Josephine Edwall: Hello and welcome to SCA’s first quarter report for 2014. I’m the Head of Communications for SCA. Today, our CEO, Jan Johansson, will go through the report; and afterwards, we will have a Q&A session, where our CFO, Lennart Persson, also will join.

So, I hand over to you, Jan.

Jan Johansson: Thank you very much. Let’s start with some overall updates. General market trend is the same as we reported last quarter, with a stable demand in Europe; still good growth in emerging market, both for tissue and personal care.

Forest, we still see demand coming down from publication paper, but a stronger market for our solid woods, and also strong market for our kraftliners.

If we look internally in the Company, we still, of course, have a lot of changes that impact the results. First of all, we have the typical seasonality if we compare to Q4. Then we also had, as you all know, a very severe winter in US that impacted the away-from-home sales in US.

We have some divestments. We have Laakirchen, that’s been divested; we have the remedies from Georgia-Pacific. They have impacted the sale with SEK 1.2 billion, and the operating result with SEK 110 million.

As you have seen, we have re-stated our joint ventures due to the change in
regulations. But Vinda is not re-stated there to Q1, so that's also a deviation when we compare year-to-date figures.

Efficiency program is running according to plan. And we had a saving in the EUR 300 million program with SEK 490 million in Q1; Georgia-Pacific, SEK 136 million; and Forest, SEK 245 million. And we don't see any reason why we should not keep up the plan, as we have communicated.

If we look at summary Q1 to Q1, we had a sales increase of 9 percent. And if we exclude the acquisition of Vinda, the sales increase would have been 3 percent. It's higher volume. We have good growth in emerging markets, impacted by currency, I will get back to that a little bit later; and, of course, the winter in North America.

Operating profit increased by 18 percent. And if we exclude Vinda, it's increasing by 14 percent.

If you look at cash flow, that is down with 27 percent. It's mainly receivables. We do have some inventory – growth in inventories in US and Europe; US mainly then due to the winter, where the sales were not as expected; and Europe, because of some update and restructuring of almost our complete baby and inco production facilities and businesses. I will comment a little bit on that later.

If we look at the figures, we are improving earnings per share by 33 percent. We improve our operational margin.

Even though we have made some acquisition, we still are on a gearing debt-equity level of 0.50.

And as a comment on the operating cash flow, the receivables, of course, is not a problem. And the inventory levels will be brought on the one that's went up with SEK 255 million in Q1; will be brought down, going forward, during this year.
Just a few comments on Q4 to Q1. Seasonality, of course, as we always have. And if we look at Away-from-Home US, the sales was down with as much as 12 percent; partly seasonality, but very much also driven by the cold winter.

We also are upgrading, as I said, all our baby facilities in Europe, also in South East Asia. That has had an impact on the quarter, both when it comes to inventories and sales. We are restructuring the whole distribution system in Italy, also impacting the sales during Q1. All of this will, of course, have a positive impact going forward during the year, both in increased sales and increased profitability.

Forest, with a profit decrease of 36 percent. Of that, 33 percent was the swap of forest assets, because, of course, we had a higher swap in Q4 than we had in Q1.

Then, coming into Personal Care and looking at the growth figures, Incontinence increased by only 1 percent. But that was also then impacted by the restructuring in Italy; and also, as we communicated in Q4, that the subsidies in Russia was brought down by 30 percent overnight. So we had actually negative growth in Russia with 8 percent in Inco.

If we look at the emerging markets, 6 percent growth overall; as high as 20 percent growth in Incontinence in Latin America, and 10 percent in Asia. The negative impact of the restructuring will, of course, not impact Q2: that means that, that will come back during Q2.

Very big weakness of currencies in emerging markets, I think, in average in Latin America it's around 12 percent, 13 percent; in Russia, Euro to Ruble is 16 percent. And that had a negative impact, from a transaction point of view, with 1 percentage point of the margin in Personal Care. We report transaction impact to you, but not the transaction – translation, but not the transaction, but transaction is as much as 1 percentage point.

