

Press release

Stockholm, April 10, 2017



Changes to SCA's financial reporting as of interim report Q1 2017

In SCA's interim report for the first quarter of 2017 to be published on April 27, 2017, the hygiene business will be recognized as profit for the period from discontinued operations held for distribution to owners. SCA will also publish an interim report for the first quarter of 2017 for its hygiene business SCA Hygiene AB. After the approved split SCA Hygiene AB will change its name to Essity. In addition, financial information will be published for the combined forest products and hygiene business.

Segment reporting will be changed from the first quarter of 2017 for the business areas for SCA, the future forest products company, and for SCA Hygiene AB, the future hygiene and health company Essity.

The following four business areas will be reported for the future forest products company, SCA:

- Forest
- Wood
- Pulp
- Paper

The Forest business area manages 2.6 million hectares of forest land, of which 2 million is productive, and supplies timber to SCA's Swedish mills. Roughly the same amount of timber harvested from SCA's own forests is purchased from other forest owners. By-products are used in energy production.

The Wood business area comprises five sawmills in Sweden, wood processing units with planing mills in Sweden, France and the UK, as well as distribution and wholesale businesses. By-products are used in energy production.

The Pulp business area produces kraft pulp and chemical thermomechanical pulp (CTMP). Pulp is manufactured in Östrand, Sweden.

The Paper business area comprises publication papers that are manufactured in Ortviken, Sweden, and used for magazines, catalogues and advertising prints, and packaging paper (kraftliner) manufactured in Obbola and Munksund in Sweden.

For further information, please contact:

Karl Stoltz, Media Relations Manager, +46 8 788 51 55

Johan Karlsson, Vice President Investor Relations, +46 8 788 51 30

SCA is a leading global hygiene and forest products company that sustainably develops, produces and sells personal care, tissue and forest products. Through the recently acquired company BSN medical, the Group offer products within wound care, compression therapy and orthopedics. Sales are conducted in approximately 150 countries under many strong brands, including the leading global brands TENA and Tork, and other brands, such as Leukoplast, Libero, Libresse, Lotus, Nosotras, Saba, Tempo, Vinda and Zewa. As Europe's largest private forest owner, SCA places considerable emphasis on sustainable forest management. In 2016, the Group had approximately 46,000 employees and sales amounted to approximately SEK 117bn (EUR 12.4bn). SCA was founded in 1929, has its headquarters in Stockholm, Sweden, and is listed on Nasdaq Stockholm. SCA is dedicated to improving well-being through leading hygiene and health solutions. More information at www.sca.com.



The following three business areas will be reported for SCA Hygiene AB, the future hygiene and health company Essity:

- Personal Care
- Consumer Tissue
- Professional Hygiene

The Personal Care business area includes Incontinence Products, Feminine Care, Baby Care and Medical Solutions.

The Consumer Tissue business area's product offering includes toilet paper, household towels, handkerchiefs, facial tissues, wet wipes and napkins.

The Professional Hygiene business area targets institutions and companies, and includes complete hygiene solutions, including toilet paper, paper towels, napkins, hand soap, hand lotion, hand sanitizers, dispensers, cleaning and wiping products, sensor technology and service and maintenance.

Based on the above, income statements and balance sheets, operating cash flow statements, cash flow statements and business area reporting for the full-years 2014, 2015 and 2016 have been restated. Income statements and business area reporting have also been restated for the fourth quarter of 2015 and all quarters in 2016.

In the restatement of SCA's and the combined forest product and hygiene business's historical income statements, net sales have been adjusted as a result of changed reporting of swaps of wood raw materials in SCA's Forest business area.

The future forest products company SCA will present a cost based income statement. Income statements and business area reporting for 2014, 2015, 2016, the fourth quarter of 2015 and all quarters in 2016 have been restated based on this classification.

SCA Hygiene AB, the future hygiene and health company Essity, will present a function based income statement including EBITA (operating profit before amortization of acquisition related intangible assets). Income statements and business area reporting for 2014, 2015, 2016, the fourth quarter of 2015 and all quarters in 2016 have been restated based on this classification.

Restated financial information is presented below.

