

# INFORMATION

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## Year-end Report 1 January - 31 December 2000

	00:4	00:3	00:2	00:1	0012	9912
<b>Net sales, SEK M</b>	<b>18,030</b>	16,784	16,351	15,992	<b>67,157</b>	64,896 <sup>1</sup>
<b>Earnings after financial items, SEK M</b>	<b>2,048</b>	3,836	1,773	1,670	<b>9,327</b>	5,521
<b>- excl. non-recurring items, SEK M</b>		1,805			7,296	
<b>Earnings per share, SEK</b>	<b>6.00</b>	15.02	5.05	4.79	<b>30.86</b>	16.85
<b>- excl. non-recurring items, SEK</b>		5.40			21.24	
<b>Cash flow from current operations per share, SEK</b>	<b>9.32</b>	9.21	6.37	3.79	<b>28.69</b>	31.45
<b>Dividend, SEK per share</b>					<b>7.75<sup>2</sup></b>	6.80

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

<sup>2</sup> Board proposal.

- **Earnings in 2000 and in the fourth quarter were record high.**
- **Company acquisitions and organic growth increased the Group net sales by 12%. The increase for Packaging was 16% and for Hygiene Products 11%.**
- **Operating margins for Hygiene Products and Forest Products improved during the fourth quarter.**
- **The board propose a dividend of SEK 7.75 per share, an increase with 14%.**

## NET SALES AND EARNINGS

Consolidated net sales amounted to SEK 67,157 M (64,896), 3% higher than in the preceding year. Adjusted for the influence of fine-paper operations, which were included in the first three quarters of 1999, net sales rose 20% for the Group's other operations. Expansion through company acquisitions and organic growth resulted in a net sales increase of 12%, while the remainder of the increase was attributable to higher selling prices. Changes in exchange rates reduced Group net sales by 2%.

Group operating profit amounted to SEK 10,534 M (6,733). Excluding non-recurring items, SEK 2,031 M, operating profit amounted to SEK 8,503 M, an increase of SEK 26% compared with 1999. Currency movements had a marginally negative impact on earnings. Operating profit rose in all business areas. Operating profit for Hygiene Products amounted to SEK 2,909 M (2,613), up 11%, while the corresponding figure for Packaging was SEK 2,977 M (2,216), an increase of 34%, and Forest Products reported operating profit of SEK 2,720 M (2,123), up 28%. Operating profit includes SCA's share of earnings in Modo Paper for the period January-July, amounting to SEK 644 M. Operating profit in 1999 included SEK 491 M relating to SCA's former fine paper operations and the share in earnings of Modo Paper. Operating profit in the fourth quarter also includes gains on a leasing transaction involving the pulp mill at Östrand of about SEK 140 M. The amount was reported among finance operations.

Financial items amounted to an expense of SEK 1,207 M (expense: 1,212). Higher interest rates offset the effect of a lower average net debt.

Group earnings after financial items amounted to SEK 9,327 M (5,521). Excluding non-recurring items, earnings after financial items totaled 7,296, up 32% compared with 1999.

Net earnings after taxes amounted to SEK 7,148 M (3,602), corresponding to earnings per share after full tax and dilution of SEK 30.86 (16.85). Net earnings after tax, excluding non-recurring items, rose 37% to SEK 4,917 M, which corresponds to earnings per share after full tax and dilution of 21.24, representing an improvement of 26%. The corresponding earnings per share, excluding goodwill amortization, was SEK 24.38 (19.66).

Net earnings after tax, including non-recurring items, was SEK 7,148 M, equal to earnings per share, after full tax and dilution, of SEK 30.86.

Return on shareholders' equity was 20% (12), while return on capital employed was 18% (12). Excluding non-recurring items, the return on shareholders' equity was 14% (12), while the return on capital employed was 15% (12).

### Comparison with the third quarter

As a result of improvements in operating profit for Hygiene Products, 17%, Packaging, 9% and Forest Products, 6%, consolidated operating profit, excluding non-recurring items, rose 10% to SEK 2,334 M. The earnings improvements in Hygiene Products and Packaging was due mainly to previously implemented price hikes gaining full effect while the earnings increase for Forest Products was attributable primarily to higher deliveries during the quarter.

Earnings after financial items rose 13% and amounted to SEK 2,048 M (1,805), which, excluding non-recurring items, represented the highest quarterly earnings to date.

## CASH FLOW

The operating cash surplus amounted to SEK 12,383 M (11,101), corresponding to 18% (17) of net sales.