We have been able to get a new, very interesting contract in private label in Europe. That gradually will kick in during this year, starting with Q3. To
start with, it will be around 140 million pieces, and then maybe it will increase going forward.

China, we focused a lot in China last quarter. And if we compare Q1 to Q1 on the Sealer sales, the local brand in China that we acquired, we are down by 21 percent. But if we look Q4 to Q1, we are up with 26 percent.

I also communicated in Q4 that it will take time before we are back on track. But, obviously, 26 percent growth in Q4 vs Q1 is showing what we are doing is actually working in China, which, of course, is very positive.

That also then, the negative impact on the sales of Baby. If we exclude Baby, we had a growth of 13 percent in emerging markets for Personal Care, which means, of course, that we had a good growth in Feminine and Incontinence.

Moving over to Tissue, and here we can clearly see the impact of the weather in US. And you've probably seen reports from a lot of companies that when things are being closed people are not working outside; of course, they can't use our products in restaurants, in hotels, et cetera, et cetera. So the sales in North America is down 9 percent Q1 to Q1.

And we have not lost any market share in Away-from-Home. And North America is 33 percent of the global Away-from-Home, so, of course, it has quite a big impact on the sales.

We also saw Vinda coming in slightly weaker than anticipated in the quarter, even though we had a good growth of 9 percent, but maybe a little bit weaker margins that we expected. That, of course, also impacted the margin in our Tissue business, since we now consolidate 100 percent of Vinda. Without that consolidation, we would have had 11 percent margin in our old Tissue business.

Good growth in emerging markets. Even if we take away Vinda from the growth in emerging markets, we still have 9 percent growth; and, of course, with Vinda, 73 percent.
We also left a couple of private label contracts in Europe during the quarter: reason being that the profitability was not on a level that we accepted. And that also has a slightly negative impact on sales, but a positive impact on margin.

Coming into Forest operation, still pressure on Publication Paper. As I said, even though we have seen some price increases in news, we have seen some price decreases in magazine paper during the quarter.

Our hardwood operation is doing well. We have implemented price increases in Q1; we will implement more price increases in Q2.

The announced price increase in our liner business was not possible to actually execute. So we will do it. You remember, we said that we increase it with EUR 50. So we will do it in smaller rates, but with still the aim to get the EUR 50 during the second half of the year. The market conditions is actually supporting an increase, but for various reasons it was difficult to do it in Q1.

We also continue to manage our forest in a good way. You saw that we had a swap in forest; that had an impact on the result of SEK 152 million. We had a similar one last year with an impact of SEK 121 million, so delta is slightly positive. And if we compare to Q4, then we had as much as SEK 455 million. So, taking that into consideration, we actually see some good progress in our forest business.

If I try to summarize that we do have higher sales and profit for the Group, and higher profit for Tissue and Forest Products. Lower profit for Personal Care, mainly then driven by the few items I mentioned, with the upgrades of our products; with the currency in emerging markets.

And the upgrade will, of course, have a positive impact, going forward. We will see the first new baby laminated pants in shelves actually during Q2; and then, they will be rolled out during the year. We also made a similar upgrade in South East Asia during the quarter.
Efficiency program is running as planned. We have had several launches of new innovations. And you also remember that we have communicated that we actually have a portfolio of innovations now waiting to be launched, which, of course, is very positive. And then we will launch them in the markets, in categories, when we find it fit to do that.

But every time when you launch a new product, of course, you will have some impact on inventories, not very substantial, but then you have an upgrade of volumes, and you have an upgrade of profitability. This is the true way of driving profitability in our business; with new innovations all the time into the market.

With that, ladies and gentlemen, I thank you, and we open up for questions. Lennart, do you want to join me?

