

INFORMATION

SVENSKA CELLULOSA AKTIEBOLAGET SCA (publ)
Corporate Communications
Box 7827, SE-103 97 STOCKHOLM, Sweden
Tel 0046 8 788 51 00. Fax 0046 8 678 81 30
www.sca.se



Interim Report 1 January - 31 March 2000

	00:1	99:1	99:4
Net sales, SEK M	15,992	16,242 ¹	15,662
Earnings after financial items, SEK M	1,670	1,128	1,711
Earnings per share, SEK ²	4.79	3.55	5.10
Earnings per share excl. goodwill amortization, SEK ²	5.53	4.20	5.94
Cash flow from current operations per share, SEK ²	3.79	4.01	11.16

¹ Including net sales in SCA's former fine paper operations.
² Adjusted historically to reflect new issue.

- Earnings after financial items rose 48%, compared with the year-earlier.
- Operating profit rose 57% for Packaging, 33% for Forest Products and 9% for Hygiene Products.
- Operating cash surplus improved to 18% (16) of net sales.

FIRST QUARTER 2000 COMPARED WITH FOURTH QUARTER 1999

- Despite sharply rising raw material and energy prices, a moderate quarter in terms of volume and a strong Swedish krona, earnings after financial items, as a result of price increases and productivity gains, were only marginally lower.
- Price increases in Hygiene Products and Packaging are beginning to yield increasingly improved effects.

NET SALES AND EARNINGS

Continued strong global economic growth, with rising industrial production and increased private consumption, contributed to favorable demand for paper during the first quarter and increased fiber consumption in all parts of the world. In Europe, the weak euro has resulted in increased export demands for paper and packaged goods. Combined with a strong demand situation, the weak euro resulted in rapidly rising costs for recycled paper and for dollar-based raw materials such as market pulp and oil. The pulp price expressed in euro has risen by about 60% since the first quarter of 1999 while the price of, for example, brown recovered paper in Germany nearly rose fivefold. Since year-end, the price increase for pulp is 16% and the recovered paper price in Germany has doubled.

Consolidated net sales amounted to SEK 15,992 M (16,242), a decline of 2% compared with the year-earlier period. Adjusted for the effect of the fine paper operations, which were included in the first quarter of the preceding year, net sales by the Group's core operations increased 17%. Acquisitions accounted for 9 percentage points and organic growth accounted for 8 percentage points. Packaging operations showed the largest increase in net sales, but Hygiene Products and Forest Products also reported substantial gains. The increase in net sales by Hygiene Products was primarily attributable to company acquisitions, while about half of the increase in Packaging's net sales was attributable to acquired companies. Exchange rate movements reduced the Group's net sales by about 2%.

Group operating profit amounted to SEK 1,951 M (1,454), an increase of 34% compared with the year-earlier period. Currency movements had marginal negative effects on earnings. All business areas reported improved operating profits. The operating profit for Hygiene Products amounted to SEK 673 M (615), an increase of 9%. Packaging reported operating profit of SEK 665 M (424), an increase of 57%, and operating profit by Forest Products rose 33% to SEK 607 M (458). Operating profit attributable to SCA's ownership share in Modo Paper amounted to SEK 258 M, which was more than twice as high as operating profit reported last year for SCA's former fine paper operations, which totaled SEK 108 M.

Financial items amounted to an expense of SEK 281 M (expense: 326). The improvement was attributable to lower interest rates.

Group earnings after financial items amounted to SEK 1,670 M (1,128), an improvement of 48% compared with the first quarter of 1999.

Net earnings after tax totaled SEK 1,109 M (746). Earnings per share after full tax and full dilution amounted to SEK 4.79 (3.55), an improvement of 35%. Earnings per share, after full tax and dilution, excluding goodwill amortization, amounted to SEK 5.53 (4.20). The lower increase in earnings per share than earnings after tax is attributable to the effect of the new issue in 1999.

Return on shareholders' equity was 13% (11). The return on capital employed was 12% (11).

Comparisons with fourth quarter of 1999

The trend of rising prices for pulp and recovered paper during the fourth quarter of 1999 continued into 2000, with even sharper increases during the first quarter. To compensate for higher prices and sharply rising energy costs, all of SCA business areas pursued a highly active price policy. Despite a time displacement between higher raw material costs and adjustments in prices for end-products, earnings after financial items were only marginally lower. Negative effects on the operating margins of Hygiene Products and Packaging were limited to about 1 percentage point. Earnings for Forest Products were marginally lower while the share in earnings of the fine paper operations increased by 60%.