Operating cash flow amounted to SEK 9,005 M (8,707). Working capital increased by SEK 1,109 M (226) during the year. The trend in working capital during the year was affected by the exceptionally low level of tied-up working capital at the preceding year-end, when it amounted to 10.3% of net sales. Tied-up working capital at the end of the quarter amounted to 11.3%. Current net capital expenditures amounted to SEK 2,245 M (2,046)

Cash flow from current operations, that is, before strategic investments and dividends, amounted to SEK 6,652 M (6,740), equal to SEK 28.68 (31.45) per share.

Company acquisitions during the period totaled SEK 2,349 M, and were primarily attributable to the acquisition of Metsä Corrugated and Johnson & Johnson's North American incontinence products operations. Divestments, including SCA's interest in Modo Paper, generated SEK 7,758 M. Strategic investments in plant and machinery and restructuring costs amounted to SEK 1,452 M and primarily involved expansion expenditures in hygiene operations. This resulted in a net inflow from strategic investments, company acquisitions and divestments of SEK 3,957 M compared with an outflow of SEK 10,500 M a year earlier.

SEK M	0012	9912
Net sales	67,157	64,896
Operating cash surplus	12,383	11,101
<i>% of net sales</i>	18	17
Current capital expenditures, net	-2,245	-2,046
<i>% of net sales</i>	3	3
Changes in working capital	-1,109	-226
Other operating cash flow changes	-24	-122
<b>Operating cash flow</b>	<b>9,005</b>	<b>8,707</b>
Tax payment etc <sup>1</sup>	-1,391	-1,351
<b>Free cash flow</b>	<b>7,614</b>	<b>7,356</b>
<i>Per share, SEK</i>	32.83	34.33
Interest payment after taxes	-962	-616
<b>Cash flow from current operations</b>	<b>6,652</b>	<b>6,740</b>
<i>Per share, SEK</i>	28.68	31.45
Strategic investments and divestments	3,957	-10,500
<b>Cash flow before dividend</b>	<b>10,609</b>	<b>-3,760</b>

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

## FINANCING

Net debt at the year-end amounted to SEK 15,880 M, which was SEK 8,193 M lower than at the beginning of the year. The change reflects the net of cash flow from current operations amounting to SEK 6,652 M, net inflow for strategic investments and divestments, etc., totaling SEK 3,957 M, dividends of SEK 1,585 M and negative effects of currency movements etc., amounting to SEK 831 M.

The weakening of the Swedish krona increased equity by approximately SEK 800 M.

The debt/equity ratio amounted to 0.39 (0.69). The interest coverage multiple was 7.0 (5.6), excluding the effect of non-recurring items.

## HYGIENE PRODUCTS BUSINESS AREA

Net sales amounted to SEK 31,040 M (27,327), an increase of 14% compared with a year-earlier. Acquired companies and organic growth increased net sales by 11%. Selling prices and improved product mix increased net sales 5%, while currency movements affected it adversely by 2%. Operating profit rose 11% to SEK 2,909 M (2,613). The improvement was primarily attributable to company acquisitions and expansion in non-European markets. Implemented price increases, productivity increases and volume growth offset sharp increases in raw material and energy prices during the year as well as increased depreciation as a result of expansion investments.

In the fourth quarter, operating profit was SEK 865 M, an increase of 17% compared with the third, while at the same time the margin improved. This was due to the full effect of price hikes earlier in the year.

### Consumer Products

Earnings from Consumer Products increased 26% to SEK 1,394 M (1,108). The rise is primarily attributable to acquisitions, as well as from efficiency-enhancement gains and organic growth in the fluff area.

Compared with the third quarter, earnings during the fourth quarter increased from SEK 361 M to SEK 455 M, up 26%, mainly as a result of the effect of the price rises and certain cost reductions. The operating margin rose from 8% to 9%.

### AFH and incontinence products

Operating profit for AFH and incontinence products was at the year-earlier level, amounting to SEK 1,515 M (1,505). The volume trend was favorable for incontinence operations, while tissue volumes were largely unchanged.

Operating profit for the fourth quarter amounted to SEK 410 M (379), 8% higher compared with the third quarter due to higher sales volumes.

