

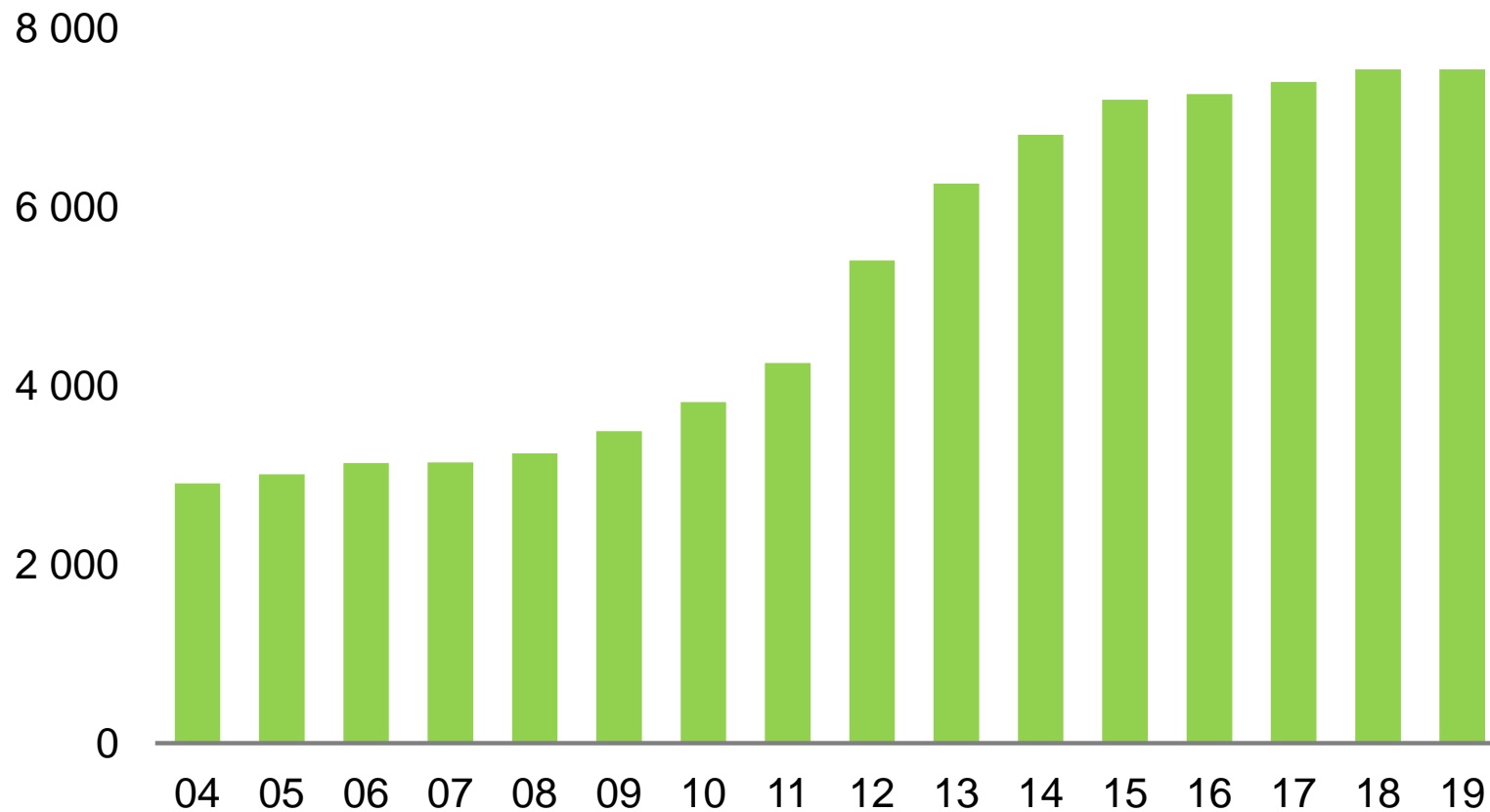


# **Dissolving Pulp Capacity Changes**

## **- March 2015**

# Numera's