



**SVENSKA CELLULOSA AKTIEBOLAGET SCA** (publ)

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Stockholm, 2 October 2007

## **SCA to establish company in the Middle East**

**SCA is forming a joint venture company together with Jordan-based industrial group Nuqul. The new company, in which SCA will own 50%, will manufacture and sell feminine hygiene products in the Middle East and Egypt. The operation will span eighteen countries in the region. SCA's purchase price for its 50% stake amounts to USD 18.5 million.**

Nuqul is a leading industrial group in the Middle East, with operations that include tissue and personal hygiene products. The Group's annual sales total approximately USD 400 million. Nuqul is the leading supplier of tissue in the region and has a substantial and fast-growing hygiene business with strong positions in all Middle East markets.

The new joint venture company will gain immediate access to Nuqul's production facilities and broad distribution network. SCA will bring to the joint venture its own feminine product range, world-leading technology and marketing expertise. Nuqul's Feminine Care business – with annual sales of approximately USD 15 million – will form the base of the joint venture company.

"This joint venture gives us a unique platform for entering Egypt and the main markets of the Middle East with our successful feminine hygiene products," says Gunnar Johansson, President of SCA Personal Care. "These markets have immense growth potential, and we expect to grow our sales in the region substantially. We aim to complement Nuqul's product range, sold under the Cinderella and Lady Fine brands, with our own product range. Our ambition is to eventually extend our joint venture to other personal care categories in the future."

SCA's sales of personal care products in Africa, Middle East and South Asia (India, Pakistan and Afghanistan) today amount to approximately USD 70 million.

The market outlook is positive, with a young female population. In the key markets as much as a third of the population is 14 years or younger. These markets are identified as Jordan, Lebanon, Palestine, Saudi Arabia, the United Arab Emirates, Kuwait, Oman, Bahrain, Qatar and Egypt. The purchasing power of people in the region is also expected to grow.

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

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### **About Nuqul Group**

Established in 1952, Nuqul Group (a conglomerate of 27 companies) is one of the leading industrial groups in the Middle East. Its line of business covers a wide range of products, including raw material and converted hygienic tissue paper, non-woven fabrics, processed meats, aluminium profiles, ready-mix concrete, synthetic sponge/foam, plastic pipes, stationery, and printed packaging materials.