

**SVENSKA CELLULOSA AKTIEBOLAGET SCA** (publ)

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## **More efficient production structure increases profitability within baby diapers**

**SCA has initiated a project to close its Personal Care factory in Linselles, France as well as a personnel reduction in the company's Hoogezand factory in the Netherlands.**

To enhance efficiency and increase competitiveness of SCA's baby diaper business in Europe, the company plans to move its retail brand production from Linselles to Olawa in Poland. Olawa would thus become the center of production for retail brand baby diapers. As a consequence, a process to close SCA's Linselles factory has been initiated. The closure of the plant is planned for mid 2011, affecting about 280 employees. At the same time an efficiency project in the Hoogezand factory will affect approximately 50 employees until the end of 2010.

Thomas Wulkan, President SCA Personal Care Europe: "These measures will result in an improved cost position for our baby diapers. This is particularly important for our retail brand business, which has been under heavy price pressure in the past years."

Total costs for SCA's European efficiency projects are estimated at 60 MEuro of which write off of assets amounts to 10 MEuro. The costs will be booked in the second quarter 2010.

The yearly savings are estimated at 15 MEuro with full effect from third quarter 2011.

### **For additional information, please contact**

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