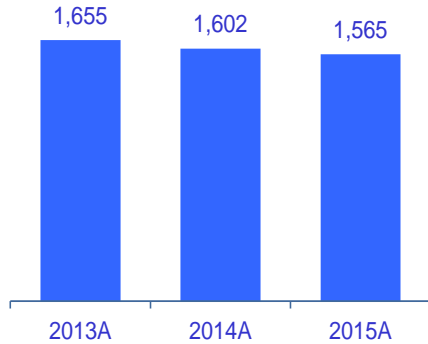
Conclusion

Q&A

Group summary financials

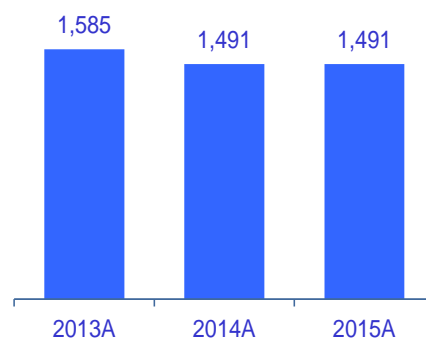
Volume sold

(in kt)



Revenue

(in €m)



Comments

Volume

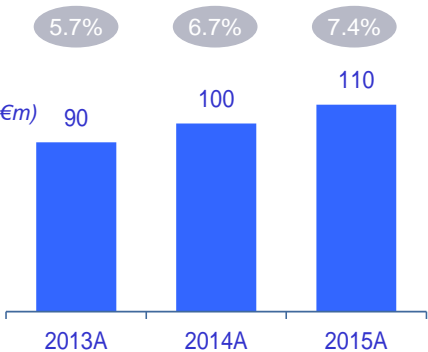
- Total volume sold slightly down in the past three years due to the demand trend in the CWF 2/s market
- Partially offset by growing demand in premium CWF 2/s and Specialty papers

Revenue remained stable across the past two years:

- Lecta was impacted by lower energy sales reflecting the change in the Spanish and French energy cogeneration regimes in 2013
- Mitigated by growing share of Specialty papers with a higher unit price

EBITDA

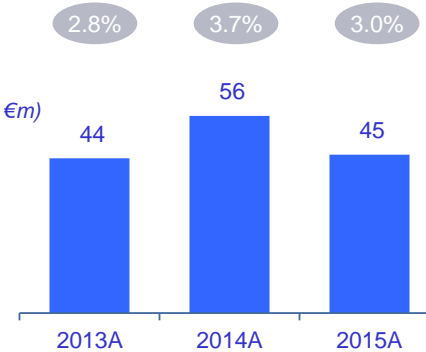
(in €m)



x% % of revenue

Capex

(in €m)



x% % of revenue

EBITDA was positively impacted by:

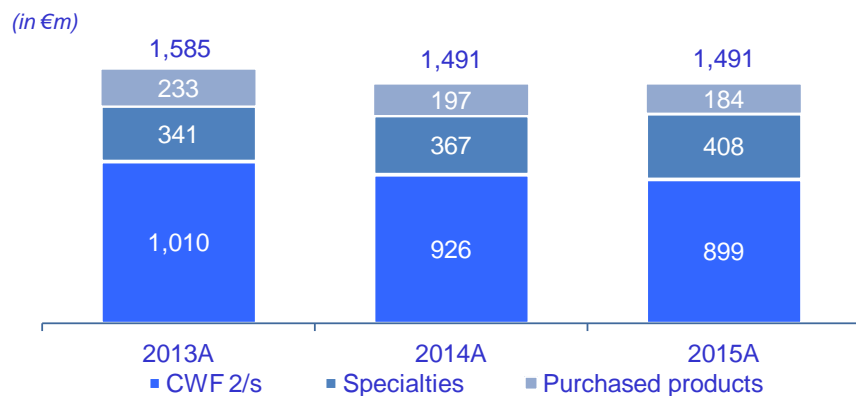
- Shift of product-mix towards higher margin Specialty papers with growing demand
- Organization efficiency programs

Capex:

