

Year-end report 2011

1 January – 31 December 2011



Key events

- Binding offer to acquire Georgia-Pacific's European tissue operations
- Divesting the Packaging business, excluding the two kraftliner mills
- Acquisitions in emerging markets
- Established joint venture in Australasia
- Efficiency program
- New hygiene organization
- Wind power joint venture with Fred.Olsen Renewables



Summary

Full year 2011 vs Full year 2010



- Sales increased 4%*
 - Hygiene business
 - ◆ Higher volumes and prices
 - ◆ Good growth in emerging markets
 - Personal care, 13%**
 - Tissue, 10%**
 - Packaging
 - ◆ Packaging volumes flat***
 - ◆ Corrugated prices increased 9%
 - Forest Products
 - ◆ Publication paper volumes flat
 - ◆ Solid-wood product volumes increased 5%
- EBIT flat****
 - Higher prices in all businesses
 - Higher volumes
 - Cost savings
 - Raw material costs increased SEK 3.2bn
 - Negative currency impact, SEK 840m
- Profit before tax decreased 3%****

* Adjusted for exchange rate movements and divestments

** Adjusted for exchange rate movements

*** Excluding divestments

**** Excluding items affecting comparability and adjusted for exchange rate movements



Summary

Q4 2011 vs Q4 2010



- Sales increased 1%*
 - Hygiene business
 - ◆ Higher volumes in Personal Care and flat volumes in Tissue
 - ◆ Higher prices
 - ◆ Good growth in emerging markets
 - Personal care, 16%**
 - Tissue, 10%**
 - Packaging
 - ◆ Packaging volumes decreased 3%***
 - ◆ Corrugated prices increased 6%
 - Forest Products
 - ◆ Publication paper volumes decreased 2%
 - ◆ Solid-wood product volumes flat
- EBIT increased 1%****
 - Higher prices in all businesses
 - Raw material costs increased SEK 220m
 - Negative currency impact, SEK 110m
- Profit before tax decreased 2%****

* Adjusted for exchange rate movements and divestments

** Adjusted for exchange rate movements

*** Excluding divestments

**** Excluding items affecting comparability and adjusted for exchange rate movements



Items affecting comparability

Full year 2011 vs Full year 2010



- Items affecting comparability amounted to SEK 5,676m (931)
 - ◆ Write-down of assets in the packaging operations: SEK 3,949m
 - ◆ Write-down in connection with the divestment of 50% of the hygiene operations in Australasia: SEK 654m
 - ◆ Transaction costs in connection with acquisitions and divestments: SEK 118m
 - ◆ Restructuring costs: SEK 955m (931)



Full year 2011 results

SEK millions			Change,	Change,
unless otherwise stated	2011	2010	%	%**
Net sales	105,750	106,965	-1	4***
EBIT*	9,224	9,608	-4	0
EBIT margin* (%)	8.7	9.0		
Profit before tax*	7,934	8,492	-7	-3
Earnings per share (SEK)	0.78	7.90		
Cash flow from current operations	6,383	7,399		
Debt/Equity ratio	0.60	0.51		

- * Excluding items affecting comparability
- ** Adjusted for exchange rate movements
- *** Excluding divestments



Q4 2011 results



SEK millions unless otherwise stated	Q4 2011	Q4 2010	Change, Q4/Q4,%	Change, Q4/Q4,%**	Q3 2011
Net sales	26,749	27,052	-1	1***	26,937
EBIT*	2,527	2,567	-2	1	2,435
EBIT margin* (%)	9.4	9.5			9.0
Profit before tax*	2,167	2,274	-5	-2	2,084
Earnings per share (SEK)	-4.88	2.38			1.82
Cash flow from current operations	1,986	2,389			2,557

* Excluding items affecting comparability

** Adjusted for exchange rate movements

*** Excluding divestments



Q4 2011 vs. Q3 2011

Summary



■ Group

- ◆ Sales flat
- ◆ EBIT increased 4%*
- ◆ Profit before tax increased 4%*

■ Business areas

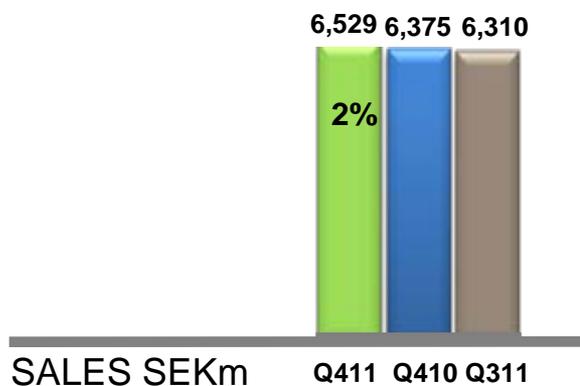
- ◆ Personal Care, EBIT increased 15%*
 - Improved price/mix
 - Higher volumes
 - Lower raw material costs
- ◆ Tissue, EBIT increased 29%*
 - Higher prices and volumes
 - Lower raw material costs
- ◆ Packaging, EBIT decreased 20%*
 - Seasonally lower containerboard volumes
 - Lower prices
 - Lower raw material costs
- ◆ Forest Products, EBIT decreased 18%*
 - Lower prices

