

## **AssiDomän's Russian Corrugated Board Plant Started**

In December 1997, one year after the construction work began, the production started at AssiDomän Packaging's new corrugated board plant in Vsevolozhsk, outside St Petersburg. Already in October the plant was ready to begin operations, but the final permission from the authorities were received just before Christmas. The plant was officially inaugurated January 28, by the Swedish Prime Minister Göran Persson and the Governor of Leningrad Oblast, Vadim Gustov.

The new corrugated board plant is a greenfield project, and is AssiDomän Packaging's first establishment in Russia. It will produce 60 million m<sup>2</sup> of corrugated board per year. Today the number of employees is some 70 people, but will gradually grow as sales and production increase.

The total investment amounts to 200 MSEK.

It was early 1996 that AssiDomän decided to establish operations in the St Petersburg region with some 6.5 million people and strong economic growth. The consumption of corrugated board is increasing steadily as more and more big international consumer products companies establish own production in the area.

"Establishing in St Petersburg forms part of our strategy to serve and supply pan-European customers through a network of corrugated board plants, i.e. customers co-ordinating their purchasing over the whole or parts of Europe. An increasing proportion of our contracts are pan-European", explains Ulf Kilander, President of AssiDomän Packaging.

The greenfield project has been managed through AssiDomän Packaging's Danish branch, which has supplied personnel, materials and know-how.

During the last years AssiDomän Packaging has expanded both through acquisitions and new establishments. Including the pending acquisition of Esswell, presently undergoing due diligence, the business comprises 80 plants in 14 countries - Sweden, Denmark, Germany, The Netherlands, Belgium, Great Britain, France, Spain, Italy, Switzerland, The Czech Republic, Slovakia, Lithuania and Russia.

The construction of a corrugated board plant has started in The Czech republic, and within short there will be groundbreaking for a plant in Poland.

The number of employees in AssiDomän Packaging amounts to 10,000 people and the turnover is approximately 12 billion SEK. Total production amounts to 2.1 billion m<sup>2</sup> of corrugated board, corresponding to 1.2 million tonnes of containerboard (liner and fluting).

AssiDomän is one of Europe's leading forest products companies. The production is concentrated on sawn timber products, packaging paper and packaging. In 1996 the Group, which is one of the world's largest forest owners, had a turnover of 19 billion SEK and 18,000 employees. The number of shareholders amounts to 312,000.

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Corporate Communications  
January 28, 1998