Year-end report 2011
1 January – 31 December 2011
Key events

- Binding offer to acquire Georgia-Pacific’s European tissue operations
- Divesting the Packaging business, excluding the two kraftliner mills
- Acquisitions in emerging markets
- Established joint venture in Australasia
- Efficiency program
- New hygiene organization
- Wind power joint venture with Fred.Olsen Renewables
Summary
Full year 2011 vs Full year 2010

- Sales increased 4%*
  - Hygiene business
    * Higher volumes and prices
    * Good growth in emerging markets
      - Personal care, 13%**
      - Tissue, 10%**
  - Packaging
    * Packaging volumes flat***
    * Corrugated prices increased 9%
  - Forest Products
    * Publication paper volumes flat
    * Solid-wood product volumes increased 5%

- EBIT flat****
  - Higher prices in all businesses
  - Higher volumes
  - Cost savings
  - Raw material costs increased SEK 3.2bn
  - Negative currency impact, SEK 840m

- Profit before tax decreased 3%****

* Adjusted for exchange rate movements and divestments
** Adjusted for exchange rate movements
*** Excluding divestments
**** Excluding items affecting comparability and adjusted for exchange rate movements
Summary
Q4 2011 vs Q4 2010

- Sales increased 1%*
  - Hygiene business
    - Higher volumes in Personal Care and flat volumes in Tissue
    - Higher prices
    - Good growth in emerging markets
      - Personal care, 16%**
      - Tissue, 10%**
  - Packaging
    - Packaging volumes decreased 3%***
    - Corrugated prices increased 6%
  - Forest Products
    - Publication paper volumes decreased 2%
    - Solid-wood product volumes flat
- EBIT increased 1%****
  - Higher prices in all businesses
  - Raw material costs increased SEK 220m
  - Negative currency impact, SEK 110m
- Profit before tax decreased 2%****

* Adjusted for exchange rate movements and divestments
** Adjusted for exchange rate movements
*** Excluding divestments
**** Excluding items affecting comparability and adjusted for exchange rate movements
Items affecting comparability
Full year 2011 vs Full year 2010

- Items affecting comparability amounted to SEK 5,676m (931)
  - Write-down of assets in the packaging operations: SEK 3,949m
  - Write-down in connection with the divestment of 50% of the hygiene operations in Australasia: SEK 654m
  - Transaction costs in connection with acquisitions and divestments: SEK 118m
  - Restructuring costs: SEK 955m (931)
## Full year 2011 results

### SEK millions

<table>
<thead>
<tr>
<th></th>
<th>2011</th>
<th>2010</th>
<th>Change, %</th>
<th>Change, %**</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Net sales</strong></td>
<td>105,750</td>
<td>106,965</td>
<td>-1</td>
<td>4***</td>
</tr>
<tr>
<td><strong>EBIT</strong>*</td>
<td>9,224</td>
<td>9,608</td>
<td>-4</td>
<td>0</td>
</tr>
<tr>
<td><strong>EBIT margin</strong>* (%)</td>
<td>8.7</td>
<td>9.0</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Profit before tax</strong>*</td>
<td>7,934</td>
<td>8,492</td>
<td>-7</td>
<td>-3</td>
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<tr>
<td><strong>Earnings per share (SEK)</strong></td>
<td>0.78</td>
<td>7.90</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Cash flow from current operations</strong></td>
<td>6,383</td>
<td>7,399</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Debt/Equity ratio</strong></td>
<td>0.60</td>
<td>0.51</td>
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</tbody>
</table>

* Excluding items affecting comparability
** Adjusted for exchange rate movements
*** Excluding divestments
# Q4 2011 results

<table>
<thead>
<tr>
<th></th>
<th>Q4 2011</th>
<th>Q4 2010</th>
<th>Change, Q4/Q4, %</th>
<th>Change, Q4/Q4, %**</th>
<th>Q3 2011</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net sales</td>
<td>26,749</td>
<td>27,052</td>
<td>-1</td>
<td>1***</td>
<td>26,937</td>
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<tr>
<td>EBIT*</td>
<td>2,527</td>
<td>2,567</td>
<td>-2</td>
<td>1</td>
<td>2,435</td>
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<tr>
<td>EBIT margin* (%)</td>
<td>9.4</td>
<td>9.5</td>
<td></td>
<td></td>
<td>9.0</td>
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<tr>
<td>Profit before tax*</td>
<td>2,167</td>
<td>2,274</td>
<td>-5</td>
<td>-2</td>
<td>2,084</td>
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<tr>
<td>Earnings per share (SEK)</td>
<td>-4.88</td>
<td>2.38</td>
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<td></td>
<td>1.82</td>
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<tr>
<td>Cash flow from current operations</td>
<td>1,986</td>
<td>2,389</td>
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<td>2,557</td>
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</tbody>
</table>

* Excluding items affecting comparability

** Adjusted for exchange rate movements

*** Excluding divestments
Q4 2011 vs. Q3 2011

Summary

- **Group**
  - Sales flat
  - EBIT increased 4%*
  - Profit before tax increased 4%*

