

SCA Interim Report 1 January–30 September 2006



Jan Åström
President and CEO



Highlights

- Positive profit development Jan-Sept 06 vs. 05
 - ◆ Pre-tax profit up 19%⁽¹⁾ to SEK 5,030m
 - ◆ Growth 6%
- Positive profit development Q3 06 vs. Q2 06
 - ◆ Pre-tax profit up 3% to SEK 1,753m
 - ◆ Positive price movements (SEK 300m)
 - ◆ Negative currency movements
- Good cost control through efficiency enhancement programs



¹ Excluding items affecting comparability



Financial Summary

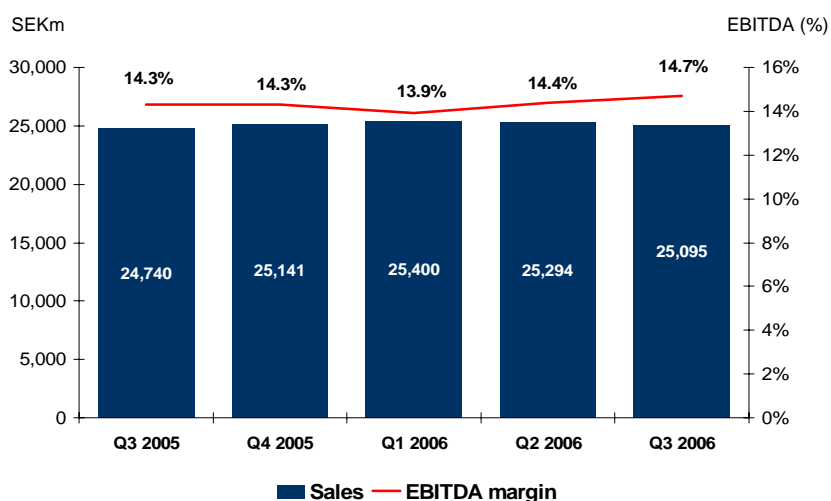
	Q3 2006	Change Q3/Q2 (%)	Change ⁽¹⁾ 9M 06/9M 05 (%)
Net sales, SEKm	25,095	-1%	+6%
Profit before tax, SEKm	1,753	+3%	+19%
Earnings per share, SEK	6.51	+16%	+24%

¹ Excluding items affecting comparability



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Group – Quarterly Development⁽¹⁾

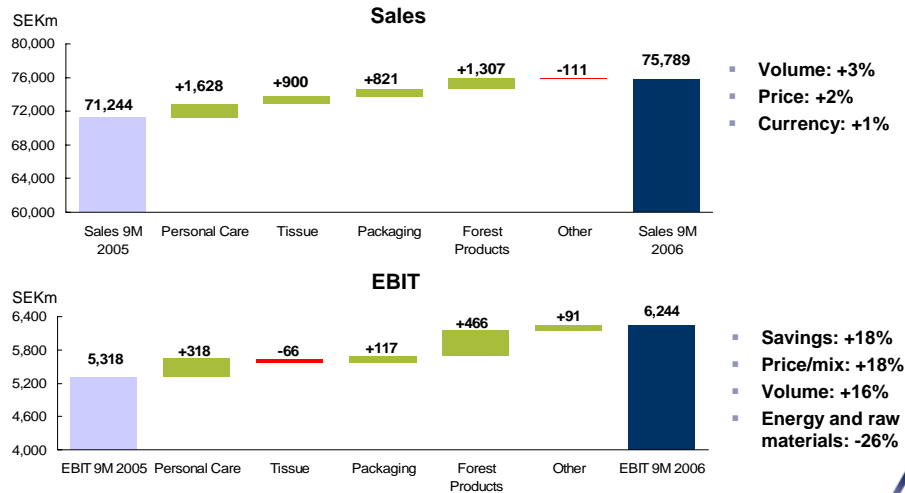


¹ Excluding items affecting comparability



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SCA Group Sales and EBIT 9M 2006 compared with 9M 2005⁽¹⁾



¹ Excluding items affecting comparability



SCA Group Sales and EBIT Q3 2006 compared with Q2 2006



Cash-Flow Analysis

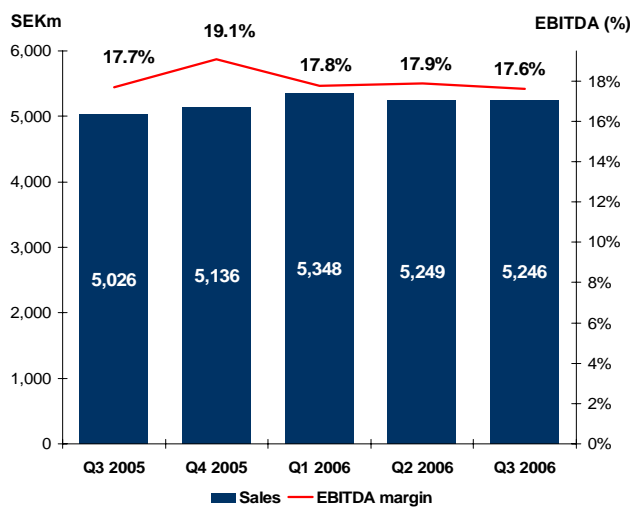
9M 2006 compared with 9M 2005

- Operating cash flow SEK 4,384m (5,123)
 - ◆ Higher operating cash surplus
 - ◆ Higher current capex
 - ◆ Volume growth and higher prices resulted in higher working capital
 - ◆ Increased cash outflow related to structural costs
- Cash flow before dividend SEK 778m (872)
 - ◆ Lower strategic capex
- Debt/equity ratio: 0.69 (0.73)



