

SCA Interim Report

1 January–30 September 2007



**Lennart Persson,
Acting President and CEO, CFO**

Delivering according to strategy

First nine months 2007

- ◆ **Strong organic growth**
- ◆ **Acquisitions and strategic investments**
- ◆ **Increased share of value-added products and services**

Positive volume development

Positive price trend

Higher raw material costs

Strong earnings improvement

Strong earnings growth Jan-Sep 07 vs. 06

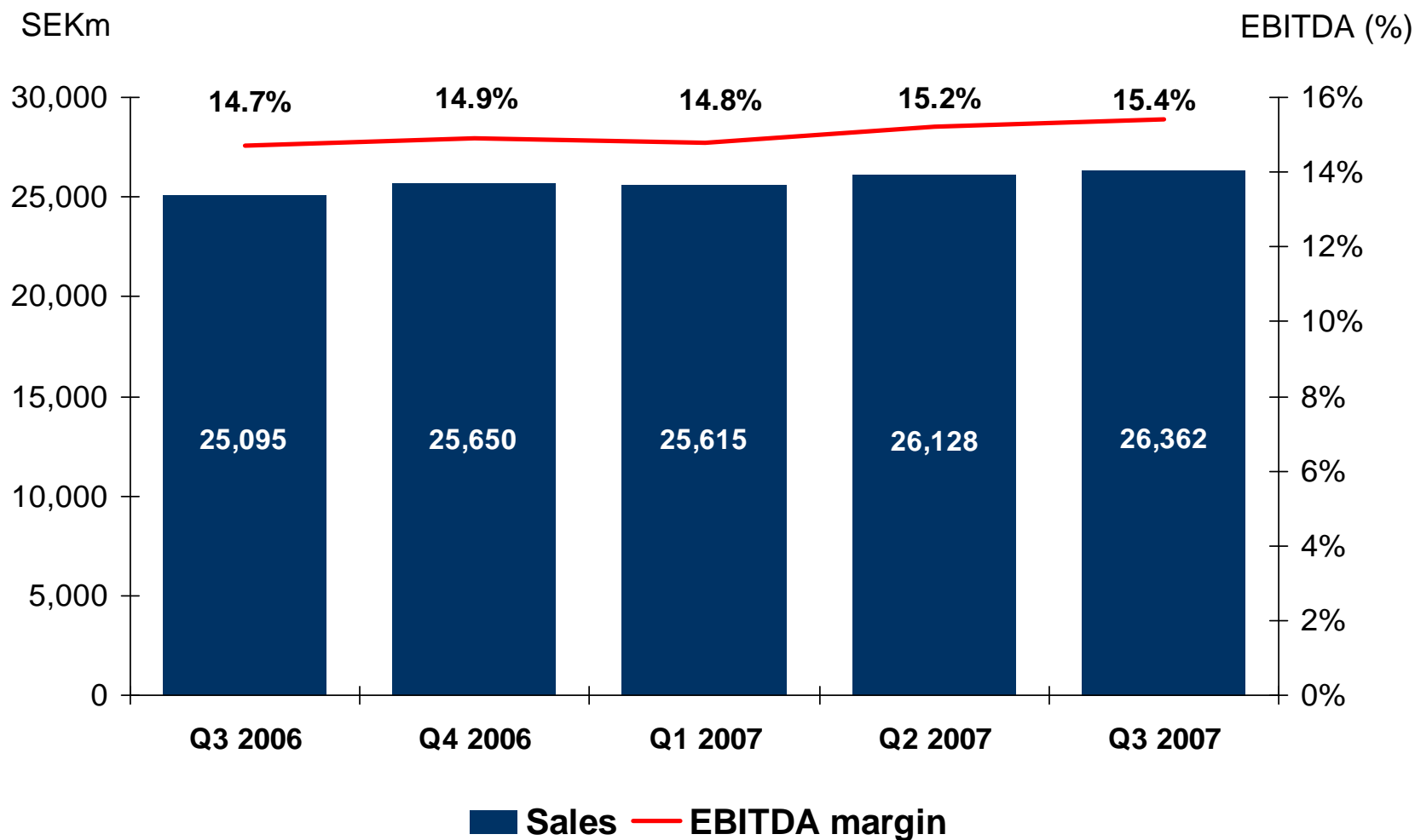
- ◆ Pre-tax profit up 17% to SEK 5,895m
- ◆ Net earnings up 25% to SEK 5,023m

