

AssiDomän to close sack factory in Scotland

AssiDomän Sacks in the UK today announced that the company's manufacturing operation in Dundee will be phased out during 1999. Up to 93 jobs are affected by the move, which is part of the restructuring plans earlier announced.

The closure in Dundee follows a difficult period of trading for the business, which has been affected by declining market for paper sacks. A drop of 10% has been seen in the last 12 months alone. The UK market also has substantial overcapacity, which has led to price pressure, exacerbated by a strong Pound and increasing imports.

The company will be re-locating all its current manufacturing capacity to its remaining sites in Aylesford and Hull. Discussions will now take place with the unions regarding the cessation of operations at Dundee by the end of 1999.

Of the 93 people employed at the Dundee site 18 will be offered re-location at one of the two remaining sites.

AssiDomän is one of Europe's leading forest products companies. Production is concentrated on packaging paper, packaging and sawn timber. The group is Europe's largest listed forest-owning company with 3.3 million hectares of productive forest land, of which 3.0 million hectares are in use.

AssiDomän Sacks UK is part of the group's Business Unit Sacks. The total production of sacks in the UK amounts to 160 million pieces a year (at Aylesford, Hull and Dundee). The average number of employees is 540 people and the turnover amounts to £ 35 million.

The AssiDomän group also has a substantial corrugated business in the UK, producing some 360 million m² of corrugated board per year. The net turnover of AssiDomän's total activities in the UK amounted to £179 million in 1997.

AssiDomän AB
Corporate Communications
December 16, 1998

For further information:
AssiDomän AB, Press Office, +46 - 8 655 90 00