

## 1 JANUARY–30 JUNE 2011 (compared with same period a year ago)

- Net sales decreased by 2% (increased by 5% excluding exchange rate effects and divestments) to SEK 52,064m (53,266)
- Operating profit excluding restructuring costs decreased by 5% (increased by 1% excluding exchange rate effects) to SEK 4,262m (4,467)
- Restructuring costs amounted to SEK 0m (451)
- Earnings per share rose 8% (13% excluding exchange rate effects) to SEK 3.85 (3.57)
- Cash flow from current operations was SEK 1,840m (2,816)

### EARNINGS TREND

| SEKm   | 1106          | 1006   | %  | 2011:2        | 2010:2 | %   |
|--|---------------|--------|----|---------------|--------|-----|
| <b>Net sales<sup>1</sup></b>                 | <b>52,064</b> | 53,266 | -2 | <b>26,671</b> | 27,067 | -1  |
| <b>Gross profit</b>                          | <b>11,505</b> | 12,445 | -8 | <b>5,806</b>  | 6,410  | -9  |
| <b>Operating profit<sup>2</sup></b>          | <b>4,262</b>  | 4,467  | -5 | <b>2,150</b>  | 2,440  | -12 |
| Financial items                              | -579          | -523   |    | -277          | -244   |     |
| <b>Profit before tax<sup>2</sup></b>         | <b>3,683</b>  | 3,944  | -7 | <b>1,873</b>  | 2,196  | -15 |
| Tax <sup>2</sup>                             | -958          | -1,084 |    | -487          | -595   |     |
| <b>Net profit for the period<sup>2</sup></b> | <b>2,725</b>  | 2,860  | -5 | <b>1,386</b>  | 1,601  | -13 |
| Earnings per share, SEK                      | 3.85          | 3.57   | 8  | 1.96          | 2.04   | -4  |

<sup>1</sup> Net sales from SCA's recycling operations have been reclassified as other income, with retroactive adjustment for 2010.

<sup>2</sup> Excluding the preceding year's restructuring costs; for amounts, see page 17.

### CEO'S COMMENTS

*The recovery of the world economy continues, but at a slower pace. Emerging markets are showing continued strong growth, while in Europe, major regional differences exist. The rapid growth in the emerging markets has driven up raw material prices sharply. Indications are strong that prices are now stabilising at a very high level.*

*During the year we have raised our own prices, continued to carry out cost-cutting measures and stepped up the pace of new product launches.*

*Net sales for the second quarter of 2011 rose 5% and operating profit rose 2% compared with the first quarter of 2011. The earnings improvement is attributable to higher volumes and prices.*

*Net sales for the first half of 2011 increased by 5%, excluding exchange rate effects and divestments, as a result of higher prices and volumes compared with the same period a year ago.*

*Compared with the first half of 2010, raw material costs have risen by more than SEK 2bn. We have succeeded in compensating for this through own price increases and cost cutting. The strengthening of the Swedish krona has entailed a decrease in operating profit by SEK 600m. All business areas have been affected. During the first half of 2011, profit was not affected by restructuring costs.*

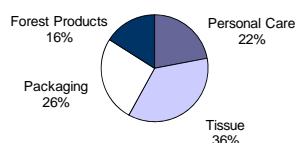
*Earnings per share rose 8%, or 13% excluding exchange rate effects.*

*Operating profit for the first half of 2011 rose 1%, excluding exchange rate effects and restructuring costs, compared with the same period a year ago. Higher prices and volumes along with cost savings compensated for sharply higher costs for raw materials, energy and distribution. Earnings for Personal Care were favourably affected by higher volumes and cost savings, while SEK 420m in higher raw material costs led to a lower profit. Higher prices and a changed product mix along with higher volumes had a favourable effect on earnings for Tissue. However, SEK 400m in higher raw material costs and higher energy and distribution costs led to a lower profit.*

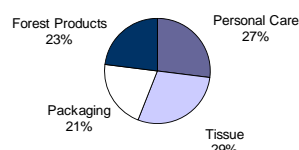
*The sharp earnings improvement for Packaging is attributable to higher prices and volumes along with cost savings, which compensated for slightly more than SEK 1bn in higher raw material costs. Profit for Forest Products decreased as a result of higher raw material and energy costs, as well as the fact that the strengthening of the Swedish krona was not fully compensated by higher prices and productivity improvements.*

*Continued favourable demand is expected in all of SCA's business areas.*

### SHARE OF NET SALES 1106



### SHARE OF OPERATING PROFIT 1106



## EARNINGS TREND FOR THE GROUP

| SEKm   | 1106          | 1006    | %  | 2011:2        | 2010:2  | %   |
|--|---------------|---------|----|---------------|---------|-----|
| <b>Net sales<sup>1</sup></b>                 | <b>52,064</b> | 53,266  | -2 | <b>26,671</b> | 27,067  | -1  |
| Cost of goods sold                           | -40,559       | -40,821 |    | -20,865       | -20,657 |     |
| <b>Gross profit</b>                          | <b>11,505</b> | 12,445  | -8 | <b>5,806</b>  | 6,410   | -9  |
| Sales, general and administration            | -7,243        | -7,978  |    | -3,656        | -3,970  |     |
| <b>Operating profit<sup>2</sup></b>          | <b>4,262</b>  | 4,467   | -5 | <b>2,150</b>  | 2,440   | -12 |
| Financial items                              | -579          | -523    |    | -277          | -244    |     |
| <b>Profit before tax<sup>2</sup></b>         | <b>3,683</b>  | 3,944   | -7 | <b>1,873</b>  | 2,196   | -15 |
| Tax <sup>2</sup>                             | -958          | -1,084  |    | -487          | -595    |     |
| <b>Net profit for the period<sup>2</sup></b> | <b>2,725</b>  | 2,860   | -5 | <b>1,386</b>  | 1,601   | -13 |

<sup>1</sup> Net sales from SCA's recycling operations have been reclassified as other income, with retroactive adjustment for 2010.

<sup>2</sup> Excluding the preceding year's restructuring costs; for amounts, see page 17.

### Earnings per share, SEK - owners of the parent

|                          |      |      |   |      |      |    |
|--------------------------|------|------|---|------|------|----|
| - after dilution effects | 3.85 | 3.57 | 8 | 1.96 | 2.04 | -4 |
|--------------------------|------|------|---|------|------|----|

### Margins (%)

|                                     |             |      |  |             |      |  |
|-------------------------------------|-------------|------|--|-------------|------|--|
| <b>Gross margin</b>                 | <b>22.1</b> | 23.4 |  | <b>21.8</b> | 23.7 |  |
| <b>Operating margin<sup>1</sup></b> | <b>8.2</b>  | 8.4  |  | <b>8.1</b>  | 9.0  |  |
| Financial net margin                | -1.1        | -1.0 |  | -1.0        | -0.9 |  |
| <b>Profit margin<sup>1</sup></b>    | <b>7.1</b>  | 7.4  |  | <b>7.1</b>  | 8.1  |  |
| Tax <sup>1</sup>                    | -1.8        | -2.0 |  | -1.8        | -2.2 |  |
| <b>Net margin<sup>1</sup></b>       | <b>5.3</b>  | 5.4  |  | <b>5.3</b>  | 5.9  |  |

<sup>1</sup> Excluding restructuring costs.

## OPERATING PROFIT PER BUSINESS AREA

| SEKm                                   | 1106         | 1006  | %   | 2011:2       | 2010:2 | %   |
|--|--------------|-------|-----|--------------|--------|-----|
| Personal Care                          | 1,165        | 1,490 | -22 | 582          | 753    | -23 |
| Tissue                                 | 1,295        | 1,501 | -14 | 668          | 791    | -16 |
| Packaging                              | 947          | 498   | 90  | 467          | 306    | 53  |
| Forest Products                        | 1,027        | 1,178 | -13 | 532          | 691    | -23 |
| - Publication papers                   | 37           | -39   | n/a | 26           | -24    | n/a |
| - Pulp, timber and solid-wood products | 990          | 1,217 | -19 | 506          | 715    | -29 |
| Other                                  | -172         | -200  |     | -99          | -101   |     |
| <b>Total<sup>1</sup></b>               | <b>4,262</b> | 4,467 | -5  | <b>2,150</b> | 2,440  | -12 |

<sup>1</sup> Excluding restructuring costs.

