



Year-end report 2009

Jan Johansson, President and CEO



Full year 2009

General market update



- Hygiene businesses
 - ◆ Stable demand in mature markets
 - ◆ Continued growth in emerging markets
- Packaging and Forest Products
 - ◆ Weak demand for packaging
 - Western European demand -6%*
 - Small improvement in Q4
 - ◆ Weak demand for publication papers and solid-wood products
 - European demand for:
 - SC paper -9%*
 - LWC paper -22%*
 - Newsprint -14%*

* Full year 2009 vs 2008

Q4 2009

SCA business market update



Hygiene business

- Stable demand for Personal Care and Tissue
 - Lower retailers' brands Baby diaper volumes in Europe

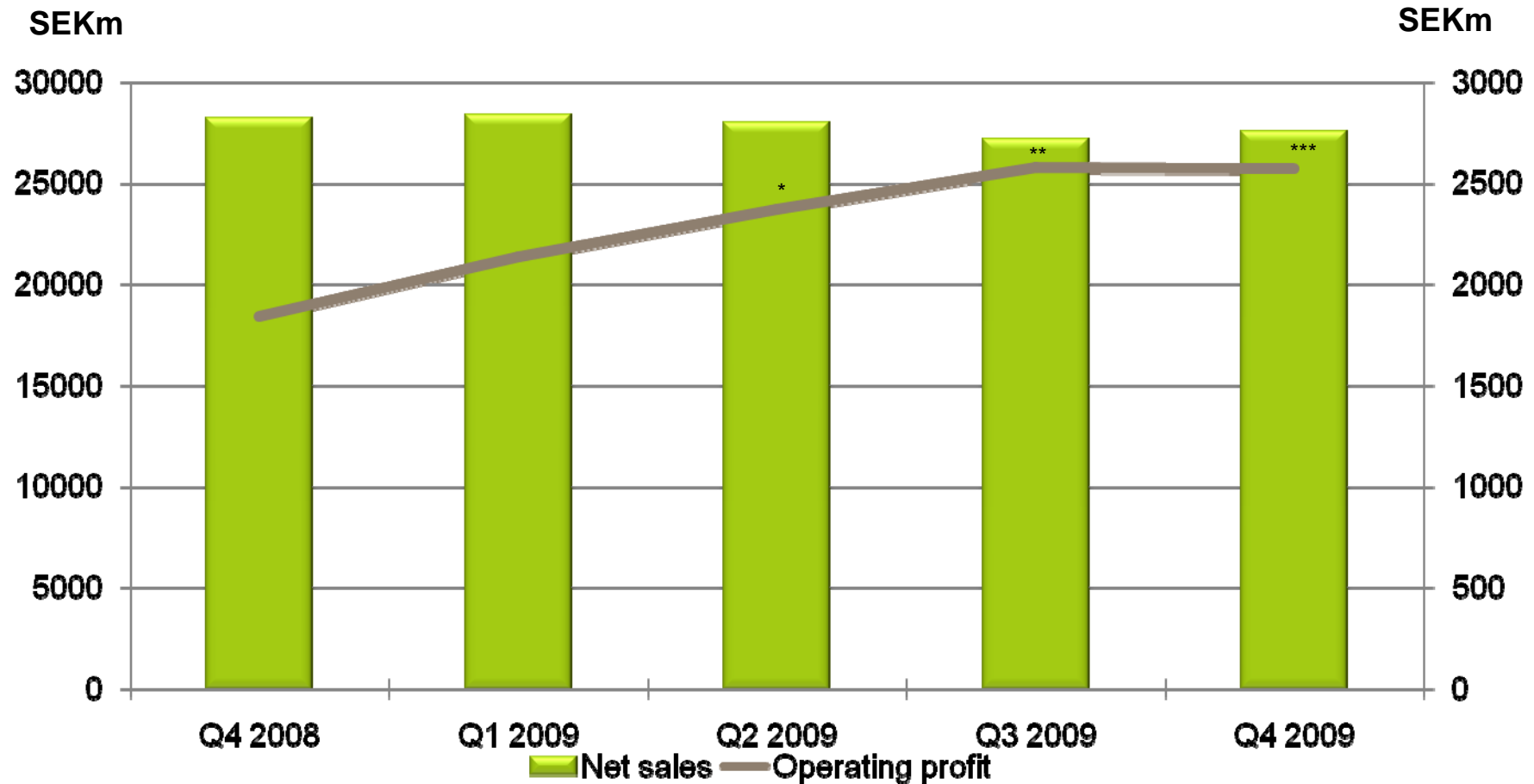
Packaging and Forest Products

- Stabilized demand on low level for Packaging
- Lower demand for publication papers



Coping recession

Net sales and Operating profit



*Excluding SEK 439m Packaging restructuring costs

**Excluding SEK 387m Packaging restructuring costs

***Excluding SEK 632m Packaging restructuring costs

Q4 2009

SCA business market update



SEK millions	Q4 2009	Q4 2008	Change, %	Q3 2009
unless otherwise stated				
Net sales	27,507	28,159	-2	27,108
EBIT	2,568*	1,838	40*	2,576**
EBIT margin (%)	9.3*	6.5		9.5**
Profit before tax	2,280*	1,150	98*	2,199**
Earnings per share (SEK)	1.72	2.02	-15	1.82
Cash flow from current operations	2,544	1,632	56	4,259

- EBIT increased 40%*
 - Synergies and cost savings
 - Lower raw material and energy costs
 - Lower prices
- Profit before tax increased 98%*
 - Lower finance net



