

I N F O R M A T I O N

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Interim report

1 January–30 September 2002

	02:3 ²	02:2	02:1		0209 ²	0109
Earnings per share, SEK ¹	6.27	6.05	5.89		18.21	17.79
Cash flow from current operations per share, SEK ¹	11.74	9.36	6.83		27.93	33.16
Net sales, SEK M	22,247	22,355	21,015		65,617	60,871
Earnings after financial items, SEK M	2,032	2,026	1,967		6,025	5,978
Net earnings, SEK M	1,456	1,404	1,365		4,225	4,135

¹ Adjusted historically to reflect new issue of 1.8 million shares in 2001 for stock option program (see page 10).

² Including the nonrecurring effect of the sale of Zewathener, SEK 88 M.

Compared with first nine months of 2001

- Earnings per share rose 2%.
- Operating profit for Hygiene Products increased 28%, while operating profit for Packaging and Forest Products declined 9% and 35%, respectively.
- Operating margin rose for Hygiene Products.

Compared with second quarter of 2002

- Earnings per share rose 4%.
- Operating profit for Packaging improved 20%, Hygiene Products' operating profit was on level with the preceding quarter while operating profit for Forest Products was down 17%.
- Operating margin rose for Packaging and Hygiene Products.

Nominating Committee

- Nominating committee appointed, see page 8.

NET SALES AND EARNINGS

Earnings per share increased 2% compared with the year-earlier period and amounted to SEK 18.21 (17.79). Net earnings thus amounted to SEK 4,225 M (4,135).

Consolidated net sales amounted to SEK 65,617 M (60,871), an increase of 8% compared with the year-earlier period. Of this increase, 9% are attributable to acquired companies, while higher volumes accounted for 3%. Lower prices reduced net sales by 4%. Currency movements had only a marginal effect on consolidated net sales.

Group operating profit amounted to SEK 6,783 M (7,040), and was thus 4% lower than operating profit a year earlier. Operating profit for Hygiene Products amounted to SEK 4,130 M (3,233), an increase of 28%. Operating profit for Packaging declined 9% to SEK 2,279 M (2,509), while the operating profit of Forest Products amounted to SEK 1,426 M (2,200), down 35%. Currency movements had a positive impact of 5% on operating profit.

Operating margin for the Group was 10.3% (11.6). The operating margin for Hygiene Products rose to 12% (11) while it declined to 10% (11) for Packaging and to 14% (22) for Forest Products.

Financial items amounted to an expense of SEK 758 M (expense: 1,062). Despite higher average net debt as a result of corporate acquisitions, a significantly lower interest rate provided an improvement of SEK 304 M in financial items. Group earnings after financial items amounted to SEK 6,025 M (5,978), and thus were marginally better than in the year-earlier period.

Return on shareholders' equity was 12% (14), and return on capital employed was 13% (14).

Comparison with the second quarter of 2002

Consolidated earnings per share increased 4% compared with the preceding quarter and amounted to SEK 6.27 (6.05). The operating profit for Packaging rose 20%. The operating profit for Hygiene Products was on level with the second quarter, while operating profit for Forest Products declined 17%. Currency movements had a negative impact of 2% on Group operating profit.

In hygiene operations, operating profit for institutional products rose as a result of price hikes implemented. In contrast, operating profit for Consumer Products declined somewhat due to the loss of the contribution from the tampon operations ("o.b.") that were divested at mid-year and the lower volumes in the southern European tissue operations during the August vacation period. The operating profit for Packaging operations increased as a result of higher prices as well as a capital gain of SEK 88 M on the sale of Zewathener. Forest Products' lower operating profit was due to lower volumes and prices.

Group operating margin rose during the third quarter from 10.1 to 10.3%. The increase can be attributed mainly to Packaging, but Hygiene Products also improved its margins.

Financial items amounted to an expense of SEK 267 (expense: 238). The dividends received in the second quarter, SEK 64 M, were to an extent offset by lower interest expenses during the third quarter.

EARNINGS ANALYSIS

SEK M	02:3	02:2	02:1		0209	0109
Hygiene Products	1,419	1,428	1,283		4,130	3,233
Packaging	839	702	738		2,279	2,509
Forest Products	406	488	532		1,426	2,200
Other	-70	-63	-59		-192	-173
Operating profit, before goodwill amortization	2,594	2,555	2,494		7,643	7,769
Goodwill amortization	-295	-291	-274		-860	-729
Operating profit	2,299	2,264	2,220		6,783	7,040
Financial items	-267	-238	-253		-758	-1,062
Earnings after financial items	2,032	2,026	1,967		6,025	5,978
Tax	-569	-608	-590		-1,767	-1,794
Minority interest	-7	-14	-12		-33	-49
Net earnings	1,456	1,404	1,365		4,225	4,135
Earnings per share, SEK	6.27	6.05	5.89		18.21	17.79

C A S H F L O W

The operating cash surplus was on level with the preceding year and amounted to SEK 11,281 M (11,340), corresponding to 17% (19) of net sales. Net current capital expenditures during the period amounted to SEK 2,163 M (2,349), while working capital rose by SEK 80 M, compared with a decline a year earlier of SEK 695 M. Operating cash flow amounted to SEK 8,990 M (9,658).

