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Sveaskog acquires forest and sawmill from Kinnevik

Sveaskog has reached an agreement with Kinnevik concerning the acquisition of around 235,000 hectares of land, of which around 200,000 hectares is productive forest land, and the Korsnäs sawmill operations. The deal will reinforce Sveaskog's position in the timber market and improve opportunities for fulfilling commitments to provide replacement land and via land sales strengthen individual farming and forestry activities. The acquisition of the Korsnäs sawmill operations provides better opportunities for Sveaskog to participate in the restructuring of the Swedish sawmill industry.

Sveaskog AB has signed an agreement with Industriförvaltnings AB Kinnevik whereby Sveaskog will acquire around 235,000 hectares of land, of which around 200,000 hectares is productive forest land, and the Korsnäs Timber sawmill. The acquisition is expected to be completed at the end of August. The purchase price is around SEK 2,060 million.

The forest assets are located in Dalarna, Gästrikland, Hälsingland and Härjedalen and comprise the Stjärnsund area and parts of Marma Skog AB. The terms of delivery agreements have been agreed by Sveaskog and Korsnäs regarding delivery of timber from Korsnäs to the acquired sawmill and delivery of pulp wood and chips from Sveaskog to the Korsnäs mill in Gävle.

Korsnäs Timber has annual capacity of around 160,000 cubic metres of sawn pine timber and 90 employees. Just like Sveaskog's sawmill operations, most of Korsnäs Timber's products are sold to the carpentry and furniture industry. An effective sawmill structure is now being created in the Bergslagen region through AssiDomän Timber in Skinnskatteberg and Horndal and Korsnäs Timber in Gävle. Sveaskog's overall sawmill capacity after the acquisition will amount to around 1.5 million cubic metres.

"Sveaskog is consolidating its position as the leading manager of productive forest land in Sweden and as an independent player in the timber market," says Bo Dockered, Sveaskog's chairman. "We are also creating better opportunities for Sveaskog to fulfil commitments to provide replacement land and

via land sales strengthen individual farming and forestry activities. The acquisition means that Sveaskog improves its position as the leading producer of pine timber products in Sweden and will remain a strong player in continued restructuring measures. This will speed up the changes that are needed in our industry.”

“The acquisition means that Sveaskog complements its forest holding in a part of Sweden that is important for us. It also strengthens our position on the timber market,” says Lars Sköld, Managing Director of Sveaskog.

The agreement in its entirety is dependent on authorisation from the Swedish Competition Authority and on permission to acquire land.

Sveaskog AB
Corporate Communications
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