Net sales rose 2%. Negative effects of currency movements amounted to about 1%.

Operating profit was 4% lower.

Earnings after financial items were down 2%, about 1% of which was due to currency movements.

CASH FLOW

The operating cash surplus amounted to SEK 2,837 M (2,559), equal to 18% (16) of net sales.

Operating cash flow amounted to SEK 1,319 M (1,470). Working capital increased by SEK 1,105 M (559) during the period. This year, the seasonal increase in working capital was reinforced by an exceptionally low level of tied-up working capital, 10.3% of annual sales, at year-end. The low level was the result of very high deliveries in the fourth quarter, due to customer inventory needs prior to the millennium shift and expectations for price hikes. At the end of the quarter tied-up working capital amounted to 11.6% of annual sales, compared with 12.5%, adjusted for the fine paper operations, on the same date a year earlier. Current capital expenditures, net, totaled SEK 402 M (442).

Cash flow from current operations, that is before strategic investments and dividends, amounted to SEK 880 M (845), equal to SEK 3.79 (4.01) per share.

Company acquisitions, strategic capital investments in machinery and plant, as well as structural costs, totaled SEK 665 M (3,890). Strategic capital expenditures in machinery and plant amounted to SEK 469 M (543), mainly in Hygiene Products but also in Packaging.

Divested units amounted to SEK 30 M (30).

SEK M	0003	9903 ¹
Net sales	15,992	16,242
Operating cash surplus	2,837	2,559
<i>% of net sales</i>	18	16
Current capital expenditures, net	-402	-442
<i>% of net sales</i>	3	3
Changes in working capital	-1,105	-559
Other operating cash flow changes	-11	-88
Operating cash flow	1,319	1,470
Tax payment etc ²	-246	-288
Free cash flow	1,073	1,182
<i>per share, SEK</i>	4.63	5.61
Interest payment after taxes	-193	-337
Cash flow from current operations	880	845
<i>per share, SEK</i>	3.79	4.01
Strategic investments and divestments	-635	-3,860
Cash flow before dividend	245	-3,015

¹ Figures for 1999 adjusted to conform with cash flow statement adopted by SCA on July 1, 1999.

² Tax attributable to operating profit.

FINANCING

Net debt at the close of the period amounted to SEK 23,522 M, which was SEK 551 M lower than year-end 1999. The change reflects the net of cash flow from current operations amounting to SEK 880 M, net expenditures for strategic investments and divestments totaling SEK 635 M and positive effects of currency movements amounting to SEK 306 M.

The strengthening of the Swedish krona reduced equity by approximately SEK 360 M. The decline was caused by SCA's policy of hedging Group assets outside Sweden, which is based on the principle whereby currency movements should largely not affect the debt/equity ratio.

The debt/equity ratio amounted to 0.66 (0.91). The interest coverage multiple was 7.0 (4.5).

HYGIENE PRODUCTS BUSINESS AREA

Net sales amounted to SEK 7,402 M (6,609), an increase of 12% compared with the year-earlier period. Acquired companies accounted for most of the increase. Operating profit rose 9% to SEK 673 M (615). The improvement was attributable to acquisitions. The sharp increase in raw materials and energy costs, compared with the first quarter of 1999, was offset largely by higher prices, volume growth and productivity improvements.

The restructuring program for the business area's production plants is now virtually complete and the effects reflected in lower production costs are now successively yielding effects on earnings of the business area's operating units.

Volume growth compared with the first quarter of 1999 amounted to 12%, of which 9% was attributable to acquisitions. The institutional segment showed stronger organic growth, 6%, than the consumer products, 3%.

Despite higher sales prices, operating profit during the first quarter was down 10%, compared with the previous quarter, due to the sharp increase in raw materials and energy costs. The efforts to increase end-product prices are becoming increasingly successful, which will affect the remainder of the year. The margin decline during the first quarter was limited to an average of 1%, compared with the fourth quarter of 1999. The decline in consumer products was somewhat higher than in the institutional segment.

Tissue prices in the institutional market rose about 5% during the first quarter. Additional price increases have been announced for the second quarter. In the consumer segment, prices rose 3-5% in the Nordic region, France and the Iberian Peninsula. Price increases of 6-10% have been announced for the second quarter in Continental Europe and the U.K.