Tax payments increased as a result of that most of the Group's deferred tax receivables having been utilized in prior years. Consequently, free cash flow totaled SEK 6,966 M (8,515). Interest payments declined and cash flow from current operations – defined as cash flow before strategic investments and dividends – amounted to SEK 6,487 M (7,715) or SEK 27.93 (33.16) per share.

Corporate acquisitions amounted to SEK 6,466 M (11,701), of which SEK 4,427 M was attributable to acquisition of the Italian tissue company, CartoInvest, and SEK 1,203 M to the packaging company Stabernack. Among other items, the balance, SEK 836 M, is attributable to protective packaging acquisitions in North America, a packaging company in Spain and a tissue company in the UK. The divestment of Zewathener and the "o.b." tampon operations amounted to SEK 369 M. Strategic capital investments in plant and machinery amounted to SEK 1,405 M (1,292).

C o m p a r i s o n w i t h t h e s e c o n d q u a r t e r o f 2 0 0 2

Compared with the second quarter of 2002, cash flow from current operations was up SEK 552 M, totaling SEK 2,727 M (2,175). The divergence was due primarily to the trend in working capital which declined SEK 738 M during the third quarter.

CASH FLOW ANALYSIS

SEK M	02:3	02:2	02:1		0209	0109
Net sales	22,247	22,355	21,015		65,617	60,871
Operating cash surplus	3,695	3,823	3,763		11,281	11,340
<i>% of net sales</i>	17	17	18		17	19
Current capital expenditures, net	-843	-771	-549		-2,163	-2,349
<i>% of net sales</i>	4	3	3		3	4
Change in working capital	738	-151	-667		-80	695
Other operating cash flow changes	26	-104	30		-48	-28
Operating cash flow	3,616	2,797	2,577		8,990	9,658
Tax payment etc ¹	-694	-591	-739		-2,024	-1,143
Free cash flow	2,922	2,206	1,838		6,966	8,515
<i>Per share, SEK²</i>	<i>12.58</i>	<i>9.50</i>	<i>7.91</i>		<i>29.99</i>	<i>36.59</i>
Interest payment after taxes	-195	-31	-253		-479	-800
Cash flow from current operations	2,727	2,175	1,585		6,487	7,715
<i>Per share, SEK²</i>	<i>11.74</i>	<i>9.36</i>	<i>6.83</i>		<i>27.93</i>	<i>33.16</i>
Strategic investments and divestments	-1,756	-539	-5,207		-7,502	-12,979
Cash flow before dividend	971	1,636	-3,622		-1,015	-5,264

¹ Tax attributable to operating profit.

² Adjusted historically to reflect new issue of 1.8 million shares in 2001 for stock option program (see page 10).

F I N A N C I N G

Net debt amounted to SEK 24,449 M, an increase of SEK 588 M since year-end 2001. The cash flow from current operations, SEK 6,487 M, and positive currency effects, SEK 2,642 M, reduced net debt. The acquisition of the Italian company, CartoInvest, and other strategic investments, SEK 7,502 M, as well as the dividend to shareholders, SEK 2,036 M, increased net debt. The change in the definition of net debt¹ resulted in an increase of SEK 184 M.

Despite a negative currency trend, SEK 1,595 M, and the dividend to shareholders, SEK 2,036 M, the Group's shareholders' equity during the first nine months rose SEK 686 M to SEK 46,669 M.

The debt/equity ratio amounted to 0.52 (0.54), compared with 0.51 at the beginning of the year. The interest coverage multiple was 8.9 (6.6).

¹ See page 7, heading "Other," change in net debt.

H Y G I E N E P R O D U C T S B U S I N E S S A R E A

SEK M	02:3	02:2	02:1		0209	0109
Net sales	11,481	11,790	10,686		33,957	30,129
Operating surplus	2,051	2,054	1,859		5,964	4,769
Operating profit	1,419	1,428	1,283		4,130	3,233
Operating surplus margin, %	18	17	17		18	16
Operating margin, %	12	12	12		12	11
Volume growth, %						
Consumer Products	-2.4¹	17.9 ¹	0.8 ¹		12.6²	1.3 ²
AFH and Incontinence products	1.5¹	4.7 ¹	4.6 ¹		18.0²	43.0 ²

¹ Compared with the immediately preceding quarter.

² Compared with corresponding period previous year.

See also additional information on pages 18-20.

Net sales amounted to SEK 33,957 M (30,129), an increase of 13% compared with the year-earlier period. Most of the increase, 12%, was attributable to the during 2002 acquired tissue company CartoInvest and the fact that the acquisition of Georgia-Pacific's Away From Home operations was not consolidated until the second quarter of 2001. Organic growth, primarily in incontinence operations, lifted sales by 3%. Some raw materials-related price adjustments in tissue paper reduced net sales by 2%. Currency movements had only a marginal effect on sales.

Operating profit rose 28% to SEK 4,130 M (3,233). The increase was primarily attributable to lower raw materials and manufacturing costs, higher volumes and company acquisitions. The improvement was limited by lower prices. Currency movements had a positive impact of 4% on operating profit. All product segments reported improved operating profit, and the operating margin for the business area as a whole rose.

