

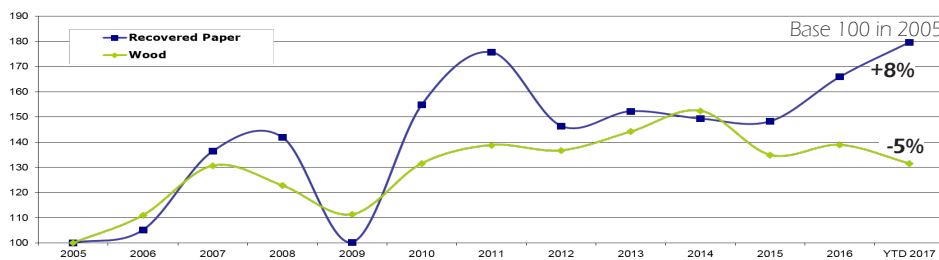


### 2017, pivotal year for the newsprint industry

#### Capacity changes: a continuous adaptation to the market environment

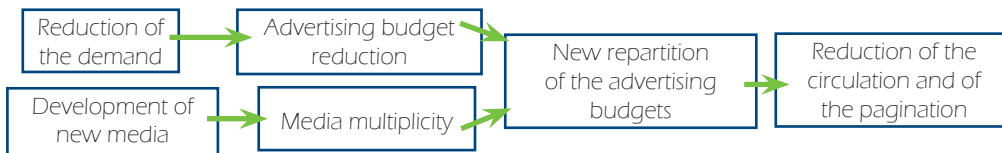
After the conversions of International Papier Madrid (Spain) and Leipa Schwedt (Germany), the closure of the Utzenstorf mill (Switzerland) and all the capacity changes in North America (-965 kT) and in Asia (-765 kT), the European newsprint industry will be drastically modified and the market will be more balanced in 2018.

These capacity changes are obviously a consequence of a decreasing demand, but also of the persistently increasing costs of the raw materials (see figure below).



#### Transformation of the business models and growing segments

Since the beginning of the millenium, we have observed a transformation of the newspaper business model in Europe which can be summarized as follows:



However, for some months, we have noticed that the readers have a growing interest for the newspapers. Internet is indeed becoming a less and less reliable source of information because of the increasing number of fake news.

Furthermore, other segments such as retailers and print management companies use more and more newsprint for their advertisings due to the following documented benefits:

- the paper remains one of the most efficient communication and marketing tools,
- the use of newsprint contributes to reduce the production and communication costs for the retailers,
- newsprint promotes consumer confidence: thanks to the simplicity of newsprint, consumers are more confident in the retailers, considering that the ad costs won't impact the price of the products.

#### Norske Skog Golbey: numerous advantages for the future

Norske Skog Golbey has numerous advantages for its future and its sustainability:



**Newsprint and magazines:** being part of the Group Norske Skog, we can supply a complete and efficient product range



Located **in the heart of the European markets** and close to the main printing facilities



#### Innovation – Performance:

- Modernit assets
- Diversification strategy
- CSR approach
- Strong regional presence

### Some key figures...

**790kT** Reduction of the newsprint production in Europe in 2017

Wood price increase in 12 years **+31%**

**+80%** Recovered paper price increase in 12 years

Newspapers: decrease of the pagination in 2016 **-1%**

**-6%** Newspapers: decrease of the circulation in 2016

Retailers: increase of the newsprint consumption in 2017 **+8%**

### Biogas project

The construction of the biogas plant in Golbey is at an advanced stage. The first trials are under progress. If the results are positive, we will be able to continue the testing phase by inserting the first effluents in the digester from 30 October.