* Excluding items affecting comparability



Personal Care

Q4 2011 vs. Q4 2010



EBIT margin 12.1%** 11.5% 10.9%**

■ Sales increased 2% (4%*)

- ◆ Incontinence care increased 5%*
- ◆ Baby diapers increased 5%*
- ◆ Feminine care increased 1%*
- ◆ Emerging markets increased 16%*

■ EBIT increased by 8%** (12%***)

- ◆ Higher volumes
- ◆ Higher prices
- ◆ Cost savings
- ◆ Higher raw material cost
- ◆ Negative currency impact



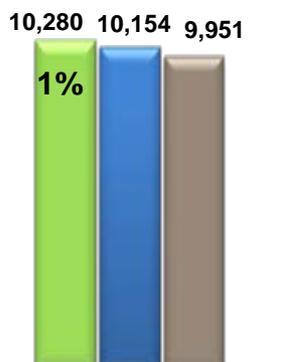
* Adjusted for exchange rate movements

** Excluding items affecting comparability

*** Excluding items affecting comparability and adjusted for exchange rate movements

Tissue

Q4 2011 vs. Q4 2010



SALES SEKm Q411 Q410 Q311



EBIT SEKm Q411 Q410 Q311

EBIT margin 10.2%** 7.8% 8.1%**

- **Sales increased 1% (3%*)**
 - ◆ Consumer tissue flat*
 - ◆ AFH tissue increased 6%*
 - ◆ Emerging markets increased 10%*
- **EBIT increased 33%** (37%***)**
 - ◆ Higher prices
 - ◆ Improved product mix
 - ◆ Lower raw material costs
 - ◆ Negative currency impact

* Adjusted for exchange rate movements

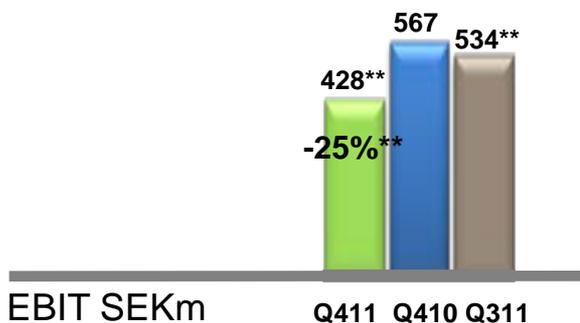
** Excluding items affecting comparability

*** Excluding items affecting comparability and adjusted for exchange rate movements



Packaging

Q4 2011 vs. Q4 2010



EBIT margin 6.8%** 8.5% 7.8%**

- **Sales decreased 6% (flat*)**
 - ◆ Higher prices
 - ◆ Lower volumes
- **EBIT decreased 25%** (23%***)**
 - ◆ Higher prices
 - ◆ Cost savings
 - ◆ Higher raw material costs
 - ◆ Lower volumes
 - ◆ Negative currency impact



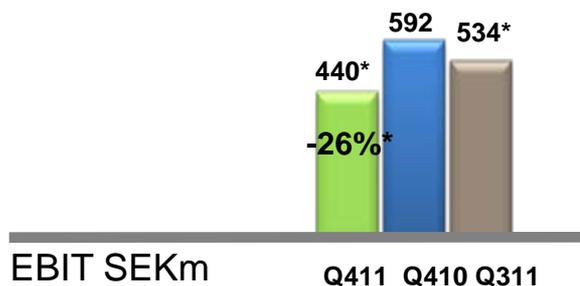
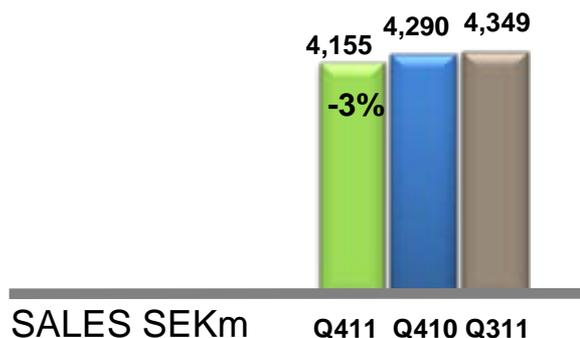
* Adjusted for exchange rate movements and divestments

** Excluding items affecting comparability

*** Excluding items affecting comparability and adjusted for exchange rate movements

Forest Products

Q4 2011 vs. Q4 2010



EBIT margin 10.6%* 13.8% 12.3%*

- **Sales decreased 3%**
 - ◆ Lower volumes
 - ◆ Higher publication paper prices
- **EBIT decreased 26%***
 - ◆ Higher raw material costs
 - ◆ Negative currency impact
 - ◆ Higher prices



