

Interim report

1 January–31 March 2008

1 JANUARY–31 MARCH 2008 (compared with the same period previous year)

- Net sales rose 7% to SEK 27,513m (25,615).
- Profit before tax rose 4% to SEK 1,946m (1,863).
- Profit for the period rose 7% to SEK 1,537m (1,434).
- Earnings per share rose 7% to SEK 2.18 (2.04).
- Operating cash flow was SEK -19m (267).

EARNINGS TREND

SEKm	0803	0703	%
Net sales	27,513	25,615	7
Gross contribution	5,385	4,950	9
Operating profit	2,471	2,282	8
Financial items	-525	-419	
Profit before tax	1,946	1,863	4
Tax	-409	-429	
Net profit for the period	1,537	1,434	7
Earnings per share, SEK	2.18	2.04	7

CEO'S MESSAGE

"The SCA Group increased its net sales by 7%, driven by acquisitions and favourable sales development, especially in emerging markets, where sales growth was 14%. These factors, along with an improved product mix, contributed to 8% growth in operating profit.

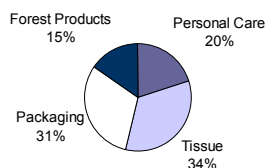
Following a good start to the year for most of our businesses, we saw an increase in raw material and energy costs. In our packaging business, this resulted in a 5% drop in operating profit, excluding the divestment of the North American packaging operations, despite price increases which generated an earnings effect of SEK 500m. Operating profit for the tissue operations rose a full 61% as a result of acquisitions and price increases. Operating profit for Personal Care products improved by 10% as a result of higher volume and an improved product mix. Operating profit for Forest Products was level with the same period a year ago.

We are seeing an economic downturn in the US and in certain segments in Europe in the wake of financial concerns at the same time that raw material prices continue to rise. This is making it difficult to compensate for higher raw material costs in all areas of operation. Consumer segments have been affected to a lesser degree by the economic change. We see continued growth in our hygiene segments.

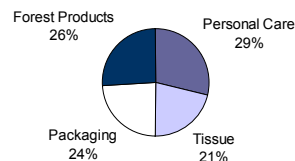
We are conducting long-term work on enhancing growth and profitability at SCA. I am confident about this work at the same time that we still face certain challenges in parts of our business in the near term from rising raw material and energy prices."

Jan Johansson
President and CEO

SHARE OF NET SALES



SHARE OF OPERATING PROFIT



EARNINGS TREND FOR THE GROUP

SEKm	0803	0703	%
Net sales	27,513	25,615	7
Cost of goods sold	-22,128	-20,665	
Gross contribution	5,385	4,950	9
Sales, general and administration	-2,914	-2,668	
Operating profit	2,471	2,282	8
Financial items	-525	-419	
Profit before tax	1,946	1,863	4
Tax	-409	-429	
Net profit for the period	1,537	1,434	7

Earnings per share, SEK - equity holders of the Parent Company

- after dilution effects	2.18	2.04	7
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Marginaler (%)

Gross margin	19.6	19.3
Operating margin	9.0	8.9
Financial net margin	-1.9	-1.6
Profit margin	7.1	7.3
Tax	-1.5	-1.7
Net margin	5.6	5.6

OPERATING PROFIT PER BUSINESS AREA

SEKm	0803	0703	%
Personal Care	745	679	10
Tissue	546	339	61
Packaging	608	689	-12
Forest Products	655	663	-1
Other	-83	-88	
Total	2,471	2,282	8

OPERATING CASH FLOW PER BUSINESS AREA

SEKm	0803	0703	%
Personal Care	699	641	9
Tissue	142	211	-33
Packaging	-48	-260	-
Forest Products	160	691	-77
Other	-97	-221	
Total	856	1,062	-19

Development compared with the previous year:



Tissue

Net sales: +20%
Operating profit: +61%



Personal Care

Net sales: +4%
Operating profit: +10%



Forest Products

Net sales: -4%
Operating profit: -1%



Packaging

Net sales: +2%
Operating profit: -12%

GROUP

MARKET

The market trend is favourable for personal care products, where incontinence products are showing good volume growth in all regions. In Western Europe, growth in the retail segment continues to be rapid. The European market for baby diapers and feminine care products is stable, while sales are growing rapidly in emerging markets.

In the tissue segment, the rate of growth is favourable in Europe, but somewhat lower in North America. Retail prices are rising, however, the competitive pressure remains high, and costs are rising for raw materials and energy.

Demand for corrugated board is forecasted to remain stable, however considerable regional differences exist in Europe, and for the market as a whole, growth is expected to be approximately 1%-2% for the year. Recycled fibre prices have risen considerably at the same time that the supply of American liner has increased in Europe. To balance the inventory situation, several players, including SCA, will cut production during the spring. In Asia, the favourable growth continues, while raw material costs are rising sharply.

