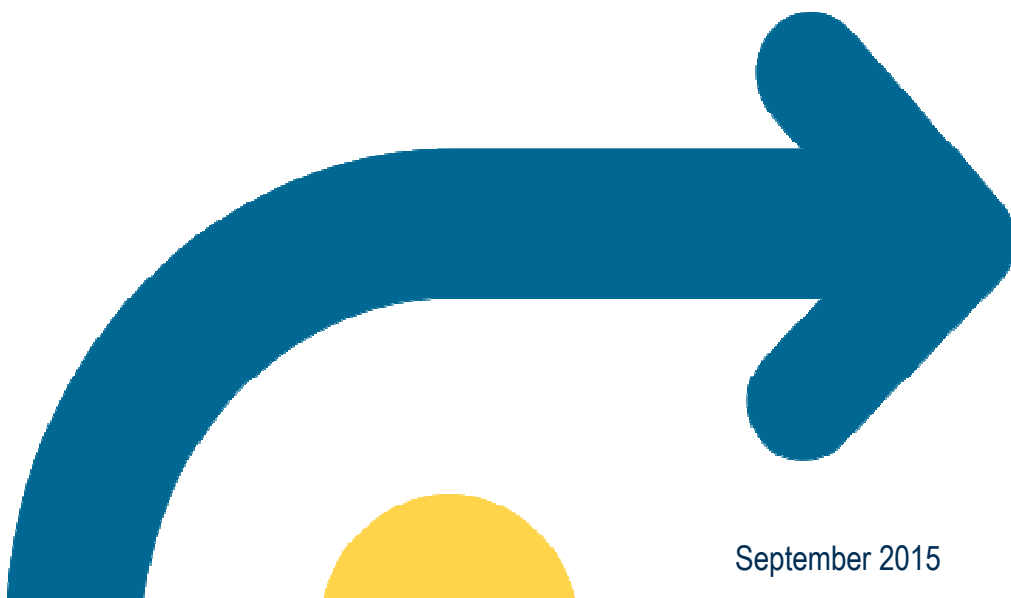


StepChange Consulting
Selected Financial Benchmarking



September 2015

Graphic Paper peer group

Packaging peer group

Tissue peer group

Pulp peer group

Flexible Packaging peer group

Paper companies exposed to publication papers are financially challenged, positive results in Asia

Graphic paper peer group financial performance comparison 2015¹⁾

Graphic Paper

(m €)	Domtar	Holmen	International Paper ³⁾	Lee & Man	Mitsubishi Paper ²⁾	Mondi Group ³⁾	Nippon Paper ²⁾	Norske Skog	Oji Paper ²⁾	Portucel Soporcel	Resolute Forest Products	Sappi	Stora Enso	UPM	Verso Paper
Turnover	4,759	1,776	20,109	2,008	1,574	6,918	7,510	1,312	10,703	1,615	3,305	4,566	10,106	10,068	2,836
EBIT %	5%	10%	8%	10%	-2%	14%	2%	-4%	4%	16%	-2%	9%	8%	8%	-3%
EBIT % (segment only)	6%	-3%	9%	10%		18%		-4%		16%	2%	9%	2%	1%	-3%
EBITDA%	13%	17%	14%	14%		20%		3%		24%	4%	14%	14%	12%	4%
ROCE %	5%	6%	8%	7%	-3%	21%	2%	-5%	5%	13%	-2%	12%	9%	7%	-4%
ROA %	4%	5%	7%	5%	-2%	16%	1%	-4%	3%	11%	-1%	10%	7%	6%	-3%
ROE %	10%	8%	38%	9%	-9%	31%	4%	-33%	11%	21%	-3%	42%	17%	11%	12%
WC %	13%							6%	21%		15%		13%	18%	19%
Debt %										50%	56%	77%	58%	46%	129%
OCF %												2%	9%	9%	-12%
FCF %															

1) All figures are based on extrapolations of H1 2015 results unless otherwise stated
 2) EBITDA and cash flow results are not published in interim report (Q1 2016)
 3) International Paper and Mondi Group are greyed out because results of these companies are highly influenced by segments other than graphics

