

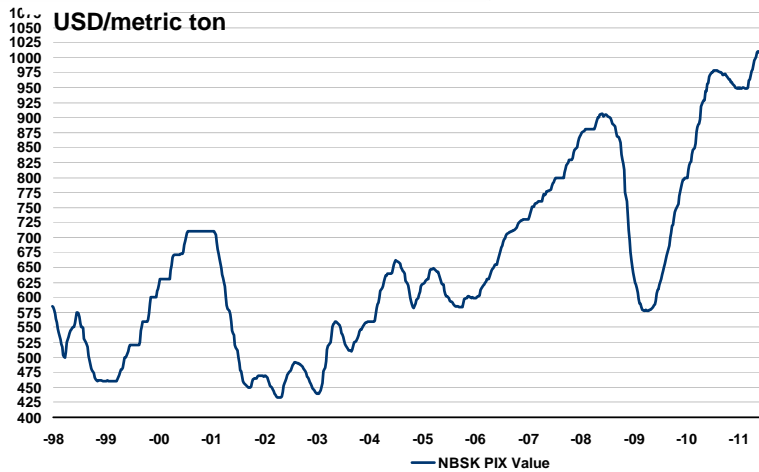
# Interim Report

1 January – 30 June 2011

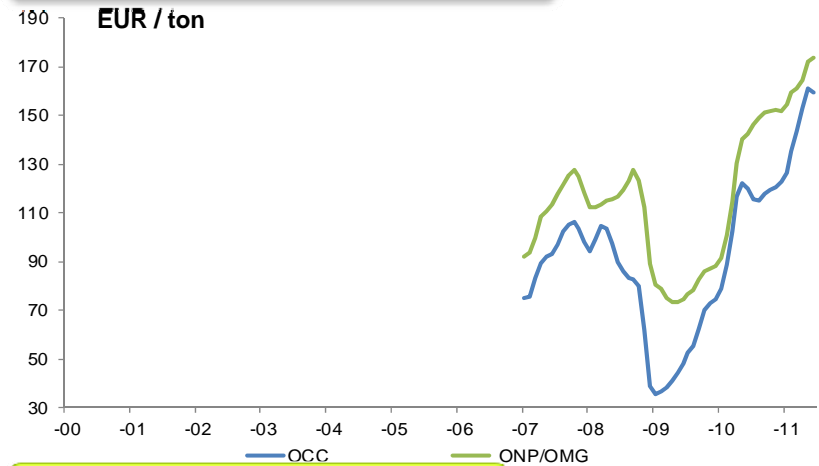


# Increased raw material prices

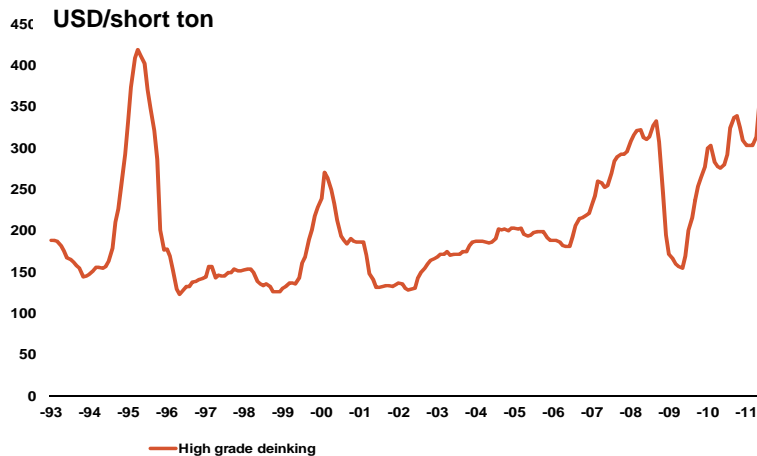
## NBSK pulp



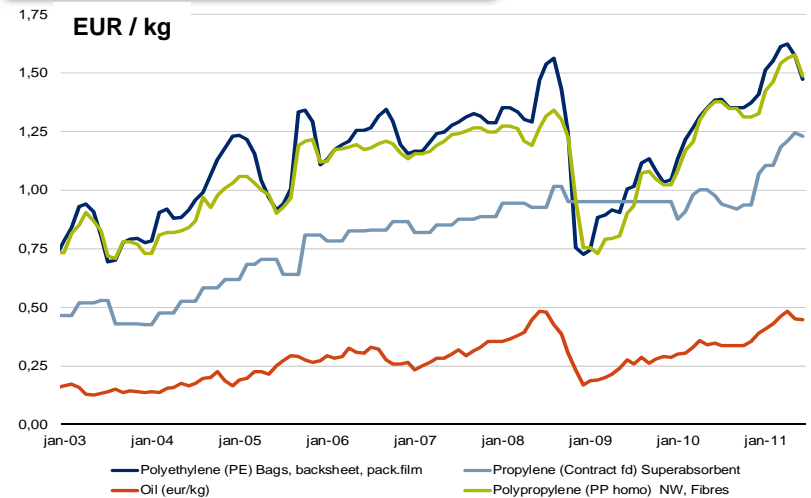
## Recovered paper - Europe



## Recovered paper - US



## Oil based material



# Summary – H1 2011 vs H1 2010

- Sales increased 5%\*
  - Hygiene business
    - ◆ Higher volumes
    - ◆ Good growth in emerging markets
      - Personal care, 9%\*\*
      - Tissue, 9%\*\*
  - Packaging and Forest Products
    - ◆ Packaging volumes increased 2%
      - Corrugated volumes decreased 2%
      - Corrugated prices increased 13%
    - ◆ Publication paper volumes decreased 1%
    - ◆ Solid-wood product volumes increased 16%
- EBIT increased 1%\*\*\*
  - Higher prices and volumes
  - Cost savings
  - Significantly higher raw material costs, SEK 2.1bn
  - Higher distribution costs
  - Negative currency impact, SEK 600m
- Profit before tax decreased 1%\*\*\*
- Cash flow from current operations: SEK 1,840m

\* Adjusted for exchange rate movements and divestments

\*\* Adjusted for exchange rate movements

\*\*\* Excluding restructuring costs and adjusted for exchange rate movements



# Summary - Q2 2011 vs Q2 2010

- Sales increased 6%\*
  - Hygiene business
    - ◆ Higher volumes
    - ◆ Good growth in emerging markets
      - Personal care, 11%\*
      - Tissue, 9%\*
  - Packaging and Forest Products
    - ◆ Packaging volumes flat
      - Corrugated volumes decreased 3%
      - Corrugated prices increased 12%
    - ◆ Publication paper volumes increased 4%