Operating profit in the third quarter, SEK 1,419 M (1,428) was at the level posted in the second quarter, despite the negative effects of totally SEK 40 M due to the loss of the contribution to operating profit from the divested tampon operations and the lower volumes in the southern European tissue operations during the August vacation period. Rising raw material costs during the quarter were offset by cost savings in production. The recovery in the North American tissue operations continued and during the third quarter price hikes were successively implemented. However, this effect was offset somewhat by increased recovered paper prices. Currency movements had a positive impact of 2% on operating profit.

C o n s u m e r P r o d u c t s

Operating profit from Consumer Products rose 37% to SEK 2,147 M (1,570) and operating margin increased 2 percentage points. Lower raw material and production costs and the acquisition of CartoInvest contributed to the profit improvement, which was offset by price pressure on tissue. Baby diapers continued to show larger volumes, at the same time as lower raw material costs and ongoing productivity improvements contributed to higher margins.

Compared with the second quarter of 2002, operating profit declined 5% to SEK 719 M (755), partly as a result of the divestment of the tampon operations and partly due to seasonally lower tissue volumes in southern Europe.

A F H a n d I n c o n t i n e n c e p r o d u c t s

Operating profit for AFH and Incontinence products amounted to SEK 1,983 M (1,663), an increase of 19% compared with the corresponding period a year earlier. The improvement in operating profit is due mainly to the strong global volume growth in the incontinence area and continued volume growth for AFH in North America. Growth in the incontinence segment was 11% and is being driven by continued expansion, primarily for mild incontinence products. Lower raw materials costs also contributed to the profit improvement.

Compared with the second quarter of 2002, operating profit rose 4% to SEK 700 M (673). The improvement was mainly attributable to continued volume growth in both product areas.

P A C K A G I N G B U S I N E S S A R E A

SEK M	02:3 ³	02:2	02:1		0209 ⁵	0109
Net sales	7,780	7,489	7,340		22,609	21,830
Operating surplus	1,240	1,081	1,130		3,451	3,669
Operating profit	839	702	738		2,279	2,509
Operating surplus margin, %¹	16	14	15		15	17
Operating margin, %¹	11	9	10		10	11
Production						
Liner products, kton	637	636	628		1,901	1,838
Deliveries						
Liner products, kton	610	660	628		1,898	1,839
Corrugated board, Mm ²	1,012²	1,007 ²	988 ²		3,007²	2,967 ²

¹ Adjusted for external linerboard trading, the margin rises by about 2 percentage points.

² Volumes do not include volumes from protective packaging and other value-added segments.

³ Including the nonrecurring effect of the sale of Zewathener, SEK 88 M.

See also quarterly data on pages 18-20.

Net sales for the period totaled SEK 22,609 M (21,830), an increase of 4%. The increase was primarily attributable to acquisitions in North America and the acquisition of Stabernack, which contributed 7%, while price and volume effects related to economic conditions reduced net sales by 3%. Currency movements had only a marginal effect on net sales.

Operating profit amounted to SEK 2,279 M (2,509), a decline of 9%. Operating profit was affected negatively by lower prices, mainly for industry-related packaging, the effects of which were somewhat offset by higher volumes. Protective packaging provided a positive effect, due mainly to acquisitions. Lower energy costs were offset by higher recovered paper prices. Currency movements raised operating profit by 3%.

Compared with the second quarter of 2002, operating profit rose 20% to SEK 839 M (702). Price hikes implemented during the quarter for packaging products offset prior increases in costs of recovered paper. Operating profit also includes a nonrecurring capital gain from the sale of Zewathener of SEK 88 M. Currency movements affected operating profit negatively by 6% during the third quarter.

The recovery in protective packaging operations in North America continued during the third quarter, and was particularly notable in the segment for temperature-controlled packaging solutions.

F O R E S T P R O D U C T S B U S I N E S S A R E A

SEK M	02:3	02:2	02:1		0209	0109
Net sales	3,201	3,430	3,317		9,948	9,935
Operating surplus	677	748	786		2,211	3,043
Operating profit	406	488	532		1,426	2,200
Operating surplus margin, %	21	22	24		22	31
Operating margin, %	13	14	16		14	22
Production						
Publication papers, kton	304	306	294		904	939
Solid wood products, km ³	165	182	171		518	466
Deliveries						
Publication papers, kton	299	305	284		888	902
Solid wood products, km ³	173	190	165		528	496

See also additional information on pages 18-20.

Net sales for Forest Products remained on par with those for the year-earlier period, amounting to SEK 9,948 M (9,935). The effect of lower paper prices was offset by somewhat higher prices and volumes in forest and solid-wood products operations. Currency movements increased sales by 1%.

Operating profit amounted to SEK 1,426 M (2,200), a decline of 35%. Operating profit from publication paper operations declined, as a result of reduced prices, as well as a decrease in shipments of LWC paper. Pulp operations also showed a decline in operating profit due to lower prices. Some of the decline in operating profit was offset by currency movements, which had a positive effect of 7% on operating profit.

Compared with the second quarter of 2002, operating profit was down 17% due to lower prices and volumes and negative currency movements.