Continued strong performance Q3 2007 vs. Q2 2007

- ◆ Strong volumes, positive price/mix
- ◆ Increased costs for raw materials

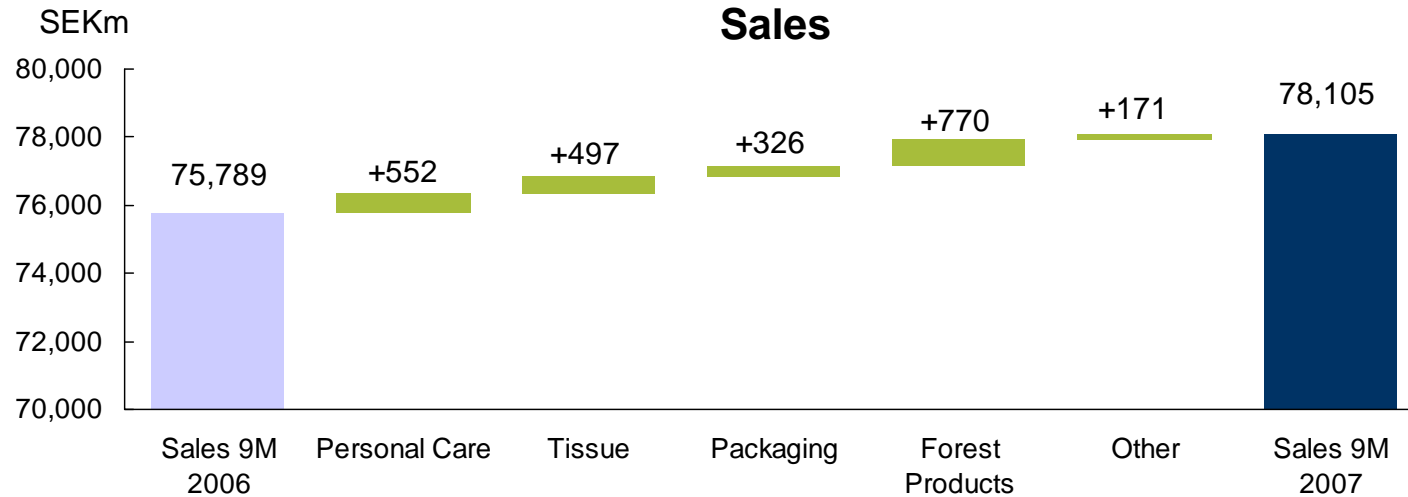


Group – Quarterly Development



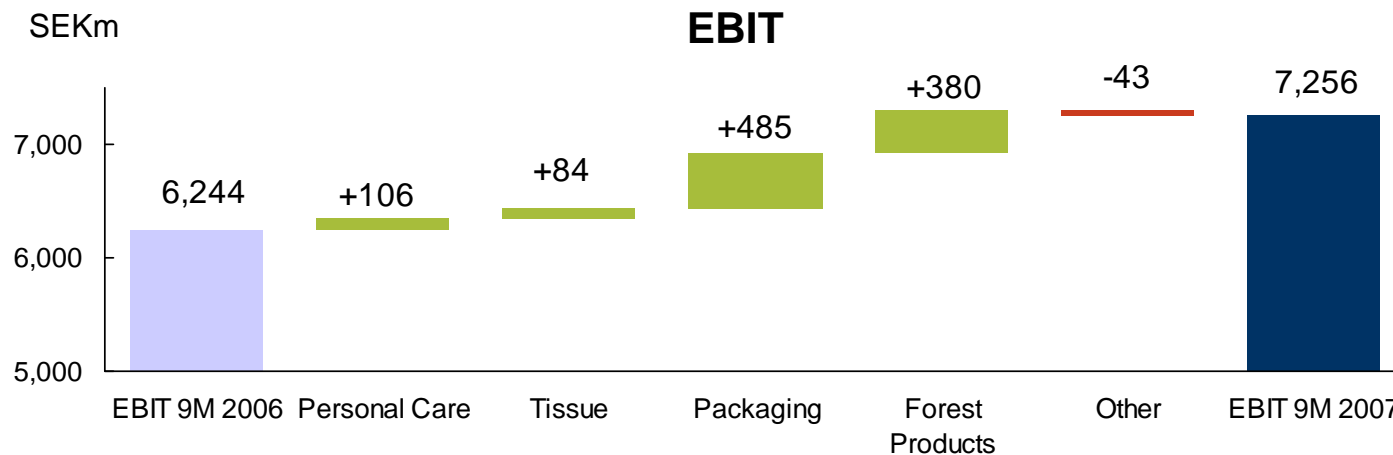
SCA Group Sales and EBIT

