

Interim Report



Q2 2015



Magnus Groth

President and CEO

Summary Q2 2015



- Good organic growth in sales and operating profit
- Strong growth in emerging markets
- Strong cash flow
- Continued strong contribution from efficiency gains
- Ten innovations and product launches
 - Edet, Okay, Plenty, TENA, Tork and Zewa
- Price increases achieved for consumer tissue in Europe with gradual impact during H2 2015
- Investment in new production facility in Brazil
- Inclusion in the sustainability index FTSE4Good reconfirmed

Group

Q2 2015 vs. Q2 2014



* Excluding items affecting comparability

** Excluding items affecting comparability, gains on forest swaps of SEK 0m (175) before tax and currency translation effects

*** Excluding items affecting comparability and gains on forest swaps of SEK 0m (175) before tax

Strategic Priorities



PROFITABLE GROWTH



INNOVATION



EFFICIENCY



INCREASING EFFICIENCY IN THE ENTIRE VALUE CHAIN

Investment in Brazil



- Investment of approx. SEK 650m in a new production facility for incontinence products
- Production start 2016
- SCA is the second largest company in incontinence products
 - ◆ Global leading brand TENA and local brand Biofral
- Brazil is the world's third largest retail market for incontinence products



Addressing low performing markets



■ Brazil

- ◆ Exit baby diapers

■ Thailand

- ◆ Changed business model to export business

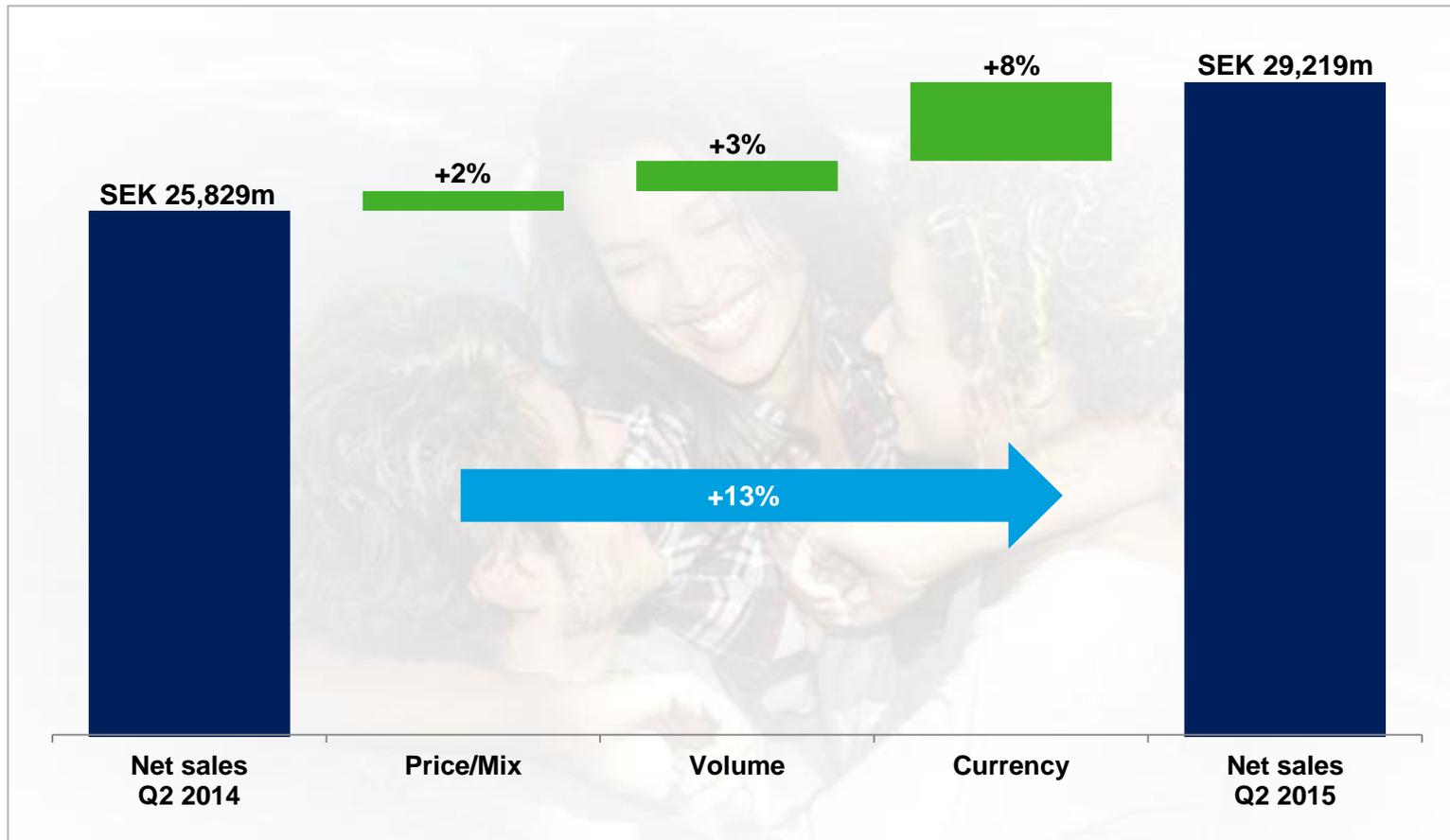


Fredrik Rystedt

CFO

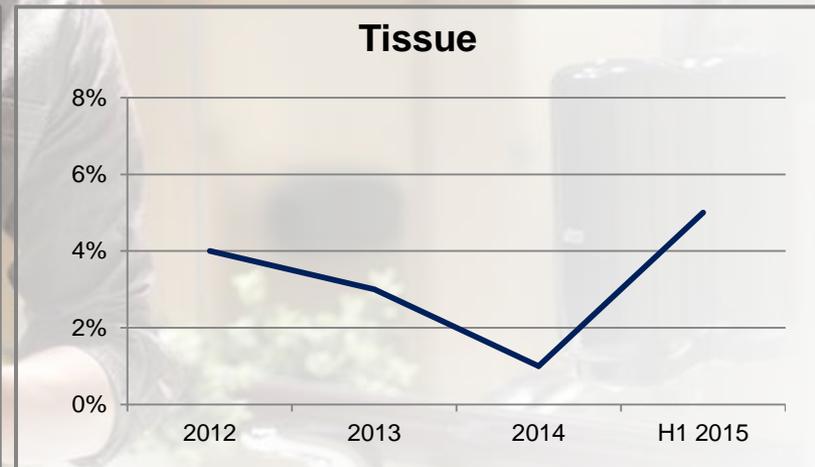
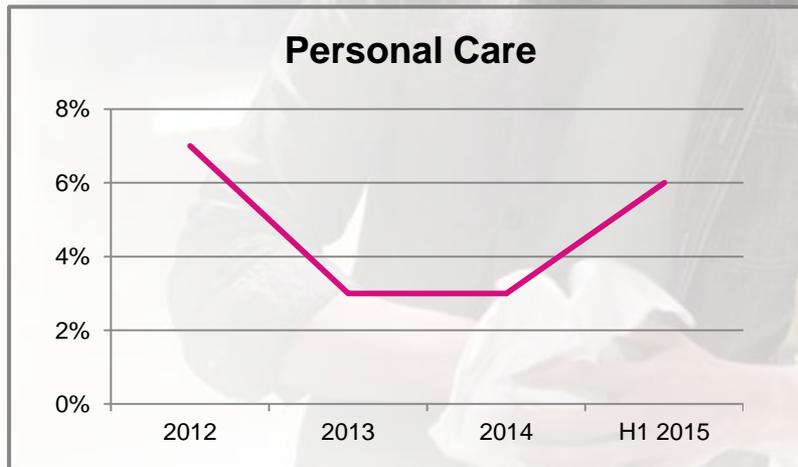
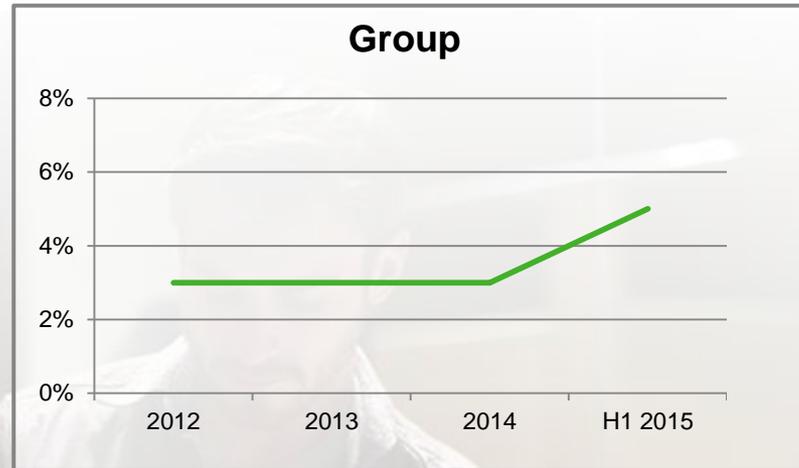
Net Sales