- Higher level of capex in 2014 due to PM7 investment and capacity conversion

Summary financials by product

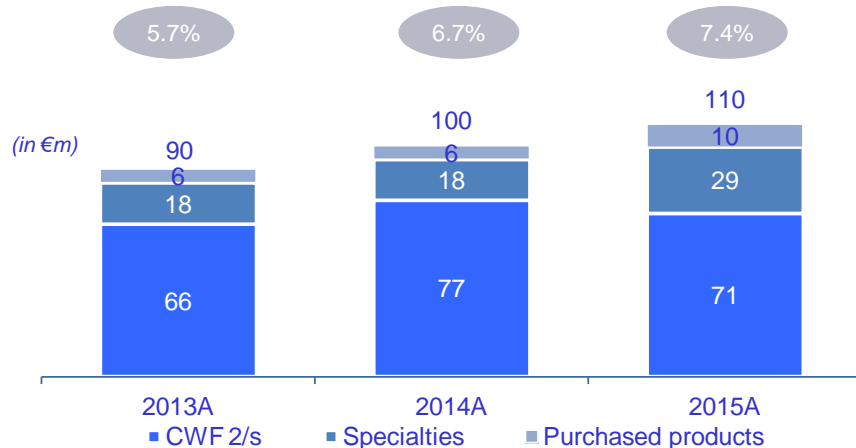
Revenue (€m)



Comments

- CWF 2/s:**
 - Lecta benefits from a leading position in Southern Europe (#1 in France, Italy, Spain, Portugal, #2 across Europe).
 - The Group stabilized its sales while maintaining its EBITDA margin
 - With the significant production capacities closed over the past years, CWF 2/s market is now better balanced.

EBITDA (€m)

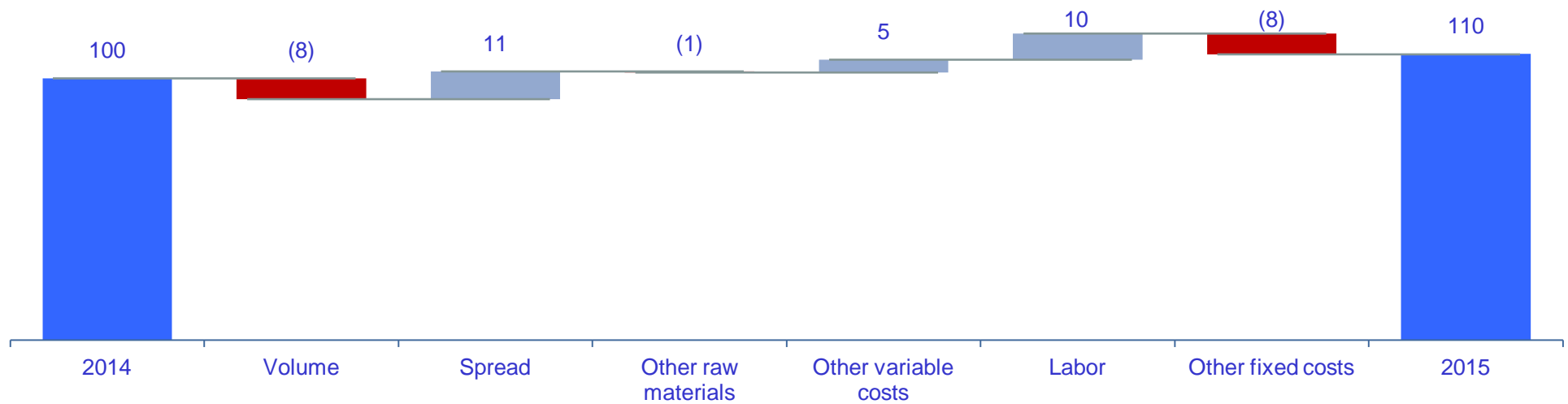


- Specialties:**
 - Higher margin Specialty papers increased from 22% to 27% of total revenue
 - The positive demand evolution in the past year drove the sales of the Group towards higher EBITDA margins
- Purchased products:**
 - Despite lower revenue, various optimisation initiatives enabled Lecta to increase the EBITDA derived from purchased products