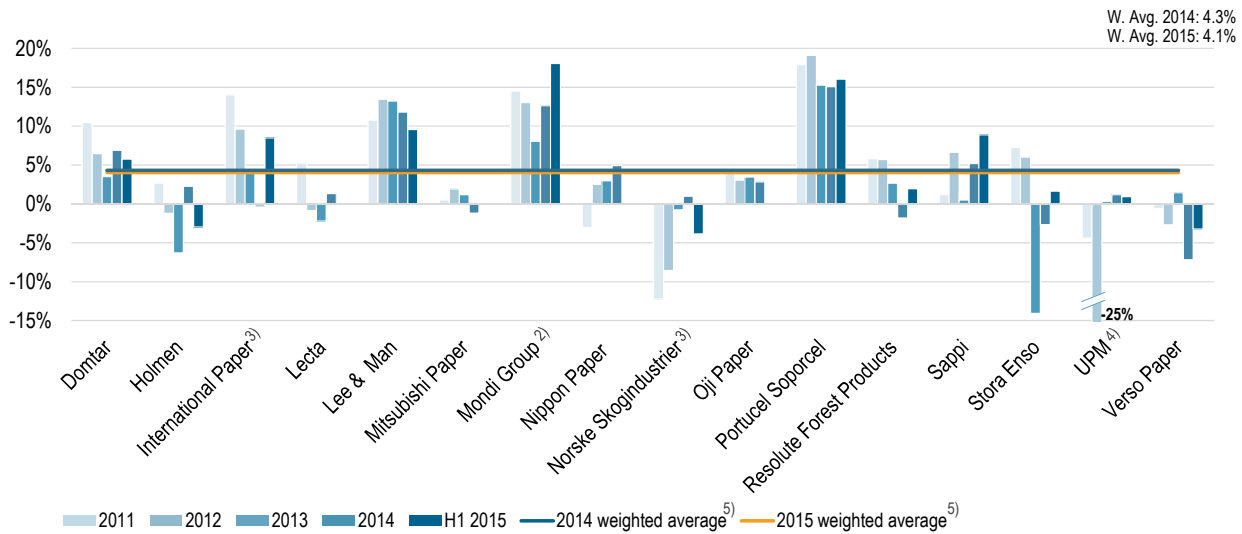
ROCE % = EBIT including non-recurring items / (Total Assets – Current Liabilities)
 ROA % = EBIT including non-recurring items / Total Assets
 ROE % = EBIT including non-recurring items / Total Equity
 WC % = (Accounts Receivable + Inventories – Accounts Payable) / Turnover
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 OCF / TO% = Operating Cash Flow / Turnover
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Mondi, Domtar & Portucel graphic segments as overall results. EBIT average down by 0.2 percentage points vs. 2014



Segment-only EBIT % of graphic paper segments (incl. special items)¹⁾

Segment only



Trends vary significantly across companies. Among others, IP, Sappi, Stora Enso and Mondi were able to increase graphic paper EBIT.

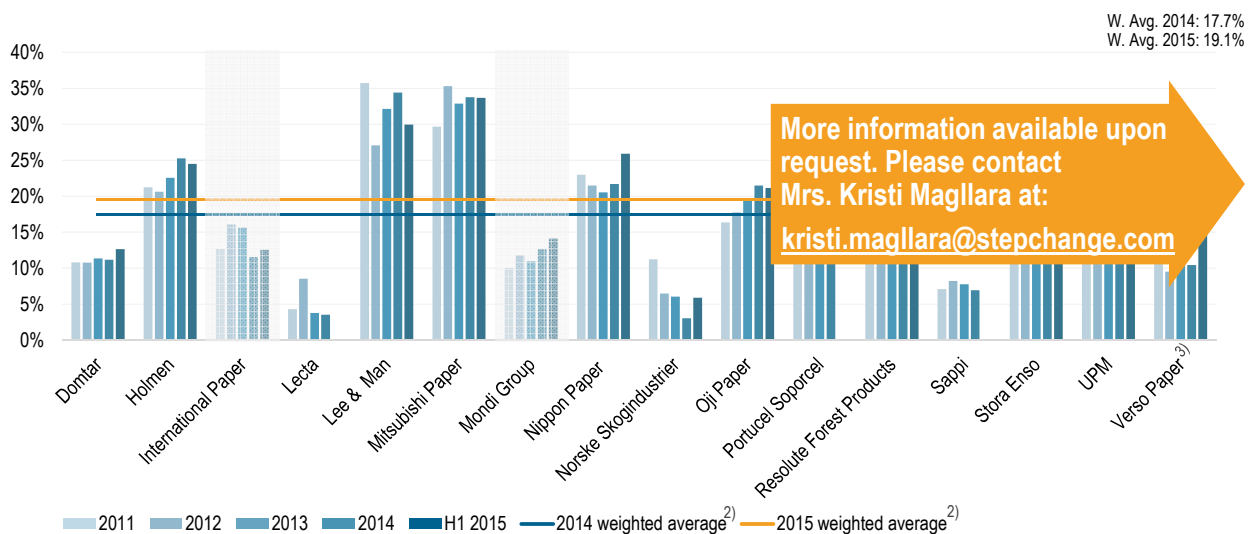
1) 2015 results are based on H1 2015 extrapolations unless otherwise stated 2) 2015 results influenced by higher sales price in Russia & lower costs for wood, chemical & energy 3) Significantly influenced by non-recurring items; Norske Skog significantly influenced by restructuring expenses 4) 2012 EBIT significantly influenced by non-recurring items 5) Excl. Oji, Nippon, Mitsubishi and Lecta Notes: International Paper: Printing paper; Domtar: Pulp & Paper; Holmen: Holmen Paper; Mondi: Uncoated Fine Paper; Lecta: CWF & Specialties; Norske: Newsprint & Magazine Paper – since 2014: Publication paper Europe & publication paper Australasia; RFP: Newsprint & Specialty Paper; UPM: UPM Paper (2010-2012) & UPM Paper Asia & UPM Paper ENA (2013-2014); Stora: Newsprint and book paper, magazine paper, fine paper (2010-11) & Printing & reading (2012-2014)

Working capital levels differ across companies and regions. Average increased vs. 2014 by 1.4 percentage points.



