ITALY: KEY FIGURES

	2017 *(in KT)*	2018 *(in KT)*	Δ%
Pulp production	**388**	**369**	**-4.9**
Paper and board production	**9,071**	**9,081**	**+0.1**
- Graphic papers	2,587	2,457	-5.0
- Packaging grades	4,496	4,614	+2.6
- Hygiene	1,549	1,555	+0.4
- Others	440	455	+3.4

2018 some other indication:

P&B Turnover : 7.72 bln €; +4.2% respect to 2017 (Jan-June +7/+8%)

Internal P&B demand in tons: +3.8% (Jan-June +6.1%)

P&B Export in tons: -4.4% (Q4 -9.5%)

	Jan 2018 *(in KT)*	Jan 2019 *(in KT)*	Δ%
Pulp production	**33**	**27**	**-18.8**
Paper and board production	**771**	**737**	**-4.4**
- Graphic papers	222	188	-15.5
- Packaging grades	379	382	+0.9
- Hygiene	133	128	-3.3
- Others	37	38	+2.3

Source: Istat figures processed by Assocarta

MACROECONOMIC HIGHLIGHTS

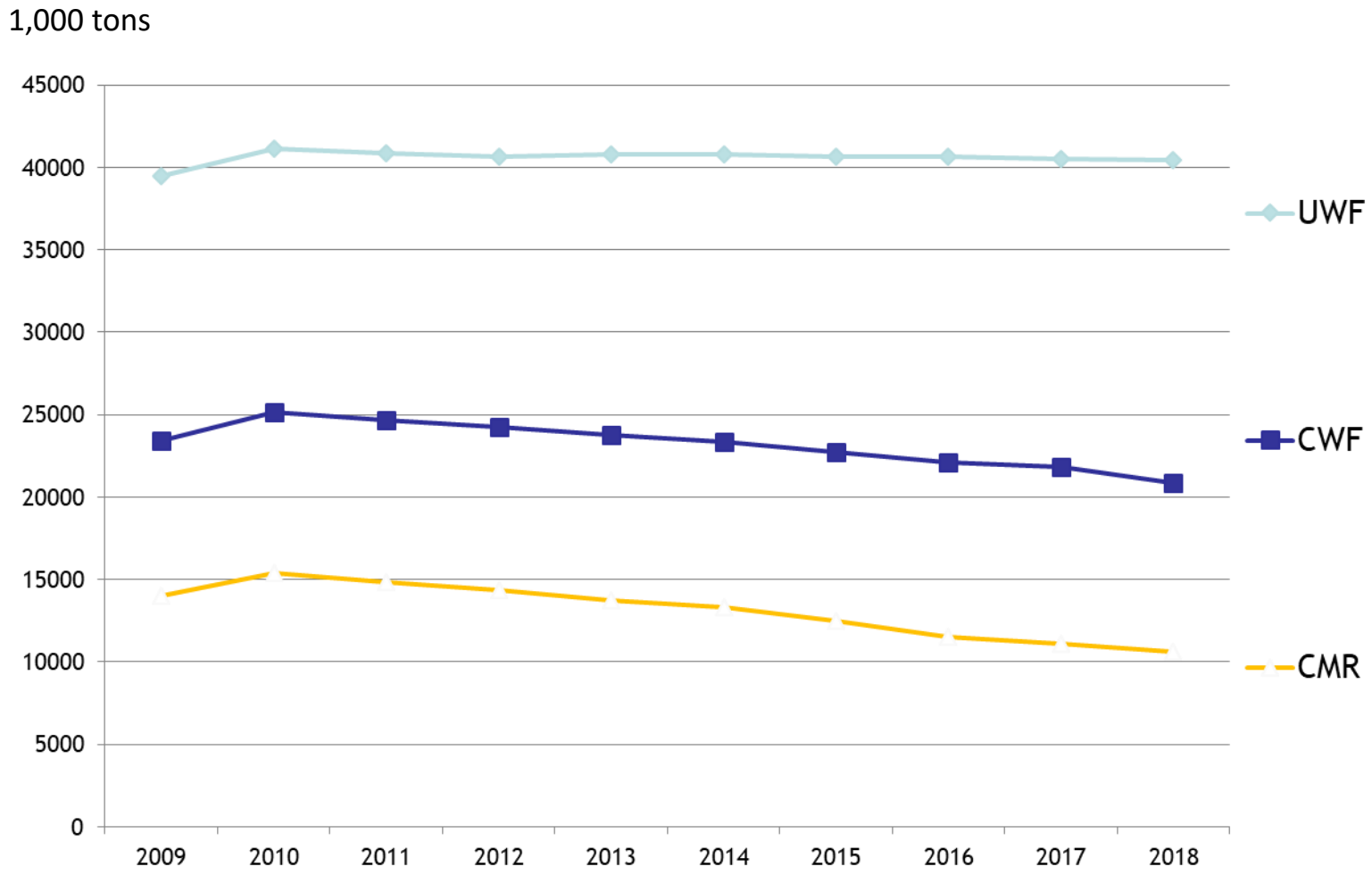
ITALY

	2018	**2019 (forecast)**	**2020 (forecast)**
GDP *(Δ%)*	0.9	0.1	0.6
Household consumption *(Δ%)*	0.6	0.5	0.6
Business investment *(Δ%)*	3.4	0.2	1.2
Industrial production *(Δ%)*	0.7	-0.3	1.0
Consumer prices *(Δ%)*	1.2	0.9	1.2
Unemployment rate *(Δ%)*	10.6	10.5	10.4

Source: Consensus Forecast, March 2019

PRINTING & WRITING

P&W: Worldwide Demand by Product



Source: PPPC

2018 - Demand by area

Graphic papers worldwide Demand

1,000 tons

