SCA Interim Report
1 January–31 March 2006

Jan Åström

President and CEO

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Highlights

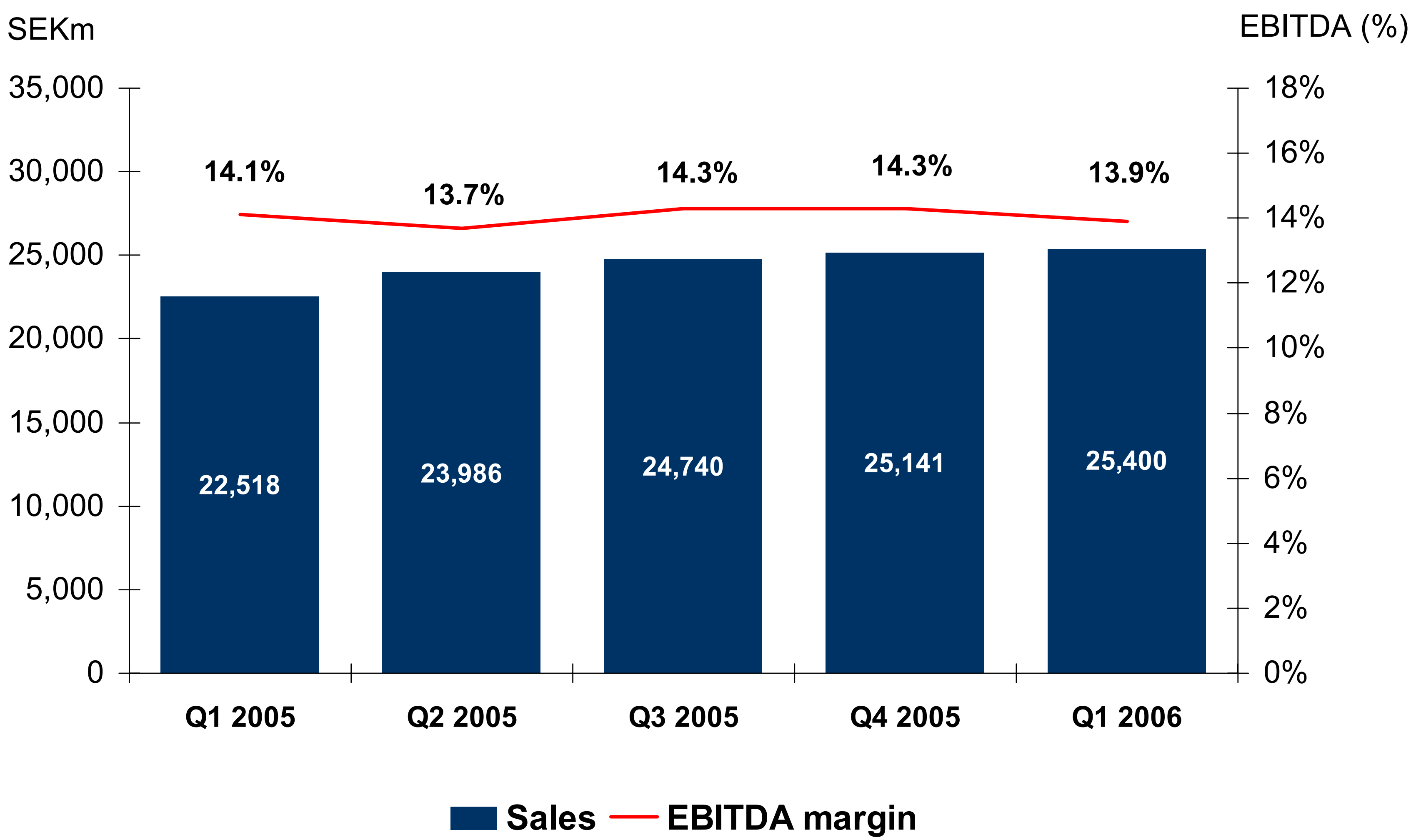
- Profit before tax: SEK 1,569m
  –In line with the fourth quarter
- Strong volume development and positive price movements
- SEK 170m in higher energy costs compared with previous quarter
- Efficiency enhancement program is developing according to plan

