Annual Results Investors Conference

26 February 2016

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Introductory remarks	Peter Schaub
Business in 2015	Peter Schildknecht
Financial results	Marcel Bernet
Outlook for 2016	Peter Schildknecht

2015 in brief

- All three business divisions raised sales volumes and gained market share.
- Chemistry and Packaging improved EBIT in a challenging environment.
- Paper down on prior year owing to strong Swiss franc and lower prices.
- CPH Group: net sales down 14.7% year-on-year, but 1.7% up if currency and paper price factors excluded; negative EBIT for the year.
- Packaging: construction of new production facility in China well on track.
- Chemistry: China-based molecular sieve manufacturer ALSIO acquired.

Introductory remarks	Peter Schaub
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Financial results	Marcel Bernet
Outlook for 2016	Peter Schildknecht

Group and divisional results

	CPH Group		Chemistry		Paper		Packaging	
in CHF million	2014	2015	2014	2015	2014	2015	2014	2015
Net sales	**492.5**	**420.0**	**60.2**	**62.5**	**314.4**	**247.8**	**117.8**	**109.7**
EBITDA	**50.8**	**12.2**	**1.0**	**1.5**	**37.0**	**-3.8**	**10.7**	**10.7**
in % of net sales	10.3	2.9	1.6	2.4	11.8	-1.5	9.1	9.8
EBIT	**16.0**	**-21.8**	**-2.2**	**-1.8**	**12.5**	**-28.0**	**5.1**	**5.9**
in % of net sales	3.3	-5.2	-3.6	-2.9	4.0	-11.3	4.3	5.3
Personnel numbers	**860**	**858**	**180**	**182**	**364**	**360**	**307**	**309**

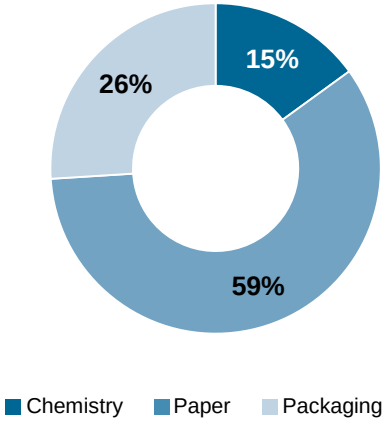
Net result	**10.5**	**-33.1**
in % of net sales	2.1	-7.9
Cash flow	**40.8**	**7.2**
in % of net sales	8.3	0.9

- All three business divisions raised their sales volumes and increased their market shares.
- Chemistry and Packaging improved their EBIT results despite difficult market conditions and a stronger Swiss franc.
- Paper saw a decline in its net sales and reported a negative EBIT result owing to adverse currency trends and lower paper prices.

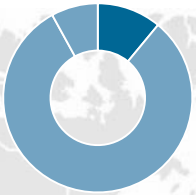
Higher sales volumes for all three divisions, but only translated at Chemistry into higher net sales

in CHF million	2014	2015	Change
Chemistry	60.3	62.5	+3.8%
Paper	314.4	247.8	-21.2%
Packaging	117.8	109.7	-6.8%
CPH Group	**492.5**	**420.0**	**-14.7%**

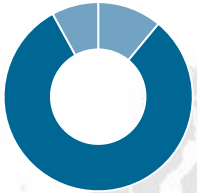
2015 CPH net sales by division



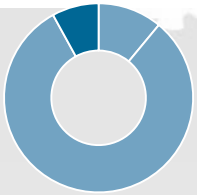
Sold mainly in Europe, produced largely in Switzerland