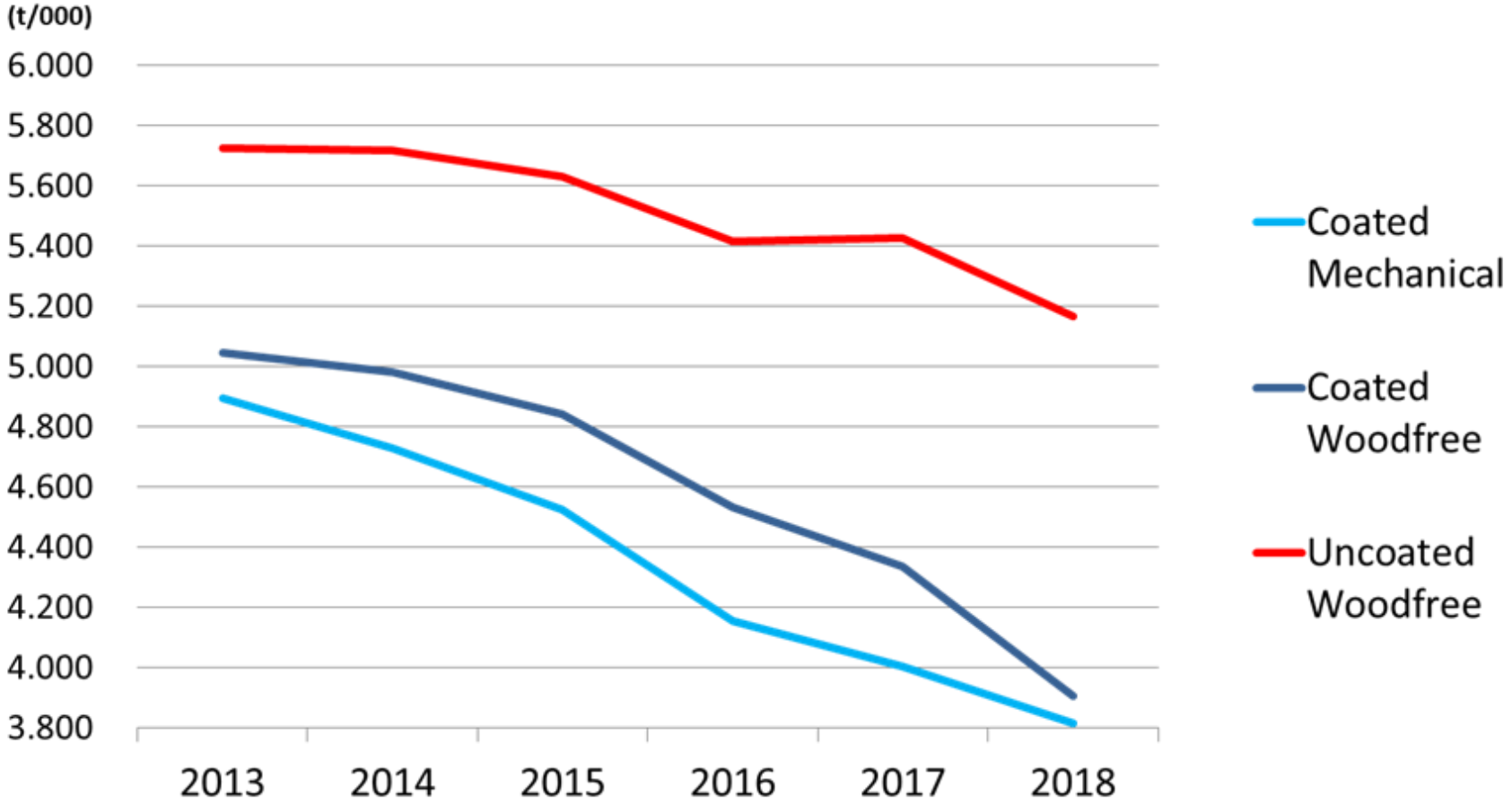
	2013	2014	2015	2016	2017	**2018**	**Var %**
North America	20.229	19.376	18.358	17.637	16.871	**16.045**	**-3,3%**
Western Europe	20.389	19.900	19.435	18.460	18.057	**17.401**	**-3,6%**
Eastern Europe	4.598	4.481	4.395	4.484	4.625	**4.621**	**-0,1%**
Latin America	4.598	4.481	4.395	4.484	4.625	**4.727**	**-2,7%**
Japan	9.496	9.088	8.814	8.583	8.408	**7.906**	**-6,0%**
China	12.067	12.469	12.735	12.687	13.023	**13.162**	**+1,1%**
India	3.695	3.793	3.933	3.986	4.102	**4.225**	**+3,0%**
Africa	2.163	2.129	2.129	2.283	2.245	**2.303**	**+2,6%**
Oceania	1.331	1.292	1.254	1.219	1.108	**996**	**-10,1%**

