

Press release

Stockholm, January 26, 2017



SCA strengthens its tissue business in the UK

To meet the growing demand for high-quality tissue and strengthen the product offering in the UK, SCA is investing in a through-air drying (TAD) machine at its tissue plant in Skelmersdale. SCA has also decided to close an older tissue machine in Stubbins and signed an agreement to divest its tissue plant in Chesterfield to Sidcot Group Limited. These measures are part of SCA's Tissue Roadmap and are aligned with the company's strategy to streamline production and secure capacity for future growth to increase value creation in the Tissue business area. Both initiatives are subject to customary consultation with employee representatives.

Following the investment at the Skelmersdale tissue plant of approximately SEK 160m, the production capacity of TAD mother reels will be 28,000 tons.

The cost for closing the older tissue machine in Stubbins, with an annual production capacity of 20,000 tons, is expected to amount to approximately SEK 120m. The cost will be recognized as an item affecting comparability, mainly taken in the first quarter of 2017. Approximately SEK 70m of these costs are expected to impact cash flow.

Sidcot Group Limited will pay a consideration of approximately GBP 3m (approximately SEK 35m) for the production facility in Chesterfield. The facility produces mother reels but has no converting capacity. SCA will have no internal need for the type of mother reels produced at the plant. The annual production capacity is 31,000 tons. An impairment loss of SEK 10m will be recognized as an item affecting comparability in the fourth quarter of 2016. Closing of the transaction is expected in the first quarter of 2017.

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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, Vinda and Zewa. As Europe's largest private forest owner, SCA places considerable emphasis on sustainable forest management. The Group has about 44,000 employees. Sales in 2015 amounted to approximately SEK 115bn (EUR 12.3bn). SCA was founded in 1929, has its headquarters in Stockholm, Sweden, and is listed on Nasdaq Stockholm. For more information, visit www.sca.com.