



**SVENSKA CELLULOSA AKTIEBOLAGET SCA** (publ)  
**Communications and Investor Relations**  
Box 7827, SE-103 97 Stockholm, Sweden  
Tel +46 8 788 51 00, [www.sca.com](http://www.sca.com)

Stockholm, February 28, 2007

## **SCA strengthens competitiveness through US tissue investment**

**The SCA Board of Directors has approved an investment in a new tissue paper machine for Barton, Alabama, USA. The investment amounts to MUSD 145.**

Following acquisition of the North American AFH tissue operations in 2001, SCA has had a shortage of tissue mother reels. This has been solved through a long term supply contract. Due to the expiry of this contract, a new paper machine in Barton is a natural measure to further improve competitiveness and facilitate continuous profitable expansion within AFH tissue in the US and Canada.

"We have seen positive development of our AFH business in the US. This investment in Barton is key to the development of our business in the fast growing southeast region of the US," says Thomas Wulkan, President of SCA Americas. He continues: "With a fully integrated facility in Barton we will be able to further improve our service levels and to deliver a more consistent quality to our customers in the region. Additionally, the new paper machine will deliver significant cost savings once it is operational."

SCA began operations at the Barton plant in 2003. The current Barton facility manufactures 100,000 tons of tissue each year. With the new machine, the annual tissue production in Barton will increase to 170,000 tons. Start-up of the new machine is planned for the summer of 2008.

SCA Tissue North America is one of the largest manufacturers of disposable napkins, bath tissue, towels and wipes for the AFH market in the US and Canada with a market share around 20%. Half of the disposable napkins used in US restaurants are manufactured by SCA. Our leading brand Tork is gaining recognition in the US and globally.

"Our hygiene operations in Americas continue to develop favorable for tissue as well as for personal care. The new investment will further strengthen our premium class mill in Alabama," says Jan Åström, President and CEO for SCA.

### **For further information please contact**

Pär Altan, Vice President Media Relations  
+46 8 788 52 37, +46 70 386 52 37