Working capital as % of turnover¹⁾

Graphic Paper



Some companies are able to keep working capital levels around 10-15%. Lecta and Norske with lowest levels. Several players display relatively high volatility in working capital management.

1) 2015 results are based on H1 2015 extrapolations unless otherwise stated
2) Excl. Lecta, Portucel, Sappi, Mondi and International Paper
3) Driven by more than quadrupled inventory compared to previous years (factor 4.4)

Graphic Paper peer group

Packaging peer group

Tissue peer group

Pulp peer group

Flexible Packaging peer group

Financial benchmarking of packaging peer group reveals continuing positive performance – some impacts from special items



Comparison of financial performance for packaging peers 2015¹⁾

Packaging

(m €)	Billerud Korsnäs	Cascades	DS Smith ²⁾	Graphic Packaging	International Paper	KapStone	Mayr-Melnhof	Metsä Board	Mondi Group	Nine Dragons Paper	Packaging Corp. of America	Smurfit Kappa	Stora Enso	WestRock
Turnover	2,382	2,700	4,915	3,698	20,109	2,180	2,139	2,095	6,918	3,963	5,157	7,992	10,106	
EBIT %	11%	5%	7%	10%	8%	9%	9%	11%	14%	9%	12%	8%	8%	
EBIT % (segment only)	11%	5%	7%	10%	12%	9%	9%	15%	10%	9%	12%	8%	13%	
EBITDA%	18%	10%	11%	17%	14%	15%	14%	16%	20%	15%	19%	12%	14%	
ROCE %	13%	7%	12%	11%	8%	8%	14%	13%	21%	6%	15%	9%	9%	2015 data not yet available
ROA %	10%	5%	8%	10%	7%	7%	11%	10%	15%	5%	13%	7%	7%	
ROE %	23%	18%	24%	40%	38%	26%	17%	22%	31%	12%	45%	27%	17%	
WC %	14%	12%		16%	13%	23%	22%	12%						
Debt %	56%	73%	69%	76%	82%	75%								
OCF %	16%	3%	10%	9%										
FCF %														

1) All figures are based on extrapolations of H1 2015 results unless otherwise stated
 2) DS Smith figures are based on annual report 2014

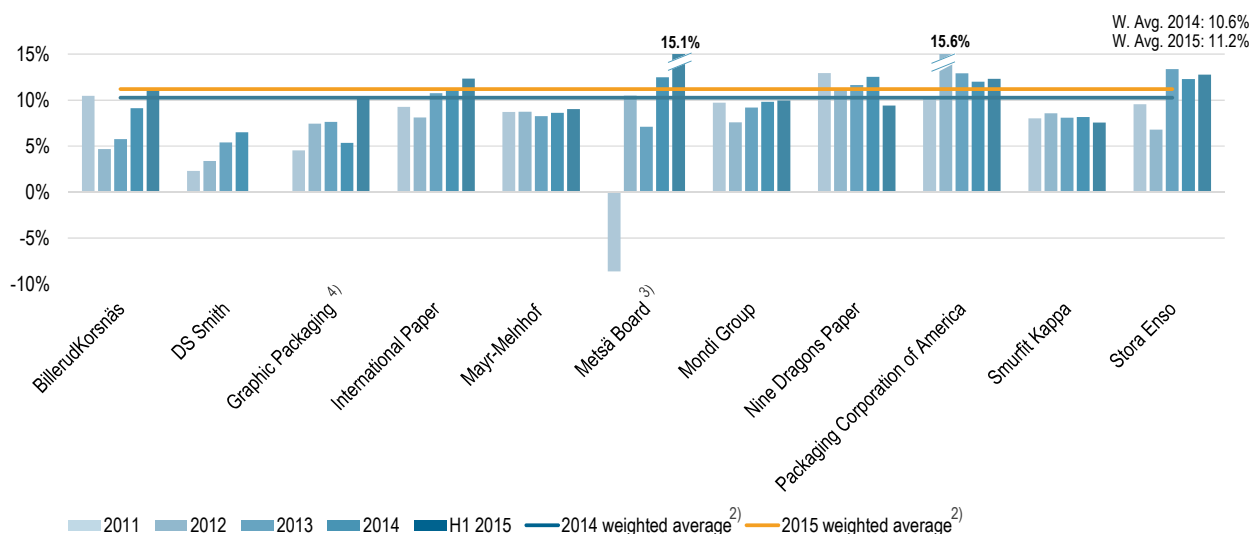
ROCE % = EBIT including non-recurring items / (Total Assets – Current Liabilities)
 ROA % = EBIT including non-recurring items / Total Assets
 ROE % = EBIT including non-recurring items / Total Equity
 WC % = (Accounts Receivable + Inventories – Accounts Payable) / Turnover
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 OCF / TO% = Operating Cash Flow / Turnover
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Packaging segment EBIT increased by 0.6 percentage points compared to 2014



Segment-only EBIT % of packaging segments (incl. special items)¹⁾

Segment only



All companies achieved at least an EBIT margin of 7%. Metsä Board outperforming in H1 2015.

