

MoDo and SCA Joint Press Release
July 1st 1999

Board of new MoDo Paper now complete

The membership of the board of MoDo Paper - the new fine paper company in which MoDo and SCA each have a 50 per cent interest - is now complete.

The chairman is to be **Lennart Nilsson**, chairman of the boards of Celsius, the Swedish Engineering Industries Association and Lund University. Nilsson is also a member of the boards of Cardo, Industrivärden, Trelleborg, the Swedish Employer's Confederation (SAF) and the Federation of Swedish Industries.

The other members of the board will be as follows:

Carl Bennet, chairman of the boards of Elanders, Getinge Industrier and Lifco.

Michael Bertorp, executive vice president at SCA and responsible of business development.

Berthold Lindqvist, chairman of Munters and a member of the boards of Pharmacia & Upjohn, Bure, Securitas and Trelleborg.

Fredrik Lundberg, president and CEO of L E Lundbergföretagen and chairman of MoDo, Cardo and Hufvudstaden. Lundberg is also a member of the boards of L E Lundbergföretagen and NCC.

Sverker Martin-Löf, president and CEO of SCA and chairman of AGA. Martin-Löf is also a member of the boards of SCA, Ericsson and the Federation of Swedish Industries.

Bengt Pettersson, president and CEO of MoDo. Pettersson is also a member of the boards of MoDo, L E Lundbergföretagen, Cardo and the Federation of Swedish Industries.

Jan Åström, prospective president of MoDo Paper and currently president of SCA Fine Paper.

The board will also include representatives of the employees.

The formation of the MoDo Paper group – via the merger of MoDo's and SCA's fine paper and merchanting units – is expected to be finalised on October 1st this year. The merger is provided that the competition authorities grant the necessary approvals, and the approval of the General Meeting of SCA Hygiene Products AG (formerly PWA).

The intention is for MoDo Paper to be listed within the coming two years. The company will be registered in Stockholm, where its head office will also be located. The new group will rank third in the fine paper industry in Europe and will have an annual turnover of some 19 billion kronor, a stated equity of approximately 8 billion kronor and around 6,000 employees. Production capacity will amount to approximately 1.7 million tonnes of fine paper per year and the annual deliveries of the merchanting units to some 1.1 million tonnes.

For further information, please contact:

Bengt Pettersson, president and CEO of MoDo, tel. +46 8 666 21 00

Sverker Martin-Löf, president and CEO of SCA, tel. +46 8 788 51 00.