May 2014 forecast

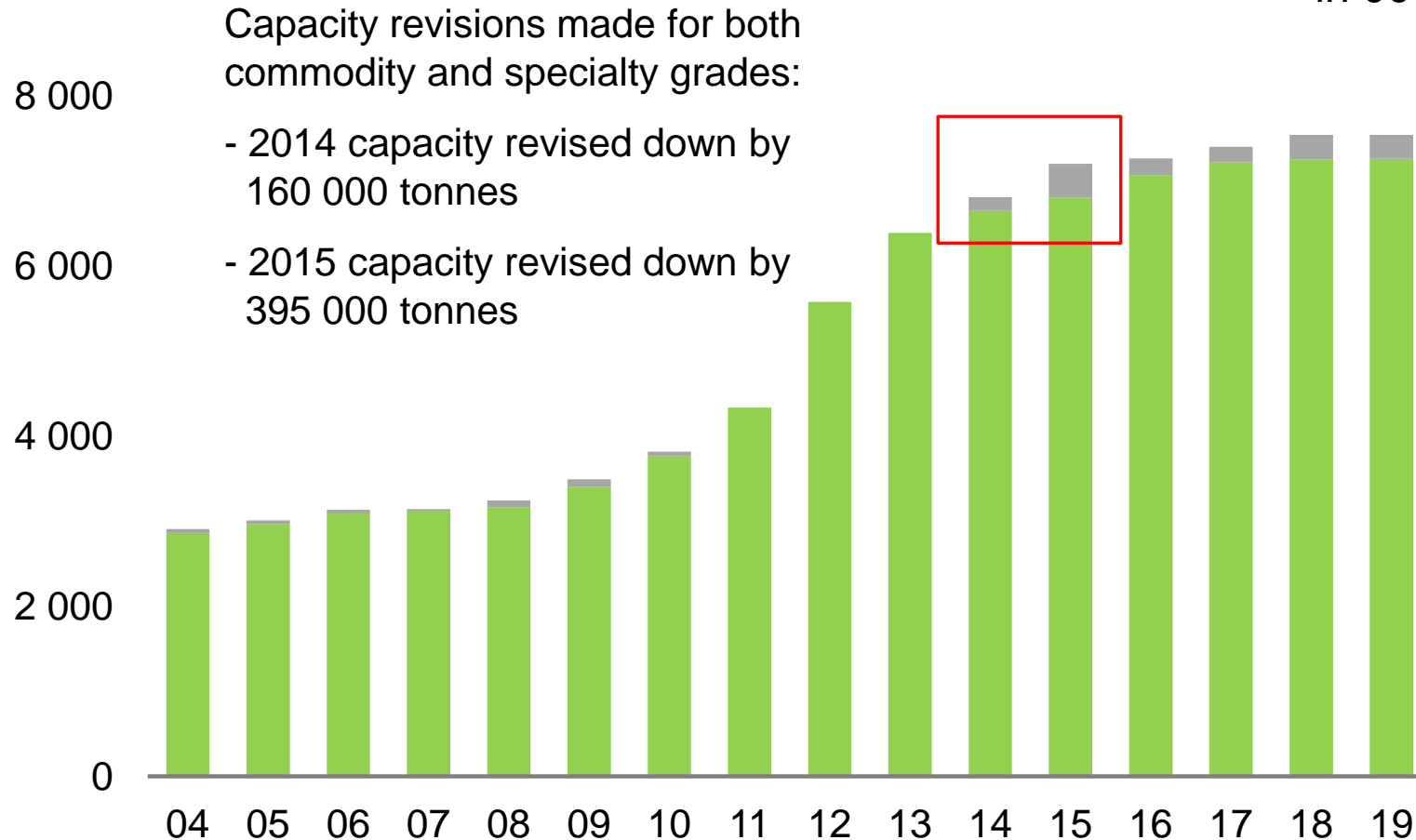
World Dissolving Pulp Capacity  
in 000 tonnes