EBITDA evolution

2015 vs. 2014 EBITDA bridge

(in €m)

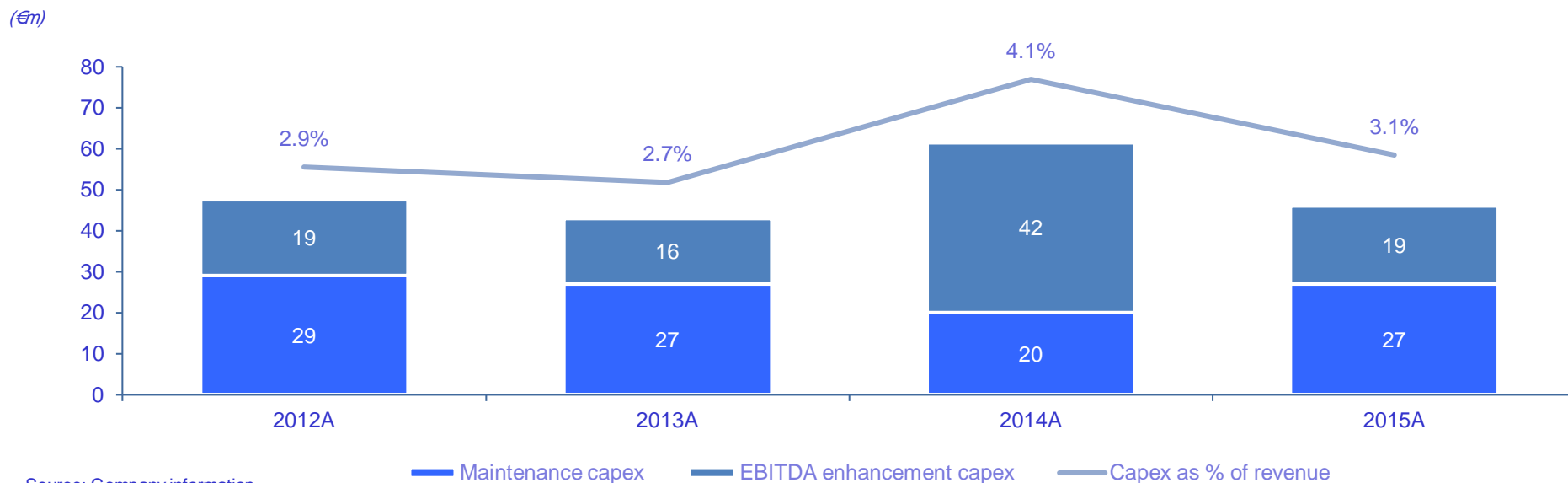


Source: Company information

Negative EBITDA impact of €6.5m due to a major customer bankruptcy

Capital expenditure

Capital expenditure evolution



2012

- Increase in Self-Adhesive production capacity (Almazán)

2013

- Increase in production capacity for Base Paper (PM7 Zaragoza)

2014

- Increase in production capacity for Base Paper (PM7 Zaragoza),
- New Kitchen for Specialties (Motril)
- CWF 1/s WS investment (Motril)

2015

- Increase in production capacity for Metalized step 1 (Leitza)

Installation of Key investments

Low maintenance capex needs with €25-35m p.a. due to well invested and well managed asset base

