

# Press release

Stockholm, October 29, 2015



## SCA intends to close down a paper machine at Ortviken paper mill and recognize an impairment loss for the mill

**SCA intends to close down a newsprint machine at Ortviken paper mill in Sundsvall, Sweden, and recognize an impairment loss for the mill. Efficiency improvement measures will be implemented at the Obbola and Munksund kraftliner mills. The closure, impairment loss and efficiency improvement measures entail total costs of approximately SEK 1.4 billion and will result in annual cost savings of about SEK 180m, of which approximately SEK 120m in lower depreciation, with full impact in 2017.**

The paper machine that is planned for closure at the end of 2015 has a capacity of 135,000 tons and is the smallest and oldest of the four paper machines at Ortviken paper mill.

“The global demand for publication paper has declined in recent years, particularly for newsprint, and we have weak profitability at Ortviken paper mill. By closing down our smallest and oldest paper machine, we will be able to focus on profitable orders for the more efficient paper machines. Ortviken remains one of the world’s largest publication paper mills and we have the prerequisites to become one of the most competitive. We have developed several new publication paper products, which in a short time have captured considerable market shares in a declining market. We are now focusing on producing and developing profitable publication paper products”, says Ulf Larsson, President, SCA Forest Products.

In conjunction with the closure of the paper machine, SCA intends to reduce staffing in production, transport and sales by approximately 95 positions. The efficiency improvement measures at the Obbola and Munksund kraftliner mills are intended to lead to staff reductions at the two mills by approximately 30 positions. Codetermination negotiations over the changes have been initiated.

The impairment loss amounts to approximately SEK 1.3 billion and will be recognized as an item affecting comparability in the third quarter of 2015. The restructuring costs amount to approximately SEK 90m and will be reported as an item affecting comparability in the fourth quarter of 2015.

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**NB:** This information is such that SCA must disclose in accordance with the Securities Markets Act or the Financial Instruments Trading Act. The information was submitted for publication on October 29, 2015, at 07:45 a.m. CET.

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**SCA is a leading global hygiene and forest products company.** The Group develops and produces sustainable personal care, tissue and forest products. Sales are conducted in about 100 countries under many strong brands, including the leading global brands TENA and Tork, and regional brands, such as Libero, Libresse, Lotus, Nosotras, Saba, Tempo and Vinda. As Europe’s largest private forest owner, SCA places considerable emphasis on sustainable forest management. The Group has about 44,000 employees. Sales in 2014 amounted to approximately SEK 104bn (EUR 11.4bn). SCA was founded in 1929, has its headquarters in Stockholm, Sweden, and is listed on NASDAQ OMX Stockholm. More information at [www.sca.com](http://www.sca.com).