Source: PPPC

2018 – Western Europe demand

Graphic papers worldwide Demand

1,000 tons



Source: PPPC

TISSUE OUTLOOK

ITALIAN TISSUE INDUSTRY (end of 2017)

Region	Number of Tissue mills	Number of Tissue PMs	Installed capacity	Average Tissue Capacity	Estimated Tissue Capacity	Share of Regional Capacity
			1.000 tons			%
Italy	**53**	**74**	**2.023**	**27,3**	**1.973**	**26,4**
TOTAL	149	234	7.576	32,4	7.468	100,0

Source: Fastmarket RISI

TISSUE DEMAND in ITALY

Region	2006	2016	2017	2018	2019	2026	Volume Growth '16-'26
	1.000 tons						1000 Tons
Italy	**771**	**836**	**893**	**897**	**912**	**1.014**	**178**
TOTAL WE	6.010	6.668	6.780	6.891	7.002	7.724	1.056
Consumer	**567**	**614**	**655**	**657**	**665**	**735**	**121**
AFH	**204**	**222**	**238**	**240**	**247**	**279**	**57**
TOTAL IT	771	836	893	897	912	1.014	

Source: Fastmarket RISI

NEW TISSUE CAPACITY in ITALY

2108

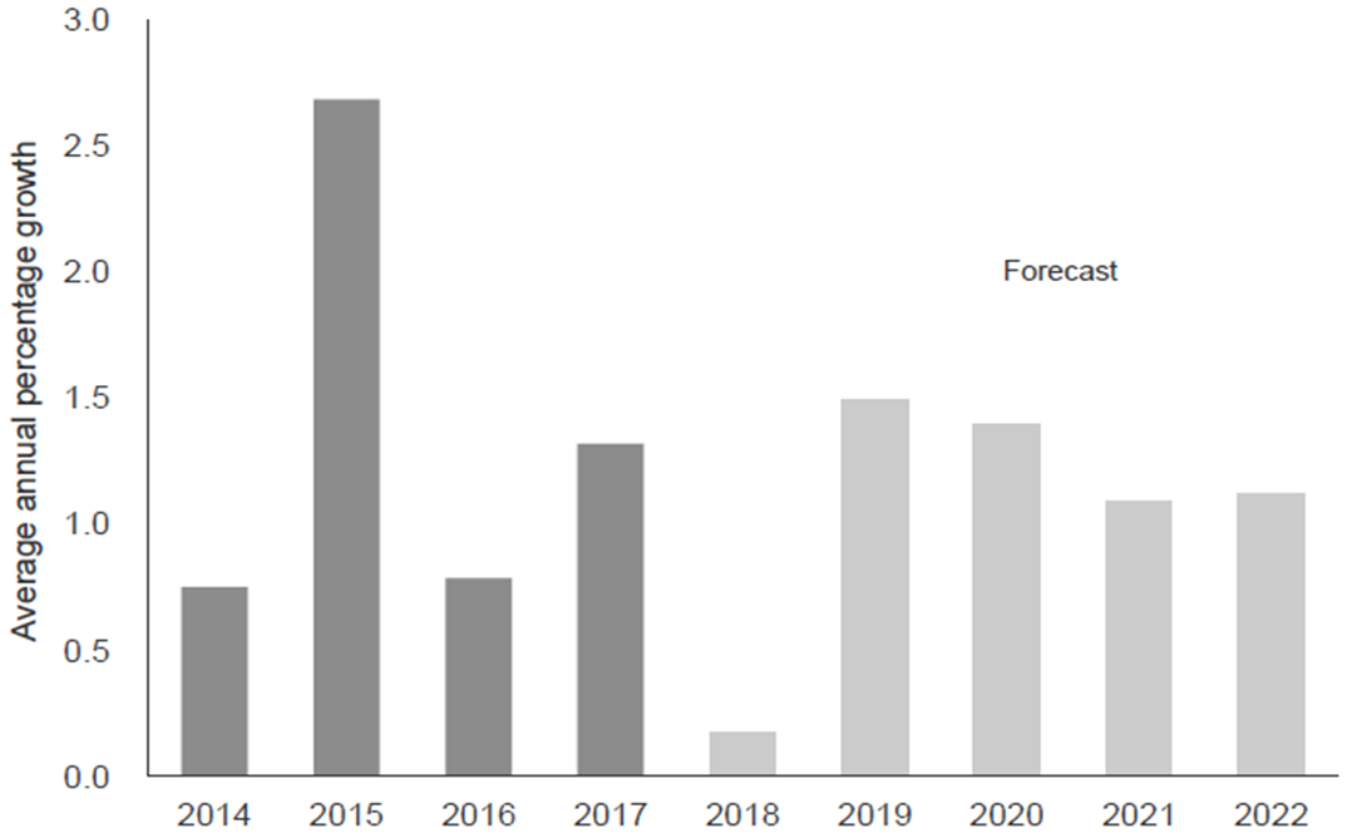
• Lucart Tissue & Soap	Spain	50K tons/y
• Eurovast	Italy	10K tons/y
• ICT	Spain	70K tons/y
• Sofidel	Spain	70K tons/y
• Lucart Group	Italy	20K tons/y

2019 - 2021

• Cartiera Confalone	Italy	38Ktons/y
• ICT	UK	120K tons/y (estimated)
• Cartiere Carrara	Italy	60K tons/y (estimated)