## OPERATING CASH FLOW PER BUSINESS AREA

| SEKm            | 1106         | 1006  | %   | 2011:2       | 2010:2 | %   |
|-----------------|--------------|-------|-----|--------------|--------|-----|
| Personal Care   | 1,460        | 1,654 | -12 | 758          | 829    | -9  |
| Tissue          | 895          | 1,742 | -49 | 677          | 722    | -6  |
| Packaging       | 131          | 7     | n/a | 188          | 218    | -14 |
| Forest Products | 473          | 835   | -43 | 230          | 604    | -62 |
| Other           | 20           | -103  |     | 177          | 46     |     |
| <b>Total</b>    | <b>2,979</b> | 4,135 | -28 | <b>2,030</b> | 2,419  | -16 |

## GROUP

### MARKET/EXTERNAL ENVIRONMENT

The recovery of the global economy is continuing, but at a slower pace. Emerging markets are showing continued strong growth, while considerable regional differences exist in Europe. The high level of growth in emerging markets has driven up raw material prices to very high levels.

The global market for incontinence care products is showing continued growth. Demand for tissue was stable in Western Europe and North America during the first half of 2011 compared with a year ago. Emerging markets are showing continued favourable growth.

Demand for corrugated board in Western Europe is up 3% through May 2011 compared with a year ago. Prices of corrugated board continued to rise during the second quarter of 2011.

Demand in Europe for magazine paper decreased by 2% during the first half of 2011 compared with the same period a year ago. Demand for newsprint rose 2% during the same period.

Raw material prices continued to rise during the second quarter of 2011.

### SALES AND EARNINGS

#### January–June 2011 compared with corresponding period a year ago

Net sales decreased by 2% (increased by 5% excluding exchange rate effects and divestments) to SEK 52,064m (53,266). Higher prices and volumes increased sales by 4% and 1%, respectively.

Operating profit excluding restructuring costs decreased by 5% (increased by 1% excluding exchange rate effects) to SEK 4,262m (4,467). Higher prices and volumes along with cost savings compensated for sharply higher costs for raw materials, energy and distribution. The lower profit is attributable to the strengthening of the Swedish krona.

Restructuring costs totalled SEK 0m (451).

Financial items increased to SEK -579m (-523). The increase is attributable to higher interest rates, which were partly compensated by a lower level of net debt. Profit before tax excluding restructuring costs decreased by 7% (1% excluding exchange rate effects) to SEK 3,683m (3,944). The tax expense excluding effects of restructuring costs was SEK 958m (1,084).

Net profit for the period excluding restructuring costs decreased by 5% (unchanged excluding exchange rate effects) to SEK 2,725m (2,860). Earnings per share rose 8% (13% excluding exchange rate effects) to SEK 3.85 (3.57).

#### Second quarter 2011 compared with second quarter 2010

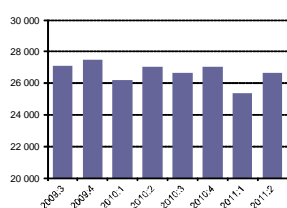
Net sales decreased by 1% (increased by 6% excluding exchange rate effects) to SEK 26,671m (27,067). Higher prices and volumes increased sales by 4% and 2%, respectively.

Operating profit excluding restructuring costs decreased by 12% (7% excluding exchange rate effects) to SEK 2,150m (2,440). Higher volumes and prices along with cost savings compensated for higher costs for raw materials, energy and distribution. The lower profit is attributable to the strengthening of the Swedish krona, including transaction exposure in Forest Products.

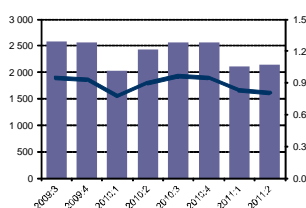
Profit before tax excluding restructuring costs decreased by 15% (10% excluding exchange rate effects) to SEK 1,873m (2,196).

Net profit for the period excluding restructuring costs decreased by 13% (8% excluding exchange rate effects) to SEK 1,386m (1,601). Earnings per share decreased by 4% (increased by 1% excluding exchange rate effects) to SEK 1.96 (2.04).

Net sales

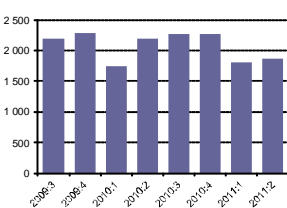


Operating profit and margin



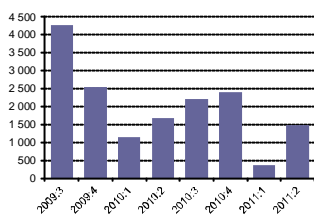
Excluding items affecting comparability

Profit before tax



Excluding items affecting comparability

Cashflow from current operations



## CASH FLOW AND FINANCING

The operating cash surplus amounted to SEK 6,814m (7,273). The cash flow effect of the change in working capital was SEK -1,945m (-1,772). The increase is mainly attributable to higher trade accounts receivable and inventory values. Current capital expenditures were higher than in the preceding year and amounted to SEK 1,458m (952). Operating cash flow amounted to SEK 2,979m (4,135).

Financial items increased to SEK -579m (-523) as a result of higher interest rates, which were partly compensated by a lower level of net debt. Tax payments decreased to SEK 578m (798). Cash flow from current operations decreased to SEK 1,840m (2,816), mainly as a result of a lower operating cash surplus and higher current capital expenditures.

Strategic investments amounted to SEK -854m (-997). Acquisitions and divestments amounted to SEK -94m (1,223). The dividend payout amounted to SEK 2,809m (2,599). Net cash flow was SEK -1,917m (443).

Net debt has increased by SEK 2,224m during the year to SEK 36,630m. Net cash flow increased net debt by SEK 1,917m, while fair value measurement of pension assets, pension obligations and financial instruments increased net debt by SEK 459m. Exchange rate movements attributable to the strengthening of the Swedish krona decreased net debt by SEK 152m. The debt/equity ratio was 0.55 (0.51 at the beginning of the year). The debt payment capacity improved to 37% (33%).

As per 30 June 2011, SCA had outstanding commercial paper worth SEK 6,846m maturing within 12 months. Unutilised credit facilities amounted to SEK 20,442m, of which long-term facilities amounted to SEK 19,796m. Cash and cash equivalents amounted to SEK 2,757m.

## EQUITY

Consolidated equity decreased during the period by SEK 840m to SEK 66,981m. Net profit for the period increased equity by SEK 2,725m. Equity decreased by SEK 2,809m through payment of the shareholder dividend, by SEK 272m after tax through restatement of the net pension liability to fair value, and by SEK 199m after tax through fair value measurement of financial instruments. Exchange rate movements, including the effects of hedges of net investments in foreign assets, decreased equity by SEK 285m.

## TAX

A tax expense corresponding to a tax rate of 26% is reported for the period, which is also expected to be the tax rate for the full year 2011.

## OTHER EVENTS

### First quarter

For the fourth year in a row, SCA has been named as one of the world's most ethical companies by the Ethisphere Institute in the USA.

### Second quarter

To capitalise on the favourable growth in the Russian market and further strengthen SCA's market-leading position, a decision was made to invest approximately SEK 1.2bn in a second tissue machine in Sovetsk, Russia. The new tissue machine has annual capacity of 60,000 tonnes, with production start planned for 2013. The investment is part of the strategy to grow in emerging markets and to increase the share of sales of SCA's own brands.