Demand for magazine and catalogue paper increased during the first part of the year, and price increases have been carried out. The market for newsprint in Europe has been characterized by softer demand and lower prices. Solid-wood products continue to experience high inventory levels and price pressure. Production of solid-wood products has decreased in recent months. To balance the inventory situation, several players – including SCA – have announced that they plan to cut production during the spring and summer. The pulp market remains strong, and prices have risen.

SALES AND EARNINGS

Net sales increased by 7%, or SEK 1,898m compared with a year earlier, to SEK 27,513m (25,615). Volume growth was 7%, of which organic growth was 2% and acquisitions 5%. The sale of the North American packaging business reduced net sales by 2%. Higher prices for primarily corrugated board and tissue increased net sales by 4%. Net sales were hurt by 2% by exchange rate movements. Higher prices and larger volumes compensate for higher raw material and energy costs. Operating profit improved by 8% to SEK 2,471m (2,282). An improved product mix and price increases contributed SEK 900 m while costs for raw material and energy increased by SEK 800 m.

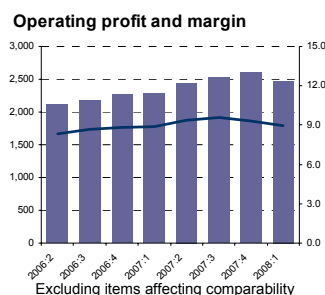
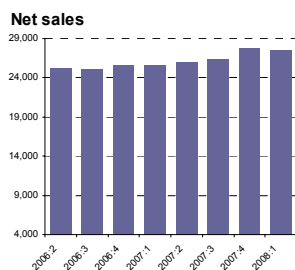
Compared with the fourth quarter of 2007, net sales decreased marginally. Operating profit excluding items affecting comparability was down 5%, mainly due to lower earnings in packaging attributable to higher raw material and energy costs.

CASH FLOW AND FINANCING

Operating cash surplus increased by SEK 63m to SEK 3,600m (3,537). A seasonal high level of tied-up working capital had a negative effect on operating cash flow of SEK 1,725m (1,510). Current capital expenditures were slightly higher than a year ago and amounted to SEK 849m (763), which corresponds to approximately 3% of net sales. Operating cash flow was SEK 856m (1,062).

Financial items increased by SEK 106m to SEK -525m – an effect of higher interest rates, a higher level of net debt and share dividends that were received during the first quarter a year ago. Tax payments were slightly lower than in the same period a year ago and amounted to SEK 355m (375). Cash flow from current operations thereby amounted to SEK -19m (267).

Strategic investments and acquisitions amounted to SEK 723m (604). Investments pertained primarily to the installation of a second paper machine at the tissue plant in Barton, Alabama, USA, and broadened ownership in the Chinese tissue company Vinda. Net cash flow was SEK -731m, compared with SEK 2,511m in the same period a year ago, which included approximately SEK 2,800m from the sale of the US packaging operation.



Net debt at the end of the period was SEK 37,253m, a decrease of SEK 115m since the start of the year. A negative cash flow of SEK 731m was offset by positive exchange rate movements of SEK 675m due to the strengthening of the Swedish krona and restatements according to IAS 19 for pensions and IAS 39 for financial instruments, which had a net positive effect of SEK 171m.

EQUITY

Consolidated equity decreased during the period by SEK 6m to SEK 64,273m. Net profit for the period, and the effects of restatements according to IAS 19 for pension and IAS 39 for financial instruments, increased equity by SEK 1,537m and SEK 72m, respectively. Exchange rate movements decreased equity by SEK 1,615m.

TAX

A tax expense of 21% was reported for the first quarter, which is the estimated tax rate for 2008.

ACQUISITIONS AND DIVESTITURES

SCA acquired an additional 5% of the Chinese tissue company Vinda for SEK 119m. SCA's ownership stake after the acquisition amounts to 19%.

To meet the EU Commission's conditions for approving the acquisition of P&G's European tissue operation, the Softis brand along with accompanying patents and machines were sold to the Italian tissue company Sofidel. Under the terms of the sale, Sofidel may use the Zewa brand under licence for three years. SCA will also continue to own the rights to sell Softis-brand products outside of Germany and Austria.

CAPITAL EXPENDITURES

To take advantage of growth opportunities in the Russian market, the decision was made during the first quarter to start own production of personal care products in the Moscow region. This investment is worth SEK 450m.

To meet rising demand for incontinence products, SCA is investing approximately SEK 340m in expanded capacity in its plants in the Netherlands.

SCA's half-owned company Productos Familia, with operations in Colombia, Ecuador, Peru and Venezuela, is investing SEK 420m in a new tissue machine to meet the strong growth in sales in the region.

