

JANUARY 1–DECEMBER 31, 2012 (compared with same period a year ago)

The packaging operations that were divested on June 30, 2012, are reported for the current and preceding year only as a separate line item in the income statement – **Net profit for the period from disposal group**. Comments in this report are thus entirely exclusive of the packaging operations. The divestments commented on in the report refer to the formation of a joint venture in Australia/New Zealand through the sale of 50% of the shares and deconsolidation of the operations from the start of the year, and to the divestment of Aylesford Newsprint, which is deconsolidated as from the start of the fourth quarter. Figures for the preceding year and the first three quarters of 2012 have not been recalculated for these two divestments.

- Net sales rose 5% (11% excluding exchange rate effects and divestments) to SEK 85,408m (81,337)
- Operating profit excluding items affecting comparability rose 12% (17% excluding exchange rate effects and divestments) to SEK 8,646m (7,738)
- Items affecting comparability amounted to SEK -2,634m (-5,439)
- Earnings per share were SEK 7.06 (0.78)
- Cash flow from current operations was SEK 7,271m (5,306)
- The Board of Directors proposes an increase in the dividend by 7,1%, to SEK 4.50 per share (4.20)

Earnings trend

SEK m	1212	1112	%	2012:4	2011:4	%
Net sales	85,408	81,337	5	23,445	20,935	12
Gross profit	20,959	19,636	7	5,834	5,209	12
Operating profit¹	8,646	7,738	12	2,422	2,139	13
Financial items	-1,264	-1,325		-293	-367	
Profit before tax¹	7,382	6,413	15	2,129	1,772	20
Tax ^{1,2}	-628	-1,635		853	-480	
Net profit for the period from disposal group	503	900		0	265	
Net profit for the period^{1,2}	7,257	5,678		2,982	1,557	
Earnings per share, SEK	7.06	0.78		2.97	-4.88	

¹ Excluding items affecting comparability; for amounts see page 13.

² Including effects of the reduced company tax rate in Sweden, totaling SEK +1,331m for the full year 2012 and fourth quarter of 2012.

CEO'S COMMENTS

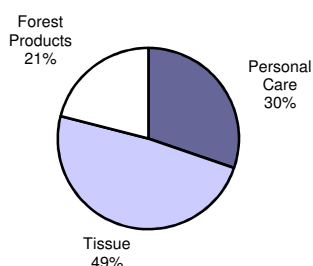
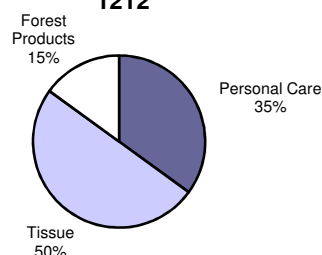
SCA completed two major company deals in 2012 – the acquisition of Georgia-Pacific's European tissue operations and the divestment of our packaging operations, excluding the two kraftliner mills in Sweden. The Georgia-Pacific acquisition boosts our competitive strength in the European tissue market and complements our market positions. The acquisition will lead to annual cost synergies of EUR 125m, with full effect from 2016. The sale of SCA's packaging business reduces our cyclical exposure and gives us greater financial opportunities to grow our hygiene business. In 2012 SCA acquired Everbeauty, a leading Asian personal care company, which strengthens our position in Asia – especially in China.

In Forest Products, in 2012 SCA divested its 50% shareholding in Aylesford Newsprint in the UK. During the year, SCA also signed an agreement to sell the Austrian publication paper mill in Laakirchen. We are thereby focusing on our Swedish operations, which are well integrated with the nearby forest holdings.

In our hygiene operations, during the year we established a new organization and launched an extensive cost-cutting program that will lead to annual cost savings of EUR 300m, with full effect from 2015. We also introduced an efficiency program in our Forest Products operations, which will lead to annual savings of SEK 1,300m, with full effect from 2015.

Consolidated net sales for 2012, excluding exchange rate effects and divestments, rose 11% compared with the same period a year ago. Operating profit excluding exchange rate effects, divestments and items affecting comparability rose 17%. The corresponding profit for Personal Care and Tissue rose 28% and 50%, respectively, while profit for Forest Products fell by 46%. The Group's operating cash flow improved by slightly more than SEK 2bn, to SEK 9,644m.

Profit before tax, excluding exchange rate effects, divestments and items affecting comparability, rose 21%.

**SHARE OF NET SALES
1212****SHARE OF OPERATING PROFIT
1212****EARNINGS TREND FOR THE GROUP**

SEK m	1212	1112	%	2012:4	2011:4	%
Net sales	85,408	81,337	5	23,445	20,935	12
Cost of goods sold	-64,449	-61,701		-17,611	-15,726	
Gross profit	20,959	19,636	7	5,834	5,209	12
Sales, general and administration	-12,313	-11,898		-3,412	-3,070	
Operating profit¹	8,646	7,738	12	2,422	2,139	13
Financial items	-1,264	-1,325		-293	-367	
Profit before tax¹	7,382	6,413	15	2,129	1,772	20
Tax ^{1,2}	-628	-1,635		853	-480	
Net profit for the period from disposal group	503	900		0	265	
Net profit for the period^{1,2}	7,257	5,678	28	2,982	1,557	92
Earnings per share, SEK owners of the parent						
- after dilution effects	7.06	0.78		2.97	-4.88	
Margins (%)						
Gross margin	24.5	24.1		24.9	24.9	
Operating margin¹	10.1	9.5		10.3	10.2	
Financial net margin	-1.5	-1.6		-1.2	-1.8	
Profit margin¹	8.6	7.9		9.1	8.4	
Tax ^{1,2}	-0.7	-2.0		3.6	-2.3	
Net margin¹	7.9	5.9		12.7	6.1	

¹ Excluding items affecting comparability; for amounts see page 13.

² Including effects of the reduced company tax rate in Sweden, totaling SEK +1,331m for the full year 2012 and fourth quarter of 2012.

