Arjowiggins becomes the European leader in the premium recycled graphic market

Sequana Capital announces that, having received all the requested clearances, Arjowiggins has completed on August 30th as expected, the acquisition of the entire share capital of the Danish premium recycled paper producer Dalum Papir A/S.

This acquisition, for an amount of 63.5 M€, is associated with a two year potential earn-out program linked to synergies to be achieved under the leadership of Dalum Papir current top management.

Dalum Papir ranks n°1 in Europe within the premium recycled graphic paper segment with a turnover of Euro 93 millions in 2006 and 310 employees. Dalum Papir has sales in 23 countries in Europe, Asia and USA.

Dalum Papir is the leading quality supplier of 100% recycled graphic paper in Europe with the well known, strong brand “Cyclus” produced at its Odense mill (DK) with recovered papers collected by Dalum and transformed to recycled fibres in its nearby Maglemolle unit.

Its highly advanced and internally engineered biofuel power station, and de-inking process, make Dalum the most environment friendly paper producer in Europe.

Through this acquisition, Arjowiggins who already produces 100% recycled “Eural” branded graphic paper at its Le Bourray unit in France will:

- become the European leader in the fast growing premium recycled graphic market (growth forecasted above 10% per annum).
- reinforce its currently weaker positions mainly in Germany and Northern Europe and broaden its global product and services offering.
- reach critical size to further reinforce investments in marketing and R&D and better serve Dalum and Le Bourray customers
- acquire a cutting edge know-how in biofuel engineering and reinforce its de-inking technology while generating significant operational synergies.