Financial Summary

	Q1 2006	Change Q/Q (%)	Change Y/Y(1) (%)
Net sales, SEKm	**25,400**	+1%	+13%
Profit before tax, SEKm	**1,569**	0%	+19%
Earnings per share, SEK	**4.96**	-2%	+19%

[1] *Excluding items affecting comparability*

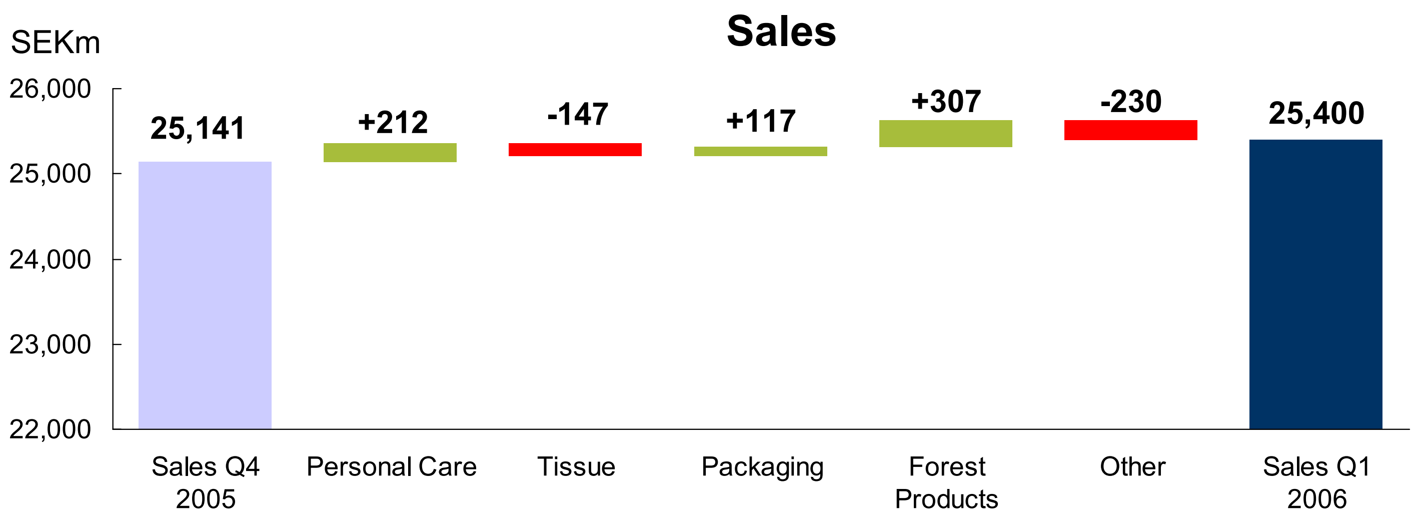
Group – Quarterly Development[(1)]

