

## 1 JANUARY–31 MARCH 2012 (compared with same period a year ago)

The packaging operations held for sale are reported only as a separate line item in the income statement - **Profit for the period from disposal group held for sale**. Comments in this report are thus exclusive of the Packaging operations.

The divestment referred to in the report pertains to the formation of a joint venture in Australia/New Zealand through the sale of 50% of the shares and entailing a deconsolidation of the operations from the start of the year.

- Net sales increased by 1% (4% excluding exchange rate effects and divestments) to SEK 19,490m (19,231)
- Operating profit excluding items affecting comparability rose 4% (7% excluding divestments) to SEK 1,834m (1,767)
- Items affecting comparability, restructuring costs, etc., amounted to SEK -150m (0)
- Earnings per share amounted to SEK 173 (1.89)
- Cash flow from current operations was SEK 1,301m (446)

### EARNINGS TREND

SEKm	1203	1103	%
<b>Net sales</b>	<b>19,490</b>	19,231	1
<b>Gross profit</b>	<b>4,821</b>	4,714	2
<b>Operating profit<sup>1</sup></b>	<b>1,834</b>	1,767	4
Financial items	-331	-314	
<b>Profit before tax<sup>1</sup></b>	<b>1,503</b>	1,453	3
Tax <sup>1</sup>	-413	-346	
Net profit for the period from disposal group held for sale	269	232	
<b>Net profit for the period<sup>1</sup></b>	<b>1,359</b>	1,339	1
Earnings per share, SEK	1.73	1.89	

<sup>1</sup> Excluding items affecting comparability for continued operations amounting to SEK 150m (0) before tax.

### CEO'S COMMENTS

The processes of completing the acquisition of Georgia-Pacific's European tissue operations and the sale of the packaging operations, excluding the two kraftliner mills in Sweden, are proceeding according to plan.

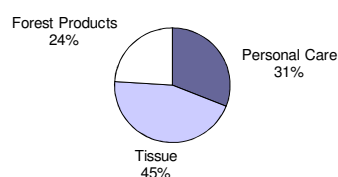
The hygiene operations are performing well, with continued growth, higher market shares and significantly improved earnings compared to the previous year. Forest Products was negatively affected by higher raw material and energy costs coupled with a weak market for publication papers, solid-wood products and kraftliner. We also experienced the usual seasonal effect during the first quarter compared with the fourth quarter. In addition, operations in Australia/New Zealand were deconsolidated from the start of the year.

Net sales for the first quarter of 2012, excluding exchange rate effects and divestments, rose 4% compared with the same period a year ago. The increase is mainly attributable to favourable volume growth in all business areas. The sales increase remained high in emerging markets, where Personal Care and Tissue increased sales with 23% and 14%, respectively.

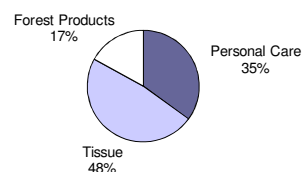
Operating cash flow increased to SEK 1,778m (1,030). The improvement is mainly related to lower working capital compared to the same period a year ago.

In early 2012 SCA announced two acquisitions that will strengthen the company's position in the important hygiene products market in Asia. During the first quarter SCA reached an agreement with the Taiwan-based hygiene products company Everbeauty, a leading Asian supplier of personal care products. The acquisition creates favourable growth opportunities in a strategic growth market and gives SCA a leading position in incontinence care products in Asia, excluding Japan. The acquisition also strengthens SCA's position in baby diapers along with its geographic presence in Asia. In early April SCA decided to increase its ownership in the Chinese company Vinda, the third largest player in China's tissue market.

### SHARE OF NET SALES 1203



### SHARE OF OPERATING PROFIT 1203



## EARNINGS TREND FOR THE GROUP

SEKm	1203	1103	%
<b>Net sales</b>	<b>19,490</b>	19,231	1
Cost of goods sold	-14,669	-14,517	
<b>Gross profit</b>	<b>4,821</b>	4,714	2
Sales, general and administration	-2,987	-2,947	
<b>Operating profit<sup>1</sup></b>	<b>1,834</b>	1,767	4
Financial items	-331	-314	
<b>Profit before tax<sup>1</sup></b>	<b>1,503</b>	1,453	3
Tax <sup>1</sup>	-413	-346	
Net profit for the period from disposal group held for sale	269	232	
<b>Net profit for the period<sup>1</sup></b>	<b>1,359</b>	<b>1,339</b>	1

<sup>1</sup> Excluding items affecting comparability for continued operations amounting to SEK 150m (0) before tax.

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

- after dilution effects

	1.73	1.89
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### Margins (%)

<b>Gross margin</b>	<b>24.7</b>	24.5
<b>Operating margin<sup>1</sup></b>	<b>9.4</b>	9.2
Financial net margin	-1.7	-1.6
<b>Profit margin<sup>1</sup></b>	<b>7.7</b>	7.6
Tax <sup>1</sup>	-2.1	-1.8
<b>Net margin<sup>2</sup></b>	<b>5.6</b>	5.8

<sup>1</sup> Excluding items affecting comparability for continued operations amounting to SEK 150m (0) before tax.

<sup>2</sup> Excluding items affecting comparability for continued operations and net profit for the period from disposal group held for sale.

## OPERATING PROFIT PER BUSINESS AREA

SEKm	1203	1103	%
Personal Care	668	583	15
Tissue	925	627	48
Forest Products	331	631	-48
Other	-90	-74	
<b>Total<sup>1</sup></b>	<b>1,834</b>	1,767	4

<sup>1</sup> Excluding items affecting comparability for continued operations amounting to SEK 150m (0) before tax.