Consumer products

Earnings from consumer products increased 24% to SEK 311 M (250). Acquired companies accounted for the increase.

SCA's market shares for baby diapers and feminine hygiene products showed favorable development in key markets. Minor price adjustments were made during the first quarter, but competitive conditions have so far been a restraining factor in pricing policies.

Compared with the fourth quarter of 1999, earnings attributable to consumer products declined 18% due to sharply rising costs for raw materials and expenses incurred for advertising and promotion for

the launch of new tissue (TAD grade) and incontinence products. In addition, the higher sales prices did not totally offset the increase in costs for raw materials.

AFH and incontinence products

Operating profits attributable to AFH and incontinence products amounted to SEK 362 M (365), largely unchanged compared with the first quarter of 1999. Higher sales prices and volume growth compensated for the sharp increase in costs for raw materials.

Earnings during the first quarter were marginally lower than earnings reported in the fourth quarter of 1999. The decline was due to higher raw materials costs and lower volumes. Price increases have been announced for incontinence products, but implementation of the adjusted prices has been delayed due to long contract terms. Higher prices were introduced within AFH which, however, had a temporary restraining effect on volume development.

SEK M	00:1	99:1	99:4
Net sales	7,402	6,609	7,275
Operating surplus	1,036	905	1,117
Operating profit	673	615	747
Operating surplus margin, %	14	14	15
Operating margin, %	9	9	10
Volume growth, %			
Consumer products	4.3¹ 18.8²	1.6 ¹	8.3 ¹
AFH and incontinence products	1.6¹ 6.4²	2.0 ¹	3.2 ¹

¹ Compared with the immediately preceding quarter.

² Compared with corresponding period previous year.

PACKAGING BUSINESS AREA

Net sales for the period amounted to SEK 5,776 M (4,745), an increase of 22%, about half of which was attributable to acquired companies.

Operating profit amounted to SEK 665 M (424), an increase of 57%. Of the increase, acquired companies accounted for about 18 percentage points. Most of the remaining part of the improvement was attributable to liner operations and is a result of sharply higher sales prices.

Compared with the fourth quarter of 1999, operating profit was down 10%. The decline was due to weaker results from both liner and corrugated board operations. Within liner operations, higher volumes and increased prices for both kraftliner and testliner have not yet been fully able to compensate for the very sharp increase in raw material and energy costs. Corrugated board operations were able to offset most of the increase in raw material costs through higher prices for corrugated board products. However, volumes in certain market segments and regions, particularly Great Britain, were weak in the early part of year 2000.

Corrugated board packaging

The strong industrial economy, supported by strong domestic demand in Europe, high private consumption and increased exports, which are attributable in part to the weak euro, resulted in continued favorable demand for packaging materials. In the beginning of the year, total deliveries of corrugated board in Europe increased approximately 4%, compared with the weak (-2%) start in

1999. Exceptionally strong growth was noted on the European Continent, particularly in France, Italy and Spain, while the British market showed some decline. Prices were increased about 7% during the first quarter. Most of the higher paper prices from last autumn have now been offset by increased sales prices. Due to continued rising raw materials costs, additional price increases in the same range have been announced for the second quarter.

Containerboard

Deliveries of kraftliner by European producers rose more than 20% in January and February. Liner prices in the U.S. were increased by USD 55/ton during February and March. Prices in Europe for white grades were increased in March, followed in April by a price hike of about EUR 50/ton, equal to about 10%, for unbleached kraftliner. An additional price increase of EUR 50/ton for white grades has been announced for May.

Demand for test liner was exceptionally strong during the first quarter, stimulated by high consumption, kraftliner substitutions and stockpiling in anticipation of the 13% price adjustment, or EUR 50/ton, in March. Total inventory levels for liner products are low, but a major shift has been made from seller inventories, which have now reached record-low levels, to relatively well-stocked buyer inventories.

Recovered fiber prices increased dramatically toward the end of the first quarter. Full effects of these price adjustments will probably be noted during the second quarter.

SEK M	00:1	99:1	99:4
Net sales	5,776	4,745	5,587
Operating surplus	1,002	699	1,075
Operating profit	665	424	737
Operating surplus margin, %	17	15	19
Operating margin, %	12	9	13
Production			
Liner products, kton	647	550	620
Deliveries			
Liner products, kton	647	557	602
Corrugated board, Mm ²	920	823	908

FOREST PRODUCTS BUSINESS AREA

Net sales by the business area amounted to SEK 3,095 M (2,741), an increase of 13%. Operating profit rose to SEK 607 M (458), an increase of 33%. Compared with the fourth quarter of 1999, the operating profit was marginally lower.