SEK M	00:4	00:3	00:2	00:1	0012	9912
<b>Net sales</b>	<b>8,291</b>	7,848	7,499	7,402	<b>31,040</b>	27,327
<b>Operating surplus</b>	<b>1,283</b>	1,131	1,001	1,036	<b>4,451</b>	3,877
<b>Operating profit</b>	<b>865</b>	740	631	673	<b>2,909</b>	2,613
<b>Operating surplus margin, %</b>	<b>15</b>	14	13	14	<b>14</b>	14
<b>Operating margin, %</b>	<b>10</b>	9	8	9	<b>9</b>	10
<b>Volume growth, %</b>						
Consumer products	<b>1.0<sup>1</sup></b>	0.7 <sup>1</sup>	0.2 <sup>1</sup>	4.3 <sup>1</sup>	<b>11.1<sup>2</sup></b>	8.0 <sup>2</sup>
AFH and Incontinence products	<b>2.7<sup>1</sup></b>	1.5 <sup>1</sup>	4.1 <sup>1</sup>	1.6 <sup>1</sup>	<b>6.9<sup>2</sup></b>	8.0 <sup>2</sup>

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

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

See also additional information on page 17-19.

## PACKAGING BUSINESS AREA

Net sales for the period amounted to SEK 24,636 M (19,858), an increase of 24%. The increase was attributable to company acquisitions, 16%, and increased sales prices, 11%, while currency movements reduced sales by 3%.

Operating profit amounted to SEK 2,977 M (2,216), an improvement of 34%. The increase resulted from higher sales prices and company acquisitions. During the year, raw material and energy costs increased substantially which limited the earnings improvement. The business area's external net sales of liner products amounted to about 200,000 tons during the year.

Sales in the fourth quarter increased significantly due to the acquisition of Metsä Corrugated which was only consolidated for one month of the third quarter. Compared with the third quarter, earnings during the fourth quarter rose 9% to SEK 854 M (787), mainly due to the effect of earlier price hikes in the corrugated board area. The earnings improvement was limited by continued rising costs of energy and transports. Margins were unchanged.

### Corrugated board packaging

Market growth in Europe amounted to 3.4% during 2000. The large markets, Germany, France, Italy and Spain, grew by 5-6%, while corrugated board demand in the UK fell by nearly 3%.

Price rises for corrugated board were implemented gradually during the year. Prices stabilized during the fourth quarter.

### Containerboard

After a year of good volume growth and rising prices, the market stabilized in the fourth quarter. Raw material costs, primarily for recycled fiber, have increased significantly. This also applies to energy prices, which continued to rise at the end of the year.

In order to balance the inventory situation, downtime was taken during the second half of the year.

SEK M	00:4	00:3	00:2	00:1	0012	9912
<b>Net sales</b>	<b>6,752</b>	6,093	6,015	5,776	<b>24,636</b>	19,858
<b>Operating surplus</b>	<b>1,197</b>	1,067	982	1,002	<b>4,248</b>	3,390
<b>Operating profit</b>	<b>854</b>	787	671	665	<b>2,977</b>	2,216
<b>Operating surplus margin, %</b>	<b>18</b>	18	16	17	<b>17</b>	17
<b>Operating margin, %</b>	<b>13</b>	13	11	12	<b>12</b>	11
<b>Production</b>						
Liner products, kton	<b>612</b>	615	631	647	<b>2,505</b>	2,267
<b>Deliveries</b>						
Liner products, kton	<b>601</b>	604	620	647	<b>2,472</b>	2,300
Corrugated board, Mm <sup>2</sup>	<b>992</b>	903	967	920	<b>3,782</b>	3,396

## FOREST PRODUCTS BUSINESS AREA

Net sales by the business area amounted to SEK 12,876 M (11,532), an increase of 12%. Operating profit amounted to SEK 2,720 M (2,123), up 28%. Earnings improved for pulp and LWC but declined somewhat for SC paper.

Formation of the Scanninge forestry and sawmill company, to which SCA contributed the sawmill in Lugnvik and about 8% of its existing forest holdings, resulted in a reduction in SCA's net debt of SEK 916 M. Since Scanninge is reported as an associated company, interest charges of SEK 28 M have reduced operating profit for the business area during the second half of the year.

Earnings for the fourth quarter rose 6% compared with the third quarter and totaled SEK 734 M (693). The earnings improvement was generated by the publications paper operations and was due to higher delivery volumes during the quarter.

### Publication papers

Operating profit from publication paper operations amounted to SEK 1,348 M (1,306), up 3%. Higher delivery volumes and sales prices for LWC offset higher costs of pulp and recycled fiber as well as increased energy prices.

The earnings improvement during the fourth quarter was due to very high delivery volumes. The publication paper market is strong and prices were increased at year-end for SC and newsprint.

### Pulp, timber and solid wood products

The operating profit totaled SEK 1,372 M (817), and was thus nearly 70% higher than in the preceding year. Most of the improvement is attributable to better earnings in pulp operations. Operating profit in forestry operations was somewhat lower than in the preceding year, while earnings for sawmill operations improved.