Linus Larsson: Linus Larsson, SEB. I wonder if you could update us a bit more on the situation in baby China. If I understood it correctly, in the fourth quarter the year-on-year EBIT impact was in the magnitude of SEK 140 million. My question is how much of that is being reversed as we look at the first quarter? Also, if you could maybe break that up. I understand it's partly, as you referred to, due to a loss of market share; but also, you incurred high logistics costs, and so forth, in the fourth quarter. If you could maybe break that down a bit. And also, of course, as we look into the second quarter, what kind of improvement we might expect in baby China.

Jan Johansson: If we look at China, what we've been talking about all the time is the Sealer part of China, the Everbeauty part of China. If we look at the sort of old SCA brands, Libero, et cetera, we are doing very well, growing market shares. Incontinence is, both in the acquired business and SCA business, doing very well. So it's the Sealer business in Everbeauty that we acquire.

And, as I said, growth – sales increase of some 26 percent between Q4 and Q1. But we lost during the whole of last year, so it will take time before we
pick it up.

The machine is working now. Distribution is working. We have good control on what is on the shelves, and the sales. So I feel quite confident that we are not going to have the same hiccup as we had in between Q3 and Q4.

I don't recognize the figure. I don't think we have communicated that.

Linus Larsson: It's my own estimate.

Jan Johansson: I guess so. I'm not going to give a comment on that, since we haven't communicated.

Linus Larsson: OK. But where there still extraordinary costs in the first quarter, apart from the loss of market shares in relation to Sealer?

Jan Johansson: Well, we did gain market share in Q1 compared to Q4. And we don't have the same costs – similar costs as we had in Q4, where we had to buy back the inventories and start from beginning, so now it's more in the ordinary way of marketing products in China. So from that perspective, the costs are lower.

Linus Larsson: And is it fair to assume that you will regain some market share in the second, compared to the first, quarter?

Jan Johansson: That's absolutely our intention.

Linus Larsson: Great. Thank you.

Stellan Hellstrom: Stellan Hellstrom, Nordea. If you can, I would like to – if you could quantify, maybe, the effects of the changes in diapers in Europe. How much volume did you actually lose in …

Jan Johansson: We didn't lose any volume. But the introduction of new products on the market doesn't have any impact, because we actually sell out before we introduce them. But then you have always startup costs when you start an
upgraded line, so that had a small impact, but not loss of volume.

The restructuring in Italy is slightly bigger, because what we did there was to replace the current distributor for the whole of Italy, which means that we had to buy back the inventories and start the new channels. So that had a big – and that's a one-off in Q1; mainly impacted sales, actually, not the profitability.

Stellan Hellstrom: And do you have any quantification on that impact?

Jan Johansson: We have, but we keep it to ourselves. We don't want to give our competitors all the knowledge.

Stellan Hellstrom: Thanks. Also, maybe if you can comment on – you have a competitor in European tissue that say they want to raise prices by 8 percent. Do you have any comments on this market environment, and the possibilities for that type of price increases there?

Jan Johansson: I think it's a very good initiative, of course. And looking at the market conditions, and, as I think I said in Q4 also, and now, we still are not on the level of profitability we need, in particularly in consumer tissue in Europe. So we need to bring down costs, but we also need to bring up price.

And we have some – we will have some impact of the price increases we did last year going forward this year. Whether or not there will be any more price increases this year is too early to say. But, obviously, when our competitor is announcing 8 percent and they see a need for it, we will of course also see the same need.

Stellan Hellstrom: Thanks.

Oskar Lindstrom: Oskar Lindstrom, Danske Bank. I have four questions. Should I take them one by one, or –?
Jan Johansson: Take them one by one, otherwise we forget.

Oskar Lindstrom: Well, first off, just the magnitude of the weather impact in North America on EBIT that we realistically should not see again in Q2 going forward. Is that something that you can quantify in terms of millions of kroner?

Jan Johansson: I can quantify the volume, and then you can calculate it, and that's 9 percent down Q1 to Q1.

Then, of course, also, the US business was impacted by the weak currency. Even the Canadian dollar is down 9 percent to US dollar, which is a big business for us. But all the Latin American business is down. So that also had quite a big impact on the Personal Care business of US.