Pulp, timber and solid wood products

Operating profit rose 88% to SEK 269 M (143). The improvement was attributable to a sharp increase in earnings from pulp operations due to higher sales prices.

Sawmill operations reported a modest improvement in earnings, compared with the year-ago period, as a result of higher prices and volumes and lower raw material prices. Excluding capital gains of

SEK 0 M (14), earnings from forestry operations were unchanged compared with the first quarter of 1999.

Compared with the fourth quarter of 1999, operating profit was down 3%. The decline reflected net effects of strong pulp operations, supported by the full impact of higher pulp prices and a seasonal decline in earnings from forestry operations.

Publication papers

Strong advertising trends and improved conditions in the publishing sector created strong underlying demand in the global market for publication papers. Deliveries of newsprint to the European market were up 6%. Demand for SC-paper increased 8% during the period, and deliveries of LWC-paper were up 17%. The order books are filled, and the industry's capacity utilization is high. Prices for newsprint and SC-paper remain unchanged, while price increases for LWC-paper were successfully introduced. Additional price increases for LWC-paper are expected in July.

Operating profit from publication paper operations was marginally higher than the corresponding period 1999, amounting to SEK 338 M (315), an increase of 7%. The increase was primarily attributable to improved volumes, which more than compensated for higher raw material costs.

First quarter earnings declined 3%, compared with the fourth quarter of 1999, due to marginally lower delivery volumes and higher pulp prices.

SEK M	00:1	99:1	99:4
Net sales	3,095	2,741	3,087
Operating surplus	869	709	896
Operating profit	607	458	625
Operating surplus margin, %	28	26	29
Operating margin, %	20	17	20
Production			
Publication paper, kton	319	302	318
Solid wood products, km ³	170	146	212
Deliveries			
Publication paper, kton	311	290	337
Solid wood products, km ³	184	142	200

MODO PAPER AB

As a result of favorable market conditions characterized by volume growth and rising prices, combined with synergy benefits in the new company, SCA's share in earnings of Modo Paper during the first quarter amounted to SEK 218 M, compared with SEK 136 M in the fourth quarter of 1999. SCA's share of Modo Paper's operating profit was SEK 258 M, compared with operating profit of SEK 108 M from SCA's original fine paper operations in the year-earlier period.

For more detailed information, reference is made to Modo Paper's interim report, which will be released on May 2, 2000.

PERSONNEL

The number of SCA Group employees at the close of the period was 33,518 (34,554). The change reflects a net of company acquisitions and separation of the fine paper operations.

MARKET OUTLOOK

Growth remains strong in both the European and American economies, and demand for SCA Group products is expected to remain favorable during the year.

Continued rising prices for recycled fiber and pulp could temporarily result in a certain pressure on margins in the hygiene products and packaging areas. Concurrently, however, it appears that price hikes at the end of the chain are gaining ever-increasing success. The current trend of raw material costs is a clearly speculative element that most likely will be corrected with a decline in transfers of inventories.

SHARE DISTRIBUTION

00-03-31	Series A	Series B	Total
Registered number of shares	62,133,309	168,166,615	230,299,924
Unconverted debenture loans	-	1,375,697	1,375,697
Outstanding warrants	-	1,741,206	1,741,206
Total after full conversion	62,133,309	171,283,518	233,416,827

Calculated in accordance with the recommendations of the Swedish Financial Analysts Association, effects of the outstanding convertible debenture and warrant programs amount to a maximum dilution of 0.7%, which was taken into account when calculating earnings per share for the period.

Stockholm 28 April 2000
SVENSKA CELLULOSA AKTIEBOLAGET SCA (publ)

Sverker Martin-Löf
President and CEO

This report is unaudited.

The interim report for 1 January - 30 June will be released on 28 July 2000.

Copies of the Interim Report are available at SCA U.K. Holdings Limited, SCA Packaging House, 543, New Hythe Lane, Aylesford, Kent ME20 7PE, attention, Tony Staples, telephone 0044 1622 883 025.