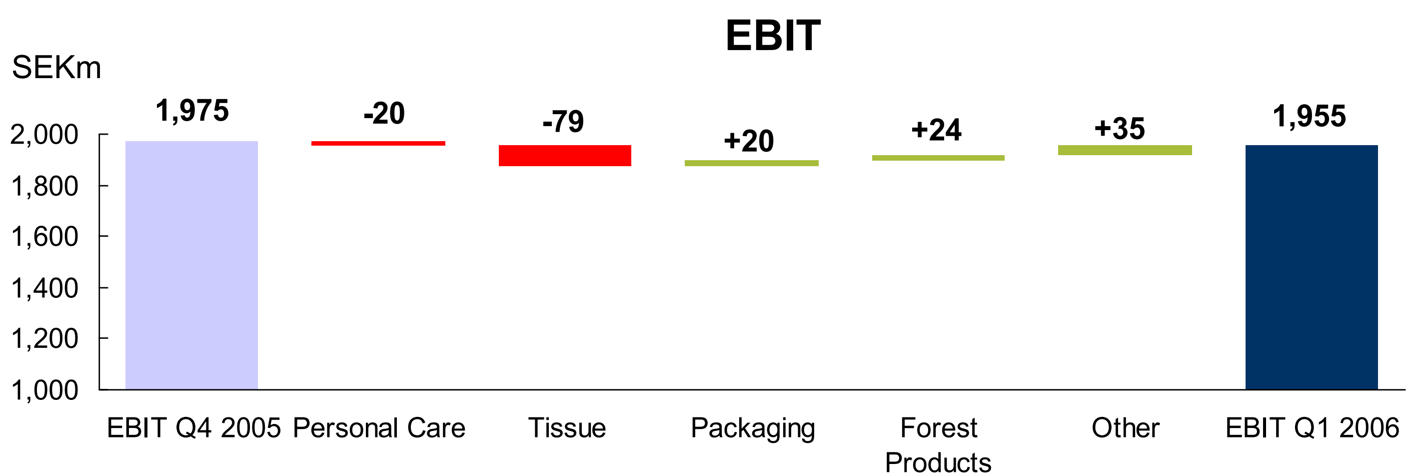


[1] *Excluding items affecting comparability*

SCA Group Sales and EBIT

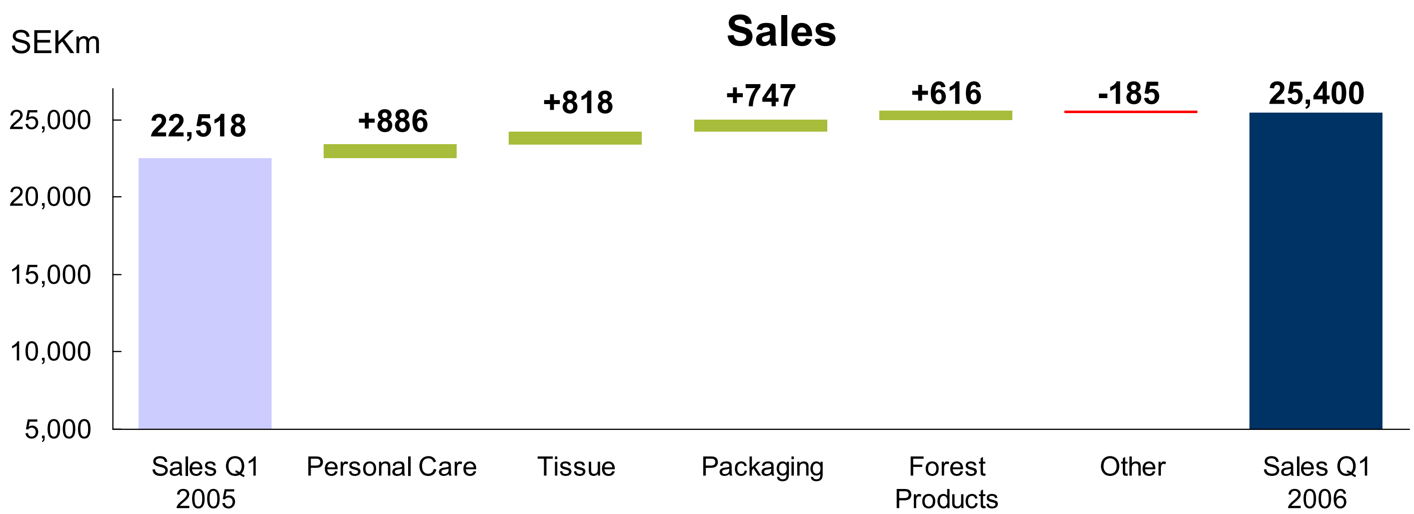
Q1 2006 compared with Q4 2005

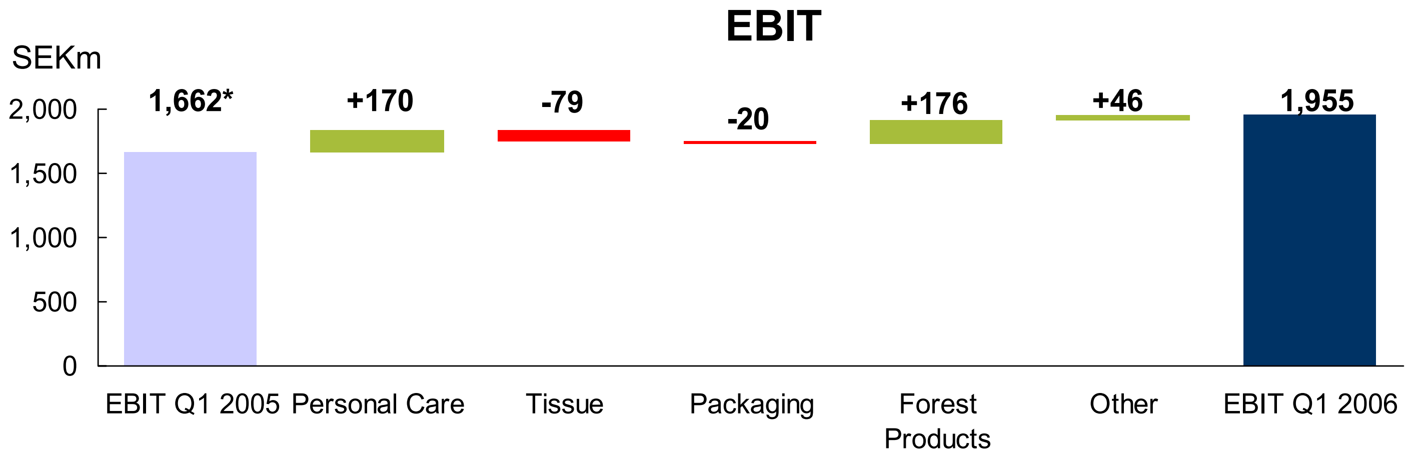




SCA Group Sales and EBIT

Q1 2006 compared with Q1 2005(1)





[1] *Excluding items affecting comparability*

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Energy Costs

- Energy costs SEK 170m higher compared with Q4 2005
- Lower expected prices and consumption in the second quarter
- Price hedges in place for 2006:
  –Electricity: ~50%
  –Natural gas: ~30%

Cash Flow Analysis

Q1 2006 compared with Q1 2005

- Operating cash flow SEK 593 (915)m
  - Higher operating cash surplus
  - Slightly increased current capex
  - Negative effect from increased working capital
  - Increased cash outflow related to structural costs
- Cash flow before dividend SEK -351 (-688)m
  - Lower taxes paid
  - Lower strategic capex
- Debt/equity ratio: 0.65 (0.66)