## OPERATING CASH FLOW PER BUSINESS AREA

SEKm	1203	1103	%
Personal Care	631	702	-10
Tissue	1,234	218	466
Forest Products	177	270	-34
Other	-264	-160	
<b>Total</b>	<b>1,778</b>	1,030	73

## GROUP

### MARKET/EXTERNAL ENVIRONMENT

The global economy is expected to slow somewhat in 2012 compared with 2011. The outlook has brightened slightly in the USA.

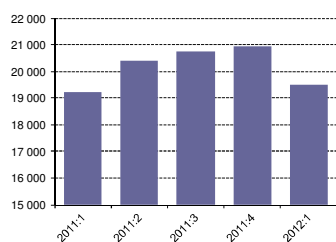
The global market for personal care products is showing continued growth, with favourable development in emerging markets. The markets in Western Europe and North America are also growing, but at a slower pace.

Demand for tissue rose in Western Europe and North America during the first quarter of 2012, and emerging markets are showing continued favourable growth. Tissue prices were stable during the first quarter of the year.

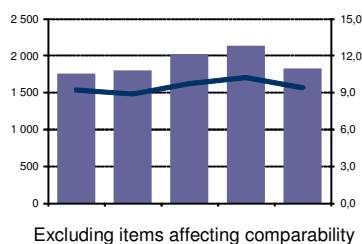
Demand in Western Europe for magazine paper and newsprint decreased during the first quarter compared with the same period a year ago. Prices of publication paper remain on an unacceptable low level. Demand for solid-wood products remains weak and prices are unsatisfactorily low even though the market situation improved slightly during the start of the year.

Raw material prices for pulp, recycled paper and oil-based products were lower during the first quarter of 2012 compared with the same period a year ago. During the first quarter the raw material prices has successively increased.

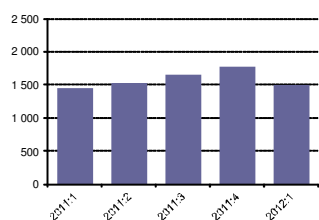
#### Net sales



#### Operating profit and margin



#### Profit before tax



Excluding items affecting comparability.

### SALES AND EARNINGS

#### January–March 2012 compared with corresponding period a year ago

Net sales increased by 1% (4% excluding exchange rate effects and divestments) to SEK 19,490m (19,231). Higher volumes increased sales by 5%, while lower prices for Forest Products decreased sales by 1%. Sales decreased by 4% as a result of divestments.

Operating profit, excluding items affecting comparability, rose 4% (7% excluding divestments) to SEK 1,834m (1,767). Profit for Personal Care and Tissue rose 15 and 48% respectively. Forest Products experienced a 48% drop in profit. The earnings improvement can be credited to higher volumes and prices, an improved product mix, lower raw material costs and cost savings in the hygiene businesses. The lower earnings for Forest Products is mainly due to lower prices of pulp, kraftliner and solid-wood products. Exchange rate effects were marginal.

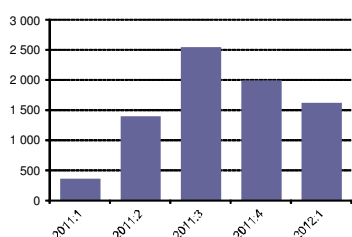
Items affecting comparability consist of restructuring and transaction costs, and totalled SEK 150m (0).

Financial items increased to SEK -331m (-314) as a result of higher interest rates, which were partly compensated by an average lower level of net debt. Profit before tax, excluding items affecting comparability, rose 3% to SEK 1,503m (1,453). The tax expense excluding items affecting comparability was SEK 413m (346).

Net profit for the period excluding items affecting comparability rose 1% to SEK 1,339m (1,339). Earnings per share including items affecting comparability were SEK 1.73 (1.89).

#### First quarter 2012 compared with fourth quarter 2011

Net sales decreased by 7% (2% excluding divestments) compared with the fourth quarter of 2011. Operating profit, excluding items affecting comparability, decreased by 14% (7% excluding exchange rate effects and divestments). The lower profit is mainly due to the deconsolidation of the hygiene operations in Australia/New Zealand, lower earnings for Forest Products and ordinary seasonal variations.

**Cashflow from current operations**

Inclusive Packaging operations held for sale

**CASH FLOW AND FINANCING**

The operating cash surplus amounted to SEK 2,691m (2,745). The cash flow effect of the change in working capital was SEK -273m (-1,010). The increase in working capital is mainly attributable to higher accounts receivable. Current capital expenditures amounted to SEK -456m (-578). Operating cash flow was SEK 1,778m (1,030).

Financial items increased to SEK -331m (-314) as a result of higher interest rates, which were partly compensated by a lower level of net debt. Tax payments decreased to SEK 172m (277). Cash flow from current operations increased to SEK 1,301m (446), mainly as a result of a lower level of tied-up working capital for the period compared with the same period a year ago.

Strategic investments increased to SEK -403m (-363). Acquisitions and divestments amounted to SEK 2,980m (0). Net cash flow from the packaging operations held for sale was SEK 263m (-217). Net cash flow increased to SEK 4,141m (-134).

Net debt, including the current financing of the packaging operations held for sale, has decreased by SEK 3,853m during the year to date, to SEK 32,795m. Excluding pension liabilities, net debt amounted to SEK 28,204m. Net cash flow decreased net debt by SEK 4,141m. Fair value measurement of pension assets and pension obligations together with fair valuation of financial instruments increased net debt by SEK 263m. Exchange rate movements increased net debt by SEK 25m. The debt/equity ratio was 0.55 (0.60 at the start of the year). Excluding pension liabilities, the debt/equity ratio was 0.48 (0.52 at the start of the year). The debt payment capacity was 37% (39%).

