

AssiDomän to close Medcoat in the UK

AssiDomän Medcoat in Aylesford, UK, will be closed down during the first half of 1998. The company is a part of the Barrier Coating Business Area of the AssiDomän Group. The operation consists of barrier coating paper for sacks and consumer packaging, among other things. Approximately 90 people are effected by the closure.

AssiDomän Sacks UK, also based in Aylesford, is not effected by today's announcement.

The decision is based on a need for restructuring within Barrier Coating, due to overcapacity in the UK and the rest of Europe. Medcoat has been showing a loss for some time, and despite repeated efforts it has not been possible to reverse the trend. The plant has low productivity and is therefore judged not to have any potential long-term future within Barrier Coating.

The British market will in future be supplied with barrier-coated paper from AssiDomän Barrier Coating's plants in Belgium, France and Sweden.

Costs associated to the closure amount to approximately MSEK 40, which will hit AssiDomän Barrier Coating's earnings in the fourth quarter 1997.

AssiDomän Barrier Coating AB
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AssiDomän Barrier Coating processes paper, liner and cartonboard by coating and laminating with various types of polymers to create a barrier. The products are mainly used for packaging where a barrier against moisture and grease is required.

Production units are located in Belgium, Germany, France, Sweden and the UK. The number of employees is approximately 750.