Q1 2014
Market update

- Tissue
  - Relatively stable demand for tissue in Europe
  - Extreme winter weather in North America had a negative impact on demand for AfH tissue
  - Increased demand in emerging markets

- Personal Care
  - Relatively stable demand for personal care products in Europe
  - Increased demand in emerging markets

- Forest Products
  - Decreased demand for publication paper in Europe
  - Improved market for solid-wood products in Europe
Efficiency Programs

- Hygiene business cost and efficiency program
  - Achieved cost savings Q1 2014: SEK 490m
  - Annualized cost savings in Q1 2014: approx. EUR 220m
  - Total annual cost savings of EUR 300m, full effect in 2015

- Georgia-Pacific synergies
  - Achieved cost savings Q1 2014: SEK 136m
  - Annualized cost savings in Q1 2014: approx. EUR 60m
  - Total annual cost savings of EUR 125m, full effect in 2016

- Forest Products efficiency program
  - Achieved earnings improvement Q1 2014: SEK 245m
  - Annualized earnings improvement in Q1 2014: SEK 980m
  - Total annual earnings improvement of SEK 1,300m, full effect in 2015
Summary
Q1 2014 vs Q1 2013

- Sales increased 9%*
  - Hygiene business, 9%*
    - Acquisition in China
    - Higher volumes
    - Good growth in emerging markets
    - Extreme winter weather in North America
  - Forest Products, 11%*
    - Higher prices
    - Higher volumes

- Operating profit increased 18%**
  - Acquisition in China
  - Cost savings
  - Higher volumes
  - Higher prices
  - Higher raw material costs

- Operating cash flow decreased 27%

* Excluding divestments
** Excluding items affecting comparability, exchange rate effects and divestments
# Q1 2014 Results

<table>
<thead>
<tr>
<th></th>
<th>Q1 2014</th>
<th>Q1 2013</th>
<th>Change, %</th>
<th>Change, %</th>
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</thead>
<tbody>
<tr>
<td>Net sales</td>
<td>24,234</td>
<td>23,332</td>
<td>4</td>
<td>9**</td>
</tr>
<tr>
<td>Operating profit*</td>
<td>2,630</td>
<td>2,315</td>
<td>14</td>
<td>18***</td>
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<tr>
<td>Operating margin* (%)</td>
<td>10.9</td>
<td>9.9</td>
<td></td>
<td></td>
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<tr>
<td>Profit before tax*</td>
<td>2,342</td>
<td>2,036</td>
<td>15</td>
<td>19***</td>
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<tr>
<td>Earnings per share (SEK)</td>
<td>2.12</td>
<td>1.59</td>
<td></td>
<td></td>
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<tr>
<td>Operating Cash flow</td>
<td>1,432</td>
<td>1,958</td>
<td>-27</td>
<td></td>
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<tr>
<td>Debt/Equity ratio</td>
<td>0.50</td>
<td>0.50</td>
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* Excluding items affecting comparability and including gains on forest swaps of SEK 152m (121) before tax
** Excluding divestments
*** Excluding items affecting comparability, exchange rate effects, divestments and including gains on forest swaps of SEK 152m (121) before tax
Personal Care
Q1 2014 vs Q1 2013

- **Sales decreased 1% (+1%*)**
  - Incontinence products increased 1%*
  - Baby diapers decreased 3%*
  - Feminine care increased 11%*
  - Emerging markets increased 4%*

- **Operating profit decreased 6%**
  - Higher raw material costs
  - Investments in increased marketing activities
  - Negative transaction exchange rate effects due to weakened currencies in emerging markets
  - Higher volumes
  - Cost savings

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* Excluding exchange rate effects
** Excluding items affecting comparability
Tissue
Q1 2014 vs Q1 2013

- **Sales increased 10% (12%*)**
  - Consumer tissue increased 17%*
  - AfH tissue increased 7%**
  - Emerging markets increased 73%**

- **Operating profit increased 10%*** (14%****)
  - Acquisition in China
  - Higher volumes
  - Higher prices
  - Cost savings
  - Extreme winter weather in North America
  - Divestments in Europe

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* Excluding exchange rate effects and divestments
** Excluding exchange rate effects
*** Excluding items affecting comparability
**** Excluding items affecting comparability, exchange rate effects and divestments
Forest Products
Q1 2014 vs Q1 2013

Sales decreased 6% (+11%*)
- Publication paper decreased
- Kraftliner increased
- Solid-wood products increased
- Pulp increased

Operating profit increased 128%** (140%***)
- Higher prices
- Higher volumes
- Cost savings
- Lower energy costs
- Gains on forest swaps
- Divestment

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<tr>
<td>Sales (SEKm)</td>
<td>4,248</td>
<td>3,999</td>
</tr>
<tr>
<td>Operating profit** (SEKm)</td>
<td>257</td>
<td>586</td>
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<tr>
<td>Operating margin**</td>
<td>6.0%</td>
<td>14.7%</td>
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</tbody>
</table>

* Excluding divestment
** Excluding items affecting comparability and including gains on forest swaps of SEK 152m (121) before tax
*** Excluding items affecting comparability, divestment and including gains on forest swaps of SEK 152m (121) before tax
Summary

- Higher sales and profit for the Group
- Higher profit in Tissue and Forest Products
- Lower profit in Personal Care
- Efficiency programs delivering according to plan
- Several launches of new innovations and products
Q&A