As per 31 March 2012, SCA had outstanding commercial paper worth SEK 4,747m maturing within 12 months. Unutilised credit facilities amounted to SEK 20,493m, of which long-term facilities amounted to SEK 20,175m. In addition, SCA has a committed credit facility worth EUR 1,100m (SEK 9,721m) related to the contracted purchase price of EUR 1,320m for the acquisition of Georgia-Pacific's European tissue operations. Cash and cash equivalents amounted to SEK 4,572m.

**EQUITY**

Consolidated equity decreased by SEK 2,125m to SEK 59,166m. Net profit for the period increased equity by SEK 1,231m. Equity decreased as a result of a transfer of the shareholder dividend, totalling SEK 2,950m, to current liabilities prior to payment in April. Restatement of the net pension liability to fair value by SEK -332m after tax decreased equity. Fair value measurement of financial instruments increased equity by SEK 269m. Exchange rate movements including the effects of hedges of net investments in foreign assets decreased equity by SEK 343m.

**TAX**

A tax expense corresponding to a tax rate of 29% is reported for the period, excluding items affecting comparability.

**OTHER EVENTS DURING THE QUARTER**

The establishment of the joint venture in Australia/New Zealand took place at year-end through the sale of 50% of SCA's existing operations in the region to the Australian company Pacific Equity Partners (PEP). The collaboration facilitates a more efficient financing and increases the development pace in the operations. In connection with this establishment, SCA has deconsolidated the operations as of 2012, and now reports them in accordance with the equity method.

On 10 November 2011 SCA made a binding offer to acquire Georgia-Pacific's European tissue operations. During the quarter, following deliberations with the relevant works councils, Georgia-Pacific accepted SCA's binding offer of EUR 1.32bn. As a result, a sale and purchase agreement has been signed by both parties. The deal requires among other things approval from the European Commission Competition Authority.

On 17 January 2012 an agreement was reached with DS Smith on the divestment of SCA's packaging operations, excluding the two kraftliner mills in Sweden. The purchase price is EUR 1.7bn on a debt-free basis. DS Smith's shareholders accepted the offer on 3 February 2012. Regarding the French part of the packaging operations, DS Smith has made a formal offer to acquire this business. The process involves deliberations with the relevant works councils and will be handled separately. The transaction requires among other things

approval from the European Commission Competition Authority and is expected to be completed during the second quarter of 2012.

SCA has reached an agreement to acquire the Taiwan-based hygiene products company Everbeauty, a leading Asian personal care products company with sales in China, Taiwan and Southeast Asia. The company produces and markets baby diapers and incontinence care products with strong brands such as Dr P for incontinence care products and Sealer for baby diapers. In incontinence care products, the company holds the number two position in China and the number one position in Taiwan. In baby diapers, the company holds the number five position in both China and Taiwan. The transaction gives SCA access to an extensive distribution network and strong sales organisation as well as own production facilities in China and Taiwan. The purchase price for the deal is approximately SEK 1.9bn on a debt-free basis. Closing of the deal is expected to take place in summer 2012.

SCA has acquired the French timber processing company PLF, the largest independent supplier of solid-wood products to builder's merchants in France. PLF further processes approximately 70,000 cubic metres of solid-wood products annually, including planning and surface treatment. PLF has annual sales of approximately SEK 250m, with 70 employees. The acquisition will position SCA closer to the customers and increase its share of processed products in France in the same way as in Great Britain and Scandinavia. Operations will be consolidated starting in March 2012.

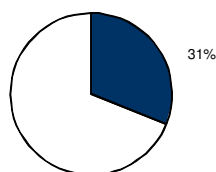
## **EVENTS AFTER THE END OF THE QUARTER**

In April, SCA decided to acquire an additional 5% of the shares in the Chinese tissue company Vinda. The seller in the transaction is Fu An, a company that is majority-owned by Mr Li, the Chairman of Vinda. The purchase price is approximately SEK 600m. SCA's shareholding in Vinda after the transaction will amount to 22.6%. The transaction is subject to consent from Vinda's lending banks. Vinda is listed on the Hong Kong Stock Exchange and had sales of approximately SEK4 bn.

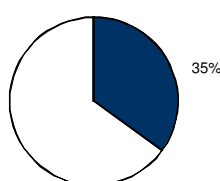
Kersti Strandqvist, Senior Vice President Corporate Sustainability, has been appointed acting Senior Vice President Corporate Communications in addition to her present position, starting April 18, as Camilla Weiner leaves her position as Senior Vice President Corporate Communications.

## PERSONAL CARE

Share of Group, net sales  
1203



Share of Group, operating profit  
1203



SEKm	1203	1103	%
Net sales	6,241	5,820	7**
Operating surplus	902	856	5
Operating profit*	668	583	15
Operating margin, %*	10.7	10.0	
Operating cash flow	631	702	

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

<sup>\*\*)</sup> 12% excluding the divestment of the Australia/New Zealand operations.

SCA has reached an agreement to acquire the Taiwan-based hygiene products company Everbeauty, a leading Asian personal care products company with sales in China, Taiwan and Southeast Asia. The company produces and markets baby diapers and incontinence care products with strong brands such as Dr P for incontinence products and Sealer for baby diapers. In incontinence products, the company holds the number two position in China and the number one position in Taiwan. In baby diapers, the company holds the number five position in both China and Taiwan. The purchase price is approximately SEK 1.9bn on a debt-free basis. Closing of the deal is expected to take place in summer 2012.

In Malaysia, a line of baby care products has been launched under the Drypers brand.