*Excluding SEK 632m Packaging restructuring costs

**Excluding SEK 387m Packaging restructuring costs

Full year 2009

SCA business market update



SEK millions unless otherwise stated	FY 2009	FY 2008	Change, %
Net sales	110,857	110,449	0
EBIT	9,648*	8,554	13*
EBIT margin (%)	8.7*	7.7	
Profit before tax	8,004*	6,237	28*
Earnings per share (SEK)	6.78	7.94	-15
Cash flow from current operations	11,490	3,810	302
Debt/Equity ratio	0.60	0.70	

- EBIT increased 13%*
 - Synergies and cost savings
 - Lower raw material and energy costs
 - Lower volumes
- Profit before tax increased 28%*
 - Lower finance net

* Excluding SEK 1,458m Packaging restructuring costs



SCA Group Strategic direction

Initiatives



1.

COST AND CASH FLOW

- Cost reductions in all business areas of close to SEK 1bn
- Cash flow from current operations: increased SEK 7.7bn

2.

CAPITAL EFFICIENCY

- Rationalized supply chain in Packaging and Tissue
- Green field tissue plants in Russia and Mexico
- Efficiency programs in Packaging & Forest Products

3.

INNOVATIONS

- Tissue
 - Tork elevation
 - Tempo complete care
 - Plenty active wipe
- Personal Care
 - Stretch diaper upgrades
 - Tampons
 - Baby care products
- Packaging
 - Mira System
 - Tissue packaging solutions
- Forest Products
 - New paper qualities
 - Increased value added

Cost

Packaging restructuring program



Current status

- Closed New Hythe testliner mill
- Closed 11 corrugated units
- Employee reduction: approx. 1,500 of 2,200
- Costs: SEK 1,458m of SEK 1.7bn
- Annualized savings: approx. 60% of SEK 1,070m

