

## 1 JANUARY–30 SEPTEMBER 2009 (compared with corresponding period a year ago)

- Net sales rose 1% to SEK 83,350m (82,290)
- Profit before tax, excluding restructuring costs, was SEK 5,724m (5,087)
- Restructuring costs in Packaging amounted to SEK 826m (0)
- Profit for the period, excluding restructuring costs, was SEK 4,179m (4,172)
- Earnings per share were SEK 5.06 (5.92)
- Cash flow from current operations amounted to SEK 8,946m (2,178)

### EARNINGS TREND

SEKm	0909	0809	%	2009:3	2008:3	%
<b>Net sales</b>	<b>83,350</b>	82,290	1	<b>27,108</b>	27,438	-1
<b>Gross profit<sup>1</sup></b>	<b>19,572</b>	17,008	15	<b>6,557</b>	5,497	19
<b>Operating profit<sup>2</sup></b>	<b>7,080</b>	6,716	5	<b>2,576</b>	2,046	26
Financial items	-1,356	-1,629		-377	-608	
<b>Profit before tax<sup>2</sup></b>	<b>5,724</b>	5,087	13	<b>2,199</b>	1,438	53
Tax <sup>2</sup>	-1,545	-915		-628	-185	
<b>Net profit for the period<sup>2</sup></b>	<b>4,179</b>	4,172	0	<b>1,571</b>	1,253	25
Earnings per share, SEK	5.06	5.92	-15	1.82	1.78	2

<sup>1</sup> 2008 figures have been reclassified between cost of goods sold (gross profit) and sales, general and administration.

<sup>2</sup> Excl. restructuring costs in the second and third quarter of 2009 amounting to SEK -439m and SEK -387m before tax and SEK -325m and SEK -278m after tax.

### CEO'S COMMENTS

SCA continues to improve its earnings and cash flow in pace with the completion of action plans. Operating profit rose 5% for the first nine months of the year and 26% for the third quarter compared with a year ago.

A number of measures have been taken to strengthen cash flow. Working capital has decreased mainly through lower inventory levels. Together with a higher operating surplus and a lower level of capital expenditures, among other things, this has resulted in a sharp increase in cash flow from current operations, by SEK 6,768m. Our net debt has decreased by nearly SEK 5 billion since the start of the year.

Earnings from our hygiene business improved significantly during the third quarter compared with a year ago – Tissue by 74% and Personal Care by 10%. A better product mix and stronger margins along with synergy effects in the European tissue operations contributed to this. Margins for our baby diapers have increased compared with a year ago. Campaign intensity remains high in all categories.

Demand for corrugated board in Europe was weak, and compared with a year ago, sales are down 10% and prices continued to fall during the quarter.

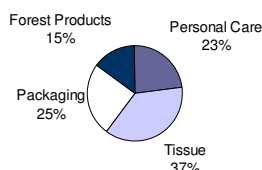
After the first quarter, our action programme in Packaging has resulted in lower costs by SEK 148m. Fully implemented according to plan after the first quarter of 2010, these measures will generate roughly SEK 1bn in annual savings. Nine of the eleven planned packaging plants closures have been carried out and half of the planned 2,200 positions have been cut. We are thereby on track with the plan we presented in conjunction with the first quarter report, and as a result, earnings for Packaging improved between the second and third quarters.

In our Forest Products business, operating profit grew 28% compared with a year ago, mainly due to an improvement in publication papers. Deliveries rose in a generally weak market.

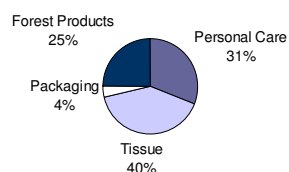
We anticipate higher energy and raw material costs during the fourth quarter. On the whole, we expect to see a stable price picture for hygiene products, while we will encounter a continued weak market for publication papers. The recovery that has begun to take place in liner prices is not expected to affect corrugated board prices until the end of the first quarter of 2010.

Jan Johansson, President and CEO

### SHARE OF NET SALES 0909



### SHARE OF OPERATING PROFIT 0909



## EARNINGS TREND FOR THE GROUP

SEKm	0909	0809	%	2009:3	2008:3	%
<b>Net sales</b>	<b>83,350</b>	82,290	1	<b>27,108</b>	27,438	-1
Cost of goods sold <sup>1</sup>	-63,778	-65,282		-20,551	-21,941	
<b>Gross profit</b>	<b>19,572</b>	17,008	15	<b>6,557</b>	5,497	19
Sales, general and administration <sup>1</sup>	-12,492	-10,292		-3,981	-3,451	
<b>Operating profit<sup>2</sup></b>	<b>7,080</b>	6,716	5	<b>2,576</b>	2,046	26
Financial items	-1,356	-1,629		-377	-608	
<b>Profit before tax<sup>2</sup></b>	<b>5,724</b>	5,087	13	<b>2,199</b>	1,438	53
Tax <sup>2</sup>	-1,545	-915		-628	-185	
<b>Net profit for the period<sup>2</sup></b>	<b>4,179</b>	4,172	0	<b>1,571</b>	1,253	25

<sup>1</sup> 2008 figures have been reclassified between cost of goods sold and sales, general and administration.

<sup>2</sup> Excl. restructuring costs in the second and third quarter of 2009 amounting to SEK -439m and SEK -387m before tax and SEK -325m and SEK -278m after tax.

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

- after dilution effects	5.06	5.92	-15	1.82	1.78	2
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### Margins (%)

<b>Gross margin</b>	<b>23.5</b>	20.7		<b>24.2</b>	20.0	
<b>Operating margin<sup>1</sup></b>	<b>8.5</b>	8.2		<b>9.5</b>	7.5	
Financial net margin	-1.6	-2.0		-1.4	-2.2	
<b>Profit margin<sup>1</sup></b>	<b>6.9</b>	6.2		<b>8.1</b>	5.3	
Tax	-1.9	-1.1		-2.3	-0.7	
<b>Net margin<sup>1</sup></b>	<b>5.0</b>	5.1		<b>5.8</b>	4.6	

<sup>1</sup> Excluding restructuring costs.