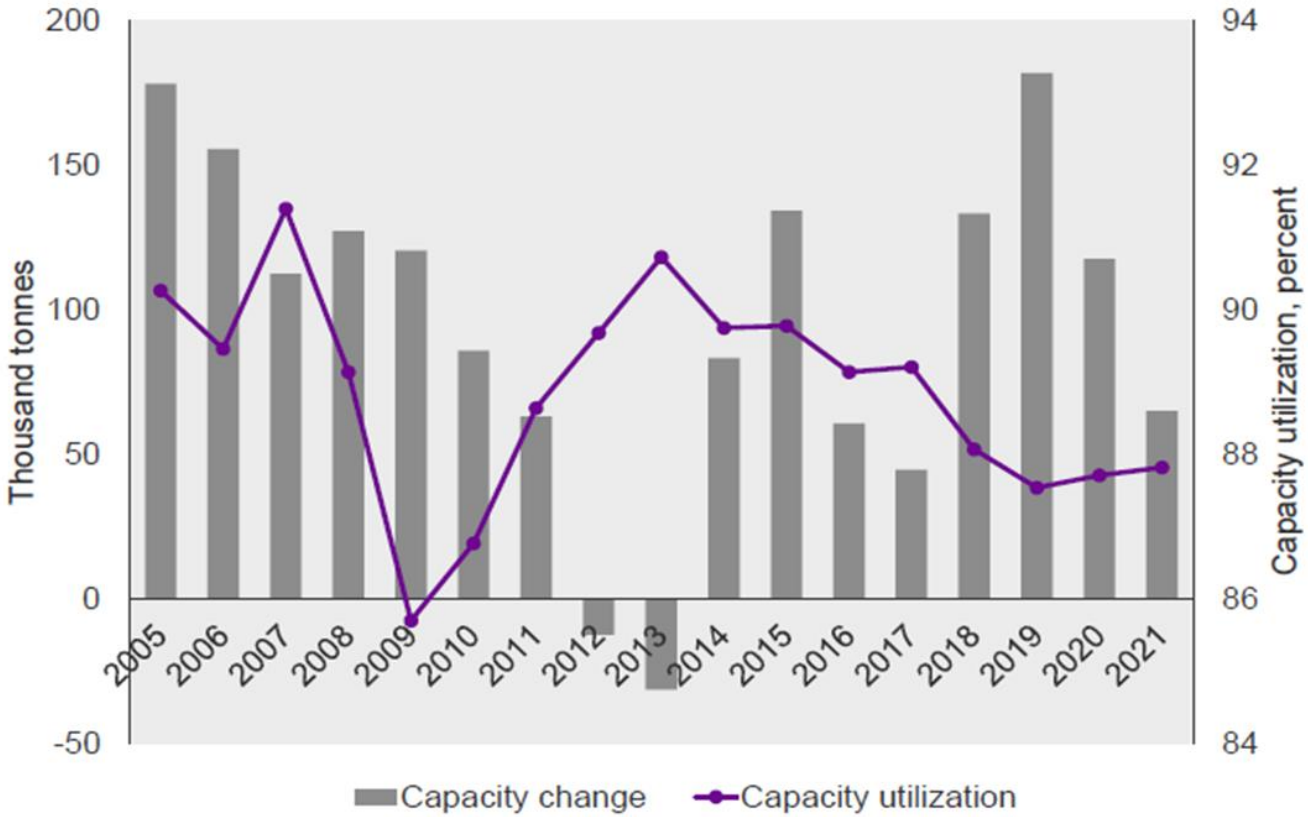
Source: Fastmarket RISI

TISSUE DEMAND GROWTH in WE



Source: Fastmarket RISI

TISSUE CAPACITY UTILIZATION



* Based on committed projects only.

Source: Fastmarket RISI

RETAILER LABEL SHARES
in the main European Tissue Market

Region	2016
	%
Germany	85,7
UK	51,8
France	68,7
Italy	38,2
Spain	81,2
Netherlands	40,1
Sweden	64,3
Greece	74,5
Belgium	78,4
Portugal	65,9
Switzerland	71,3
Austria	73,6
Denmark	61,8
Finland	30,1
Norway	39,1
Weighted av.	**65,4**

Source: Fastmarket RISI

FUTURE DRIVERS for DEMAND

CONs	PROs
Economy Stagnation	Demographic Changes
Heavy Cost Pressure	Product Penetration
Overcapacity	Developments in Tissue Quality
Developments in Tissue Quality	Substistution Effects
Substitution Effects	