A new automated sorting plant will be installed at one of SCA's sawmills. This investment, worth SEK 210m, will enable lower production costs and higher production volume.

OTHER EVENTS DURING THE FIRST QUARTER

A new organisation aimed at creating greater growth and improved profitability was adopted on 1 April. A new, global category organization in the personal care operations will – through focus on consumer insight, product innovation and brand strategies – serve as an engine for growth across all geographies. The category organization will also have strategic responsibility for long-term prioritization of markets and segments. A new position of Chief Operating Officer has been established to lead the work on improving cash flow and profitability in the Packaging and Forest Products businesses.

As a consequence of the integration work in the European tissue operations, SCA has shut down capacity in the UK equivalent to 30,000 tonnes.

To create a better model for governance and follow-up as well as to facilitate comparisons with other companies, a changeover to a function-based income statement was made as from 1 January 2008.

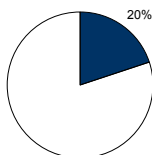
The consolidated income statement will be reported in the following functions: sales, cost of goods sold, and selling and administrative expenses. Sales less cost of goods sold will result in a figure for gross profit. Cost of goods sold includes all manufacturing costs, such as purchasing, manufacturing costs including personnel

costs, costs for administrative personnel at the manufacturing plants, and depreciation of assets used in production. Cost of goods sold also includes costs for distribution to customers, internal transports, inventory costs and other handling costs. The item selling and administrative expenses consists of costs for advertising and marketing, administration and management, etc. Gross profit less selling and administrative expenses results in a figure for operating profit. For the business areas, operating surplus is also reported, which consists of operating profit with reversal of depreciation.

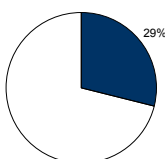
PERSONAL CARE

OPERATIONS January–March (compared with the same period previous year)

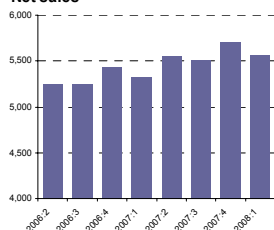
Share of group, net sales
0803



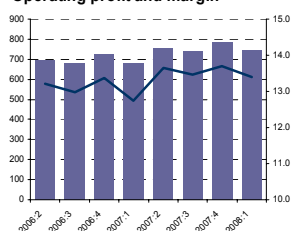
Share of group, operating profit
0803



Net sales



Operating profit and margin



BUSINESS AREA PERSONAL CARE

SEKm	0803	0703	%
Volume growth			4.4
Net sales	5,564	5,331	4
Operating surplus	999	933	7
Operating profit	745	679	10
Operating margin, %	13.4	12.7	

Deviations, operating profit (%)

0803 vs. 0703	10%
Price/mix	4%
Volume	21%
Raw material	-9%
Energy	-1%
Currency	-3%
Other	-2%

Net sales increased by 4% to SEK 5,564m. The sales increase is an effect of higher volumes. Changes in prices and product mix affected net sales favourably by 1%, while exchange rate movements affected net sales negatively by 1%. Sales in emerging markets increased by 28%.

The sales increase for baby diapers was only 1%, since sales in Europe decreased as a result of the major changeover towards more advanced technology, which is currently taking place. The sales trend in emerging markets like Russia and Malaysia remained very favourable.

The increase in sales of feminine care products was 9%. Growth was particularly favourable in Europe and Australia.

Sales growth for TENA-brand incontinence products was 5%. Sales of products to the healthcare sector grew by 7%. In Europe, growth was 9%, with a large share attributable to Eastern Europe, while sales in North America fell slightly. Sales to the retail segment in Europe rose 6%, while they were stable in North America.

Operating profit increased by 10% to SEK 745m. The earnings improvement is mainly attributable to higher volumes and an improved product mix. The improved product mix is attributable to a larger share of baby diapers and incontinence products using the pant model. Incontinence products and feminine care products contributed to the earnings improvement, while baby diapers showed lower earnings, mainly due to changes in production. Exchange rate movements lowered operating profit by 3%.

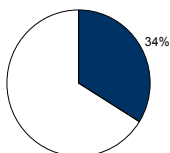
Operating cash surplus was SEK 1,000m (934), and operating cash flow was SEK 699m (641). An improved operating cash surplus was offset by slightly higher net current capital expenditures.

Sequentially sales were slightly lower, down 2% from the fourth quarter of 2007. Operating profit decreased by 5% compared with the fourth quarter of 2007, mainly due to lower sales resulting from fewer invoicing days, among other things.

