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Billerud in negotiation with Barloworld to acquire Henry Cooke

Billerud AB (publ) is negotiating to acquire British paper making company Henry Cooke Ltd from international industrial brand management company Barloworld Limited the two companies said today in a joint announcement. The acquisition process has commenced and a Letter of Intent has been signed. The Process is expected to be completed before the end of this calendar year. The expected purchase price is approx MSEK 230 (MGBP 17.5) on a debt free basis corresponding to book value.

Henry Cooke Ltd. is a British wholly-owned subsidiary of Johannesburg listed Barloworld. It produces packaging paper and is specialised in paper for medical and flexible packaging; two of Billerud's prioritised product segments. The manufacturing plant of the company is situated approx. 100 kilometers north of Manchester and includes two MG-machines with an annual capacity of approx. 45 000 tons. The company has approx. 180 employees and an annual turnover of approx. MSEK 400 (MGBP 30). The sales are global but with a main focus on Europe.

Quote from CEO of Billerud: "Henry Cooke is active within prioritised product segments where we have ambitions to expand. An acquisition would create new co-ordination possibilities within Billerud, increase pulp integration and exceed our requirements for financial return."

Barloworld CEO Tony Phillips said: "We made a strategic decision to exit the paper industry some years ago and this deal will complete that process." Barloworld sold its other paper businesses in 1999.

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Billerud AB (publ)

Bert Östlund
President & CEO

For further information please contact
Bert Östlund, President & CEO, +46 8 553 335 00 or +46 70 518 2757
Nils Lindholm; CFO, +46 8 553 335 07 or +46 70 217 5225
For further information on Billerud visit www.billerud.com

For further information on Barloworld visit www.barloworld.com or contact Mark Drewell, Head of Corporate Communication, +27 11 445 1204, Email mdrewell@barloworld.com

Billerud manufactures and sells packaging paper, in the form of kraft paper and containerboard, as well as market pulp. Production is carried out at the Group's integrated pulp and paper mills in Gruvön, Karlsborg and Skärblacka. Billerud has a world-leading position within several well-defined product segments. The main customer base is Europe but also includes the rest of the world. Billerud has annual sales of approximately SEK 7 billion and 2,400 employees.