P u b l i c a t i o n p a p e r s

Operating profit from publication paper operations amounted to SEK 709 M (1,324), a decline of 46%. The sharp decline was due mainly to lower prices. Currency movements increased earnings by 7%. The market for publication papers remained weak, notably for LWC paper. During the period, curtailments were implemented with the aim of adjusting production to prevailing demand. In addition, quality enhancement investments were made on the LWC machines in Ortvikén, which resulted in additional costs. The new paper machine in Laakirchen was started up during the second quarter, while the mill's oldest machine was shut down.

The decline in operating profit during the third quarter, compared with the second quarter of 2002, amounted to 28%. The decline in operating profit was due to lower prices, increased raw material and energy costs as well as increased curtailments. Currency movements affected operating profit negatively by 6%.

P u l p , t i m b e r a n d s o l i d w o o d p r o d u c t s

Operating profit amounted to SEK 717 M (876), a decline of 18% compared with the year-earlier period. The decline was due to lower pulp prices, while solid-wood product operations increased their operating profit slightly as a result of higher capacity utilization.

Compared with the second quarter, operating profit in the third quarter was down 5% due to seasonally lower volumes for solid-wood products and reduced harvesting in own forests.

G O O D W I L L

Consolidated goodwill amounted to SEK 16,754 M (16,073). Goodwill is amortized over 20 years. Goodwill amortization by business areas is presented on pages 13 and 19.

Earnings excluding goodwill amortization

SEK M	02:3	02:2	02:1		0209	0109
Operating profit	2,594	2,555	2,494		7,643	7,769
Earnings after financial items	2,327	2,317	2,241		6,885	6,707
Net earnings	1,733	1,678	1,623		5,034	4,821
Earnings per share, SEK	7.47	7.23	7.00		21.70	20.74

PERSONNEL

The number of SCA Group employees at the close of the quarter was 42,108, compared with 39,800 at the close of the third quarter of 2001. The increase was attributable to acquired companies.

MARKET OUTLOOK

As a result of the start-up of new capacity and low raw material prices, increased competitive pressure was noted in the consumer tissue segment. However, the European market continues to show growth and demand for the Group's consumer-related hygiene products is expected to remain favorable. The situation is more difficult to assess in areas depending on development in the industrial sector. However, the demand situation in most packaging segments is relatively stable. Price hikes attributable to raw materials were carried out for corrugated packaging, which should successively gain effect in the fourth quarter. The demand pattern for publication papers will probably not improve until there is a recovery in advertising.

The volume recovery in the Group's North American operations continued during the third quarter.

OTHER

The SCA Group's interim report was prepared in accordance with the recommendation RR20, Interim Reports, of the Swedish Financial Accounting Standards Council.

Company acquisitions during the year:

Acquired company	Purchase price	Consolidation date
Polyfoam Packers	230 Mkr	Feb 2002
Mid-Lands Chemical	175 Mkr	Mar2002
CartoInvest	4,427 Mkr	Apr 2002
AR Fegersheim	56 Mkr	Apr 2002
Stabernack	1,203 Mkr	Aug 2002
Bertako	160 Mkr	Sep 2002
Packaging Resources	56 Mkr	Sep 2002
Benedetti	135 Mkr	Oct 2002

The divestment of the Nordic "o.b." tampon operations carried out on 1 July 2002 was based on agreements with Johnson&Johnson in 2000 through which SCA also acquired Johnson&Johnson's mild incontinence operations, including the Serenity brand.

Effective 1 January 2002, the Group changed its definition of net debt to include accrued interest expense and revenues, SEK 184 M, which were previously included in capital employed.

SCA reports the Group's pension obligations in accordance with the international accounting recommendation IAS 19. The recommendation's calculations and accounting methodology are based on the value of the assets in the pension funds over the long term shall correspond to the future pension obligations. This long-term approach is reflected in the investment strategy in which 60% of assets are invested in equities and 40% in fixed-income instruments.

In accordance with IAS 19, prior to year-end the actual market value of the assets is reconciled against the future actuarial value of the pension obligations, adjusted for future pay increases and discounted to current value. Actuarial gains and losses (for example, returns that deviate from the assumed value) shall, to the extent that combined they exceed 10% of the highest amount of the assets and obligations (the so-called corridor) be recognized in the income statement during the immediately following year, however, first when the amount is divided by the plan members' average remaining working time (in SCA's case about ten years).

The stock market trend during the year resulted in the value of the pension funds' assets having declined by SEK 1.4 billion. Accordingly, the actuarial loss, which in accordance with the recommendation is outside the corridor, has increased to SEK 3.1 billion. If this situation also remains at year-end the Group's total pension cost for 2003 will increase by about SEK 250 M to SEK 1.2 billion. Of this amount calculated as above, about SEK 310 M does not have any cash effect since the affected pension plans based on local valuation rules are sufficiently financed.