Oskar Lindstrom: All right, thanks. The second question is if I look at your deviation table for EBIT that you publish on your web site, if I recall correctly, you had a negative quarter-on-quarter price impact on Tissue? Is that –?

Jan Johansson: Lennart, do you have a –?

Oskar Lindstrom: It's price mix, as you define it, I think.

Jan Johansson: Yes, yes, so it's a combination of price and mix.

Oskar Lindstrom: Is there something that we should pick up on there? I think you've mentioned before that in Q4 there was some issues of potentially price erosion in North America.

Jan Johansson: I don't think that – of course, you have Vinda coming in, that has an impact. But, Lennart, maybe you have –

Lennart Persson: No, but we had, of course, if you compare, the impact of what we changed prices for a couple of customers during the autumn.

Jan Johansson: In US
Lennart Persson: In US, yes.

Jan Johansson: Yes.

Oskar Lindstrom: OK, so it's an effect of lower prices in North America?

Jan Johansson: Yes, we don't have any lower prices in Europe.

Lennart Persson: Then, it is a mix impact.

Oskar Lindstrom: OK, thank you. I don't know if you care to comment on the deterioration in operating profit in Vinda. They mentioned higher advertising and promotion expenses during the quarter due to increasing competition, and increasing investments in growth. Is this something – a margin level that you think we should continue to expect, or a trend even that we should continue to expect?

Jan Johansson: If you look at their comments, I think the two major parts were currency and –

Lennart Persson: Depreciation.

Jan Johansson: Depreciation, sorry.

Lennart Persson: Due to they added a lot of capacity during last year.

Jan Johansson: But if you look at the price power, I think they've been able to increase prices during the quarter. We, of course, have to scrutinize the cost increases and make sure that we balance the margin with an advertising efforts they have.

Oskar Lindstrom: Right.

Lennart Persson: They have also an impact of the weakening Chinese currency.

Jan Johansson: Yes. They had a Board meeting 2 o'clock this night; Lennart and I didn't participate.
Oskar Lindstrom: I just wondered if you had – you were the closest at hand to ask about comments on that.

And my final question regards the land swaps in forest products. We've had them now for a couple of quarters. Should we see that as a recurring income for you for that division? Or is it something that –?

Jan Johansson: No, not really. There will be an end, of course. But you will see, or you may see more, but it's not forever.

Oskar Lindstrom: Have you made any that will impact Q2?

Jan Johansson: It's too early to comment on that.

Oskar Lindstrom: Could they ever be negative?

Jan Johansson: I don't think we'll do any negative. No.

Oskar Lindstrom: Just a question.

Jan Johansson: Then we wouldn't do them.

Oskar Lindstrom: OK, super. Thank you very much.

Mikael Jåfs: Mikael Jåfs, Kepler Cheuvreux. Could you say a couple of words on how you see the raw material costs developing, going forward?

Jan Johansson: If you look overall, there will be ups and downs. If you take pulp, for example, you might see some increase in long fiber, but then short fiber will decrease. So I think, all in all, it will be quite flattish on the pulp side.

Personal care side may be slightly up on oil-based materials, and fluff pulp, but we are talking zero point something. So we don't expect any – flattish, I would say.
Mikael Jåfs: OK, thank you. And then a second question: could you talk a little bit about what we should expect in terms of CAPEX for the year, and how you see growth investments, acquisitions. What should we expect?

Jan Johansson: When it comes to normal CAPEX, I think we communicated, Lennart, it will be in line with what we had last year?

Lennart Persson: Yes.

Jan Johansson: And we don't see any reason to change that. And acquisition is of course acquisition, and that's a different thing.

Mikael Jåfs: Yes, OK. Thank you. And then a last question. The tax rate was 26 percent, is that what we should expect for the full year?

Lennart Persson: Yes, 26 percent, 27 percent.

Mikael Jåfs: Perfect, thanks.