After winning new customer contracts in the preceding year, production of baby diapers for retailer brands in Europe had full capacity utilisation during the first quarter of 2012.

### January–March 2012 compared with corresponding period a year ago

Net sales increased by 7% (11% excluding exchange rate effects and divestments) to SEK 6,241m (5,820). Higher volumes and acquisitions increased sales by 8% and 3%, respectively. Divestments decreased sales by 5%. In emerging markets, sales rose 23% excluding currency movements.

Sales of TENA-brand incontinence products increased by 10%, excluding exchange rate effects and divestments, driven by emerging markets. Sales of baby diapers increased by 16%, excluding exchange rate effects and divestments, mainly related to Latin America and new contracts in Europe. Sales of feminine care products increased by 11%, excluding divestments and exchange rate effects, mainly driven by emerging markets.

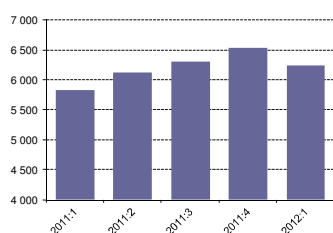
Operating profit, excluding items affecting comparability, was 15% higher than a year ago (24% excluding exchange rate effects and divestments) and amounted to SEK 668m (583). Profit was favourably affected by higher volumes and prices, an improved product mix and cost savings.

The operating cash surplus amounted to SEK 904m (851). Operating cash flow decreased to SEK 631m (702) as a result of a higher level of working capital.

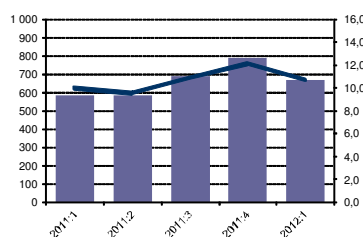
### First quarter 2012 compared with fourth quarter 2011

Net sales decreased by 4% (increased by 1% excluding divestments). Operating profit excluding items affecting comparability, decreased by 16% (5% excluding divestments). The earnings decrease is mainly attributable to the divestment in Australia/New Zealand and seasonal variations.

Net sales



Operating profit and margin

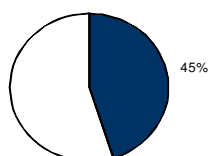


### Deviations, operating profit (%)

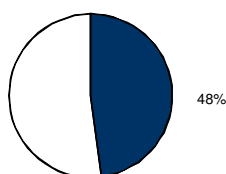
1203 vs. 1103		15
Price/mix	7	
Volume	18	
Raw material	-2	
Energy	1	
Currency	1	
Other	-10	

## TISSUE

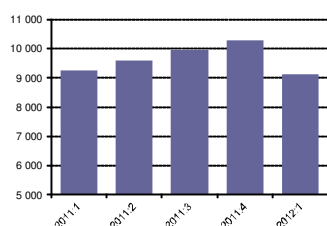
Share of Group, net sales  
1203



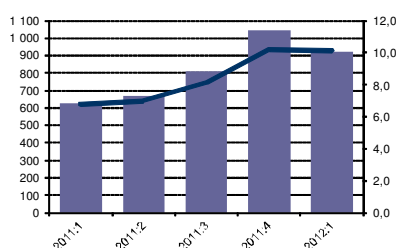
Share of Group, operating profit  
1203



Net sales



Operating profit and margin



### Deviations, operating profit (%)

**1203 vs. 1103** 48

Price/mix	20
Volume	15
Raw material	38
Energy	1
Currency	0
Other	-26

SEKm	1203	1103	%
Net sales	9,121	9,278	-2**
Operating surplus	1,416	1,139	24
Operating profit*	925	627	48
Operating margin, %*	10.1	6.8	
Operating cash flow	1,234	218	

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

\*\* Increase of 5% excluding the divestment in Australia/New Zealand

SCA has reached an agreement to acquire Georgia-Pacific's European tissue operations, with annual sales of approximately SEK 12bn. Georgia-Pacific has a well-established presence in Europe in both the away-from-home (AFH) tissue and consumer tissue segments. The products are marketed primarily under the well-known Lotus brand. During the period a new Tork Elevation-dispenser with hands free sensors was launched. Hand towels are dispensed without the need to touch the dispenser. The global launch has been started in Europe and North America. A newly designed tabletop napkin dispenser, Tork Xpressnap, has been launched in North America.

### January–March 2012 compared with corresponding period a year ago

Net sales decreased by 2% (increased by 4% excluding exchange rate effects and divestments) to SEK 9,121m (9,278). Higher volumes and prices increased sales by 3% and 1%, respectively. Divestments decreased sales by 7%. Sales in emerging markets increased by 14%, excluding exchange rate movements.

Sales of consumer tissue increased by 7%, excluding exchange rate effects and divestments.

Sales of AFH tissue increased by 2%, excluding exchange rate effects and divestments.

Operating profit, excluding items affecting comparability, improved by 48% to SEK 925m (627). Higher prices, an improved product mix, higher volumes and lower raw material costs contributed to the earnings improvement.

The operating cash surplus increased to SEK 1,435m (1,155). Operating cash flow increased to SEK 1,234m (218). The higher operating cash surplus and lower level of working capital contributed to the increase.

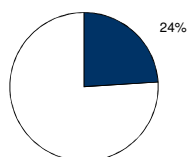
### First quarter 2012 compared with fourth quarter 2011

Net sales decreased by 11% (3% excluding exchange rate effects and divestments).

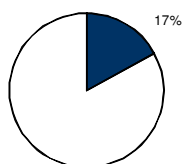
Operating profit, excluding items affecting comparability, decreased by 12% (6% excluding exchange rate effects and divestments) as a result of increased market activities and seasonal variations.