    - ◆ Solid-wood product volumes increased 19%
- EBIT decreased 7%\*\*
  - Higher prices and volumes
  - Cost savings
  - Significantly higher raw material costs, SEK 900m
  - Higher distribution costs
  - Negative currency impact, SEK 300m
- Profit before tax decreased 10%\*\*
- Cash flow from current operations: SEK 1,487m

\* Adjusted for exchange rate movements

\*\* Excluding restructuring costs and adjusted for exchange rate movements



# H1 2011 results

## SEK millions

unless otherwise stated

	H1 2011	H1 2010	Change, %	Change, %**
Net sales	52,064	53,266	-2	5***
EBIT*	4,262	4,467	-5	1
EBIT margin* (%)	8.2	8.4		
Profit before tax*	3,683	3,944	-7	-1
Earnings per share (SEK)	3.85	3.57	8	13
Cash flow from current operations	1,840	2,816		
Debt/Equity ratio	0.55	0.62		



\* Adjusted for restructuring costs in 2010

\*\* Adjusted for exchange rate movements

\*\*\* Adjusted for exchange rate movements and divestments

# Q2 2011 results

<b>SEK millions</b>	<b>Q2</b>	<b>Q2</b>	<b>Change, Change,</b>	
unless otherwise stated	<b>2011</b>	<b>2010</b>	<b>%</b>	<b>%**</b>
Net sales	26,671	27,067	-1	6
EBIT*	2,150	2,440	-12	-7
EBIT margin* (%)	8.1	9.0		
Profit before tax*	1,873	2,196	-15	-10
Earnings per share (SEK)	1.96	2.04	-4	+1
Cash flow from current operations	1,487	1,668		

\* Adjusted for restructuring costs in 2010

\*\* Adjusted for exchange rate movements



# Q2 2011 vs. Q1 2011

## Summary



### ■ Group

- ◆ Sales increased 5%
  - ◆ Higher volumes and prices
- ◆ EBIT increased 2%
  - ◆ Higher volumes and prices
  - ◆ Higher raw material costs
- ◆ Profit before tax increased 3%

