

Press release



STORA

Group Staff Communications
S-791 80 FALUN, Sweden

Telephone

+46-23 78 00 00
Direct +46-23 78 21 62

Telefax +46-23 253 29
www.stora.se

November 4, 1998

STORA in negotiations regarding the divestment of Technical Office Papers

STORA has been negotiating with Mitsubishi Paper Mills and Mitsubishi Corporation, Tokyo, for some time regarding the divestment of 76% of Stora Carbonless Paper GmbH (Hillegossen) and Stora Spezialpapiere GmbH (Flensburg), Germany.

At STORA's 1998 Annual General Meeting, in connection with the launching of the productivity-improvement program, the Group announced that certain units should be considered for divestment. The current sale is a key feature of this program. The operations in Hillegossen (carbonless paper) and Flensburg (thermal papers) correspond to STORA's Technical Office Papers product area.

Mitsubishi already owns 20% of the shares in Stora Spezialpapiere GmbH and is now negotiating to increase its holding to 76% and to concurrently acquire 76% of the shares in Stora Carbonless GmbH. A due diligence process, which involves a review and analysis of the operations by Mitsubishi, is currently under way.

The purchase price being discussed for the shares would result in a capital loss for STORA of approximately SEK 200 million (approximately SEK 100 million after tax). Total capital employed in the operations amounts to about SEK 1,700 million, including goodwill.

Negotiations are being conducted with the aim of a takeover at year-end 1998.

In 1997, the Technical Office Papers product area had sales of SEK 2,003 million, with approximately 900 employees.

Thermal papers and carbonless paper do not belong to the core business of the STORA Group, whereas these paper grades will optimize Mitsubishi's production and distribution channels.

Through Mitsubishi's strong market position and its efficient research and development strategies concerning these special technologies, both Stora Carbonless and Stora Spezialpapiere will be part of a state-of-the-art competitor in the global market of the next century.

For additional information, please contact:

- *Horst Thaler, President, Stora Publication Paper. Tel: +49 211 581 2830*
- *Ingvar Petersson, First Executive Vice President, STORA. Tel: +46 23 782 488, +46 70 595 7605*