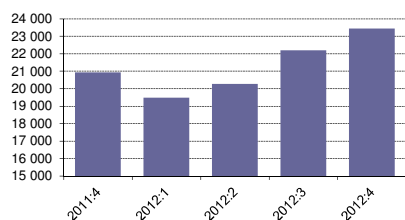
OPERATING PROFIT PER BUSINESS AREA

SEK m	1212	1112	%	2012:4	2011:4	%
Personal Care	3,180	2,645	20	884	792	12
Tissue	4,640	3,150	47	1,419	1,046	36
Forest Products	1,363	2,423	-44	318	479	-34
Other	-537	-480		-199	-178	
Total¹	8,646	7,738	12	2,422	2,139	13

¹ Excluding items affecting comparability; for amounts see page 13.

OPERATING CASH FLOW PER BUSINESS AREA

SEK m	1212	1112	%	2012:4	2011:4	%
Personal Care	3,586	2,828	27	762	370	106
Tissue	6,154	3,595	71	2,026	1,706	19
Forest Products	1,223	1,854	-34	154	425	-64
Other	-1,319	-859		-496	-409	
Total	9,644	7,418	30	2,446	2,092	17

Net sales**GROUP****MARKET/EXTERNAL ENVIRONMENT**

The global economy was characterized by weak economic growth in Western Europe and globally downward adjustments of growth forecasts. The U.S. showed some growth, and China posted continued good growth figures, even though lower than before.

The tissue markets in Europe and North America showed some growth during the year. Emerging markets experienced good growth in demand.

In Europe, demand for incontinence care products remained favorable during the year. Demand for baby diapers and feminine care products in Europe was stable. Emerging markets showed continued high growth for personal care products.

Demand in Western Europe for publication paper decreased during the year. For solid wood products, the Western European market remained weak, while the market balance for kraftliner improved gradually during the year.

SALES AND EARNINGS**January–December 2012 compared with corresponding period a year ago**

Net sales rose 5% (11% excluding exchange rate effects and divestments) to SEK 85,408m (81,337). Higher volumes increased sales by 5%, while lower prices for Forest Products decreased sales by 2%. Acquisitions increased sales by 8%, while divestments lowered sales by 5%.

Operating profit excluding items affecting comparability rose 12% (17% excluding exchange rate effects and divestments) to SEK 8,646m (7,738). Earnings improved as a result of higher volumes and prices, lower raw material costs, acquisition in Europe and cost-savings in the hygiene operations. Profit for Personal Care and Tissue rose 20% and 47%, respectively (28% and 50% respectively excluding exchange rate effects and divestments). Profit for Forest Products fell 44%, mainly as a result of lower prices and exchange rate effects.

Items affecting comparability totaled SEK -2,634m (-5,439) and consist of restructuring costs from the previously announced efficiency improvement programs, transaction costs for the year's acquisitions and divestments, a book loss of SEK 850m including a negative cash flow effect of SEK 140m associated with the divestment of the 50% shareholding in Aylesford Newsprint, and an impairment charge of SEK 435m for Laakirchen.

Financial items decreased to SEK -1,264m (-1,325) as a result of lower interest rates and a lower level of net debt. Profit before tax excluding items affecting comparability rose 15% (21% excluding exchange rate effects and divestments) to SEK 7,382m (6,413). The tax expense excluding items affecting comparability was SEK 628m (1,635).

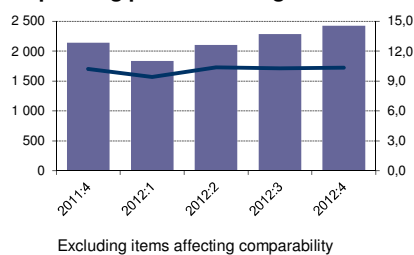
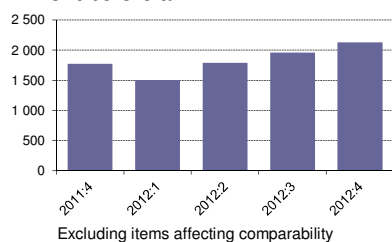
Net profit for the period excluding items affecting comparability rose 28% (30% excluding exchange rate effects) to SEK 7,257m (5,678). Earnings per share including items affecting comparability were SEK 7.06 (0.78).

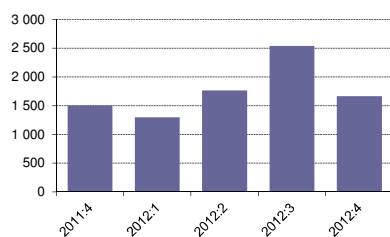
Fourth quarter 2012 compared with fourth quarter 2011

Net sales rose 12% (21% excluding exchange rate effects and divestments) to SEK 23,445m (20,935). Higher volumes increased sales by 8%. Lower prices decreased sales by 3%. Acquisitions increased sales by 16%.

Operating profit excluding items affecting comparability rose 13% (16% excluding exchange rate effects and divestments) to SEK 2,422m (2,139). Profit was favorably affected by lower raw material costs, higher volumes and acquisition in Europe.

Profit before tax excluding items affecting comparability rose 20% (24% excluding exchange rate effects and divestments) to SEK 2,129m (1,772).

Operating profit and margin**Profit before tax**

Cash flow from current operations**CASH FLOW AND FINANCING**

The operating cash surplus amounted to SEK 12,624m (11,982). The cash flow effect of the change in working capital was SEK 1,159m (-665). Current capital expenditures amounted to SEK -3,161m (-3,250). Operating cash flow improved to SEK 9,644m (7,418).

Financial items decreased to SEK -1,264m (-1,325) as a result of lower interest rates and a lower level of net debt. Tax payments increased to SEK 1,193m (850). Cash flow from current operations increased to SEK 7,271m (5,306). The improvement is mainly attributable to a lower level of tied-up working capital, but also to a higher operating surplus and lower capital expenditures compared with a year ago.

Strategic investments increased to SEK -1,863m (-1,637). The net sum of acquisitions and divestments was SEK 2,810m (-998). Net cash flow from the divested packaging operations was SEK 468m (1,109). Net cash flow increased to SEK 5,689m (884).

Net debt decreased by SEK 3,721m during the year, to SEK 32,927m. Excluding pension liabilities, net debt amounted to SEK 28,748m. Net cash flow decreased net debt by SEK 5,689m. Fair value measurement of pension assets and pension obligations together with fair valuation of financial instruments increased net debt by SEK 1,847m. Exchange rate movements increased net debt by SEK 121m. The debt/equity ratio was 0.55 (0.60 at the start of the year). Excluding pension liabilities, the debt/equity ratio was 0.48 (0.52 at the start of the year). The debt payment capacity was 37% (36%).