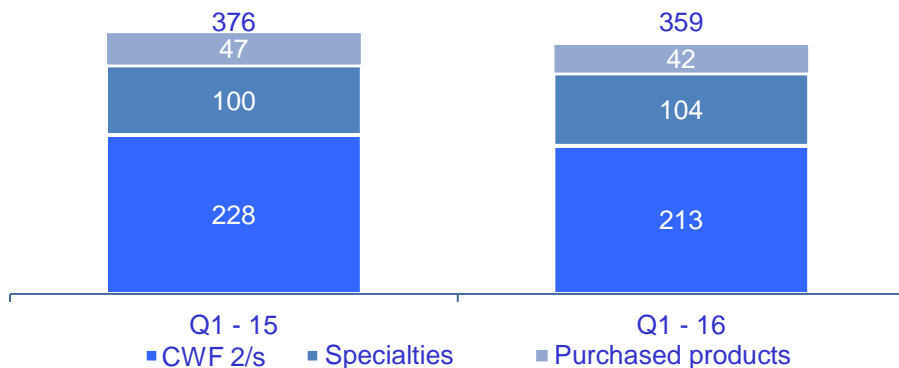
Summary of cash flows

Summary cash flows			
(in €m)	2013A	2014A	2015A
EBITDA	91	100	110
WC de(in)crease	69	15	2
Other non-cash adjustments	(12)	(0)	(0)
Operating Cash Flow	148	115	111
Total capex	(43)	(61)	(46)
Disposal of tangible assets	0	0	13
Grants	(5)	7	2
Acquisition/Sale of consolidated subsidiaries net of debt	11	(0)	(0)
Taxation paid	(2)	(8)	(12)
Dividends to minority	(2)	(1)	–
Organization efficiency program	(8)	(17)	(9)
Issue costs on borrowings	(1)	(0)	(0)
Other	(3)	(1)	0
Cash Flow before debt service	94	34	60
<i>% EBITDA</i>	<i>103.0%</i>	<i>34.2%</i>	<i>54.7%</i>

Source: Company information

Q1 2016 financial results

Q1 2015 vs. Q1 2016 Revenue (€m)

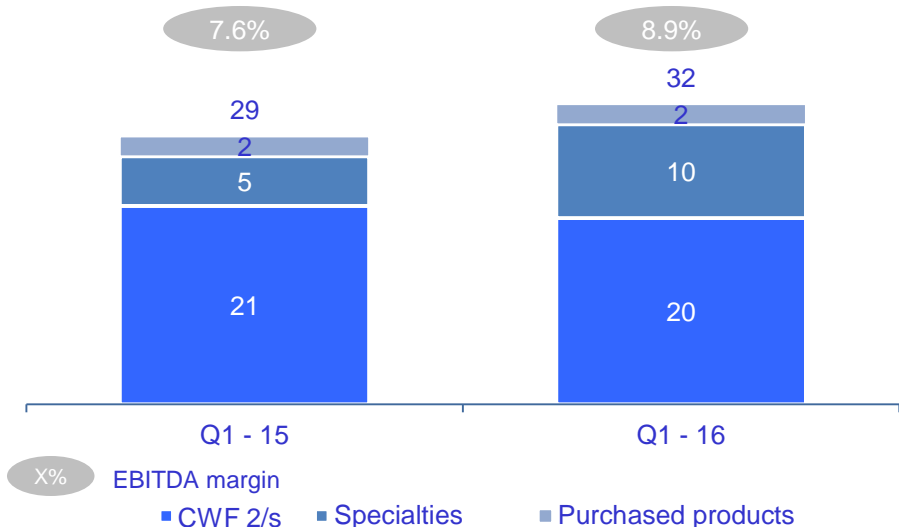


Key highlights

Revenue: at €359m, revenues in Q1 2016 are €(17)m or (5)% lower than during Q1 2015, of which:

- Comparison affected by Easter break in March 2016 vs April 2015
- €(7)m is due to a reduction of the sale of energy
- CWF 2/s and Purchased products activities decreased by respectively €(15)m and €(5)m, while Specialties activity increased by +€4m

Q1 2015 vs. Q1 2016 EBITDA (€m)

