Key strategic steps

- SCA is actively rebalancing towards value-added products
- High priority on growth in emerging markets
We are delivering

- New JV for personal care products in India
- Acquisition of 20% in Vinda - Chinese tissue company
- Acquisition of P&G’s European tissue operations*
- Divestment of the North American packaging operations
- Investment in AFH tissue
- New tissue plant in the Moscow region
- Expansion of packaging in Eastern Europe and China

*The acquisition is subject to approval from competition authorities
We are delivering

Strong development in Q1 07 vs. Q1 06

- Pre-tax profit up 19% to SEK 1,863m
- Net earnings up 23% to SEK 1,434m

Continued upward trend Q1 07 vs. Q4 06

- Positive price development, particularly in Packaging
- Higher raw material costs
Trends in our favour, but…

…sharp increases in raw material costs put pressure on short term earnings
Group – Quarterly Development

<table>
<thead>
<tr>
<th>Quarter</th>
<th>SEKm</th>
<th>EBITDA margin (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q1 2006</td>
<td>25,400</td>
<td>13.9%</td>
</tr>
<tr>
<td>Q2 2006</td>
<td>25,294</td>
<td>14.4%</td>
</tr>
<tr>
<td>Q3 2006</td>
<td>25,095</td>
<td>14.7%</td>
</tr>
<tr>
<td>Q4 2006</td>
<td>25,650</td>
<td>14.9%</td>
</tr>
<tr>
<td>Q1 2007</td>
<td>25,615</td>
<td>14.8%</td>
</tr>
</tbody>
</table>
SCA Group Sales and EBIT
Q1 2007 compared with Q1 2006

Sales

<table>
<thead>
<tr>
<th>Category</th>
<th>SEKm</th>
<th>Change</th>
<th>SEKm</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sales Q1 2006</td>
<td>25,400</td>
<td>-17</td>
<td>25,615</td>
<td>+193</td>
</tr>
<tr>
<td>Personal Care</td>
<td>-</td>
<td>+86</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Tissue</td>
<td>23,000</td>
<td>+94</td>
<td>23,000</td>
<td></td>
</tr>
<tr>
<td>Packaging</td>
<td>-</td>
<td>+193</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Forest Products</td>
<td>-</td>
<td>+182</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other</td>
<td>-</td>
<td>+2,282</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

EBIT

<table>
<thead>
<tr>
<th>Category</th>
<th>SEKm</th>
<th>Change</th>
<th>SEKm</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>EBIT Q1 2006</td>
<td>1,955</td>
<td>-20</td>
<td>2,282</td>
<td>+251</td>
</tr>
<tr>
<td>Personal Care</td>
<td>-</td>
<td>+39</td>
<td>-</td>
<td>+86</td>
</tr>
<tr>
<td>Tissue</td>
<td>-</td>
<td>+251</td>
<td>-</td>
<td>-29</td>
</tr>
<tr>
<td>Forest Products</td>
<td>-</td>
<td>+1,200</td>
<td>-</td>
<td>-23%</td>
</tr>
<tr>
<td>Other</td>
<td>-</td>
<td>+2,282</td>
<td>-</td>
<td></td>
</tr>
</tbody>
</table>

- Price/mix: +4%
- Currency: -3%
- Price/mix: +44%
- Volume: +5%
- Energy: +11%
- Currency: -6%
- Raw materials: -23%
SCA Group Sales and EBIT
Q1 2007 compared with Q4 2006

Sales

<table>
<thead>
<tr>
<th>Category</th>
<th>Q4 2006</th>
<th>Q1 2007</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sales Q4 2006</td>
<td>25,650</td>
<td>25,615</td>
<td>-45</td>
</tr>
<tr>
<td>Personal Care</td>
<td>-98</td>
<td>-98</td>
<td>0</td>
</tr>
<tr>
<td>Tissue</td>
<td>-119</td>
<td>-119</td>
<td>0</td>
</tr>
<tr>
<td>Packaging</td>
<td>+126</td>
<td>+126</td>
<td>0</td>
</tr>
<tr>
<td>Forest Products</td>
<td>-8</td>
<td>-8</td>
<td>0</td>
</tr>
<tr>
<td>Other</td>
<td>+64</td>
<td>+64</td>
<td>0</td>
</tr>
<tr>
<td>Sales Q1 2007</td>
<td>25,615</td>
<td>25,615</td>
<td>0</td>
</tr>
</tbody>
</table>