Q2 2015 vs. Q2 2014



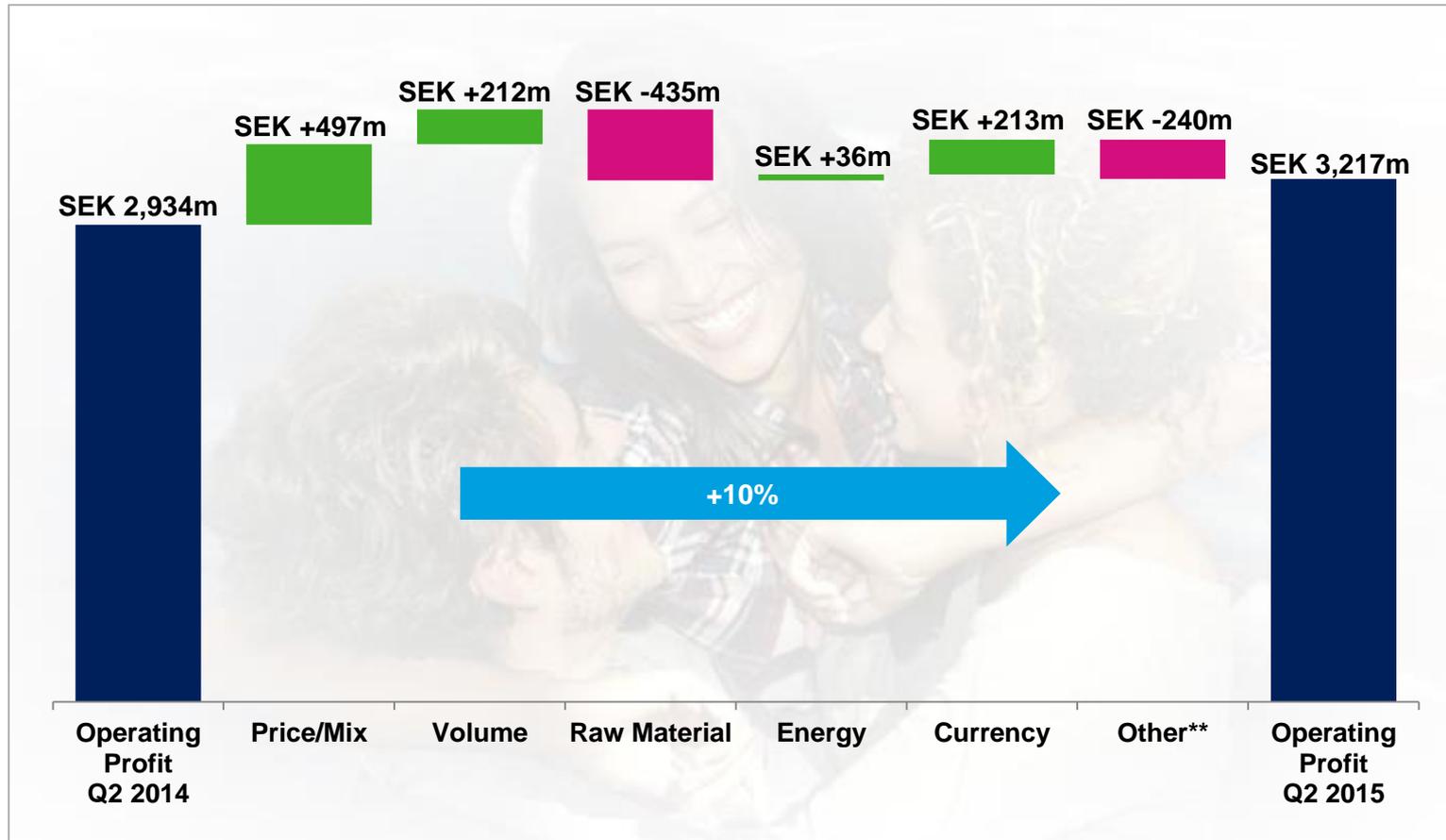
- Organic sales growth 5%
- ◆ Price/Mix +2%
- ◆ Volume +3%

