

Press Release

THE SOFIDEL GROUP CONTINUES TO GROW WITH NEW INVESTMENTS IN THE USA

The Italian tissue paper group Sofidel, one of the world leaders in paper production for sanitary and household use, has strengthened its position in the US by acquiring from Green Bay Converting Inc. company a converting plant with its corresponding business in Green Bay (WI), and a new state of the art converting building in Hattiesburg (MS), launching a new greenfield investment in Ohio, and opening a new head office in Philadelphia

The Sofidel Group, one of the world leaders in paper production for sanitary and household use, has strengthened its position in the USA through three major initiatives.

The Italian multinational, with its subsidiary Sofidel America, has acquired a converting plant in Green Bay with its corresponding business and a new state of the art converting building in Mississippi from the Green Bay Converting Inc. company, has also launched a new greenfield investment in Ohio, and has opened a new head office in Philadelphia (PA).

Green Bay (WI) and Hattiesburg (MS)

Founded in 1999, Green Bay Converting (GBC) is one of the most important independent US converting companies, has over 300 employees and carries out converting activities for the North America market, both in the Away-From-Home and Consumer segments.

The assets covered by the acquisition are:

- a 800,000 SF converting plant in Green Bay (WI) the main region for the production of tissue in the United States, rich in know-how and human resources, where Sofidel already has a presence with its own converting plant – and the connected activities
- a 400,000 SF brand new industrial building in Hattiesburg (MS) which will house a new converting plant

for a total additional annual production capacity amounting to approximately 65,000 tonnes, to which in the next few months several production lines will be added at the Hattiesburg location, and a few production lines at the Green Bay location.

For its part, GBC will continue to run its remaining operations as a contract manufacturer.

Circleville (OH)

By replicating its successful strategy already implemented as part of the company's internationalisation process in Europe, Sofidel has identified Circleville (Pickaway county, in the Columbus area), in Ohio – pending required approvals and favorable due diligence – as an area for launching the first greenfield investment in the new continent, a step which will significantly increase the company's production capacity.

The selected area, in the Midwest, offers important cities located within a few hundred kilometres and is a well-established logistics hub for distribution operators.

Philadelphia (PA)

Additionally, Sofidel has also recently set up a new office in Philadelphia (PA), on the East Coast, one of the most densely populated areas in the country which will serve as the new headquarters of Sofidel America.

Sofidel in the USA

The activities announced combine with the recent opening of a new production plant in Tulsa (OK) producing AFH and consumer Private Label products.

As a whole Sofidel is committed to investing more than \$ 300 million over three years (2015 – 2016 – 2017) in the USA.

“The US market is a key market for our Group, because it is the first in the world in terms of per capita consumption in the tissue sector”, explained Luigi Lazzareschi, CEO of Sofidel Group. “Today, the Sofidel Group has operations in seven states, and with the recent investments we are creating the necessary conditions to further increase our service levels and enhance the added value that we offer our customers.”

The company is therefore committed to its growth and development in the North American market. After its arrival on the continent in 2012 with the acquisition of operations in three states, today, Sofidel is active in 7 states; Nevada (Henderson), Oklahoma (Tulsa), Wisconsin (Green Bay), Mississippi (Hattiesburg), Ohio (Circleville), Florida (Haines City), and Pennsylvania (Philadelphia). This geographical expansion in capacity is in line with the Sofidel strategy focused on providing highest quality products and services while being close to the markets in which it operates, and represents the second step in the development plans of Sofidel America.

Porcari (LU), 5th November 2015

About Sofidel

The Sofidel Group, a privately held company owned by the Stefani and Lazzareschi families, is a world leader in the manufacture of paper for hygienic and domestic use. Founded in 1966, the Group has subsidiaries in 13 countries – Italy, Spain, Sweden, the UK, Belgium, France, Croatia, Germany, Poland, Romania, Greece, Turkey and the USA – with more than 5,200 employees. With a consolidated turnover of 1,771 million Euros (2014), Sofidel is the second ranking group in Europe in terms of production capacity in the tissue sector (1,050,000 tonnes per annum). “Regina”, its most well-known brand, is present in all target markets. Other brands include: Softis, Le Trèfle, Sopalin, Nouvelle, Thirst Pockets, KittenSoft, Nalys, Cosynel, Yummy, Soft & Easy, Volare, Onda, Lycke, Nicky, Papernet, Heavenly Soft. A member of the UN Global Compact and of the international WWF Climate Savers programme, the Sofidel Group considers sustainability a strategic factor with regards to growth and is committed to promoting a sustainable development.

Sofidel America

Sofidel America was established in 2012 through the acquisition of the Cellynne tissue company which was founded in 1988 and operated three sites in the USA – Haines City (FL), an integrated plant where the head office was based, Green Bay (WI) and Henderson (NV). The company is now active in 7 States – the original three already listed, as well as Oklahoma (Tulsa), Ohio (Circleville), Pennsylvania (Philadelphia) and Mississippi (Hattiesburg). Sofidel America is an integrated tissue paper manufacturer that serves both the Away-From-Home and Consumer lines of business.