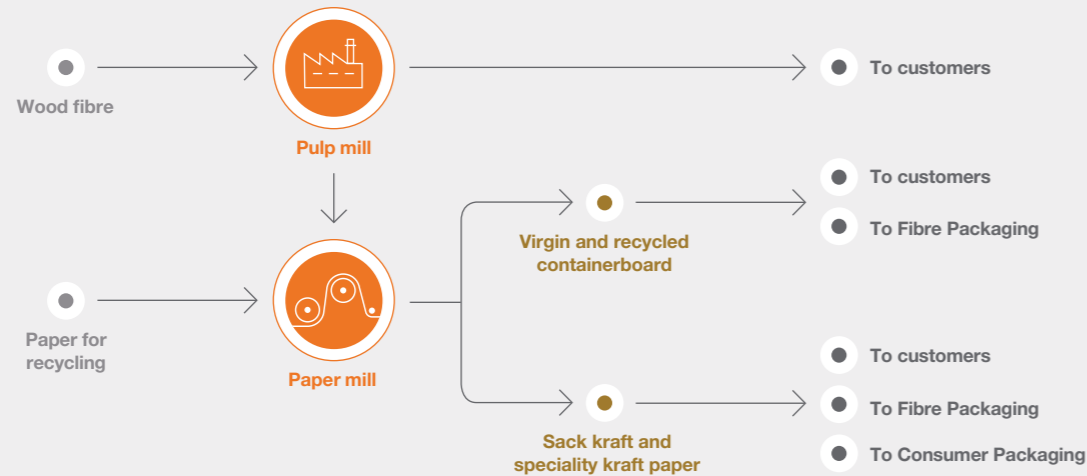


Business reviews

Packaging Paper

Our Packaging Paper business manufactures and sells a wide range of virgin and recycled containerboard, and sack and speciality kraft paper. These products are converted by our Fibre and Consumer Packaging businesses, and are also used by external customers.



We are a leading packaging paper producer in Europe with a well-invested, low-cost asset base.

Our virgin and recycled containerboard is used to make corrugated packaging, primarily designed to protect our customers' products along the value chain and display them in-store.

Sack kraft paper, which we offer in brown, white and polyethylene-coated grades, is the main component of valve and open mouth industrial bags. Our speciality kraft paper is used to make everything from industrial packaging, to retail shopping bags, and attractive food packaging for supermarket shelves. It is also used by our Consumer Packaging business for release liner.

Our broad product range is designed to meet specific customer needs including printability, strength and moisture resistance; the use of raw materials from sustainable sources; and products that are biodegradable and contain recycled content.

Delivering on our strategy

Strategic value drivers	2016 highlights	2017 objectives
Driving performance to optimise quality, productivity and efficiency	→ Good progress in optimising recently completed investments	→ Increase productivity and reliability of mills through focus on maintenance and asset management processes
Investing in our high-quality, low-cost assets to keep us competitive	→ Świecie mill (Poland) expansion to provide additional 100,000 tonnes of softwood pulp and 80,000 tonnes of lightweight kraftliner nearing completion (start-up Q1 2017)	→ Ramp-up of new Świecie capacity → Progress major capital investment projects at Štětí (Czech Republic) and Ružomberok (Slovakia) mills
Partnering with our customers to develop innovative solutions	→ High level of flexibility and stable service with Make2Stock approach	→ Focus on enhancing product quality and supply chain improvements to ensure reliable service for our customers
Growing responsibly and inspiring our people for long-term success	→ Successfully completed all shuts with no recordable safety incidents → Positive progress at Świecie mill in waste water treatment and reduction in waste to landfill	→ Continue to focus on eliminating top risks, energy efficiency and waste reduction → Enhance employee relationships through stronger two-way communication and effective leadership

Operating sites

9 in 9 countries

Employees

5,000

Production capacity

Pulp: 2,435 ktpa¹
 Virgin and recycled containerboard: 2,155 ktpa¹
 Sack & speciality kraft paper: 1,291 ktpa

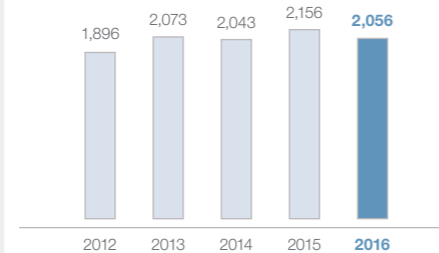
¹ Including Świecie Green II (start up in 2017)

Key industries served

- Automotive
- Building and construction
- Food and beverages
- Paper and packaging converting
- Shipping and transport

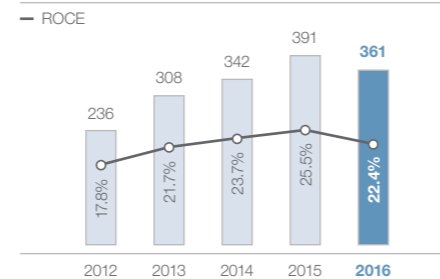
Revenue

€ million
€2,056m



Underlying operating profit

€ million
€361m



Advantage Kraft White Print

This premium sack kraft paper is produced on our cutting-edge paper machine at Štětí. The unique combination of the outstanding printability and branding potential of calandered machine finished grades along with the strength properties of standard sack kraft paper make it perfect for the outer ply of high-end bags for food, animal feed and chemicals.



ProVantage Komiwhite

Thanks to the recent modernisation of our paper machine in Syktyvkar (Russia), this exclusive white-top kraftliner is able to offer unprecedented quality in terms of printability, runnability, and whiteness. It also benefits from the strength of Nordic fibres. Produced from 100% FSC-certified virgin fibre, it is perfect for shelf-ready packaging solutions that seek to catch the eye with a bright appearance and enhanced branding.



Advantage MF SpringPack Plus

This extremely strong, natural brown premium paper is designed for roll-packing and compressing goods. It can withstand the force exerted by 10 to 15 compressed spring mattress units and is recognised as the strongest paper in the world¹. Advantage MF SpringPack Plus provides an efficient, cost-effective and 100% recyclable packaging solution.



¹ Swedish edition of the Guinness World Records Book 2001: 13th edition, page 256