

Continued restructuring of Sepap

The Czech pulp and paper mill Sepap has reached an agreement in principle with Norske Skogsindustrier AS on the sale of Roto a.s. Roto is a newsprint mill with an annual production capacity of 100,000 tonnes and a turnover of MSEK 350. Under the terms of the agreement, Roto will be taken over in the summer of 1997.

AssiDomän owns 39% of Sepap and has, since 1996, had operating responsibility for the business, which is integrated in the business area AssiDomän Kraft Products. The sale of Roto is in keeping with AssiDomän's strategy of focusing on the core business: TCF pulp, packaging paper, sacks and bags.

Previously, the cartonboard and special paper manufacturing operation, Sepap Bela, was disposed of. More sell-offs of this kind are to be expected in the continued focusing on the core business. The sale of operations that do not fit in with AssiDomän's and Sepap's joint strategy will also liberate capital for investments in Sepap.

"The co-ordination between Kraft Products and Sepap is now largely completed, and we can already see substantial integration gains," says AssiDomän's CEO, Lennart Ahlgren.

To facilitate the restructuring of Sepap and integration with AssiDomän, a separate sack company has also been formed, Sepap Sack.

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