1) 2015 results are based on H1 2015 extrapolations unless otherwise stated. 2) Excl. DS Smith
3) H1 2015 result affected by higher volumes of folding boxboard & white-fresh linerboard, stronger US \$ and British pound, weakening Swedish krona against €
4) 2014 result highly influenced by non-recurring items like restructuring, goodwill impairment and other special charges. 2015 results affected by acquisitions

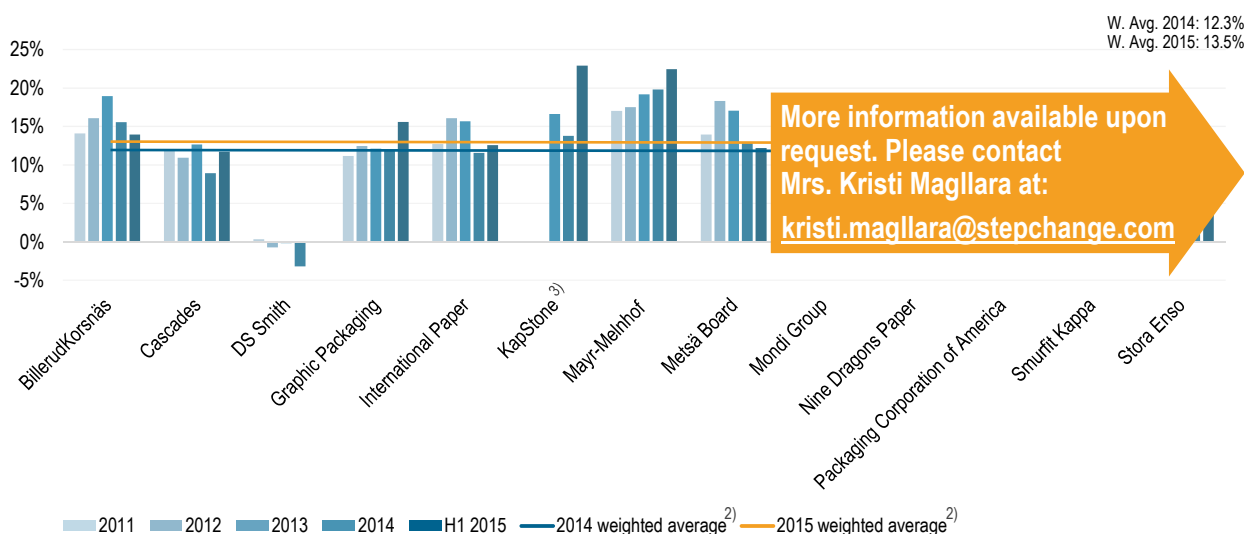
Segment definition: International Paper: Industrial & Consumer Packaging; Metsä Board: Cartonboard (formerly Paperboard); Mondi: All except Uncoated Fine, South Africa and formerly Newsprint; Stora Enso: Renewable Packaging (formerly Industrial and Consumer Packaging)

WC levels deteriorate – average up by 1.2 percentage point. Billerud, Metsä Board & Nine Dragons only ones to decrease WC.



Working capital as % of turnover¹⁾

Packaging



More information available upon request. Please contact Mrs. Kristi Magllara at: kristi.magllara@stepchange.com



Working capital levels diverge very much across the peer group ranging from negative figures up to almost 25%

1) 2015 results are based on H1 2015 extrapolations unless otherwise stated. 2) Excl. DS Smith. 3) 2015 results influenced by the increase in accounts receivable and inventories

Graphic Paper peer group

Packaging peer group

Tissue peer group

Pulp peer group

Flexible Packaging peer group

Tissue peer group – SCA outperforms

Tissue peer group financial performance comparison 2015¹⁾

Tissue

(m €)	Cascades	Clearwater Paper	Kimberly-Clark	Kruger Products	Orchids Paper	SCA (Svenska Cellulosa)	Wausau Paper
Turnover	2,700	1,573	16,713	791	143	12,243	255
EBIT %	5%	5%	3%	7%	9%	10%	6%
EBIT % (segment only)	7%	6%	3%	7%	9%	11%	6%
EBITDA%	10%	10%	7%	10%	15%	16%	18%
ROCE %	7%	7%	6%	7%	7%	10%	6%
ROA %	5%	6%	3%	6%	7%	7%	5%
ROE %	18%			21%	11%	15%	17%
WC %					12%		11%
Debt %					37%	52%	72%
OCF %						9%	3%
FCF %							

