

# INFORMATION

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## Interim report 1 January - 30 June 2000

	00:2	00:1	0006	9906
Net sales, SEK M	16,351	15,992	32,343	32,631 <sup>1</sup>
Earnings after financial items, SEK M	1,773	1,670	3,443	2,415
Earnings per share, SEK <sup>2</sup>	5.05	4.79	9.84	7.56
Earnings per share excluding goodwill amortization, SEK <sup>2</sup>	5.79	5.53	11.32	8.83
Cash flow from current operations per share, SEK <sup>2</sup>	6.37	3.79	10.16	12.10

<sup>1</sup> Including net sales in SCA's former fine paper operations.

<sup>2</sup> Adjusted historically to reflect new issue.

- **Earnings after financial items rose 43%, compared with 1999.**
- **Operating profit rose 44% for Packaging, 37% for Forest Products and 7% for Hygiene Products.**
- **Operating cash surplus improved to 18% (16) of net sales.**

### SECOND QUARTER 2000 COMPARED WITH FIRST QUARTER 2000

- **Earnings after financial items rose 6% and amounted to SEK 1,773 M, which was the best-ever quarterly result.**
- **Despite very sharp increases in the cost of raw materials during the quarter, Packaging was able to fully compensate these through price increases and other improvements.**
- **Hygiene Products experienced pressures on margins during the quarter, although the decline was significantly less than during the previous quarter.**

## NET SALES AND EARNINGS

The first six months of 2000 were characterized by favorable economic growth with growing demand for the SCA's products and increasing raw material prices, particularly pulp and recovered paper. Increases in sales prices were implemented in virtually all product areas.

Consolidated net sales amounted to SEK 32,343 M (32,631), a decline of 1% compared with 1999. Adjusted for the deconsolidation of fine paper activities, which was included in the six-month report for the previous year, net sales by the Group's core operations increased 18%. Currency movements decreased consolidated sales by 2%.

Group operating profit amounted to SEK 4,044 M (2,999), an increase of 35%, compared with the corresponding period in 1999. Currency movements had some negative impact on earnings. All business areas reported improved operating profits. Operating profit for the Hygiene Products business area amounted to SEK 1,304 M (1,217), an increase of 7%. Packaging reported an operating profit of SEK 1,336 M (929), an increase of 44%, while operating profit for Forest Products rose by 37% to SEK 1,293 M (946). Operating profit attributable to SCA's ownership share in Modo Paper amounted to SEK 524 M, which was more than twice as high as operating profit reported last year for SCA's former fine paper operations, which totaled SEK 230 M.

Financial items amounted to an expense of SEK 601 M (expense: 584). The increase was attributable to higher interest rates.

Group earnings after financial items amounted to SEK 3,443 M (2,415), an increase of 43% compared with the corresponding period of 1999.

Net earnings after tax totaled SEK 2,279 M (1,587). Earnings per share after full tax and full dilution amounted to SEK 9.84 (7.56), an improvement of 30%. Earnings per share after full tax and full dilution but excluding goodwill amortization amounted to SEK 11.32 (8.83). The fact that earnings per share increased less than profit after tax is attributable to the new share issue in 1999.

Return on shareholders' equity was 14% (11). The return on capital employed was 13% (11).

### Comparisons with the first quarter

Despite continuing price increases for pulp and recovered paper, operating profit increased by 7% to SEK 2,093 M. In the Forest Products business area, price increases and higher sales volumes contributed to a 13% increase in profits to SEK 686 M, and profit from the ownership share in Modo Paper increased 40% to SEK 306 M. Operating profit in the Packaging business area increased 1% to SEK 671 M, while profit reported by Hygiene Products declined 6% to SEK 631 M, due to continued rapid increases in pulp and recovered paper prices.

Earnings after financial items increased 6% and amounted to SEK 1,773 M, which was the best-ever quarterly result.

## CASH FLOW

The operating cash surplus amounted to SEK 5,737 M (5,213), equal to 18% (16) of net sales.