A decision was also made to invest approximately SEK 1.1bn in a new tissue machine in Kostheim, Germany, to meet increased demand primarily for AFH tissue products. The new tissue machine will have annual capacity of 60,000 tonnes, with production start planned for 2013.

To increase production capacity and reduce costs, a decision was made to invest approximately SEK 300m in the Bollsta sawmill, in Sweden. The investment pertains to two new biofuel boilers, increased drying capacity and an upgrade of the saw line. These investments will increase production capacity from 450,000 cubic metres to 525,000 cubic metres of sawn pine products per year.

Mats Berencreutz took office as Chief Operating Officer (COO) of SCA's global hygiene business and continues to be a member of the Corporate Senior Management Team. The appointment strengthens the Group's resources and creates conditions to further co-ordinate

and develop SCA's hygiene business, with the goal of improving profitability and increasing growth. Magnus Groth, currently CEO of Studsvik AB, has been appointed as new President of SCA's tissue operations in Europe. He will take office on 15 August and will be a member of SCA's Corporate Senior Management Team.

SCA acquired 50% of the Turkish hygiene products company Komili from Yıldız Holding, Turkey's largest food group. The purchase consideration amounted to SEK 308m on a debt-free basis. Komili is currently the fourth largest producer of baby diapers and feminine care products in Turkey and has operations in associated product areas, such as wet wipes, soaps and shampoos. Komili will operate as a joint venture between SCA and Yıldız Holding. The acquisition includes local production and access to a strong distribution network in the country. Komili's annual sales are approximately SEK 530m.

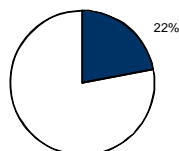
During the quarter, SCA sold its Greek packaging business, with annual sales of approximately SEK 500m. The unit was sold to a Turkish packaging company in which SCA has a 49% interest. After the end of the quarter, SCA sold its packaging plant in Kuban, Russia, with annual sales of approximately SEK 220m. The sales had no profit impact.

SCA and the Norwegian company Fred.Olsen Renewables formed a jointly owned company to build a wind farm on SCA's land in northern Sweden. The area has the potential for approximately 2 TWh in annual wind power generation.

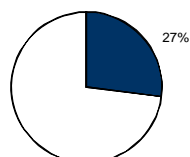
During the quarter, SCA issued a five-year EUR 600m (SEK 5,489) Eurobond.

## PERSONAL CARE

Share of Group, net sales  
1106



Share of Group, operating profit  
1106



| SEKm                 | 1106   | 1006   | %   | 2011:2 | 2010:2 | %   |
|----------------------|--------|--------|-----|--------|--------|-----|
| Net sales            | 11,936 | 12,527 | -5  | 6,116  | 6,418  | -5  |
| Operating surplus*   | 1,712  | 2,094  | -18 | 856    | 1,051  | -19 |
| Operating profit*    | 1,165  | 1,490  | -22 | 582    | 753    | -23 |
| Operating margin, %* | 9.8    | 11.9   |     | 9.5    | 11.7   |     |
| Operating cash flow  | 1,460  | 1,654  |     | 758    | 829    |     |

\* Excluding restructuring costs, which are reported as items affecting comparability outside of the Personal Care business area.

With its TENA brand, SCA is the European market leader in all incontinence care segments. During the second quarter, SCA launched a line of incontinence care products designed as protective underwear for both men and women.

In baby diapers, SCA has a strong, market-leading position in the Nordic countries with its Libero brand. During the second quarter, SCA launched a line of thin baby diapers under the Libero brand in the Nordic countries and Russia. In Europe, the volume development for existing and new private label contracts will result in gradually larger deliveries during the second half of 2011, entailing that in 2012, SCA will be utilizing its entire, existing production capacity.

During the second quarter of 2011, a 50% interest was acquired in a Turkish company that produces and sells hygiene products. Through this acquisition, SCA has established a hygiene products operation in Turkey.

Price increases have been carried out and will gradually take effect during the second half of 2011.

### January–June 2011 compared with corresponding period a year ago

Net sales decreased by 5% (increased by 4% excluding exchange rate effects) to SEK 11,936m (12,527). Higher volumes as a result of increased market activities increased sales by 2%, while acquisitions increased sales by 2%. In emerging markets, sales rose 9% excluding exchange rate movements.

Sales of TENA-brand incontinence care products increased by 3%, excluding exchange rate effects.

Sales of baby diapers increased by 6%, excluding exchange rate effects. The increase is mainly attributable to the preceding year's acquisition in Mexico.

Sales of feminine care products increased by 1%, excluding exchange rate effects, driven by favourable sales growth in Latin America.

Operating profit was 22% lower than a year ago (17% excluding exchange rate effects) and amounted to SEK 1,165m (1,490). Profit was favourably affected by higher volumes and cost savings, while profit was charged with SEK 420m in higher raw material costs and negative exchange rate effects.

The operating cash surplus decreased to SEK 1,723m (2,093). Operating cash flow decreased to SEK 1,460m (1,654) as a result of the lower operating cash surplus and higher current capital expenditures.

### Second quarter 2011 compared with second quarter 2010

Net sales decreased by 5% (increased by 4% excluding exchange rate effects) to SEK 6,116m (6,418). Higher volumes increased sales by 2%, and acquisitions increased sales by 2%.

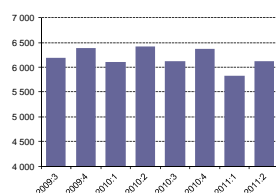
Sales of TENA-brand incontinence care products increased by 2%, excluding exchange rate effects. Growth in Latin America remained very favourable.

Sales of baby diapers increased by 8%, excluding exchange rate effects. The increase is mainly attributable to the acquisition in Mexico.

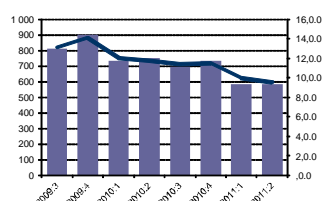
Sales of feminine care products increased by 1%, excluding exchange rate effects.

Operating profit decreased by 23% (18% excluding exchange rate effects) to SEK 582m (753). Profit was favourably affected by higher volumes and cost savings, while profit was charged with SEK 190m in higher raw material costs and negative exchange rate effects.

Net sales



Operating profit and margin

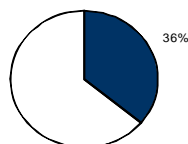


Deviations, operating profit (%)  
1106 vs. 1006

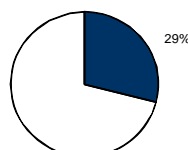
|              |     |
|--------------|-----|
|              | -22 |
| Price/mix    | -8  |
| Volume       | 7   |
| Raw material | -28 |
| Energy       | 0   |
| Currency     | -5  |
| Other        | 12  |

## TISSUE

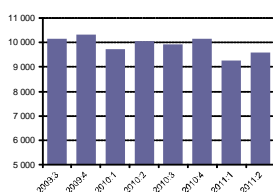
Share of Group, net sales  
1106



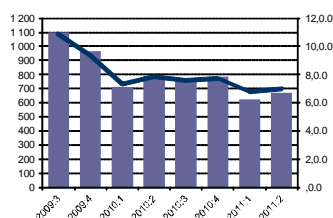
Share of Group, operating profit  
1106



Net sales



Operating profit and margin



Deviations, operating profit (%)

| 1106 vs. 1006 |     | Total |
|---------------|-----|-------|
| Price/mix     | 41  | -14   |
| Volume        | 2   |       |
| Raw material  | -26 |       |
| Energy        | 0   |       |
| Currency      | -8  |       |
| Other         | -23 |       |

| SEKm                | 1106   | 1006   | %   | 2011:2 | 2010:2 | %   |
|---------------------|--------|--------|-----|--------|--------|-----|
| Net sales           | 18,887 | 19,792 | -5  | 9,609  | 10,064 | -5  |
| Operating surplus   | 2,315  | 2,589  | -11 | 1,176  | 1,333  | -12 |
| Operating profit    | 1,295  | 1,501  | -14 | 668    | 791    | -16 |
| Operating margin, % | 6.9    | 7.6    |     | 7.0    | 7.9    |     |
| Operating cash flow | 895    | 1,742  |     | 677    | 722    |     |

In the away-from-home (AFH) tissue segment, SCA grew its market shares in Europe and North America with its Tork brand.