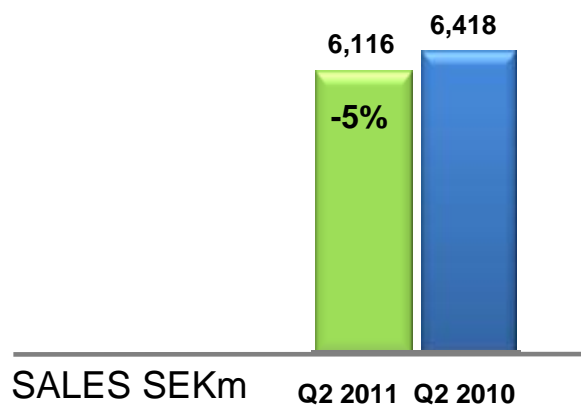
### ■ Business areas

- ◆ Personal Care, EBIT flat
  - ◆ Higher volumes
  - ◆ Higher raw material costs
- ◆ Tissue, EBIT increased 7%
  - ◆ Higher volumes
- ◆ Packaging, EBIT decreased 3%
  - ◆ Higher prices
  - ◆ Higher volumes
  - ◆ Higher raw material costs
- ◆ Forest Products, EBIT increased 7%
  - ◆ Lower raw material costs



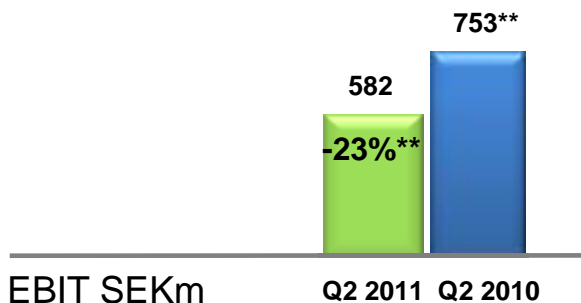
# Personal Care

Q2 2011 vs Q2 2010



## ■ Sales decreased by 5% (+4%\*)

- ◆ Incontinence care increased 2%\*
- ◆ Baby diapers increased 8%\*
- ◆ Feminine care increased 1%\*
- ◆ Emerging markets 11%\*
  - Incontinence care 5%\*
  - Baby diapers 20%\*
  - Feminine care 2%\*



## ■ EBIT decreased by 23%\*\* (-18%\*\*\*)

- ◆ Higher volumes
- ◆ Cost savings
- ◆ Significantly higher raw material costs

EBIT margin      9.5%   11.7%\*\*

\* Excluding exchange rate effects

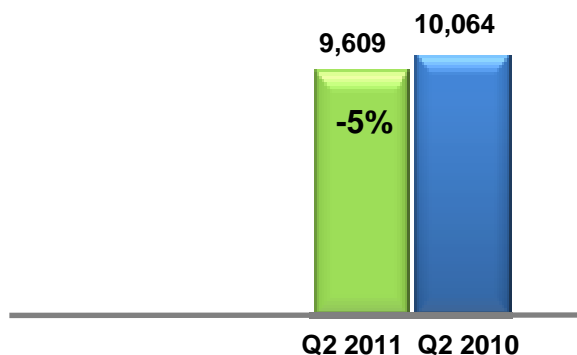
\*\* Excluding restructuring costs

\*\*\* Excluding restructuring costs and exchange rate effects



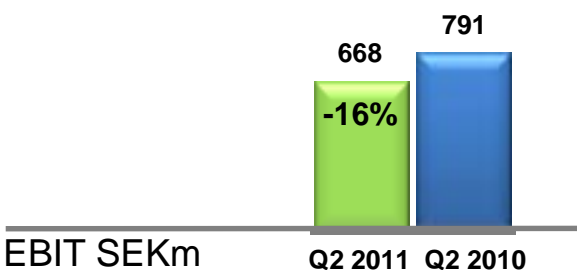
# Tissue

Q2 2011 vs Q2 2010



## ■ Sales decreased by 5% (+4%\*)

- ◆ Consumer tissue increased 4%\*
- ◆ AFH tissue increased 6%\*
- ◆ Emerging markets 9%\*
  - Consumer tissue 8%\*
  - AFH tissue 11%\*



