

# Press Release

KLIPPAN is a leading producer of speciality paper for the graphic Industry with a total capacity of 200,000 tons per year. Production is carried out at the three mills at Klippan, Lessebo and Mölndal.



Klippan, 2 June 2005

## **KLIPPAN AB applies for company reconstruction**

The board of directors today has filed an application for court protection and company reconstruction of KLIPPAN AB and Klippan Mölndal AB.

The reason behind the decision is the financial and liquidity constraints at the present time within the Group. The reconstruction period is normally 3 months, and the purpose is to refinance the Group. The planned new share issue will be postponed until after the reconstruction period.

### **Company reconstruction**

KLIPPAN's board of directors has in its application for reconstructor proposed the lawyer Guy Lofalk from the law firm Hellström & Partners. If the district court in Helsingborg decides according to the application the decision involves the following;

The board of directors, the managing director and all other functions within the Group remain unchanged. The marketing and sales departments in Sweden and abroad continue with business as usual.

Customers are not affected by the reconstruction. All customers have been sent a letter containing information about the significance of the reconstruction.

KLIPPAN is by law prohibited to pay for deliveries carried out before the 2<sup>nd</sup> June 2005 or other debts that derives from before the 2<sup>nd</sup> June. The reconstructor will decide on the process in how those debts will be regulated. KLIPPAN will pay for new supplies after the 2<sup>nd</sup> June immediately upon invoicing.

KLIPPAN's suppliers have been sent a letter containing information about the significance of the reconstruction. All questions from suppliers are first and foremost responded to by KLIPPAN's purchasing department, but also by managing director and Group CEO Thomas Billing, CFO Anders Ljunge and the reconstructor Mr Guy Lofalk.



During the reconstruction period the wage guarantee for KLIPPAN's employees in Sweden applies, i.e. that respective county administrative board during the reconstruction period will pay the employees' salaries (for June) and already earned vacation. Employees abroad will receive their salaries as normal. After the reconstruction period KLIPPAN will repay the amount paid for by the county administrative boards. KLIPPAN will use the wage guarantee to secure that suppliers will get paid for deliveries during the reconstruction period.

A letter has been sent to all employees with information about the above mentioned. Respective personnel department foremost responds to all questions from employees.

Questions from shareholders, the public and media are responded to by managing director and Group CEO Thomas Billing, CFO Anders Ljunge or the reconstructor Mr Guy Lofalk on the below mentioned telephone numbers. Customers, suppliers and others can furthermore ask questions to KLIPPAN's reconstruction department. Information can also be obtained on KLIPPAN's home page at [www.klippan-paper.com](http://www.klippan-paper.com)

The board of directors

KLIPPAN AB

For further information please contact:

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