Organic Sales Growth



Operating Profit* – Group

Q2 2015 vs. Q2 2014



* Excluding items affecting comparability and including gains on forest swaps of SEK 0m (175) before tax

** Other includes gains on forest swaps of SEK -175m

Cash Flow

Q2 2015 vs. Q2 2014



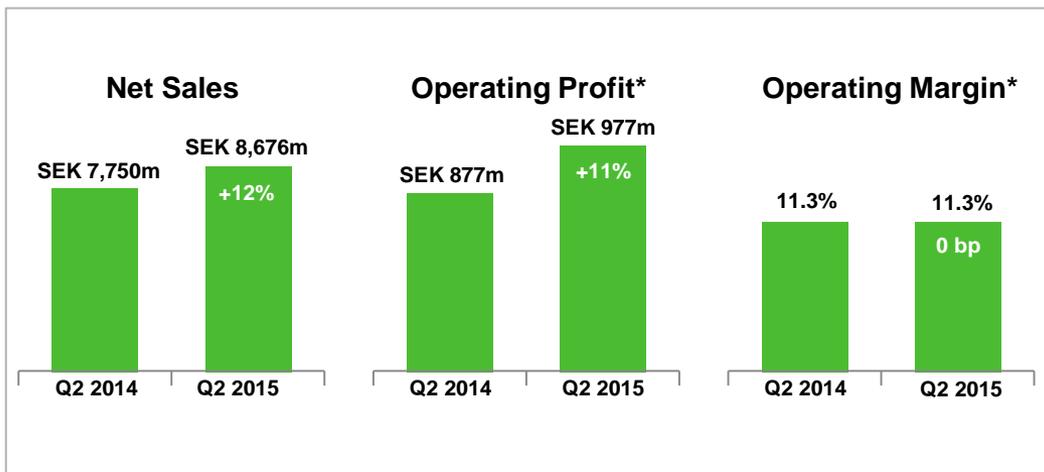
	Q2 2015 SEKm	Q2 2014 SEKm
Operating cash surplus	4,626	3,967
Change in working capital	-550	-828
Restructuring costs, etc	-233	-238
Capital expenditures (including strategic)	-1,259	-1,232
Operating cash flow including strategic capital expenditures	2,584	1,669