Source: Numera

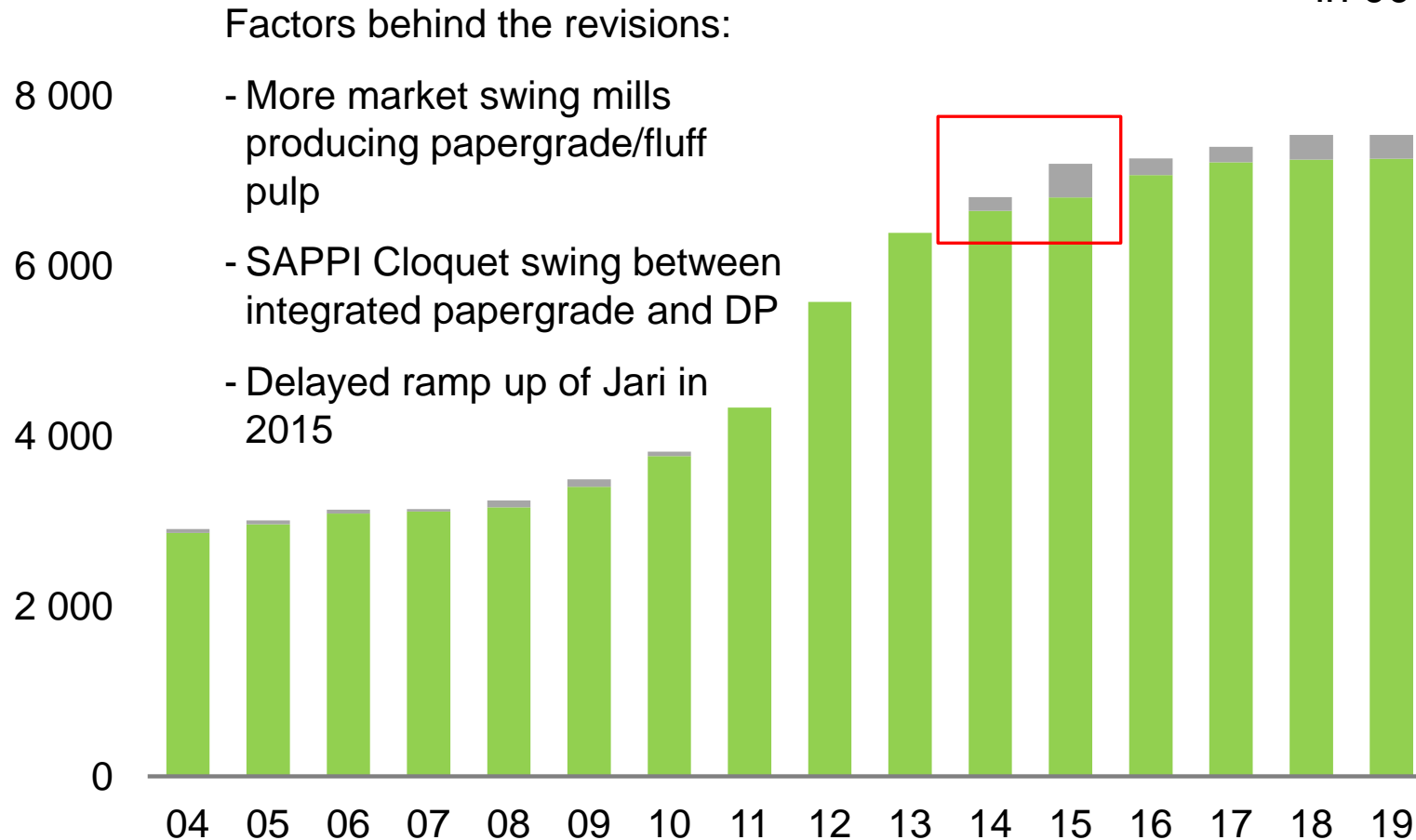
# 2014-15 base now revised down

World Dissolving Pulp Capacity  
