

Press release

Stockholm, March 10, 2014



Changes in SCA's financial reporting for 2014 due to new and amended reporting standards

As described in the year-end report 2013, effective January 1, 2014, SCA applies the following new and amended reporting standards: IFRS 10 Consolidated Financial Statements, IFRS 11 Joint Arrangements, IFRS 12 Disclosure of Interests in Other Entities, IAS 27 Separate Financial Statements, and IAS 28 Investments in Associates and Joint Ventures.

These standards are applied retrospectively, which entails that the cash flows, income statements and balance sheets for 2012 and 2013 have been recalculated to reflect the changes in the new and amended reporting standards. It is mainly IFRS 10 Consolidated Financial Statements and IFRS 11 Joint Arrangements that have affected the recalculations. The other standards are not judged to have any material impact on the Group's or parent company's result or financial position.

For SCA, this entails that some joint ventures have been reclassified to subsidiaries. For the joint ventures that have not been reclassified as subsidiaries the equity method is applied. A few individual companies have been classified as joint operations for which proportionate consolidation is applied.

Please find below recalculated cash flows, income statements and balance sheets for 2012 and 2013.

NB:

SCA discloses the information provided herein pursuant to the Securities Markets Act. Submitted for publication on March 10, 2014, at 08.30 CET.

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SCA is a leading global hygiene and forest products company. The Group develops and produces sustainable personal care, tissue and forest products. Sales are conducted in about 100 countries under many strong brands, including the leading global brands TENA and Tork, and regional brands, such as Libero, Libresse, Lotus, Nosotras, Saba, Tempo and Vinda. As Europe's largest private forest owner, SCA places considerable emphasis on sustainable forest management. The Group has about 44,000 employees. Sales in 2013 amounted to approximately SEK 93bn (EUR 10.7bn). SCA was founded in 1929, has its headquarters in Stockholm, Sweden, and is listed on NASDAQ OMX Stockholm. For more information, visit www.sca.com.

OPERATING CASH FLOW ANALYSIS

SEK m	1312	1212
Operating cash surplus	14,004	13,068
Change in working capital	-328	1,119
Current capital expenditures, net	-3,489	-3,272
Restructuring costs, etc.	-1,294	-988
Operating cash flow	8,893	9,927
Financial items	-1,061	-1,323
Income taxes paid	-1,741	-1,265
Other	161	102
Cash flow from current operations	6,252	7,441
Acquisitions	-5,488	-14,873
Strategic capital expenditures, fixed assets	-1,906	-1,971
Divestments	1,716	17,682
Cash flow before dividend	574	8,279
Dividend	-3,303	-3,089
Cash flow after dividend	-2,729	5,190
Net cash flow from disposal group	0	468
Net cash flow	-2,729	5,658
Net debt at the start of the period	-33,063	-36,820*
Net cash flow	-2,729	5,658
Remeasurement to equity	2,176	-1,787
Currency effects	-117	-114
Effect of reclassification of operating liability**	-186	0
Net debt at the end of the period	-33,919	-33,063
Debt/equity ratio	0.50	0.54
Debt payment capacity, %	38	38

* Including disposal group

** Provision for payroll tax has been reclassified to net debt under IAS 19.

STATEMENT OF PROFIT OR LOSS

SEK m	1312	1212
Net sales	92,873	89,229
Cost of goods sold ¹	-69,585	-67,035
Gross profit	23,288	22,194
Sales, general and administration ¹	-13,122	-13,323
Items affecting comparability ²	-1,239	-2,614
Share of profits of associates	215	169
Operating profit	9,142	6,426
Financial items	-1,061	-1,323
Profit before tax	8,081	5,103
Tax	-2,220	-364
Net profit for the period continued operations	5,861	4,739
Net profit for the period from disposal group	0	503
Net profit for the period	5,861	5,242
Earnings attributable to:		
Owners of the parent	5,546	4,956
Non-controlling interests	315	286
Earnings per share, SEK - owners of the parent total operations		
- before dilution effects	7.90	7.06
- after dilution effects	7.90	7.06
Earnings per share, SEK - owners of the parent continued operations		
- before dilution effects	7.90	6.34
- after dilution effects	7.90	6.34
Calculation of earnings per share	1312	1212
Earnings attributable to owners of the parent	5,546	4,956
Average no. of shares before dilution, millions	702.3	702.3
Average no. of shares after dilution, millions	702.3	702.3
¹ Of which, depreciation	-5,005	-4,993
² Distribution of items affecting comparability		
Distribution of restructuring costs, etc. per function		
Cost of goods sold	-288	-300
Sales, general and administration	-740	-982
Impairment, etc.	-211	-1,332
Total items affecting comparability	-1,239	-2,614
Gross margin	25.1	24.9
Operating margin	9.8	7.2
Financial net margin	-1.1	-1.5
Profit margin	8.7	5.7
Tax	-2.4	-0.4
Net margin *	6.3	5.3
* Excluding Net profit for the period from disposal group		
Excluding items affecting comparability:	1312	1212
Gross margin	25.1	24.9
Operating margin	11.2	10.1
Financial net margin	-1.1	-1.5
Profit margin	10.1	8.6
Tax	-2.8	-0.8
Net margin *	7.3	7.8
* Excluding Net profit for the period from disposal group		

