Q1 2013
Macro update

- **Global economy**
  - Weak Western Europe
  - Some growth in US
  - Good growth in Emerging markets

- **Tissue**
  - Some growth in Europe and North America
  - Strong growth in Emerging markets

- **Personal Care**
  - Good demand for incontinence products in Europe
  - Stable demand for baby diapers and feminine care in Western Europe
  - Good growth in Emerging markets

- **Forest Products**
  - Demand for publication papers decreased in Western Europe
  - Weak demand but improved market balance for solid-wood products in Western Europe
  - Improved market balance for kraftliner
Summary
Q1 2013 vs Q1 2012

▪ Sales growth 20%*
  ▪ Hygiene business, 23%**
    ❧ Higher volumes
    ❧ Acquisitions
    ❧ Strong growth in Emerging markets
  ▪ Forest Products, -7%*
    ❧ Lower prices including currency effects
    ❧ Divestment

▪ EBIT increased 25%***
  ▪ Acquisitions
  ▪ Cost savings
  ▪ Higher volumes
  ▪ Lower raw material costs

▪ Operating cash flow increased 5%

* Excluding exchange rate effects and divestment
** Excluding exchange rate effects
*** Excluding items affecting comparability and exchange rate effects
Efficiency programs

- **Hygiene business cost and productivity program**
  - Achieved cost savings Q1 2013: SEK 160m
  - Annualized cost savings in Q1 2013: EUR 75m
  - Total annual cost savings of EUR 300m, full effect in 2015

- **Georgia-Pacific synergies**
  - Achieved cost savings Q1 2013: SEK 54m
  - Annualized cost savings in Q1 2013: EUR 25m
  - Total annual cost savings of EUR 125m, full effect in 2016

- **Forest Products efficiency program**
  - Achieved earnings improvement Q1 2013: SEK 35m
  - Annualized earnings improvement in Q1 2013: SEK 140m
  - Total annual earnings improvement of SEK 1,300m, full effect in 2015
## Q1 2013 results

<table>
<thead>
<tr>
<th><strong>SEK millions</strong></th>
<th>Q1 2013</th>
<th>Q1 2012</th>
<th>Change, %</th>
<th>Change, %</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net sales</td>
<td>22,386</td>
<td>19,490</td>
<td>15</td>
<td>20 **</td>
</tr>
<tr>
<td>EBIT*</td>
<td>2,205</td>
<td>1,834</td>
<td>20</td>
<td>25 ***</td>
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<tr>
<td>EBIT margin* (%)</td>
<td>9.8</td>
<td>9.4</td>
<td></td>
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<tr>
<td>Profit before tax*</td>
<td>1,941</td>
<td>1,503</td>
<td>29</td>
<td>34 ***</td>
</tr>
<tr>
<td>Earnings per share (SEK)</td>
<td>1.59</td>
<td>1.73</td>
<td></td>
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<tr>
<td>Operating cash flow</td>
<td>1,862</td>
<td>1,778</td>
<td>5</td>
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<tr>
<td>Debt/Equity ratio</td>
<td>0.51</td>
<td>0.55</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

* Excluding items affecting comparability
** Excluding exchange rate effects and divestments
***Excluding items affecting comparability and exchange rate effects
Q1 2013 vs. Q4 2012

Summary

- **Group**
  - Sales decreased 3%*
  - EBIT decreased 6%**

- **Business areas**
  - Personal Care, EBIT decreased 4%**
    - Seasonality effects
  - Tissue, EBIT decreased 10%**
    - Seasonality effects
  - Forest Products, EBIT decreased 19%***
    - Lower prices
    - Negative currency effects
    - Capital gain on forest land transaction

* Excluding exchange rate effects
** Excluding items affecting comparability and exchange rate effects
*** Excluding items affecting comparability
Personal Care
Q1 2013 vs Q1 2012

- **Sales growth 6% (11%)**
  - Incontinence products increased 8%*
  - Baby diapers increased 11%*
  - Feminine care increased 3%*
  - Emerging markets increased 18%*

- **EBIT increased 21%** (27%***)
  - Higher volumes
  - Lower raw material costs
  - Cost savings
  - Acquisition

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### Tissue

**Q1 2013 vs Q1 2012**

- **Sales growth 28% (33%*)**
  - Consumer tissue increased 35%*
  - AFH tissue increased 28%*
  - Emerging markets increased 17%*

- **EBIT increased by 34%** (40%***)
  - Acquisition
  - Higher volumes
  - Cost savings

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** Excluding items affecting comparability
*** Excluding items affecting comparability and exchange rate effects
**Sales decreased 11% (-7%*)**

- Publication papers, decreased sales
  - Lower prices and divestment
- Solid-wood products, decreased sales
  - Lower prices
  - Higher volumes
- Kraftliner, decreased sales
  - Lower volumes
  - Higher prices
- Pulp, decreased sales
  - Lower volumes and prices

**EBIT decreased 22%**

- Lower prices
- Negative currency effects
- Capital gain on forest land transaction

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* Excluding exchange rate effects and divestment
** Excluding items affecting comparability
Summary

- Good sales growth and higher earnings for the hygiene businesses
- Challenging market and currency situation for Forest Products
- Efficiency programs delivering according to plan
- Good cash flow generation
- Divestments of former Georgia-Pacific units approved by EU
- Laakirchen divestment closed
Q&A