Americas
11% of net sales



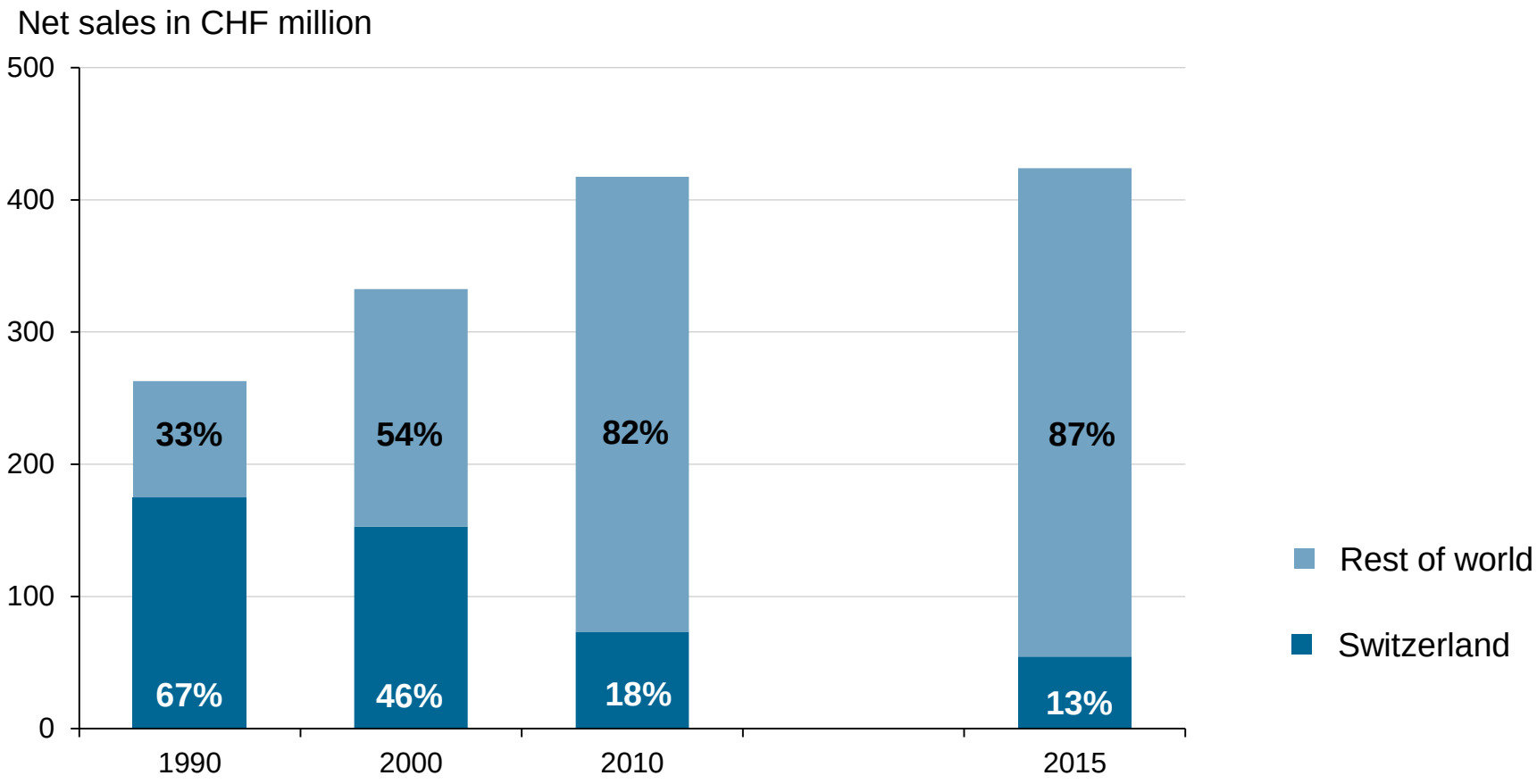
Europe
81% of net sales



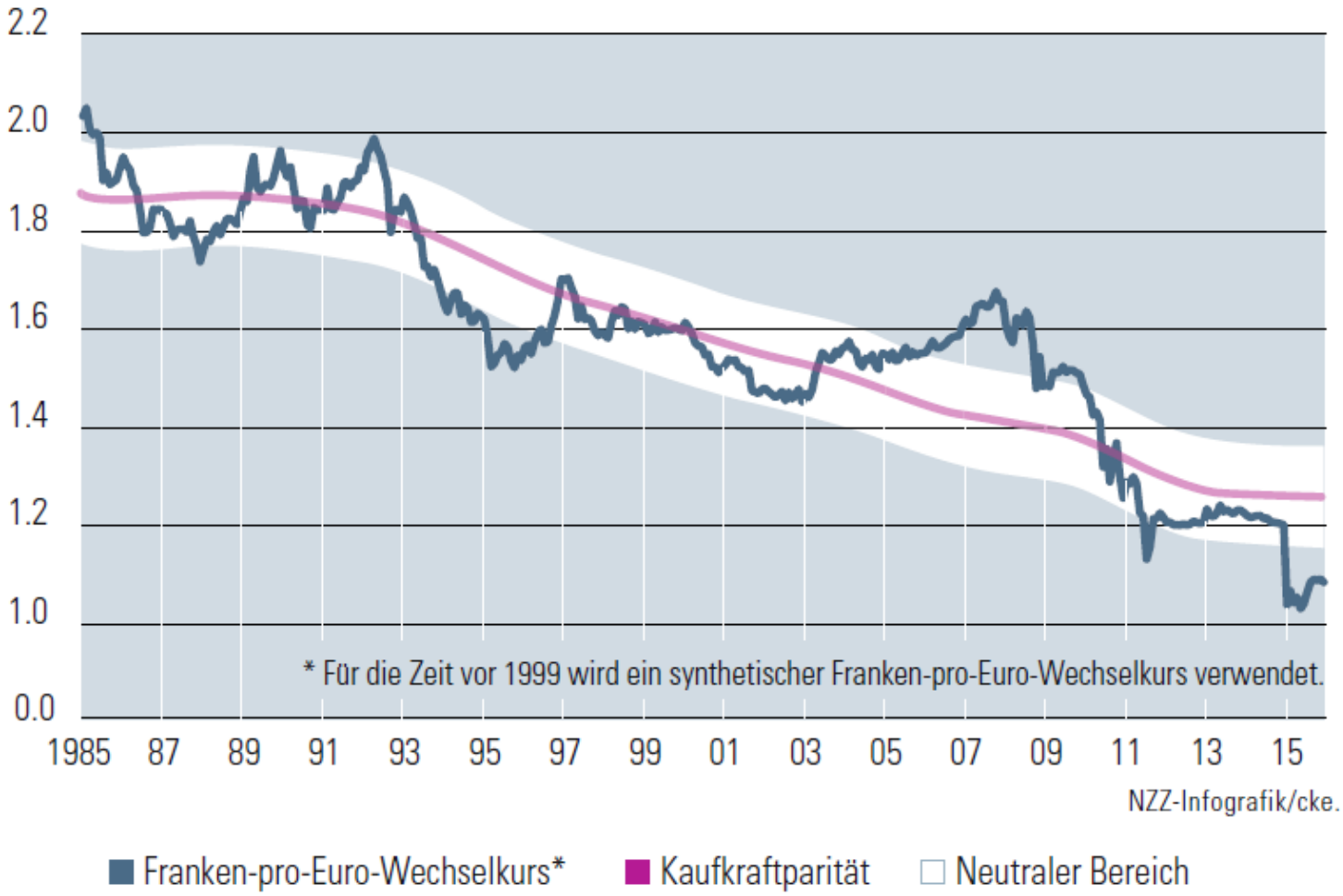
Asia & RoW
8% of net sales

	Americas	Europe	Asia & RoW
● **Paper**		Perlen	
○ **Packaging**	Whippany	Perlen Müllheim	
○ **Chemistry**	Louisville	Uetikon	

Proportion of net sales outside Switzerland continues to rise



Swiss francs-per-euro exchange rate trends

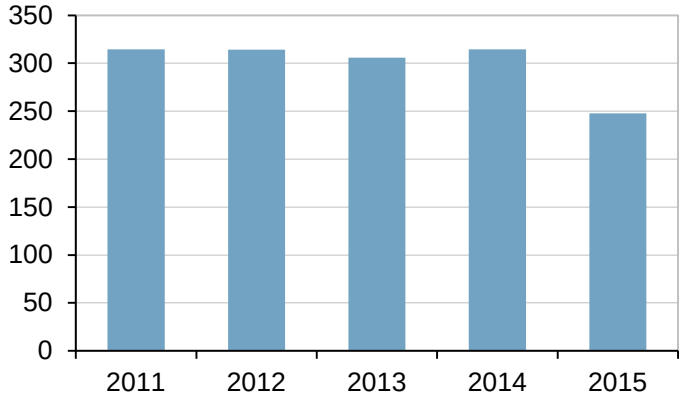


The Paper Division

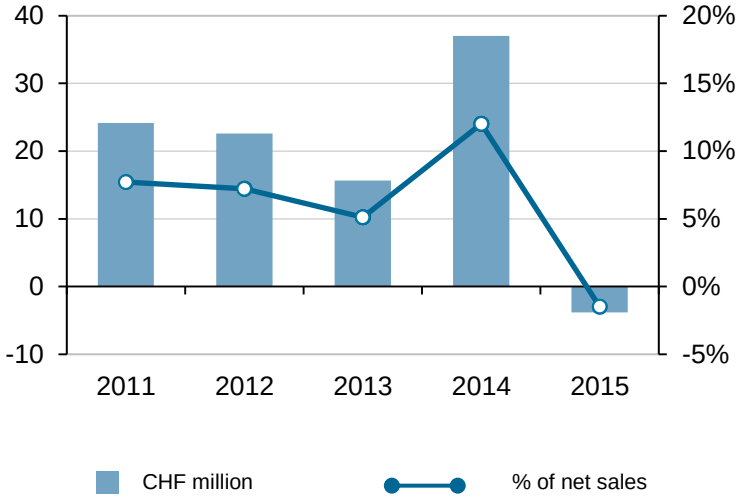
perlen papier ag

Paper: fierce competition and a strong Swiss franc

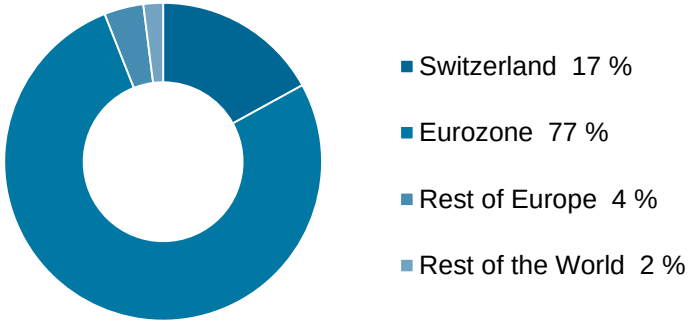
Net sales



EBITDA



2015 net sales by region



European press paper production capacities have been reduced by 4.3 million tonnes to 14 million tonnes since 2011

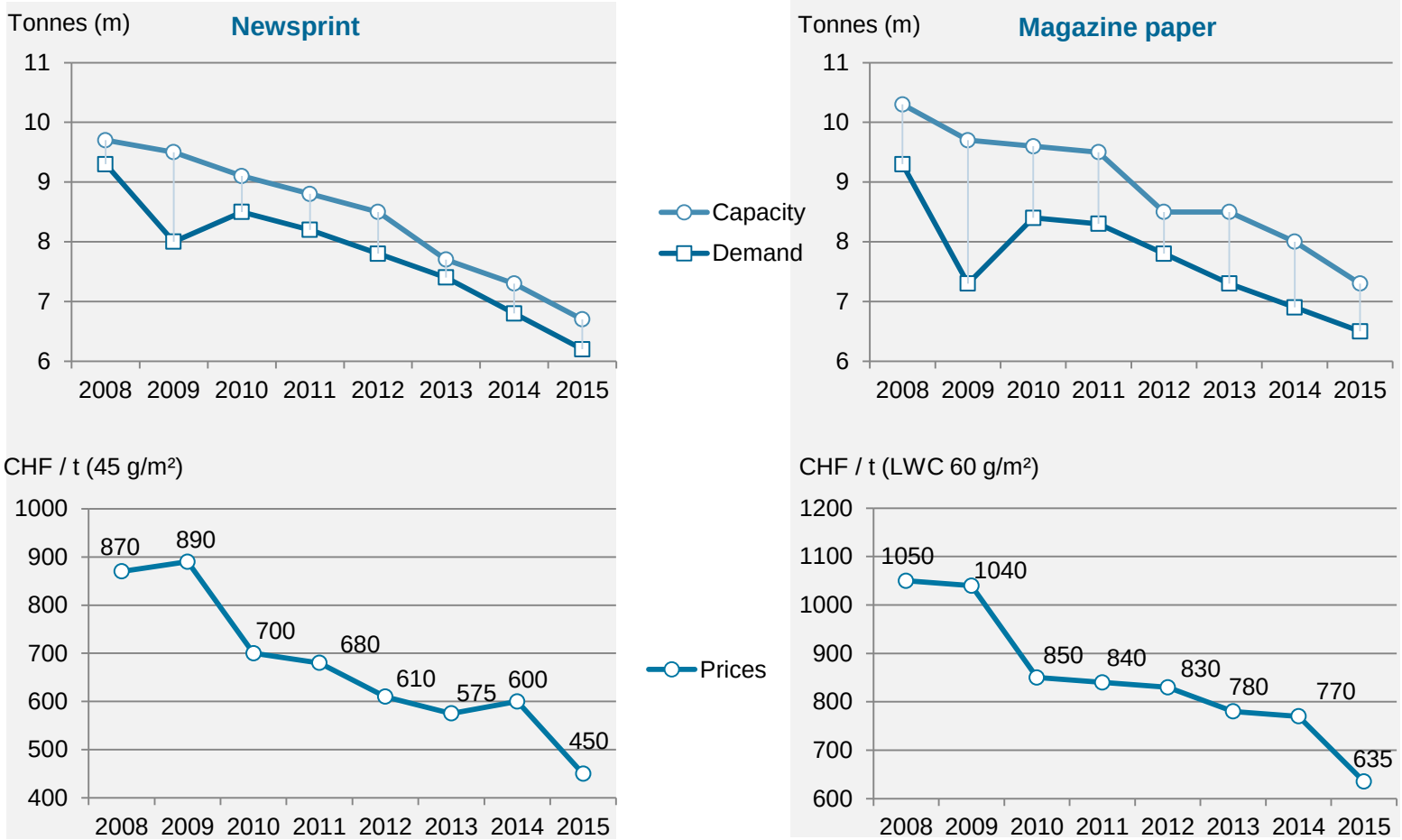
in million tonnes	Newsprint	Coated magazine paper
Changes in capacity 2011-2015	-2.1	-2.2
2015 capacities	6.7	7.3
Demand in 2015	6.2	6.5

