Magnus Groth
President and CEO
Summary Q1 2015

- Good organic growth in sales and operating profit
- Strong growth in emerging markets
- Strong cash flow
- Higher sales and profits in all business areas
- Continued work with efficiency
- Introduced 11 innovations and product launches
  - Edet, Nosotras, Plenty, Tork and Zewa
### Group
#### Q1 2015 vs. Q1 2014

<table>
<thead>
<tr>
<th>Category</th>
<th>2015</th>
<th>Change</th>
<th>2014</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sales</td>
<td>SEK 27,958m</td>
<td>+15%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Organic Sales Growth</td>
<td>+6%</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Operating Profit*</td>
<td>SEK 2,872m</td>
<td>+6%**</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Operating Margin*</td>
<td>10.3%</td>
<td>+10 bp***</td>
<td></td>
<td></td>
</tr>
<tr>
<td>EPS</td>
<td>SEK 2.43</td>
<td>+15%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Operating Cash Flow</td>
<td>SEK 1,960m</td>
<td>+37%</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

* Excluding items affecting comparability
** Excluding items affecting comparability, gains on forest swaps of SEK 0m (152) before tax and currency translation effects
*** Excluding items affecting comparability and gains on forest swaps of SEK 0m (152) before tax
Strategic Priorities

EFFICIENCY

INNOVATION

GROWTH

INCREASING EFFICIENCY IN THE VALUE CHAIN
Innovations and Product Launches
Q1 2015

Tork Industrial Low-Lint Cleaning Cloth
- For sensitive surfaces and industrial cleaning & technical tasks that need pristine results
- Antistatic, perfect for more technical tasks
- Works well with solvents, detergents and disinfectants

Nosotras Frescura Extrema
- Range of hygiene products which give women an extra kick of hygiene and freshness feeling during the day

Plenty Schoonmaak Doekjes
- Hygienic & useful for tougher cleaning tasks
- Thanks to its Power Dots technology, it delivers the superior strength of a cloth combined with the absorbency and convenience of Plenty kitchen roll

Edet Ultra Soft, Zewa Deluxe
- Softness increase
- Bulk increase
- New absorbing cushions embossing design
Fredrik Rystedt
CFO
**Net Sales**

Q1 2015 vs. Q1 2014

- **Net sales Q1 2014**: SEK 24,234m
- **Net sales Q1 2015**: SEK 27,958m

Organic sales growth 6%
- Price/Mix +2%
- Volume +4%

**April 30, 2015**

Interim Report Q1 2015
Group

Organic Sales Growth Q1 2015 vs. Q1 2014

By region

- **Mature markets**
  - Western Europe
    - Strong growth for baby diapers and feminine care
    - Good growth for incontinence products
    - Higher sales for consumer tissue
    - Lower sales for AfH tissue
  - North America
    - Strong growth for AfH tissue
    - Lower sales for incontinence products

- **Emerging markets**
  - Strong growth in emerging markets
    - Personal Care
      - Latin America +15%
      - Russia +27%
    - Tissue
      - Asia +19%
      - Latin America +9%
      - Russia +15%
Operating Profit* – Group
Q1 2015 vs. Q1 2014

* Excluding items affecting comparability and including gains on forest swaps of SEK 0m (152) before tax
** Other includes gains on forest swaps of SEK -152m
# Cash Flow

## Q1 2015 vs. Q1 2014

<table>
<thead>
<tr>
<th></th>
<th>Q1 2015 SEKm</th>
<th>Q1 2014 SEKm</th>
</tr>
</thead>
<tbody>
<tr>
<td>Operating cash surplus</td>
<td>4,118</td>
<td>3,569</td>
</tr>
<tr>
<td>Change in working capital</td>
<td>-1,028</td>
<td>-1,141</td>
</tr>
<tr>
<td>Restructuring costs, etc</td>
<td>-227</td>
<td>-230</td>
</tr>
<tr>
<td>Capital expenditures (including strategic)</td>
<td>-1,347</td>
<td>-1,275</td>
</tr>
<tr>
<td><strong>Operating cash flow including strategic capital expenditures</strong></td>
<td><strong>1,516</strong></td>
<td><strong>923</strong></td>
</tr>
</tbody>
</table>
Magnus Groth
President and CEO
Sales growth 15%

Organic sales growth 6%
- Price/mix +2%
- Volume +4%
- Strong growth in emerging markets
- Strong growth for baby diapers and feminine care

Operating profit increased 6%*
- Higher volumes
- Better price/mix
- Cost savings
- Higher raw material costs due to higher pulp prices and a stronger USD
- Investments in increased marketing activities for incontinence products and in India

Operating margin 10.4%*

ROCE** 26.1%
Tissue
Q1 2015 vs Q1 2014

- **Sales growth 18%**
- **Organic sales growth 5%**
  - Price/mix +1%
  - Volume +4%
  - Strong growth in emerging markets
  - Strong growth for consumer tissue
- **Operating profit increased 12%***
  - Higher volumes
  - Better price/mix
  - Cost savings
  - Higher raw material costs mainly due to a stronger USD
- **Operating margin 10.1%***
- **ROCE** **12.5%**

### Net Sales

<table>
<thead>
<tr>
<th></th>
<th>Q1 2014</th>
<th>Q1 2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sales</td>
<td>SEK 13,116m</td>
<td>SEK 15,435m</td>
</tr>
</tbody>
</table>

### Operating Profit*

<table>
<thead>
<tr>
<th></th>
<th>Q1 2014</th>
<th>Q1 2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Profit</td>
<td>SEK 1,393m</td>
<td>SEK 1,556m</td>
</tr>
</tbody>
</table>

### Operating Margin*

<table>
<thead>
<tr>
<th></th>
<th>Q1 2014</th>
<th>Q1 2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Margin</td>
<td>10.6%</td>
<td>10.1%</td>
</tr>
</tbody>
</table>

### Organic Sales Growth by Region

- Total: +5%
- Mature Markets: +2%
- Emerging Markets: +14%

### Organic Sales Growth by Product Segment

- Total: +5%
- Consumer Tissue: +7%
- AfH Tissue: +2%

% of Tissue Sales: 68% Mature Markets, 32% Emerging Markets, 65% Consumer Tissue, 35% AfH Tissue

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* Excluding items affecting comparability
** Return on capital employed excluding items affecting comparability
Sales growth 8%
- Price/mix +5%
- Volume +1%
- Currency +2%
- Strong growth for kraftliner and pulp

Operating profit increased 56%*
- Higher prices (including exchange rate effects)
- Lower energy costs
- Cost savings

Operating margin 15.7%*

ROCE** 6.8%

* Excluding items affecting comparability and gains on forest swaps of SEK 0m (152) before tax
** Return on capital employed excluding items affecting comparability
Q1 2015

Summary

- Good organic growth in sales and operating profit
- Strong growth in emerging markets
- Strong cash flow
- Higher sales and profits in all business areas

Global Environment

- Low growth in mature markets and good growth in emerging markets for hygiene products
- FX headwinds due to stronger USD
- Competitive market environment
Q&A