The earnings decline of SEK 30 M during the fourth quarter compared with the third is due to lower earnings in the forest operations due to extraordinary costs caused by the difficult weather conditions in the autumn.

SEK M	00:4	00:3	00:2	00:1	0012	9912
<b>Net sales</b>	<b>3,376</b>	3,228	3,177	3,095	<b>12,876</b>	11,532
<b>Operating surplus</b>	<b>997</b>	942	950	869	<b>3,758</b>	3,144
<b>Operating profit</b>	<b>734</b>	693	686	607	<b>2,720</b>	2,123
<b>Operating surplus margin, %</b>	<b>30</b>	29	30	28	<b>29</b>	27
<b>Operating margin, %</b>	<b>22</b>	21	22	20	<b>21</b>	18
<b>Production</b>						
Publication paper, kton	<b>325</b>	323	319	319	<b>1,286</b>	1,222
Solid wood products, km <sup>3</sup>	<b>147</b>	150	187	170	<b>654</b>	681
<b>Deliveries</b>						
Publication paper, kton	<b>343</b>	310	329	311	<b>1,293</b>	1,226
Solid wood products, km <sup>3</sup>	<b>160</b>	125	178	184	<b>647</b>	670

See also additional information on page 17-19.

## PERSONNEL

The number of SCA Group employees at year-end was 34,953 (34,137).

## MARKET OUTLOOK

The market situation is expected to remain favorable in the early part of 2001, with favorable demand for the Group's products although a weakening in volume is expected compared with the fourth quarter.

Currently, the price situation for Packaging and Hygiene Products is stable, while increases in the costs of raw materials have leveled out. In contrast, the cost of energy and transport is expected to rise during the first quarter. Pulp prices are currently stable, but could be corrected downward during the first half of the year. However, increased competition is being noted in the Hygiene Products and Packaging areas, among other factors, in anticipation of the risk of a general economic slowdown.

The publication papers market remains strong, which resulted in price increases for SC and newsprint in the beginning of the year.

## OTHER

Divestment of the interest in Modo Paper during the third quarter resulted in a capital gain of SEK 2,656 M. A provision of SEK 625 M for restructuring measures in the tissue area was allocated in the same quarter. The combined effect of these items, SEK 2,301 M, comprises non-recurring items.

The closing of the books is preliminary and has not been the object of a final examination by the company's auditors. At the Board meeting to be held on 22 February, where the year-end report will be presented, the provision for restructuring measures of SEK 625 M, which was posted in the third quarter, will be finally specified.

At the time of this meeting, the EU Commission's decision regarding the Metsä Tissue transaction will also be available.

In January, an agreement was reached with Georgia-Pacific covering acquisition of parts of the company's American tissue operations. In addition, SCA has tendered a bid for the shares in the American packaging company Tuscarora. These transactions were described in a press release distributed on 22 January 2001.

## ANNUAL GENERAL MEETING

The Annual General Meeting will be held on 6 April, at 2:00 p.m. at Cirkus in Stockholm. The proposed record date to receive dividends is 11 April. Payment through VPC is expected to take place on 18 April. The interim reports for 2001 will be distributed on 27 April, 27 July and 30 October. The annual report for 2000 is expected to be distributed in mid-March 2001.

## NOMINATING COMMITTEE

The Nominating Committee, whose task is to present proposals regarding the composition of SCA's Board of Directors, includes Bo Rydin, SCA Board Chairman, Bo Damberg, Handelsbanken Foundations, Thomas Halvorsen, Fjärde AP-fonden, Björn Lind, SEB Funds, and Peter Rudman, Nordbanken Funds.

## SHARE DISTRIBUTION

00-12-31	Series A	Series B	Total
Registered number of shares	61,626,133	168,775,422	230,401,555
Unconverted debenture loans	-	1,169,908	1,169,908
Outstanding warrants	-	1,741,206	1,741,206
<b>Total after full conversion</b>	<b>61,626,133</b>	<b>171,686,536</b>	<b>233,312,669</b>

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 0.6%, which was taken into account when calculating earnings per share for the period.

Stockholm, 30 January, 2001

SVENSKA CELLULOSA AKTIEBOLAGET SCA (publ)

Sverker Martin-Löf  
President and CEO

A press conference will be held in Stockholm today at 14:00 CET at Biblioteksgatan 29 Konferenser AB.

A telephone conference will be held today at 16.00 CET (10.00 EST).

### Instructions for participating in the telephone conference:

1. Dial **+46-8-598 001 60** at least ten minutes before the conference call starts.
2. Please note that you do not need a personal code, but be prepared to state your name.
3. Wait until the conference call starts.