in 000 tonnes



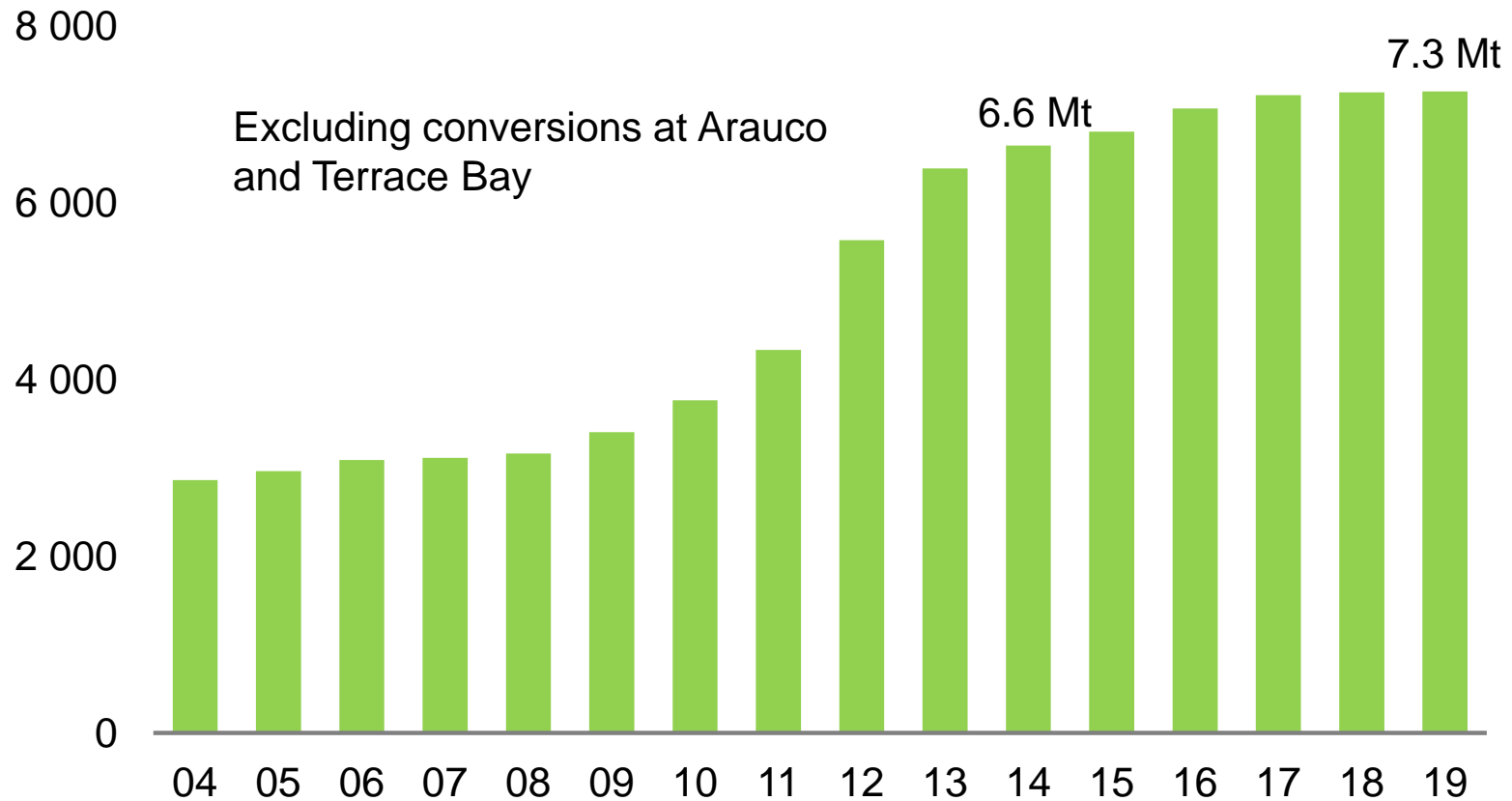
# Changes in grade mix main factor

World Dissolving Pulp Capacity  
in 000 tonnes