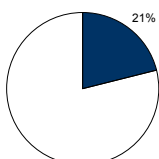
TISSUE

OPERATIONS January–March (compared with the same period previous year)

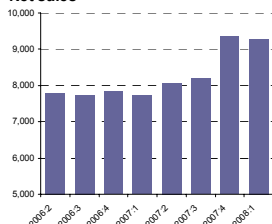
Share of group, net sales
0803



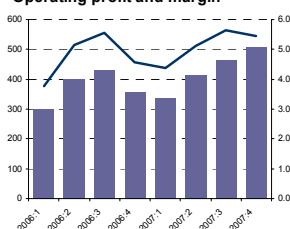
Share of group, operating profit
0803



Net sales



Operating profit and margin



BUSINESS AREA TISSUE

SEKm	0803	0703	%
Volume growth			16.5
Net sales	9,279	7,725	20
Operating surplus	1,072	869	23
Operating profit	546	339	61
Operating margin, %	5.9	4.4	

Deviations, operating profit (%)	
0803 vs. 0703	61%
Price/mix	136%
Volume	6%
Raw material	-74%
Energy	-25%
Currency	-2%
Other	20%

Net sales increased by SEK 1,554m, or 20%, to SEK 9,279m (7,725). Volumes increased by 16% as a result of acquisitions, while higher prices accounted for 6%. Exchange rate movements had an adverse impact on net sales by 2%. Sales in emerging markets increased by 15%.

Sales of consumer tissue increased by 31%. Excluding acquisitions, sales increased by 8%, where Eastern Europe accounted for the largest growth. Sales of AFH tissue increased by 1%.

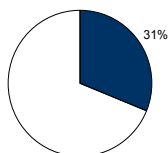
Operating profit rose 61% to SEK 546m (339), mainly as an effect of higher prices and acquisitions. The price increases have been necessary to compensate for higher pulp, recycled fibre and energy costs and to continue improving profitability. Exchange rate movements decreased operating profit by 2%. The item "Other" in the deviations analysis includes net effects of the P&G acquisition, where the divestment of the Softis brand generated a capital gain of SEK 50m, and other cost increases in addition to those for raw material and energy.

Operating cash surplus amounted to SEK 1,000m (806), and operating cash flow was SEK 142m (211). An improved operating cash surplus was offset by higher tied-up working capital and higher current capital expenditures.

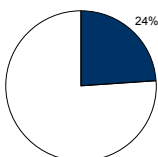
Sequentially sales were level with the fourth quarter of 2007. Earnings were 7% higher than for the fourth quarter as a result of higher prices and favourable development for acquired operations. Manufacturing costs increased during the quarter.

PACKAGING

Share of group, net sales
0803



Share of group, operating profit
0803



OPERATIONS January–March (compared with the same period previous year)

BUSINESS AREA PACKAGING

SEKm	0803	0703	%	Deviations, operating profit (%)	
				0803 vs. 0703	
Deliveries				-12%	
- Liner products, ktonnes	594	585	2	Price/mix	73%
- Corrugated board, million m ²	1,112	1,130	-2	Volume	-4%
Net sales	8,713	8,571	2	Raw material	-59%
Operating surplus	1,010	1,063	-5	Energy	-12%
Operating profit	608	689	-12	Currency	1%
Operating margin, %	7.0	8.0		Other	-11%

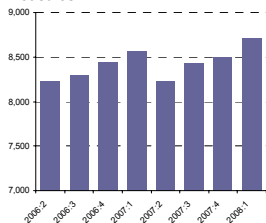
Net sales increased by SEK 142m to SEK 8,713m, compared with SEK 8,571m in the same period a year ago. Adjusted for the sale of the North American packaging operations, net sales rose 8%. The increase is mainly attributable to price increases carried out, which for corrugated board amounted to approximately SEK 500m. Exchange rate movements had a marginal impact on net sales.

Operating profit decreased by SEK 81m (of which SEK 50m is attributable to the divestment of the North American packaging operations) to SEK 608m (689). The earnings decline in Europe was 3%. Higher prices for corrugated board failed to compensate for higher raw material and energy costs. Exchange rate movements had a positive effect on earnings by 1%. The item "Other" in the deviations analysis includes net effects of the divestment of the North American packaging business, and other cost increases in addition to those for raw materials and energy.

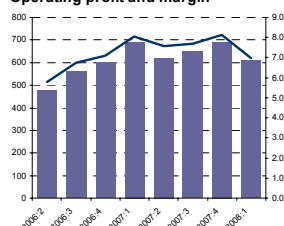
Operating cash surplus amounted to SEK 1,009m (1,036), and operating cash flow was SEK -48m (-260). The operating cash surplus was level with the same period a year ago, while operating cash flow improved as a result of lower payments for the ongoing efficiency improvement programmes and a lower level of tied-up working capital.