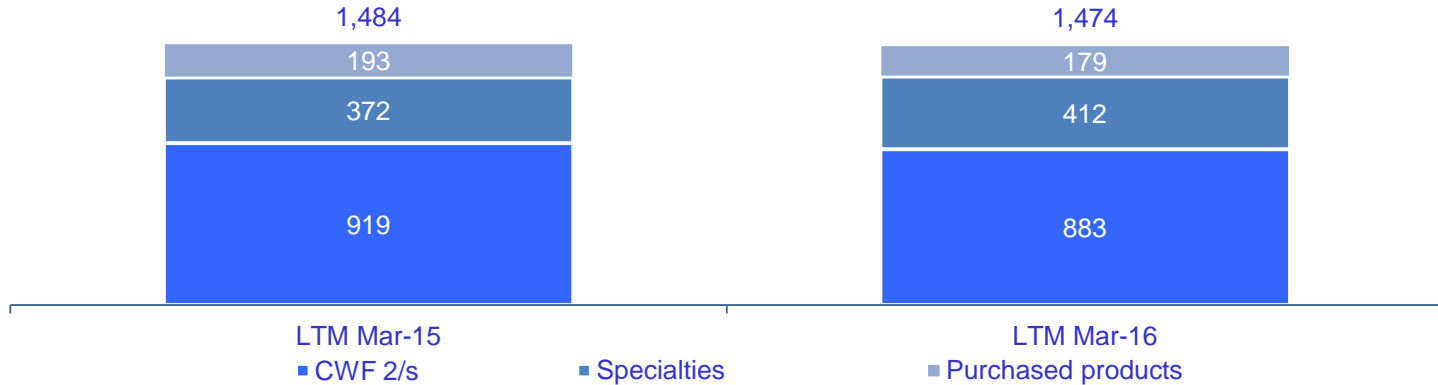


EBITDA: at €31.9m, it is +€3.4m or +12% higher in Q1 2016 than Q1 2015, with EBITDA margins being 8.9% (vs 7.6%)

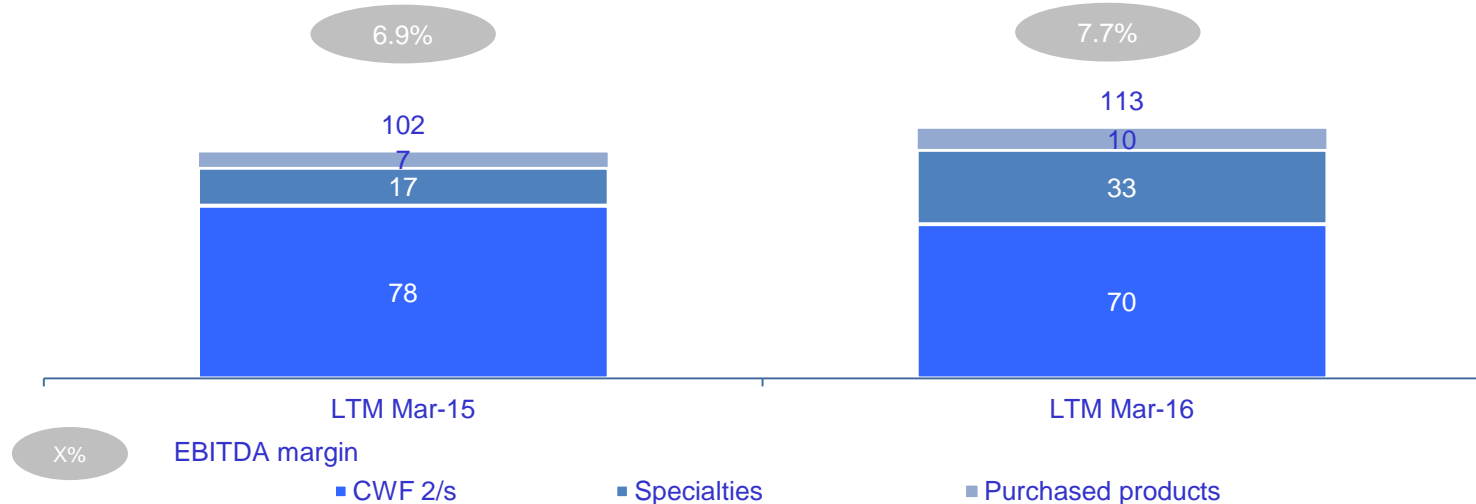
- CWF 2/s EBITDA contribution decreased by €1.3m or (6)% because of a reduction in volume, partly mitigated by a reduction in energy cost
- Specialties EBITDA contribution increased by +€4.7m or +89% thanks to larger volumes and increased internal production of base paper
- Purchased products EBITDA contribution stable despite lower revenue