In accordance with the guidelines in RR20, it is reported that the Group's parent company, Svenska Cellulosa Aktiebolaget SCA (publ) owns the forestlands and other fixed property that is part of the forestry operations and provides felling rights for standing timber to its subsidiary SCA Skog AB. In other respects, the parent company is a holding company whose main task is to own and manage shares in a number of business-group companies and to provide Group-wide management and administration. Operating revenues for the period January-September 2002 amounted to SEK 89 M (58) and earnings before appropriations and taxes to SEK 1,474 M (1,717). Investments in property and plant amounted to SEK 38 M (68) during the period. Liquid funds at the end of the period amounted to SEK 43 M (12).

NOMINATION COMMITTEE

The Nomination Committee, which is assigned the task of preparing a proposal regarding composition of the SCA Board of Directors and fee matters, includes Sverker-Martin-Löf, SCA Board Chairman, Curt Källströmer, Handelsbankens Pensionsstiftelser, Tor Marthin, AMF Pension, Björn Lind, SEB Asset Management, and Thomas Halvorsen, Fjärde AP-fonden.

SHARE DISTRIBUTION

02-09-30	Series A	Series B	Total
Registered number of shares	41,964,119	190,237,949	232,202,068
Of which treasury shares	-	(1,778,376)	(1,778,376)
Unconverted debenture loans	-	1,169,908	1,169,908
Outstanding warrants	-	1,740,693	1,740,693
Total after full conversion	41,964,119	193,148,550	235,112,669

During the third quarter, 351,309 A shares were converted to B shares. Consequently, at the end of the quarter, the percentage of A shares had declined from 18.2% to 18.1%. The conversion of shares occurred at the request of the shareholders concerned, pursuant to the conversion clause that was added to the Articles of Association in 1999.

Calculated in accordance with the recommendations of the Swedish Financial Accounting Standards Council, the effects of outstanding convertible debenture and options programs amount to a maximum dilution of 0.7%, which was taken into consideration when calculating earnings per share for the period.

Stockholm, 30 October 2002
SVENSKA CELLULOSA AKTIEBOLAGET SCA (publ)

Jan Åström
President and CEO

Review report

We have reviewed this report in accordance with the recommendations issued by the Swedish Institute of Authorized Public Accountants. A review is considerably limited in scope compared with an audit. Nothing has come to our attention that causes us to believe that the interim report does not comply with the requirements of the Exchange and Clearing Operations Act and the Annual Accounts Act.

Stockholm, 30 October 2002

PricewaterhouseCoopers AB
Robert Barnden
Authorized Public Accountant

Reporting date

The year-end report of the period 1 January-31 December 2002 will be released on 30 January 2003. During 2003, interim reports will be published on the following dates: 29 April, 25 July and 30 October.

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

	02:3	02:2	01:3		0209	0109
	Mkr	Mkr	Mkr		Mkr	Mkr
Net sales	22,247	22,355	20,793		65,617	60,871
Operating expenses	-18,346	-18,534	-16,888		-54,174	-49,560
Operating surplus	3,901	3,821	3,905		11,443	11,311
Depreciation according to plan, properties and plant	-1,350	-1,323	-1,260		-3,943	-3,557
Goodwill amortization	-295	-291	-258		-860	-729
Share in earnings of associated companies	43	57	3		143	15
Operating profit	2,299	2,264	2,390		6,783	7,040
Financial items	-267	-238	-392		-758	-1,062
Earnings after financial items	2,032	2,026	1,998		6,025	5,978
Income taxes	-569	-608	-578		-1,767	-1,794
Minority interest	-7	-14	-15		-33	-49
Net earnings	1,456	1,404	1,405		4,225	4,135

Earnings per share, SEK¹						
- before dilution effects	6.32	6.10	6.10		18.34	17.88
- after dilution effects	6.27	6.05	6.07		18.21	17.79
Operating margin	10%	10%	11%		10%	12%
Return on shareholders' equity	12%	12%	14%		12%	14%
Return on capital employed	13%	13%	14%		13%	14%

¹ Adjusted historically in accordance with the Swedish Financial Accounting Standards Council's recommendations. The new issue of 1.8 million shares in 2001 for stock option purposes taken into account. The issue was carried out on 18 May 2001 and the repurchase of these shares was effected on 6 June 2001.

Net earnings	1,456.0	1,404.0	1,405.0		4,225.0	4,135.0
Interest on convertible debentures	1.5	1.5	1.5		4.5	4.5
Adjusted net earnings	1,457.5	1,405.5	1,406.5		4,229.5	4,139.5
Average number of shares before dilution	230.4	230.4	230.4		230.4	231.3
Employee convertibles	1.2	1.2	1.2		1.2	1.2
Outstanding warrants	0.6	0.6	0.2		0.6	0.2
Average number of shares after dilution	232.2	232.2	231.8		232.2	232.7

STATEMENT OF EARNINGS

	02 :3	02 :2	01 :3		0209	0109
	MEUR ³	MEUR ³	MEUR ³		MEUR ¹	MEUR ²
Net sales	2,412	2,442	2,270		7,148	6,647
Operating expenses	-1,989	-2,024	-1,844		-5,901	-5,412
Operating surplus	423	418	426		1,247	1,235
Depreciation according to plan, properties and plant	-147	-144	-137		-430	-388
Goodwill amortization	-32	-32	-28		-94	-80
Share in earnings of associated companies	5	6	0		16	2
Operating profit	249	248	261		739	769
Financial items	-29	-26	-43		-83	-116
Earnings after financial items	220	222	218		656	653
Income taxes	-61	-67	-63		-192	-196
Minority interest	-1	-2	-2		-4	-5
Net earnings	158	153	153		460	452

¹ The average exchange rate of 9.18 was applied in translation to EUR

² The average exchange rate of 9.16 was applied in translation to EUR

³ Isolated quarterly amounts have been calculated as the difference between two accumulated results.