Production facilities in Western Europe which reduced their capacities between 2011 and 2015

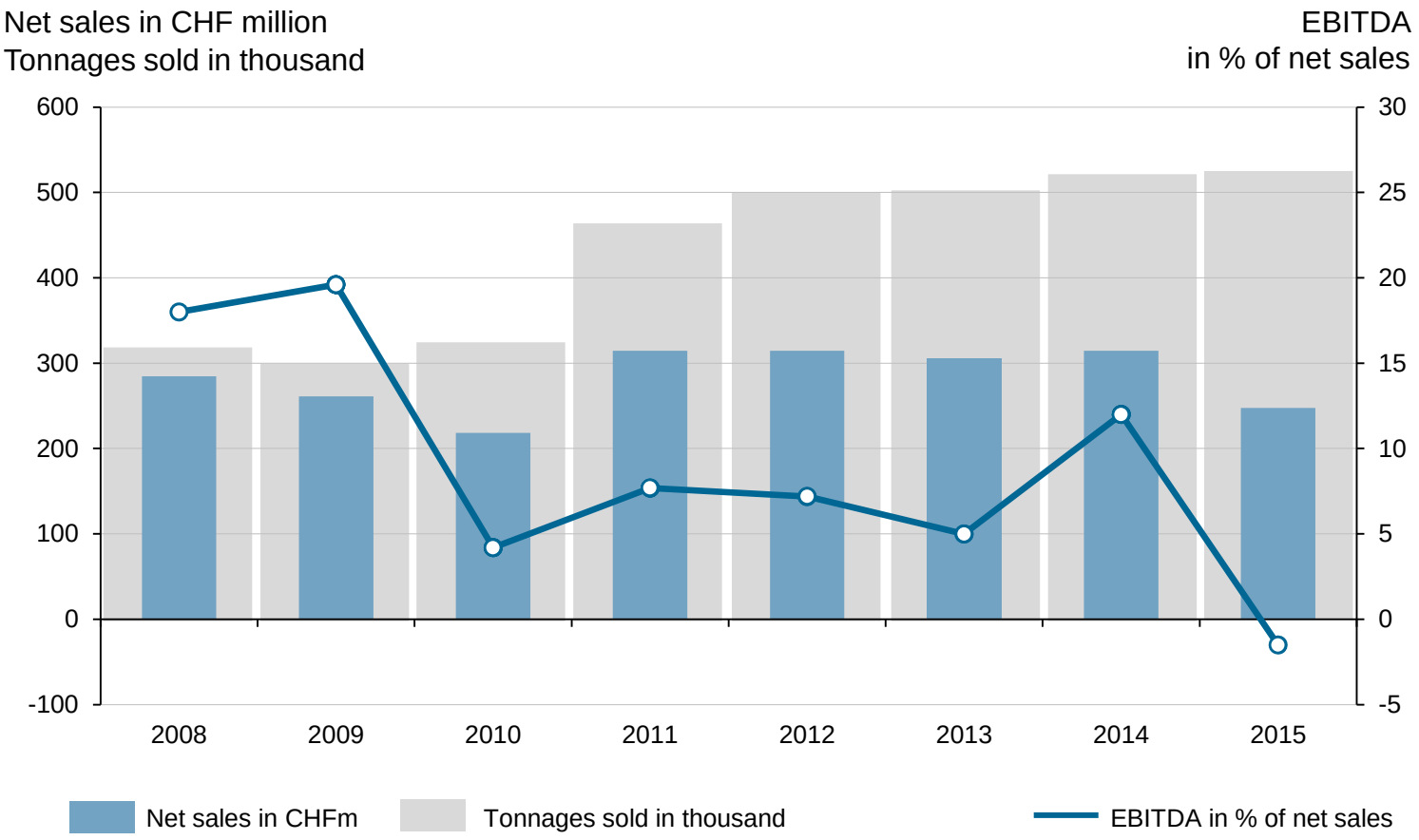
- Newsprint
- Magazine paper

Source: PPPC

Fierce competition depressing paper prices



Net sales stagnant despite substantially higher sales volumes



Actions to ensure cost leadership in sales regions

PM 7, Europe's most advanced paper machine

PM 4 used to manufacture higher-margin magazine paper

Electricity purchased on free energy market

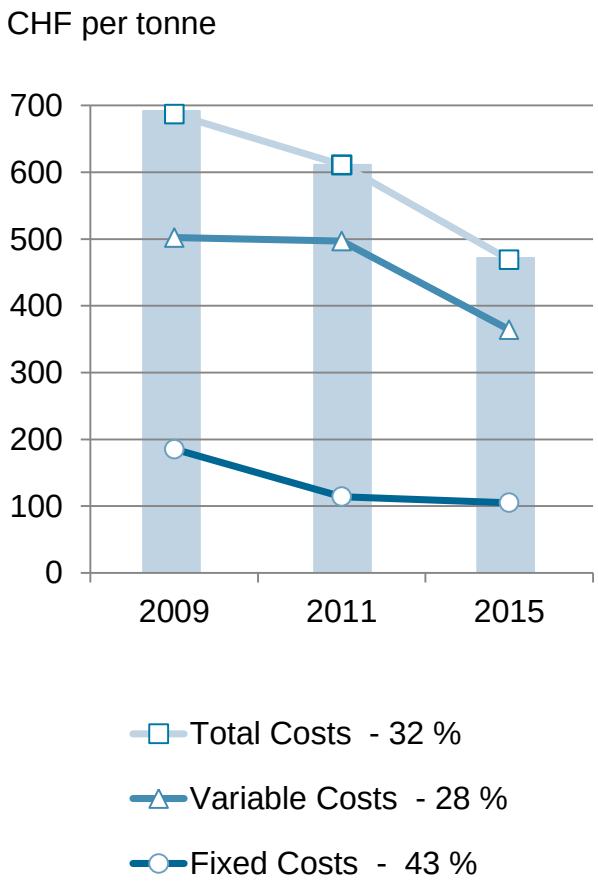
Steam procured from Renergia, reducing CO_2 emissions by around 60 000 tonnes