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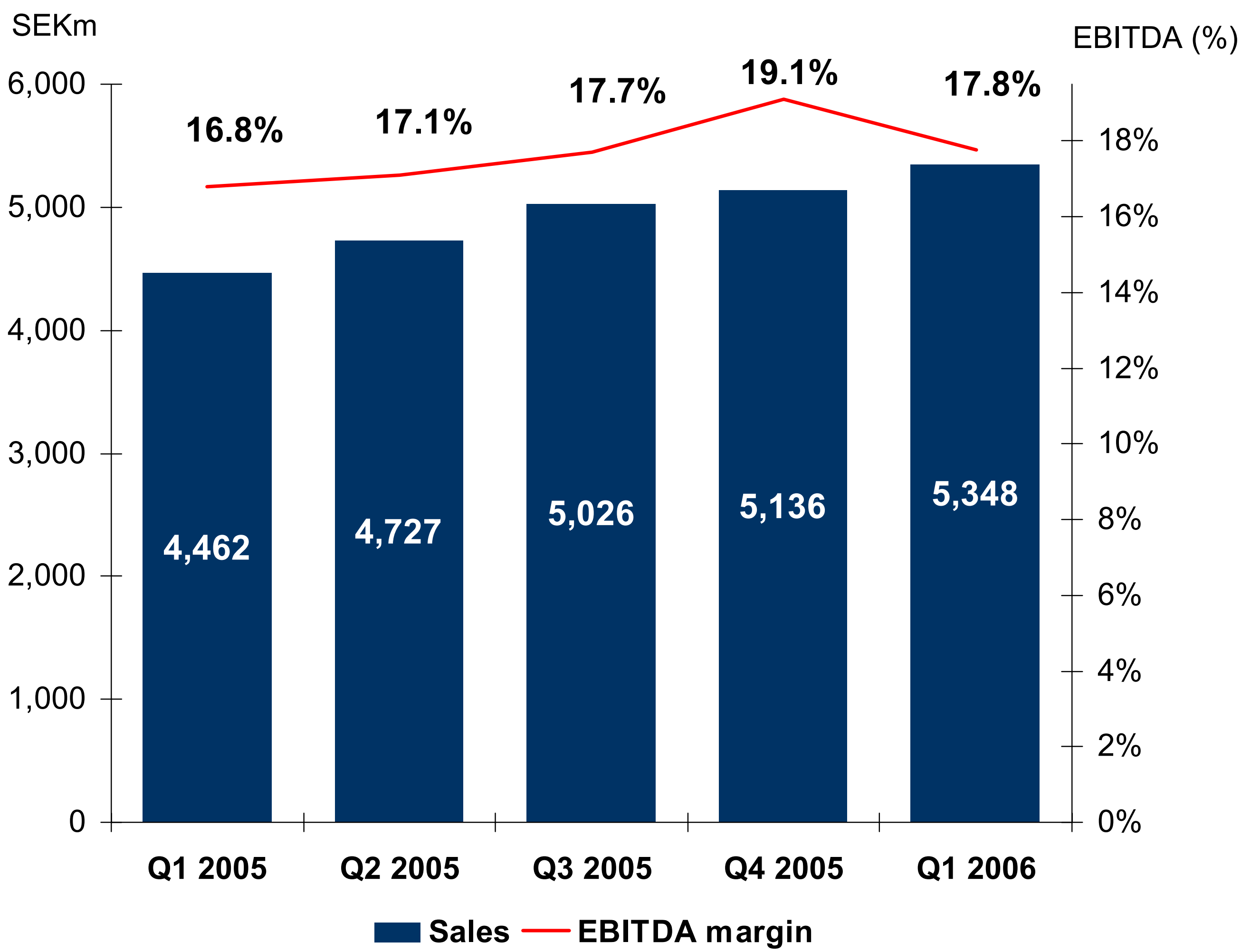
Personal Care – Quarterly Development



Q1/Q4 comments:

- **Sales: +4% as a result of higher volumes**
- **Increased costs for oil-based raw materials and higher A&P spending led to a margin decline in the quarter**

Personal Care

- **Incontinence products**
  - Continued strong volume development in the first quarter
  - Strive for selective price increases to compensate for higher costs of input goods
- **Baby diapers**
  - Solid development for the Libero brand in the Nordic region as well as in Russia, Hungary and Greece
  - Growth in retailers' brands
- **Feminine hygiene products**
  - "Secure Fit" launch – positive initial development in all markets