EBIT

<table>
<thead>
<tr>
<th>Category</th>
<th>Q4 2006</th>
<th>Q1 2007</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>EBIT Q4 2006</td>
<td>2,261</td>
<td>2,282</td>
<td>+21</td>
</tr>
<tr>
<td>Personal Care</td>
<td>-47</td>
<td>-47</td>
<td>0</td>
</tr>
<tr>
<td>Tissue</td>
<td>-19</td>
<td>-19</td>
<td>0</td>
</tr>
<tr>
<td>Packaging</td>
<td>+91</td>
<td>+91</td>
<td>0</td>
</tr>
<tr>
<td>Forest Products</td>
<td>-13</td>
<td>-13</td>
<td>0</td>
</tr>
<tr>
<td>Other</td>
<td>+9</td>
<td>+9</td>
<td>0</td>
</tr>
<tr>
<td>EBIT Q1 2007</td>
<td>2,282</td>
<td>2,282</td>
<td>0</td>
</tr>
</tbody>
</table>

- Price/mix: +1%
- Volume: -2%
- Price/mix: +11%
- Energy: +1%
- Volume: -4%
- Raw materials: -8%
Cash-flow Analysis
Q1 2007 compared with Q1 2006

- Operating cash surplus SEK 3,537m (3,381)
  - Higher cash flow from operations

- Cash flow from current operations SEK 267m (-125)
  - Lower current capex
  - Lower cash outflow related to structural expenditures

- Cash flow before dividend SEK 2,465m (-351)
  - Divestment of the packaging operations in North America

- Debt/equity ratio: 0.57 (0.65)
Personal Care – Quarterly Development

- **Q1/Q4 comments:**
  - Lower volumes in the healthcare segment
  - Continued favourable momentum within baby diapers
Personal Care

- **Incontinence care**
  - Lower volumes within the healthcare segment
  - Launch of “Feel Dry” with improved product offering
  - Good growth for products sold through retailers

- **Baby diapers**
  - Increased market shares for Libero
  - Strong sales development for pant diapers

- **Feminine care**
  - Strong development in Latin America
  - Strong growth within retailers’ brands
Tissue – Quarterly Development

Q1/Q4 comments:

- Improved prices in Europe
- Higher raw material costs
- Seasonally weak volumes in North America
Tissue

- **Consumer tissue**
  - Gradual impact of price increases in Europe
  - Sharp increase in raw material costs

- **AFH tissue**
  - Seasonally slow volumes
  - Increased sales of complete hygiene solutions
    - Sustainability becoming a competitive advantage for SCA
Packaging – Quarterly Development

Q1/Q4 comments:

- Carry-over effect from price increases in Q4
- Favourable volume development
- Higher costs for recovered paper
Packaging

- **Corrugated packaging**
  - New price increases under implementation
  - Healthy market growth

- **Containerboard**
  - Good market balance
  - Price increase of EUR 30 / ton announced for testliner in May
  - Sharp increases in raw material costs

- **North America (divested)**
  - Deconsolidation of North American packaging operations from 7 March 2007\(^1\)

---

1) The divestment of the North American packaging operations will have a negative quarterly impact on EBIT of approximately SEK 60m
Price dynamics on corrugated packaging

- Some 50% of costs for standard corrugated boxes relate to containerboard.
- Containerboard prices have increased ~30%* while corrugated boxes are up ~8%\(^{(1)}\).
- Sharp increases in containerboard have not fully been transferred to corrugated.
- Increase in recovered paper (OCC) adds timing pressure.

1) Since year-end 2005
Forest Products – Quarterly Development

Q1/Q4 comments:

- Strong performance in the solid-wood operations
- Increased raw material cost
- Lower volumes in publication papers
Forest Products

- **Publication papers**
  - Lower volumes
  - Competitive European market for magazine papers
  - Higher costs for recovered paper and wood raw material

- **Pulp, timber and solid-wood products**
  - Continued favourable market for solid-wood products
  - Increased purchases of wood externally
  - More favourable energy balance with new recovery boiler in the Östrand pulp mill
Summary

- Delivering according to strategy
- Sharpening the customer offerings
- Substantial raw material cost increases applying continued pressure
- Continued good underlying market development and positive price momentum
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