Josephine Edwall: OK, any more questions from the floor? Stellan, please.

Stellan Hellstrom: Just to follow up on the – you mentioned that you walked away from a private label contract in European tissue, and just maybe you can say if that's a significant effect on volumes.

Jan Johansson: It's not significant, but it had slightly below 2 percent impact on sales.

Stellan Hellstrom: OK. And do you expect to get another contract to replace that? Or how do you see that?

Jan Johansson: Yes, of course. That's our ambition. Or since we manage our mother real business in a slightly different way than we use, we can actually make some good margins on that business.
Stellan Hellstrom: Thanks.

Josephine Edwall: OK, let's open up for the questions from the telephone. Operator, do we have any questions from the telephone?

Operator: Thank you. Ladies and gentlemen, if you would like to ask a question please press star then the number one key on your touchtone telephone. If your question is answered or you wish to remove yourself from the queue you may press the pound key and we will wait just a moment for anyone to queue.. And our first question comes from the line of Kartik Swaminathan with Bank of America Merrill Lynch.

Kartik Swaminathan: I had two questions, if I may. The first was just to collate all the information that we've just heard on Vinda. I apologize, but I couldn't quite hear exactly what questions were being asked on the ground there in Sweden, so apologies if you're repeating some of the information. But if we could just understand what was driving the weakness in margin in Vinda, and some level of clarity with regards to marketing spend and competition would be useful?

And then my second reason was I think you mentioned there were various reasons as to why the kraftliner price wasn't actually fully increasing from April 1, and if you could elaborate on that, please.

Jan Johansson: Well, when it comes to Vinda, of course, it's a listed company, so you would have to ask the management of Vinda of any questions going deeper than you can read from the report. But if you read from the report, it was mainly depreciation and currency that reduced the margin.

And still have a reasonably good growth of 9 percent during the quarter. So that's as far as I can comment Vinda's results.

When it comes to kraftliner, I think we went out as number two in the market to increase prices. And the reason it didn't really stick was probably because some of the major competitors decided not to increase prices at that time. But looking at the market balance today and the inventory levels, we believe that
there is a good possibility and really fair reasons to increase the price of kraftliner.

And also, of course, you always have to look at the difference between testliner and kraftliner prices, because they tend to keep together, and that's also supporting a price increase in kraftliner.

Kartik Swaminathan: OK, thank you. And just to follow up on the first question, you don't have any overlapping businesses with respect to Everbeauty that will allow you to make a comment on market conditions in China?

Jan Johansson: In what respect? I missed –

Kartik Swaminathan: Competition. Has it increased? How is pricing faring amongst what you're seeing on the ground, with respect to retailers and discounting?

Jan Johansson: If you look at the growth, the retail business in China, it's still in double-digits. It's slightly lower than last year, but still double-digits. It's actually higher growth there than you see in the GDP overall in China.

Competition on the high end of products in personal care, in particularly in baby side, has increased by Japanese companies; then we talk the very premium products.

Tissue side, I don't see any increased competition. It's the same as previously.

Incontinence, the same: no increase in competition. But you see a slightly increase in baby side on the very premium side.

Kartik Swaminathan: Just a – one last very quick follow up. With respect to the high-end products in personal care, and your Japanese competitors increasing the heat there, do you feel this is a temporary effect and something that will be absorbed within the quarter? Or is this any kind of structural change in behavior?
Jan Johansson: I think it is a surprise to many of us that this super-premium segment is growing as fast as it is. We are not in that segment yet in China. But normally would have guessed it would be 3 percent, 4 percent, 5 percent, but now it's almost up to 15 percent. So, of course, it's becoming an interesting segment for many player.

And this is a segment also above Procter, and above Kimberly-Clark, so you only find the Japanese player in the segment.

Will it have any impact on the broad mass of consumers? No, not really. But a growing interesting segment of the Chinese market.

And can also see a similar situation in Russia, where the super-premium is growing. So, obviously, we will have a product in that segment also, going forward.