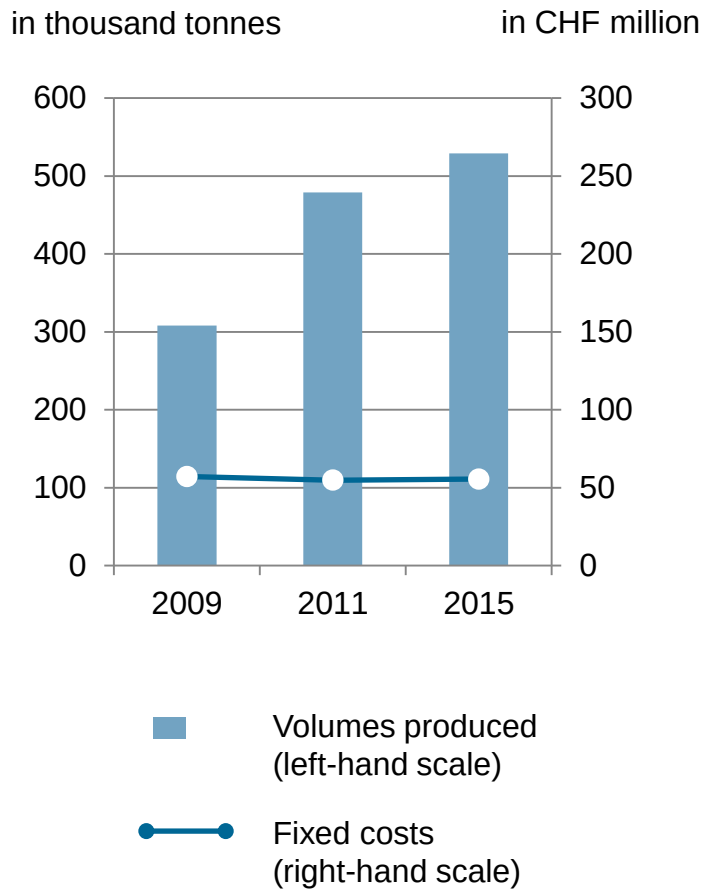
Further drive to obtain recycled paper from Swiss sources

Actions constantly being taken to further enhance efficiency

Introduction of new products such as PerlenValue

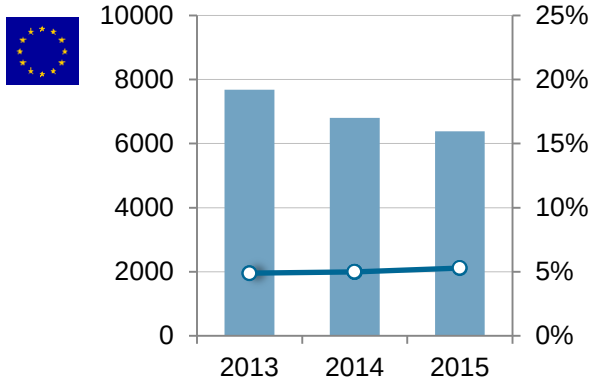
Per-tonne paper manufacturing costs substantially reduced: fixed costs constant with 80% increase in production volumes

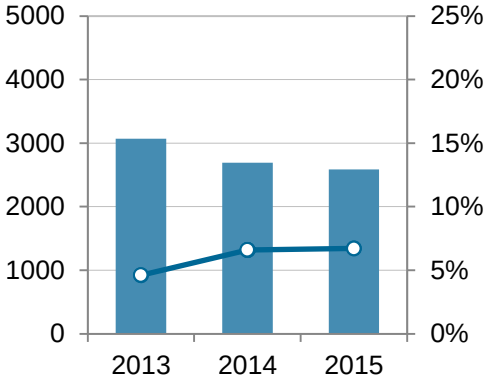




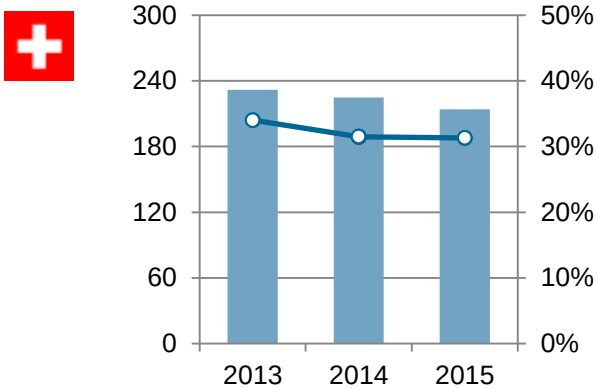
Share of European newsprint market continues to grow

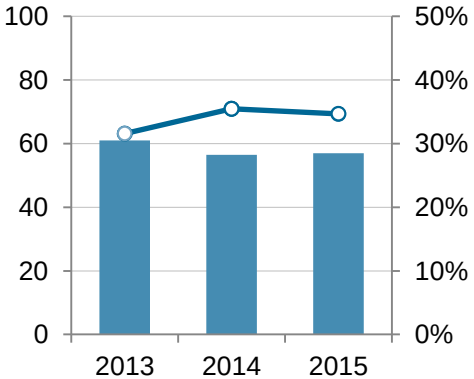
Newsprint | **Magazine paper (LWC, offset)**





Market share increased in 2015



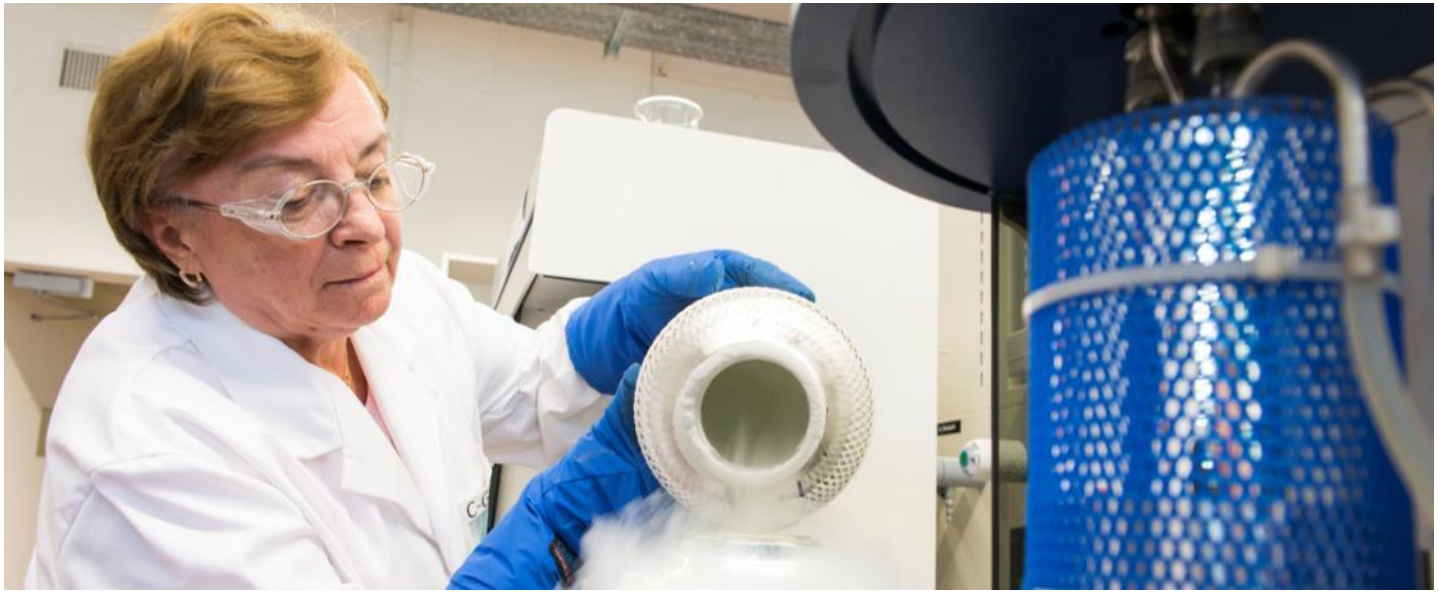


Market share maintained in 2015

Market volume in thousand tonnes (left-hand scale)

Market share in % (right-hand scale)