Operating cash flow amounted to SEK 3,217 M (3,453). Working capital increased by SEK 1,516 M (744) during the period. This year, the seasonal increase in working capital has been strengthened by an exceptionally low level of tied-up working capital, 10.3% of net 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 of price hikes. At the end of the period, tied-up working capital amounted to 12.3% of annual sales, compared with 12.4% after adjustment for fine paper operations at the corresponding date during the previous year. The net of ongoing investments amounted to SEK 946 M (911).

Cash flow from current operations, that is before strategic investments and dividends, amounted to SEK 2,357 M (2,550), equal to SEK 10.16 (12.10) per share.

Company acquisitions and strategic capital investments in machinery and plant, as well as structural costs, totaled SEK 1,089 M (5,270). Strategic capital expenditures in machinery and plant amounted to SEK 739 M (1,540), mainly in Hygiene Products.

Divested units amounted to SEK 32 M (30).

SEK M	0006	9906
Net sales	32,343	32,631
Operating cash surplus	5,737	5,213
<i>% of net sales</i>	18	16
Current capital expenditures, net	-946	-911
<i>% of net sales</i>	3	3
Changes in working capital	-1,516	-744
Other operating cash flow changes	-58	-105
<b>Operating cash flow</b>	<b>3,217</b>	<b>3,453</b>
Tax payment etc <sup>1</sup>	-430	-509
<b>Free cash flow</b>	<b>2,787</b>	<b>2,944</b>
<i>Per share, SEK</i>	<i>12.01</i>	<i>13.98</i>
Interest payment after taxes	-430	-394
<b>Cash flow from current operations</b>	<b>2,357</b>	<b>2,550</b>
<i>Per share, SEK</i>	<i>10.16</i>	<i>12.10</i>
Strategic investments and divestments	-1,057	-5,240
<b>Cash flow before dividend</b>	<b>1,300</b>	<b>-2,690</b>

<sup>1</sup> Tax attributable to operating profit.

## FINANCING

Net debt at the close of the period amounted to SEK 23,957 M, which was SEK 116 M lower than year-end 1999. The change reflects the net of cash flow from current operations amounting to SEK 2,357 M, net expenditures for strategic investments totaling SEK 1,057 M, dividend amounting to SEK 1,566 M and positive effects of currency movements totaling SEK 382 M.

The strengthening of the Swedish krona reduced equity by approximately SEK 470 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 mainly not affect the debt/equity ratio. This policy means that the foreign assets will only be hedged to a limited extent.

The debt/equity ratio amounted to 0.69 (0.96). The interest coverage multiple was 6.7 (5.1).

## HYGIENE PRODUCTS BUSINESS AREA

Net sales amounted to SEK 14,901 M (13,288), an increase of 12% compared with the year-earlier period. Acquired companies accounted for most of the increase. Operating profit rose 7% to SEK 1,304 M (1,217). The improvement was attributable to effects generated by acquired companies, organic growth and rationalization measures. Implemented price increases, however, have not yet fully compensated the high increases in raw materials prices, resulting in reduced margins.

Compared with the first quarter, operating profit declined 6% due to raw material costs increasing faster than prices for finished products. Pulp prices will probably continue to increase somewhat during the third quarter. At the same time, sharp increases in tissue prices were implemented. It is therefore expected that the prospects for gradually increased margins during the second half of the year are favorable.

### Consumer products

Earnings from consumer products increased 24% to SEK 578 M (468). Acquired companies accounted for most of the increase.

During the second quarter, the operating margin declined from 7% to 6% as a result of weaker profits in the consumer tissue segment where market conditions have not permitted price increases at a rate that would allow increases in pulp prices to be passed on. The expenses for sales support and marketing still remain at a high level in conjunction with the successful introduction of the Wipe & Clean household towels in Europe. The sales trend for diapers and feminine hygiene products was favorable, volume growth is favorable and margins are equal or higher than in previous year.

