

**Joint press release
SCA and Holmen
Stockholm 8 March 2000**

Modo Paper's stock market flotation off

In view of the current stock market valuation of shares in the forest products industry, SCA and Holmen have jointly decided to discontinue their efforts to float Modo Paper on the stock market and broaden its share ownership. The flotation of Modo Paper, in which SCA and Holmen each have a 50 percent interest, was planned for this spring.

This decision means that SCA's announced initial public offering (IPO) of 35 percent of the total number of shares in Modo Paper and Holmen's announced distribution of an equivalent number of shares in Modo Paper to its own shareholders will not take place in accordance with the original plans.

Modo Paper

Modo Paper was formed on October 1, 1999 as the result of a merger of the fine paper activities within SCA and the former MoDo. Modo Paper is Europe's third largest fine paper producer with an output of 1.8 million tons of fine paper and a merchanding business supplying a total of 1.1 million tons of paper.

The business includes production in Sweden, Germany, France and Austria and sales offices and merchanding activities in some 20 European countries. The company has approximately 6,800 employees and an annual turnover of some SEK 20 billion.

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