Sequentially net sales increased by 3% as a result of higher prices and volumes. Operating profit decreased by 12% as a result of higher raw material and energy costs of which 6 percentage points pertained to the European operations and 6 percentage points the Asian operations.

Net sales

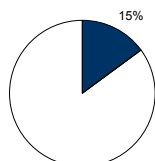


Operating profit and margin

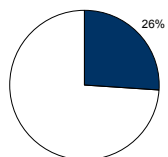


FOREST PRODUCTS

Share of group, net sales
0803



Share of group, operating profit
0803



OPERATIONS January–March (compared with the same period previous year)

BUSINESS AREA FOREST PRODUCTS

SEKm	0803	0703	%
Deliveries			
- Publication papers, ktonnes	386	355	9
- Solid-wood products, km ³	396	412	-4
Net sales	4,290	4,472	-4
Operating surplus	971	1,003	-3
Operating profit	655	663	-1
Operating margin, %	15.3	14.8	

Deviations, operating profit (%)

0803 vs. 0703	-1%
Price/mix	-4%
Volume	11%
Raw material	-7%
Energy	-3%
Currency	-6%
Other	8%

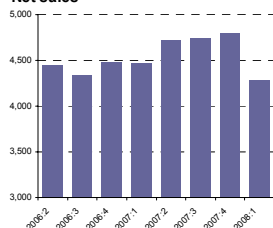
Net sales decreased by SEK 182m to SEK 4,290m (4,472). Starting in 2008, income from SCA's transport operations are reported as other income, entailing a SEK 250m decrease in net sales compared with the same period a year ago. Sales of publication paper increased by 3%, mainly due to higher volumes. Sales of solid-wood products decreased due to lower prices and volumes.

Operating profit was down slightly and amounted to SEK 655m, compared with SEK 663m in the same period a year ago. Higher sales of publication paper failed to offset higher raw material costs and negative exchange rate effects. Operating profit for solid-wood products decreased due to lower prices and higher timber prices. Operating profit for the timber operations improved.

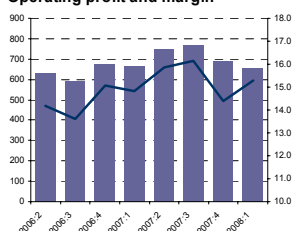
Operating cash surplus amounted to SEK 682m (857), and operating cash flow was SEK 160m (691). A lower operating cash surplus and higher level of tied-up working capital were offset by lower net current capital expenditures.

Sequentially sales decreased by 11% compared with the preceding quarter as a result of lower prices and volumes. Operating profit decreased by 5%, mainly due to lower earnings for publication paper and solid wood products. Cash flow for the timber operations decreased during the quarter as a result of higher external timber purchases.

Net sales



Operating profit and margin



SHARE DISTRIBUTION

31 March 2008	Class A	Class B	Total
Registered number of shares	112,905,207	592,204,887	705,110,094
- of which treasury shares		3,052,605	3,052,605

During the quarter, no Class A shares were converted to Class B shares. At the end of the quarter, the proportion of Class A shares was 16.0%. As a result of the exercise of employee options, the number of treasury shares decreased during the quarter to 3,052,605 (3,154,812).

Calculated according to IFRS recommendations, the effects of outstanding employee option programmes correspond to a maximum dilution of 0.03%, which has been taken into account when calculating earnings per share for the period.

In April, after the end of the quarter, at the request of shareholders 365,000 Class A shares were converted to Class B shares. The total number of votes in the company thereafter amounts to 1,717,971,957.

RISKS AND UNCERTAINTIES

SCA's financial risk management is presented on pages 72–77 of the 2007 Annual Report. The Group's operations and the inherent risks are described on pages 55-57 of the Annual Report. No significant changes have occurred that have changed the risks as reported in the Annual Report.

Strategic risks

Risks in conjunction with company acquisitions are analyzed in the due diligence processes that SCA carries out prior to all acquisitions. Acquisitions that might affect the assessment of SCA's financial and operational risks are described under the heading "Acquisitions and Divestitures" in this report.

Operational risks

Management of operational risks is primarily carried out by SCA's business managers. SCA's internal audit function is tasked with examining compliance with internal control processes.

RELATED PARTY TRANSACTIONS

No transactions have been carried out between SCA and related parties that had a material impact on the company's financial position and results.

ACCOUNTING PRINCIPLES

This interim report is prepared according to IAS 34 and recommendation RFR 1.1 of the Swedish Financial Reporting Board, and with regard to the parent company, also according to RFR 1.2. The accounting principles applied correspond to those presented in the 2007 Annual Report.

FUTURE REPORTS

In 2008, interim reports will be published on 24 July and 29 October. The year-end report for 2008 will be released on 29 January 2009.