### AFH and incontinence products

Operating profit for AFH and incontinence products was lower than in the previous year and totaled SEK 726 M (749). Strong volume growth and increased prices during the second quarter allowed margins to be retained, despite sharply increasing raw material costs.

SEK M	00:2	00:1	0006	9906
<b>Net sales</b>	<b>7,499</b>	7,402	<b>14,901</b>	13,288
<b>Operating surplus</b>	<b>1,001</b>	1,036	<b>2,037</b>	1,812
<b>Operating profit</b>	<b>631</b>	673	<b>1,304</b>	1,217
<b>Operating surplus margin, %</b>	<b>13</b>	14	<b>14</b>	14
<b>Operating margin, %</b>	<b>8</b>	9	<b>9</b>	9
<b>Volume growth, %</b>				
Consumer products	0.2 <sup>1</sup>	4.3 <sup>1</sup>	18.8 <sup>2</sup>	4.7 <sup>2</sup>
AFH and incontinence products	4.1 <sup>1</sup>	1.6 <sup>1</sup>	5.9 <sup>2</sup>	8.2 <sup>2</sup>

<sup>1</sup> Compared with the immediately preceding quarter.

<sup>2</sup> Compared with corresponding period previous year.

## PACKAGING BUSINESS AREA

Net sales for the period amounted to SEK 11,791 M (9,409), an increase of 25%.

Operating profit amounted to SEK 1,336 M (929), an increase of 44%.

Operating profit for the second quarter was on par with the first quarter, despite increasing raw material prices.

### Corrugated board packaging

Market conditions in Europe are very favorable. In the major markets of Germany, France, Italy and Benelux, deliveries were estimated to have increased by between 6% and 9% during the first six months of the year. Corrugated board deliveries in the U.K., where manufacturing industries have been severely affected by the strong currency, deliveries were at the same level as during the preceding year. Growth in the Swedish and Danish markets, which are important for SCA, was also favorable, with increases of between 4% and 6%.

Price increases were implemented successively during the spring and summer. These price increases, however, were not sufficient to allow margins to be fully retained. In certain cases, there were also delays in the implementation of price increases due to long-term contracts. Further price increases have been announced for the third quarter.

### Containerboard

Demand was strong in Europe during the first six months of the year, and price increases were implemented. Since no general price increases for kraftliner and testliner are expected during the third quarter, some reduction in customer inventories occurred toward the end of the second quarter, resulting in lower deliveries from the liner mills. Demand for white top liner products is exceptionally strong, and some price increases are expected during the third quarter.

Recovered paper prices, which increased sharply during the first six months, were stabilized in June.

Demand for containerboard was weaker in the U.S. than in Europe, due to the strong dollar, greater millennium effects and associated adjustments of inventories. Liner inventories therefore increased, and market-related production stops were announced. Lower domestic demand and lower exports to Asia also resulted in declining prices for recycled fiber. An increase in containerboard demand is expected during the autumn, due to strong underlying growth.

SCA's liner deliveries were limited by maintenance stoppages in the kraftliner mills during the second quarter, as well as a fire at the testliner mill in Lucca, Italy, which resulted in a production loss of about 10,000 tons.

SEK M	00:2	00:1	0006	9906
<b>Net sales</b>	<b>6,015</b>	5,776	<b>11,791</b>	9,409
<b>Operating surplus</b>	<b>982</b>	1,002	<b>1,984</b>	1,492
<b>Operating profit</b>	<b>671</b>	665	<b>1,336</b>	929
<b>Operating surplus margin, %</b>	<b>16</b>	17	<b>17</b>	17
<b>Operating margin, %</b>	<b>11</b>	12	<b>11</b>	11
<b>Production</b>				
Liner products, kton	<b>631</b>	647	<b>1,278</b>	1,112
<b>Deliveries</b>				
Liner products, kton	<b>620</b>	647	<b>1,267</b>	1,139
Corrugated board, Mm <sup>2</sup>	<b>967</b>	920	<b>1,887</b>	1,650

## FOREST PRODUCTS BUSINESS AREA

Net sales by the business area amounted to SEK 6,272 M (5,553), an increase of 13%. Operating profit rose to SEK 1,293 M (946), an increase of 37%, primarily due to increased profit in pulp operations.