If you are unable to participate in the conference call, a replay will be available at +46 8 598 090 00, enter the phone meeting number 598 001 60 and the message pin 010130.

*Copies of the Year-end 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 December

	2000		1999	
	SEK M	EUR M	SEK M	EUR M
Net sales	67,157	7,960	64,896	7,371
Operating expenses	-54,714	-6,485	-53,900	-6,122
Non-recurring items	2,031	241		
<b>Operating surplus</b>	<b>14,474</b>	<b>1,716</b>	10,996	1,249
Depreciation according to plan, properties and plant	-3,923	-465	-3,839	-436
Depreciation according to plan, goodwill	-729	-86	-602	-68
Share in earnings of Modö Paper AB <sup>1</sup>	644	76	136	16
Share in earnings of other associated companies	68	8	42	4
<b>Operating profit</b>	<b>10,534</b>	<b>1,249</b>	6,733	765
Financial items	-1,207	-143	-1,212	-138
<b>Earnings after financial items</b>	<b>9,327</b>	<b>1,106</b>	5,521	627
Income taxes	-2,133	-253	-1,849	-210
Minority interest	-46	-6	-70	-8
<b>Net earnings after tax</b>	<b>7,148</b>	<b>847</b>	3,602	409
<b>Operating margin</b>	<b>16%</b>		10%	
<b>- excl. non-recurring items</b>	<b>13%</b>			
<b>Return on shareholders equity</b>	<b>20%</b>		12%	
<b>- excl. non-recurring items</b>	<b>14%</b>			
<b>Return on capital employed</b>	<b>18%</b>		12%	
<b>- excl. non-recurring items</b>	<b>15%</b>			

<sup>1</sup> 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 – 30 December

SEK M	2000	1999
<b>Hygiene Products</b>	<b>31,040</b>	27,327
<b>Packaging</b>	<b>24,636</b>	19,858
<b>Forest Products</b>	<b>12,876</b>	11,532
<b>Fine paper, paper merchanting<sup>1</sup></b>	-	7,795
<b>Other operations</b>	<b>1,484</b>	1,685
<b>Intra-Group deliveries</b>	<b>-2,879</b>	-3,301
<b>Total net sales</b>	<b>67,157</b>	64,896

See also additional information on page 14

<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 December

SEK M	2000	1999
<b>Hygiene Products</b>	<b>2,909</b>	2,613
<b>Packaging</b>	<b>2,977</b>	2,216
<b>Forest Products</b>	<b>2,720</b>	2,123
<b>Fine paper, paper merchanting<sup>2</sup></b>	<b>644</b>	491
<b>Other operations</b>	<b>-18</b>	-108
<b>Operating profit, before goodwill amortization and excl. non-recurring items</b>	<b>9,232</b>	7,335
<b>Goodwill amortization<sup>3</sup></b>	<b>-729</b>	-602
<b>Total operating profit, excl. non-recurring items</b>	<b>8,503</b>	6,733
<b>Non-recurring items</b>	<b>2,031</b>	-
<b>Operating profit</b>	<b>10,534</b>	6,733
<b>Financial items</b>	<b>-1,207</b>	-1,212
<b>Earnings after financial items</b>	<b>9,327</b>	5,521
<b>Earnings after financial items, excl. non-recurring items</b>	<b>7,296</b>	5,521

See also additional information on page 15.

<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	189	110
Packaging	223	171
Fine paper, paper merchanting	-	2
Common	317	319
<b>Group</b>	<b>729</b>	602

## Balance sheet

	2000-12-31		1999-12-31	
	SEK M	EUR M	SEK M	EUR M
<b>Assets</b>				
Tangible assets	44,587	5,041	44,571	5,215
Goodwill	11,218	1,269	10,431	1,220
Other intangible assets	1,160	131	904	106
Long-term receivables	371	42	102	12
Shares and participations	1,920	217	5,057	592
Receivables and inventories	21,065	2,381	18,312	2,143
Financial receivables and investments	2,266	256	4,207	492
Cash and bank balances	1,440	163	1,630	191
<b>Total assets</b>	<b>84,027</b>	<b>9,500</b>	<b>85,214</b>	<b>9,971</b>
<b>Equity, provisions and liabilities</b>				
Shareholders' equity	40,457	4,574	34,133	3,994
Minority interests	612	69	587	69
Provisions for pensions	891	101	1,029	120
Other provisions	8,353	944	7,603	890
Interest-bearing debt	18,694	2,114	28,881	3,379
Operating liabilities and other noninterest-bearing debt	15,020	1,698	12,981	1,519
<b>Total equity, provisions and liabilities</b>	<b>84,027</b>	<b>9,500</b>	<b>85,214</b>	<b>9,971</b>
<b>Debt/equity</b>	<b>0.39 times</b>		0.69 times	
<b>Equity/assets</b>	<b>49 %</b>		41 %	

