

SVENSKA CELLULOSA AKTIEBOLAGET SCA (publ)

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SCA reorganizes for higher growth and profitability

As of 1 April, a new organization is being implemented within SCA. Strong focus is being placed on growth in the hygiene area – tissue and personal care products. A global category organization is being established in the hygiene operations. Packaging and the forest products segments will focus on improving cash flow and profitability and, for limited time, a new position as Chief Operating Officer (COO) is being established to lead this improvement work.

When Jan Johansson became President and CEO of SCA on 1 November 2007, he initiated a total review of the company's management structure.

"We have concluded that SCA within the hygiene area must be quicker and more efficient in order for us to leverage the growth opportunities and also to, in this way, improve profitability. We must have a strong global approach in our hygiene business. Our new organization creates the prerequisites for our businesses to develop based on their respective conditions," says Jan Johansson.

In the hygiene area, SCA offers baby diapers, feminine hygiene products, incontinence care products and tissue for consumers and bulk users. It is mainly here, in the hygiene segment, that the growth opportunities exist, especially in emerging markets.

"SCA has already two brands with sales above 1 billion Euro, the successful Tena and Tork brands. We intend to strengthen their positions further and also develop several other existing brands to greater positions", says Jan Johansson. He adds:

"Within consumer tissue, we have defined significant growth opportunities, while at the same time we need to generate a sharp boost in profitability in mature markets. Baby diapers and feminine hygiene products also have good opportunities for growth based on strong regional positions."

SCA's growth will focus on being number one or number two on global or selected markets in hygiene. The new global category organization will be pooling resources from the business areas into a new organization headed by Gunnar Johansson, currently President of SCA's Personal Care business group. The new unit will serve as a motor to drive organic growth. This will be accomplished with a global strategic focus and includes responsibility for brand strategies, consumer insight and product innovation.

"I place particularly heavy emphasis on increasing the speed to market," says Jan Johansson.

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The strategy for the forest products operations is set, as well as for the packaging operations where an internal consolidation is carried out with undiminished force. However, an active benchmark will be made between the two operations with the aim of benefiting from the positive development that has occurred with regard to productivity and efficiency in the forest products business.

A Chief Operating Officer (COO) is being appointed to lead and coordinate the work in these two operations reporting to the CEO. Kenneth Eriksson, currently President of Forest Products, is being appointed COO. He will be succeeded at Forest Products by Ulf Larsson, head of SCA's sawmill operations.

Other management changes is the appointment of Rijk Schipper as President Personal Care Europe. Mr Schipper is currently President of Asia Pacific. He will be succeeded by Christoph Michalski, currently SVP Business Development and Strategic Planning, and with a solid experience from the consumer goods industry. Mats Berencreutz remains President for Tissue Europe and Thomas Wulkan remains President for Hygiene Americas. John Williams remains President Packaging Europe.

"The overriding goal is to, through faster growth and improved profitability, significantly increase the shareholder value in the group. With the new, global category organization, more distinct and stronger decision-making is created regarding on which markets and in which segments SCA shall grow," says Jan Johansson.

As the new organization becomes effective April 1, SCA's Group Management consists of CEO, the Presidents of Global Hygiene Category, Tissue Europe, Personal Care Europe, Hygiene Americas, Asia Pacific, Packaging and Forest Products as well as CFO, COO and SVPs of corporate staffs, all reporting to President and CEO, Jan Johansson.

A Q&A phone conference will be held today, Monday March 10th, at 09.30 CET.
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This information is such that SCA must disclose in accordance with the Securities Markets Act.