Profit for the second quarter increased 13% to SEK 686 M (607), compared with the first quarter. This was due to favorable earnings in pulp operations. Despite higher prices for pulp and recovered paper, profit in publication papers was unchanged, compared with the first quarter.

The market for newsprint, SC paper and LWC paper is very favorable. Price increases were implemented for publication paper contracts that were not fixed until year-end. LWC prices were raised by between 4% and 6% around mid-year in most markets.

### Pulp, wood and solid wood products

The operating profit rose to SEK 624 M (284), which was more than twice the year-earlier figure. The improvement was entirely attributable to higher pulp prices. Forestry operations generated profits in line with the preceding year, while profit from sawmill operations improved.

### Publication paper

Operating profit from publication paper operations amounted to SEK 669 M (662), an increase of 1%. Despite higher costs for pulp, recovered paper and oil-based energy, higher delivery volumes and marginally higher average prices contributed to slightly higher profits than in the preceding year.

SEK M	00:2	00:1	0006	9906
<b>Net sales</b>	<b>3,177</b>	3,095	<b>6,272</b>	5,553
<b>Operating surplus</b>	<b>950</b>	869	<b>1,819</b>	1,451
<b>Operating profit</b>	<b>686</b>	607	<b>1,293</b>	946
<b>Operating surplus margin, %</b>	<b>30</b>	28	<b>29</b>	26
<b>Operating margin, %</b>	<b>22</b>	20	<b>21</b>	17
<b>Production</b>				
Publication paper, kton	<b>319</b>	319	<b>638</b>	597
Solid wood products, km <sup>3</sup>	<b>187</b>	170	<b>357</b>	310
<b>Deliveries</b>				
Publication paper, kton	<b>329</b>	311	<b>640</b>	585
Solid wood products, km <sup>3</sup>	<b>178</b>	184	<b>362</b>	304

## OTHER MATTERS

The divestment of SCA's shareholding in Modo Paper, as well as the acquisition of Metsä-Serla's Corrugated division, are expected to be approved by the EU Commission and implemented in August. With the current profit level in fine paper operations, prevailing interest rates and before realization of coordination effects in corrugated board operations, these transactions will have a negative impact on earnings after financial items of about SEK 140 M during the third quarter. The capital gain will amount to about SEK 2.6 billion.

With regard to the acquisition of Metsä Tissue, the EU Commission is not expected to issue a decision at the earliest before the fourth quarter.

A memorandum of understanding has been signed with Jefferson Smurfit plc regarding the divestment of the Danish company Neopac A/S, which is part of Metsä-Serla's Corrugated Board division, for a purchase price amounting to about EUR 30 M on a debt-free basis.

The establishment with Graninge of a jointly owned forestry and timber company was implemented according to plan on July 1. For SCA, this will result in a reduction of net debt by about SEK 900 M.

## PERSONNEL

The number of employees at the close of the period was 34,874 (34,388). The change reflects a net of company acquisitions and the separation of the fine paper operations during the autumn.

## MARKET OUTLOOK

Market conditions are expected to remain strong with favorable demand for the Group's products during the autumn.

The rate of price increases for raw materials will probably slow down during the closing six months of the year, which means that price increases for finished products are expected to result initially in stabilization and then gradual improvement of margins in the hygiene products and packaging areas. The strong market conditions for publication paper are expected to continue during the second half of the year. However, it will probably only be possible to increase prices in the LWC segment.

## SHARE DISTRIBUTION

<b>00-06-30</b>	<b>Series A</b>	<b>Series B</b>	<b>Total</b>
Registered number of shares	62,033,309	168,266,615	230,299,924
Unconverted debenture loans	-	1,368,468	1,368,468
Outstanding warrants	-	1,741,206	1,741,206
<b>Total after full conversion</b>	<b>62,033,309</b>	<b>171,376,289</b>	<b>233,409,598</b>

During the second quarter, 100,000 series A shares were re-classified as series B shares.