The Chemistry Division

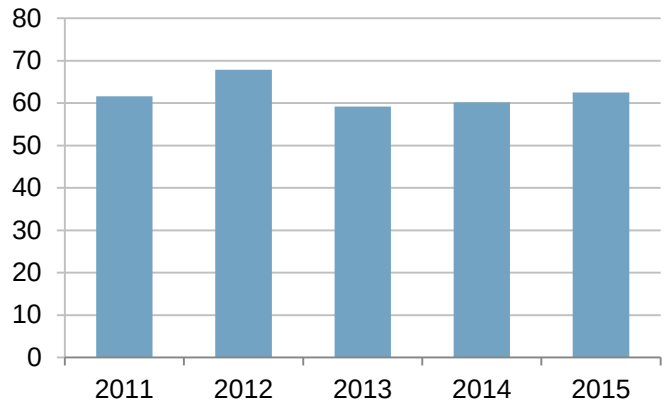


ZEOCHEM®

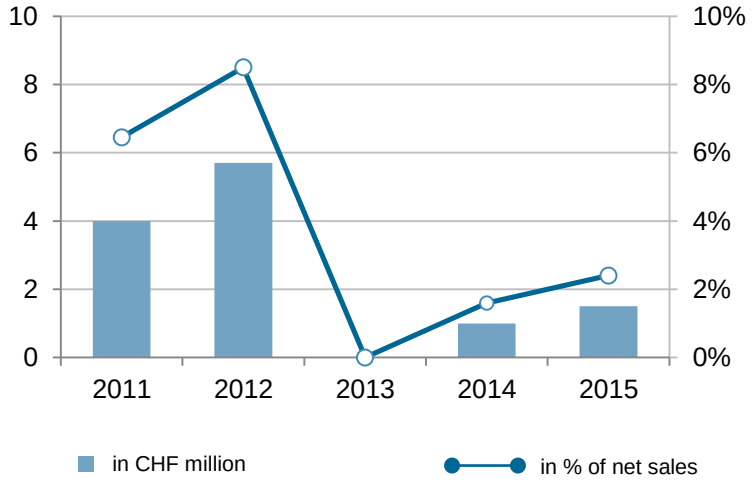
CU Deutero + Agro AG

Chemistry increased both net sales and earnings

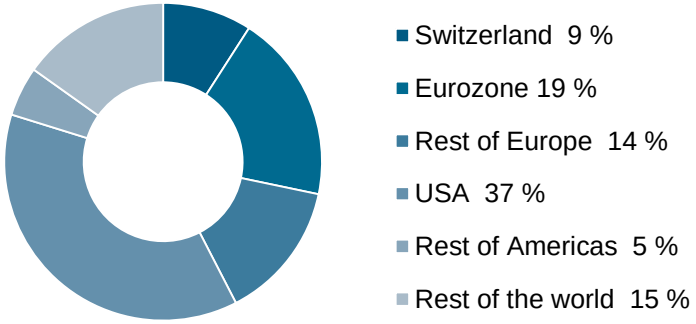
Net sales



EBITDA



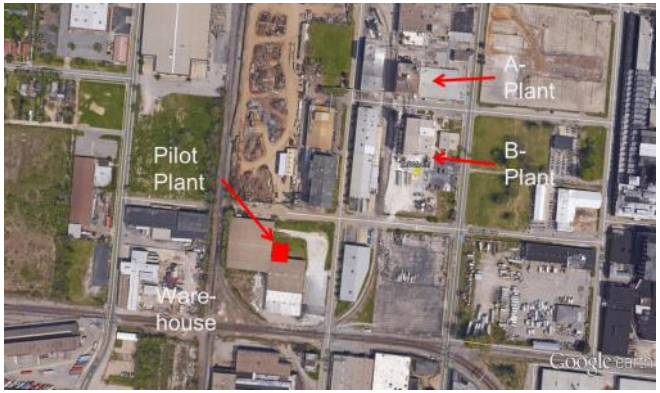
2015 net sales by region



Chemistry growing through high-margin products

- Facilities for manufacturing higher-margin products for pharmaceutical applications (medical oxygen and chromatography gels) very well utilized
- Higher volumes of special zeolites produced
- Productivity raised and quality improved
- Substantial savings on the procurement front
- Bob Gray named General Manager at Zeochem LLC
- Warehouse purchased in Louisville
- Pilot plant planned in the USA for faster product development

Pilot plant to accelerate the innovation process



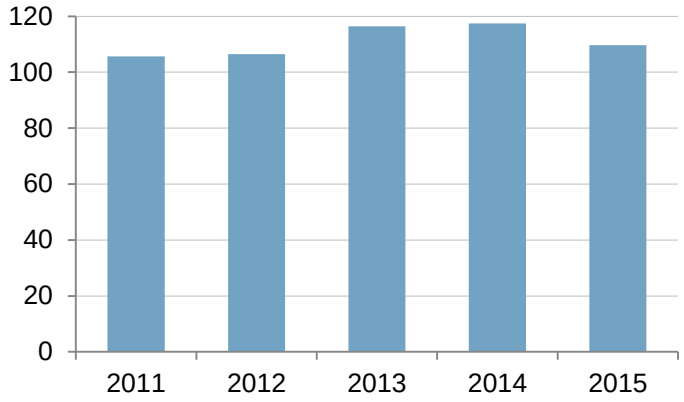
The growing pharmaceuticals market includes medical oxygen applications

The Packaging Division

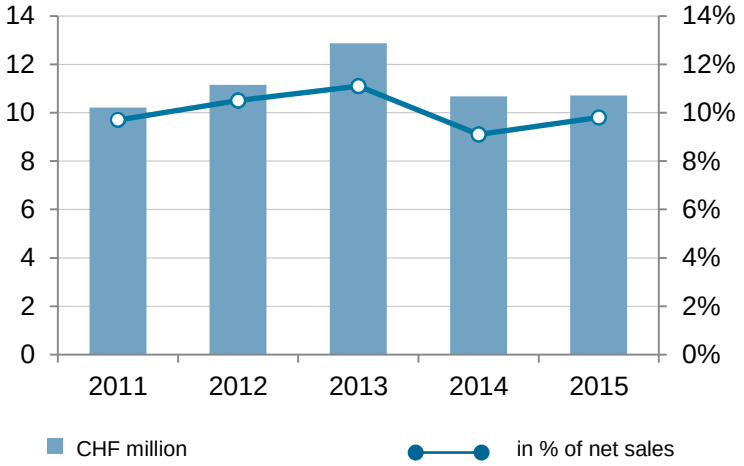
perlen packaging

Packaging raises profitability

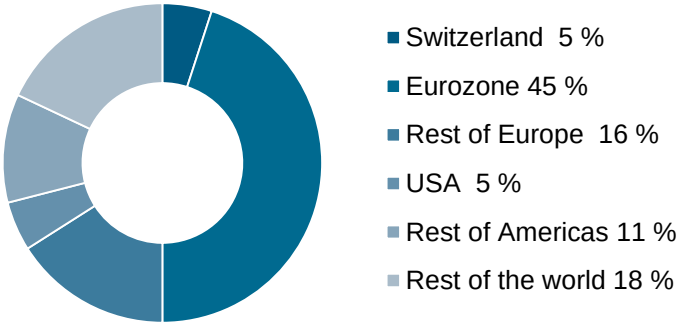
Net sales



EBITDA



2015 net sales by region

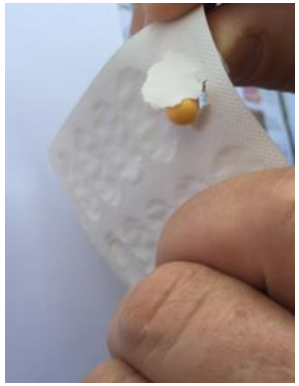


Packaging's success story continues

- Share raised of a stagnant European market
- Particularly strong growth in films with high-barrier credentials
- New products: PERLATOP™ with paper cover film
- Productivity-raising programme delivers substantial savings
- Sizeable wastage reduction
- Energy management introduced and Müllheim plant earns ISO 50001 certification
- PVdC coating capacities expanded at Perlen site

