

Kostrzyn, Poland, 8 December 2009

## Arctic Paper Acquires Grycksbo paper mill in Sweden

Arctic Paper S.A., listed on the Warsaw Stock Exchange, has signed a purchase agreement<sup>1</sup> for the acquisition of the paper mill Grycksbo Paper in Sweden from the investment fund Accent Equity 2003.

Arctic Paper acquires 100 percent of the shares of Grycksbo Paper Holding AB, sole owner of the paper mill Grycksbo Paper. The total consideration, comprising cash payment and issue of shares to Accent Equity, is between SEK 590 – 640 million.

Transfer of Grycksbo shares to Arctic Paper S.A. will take place on March 1, 2010. With the purchase, Arctic Paper increases its production capacity to more than 800,000 tonnes per year.

Grycksbo is a fine paper mill in the Dalecarlia region of Sweden. It has an annual production capacity of 260,000 tonnes of coated fine paper and is characterized by high efficiency in terms of both production and energy consumption. Since early 2009 Grycksbo has been producing part of the Arctic branded product range on behalf of Arctic Paper. This already occupies one fourth of Grycksbo's capacity.

"Our strategy is growth, both organically and by acquisitions", says Michał Jarczyński, CEO and President of the Management Board of Arctic Paper S.A. "It is also our strategy to hold strong positions in both the coated and uncoated European fine paper market and we have been interested in acquiring Grycksbo for a long time."

"Arctic Paper is financially strong. In October this year, we had a successful listing on the Warsaw Stock Exchange. Our industry sector has had some difficult years recently and profitability has generally been weak. However, Arctic Paper is highly profitable and our sales are growing. After the third quarter this year we announced a very strong financial result", says Michał Jarczyński.

"With this acquisition, we will expand our product range and further broaden our array of strong brands. Arctic Paper will even further strengthen its position as one of Europe's leading producers of fine paper and bulky book paper. We will continue to invest in Grycksbo's highly acclaimed G-Print brand, just as we will in all our other well-known brands, such as Munken, Amber, Pamo, L-Print and the coated paper brand of Arctic", says Hans Karlander, Marketing and Sales Director and Member of the Management Board of Arctic Paper S.A.

“When Accent acquired Grycksbo Paper in 2006 the idea was to be active in the restructuring of the fine paper industry. Now Accent has done its part. Grycksbo Paper was too small as a stand alone company going forward. Therefore Grycksbo Paper fits very well into the Arctic Paper family. In addition, Grycksbo will have better access to the capital market, being part of a publicly listed company. This deal brings Grycksbo and its employees the best possible structure to meet the future”, says Jan Ohlsson, CEO of Accent Equity Partners AB, advisor to Accent Equity 2003.

<sup>1</sup> Report to the Warsaw Stock Exchange, <http://www.arcticpaper.com/en/Investor-relations/Public-offer-schedule1/>

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*Arctic Paper S.A. is the second-largest European producer of bulky book paper in terms of production volume, and one of Europe’s leading producers of fine graphic paper. The Group produces many types of uncoated wood-free paper and uncoated wood-containing paper for printers and end users from the book and magazine publishing and advertising sectors.*

*The Group has three paper mills, in Kostrzyn, Poland; Munkedal, Sweden; and Mochenwangen, Germany. The total production capacity of the three paper mills in the Group is 540,000 metric tonnes of paper per year.*

- *The paper mill in Kostrzyn has a production capacity of 265,000 metric tonnes annually and produces chiefly uncoated wood-free paper for general printing uses, such as printing of books, brochures and forms, for making envelopes and other paper products.*
- *The paper mill in Munkedal has a production capacity of 160,000 metric tonnes per year and produces mainly uncoated wood-free paper chiefly used for printing books and high-quality brochures.*
- *The paper mill in Mochenwangen has a production capacity of about 115,000 metric tonnes per year and produces chiefly uncoated wood-containing paper used primarily for printing books and flyers.*

*Sales offices handling distribution and marketing of the Group’s products are an important part of the Group. Currently the Group has 15 sales companies, providing it access to all European markets and allowing it to obtain 1/5 of the European market for bulky book paper.*

The Arctic Paper Group employs a total of nearly 1,100 people. The headquarters of the international Group are in Kostrzyn, Poland.

[www.arcticpaper.com](http://www.arcticpaper.com)

**Grycksbo Paper** manufactures G-Print, a unique coated wood free paper. Customers include wholesalers, printers, publishers and converters. Approximately 93 per cent of production is exported, mainly within Europe. G-Print is a coated paper with a unique surface that ensures excellent printability and it is well known for its high bulk and superior runnability. Main applications are direct mail, illustrated books, manuals, catalogues, maps, posters, magazines and packaging. G-Print is sold in sheets and reels, in grammages from 80 to 250 g/m<sup>2</sup>. Production capacity is approximately 260,000 tonnes per year. The company's sales are SEK 1.7 billion, and it employs some 470 people. [www.grycksbopaper.com](http://www.grycksbopaper.com)

**Accent Equity** is a group of private equity funds focusing on investments in lower mid-market buyout and later-stage expansion capital transactions in the Nordic region. Since the mid-nineties, the Accent team has advised six funds and carried out 55 buyouts and 40 exits. Accent Equity Partners is an advisor to funds with a committed capital of about SEK 10 billion. Accent invests in well-established Nordic companies with a clear potential for value creation via strong growth, operational improvements and strategic development. [www.accentequity.se](http://www.accentequity.se)

