

M&C

(Translation from the Italian original which remains the definitive version)

PRESS RELEASE

Treofan Group's CEO Walter Bickel appointed director to replace the resigning director Mr Orazio Mascheroni

The Board approves strategic guidelines of the new industrial plan of the Treofan Group

Pillars of the new industrial plan are (i) the monetisation of the American division of the Treofan Group; (ii) re-focusing on the European market of the Treofan Group and reorganization of its European operations

Treofan Group agrees with Deutsche Bank AG and other financial creditors to align terms and conditions of the relevant financing arrangements with the strategic guidelines of the new industrial plan

Extension of the duration of € 25.0 million credit line granted by Banca Popolare di Sondrio - S.C.p.A.

Timing of the € 30.5 million capital increase to be considered on the basis of the new industrial plan

Board of directors to convene shareholders' meeting to resolve upon a new authorization regarding treasury shares

A revision of compensation policy for executive directors and top management commenced

Today the Board of Directors of M&C S.p.A. ("M&C" or the "Company") met under the chair of its new Chairman and CEO Giovanni Canetta Roeder.

Appointment of Mr Bickel as new director of M&C

Mr. Orazio Mascheroni has resigned from office as a director for personal. The Board of Directors - after having expressed its sincere gratitude to Mr Mascheroni for his service to the Company - has co-opted Mr Walter Bickel, Managing Director and CEO of Treofan Holdings GmbH (together with its subsidiaries, the "Treofan Group"). Mr Bickel will be an executive director and will also be the director in charge of the internal control and risk management system. Mr Bickel's presence in the Board of M&C will ensure a more efficient communication between M&C and the Treofan Group (Treofan Group together with M&C, the "M&C Group").

The curriculum vitae of Mr Walter Bickel will be made available on the Company's website www.mecinv.com.

As of today, Mr Bickel does not hold any M&C shares.

The Board of Directors notes that Mr Mascheroni: (i) will not receive any severance indemnity; (ii) will not be granted any monetary and/or non-monetary benefit, following the termination of his office;

(iii) is not a beneficiary of any incentive plan based on financial instruments; (iv) will not be subject to any non-compete agreement; (v) will not receive any further compensation of any nature and/or in any form whatsoever, on the basis of the termination of his office; (vi) holds, directly, no. 1,860,000 M&C shares and, indirectly, through Consulta S.r.l., no. 5,179,395 M&C shares and (vii) was member of the Internal Control Committee and of the Committee of Related Parties Transactions.

The Internal Control Committee and of the Committee of Related Parties Transactions will continue to operate with the current two remaining members, in compliance with the applicable provisions of the Corporate Governance Code approved by the Corporate Governance Committee of Borsa Italiana (Criteria 4.C.1(a)).

New industrial plan and monetization of Treofan Americas – New arrangements with the Financial lenders of the Treofan Group

As communicated to the market on 9 November 2017, the performance of the Treofan Group in the last 9 months has been influenced by changed market conditions. In light of this and also considering the developments in the market environment in the Americas and in Europe, the Chairman of M&C has proposed to the Board of Directors the strategic guidelines of a new industrial plan (the “**Plan**”) for the M&C Group, developed together with the senior management of the Treofan Group, aimed at re-focusing the business consistently with the provisions of the new financial agreements recently executed. . The Board of Directors has approved the new strategic guidelines.

The two main pillars of the Plan are (i) the monetisation of the American business, operated by Trespaphan Mexico Holdings GmbH and its subsidiaries and Treofan America Inc. Delaware, (“**Treofan Americas**”) and (ii) further focusing of the European business to become a player of a more appropriate and efficient size in light of the dynamics of the speciality products, *i.e.* films with an high technological content and developed on the basis of clients’ specifications.

