

INFORMATION

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SCA implements expansion investments within Hygiene Products

As part of SCA's gradual expansion of its Hygiene Products operations, a decision has been taken regarding a series of expansion investments within the areas of tissue and incontinence products. These projects include the build-out of converting operations at the Kostheim Mill in Germany, which focuses entirely on the manufacture of tissue for large consumers (AFH tissue). The investment program also contains a number of machines for the production of various kinds of incontinence products for the European and North American markets. In addition, SCA intends to increase its capacity for the production of high-value recycled-fiber pulp at Lilla Edet in Sweden, in order to further optimize the manufacture and offering of tissue products for consumer and institutional markets. As an addition to the expansion program, SCA is planning in cooperation with other interests to establish a bio-fuel plant at Lilla Edet to subsequently reduce the mill's energy costs.

The total investment sum for the expansion program, which will have a duration of 2-3 years, amounts to approximately SEK 630 M.

SCA's hygiene operations, which comprise activities in Europe, North America and other parts of the world, have annual net sales of about SEK 40 billion and, accordingly, represent approximately 50 percent of the Group's total sales. Operations consist of the manufacture and sales of tissue and fluff products, in the form of incontinence products, baby diapers and feminine hygiene products.

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