
Press release – *Project Hernani*

Iberpapel to invest €180 million in the manufacture of flexible packaging paper

Madrid, 10 May 2017.

The Board of Directors of Iberpapel Gestión, S. A., at a meeting held on 25 April 2017, has agreed to move ahead with the initiative dubbed *Project Hernani* under which its subsidiary, Papelera Guipuzcoana de Zicuñaga, S.A.U., will invest around €180 million.

The so-called *Project Hernani* essentially consists of the installation of a new machine with a Yankee drying cylinder for the manufacture of MG paper for several kinds of flexible packaging. The machine will add an estimated 85,000 tonnes to the Group's annual production capacity. In parallel, the existing pulp plant will be refurbished and updated, incorporating the latest technology and environmental standards - the sector's best available techniques (BATs) - which will increase the facility's nominal production capacity by between 15% and 20%.

The project is expected to take between 24 and 30 months to fully execute.

- Iberpapel is a vertically-integrated paper group. It is committed to quality, service and environmental respect. It is one of the leading players in the printing and writing paper segment in Spain, having invested over €200 million in modernising and enhancing its facilities in the last 20 years.
- The Group employs around 300 professionals across its three divisions: (i) the Forestry Division, comprising 25,788 hectares planted with *eucalyptus globulus* in Uruguay, Argentina and Spain; (ii) the Industrial Division, encompassing a vertically-integrated productive process spanning the manufacture of pulp (over 200,000 tonnes), the generation of electric power (via one 20-MW biomass-fuelled turbine and one 50-MW CHP plant) and the manufacture of paper (250,000 MT); and (iii) the Sales Division, which channels 50% of the Group's sales volumes to the export markets.
- In 2016, Iberpapel generated €201.89 million of revenue and delivered year-on-year net profit growth of 24.79% to €20.1 million.

For further information

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