

SCA Interim Report



1 January – 31 March 2014



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



SEK millions	Q1	Q1	Change, %	Change, %
unless otherwise stated	2014	2013		
Net sales	24,234	23,332	4	9**
Operating profit*	2,630	2,315	14	18***
Operating margin* (%)	10.9	9.9		
Profit before tax*	2,342	2,036	15	19***
Earnings per share (SEK)	2.12	1.59		
Operating Cash flow	1,432	1,958	-27	
Debt/Equity ratio	0.50	0.50		

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

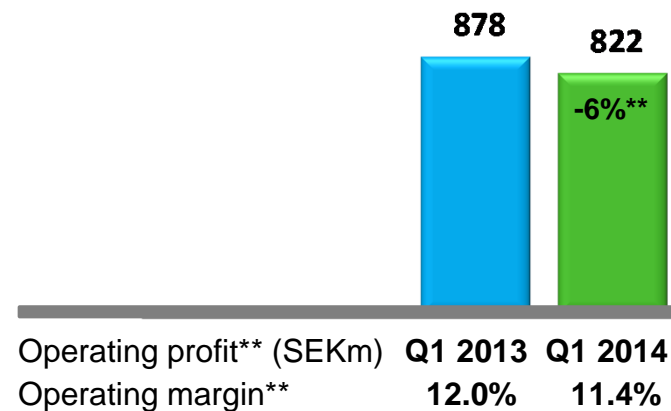
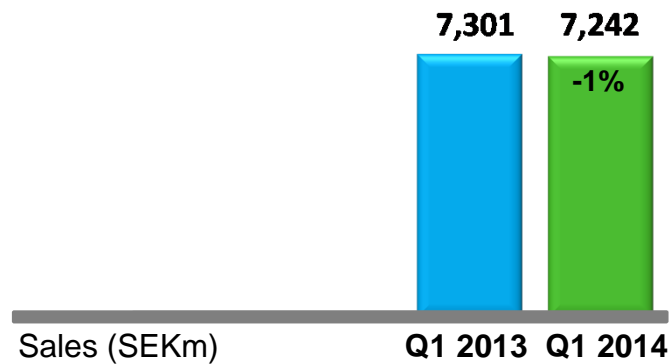
** Excluding divestments

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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

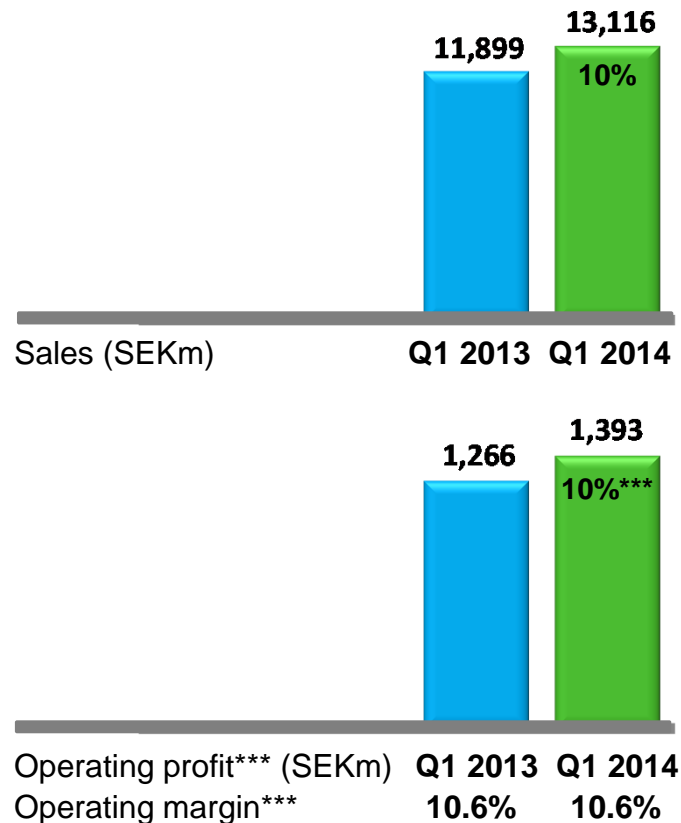


* Excluding exchange rate effects

** 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

* Excluding exchange rate effects and divestments

** Excluding exchange rate effects

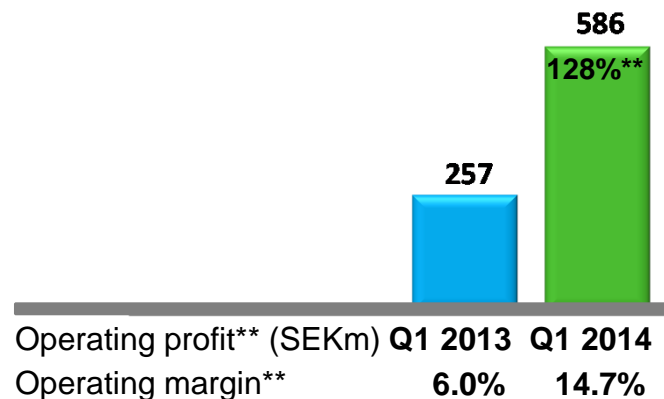
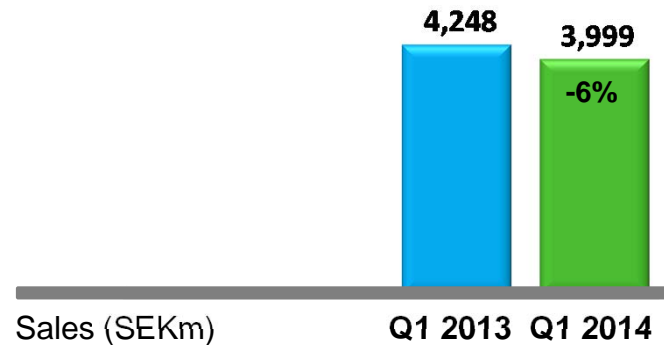
*** Excluding items affecting comparability

**** 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

* 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



SCA
Care of Life