## OPERATING PROFIT PER BUSINESS AREA

SEKm	0909	0809	%	2009:3	2008:3	%
Personal Care	2,334	2,200	6	810	734	10
Tissue	2,981	1,756	70	1,102	633	74
Packaging	264	1,384	-81	172	319	-46
Forest Products	1,842	1,689	9	617	481	28
- <i>Publication papers</i>	1,002	252	298	336	78	331
- <i>Pulp, timber and solid-wood products</i>	840	1,437	-42	281	403	-30
Other	-341	-313		-125	-121	
<b>Total<sup>1</sup></b>	<b>7,080</b>	6,716	5	<b>2,576</b>	2,046	26

<sup>1</sup> Excluding restructuring costs.

## OPERATING CASH FLOW PER BUSINESS AREA

SEKm	0909	0809	%	2009:3	2008:3	%
Personal Care	3,352	1,740	93	1,465	762	92
Tissue	4,723	1,656	185	2,321	1,071	117
Packaging	413	933	-56	313	462	-32
Forest Products	2,444	997	145	1,044	311	236
Other	-237	-199		-310	-130	
<b>Total</b>	<b>10,695</b>	5,127	109	<b>4,833</b>	2,476	95

## GROUP

### MARKET/EXTERNAL ENVIRONMENT

The hygiene segments are showing considerable resilience against the recession, and volumes are stable. In Europe, campaign intensity remains high, and new products are being introduced – not least in the growing economy segments. Only certain segments are seeing lower demand, such as the industrial and travel segments for the away-from-home (AFH) tissue segment.

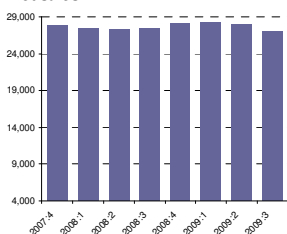
Demand for liner products is weak, but producer inventories in Europe have been reduced in the wake of substantial production cuts and plant closures. At the same time, new capacity has been started or is set to be started in the near future, which is why supply and demand could come into imbalance once again. Prices of liner products were raised in September and October.

European demand for corrugated board is still weak, and through August deliveries were down 9% compared with a year ago. The price drop during the year to date is 8%. Prices for liner and corrugated board are following each other, but with several months' delay, which means that price increases for corrugated board will probably not take hold until the end of the first quarter of 2010.

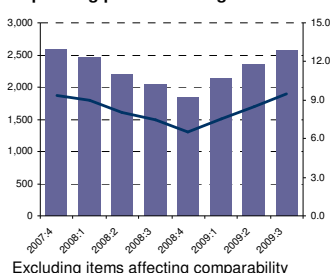
The weak demand for publication papers in Europe remains. As of September, deliveries of LWC and SC paper were 24% and 9% lower, respectively, than a year ago, while deliveries of newsprint were down 12%.

Consumption of solid-wood products is low, above all due to the low level of new construction in Western Europe. From the peak year in 2007, sawmill production has fallen by approximately 30% through temporary production cuts and some closures. Consequently, the market has been under-supplied, with rising prices as a result.

Net sales

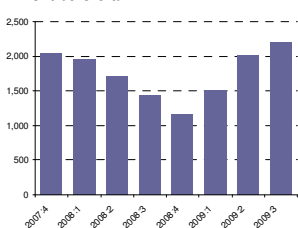


Operating profit and margin



Excluding items affecting comparability

Profit before tax



Excluding items affecting comparability

### SALES AND EARNINGS

Net sales increased by 1%, or SEK 1,060m, compared with a year ago, to SEK 83,350m (82,290). Price changes had a negative impact on sales, by 1%. The total change in volume was negative and reduced sales by 9%, of which the effect of the divestment of the packaging operations in the UK and Ireland was 3%. Exchange rate movements had a favourable effect on net sales, by 11%.

Operating profit, excluding restructuring costs, increased by SEK 364m to SEK 7,080m (6,716). Lower costs for raw materials and energy increased earnings, while lower volumes and higher other manufacturing costs reduced earnings. Costs for sales and administration rose mainly due to exchange rate movements, totalling SEK 1,000m, and to an increase in marketing activities. Total exchange rate movements had a favourable impact on operating profit, by 8%. Financial items amounted to SEK -1,356m (-1,629).

Profit before tax, excluding restructuring costs, increased by 13% to SEK 5,724m (5,087). Exchange rate movements had a favourable impact on pre-tax profit, by 4%. The tax expense excluding restructuring costs was SEK -1,537m (-915).

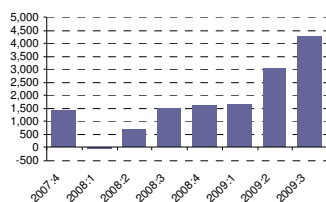
Profit for the period, excluding restructuring costs, was SEK 4,179m (4,172), and earnings per share were SEK 5.06 (5.92).

#### Third quarter 2009 compared with third quarter 2008

Net sales decreased by 1% to SEK 27,108m (27,438). Lower prices, particularly for Packaging, reduced sales by 2%. Lower volumes and divested operations reduced sales by 3% and 2%, respectively. Exchange rate movements had favourable impact on sales, by 6%.

Operating profit excluding restructuring costs rose 26%. Lower raw material and energy costs had a favourable impact on earnings, while lower prices and volumes hurt earnings. Exchange rate movements had a favourable impact on operating profit, by 7%.

Profit before tax, excluding restructuring costs, improved by 53% to SEK 2,199m (1,438). Exchange rate movements had a favourable impact on pre-tax profit, by 11%.

**Cashflow from current operations****CASH FLOW AND FINANCING**

Operating cash surplus increased by SEK 1,089m compared with a year ago, to SEK 11,516m (10,427). Working capital decreased during the period, mainly due to lower inventory levels, and the cash flow effect was SEK 2,199m (-1,478). Working capital in relation to net sales decreased to 8% (12%). Current capital expenditures were lower than a year ago and amounted to SEK -2,363m (-3,363), corresponding to 3% of net sales. Operating cash flow improved by SEK 5,568m to SEK 10,695m (5,127).

Financial items decreased to SEK -1,356m (-1,629). Lower interest rates had a favourable effect, while the effect of a higher level of net debt and exchange rate movements was negative. Tax payments were lower than a year ago and totalled SEK -412m (-1,332). Cash flow from current operations improved by SEK 6,768m to SEK 8,946m (2,178).

Strategic investments, acquisitions and divestments amounted to SEK -2,250m (-2,657). The dividend paid to the shareholders and minority holders amounted to SEK -2,499m (-3,127). Net cash flow was SEK 4,197m (-3,578), an improvement of SEK 7,775m.