# Total capacity to reach 7.3 Mt

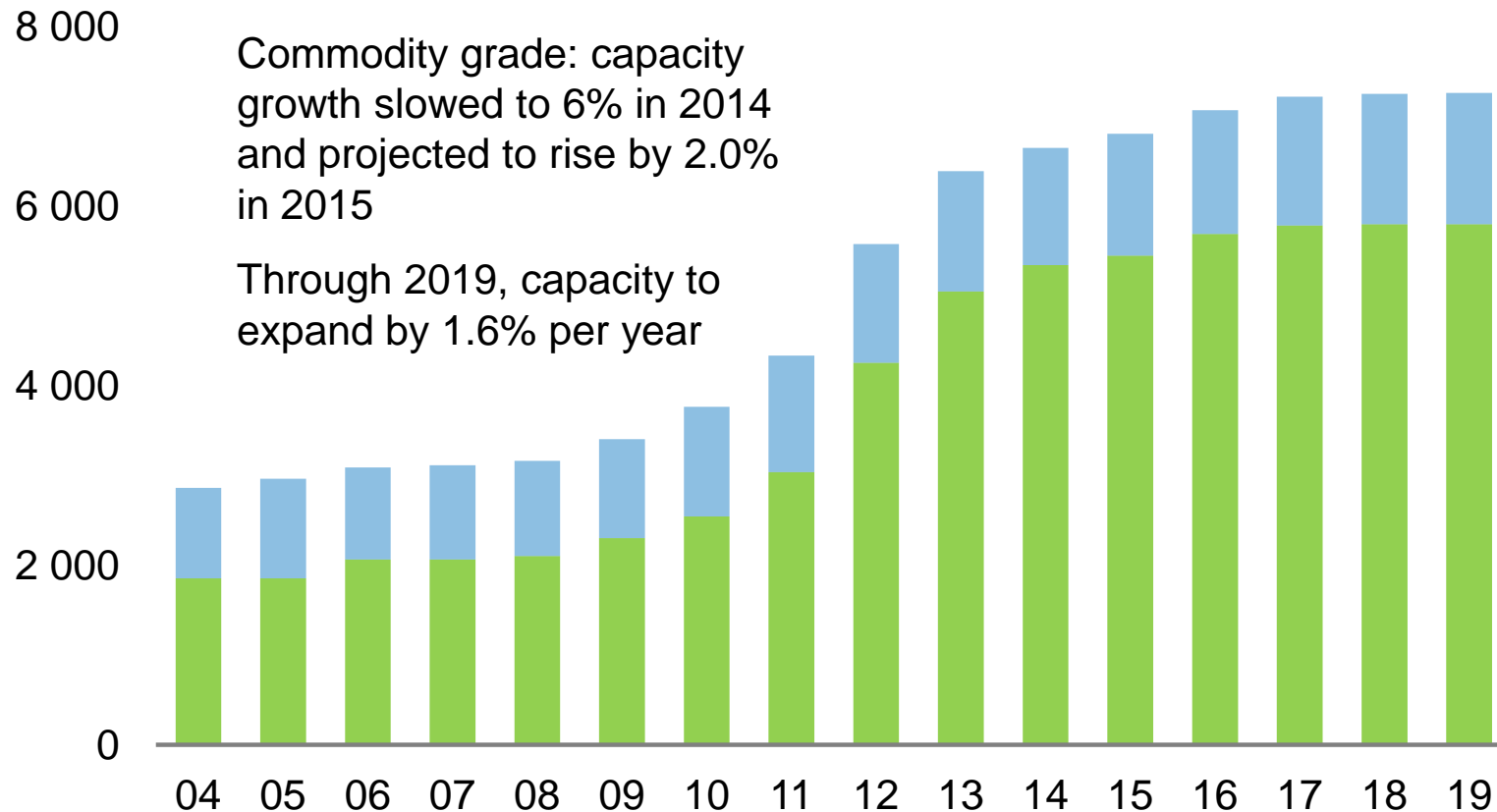
World Dissolving Pulp Capacity  
in 000 tonnes



