
Setra to concentrate and focus on special sawing in Horndal

Setra, Sweden's largest wood products company, has decided to concentrate sawing and stock production from high-quality so called veneer logs to the sawmill in Horndal. This decision means that Setra will invest approximately SEK 30 million in Horndal, while sawing at the Skästra sawmill in Järvsö will be discontinued in 2007.

Setra's strategy designed to ensure positive long-term development and competitiveness is to raise value added and the proportion of customised products. The high-quality wood products from veneer log sawing are especially in demand from the window industry.

Setra's President and CEO Kent Torwald: "The window industry has high growth and is a very important customer group for us. We want to continue to develop products in this market together with our customers."

Today, Setra has two units for veneer log sawing. Both need relatively major investment.

Kent Torwald: "In order to meet market needs we plan to invest approximately SEK 30 million over the next two years to modernise and improve the efficiency of operations in Horndal. The total production volume will not increase, but the effects of these investments and restructuring will provide annual earnings improvement of approximately SEK 20 million, which will provide favourable conditions for continued development of these operations."

Tor Marntell, Raw Materials Manager at Setra: "The decision to invest in Horndal will guarantee future special sawing of veneer logs in central Sweden and means that forest owners who invest in active silvicultural measures focused on high-quality pine will receive good dividends in the future as well. Purchases of veneer logs will continue throughout the entire present catchment area, in Medelpad and to the south.

Operations at Skästra sawmill in Järvsö will be phased out during 2007. Some 30 employees will be affected by this closure.

Veneer logs comprise very high quality butt logs from Swedish pine and, to some extent, spruce. The sawn veneer timber is used for the manufacture of products with particularly high quality requirements.

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Setra Group

Setra, Sweden's largest wood products company, sells wood-based products and solutions to the building trade and industrial customers. The Group has 1,400 employees and annual sales of approximately SEK 6 billion, of which exports – primarily to the UK, Denmark, Germany, Spain, Norway and Japan – account for about 55%.

Setra operates twelve sawmills with an annual production of approximately 2.3 million cubic metres of sawn timber, and six processing units for the manufacture of panels, mouldings, floors and glulam beams.

Setra has some 2,400 shareholders. The largest shareholders are Sveaskog AB (50%), Skogsägarna Mellanskog ekonomisk förening (26%) and Lantbrukarnas Ekonomi AB (LRF) (23%). Other shareholders own approximately 1% of the shares. For more information, visit www.setragroup.com