

Interim Report

1 January – 31 March 2013



Q1 2013

Macro update



- Global economy
 - ◆ Weak Western Europe
 - ◆ Some growth in US
 - ◆ Good growth in Emerging markets
- Tissue
 - ◆ Some growth in Europe and North America
 - ◆ Strong growth in Emerging markets
- Personal Care
 - ◆ Good demand for incontinence products in Europe
 - ◆ Stable demand for baby diapers and feminine care in Western Europe
 - ◆ Good growth in Emerging markets
- Forest Products
 - ◆ Demand for publication papers decreased in Western Europe
 - ◆ Weak demand but improved market balance for solid-wood products in Western Europe
 - ◆ Improved market balance for kraftliner

Summary

Q1 2013 vs Q1 2012



- Sales growth 20%*
 - Hygiene business, 23%**
 - ◆ Higher volumes
 - ◆ Acquisitions
 - ◆ Strong growth in Emerging markets
 - Forest Products, -7%*
 - ◆ Lower prices including currency effects
 - ◆ Divestment
- EBIT increased 25%***
 - Acquisitions
 - Cost savings
 - Higher volumes
 - Lower raw material costs
- Operating cash flow increased 5%



* Excluding exchange rate effects and divestment

** Excluding exchange rate effects

*** Excluding items affecting comparability and exchange rate effects

Efficiency programs

- Hygiene business cost and productivity program
 - Achieved cost savings Q1 2013: SEK 160m
 - Annualized cost savings in Q1 2013: EUR 75m
 - Total annual cost savings of EUR 300m, full effect in 2015
- Georgia-Pacific synergies
 - Achieved cost savings Q1 2013: SEK 54m
 - Annualized cost savings in Q1 2013: EUR 25m
 - Total annual cost savings of EUR 125m, full effect in 2016
- Forest Products efficiency program
 - Achieved earnings improvement Q1 2013: SEK 35m
 - Annualized earnings improvement in Q1 2013: SEK 140m
 - Total annual earnings improvement of SEK 1,300m, full effect in 2015



Q1 2013 results

| SEK millions unless otherwise stated | Q1 2013 | Q1 2012 | Change, % | Change, % |
|---|------------|------------|-----------|-----------|
| Net sales | 22,386 | 19,490 | 15 | 20 ** |
| EBIT* | 2,205 | 1,834 | 20 | 25 *** |
| EBIT margin* (%) | 9.8 | 9.4 | | |
| Profit before tax* | 1,941 | 1,503 | 29 | 34 *** |
| Earnings per share (SEK) | 1.59 | 1.73 | | |
| Operating cash flow | 1,862 | 1,778 | 5 | |
| Debt/Equity ratio | 0.51 | 0.55 | | |



* Excluding items affecting comparability

** Excluding exchange rate effects and divestments

*** Excluding items affecting comparability and exchange rate effects

Q1 2013 vs. Q4 2012

Summary



■ Group

- ◆ Sales decreased 3%*
- ◆ EBIT decreased 6%**

■ Business areas

- ◆ Personal Care, EBIT decreased 4%**
 - Seasonality effects
- ◆ Tissue, EBIT decreased 10%**
 - Seasonality effects
- ◆ Forest Products, EBIT decreased 19%***
 - Lower prices
 - Negative currency effects
 - Capital gain on forest land transaction



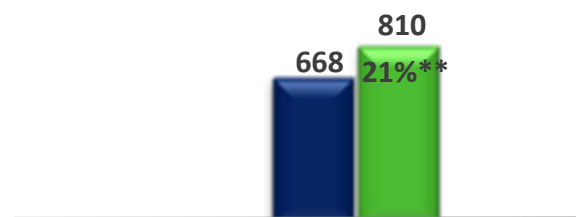
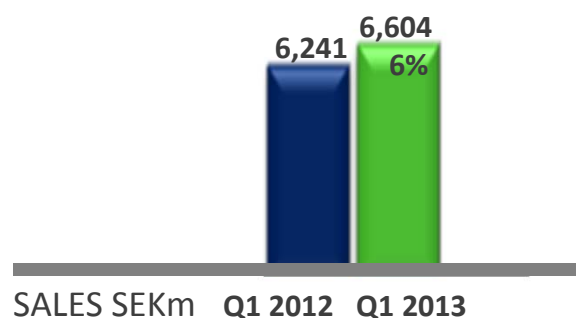
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*** Excluding items affecting comparability