Kartik Swaminathan: Thank you.

Josephine Edwall: Operator, next telephone question, please.

Operator: And our next question in the queue comes from the line of Iain Simpson.

Iain Simpson: Just a couple of questions from me. When you say that you've restructured your distribution network in Italy, if I heard you correctly, on diapers, and that hurt sales, I'm slightly puzzled as to how that could be, as I would have thought the inventory coming out of the old distributor would be offset by the inventory going into the new distributor for net no change. Or if there's a phasing issue, does that mean that we should expect to see stock build in Q2?

And then just carrying on that theme, this is the second quarter in a row where we've had some issues around stock movements and distribution inventory changes impacting your top line. Are you able to give us any comfort that this won't happen again next quarter, as it were?

And then just lastly, housekeeping. For incontinence, can you give us an
indication as to how much your incontinence lines would have grown by, on a constant currency basis, ex the impact in Russia from the reduction in subsidy? Thank you very much.

Jan Johansson: When it comes to Italy, it was not only the baby; it was also incontinence, and small part of consumer business.

And it's very simple: it's a phasing, one-off. We took over the sales ourselves, and then we took back the inventories from the distributor. And this will be much more efficient, to a much lower cost, and it will certainly improve the profitability and the growth of the business. So it's a perfectly normal investment, to improve a business.

And I feel quite confident that at least in Europe you will not see any more of this. And we have done it in China already. We don't have any problem in South East Asia, Latin America. So my forecast on that: that it will not happen, at least not this year. Then, of course, we have to look at our business all the time to see if we can improve it.

Constant growth rate, Lennart, I don't have that in my hand. Do we have that? It's around 5.

Lennart Persson: We have said 5 percent to 7 percent.

Jan Johansson: 5 percent to 7 percent.

Lennart Persson: And a higher one on the inco.

Jan Johansson: Last year, we had a growth of 4 percent in Europe. And this quarter, of course, it was due to Russia. It was – and the in restructuring Italy was less. And the emerging markets, overall, we had 6 percent growth. So I would – you would put yourself in the level of 5 percent to 7 percent.

Iain Simpson: Sorry, just to clarify, that's 5 percent to 7 percent for incontinence, ex-Russia?
Jan Johansson: Including Russia.

Iain Simpson: And what would it have been, ex-Russia?

Jan Johansson: I don't have that. Russia was also once-off. When they cut the subsidies by 30 percent overnight, of course, it hit – it didn't hit of the 30 percent. But now the business is back on track again, and we are growing very good in Russia in all our categories.

Iain Simpson: Thank you.

Josephine Edwall: And next telephone question, please, operator.

Operator: And our next question in the queue comes from the line of William Houston.

William Houston: Redburn. Quick two comments – sorry, two questions, please, if I may. The first on the Australian joint venture and the restructuring impact that you've seen there: just on how you'd expect the associate line to develop over the next couple of quarters, please. And also, if you can make any comments on the proposed – or the potential plans to IPO that business.

And the second one, just a point of clarification on the impact of walking away from that private label contract in tissue. Was that a 2 percent volume impact specifically in this quarter? Or was that a 2 percent volume impact on an ongoing basis, please?

Jan Johansson: It was less than 2 percent impact in volume in Europe. In the Group, it – the volume was – or the sales was flattish.

The impact on margin was actually a positive since it was very low margins from this contract.

William Houston: So, sorry, do – could you just clarify, for the tissue division as a whole, what is the impact from exiting that business in terms of volume in the quarter,
Jan Johansson: 2 percent in Europe of the totality. Can you calculate that, Johan?

William Houston: So 2 percent in Europe for tissue?

Jan Johansson: Europe. And Europe is –

William Houston: About two-thirds of the business?

Jan Johansson: We have 29 percent in emerging markets now, so –

William Houston: Yes. OK.

Jan Johansson: Yes. What was the second?

William Houston: Just on the associate line, please.

