

GÖTEBORG, Sweden--( [BUSINESS WIRE](#) )--Regulatory News:

The Management Board of Arctic Paper SA (STO:ARP) hereby submits the Arctic Paper SA Capital Group half-year report for the 6 month period ended in the 30th June 2013.

Commentary of the President of the Management Board Wolfgang Lubbert to the results for the first half of 2013

In the second quarter of 2013, the demand for papers produced by the Company stayed at a low level and decreased by app. 5% compared to 2012. In the first half of 2013, Arctic Paper lost just 1.6% of sales volume. Compared with a decline of graphic markets in Europe, in the first 6 months of 2013, by app. 7.6%, Arctic Paper gained market shares all over Europe. However, the challenging demand situation has been reflected in lower prices. Arctic Paper results in Swedish mills were adversely influenced by a strong SEK and, as a consequence, by unfavorable exchange rates.

The combination of the following factors: reduced tonnages, slightly decreased prices and disadvantageous exchange rates resulted in significant lower revenues from sales of paper. The revenues decreased in the first 6 months of 2013 by 6.2%, and the revenue per ton decreased by 4.7%.

Due to the extraordinary tough market situation in Europe, that is in the market in which Arctic Paper conducts its main sales, and the unfavorable development of fine paper and the graphic industry in general, the operating profit before depreciation and amortization (EBITDA) in the second quarter of 2013 was PLN 3,300 thousand compared to PLN 32,300 thousand in the first quarter of 2013. The operating profit in the second quarter of 2012 was PLN 38,000 thousand.

The Management Board will continue to develop the strategy in order to meet the long term market trend. The main change will happen in the area of commodity products. Arctic Paper will strengthen its position in mature and declining markets, especially in Europe. We

will strengthen the customer orientation and continue our specific brand strategy with the support of flexible mills and strong sales force. The principal direction to concentrate on European markets and to serve the global markets with specialties is correct. Also the strategy to increase sales in non-graphic segments like flooring and packaging industries is correct and will be not changed. However, both segments will be intensified, even though Arctic Paper was hit much less than the average company in graphic paper industry by the heavily reduced demand for graphic fine papers in Europe and globally.

Arctic Paper will continue evaluating its strategy and structure. The Group will increase the efforts, which have been undertaken to rationalize the costs and optimize the product offer. The ongoing investment undertakings are supposed to assist in improving profitability, quality and flexibility.

## Revenue

In the second quarter of 2013 consolidated sales revenue amounted to PLN 763,668 thousand compared to PLN 640,287 thousand in the same period of the previous year. This represents an increase by PLN 123,381 thousand and accordingly by 19.3%.

In the six months of 2013 sales revenues amounted to PLN 1,586,007 thousand compared to PLN 1,328,842 achieved in the analogous period of the previous year. This means an increase of PLN 257,165 thousand and respectively 19.4%.

Because of the acquisition of Rottneros Group in December 2012, revenue and costs of this Group, starting from 1st January 2013, are recognized in the consolidated income statement of Arctic Paper Group. Revenue of Arctic Paper Group on sales of products, less of Rottneros Group revenue, amounted in the first half of 2013 to PLN 1,262,766 thousand and were lower than revenue in the first half of 2012 by PLN 66,076 thousand. The revenue from sales of products of Arctic Paper Group, less of Rottneros Group revenue, amounted in the second quarter of 2013 to PLN 597,865 thousand and was lower by PLN 42,422 thousand compared to the corresponding period of 2012. This was due to decrease of paper sold as well as lower unit price expressed in PLN.

Sales volume in the second quarter of 2013 amounted to 183 thousand tons compared

to 191 thousand tons in the same period of the previous year. The change represents a decrease of 8 thousand tons and respectively 4.2%.

Sales volume in the first half of 2013 amounted to 388 thousand tons compared to 394 thousand tons in the same period of the previous year. The change represents a decrease of 6 thousand tons and respectively 1.5%.

For full report, please see: <http://mb.cision.com/Main/5162/9459004/154718.pdf>

This information is disclosed pursuant to the §82 section 2 and §83 section 3 of the Minister of Finance Regulation of 19 February 2009 on current and periodic information provided by the securities issuers and conditions on which information required under law applicable in a state not being a member state may be recognised as equivalent, and was submitted for publication on 30 August 2013 at 7:55 pm CET, in reference to Arctic Paper's half-year report 2013 filed with the Warsaw Stock Exchange.

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