Perlen coating facilities expanded

New products launched such as PERLATOP™



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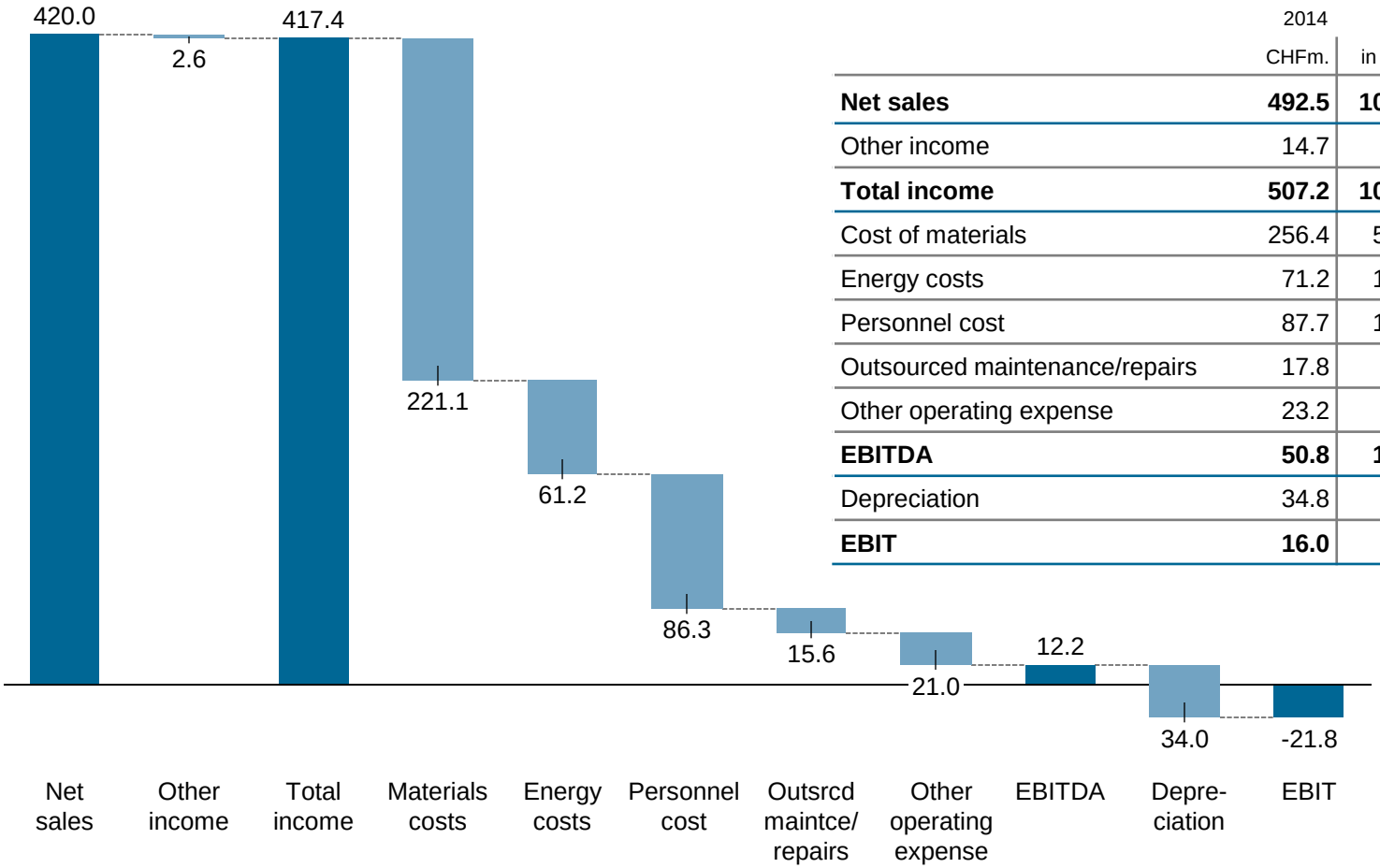
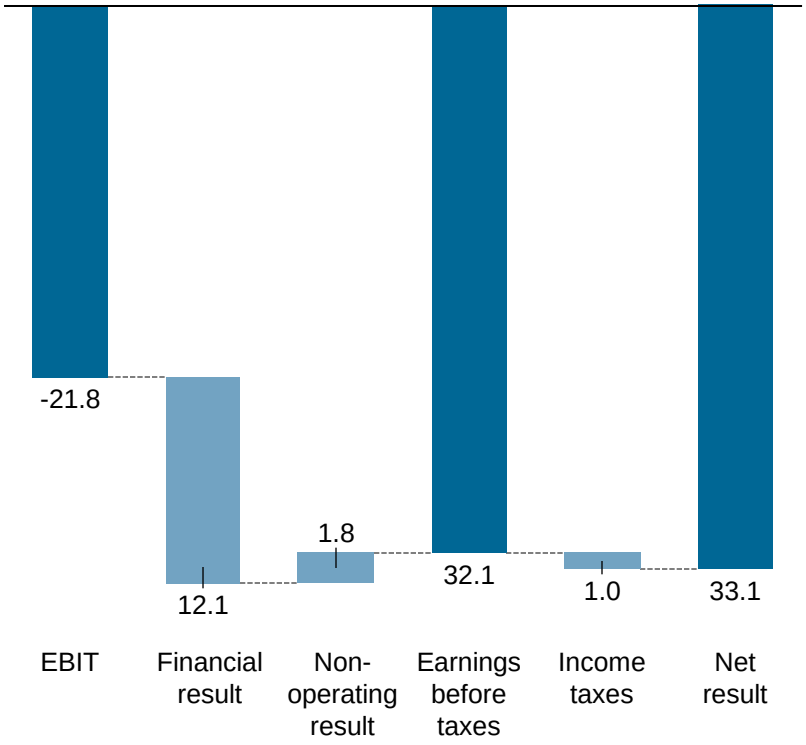
Consolidated income statement for the CPH Group



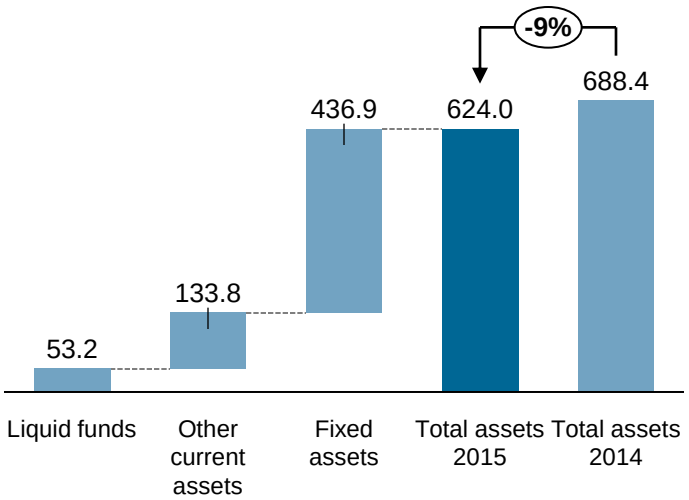
	2014		2015	
	CHFm.	in %	CHFm	in %
Net sales	**492.5**	**100**	**420.0**	**100**
Other income	14.7	3	-2.6	-1
Total income	**507.2**	**103**	**417.4**	**99**
Cost of materials	256.4	52	221.1	53
Energy costs	71.2	14	61.2	15
Personnel cost	87.7	18	86.3	21
Outsourced maintenance/repairs	17.8	4	15.6	4
Other operating expense	23.2	5	21.0	5
EBITDA	**50.8**	**10**	**12.2**	**3**
Depreciation	34.8	7	34.0	8
EBIT	**16.0**	**3**	**-21.8**	**-5**

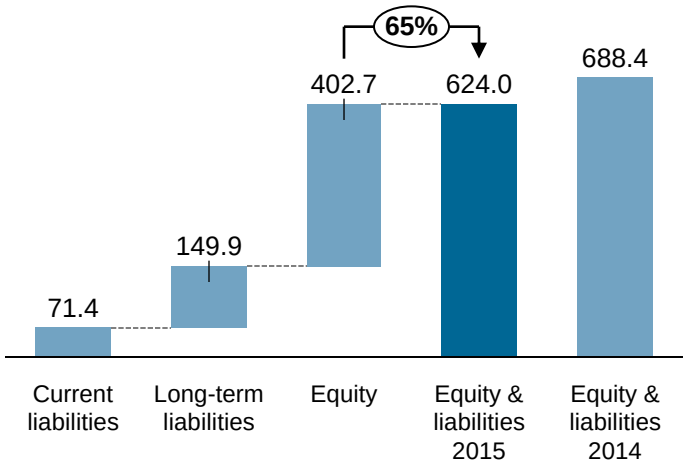
Consolidated income statement for the CPH Group



in CHF million	2014	2015
EBIT	**16.0**	**-21.8**
in % of net sales	3.3	-5.2
Financial result	-5.6	-12.1
Earnings before taxes and extraordinary items	**10.4**	**-33.9**
Non-operating result	1.5	1.8
Earnings before taxes	**11.9**	**-32.1**
Income taxes	-1.4	-1.0
Net result for the year	**10.5**	**-33.1**
in % of net sales	2.1	-7.9
Net result per share (in CHF)	1.75	-5.52