Net debt decreased by SEK 4,967m and amounted to SEK -42,035m at the end of the period, compared with SEK -47,002m at the start of the year. Net cash flow reduced net debt by SEK 4,197m, while the remeasurement of pension assets, pension liabilities and financial instruments to fair value increased net debt by SEK 903m. Exchange rate movements caused by the strengthening of the Swedish krona decreased net debt by SEK 1,673m. The debt/equity ratio improved to 0.64 (0.70 at the start of the year).

As per 30 September 2009, SCA had outstanding commercial paper worth SEK 12,979m maturing in 12 months. On this same date, unutilised long-term credit facilities amounted to SEK 30,617m. Cash and cash equivalents amounted to SEK 5,096m.

**EQUITY**

Consolidated equity decreased during the period by SEK 1,444m to SEK 65,808m. Net profit for the period increased equity by SEK 3,576m, and the shareholder dividend decreased equity by SEK 2,499m. Equity decreased through remeasurement of the net pension liability to fair value, by SEK 801m after tax. The remeasurement of financial instruments to fair value increased equity by SEK 394m after tax. Exchange rate movements including hedges of net foreign assets, etc., lowered equity by SEK 2,114m.

**TAX**

A tax expense of 27% is reported for the period, which is also the estimated tax rate for 2009.

**OTHER EVENTS****Previous quarters**

As announced in connection with the first quarter interim report, in April SCA launched a restructuring programme in the European packaging operations in order to adjust the operations' capacity and costs. The closure of the New Hythe testliner mill, with a capacity of 260,000 tonnes, was brought forward to May 2009. In addition, it was announced that 11 corrugated board plants in Europe will be closed. As a result of a general review of employee numbers at SCA's plants, approximately 2,200 positions will be cut, corresponding to a 14% workforce reduction in the packaging operations. These measures are being implemented gradually in 2009. The total cost will be SEK 1,700m, of which SEK 640m pertains to write-downs and SEK 1,060m cash expenditures. The programme will result in annual savings of SEK 1,070m, as per the second quarter of 2010.

In the European tissue operations, SCA decided in March to close the paper mill in Pratovecchio, Italy. The mill has a capacity of 22,000 tonnes. As previously announced, SCA will also restructure operations at its mill in Orléans, France. A total of 172 positions will be affected at the two plants.

SCA decided to invest SEK 635m in the liner plant in Aschaffenburg, Germany. The underlying reasons for the investment are new, more stringent emission standards and

the opportunity to secure the plant's energy supply at a considerably lower cost than currently. The investment, with a repayment period of three years, will give the plant an optimal balance between electricity and steam generation with a high level of energy efficiency, which will generate a positive annual effect on profit of approximately SEK 100m. The investment is expected to be fully carried out by 2011.

As a result of restructuring within the Group, the parent company's unrestricted equity has increased by approximately SEK 30,000m, which represents the value of shares received in a subsidiary. See also the parent company balance sheet, page 17.

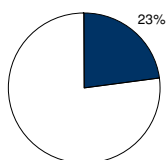
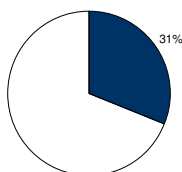
### **Third quarter**

In September SCA was included on the Dow Jones Sustainability Index – both the Dow Jones STOXX Sustainability Index and the Dow Jones Sustainability WORLD Index, two of the world's most prestigious sustainability indexes. SCA received particularly high marks for Brand Management, Environmental Management Systems and Human Capital Development.

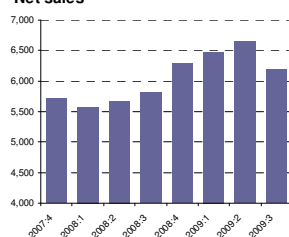
## **EVENTS AFTER THE END OF THE QUARTER**

### **Acquisitions and divestments**

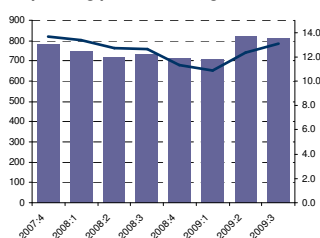
SCA's half-owned company in Colombia, Productos Familia S.A., has acquired Algodonera Aconcagua. The purchase price is approximately SEK 165m on a debt-free basis. The business is focused on feminine care products, an area in which Algodonera Aconcagua currently holds a market share in Argentina of approximately 20%, which puts the company in the number three position in the country. The three largest companies in the market account for roughly 80% of sales. Algodonera Aconcagua also has a small market share in baby diapers and incontinence care, which offers potential for future expansion in these segments.

Share of Group, net sales  
0909Share of Group, operating profit  
0909

Net sales



Operating profit and margin



Deviations, operating profit (%)

0909 vs. 0809	6
Price/mix	19
Volume	1
Raw material	3
Energy	-1
Currency	11
Other	-27

## PERSONAL CARE

SEKm	0909	0809	%	2009:3	2008:3	%
Net sales	19,323	17,042	13	6,197	5,807	7
Operating surplus	3,200	2,938	9	1,099	965	14
Operating profit	2,334	2,200	6	810	734	10
Operating margin, %	12.1	12.9		13.1	12.6	
Operating cashflow	3,352	1,740		1,465	762	

SCA is the European market leader in incontinence care products, Tena, for home and institutional care as well as in the retail sector.

SCA continues to strengthen its leading market position in baby diapers with the Libero (Nordic market), Drypers (Southeast Asia) and Pequeñin (Colombia and Chile) brands. In the Nordic countries, demand for SCA's feminine care products, under the Libresse brand, is rising due to innovative marketing campaigns, among other things. In Mexico, SCA's Saba brand is growing considerably faster than the market, and SCA's market leadership has strengthened. SCA is the market leader in feminine care products in Australia (Libra) and Colombia (Nosotras).

### January–September 2009 compared with corresponding period a year ago

Net sales rose 13% to SEK 19,323m (17,042). An improved product mix and higher prices accounted for 3% of the sales increase, and volumes were stable. Exchange rate movements had a favourable impact on net sales, by 10%. Sales rose 18% in emerging markets.

Operating profit was 6% higher than a year ago and amounted to SEK 2,334m (2,200). Earnings improved as a result of an improved product mix and higher prices – mainly for baby diapers. Manufacturing and marketing costs, which among other items are included in the item Other in the deviation analysis, increased during the period, especially in Eastern Europe and Russia. Exchange rate movements affected operating profit favourably, by 11%.