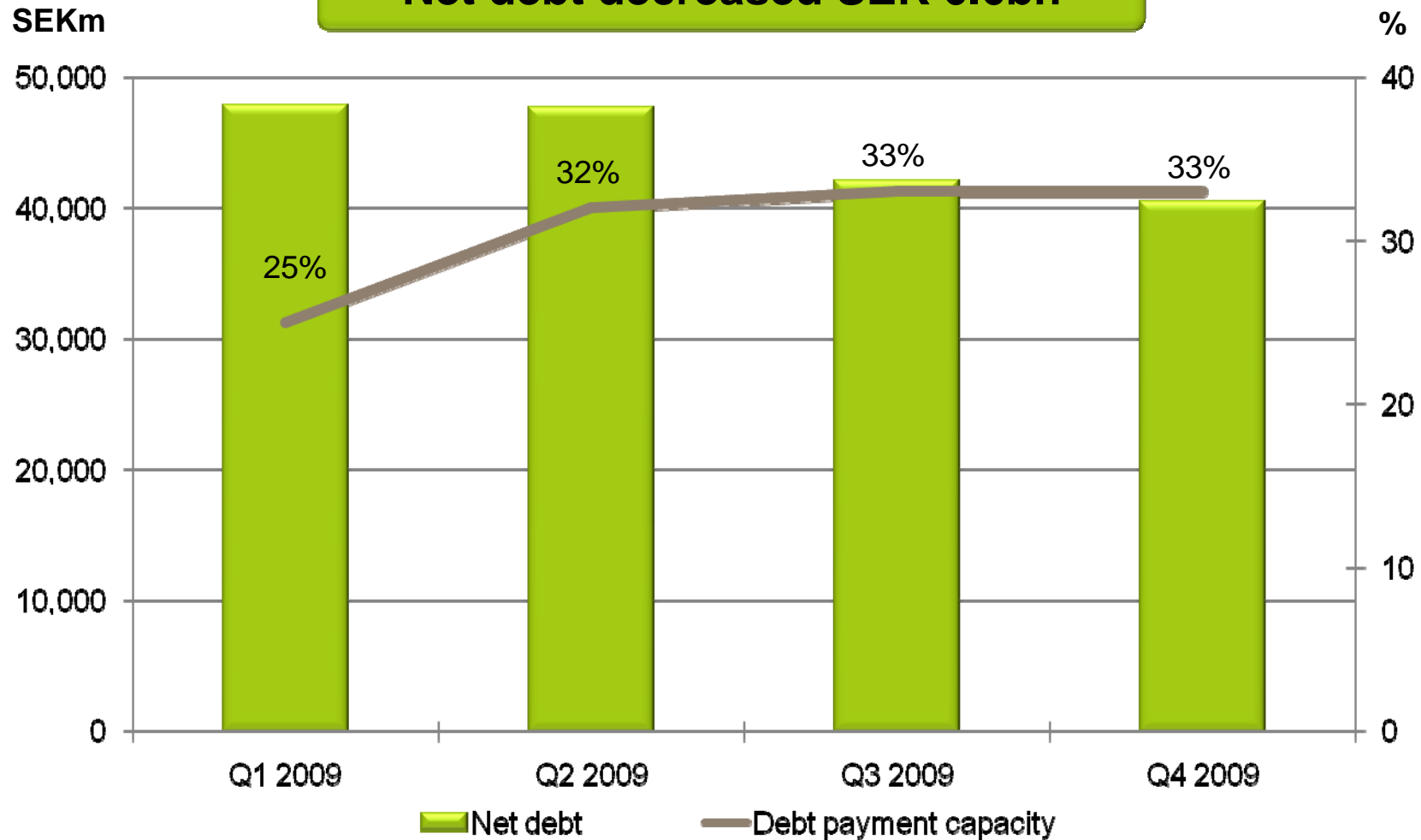


Reduced net debt

And improved debt payment capacity

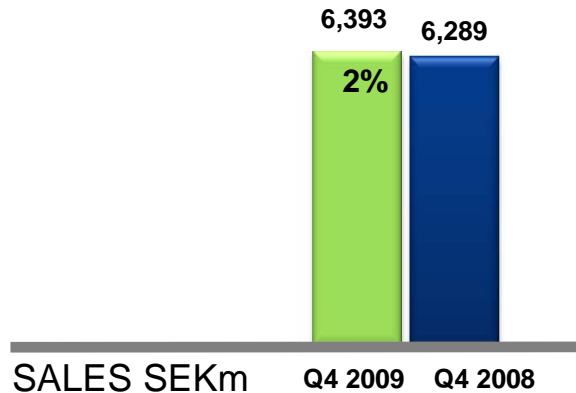


Net debt decreased SEK 6.6bn



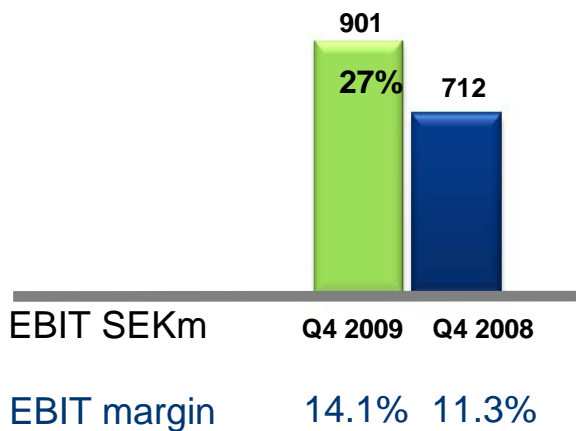
Personal Care

Q4 2009 vs Q4 2008



- **Sales increased by 2%**

- ◆ Growth for Incontinence care and Feminine care
- ◆ Sales decrease for Baby diapers retailers' brands



