

Swedspan buys Isoroy particle board plant Lure

Today, April 16, 2010, the Swedspan Group has acquired the French particle board company *Société Industrielle et Financière Isoroy (SIFI)*. The company is the owner of the particle board production plant located in Lure, and was part of Isoroy, which is the French subsidiary of the Portuguese Sonae Indústria Group. Effective today, the new subsidiary of the Swedspan Group is renamed to Swedspan France.

Swedspan's main objective is to build up significant particle board production capacities to ensure the long-term supply of raw materials for the IKEA flat-line furniture business with innovative wood based panels. The acquisition of the Lure plant is a strategic move to enlarge Swedspan's capacities. "The integration of Lure fits perfectly into our overall strategy of building important particle board capacities for supporting the growth of IKEA's furniture suppliers. Related to this Swedspan is particularly focussing on serving the demand for lightweight and Low-Emission boards," says Christian G. Schwarz, CEO of Swedspan and new chairman of the Board of Directors of the new company. "Swedspan France is dedicated to take care of the needs of IKEA furniture suppliers in France and neighbouring countries. However, we will also continue sales to third party customers."

In addition to a beneficial location, the production facilities at Lure are in a good condition – the plant was entirely rebuilt in 2001. "At Lure, we strive to achieve the highest standards in regards to particle board manufacturing," says Denis Poty, Director of the plant and new Managing Director of Swedspan France. "By enhancing lightweight and low-emission technologies, the Swedspan Group is an innovative market leader within the wood based panels market. We are excited to be part of this project and are looking forward to contributing with our knowledge to this growth story."

In order to better align the production facilities at the Lure plant to the needs of its customers, Swedspan is planning long-term investments, particularly to facilitate the production of lightweight and Low-Emission boards. As Swedspan has a very strong commitment to sustainability, there will also be investments in environmental technology. Furthermore, Swedspan emphasizes that it is not planning any reduction of number of personnel at Lure.

With the acquisition of the Lure plant, the Swedspan Group enlarges its production capacities to four sites for particle board production across Europe. The construction work for another site for ultra-thin HDF production in Poland will start as planned.

About Swedspan Group

The Swedspan Group was formed as a spin-off from the furniture manufacturer Swedwood in March 2008. Both companies are subsidiaries of the INGKA Holding B.V., which is also the parent company for the IKEA Group. The main target of Swedspan is to ensure the long-term raw material supply for IKEA's flat line furniture business.

Swedspan aims to create a relevant production capacity for the IKEA panel demand offering products with low cost structures enhanced product properties and reduced raw material consumption at the same time. The decision to create a wood based panels producer in-house, is based on the expectation that the requirement for wood based panels by IKEA's flat line furniture suppliers will continue to increase strongly.

Today the Swedspan Group employs 650 co-workers. The Group comprises the support and co-ordination unit Swedspan International, and the local entities Swedspan Giritu Bizonas in Lithuania, Swedspan Slovakia, Swedspan Sweden, the Tech Centre in Hultsfred/Sweden and the new subsidiary Swedspan France in Lure. Furthermore construction works for a site for ultra-thin HDF production in Poland will start in summer.

About Swedspan France

The particle board production plant in Lure is located in the department Haute-Saône in the East of France. With some 145 full time co-workers the production is mainly focused on raw particle boards and melamine-faced particle boards. The overall capacity is around 470,000 m³ per year.

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