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Personal Care – Quarterly Development



Q3/Q2 comments:

- Stable prices and volumes
- Negative currency movements



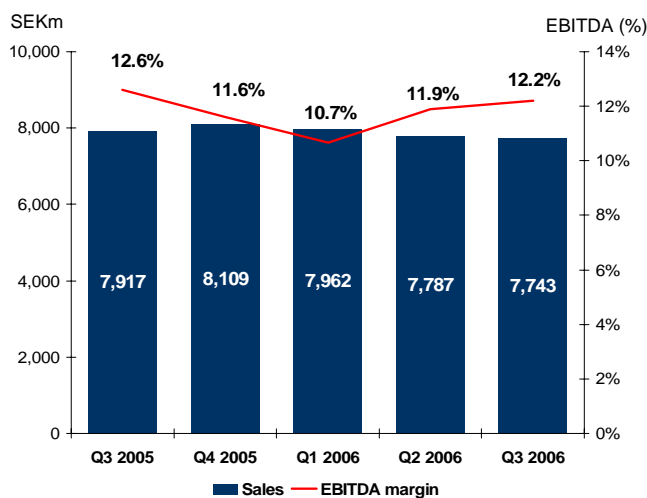
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Personal Care

- **Incontinence products**
 - ◆ Good volume growth in retail segment
 - ◆ Improved product mix – increased sales from new products
- **Baby diapers**
 - ◆ Maintained/strengthened shares for Libero
 - ◆ Improved profit in Latin America
- **Feminine hygiene products**
 - ◆ Gained market shares in Europe and Latin America
 - ◆ Favourable development in Australia and New Zealand



Tissue – Quarterly Development



Q3/Q2 comments:

- Higher prices and volumes improved margins
- Negative currency movements and higher raw material costs



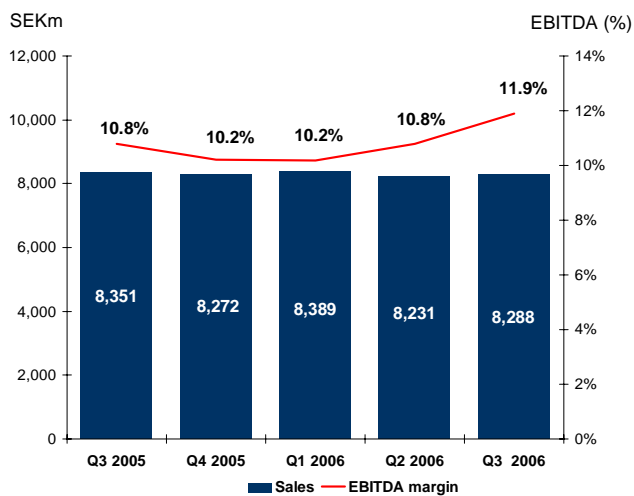
Tissue

- **Consumer tissue**
 - ◆ Some price increases achieved in Europe but financial performance not satisfactory
 - ◆ Improved volumes and prices in Mexico and South America
- **AFH tissue**
 - ◆ Continued strong performance in North America
 - ◆ SCA's earnings stable in Europe
 - ◆ Improved sales in Australia and New Zealand



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Packaging – Quarterly Development



Q3/Q2 comments:

- Margin improvement through higher prices on corrugated board
- Slightly lower volumes of corrugated board



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Packaging

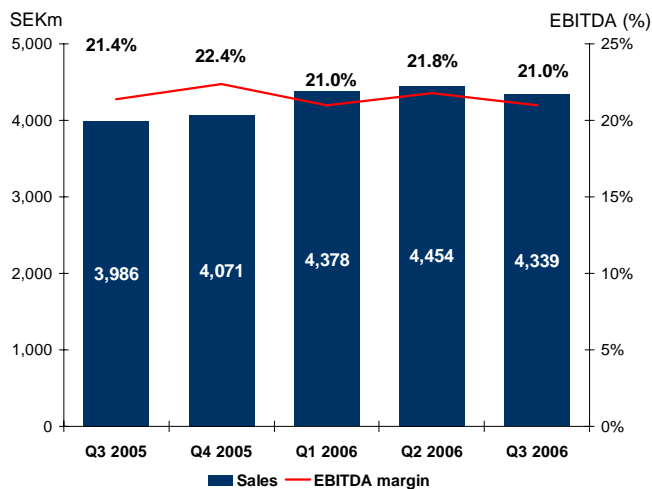
- **Corrugated board**
 - ◆ Prices up some 5%⁽¹⁾, sequential increase Q3 vs Q2 of 2%
 - ◆ Further price increases announced, 5-8%
- **Containerboard**
 - ◆ Strong demand, prices up in September/October
- **North America**
 - ◆ Higher prices and lower production costs



¹ Measured from year-end 2005



Forest Products – Quarterly Development



Q3/Q2 comments:

- Sales declined due to negative currency movements
- Higher energy costs, negative currency movements and negative market mix for publication papers



Forest Products

- **Lower profit in publication papers**
 - ◆ Increased export from Europe resulted in lower average prices in Q3
 - ◆ Negative currency movements
 - ◆ Higher energy costs
- **Pulp, timber and solid-wood products**
 - ◆ Higher prices for pulp and solid-wood products
 - ◆ Start-up of new recovery boiler in Östrand in early Q4



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Outlook

Favourable demand

Positive price trend

Good cost control

Energy


Pulp

SCA is well positioned to gradually improve earnings in accordance with the targets released during the Capital Market Day 2006



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