Magnus Groth

President and CEO

Personal Care

Q2 2015 vs Q2 2014



- Sales growth 12%
- Organic sales growth 6%
- Operating profit increased 11%*
 - ◆ Better price/mix
 - ◆ Higher volumes
 - ◆ Cost savings
 - ◆ Higher raw material costs due to a stronger USD and higher pulp prices
 - ◆ Increased marketing activities for incontinence products and in India
- Operating margin 11.3%*
- ROCE** 28.6%



* Excluding items affecting comparability

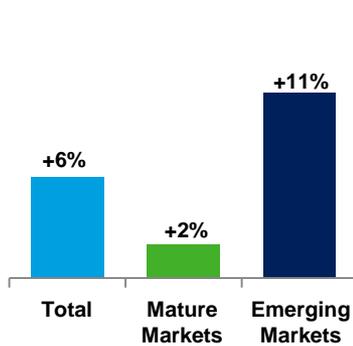
** Return on capital employed excluding items affecting comparability

Personal Care

Q2 2015 vs Q2 2014

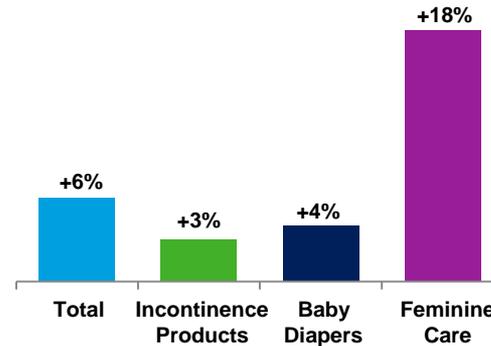


Organic Sales Growth by Region



% of Personal Care Sales: Mature Markets 56%, Emerging Markets 44%

Organic Sales Growth by Product Segment



% of Personal Care Sales: Incontinence Products 51%, Baby Diapers 29%, Feminine Care 20%

Organic sales growth 6%

- ◆ Price/mix +4%
- ◆ Volume +2%
- ◆ Strong growth in emerging markets
- ◆ Strong growth for feminine care

Mature markets

- ◆ Western Europe
 - Strong growth for baby diapers and feminine care
 - Higher sales for incontinence products
- ◆ North America
 - Lower sales for incontinence products

Emerging markets

- ◆ Latin America +15%
 - Strong growth for feminine care and incontinence products
 - Higher sales for baby diapers
- ◆ Russia +46%
 - Strong growth for all product segments



Personal Care

Innovations and Product Launches Q2 2015



TENA Lady Mini, Mini Wings, Mini Plus, Mini Plus Wings with DRYZone



TENA Lady Range



TENA Flex Normal



lights by TENA
Ultra Towels Normal &
Ultra Towels Normal with
Wings



TENA Stretch Super
and Ultra Briefs,
TENA Stretch Plus
Brief



- New top sheet and embossing design for easy finding of the DRYZone
- Providing the same superior protection you know from TENA Lady

- New feminine design on the release paper on the back of the product, introducing assortment colors
- New individual wraps – soft and less noisy material with a new, more feminine design

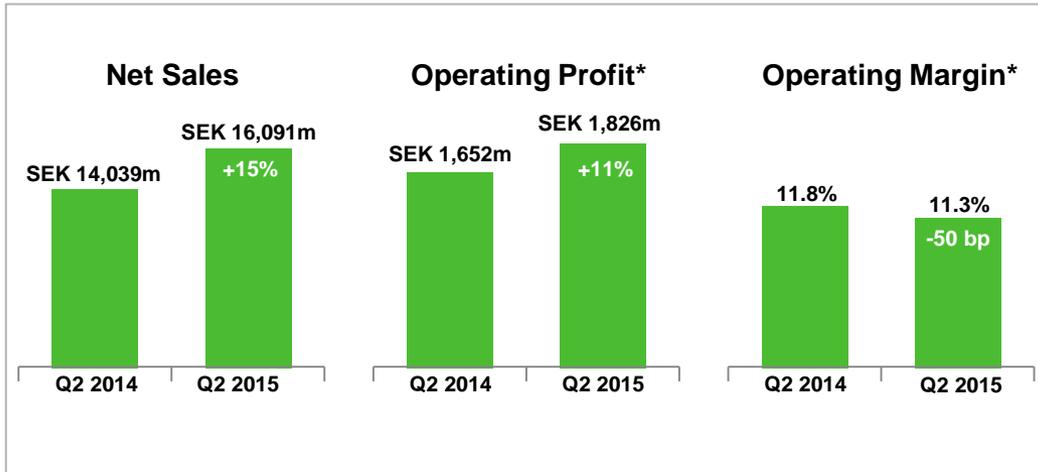
- Extending the TENA Flex range by adding a product with a lower absorption level