Stockholm, 29 April 2008
SVENSKA CELLULOSA AKTIEBOLAGET SCA (publ)

Jan Johansson
President and CEO

OPERATING CASH FLOW ANALYSIS

SEKm	0803	0703
Operating cash surplus	3,600	3,537
Change in working capital	-1,725	-1,510
Current capital expenditures, net	-849	-763
Restructuring costs, etc.	-170	-202
Operating cash flow	856	1,062
Financial items	-525	-419
Income taxes paid	-355	-375
Other	5	-1
Cash flow from current operations	-19	267
Acquisitions	-112	-419
Strategic capital expenditures, fixed assets	-611	-185
Strategic structural expenditures	0	0
Divestments	4	2,802
Cash flow before dividend	-738	2,465
Dividend	0	0
Cash flow after dividend	-738	2,465
Sale of treasury shares	7	46
Net cash flow	-731	2,511
Net debt at the start of the period	-37,368	-36,399
Net cash flow	-731	2,511
Remeasurement to equity	171	912
Currency effects	675	-633
Net debt at the end of the period	-37,253	-33,609
Debt/equity ratio	0.58	0.57
Debt payment capacity, %	33	34

CASH FLOW STATEMENT

SEKm	0803	0703
Operating activities		
Profit before tax	1,946	1,863
Adjustment for non-cash items ¹	971	981
	2,917	2,844
Paid tax	-355	-375
Cash flow from operating activities before changes in working capital	2,562	2,469
Cash flow from changes in working capital		
Change in inventories	-713	-680
Change in operating receivables	-1,164	-351
Change in operating liabilities	152	-479
Cash flow from operating activities	837	959
Investing activities		
Acquisition of operations	-112	-419
Sold operations	-3	2,802
Acquisition tangible and intangible assets	-1,562	-1,118
Sale of tangible assets	102	188
Payment of loans to external parties	-96	-396
Cash flow from investing activities	-1,671	1,057
Financing activities		
Sale of treasury shares	7	46
Amortization of debt	-839	-1,506
Cash flow from financing activities	-832	-1,460
Cash flow for the period	-1,666	556
Cash and cash equivalents at the beginning of the year	3,023	1,599
Exchange differences in cash and cash equivalents	-35	30
Cash and cash equivalents at the end of the period	1,322	2,185
Reconciliation with operating cash flow analysis		
Cash flow for the period	-1,666	556
Deducted items:		
Payment of loans to external parties	96	396
Amortization of debt	839	1,506
Added items:		
Net debt in acquired and divested operations	7	0
Accrued interest	-7	71
Investments through finance leases	0	-18
Net cash flow according to operating cash flow analysis	-731	2,511
¹ Depreciation and write-downs, fixed assets	1,516	1,509
Fair value valuation of forest assets	-304	-157
Payments related to efficiency programmes previously recognized as liabilities	-137	-172
Other	-104	-199
Total	971	981

CONSOLIDATED INCOME STATEMENT

SEKm	0803	0703	0712
Net sales	27,513	25,615	105,913
Cost of goods sold ¹	-22,128	-20,665	-84,812
Gross contribution	5,385	4,950	21,101
Sales, general and administration ²	-2,914	-2,668	-10,954
Operating profit	2,471	2,282	10,147
Financial items	-525	-419	-1,910
Profit before tax	1,946	1,863	8,237
Tax	-409	-429	-1,076
Net profit for the period	1,537	1,434	7,161
Earnings attributable to:			
Equity holders of the Parent Company	1,534	1,429	7,138
Minority interests	3	5	23
Earnings per share, SEK - equity holders of the Parent Company			
- before dilution effects	2.19	2.04	10.17
- after dilution effects	2.18	2.04	10.16
¹ Cost of goods sold			
- where of depreciations	-1,516	-1,509	-6,186
² Inklusive jämförelsestörande poster			
	-	-	300
	0803	0703	0712
Gross margin	19.6	19.3	19.9
Operating margin	9.0	8.9	9.6
Financial net margin	-1.9	-1.6	-1.8
Profit margin	7.1	7.3	7.8
Tax	-1.5	-1.7	-1.0
Net margin	5.6	5.6	6.8
Calculation of earnings per share			
Earnings attributable to equity holdings of the Parent Company	1,534	1,429	7,138
Average no. of shares before dilution, millions	702.0	701.4	701.8
Warrants	0.4	0.6	0.4
Average no. of shares after dilution	702.4	702.0	702.2

