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## **SCA expands eastwards through several strategic investments**

**SCA is investing within packaging on a broad front in Eastern Europe and China. Expansion investments in two plants in Poland and one in Romania, together with two new corrugated board plants in China, mark yet another step in SCA's plans to capture market shares in some of the largest growth markets in the world.**

SCA's CEO Jan Åström: "This is totally in line with our strategy to cultivate these markets, above all in Eastern Europe and China. The investments will enable us to meet customer demands more effectively and broaden our range of services."

The investments in Poland are being made in Poznan and Olawa with approximately EUR 7 million in each plant. In Poznan, the investment includes a design centre for printing and laminating with a focus on consumer packaging and displays. In Olawa, corrugated board is produced today and the operations will now be expanded to allow SCA to benefit from the positive effects of the fast-growing Polish market. The projects are scheduled for completion at the end of the second quarter of 2007.

In Timisoara in eastern Romania, SCA is investing EUR 10 million to upgrade the existing box plant to a fully integrated corrugated board plant. This investment is part of the development of customer support throughout the region – which includes other plants in Romania, as well as SCA Packaging's design centre in Budapest and sales and production in Hungary – in order to achieve significant synergy gains. The plant will be ready in 2008.

SCA's packaging operations in Nanjing, China, will be moved to a newly built factory close to the old one which facilitates continued volume growth. The new building will be 30,000 m<sup>2</sup> and all machinery and equipment will be transferred from the old facility. This investment will amount to approximately USD 12 million.

A totally new packaging plant in Suzhou, close to Shanghai, was inaugurated in mid-April 2007. This USD 20 million investment is the largest made by SCA in China so far. The plant will function as a one-stop centre for customers since production of corrugated board as well as litho print and protective packaging will take place under one roof.

"This new state-of-the-art SCA packaging facility will provide a strategic platform for SCA's continuous growth in China. We are also prepared for future expansion as SCA's packaging operations in the Suzhou region grow," says Rijk Schipper who is head of the Asia Pacific business group with operations in packaging, tissue and personal care.

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