Business areas

NET SALES

1 January–30 September

SEK M	2002	2001
Hygiene Products	33,957	30,129
Consumer products	17,382	15,588
AFH and Incontinence products	16,575	14,541
Packaging	22,609	21,830
Forest Products	9,948	9,935
Publication papers	5,170	5,725
Pulp, timber and solid wood products	4,778	4,210
Other operations	1,307	1,284
Intra-group deliveries	-2,204	-2,307
Total net sales	65,617	60,871

OPERATING SURPLUS

1 January–30 September

SEK M	2002	2001
Hygiene Products	5,964	4,769
Consumer products	3,174	2,433
AFH and Incontinence products	2,790	2,336
Packaging	3,451	3,669
Forest Products	2,211	3,043
Publication papers	1,297	1,883
Pulp, timber and solid wood products	914	1,160
Other operations	-183	-170
Total operating surplus	11,443	11,311

OPERATING PROFIT

1 January–30 September

SEK M	2002	2001
Hygiene Products	4,130	3,233
Consumer products	2,147	1,570
AFH and Incontinence products	1,983	1,663
Packaging	2,279	2,509
Forest Products	1,426	2,200
Publication papers	709	1,324
Pulp, timber and solid wood products	717	876
Other operations	-192	-173
Operating profit, before goodwill amortization	7,643	7,769
Goodwill amortization ¹	-860	-729
Total operating profit	6,783	7,040

	2002	2001
¹ Goodwill amortization:		
Hygiene Products	317	226
Packaging	288	248
Common	255	255
Group	860	729

OPERATING SURPLUS MARGIN

1 January–30 September

SEK M	2002	2001
Hygiene Products	18	16
Consumer products	18	16
AFH and Incontinence products	17	16
Packaging	15	17
Forest Products	22	31
Publication papers	25	33
Pulp, timber and solid wood products	19	28

OPERATING MARGIN, excluding goodwill amortization

1 January–30 September

SEK M	2002	2001
Hygiene Products	12	11
Consumer products	12	10
AFH and Incontinence products	12	11
Packaging	10	11
Forest Products	14	22
Publication papers	14	23
Pulp, timber and solid wood products	15	21

BALANCE SHEET	2002-09-30		2001-12-31	
	SEK M	EUR M ¹	SEK M	EUR M ¹
Assets				
Goodwill	16,754	1,835	16,149	1,715
Other intangible assets	722	79	701	75
Tangible assets	57,492	6,297	56,980	6,052
Shares and participations	2,217	243	2,349	249
Long-term financial receivables	3,558	390	3,888	413
Other long-term receivables	784	86	788	84
Operating receivables and inventories	25,374	2,779	23,338	2,479
Short-term investments	442	48	406	43
Cash and bank balances	1,572	172	2,189	232
Total assets	108,915	11,929	106,788	11,342
Equity, provisions and liabilities				
Shareholders' equity ²	46,669	5,112	45,983	4,884
Minority interests	703	77	736	78
Provisions for pensions	2,558	280	2,598	276
Other provisions	12,888	1,412	12,272	1,303
Interest-bearing debt	27,554	3,018	27,746	2,947
Operating liabilities and other noninterest-bearing debt	18,543	2,030	17,453	1,854
Total equity, provisions and liabilities	108,915	11,929	106,788	11,342
Debt/equity ratio	0.52		0.51	
Equity/assets	43%		44%	

¹ The closing date exchange rate of 9,13 (9,42) was applied in translation to EUR.

² Additional information, change in shareholders' equity, SEK M.

	Jan–Sept 2002	Jan–Sept 2001
Shareholders' equity, 1 January	45,983	40,457
Adjusted for prior year's taxation of land	87	-
New share issue	-	18
Repurchasing of own stock	5	-18
Translation differences	-2,443	3,611
Exchange-rate differences on hedging instruments	848	-1,068
Dividend	-2,036	-1,806
Net earnings for the period	4,225	4,135
Shareholders' equity, 30 September	46,669	45,329

CASH FLOW ANALYSIS

1 January–30 September

SEK M	2002	2001
Operating cash surplus	11,281	11,340
Changes in working capital	-80	695
Current capital expenditures, net	-2,163	-2,349
Other operating cash flow changes	-48	-28
Operating cash flow	8,990	9,658
Financial items	-758	-1,062
Income taxes paid	-1,797	-793
Other	52	-88
Cash flow from current operations	6,487	7,715
Strategic capital expenditures	-984	-811
Strategic structural expenditures	-421	-481
Company acquisitions	-6,466	-11,701
Divestments	369	14
Cash flow before dividend	-1,015	-5,264
Dividend	-2,036	-1,806
Cash flow after dividend	-3,051	-7,070
New share issue	-	18
Repurchasing of own stock	5	-18
Net cash flow¹	-3,046	-7,070
Net debt at beginning of period	-23,861	-15,880
Net cash flow	-3,046	-7,070
Asset securitization	-	1,138
Effect of changed definition of net debt ²	-184	-
Currency effects	2,642	-3,221
Net debt at end of period	-24,449	-25,033
Debt payment capacity	53%	53%

