

## **AssiDomän Barrier Coating strengthens position with acquisition of PWA-Kunststoff**

AssiDomän Barrier Coating has entered into an agreement with German company PWA to acquire PWA-Kunststoff, with production units in Raubling, Germany, and Duffel, Belgium. The price of shares is DM 27.5 million. The acquired company includes interest-bearing debts amounting to approximately DM 100 million. The acquisition will be completed as of December 31, 1995.

AssiDomän's strategy is to concentrate its business in selected areas, where its competence gives it the potential to become market leader. We have opted to expand mainly via acquisitions, and also by investing in existing equipment at our present facilities. Our goal of market leadership primarily means that we aim to be the leader in respect of quality, service and profitability.

By acquiring PWA-Kunststoff, AssiDomän Barrier Coating will strengthen its strategic position and improve its ability to earn a sustainable, healthy return. At present, the industry consists of a small number of large companies together with numerous small ones, and is in need of structuring. This acquisition brings AssiDomän's share of the European market for barrier-coated paper and board up to 18 per cent.

PWA-Kunststoff, which has 365 employees, has annual sales of DM 160 million and is market leader in certain of its segments. It has the capacity to produce some 350 million square metres of coated board and paper per year. Following the acquisition, AssiDomän Barrier Coating will have a total capacity of 1,250 million square metres.

PWA-Kunststoff is a wholly-owned subsidiary of PWA, which in turn is a 75 per cent owned subsidiary of SCA. Its main markets are in Europe, but some 14 per cent of its output goes to overseas markets, predominantly to the USA.

The product range comprises mainly materials for self-adhesive labels, film packaging, and other types of packaging which require a barrier coating against moisture and fat, for instance. The acquisition will strengthen AssiDomän Barrier Coating in some of its existing product segments, while also extending the Business Area's product programme.

"This acquisition is of strategic importance to us, and will move AssiDomän closer to its end customers. We will gain access to new product areas, while also strengthening our position in several growth segments. There are also valuable synergies to be gained from co-ordinating production and sales," says Olav Ålkärr, president of AssiDomän Barrier Coating.

The transaction is subject to the approval of the cartel authorities as well as the PWA supervisory board.

AssiDomän AB  
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