## Cash flow statement

1 January – 30 September

SEK M	2000	1999
Operating cash surplus <sup>2</sup>	12,383	11,101
Changes in working capital	-1,109	-226
Current capital expenditures, net	-2,245	-2,046
Other operating cash flow changes	-24	-122
<b>Operating cash flow</b>	<b>9,005</b>	<b>8,707</b>
Financial items	-1,207	-1,212
Income taxes paid	-993	-951
Other	-153	196
<b>Cash flow from current operations</b>	<b>6,652</b>	<b>6,740</b>
Strategic capital expenditures	-1,121	-2,615
Strategic structural expenditures	-331	-370
Company acquisitions	-2,349	-10,400
Divestments	7,758	2,885
<b>Cash flow before dividend</b>	<b>10,609</b>	<b>-3,760</b>
Conversion of convertible debenture loan	15	
New issue		4,579
Dividend	-1,585	-1,304
<b>Net cash flow<sup>1</sup></b>	<b>9,039</b>	<b>-485</b>
<b>Net debt at beginning of period</b>	<b>-24,073</b>	<b>-21,370</b>
Net cash flow	9,039	-485
Pension liabilities		-2,573
Currency effects	-846	355
<b>Net debt at end of period</b>	<b>-15,880</b>	<b>-24,073</b>
<b>Debt payment capacity</b>	<b>45 %</b>	<b>32 %</b>

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

Net cash flow	9,039	-485
Change in interest-bearing debt	-9,306	247
<b>Change in cash and bank balances</b>	<b>-267</b>	<b>-238</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	-267	-238
Currency effects on cash and bank balances	77	49
<b>Cash and bank balances at end of period</b>	<b>1,440</b>	<b>1,630</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, excluding for example strategic divestments.

## Quarterly data

### Group

SEK M	2000				1999			
	IV	III	II	I	IV	III	II	I
Net sales	18,030	16,784	16,351	15,992	15,662	16,603	16,389	16,242
Operating surplus, excl. non-recurring items	3,555	3,116	2,903	2,869	3,053	2,783	2,627	2,533
Depreciation according to plan, properties and plant	-1,048	-949	-952	-974	-998	-931	-961	-949
Depreciation according to plan, goodwill	-196	-189	-172	-172	-188	-147	-132	-135
Share in earnings of Modo Paper AB <sup>1</sup>	-	120	306	218	136	-	-	-
Share in earnings of other associated companies	23	27	8	10	21	5	11	5
<b>Operating profit, excl. non-recurring items</b>	<b>2,334</b>	<b>2,125</b>	<b>2,093</b>	<b>1,951</b>	<b>2,024</b>	<b>1,710</b>	<b>1,545</b>	<b>1,454</b>
Non-recurring items	-	2,031	-	-	-	-	-	-
Operating profit	2,334	4,156	2,093	1,951	2,024	1,710	1,545	1,454
Financial items	-286	-320	-320	-281	-313	-315	-258	-326
<b>Earnings after financial items</b>	<b>2,048</b>	<b>3,836</b>	<b>1,773</b>	<b>1,670</b>	<b>1,711</b>	<b>1,395</b>	<b>1,287</b>	<b>1,128</b>
<b>Earnings after financial items, excl. non-recurring items</b>	<b>2,048</b>	<b>1,805</b>	<b>1,773</b>	<b>1,670</b>	<b>1,711</b>	<b>1,395</b>	<b>1,287</b>	<b>1,128</b>
Income taxes	-648	-349	-587	-549	-555	-497	-425	-372
Minority interest	-11	-7	-16	-12	-24	-15	-21	-10
<b>Net earnings after tax</b>	<b>1,389</b>	<b>3,480</b>	<b>1,170</b>	<b>1,109</b>	<b>1,132</b>	<b>883</b>	<b>841</b>	<b>746</b>
<b>- excl. non-recurring items</b>		<b>1,249</b>						
<b>Earnings per share, SEK</b>	<b>6.00</b>	<b>15.02</b>	<b>5.05</b>	<b>4.79</b>	<b>5.10</b>	<b>4.19</b>	<b>4.01</b>	<b>3.55</b>
<b>- excl. non-recurring items</b>		<b>5.40</b>						

