

# INFORMATION

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## **SCA's Annual General Meeting 2001**

### **CEO's comments on the market condition**

In addition to a summary of operations during 2000 and the Group's development plans, updated information on the market condition was presented. With regard to forest products, it was reported that the demand for pulp and recycled fiber continues to weaken. The pulp price has been successively adjusted downward and remains under pressure. Recently, however, the recycled fiber market in southern Europe has shown signs of recovery after the sharp decline this past autumn. Testliner and kraftliner deliveries are lower than in the fourth quarter of 2000, but markets are in balance as a result of production cutbacks. The lower recovered paper prices have resulted in temporary discounts on testliner. Kraftliner prices are currently stable, despite a continued weak market situation in North America. An increase in imports of kraftliner to Europe has also been noted. Market conditions for coated fine paper remains weak, which has created uncertainty for the LWC grade in the form of reduced deliveries and increased price competition. A slower delivery pace has also been noted for other publication paper grades.

Demand for corrugated board is stable in Europe, although volumes are clearly lower than in the fourth quarter of 2000. Certain increased price competition has also been noted in the face of a possible decline in Europe industrial production. Demand for tissue and fluff products is stable, but volumes are lower than in the fourth quarter of 2000. Energy and transport costs continue to rise, which is mainly being offset by declining raw materials costs.

A taped version of the CEO's address at the Annual General Meeting can be viewed on the SCA website, [www.sca.se](http://www.sca.se). The address is available as of 10:00 p.m. on 6 April.

### **Change in the Board of Directors**

Anders Nyrén, designated president of AB Industrivärden was elected as a new member. Christer Gardell and Clas Reuterskiöld had declined re-election. In addition to Nyrén and the employee representatives, the Board will comprise Erik Engström, Sören Gyll, Tom Hedelius, Sverker Martin-Löf, Lars Ramqvist and Bo Rydén.

## **Dividend**

The Meeting approved a dividend for fiscal 2000 of SEK 7.75 (6.80) per share. The record date for entitlement to the dividend is Wednesday, 11 April 2001 and payment through VPC is expected to be made on Wednesday, 18 April 2001.

## **Purchase and transfer of own shares**

The General Meeting resolved to authorize the Board during the period until the next Annual General Meeting, on one or more occasions, to decide on the purchase of the company's own Series A and/or Series B shares on the stock exchange and on the transfer of the company's shares so acquired on the stock market or in some other manner, including transfer waiving the preferential rights of the shareholders and that it shall be possible to effect non-cash transfers.

Acquisition of up to 11 million shares in the company shall be permissible, corresponding to nearly 5% of the number of shares issued, at a price per share within the registered price interval on the stock exchange at the time of purchase. All own shares so acquired may be transferred at a price not lower than within the registered price interval on the stock exchange at the time of transfer. Transfers in any other manner shall be carried out at a market price determined by the Board.

The purpose of the proposal is to provide the Board the possibility to use own shares as payment in company acquisitions and to secure the costs in the options program.

## **Personnel options program to senior executives**

The General Meeting decided on a personnel options program based on an equivalent to so-called treasury stock.

The decision means that the Articles of Association will be changed so that redeemable, restricted Series C preference shares can be issued and that a conversion clause is added to the Articles of Association whereby C shares can be converted to B shares at the request of the Board.

In addition, the Meeting decided on a directed cash issue of 1,800,000 Series C shares to AB Industrivärden and/or one of its subsidiaries, whereby the subscription price shall correspond to the par value of the shares of SEK 10. The new shares will be subscribed and paid during the period 7 May – 18 May 2001.

The Meeting authorized the Board, during the period until the next Annual General Meeting, to decide on a direct purchase offer of all Series C shares pertaining to 1,800,000 shares in the price interval SEK 10 to SEK 11 per share.

Finally, the Meeting decided that a maximum of 1,800,000 Series C shares, after conversion to Series B shares, shall be transferred to senior management and key persons in the SCA Group who are included in the terms of personnel options program. Moreover, subsidiaries in the SCA Group are entitled to acquire shares consideration free, whereby such subsidiaries will be liable to immediately sell the shares to those persons included in the program. The right to purchase shares shall be exercised in accordance with the terms of the program, that is, with certain exception from mid-May 2002 through the beginning of 2009. Persons included in the personnel options program shall pay a price for each share, in some instances after certain rounding off, corresponding to the average last paid price for Series B shares in SCA on the Stockholm Exchange during a certain period prior to the day the allotment of the personnel options is carried out.

The purpose of the change in the Articles of Association, the directed cash issue, authorization of the Board to decide on direct purchase offer and the transfer of acquired own shares is to carry out the personnel options program in a cost efficient and flexible manner and thereby provide the senior management and key persons the possibility of part ownership in the company.

Implementation of the personnel options program is estimated to require 1,800,000 shares, corresponding to about 0.77% of the number of shares issued and 0.27% of the votes. Taking into account earlier decided incentive programs, the number of shares in such programs is 4,700,000, corresponding to 2.02% of the number of shares, respective 0.70% of the number of votes. Calculated in accordance with principles established by the Swedish Association of Financial Analysts, the allotment of options in the personnel options program results in a profit dilution per share amounting to 0.14%.

The issue and the purchase offer are expected to be carried out before summer 2001. In connection with this, implementation of the personnel options program will begin.

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