

Media release

Perlen Papier to switch to free electricity market from 2014

Paper manufacturer Perlen Papier AG, which is a fully-owned subsidiary of CPH Chemie + Papier Holding AG (SIX: CPHN), is to procure the power required in its production operations from the free electricity market from 2014 onwards. To this end, Perlen Papier has concluded a contractual agreement with Centralschweizerische Kraftwerke AG (CKW) which will ensure the structured procurement of all the electricity required, together with further advisory services.

Perlen, 13 September 2013 – With its workforce of over 380 personnel, Perlen Papier AG is Switzerland's biggest producer of newsprint and its sole magazine paper manufacturer. The cost-optimized procurement of electricity and other forms of energy is particularly essential to Perlen Papier in economic terms. "The energy costs in our paper division are actually higher than the personnel costs," explains Peter Schildknecht, CEO of the CPH Group. "A large proportion of these energy costs are for electricity; so switching to the free market for our electricity supplies here will substantially improve our overall cost structure."

With current market trends, switching to the free market for its electricity needs should reduce Perlen Papier's annual energy costs by some CHF 10-15 million. The switch will further benefit the CPH Group's Perlen Packaging AG subsidiary, which also operates from the same Perlen site.

CKW has been selected to meet Perlen Papier's future electricity needs following an open tender process. The new agreement with CKW will allow Perlen Papier to optimize the timing of its electricity procurement and thus the associated risks. It also makes full use of all the options and opportunities offered by Europe's newly-liberalized wholesale energy markets.

"The new structured arrangement for procuring our electricity will enable us to further sharpen our competitive edge in a very challenging international market arena," adds Klemens Gottstein, CEO of Perlen Papier AG. "In CKW we will have a flexible partner which is closely attuned to its markets and its customers; and, working together, we can now embark on a new chapter in meeting our energy needs."

Further information

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About CPH

CPH Chemie + Papier Holding AG is an internationally active and diversified industrial group which is headquartered in Switzerland. The Group manufactures chemical products, wood-based paper and pharmaceutical packaging films at five locations in Switzerland, Germany and the USA and markets these worldwide. With a workforce of 849 employees, CPH generated consolidated net sales of CHF 488.7 million last year. Its shares have been listed on the SIX Swiss Exchange (SIX: CPHN) since 2001.

This release contains future-oriented statements about CPH that are subject to risk and uncertainties. These statements reflect the management's opinions at the time of the release's compilation, but they may deviate from actual future events.