¹ Additional information:

Net cash flow	-3,046	-7,070
Change in interest-bearing debt	2,258	7,755
Change in cash and bank balances	-788	685
Cash and bank balances at beginning of period	2,189	1,440
Change in cash and bank balances	-788	685
Currency effects on cash and bank balances	170	314
Cash and bank balances at end of period	1,571	2,439

² See page 7, heading "Other," changed definition of net debt.

Quarterly data

STATEMENT OF EARNINGS Group

SEK M	2002			2001			
	III	II	I	IV	III	II	I
Net sales	22,247	22,355	21,015	21,509	20,793	21,556	18,522
Operating surplus	3,901	3,821	3,721	4,057	3,905	3,947	3,459
Depreciation according to plan, properties and plant	-1,350	-1,323	-1,270	-1,323	-1,260	-1,260	-1,037
Goodwill amortization	-295	-291	-274	-281	-258	-266	-205
Share in earnings of associated companies	43	57	43	-1	3	16	-4
Operating profit	2,299	2,264	2,220	2,452	2,390	2,437	2,213
Financial items	-267	-238	-253	-340	-392	-420	-250
Earnings after financial items	2,032	2,026	1,967	2,112	1,998	2,017	1,963
Income taxes	-569	-608	-590	-650	-578	-591	-625
Minority interest	-7	-14	-12	-10	-15	-19	-15
Net earnings	1,456	1,404	1,365	1,452	1,405	1,407	1,323
Earnings per share¹, SEK							
- before dilution effects	6.32	6.10	5.92	6.30	6.10	6.08	5.70
- after dilution effects	6.27	6.05	5.89	6.26	6.07	6.04	5.68

¹ Adjusted historically in accordance with the Swedish Financial Accounting Standards Council's recommendations. The new issue of 1.8 million shares in 2001 for stock option purposes taken into account. The issue was carried out on 18 May 2001 and the repurchase of these shares was effected on 6 June 2001.

Quarterly data

CASH FLOW ANALYSIS

Group

SEK M	2002			2001			
	III	II	I	IV	III	II	I
Operating cash surplus	3,695	3,823	3,763	4,070	3,909	3,995	3,436
Change in working capital	738	-151	-667	1,772	689	775	-769
Current capital expenditures, net	-843	-771	-549	-1,130	-902	-949	-498
Other operating cash flow changes	26	-104	30	-164	-5	51	-74
Operating cash flow	3,616	2,797	2,577	4,548	3,691	3,872	2,095
Financial items	-267	-238	-253	-340	-392	-420	-250
Income taxes paid	-614	-527	-656	-929	-425	-178	-190
Other	-8	143	-83	255	17	115	-220
Cash flow from current operations	2,727	2,175	1,585	3,534	2,891	3,389	1,435
Strategic capital expenditures	-327	-374	-283	-658	-257	-425	-129
Strategic structural expenditures	-109	-188	-124	-286	-183	-250	-48
Company acquisitions	-1,689	23	-4,800	-1,585	-110	-353	-11,238
Divestments	369	-	-	5	3	11	-
Cash flow before dividend	971	1,636	-3,622	1,010	2,344	2,372	-9,980
Dividend	-20	-2,016	-	-	-20	-1,786	-
Cash flow after dividend	951	-380	-3,622	1,010	2,324	586	-9,980
New stock issue	-	-	-	-	-	18	-
Repurchasing of own stock	2	3	-	-	-	-18	-
Net cash flow	953	-377	-3,622	1,010	2,324	586	-9,980

Quarterly data Business areas

NET SALES

SEK M	2002			2001			
	III	II	I	IV	III	II	I
Hygiene Products	11,481	11,790	10,686	10,668	10,580	10,963	8,586
Consumer products	5,994	6,228	5,160	5,366	5,341	5,206	5,041
AFH and Incontinence products	5,487	5,562	5,526	5,302	5,239	5,757	3,545
Packaging	7,780	7,489	7,340	7,400	7,284	7,659	6,887
Forest Products	3,201	3,430	3,317	3,621	3,257	3,296	3,382
Publication papers	1,707	1,812	1,651	2,125	1,955	1,910	1,860
Pulp, timber and solid wood products	1,494	1,618	1,666	1,496	1,302	1,386	1,522
Other operations	463	461	383	538	429	430	425
Intra-Group deliveries	-678	-815	-711	-718	-757	-792	-758
Total net sales	22,247	22,355	21,015	21,509	20,793	21,556	18,522