## FOREST PRODUCTS

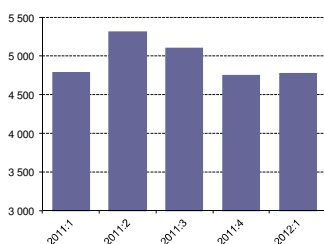
Share of Group, net sales  
1203



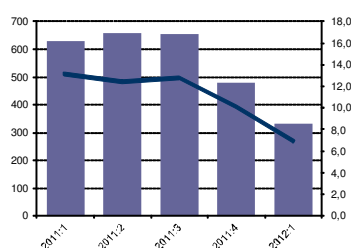
Share of Group, operating profit  
1203



Net sales



Operating profit and margin



Deviations, operating profit (%)

1203 vs. 1103	
Price/mix	-44
Volume	7
Raw material	-14
Energy	-1
Currency	0
Other	4

SEKm	1203	1103	%
Deliveries			
- Publication papers, thousand tonnes	397	377	5
- Solid-wood products, thousand m <sup>3</sup>	497	441	13
- Kraftliner products, thousand tonnes	200	182	10
- Massa products, thousand tonnes	137	127	8
Net sales	4,783	4,800	0
Operating surplus	715	1,037	-31
Operating profit*	331	631	-48
Operating margin, %*	6.9	13.1	
Operating cash flow	177	270	

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

SCA has acquired the French timber processing company PLF, the largest independent supplier of solid-wood products to builders merchants in France. PLF further processes approximately 70,000 cubic metres of solid-wood products annually, including planning and surface treatment. PLF has annual sales of approximately SEK 250m, with 70 employees. Through the acquisition of PLF, SCA will be one of the largest direct suppliers to builders merchants in France. France is one of SCA's largest markets for solid-wood products. Operations are consolidated starting in March 2012.

### January–March 2012 compared with the corresponding period a year ago

Net sales were level with the corresponding period a year ago and amounted to SEK 4,783m (4,800). Higher volumes increased sales by 7%. Lower prices decreased sales by 7%.

Sales of publication papers increased as a result of higher volumes and slightly better prices for magazine paper. Sales of kraftliner decreased as a result of lower prices. Sales of solid-wood products increased as a result of higher volumes which compensated for lower prices. Sales of pulp decreased as a result of lower prices.

Operating profit, excluding items affecting comparability, decreased by 48% to SEK 331m (631). The lower profit is mainly attributable to lower prices for pulp, kraftliner and solid-wood products. Productivity improvements that have been carried out had a favourable earnings impact. Publication papers showed improved earnings as a result of higher prices and volumes, and slightly lower raw material costs.

The operating cash surplus was SEK 411m (803), and operating cash flow totalled SEK 177m (270).

### First quarter 2012 compared with fourth quarter 2011

Net sales were level with the preceding quarter. Operating profit, excluding items affecting comparability, decreased by 31%. The decrease in profit is attributable to lower prices on kraftliner, pulp and solid-wood products and higher cost for energy and raw material.



## SHARE DISTRIBUTION

31 March 2012	Class A	Class B	Total
Registered number of shares	96,040,430	609,069,664	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 13.6%. During the first quarter, at the request of shareholders a total of 550,000 Class A shares were converted to Class B shares. The total number of votes in the company is 1,569,473,964.

## RISKS AND UNCERTAINTIES

SCA's risk exposure and risk management are described on pages 58–63 of the 2011 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.

### 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 unit heads. This means that most operational risks are managed by SCA's business units 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 units' 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 aggregated 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 2011 Annual Report, except for with respect to a number of minor amendments to existing standards and new interpretations that took effect on 1 January 2012. These are judged to not have any material effect on the Group's or the Parent Company's result of operations, financial position or disclosures.

On 17 January 2012 SCA announced its intention to divest its packaging operations, excluding the kraftliner operations, to the packaging company DS Smith. The deal is expected to be completed during the second quarter of 2012. Based on this, the operations that are intended to be divested have been classified and reported as a disposal group held for sale, in accordance with IFRS 5. In calculations of the disposal group's profit for the period as well as assets, liabilities and cash flow, SCA has used the same accounting principles as for the rest of the Group, with certain, special additions, which are reported on in this section. The reported tax expense and deferred tax are based on what has been calculated for the respective units, with applicable adjustments for the disposal group and the rest of the Group as a whole. This approach has also been applied for items in the net financial income and expense. Other items have been calculated and classified on the same basis as for the rest of the SCA Group.

Jointly owned companies established or acquired in 2011 and 2012 have been reported in accordance with the equity method, since this is the method that will apply for joint ventures as from 2013. Existing, jointly owned companies established before 2011 continue to be reported in accordance with proportionate consolidation.

## **FUTURE REPORTS**

In 2012 quarterly interim reports will be published on 19 July and 18 October.

## **INVITATION TO PRESS CONFERENCE ON Q1**

Media and analysts are invited to a press conference, where this interim report will be presented by Jan Johansson, President and CEO of SCA.

Time: Wednesday, 18 April 2012, at 14.00 CET

Location: New York conference room, World Trade Center, 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 via phone, by calling +44 20 7162 0177, +1 (334) 323-6203, or +46-8-5052 0114.