Lennart Persson: Yes, we can say, if you look at the result for the first quarter this year, we had some refinancing costs that brought down our share in earnings.

On EBIT level, it is quite stable, and it could develop for time being.

William Houston: And so in terms of the associate line, how would you expect that to develop, please?

Lennart Persson: Pardon? The question?

Jan Johansson: Associates.

Lennart Persson: OK. I mean it will come back. Of course, it was negative this quarter, but of course it will be a positive, because the EBIT portion is quite good.

William Houston: OK. Thank you.
Jan Johansson: And was there a question on the process, also?

William Houston: Yes, on the potential IPO process.

Jan Johansson: We are continuing that process, and are still investigating the possibility to IPO the Company. So far, it looks quite possible.

William Houston: Perfect. Thanks very much.

Josephine Edwall: Any final questions from the telephone, operator?

Operator: And our next question in the queue comes from the line of Barry Dixon.

Barry Dixon: I don't know if this has been asked, because my line lost connection. In terms of the kraftliner price increase, has any of that gone through from April 1?

And the second part of that is have you seen any pressure from US imports as being one of the reasons why that increase may not have been fully implemented? Thank you.

Jan Johansson: We did not see any impact of the price increase in Q1. But, as I said, we feel quite optimistic that we will have price increases Q2, Q3. Have been some volume coming from the US, but not really impacting the market in this respect.

Operator: And our next question in the queue comes from the line of Chas Manso.

Chas Manso: In your deviation analysis, the other figure is negative SEK 61 million for the Group, and I understand that all your cost savings are put in there. Could you take us through the other key variables in that part of the deviation analysis: why it's come out as a negative?

The second question, and it may even be related to the first, the A&P to sales in this quarter, could you give us a sense of what's happened there? I think last time round you were saying that for the full year you expected A&P to
sales for the full year to be broadly stable. Was that the case in this quarter? And if not, should we expect a decline in the quarters to come?

And then the third question is on market growth, really, in your hygiene businesses. Have there been any slowdowns in market growth in those that we should be aware of? And perhaps comment on market share changes, as well. Thank you.

Jan Johansson: If I start with the two latest, when it comes to A&P, the deviation is 1/10 of a percentage between the different quarters; and the same going forward, so I would like to call it flattish. So that's what you would expect.

We don't really see any weakness of growth in emerging markets. And we continue to gain market shares in part of Latin America, and also in South East Asia, and Russia. After the dip we had now with the inco, we are back on track with the growth. We actually grew 16 percent in tissue in Russia during Q1. So from that perspective, Russia is a good country for us to be in. On the other hand, you have the currency, which is 16 percent to EUR that is impacting it negatively.

So we keep our market share, we are gaining it; and still good growth in emerging markets.

Lennart?

Lennart Persson: Yes, when it comes to the cost deviation in others, we are not giving you a break up of that. But what I can mention is that, as Jan mentioned, the impact of the divestment, for example, SEK 110 million, is included there as well. So minus SEK 61 million is the total there, as a deviation.

Chas Manso: OK. But you have a line for currency, which is quite small at 24. Do we take that just to be the translation impact and there's a substantial transactional impact that's embedded in the other line?
Jan Johansson: That's true; it's only translation, so transaction is missing in that analysis. And as I said with the currency, we think the Brazilian currency went down with 18 percent; and if you buy your raw material in dollars then, of course, it will have a transaction impact also.

Chas Manso: Thank you.

Josephine Edwall: So, Jan, any final comments, before we conclude?

Jan Johansson: We summarize Q1, I think it was in line with our expectations, with maybe two exceptions; one was the winter in US, and the other was the weakness of the currencies in some of our emerging markets.

We are putting ourselves, I think, in a very good position with new products coming out in our categories; updates in most of the important parts of the personal care; good competitive position in tissue in Europe; and also, the sawmills is going better. And we certainly will do our utmost to get the price increases in kraftliner during the rest of the year. So from that perspective, I think we look slightly positive to the development.

Thank you very much.

END