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 July 2000  
SVENSKA CELLULOSA AKTIEBOLAGET SCA (publ)

Sverker Martin-Löf  
President and CEO

This report is unaudited.

The interim report for 1 January - 30 September will be released on 30 October 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 – 30 June

	2000		1999	
	SEK M	EUR M	SEK M	EUR M
Net sales	32,343	3,859	32,631	3,653
Operating expenses	-26,571	-3,170	-27,471	-3,076
<b>Operating surplus</b>	<b>5,772</b>	689	5,160	577
Depreciation according to plan, properties and plant	-1,926	-230	-1,910	-214
Depreciation according to plan, goodwill	-344	-41	-267	-30
Share in earnings of Modo Paper AB <sup>1</sup>	524	62	-	-
Share in earnings of other associated companies	18	2	16	2
<b>Operating profit</b>	<b>4,044</b>	482	2,999	335
Financial items	-601	-72	-584	-65
<b>Earnings after financial items</b>	<b>3,443</b>	410	2,415	270
Income taxes	-1,136	-135	-797	-89
Minority interest	-28	-3	-31	-3
<b>Net earnings after tax</b>	<b>2,279</b>	272	1,587	178
<b>Operating margin</b>	<b>13%</b>		9%	
<b>Return on shareholders' equity</b>	<b>14%</b>		11%	
<b>Return on capital employed</b>	<b>13%</b>		11%	

<sup>1</sup> 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.



## Business Areas

### Net sales

1 January – 30 June

SEK M	2000	1999
<b>Hygiene Products</b>	<b>14,901</b>	13,288
<b>Packaging</b>	<b>11,791</b>	9,409
<b>Forest Products</b>	<b>6,272</b>	5,553
<b>Fine paper, paper merchanting<sup>1</sup></b>	<b>-</b>	5,237
<b>Other operations</b>	<b>729</b>	862
<b>Intra-Group deliveries</b>	<b>-1,350</b>	-1,718
<b>Total net sales</b>	<b>32,343</b>	32,631

See also additional information on page 16

<sup>1</sup> 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 – 30 June

SEK M	2000	1999
<b>Hygiene Products</b>	<b>1,304</b>	1,217
<b>Packaging</b>	<b>1,336</b>	929
<b>Forest Products</b>	<b>1,293</b>	946
<b>Fine paper, paper merchanting<sup>2</sup></b>	<b>524</b>	230
<b>Other operations</b>	<b>-69</b>	-56
<b>Operating profit before goodwill amortization</b>	<b>4,388</b>	3,266
<b>Goodwill amortization<sup>3</sup></b>	<b>-344</b>	-267
<b>Total operating profit</b>	<b>4,044</b>	2,999
<b>Financial items</b>	<b>-601</b>	-584
<b>Earnings after financial items</b>	<b>3,443</b>	2,415

See also additional information on page 16.

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

<sup>3</sup> Goodwill amortization:	2000	1999
Hygiene Products	89	38
Packaging	98	68
Fine paper, paper merchanting	-	1
Common <sup>4</sup>	157	160
<b>Group</b>	<b>344</b>	267

