Year-end report 2009

Jan Johansson, President and CEO
Hygiene businesses
- Stable demand in mature markets
- Continued growth in emerging markets

Packaging and Forest Products
- Weak demand for packaging
  - Western European demand -6%*
  - Small improvement in Q4
- Weak demand for publication papers and solid-wood products
  - European demand for:
    - SC paper -9%*
    - LWC paper -22%*
    - Newsprint -14%*

* Full year 2009 vs 2008
Q4 2009
SCA business market update

Hygiene business
- Stable demand for Personal Care and Tissue
  - Lower retailers’ brands Baby diaper volumes in Europe

Packaging and Forest Products
- Stabilized demand on low level for Packaging
- Lower demand for publication papers
Coping recession
Net sales and Operating profit

*Excluding SEK 439m Packaging restructuring costs
**Excluding SEK 387m Packaging restructuring costs
***Excluding SEK 632m Packaging restructuring costs
# Q4 2009

## SCA business market update

<table>
<thead>
<tr>
<th>SEK millions</th>
<th>Q4 2009</th>
<th>Q4 2008</th>
<th>Change, %</th>
<th>Q3 2009</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net sales</td>
<td>27,507</td>
<td>28,159</td>
<td>-2</td>
<td>27,108</td>
</tr>
<tr>
<td>EBIT</td>
<td>2,568*</td>
<td>1,838</td>
<td>40*</td>
<td>2,576**</td>
</tr>
<tr>
<td>EBIT margin (%)</td>
<td>9.3*</td>
<td>6.5</td>
<td></td>
<td>9.5**</td>
</tr>
<tr>
<td>Profit before tax</td>
<td>2,280*</td>
<td>1,150</td>
<td>98*</td>
<td>2,199**</td>
</tr>
<tr>
<td>Earnings per share (SEK)</td>
<td>1.72</td>
<td>2.02</td>
<td>-15</td>
<td>1.82</td>
</tr>
<tr>
<td>Cash flow from current operations</td>
<td>2,544</td>
<td>1,632</td>
<td>56</td>
<td>4,259</td>
</tr>
</tbody>
</table>

- EBIT increased 40%*  
  - Synergies and cost savings  
  - Lower raw material and energy costs  
  - Lower prices  
- Profit before tax increased 98%*  
  - Lower finance net

*Excluding SEK 632m Packaging restructuring costs  
**Excluding SEK 387m Packaging restructuring costs
Full year 2009

SCA business market update

<table>
<thead>
<tr>
<th>SEK millions</th>
<th>FY 2009</th>
<th>FY 2008</th>
<th>Change, %</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Net sales</strong></td>
<td>110,857</td>
<td>110,449</td>
<td>0</td>
</tr>
<tr>
<td><strong>EBIT</strong></td>
<td>9,648*</td>
<td>8,554</td>
<td>13*</td>
</tr>
<tr>
<td><strong>EBIT margin (%)</strong></td>
<td>8.7*</td>
<td>7.7</td>
<td></td>
</tr>
<tr>
<td><strong>Profit before tax</strong></td>
<td>8,004*</td>
<td>6,237</td>
<td>28*</td>
</tr>
<tr>
<td><strong>Earnings per share (SEK)</strong></td>
<td>6.78</td>
<td>7.94</td>
<td>-15</td>
</tr>
<tr>
<td><strong>Cash flow from current operations</strong></td>
<td>11,490</td>
<td>3,810</td>
<td>302</td>
</tr>
<tr>
<td><strong>Debt/Equity ratio</strong></td>
<td>0.60</td>
<td>0.70</td>
<td></td>
</tr>
</tbody>
</table>

- EBIT increased 13%*
  - Synergies and cost savings
  - Lower raw material and energy costs
  - Lower volumes
- Profit before tax increased 28%*
  - Lower finance net

* Excluding SEK 1,458m Packaging restructuring costs
SCA Group Strategic direction

Initiatives

1. **COST AND CASH FLOW**
   - Cost reductions in all business areas of close to SEK 1bn
   - Cash flow from current operations: increased SEK 7.7bn

2. **CAPITAL EFFICIENCY**
   - Rationalized supply chain in Packaging and Tissue
   - Green field tissue plants in Russia and Mexico
   - Efficiency programs in Packaging & Forest Products

