

## Extension time in Hultsfred

The decision is taken: The Hultsfred plant will be extended. The currently operating 35 meters continuous press, providing a maximum width of 2,65 meters and delivering an installed annual capacity of 535.000 m<sup>3</sup> is too little to support the overall company's growth as well as the demands of our Scandinavian customers that are served mainly by Swedspan Sweden.

To support future growth the Swedspan Group has approved a significant double digit investment plan for the Swedish plant – this includes: the press will be extended by 5 meters then operating 40 meters all in all. The maximum width of 2,65 meters will be kept. Furthermore a debottlenecking of upstream and downstream operations is planned to increase the product portfolio of raw boards, as well as a new energy concept supporting the capacity increase project and allowing the plant to be independent from fossil fuel. A new heating dryer will be installed, too. The objective is to create an annual production capacity of 600,000 cubic metres – this shall be obtained within the next two years.

“One of Swedspan's major goals besides producing high-quality products at low prices and continuously reducing the ecological footprint is growth. As a part of this strategy it is essential to extend the production capacity of dual density boards (BoBoard) significantly. At the moment round about 200.000 m<sup>3</sup> are produced at Hultsfred, Sweden. For the future Swedspan is targeting at least a doubling of this production capacity. Having this in mind it is clear to everyone that Swedspan Sweden is an important part of the overall growth strategy of Swedspan. The plant is vital for serving the Scandinavian IKEA flatline customers. With the extension of the plant we are supporting our overall growth strategy and ensure serving the Scandinavian customers best”, says Inger Nordänger, Managing Director of Swedspan Sweden.

### Background info: Swedspan Sweden

Swedspan Sweden is located in Hultsfred, Småland. The former Swedwood plant was built in 1974 and is part of Swedspan International since September 1st 2009. Today the site employs round about 120 of our co-workers. The Hultsfred plant is mainly supplying the IKEA flatline producers in Scandinavia. Located right next to the plant the Swedspan Tech Center is the origin of many important developments and new inventions.

## A month of records

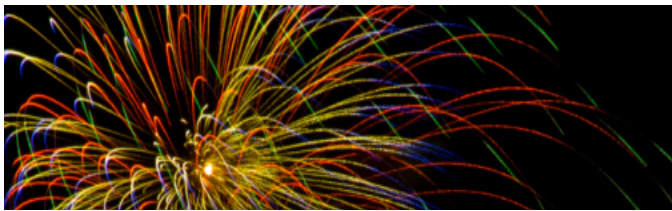
In July 2010 Swedspan achieved two production records at the plants in Lure and Kazlu Ruda. Hultsfred announced another one in August. With 40,729 m<sup>3</sup> Kazlu Ruda produced an all time high in particle boards and Lure as well as Hultsfred managed to pass the 40,000 m<sup>3</sup> barrier by producing 42,061 m<sup>3</sup> and 40,245 m<sup>3</sup>.

For Lure this record was very important, as it shows clearly that efforts start to pay off. In contrast to previous months when un-precedent production down-times lead to a utilization rate of only 75%, the plant is now on course of becoming a fully utilized mill. Denis Poty is happy with the July results: “We held our promise of improving our output significantly.”

Christian Schwarz sends his congratulations to the teams in Lure and Hultsfred and also thanked the team in Kazlu Ruda for their outstanding performance: “The production in July was outstanding. The capability of producing more than 40.000 m<sup>3</sup> per month is crucial for our budget targets.

These monthly records give us confidence in our ability to reach competitive price levels per m<sup>3</sup> in every mill."

Regina Zasiene, Managing Director of Swedspan Lithuania added: "The Lithuanian mill achieved an all time high, and I am really proud of my entire team here. I encourage you all to keep on performing on this level." Regarding Hultsfred, Sweden the production also surpassed the 40,000 m<sup>3</sup> barrier for the first time ever by producing 40,245 m<sup>3</sup> – in this month the Hultsfred team also ranked new interday and weekly records.



*Celebrations in Kazlu Ruda, Lure and Hultsfred – production records at three sites.*

## News on management

We had some changes related to the Swedspan management. We welcome Inger Nordänger in her new position as Managing Director of Swedspan Sweden and Regina Zasiene as Managing Director of Swedspan Lithuania. To keep you all informed, OnBoard did small portraits of Inger and Regina.

Inger Nordänger is appointed Managing Director of Swedspan Sweden as of September 1st, 2010. Inger holds a Master of Science degree in Chemical Engineering. She looks back on an excellent track record of more than 20 years in various management disciplines in the wood and timber industry.

Before joining Swedspan Inger has – among others - served as production and plant manager. She also worked for Swedwood, Sweden. As Managing Director of Swedspan Sweden she will be responsible for all topics related to the plant and the overall overall development of Swedspans production site in Hultsfred.



*"I'm very happy to join the Swedspan team. I am looking forward to continue the Swedspan success story together with you!" (Inger Nordänger, Managing Director of Swedspan Sweden)*

Regina Zasiene is appointed Managing Director of Swedspan Lithuania as of September 1st, 2010 – she already was the acting Managing Director since May 1st, 2010. Regina holds a Master Degree of Management and Business Administration. She looks back on a broad track record of nearly 20 years doing business in various companies.

Before Regina joined Swedspan she was working in different managing positions supporting and driving the strategic positioning and establishing of various companies. For round about 10 years she also supported the Embassy of Great Britain as an independent business consultant.

As Managing Director of Swedspan Lithuania she will be responsible for all topics related to the plant and the overall overall development of the site in Kazlu Ruda.



*"I already could get in touch with my team at Giriu Bizonas. It's a great spirit there – I am very proud of my people! (Regina Zasiene, Managing Director of Swedspan Lithuania)*