Operating cash surplus increased to SEK 3,249m (2,946), while operating cash flow increased to SEK 3,352m (1,740). The higher operating cash surplus, together with a decrease in working capital and a slightly lower level of current capital expenditures, contributed to the improvement.

### Third quarter 2009 compared with third quarter 2008

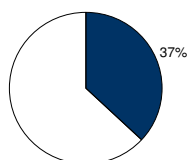
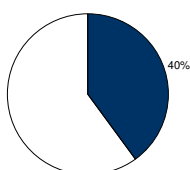
Net sales rose 7% to SEK 6,197m (5,807). Sales rose 2% as a result of an improved product mix and higher prices. Lower volumes reduced sales by 1%, and exchange rate movements affected net sales favourably, by 6%.

The sales increase for Tena-brand incontinence care products was 8%. Sales to the healthcare sector grew 8%, and sales to the retail sector showed continued growth. Growth in Latin American markets was favourable.

The sales increase for baby diapers was 3%. The sales trend in emerging markets such as Malaysia and Russia remained very favourable, with double-digit growth. Competition in the European market intensified, resulting in lower volumes for products sold under retailers' private labels. A changed product mix, due to the generation shift toward new products in Europe, had a favourable impact.

Sales of feminine care products rose 12%. Growth was good in the major markets in Western Europe, and in Russia and Mexico.

Operating profit rose 10%. An improved product mix and higher prices, together with lower raw material costs, contributed to the earnings improvement. Costs for campaign activities and marketing increased. Exchange rate movements increased profit by 6%.

Share of Group, net sales  
0909Share of Group, operating profit  
0909

## TISSUE

SEKm	0909	0809	%	2009:3	2008:3	%
Net sales	31,087	28,124	11	10,147	9,642	5
Operating surplus	4,842	3,337	45	1,689	1,176	44
Operating profit	2,981	1,756	70	1,102	633	74
Operating margin, %	9.6	6.2		10.9	6.6	
Operating cashflow	4,723	1,656		2,321	1,071	

SCA is continuing the implementation of its new brand platform in Europe in the aim of reducing the number of brands and using specific brands for personal care products and products for use in the home and households, respectively. As part of this work, SCA has launched new products under the Tempo (toilet paper) and Plenty (kitchen rolls) brands, among others. To meet the focus on private labels in the retail sector, SCA is promoting its brands through greater campaign activity. In Mexico, the consumer tissue market continues to grow, and SCA has a stable number two position. In Australia, SCA has strengthened its leading position against fierce competition. SCA is also the market leader in New Zealand.

In the AFH segment, sales in Europe to SCA's strategic customers have risen and prices are stable, despite a generally weaker market. The decline in the industrial segment has been partly compensated by greater demand for hand hygiene products stemming from greater concerns about the so-called swine flu. In the USA, SCA's deliveries fell in pace with the market decline, by 8%. Through the launch of Tork in the USA, the share of products with higher value has increased to 25%, compared with 19% a year ago.

### January–September 2009 compared with corresponding period a year ago

Net sales rose 11% to SEK 31,087m (28,124). Sales increased by 3% as a result of higher prices, while lower volumes reduced sales by 3%. Exchange rate movements had a favourable impact on net sales, by 11%. Sales in emerging markets increased by 11%.

Operating profit improved by SEK 1,225m, or 70%, to SEK 2,981m (1,756). Higher prices, an improved product mix, lower raw material costs and synergy effects boosted earnings. Marketing costs, which among other items are included in the item Other in the deviation analysis, rose during the period due to implementation of the new brand platform in Europe. The North American tissue operations showed strong improvement in profitability. Exchange rate movements had a favourable impact on profit, by 13%.

Operating cash surplus increased to SEK 4,840m (3,218), and operating cash flow increased to SEK 4,723m (1,656). The higher operating cash surplus was strengthened by a lower level of working capital and a slightly lower level of current capital expenditures.

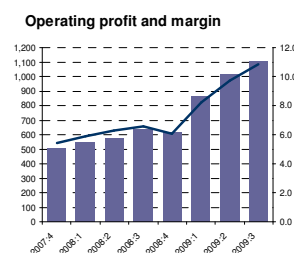
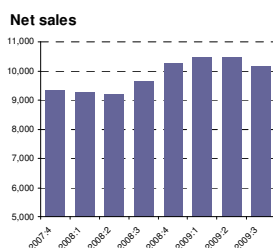
### Third quarter 2009 compared with third quarter 2008

Net sales rose 5% to SEK 10,147m (9,642). Higher prices increased sales by 1%, while lower volumes had a negative impact, by 3%. Exchange rate movements had a favourable impact on net sales, by 7%.

For consumer tissue, sales rose 4%, mainly as a result of higher prices and exchange rate movements, while volumes decreased by 1%. Growth continued in Latin America.

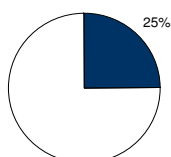
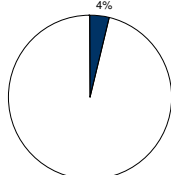
For AFH tissue, sales rose 8%, mainly due to exchange rate movements and slightly higher prices, while volumes decreased by 2%.

Operating profit improved by SEK 469m, or 74%, to SEK 1,102m (633). Lower raw material and energy costs, together with higher prices, a better product mix and synergy effects, contributed to the improvement. Marketing costs rose due to implementation of the new brand platform in Europe. Exchange rate movements had a favourable impact on operating profit, by 8%.

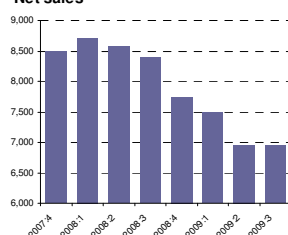
Deviations, operating profit (%)  
0909 vs. 0809

Price/mix	46
Volume	-3
Raw material	66
Energy	1
Currency	13
Other	-53

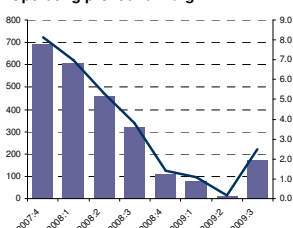


Share of Group, net sales  
0909Share of Group, operating profit  
0909

Net sales



Operating profit and margin

Deviations, operating profit (%)  
0909 vs. 0809

	-81
Price/mix	-138
Volume	-53
Raw material	112
Energy	10
Currency	1
Other	-13

## PACKAGING

SEKm	0909	0809	%	2009:3	2008:3	%
Deliveries						
- Liner products, thousand tonnes	1,532	1,777	-14	509	583	-13
- Corrugated board, million m <sup>2</sup>	2,488	3,261	-24*	832	1,047	-21*
Net sales	21,399	25,695	-17	6,946	8,400	-17
Operating surplus**	1,556	2,597	-40	601	729	-18
Operating profit**	264	1,384	-81	172	319	-46
Operating margin, %**	1.2	5.4		2.5	3.8	
Operating cashflow	413	933		313	462	

\*) Adjusted for the change in volume resulting from the divestment of operations in the UK and Ireland, the change was -12% and -8%, respectively.