Price increases have been carried out and will have a gradual impact during the second half of 2011.

### January–June 2011 compared with corresponding period a year ago

Net sales decreased by 5% (increased by 4% excluding exchange rate effects) to SEK 18,887m (19,792). Higher prices and volumes increased sales by 3% and 1%, respectively. Sales in emerging markets increased by 9%, excluding exchange rate movements.

Sales of consumer tissue increased by 3%, excluding exchange rate effects. Emerging markets are showing strong sales growth.

Sales of AFH tissue increased by 6%, excluding exchange rate effects. The increase is mainly attributable to strong growth in Eastern Europe, North America and Latin America.

Operating profit decreased by 14% (6% excluding exchange rate effects) to SEK 1,295m (1,501). Higher prices, a changed product mix and higher volumes had a favourable impact on profit. However, sharply higher raw material costs, by SEK 400m, higher costs for distribution and energy, and exchange rate effects led to a lower operating profit.

The operating cash surplus decreased to SEK 2,346m (2,617), and operating cash flow decreased to SEK 895m (1,742). Cash flow decreased as a result of the lower operating cash surplus and higher level of working capital.

### Second quarter 2011 compared with second quarter 2010

Net sales decreased by 5% (increased by 4% excluding exchange rate effects) to SEK 9,609m (10,064). Higher volumes increased sales by 1%, while higher prices and a changed product mix increased sales by 3%.

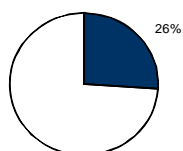
Sales of consumer tissue increased by 4%, excluding exchange rate effects. Emerging markets are showing strong sales growth.

Sales of AFH tissue increased by 6%, excluding exchange rate effects. Markets in Western Europe, North America and Latin America showed higher growth.

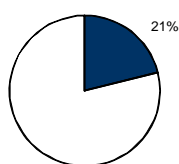
Operating profit decreased by 16% (8% excluding exchange rate effects) to SEK 668m (791). Higher prices, a changed product mix and higher volumes had a favourable impact on profit. However, higher costs for distribution, energy and raw materials, as well as exchange rate effects, led to a lower operating profit.

## PACKAGING

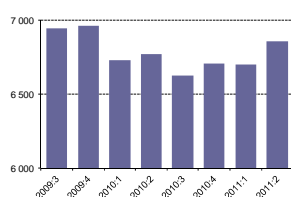
Share of Group, net sales  
1106



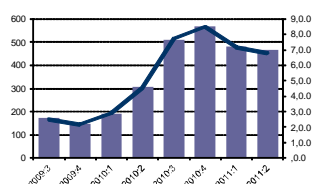
Share of Group, operating profit  
1106



Net sales



Operating profit and margin



Deviations, operating profit (%)

| 1106 vs. 1006 | %    |
|---------------|------|
| Price/mix     | 298  |
| Volume        | 32   |
| Raw material  | -212 |
| Energy        | -6   |
| Currency      | -12  |
| Other         | -10  |

| SEKm                                       | 1106   | 1006   | %  | 2011:2 | 2010:2 | %  |
|--|--------|--------|----|--------|--------|----|
| Deliveries                                 |        |        |    |        |        |    |
| - Liner products, thousand tonnes          | 1,082  | 1,055  | 3  | 546    | 529    | 3  |
| - Corrugated board, million m <sup>2</sup> | 1,739  | 1,772  | -2 | 866    | 897    | -3 |
| Net sales*                                 | 13,553 | 13,500 | 0  | 6,856  | 6,770  | 1  |
| Operating surplus**                        | 1,576  | 1,228  | 28 | 778    | 661    | 18 |
| Operating profit**                         | 947    | 498    | 90 | 467    | 306    | 53 |
| Operating margin, %**                      | 7.0    | 3.7    |    | 6.8    | 4.5    |    |
| Operating cash flow                        | 131    | 7      |    | 188    | 218    |    |

<sup>1)</sup> As from 2010, net sales from SCA's recycling operations have been reclassified as other income, entailing a decrease in net sales for the same period in the preceding year by SEK 1,336m.

<sup>2)</sup> Excluding restructuring costs, which are reported as items affecting comparability outside of the business area.

Corrugated board prices continued to rise during the second quarter of 2011 and are expected to rise also during the second half of the year.

### January–June 2011 compared with corresponding period a year ago

Net sales were level with the corresponding period a year ago (13% higher excluding exchange rate effects and divestments) and totalled SEK 13,553m (13,500). Higher prices and volumes increased net sales by 11% and 2%, respectively. Sales were 5% lower as a result of divested operations.

Operating profit was SEK 947m (498). The strong profit improvement is attributable to higher prices and volumes as well as cost savings, which compensated for slightly more than SEK 1bn in higher raw material costs and negative exchange rate effects.

Operating cash surplus improved to SEK 1,566m (1,213), and operating cash flow was SEK 131m (7). The higher operating cash surplus was countered by a higher level of tied-up working capital.

### Second quarter 2011 compared with second quarter 2010

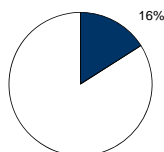
Net sales increased by 1% (11% excluding exchange rate effects and divestments) to SEK 6,856m (6,770). Net sales increased by 11% as a result of higher prices. Sales were 4% lower as a result of divested operations.

Operating profit increased to SEK 467m (306). The strong profit improvement is attributable to higher prices and volumes as well as cost savings, which compensated for slightly more than SEK 500m in higher raw material costs and negative exchange rate effects.

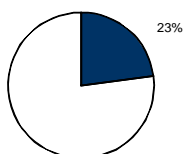


## FOREST PRODUCTS

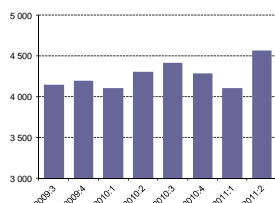
Share of Group, net sales  
1106



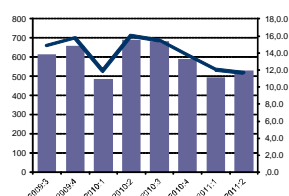
Share of Group, operating profit  
1106



Net sales



Operating profit and margin



Deviations, operating profit (%)

| 1106 vs. 1006 |     |
|---------------|-----|
|               | -13 |
| Price/mix     | 5   |
| Volume        | 0   |
| Raw material  | -18 |
| Energy        | -7  |
| Currency      | 0   |
| Other         | 7   |

| SEKm   | 1106  | 1006  | %   | 2011:2 | 2010:2 | %   |
|--|-------|-------|-----|--------|--------|-----|
| Deliveries                                     |       |       |     |        |        |     |
| - Publication papers, thousand tonnes          | 780   | 785   | -1  | 403    | 388    | 4   |
| - Solid-wood products, thousand m <sup>3</sup> | 965*  | 831   | 16  | 524**  | 440    | 19  |
| Net sales                                      | 8,676 | 8,418 | 3   | 4,566  | 4,308  | 6   |
| Operating surplus                              | 1,708 | 1,858 | -8  | 873    | 1,030  | -15 |
| Operating profit                               | 1,027 | 1,178 | -13 | 532    | 691    | -23 |
| Operating margin, %                            | 11.8  | 14.0  |     | 11.7   | 16.0   |     |
| Operating cash flow                            | 473   | 835   |     | 230    | 604    |     |

<sup>\*)</sup> Includes approximately 128,000 m<sup>3</sup> from the Gällö and Tjärnvik sawmills, which are consolidated as from 1 July 2010.