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SCA is a leading global hygiene and forest products company that sustainably develops, produces and sells personal care, tissue and forest products. Through the recently acquired company BSN medical, the Group offer products within wound care, compression therapy and orthopedics. Sales are conducted in approximately 150 countries under many strong brands, including the leading global brands TENA and Tork, and other brands, such as Leukoplast, Libero, Libresse, Lotus, Nosotras, Saba, Tempo, Vinda and Zewa. As Europe's largest private forest owner, SCA places considerable emphasis on sustainable forest management. In 2016, the Group had approximately 46,000 employees and sales amounted to approximately SEK 117bn (EUR 12.4bn). SCA was founded in 1929, has its headquarters in Stockholm, Sweden, and is listed on Nasdaq Stockholm. SCA is dedicated to improving well-being through leading hygiene and health solutions. More information at www.sca.com.

THE COMBINED FOREST PRODUCTS AND HYGIENE BUSINESS



ADJUSTED EARNINGS TREND

SEKm	1612	1512	1412	2016:4	2016:3	2016:2	2016:1	2015:4
Net sales	116,100	114,189	102,976	30,568	28,878	28,739	27,915	28,757
Adjusted cost of goods sold ¹	-84,507	-84,349	-76,442	-22,196	-20,795	-20,950	-20,566	-21,089
Adjusted gross profit ¹	31,593	29,840	26,534	8,372	8,083	7,789	7,349	7,668
Adjusted sales, general and administration ¹	-17,604	-16,826	-14,685	-4,687	-4,431	-4,384	-4,102	-4,214
Adjusted operating profit ¹	13,989	13,014	11,849	3,685	3,652	3,405	3,247	3,454
Financial items	-919	-955	-961	-289	-175	-130	-325	-259
Adjusted profit before tax ¹	13,070	12,059	10,888	3,396	3,477	3,275	2,922	3,195
Adjusted tax ¹	-4,775	-3,306	-2,644	-1,193	-685	-2,161	-736	-1,046
Adjusted net profit for the period ¹	8,295	8,753	8,244	2,203	2,792	1,114	2,186	2,149
¹ Excluding items affecting comparability								
Earnings per share, SEK owners of the parent company								
- after dilution effects	7.93	9.97	9.40	1.99	3.10	0.11	2.74	4.03
Adjusted Margins (%)								
Gross margin ¹	27.2	26.1	25.8	27.4	28.0	27.1	26.3	26.7
Operating margin ¹	12.0	11.4	11.5	12.1	12.6	11.8	11.6	12.0
Financial net margin	-0.8	-0.8	-0.9	-0.9	-0.6	-0.5	-1.2	-0.9
Profit margin ¹	11.2	10.6	10.6	11.2	12.0	11.3	10.4	11.1
Tax ¹	-4.1	-2.9	-2.6	-3.9	-2.4	-7.5	-2.6	-3.6
Net margin ¹	7.1	7.7	8.0	7.3	9.6	3.8	7.8	7.5