<sup>4</sup> 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

	2000-06-30		1999-12-31	
	SEK M	EUR M	SEK M	EUR M
<b>Assets</b>				
Tangible assets	43,844	5,211	44,571	5,215
Goodwill	10,046	1,194	10,431	1,220
Other intangible assets	873	104	904	106
Long-term receivables	85	10	102	12
Shares and participations	5,107	607	5,057	592
Receivables and inventories	19,525	2,321	18,312	2,143
Financial receivables and investments	2,040	242	4,207	492
Cash and bank balances	1,517	180	1,630	191
<b>Total assets</b>	<b>83,037</b>	<b>9,869</b>	<b>85,214</b>	<b>9,971</b>
<b>Equity, provisions and liabilities</b>				
Shareholders' equity	34,345	4,082	34,133	3,994
Minority interests	622	74	587	69
Provisions for pensions	919	109	1,029	120
Other provisions	7,561	899	7,603	890
Interest-bearing debt	26,595	3,161	28,881	3,379
Operating liabilities and other noninterest-bearing debt	12,995	1,544	12,981	1,519
<b>Total equity, provisions and liabilities</b>	<b>83,037</b>	<b>9,869</b>	<b>85,214</b>	<b>9,971</b>
<b>Debt/equity</b>	<b>0,69 times</b>		0,69 times	
<b>Equity/assets</b>	<b>42%</b>		41%	

## Cash flow statement

1 January – 30 June

SEK M	2000	1999
Operating cash surplus <sup>2</sup>	5,737	5,213
Changes in working capital	-1,516	-744
Current capital expenditures	-946	-911
Other operating cash flow changes	-58	-105
<b>Operating cash flow</b>	<b>3,217</b>	<b>3,453</b>
Financial items	-601	-584
Income taxes paid	-232	-316
Other	-27	-3
<b>Cash flow from current operations</b>	<b>2,357</b>	<b>2,550</b>
Strategic capital expenditures	-739	-1,540
Strategic structural expenditures	-212	-153
Company acquisitions	-138	-3,577
Divestments	32	30
<b>Cash flow before dividend</b>	<b>1,300</b>	<b>-2,690</b>
Dividend	-1,566	-1,283
<b>Net cash flow<sup>1</sup></b>	<b>-266</b>	<b>-3,973</b>
<b>Net debt, 1 January</b>	<b>-24,073</b>	<b>-24,756<sup>3</sup></b>
Net cash flow	-266	-3,973
Currency effects	382	882
Other effects <sup>4</sup>	-	171
<b>Net debt, 30 June</b>	<b>-23,957</b>	<b>-27,676<sup>3</sup></b>
<b>Debt payment capacity</b>	<b>39%</b>	<b>32%<sup>3</sup></b>

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

Net cash flow	-266	-3,973
Change in interest-bearing debt	195	3,772
<b>Change in cash and bank balances</b>	<b>-71</b>	<b>-201</b>
<b>Cash and bank balances at beginning of period</b>	<b>1,630</b>	<b>1,819</b>
Change in cash and bank balances	-71	-201
Currency effects on cash and bank balances	-42	-24
<b>Cash and bank balances at end of period</b>	<b>1,517</b>	<b>1,594</b>

<sup>2</sup> Operating surplus adjusted for significant non-cash items in accordance with the principles being applied by SCA effective at mid-year 1999.

<sup>3</sup> Calculated pro forma with pension liabilities included in net debt.

<sup>4</sup> The effects of pension liabilities are included in net debt.

## Quarterly data

### Group

SEK M	2000		1999			
	II	I	IV	III	II	I
Net sales	16,351	15,992	15,662	16,603	16,389	16,242
Operating surplus	2,903	2,869	3,053	2,783	2,627	2,533
Depreciation according to plan, properties and plant	-952	-974	-998	-931	-961	-949
Depreciation according to plan, goodwill	-172	-172	-188	-147	-132	-135
Share in earnings of Modo Paper AB <sup>1</sup>	306	218	136	-	-	-
Share in earnings of other associated companies	8	10	21	5	11	5
<b>Operating profit</b>	<b>2,093</b>	1,951	2,024	1,710	1,545	1,454
Financial items	-320	-281	-313	-315	-258	-326
<b>Earnings after financial items</b>	<b>1,773</b>	1,670	1,711	1,395	1,287	1,128
Income taxes	-587	-549	-555	-497	-425	-372
Minority interest	-16	-12	-24	-15	-21	-10
<b>Net earnings after tax</b>	<b>1,170</b>	1,109	1,132	883	841	746
<b>Earnings per share, SEK</b>	<b>5.05</b>	4.79	5.10	4.19	4.01	3.55
<b>Earnings per share, excluding goodwill amortization, SEK</b>	<b>5.79</b>	5.53	5.94	4.89	4.63	4.20