Personal Care

Q1 2013 vs Q1 2012



EBIT** SEKm Q1 2012 Q1 2013

EBIT margin** 10.7% 12.3%

* Excluding exchange rate effects

** Excluding items affecting comparability

*** Excluding items affecting comparability and exchange rate effects

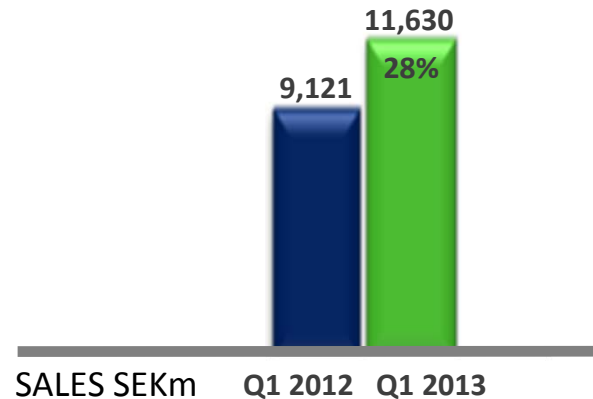
- **Sales growth 6% (11%*)**
 - ◆ Incontinence products increased 8%*
 - ◆ Baby diapers increased 11%*
 - ◆ Feminine care increased 3%*
 - ◆ Emerging markets increased 18%*

- **EBIT increased 21%** (27%***)**
 - ◆ Higher volumes
 - ◆ Lower raw material costs
 - ◆ Cost savings
 - ◆ Acquisition



Tissue

Q1 2013 vs Q1 2012



- **Sales growth 28% (33%*)**
 - ◆ Consumer tissue increased 35%*
 - ◆ AFH tissue increased 28%*
 - ◆ Emerging markets increased 17%*

- **EBIT increased by 34%** (40%***)**
 - ◆ Acquisition
 - ◆ Higher volumes
 - ◆ Cost savings



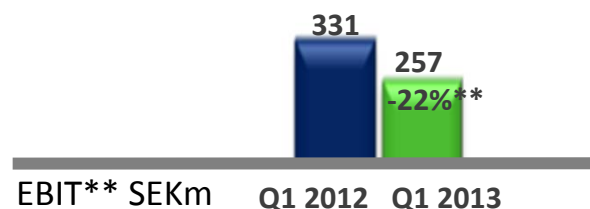
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Forest Products

Q1 2013 vs Q1 2012



EBIT margin** 6.9% 6.0%

* Excluding exchange rate effects and divestment

** Excluding items affecting comparability

■ **Sales decreased 11% (-7%*)**

- ◆ Publication papers, decreased sales
 - Lower prices and divestment
- ◆ Solid-wood products, decreased sales
 - Lower prices
 - Higher volumes
- ◆ Kraftliner, decreased sales
 - Lower volumes
 - Higher prices
- ◆ Pulp, decreased sales
 - Lower volumes and prices

■ **EBIT decreased 22%****

- ◆ Lower prices
- ◆ Negative currency effects
- ◆ Capital gain on forest land transaction



Summary

- Good sales growth and higher earnings for the hygiene businesses
- Challenging market and currency situation for Forest Products
- Efficiency programs delivering according to plan
- Good cash flow generation
- Divestments of former Georgia-Pacific units approved by EU
- Laakirchen divestment closed



Q&A



SCA
Care of Life