9M 2007 compared with 9M 2006



Sales: +3%

- Price/mix: +5%
- Volume: +2%
- Divestment: -2%
- Currency: -2%



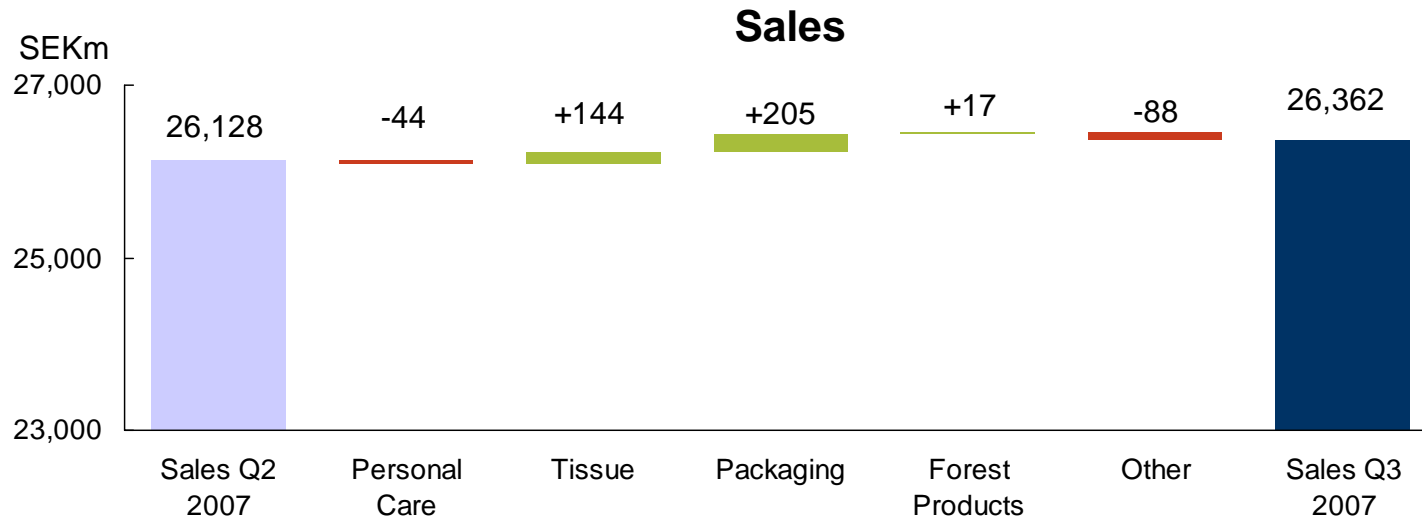
EBIT: +16%

- Price/mix: +52%
- Volume: +9%
- Energy: +7%
- Raw materials: -27%
- Currency: -4%