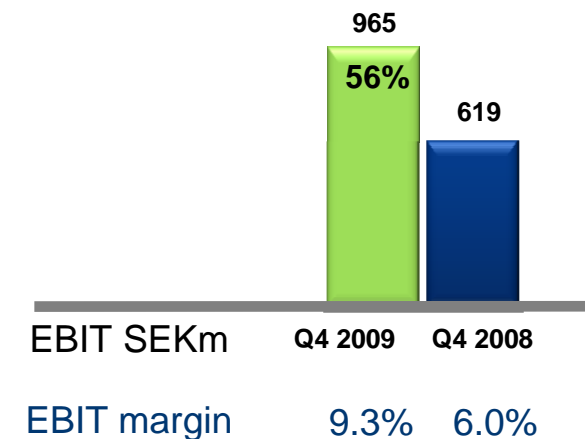
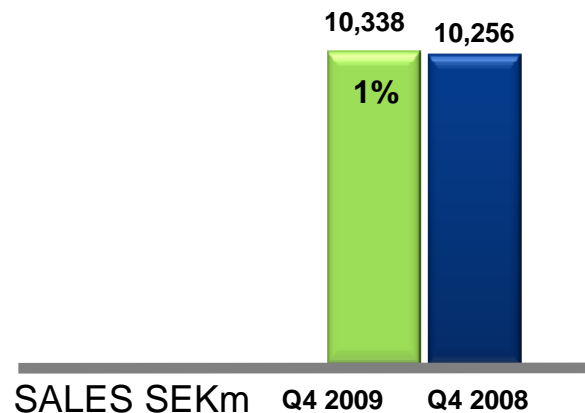
- **EBIT increased by 27%**

- ◆ Improved mix and higher prices
- ◆ Lower raw material cost
- ◆ Higher marketing costs



Tissue

Q4 2009 vs Q4 2008



■ Sales increased by 1%

- ◆ Consumer tissue, sales decreased 1%
 - Slightly lower prices and volumes
- ◆ AFH tissue, 2% sales growth
 - Higher volumes

