



ARCTIC PAPER

PRESS RELEASE

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ARCTIC PAPER S.A. TO EXPAND CAPACITY AT ITS PAPER MILL IN KOSTRZYN

The Management Board and Supervisory Board of Arctic Paper S.A. have adopted a decision to launch an investment project at Arctic Paper Kostrzyn with the aim of expanding the capacity at the mill. The investment, estimated at EUR 10m, will be financed with funds from tranche B of the investment loan from the EBRD. Completion of the project is planned for the first half of 2019.

After the investment, the Arctic Paper Kostrzyn mill will increase its annual production capacity to 315,000 tonnes of fine paper, compared with 285,000 tonnes today, an increase of over 10%.

Apart from expanding its capacity, the planned investment will increase the resource and operating efficiency of the Kostrzyn mill. It will increase the competitiveness of the Group's products and influence the Group's future operational results.

Per Skoglund, CEO of Arctic Paper S.A., said, "We have a strong belief in the future and see business opportunities in profitable segments of the fine paper market. With the investment planned at Arctic Paper Kostrzyn we are further strengthening the capacity and operating efficiency at our biggest paper mill, to serve our customers even better."

Arctic Paper Kostrzyn manufactures high quality uncoated, wood-free paper under the Amber brand. The mill is the largest manufacturer of offset paper in Poland, and the second largest manufacturer of graphic paper.

Further information for the media provided by:

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ARCTIC PAPER S.A. is one of the leading manufacturers of high-quality graphical fine paper in Europe. The company produces coated and uncoated wood-free paper for demanding clients such as printers, book publishers, newspaper publishers, advertising agencies, paper distributors and packaging producers. The product portfolio includes well-known brands such as Amber, Arctic, G-Print and Munken.

The products are produced at Arctic Paper S.A.'s three paper mills:

- Arctic Paper Munkedals, Sweden
- Arctic Paper Grycksbo, Sweden
- Arctic Paper Kostrzyn, Poland

The total production capacity of the company is over 700,000 tonnes of paper per year.

Arctic Paper Kostrzyn has a production capacity of 285,000 tonnes per year and produces uncoated wood-free paper for the printing of brochures, forms, books and envelopes.

Arctic Paper Grycksbo has a production capacity of 260,000 tonnes per year and produces coated paper used for magazines, direct mail, books, posters and maps.

Arctic Paper Munkedals has a production capacity of 160,000 tonnes per year and produces mainly uncoated wood-free paper for book, design and advertising purposes.

Arctic Paper S.A. is the main shareholder, owning 51% of Rottneros AB (two pulp-producing mills) with a total production capacity of approximately 400,000 tonnes pulp per year. The pulp mill in Vallvik, Sweden, which has a production capacity of 240,000 tonnes per year, produces two types of long-fibre sulphate-pulp. The pulp mill in Rottneros, which has a production capacity of 160,000 tonnes per year, mainly produces two kinds of mechanical pulp: ground-wood pulp and CTMP.

An important and unique part of Arctic Paper is the sales offices, which market and manage the delivery of the company's products. Arctic Paper S.A. currently has 14 sales offices throughout Europe, which provide access to all European markets.

The company has about 1,250 employees, excluding Rottneros AB, and its' headquarters are in Poland.

The largest shareholder of Arctic Paper S.A. is the Swedish company Nemus Holding AB. Arctic Paper S.A. has been listed on the Warsaw Stock Exchange since October 2009, and additionally since December 2012 on the NASDAQ in Stockholm.

More information to be found at www.arcticpaper.com

