

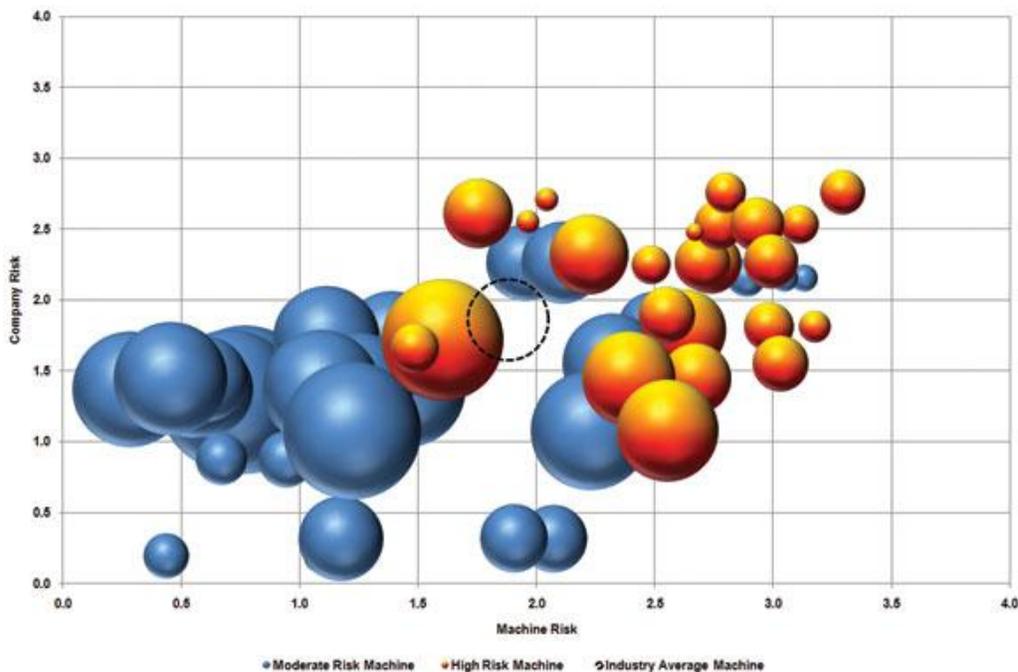
FOR RELEASE

25 uncoated woodfree paper machines at high risk of closure in Europe

By 2015, 1.5 million tonnes of uncoated woodfree capacity is expected to close

BRUSSELS, June 7th, 2011 (Press Release) – The combined pressures of overcapacity and high input costs in the uncoated woodfree paper market have been impacting producer profitability in Europe, making it inevitable that some European paper machines will face closure, according to RISI’s new [European Uncoated Woodfree Papers Risk of Closure Study](#).

Declining Western European demand and the addition of new capacity in Eastern Europe, Asia and Latin America could force the closure of up to 25 machines (1.5 million tonnes of capacity), potentially turning Western Europe into a net importer of uncoated woodfree papers by 2015.



Paper company and machine risk compared to industry average – uncoated woodfree paper capacity

“It's clear that a lot of uncoated woodfree capacity in Europe will shut, and this study takes the step of identifying the actual machines and mills at risk of closure, said Sampo Timonen, Director of European Graphic Papers at RISI, and author of the study. Sampo adds however, that while “high pulp, recovered paper and energy costs threaten the profitability of non-integrated producers, integrated producers and net sellers of pulp or electricity profit from selling the energy they do not require.”

To reach these conclusions, Timonen analyzed 65 paper machines and 29 producers of xerographic, printing and converting papers in Europe. The [*European Uncoated Woodfree Papers Risk of Closure Study*](#) reveals machine risk of closure by company, evaluating which companies may face bankruptcy and which machines might face forced closure, planned closure or potential divestments, and including companies likely to participate in industry consolidation.

More information about the study can be found at www.risi.com/eurisk

About RISI

RISI is the leading information provider for the global forest products industry. The company works with clients in the pulp and paper, wood products, timber, biomass, tissue, nonwovens, printing and publishing industries to help them make better decisions.

Headquartered in Boston, MA, RISI operates additional offices throughout North and South America, Europe and Asia. More information can be found at www.risi.com.

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