As per December 31, 2012, SCA had outstanding commercial paper worth SEK 7,343m maturing within 12 months. Unutilized credit facilities amounted to SEK 17,531m, of which long-term facilities amounted to SEK 17,217m. Cash and cash equivalents amounted to SEK 2,017m.

EQUITY

Consolidated equity decreased by SEK 1,127m to SEK 60,164m. Net profit for the period increased equity by SEK 5,000m. Equity decreased as a result of a transfer of the shareholder dividend, totaling SEK 2,999m. Restatement of the net pension liability to fair value by SEK 1,533m after tax decreased equity. Fair value measurement of financial instruments increased equity by SEK 266m after tax. Exchange rate movements including the effects of hedges of net investments in foreign assets decreased equity by SEK 1,861m.

TAX

A tax expense corresponding to a tax rate of 23% is reported for the year, excluding items affecting comparability.

The lowering of the company tax rate in Sweden from 26.3% to 22.0%, effective from 2013, had a positive effect on the tax expense for the fourth quarter by SEK 1,331m, due to a decrease of deferred tax in Sweden. At the same time, there have been tax risk reservations of SEK 220m.

DIVIDEND

The Board of Directors proposes an increase in the dividend by 7.1%, to SEK 4.50 (4.20) per share or SEK 3 161m (2,950). Dividend growth during the last ten-year period thereby amounts to 3.5%. The record date for the right to the dividend has been proposed as Tuesday 15 April 2013.

OTHER EVENTS DURING THE YEAR

On November 10, 2011, SCA made a binding offer to acquire Georgia-Pacific's European tissue operations. The acquisition was completed on July 19, 2012. The purchase price was SEK 11,514m. The investment amounted to SEK 11,357m on a debt-free basis, and goodwill amounted to SEK 1,960m. Consolidation of the acquired company has affected the Group's net sales from the date of the acquisition by SEK 4,976m and net profit for the period after tax by SEK 145m. The

purchase price will be adjusted following customary reconciliation of working capital, etc. For a preliminary purchase price allocation, see the 2012 third quarter interim report.

During the first quarter of 2012 SCA reached an agreement to acquire the Taiwan-based company Everbeauty, an Asian personal care company. The acquisition was completed on June 1. The purchase price was SEK 1,983m. The investment amounted to SEK 1,868m on a debt-free basis. Goodwill is preliminarily calculated to be approximately SEK 950m. Consolidation of the acquired company has affected the Group's net sales from the date of the acquisition by SEK 628m and net profit for the period after tax by SEK 5m. The purchase price will be adjusted following customary reconciliation of working capital, etc. For a preliminary purchase price allocation, see the 2012 half-year interim report.

On January 17, 2012, an agreement was reached with DS Smith on the divestment of SCA's packaging operations, excluding the two kraftliner mills in Sweden. The purchase price was EUR 1,700m on a debt-free basis. The deal was approved by the European Commission Competition Authority on May 25 and was completed on June 30. The operations were deconsolidated on June 30, 2012. The sales price will be adjusted following customary reconciliation of working capital, etc.

On October 2, 2012, SCA divested its 50% shareholding in the UK-based newsprint facility Aylesford Newsprint. Total sales in 2011 were approximately SEK 1,600m (GBP 150m). The operation has run at loss in recent years. The sale of shares was carried out on a debt-free basis for a symbolic amount. The transaction gave rise to a book loss of SEK 850m, including a negative cash flow effect of SEK 140m. The amount of SEK 850m was charged to profit for the third quarter.

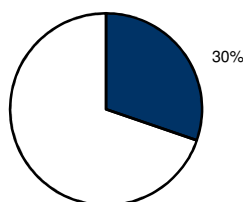
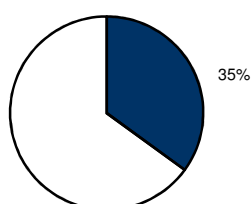
On December 19, 2012, an agreement was reached with Heinzl Group on the divestment of SCA's Austrian publication paper mill in Laakirchen. In conjunction with the divestment, the companies concluded a sales cooperation agreement. Total sales for 2012 were approximately SEK 2,759m (EUR 316m). The initial purchase consideration is EUR 100m with a possible, maximum earn-out payment of EUR 100m based on a two-year profit-sharing model. In conjunction with the transaction, a book loss of SEK 435m (EUR 50m) was recognized and charged against profit for the fourth quarter of 2012. The transaction is expected to be finalized in the first quarter of 2013 following approval by the relevant authorities.

During the year, SCA decided to invest approximately SEK 380m in expanded cooperation between SCA's industries in the Sundsvall region and Sundsvall Energi AB. The agreement will enable SCA to increase its deliveries of energy to Sundsvall's district heating network. The new facilities are expected to be operational in November 2013.

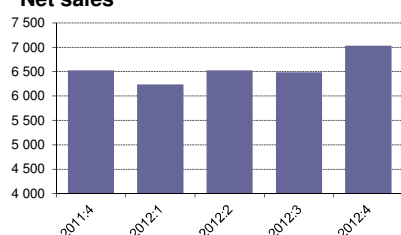
An efficiency program was initiated during the fourth quarter in the hygiene operations to further reduce costs and increase productivity. The program will generate annual cost savings of approximately EUR 300m, with full effect in 2015. Approximately 1,500 employees are affected by the program, which is expected to cost approximately EUR 100m.

During the fourth quarter SCA introduced an efficiency program in its forest products operation. The program will generate annual earnings improvements of SEK 1,300m, with full effect from 2015. The total cost of the program is SEK 370m, of which SEK 250m is cash flow-impacting and SEK 120m comprises impairment losses. Of the total costs, SEK 175m was charged against profit for the fourth quarter and recognized as items affecting comparability. The remaining SEK 195m will be charged against profit for the first six months of 2013.

