

# INFORMATION

**SVENSKA CELLULOSA AKTIEBOLAGET SCA** (publ)  
**Corporate Communications**  
Box 7827, SE-103 97 STOCKHOLM, Sweden  
Tel +46 8-788 51 00, Fax +46 8-678 81 30  
[www.sca.se](http://www.sca.se)



## **New issue in SCA with preferential rights to SCA's shareholders ensures continued high pace of expansion in hygiene products and packaging**

During the past 18 months, as part of its growth strategy and the ongoing realignment from traditional forest industry products to hygiene and packaging products, SCA has implemented strategic investments, mainly through company acquisitions, in an amount totally SEK 14 billion – including the acquisition announced today of the British tissue company. During the same period a decision was reached regarding the fine paper operations, which on 1 October will be transferred to a new company together with MoDo's fine paper operations. As announced earlier, the intention is at a later date to list the new company, to be named MoDo Paper AB, on the stock exchange.

As a result of these actions, the portion of hygiene and packaging operations increases from 64% to 80% of the Group's sales and the goal is to increase this proportion through acquisitions and other measures. Negotiations are currently in an advanced stage regarding acquisition of two additional hygiene companies and two packaging companies.

In order to ensure a continued high pace in the growth process within hygiene and packaging, SCA's Board of Directors today decided, conditional upon the approval of an Extraordinary General Meeting of shareholders, to carry out a new issue in which six Series A or B shares carry rights to acquire one new Series B share. The issue price is set at SEK 140 per share. In total, the issue is expected to generate proceeds of approximately SEK 4.6 billion.

The issue is supported by SCA's largest shareholders, Industrivärden, Custos and Handelsbanken's foundations, which have stated that they intend to exercise the forthcoming subscription rights. A number of SCA's large institutional owners have also stated that they favor the issue.

The issue proceeds will be used to finance the acquisition of the British tissue company announced today and the additional acquisition possibilities in the hygiene and packaging areas currently being considered by SCA. The availability of operations strategically valuable for SCA is considerable today and is being strengthened by the spirit of consolidation that is currently prevailing in the European and North American markets. As a result of the issue, the planned expansion can be carried out within the framework for debt ratios which give the Group a continued favorable negotiation position in credit markets.

The issue decision means that only B shares will be issued. The portion of total shares represented by B shares will thereby rise to about 74%. In addition to the conversion clause, which facilitates conversion of A shares to B shares, that was included in the Articles of Association this spring, the selection of the B share is intended to further increase the liquidity in trading of SCA shares.

### **Timeplan**

Extraordinary General Meeting	21 September
SCA-share listed ex-rights to participate in the new issue	22 September
Record date for entitlement to subscription rights	24 September
Publication of prospectus	28 September
Trading in subscription rights	1-18 October
Subscription period	1-22 October

Stockholm 31 August 1999

SVENSKA CELLULOSA AKTIEBOLAGET SCA (publ)  
Corporate Communications

For further information please contact:

Sverker Martin-Löf, President and CEO. Tel. +46 8 788 51 51

Sten Lindholm, Senior VP, Corporate Communications. Tel. +46 8 788 51 62