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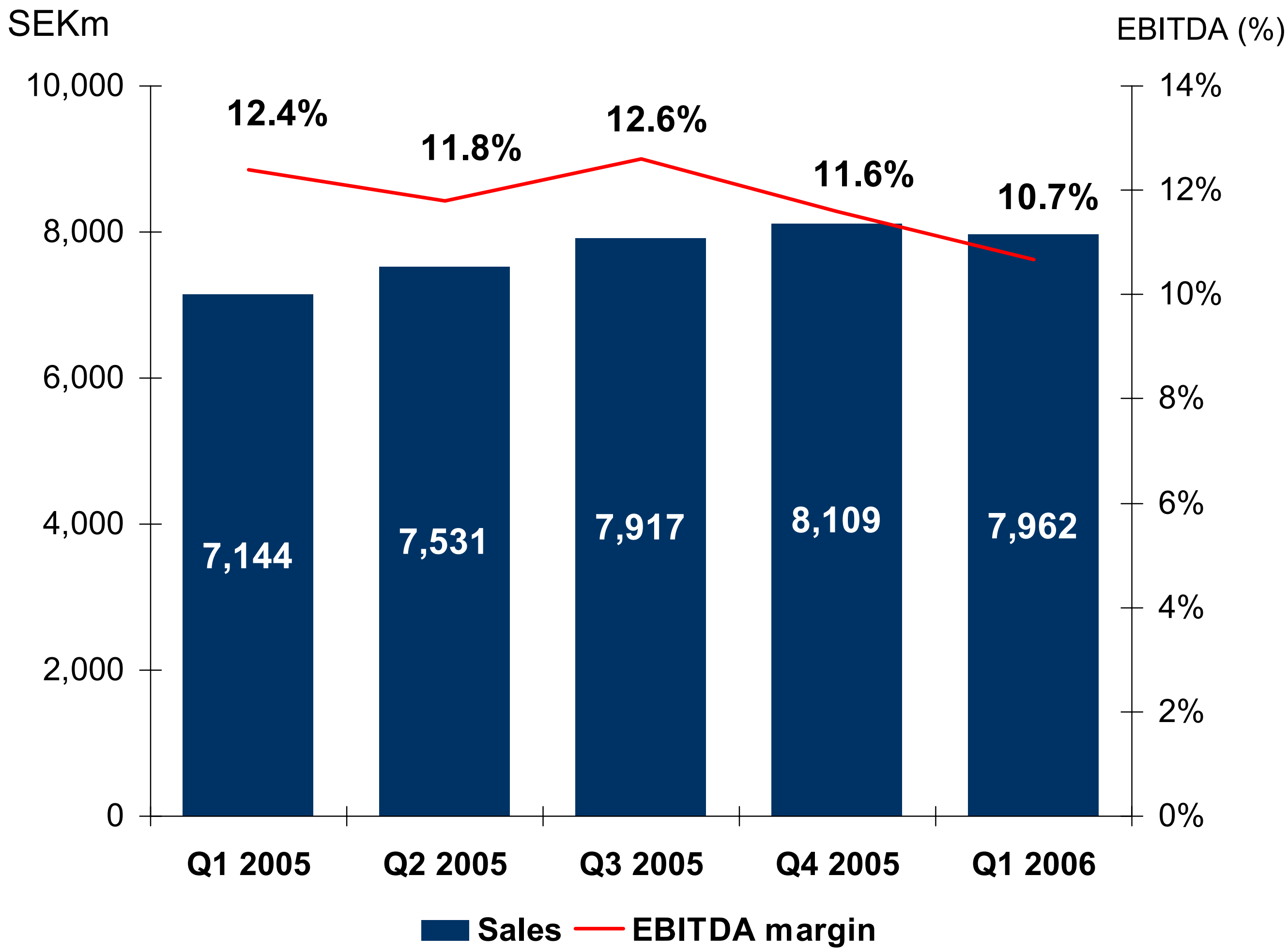
Tissue – Quarterly Development



Q1/Q4 comments:

- **Sales: -2% mainly due to seasonally lower volumes in North America (AFH)**
- **Higher prices in Consumer tissue (SEK 70m) did not compensate for increased energy and raw material costs**

Tissue

- **Consumer tissue**
  - Price increases under implementation
  - Competitive situation remains – continued growth in retailers' brands
  - Improvements in Mexico and South America
- **AFH-tissue**
  - Price increases for premium and high quality products - pressure within basic qualities
  - Seasonal weak volumes in North America, however price increases from April have been accepted
  - Launch of the Tork brand in Mexico