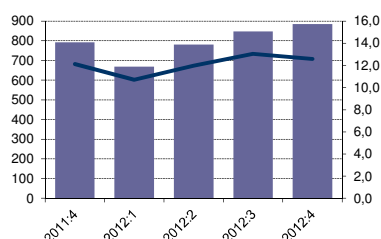
On December 7, 2012, SCA signed a joint venture agreement with E.ON, under which E.ON will develop a number of wind power projects together with SCA. The joint venture includes approximately 270 wind power stations and total yearly energy production of more than 2 TWh. The project is started 2014 and is expected to be in operation by 2016/2017 at the earliest.

Share of Group, net sales
1212Share of Group, operating profit
1212

Net sales



Operating profit and margin

Deviations, operating profit (%)
1212 vs. 1112

	20
Price/mix	4
Volume	15
Raw material	8
Energy	0
Currency	0
Other	-7

PERSONAL CARE

SEK m	1212	1112	%	2012:4	2011:4	%
Net sales	26,294	24,775	6**	7,033	6,529	8**
Operating surplus	4,075	3,738	9	1,100	1,068	3
Operating profit*	3,180	2,645	20	884	792	12
Operating margin, %*	12.1	10.7		12.6	12.1	
Operating cash flow	3,586	2,828		762	370	

*) Excluding restructuring costs, which are reported as items affecting comparability outside of the business area.

**) Excluding the divestment in Australia/New Zealand, an increase of 11% for the full year and 13% for the quarter.

In 2012 SCA acquired Everbeauty, a Taiwan-based Asian hygiene products company with sales in China, Taiwan and Southeast Asia. The company produces and markets baby diapers and incontinence care products with strong brands such as Dr P for incontinence care and Sealer for baby diapers. In incontinence care, the company holds the number two position in China and the number one position in Taiwan. In baby diapers, the company holds the number five position in both China and Taiwan.

January–December 2012 compared with corresponding period a year ago

Net sales rose 6% (12% excluding exchange rate effects and divestments) to SEK 26,294m (24,775). Higher volumes and an improved product mix increased sales by 6% and 1%, respectively. Acquisitions increased sales by 5%, while divestments decreased sales by 5%. In emerging markets, sales rose 22% excluding exchange rate effects.

Sales of incontinence care products, under the globally leading TENA brand, rose 9%, excluding exchange rate effects and divestments, driven mainly by emerging markets. Sales of baby diapers rose 17%, excluding exchange rate effects and divestments, mainly related to new contracts in Europe, higher sales in Latin America and acquisitions in Asia. Sales of feminine care products rose 9%, excluding exchange rate effects and divestments, mainly attributable to emerging markets.

Operating profit excluding items affecting comparability was 20% higher than a year ago (28% excluding exchange rate effects and divestments) and amounted to SEK 3,180m (2,645). Profit was favorably affected by higher volumes and prices, an improved product mix, lower raw material costs and cost savings.

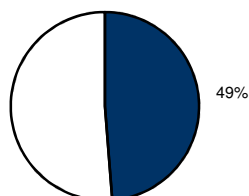
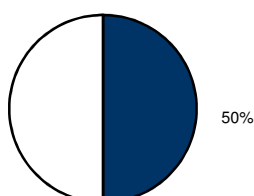
The operating cash surplus amounted to SEK 4,091m (3,732). Operating cash flow increased to SEK 3,586m (2,828). The higher operating cash surplus and lower working capital contributed to the increase.

Fourth quarter 2012 compared with fourth quarter 2011

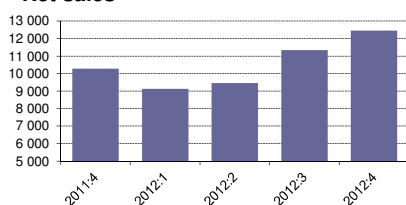
Net sales rose 8% (15% excluding exchange rate effects and divestments) to SEK 7,033m (6,529). Higher volumes increased sales by 6%. Acquisitions increased sales by 9%. Divestments decreased sales by 5%.

Sales of incontinence products, under the globally leading TENA brand, rose 9%, excluding exchange rate effects and divestments, driven mainly by emerging markets. Sales of baby diapers rose 17%, excluding exchange rate effects and divestments. The increase is mainly related to new contracts in Europe, higher sales in Latin America and acquisitions in Asia. Sales of feminine care products rose 11%, excluding exchange rate effects and divestments, mainly attributable to emerging markets.

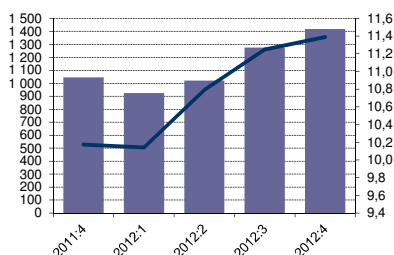
Operating profit excluding items affecting comparability rose 12% (16% excluding exchange rate effects and divestments) to SEK 884m (792). The increase in profit is attributable to higher volumes, lower raw material costs and cost savings.

Share of Group, net sales
1212Share of Group, operating profit
1212

Net sales



Operating profit and margin

Deviations, operating profit (%)
1212 vs. 1112

Category	Deviation (%)
Price/mix	8
Volume	7
Raw material	29
Energy	-1
Currency	-1
Other	5

TISSUE

SEK m	1212	1112	%	2012:4	2011:4	%
Net sales	42,375	39,118	8**	12,460	10,280	21**
Operating surplus	6,815	5,237	30	2,040	1,584	29
Operating profit*	4,640	3,150	47	1,419	1,046	36
Operating margin, %*	10.9	8.1		11.4	10.2	
Operating cash flow	6,154	3,595		2,026	1,706	

*) Excluding restructuring costs, which are reported as items affecting comparability outside of the business area.

**) Excluding the divestment in Australia/New Zealand, an increase of 16% for the full year and 29% for the quarter.

On July 19, 2012 SCA completed its acquisition of Georgia-Pacific's European tissue business. The acquisition strengthens SCA's product offering and geographic presence in Europe and will generate substantial synergies.

In 2012 SCA acquired the outstanding 50% interest in the Chilean hygiene products company PISA and an additional 5% of the shares in the Chinese tissue company Vinda.