Consolidated balance sheet of the CPH Group

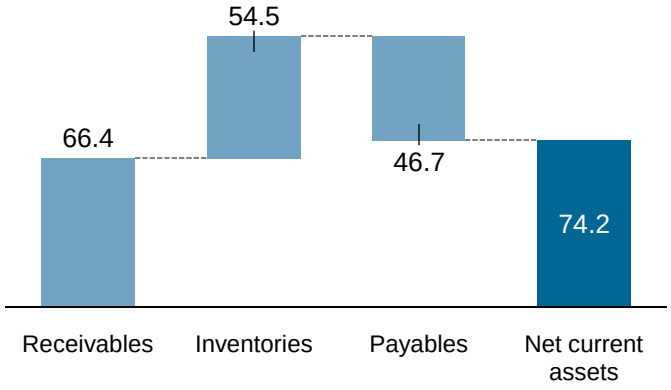




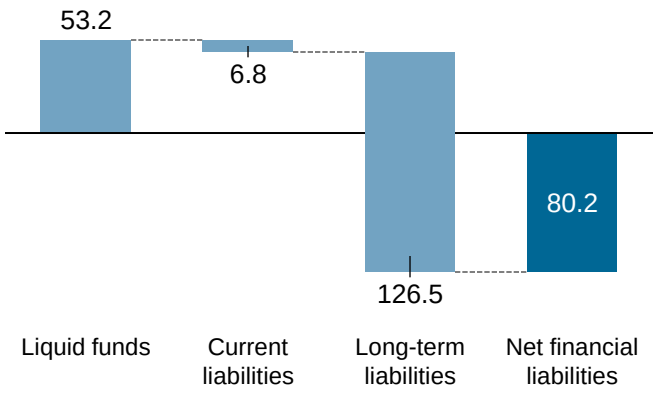
As at 31 December	2014		2015	
	CHFm	in %	CHFm	in %
Assets				
Current assets	232.4	34	187.0	30
Fixed assets	456.0	66	436.9	70
Total assets	**688.4**	**100**	**624.0**	**100**
Equity and liabilities				
Liabilities	246.4	36	221.3	35
Equity	442.0	64	402.7	65
Total equity and liabilities	**688.4**	**100**	**624.0**	**100**
Investments	**19.2**		**21.9**	

Additional information on the consolidated balance sheet of the CPH Group

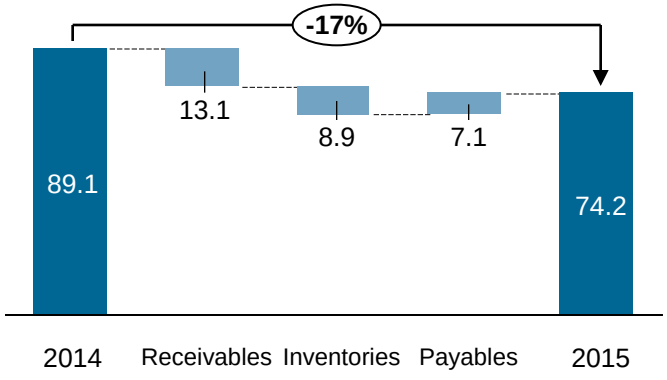
Net current assets 2015



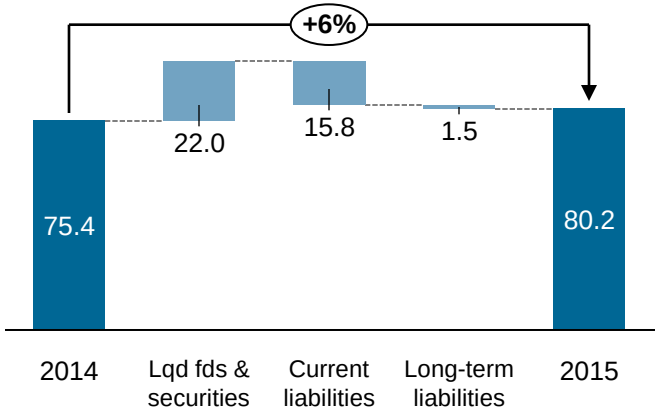
Net financial liabilities 2015



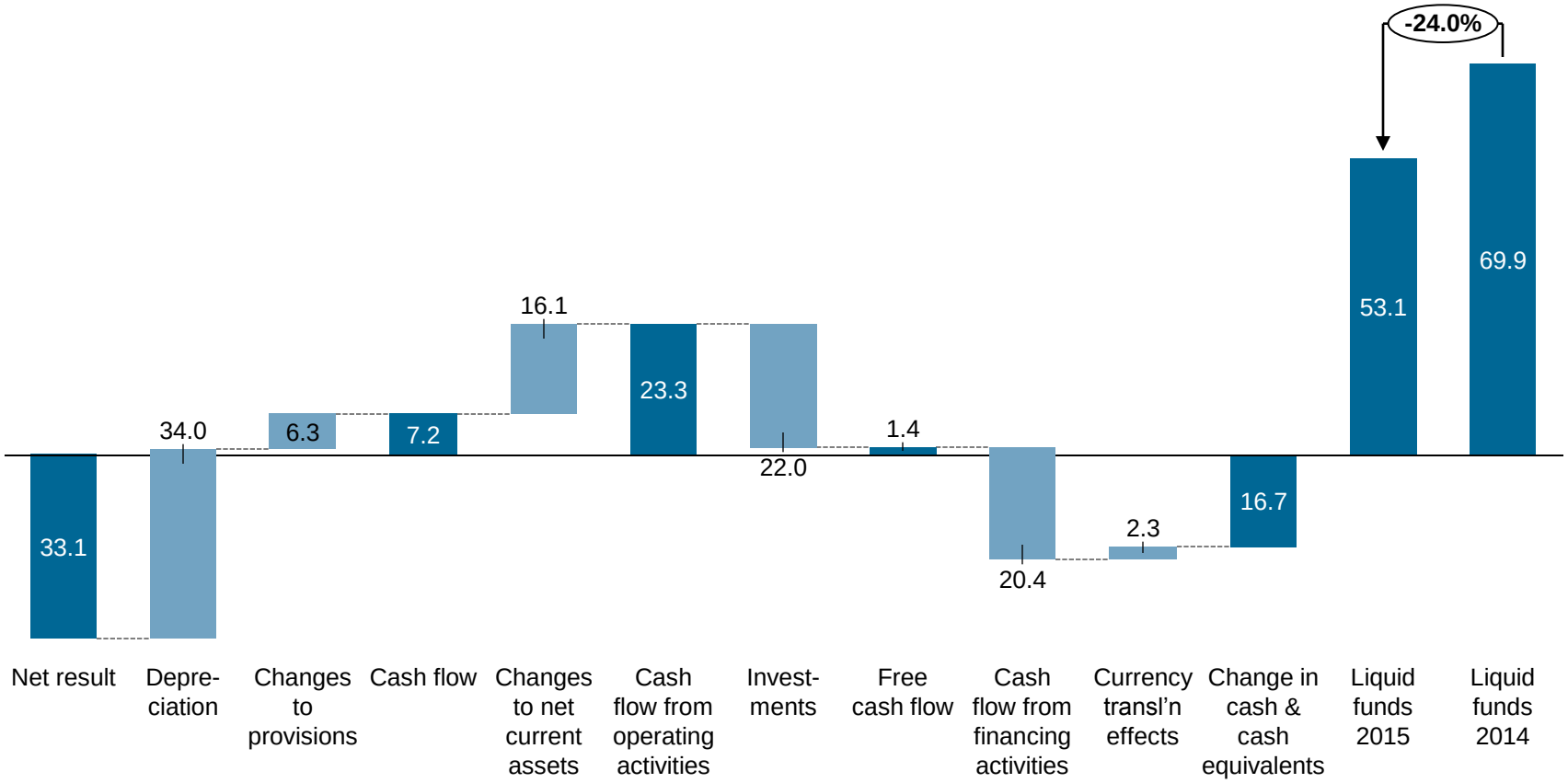
Changes to net current assets



Changes to net financial liabilities



Cash flow / investments of the CPH Group



Appropriation of available earnings / dividend proposal for CPH Chemie + Papier Holding AG

in CHF thousand	2015
Earnings available for distribution by the General Meeting	-31 268
Release from capital contribution reserve	3 600
Dividend to shareholders (CHF 0.60 per share)	-3 600
Release from voluntary retained earnings	-31 268
Balance to be carried forward	**0**