<sup>\*\*)</sup> Includes approximately 70,000 m<sup>3</sup> from the Gällö and Tjärnvik sawmills, which are consolidated as from 1 July 2010.

During the second quarter of 2011 SCA and the Norwegian company Fred.Olsen Renewables formed a jointly owned company to build a wind farm on SCA's land in northern Sweden. The area has the potential for approximately 2 TWh in annual wind power generation. Together with SCA's previous collaboration with Norway's Statkraft, total annual wind power generation will amount to approximately 4.5 TWh once all of the plants have been completed.

In the publication paper operations, small price increases have been carried out for all grades for the second half of 2011.

### January–June 2011 compared with corresponding period a year ago

Net sales increased by 3% (increased by 5% excluding exchange rate effects) to SEK 8,676m (8,418). Higher prices primarily for publication papers and pulp contributed to the sales increase. Higher volumes and acquisitions increased sales by 1% and 3%, respectively.

Operating profit decreased by 13% to SEK 1,027m (1,178). Profit for the publication paper operations improved to SEK 37m (-39). Higher prices for publication papers compensated for lower volumes, higher raw material costs and negative exchange rate effects. The lower operating profit for the pulp and solid-wood operations is mainly attributable to negative exchange rate effects. Completed productivity improvements had a favourable effect on earnings.

The operating cash surplus was SEK 1,332m (1,540), and operating cash flow totalled SEK 473m (835).

### Second quarter 2011 compared with second quarter 2010

Net sales increased by 6% (8% excluding exchange rate effects) to SEK 4,566m (4,308). Higher prices for publication papers and pulp, along with higher volumes, increased net sales. Acquisitions increased sales by 3%.

Operating profit decreased by 23% to SEK 532m (691). The lower profit is attributable to higher raw material and energy costs, and negative exchange rate effects.

*In the adjacent deviation analysis, the currency deviation amounts to 0% (SEK 2m) and consists of a translation effect. Including the exchange rate effect from the business area's transaction exposure, the total exchange rate effect is approximately -30% (SEK -340m), with a corresponding increase primarily in the price/mix deviation.*

## SHARE DISTRIBUTION

| 30 June 2011                | Class A    | Class B     | Total       |
|-----------------------------|------------|-------------|-------------|
| Registered number of shares | 97,453,423 | 607,656,671 | 705,110,094 |
| - of which treasury shares  |            | 2,767,605   | 2,767,605   |

At the end of the period, the proportion of Class A shares was 13.8%. During the second quarter, at the request of shareholders a total of 2,650,000 Class A shares were converted to Class B shares. The total number of votes in the company is 1,582,190,901. After the end of the second quarter, at the request of shareholders 500,000 Class A shares have been converted to Class B shares. The total number of votes in the company is thereafter 1,577,690,901.

## RISKS AND UNCERTAINTIES

SCA's risk exposure and risk management are described on pages 44–49 of the 2010 Annual Report. No significant changes have taken place that have affected the reported risks.

Risks in conjunction with company acquisitions are analysed in the due diligence processes that SCA carries out prior to all acquisitions. In cases where acquisitions have been carried out that may affect the assessment of SCA's risk exposure, these are described under the heading "Other events" in interim reports. No significant acquisitions were made during the period.

### Risk management processes

SCA's board decides on the Group's strategic direction, based on recommendations made by Group management. Responsibility for the long-term, overall management of strategic risks corresponds to the company's delegation structure, from the Board to the CEO and from the CEO to the business group heads. This means that most operational risks are managed by SCA's business groups at the local level, but that they are co-ordinated when considered necessary. The tools used in this co-ordination consist primarily of the business groups' regular reporting and the annual strategy process, where risks and risk management are a part of the process.

SCA's financial risk management is centralised, as is the Group's internal bank for the Group companies' financial transactions and management of the Group's energy risks. Financial risks are managed in accordance with the Group's finance policy, which is adopted by SCA's board and which – together with SCA's energy risk policy – makes up a framework for risk management. Risks are compiled and followed up on a regular basis to ensure compliance with these guidelines. SCA has also centralised other risk management.

SCA has a staff function for internal audit, which monitors compliance in the organisation with the Group's policies.

## 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 of operations.

## ACCOUNTING PRINCIPLES

This interim report has been prepared in accordance with IAS 34 and recommendation RFR 1 of the Swedish Financial Reporting Board (RFR), and with regard to the Parent Company, RFR 2. The accounting principles applied correspond to those described in the 2010 Annual Report, except for with respect to a number of amendments to existing standards and new interpretations that took effect on 1 January 2011.

## FUTURE REPORTS

The interim report for the period January–September will be released on 25 October. The year-end report for 2011 will be released on 26 January 2012.

## INVITATION TO PRESS CONFERENCE ON Q2

The media and analysts are invited to attend a press conference at which this report will be presented by Jan Johansson, President and CEO.


Time: Thursday, 21 July 2011, 14.00 CET.

Location: World Trade Center, New York conference room, Stockholm, Sweden.

The press conference will be webcast live at [www.sca.com](http://www.sca.com). It is also possible to participate in the press conference by phone, by calling +44 20 7162 0177, +1 334 323 6203, or +46-8-5052 0114.

The Board of Directors and President certify that the half-year interim report gives a true and fair view of the Parent Company's and Group's operations, financial position and results of operations, and describes material risks and uncertainties facing the Parent Company and the companies included in the Group.

Stockholm, 21 July 2011  
SVENSKA CELLULOSA AKTIEBOLAGET SCA (publ)



Sverker Martin-Löf  
Chairman of the Board



Pär Boman  
Director



Leif Johansson  
Director



Rolf Börjesson  
Director



Anders Nyrén  
Director




Sören Gyll  
Director



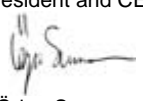
Barbara Milian Thoralfsson  
Director



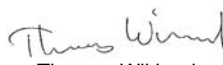
Lars Jonsson  
Employee representative



Jan Johansson  
Director  
President and CEO



Örjan Svensson  
Employee representative



Thomas Wiklund  
Employee representative

## REVIEW REPORT

We have reviewed this report for the period 1 January–30 June 2011 for Svenska Cellulosa Aktiebolaget SCA (publ). The board of directors and the CEO are responsible for the preparation and presentation of this interim report in accordance with IAS 34 and the Swedish Annual Accounts Act. Our responsibility is to express a conclusion on this interim report based on our review.

We conducted our review in accordance with the Swedish Standard on Review Engagements (SÖG) 2410, Review of Interim Report Performed by the Independent Auditor of the Entity. A review consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (ISA) and other generally accepted auditing standards. The procedures performed in a review do not make it possible for us to obtain such certainty that we can be aware of all material circumstances that could have been identified if an audit was performed. The stated conclusion based on a review therefore does not have the same level of certainty as a stated conclusion based on an audit.

Based on our review, nothing has come to our attention that causes us to believe that the interim report is not prepared, in all material respects, in accordance with IAS 34 and the Swedish Annual Accounts Act, regarding the Group, and with the Swedish Annual Accounts Act, regarding the Parent Company.