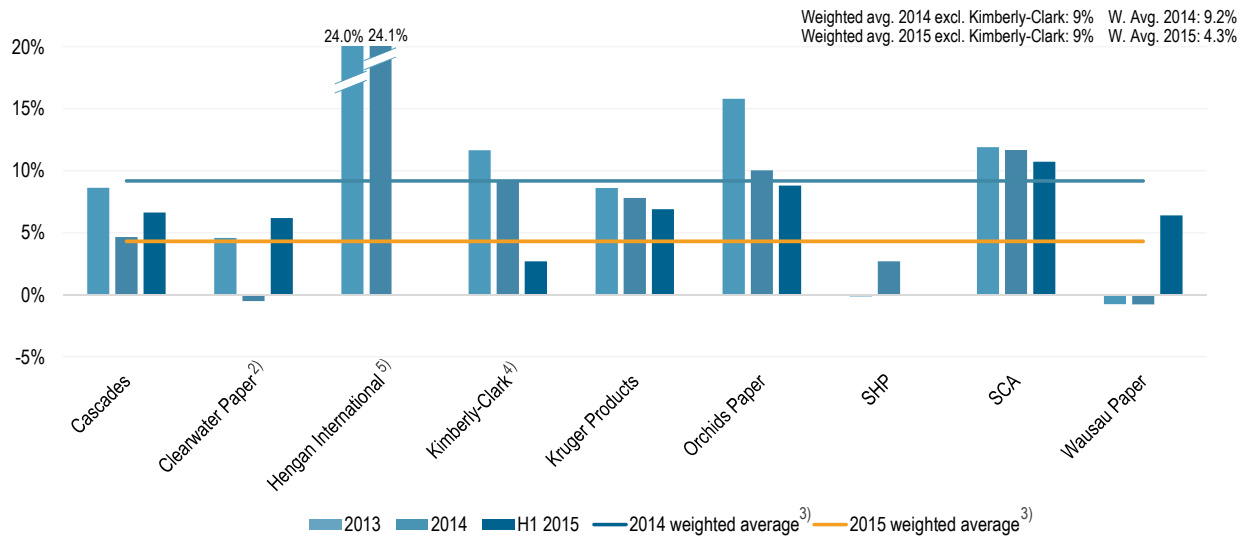
1) All figures are based on extrapolations of H1 2015 results unless otherwise stated

ROCE % = EBIT including non-recurring items / (Total Assets – Current Liabilities)
 ROA % = EBIT including non-recurring items / Total Assets
 ROE % = EBIT including non-recurring items / Total Equity
 WC % = (Accounts Receivable + Inventories – Accounts Payable) / Turnover
 Debt % = Total Liabilities / Total Assets
 OCF / TO% = Operating Cash Flow / Turnover
 FCF / TO% = Free Cash Flow excluding Investing Cash Flow for M&A / Turnover

Average EBIT down by 4 percentage points, although highly influenced by low results of Kimberly-Clark in 2015

Segment-only EBIT % of tissue segments (incl. special items)¹⁾

Segment only



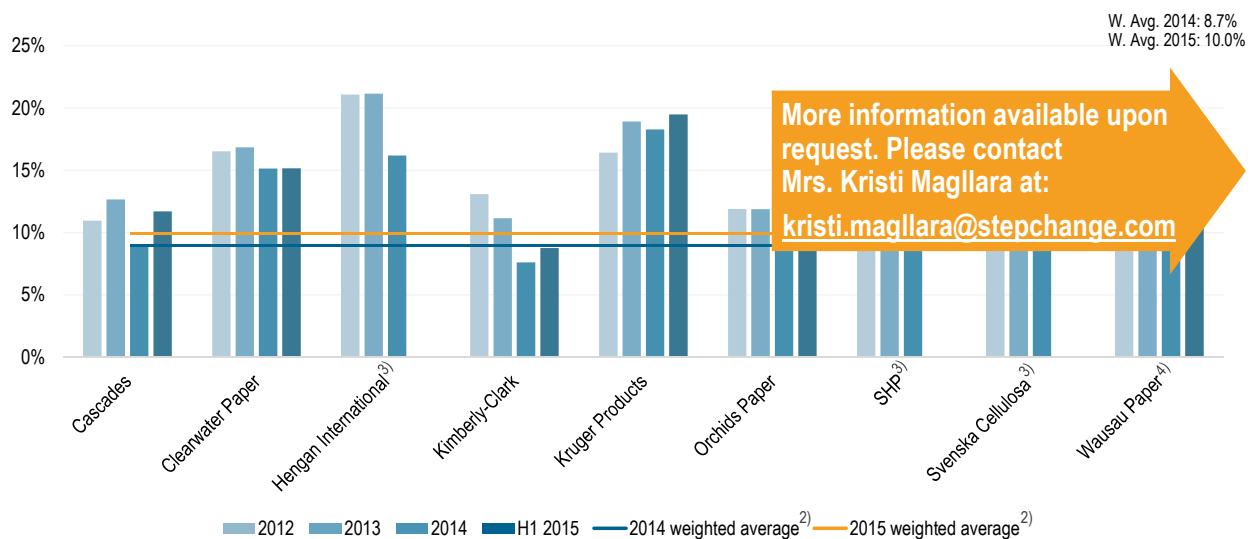
Trends vary significantly across companies. Cascades, Clearwater Paper and Wausau were able to increase tissue EBIT while it dropped for Kimberly-Clark, SCA, Orchids and Kruger.