<sup>1</sup> 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			
	II	I	IV	III	II	I
<b>Hygiene Products</b>	<b>7,499</b>	7,402	7,275	6,764	6,679	6,609
<b>Packaging</b>	<b>6,015</b>	5,776	5,587	4,862	4,664	4,745
<b>Forest Products</b>	<b>3,177</b>	3,095	3,087	2,892	2,812	2,741
<b>Fine paper, paper merchanting<sup>1</sup></b>	-	-	-	2,558	2,616	2,621
<b>Other operations</b>	<b>347</b>	382	383	440	487	375
<b>Intra-Group deliveries</b>	<b>-687</b>	-663	-670	-913	-869	-849
<b>Total net sales</b>	<b>16,351</b>	15,992	15,662	16,603	16,389	16,242

See also additional information on page 17

### Operating surplus

SEK M	2000		1999			
	II	I	IV	III	II	I
<b>Hygiene Products</b>	<b>1,001</b>	1,036	1,117	948	907	905
<b>Packaging</b>	<b>982</b>	1,002	1,075	823	793	699
<b>Forest Products</b>	<b>950</b>	869	896	797	742	709
<b>Fine paper, paper merchanting<sup>1</sup></b>	-	-	-	228	236	222
<b>Other operations</b>	<b>-30</b>	-38	-35	-13	-51	-2
<b>Total operating surplus</b>	<b>2,903</b>	2,869	3,053	2,783	2,627	2,533

See also additional information on page 17

<sup>1</sup> 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 Area

### Operating profit

SEK M	2000		1999			
	II	I	IV	III	II	I
<b>Hygiene Products</b>	<b>631</b>	673	747	649	602	615
<b>Packaging</b>	<b>671</b>	665	737	550	505	424
<b>Forest Products</b>	<b>686</b>	607	625	552	488	458
<b>Fine paper, paper merchanting<sup>1</sup></b>	<b>306</b>	218	136	125	122	108
<b>Other operations</b>	<b>-29</b>	-40	-33	-19	-40	-16
<b>Operating profit before goodwill amortization</b>	<b>2,265</b>	2,123	2,212	1,857	1,677	1,589
<b>Goodwill amortization<sup>2</sup></b>	<b>-172</b>	-172	-188	-147	-132	-135
<b>Total operating profit</b>	<b>2,093</b>	1,951	2,024	1,710	1,545	1,454

See also additional information on page 17

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

### <sup>2</sup> Goodwill amortization:

Hygiene Products	<b>43</b>	46	45	27	19	19
Packaging	<b>51</b>	47	63	40	31	37
Fine paper, paper merchanting	-	-	-	1	1	0
Common	<b>78</b>	79	80	79	81	79
<b>Group</b>	<b>172</b>	172	188	147	132	135

## Quarterly data Business Areas

### Operating surplus margins

Percent	2000		1999			
	II	I	IV	III	II	I
<b>Hygiene Products</b>	<b>13</b>	14	15	14	14	14
<b>Packaging</b>	<b>16</b>	17	19	17	17	15
<b>Forest Products</b>	<b>30</b>	28	29	28	26	26
<b>Fine paper, paper merchanting<sup>1</sup></b>	<b>n a</b>	n a	n a	9	9	8

See also additional information on page 18

### Operating margins excluding goodwill amortization

Percent	2000		1999			
	II	I	IV	III	II	I
<b>Hygiene Products</b>	<b>8</b>	9	10	10	9	9
<b>Packaging</b>	<b>11</b>	12	13	11	11	9
<b>Forest Products</b>	<b>22</b>	20	20	19	17	17
<b>Fine paper, paper merchanting<sup>1</sup></b>	<b>n a</b>	n a	n a	5	5	4