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

Demand for corrugated board in Europe remains weak. The adjustments made of inventory levels have been a prerequisite for the price increases that were made for liner in September and October. However, prices of testliner are still approximately EUR 70/tonne lower than at the start of the year. Following six quarters of falling earnings, profit improved.

SCA is carrying out the restructuring programme that was launched during the spring according to plan. Nine corrugated board plants have been closed, and the savings as per the end of the third quarter amount to SEK 148m. Fully implemented, which according to plan will take place after the first quarter of 2010, the measures will generate approximately SEK 1,000m in annual savings.

### January–September 2009 compared with corresponding period a year ago

Net sales decreased by 17% to SEK 21,399m (25,695). Adjusted for the divestment of operations in the UK and Ireland in 2008, sales decreased by 9%. Lower prices and volumes contributed to the decrease by 8% and 15%, respectively. Exchange rate movements had a favourable impact on net sales, by 14%.

Operating profit fell 81% to SEK 264m (1,384). Lower prices and volumes were partly compensated by lower raw material costs and savings achieved by the ongoing restructuring programme. Exchange rate movements had a favourable impact on profit, by 1%.

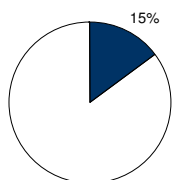
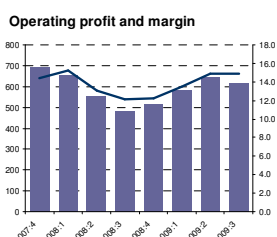
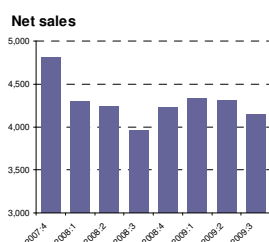
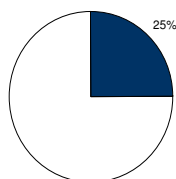
Operating cash surplus was SEK 1,505m (2,534), and operating cash flow decreased to SEK 413m (933). The decrease attributable to the lower operating cash surplus was partly compensated by positive effects from a lower level of working capital and lower current capital expenditures.

### Third quarter 2009 compared with third quarter 2008

Net sales decreased by 17% to SEK 6,946m (8,400). Adjusted for the divestment in 2008, sales decreased by 10%. Lower prices and volumes reduced sales by 9% and 6%, respectively. Exchange rate movements had a favourable impact on net sales, by 5%.

Operating profit fell 46% to SEK 172m (319), mainly due to lower prices and volumes, which were partly compensated by lower energy and raw material costs, and savings achieved by the restructuring programme. Exchange rate movements had a favourable impact on profit, by 3%.



Share of Group, net sales  
0909Share of Group, operating profit  
0909

Deviations, operating profit (%) 0909 vs. 0809	
Price/mix	19
Volume	1
Raw material	7
Energy	0
Currency	4
Other	-22

## FOREST PRODUCTS

SEKm	0909	0809	%	2009:3	2008:3	%
Deliveries						
- Publication papers, thousand tonnes	1,159	1,157	0	399	384	4
- Solid-wood products, thousand m <sup>3</sup>	1,361	1,210	12	490	392	25
Net sales	12,782	12,485	2	4,145	3,956	5
Operating surplus	2,871	2,641	9	960	800	20
Operating profit	1,842	1,689	9	617	481	28
Operating margin, %	14.4	13.5		14.9	12.2	
Operating cashflow	2,444	997		1,044	311	

Despite a difficult market, SCA's deliveries of LWC paper rose 6% compared with a year ago, due in large part to good performance for export sales. Deliveries of SC paper fell 1%, while deliveries of newsprint were down 3% compared with a year ago. Although sales of standard grades decreased, SCA has noted favourable volume growth for its environmentally adapted SC paper, Grapho Verde. The market remains weak.

### January–September 2009 compared with corresponding period a year ago

Net sales rose 2% to SEK 12,782m (12,485). Sales increased by 5% as a result of higher prices for publication papers, while lower prices for pulp and solid-wood products had a lowering effect on sales, by 4%. Lower volumes reduced sales by 2%. Exchange rate movements had a favourable impact on net sales, by 3%.

Operating profit rose 9% to SEK 1,842m (1,689). Earnings for the publication paper operations increased, mainly as a result of higher prices, but also because of lower raw material costs and continued productivity improvements. Operating profit for the pulp operations decreased as a result of lower sales prices. Exchange rate movements had a favourable impact on profit, by 4%.

Operating cash surplus amounted to SEK 2,237m (1,994), and operating cash flow increased to SEK 2,444m (997). A higher operating cash surplus, together with a lower level of working capital and slightly lower current capital expenditures, contributed to the improvement.

### Third quarter 2009 compared with third quarter 2008

Net sales rose 5% to SEK 4,145m (3,956). Higher prices for publication papers boosted sales by 2%. Higher volumes increased sales by 1%. Exchange rate movements had a favourable impact on net sales, by 2%.

Operating profit rose 28% to SEK 617m (481). Earnings improved sharply for the publication paper operations as a result of higher prices and lower raw material and energy costs. Earnings also improved for solid-wood products, while earnings for pulp deteriorated. Exchange rate movements had a favourable impact on profit, by 5%.

## SHARE DISTRIBUTION

30 September 2009	Class A	Class B	Total
Registered number of shares	105,484,907	599,625,187	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 15.0%. After the end of the third quarter, at the request of shareholders a total of 100,000 Class A shares were converted to Class B shares. The total number of votes in the company thereafter amounts to 1,653,574,257.

A previously active employee option programme expired during the year. Calculated according to IFRS recommendations, the employee option programme entails no dilutive effect.