¹ Excluding items affecting comparability

THE COMBINED FOREST PRODUCTS AND HYGIENE BUSINESS



STATEMENT OF PROFIT OR LOSS

SEKm	1612	1512	1412	2016:4	2016:3	2016:2	2016:1	2015:4
Net sales	116,100	114,189	102,976	30,568	28,878	28,739	27,915	28,757
Cost of goods sold ¹	-84,507	-84,349	-76,442	-22,196	-20,795	-20,950	-20,566	-21,089
Items affecting comparability ^{1,2}	-529	-323	-436	-48	-353	-106	-22	-61
Gross profit	31,064	29,517	26,098	8,324	7,730	7,683	7,327	7,607
Sales, general and administration ¹	-17,756	-17,025	-14,798	-4,732	-4,473	-4,417	-4,134	-4,270
Items affecting comparability including impairments ^{1,2}	-2,181	-1,744	-964	-648	-357	-1,007	-169	758
Share of profits of associates and joint ventures	152	199	113	45	42	33	32	56
Operating profit	11,279	10,947	10,449	2,989	2,942	2,292	3,056	4,151
Financial items	-919	-955	-961	-289	-175	-130	-325	-259
Profit before tax	10,360	9,992	9,488	2,700	2,767	2,162	2,731	3,892
Tax	-4,348	-2,540	-2,420	-1,117	-452	-2,083	-696	-985
Net profit for the period	6,012	7,452	7,068	1,583	2,315	79	2,035	2,907
Earnings attributable to:								
Owners of the parent	5,570	7,002	6,599	1,398	2,174	76	1,922	2,827
Non-controlling interests	442	450	469	185	141	3	113	80
Earnings per share, SEK - owners of the parent total operations								
- before dilution effects	7.93	9.97	9.40	1.99	3.10	0.11	2.74	4.03
- after dilution effects	7.93	9.97	9.40	1.99	3.10	0.11	2.74	4.03
	1612	1512	1412	2016:4	2016:3	2016:2	2016:1	2015:4
Earnings attributable to owners of the parent	5,570	7,002	6,599	1,398	2,174	76	1,922	2,827
Average no. of shares before dilution, millions	702.3	702.3	702.3	702.3	702.3	702.3	702.3	702.3
Average no. of shares after dilution, millions	702.3	702.3	702.3	702.3	702.3	702.3	702.3	702.3
¹ Of which, depreciation	-6,258	-5,961	-5,478	-1,637	-1,571	-1,546	-1,504	-1,443
² Distribution of items affecting comparability by function								
Cost of goods sold	-529	-323	-436	-48	-353	-106	-22	-61
Sales, general and administration	-1,757	-551	-469	-468	-56	-1,064	-169	-103
Impairment, etc.	-424	-2,163	-495	-180	-301	57	0	-109
Financial items	0	970	0	0	0	0	0	970
Total items affecting comparability	-2,710	-2,067	-1,400	-696	-710	-1,113	-191	697
Gross margin	26.8	25.8	25.3	27.2	26.8	26.7	26.2	26.5
Operating margin	9.7	9.6	10.1	9.8	10.2	8.0	10.9	14.4
Financial net margin	-0.8	-0.8	-0.9	-0.9	-0.6	-0.5	-1.2	-0.9
Profit margin	8.9	8.8	9.2	8.9	9.6	7.5	9.7	13.5
Tax	-3.7	-2.2	-2.4	-3.7	-1.6	-7.2	-2.5	-3.4
Net margin	5.2	6.6	6.8	5.2	8.0	0.3	7.2	10.1
Adjusted, excluding items affecting comparability:	1612	1512	1412	2016:4	2016:3	2016:2	2016:1	2015:4
Gross margin	27.2	26.1	25.8	27.4	28.0	27.1	26.3	26.7
Operating margin	12.0	11.4	11.5	12.1	12.6	11.8	11.6	12.0
Financial net margin	-0.8	-0.8	-0.9	-0.9	-0.6	-0.5	-1.2	-0.9
Profit margin	11.2	10.6	10.6	11.2	12.0	11.3	10.4	11.1
Tax	-4.1	-2.9	-2.6	-3.9	-2.4	-7.5	-2.6	-3.6
Net margin	7.1	7.7	8.0	7.3	9.6	3.8	7.8	7.5

SCA, THE FUTURE FOREST PRODUCTS COMPANY



EARNINGS TREND

SEKm	1612	1512	1412	2016:4	2016:3	2016:2	2016:1	2015:4
Net sales	15,373	16,152	15,412	3,939	3,769	3,872	3,793	3,850
Adjusted earnings before depreciation and amortization (EBITDA) ^{1,2,3}	3,269	3,741	3,683	826	841	789	813	872
Items affecting comparability	116	40	-383	-7	4	119	0	-75
Earnings before depreciation and amortization (EBITDA) ^{2,3}	3,385	3,781	3,300	819	845	908	813	797
Adjusted operating profit ^{1,2,3}	2,155	2,544	2,474	539	577	506	533	597
Items affecting comparability write downs	0	-1,320	-9	0	0	0	0	0
Operating profit ^{2,3}	2,271	1,264	2,082	532	581	625	533	522
Financial items	-84	-128	-221	-24	-19	-20	-21	-27
Profit before tax ^{2,3}	2,187	1,136	1,861	508	562	605	512	495
Adjusted profit before tax ^{1,2,3}	2,071	2,416	2,253	515	558	486	512	570
Tax	-417	-262	-482	-96	-117	-102	-102	-115
Adjusted tax ¹	-420	-560	-482	-97	-118	-103	-102	-132
Profit from discontinued operations held for distribution to owners	4,242	6,578	5,681	1,170	1,872	-425	1,625	2,527
Profit for the period from continued and discontinued operations	6,012	7,452	7,060	1,582	2,317	78	2,035	2,907
Adjusted profit for the period from continued and discontinued operations ¹	5,893	8,434	7,452	1,588	2,312	-42	2,035	2,965
Earnings per share total group, SEK	7.93	9.97	9.38	1.99	3.10	0.11	2.74	4.02
Earnings per share continued operations, SEK	2.52	1.24	1.96	0.59	0.63	0.72	0.58	0.54
¹ Excluding items affecting comparability before tax								
² Including gains on forest swaps, before tax	0	0	336	0	0	0	0	0
³ Including revaluation of forest assets	689	476	543	120	196	101	272	55