Treofan Americas is the Treofan Group division that serves the North, Central and South American markets; it has grown steadily over the past five years, reaching excellent levels of profitability and a considerable market share in the speciality business in the Americas. Treofan Americas reported an adjusted EBITDA of approximately US Dollars 30 million in 2016 and of approximately US Dollars 24 million for the nine month period ended 30 September 2017 (in line with the result for the same period in 2016). In the light of the favourable market conditions in America and Treofan Americas’s positioning, Treofan Group’s senior management is convinced that the transaction presents an excellent opportunity to create value for the M&C Group .

For the purposes of the monetization of Treofan America, Ernst and Young Corporate Finance (Canada) Inc. has already been appointed as financial advisor to carry out a procedure in line with market practices.

The proceeds of the monetisation will finance (i) the further reorganization of the European operations and (ii) the optimization of the current indebtedness of the Treofan Group and the consequent significant deleverage of the European business.

In parallel with the procedure for the monetization of Treofan America, the top management of the Treofan Group will now work alongside the executive directors of M&C to submit a detailed version of the Plan to the Company’s Board of Directors in the course of first months of 2018.

In the context of the reorganization project, the Treofan Group has already reached agreements with Deutsche Bank AG and other financial lenders in order to align to the strategic guidelines and targets of the Plan the terms and conditions of the financing arrangements announced on 3 July 2017 (providing for a maximum exposure of the Treofan Group equal to Euro 120 million) and of financing agreements in relation with a residual exposure of Treofan of approximately Euro 9.5 million.

Capital increase and Extension of M&C credit line

In light of the above, the Board of Directors will consider the timing of the possible implementation of the capital increase resolved by the extraordinary shareholders’ meeting of the Company held on 31

M&C

January 2017 for an aggregate amount of € 30.5 million and currently set to be implemented by the end of June 2018 in order to assure that the transaction is performed consistently with the financial needs of the Plan once the latter is finalized. As already announced, the capital increase is (and remains) backed by the irrevocable commitment up to the total amount of € 25.0 million of the shareholders PER S.p.A. and Compagnie Financiere La Luxembourgeoise SA.

In this respect, M&C and Banca Popolare di Sondrio S.C.p.A also agreed to extend until 15 July the duration of the credit line up to of € 25 million made available to M&C at the beginning of 2017 in connection with the acquisition by M&C of almost the entire share capital of Treofan Holdings GmbH. This agreement constitutes an important step in defining the financial structure of M&C and the Treofan Group also in consideration of the strategic guidelines of the Plan, which have been approved by the Board of Directors.

Shareholders' meeting to be convened to resolve upon a new authorization regarding M&C treasury shares

The Board of Directors has also approved to carry out all actions required to call the ordinary shareholders' meeting of M&C by the end of February 2018, to submit to the shareholders of the Company a proposal for amending the authorization (dated June 2009) to buy-back and dispose of treasury shares. In this respect, the Board of Directors has authorized the Chairman to define the terms of such proposal, as well as to prepare all relevant supporting documentation. The Board of Directors will then examine the proposal and the supporting documentation in a meeting to be held within mid-January 2018, in the course of which it will be agreed the date for the shareholders' meeting to be convened.

Revision of the compensation policy for executive directors and top management of the M&C Group

The Board of M&C has also considered the need to revise the remuneration policy of executive directors and top management of M&C and the Treofan Group and their incentives in order to align them with the objectives of the Plan. The Board has delegated to the independent director Mrs. Marina Vaciago the task of (i) initiating discussions with the executive directors and the senior management of the Treofan Group and (ii) elaborating a new remuneration and incentive policy with a view of presenting proposals to the Board of Directors, which, in turn, will consider them for submission to the shareholders' meeting for approval.

Milan, 21 December 2017

M&C S.p.A.

Investor Relations

Marco Viberti Tel. +39 02 727371

ir@mecinv.com

www.mecinv.com

Community - Consulenza nella comunicazione

Tel. +39 02 89404231

Auro Palomba - Marco Rubino - Mob. +39 335 6509552