## RISKS AND UNCERTAINTIES

SCA's strategic and operational risk exposure as well as risk management are described on pages 32–34 of the 2008 Annual Report. SCA's financial risk management is described on pages 48–53. Risks related to financial reporting are described on page 85. No significant changes have taken place that have affected the reported risks.

Developments in the financial markets have given rise to a higher level of general uncertainty, which also entails risks and uncertainties for the operations.

### Strategic 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 "Acquisitions and divestments" in interim reports. No significant acquisitions have been made during the period.

### Operational risks

Management of operational risks is primarily carried out by SCA's business managers. SCA's internal audit function is tasked with monitoring compliance with internal control processes.

## 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 1.1 of the Swedish Financial Reporting Board, and with regard to the Parent Company, according to RFR 2.1. The accounting principles applied correspond to those described in the 2008 Annual Report.

## FUTURE REPORTS

The Year-End Report for 2009 will be released on 28 January 2010.

### Invitation to press conference for Q3

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

Time: Tuesday, 27 October, at 10.00 CET

Location: Aulan, Salén Konferenser, Norrlandsgatan 15, Stockholm

The press conference will be webcast live at [www.sca.com](http://www.sca.com).

It will also be possible to participate via phone, by calling +44 20 7162 0077, +1 (334) 323-6201, or +46-8-5052 0110.

Stockholm, 27 October 2009

SVENSKA CELLULOSA AKTIEBOLAGET SCA (publ)

Jan Johansson  
President and CEO

**OPERATING CASH FLOW ANALYSIS**

SEKm	0909	0809
Operating cash surplus	11,516	10,427
Change in working capital	2,199	-1,478
Current capital expenditures, net	-2,369	-3,363
Restructuring costs, etc.	-651	-459
<b>Operating cash flow</b>	<b>10,695</b>	<b>5,127</b>
Financial items	-1,356	-1,629
Income taxes paid	-412	-1,332
Other	19	12
<b>Cash flow from current operations</b>	<b>8,946</b>	<b>2,178</b>
Acquisitions	4	-1,754
Strategic capital expenditures, fixed assets	-2,261	-2,078
Divestments	7	1,175
<b>Cash flow before dividend</b>	<b>6,696</b>	<b>-479</b>
Dividend	-2,499	-3,127
<b>Cash flow after dividend</b>	<b>4,197</b>	<b>-3,606</b>
Sale of treasury shares	0	28
<b>Net cash flow</b>	<b>4,197</b>	<b>-3,578</b>
<b>Net debt at the start of the period</b>	<b>-47,002</b>	<b>-37,368</b>
Net cash flow	4,197	-3,578
Remeasurement to equity	-903	-1,787
Currency effects	1,673	-768
<b>Net debt at the end of the period</b>	<b>-42,035</b>	<b>-43,501</b>
<b>Debt/equity ratio</b>	<b>0.64</b>	<b>0.67</b>
<b>Debt payment capacity, %</b>	<b>30</b>	<b>29</b>

**CASH FLOW STATEMENT**

SEKm	0909	0809
<b>Operating activities</b>		
Profit before tax	4,898	5,087
Adjustment for non-cash items <sup>1</sup>	4,454	3,386
	9,352	8,473
Paid tax	-412	-1,332
<b>Cash flow from operating activities before changes in working capital</b>	<b>8,940</b>	<b>7,141</b>
<b>Cash flow from changes in working capital</b>		
Change in inventories	2,041	-932
Change in operating receivables	962	-524
Change in operating liabilities	-804	-22
<b>Cash flow from operating activities</b>	<b>11,139</b>	<b>5,663</b>
<b>Investing activities</b>		
Acquisition of operations	4	-1,752
Sold operations	7	1,164
Acquisition tangible and intangible assets	-4,777	-5,615
Sale of tangible assets	150	174
Payment of loans to external parties	0	-2
Repayment of loans from external parties	426	-
<b>Cash flow from investing activities</b>	<b>-4,190</b>	<b>-6,031</b>
<b>Financing activities</b>		
Sale of treasury shares	0	28
Borrowings	0	6,399
Amortisation of debt	-5,012	-
Dividends paid	-2,499	-3,127
<b>Cash flow from financing activities</b>	<b>-7,511</b>	<b>3,300</b>
<b>Cash flow for the period</b>	<b>-562</b>	<b>2,932</b>
Cash and cash equivalents at the beginning of the year	5,738	3,023
Exchange differences in cash and cash equivalents	-80	25
<b>Cash and cash equivalents at the end of the period</b>	<b>5,096</b>	<b>5,980</b>
<b>Reconciliation with operating cash flow analysis</b>		
<b>Cash flow for the period</b>	<b>-562</b>	<b>2,932</b>
<b>Deducted items:</b>		
Payment of loans to external parties	0	2
Repayment of loans from external parties	-426	-
Borrowings	0	-6,399
Amortisation of debt	5,012	-
<b>Added items:</b>		
Net debt in acquired and divested operations	0	9
Accrued interest	176	-122
Investments through finance leases	-3	-
<b>Net cash flow according to operating cash flow analysis</b>	<b>4,197</b>	<b>-3,578</b>
<sup>1</sup> Depreciation and impairment, fixed assets	5,430	4,558
Fair value valuation of forest assets	-621	-678
Unpaid related to efficiency programmes	303	-
Payments related to efficiency programmes	-417	-430
Other	-241	-64
<b>Total</b>	<b>4,454</b>	<b>3,386</b>