SCA, THE FUTURE FOREST PRODUCTS COMPANY



ADJUSTED EARNINGS TREND

SEKm	1612	1512	1412	2016:4	2016:3	2016:2	2016:1	2015:4
Net sales	15,373	16,152	15,412	3,939	3,769	3,872	3,793	3,850
Adjusted operating expenses ¹	-12,098	-12,412	-11,736	-3,108	-2,927	-3,083	-2,980	-2,979
Share of profits of associates and joint ventures	-6	1	7	-5	-1	0	0	1
Adjusted earnings before depreciation and amortization (EBITDA) ^{1,2,3}	3,269	3,741	3,683	826	841	789	813	872
Depreciations and amortizations	-1,114	-1,197	-1,202	-287	-264	-283	-280	-274
Adjusted operating profit ^{1,2,3}	2,155	2,544	2,481	539	577	506	533	598
Financial items	-84	-128	-221	-24	-19	-20	-21	-27
Adjusted profit before tax ^{1,2,3}	2,071	2,416	2,260	515	558	486	512	571
Adjusted tax ¹	-420	-560	-482	-97	-118	-103	-102	-132
Adjusted profit for the period from continued operations ^{1,2,3}	1,651	1,856	1,778	418	440	383	410	439
Profit for the period from discontinued operations held for distribution to owners	4,242	6,578	5,681	1,170	1,872	-425	1,625	2,527
Adjusted profit for the period from continued and discontinued operations ¹	5,893	8,434	7,459	1,588	2,312	-42	2,035	2,966
¹ Excluding items affecting comparability before tax								
² Including gains on forest swaps, before tax								
	0	0	336	0	0	0	0	0
³ Including revaluation of forest								
	689	476	543	120	196	101	272	55
Earnings per share, SEK owners of the parent company								
- after dilution effects	7.93	9.97	9.39	1.99	3.10	0.11	2.74	4.03
Adjusted Margins (%)								
Adjusted EBITDA-margin ^{1,2,3}	21.3	23.2	23.9	21.0	22.3	20.4	21.4	22.6
Adjusted operating margin ^{1,2,3}	14.0	15.8	16.1	13.7	15.3	13.1	14.1	15.5
Financial net margin	-0.5	-0.8	-1.4	-0.6	-0.5	-0.5	-0.6	-0.7
Adjusted profit margin ^{1,2,3}	13.5	15.0	14.7	13.1	14.8	12.6	13.5	14.8
Adjusted tax ¹	-2.7	-3.5	-3.1	-2.5	-3.1	-2.7	-2.7	-3.4
Adjusted net margin ¹	10.8	11.5	11.6	10.6	11.7	9.9	10.8	11.4
¹ Excluding items affecting comparability								
² Including gains on forest swaps, before tax								
	0	0	336	0	0	0	0	0
³ Including revaluation of forest								
	689	476	543	120	196	101	272	55