LTM March 2016 financial results

LTM Mar-15 vs. LTM Mar-16 Revenue (€m)



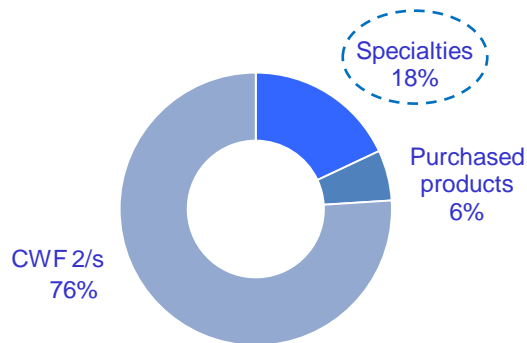
LTM Mar-15 vs. LTM Mar-16 EBITDA (€m)



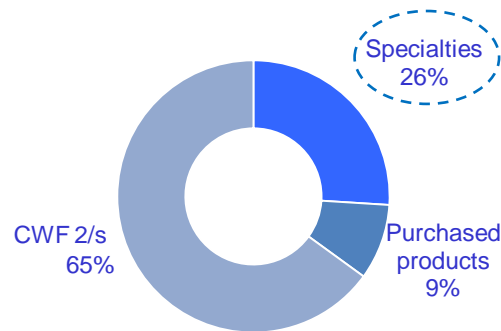
EBITDA mix Evolution

Q1 2016 EBITDA mix vs. 2014/2015

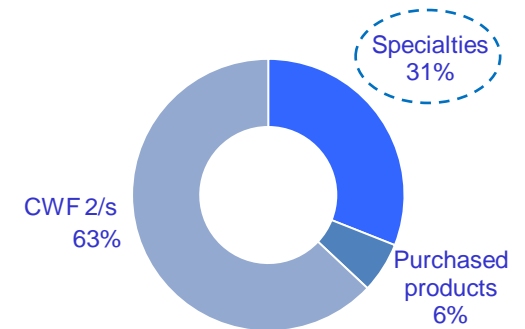
EBITDA mix 2014



EBITDA mix 2015



EBITDA mix Q1 2016



- Specialty papers EBITDA contribution continues to improve
- Specialty papers capex and plan:
 - After capacity increase (Self Adhesive 2012, Metallized 2012, Coated 1/s Wet Strength 2014), investment in Metallized (2016)
 - PM7 in Zaragoza bringing higher level of integration in Base Paper, reducing its production cost, and increasing the consumption of pulp on site
 - Specialties sales evolution performing better than reference markets

Capitalization and Cash Flow

Current capitalization

<i>(in € millions)</i>	Amount	x LTM March Adj. Ebitda of €120m	Maturity
Cash	(137)	(1.1x)	
RCF (€80m, undrawn)	0	0.0x	2018
Notes (Floating and Fixed) with accrued interests	599	5.0x	2018 / 2019
Other indebtedness	45	0.4x	
Net debt	507	4.2x	

Note: Adj. Ebitda when neutralizing 6.5M€ negative impact due to a major customer bankruptcy in June 2015.

LTM Cash Flow

<i>(in € millions)</i>	LTM March 2016
EBITDA	113
WC de(in)crease	7
Other non-cash adjustments	(2)
Operating Cash Flow	118
Capex	(39)
Disposal of tangible assets	13
Grants	2
Acquisition/Sale of consolidated subsidiaries net of debt	1
Taxation paid	(12)
Organization efficiency program	(8)
Cash Flow before debt service	76
<i>% EBITDA</i>	<i>67%</i>

Content

Lecta – An Update

Key Lecta highlights

Financial overview

Conclusion

Q&A

Key Lecta highlights

Value added business model and focus on higher margin products with growing demand

Market leading positions in CWF 2/s

Strategically located plants and increasing distribution platform

Well invested and flexible asset base, good track record of cost reduction

Resilient financial performance with consistent track record of cash generation

Environmental commitment

Experienced and committed management team

Content

Lecta – An Update

Key Lecta highlights

Financial overview

Conclusion

Q&A