



ARCTIC PAPER

PRESS RELEASE

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Refinancing process of Arctic Paper S.A. finalized

The Arctic Paper Group has successfully completed the process of changing its financing structure for the paper business.

The company has signed a term and revolving credit facilities agreement for PLN 31.3m and EUR 52.4m with a consortium of banks including Bank BGŻ BNP Paribas, Bank Zachodni WBK (part of Santander Group), and the European Bank for Reconstruction and Development (EBRD).

Meanwhile, the company has signed an agreement with Haitong Bank S.A. connected with a planned programme for issuance of bonds for up to PLN 150m.

The new financing structure, combining bank credit and a bond issue, is designed to increase the financial stability of the Group while ensuring a greater degree of flexibility in financing sources.

Centralized financing will enable more efficient cash management and flexible adjustment of the level of financing of individual companies. The Group will achieve significantly increased competitiveness and will be able to improve its energy and resource efficiency. Additionally, Arctic Paper will be able to continue to invest even more in new products at all its mills. As part of the refinancing plan, the Group's mill in Kostrzyn will be upgraded under the EBRD's Green Economy Transition approach to improve energy and waste efficiency. A future capacity increase at Arctic Paper Kostrzyn is also considered.

Małgorzata Majewska, CFO of Arctic Paper S.A., commented: *"After a thorough evaluation we have now found a solid foundation of financing. This will improve our market position and give us the possibility to respond swiftly to market changes. This refinancing, combined with the effects achieved under the Profit Improvement Program 2015/2016, will help us to exploit our competitive advantages even more."*

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, 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, which has a production capacity of 240,000 tonnes per year, produces two types of long-fibre sulphate-pulp. The pulp mill in Rottneros that 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 markets and manages the delivery of the company's products. Arctic Paper S.A. currently has 14 sales offices throughout Europe, which provides access to all European markets.

The company has about 1 250 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. is 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