OPERATING SURPLUS

SEK M	2002			2001			
	III	II	I	IV	III	II	I
Hygiene Products	2,051	2,054	1,859	1,863	1,759	1,740	1,270
Consumer products	1,087	1,114	973	1,012	915	775	743
AFH and Incontinence products	964	940	886	851	844	965	527
Packaging	1,240	1,081	1,130	1,177	1,199	1,258	1,212
Forest Products	677	748	786	1,068	1,007	1,003	1,033
Publication papers	380	449	468	702	693	624	566
Pulp, timber and solid wood products	297	299	318	366	314	379	467
Other operations	-67	-62	-54	-51	-60	-54	-56
Total operating surplus	3,901	3,821	3,721	4,057	3,905	3,947	3,459

Quarterly data Business Areas

OPERATING PROFIT

SEK M	2002			2001			
	III	II	I	IV	III	II	I
Hygiene Products	1,419	1,428	1,283	1,240	1,200	1,175	858
Consumer products	719	755	673	699	611	492	467
AFH and Incontinence products	700	673	610	541	589	683	391
Packaging	839	702	738	777	800	851	858
Forest Products	406	488	532	776	710	730	760
Publication papers	181	251	277	494	480	464	380
Pulp, timber and solid wood products	225	237	255	282	230	266	380
Other operations	-70	-63	-59	-60	-62	-53	-58
Operating profit before goodwill amortization	2,594	2,555	2,494	2,733	2,648	2,703	2,418
Goodwill amortization ¹	-295	-291	-274	-281	-258	-266	-205
Total operating profit	2,299	2,264	2,220	2,452	2,390	2,437	2,213

¹ Goodwill amortization:

Hygiene Products	109	110	98	104	84	87	55
Packaging	100	96	92	94	87	94	67
Common	86	85	84	83	87	85	83
Group	295	291	274	281	258	266	205

OPERATING SURPLUS MARGINS

Percent	2002			2001			
	III	II	I	IV	III	II	I
Hygiene Products	18	17	17	17	17	16	15
Consumer products	18	18	19	19	17	15	15
AFH and Incontinence products	18	17	16	16	16	17	15
Packaging	16	14	15	16	16	16	18
Forest Products	21	22	24	29	31	30	31
Publication papers	22	25	28	33	35	33	30
Pulp, timber and solid wood products	20	18	19	24	24	27	31

OPERATING MARGINS, excluding goodwill amortization

Percent	2002			2001			
	III	II	I	IV	III	II	I
Hygiene Products	12	12	12	12	11	11	10
Consumer products	12	12	13	13	11	9	9
AFH and Incontinence products	13	12	11	10	11	12	11
Packaging	11	9	10	11	11	11	13
Forest Products	13	14	16	21	22	22	22
Publication papers	11	14	17	23	25	24	20
Pulp, timber and solid wood products	15	15	15	19	18	19	25

Group data

MARGINS

1 January–30 September

Percent	2002	2001
Operating surplus margin	17.4	18.6
Operating margin, excl. goodwill amortization	11.7	12.8
Operating margin	10.3	11.6
Financial net margin	-1.1	-1.8
Profit margin	9.2	9.8
Tax and minority	-2.8	-3.0
Net margin	6.4	6.8

MARGINS—quarterly data

Percent	2002				2001		
	III	II	I	IV	III	II	I
Operating surplus margin	17.5	17.1	17.7	18.9	18.8	18.3	18.7
Operating margin, excl. goodwill amortization	11.7	11.4	11.9	12.7	12.7	12.5	13.1
Operating margin	10.3	10.1	10.6	11.4	11.5	11.3	12.0
Financial net margin	-1.2	-1.0	-1.2	-1.6	-1.9	-2.0	-1.4
Profit margin	9.1	9.1	9.4	9.8	9.6	9.3	10.6
Tax and minority	-2.6	-2.8	-2.9	-3.0	-2.8	-2.8	-3.5
Net margin	6.5	6.3	6.5	6.8	6.8	6.5	7.1

FIVE-YEAR SUMMARY

Full year	2001	2000 ¹	1999 ¹	1998 ¹	1997 ¹
Earnings after financial items, SEK M	8,090	9,327	5,521	5,169	4,457
Earnings per share, SEK	24.05	30.64	16.73	16.03	13.11
Earnings per share, excluding goodwill amortization, SEK	28.40	33.76	19.52	17.96	14.87
Debt/equity ratio, times	0.51	0.39	0.69	0.83	0.85
Return on capital employed, %	14	18	12	14	12
Return on shareholders' equity, %	13	20	12	13	12

¹ Adjusted historically to reflect new issues.

Press conference

SCA's interim report for the period 1 January-30 September 2002 will be published on October 30, 2002. The press release will be sent out around noon CET. A press conference will be held in Stockholm, where Jan Åström, President and CEO, will present the results.

Time: 13:00 CET

Venue: Salén Konferenser, Olympia, Norrlandsgatan 15, Stockholm

Telephone conference

The telephone conference will be held on October 30, 2002, at 15:00 CET, where Jan Åström will comment on the results. To participate, please call the number below at least 5 minutes prior to the conference call.

Dial-in number

+47 230 004 00

quote: SCA

The interim report and the slide presentation will be available at www.sca.com/Investors. The telephone conference will be broadcasted live over the Internet (listen-only). Requirements: Windows Media Player or Real Player. Later the same day an on-demand version of the telephone conference will be available on our web site.

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