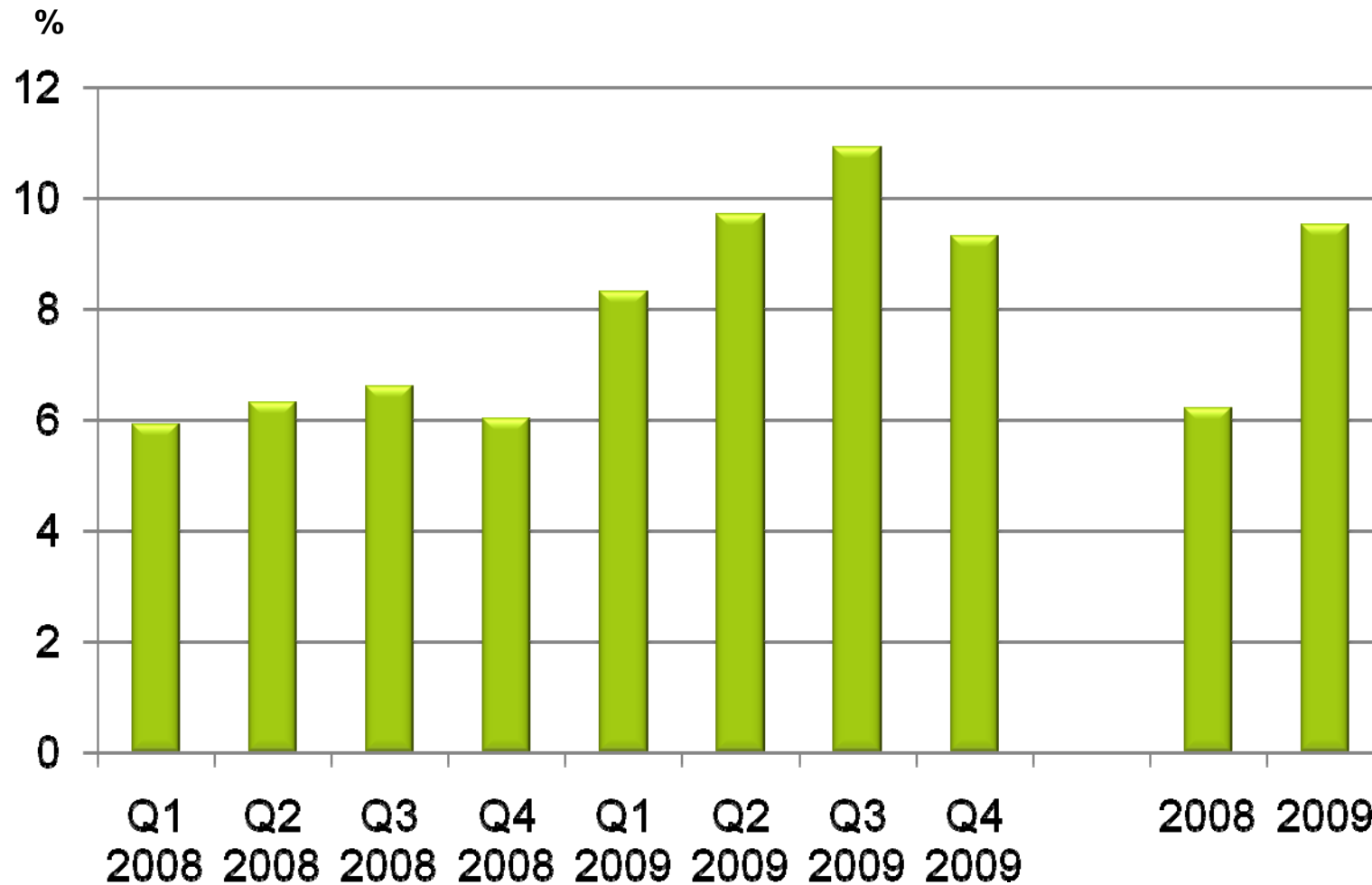
■ EBIT increased by 56%

- ◆ Higher volumes
- ◆ Acquisition synergies
- ◆ Improved mix
- ◆ Lower raw material and energy costs
- ◆ Higher marketing costs



