

PRINZHORN HOLDING

Prinzhorn Holding signs strategic partnership agreement with the Hungarian government

Dunaújváros, February 19, 2014. Prinzhorn Holding is the first environmental industry company to enter into a strategic partnership agreement with the Hungarian government that reinforces Prinzhorn Group's long term commitment to Hungary. The partnership also expresses Prinzhorn Group's effort to stimulate economic growth and enhance the competitiveness of Hungarian businesses.

The Strategic Partnership Agreement, between the most significant actor of the Hungarian Paper Industry, Prinzhorn Group and the Government of Hungary, was signed by State Secretary for Foreign Affairs and External Economic Relations Péter Szijjártó and CEO of Prinzhorn Holding Cord Prinzhorn as well as Managing Director of Hamburger Hungária Attila Bencs on behalf of the Hungarian subsidiaries. The signing ceremony took place at Hamburger Hungária Plant in Dunaújváros, and was witnessed by Dunapack General Managers Attila Galambos, and Rafael Sieben, Duparec General Manager Janos Haag, General Manager of Hamburger Hungaria Power Plant Zoltan Szikla as well as guests including Mayor of Dunaújváros Gábor Cserna Mayor of Csepel Szilárd Németh MP, Deputy Mayor of Csepel Lénárd Borbély MP, President of the Hungarian Energy Bureau Lajos Dorkota and Government Commissioner for Fejér County Dénes Galambos.

The three Hungarian entities of Austria-based Prinzhorn Group – Hamburger Hungária, Duparec and Dunapack – are firmly embedded in the Hungarian industry. With an overall investment of around EUR 600 million in the last 20 years, Prinzhorn Group has turned into the most important player in today's Hungarian paper and packaging industry – with an annual turnover of HUF 110 billion. Prinzhorn Group has 85% share of the domestic paper production and its overall export volume amounts to HUF 60 billion. Prinzhorn Group and its Hungarian entities form an important part of the Hungarian environmental industry – by producing value from waste and thus closing the value chain. Prinzhorn Group very significantly contribute to Hungary's efforts of reaching the European Union recycling targets of 16%.

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A sustainable and efficient waste management cycle of innovative packaging solutions made by utilizing waste paper as recycled containerboard

The Hungarian companies of Prinzhorn Holding provide jobs for more than 1.100 direct employees, and more than 1.500 Hungarian suppliers, thus supporting approximately 3.000 indirect jobs.

“We evaluate today’s partnership agreement as a reinforcement for our engagement towards Hungary. This agreement underlines the importance of dialogue and mutual trust as well as the desire to establish a long-term partnership for possible future investments. We are present in the Hungarian market since 1990 and have been intensively investing into the stability, the infrastructure and the high technological and environmental standards of the Group’s production sites. Currently Hungary is the only country where all 3 businesses are pursued and is the most important country in our portfolio with the single largest investment of all countries in the group. One of our most important investment goals for the future is to improve the energy efficiency for our Hungarian production sites” – said Cord Prinzhorn, CEO of Prinzhorn Holding

“This agreement can help improve the business and regulatory environment in our industry. We have set up a fully integrated value chain in the Hungarian market and are producing around 650.000 tons of high-quality containerboard per year from waste, 85% of which we export to Europe and the Middle East.

In order that we can make use of the waste more effectively, we would welcome improvements in the paper waste collection system and the reduction of high energy prices. Hopefully a continuous dialogue with government will help building up together an even

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more progressive environment for the paper industry” – said Attila Bencs, CEO of Hamburger Hungária.

“We need to treat our environment and natural resources carefully to ensure the sustainable growth of the Hungarian economy on the long term. This day is important as we signed today the first strategic partnership agreement with an environmental industry company”, said State Secretary Péter Szijjártó.

About Prinzhorn Holding

Prinzhorn Holding employs 4.478 people in 13 countries and ranks among the European market leaders in the recycling, paper and packaging industry. With an annual production of 1,7 million tons of container board produced from recycled paper and an annual turnover of approximately 1 billion Euros the company is number three in Europe in this segment. The family owned Prinzhorn Holding has its headquarters in Wiener Neudorf / Austria and is structured in three divisions: Hamburger Recycling Group (collection and trading of waste-paper), Hamburger Containerboard (production of container board) and Dunapack Packaging (paper based packaging solutions).

In Hungary, Prinzhorn Group is present since 1990, as an important waste collector (Duparec Kft.), with the most important Hungarian waste recovery and paper production facility (Hamburger Hungária Kft.) and as the largest producer of paper based packaging solutions (Dunapack Kft.). Operations in Hungary, creating high added value with today annual turnover of 400 million euros have invested around 600 million euros in the last 20 years in Hungary. As a local market leader, Prinzhorn employs over 1.100 people in Hungary.