CONSOLIDATED STATEMENT OF RECOGNIZED INCOME AND EXPENSE

SEKm	0803	0703
Actuarial gains and losses related to pensions, incl. payroll tax	224	883
Available-for-sale financial assets:		
- Gains from fair value measurement taken to equity	-93	74
- Transferred to income statement at sale	0	0
Cash flow hedges		
- Gains from remeasurement of derivatives taken to equity	5	33
- Transferred to profit or loss for the period	-1	-30
Transferred to cost of hedged investments	-2	0
Translation difference in foreign operations	-1,799	904
Gains from hedging of net investments in foreign operations	183	153
Tax on items taken to/transferred from equity	-61	-263
Total transactions taken to equity	-1,544	1,754
Net profit for the period recognized in the income statement	1,537	1,434
Total income and expenses recognized for the period	-7	3,188
<i>Attributable to:</i>		
- <i>Equity holders of the Parent Company</i>	-2	3,151
- <i>Minority interests</i>	-5	37
	-7	3,188
<i>Other changes in equity</i>		
- <i>sale of treasury shares</i>	7	46
- <i>dividend</i>	0	-2,807
- <i>change in Group structure</i>	-6	0
- <i>remeasurement owned portion at successive acquisitions, within window period</i>	0	0

CONSOLIDATED BALANCE SHEET

	31 March 2008 SEKm	31 December 2007 SEKm
Assets		
Goodwill	17,502	18,161
Other intangible assets	3,658	3,455
Tangible assets	79,313	80,352
Shares and participations	997	1,018
Non-current financial assets ¹	3,770	3,663
Other non-current receivables	1,176	1,164
Total non-current assets	106,416	107,813
Operating receivables and inventories	34,547	33,793
Current financial assets	442	366
Non-current assets held for sale	55	55
Cash and cash equivalents	1,322	3,023
Total current assets	36,366	37,237
Total assets	142,782	145,050
Equity		
Equity holders of the Parent Company	63,595	63,590
Minority interests	678	689
Total equity	64,273	64,279
Liabilities		
Provisions for pensions	1,893	1,987
Other provisions	11,462	12,212
Non-current financial liabilities	20,046	20,247
Other non-current liabilities	989	133
Total non-current liabilities	34,390	34,579
Current financial liabilities ²	20,598	21,943
Non-current liabilities held for sale	0	0
Operating liabilities	23,521	24,249
Total current liabilities	44,119	46,192
Total liabilities	78,509	80,771
Total equity and liabilities	142,782	145,050
Debt/equity ratio	0.58	0.58
Visible equity/assets ratio	45%	44%
Return on capital employed, %	11	11
Return on equity, %	12	12
¹ Of which pension assets	2,364	2,137
² Contracted committed credit lines amount to SEK 25,661m.		
Capital employed	101,526	101,647
- of which working capital	12,622	11,623
Net debt	37,253	37,368
Shareholders' equity	64,273	64,279
Provisions for restructuring costs are included in the balance sheet as follows:		
- Other provisions	613	869
- Operating liabilities	865	1,040

NET SALES

SEKm	2008:1	2007:4	2007:3	2007:2	2007:1	2006:4	2006:3	2006:2
Personal Care	5,564	5,706	5,510	5,554	5,331	5,429	5,246	5,249
Tissue	9,279	9,343	8,204	8,060	7,725	7,844	7,743	7,787
Packaging	8,713	8,494	8,434	8,229	8,571	8,445	8,288	8,231
Forest Products	4,290	4,803	4,743	4,726	4,472	4,480	4,339	4,454
- Publication papers	2,199	2,259	2,225	2,149	2,082	2,167	2,279	2,339
- Pulp, timber and solid-wood products	2,091	2,544	2,518	2,577	2,390	2,313	2,060	2,115
Other	369	318	320	341	357	336	326	296
Intra-group deliveries	-702	-856	-849	-782	-841	-884	-847	-723
Total net sales	27,513	27,808	26,362	26,128	25,615	25,650	25,095	25,294

OPERATING SURPLUS

SEKm	2008:1	2007:4	2007:3	2007:2	2007:1	2006:4	2006:3	2006:2
Personal Care	999	1,036	995	991	933	961	925	939
Tissue	1,072	1,092	1,022	966	869	913	944	924
Packaging	1,010	1,102	1,044	1,003	1,063	1,024	988	888
Forest Products	971	1,021	1,082	1,088	1,003	1,008	911	970
- Publication papers	271	318	327	347	337	412	371	456
- Pulp, timber and solid-wood products	700	703	755	741	666	596	540	514
Other ¹	-79	3,768	-87	-88	-85	-88	-83	-80
Total operating surplus¹	3,973	8,019	4,056	3,960	3,783	3,818	3,685	3,641

¹ The fourth quarter 2007 includes items affecting comparability, 3,842 SEKm specified per business area in annual report 2007.