- Specially designed for unexpected little leaks
- FeelFresh Technology™ locks in moisture and controls odor

- Fully breathable stretch sides: promoting skin health and wearer comfort
- Multifunctional design: for easy toileting and promotion of restorative care
- Printed backsheet: for easier selection of the correct product, while the scannable barcode supports consumption tracking and inventory management

Tissue

Q2 2015 vs Q2 2014



- Sales growth 15%
- Organic sales growth 4%
- Operating profit increased 11%*
 - ◆ Better price/mix
 - ◆ Higher volumes
 - ◆ Cost savings
 - ◆ Higher raw material costs mainly due to a stronger USD
- Operating margin 11.3%*
- ROCE** 13.2%

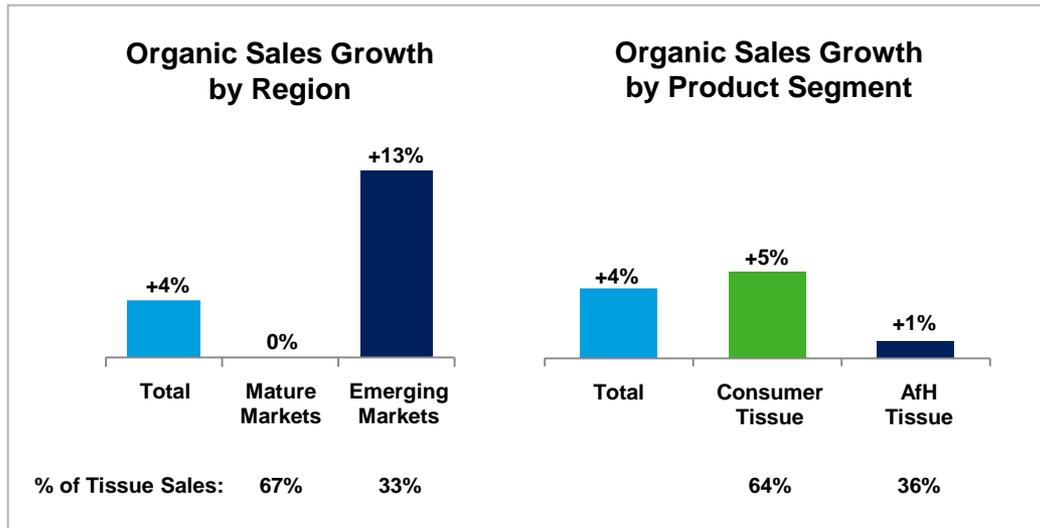


* Excluding items affecting comparability

** Return on capital employed excluding items affecting comparability

Tissue

Q2 2015 vs Q2 2014



■ Organic sales growth 4%

- ◆ Price/mix +1%
- ◆ Volume +3%
- ◆ Strong growth in emerging markets

■ Mature markets

- ◆ Western Europe
 - Flat sales for consumer tissue
 - Lower sales for AfH tissue
- ◆ North America
 - Higher sales for AfH tissue

■ Emerging markets

- ◆ Asia +16%
- ◆ Latin America +8%
- ◆ Russia +20%



Tissue

Innovations and Product Launches Q2 2015



New Plenty Easy Clean Wipes



- A unique refillable dispenser that helps you to clean effectively while keeping your wipes moist for longer
- Available in three different variants: Multi-purpose, Bathroom, Anti-bacterial

