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## **SCA invests SEK 800 million in Ortviken paper mill**

**SCA is expanding production of mechanical pulp at Ortviken paper mill. The SEK 800 million investment will allow paper production at Ortviken to continue to increase, while providing significant quality improvements. The investment will be completed by spring 2009.**

“Through our just established joint venture with Statkraft, we have now secured long term supply of electricity at a very competitive price and allows for this investment. Since our most recent paper machine went into operation in 1995 we have increased production by almost 50% through fine tuning and investments to eliminate bottlenecks,” says Kenneth Eriksson, President of SCA Forest Products. “We have now reached a level where pulp production is restricting the mill’s continued development.”

The major items in the investment are new refiners with high capacity. It is in the refineries that the raw material, fresh spruce pulpwood, is ground to pulp. But the investment also involves separating pulp production and customizing it for the different paper grades.

“Our present pulp mill produces pulp for all our four paper machines,” says Kenneth Eriksson. “This means we must prepare the pulp in different ways depending on whether we are producing newsprint or coated publication papers. As a result of this investment, we will be able to prepare the pulp from the outset for the product for which it will be used. This will lead to improved product quality but also means that we will save money and other resources by doing it right from the start instead of preparing the finished pulp for each application.”

Work on implementing this investment will start immediately. The new equipment is scheduled to be installed and in operation by spring 2009.

Sundsvall, 14 September 2007

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**NB**

This information is such that SCA must disclose in accordance with the Securities and Clearing Operations Act. The information was submitted for publication on 14 September 2007 at 09.50 CET.

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