## ■ EBIT decreased by 16% (-8%\*)

- ◆ Higher prices
- ◆ Changed product mix
- ◆ Higher volumes
- ◆ Higher raw material, energy and distribution costs

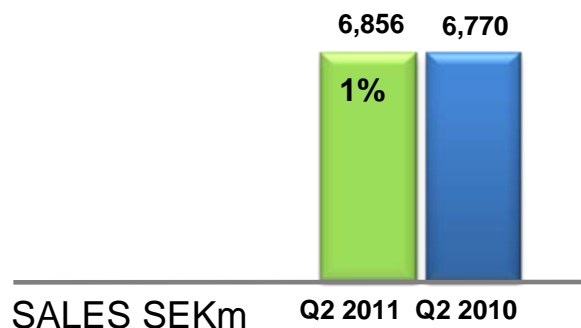


EBIT margin      7.0%    7.9%

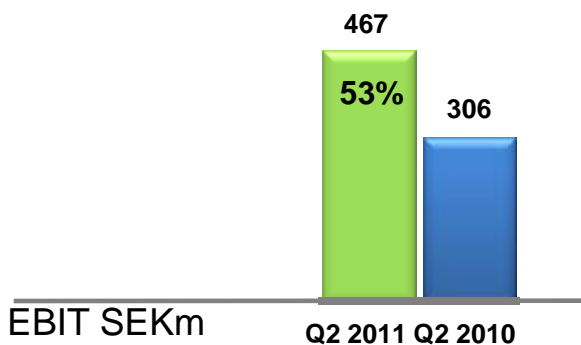
\* Excluding exchange rate effects

# Packaging

Q2 2011 vs Q2 2010



- **Sales increased by 1% (+11%\*)**
  - ◆ Higher prices
  - ◆ Lower volumes due to divestments



- **EBIT increased 53% (62%\*\*)**
  - ◆ Higher prices and volumes
  - ◆ Cost savings
  - ◆ Higher raw material costs, SEK 500m
  - ◆ Negative currency impact

EBIT margin      6.8%   4.5%

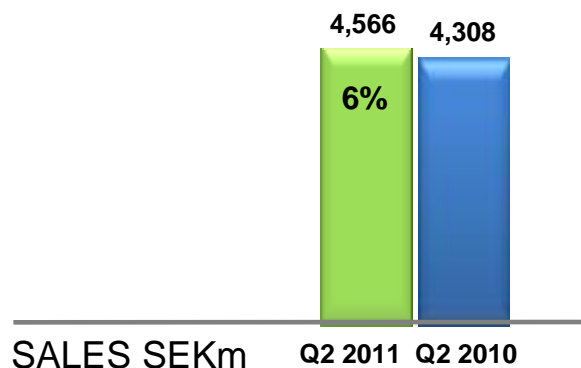


\* Excluding exchange rate effects and divestments

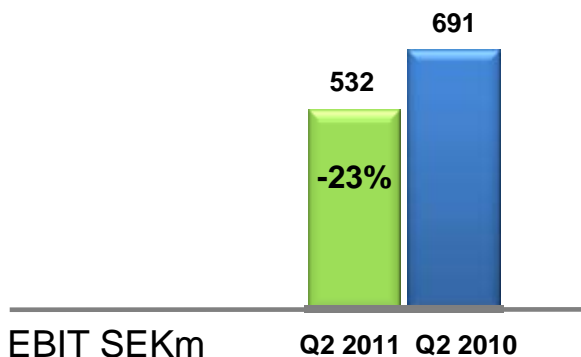
\*\* Excluding exchange rate effects

# Forest Products

Q2 2011 vs Q2 2010



- **Sales increased by 6%(8%\*)**
  - ◆ Higher prices for publication papers and pulp
  - ◆ Higher volumes
- **EBIT decreased by 23%**
  - ◆ Higher raw material and energy costs
  - ◆ Negative currency impact



EBIT margin 11.7% 16.0%



\* Excluding exchange rate effects

# Outlook 2011

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- Good demand for all businesses
- Good growth in Emerging markets for Hygiene businesses
- Continued high raw material costs
- Increasing corrugated prices
- Price increases for Personal Care, Tissue and publication papers during H2



# Q & A

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*c/o Life* Because our products make life easier for you and for millions of people around the world. Because our resources and the way we work are natural parts of the global lifecycle. And because we care.