Tissue

Margins in focus



Packaging

Q4 2009 vs Q4 2008

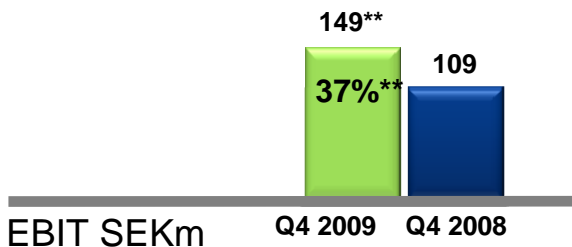
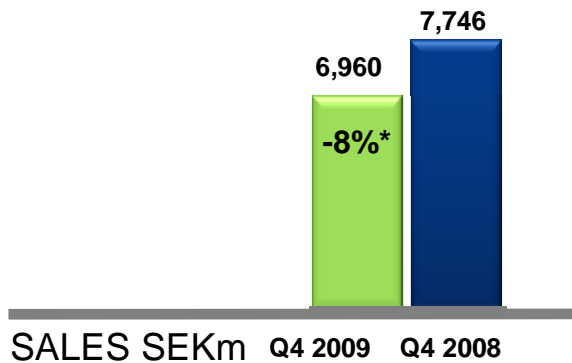


- **Sales decreased 8%***

- ◆ Lower prices and volumes

- **EBIT increased by 37%****

- ◆ Savings from restructuring program
- ◆ Lower raw material and energy costs
- ◆ Lower prices
- ◆ Production downtime 51,000 tonnes



EBIT margin 2.1%** 1.4%

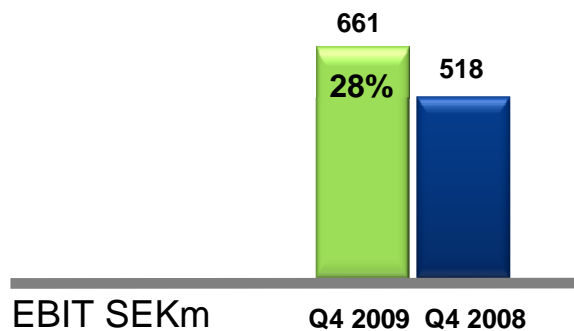
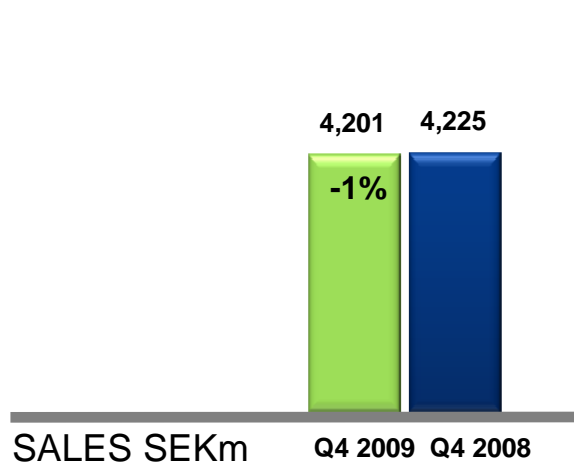
*Adjusted for the closure of the New Hythe testliner mill in UK

**Excluding SEK 632m Packaging restructuring costs



Forest Products

Q4 2009 vs Q4 2008



EBIT margin 15.7% 12.3%

■ Sales decreased 1%

- ◆ *Publication papers, sales decreased*
 - Lower volumes
- ◆ *Solid-wood products, sales increased*
 - Higher volumes
 - Higher prices

■ EBIT increased 28%

- ◆ *Publication papers, increased EBIT*
 - Higher prices
 - Lower energy and raw material costs
- ◆ *Solid-wood products, increased EBIT*
 - Higher prices
 - Improved capacity utilization
 - Lower raw material costs



Dividend



- Proposed 5.7% increase of the dividend to SEK 3.70 (3.50) per share



Summary – Full year 2009

- Significant profit improvement
 - ◆ EBIT*: +13%
 - ◆ Profit before tax*: +28%
- Strong cash flow
 - ◆ Cash flow from current operations: +SEK 7.7bn
- Focus:
 - ◆ Cost and cash flow
 - ◆ Capital efficiency
 - ◆ Innovation



** Excluding SEK 1,458m Packaging restructuring costs*

Outlook 2010



- **Hygiene businesses**

- ◆ Stable demand
- ◆ Good growth in emerging markets

- **Packaging**

- ◆ Demand improvement, but weak start
- ◆ Increasing prices

- **Forest Products**

- ◆ Low demand and decreasing prices for publication paper
- ◆ Improvement for pulp and solid-wood products





Q & A



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