

AssiDomän buys large European corrugated packaging group

AssiDomän has reached an agreement with the owners of the paper and packaging group Esswell, with operations in Spain, Italy, France, Germany and The Netherlands, on the acquisition of all shares in the group. The deal is being transacted in two steps. The Italian operation is being acquired immediately. An agreement in principle has been concluded for the remainder of the Esswell group. The final decision to acquire Esswell will thus be made after completed Due Diligence. The deal is expected to be finished during May 1998, whereby the exact purchase price will be determined.

The sellers are private investors via the Dutch investment company Leeuw Finance Amsterdam BV.

The Esswell group has an annual turnover of about SEK 2.4 billion, and deliveries amount to 500 Mm² of corrugated board and 150,000 tonnes of waste-based paper annually. Esswell has 19 fully-owned plants with a total of 1,500 employees in five countries:

- Spain: seven corrugated packaging plants, including one sheet plant. Annual corrugated deliveries amount to about 200 Mm².
- Italy: three recycled-fibre-based paper mills for containerboard and one corrugated packaging plant. The deal also includes 50% of the shares in a company with two corrugated packaging plants. Annual deliveries of paper amount to about 130,000 tonnes and corrugated deliveries to 250 Mm², half of which in the wholly-owned plant.
- France: three corrugated packaging plants (including one sheet plant), one offset-printing plant, plus a paper mill for special paper (20,000 tonnes) and a converting plant for special paper. Annual corrugated deliveries amount to 100 Mm².
- Furthermore, the Esswell group includes a corrugated packaging plant in the Netherlands and a corrugated packaging plant in Germany. Total annual corrugated deliveries amount to 75 Mm².

“With the acquisition of the Esswell group we have augmented our European network and acquired considerable corrugated capacity in Spain, the fifth largest market in Europe. This largely completes our structure for corrugated packaging in Europe and gives us a good network for serving Pan-European customers,” says Lennart Ahlgren, President and CEO of AssiDomän.

“Following the ambitious expansion programme of recent years, we now have nearly 80 plants in 14 countries. Our new structure enables us to further co-ordinate activities and exploit additional synergies within AssiDomän Packaging,” says Ulf Kilander, President of AssiDomän Packaging.

After the acquisition of the Esswell group, AssiDomän's annual corrugated deliveries amount to about 2.1 billion m². Annual containerboard deliveries amount to 1.2 million tonnes.

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

AssiDomän AB
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