1) 2015 results are based on H1 2015 extrapolations unless otherwise stated 2) 2014 results highly influenced by non-recurring items like closure costs of Thomaston facility & loss on sales of specialty business & mills
 3) Excl. SHIP and Hengan International 4) 2015 result effected by lower sales due to negative impact of FX (despite higher volume) as well as effected from non-recurring items like pension settlement charges of \$1.3 bn
 5) No data available for H1 2015
 Note: SCA: Tissue; Cascades: Tissue; Clearwater Paper: Consumer products

Working capital average increased vs. 2014 by 1.3 percentage points

Working capital as % of turnover¹⁾

Tissue



More information available upon request. Please contact Mrs. Kristi Magllara at: kristi.magllara@stepchange.com

Kimberly-Clark since 2012 with overall positive trend and outperforming peer group – others struggling to keep working capital down

1) 2015 results are based on H1 2015 extrapolations unless otherwise stated 3) No data available for H1 2015. 2013 results have been restated
 2) Excl. Hengan International, Svenska Cellulosa and SHIP 4) In 2013 the specialty paper operations were discontinued; effecting the overall levels of WC in the following years

Graphic Paper peer group

Packaging peer group

Tissue peer group

Pulp peer group

Flexible Packaging peer group

No clear dominant position of any of the companies in the pulp peer group. Fibria performing as best in both EBIT and EBITDA.

Pulp peer group financial performance comparison 2015¹⁾

Pulp

(m €)	Altri	Arauco	Canfor	Catalyst Paper	CMPC	Ence	Fibria	Mercer International	Metsä Group	Rottneros	Södra	Stora Enso	Suzano	Tembec	UPM	Weyerhaeuser
Turnover	626	4,560	798	1,679	4,209	626	2,605	939	5,170	195	2,005	10,106	2,740	966	10,068	6,317
EBIT %	24%	15%	11%	-4%	6%	15%	28%	15%	11%	20%	15%	8%	26%	3%	8%	13%
EBIT % (segment only)	24%	15%	12%	13%	19%	15%	28%	15%	24%	20%	32%	18%	26%	-1%	19%	8%
EBITDA%	32%	22%	17%	-1%	14%	25%	38%	21%	16%	23%	20%	14%	42%	5%	12%	19%
ROCE %	16%	6%	17%	-10%	2%	10%	10%	13%	14%	33%	22%	9%	9%	4%	7%	7%
ROA %	12%	5%	14%	-8%	2%	8%	9%	12%	10%	26%	15%	7%	8%	3%	6%	7%
ROE %	48%	11%	24%	66%	4%	17%	17%	40%	24%	34%	34%	34%	34%	34%	11%	18%
WC %	16%	20%	14%	10%		-5%	18%	24%								
Debt %	74%	54%	41%	111%	45%	53%										
OCF %	24%	17%	13%	-1%												
FCF %																

¹⁾Profitability of companies operating not in USD have seen significant profitability increase due to appreciation of USD versus most other currencies

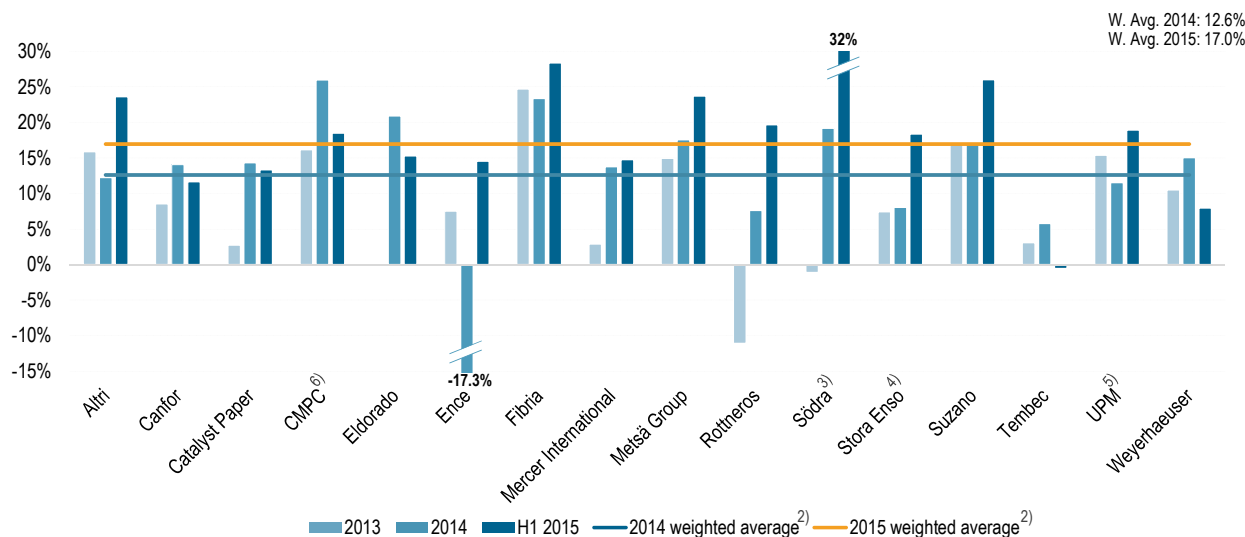
ROCE % = EBIT including non-recurring items / (Total Assets – Current Liabilities)
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Record EBIT in the pulp segment. Nearly all companies with improved results.