January–December 2012 compared with corresponding period a year ago

Net sales rose 8% (17% excluding exchange rate effects and divestments) to SEK 42,375m (39,118). Higher volumes and an improved product mix increased sales by 3% and 1%, respectively. Acquisitions increased sales by 13%. Divestments decreased sales by 8%. Sales in emerging markets rose 19%, excluding exchange rate effects.

Sales of consumer tissue rose 21%, excluding exchange rate effects and divestments, mainly related to acquisitions in Europe and Latin America.

Sales of AFH tissue rose 14%, excluding exchange rate effects and divestments, mainly related to acquisition in Europe.

Operating profit excluding items affecting comparability improved by 47% (50% excluding exchange rate effects and divestments) to SEK 4,640m (3,150). Higher prices, an improved product mix, higher volumes, acquisitions, lower raw material costs and cost savings contributed to the earnings improvement.

The operating cash surplus increased to SEK 6,871m (5,303). Operating cash flow increased to SEK 6,154m (3,595). The higher operating cash surplus and lower level of working capital contributed to the increase.

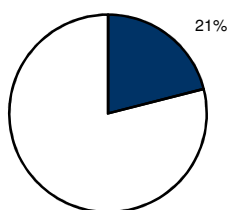
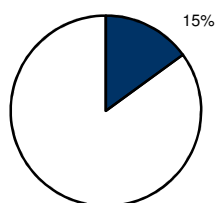
Fourth quarter 2012 compared with fourth quarter 2011

Net sales rose 21% (32% excluding exchange rate effects and divestments) to SEK 12,460m (10,280). Higher volumes and acquisitions increased sales by 5% and 27%, respectively. Divestments decreased sales by 8%.

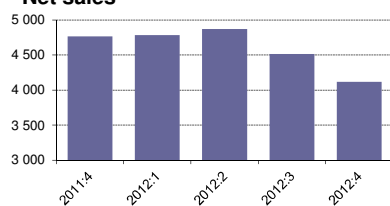
Sales of consumer tissue rose 38%, excluding exchange rate effects and divestments. The increase is attributable to acquisitions and strong sales growth in emerging markets.

Sales of AFH tissue rose 28%, excluding exchange rate effects and divestments. The increase is mainly attributable to acquisitions.

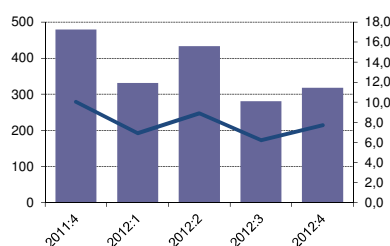
Operating profit excluding items affecting comparability rose 36% (41% excluding exchange rate effects and divestments), to SEK 1,419m (1,046). Higher volumes, acquisitions, lower raw material costs and cost savings had a favorable impact on earnings.

Share of Group, net sales
1212Share of Group, operating profit
1212

Net sales



Operating profit and margin

Deviations, operating profit (%)
1212 vs. 1112

Price/mix	-53
Volume	2
Raw material	8
Energy	5
Currency	0
Other	-6

In the deviation analysis, the currency deviation was 0% and consisted of a translation effect. Including the exchange rate effects from transaction exposure, the total exchange rate effect was approximately -11% (SEK -270m), and with a corresponding change primarily in the Price/mix, the effect was -42%.

FOREST PRODUCTS

SEK m	1212	1112	%	2012:4	2011:4	%
Deliveries						
- Publication papers, thousand tonnes*	1,492	1,588	-6	328	398	-18
- Solid-wood products, thousand m ³	2,117	1,916	10	539	473	14
- Kraftliner products, thousand tonnes	767	729	5	175	165	6
- Pulp products, thousand tonnes	508	480	6	125	108	16
Net sales	18,283	20,003	-9	4,119	4,767	-14
Operating surplus	2,885	3,978	-27	663	848	-22
Operating profit**	1,363	2,423	-44	318	479	-34
Operating margin, %**	7.5	12.1		7.7	10.0	
Operating cash flow	1,223	1,854		154	425	

*) Adjusted for the divestment of Aylesford, deliveries decreased by 3% and 6%, respectively.

**) Excluding restructuring costs, which are reported as items affecting comparability outside of the business area.

In 2012 SCA divested its 50% shareholding in Aylesford Newsprint in the UK. Also during the year, SCA signed an agreement to sell its Austrian publication paper mill in Laakirchen, a transaction that is expected to be finalized during the first quarter of 2013 following approval by relevant authorities.

During the fourth quarter, SCA introduced an efficiency improvement program for its forest products operations. The program will generate earnings improvements of approximately SEK 1.3bn, with full effect from 2015.

During the fourth quarter, SCA signed an agreement with E.ON for cooperation in wind power with more than 2 TWh of electricity generation per year. The project is expected to be in operation by 2016/2017 at the earliest.

During the first quarter of 2012, SCA acquired the French timber processing company PLF, the largest independent supplier of solid-wood products to builders merchants in France.

January–December 2012 compared with the corresponding period a year ago

Net sales decreased by 9% (8% excluding exchange rate effects and divestments) to SEK 18,283m (20,003). Acquisitions increased sales by 1%. Lower prices (including exchange rate effects) decreased sales by 9%. Divestments decreased sales by 1%.

Sales of publication papers decreased as a result of lower volumes and prices (including exchange rate effects). Sales of kraftliner, solid-wood products and pulp decreased as a result of lower prices (including exchange rate effects) that were not fully compensated by higher volumes.

Operating profit excluding items affecting comparability decreased by 44% to SEK 1,363m (2,423). The lower profit is mainly attributable to lower prices and negative exchange rate effects in all product categories due to the stronger SEK.

The operating cash surplus was SEK 2,313m (3,398), and operating cash flow totaled SEK 1,223m (1,854).

Fourth quarter 2012 compared with fourth quarter 2011

Net sales decreased by 14% (9% excluding exchange rate effects and divestments) to SEK 4,119m (4,767). Lower prices (including exchange rate effects) decreased sales by 11%. Higher volumes and acquisitions each increased sales by 1%. Divestments decreased sales by 4%.

Sales of publication papers decreased due to lower volumes and prices (including exchange rate effects). Sales of pulp and kraftliner were level with the preceding year. Sales of solid-wood products decreased as a result of lower prices (including exchange rate effects) that were not fully compensated by higher volumes.

