

22 December 2017

NPAC Holdings Limited
Disposal of the Powerflute semi-chemical fluting business

Nordic Packaging and Container Holdings Limited (“NPAC Holdings”) today announces that its subsidiary Nordic Packaging and Container (Finland) Holdings Oy (“NPAC Finland”) has entered into an agreement with Mondi Group for the sale of 100% of the outstanding shares of Powerflute Group Holdings Oy, the holding company of Powerflute Oy and Harvestia Oy which together comprise the semi-chemical fluting business activities of the group (“Powerflute”).

The total consideration for the acquisition of Powerflute is based on a cash free debt free enterprise value of €365 million. For the year ending 31 December 2017, Powerflute is expected to generate consolidated revenues of €183 million and pro-forma adjusted Earnings Before Interest Tax and Depreciation of €42 million. The transaction remains subject to competition clearance and customary closing conditions and is expected to complete during the first half of 2018.

Powerflute operates an integrated pulp and paper mill in Kuopio, Finland and is a leading producer of semi-chemical fluting, used in the manufacture of high-performance corrugated board for use primarily in the production of boxes suitable for long distance transportation of fruit and vegetables in high or variable humidity conditions.

Powerflute was acquired by the NPAC group of companies in November 2016 through a recommended cash offer made by NPAC Finland to the shareholders of Powerflute Oyj. NPAC Holdings and NPAC Finland are companies controlled by Madison Dearborn Partners, LLC, a leading Chicago-based private equity investment firm focused on leveraged buyout and growth equity investing.

Following completion of the disposal of Powerflute, NPAC Holdings will continue to own the Corenso group of companies. Corenso is a leading international manufacturer of high performance coreboard and cores, with coreboard mills in North America and Europe, a network of core converting facilities in North America, Europe and China, and more than 800 employees worldwide.

Mondi Group is an international packaging and paper group, employing around 25,000 people across more than 30 countries, which in 2016 generated revenues of €6.7 billion.

Barclays Bank PLC, acting through its Investment Bank (“Barclays”), acted as sole financial adviser and Kirkland & Ellis International LLP and Hannes Snellman Attorneys Ltd acted as legal counsel

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Barclays Bank PLC, acting through its Investment Bank, which is authorised by the Prudential Regulation Authority and regulated in the United Kingdom by the Financial Conduct Authority and the Prudential Regulation Authority, is acting exclusively for NPAC Holdings Limited and no one else in connection with the transaction and will not be responsible to anyone other than NPAC Holdings Limited for providing the protections afforded to clients of Barclays nor for providing advice in relation to the transaction or any other matter referred to in this announcement.