Source: Numera

# Growth in commodity capacity slowing

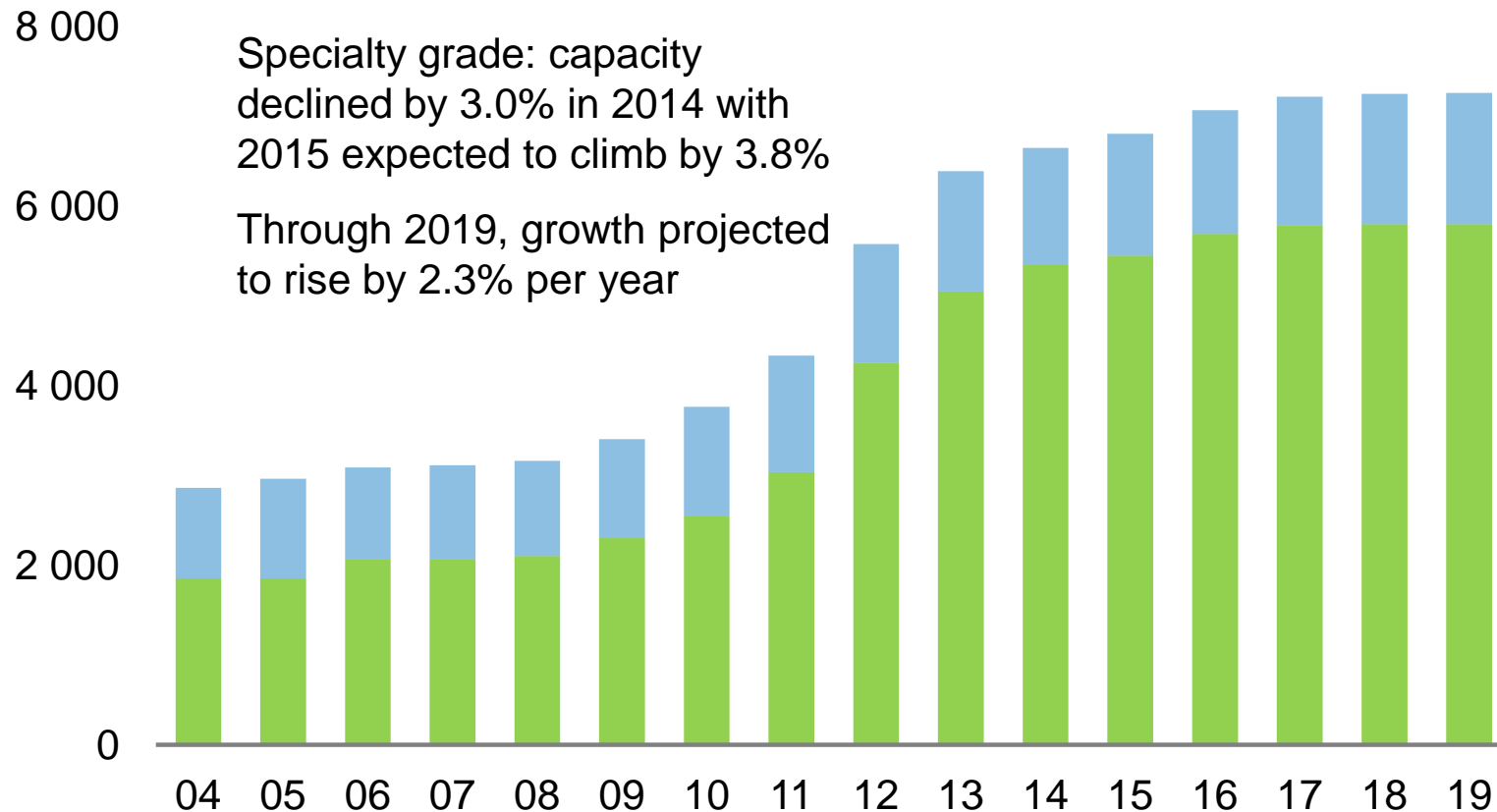
World Dissolving Pulp Capacity Commodity vs. Specialty Grades  
in 000 tonnes