**OPERATING CASH FLOW ANALYSIS**

SEKm	1203	1103
Operating cash surplus	2,691	2,745
Change in working capital	-273	-1,010
Current capital expenditures, net	-456	-578
Restructuring costs, etc.	-184	-127
<b>Operating cash flow</b>	<b>1,778</b>	<b>1,030</b>
Financial items	-331	-314
Income taxes paid	-172	-277
Other	26	7
<b>Cash flow from current operations</b>	<b>1,301</b>	<b>446</b>
Acquisitions	-134	0
Strategic capital expenditures, fixed assets	-403	-363
Divestments	3,114	0
<b>Cash flow before dividend</b>	<b>3,878</b>	<b>83</b>
Dividend	0	0
<b>Cash flow after dividend</b>	<b>3,878</b>	<b>83</b>
Net cash flow from disposal group held for sale	263	-217
<b>Net cash flow</b>	<b>4,141</b>	<b>-134</b>
<b>Net debt at the start of the period*</b>	<b>-36,648</b>	<b>-34,406</b>
Net cash flow	4,141	-134
Remeasurement to equity	-263	368
Currency effects	-25	615
<b>Net debt at the end of the period</b>	<b>-32,795</b>	<b>-33,557</b>
<b>Debt/equity ratio</b>	<b>0.55</b>	<b>0.49</b>
<b>Debt payment capacity, %</b>	<b>37</b>	<b>39</b>

\* Including packaging operations held for sale

**CASH FLOW STATEMENT**

SEKm	1203	1103	1203*	1103*
<b>Operating activities</b>				
Profit before tax	1,715	1,810		
Adjustment for non-cash items <sup>1</sup>	975	1,079		
	2,690	2,889		
Paid tax	-219	-304		
<b>Cash flow from operating activities before changes in working capital</b>	<b>2,471</b>	<b>2,585</b>		
<b>Cash flow from changes in working capital</b>				
Change in inventories	53	-431		
Change in operating receivables	-495	-695		
Change in operating liabilities	34	-468		
<b>Cash flow from operating activities</b>	<b>2,063</b>	<b>991</b>	<b>358</b>	<b>-55</b>
<b>Investing activities</b>				
Acquisition of operations	-86	0		
Sold operations	3,108	0		
Acquisition tangible and intangible assets	-974	-1,126		
Sale of tangible assets	24	20		
Repayment of loans from external parties	103	117		
<b>Cash flow from investing activities</b>	<b>2,175</b>	<b>-989</b>	<b>-94</b>	<b>-167</b>
<b>Financing activities</b>				
Borrowings	0	735		
Amortisation of debt	-2,418	0		
<b>Cash flow from financing activities</b>	<b>-2,418</b>	<b>735</b>	<b>-101</b>	<b>-56</b>
<b>Cash flow for the period</b>	<b>1,830</b>	<b>737</b>	<b>163</b>	<b>-278</b>
Cash and cash equivalents at the beginning of the year	2,752	1,866		
Exchange differences in cash and cash equivalents	-10	-46		
<b>Cash and cash equivalents at the end of the period</b>	<b>4,572</b>	<b>2,557</b>		

\*Of which packaging operations held for sale

**Reconciliation with operating cash flow analysis**

<b>Cash flow for the period</b>	<b>1,830</b>	<b>737</b>
<b>Deducted items:</b>		
Repayment of loans from external parties	-103	-117
Borrowings	0	-735
Amortisation of debt	2,408	0
<b>Added items:</b>		
Net debt in acquired and divested operations	-47	0
Accrued interest	53	-18
Investments through finance leases	0	-1
<b>Net cash flow according to operating cash flow analysis</b>	<b>4,141</b>	<b>-134</b>

<sup>1</sup> Depreciation and impairment, fixed assets	1,402	1,481
Fair-value measurement/net growth of forest assets	-297	-230
Unpaid related to efficiency programmes	135	0
Payments related to efficiency programmes already recognized	-100	-178
Other	-165	6
<b>Total</b>	<b>975</b>	<b>1,079</b>

**CONSOLIDATED INCOME STATEMENT, according to IAS 34 and IFRS 5**

All lines except for the net profit line are excluding the packaging operations held for sale

SEKm	1203	1103	1112
<b>Net sales</b>	<b>19,490</b>	19,231	81,337
Cost of goods sold <sup>1</sup>	-14,669	-14,517	-61,701
<b>Gross profit</b>	<b>4,821</b>	4,714	19,636
Sales, general and administration <sup>1</sup>	-2,992	-2,970	-11,981
Items affecting comparability <sup>2</sup>	-150	0	-5,439
Share in profits of associates	5	23	83
<b>Operating profit</b>	<b>1,684</b>	1,767	2,299
Financial items	-331	-314	-1,325
<b>Profit before tax</b>	<b>1,353</b>	1,453	974
Tax	-391	-346	-1,267
<b>Net profit for the period continued operations</b>	<b>962</b>	1,107	-293
Net profit for the period from disposal group held for sale	269	232	900
<b>Net profit for the period</b>	<b>1,231</b>	1,339	607
<b>Earnings attributable to:</b>			
Owners of the parent	1,216	1,327	548
Non-controlling interests	15	12	59
<b>Earnings per share, SEK - owners of the parent total operations</b>			
- before dilution effects	1.73	1.89	0.78
- after dilution effects	1.73	1.89	0.78
<b>Calculation of earnings per share</b>	<b>1203</b>	1103	1112
Earnings attributable to owners of the parent	1,216	1,327	548
Average no. of shares before dilution, millions	702.3	702.3	702.3
Average no. of shares after dilution	702.3	702.3	702.3
<sup>1</sup> Of which, depreciation	-1,152	-1,231	-4,913
<sup>2</sup> Distribution of items affecting comparability			
Distribution of restructuring costs			
Cost of goods sold	-2	0	-676
Sales, general and administration	-148	0	-99
Goodwill impairment, etc.	0	0	-4,664
Items affecting comparability total operations	-150	0	-5,439
	<b>1203</b>	1103	1112
Gross margin	<b>24.7</b>	24.5	24.1
Operating margin	<b>8.6</b>	9.2	2.8
Financial net margin	-1.7	-1.6	-1.6
Profit margin	<b>6.9</b>	7.6	1.2
Tax	-2.0	-1.8	-1.6
Net margin <sup>1</sup>	<b>6.3</b>	5.8	-0.4
<sup>1</sup> Excluding net profit for the period from disposal group held for sale.			
<b>Excluding items affecting comparability:</b>	<b>1203</b>	1103	1112
Gross margin	<b>24.7</b>	24.5	24.1
Operating margin	<b>9.4</b>	9.2	9.5
Financial net margin	-1.7	-1.6	-1.6
Profit margin	<b>7.7</b>	7.6	7.9
Tax	-2.1	-1.8	-1.6
Net margin <sup>1</sup>	<b>5.6</b>	5.8	6.3
<sup>1</sup> Excluding net profit for the period from disposal group held for sale.			

