

INFORMATION

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SCA outsources machinery manufacture

SCA's Hygiene Products business area today signed a cooperation agreement with the Italian machinery manufacturer GDM Spa. The agreement covers development of machinery for SCA's production of incontinence and feminine hygiene products and baby diapers.

Among other products, GDM is the world's leading supplier of this type of machinery.

In accordance with the agreement, GDM will take over SCA's Norwegian unit for manufacture of machinery in the hygiene products segment, involving about 100 employees. In this manner, SCA releases resources for its own hygiene products operations and instead works closely with GDM in machinery development. There will be no personnel reductions in the Norwegian operations. The purchase price was not disclosed. Pursuant to the agreement, SCA and GDM may cooperate with other companies regarding development and manufacture of machinery.

Closing of the transaction is subject to certain conditions e.g. the formalization of specific agreements concerning patents.

SCA is an integrated paper company that produces hygiene products, packaging and graphic papers. Annual sales amount to about SEK 59 billion. SCA Hygiene Products has annual sales of about SEK 26 billion within the fluff and tissue segments (incontinence and feminine hygiene products, baby diapers) and is one of the leading European companies in these product areas.

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