SCA Household Towel Brands: Zewa, Plenty, Okay & Edet



- Relaunch with a new on-pack power claim "Stays strong when wet"

Tork Cleaning Cloths with ExelClean™



Helps customers improve efficiency and performance when completing wiping and cleaning tasks versus rags and rental cloths:

- Uses 32% less time*
- Uses 40% less solvent*
- Uses 20% less effort*

*) Swerea research institute, Sweden, 2014

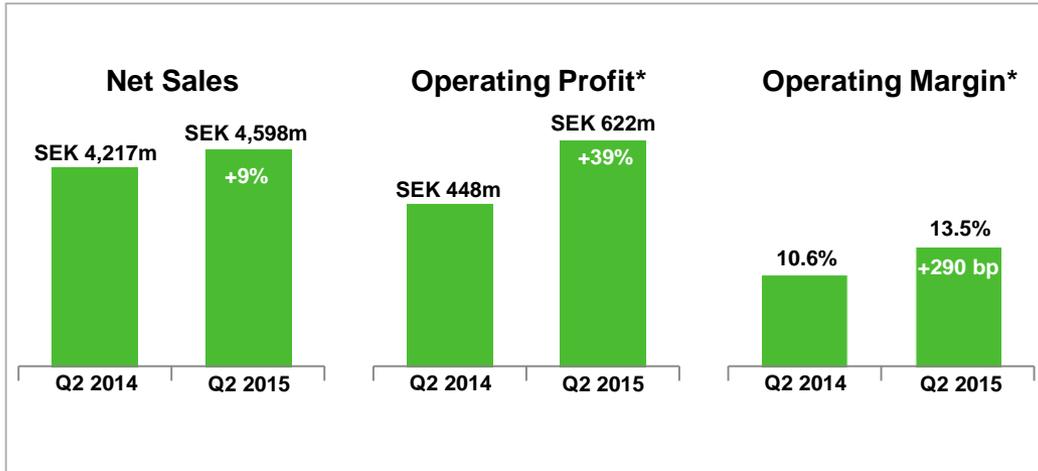
Tork® Coreless High Capacity Bath Tissue Dispenser and Coreless High Capacity Bath Tissue Rolls



- High capacity, 2 coreless tissue rolls = 5 conventional tissue rolls. Refill less often.
- Coreless rolls – minimizes waste and saves cleaning time
- More compact – less storage space needed
- Available in black and white

Forest Products

Q2 2015 vs Q2 2014



- **Sales growth 9%**
 - ◆ Price/mix +1%
 - ◆ Volume +6%
 - ◆ Currency +2%
 - ◆ Strong growth for kraftliner and pulp
- **Operating profit increased 39%***
 - ◆ Higher prices (including exchange rate effects)
 - ◆ Higher volumes
 - ◆ Cost savings
 - ◆ Lower energy costs
- **Operating margin 13.5%***
- **ROCE** 6.5%**



* Excluding items affecting comparability and gains on forest swaps of SEK 0m (175) before tax

** Return on capital employed excluding items affecting comparability

Innovative Marketing Platform

SCA with female Team SCA in the Volvo Ocean Race 2014-2015



- Global marketing platform with focus on women
 - ◆ Strong sustainability and CSR focus
- Reaching all target audiences including customers and consumers, employees, the media and other external parties
 - ◆ 2,400,000 visitors in the race villages
 - ◆ 370,000 visitors to the SCA pavilion
- Project targets exceeded



Q2 2015

Summary



- Good organic growth in sales and operating profit
- Strong growth in emerging markets
- Strong cash flow

Global Environment

- Low growth in mature markets and good growth in emerging markets for hygiene products
- FX headwinds due to stronger USD
- Competitive market environment



Q&A



SCA
Care of Life