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**

SEKm	1203	1103	1112
<b>Profit for the period</b>	<b>1,231</b>	<b>1,339</b>	<b>607</b>
<b>Other comprehensive income for the period</b>			
Actuarial gains/losses on defined benefit pension plans	-408	342	-3,512
Available-for-sale financial assets	190	26	-352
Cash flow hedges	117	105	-462
Exchange differences on translating foreign operations	-865	-1,568	-945
Gains/losses from hedges of net investments in foreign operations	523	348	13
Income tax relating to components of other comprehensive income	38	-130	1,023
<b>Other comprehensive income for the period, net of tax</b>	<b>-405</b>	<b>-877</b>	<b>-4,235</b>
<b>Total comprehensive income for the period</b>	<b>826</b>	<b>462</b>	<b>-3,628</b>
<b>Total comprehensive income attributable to:</b>			
Owners of the parent	819	458	-3,690
Non-controlling interests	7	4	62

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**

SEKm	1203	1103	1112
<b>Attributable to owners of the parent</b>			
Opening balance, 1 January	60,752	67,255	67,255
Total comprehensive income for the period	819	458	-3,690
Dividend	-2,950	0	-2,809
Revaluation of non-controlling interests	-1	-1	-4
<b>Closing balance</b>	<b>58,620</b>	<b>67,712</b>	<b>60,752</b>
<b>Non-controlling interests</b>			
Opening balance, 1 January	539	566	566
Total comprehensive income for the period	7	4	62
Dividend	0	0	-89
Change in Group composition	0	0	0
<b>Closing balance</b>	<b>546</b>	<b>570</b>	<b>539</b>
<b>Total equity, closing balance</b>	<b>59,166</b>	<b>68,282</b>	<b>61,291</b>

**CONSOLIDATED BALANCE SHEET**

SEKm	31 March 2012	31 December 2011
<b>Assets</b>		
Goodwill	9,358	9,433
Other intangible assets	2,653	2,629
Tangible assets	69,395	69,328
Shares and participations	1,858	1,136
Non-current financial assets <sup>1</sup>	2,196	2,083
Other non-current receivables	643	902
<b>Total non-current assets</b>	<b>86,103</b>	<b>85,511</b>
Operating receivables and inventories	24,391	25,577
Current financial assets	210	292
Non-current assets held for sale	1	3,379
Cash and cash equivalents	4,338	2,644
<b>Total current assets</b>	<b>28,940</b>	<b>31,892</b>
Assets in disposal group held for sale	21,509	21,601
<b>Total assets</b>	<b>136,552</b>	<b>139,004</b>
<b>Equity</b>		
Owners of the parent	58,620	60,752
Minority interests	546	539
<b>Total equity</b>	<b>59,166</b>	<b>61,291</b>
<b>Liabilities</b>		
Provisions for pensions	3,405	3,301
Other provisions	9,218	9,350
Non-current financial liabilities	26,497	27,711
Other non-current liabilities	809	857
<b>Total non-current liabilities</b>	<b>39,929</b>	<b>41,219</b>
Current financial liabilities <sup>2</sup>	8,427	9,266
Operating liabilities	18,619	19,627
Other current liabilities	2,950	0
<b>Total current liabilities</b>	<b>29,996</b>	<b>28,893</b>
Liabilities in disposal group held for sale	7,461	7,601
<b>Total liabilities</b>	<b>77,386</b>	<b>77,713</b>
<b>Total equity and liabilities</b>	<b>136,552</b>	<b>139,004</b>
Debt/equity ratio	0.55	0.60
Visible equity/assets ratio	43%	44%
Return on capital employed	3%	3%
Return on equity	-1%	0%
<b>Excluding items affecting comparability:</b>		
Return on capital employed	10%	9%
Return on equity	7%	7%
<i>* The calculation is based on 12-months rolling result compared to average capital.</i>		
<sup>1</sup> Of which pension assets	0	2
<sup>2</sup> Committed credit lines amount to SEK 20,493m of which unutilised SEK 20,493m. Furthermore, there is a credit line amounting to EUR 1,100m (SEK 9,721m).		
<sup>3</sup> Other current liabilities includes dividend SEK 2,950m.		
Capital employed	76,861	82,745
- of which working capital	6,685	6,816
Provisions for restructuring costs are included in the balance sheet as follows:		
- Other provisions*	343	329
- Operating liabilities	340	396
*) of which, provision for tax risks	247	247
<b>The information below includes the packaging operations held for sale</b>		
Net debt	32,795	36,648
Shareholders' equity	59,166	61,291