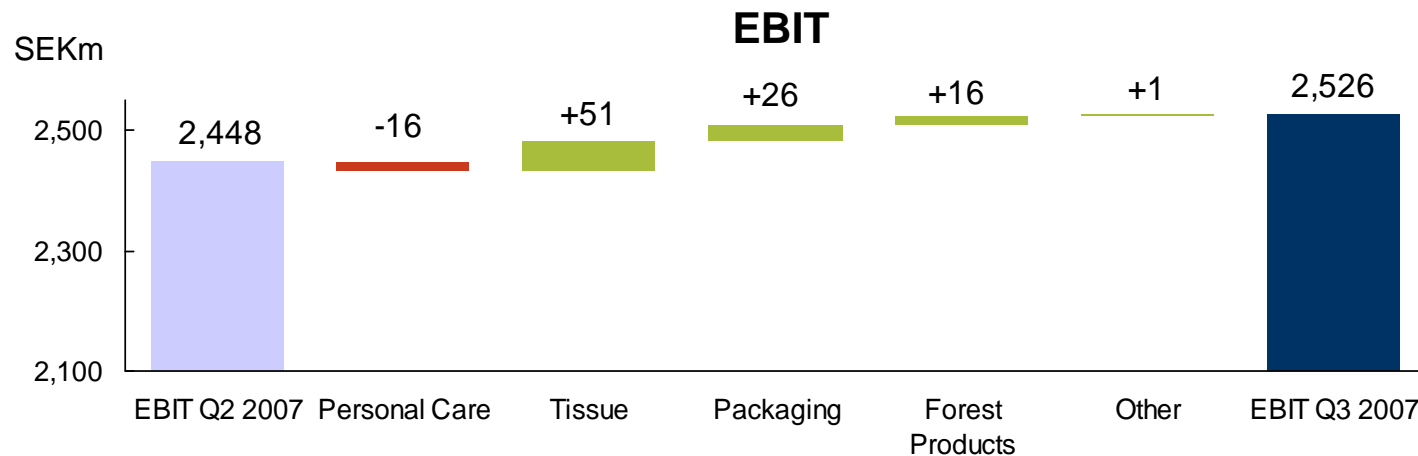
SCA Group Sales and EBIT

Q3 2007 compared with Q2 2007



Sales: +1%

- Volume: 0%
- Price/mix: +1%



EBIT: +3%

- Price/mix: +10%
- Volume: 0%
- Energy: -2%
- Raw materials: -11%
- Currency: -1%