**CONSOLIDATED INCOME STATEMENT**

SEKm	2009:3	2008:3	2009:2	0909	0809
<b>Net sales</b>	<b>27,108</b>	27,438	27,915	<b>83,350</b>	82,290
Cost of goods sold <sup>1,2</sup>	-20,551	-21,941	-21,232	-63,778	-65,282
<b>Gross profit</b>	<b>6,557</b>	5,497	6,683	<b>19,572</b>	17,008
Sales, general and administration <sup>1,2</sup>	-3,992	-3,464	-4,328	-12,524	-10,321
Items affecting comparability <sup>3</sup>	-387	0	-439	-826	0
Share in profits of associates	11	13	13	32	29
<b>Operating profit</b>	<b>2,189</b>	2,046	1,929	<b>6,254</b>	6,716
Financial items	-377	-608	-354	-1,356	-1,629
<b>Profit before tax</b>	<b>1,812</b>	1,438	1,575	<b>4,898</b>	5,087
Tax	-519	-185	-411	-1,322	-915
<b>Net profit for the period</b>	<b>1,293</b>	1,253	1,164	<b>3,576</b>	4,172
<b>Earnings attributable to:</b>					
Owners of the parent	1,279	1,248	1,165	3,554	4,159
Non-controlling interests	14	5	-1	22	13
<b>Earnings per share, SEK - owners of the parent</b>					
- before dilution effects	1.82	1.78	1.66	5.06	5.92
- after dilution effects	1.82	1.78	1.66	5.06	5.92
<b>Calculation of earnings per share</b>					
	<b>2009:3</b>	2008:3	2009:2	<b>0909</b>	0809
Earnings attributable to owners of the parent	1,279	1,248	1,165	3,554	4,159
Average no. of shares before dilution, millions	702.3	702.1	702.3	702.3	702.1
Warrants	0.0	0.2	0.0	0.0	0.2
Average no. of shares after dilution	702.3	702.3	702.3	702.3	702.3
<sup>1</sup> Of which, depreciation	-1,686	-1,552	-1,724	-5,132	-4,556
<sup>2</sup> 2008 figures have been reclassified between cost of goods sold and sales, general and administration.					
<sup>3</sup> Distribution of items affecting comparability, per function					
Cost of goods sold	-228	0	-379	-607	0
Sales, general and administration	-159	0	-60	-219	0
	<b>2009:3</b>	2008:3	2009:2	<b>0909</b>	0809
Gross margin	<b>24.2</b>	20.0	23.9	<b>23.5</b>	20.7
Operating margin	<b>8.1</b>	7.5	6.9	<b>7.5</b>	8.2
Financial net margin	-1.4	-2.2	-1.3	-1.6	-2.0
Profit margin	<b>6.7</b>	5.3	5.6	<b>5.9</b>	6.2
Tax	-1.9	-0.7	-1.5	-1.6	-1.1
Net margin	<b>4.8</b>	4.6	4.1	<b>4.3</b>	5.1

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**

SEKm	2009:3	2008:3	2009:2	0909	0809
<b>Profit for the period</b>	<b>1,293</b>	1,253	1,164	<b>3,576</b>	4,172
<b>Other comprehensive income for the period, net of tax:</b>					
Actuarial gains/losses on defined benefit pension plans	-86	-643	376	-1,071	-1,600
Available-for-sale financial assets	146	-154	114	275	-394
Cash flow hedges	135	-199	41	158	0
Exchange differences on translating foreign operations	-5,102	2,029	50	-3,841	628
Gains/losses from hedges of net investments in foreign operations	2,164	-65	-325	1,727	182
Income tax relating to components of other comprehensive income	-2	241	-127	231	458
<b>Other comprehensive income for the period, net of tax</b>	<b>-2,745</b>	1,209	129	<b>-2,521</b>	-726
<b>Total comprehensive income for the period</b>	<b>-1,452</b>	2,462	1,293	<b>1,055</b>	3,446
<b>Total comprehensive income attributable to:</b>					
Owners of the parent	-1,414	2,425	1,313	1,098	3,404
Non-controlling interests	-38	37	-20	-43	42

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**

SEKm	0909	0809
<b>Attributable to owners of the parent</b>		
Opening balance, 1 January	66,450	63,590
Total comprehensive income for the period	1,098	3,404
Sale of treasury shares	0	28
Dividend	-2,458	-3,089
<b>Closing balance</b>	<b>65,090</b>	63,933
<b>Non-controlling interests</b>		
Opening balance, 1 January	802	689
Total comprehensive income for the period	-43	42
Dividend	-41	-38
Change in Group composition	0	-6
<b>Closing balance</b>	<b>718</b>	687
<b>Total equity, closing balance</b>	<b>65,808</b>	64,620

**CONSOLIDATED BALANCE SHEET**

	30 September 2009	31 December 2008
	SEKm	SEKm
<b>Assets</b>		
Goodwill	18,748	19,374
Other intangible assets	3,443	3,786
Tangible assets	85,472	88,411
Shares and participations	1,056	1,056
Non-current financial assets <sup>1</sup>	1,615	2,499
Other non-current receivables	1,218	1,239
<b>Total non-current assets</b>	<b>111,552</b>	<b>116,365</b>
Operating receivables and inventories	30,796	36,121
Current financial assets	1,003	642
Non-current assets held for sale	144	102
Cash and cash equivalents	5,096	5,738
<b>Total current assets</b>	<b>37,039</b>	<b>42,603</b>
<b>Total assets</b>	<b>148,591</b>	<b>158,968</b>
<b>Equity</b>		
Owners of the parent	65,090	66,450
Minority interests	718	802
<b>Total equity</b>	<b>65,808</b>	<b>67,252</b>
<b>Liabilities</b>		
Provisions for pensions	3,992	3,443
Other provisions	9,684	9,849
Non-current financial liabilities	28,959	38,859
Other non-current liabilities	462	857
<b>Total non-current liabilities</b>	<b>43,097</b>	<b>53,008</b>
Current financial liabilities <sup>2</sup>	16,564	13,170
Operating liabilities	23,122	25,538
<b>Total current liabilities</b>	<b>39,686</b>	<b>38,708</b>
<b>Total liabilities</b>	<b>82,783</b>	<b>91,716</b>
<b>Total equity and liabilities</b>	<b>148,591</b>	<b>158,968</b>
Debt/equity ratio	0.64	0.70
Visible equity/assets ratio	44%	42%
Return on capital employed	7%	8%
Return on equity	8%	9%
<sup>1</sup> Of which pension assets	520	843
<sup>2</sup> Committed credit lines amount to SEK 30,617 of which unutilised 30,617 MSEK.		
Capital employed	107,843	114,254
- of which working capital	9,225	11,818
Net debt	42,035	47,002
Shareholders' equity	65,808	67,252
Provisions for restructuring costs are included in the balance sheet as follows:		
- Other provisions*	275	643
- Operating liabilities	691	652
*) of which, provision for tax risks	246	246