Stockholm, 21 July 2011

PricewaterhouseCoopers AB

Anders Lundin

Authorised Public Accountant

**OPERATING CASH FLOW ANALYSIS**

|  |                |         |
|--|----------------|---------|
| SEKm   | <b>1 106</b>   | 1 006   |
| Operating cash surplus                       | 6,814          | 7,273   |
| Change in working capital                    | -1,945         | -1,772  |
| Current capital expenditures, net            | -1,458         | -952    |
| Restructuring costs, etc.                    | -432           | -414    |
| <b>Operating cash flow</b>                   | <b>2,979</b>   | 4,135   |
| Financial items                              | -579           | -523    |
| Income taxes paid                            | -578           | -798    |
| Other  | 18             | 2       |
| <b>Cash flow from current operations</b>     | <b>1,840</b>   | 2,816   |
| Acquisitions                                 | -278           | -47     |
| Strategic capital expenditures, fixed assets | -854           | -997    |
| Divestments                                  | 184            | 1,270   |
| <b>Cash flow before dividend</b>             | <b>892</b>     | 3,042   |
| Dividend                                     | -2,809         | -2,599  |
| <b>Net cash flow</b>                         | <b>-1,917</b>  | 443     |
| <b>Net debt at the start of the period</b>   | <b>-34,406</b> | -40,430 |
| Net cash flow                                | -1,917         | 443     |
| Remeasurement to equity                      | -459           | -1,380  |
| Currency effects                             | 152            | 521     |
| <b>Net debt at the end of the period</b>     | <b>-36,630</b> | -40,846 |
| <b>Debt/equity ratio</b>                     | 0.55           | 0.62    |
| <b>Debt payment capacity, %</b>              | 37             | 33      |

**CASH FLOW STATEMENT**

| SEKm   | 1106          | 1006          |
|--|---------------|---------------|
| <b>Operating activities</b>  |               |               |
| Profit before tax  | 3,683         | 3,493         |
| Adjustment for non-cash items <sup>1</sup>                                   | 2,141         | 2,826         |
|  | 5,824         | 6,319         |
| Paid tax   | -578          | -798          |
| <b>Cash flow from operating activities before changes in working capital</b> | <b>5,246</b>  | <b>5,521</b>  |
| <b>Cash flow from changes in working capital</b>                             |               |               |
| Change in inventories  | -460          | -1,327        |
| Change in operating receivables  | -1,088        | -2,184        |
| Change in operating liabilities  | -397          | 1,739         |
| <b>Cash flow from operating activities</b>                                   | <b>3,301</b>  | <b>3,749</b>  |
| <b>Investing activities</b>  |               |               |
| Acquisition of operations  | -279          | -47           |
| Sold operations  | -5            | 190           |
| Acquisition tangible and intangible assets                                   | -2,356        | -2,119        |
| Sale of tangible assets  | 46            | 178           |
| Payment of loans to external parties   | 0             | -28           |
| Repayment of loans from external parties                                     | 200           | 0             |
| <b>Cash flow from investing activities</b>                                   | <b>-2,394</b> | <b>-1,826</b> |
| <b>Financing activities</b>  |               |               |
| Borrowings   | 2,802         | 0             |
| Amortisation of debt   | 0             | -466          |
| Dividends paid   | -2,809        | -2,599        |
| <b>Cash flow from financing activities</b>                                   | <b>-7</b>     | <b>-3,065</b> |
| <b>Cash flow for the period</b>  | <b>900</b>    | <b>-1,142</b> |
| Cash and cash equivalents at the beginning of the year                       | 1,866         | 5,148         |
| Exchange differences in cash and cash equivalents                            | -9            | -7            |
| <b>Cash and cash equivalents at the end of the period</b>                    | <b>2,757</b>  | <b>3,999</b>  |
| <b>Reconciliation with operating cash flow analysis</b>                      |               |               |
| <b>Cash flow for the period</b>  | <b>900</b>    | <b>-1,142</b> |
| <b>Deducted items:</b>   |               |               |
| Payment of loans to external parties   | 0             | 28            |
| Repayment of loans from external parties                                     | -200          | 0             |
| Borrowings   | -2,802        | 0             |
| Amortisation of debt   | 0             | 466           |
| <b>Added items:</b>  |               |               |
| Net debt in acquired and divested operations                                 | 190           | 1,080         |
| Accrued interest   | -3            | 19            |
| Investments through finance leases   | -2            | -8            |
| <b>Net cash flow according to operating cash flow analysis</b>               | <b>-1,917</b> | <b>443</b>    |
| <sup>1</sup> Depreciation and impairment, fixed assets                       | 2,975         | 3,310         |
| Fair-value measurement/net growth of forest assets                           | -361          | -326          |
| Unpaid related to efficiency programmes                                      | 0             | 334           |
| Payments related to efficiency programmes already recognized                 | -367          | -401          |
| Other  | -106          | -91           |
| <b>Total</b>   | <b>2,141</b>  | <b>2,826</b>  |

**CONSOLIDATED INCOME STATEMENT**

| SEKm  | 2011:2        | 2010:2  | 2011:1  | 1106          | 1006    |
|---|---------------|---------|---------|---------------|---------|
| <b>Net sales<sup>1</sup></b>  | <b>26,671</b> | 27,067  | 25,393  | <b>52,064</b> | 53,266  |
| Cost of goods sold <sup>2</sup>   | -20,865       | -20,657 | -19,694 | -40,559       | -40,821 |
| <b>Gross profit</b>   | <b>5,806</b>  | 6,410   | 5,699   | <b>11,505</b> | 12,445  |
| Sales, general and administration <sup>2</sup>  | -3,687        | -3,995  | -3,609  | -7,296        | -8,016  |
| Items affecting comparability <sup>3</sup>  | 0             | -207    | 0       | 0             | -451    |
| Share in profits of associates  | 31            | 25      | 22      | 53            | 38      |
| <b>Operating profit</b>   | <b>2,150</b>  | 2,233   | 2,112   | <b>4,262</b>  | 4,016   |
| Financial items   | -277          | -244    | -302    | -579          | -523    |
| <b>Profit before tax</b>  | <b>1,873</b>  | 1,989   | 1,810   | <b>3,683</b>  | 3,493   |
| Tax   | -487          | -539    | -471    | -958          | -960    |
| <b>Net profit for the period</b>  | <b>1,386</b>  | 1,450   | 1,339   | <b>2,725</b>  | 2,533   |
| <b>Earnings attributable to:</b>  |               |         |         |               |         |
| Owners of the parent  | 1,376         | 1,435   | 1,327   | 2,703         | 2,509   |
| Non-controlling interests   | 10            | 15      | 12      | 22            | 24      |
| <b>Earnings per share, SEK - owners of the parent</b>   |               |         |         |               |         |
| - before dilution effects   | 1.96          | 2.04    | 1.89    | 3.85          | 3.57    |
| - after dilution effects  | 1.96          | 2.04    | 1.89    | 3.85          | 3.57    |
| <b>Calculation of earnings per share</b>  |               |         |         |               |         |
| Earnings attributable to owners of the parent   | 1,376         | 1,435   | 1,327   | 2,703         | 2,509   |
| Average no. of shares before dilution, millions   | 702.3         | 702.3   | 702.3   | 702.3         | 702.3   |
| Average no. of shares after dilution  | 702.3         | 702.3   | 702.3   | 702.3         | 702.3   |
| <sup>1</sup> Net sales from SCAs recycling operations have been reclassified to other income, with retroactive adjustment for 2010. |               |         |         |               |         |
| <sup>2</sup> Of which, depreciation   |               |         |         |               |         |
|   | -1,494        | -1,598  | -1,481  | -2,975        | -3,193  |
| <sup>3</sup> Distribution of items affecting comparability, per function  |               |         |         |               |         |
| Cost of goods sold  | 0             | -197    |         | 0             | -347    |
| Sales, general and administration   | 0             | -10     |         | 0             | -104    |
|   | <b>2011:2</b> | 2010:2  | 2011:1  | <b>1106</b>   | 1006    |
| Gross margin  | <b>21.8</b>   | 23.7    | 22.4    | <b>22.1</b>   | 23.4    |
| Operating margin  | <b>8.1</b>    | 8.2     | 8.3     | <b>8.2</b>    | 7.5     |
| Financial net margin  | -1.0          | -0.9    | -1.2    | -1.1          | -1.0    |
| Profit margin   | <b>7.1</b>    | 7.3     | 7.1     | <b>7.1</b>    | 6.5     |
| Tax   | -1.8          | -2.0    | -1.9    | -1.8          | -1.8    |
| Net margin  | <b>5.3</b>    | 5.3     | 5.2     | <b>5.3</b>    | 4.7     |
| <b>Excluding restructuring costs:</b>   |               |         |         |               |         |
|   | <b>2011:2</b> | 2010:2  | 2011:1  | <b>1106</b>   | 1006    |
| Gross margin  | <b>21.8</b>   | 23.7    | 22.4    | <b>22.1</b>   | 23.4    |
| Operating margin  | <b>8.1</b>    | 9.0     | 8.3     | <b>8.2</b>    | 8.4     |
| Financial net margin  | -1.0          | -0.9    | -1.2    | -1.1          | -1.0    |
| Profit margin   | <b>7.1</b>    | 8.1     | 7.1     | <b>7.1</b>    | 7.4     |
| Tax   | -1.8          | -2.2    | -1.9    | -1.8          | -2.0    |
| Net margin  | <b>5.3</b>    | 5.9     | 5.2     | <b>5.3</b>    | 5.4     |