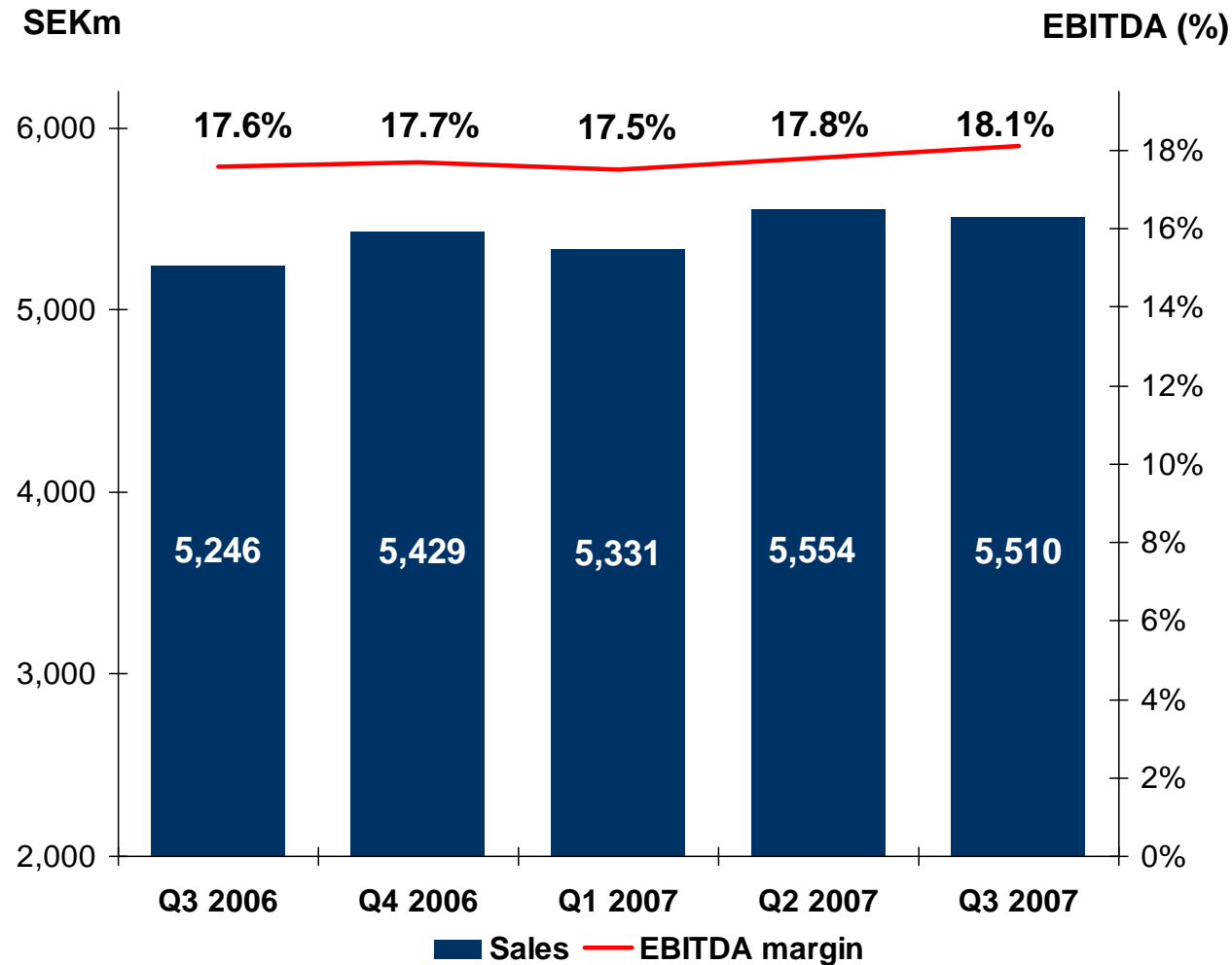
Cash-flow Analysis

9M 2007 compared with 9M 2006

- Operating cash surplus SEK 11,325m (10,387)
- Cash flow from current operations SEK 3,105m (1,549)
 - ◆ Lower cash out for restructuring
- Cash flow before dividend SEK 4,415m (778)
 - ◆ Divestment of the packaging operations in North America
- Debt/equity ratio: 0.53 (0.69)
- Taxes:
 - ◆ Tax-rate 2007: 22.5%
 - ◆ Positive one-off effect in Q3 of SEK 454m



Personal Care – Quarterly Development



Q3/Q2 comments:

- Continued strong sales
- Lower sales for Incontinence care in healthcare segment

Personal Care

- **Incontinence care**

- ◆ Sales record for incontinence products sold through the retail channel



- **Baby diapers**

- ◆ Introduction of new stretch Libero baby diaper
- ◆ Production adjustments for new product upgrades