**NET SALES**

SEKm	1203	1103	2012:1	2011:4	2011:3	2011:2	2011:1	2010:4
Personal Care	6,241	5,820	6,241	6,529	6,310	6,116	5,820	6,375
Tissue	9,121	9,278	9,121	10,280	9,951	9,609	9,278	10,154
Forest Products	4,783	4,800	4,783	4,767	5,114	5,322	4,800	4,995
Other	380	468	380	393	510	510	468	478
Intra-group deliveries	-1,035	-1,135	-1,035	-1,034	-1,129	-1,142	-1,135	-1,119
<b>Total net sales</b>	<b>19,490</b>	<b>19,231</b>	<b>19,490</b>	<b>20,935</b>	<b>20,756</b>	<b>20,415</b>	<b>19,231</b>	<b>20,883</b>

**OPERATING PROFIT**

SEKm	1203	1103	2012:1	2011:4	2011:3	2011:2	2011:1	2010:4
Personal Care	668	583	668	792	688	582	583	735
Tissue	925	627	925	1,046	809	668	627	787
Forest Products	331	631	331	479	654	659	631	800
Other	-90	-74	-90	-178	-129	-99	-74	-113
<b>Total operating profit<sup>1</sup></b>	<b>1,834</b>	<b>1,767</b>	<b>1,834</b>	<b>2,139</b>	<b>2,022</b>	<b>1,810</b>	<b>1,767</b>	<b>2,209</b>
Financial items	-331	-314	-331	-367	-361	-283	-314	-305
<b>Profit before tax<sup>1</sup></b>	<b>1,503</b>	<b>1,453</b>	<b>1,503</b>	<b>1,772</b>	<b>1,661</b>	<b>1,527</b>	<b>1,453</b>	<b>1,904</b>
Tax <sup>1</sup>	-413	-346	-413	-480	-443	-366	-346	-492
Net profit from disposal group held for sale	269	232	269	265	178	225	232	271
<b>Net profit for the period<sup>1</sup></b>	<b>1,359</b>	<b>1,339</b>	<b>1,359</b>	<b>1,557</b>	<b>1,396</b>	<b>1,386</b>	<b>1,339</b>	<b>1,683</b>
<sup>1</sup> Excluding items affecting comparability for continued operations before tax amounting to:	-150	0	-150	-5,287	-152	0	0	-3
After tax amounting to:	-128	0	-128	-4,959	-112	0	0	-2

**OPERATING MARGIN**

%	1203	1103	2012:1	2011:4	2011:3	2011:2	2011:1	2010:4
Personal Care	10.7	10.0	10.7	12.1	10.9	9.5	10.0	11.5
Tissue	10.1	6.8	10.1	10.2	8.1	7.0	6.8	7.8
Forest Products	6.9	13.1	6.9	10.0	12.8	12.4	13.1	16.0

**CONSOLIDATED INCOME STATEMENT**

SEKm	2012:1	2011:4	2011:3	2011:2	2011:1
<b>Net sales</b>	<b>19,490</b>	<b>20,935</b>	<b>20,756</b>	<b>20,415</b>	<b>19,231</b>
Cost of goods sold	-14,669	-15,726	-15,879	-15,579	-14,517
<b>Gross profit</b>	<b>4,821</b>	<b>5,209</b>	<b>4,877</b>	<b>4,836</b>	<b>4,714</b>
Sales, general and administration	-2,992	-3,087	-2,877	-3,047	-2,970
Items affecting comparability	-150	-5,287	-152	0	0
Share in profits of associates	5	17	22	21	23
<b>Operating profit</b>	<b>1,684</b>	<b>-3,148</b>	<b>1,870</b>	<b>1,810</b>	<b>1,767</b>
Financial items	-331	-367	-361	-283	-314
<b>Profit before tax</b>	<b>1,353</b>	<b>-3,515</b>	<b>1,509</b>	<b>1,527</b>	<b>1,453</b>
Taxes	-391	-152	-403	-366	-346
Net profit from disposal group held for sale	269	265	178	225	232
<b>Net profit for the period</b>	<b>1,231</b>	<b>-3,402</b>	<b>1,284</b>	<b>1,386</b>	<b>1,339</b>



**INCOME STATEMENT PARENT COMPANY**

SEKm	1203	1103
Administrative expenses	-225	-109
Other operating income	57	50
Other operating expenses	-57	-50
<b>Operating profit</b>	<b>-225</b>	<b>-109</b>
Financial items <sup>1</sup>	-716	-604
<b>Profit before tax</b>	<b>-941</b>	<b>-713</b>
Tax	217	186
<b>Net profit for the period</b>	<b>-724</b>	<b>-527</b>

**BALANCE SHEET PARENT COMPANY**

SEKm	31 March 2012	31 December 2011
Intangible fixed assets	1	1
Tangible fixed assets	6,495	6,504
Financial fixed assets	127,353	127,503
<b>Total fixed assets</b>	<b>133,849</b>	<b>134,008</b>
Total current assets	518	1,512
<b>Total assets</b>	<b>134,367</b>	<b>135,520</b>
Restricted equity	10,996	10,996
Unrestricted equity	34,564	38,238
<b>Total equity</b>	<b>45,560</b>	<b>49,234</b>
Untaxed reserves	169	169
Provisions	913	915
Non-current liabilities	16,264	15,811
Current liabilities*	71,461	69,391
<b>Total equity, provisions and liabilities</b>	<b>134,367</b>	<b>135,520</b>

\*Current liabilities as per 31/3/2012 include dividend of SEK 2,950m not yet paid out.

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**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. This interim report has not been reviewed by the company's auditors. Submitted for publication on 18 April 2012, at 13.00 CET.