

INFORMATION

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SCA expands involvement in Central Europe through acquisition of Czech packaging company OBALEX

SCA Packaging will acquire 49% of the shares in OBALEX s.r.o., with operations in the Czech Republic and Slovakia. The acquisition develops and strengthens SCA's position in Central Europe and its existing network of plants in Poland, Hungary and Austria, which currently have a combined capacity of 150 million sq. m. The acquisition is being implemented in two stages, 33% now and the remaining shares up to 49% within one year. In addition, SCA received an option to acquire the remaining shares outstanding. The acquisition is well in line with the return requirement for the Czech Republic (about 18%).

OBALEX was formerly part of the large government-owned forest industry complex, Sepap Steti, but was detached in 1991 and privatized two years later. OBALEX has annual sales of about SEK 260 million, produces about 80 million sq. m. of corrugated board, with a market share of some 20% in the Czech Republic. The company has about 600 employees. OBALEX's corrugated board operations comprise two integrated corrugated board plants (Jilové and Boletice), five sheet plants (Karlovy Vary, Radejov, Décin, Prague and Jablonec), a unit in Hummené in Slovakia and a sales office.

SCA is an integrated paper company that manufactures hygiene products, packaging and graphic papers. Annual sales amount to about SEK 60 billion. Total sales by SCA Packaging amounts to approximately SEK 14 billion, of which SEK 11 billion in corrugated board and SEK 3 billion in containerboard (liner and fluting). SCA Packaging's sales in Central Europe amount to SEK 180 million. SCA Packaging is the leading European company in these product areas.

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