

Italmobiliare and AssiDomän in paper sack agreement

The AssiDomän Group, and Italmobiliare Group, represented by Italmobiliare S.p.A. and Franco Tosi S.p.A, have signed an agreement under which AssiDomän Kraft Products acquires 73 per cent of Natro Cellulosa, as per the 2nd of April. Natro Cellulosa is the market leading producer in Italy of paper sacks for industrial use.

The transaction allows AssiDomän to improve its Pan-European presence in the kraft paper and paper sacks business, to strengthening its strategic position on the Italian market, and to keep the lead in developing and restructuring the European paper sack industry. The deal also confirms the goal of the Italmobiliare Group to further concentrate on its core business.

The operation follows the logic of the paper sack market in Europe: synergies with paper production, and development of multinational capabilities, to meet the clients' needs and demands for geographical diversification.

The two parties will also benefit by the opportunity to develop their expertise in the utilization of paper sack products and in quality improvement.

"With this agreement we continue our strategy in the paper sacks business. Through this contract we are proud to have one of the most efficient and best run sack operations in the world as member in our group, and AssiDomän gets the best Pan-European presence. We will also look for new opportunities in Italy to further strengthen the scope of our operations and our presence on the Italian market", Lennart Ahlgren, CEO of the AssiDomän Group, comments.

Natro Cellulosa Industria Imballaggi Carta S.p.A. is specialised in the production of paper sacks for industrial use. Annual turnover amounts to approximately 75 billion LIT (appr. 325 million SEK). With three production sites, located in Romano (Bergamo), Volla (Napoli) and Misterbianco (Catania), a workforce of about 160 employees, and 220 million sacks produced yearly, Natro Cellulosa holds a leading position in Italy with a market share of 24 per cent. The Italian market for paper sacks amounts to 820 million sacks annually. The acquisition will increase the total production of paper sacks in AssiDomän by 27 per cent to close to one billion sacks annually.

Natro Cellulosa is in the process of expanding its production capacity to follow the market developments: in particular a new complete line is on order for delivery to the Misterbianco plant in the summer.

The President, Bruno Isabella, and the Managing Director, Renato Molinari, will remain in their functions, as a guarantee for management continuity.

The agreement will be submitted for review to the competition authorities.

The AssiDomän Group is one of Europe's leading forest products companies. The Group has around 70 production units in Europe making sack and kraft paper,

packaging board, corrugated packaging, sacks and sawn timber products. AssiDomän has an annual turnover of some 21 billion SEK (appr. 5.000 bn LIT) and 13.000 employees.

The Italmobiliare Group, shareholder of Natro Cellulosa, has extensive interests in the industrial, financial and real estate sectors. With five subsidiaries listed on the Milan Stock Exchange it ranks among Italy's major groups for capitalization and with its two sub-holdings, Italcementi and Franco Tosi, it is also one of the top ten national companies, with an annual turnover of more than 5.500 billion LIT (appr. 24 billion SEK), operations in 10 countries all over the world and more than 19.000 employees.

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