Segment-only EBIT % of pulp segments (incl. special items)¹⁾

Segment only



Södra is the best performer in the pulp segment compared to the rest of the peer group

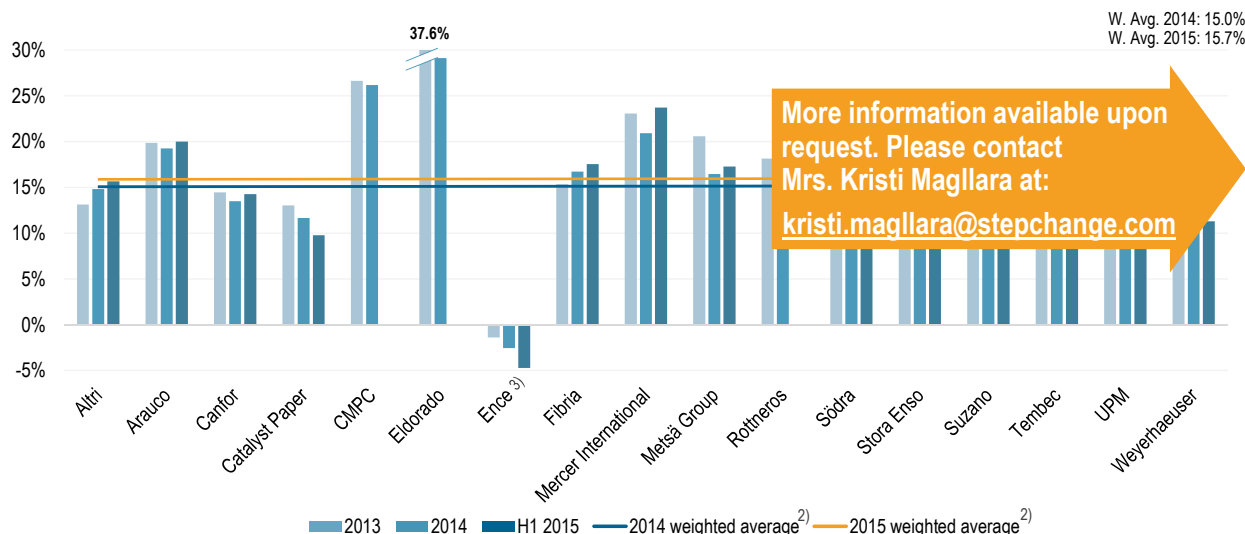
1) 2015 results are based on H1 2015 extrapolations unless otherwise stated 2) Excl. Eldorado 3) 2015 results impacted by FX effects (strong USD) 4) 2015 results impacted by price changes and positive effect of FX
5) 2015 results impacted by higher pulp euro prices and positive currency hedging effects 6) 2014 results impacted by lower production costs
Note: Ence: Pulp and Energy, Metsä Group: Metsä Fiber Group (Pulp industry), Södra: Södra Cell, Stora Enso: Biomaterials, UPM: Biorefining, Eldorado: Cellulose, Canfor: Pulp, Catalyst Paper: Pulp, Tembec: Paper Pulp + Specialty Cellulose Pulp, Weyerhaeuser: Cellulose fibers, CMPC: Pulp

Majority of companies have slightly increased working capital levels, no significant year on year trend to be observed



Working capital as % of turnover¹⁾

Pulp



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Ence with negative WC, Catalyst and Suzano improved. South Americans with higher WC levels.

1) 2015 results are based on H1 2015 extrapolations unless otherwise stated 2) Excl. Eldorado, Rottneros and CMPC 3) Negative working capital influenced by high payables. 2015 results effected by non-recurring items in payables (provision for the revenue restatement in the wake of the new regulation)

Graphic Paper peer group

Packaging peer group

Tissue peer group

Pulp peer group

Flexible Packaging peer group

Mondi and Amcor outperform in the Flexible Packaging peer group

Comparison of financial performance for Flexible Packaging peers 2014¹⁾

Flexibles

(m €)	Amcor ³⁾	Bemis	Constantia Flexibles	Coveris	Huhtamaki	Mondi	Sealed Air ²⁾
Turnover	7.342	3.731	1.697	2.169	2.236	6.296	5.721
EBIT %	11%	8%	8%	3%	8%	12%	9%
EBIT % (segment only)	12%	8%	8%	4%	8%	7%	9%
EBITDA %	15%	12%	14%	9%	12%	18%	12%
ROCE %	19%	11%	11%	5%	10%	16%	10%
ROA %	12%	9%	8%	3%	8%	12%	8%
ROE %	52%	29%	29%	39%	20%	26%	46%
WC %				15%	12%	14%	15%
Debt %					61%	55%	83%
OCF %						12%	-20%
FCF %							

