



Communications and Public Affairs

Tel. +46 40 16 50 00, Fax +46 40 15 91 80

info@hq.scancem.com or ir@hq.scancem.com

www.scancem.com

PRESS RELEASE

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Scancem signs cement agreements in Malaysia

Scancem International has entered into a Memorandum of Understanding with the Malaysian cement company Cahya Mata Sarawak Berhad (CMSB) aiming at the acquisition of 49 percent of the shares in CMSB's subsidiary CMS Cement Sdn Bhd which operates two cement grinding plants in the state of Sarawak on Borneo.

Parallel to this, Scancem International and CMSB have also signed a Memorandum of Understanding with Landstone Investment Ltd for the acquisition of all shares outstanding in its subsidiary Sarawak Clinker Sdn Bhd, a producer of cement clinker in Sarawak's capital Kuching.

Scancem International is already active in South East Asia with a floating cement import terminal in Bangladesh. It has furthermore been decided to build a cement grinding facility in Bangladesh's capital Dhaka.

Today, Scancem is Europe's sixth largest cement and building materials company and the Group is strongly positioned in mainly the Baltic Sea and North Sea regions. The Group is a leading player in the international cement trading market with operations in the U.S., West Africa and Asia. Scancem is active in approximately 30 countries. Sales in 1998 amounted to SEK 16.5 billion and the number of employees is approximately 11,000. Scancem is listed on the Stockholm Stock Exchange.

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