OPERATING PROFIT

SEKm	2008:1	2007:4	2007:3	2007:2	2007:1	2006:4	2006:3	2006:2
Personal Care	745	781	742	758	679	726	681	693
Tissue	546	508	464	413	339	358	431	401
Packaging	608	692	648	622	689	598	560	476
Forest Products	655	691	766	750	663	676	591	631
- Publication papers	83	125	143	141	128	208	168	237
- Pulp, timber and solid-wood products	572	566	623	609	535	468	423	394
Other ¹	-83	219	-94	-95	-88	-97	-87	-88
Total operating profit¹	2,471	2,891	2,526	2,448	2,282	2,261	2,176	2,113
Financial items	-525	-549	-507	-435	-419	-458	-423	-405
Profit before tax¹	1,946	2,342	2,019	2,013	1,863	1,803	1,753	1,708
Tax	-409	-204	0	-443	-429	-352	-227	-387
Net profit for the period²	1,537	2,138	2,019	1,570	1,434	1,451	1,526	1,321

¹ The fourth quarter 2007 includes items affecting comparability, 300 SEKm specified per business area in annual report 2007.

² The fourth quarter 2007 includes items affecting comparability, 252 SEKm.

OPERATING SURPLUS MARGIN

%	2008:1	2007:4	2007:3	2007:2	2007:1	2006:4	2006:3	2006:2
Personal Care	18.0	18.2	18.1	17.8	17.5	17.7	17.6	17.9
Tissue	11.6	11.7	12.5	12.0	11.2	11.6	12.2	11.9
Packaging	11.6	13.0	12.4	12.2	12.4	12.1	11.9	10.8
Forest Products	22.6	21.3	22.8	23.0	22.4	22.5	21.0	21.8
- Publication papers	12.3	14.1	14.7	16.1	16.2	19.0	16.3	19.5
- Pulp, timber and solid-wood products	33.5	27.6	30.0	28.8	27.9	25.8	26.2	24.3

OPERATING MARGIN

%	2008:1	2007:4	2007:3	2007:2	2007:1	2006:4	2006:3	2006:2
Personal Care	13.4	13.7	13.5	13.6	12.7	13.4	13.0	13.2
Tissue	5.9	5.4	5.7	5.1	4.4	4.6	5.6	5.1
Packaging	7.0	8.1	7.7	7.6	8.0	7.1	6.8	5.8
Forest Products	15.3	14.4	16.2	15.9	14.8	15.1	13.6	14.2
- Publication papers	3.8	5.5	6.4	6.6	6.1	9.6	7.4	10.1
- Pulp, timber and solid-wood products	27.4	22.2	24.7	23.6	22.4	20.2	20.5	18.6

CONSOLIDATED INCOME STATEMENT

SEKm	2008:1	2007:4	2007:3	2007:2	2007:1
Net sales	27,513	27,808	26,362	26,128	25,615
Cost of goods sold	-22,128	-22,453	-21,036	-20,658	-20,665
Gross contribution	5,385	5,355	5,326	5,470	4,950
Sales, general and administration ¹	-2,914	-2,464	-2,800	-3,022	-2,668
Operating profit¹	2,471	2,891	2,526	2,448	2,282
Finansiella poster	-525	-549	-507	-435	-419
Resultat före skatt¹	1,946	2,342	2,019	2,013	1,863
Skatter	-409	-204	0	-443	-429
Periodens resultat²	1,537	2,138	2,019	1,570	1,434

¹ The fourth quarter 2007 includes items affecting comparability, 300 SEKm.

² The fourth quarter 2007 includes items affecting comparability, 252 SEKm.

INCOME STATEMENT PARENT COMPANY

MSEK	0803	0703
Administration costs	-112	-117
Other operating income	43	42
Other operating expenses	-43	-42
Operating profit	-112	-117
Financial items	-292	-335
Profit before tax	-404	-452
Appropriations and taxes	165	126
Net profit for the period	-239	-326

BALANCE SHEET PARENT COMPANY

	31 March 2008	31 December 2007
	SEKm	SEKm
Intangible assets	4	5
Tangible assets	6,218	6,205
Financial investments	62,547	62,576
Total fixed assets	68,769	68,786
Total current assets	1,061	1,604
Total assets	69,830	70,390
Restricted equity	10,996	10,996
Unrestricted equity	9,264	9,496
Total shareholders' equity	20,260	20,492
Untaxed reserves	128	128
Provisions	1,330	1,330
Long-term liabilities	0	0
Current liabilities	48,112	48,440
Total equity and liabilities	69,830	70,390

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Note

SCA discloses the information provided herein pursuant to the Swedish Securities Exchange and Clearing Operations Act and/or the Swedish Financial Instruments Trading Act. This report has been prepared in both Swedish and English. In case of variation in the content of the two versions, the Swedish version shall prevail. The report has not been reviewed by the company's auditors.