Operating profit excluding items affecting comparability decreased by 34%, to SEK 318m (479). The decrease in profit is attributable to lower prices and exchange rate effects in all product categories.

SHARE DISTRIBUTION

December 31, 2012	Class A	Class B	Total
Registered number of shares	93,278,137	611,831,957	705,110,094
- of which treasury shares		2,767,605	2,767,605

At year-end the proportion of Class A shares was 13.2%. During the fourth quarter, at the request of shareholders a total of 2,369,530 Class A shares were converted to Class B shares. After the period, at the request of shareholders a total of 700,698 Class A shares were converted to Class B shares. The total number of votes in the company is thereafter 1,538,307,045.

RISKS AND UNCERTAINTIES

SCA's risk exposure and risk management are described on pages 58–63 of the 2011 Annual Report. No significant changes have taken place that have affected the reported risks.

Risks in conjunction with company acquisitions are analyzed in the due diligence processes that SCA carries out prior to all acquisitions. In cases where acquisitions have been carried out that may affect the assessment of SCA's risk exposure, these are described under the heading "Other events" in interim reports.

Risk management processes

SCA's board decides on the Group's strategic direction, based on recommendations made by Group management. Responsibility for the long-term, overall management of strategic risks corresponds to the company's delegation structure, from the Board to the CEO and from the CEO to the business unit heads. This means that most operational risks are managed by SCA's business units at the local level, but that they are coordinated when considered necessary. The tools used in this coordination consist primarily of the business units' regular reporting and the annual strategy process, where risks and risk management are a part of the process.

SCA's financial risk management is centralized, as is the Group's internal bank for the Group companies' financial transactions and management of the Group's energy risks. Financial risks are managed in accordance with the Group's finance policy, which is adopted by SCA's board and which – together with SCA's energy risk policy – makes up a framework for risk management. Risks are aggregated and followed up on a regular basis to ensure compliance with these guidelines. SCA has also centralized other risk management.

SCA has a staff function for internal audit, which monitors compliance in the organization with the Group's policies.

RELATED PARTY TRANSACTIONS

No transactions have been carried out between SCA and related parties that had a material impact on the company's financial position and results of operations.

ACCOUNTING PRINCIPLES

This interim report has been prepared in accordance with IAS 34 and recommendation RFR 1 of the Swedish Financial Reporting Board (RFR), and with regard to the Parent Company, RFR 2. The accounting principles applied correspond to those described in the 2011 Annual Report, except for with respect to a number of minor amendments to existing standards and new interpretations that took effect on January 1, 2012. These are judged to not have any material effect on the Group's or the Parent Company's result of operations, financial position or disclosures.

On June 30 SCA's packaging operations were sold, excluding the kraftliner operations in Sweden, to the packaging company DS Smith. Based on this, the operations that were sold have been classified and reported as a disposal group held for sale, in accordance with IFRS 5. In calculations of the disposal group's profit for the period as well as assets, liabilities and cash flow, SCA has used the same accounting principles as for the rest of the Group, with certain, special additions, which are reported on in this section. The reported tax expense and deferred tax are based on what has been calculated for the respective units, with applicable adjustments for the disposal group and the rest of the Group as a whole. This approach has also been applied for items in net financial income and expense. Other items have been calculated and classified on the same basis as for the rest of the SCA Group.

FUTURE REPORTS

Quarterly interim reports will be published on April 29, July 18 and October 18, 2013.

INVITATION TO PRESS TELECONFERENCE ON 2012 YEAR-END REPORT

Media and analysts are invited to a press teleconference, where this year-end report will be presented by Jan Johansson, President and CEO of SCA.

Time: 13.30 CET, Thursday, January 24, 2013

Location: Lundqvist & Lindqvist, Klarabergsviadukten 90, Stockholm, Sweden

The press conference will be webcast at www.sca.com. To participate, call: +44 (0)20 7162 0077, +1 (334) 323-6201, or +46 (0)8 5052 0110.

OPERATING CASH FLOW ANALYSIS

SEK m	1212	1112
Operating cash surplus	12,624	11,982
Change in working capital	1,159	-665
Current capital expenditures, net	-3,161	-3,250
Restructuring costs, etc.	-978	-649
Operating cash flow	9,644	7,418
Financial items	-1,264	-1,325
Income taxes paid	-1,193	-850
Other	84	63
Cash flow from current operations	7,271	5,306
Acquisitions	-14,872	-983
Strategic capital expenditures, fixed assets	-1,863	-1,637
Divestments	17,682	-15
Cash flow before dividend	8,218	2,671
Dividend	-2,997	-2,896
Cash flow after dividend	5,221	-225
Net cash flow from disposal group	468	1,109
Net cash flow	5,689	884
Net debt at the start of the period*	-36,648	-34,406
Net cashflow	5,689	884
Remeasurement to equity	-1,847	-3,505
Currency effects	-121	379
Net debt at the end of the period	-32,927	-36,648
Debt/equity ratio	0.55	0.60
Debt payment capacity, %	37	36

* Including disposal group

CASH FLOW STATEMENT

SEK m	1212	1112	1212*	1112*
Operating activities				
Profit before tax	5,427	2,258		
Adjustment for non-cash items ¹	6,130	10,093		
	11,557	12,351	1,087	2,265
Paid tax	-1,303	-961	-110	-111
Cash flow from operating activities before changes in working capital	10,254	11,390	977	2,154
Cash flow from changes in working capital				
Change in inventories	495	-562		
Change in operating receivables	-607	-894	-213	-580
Change in operating liabilities	1,059	211		
Cash flow from operating activities	11,201	10,145	764	1,574
Investing activities				
Acquisition of operations	-14,144	-932		
Sold operations	17,068	109		
Acquisition tangible and intangible assets	-5,673	-5,911		
Sale of tangible assets	359	265		
Payment of loans to external parties	-1,081	-179		
Cash flow from investing activities	-3,471	-6,648	-321	-678
Financing activities				
Borrowings	0	294		
Amortisation of debt	-5,421	0		
Dividends paid	-2,999	-2,898	-2	-2
Cash flow from financing activities	-8,420	-2,604	-41	-523
Cash flow for the period	-690	893	402	373
Cash and cash equivalents at the beginning of the year	2,752	1,866		
Exchange differences in cash and cash equivalents	-45	-7		
Cash and cash equivalents at the end of the period	2,017	2,752		

*Of which, the packaging operations divested June 2012.

