

## Press Release

Voith Paper Holding GmbH & Co. KG Public & Media Relations St. Poeltener Strasse 43 89522 Heidenheim, Germany Tel. +49 7321 37-3858 Fax +49 7321 37-7008

China: YFY PM 3 started-up with Voith's environmentally friendly and energy-efficient technology

2014-01-20

www.voith.com

- Annual output to exceed 450,000 metric tons with turnover of ca.
   145 million €
- Saves 20% electricity and 12% water, contributing to sustainable development of China

The PM 3, supplied by Voith to YFY Paper Mfg. Co. Ltd., has successfully started-up in Yangzhou, China. The YFY PM 3 produces packaging paper with an annual output capacity of 450,000 metric tons and an annual turnover of 145 million €.

Voith supplied its sustainable paper-making technology to the YFY PM 3. Compared to traditional paper-making machines, the YFY PM 3 reduces electricity and water consumption by 20% and 12%, respectively, per ton of paper it produces. That has helped the customer to improve its energy efficiency and reduce operating costs. The YFY PM 3 is also the first machine in China to make paper from 100% domestically recovered paper. Chinese paper manufacturers used to rely heavily on imported recovered paper as a raw material.

Voith signed the contract with YFY Paper Mfg. (Yangzhou), a subsidiary of Taiwan's Yuen Foong Yu Paper Manufacturing Group, in December 2011. In addition, Voith supplied two R2S anaerobic reactors, which have been used on both the YFY PM 2 and PM 3. Such reactors convert dissolved organic contaminants into biogas with a high calorific value, which can then be used for the generation of steam or power to continue contributing to the manufacturing process. The YFY PM 2, also supplied by Voith, went into operation in 2007, producing corrugated medium and linerboard.



With an increasing number of countries formulating regulations to reduce the use of plastics for packaging, there has been a marked rise in demand for packaging paper worldwide. According to market research agency RISI, the total global annual output of board and packaging paper is expected to reach 230 million tons, with Asia Pacific accounting for almost half of this. Voith Paper has supported Chinese paper manufacturers with a number of advanced and environmentally friendly solutions, which are very innovative in terms of the treatment of raw materials, waste, and sewage.

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Page 2 of 3

Delivery of the YFY PM 3 is part of Voith Paper's ongoing efforts to contribute to the sustainable development of the papermaking industry in China. The paper made by the PM 3, which will mainly be used for food packaging, does not contain any virgin wood pulp since it uses domestically recovered paper as a raw material, reducing the consumption of natural resources, energy, as well as operating costs.

Ming Ming Liu, President and CEO of Voith Paper Asia Pacific, said: "China is undoubtedly one of the most important markets for Voith Paper. In particular, we believe our packaging paper machines have a great deal of untapped potential in this country. We are committed to contributing to the sustainable development of China's papermaking industry by increasing our investment and introducing our industry-leading solutions to win the trust of our customers here."

Further information is available on the Voith website at <a href="https://www.voith.com/paper">www.voith.com/paper</a>. Voith Paper is also on <a href="https://www.voith.com/paper">Twitter</a> and <a href="https://www.voith.com/paper">YouTube</a>.

YFY Paper Mfg. (Yangzhou) Co. Ltd. was established by Yuen Foong Yu in 2004 as a major manufacturing base. Its first and second paper production lines started-up in December 2006 and August 2007, respectively. To meet the fast-growing demand, Yuen Foong Yu invested ca. 147 million € in 2011 to expand its output of packaging paper. YFY PM 3 is part of the company's plan to build a sustainable papermaking industrial park, at a total cost of ca. 1.2 billion €.

Voith Paper is a division of the Voith Group and the leading partner to and pioneer in the paper industry. Through constant innovations, Voith Paper is optimizing the paper manufacturing process, focusing on developing resource-saving products to reduce the use of energy, water, and fibers. Furthermore, Voith Paper offers a broad service portfolio for all sections of the paper manufacturing process.



Voith sets standards in the markets energy, oil & gas, paper, raw materials and transport & automotive. Founded in 1867, Voith employs more than 43,000 people, generates € 5.7 billion in sales, operates in about 50 countries around the world and is today one of the biggest family-owned companies in Europe.

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Page 3 of 3

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