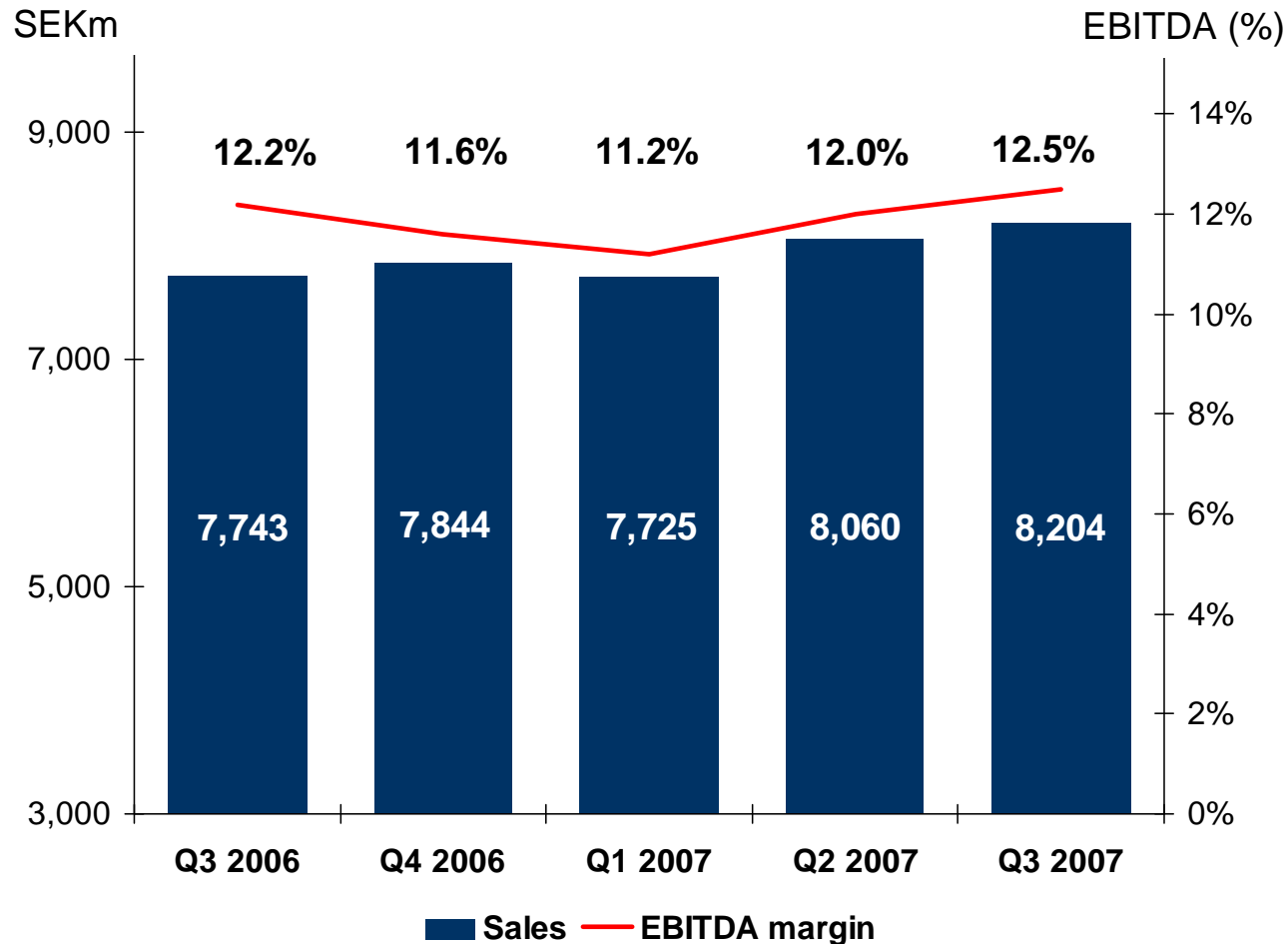


- **Feminine care**

- ◆ Good growth of branded feminine care products in Russia
- ◆ Joint venture formed in the Middle East and Egypt



Tissue – Quarterly Development



Q3/Q2 comments:

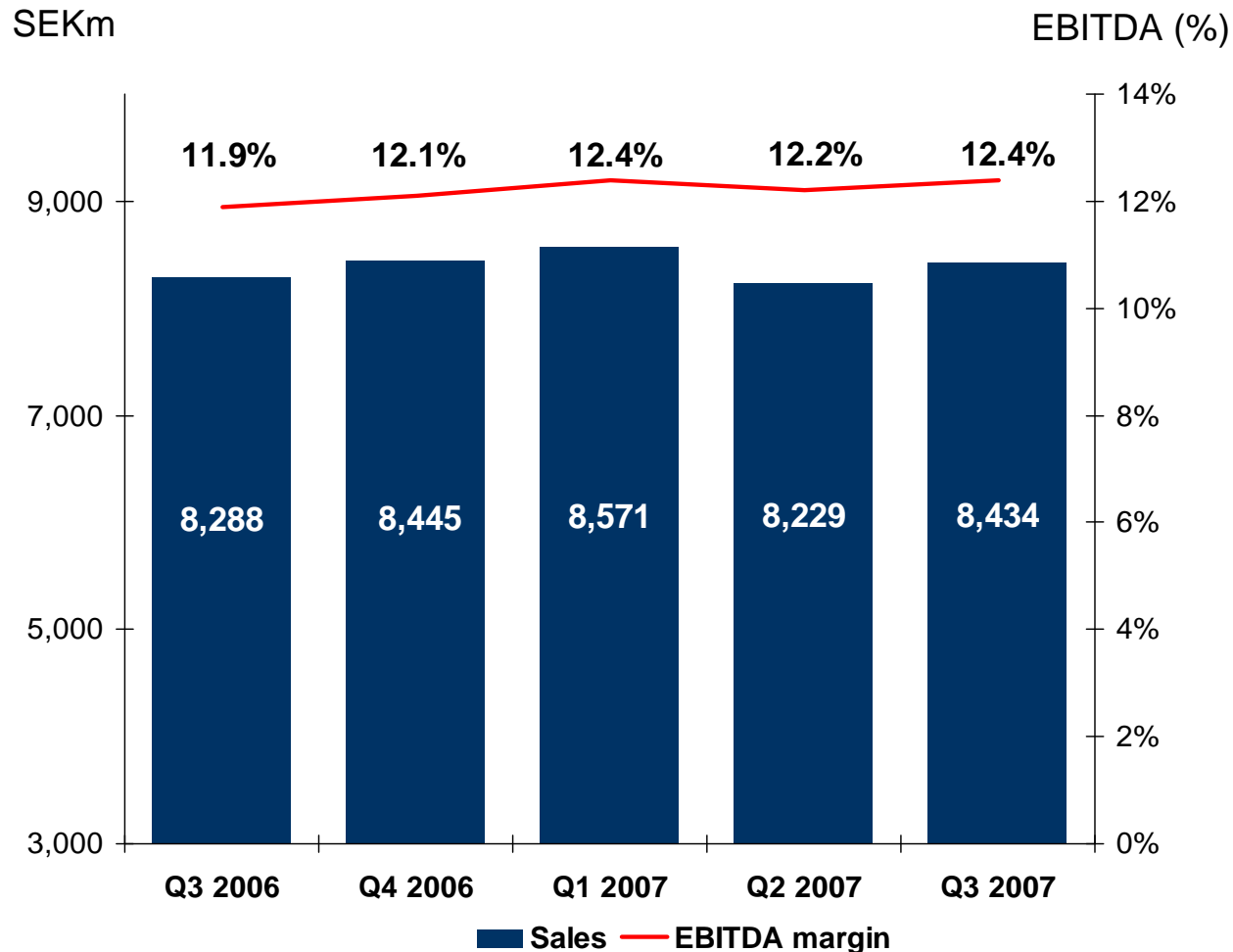
- Continued improvement of customer offering
- Strong sales growth within AFH in North America
- Improved customer and product mix
- Increased costs for raw materials

Tissue

- **Consumer tissue**
 - ◆ Acquisition of P&G's European operations approved by EU
 - ◆ Zewa leading brand in Romania
- **AFH tissue Americas**
 - ◆ Strong sales growth due to improved volumes and prices
 - ◆ Good demand from restaurants and hotels
- **AFH tissue Europe**
 - ◆ Improved customer and product mix



Packaging – Quarterly Development



Q3/Q2 comments:

- Strong sales development in a seasonally weak quarter
- Strong demand in Germany
- Continued price increases
- Higher costs for wood and recovered paper