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**

| SEKm  | 2011:2       | 2010:2 | 2011:1 | 1106         | 1006   |
|---|--------------|--------|--------|--------------|--------|
| <b>Profit for the period</b>                                      | <b>1,386</b> | 1,450  | 1,339  | <b>2,725</b> | 2,533  |
| <b>Other comprehensive income for the period</b>                  |              |        |        |              |        |
| Actuarial gains/losses on defined benefit pension plans           | -800         | -1,591 | 342    | -458         | -1,387 |
| Available-for-sale financial assets                               | -124         | -94    | 26     | -98          | -2     |
| Cash flow hedges  | -241         | 260    | 105    | -136         | 356    |
| Exchange differences on translating foreign operations            | 1,693        | -99    | -1,568 | 125          | -3,290 |
| Gains/losses from hedges of net investments in foreign operations | -756         | 469    | 348    | -408         | 2,389  |
| Income tax relating to components of other comprehensive income   | 351          | 372    | -130   | 221          | 300    |
| <b>Other comprehensive income for the period, net of tax</b>      | <b>123</b>   | -683   | -877   | <b>-754</b>  | -1,634 |
| <b>Total comprehensive income for the period</b>                  | <b>1,509</b> | 767    | 462    | <b>1,971</b> | 899    |
| <b>Total comprehensive income attributable to:</b>                |              |        |        |              |        |
| Owners of the parent  | 1,483        | 774    | 458    | 1,941        | 934    |
| Non-controlling interests   | 26           | -7     | 4      | 30           | -35    |

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**

| SEKm  | 1106          | 1006   |
|---|---------------|--------|
| <b>Attributable to owners of the parent</b> |               |        |
| Opening balance, 1 January                  | 67,255        | 67,156 |
| Total comprehensive income for the period   | 1,941         | 934    |
| Dividend                                    | -2,809        | -2,599 |
| Revaluation of non-controlling interests    | -2            | 0      |
| <b>Closing balance</b>                      | <b>66,385</b> | 65,491 |
| <b>Non-controlling interests</b>            |               |        |
| Opening balance, 1 January                  | 566           | 750    |
| Total comprehensive income for the period   | 30            | -35    |
| Dividend                                    | 0             | 0      |
| Change in Group composition                 | 0             | -53    |
| <b>Closing balance</b>                      | <b>596</b>    | 662    |
| <b>Total equity, closing balance</b>        | <b>66,981</b> | 66,153 |

**CONSOLIDATED BALANCE SHEET**

| SEKm   | 30 June 2011   | 31 December 2010 |
|--|----------------|------------------|
| <b>Assets</b>  |                |                  |
| Goodwill   | 17,439         | 17,688           |
| Other intangible assets  | 3,282          | 3,270            |
| Tangible assets  | 81,671         | 82,236           |
| Shares and participations  | 1,371          | 1,098            |
| Non-current financial assets <sup>1</sup>  | 2,564          | 3,254            |
| Other non-current receivables  | 1,674          | 1,363            |
| <b>Total non-current assets</b>  | <b>108,001</b> | <b>108,909</b>   |
| Operating receivables and inventories  | 32,927         | 31,890           |
| Current financial assets   | 203            | 220              |
| Non-current assets held for sale   | 219            | 93               |
| Cash and cash equivalents  | 2,757          | 1,866            |
| <b>Total current assets</b>  | <b>36,106</b>  | <b>34,069</b>    |
| <b>Total assets</b>  | <b>144,107</b> | <b>142,978</b>   |
| <b>Equity</b>  |                |                  |
| Owners of the parent   | 66,385         | 67,255           |
| Minority interests   | 596            | 566              |
| <b>Total equity</b>  | <b>66,981</b>  | <b>67,821</b>    |
| <b>Liabilities</b>   |                |                  |
| Provisions for pensions  | 2,866          | 3,108            |
| Other provisions   | 11,268         | 10,800           |
| Non-current financial liabilities  | 29,458         | 23,459           |
| Other non-current liabilities  | 846            | 791              |
| <b>Total non-current liabilities</b>   | <b>44,438</b>  | <b>38,158</b>    |
| Current financial liabilities <sup>2</sup>   | 9,701          | 13,047           |
| Operating liabilities  | 22,987         | 23,952           |
| <b>Total current liabilities</b>   | <b>32,688</b>  | <b>36,999</b>    |
| <b>Total liabilities</b>   | <b>77,126</b>  | <b>75,157</b>    |
| <b>Total equity and liabilities</b>  | <b>144,107</b> | <b>142,978</b>   |
| Debt/equity ratio  | 0.55           | 0.51             |
| Visible equity/assets ratio  | 46%            | 47%              |
| Return on capital employed   | 9%             | 8%               |
| Return on equity   | 9%             | 8%               |
| <b>Excluding restructuring costs:</b>  |                |                  |
| Return on capital employed   | 9%             | 9%               |
| Return on equity   | 9%             | 9%               |
| <sup>1</sup> Of which pension assets   | 735            | 1,056            |
| <sup>2</sup> Committed credit lines amount to SEK 21,442m of which unutilised SEK 20,442m. |                |                  |
| Capital employed   | 103,611        | 102,227          |
| - of which working capital   | 10,410         | 8,899            |
| Net debt   | 36,630         | 34,406           |
| Shareholders' equity   | 66,981         | 67,821           |
| Provisions for restructuring costs are included in the balance sheet as follows:           |                |                  |
| - Other provisions*  | 596            | 595              |
| - Operating liabilities  | 236            | 605              |
| *) of which, provision for tax risks   | 247            | 246              |



**NET SALES**

| SEKm                                   | 1106          | 1006          | 2011:2        | 2011:1        | 2010:4        | 2010:3        | 2010:2        | 2010:1        |
|--|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| Personal Care                          | 11,936        | 12,527        | 6,116         | 5,820         | 6,375         | 6,125         | 6,418         | 6,109         |
| Tissue                                 | 18,887        | 19,792        | 9,609         | 9,278         | 10,154        | 9,924         | 10,064        | 9,728         |
| Packaging <sup>1</sup>                 | 13,553        | 13,500        | 6,856         | 6,697         | 6,704         | 6,627         | 6,770         | 6,730         |
| Forest Products                        | 8,676         | 8,418         | 4,566         | 4,110         | 4,290         | 4,415         | 4,308         | 4,110         |
| - Publication papers                   | 4,294         | 4,250         | 2,241         | 2,053         | 2,145         | 2,131         | 2,086         | 2,164         |
| - Pulp, timber and solid-wood products | 4,382         | 4,168         | 2,325         | 2,057         | 2,145         | 2,284         | 2,222         | 1,946         |
| Other                                  | 978           | 886           | 510           | 468           | 478           | 491           | 512           | 374           |
| Intra-group deliveries                 | -1,966        | -1,857        | -986          | -980          | -949          | -935          | -1,005        | -852          |
| <b>Total net sales</b>                 | <b>52,064</b> | <b>53,266</b> | <b>26,671</b> | <b>25,393</b> | <b>27,052</b> | <b>26,647</b> | <b>27,067</b> | <b>26,199</b> |

<sup>1</sup> Net sales from SCA's recycling operations have been reclassified as other income, with retroactive adjustment for 2010.