<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			
	IV	III	II	I	IV	III	II	I
<b>Hygiene Products</b>	<b>8,291</b>	7,848	7,499	7,402	7,275	6,764	6,679	6,609
<b>Packaging</b>	<b>6,752</b>	6,093	6,015	5,776	5,587	4,862	4,664	4,745
<b>Forest Products</b>	<b>3,376</b>	3,228	3,177	3,095	3,087	2,892	2,812	2,741
<b>Fine paper, paper merchanting<sup>1</sup></b>	<b>-</b>	-	-	-	-	2,558	2,616	2,621
<b>Other operations</b>	<b>365</b>	390	347	382	383	440	487	375
<b>Intra-Group deliveries</b>	<b>-754</b>	-775	-687	-663	-670	-913	-869	-849
<b>Total net sales</b>	<b>18,030</b>	16,784	16,351	15,992	15,662	16,603	16,389	16,242

See also additional information on page 17

### Operating surplus

SEK M	2000				1999			
	IV	III	II	I	IV	III	II	I
<b>Hygiene Products</b>	<b>1,283</b>	1,131	1,001	1,036	1,117	948	907	905
<b>Packaging</b>	<b>1,197</b>	1,067	982	1,002	1,075	823	793	699
<b>Forest Products</b>	<b>997</b>	942	950	869	896	797	742	709
<b>Fine paper, paper merchanting<sup>1</sup></b>	<b>-</b>	-	-	-	-	228	236	222
<b>Other operations</b>	<b>78</b>	-24	-30	-38	-35	-13	-51	-2
<b>Total operating surplus, excl. non-recurring items</b>	<b>3,555</b>	3,116	2,903	2,869	3,053	2,783	2,627	2,533
<b>Non-recurring items</b>	<b>-</b>	2,031	-	-	-	-	-	-
<b>Total operating surplus</b>	<b>3,555</b>	5,147	2,903	2,869	3,053	2,783	2,627	2,533

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. 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			
	IV	III	II	I	IV	III	II	I
<b>Hygiene Products</b>	<b>865</b>	740	631	673	747	649	602	615
<b>Packaging</b>	<b>854</b>	787	671	665	737	550	505	424
<b>Forest Products</b>	<b>734</b>	693	686	607	625	552	488	458
<b>Fine paper, paper merchanting<sup>1</sup></b>	<b>-</b>	120	306	218	136	125	122	108
<b>Other operations</b>	<b>77</b>	-26	-29	-40	-33	-19	-40	-16
<b>Operating profit before goodwill amortization</b>	<b>2,530</b>	2,314	2,265	2,123	2,212	1,857	1,677	1,589
<b>Goodwill amortization<sup>2</sup></b>	<b>-196</b>	-189	-172	-172	-188	-147	-132	-135
<b>Total operating profit, excl. non-recurring items</b>	<b>2,334</b>	2,125	2,093	1,951	2,024	1,710	1,545	1,454
<b>Non-recurring items</b>		2,031	-	-	-	-	-	-
<b>Total operating profit, incl. non-recurring items</b>	<b>2,334</b>	4,156	2,093	1,951	2,024	1,710	1,545	1,454

See also additional information on page 18

<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>51</b>	48	43	46	45	27	19	19
Packaging	<b>63</b>	62	51	47	63	40	31	37
Fine paper, paper merchanting	<b>-</b>	-	-	-	-	1	1	0
Common	<b>82</b>	78	78	79	80	79	81	79
<b>Group</b>	<b>196</b>	189	172	172	188	147	132	135

## Quarterly data Business Areas

### Operating surplus margins

Percent	2000				1999			
	IV	III	II	I	IV	III	II	I
<b>Hygiene Products</b>	<b>15</b>	14	13	14	15	14	14	14
<b>Packaging</b>	<b>18</b>	18	16	17	19	17	17	15
<b>Forest Products</b>	<b>30</b>	29	30	28	29	28	26	26

See also additional information on page 19

### Operating margins excluding goodwill amortization

Percent	2000				1999			
	IV	III	II	I	IV	III	II	I
<b>Hygiene Products</b>	<b>10</b>	9	8	9	10	10	9	9
<b>Packaging</b>	<b>13</b>	13	11	12	13	11	11	9
<b>Forest Products</b>	<b>22</b>	21	22	20	20	19	17	17