Statement of Earnings

1 January – 31 March

	2000		1999	
	SEK M	EUR M	SEK M	EUR M
Net sales	15,992	1,884	16,242	1,813
Operating expenses	-13,123	-1,546	-13,709	-1,530
Operating surplus	2,869	338	2,533	283
Depreciation according to plan, properties and plant	-974	-115	-949	-107
Depreciation according to plan, goodwill	-172	-20	-135	-15
Share in earnings of Modö Paper AB ¹	218	26	-	-
Share in earnings of other associated companies	10	1	5	1
Operating profit	1,951	230	1,454	162
Financial items	-281	-33	-326	-36
Earnings after financial items	1,670	197	1,128	126
Income taxes	-549	-65	-372	-42
Minority interest	-12	-1	-10	-1
Net earnings after tax	1,109	131	746	83
Operating margin	12%		9%	
Return on shareholders' equity	13%		11%	
Return on capital employed	12%		11%	

¹ As of 1 October 1999, Modö Paper AB is included as a share in earnings. For earlier periods, SCA's original fine paper operations are included in net sales, operating expenses, etc.

Business Areas

Net sales

1 January - 31 March

SEK M	2000	1999
Hygiene Products	7,402	6,609
Packaging	5,776	4,745
Forest Products	3,095	2,741
Fine papers, paper merchanting¹	-	2,621
Other operations	382	375
Intra-Group deliveries	-663	-849
Total net sales	15,992	16,242

See also additional information on page 17.

¹ As of 1 October 1999, Modo Paper AB is included as a share in earnings. Accordingly, net sales are not reported after this date.

Earnings

1 January - 31 March

SEK M	2000	1999
Hygiene Products	673	615
Packaging	665	424
Forest Products	607	458
Fine paper, paper merchanting²	218	108
Other operations	-40	-16
Operating profit before goodwill amortization	2,123	1,589
Goodwill amortization³	-172	-135
Total operating profit	1,951	1,454
Financial items	-281	-326
Earnings after financial items	1,670	1,128

See also additional information on page 17.

² Pertains to share in earnings of Modo Paper AB as of the fourth quarter 1999, but refers to operating profit for earlier periods.

³ Goodwill amortization:	2000	1999
Hygiene Products	46	19
Packaging	47	37
Fine paper, paper merchanting	-	0
Common ⁴	79	79
Group	172	135

⁴ Goodwill reported on a Groupwide basis pertains to surplus values in companies acquired in 1990, with operations that were integrated in SCA's various business areas. Goodwill attributable to later acquisitions has been allocated to the business area that made the purchase.

Balance sheet

	2000-03-31		1999-12-31	
	SEK M	EUR M	SEK M	EUR M
Assets				
Tangible assets	43,911	5,293	44,571	5,215
Goodwill	10,200	1,229	10,431	1,220
Other intangible assets	879	106	904	106
Long-term receivables	85	10	102	12
Shares and participations	5,148	620	5,057	592
Receivables and inventories	18,594	2,241	18,312	2,143
Financial receivables and investments	1,929	233	4,207	492
Cash and bank balances	1,184	143	1,630	191
Total assets	81,930	9,875	85,214	9,971
Equity, provisions and liabilities				
Shareholder's equity	34,848	4,200	34,133	3,994
Minority interests	580	70	587	69
Provisions for pensions	923	111	1,029	120
Other provisions	7,488	903	7,603	890
Interest-bearing debt	25,712	3,099	28,881	3,379
Operating liabilities and other noninterest-bearing debt	12,379	1,492	12,981	1,519
Total equity, provisions and liabilities	81,930	9,875	85,214	9,971
Debt/equity	0.66 times		0.69 times	
Equity/assets	43%		41%	

Cash flow statement

1 January – 31 March

SEK M	2000	1999 ³
Operating cash surplus ²	2,837	2,559
Changes in working capital	-1,105	-559
Current capital expenditures	-402	-442
Other operating cash flow changes	-11	-88
Operating cash flow	1,319	1,470
Financial items	-281	-326
Income taxes paid	-153	-180
Other	-5	-119
Cash flow from current operations	880	845
Strategic capital expenditures	-469	-543
Strategic structural expenditures	-120	-
Company acquisitions	-76	-3,347
Divestments	30	30
Net cash flow¹	245	-3,015
Net debt at beginning of period	-24,073	-24,756⁴
Net cash flow	245	-3,015
Currency effects	306	686
Other effects ⁵	-	162
Net debt at end of period	-23,522	-26,923⁴
Debt payment capacity	38%	31%⁴