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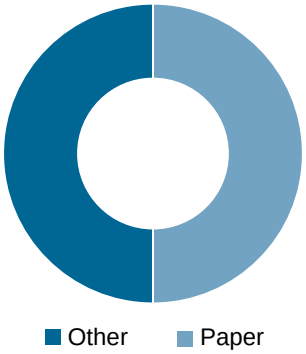
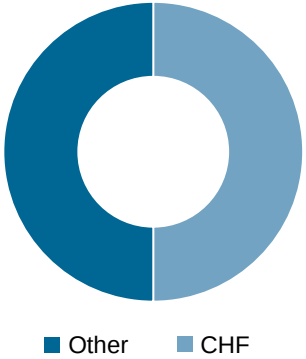
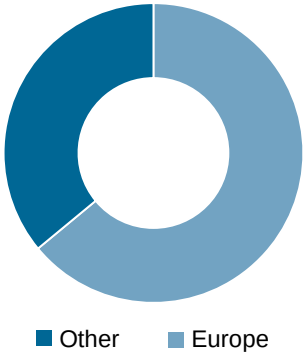
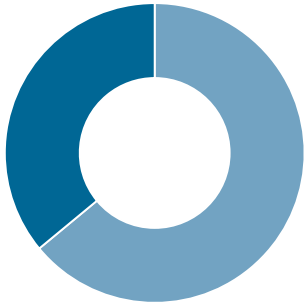
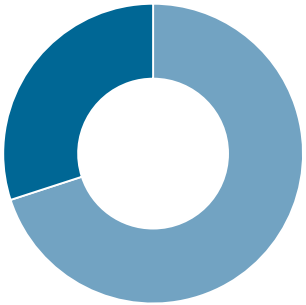
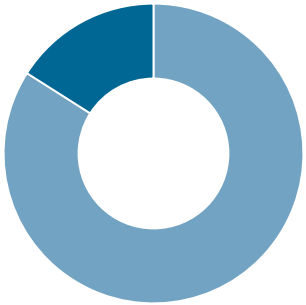
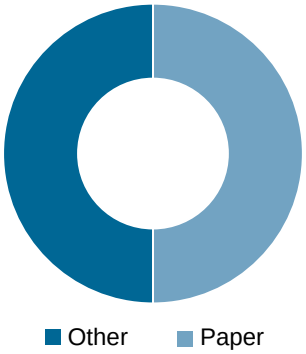
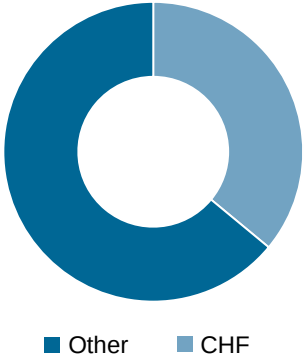
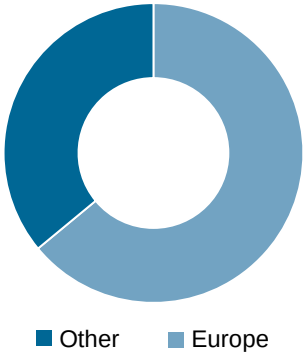
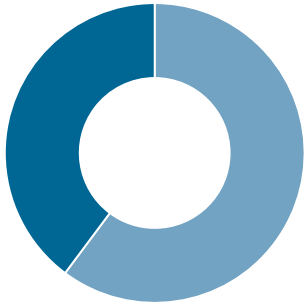
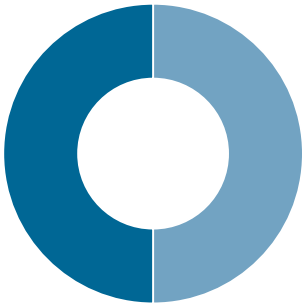
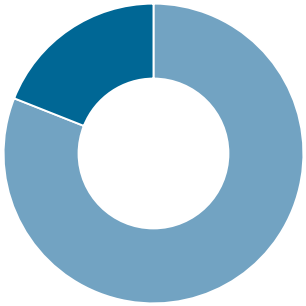
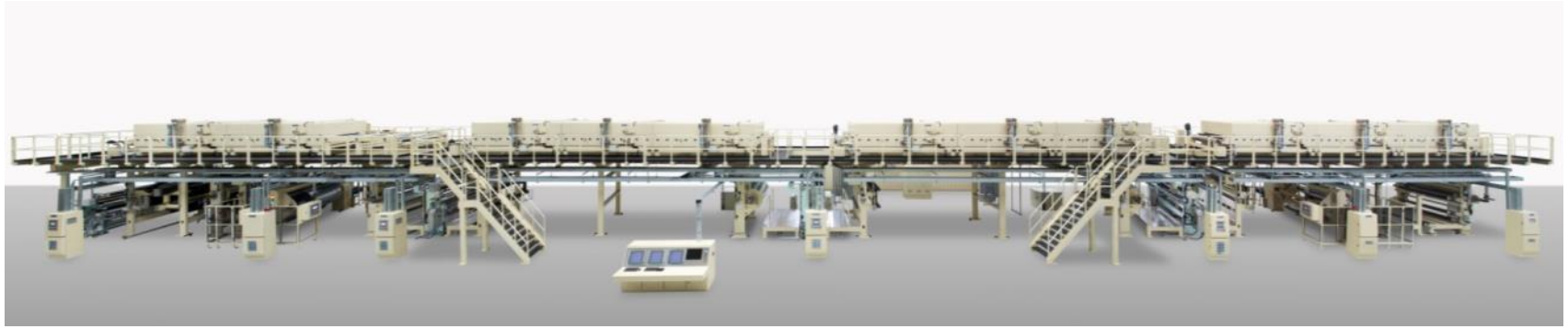
Strategic objectives

Strategy	Expand non-paper business	Develop new capacities outside Switzerland	Expand in growth markets outside Europe
Goal			
2014	 **CPH net sales** 64% paper	 **CPH costs** 70% in CHF	 **CPH net sales** 84% in Europe

Strategic objectives

Strategy	Expand non-paper business	Develop new capacities outside Switzerland	Expand in growth markets outside Europe
Goal			
2015	 **CPH net sales** 59% paper	 **CPH costs** 50% in CHF	 **CPH net sales** 81% in Europe

Packaging: new PVdC coatings plant in China



Perlen Packaging, Wujiang

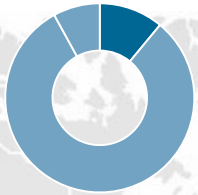
- Construction of new PVdC coatings plant proceeding on schedule
- Located near Shanghai
- Production planned to commence in the second quarter of 2016
- Should have a workforce of 50 personnel by the end of 2016

Chemistry: China-based ALSIO acquired

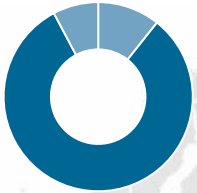
Jiangsu ALSIO Technology, Lianyungang

- Established in 2008; leading Asian producer of molecular sieves
- Wide range of standard to specialist products
- Located 550 km north of Shanghai
- 120 personnel

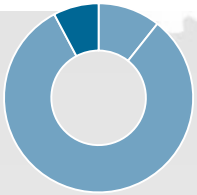
Sold mainly in Europe, produced largely in Switzerland



Americas
Net sales: 11%



Europe
Net sales: 81%



Asia & RoW
Net sales: 8%

	Americas	Europe	Asia & RoW
● **Paper**		Perlen	
○ **Packaging**	Whippany	Perlen Müllheim	Suzhou
○ **Chemistry**	Louisville	Uetikon	Lianyungang

A return to operating profit is the goal for 2016

Chemistry

- Stable further development of higher-margin products
- Expand product range through new production location
- Enhance competitiveness of volume products
- Higher net sales and improved EBIT expected

Paper

- Demand for newsprint and magazine paper will further decline
- Reduction in overcapacities permitting slight price rises
- Further enhance production facilities
- Higher net sales and breakeven EBIT expected if Swiss franc remains stable

Packaging

- Pharmaceuticals market still growing, especially in Asia
- New operation in China will generate its first sales
- Higher net sales expected
- Productivity enhancements should help offset the costs of bringing the new Chinese plant into operation

CPH Further expand market positions of all three business divisions, increase net sales and return to profit at the operational level

Thank you for your attention!