

Press Release

Bielefeld, August 24, 2009

Capital increase at Mitsubishi HiTec Paper Bielefeld GmbH

For the 2nd half of 2009 Mitsubishi HiTec Paper Bielefeld GmbH expects to achieve a break-even operating result. The restructuring programme started in November 2008 has already shown good results.

Mitsubishi Paper Mills Limited in Tokyo have announced a capital increase of 20 million Euros for August 2009 in order to strengthen the position of the Group's biggest mill outside of Japan. This is in addition to their first capital increase of 15 million Euros at the end of 2008.

So far in 2009, 1.6 million Euros have been invested at Bielefeld Mill, in order to increase the effectiveness of the production plant and to improve the quality of products.

Additional 6 million Euros investment has been foreseen.

Investment has been made in Research and Development and Sales areas in order to expand market presence.

Together with Mitsubishi HiTec Paper Flensburg GmbH, a new product range for thermal, carbonless and inkjet paper is being developed. This includes new and improved products for industrial inkjet printing, improvement of printing features for thermal paper, new light-weight POS thermal paper (48 g/m²), as well as the new range of carbonless paper specifically designed for digital printing.

Within the restructuring programme a cost reduction project was agreed between the Management and the Works Council. The measures include capacity adjustments, which lead to a staff reduction of approx. 120 employees.

Gerhard Schoon, Managing Director of Mitsubishi HiTec Paper Bielefeld GmbH comments: "The closure of some of the production equipment and staff reduction are painful for all of us – particularly for the employees affected. The improvements obtained during the last months clearly show the necessity of the measures taken."

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