* Excluding items affecting comparability

Dividend

- Proposed 5% increase of the dividend to SEK 4.20 (4.00) per share



Binding offer for Georgia-Pacific's European tissue operations



- Creates a leading European tissue company
- Strengthens our product offering and geographic reach
- Offered price: EUR 1.32bn
- Sales: EUR 1.25bn
- Annual synergies: EUR 125m
- With fully realized synergies earnings per share are expected to increase with approx. SEK 1.70



Divestment of Packaging

Supports SCA's strategy



- Divestment of Packaging to DS Smith
- Enables increased growth in the hygiene business
- SCA's two kraftliner mills in Sweden are not included
- Purchase price: EUR 1.7bn on a debt free basis
- Earnings per share decrease by SEK 0.73*
- The hygiene business will account for approx. 80%** of SCA's net sales
- Debt/Equity ratio will decrease to approx. 0.5**



* Based on the net profit for 2011

** Provided that the Packaging divestment and the previously announced binding offer for Georgia-Pacific's European tissue business are closed according to plan.

Strategic focus areas



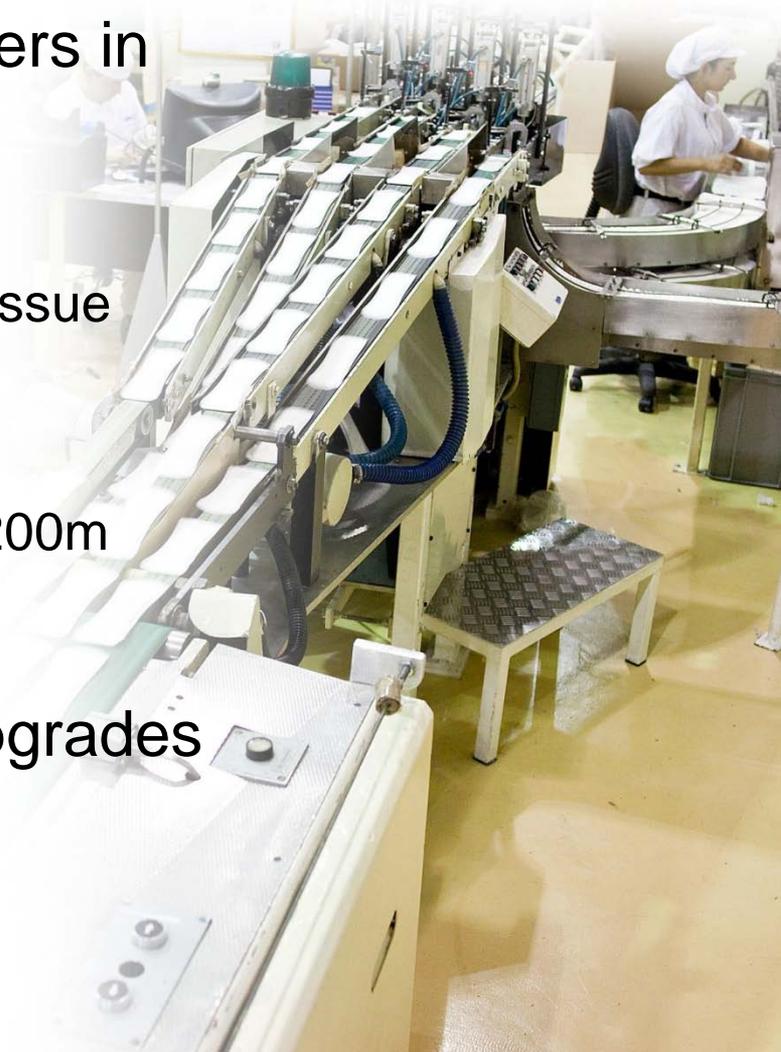
EFFICIENCY

INNOVATION

GROWTH

Efficiency

- Restructuring program in baby diapers in Europe finalized
- Efficiency program
 - ◆ Mainly related to Personal Care and Tissue
 - ◆ Annual cost savings: SEK 700m
 - ◆ Gradual impact during 2012-2013
 - ◆ Annualized savings in Q4 2011: SEK 200m
- New hygiene organization
- Investments in new capacity and upgrades



Innovation

Strengthens market positions and profitability



Growth

- Binding offer for Georgia-Pacific's European tissue operations
- High growth in emerging markets
- Acquisition in Brazil
 - ◆ Pro Descart, No. 2 in incontinence care products
- Acquisitions in Turkey
 - ◆ San Saglik 95%, No. 2 in incontinence care products
 - ◆ Komili 50%, No. 4 in baby diapers and feminine care products
- New hygiene organization
- Wind power joint venture with Fred.Olsen Renewables
- Investments in new capacity and upgrades



Q&A

c/o Life Because our products make life easier for you and for millions of people around the world. Because our resources and the way we work are natural parts of the global lifecycle. And because we care.

IR Contacts:

Johan Karlsson, VP Investor Relations
Tel: +46 8 788 51 30

Jessica Ölvestad, Manager Investor Relations
Tel: +46 8 788 52 82

Email: ir@sca.com | Website: www.sca.com

