



SVENSKA CELLULOSA AKTIEBOLAGET SCA (publ)

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SCA is investing in expanded capacity for tissue and solid wood products

SCA is investing in expanded tissue capacity in Russia and Germany, and in solid-wood products in Sweden. The investments will total approximately SEK 2.6bn (approx. EUR 290m).

There is favourable growth in the Russian tissue market and SCA is the leading player, with such strong brands as Tork and Zewa. To further reinforce and strengthen the market position, a decision has been made to invest approximately SEK 1.2bn (approx. EUR 130m) in a second tissue machine in Sovetsk, Russia. The new tissue machine has a capacity of 60,000 tons annually and production is based on virgin fibre. Production is scheduled to commence in 2013.

SCA is also investing approximately SEK 1.1bn (approx. EUR 120m) in a new tissue machine in Kostheim, Germany. This investment is being made to meet increased demand, primarily for AFH tissue products. The new tissue machine will have a capacity of 60,000 tons annually and production is scheduled to commence in 2013.

To increase production capacity and reduce costs, a decision has been made to invest approximately SEK 300m (approx. EUR 30m) in the Bollsta sawmill, Sweden. The investment comprises two new biofuel boilers, increased drying capacity and an upgrade of the saw line. Through these investments, production capacity will increase from 450,000 cubic metres to 525,000 cubic metres of sawn pine products per year. The investment enables energy production exclusively from the company's own biofuel, meaning that a large amount of oil can be phased out of production. The biofuel boiler is scheduled for commissioning at the end of 2012, while other parts will be successively commissioned during 2012 and 2013.

"Through these investments, we will enhance our capacity, efficiency and profitability in markets that are important to us," says SCA President Jan Johansson.

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