¹ Additional information in accordance with Swedish Financial Accounting Standards Council's recommendation regarding reporting of cash flow:

Net cash flow	245	-3,015
Change in interest-bearing debt	-620	2,646
Change in cash and bank balances	-375	-369
Cash and bank balances at beginning of period	1,630	1,819
Change in cash and bank balances	-375	-369
Currency effects on cash and bank balances	-71	-41
Cash and bank balances at end of period	1,184	1,409

² Operating surplus adjusted for significant non-cash items in accordance with the principles being applied by SCA effective at midyear 1999.

³ Figures for 1999 adjusted in accordance with SCA's new cash flow statement.

⁴ Calculated pro forma with pension liabilities included in net debt.

⁵ The effects of pension liabilities are included in net debt.

Quarterly data

Group

SEK M	2000		1999		
	I	IV	III	II	I
Net sales	15,992	15,662	16,603	16,389	16,242
Operating surplus	2,869	3,053	2,783	2,627	2,533
Depreciation according to plan, properties and plant	-974	-998	-931	-961	-949
Depreciation according to plan, goodwill	-172	-188	-147	-132	-135
Share in earnings of Modo Paper AB ¹	218	136	-	-	-
Share in earnings of other associated companies	10	21	5	11	5
Operating profit	1,951	2,024	1,710	1,545	1,454
Financial items	-281	-313	-315	-258	-326
Earnings after financial items	1,670	1,711	1,395	1,287	1,128
Income taxes	-549	-555	-497	-425	-372
Minority interest	-12	-24	-15	-21	-10
Net earnings after tax	1,109	1,132	883	841	746
Earnings per share, SEK	4.79	5.10	4.19	4.01	3.55
Earnings per share, excluding goodwill amortization, SEK	5.53	5.94	4.89	4.63	4.20

¹ As of 1 October 1999, Modo Paper AB is included as a share in earnings. For earlier periods, SCA's original fine paper operations are included in net sales, operating expenses, etc.

Quarterly data Business Areas

Net sales

SEK M	2000		1999		
	I	IV	III	II	I
Hygiene Products	7,402	7,275	6,764	6,679	6,609
Packaging	5,776	5,587	4,862	4,664	4,745
Forest Products	3,095	3,087	2,892	2,812	2,741
Fine paper, paper merchanting¹	-	-	2,558	2,616	2,621
Other operations	382	383	440	487	375
Intra-Group deliveries	-663	-670	-913	-869	-849
Total net sales	15,992	15,662	16,603	16,389	16,242

See also additional information on page 18.

Operating surplus

SEK M	2000		1999		
	I	IV	III	II	I
Hygiene Products	1,036	1,117	948	907	905
Packaging	1,002	1,075	823	793	699
Forest Products	869	896	797	742	709
Fine paper, paper merchanting¹	-	-	228	236	222
Other operations	-38	-35	-13	-51	-2
Total net sales	2,869	3,053	2,783	2,627	2,533

See also additional information on page 18.

¹ As of 1 October 1999, Modö Paper AB is included as a share in earnings. For earlier periods, SCA's original fine paper operations are included in net sales, operating expenses, etc.

Quarterly data Business Areas

Operating profit

SEK M	2000		1999		
	I	IV	III	II	I
Hygiene Products	673	747	649	602	615
Packaging	665	737	550	505	424
Forest Products	607	625	552	488	458
Fine paper, paper merchanting¹	218	136	125	122	108
Other operations	-40	-33	-19	-40	-16
Operating profit before goodwill amortization	2,123	2,212	1,857	1,677	1,589
Goodwill amortization²	-172	-188	-147	-132	-135
Total operating profit	1,951	2,024	1,710	1,545	1,454

See also additional information on page 18.

¹ Pertains to share in earnings of Modo Paper AB as of the fourth quarter 1999, but refers to operating profit for earlier periods.

² Goodwill amortization:

Hygiene Products	46	45	27	19	19
Packaging	47	63	40	31	37
Fine paper, paper merchanting	-	-	1	1	0
Common	79	80	79	81	79
Group	172	188	147	132	135

Quarterly data Business Areas

Operating surplus margins

Percent	2000		1999		
	I	IV	III	II	I
Hygiene Products	14	15	14	14	14
Packaging	17	19	17	17	15
Forest Products	28	29	28	26	26
Fine paper, paper merchanting¹	n a	n a	9	9	8

See also additional information on page 19.