**OPERATING PROFIT**

| SEKm  | 1106         | 1006         | 2011:2       | 2011:1       | 2010:4       | 2010:3       | 2010:2       | 2010:1       |
|---|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| Personal Care   | 1,165        | 1,490        | 582          | 583          | 735          | 697          | 753          | 737          |
| Tissue  | 1,295        | 1,501        | 668          | 627          | 787          | 753          | 791          | 710          |
| Packaging   | 947          | 498          | 467          | 480          | 567          | 512          | 306          | 192          |
| Forest Products   | 1,027        | 1,178        | 532          | 495          | 592          | 685          | 691          | 487          |
| - Publication papers  | 37           | -39          | 26           | 11           | -11          | -38          | -24          | -15          |
| - Pulp, timber and solid-wood products                          | 990          | 1,217        | 506          | 484          | 603          | 723          | 715          | 502          |
| Other   | -172         | -200         | -99          | -73          | -114         | -73          | -101         | -99          |
| <b>Total operating profit<sup>1</sup></b>                       | <b>4,262</b> | <b>4,467</b> | <b>2,150</b> | <b>2,112</b> | <b>2,567</b> | <b>2,574</b> | <b>2,440</b> | <b>2,027</b> |
| Financial items   | -579         | -523         | -277         | -302         | -293         | -300         | -244         | -279         |
| <b>Profit before tax<sup>1</sup></b>                            | <b>3,683</b> | <b>3,944</b> | <b>1,873</b> | <b>1,810</b> | <b>2,274</b> | <b>2,274</b> | <b>2,196</b> | <b>1,748</b> |
| Tax <sup>2</sup>  | -958         | -1,084       | -487         | -471         | -594         | -533         | -595         | -489         |
| <b>Net profit for the period<sup>1</sup></b>                    | <b>2,725</b> | <b>2,860</b> | <b>1,386</b> | <b>1,339</b> | <b>1,680</b> | <b>1,741</b> | <b>1,601</b> | <b>1,259</b> |
| <sup>1</sup> Excl. restructuring costs before tax amounting to: | 0            | -451         | 0            | 0            | 0            | -480         | -207         | -244         |
| After tax amounting to:   | 0            | -327         | 0            | 0            | 0            | -362         | -151         | -176         |

**OPERATING MARGIN**

| %                                      | 1106 | 1006 | 2011:2 | 2011:1 | 2010:4 | 2010:3 | 2010:2 | 2010:1 |
|--|------|------|--------|--------|--------|--------|--------|--------|
| Personal Care                          | 9.8  | 11.9 | 9.5    | 10.0   | 11.5   | 11.4   | 11.7   | 12.1   |
| Tissue                                 | 6.9  | 7.6  | 7.0    | 6.8    | 7.8    | 7.6    | 7.9    | 7.3    |
| Packaging                              | 7.0  | 3.7  | 6.8    | 7.2    | 8.5    | 7.7    | 4.5    | 2.9    |
| Forest Products                        | 11.8 | 14.0 | 11.7   | 12.0   | 13.8   | 15.5   | 16.0   | 11.8   |
| - Publication papers                   | 0.9  | -0.9 | 1.2    | 0.5    | -0.5   | -1.8   | -1.2   | -0.7   |
| - Pulp, timber and solid-wood products | 22.6 | 29.2 | 21.8   | 23.5   | 28.1   | 31.7   | 32.2   | 25.8   |

**CONSOLIDATED INCOME STATEMENT**

| SEKm                              | 2011:2        | 2011:1        | 2010:4        | 2010:3        | 2010:2        |
|-----------------------------------|---------------|---------------|---------------|---------------|---------------|
| <b>Net sales</b>                  | <b>26,671</b> | <b>25,393</b> | <b>27,052</b> | <b>26,647</b> | <b>27,067</b> |
| Cost of goods sold                | -20,865       | -19,694       | -20,990       | -20,536       | -20,657       |
| <b>Gross profit</b>               | <b>5,806</b>  | <b>5,699</b>  | <b>6,062</b>  | <b>6,111</b>  | <b>6,410</b>  |
| Sales, general and administration | -3,687        | -3,609        | -3,527        | -3,578        | -3,995        |
| Items affecting comparability     | 0             | 0             | 0             | -480          | -207          |
| Share in profits of associates    | 31            | 22            | 32            | 41            | 25            |
| <b>Operating profit</b>           | <b>2,150</b>  | <b>2,112</b>  | <b>2,567</b>  | <b>2,094</b>  | <b>2,233</b>  |
| Financial items                   | -277          | -302          | -293          | -300          | -244          |
| <b>Profit before tax</b>          | <b>1,873</b>  | <b>1,810</b>  | <b>2,274</b>  | <b>1,794</b>  | <b>1,989</b>  |
| Taxes                             | -487          | -471          | -594          | -415          | -539          |
| <b>Net profit for the period</b>  | <b>1,386</b>  | <b>1,339</b>  | <b>1,680</b>  | <b>1,379</b>  | <b>1,450</b>  |

**INCOME STATEMENT PARENT COMPANY**

| SEKm                             | 1 106        | 1 006        |
|----------------------------------|--------------|--------------|
| Administrative expenses          | -247         | -240         |
| Other operating income           | 98           | 99           |
| Other operating expenses         | -98          | -99          |
| <b>Operating profit</b>          | <b>-247</b>  | <b>-240</b>  |
| Financial items <sup>1</sup>     | 1,623        | 1,280        |
| <b>Profit before tax</b>         | <b>1,376</b> | <b>1,040</b> |
| Tax                              | 396          | 243          |
| <b>Net profit for the period</b> | <b>1,772</b> | <b>1,283</b> |

**BALANCE SHEET PARENT COMPANY**

| SEKm  | 30 June 2011   | 31 December 2010 |
|---|----------------|------------------|
| Intangible fixed assets                         | 1              | 1                |
| Tangible fixed assets                           | 6,432          | 6,441            |
| Financial fixed assets                          | 127,193        | 124,604          |
| <b>Total fixed assets</b>                       | <b>133,626</b> | <b>131,046</b>   |
| <b>Total current assets</b>                     | <b>608</b>     | <b>6,119</b>     |
| <b>Total assets</b>                             | <b>134,234</b> | <b>137,165</b>   |
| Restricted equity                               | 10,996         | 10,996           |
| Unrestricted equity                             | 37,722         | 38,759           |
| <b>Total equity</b>                             | <b>48,718</b>  | <b>49,755</b>    |
| Untaxed reserves                                | 156            | 156              |
| Provisions                                      | 1,072          | 1,050            |
| Non-current liabilities                         | 18,069         | 9,256            |
| Current liabilities                             | 66,219         | 76,948           |
| <b>Total equity, provisions and liabilities</b> | <b>134,234</b> | <b>137,165</b>   |

**For further information, please contact:**

Camilla Weiner, Head of Corporate Communications, +46 8 788 52 34

Johan Karlsson, Vice President Investor Relations, +46 8 788 51 30

Pär Altan, Vice President Media Relations, +46 8 788 52 37

**Note**

SCA discloses the information provided herein pursuant to the Securities Markets Act. This report has been prepared in both Swedish and English versions. In case of variations in the content between the two versions, the Swedish version shall govern.