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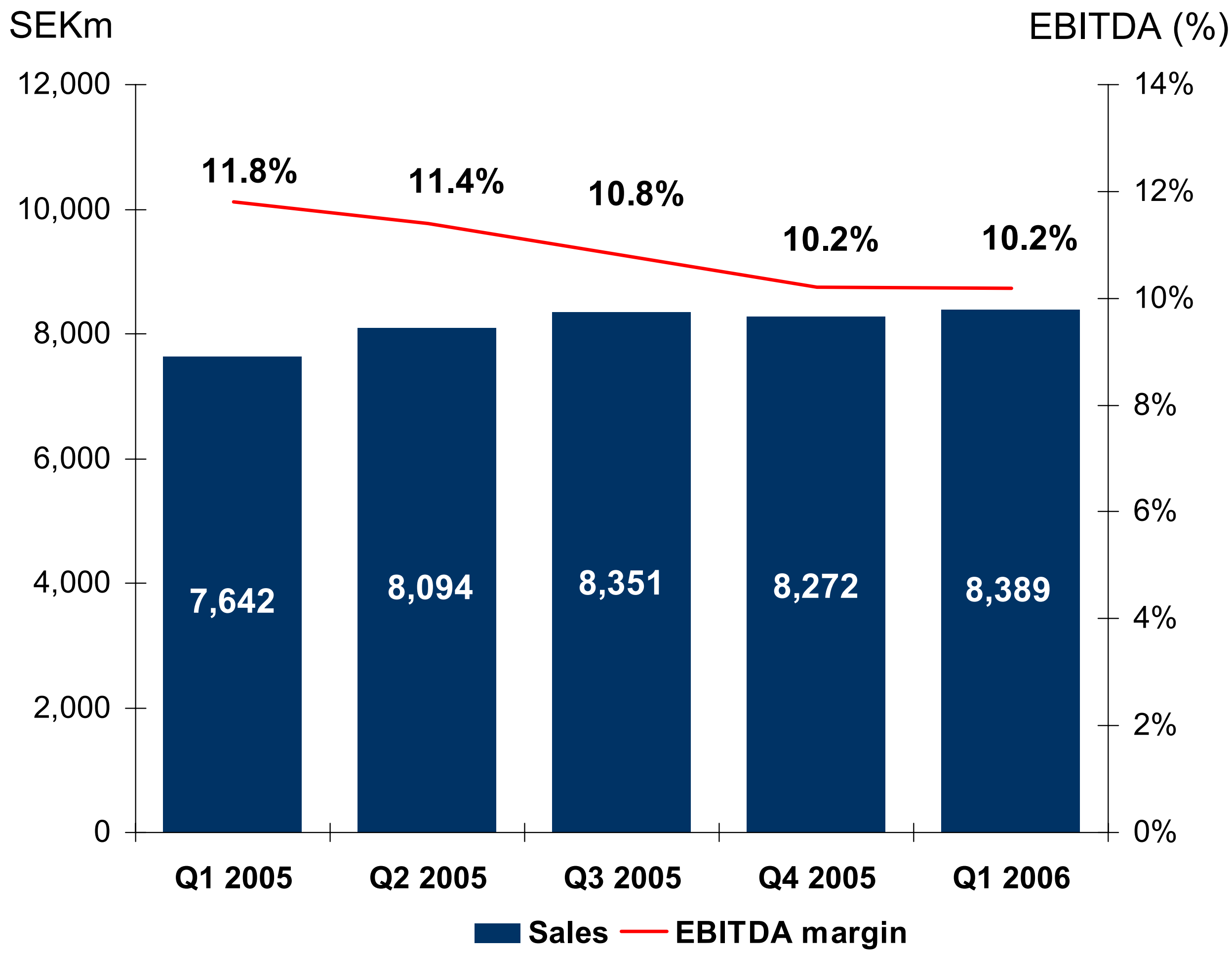
Packaging – Quarterly Development



Q1/Q4 comments:

- **Sales +1% as a result of increased volumes and prices**
- **Stable margin, positive effect from cost savings but higher energy costs**

Packaging

- **Corrugated board**
  - Good growth on key markets such as: Germany, France, Italy and Sweden – supports upcoming price increases
  - Expansion of corrugated capacity in Russia and Eastern Europe – to meet the high growth
- **Containerboard**
  - Realized price increases of EUR 30 for both testliner and kraftliner
  - New price increases announced :
    - Testliner: EUR 30 from 1 May
    - Kraftliner: EUR 40 from 1 June
- **North America**
  - Strong development within temperature controlled packaging

