



Corrected version regarding 2016 years figures

**ARCTIC PAPER GROUP AFTER 3RD QUARTER OF 2017:
RESULTS INFLUENCED BY FURTHER INCREASE IN PULP PRICES**

In the 3rd quarter of 2017 the Arctic Paper Group generated sales revenue of nearly PLN 735.9m. EBITDA was PLN 70.8m and operating profit PLN 38.5m. The Group's net profit on continuing operations in Q3 2017 was PLN 25.6m.

The weaker results of Arctic Paper in the 3rd quarter were due primarily to the effect of a further increase in pulp prices which has not been fully offset yet by higher paper prices. The result was also affected by the planned stoppage at the Arctic Paper Kostrzyn plant for 12 days in July of this year, connected with an investment to increase the production efficiency at that plant.

Per Skoglund, CEO of Arctic Paper, commented: *"The decline in profit is mainly due to continued high pulp prices, which we will not be able to fully compensate for by price increases during 2017. On top of that, a planned investment stoppage in Arctic Paper Kostrzyn affected sales and profit during the period. The investment in increased production efficiency will have a future positive impact and strengthen our ability to serve our customers in a competitive way."*

Through the first three quarters of 2017, the Arctic Paper Group generated sales revenue of over PLN 2.2bn. EBITDA was PLN 210.8m and operating profit nearly PLN 115.7m. The Group's net profit on continuing operations in the first three quarters of 2017 rose 9.2%, to PLN 75.5m.

Per Skoglund added: *"During the period we initiated a strategy review in order to clarify which products and markets we will focus on to achieve sustainably higher profitability. Work began during Q3 and we expect to launch and present the new strategy in first half of 2018."*

Results in the paper segment (excluding Rottneros)

In Q3 2017, the Arctic Paper Group generated sales revenue in the paper segment of PLN 542.3m, EBITDA of PLN 38.9m and operating profit of PLN 18.7m. The Group's net profit on continuing operations in Q3 2017 was PLN 12.9m, and net profit over PLN 11.1m.

The average use of production capacity was 98.0%, up 2.7 pp year-on-year.

The Group's sales revenue in the paper segment through the first three quarters of this year was nearly PLN 1.6bn. EBITDA was PLN 104.7m and operating profit PLN 44.4m. The Group's net profit on continuing operations through the first three quarters of 2017 was PLN 38.9m.

Results in the pulp segment (Rottneros)

The Group's results in the pulp segment in the 3rd quarter of 2017 were still solid, and profit and margins remained at a good level. Changes in prices of the pulp produced by Rottneros (NBSK) were advantageous for the company. Meanwhile, investments carried out in the Agenda 500 program allow for high production volumes.

Selected financial results of the Arctic Paper Group (including results of Rottneros) in Q3 2017

(PLN '000)	3Q 2017	3Q 2016	Change (%)	1-3Q 2017	1-3Q 2016	Change (%)
Sales revenue	735,866	759,981	-3.2%	2,212,855	2,259,806	-2.1%
EBITDA	70,780	76,856	-7.9%	210,838	211,219	-0.2%
EBIT	38,515	48,035	-19.8%	115,662	123,116	-6.1%
Net profit*	25,634	32,517	-21.2%	75,534	69,189	+9.2%
Net profit	23,786	31,644	-24.8%	69,682	61,976	+12.4%

Selected financial results of the Arctic Paper Group (excluding results of Rottneros) in Q3 2017

(PLN '000)	3Q 2017	3Q 2016	Change (%)	1-3Q 2017	1-3Q 2016	Change (%)
Sales revenue	542,344	569,288	-4.7%	1,630,568	1,698,689	-4.0%
EBITDA	38,879	49,092	-20.8%	104,683	109,273	-4.2%
EBIT	18,682	29,375	-36.4%	44,360	49,505	-10.4%
Net profit*	12,927	17,894	-27.8%	38,920	31,133	+25.0%
Net profit	11,078	17,021	-34.9%	33,068	23,920	+38.2%

*From continued operations only. As the Management Board announced in Current Report No. 10/2015 of 28 July 2015, in particular as a result of the active search for a buyer for Arctic Paper Mochenwangen, its results have been excluded from the consolidated income statement and, in compliance with IFRS, are reported separately as discontinued operations.

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

