

## Rethinking and Adapting in a Changing Environment

The Cappelen Group was founded as a paper business in 1973. To this day the main focus of the company remains to supply Central and Eastern Europe with a range of high-quality paper and board.

In the early days, it was not easy to implement a strategy of diversification. Before the fall of the Berlin Wall, quality and service were not the principal considerations; the only decisive factor was price.

As the Eastern Bloc countries were short of foreign currency, a system of barter dealings developed. Behind the Iron Curtain, business activities expanded with the provision of technical support for machinery. Over time, price ceased to be the sole criterion and a wider network of business contacts was established.

After the collapse of Communism, the operational activities of the Cappelen Group, which until this point had been run from Vienna, were transferred to the individual countries and local sales offices were set up in Budapest, Bucharest, Sofia and later Kiev.

In an increasingly globalized world it was important, both on the supply side for paper and board and on the buying side for printers and the wholesale trade, that existing sales activities were complemented by services, for example in the field of logistics. Only through continuous efforts to increase the added value in the supply chain was it possible to secure the necessary confidence of suppliers and customers.

Over time the core business of paper and board has been supplemented by wood production and trading.

A significant niche in the paper sector has been the security area, in which we have achieved success in Hungary, Serbia, Romania, and above all Bulgaria.

Naturally the necessary rearrangements and adjustments have not always gone smoothly; rethinking has often been required. Our guiding principle, borrowed from Sir Winston Churchill, has proved to be true again and again:

“Success is not final, failure is not fatal: it is the courage to continue that counts.”

That is also my firm belief!

With best wishes



**Jan Wessel Cappelen**

Chairman  
Cappelen Group