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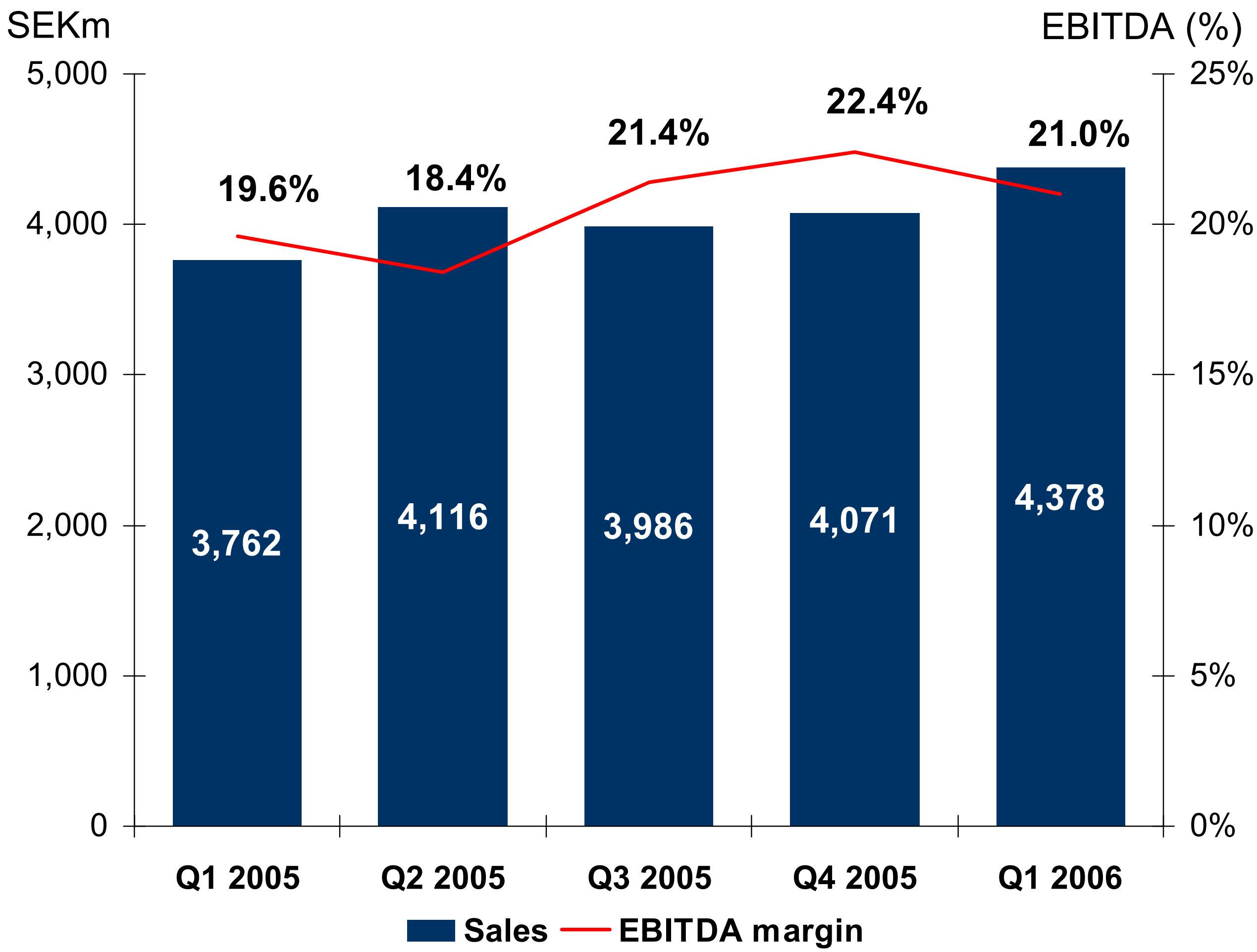
Forest Products – Quarterly Development



Q1/Q4 comments:

- **Sales: +8% as a result of strong volumes and higher prices**
- **Negative margin impact from higher energy costs**

Forest Products

- **Improved performance within publication papers**
  - Good underlying demand
  - Higher overall prices, mainly Newsprint
  - Increased energy costs
- **Pulp, timber and solid-wood products**
  - Favourable development in the pulp market resulted in increased prices
  - Favourable market development in solid-wood products, especially pine

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Summary

Well positioned for improvements:

- Positive price momentum
- Lower energy costs
- Efficiency enhancement program developing according to plan, gradual effects during 2006

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