

PRESS RELEASE

Poznań, 16th November 2015

Cease of production at Arctic Paper Mochenwangen to be effective in December 2015.

The implementation of measures to eliminate further losses at Arctic Paper Mochenwangen, announced in July this year as part of Profit Improvement Program 2015/2016, has now reached a milestone. The negotiations with the Works Council of Arctic Paper Mochenwangen have been finalised on Sunday the 15th of November. The cease of production is to be finalised during December 2015. All confirmed orders are to be produced and delivered as agreed.

At the same time the sale process, including on-going negotiations with potential buyers, of Arctic Paper Mochenwangen is still on going and will continue during 2016.

The costs related to the cease of production in the Arctic Paper Mochenwangen mill are estimated to the amount of 9,3 MEUR (approximately 39 MPLN). A provision will be created for these costs in Q4 and will be reported as discontinued operations.

The actions taken will enable Arctic Paper Group to concentrate its efforts on the three remaining paper mills; Arctic Paper Kostrzyn, Arctic Paper Grycksbo and Arctic Paper Munkedals. The decision will lead to the full attention to profitable products and the implementation of the Profit Improvement Program 2015/16.

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 and uncoated wood-containing paper for demanding clients such as printers, publishers, newspaper publishers, advertising agencies, paper distributors and packaging producers. The product portfolio includes well-known brands such as Amber, AP-Tec, Arctic, G-Print, Munken, L-Print and Pamo.

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

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

The total production capacity of the company is approximately 800,000 tonnes of paper per year.

Arctic Paper Kostrzyn has a production capacity of 275,000 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 printing magazines, direct mail, books, posters, maps and packaging purposes.

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

Arctic Paper Mochenwangen has a production capacity of 95,000 tonnes of paper and 55,000 tonnes of ground-wood pulp per year. The mill produces mainly uncoated mechanical paper used for book production and also speciality papers, such as flooring and wallpaper.

Arctic Paper S.A. is the principal owner of Rottneros AB (two pulp-producing mills), with a total production capacity of approximately 400,000 tonnes of pulp per year. The pulp mill in Vallvik, 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 170,000 tonnes per year, mainly produces two kinds of mechanical pulp: ground-wood pulp and CTMP.

An important and unique part of Arctic Paper are the sales offices and distribution centres, 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 1450 employees, excluding Rottneros AB, and its headquarters are in Poland.

The largest shareholder in 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 OMX in Stockholm.

More information to be found at www.arcticpaper.com

