



Poznań, 5 November 2012.

Arctic Paper S.A., Poznań, Management Board Opinion
prepared for the General Assembly
supporting the exclusion of acquisition of series F shares
and series B subscription warrants, and the suggested offering price

Acting pursuant to the Commercial Companies Code (hereinafter “**KSH**”), article 433 §2, the Management Board of Arctic Paper S.A. (hereinafter: „**Company**”) herewith presents its opinion supporting the exclusion of shareholder’s right to acquire series F shares and series B subscription warrants, together with its justification of the suggested offering price of series F shares.

The agenda of the Extraordinary General Assembly convened for 3 December 2012 includes a resolution on the conditional increase of the Company’s equity capital through issue of series F shares, issue of subscription certificates, approval for the execution of transaction and amendment of the Company articles.

I. Exclusion of the right to acquire series B subscription warrants and series F shares

The primary objective of the conditional increase of the Company’s equity capital by means of issue of the series F shares and series B subscription warrants is to enable acquisition of Rottneros AB, Sunne, Sweden (hereinafter: „**Rottneros**”) by means of call to its current shareholders for sale of Rotternos stock or its swap for Company’s shares. The call will be effected as follows: (i) shareholders holding up to 2.000 Rottneros shares will be offered to swap their shares in Rotternos for Company’s stock or to sell their Rottneros shares, (ii) shareholders holding more than 2.000 Rottneros shares will be offered to swap their shares in Rotternos for Company’s stock, (iii) the selling price offered in the call to shareholders holding up to 2.000 Rottneros shares will be SEK 2,30 SEK (Swedish crowns) par share, (iv) the conversion rate will be 0,1872 share of the Company for 1 (say: one) Rottneros share.

In order to enable Rottneros shareholders who choose to respond to the call to receive fully liquid Company shares, the Company has applied for floatation of its stock at the Stockholm stock exchange managed by NASDAQ OMX Stockholm ABB („**OMX**”). The Company intends to allot its existing shares to Rottneros shareholders. To this end, it plans to conclude a loan agreement with its major shareholder, Swedish company Trebruk AB (hereinafter „**Trebruk**”), the subject of which will be current stock of the Company representing jointly



ARCTIC PAPER

approximately 30% of all its votes. The shares will be transferred from the account of Trebruk to accounts of Rottneros shareholders who elect to respond to the call. The transfer will be via a bank account, following expiration of the call closing date and satisfaction of all conditions of the offer (or their waiver by the Company), actually on the day of settlement.

Consequently, Rottneros shareholders will become shareholders of the Company holding fully liquid Company shares quoted on the OMX and GPW stock exchanges, while the Company will acquire shares in Rottneros.

In order to enable the Company to meet its obligation to Trebruk consisting in the issue of a number of Company shares equal to the number which may be assigned to Rottneros shareholders, it will issue subscription warrants which will not be available to Company shareholders and solely offered to Trebruk (private offer). The number of such warrants will be the same as the number of shares issued to Rottneros shareholders in execution of the swap between Company and Rottneros stock.

Series F shares under the warrants given to Trebuk will be issued and on the same day when Rottneros shareholders are given the shares borrowed from Trebruk by the Company and when the Company acquires the Rottneros stock. Company will not issue series F subscription warrants to any entity other than the lender of shares intended for allocation to Rottneros shareholders. Furthermore, the number of series B subscription warrants will not be greater than the number of Company shares allocated to Rottneros shareholders in execution of the call for sale or swap. Therefore, the issue of series B subscription warrants and series F shares will not affect the number of Company shares owned by the holders of series B subscription warrants and series F shares when the exiting shareholders' right to acquire the same is excluded. The total number of Company shares will be increased by a number equal to the number of shares allocated to Rottneros shareholders in exchange for acquisition of Rottneros stock by the Company.

Therefore, the sole purpose of the issue of series F shares and series B subscription warrants enabling their holders to acquire series F shares with the exclusion of current shareholders, is to enable execution of the call for Rottneros stock and to acquire its control by Company. The transaction will limit the Company's exposure to price variations of pulp, and help take advantage of cost and sales synergies, as outlined in separate presentation of the Board to the General Assembly. Additionally, following successful acquisition of Rottneros stock, the number of shares in open trade will increase significantly. The floatation of Company stock on the OMX exchange will result in a major broadening of the investors base, granting the Company access to a larger number of investors and a significantly bigger capital market as a result of its stock being quoted at two stock exchanges – GPW and OMX – at the same time. Therefore, the right of current shareholders to acquire series B subscription warrants and series F stock will be in the best interest of the Company and will not confer any additional rights in the Company or benefits to holders of the series B subscription warrants and series F stock, to detriment other shareholders.



ARCTIC PAPER

The series F stock will be floated on the GPW and OMX exchanges within 12 months, as required by GPW Regulations.

II. Offering price of series B subscription warrants and series F stock

Following the assignment to Rottneros shareholders of its stock borrowed from Trebruk, the Company will be unable to return the same. Therefore, this obligation will be converted to payment the amount of which will be established on the basis of valuation of Rottneros stock, i.e. the product of SEK 2,30 times 0,1872 - which is the rate of exchange between the Company and Rottneros shares. The issuing price of series F stock will be equal to this amount. Shares will be issued against cash payment to the company effected by contractual deduction of financial obligation outstanding to the warrant holder (i.e. Trebruk) resulting from the inability of the Company to satisfy its principal obligation under the loan of shares allocated to Rottneros shareholders against obligation of the warrant holder to pay the issuing price of series F stock outstanding to the Company. Therefore, one subscription warrant will enable its holder to acquire one share of the F series at the issuing price being the Polish zlotys equivalent of SEK 12,28632479 converted at the selling rate applied by the National Bank of Poland on the date of acquisition of the series F stock. The subscription warrants, serving solely as the basis for acquisition of series F stock by Trebruk will be issued free of charge.

The offering price stipulated above fully reflects the economic value of the contemplated transaction in the result of which the Company would acquire Rottneros stock against payment with (1) its own shares or (2) cash at SEK 2,30 per Rottneros share.

III. Position of the Company Board

In view of the above, the Company Management Board recommends that shareholders vote in favor of the resolution on conditional increase of the Company's equity capital and exclusion of current shareholders' right to acquire series B subscription warrants and series F shares.