Reconciliation with operating cash flow analysis

Cash flow for the period	-690	893
Deducted items:		
Payment of loans to external parties	1,081	179
Borrowings	0	-294
Amortisation of debt	5,421	0
Added items:		
Net debt in acquired and divested operations	-119	132
Accrued interest	-4	-15
Investments through finance leases	0	-11
Net cash flow according to operating cash flow analysis	5,689	884

¹ Depreciation and impairment, fixed assets	6,058	11,235
Fair-value measurement/net growth of forest assets	-643	-623
Unpaid related to efficiency programs	1,330	40
Payments related to efficiency programs already recognized	-382	-408
Other	-233	-151
<i>Total</i>	<i>6,130</i>	<i>10,093</i>

CONSOLIDATED INCOME STATEMENT, in accordance with IAS 34 and IFRS 5

All lines except for the net profit line are excluding the packaging operations sold

SEK m	2012:4	2011:4	2012:3	1212	1112
Net sales	23,445	20,935	22,200	85,408	81,337
Cost of goods sold ¹	-17,611	-15,726	-17,038	-64,449	-61,701
Gross profit	5,834	5,209	5,162	20,959	19,636
Sales, general and administration ¹	-3,506	-3,087	-2,955	-12,472	-11,981
Items affecting comparability ²	-1,193	-5,287	-1,031	-2,634	-5,439
Share in profits of associates	94	17	78	159	83
Operating profit	1,229	-3,148	1,254	6,012	2,299
Financial items	-293	-367	-324	-1,264	-1,325
Profit before tax	936	-3,515	930	4,748	974
Tax	1,145	-152	-560	-251	-1,267
Net profit for the period continued operations	2,081	-3,667	370	4,497	-293
Net profit for the period from disposal group	0	265	0	503	900
Net profit for the period	2,081	-3,402	370	5,000	607
Earnings attributable to:					
Owners of the parent	2,086	-3,429	356	4,956	551
Non-controlling interests	-5	27	14	44	56
Earnings per share, SEK - owners of the parent total operations					
- before dilution effects	2.97	-4.88	0.51	7.06	0.78
- after dilution effects	2.97	-4.88	0.51	7.06	0.78
Earnings per share, SEK - owners of the parent continued operations					
- before dilution effects	2.97	-5.26	0.51	6.34	-0.50
- after dilution effects	2.97	-5.26	0.51	6.34	-0.50
Calculation of earnings per share	2012:4	2011:4	2012:3	1212	1112
Earnings attributable to owners of the parent	2,086	-3,429	356	4,956	551
Average no. of shares before dilution, millions	702.3	702.3	702.3	702.3	702.3
Average no. of shares after dilution	702.3	702.3	702.3	702.3	702.3
¹ Of which, depreciation	-1,302	-1,229	-1,270	-4,926	-4,913
² Distribution of items affecting comparability					
Distribution of restructuring costs, etc.					
Cost of goods sold	-253	-569	-35	-300	-676
Sales, general and administration	-425	-54	-159	-982	-99
Impairment, etc.	-515	-4,664	-837	-1,352	-4,664
Total items affecting comparability	-1,193	-5,287	-1,031	-2,634	-5,439
Gross margin	24.9	24.9	23.3	24.5	24.1
Operating margin	5.2	-15.0	5.6	7.0	2.8
Financial net margin	-1.2	-1.8	-1.5	-1.5	-1.6
Profit margin	4.0	-16.8	4.1	5.5	1.2
Tax	4.9	-0.7	-2.5	-0.3	-1.6
Net margin ¹	8.9	-17.5	1.6	5.2	-0.4
¹ Excluding Net profit for the period from disposal group					
Excluding items affecting comparability:	2012:4	2011:4	2012:3	1212	1112
Gross margin	24.9	24.9	23.3	24.5	24.1
Operating margin	10.3	10.2	10.3	10.1	9.5
Financial net margin	-1.2	-1.8	-1.5	-1.5	-1.6
Profit margin	9.1	8.4	8.8	8.6	7.9
Tax	3.6	-2.3	-2.7	-0.7	-2.0
Net margin ¹	12.7	6.1	6.1	7.9	5.9

¹ Excluding Net profit for the period from disposal group

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

SEK m	2012:4	2011:4	2012:3	1212	1112
Profit for the period	2,081	-3,402	370	5,000	607
Other comprehensive income for the period					
Actuarial gains/losses on defined benefit pension plans	162	68	-508	-2,011	-3,512
Available-for-sale financial assets	154	112	58	286	-352
Cash flow hedges	-68	-191	38	-22	-461
Exchange differences on translating foreign operations	1,362	-2,108	-2,895	-2,984	-684
Gains/losses from hedges of net investments in foreign operations	-893	845	1,397	1,134	-252
Income tax relating to components of other comprehensive income	31	11	-31	480	1,023
Other comprehensive income for the period, net of tax	748	-1,263	-1,941	-3,117	-4,238
Total comprehensive income for the period	2,829	-4,665	-1,571	1,883	-3,631
Total comprehensive income attributable to:					
Owners of the parent	2,871	-4,674	-1,562	1,908	-3,690
Non-controlling interests	-42	9	-9	-25	59

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

SEK m	1212	1112
Attributable to owners of the parent		
Opening balance, January 1	60,752	67,255
Total comprehensive income for the period	1,908	-3,690
Dividend	-2,950	-2,809
Revaluation of non-controlling interests	-4	-4
Closing balance	59,706	60,752
Non-controlling interests		
Opening balance, January 1	539	566
Total comprehensive income for the period	-25	59
Dividend	-49	-89
Change in Group composition	-7	3
Closing balance	458	539
Total equity, closing balance	60,164	61,291