**NET SALES**

SEKm	0909	0809	2009:3	2009:2	2009:1	2008:4	2008:3	2008:2
Personal Care	19,323	17,042	6,197	6,650	6,476	6,289	5,807	5,671
Tissue	31,087	28,124	10,147	10,474	10,466	10,256	9,642	9,203
Packaging	21,399	25,695	6,946	6,958	7,495	7,746	8,400	8,582
Forest Products	12,782	12,485	4,145	4,304	4,333	4,225	3,956	4,239
- Publication papers	7,467	6,642	2,457	2,475	2,535	2,373	2,245	2,198
- Pulp, timber and solid-wood products	5,315	5,843	1,688	1,829	1,798	1,852	1,711	2,041
Other	1,052	1,089	420	261	371	379	369	351
Intra-group deliveries	-2,293	-2,145	-747	-732	-814	-736	-736	-707
<b>Total net sales</b>	<b>83,350</b>	<b>82,290</b>	<b>27,108</b>	<b>27,915</b>	<b>28,327</b>	<b>28,159</b>	<b>27,438</b>	<b>27,339</b>

**OPERATING PROFIT**

SEKm	0909	0809	2009:3	2009:2	2009:1	2008:4	2008:3	2008:2
Personal Care	2,334	2,200	810	820	704	712	734	721
Tissue	2,981	1,756	1,102	1,015	864	619	633	577
Packaging	264	1,384	172	11	81	109	319	457
Forest Products	1,842	1,689	617	642	583	518	481	553
- Publication papers	1,002	252	336	378	288	150	78	91
- Pulp, timber and solid-wood products	840	1,437	281	264	295	368	403	462
Other	-341	-313	-125	-120	-96	-120	-121	-109
<b>Total operating profit<sup>1</sup></b>	<b>7,080</b>	<b>6,716</b>	<b>2,576</b>	<b>2,368</b>	<b>2,136</b>	<b>1,838</b>	<b>2,046</b>	<b>2,199</b>
Financial items	-1,356	-1,629	-377	-354	-625	-688	-608	-496
<b>Profit before tax<sup>1</sup></b>	<b>5,724</b>	<b>5,087</b>	<b>2,199</b>	<b>2,014</b>	<b>1,511</b>	<b>1,150</b>	<b>1,438</b>	<b>1,703</b>
Tax <sup>1</sup>	-1,545	-915	-628	-525	-392	276	-185	-321
<b>Net profit for the period<sup>1</sup></b>	<b>4,179</b>	<b>4,172</b>	<b>1,571</b>	<b>1,489</b>	<b>1,119</b>	<b>1,426</b>	<b>1,253</b>	<b>1,382</b>

<sup>1</sup> Excl. restructuring costs in the second and third quarter of 2009 amounting to SEK -439m and SEK -387m before tax and SEK -325m and SEK -278m after tax.

**OPERATING MARGIN**

%	0909	0809	2009:3	2009:2	2009:1	2008:4	2008:3	2008:2
Personal Care	12.1	12.9	13.1	12.3	10.9	11.3	12.6	12.7
Tissue	9.6	6.2	10.9	9.7	8.3	6.0	6.6	6.3
Packaging	1.2	5.4	2.5	0.2	1.1	1.4	3.8	5.3
Forest Products	14.4	13.5	14.9	14.9	13.5	12.3	12.2	13.0
- Publication papers	13.4	3.8	13.7	15.3	11.4	6.3	3.5	4.1
- Pulp, timber and solid-wood products	15.8	24.6	16.6	14.4	16.4	19.9	23.6	22.6

**CONSOLIDATED INCOME STATEMENT**

SEKm	2009:3	2009:2	2009:1	2008:4	2008:3
<b>Net sales</b>	<b>27,108</b>	<b>27,915</b>	<b>28,327</b>	<b>28,159</b>	<b>27,438</b>
Cost of goods sold <sup>1</sup>	-20,551	-21,232	-21,995	-22,908	-21,941
<b>Gross profit</b>	<b>6,557</b>	<b>6,683</b>	<b>6,332</b>	<b>5,251</b>	<b>5,497</b>
Sales, general and administration <sup>1</sup>	-3,992	-4,328	-4,204	-3,409	-3,464
Items affecting comparability	-387	-439	0	0	0
Share in profits of associates	11	13	8	-4	13
<b>Operating profit</b>	<b>2,189</b>	<b>1,929</b>	<b>2,136</b>	<b>1,838</b>	<b>2,046</b>
Financial items	-377	-354	-625	-688	-608
<b>Profit before tax</b>	<b>1,812</b>	<b>1,575</b>	<b>1,511</b>	<b>1,150</b>	<b>1,438</b>
Taxes	-519	-411	-392	276	-185
<b>Net profit for the period</b>	<b>1,293</b>	<b>1,164</b>	<b>1,119</b>	<b>1,426</b>	<b>1,253</b>

<sup>1</sup> 2008 figures have been reclassified between cost of goods sold and sales, general and administration.

**INCOME STATEMENT PARENT COMPANY**

SEKm	0909	0809
Administration costs	-353	-343
Other operating income	163	129
Other operating expenses	-163	-129
<b>Operating profit</b>	<b>-353</b>	<b>-343</b>
Financial items <sup>1</sup>	34,024	403
<b>Profit before tax</b>	<b>33,671</b>	<b>60</b>
Taxes	347	570
<b>Net profit for the period</b>	<b>34,018</b>	<b>630</b>

**BALANCE SHEET PARENT COMPANY**

	30 September 2009	31 December 2008
	SEKm	SEKm
Intangible assets	1	2
Tangible assets	6,324	6,328
Financial investments <sup>1, 2</sup>	124,344	62,538
<b>Total fixed assets</b>	<b>130,669</b>	<b>68,868</b>
Total current assets	989	1,731
<b>Total assets</b>	<b>131,658</b>	<b>70,599</b>
Restricted equity	10,996	10,996
Unrestricted equity	38,801	7,241
<b>Total shareholders' equity</b>	<b>49,797</b>	<b>18,237</b>
Untaxed reserves	135	136
Provisions	585	580
Long-term liabilities <sup>3</sup>	5,018	0
Current liabilities <sup>2</sup>	76,123	51,646
<b>Total equity and liabilities</b>	<b>131,658</b>	<b>70,599</b>

<sup>1</sup> Financial items for 2009 include SEK 34,977m in dividends from shares in subsidiaries, of which SEK 30,001m pertains to the value of shares received in one subsidiary. The value of these shares is based on net asset value and is reported on the balance sheet amount financial assets.

<sup>2</sup> In 2009 the company has made a capital contribution of SEK 30,000m to a subsidiary, financed by internal Group loans.

<sup>3</sup> Starting in 2009, the Parent Company is also registered as a borrower for new borrowings pertaining to the SCA Group's external borrowing.

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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 take precedence. The report has not been reviewed by the auditors.