Source: Numera

# Specialty to rise on changes in grade mix

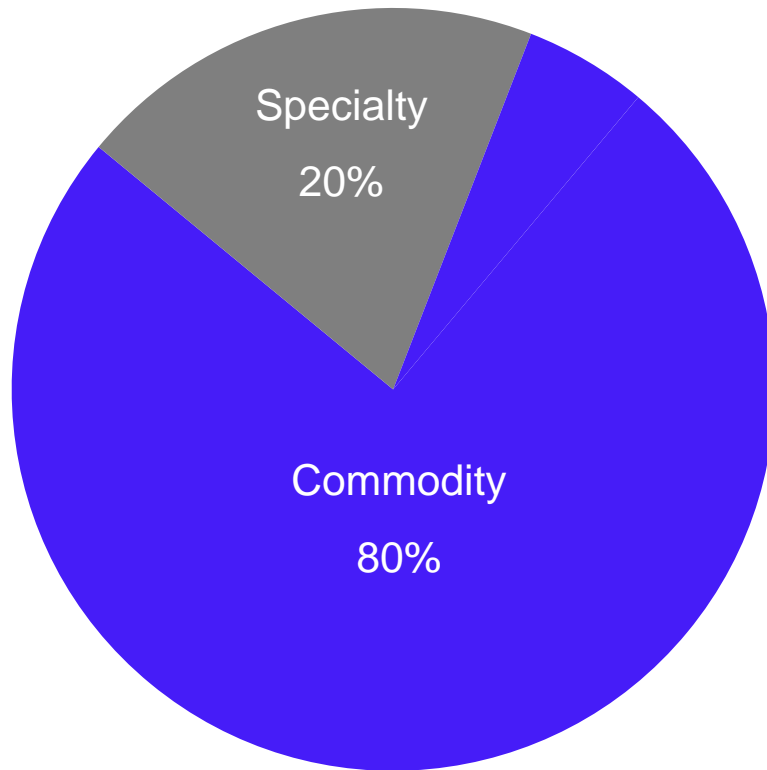
World Dissolving Pulp Capacity Commodity vs. Specialty Grades  
in 000 tonnes



Source: Numera

# Commodity vs. specialty split in 2015

Commodity vs. Specialty Capacity in 2015  
as a % of total



Several mills have the ability to swing between papergrade, fluff, commodity DP and specialties.

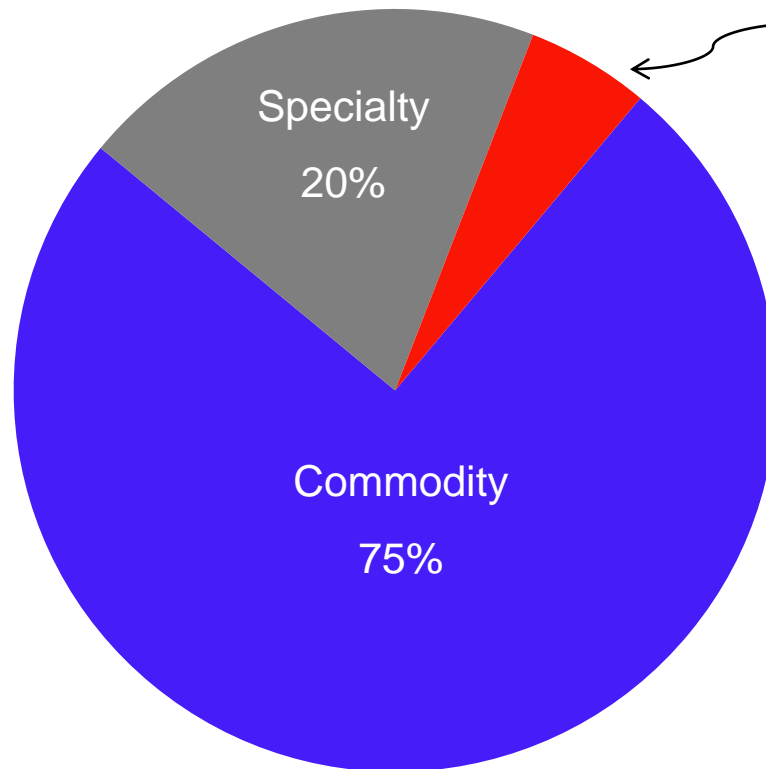
If market conditions improve for Dissolving Pulp, swing mills will shift their grade mix back to DP.

As such, there is significant “reserve” capacity for both commodity and specialty grades not included within our forecast.



# Potential effect of current idled capacity

Commodity vs. Specialty Capacity in 2015  
as a % of total



≈ 5% of total capacity idled

Idled capacity, comprising ≈ 5% of 2015 capacity, has the ability to rapidly change supply in the commodity sector



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