



**SVENSKA CELLULOSA AKTIEBOLAGET SCA** (publ)

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Stockholm, Sweden, November 4, 2011

## **SCA establishes a joint venture in Australasia with Pacific Equity Partners**

**SCA has decided to form a joint venture partnership for its existing operations in Australasia with the Australian company Pacific Equity Partners (PEP). SCA and PEP Fund IV will each hold 50% of the company.**

Working with local partners and in joint ventures in selected markets is a strategy that works well for SCA. This deal in Australasia enables a more efficient financing as well as it increases the speed of development of the operations.

SCA's operations in Australia, New Zealand and Fiji employ about 1,500 people. In 2010, this business had net sales of SEK 4,400m, with some 70% related to tissue and some 30% related to personal care products. In the region, SCA manufactures and markets a number of leading brands including TENA, Tork, Sorbent, Purex, Libra, Treasures, Deeko and Handee Ultra.

The transaction involves a deconsolidation of the business, which will be financially reported as a joint venture according to the equity-share method.

In connection with the refinancing of the business and the divestment of 50% of the equity, SCA will receive SEK 3,200m. Also, there will be a SEK 700m write-down of the tangible book value, which will impact the result in Q4 2011.

"This deal strengthens our operations in Australia and New Zealand, and it secures our access to local competence and the local capital market. This enables a faster development of the operations", says Jan Johansson, President and CEO of SCA.

The deal will be subject to approval from relevant authorities. Closing is expected to happen within two to three months.

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### **NB**

This information is such that SCA must disclose in accordance with the Securities Markets Act and/or the Financial Instruments Trading Act. The information was submitted for publication on November 4 at 1am CET.

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