Packaging

■ Containerboard

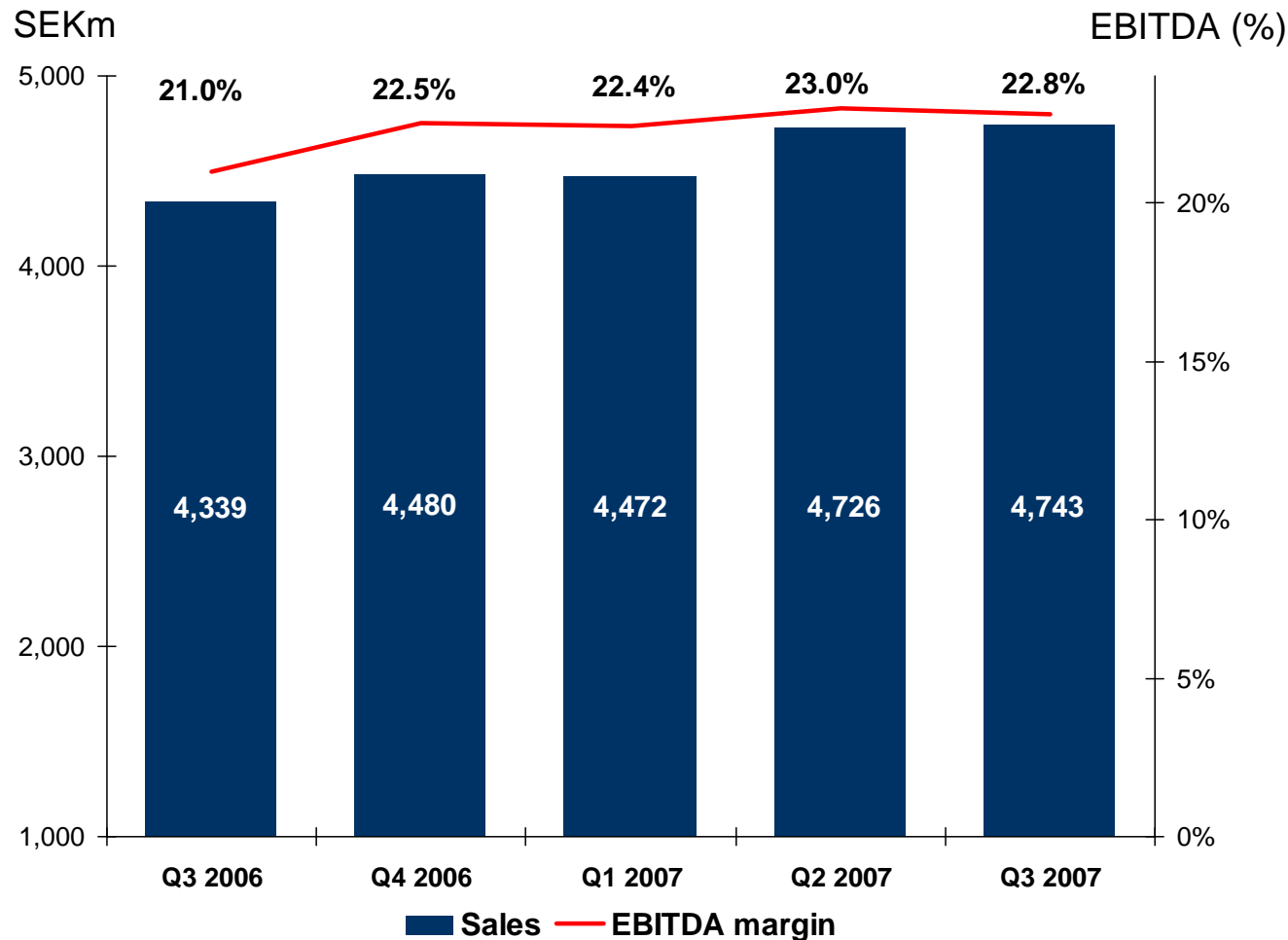
- ◆ Good market balance
- ◆ Higher raw material costs
- ◆ Price increase of EUR 40/ton for testliner effective in October

■ Corrugated packaging

- ◆ Need for further price increases
- ◆ Good performance in consumer packaging



Forest Products – Quarterly Development



Q3/Q2 comments:

- Higher sales related to LWC and SC paper
- Strong performance in the solid-wood operations
- Increased raw material costs

Forest Products

- **Publication papers**
 - ◆ Improved market situation for magazine papers
 - ◆ Higher costs for wood
 - ◆ Investment of SEK 800m in production of mechanical pulp
- **Pulp, timber and solid-wood products**
 - ◆ Continued good consumption for solid-wood products, but very high production in Europe
 - ◆ Strong pulp and wood markets



Wind power venture

- **SCA and Statkraft have formed jointly owned company**
- **Production of 2,800 GWh electricity per year**
- **Investment of SEK 16 billion**
- **Study the feasibility of expanding hydropower**
- **10-year electricity contract for annual supply of 500 GWh**



Summary

- **Solid Q3 performance**
- **Delivering on the strategy**



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