- **Business areas**
  - Personal Care, EBIT increased 15%*
    - Improved price/mix
    - Higher volumes
    - Lower raw material costs
  - Tissue, EBIT increased 29%*
    - Higher prices and volumes
    - Lower raw material costs
  - Packaging, EBIT decreased 20%*
    - Seasonally lower containerboard volumes
    - Lower prices
    - Lower raw material costs
  - Forest Products, EBIT decreased 18%*
    - Lower prices

* Excluding items affecting comparability
Personal Care
Q4 2011 vs. Q4 2010

Sales increased 2% (4%*)
- Incontinence care increased 5%*
- Baby diapers increased 5%*
- Feminine care increased 1%*
- Emerging markets increased 16%*

EBIT increased by 8%** (12%***)
- Higher volumes
- Higher prices
- Cost savings
- Higher raw material cost
- Negative currency impact

* Adjusted for exchange rate movements
** Excluding items affecting comparability
*** Excluding items affecting comparability and adjusted for exchange rate movements
Tissue
Q4 2011 vs. Q4 2010

Sales increased 1% (3%*)
- Consumer tissue flat*
- AFH tissue increased 6%*
- Emerging markets increased 10%*

EBIT increased 33%** (37%***)
- Higher prices
- Improved product mix
- Lower raw material costs
- Negative currency impact

- Adjusted for exchange rate movements
- Excluding items affecting comparability
- Excluding items affecting comparability and adjusted for exchange rate movements
Packaging
Q4 2011 vs. Q4 2010

- **Sales decreased 6% (flat*)**
  - Higher prices
  - Lower volumes

- **EBIT decreased 25%** (23%***)
  - Higher prices
  - Cost savings
  - Higher raw material costs
  - Lower volumes
  - Negative currency impact

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<thead>
<tr>
<th></th>
<th>Q411</th>
<th>Q410</th>
<th>Q311</th>
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<tbody>
<tr>
<td><strong>SALES SEKm</strong></td>
<td>6,704</td>
<td>6,810</td>
<td>6,704</td>
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<tr>
<td></td>
<td>6,287</td>
<td>6,704</td>
<td>6,810</td>
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<tr>
<td>6%</td>
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<table>
<thead>
<tr>
<th></th>
<th>Q411</th>
<th>Q410</th>
<th>Q311</th>
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</thead>
<tbody>
<tr>
<td><strong>EBIT SEKm</strong></td>
<td>567</td>
<td>534**</td>
<td>567</td>
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<tr>
<td></td>
<td>428**</td>
<td>567</td>
<td>534**</td>
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<td>-25%**</td>
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<tr>
<th></th>
<th>6.8%**</th>
<th>8.5%</th>
<th>7.8%**</th>
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Forest Products
Q4 2011 vs. Q4 2010

- **Sales decreased 3%**
  - Lower volumes
  - Higher publication paper prices

- **EBIT decreased 26%**
  - Higher raw material costs
  - Negative currency impact
  - Higher prices

* Excluding items affecting comparability
Dividend

- Proposed 5% increase of the dividend to SEK 4.20 (4.00) per share
Binding offer for Georgia-Pacific’s European tissue operations

- Creates a leading European tissue company
- Strengthens our product offering and geographic reach
- Offered price: EUR 1.32bn
- Sales: EUR 1.25bn
- Annual synergies: EUR 125m
- With fully realized synergies earnings per share are expected to increase with approx. SEK 1.70
Divestment of Packaging
Supports SCA’s strategy

- Divestment of Packaging to DS Smith
- Enables increased growth in the hygiene business
- SCA’s two kraftliner mills in Sweden are not included
- Purchase price: EUR 1.7bn on a debt free basis
- Earnings per share decrease by SEK 0.73*
- The hygiene business will account for approx. 80%** of SCA’s net sales
- Debt/Equity ratio will decrease to approx. 0.5**

* Based on the net profit for 2011
** Provided that the Packaging divestment and the previously announced binding offer for Georgia-Pacific’s European tissue business are closed according to plan.
Strategic focus areas

EFFICIENCY

INNOVATION

GROWTH
Efficiency

- Restructuring program in baby diapers in Europe finalized
- Efficiency program
  - Mainly related to Personal Care and Tissue
  - Annual cost savings: SEK 700m
  - Gradual impact during 2012-2013
  - Annualized savings in Q4 2011: SEK 200m
- New hygiene organization
- Investments in new capacity and upgrades
Innovation
Strengthens market positions and profitability
Growth

- Binding offer for Georgia-Pacific’s European tissue operations
- High growth in emerging markets
- Acquisition in Brazil
  - Pro Descart, No. 2 in incontinence care products
- Acquisitions in Turkey
  - San Saglik 95%, No. 2 in incontinence care products
  - Komili 50%, No. 4 in baby diapers and feminine care products
- New hygiene organization
- Wind power joint venture with Fred.Olsen Renewables
- Investments in new capacity and upgrades
Q&A
clo Life

Because our products make life easier for you and for millions of people around the world. Because our resources and the way we work are natural parts of the global lifecycle. And because we care.

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