SCA Interim Report
1 January–30 September 2007

Lennart Persson,
Acting President and CEO, CFO
Delivering according to strategy
First nine months 2007

- Strong organic growth
- Acquisitions and strategic investments
- Increased share of value-added products and services

Positive volume development
Positive price trend
Higher raw material costs
Strong earnings improvement

Strong earnings growth Jan-Sep 07 vs. 06

- Pre-tax profit up 17% to SEK 5,895m
- Net earnings up 25% to SEK 5,023m

Continued strong performance Q3 2007 vs. Q2 2007

- Strong volumes, positive price/mix
- Increased costs for raw materials
SCA Group Sales and EBIT
9M 2007 compared with 9M 2006

Sales

<table>
<thead>
<tr>
<th>Segment</th>
<th>9M 2006 (SEKm)</th>
<th>Change (SEKm)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sales 9M 2006</td>
<td>75,789</td>
<td></td>
</tr>
<tr>
<td>Personal Care</td>
<td>+552</td>
<td></td>
</tr>
<tr>
<td>Tissue</td>
<td>+497</td>
<td></td>
</tr>
<tr>
<td>Packaging</td>
<td>+326</td>
<td></td>
</tr>
<tr>
<td>Forest Products</td>
<td>+770</td>
<td></td>
</tr>
<tr>
<td>Other</td>
<td>+171</td>
<td></td>
</tr>
<tr>
<td>Sales 9M 2007</td>
<td>78,105</td>
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</tr>
</tbody>
</table>

EBIT

<table>
<thead>
<tr>
<th>Segment</th>
<th>9M 2006 (SEKm)</th>
<th>Change (SEKm)</th>
</tr>
</thead>
<tbody>
<tr>
<td>EBIT 9M 2006</td>
<td>6,244</td>
<td></td>
</tr>
<tr>
<td>Personal Care</td>
<td>+106</td>
<td></td>
</tr>
<tr>
<td>Tissue</td>
<td>+84</td>
<td></td>
</tr>
<tr>
<td>Packaging</td>
<td>+485</td>
<td></td>
</tr>
<tr>
<td>Forest Products</td>
<td>+380</td>
<td></td>
</tr>
<tr>
<td>Other</td>
<td>-43</td>
<td></td>
</tr>
<tr>
<td>EBIT 9M 2007</td>
<td>7,256</td>
<td></td>
</tr>
</tbody>
</table>

- Sales: +3%
- Price/mix: +5%
- Volume: +2%
- Divestment: -2%
- Currency: -2%

- EBIT: +16%
- Price/mix: +52%
- Volume: +9%
- Energy: +7%
- Raw materials: -27%
- Currency: -4%
SCA Group Sales and EBIT
Q3 2007 compared with Q2 2007

Sales

Sales (SEKm)
27,000
25,000
23,000

Sales Q2 2007: 26,128
Personal Care: -44
Tissue: +144
Packaging: +205
Forest Products: +17
Other: -88
Sales Q3 2007: 26,362

EBIT

EBIT (SEKm)
2,500
2,300
2,100

EBIT Q2 2007: 2,448
Personal Care: -16
Tissue: +51
Packaging: +26
Forest Products: +16
Other: +1
EBIT Q3 2007: 2,526

Sales: +1%
- Volume: 0%
- Price/mix: +1%

EBIT: +3%
- Price/mix: +10%
- Volume: 0%
- Energy: -2%
- Raw materials: -11%
- Currency: -1%
Cash-flow Analysis
9M 2007 compared with 9M 2006

- Operating cash surplus SEK 11,325m (10,387)
- Cash flow from current operations SEK 3,105m (1,549)
  - Lower cash out for restructuring
- Cash flow before dividend SEK 4,415m (778)
  - Divestment of the packaging operations in North America
- Debt/equity ratio: 0.53 (0.69)
- Taxes:
  - Tax-rate 2007: 22.5%
  - Positive one-off effect in Q3 of SEK 454m
Personal Care – Quarterly Development

Q3/Q2 comments:
- Continued strong sales
- Lower sales for Incontinence care in healthcare segment
Personal Care

- **Incontinence care**
  - Sales record for incontinence products sold through the retail channel

- **Baby diapers**
  - Introduction of new stretch Libero baby diaper
  - Production adjustments for new product upgrades

- **Feminine care**
  - Good growth of branded feminine care products in Russia
  - Joint venture formed in the Middle East and Egypt
Tissue – Quarterly Development

- Continued improvement of customer offering
- Strong sales growth within AFH in North America
- Improved customer and product mix
- Increased costs for raw materials

Q3/Q2 comments:

- Sales (SEKm): 7,743, 7,844, 7,725, 8,060, 8,204
- EBITDA (%): 12.2%, 11.6%, 11.2%, 12.0%, 12.5%
Tissue

- **Consumer tissue**
  - Acquisition of P&G’s European operations approved by EU
  - Zewa leading brand in Romania

- **AFH tissue Americas**
  - Strong sales growth due to improved volumes and prices
  - Good demand from restaurants and hotels

- **AFH tissue Europe**
  - Improved customer and product mix
Packaging – Quarterly Development

Q3/Q2 comments:

- Strong sales development in a seasonally weak quarter
- Strong demand in Germany
- Continued price increases
- Higher costs for wood and recovered paper
Packaging

- **Containerboard**
  - Good market balance
  - Higher raw material costs
  - Price increase of EUR 40/ton for testliner effective in October

- **Corrugated packaging**
  - Need for further price increases
  - Good performance in consumer packaging
Forest Products – Quarterly Development

Q3/Q2 comments:

- Higher sales related to LWC and SC paper
- Strong performance in the solid-wood operations
- Increased raw material costs
Forest Products

- **Publication papers**
  - Improved market situation for magazine papers
  - Higher costs for wood
  - Investment of SEK 800m in production of mechanical pulp

- **Pulp, timber and solid-wood products**
  - Continued good consumption for solid-wood products, but very high production in Europe
  - Strong pulp and wood markets
Wind power venture

- SCA and Statkraft have formed jointly owned company
- Production of 2,800 GWh electricity per year
- Investment of SEK 16 billion
- Study the feasibility of expanding hydropower
- 10-year electricity contract for annual supply of 500 GWh
Outlook Q4 2007

- **Market trends Q4 2007**
  - Higher prices and favorable demand in main segments
  - Higher raw material and energy costs

- **SCA business Q4 2007**
  - Good demand
  - P&G acquisition
    - Synergies/restructuring
  - Revaluation of forest assets
Summary

- Solid Q3 performance
- Delivering on the strategy