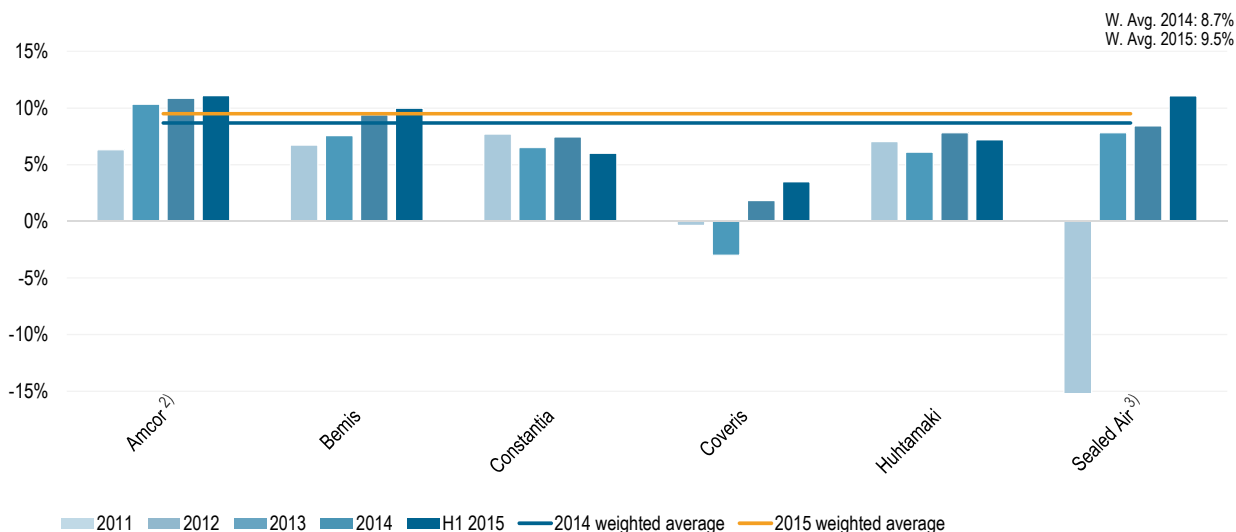
1) Amcor and Huhtamaki based on (preliminary) AR 2014; all others extrapolated from H1 2014
 2) Sealed Air OCF and FCF includes a major charge for a settlement agreement of 23% of turnover
 3) Amcor ROE 2014 driven by capital reduction due to demerger

Note: ROCE % = EBIT including non-recurring items / (Total Assets – Current Liabilities)
 ROA % = EBIT including non-recurring items / Total Assets
 ROE % = EBIT including non-recurring items / Total Equity
 WC % = (Accounts Receivable + Inventories – Accounts Payable) / Turnover
 Debt % = Total Liabilities / Total Assets
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Average EBIT of flexibles peer group increased slightly from 8.7% in 2014 to 9.5% in 2015

Companywide EBIT as % of turnover (incl. special items)¹⁾

Flexibles



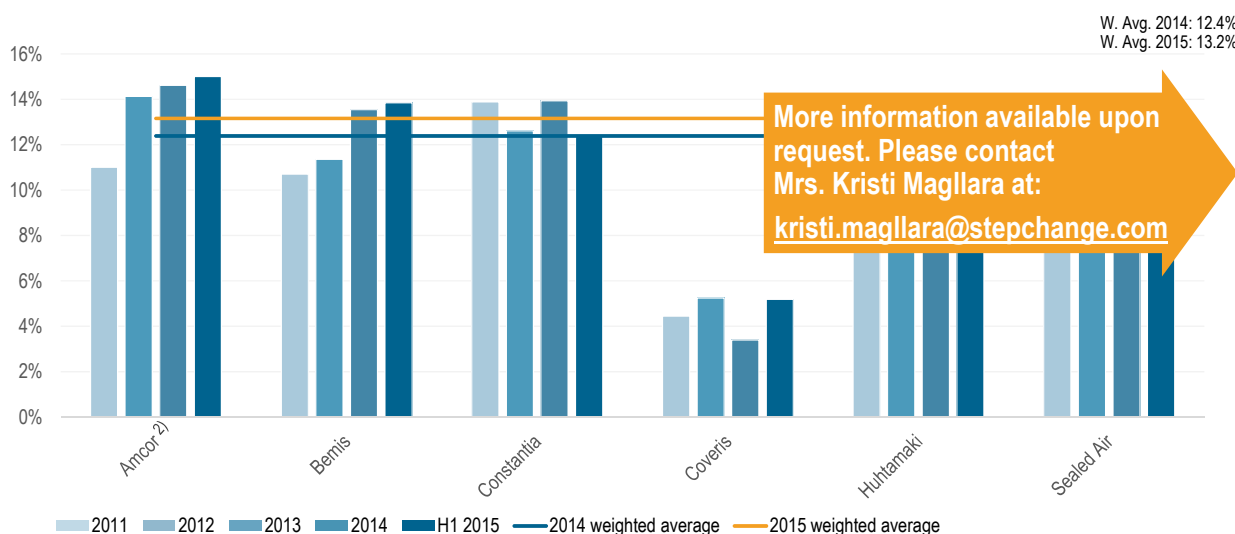
The biggest companies of the peer group (Amcor & Sealed Air) with the highest EBIT levels

1) 2015 results are based on H1 2015 extrapolations unless otherwise stated
2) Results 2015 full financial year Jul 2015-Jun 2016
3) Sealed Air: big impairment of goodwill and other intangible assets

Average EBITDA of flexibles peer group increased slightly from 12.4% in 2014 to 13.2% in 2015

Companywide EBITDA as % of turnover (incl. special items)¹⁾

Flexibles



The biggest companies of peer group (Amcor & Sealed Air) with highest EBITDA levels

1) 2015 results are based on H1 2015 extrapolations unless otherwise stated
2) Results 2015 full financial year Jul 2015-Jun 2016