See also additional information on page 19

## Quarterly data Group

### Margins<sup>1</sup>

Excl. non-recurring items	2000				1999			
Percent	IV	III	II	I	IV	III	II	I
<b>Operating surplus margin</b>	<b>19.7</b>	18.6	17.8	17.9	19.5	16.8	16.0	15.6
<b>Operating margin, excl. goodwill amortization</b>	<b>14.0</b>	13.8	13.9	13.3	14.1	11.2	10.2	9.8
<b>Operating margin</b>	<b>13.0</b>	12.7	12.8	12.2	12.9	10.3	9.4	9.0
<b>Financial net margin</b>	<b>-1.6</b>	-1.9	-1.9	-1.8	-2.0	-1.9	-1.6	-2.0
<b>Profit margin</b>	<b>11.4</b>	10.8	10.9	10.4	10.9	8.4	7.8	7.0

<sup>1</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	2000	1999	1998 <sup>2</sup>	1997 <sup>2</sup>	1996 <sup>2</sup>
Earnings after financial items, SEK M	<b>7,296</b>	5,521	5,169	4,457	3,573
Earnings per share after tax, SEK	<b>30.86</b>	16.85	16.11	13.20	10.11
Earnings per share after tax, excluding goodwill amortization, SEK	<b>34.00</b>	19.66	18.06	14.97	11.50
Debt/equity ratio, times	<b>0.39</b>	0.69	0.83	0.85	0.79
Return on capital employed, %	<b>15</b>	12	13	12	10
Return on shareholders' equity, %	<b>14</b>	12	13	12	10

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



## Additional information Business Areas

### Net sales

1 January – 30 December

SEK M	2000	1999
<b>Hygiene Products</b>	<b>31,040</b>	27,327
Consumer products	18,373	15,727
AFH and Incontinence products	12,667	11,600
<b>Forest Products</b>	<b>12,876</b>	11,532
Publication paper	7,157	6,584
Pulp, timber and solid wood products	5,719	4,948

### Operating profit

1 January – 30 September

SEK M	2000	1999
<b>Hygiene Products</b>	<b>2,909</b>	2,613
Consumer products	1,394	1,108
AFH and Incontinence products	1,515	1,505
<b>Forest Products</b>	<b>2,720</b>	2,123
Publication paper	1,348	1,306
Pulp, timber and solid wood products	1,372	817

## Additional information Business Areas

### Quarterly data

#### Net sales

SEK M	2000				1999			
	IV	III	II	I	IV	III	II	I
<b>Hygiene Products</b>	<b>8,291</b>	7,848	7,499	7,402	7,275	6,764	6,679	6,609
Consumer products	4,828	4,662	4,440	4,443	4,284	3,894	3,774	3,775
AFH and Incontinence products	3,463	3,186	3,059	2,959	2,991	2,870	2,905	2,834
<b>Forest Products</b>	<b>3,376</b>	3,228	3,177	3,095	3,087	2,892	2,812	2,741
Publication paper	1,977	1,729	1,767	1,684	1,783	1,620	1,625	1,556
Pulp, timber and solid wood products	1,399	1,499	1,410	1,411	1,304	1,272	1,187	1,185

#### Operating surplus

SEK M	2000				1999			
	IV	III	II	I	IV	III	II	I
<b>Hygiene Products</b>	<b>1,283</b>	1,131	1,001	1,036	1,117	948	907	905
Consumer products	731	645	536	571	624	449	406	424
AFH and Incontinence products	552	486	465	465	493	499	501	481
<b>Forest Products</b>	<b>997</b>	942	950	869	896	797	742	709
Publication paper	560	480	506	516	519	469	515	498
Pulp, timber and solid wood products	437	462	444	353	377	328	227	211

#### Operating profit

SEK M	2000				1999			
	IV	III	II	I	IV	III	II	I
<b>Hygiene Products</b>	<b>865</b>	740	631	673	747	649	602	615
Consumer products	455	361	267	311	380	260	218	250
AFH and Incontinence products	410	379	364	362	367	389	384	365
<b>Forest Products</b>	<b>734</b>	693	686	607	625	552	488	458
Publication paper	375	304	331	338	347	297	347	315
Pulp, timber and solid wood products	359	389	355	269	278	255	141	143

## Additional information Business Areas

### Quarterly data

#### Operating surplus margins

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

#### Operating margins excluding goodwill amortization

Percent	2000				1999			
	IV	III	II	I	IV	III	II	I
<b>Hygiene Products</b>	<b>10</b>	9	8	9	10	10	9	9
Consumer products	9	8	6	7	9	7	6	7
AFH and Incontinence products	12	12	12	12	12	14	13	13
<b>Forest Products</b>	<b>22</b>	21	22	20	20	19	17	17
Publication paper	19	18	19	20	19	18	21	20
Pulp, timber and solid wood products	26	26	25	19	21	20	12	12