Operating margins excluding goodwill amortization

Percent	2000		1999		
	I	IV	III	II	I
Hygiene Products	9	10	10	9	9
Packaging	12	13	11	11	9
Forest Products	20	20	19	17	17
Fine paper, paper merchanting¹	n a	n a	5	5	4

See also additional information on page 19.

¹ As of 1 October 1999, Modo Paper AB is included as a share in earnings. Accordingly, margins are not reported after this date.

Quarterly data Group

Margins²

Percent	2000		1999		
	I	IV	III	II	I
Operating surplus margin	17.9	19.5	16.8	16.0	15.6
Operating margin, excl. goodwill amortization	13.3	14.1	11.2	10.2	9.8
Operating margin	12.2	12.9	10.3	9.4	9.0
Financial net margin	-1.8	-2.0	-1.9	-1.6	-2.0
Profit margin	10.4	10.9	8.4	7.8	7.0

² Since fine paper and paper merchanting are reported as a share in earnings of Modo Paper AB as of 1 October 1999, the margin figures are not fully comparable over time.

Five-year summary

Full year	1999	1998	1997	1996	1995
Earnings after financial items, SEK M	5,521	5,169	4,457	3,573	5,731
Earnings per share after tax, SEK	16.85	16.11	13.20	10.11	16.57
Earnings per share after tax, excl. goodwill amortization, SEK	19.66	18.06	14.97	11.50	18.01
Debt/equity ratio, times	0.69	0.83	0.85	0.79	0.80
Return on capital employed, %	12	13	12	10	16
Return on shareholders' equity, %	12	13	12	10	17

Additional information – Business Areas

Net sales

1 January - 31 March

SEK M	2000	1999
Hygiene Products	7,402	6,609
Consumer products	4,443	3,775
AFH and incontinence products	2,959	2,834
Forest Products	3,095	2,741
Pulp, timber and solid wood products	1,411	1,185
Publication paper	1,684	1,556

Operating profit

1 January – 31 March

SEK M	2000	1999
Hygiene Products	673	615
Consumer products	311	250
AFH and incontinence products	362	365
Forest Products	607	458
Pulp, timber and solid wood products	269	143
Publication paper	338	315

Additional information – Business Areas

Quarterly data

Net sales

SEK M	2000		1999		
	I	IV	III	II	I
Hygiene Products	7,402	7,275	6,764	6,679	6,609
Consumer products	4,443	4,284	3,894	3,774	3,775
AFH and incontinence products	2,959	2,991	2,870	2,905	2,834
Forest Products	3,095	3,087	2,892	2,812	2,741
Pulp, timber and solid wood products	1,411	1,304	1,272	1,187	1,185
Publication paper	1,684	1,783	1,620	1,625	1,556

Operating surplus

SEK M	2000		1999		
	I	IV	III	II	I
Hygiene Products	1,036	1,117	948	907	905
Consumer products	571	624	449	406	424
AFH and incontinence products	465	493	499	501	481
Forest Products	869	896	797	742	709
Pulp, timber and solid wood products	353	377	328	227	211
Publication paper	516	519	469	515	498

Operating profit

SEK M	2000		1999		
	I	IV	III	II	I
Hygiene Products	673	747	649	602	615
Consumer products	311	380	260	218	250
AFH and incontinence products	362	367	389	384	365
Forest Products	607	625	552	488	458
Pulp, timber and solid wood products	269	278	255	141	143
Publication paper	338	347	297	347	315

Additional information – Business Areas

Quarterly data

Operating surplus margins

Percent	2000		1999		
	I	IV	III	II	I
Hygiene Products	14	15	14	14	14
Consumer products	13	15	12	11	11
AFH and incontinence products	16	17	17	17	17
Forest Products	28	29	28	26	26
Pulp, timber and solid wood products	25	29	26	19	18
Publication paper	31	29	29	32	32

Operating margins excluding goodwill amortization

Percent	2000		1999		
	I	IV	III	II	I
Hygiene Products	9	10	10	9	9
Consumer products	7	9	7	6	7
AFH and incontinence products	12	12	14	13	13
Forest Products	20	20	19	17	17
Pulp, timber and solid wood products	19	21	20	12	12
Publication paper	20	19	18	21	20