3. **INNOVATIONS**
   - Tissue
     - Tork elevation
     - Tempo complete care
     - Plenty active wipe
   - Personal Care
     - Stretch diaper upgrades
     - Tampons
     - Baby care products
   - Packaging
     - Mira System
     - Tissue packaging solutions
   - Forest Products
     - New paper qualities
     - Increased value added
Cost
Packaging restructuring program

Current status

- Closed New Hythe testliner mill
- Closed 11 corrugated units
- Employee reduction: approx. 1,500 of 2,200
- Costs: SEK 1,458m of SEK 1.7bn
- Annualized savings: approx. 60% of SEK 1,070m
Reduced net debt
And improved debt payment capacity

Net debt decreased SEK 6.6bn

- Q1 2009: SEK 50,000
- Q2 2009: SEK 45,000
- Q3 2009: SEK 43,000
- Q4 2009: SEK 40,000

%:
- Q1 2009: 25%
- Q2 2009: 32%
- Q3 2009: 33%
- Q4 2009: 33%
Personal Care
Q4 2009 vs Q4 2008

- **Sales increased by 2%**
  - Growth for Incontinence care and Feminine care
  - Sales decrease for Baby diapers retailers’ brands

- **EBIT increased by 27%**
  - Improved mix and higher prices
  - Lower raw material cost
  - Higher marketing costs

<table>
<thead>
<tr>
<th>SALES SEKm</th>
<th>Q4 2009</th>
<th>Q4 2008</th>
</tr>
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<tbody>
<tr>
<td>6,393</td>
<td>6,289</td>
<td></td>
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</table>

<table>
<thead>
<tr>
<th>EBIT SEKm</th>
<th>Q4 2009</th>
<th>Q4 2008</th>
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<tbody>
<tr>
<td>901</td>
<td>712</td>
<td></td>
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<table>
<thead>
<tr>
<th>EBIT margin</th>
<th>2009</th>
<th>2008</th>
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<tr>
<td>14.1%</td>
<td>11.3%</td>
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### Tissue
**Q4 2009 vs Q4 2008**

#### Sales increased by 1%
- Consumer tissue, sales decreased 1%
  - Slightly lower prices and volumes
- AFH tissue, 2% sales growth
  - Higher volumes

#### EBIT increased by 56%
- Higher volumes
- Acquisition synergies
- Improved mix
- Lower raw material and energy costs
- Higher marketing costs

### Comparison
- **SALES SEKm**
  - Q4 2009: 10,256
  - Q4 2008: 10,338
  - Increase: 1%

- **EBIT SEKm**
  - Q4 2009: 619
  - Q4 2008: 965
  - Increase: 56%

- **EBIT margin**
  - Q4 2009: 9.3%
  - Q4 2008: 6.0%
Tissue
Margins in focus

%  


SCA Interim Report Q4 2009
Packaging
Q4 2009 vs Q4 2008

- **Sales decreased 8%***
  - Lower prices and volumes

- **EBIT increased by 37%***
  - Savings from restructuring program
  - Lower raw material and energy costs
  - Lower prices
  - Production downtime 51,000 tonnes

*Adjusted for the closure of the New Hythe testliner mill in UK

**Excluding SEK 632m Packaging restructuring costs
Sales decreased 1%
- Publication papers, sales decreased
  - Lower volumes
- Solid-wood products, sales increased
  - Higher volumes
  - Higher prices

EBIT increased 28%
- Publication papers, increased EBIT
  - Higher prices
  - Lower energy and raw material costs
- Solid-wood products, increased EBIT
  - Higher prices
  - Improved capacity utilization
  - Lower raw material costs
Dividend

- Proposed 5.7% increase of the dividend to SEK 3.70 (3.50) per share
Summary – Full year 2009

- Significant profit improvement
  - EBIT*: +13%
  - Profit before tax*: +28%

- Strong cash flow
  - Cash flow from current operations: +SEK 7.7bn

- Focus:
  - Cost and cash flow
  - Capital efficiency
  - Innovation

* Excluding SEK 1,458m Packaging restructuring costs
Outlook 2010

▪ Hygiene businesses
  - Stable demand
  - Good growth in emerging markets

▪ Packaging
  - Demand improvement, but weak start
  - Increasing prices

▪ Forest Products
  - Low demand and decreasing prices for publication paper
  - Improvement for pulp and solid-wood products
Q & A