CONSOLIDATED BALANCE SHEET

SEK m	December 31, 2012	December 31, 2011
Assets		
Goodwill	12,169	9,433
Other intangible assets	5,460	2,629
Tangible assets	74,205	69,328
Shares and participations	2,517	1,136
Non-current financial assets	3,614	2,083
Other non-current receivables	905	902
Total non-current assets	98,870	85,511
Operating receivables and inventories	28,539	25,577
Current financial assets	168	292
Non-current assets held for sale	1,937	3,379*
Cash and cash equivalents	2,017	2,644
Total current assets	32,661	31,892
Assets in disposal group held for sale	0	21,601**
Total assets	131,531	139,004
Equity		
Owners of the parent	59,706	60,752
Non-controlling interests	458	539
Total equity	60,164	61,291
Liabilities		
Provisions for pensions	4,861	3,301
Other provisions	9,107	9,350
Non-current financial liabilities	23,759	27,711
Other non-current liabilities	1,013	857
Total non-current liabilities	38,740	41,219
Current financial liabilities ¹	9,955	9,266
Other current liabilities	22,672	19,627
Total current liabilities	32,627	28,893
Liabilities in disposal group held for sale	0	7,601**
Total liabilities	71,367	77,713
Total equity and liabilities	131,531	139,004
¹ Committed credit lines amount to SEK 17,531m of which unutilized SEK 17,531m.		
*Mainly assets in Australia/New Zealand		
**Disposal of packaging operations		
Debt/equity ratio	0.55	0.60
Visible equity/assets ratio	45%	44%
Return on capital employed	7%	4%
Return on equity	8%	1%
Excluding items affecting comparability:		
Return on capital employed	10%	9%
Return on equity	12%	9%
Capital employed	93,091	82,745
- of which working capital	6,625	6,816
Provisions for restructuring costs are included in the balance sheet as follows:		
- Other provisions*	613	380
- Operating liabilities	630	396
*) of which, provision for tax risks	482	247
Net debt	32,927	36,648***
Total Equity	60,164	61,291
***) including disposal group		

NET SALES

SEK m	1212	1112	2012:4	2012:3	2012:2	2012:1	2011:4	2011:3
Personal Care	26,294	24,775	7,033	6,490	6,530	6,241	6,529	6,310
Tissue	42,375	39,118	12,460	11,333	9,461	9,121	10,280	9,951
Forest Products	18,283	20,003	4,119	4,513	4,868	4,783	4,767	5,114
Other	1,268	1,881	222	248	418	380	393	510
Intra-group deliveries	-2,812	-4,440	-389	-384	-1,004	-1,035	-1,034	-1,129
Total net sales	85,408	81,337	23,445	22,200	20,273	19,490	20,935	20,756

OPERATING PROFIT

SEK m	1212	1112	2012:4	2012:3	2012:2	2012:1	2011:4	2011:3
Personal Care	3,180	2,645	884	847	781	668	792	688
Tissue	4,640	3,150	1,419	1,275	1,021	925	1,046	809
Forest Products	1,363	2,423	318	281	433	331	479	654
Other	-537	-480	-199	-118	-130	-90	-178	-129
Total operating profit ¹	8,646	7,738	2,422	2,285	2,105	1,834	2,139	2,022
Financial items	-1,264	-1,325	-293	-324	-316	-331	-367	-361
Profit before tax ¹	7,382	6,413	2,129	1,961	1,789	1,503	1,772	1,661
Tax	-628	-1,635	853	-589	-479	-413	-480	-443
Net profit for the period from disposal group	503	900	0	0	234	269	265	178
Net profit for the period ²	7,257	5,678	2,982	1,372	1,544	1,359	1,557	1,396
¹ Excluding items affecting comparability before tax amounting to:	-2,634	-5,439	-1,193	-1,031	-260	-150	-5,287	-152
² Excluding items affecting comparability after tax amounting to:	-2,257	-5,071	-901	-1,002	-226	-128	-4,959	-112

OPERATING MARGIN

%	1212	1112	2012:4	2012:3	2012:2	2012:1	2011:4	2011:3
Personal Care	12.1	10.7	12.6	13.1	12.0	10.7	12.1	10.9
Tissue	10.9	8.1	11.4	11.3	10.8	10.1	10.2	8.1
Forest Products	7.5	12.1	7.7	6.2	8.9	6.9	10.0	12.8

CONSOLIDATED INCOME STATEMENT

SEK m	2012:4	2012:3	2012:2	2012:1	2011:4
Net sales	23,445	22,200	20,273	19,490	20,935
Cost of goods sold	-17,611	-17,038	-15,131	-14,669	-15,726
Gross profit	5,834	5,162	5,142	4,821	5,209
Sales, general and administration	-3,506	-2,955	-3,019	-2,992	-3,087
Items affecting comparability	-1,193	-1,031	-260	-150	-5,287
Share in profits of associates	94	78	-18	5	17
Operating profit	1,229	1,254	1,845	1,684	-3,148
Financial items	-293	-324	-316	-331	-367
Profit before tax	936	930	1,529	1,353	-3,515
Taxes	1,145	-560	-445	-391	-152
Net profit for the period from disposal group	0	0	234	269	265
Net profit for the period	2,081	370	1,318	1,231	-3,402

INCOME STATEMENT PARENT COMPANY

SEK m	1212	1112
Administrative expenses	-493	-630
Other operating income	98	174
Other operating expenses	-95	-171
Operating profit	-490	-627
Financial items	4,781	2,755
Profit before tax	4,291	2,128
Untaxed reserv and Tax	-238	160
Net profit for the period	4,053	2,288

BALANCE SHEET PARENT COMPANY

SEK m	December 31, 2012	December 31, 2011
Intangible fixed assets	1	1
Tangible fixed assets	6,724	6,504
Financial fixed assets	124,804	127,503
Total fixed assets	131,529	134,008
Total current assets	3,480	1,512
Total assets	135,009	135,520
Restricted equity	10,996	10,996
Unrestricted equity	39,342	38,238
Total equity	50,338	49,234
Untaxed reserves	181	169
Provisions	1,194	915
Non-current liabilities	15,593	15,811
Current liabilities	67,703	69,391
Total equity, provisions and liabilities	135,009	135,520

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NB

SCA discloses the information provided herein pursuant to the Securities Markets Act. This report has been prepared in both Swedish and English versions. In case of variations in the content between the two versions, the Swedish version shall govern. Submitted for publication on January 24, 2013, at 12.00 CET.