

## **Declaration of intent regarding the sale of Vimmerby sawmill**

**Setra has signed a declaration of intent with Bergs Timber AB regarding the sale of Vimmerby sawmill.**

“Setra Vimmerby’s integration with Setra’s other production units as regards raw material supply and market concept is not particularly high. It is therefore logical to seek other ownership structures for this unit,” says Hannele Arvonen, President and CEO of Setra.

Setra Vimmerby, which is one of wood products company Setra’s twelve production units, has some 50 employees. The sawmill conducts production of sawn wood products in Vimmerby municipality and is located about 40 kilometres from Bergs Timber’s facility in Mörlunda. Bergs Timber believes that an acquisition would provide potential synergies within several areas.

The declaration of intent between Setra and Bergs Timber relates to the divestment of operations at Setra’s sawmill in Vimmerby, where the valuation is based on book values and made on a debt-free basis. The intention is to finance the transaction partly through payment in newly issued shares in Bergs Timber and partly by raising new loans. The allocation between shares and loans will be determined in future negotiations.

The parties are agreed as a first step in the continued process, to work together to draw up a business plan for the integration of Setra Vimmerby’s sawmill operations with the operations of Bergs Timber. The business plan will then be the deciding factor for whether or not the transaction should be completed. The parties consider that it should be possible to make this decision during the fourth quarter of 2016.

In addition to the business plan, the sale is contingent on implementation of due diligence, approval from the relevant authorities, secured financing as well as other usual terms and conditions.

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*Setra is one of Sweden’s largest wood products companies. We process raw material from responsibly managed forests and offer climate-friendly products and solutions for building and living in a global market. The Group has approximately 800 employees and annual sales of SEK 4.2 billion. Exports to Europe, North Africa, the Middle East and Asia account for about 60% of sales.  
Read more at [www.setragroup.com](http://www.setragroup.com).*

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