See also additional information on page 18

<sup>1</sup> 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

### Margins<sup>2</sup>

Percent	2000		1999			
	II	I	IV	III	II	I
<b>Operating surplus margin</b>	<b>17.8</b>	17.9	19.5	16.8	16.0	15.6
<b>Operating margin, excluding goodwill amortization</b>	<b>13.9</b>	13.3	14.1	11.2	10.2	9.8
<b>Operating margin</b>	<b>12.8</b>	12.2	12.9	10.3	9.4	9.0
<b>Financial net margin</b>	<b>-1.9</b>	-1.8	-2.0	-1.9	-1.6	-2.0
<b>Profit margin</b>	<b>10.9</b>	10.4	10.9	8.4	7.8	7.0

<sup>2</sup> 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, excluding 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 – 30 June

SEK M	2000	1999
<b>Hygiene Products</b>	<b>14,901</b>	13,288
Consumer products	8,883	7,549
AFH and incontinence products	6,018	5,739
<b>Forest Products</b>	<b>6,272</b>	5,553
Pulp, timber and solid wood products	2,821	2,372
Publication paper	3,451	3,181

### Operating profit

1 January – 30 June

SEK M	2000	1999
<b>Hygiene Products</b>	<b>1,304</b>	1,217
Consumer products	578	468
AFH and incontinence products	726	749
<b>Forest Products</b>	<b>1,293</b>	946
Pulp, timber and solid wood products	624	284
Publication paper	669	662



## Additional information – Business Areas

### Quarterly data

#### Net sales

SEK M	2000		1999			
	II	I	IV	III	II	I
<b>Hygiene Products</b>	<b>7,499</b>	7,402	7,275	6,764	6,679	6,609
Consumer products	4,440	4,443	4,284	3,894	3,774	3,775
AFH and incontinence products	3,059	2,959	2,991	2,870	2,905	2,834
<b>Forest Products</b>	<b>3,177</b>	3,095	3,087	2,892	2,812	2,741
Pulp, timber and solid wood products	1,410	1,411	1,304	1,272	1,187	1,185
Publication paper	1,767	1,684	1,783	1,620	1,625	1,556

#### Operating surplus

SEK M	2000		1999			
	II	I	IV	III	II	I
<b>Hygiene Products</b>	<b>1,001</b>	1,036	1,117	948	907	905
Consumer products	536	571	624	449	406	424
AFH and incontinence products	465	465	493	499	501	481
<b>Forest Products</b>	<b>950</b>	869	896	797	742	709
Pulp, timber and solid wood products	444	353	377	328	227	211
Publication paper	506	516	519	469	515	498

#### Operating profit

SEK M	2000		1999			
	II	I	IV	III	II	I
<b>Hygiene Products</b>	<b>631</b>	673	747	649	602	615
Consumer products	267	311	380	260	218	250
AFH and incontinence products	364	362	367	389	384	365
<b>Forest Products</b>	<b>686</b>	607	625	552	488	458
Pulp, timber and solid wood products	355	269	278	255	141	143
Publication paper	331	338	347	297	347	315

## Additional information – Business Areas

### Quarterly data

#### Operating surplus margins

Percent	2000			1999		
	II	I	IV	III	II	I
<b>Hygiene Products</b>	<b>13</b>	14	15	14	14	14
Consumer products	12	13	15	12	11	11
AFH and incontinence products	15	16	17	17	17	17
<b>Forest Products</b>	<b>30</b>	28	29	28	26	26
Pulp, timber and solid wood products	31	25	29	26	19	18
Publication paper	29	31	29	29	32	32

#### Operating margins excluding goodwill amortization

Percent	2000			1999		
	II	I	IV	III	II	I
<b>Hygiene Products</b>	<b>8</b>	9	10	10	9	9
Consumer products	6	7	9	7	6	7
AFH and incontinence products	12	12	12	14	13	13
<b>Forest Products</b>	<b>22</b>	20	20	19	17	17
Pulp, timber and solid wood products	25	19	21	20	12	12
Publication paper	19	20	19	18	21	20