CONSOLIDATED BALANCE SHEET

SEK m	December 31, 2013	December 31, 2012
Assets		
Goodwill	13,785	12,349
Other intangible assets	8,136	5,580
Tangible assets	81,544	75,274
Shares and participations	1,072	2,317
Non-current financial assets	3,190	3,577
Other non-current receivables	1,819	996
Total non-current assets	109,546	100,093
Operating receivables and inventories	31,077	29,736
Current financial assets	536	401
Non-current assets held for sale	32	1,937
Cash and cash equivalents	3,785	2,118
Total current assets	35,430	34,192
Total assets	144,976	134,285
Equity		
Owners of the parent	63,271	59,706
Non-controlling interests	4,540	1,993
Total equity	67,811	61,699
Liabilities		
Provisions for pensions	2,548	4,820
Other provisions	10,531	9,207
Non-current financial liabilities	28,703	24,077
Other non-current liabilities	593	1,022
Total non-current liabilities	42,375	39,126
Current financial liabilities ¹	10,009	10,105
Other current liabilities	24,781	23,355
Total current liabilities	34,790	33,460
Total liabilities	77,165	72,586
Total equity and liabilities	144,976	134,285
¹ Committed credit lines amount to SEK 18 186m of which unutilized SEK 18 186m.		
Debt/equity ratio	0.50	0.54
Visible equity/assets ratio	44%	44%
Return on capital employed	10%	8%
Return on equity	9%	9%
Excluding items affecting comparability:		
Return on capital employed	11%	10%
Return on equity	11%	12%
Equity per share, SEK	96	88
Capital employed	101,730	94,762
- of which working capital	7,740	7,125
Provisions for restructuring costs are included in the balance sheet as follows:		
- Other provisions*	416	616
- Operating liabilities	786	630
*) of which, provision for tax risks	292	482
Net debt	33,919	33,063
Total Equity	67,811	61,699

NET SALES

SEK m	1312	1212	2013:4	2013:3	2013:2	2013:1
Personal Care	29,736	29,084	7,578	7,382	7,475	7,301
Tissue	48,096	43,476	12,357	11,910	11,930	11,899
Forest Products	15,525	18,283	3,646	3,843	3,788	4,248
Other	95	1,240	-4	-2	26	75
Intra-group deliveries	-579	-2,854	-157	-131	-100	-191
Total net sales	92,873	89,229	23,420	23,002	23,119	23,332

OPERATING PROFIT

SEK m	1312	1212	2013:4	2013:3	2013:2	2013:1
Personal Care	3,519	3,437	859	880	902	878
Tissue	5,724	4,778	1,601	1,524	1,333	1,266
Forest Products ³	1,843	1,363	916	420	250	257
Other	-705	-538	-213	-199	-207	-86
Total operating profit¹	10,381	9,040	3,163	2,625	2,278	2,315
Financial items	-1,061	-1,323	-272	-283	-227	-279
Profit before tax¹	9,320	7,717	2,891	2,342	2,051	2,036
Tax	-2,639	-737	-933	-656	-524	-526
Net profit for the period from disposal group	0	503	0	0	0	0
Net profit for the period²	6,681	7,483	1,958	1,686	1,527	1,510
¹ Excluding items affecting comparability before tax amounting to:	-1,239	-2,614	-215	-233	-373	-418
² Excluding items affecting comparability after tax amounting to:	-820	-2,241	-45	-172	-297	-306
³ Including effects of forest swaps, Forest Products before tax	583	91	455	7	0	121

OPERATING MARGIN

%	1312	1212	2013:4	2013:3	2013:2	2013:1
Personal Care	11.8	11.8	11.3	11.9	12.1	12.0
Tissue	11.9	11.0	13.0	12.8	11.2	10.6
Forest Products	11.9	7.5	25.1	10.9	6.6	6.0

CONSOLIDATED INCOME STATEMENT

SEK m	2013:4	2013:3	2013:2	2013:1
Net sales	23,420	23,002	23,119	23,332
Cost of goods sold	-17,512	-17,028	-17,339	-17,706
Gross profit	5,908	5,974	5,780	5,626
Sales, general and administration	-2,831	-3,424	-3,540	-3,327
Items affecting comparability	-215	-233	-373	-418
Share of profits of associates	86	75	38	16
Operating profit	2,948	2,392	1,905	1,897
Financial items	-272	-283	-227	-279
Profit before tax	2,676	2,109	1,678	1,618
Taxes	-763	-595	-448	-414
Net profit for the period from disposal group	0	0	0	0
Net profit for the period	1,913	1,514	1,230	1,204