SCA, THE FUTURE FOREST PRODUCTS COMPANY



STATEMENT OF PROFIT OR LOSS

SEKm	1612	1512	1412	2016:4	2016:3	2016:2	2016:1	2015:4
Net sales	15,373	16,152	15,412	3,939	3,769	3,872	3,793	3,850
Other income	1,724	1,745	2,150	900	247	300	277	439
Change in inventories	-132	42	214	79	-37	-22	-152	61
Change in value in biological assets	689	476	543	120	196	101	272	55
Raw materials and consumables	-5,123	-5,333	-5,256	-1,236	-1,261	-1,231	-1,395	-1,199
Personnel costs	-2,536	-2,532	-2,406	-621	-602	-665	-648	-622
Other external costs	-6,720	-6,810	-6,981	-2,350	-1,470	-1,566	-1,334	-1,713
Share of profits of associates and joint ventures	-6	1	7	-5	-1	0	0	1
Items affecting comparability ¹	116	40	-383	-7	4	119	0	-75
Earnings before depreciation and amortization (EBITDA)	3,385	3,781	3,300	819	845	908	813	797
Depreciation and amortization	-1,114	-1,197	-1,209	-287	-264	-283	-280	-275
Items affecting comparability ¹	0	-1,320	-9	0	0	0	0	0
Operating profit	2,271	1,264	2,082	532	581	625	533	522
Financial items	-84	-128	-221	-24	-19	-20	-21	-27
Profit before tax	2,187	1,136	1,861	508	562	605	512	495
Tax	-417	-262	-482	-96	-117	-102	-102	-115
Profit for the period from continued operations	1,770	874	1,379	412	445	503	410	380
Discontinued operations held for distribution to owners								
Profit for the period from discontinued operations held for distribution to owners	4,242	6,578	5,681	1,170	1,872	-425	1,625	2,527
Profit for the period from continued and discontinued operations	6,012	7,452	7,060	1,582	2,317	78	2,035	2,907
Earnings attributable to:								
Owners of the parent								
Profit for the period from continued operations	1,770	873	1,379	412	445	503	410	380
Profit for the period from discontinued operations held for distribution to owners	3,800	6,128	5,211	985	1,731	-428	1,512	2,446
Profit for the period from continued and discontinued operations	5,570	7,001	6,590	1,397	2,176	75	1,922	2,826
Non-controlling interests								
Profit for the period from continued operations	0	1	0	0	0	0	0	0
Profit for the period from discontinued operations held for distribution to owners	442	450	470	185	141	3	113	81
Profit for the period from continued and discontinued operations	442	451	470	185	141	3	113	81
Average no. of shares before dilution, millions	702.3	702.3	702.3	702.3	702.3	702.3	702.3	702.3
Average no. of shares after dilution, millions	702.3	702.3	702.3	702.3	702.3	702.3	702.3	702.3
Earnings per share, SEK owners of the parent total group								
- before dilution effects	7.93	9.97	9.39	1.99	3.10	0.11	2.74	4.02
- after dilution effects	7.93	9.97	9.39	1.99	3.10	0.11	2.74	4.02
Earnings per share, SEK owners of the parent continued operations								
- before dilution effects	2.52	1.24	1.97	0.59	0.63	0.72	0.58	0.54
- after dilution effects	2.52	1.24	1.97	0.59	0.63	0.72	0.58	0.54
¹ Distribution of items affecting comparability by function								
Operating expenses	116	40	-383	-7	4	119	0	-75
Impairment	0	-1,320	-9	0	0	0	0	0
Total items affecting comparability	116	-1,280	-392	-7	4	119	0	-75
Percent	1612	1512	1412	2016:4	2016:3	2016:2	2016:1	2015:4
EBITDA margin	22.0	23.4	21.4	20.8	22.4	23.5	21.4	20.7
Operating margin	14.8	7.8	13.5	13.5	15.4	16.1	14.1	13.6
Financial net margin	-0.5	-0.8	-1.4	-0.6	-0.5	-0.5	-0.6	-0.7
Profit margin	14.3	7.0	12.1	12.9	14.9	15.6	13.5	12.9
Tax	-2.7	-1.6	-3.1	-2.4	-3.1	-2.6	-2.7	-3.0
Net margin	11.6	5.4	9.0	10.5	11.8	13.0	10.8	9.9
Adjusted, excluding items affecting comparability:								
EBITDA margin	21.3	23.2	23.9	21.0	22.3	20.4	21.4	22.6
Operating margin	14.0	15.8	16.1	13.7	15.3	13.1	14.1	15.5
Financial net margin	-0.5	-0.8	-1.4	-0.6	-0.5	-0.5	-0.6	-0.7
Profit margin	13.5	15.0	14.7	13.1	14.8	12.6	13.5	14.8
Tax	-2.7	-3.5	-3.1	-2.5	-3.1	-2.7	-2.7	-3.4
Net margin	10.8	11.5	11.6	10.6	11.7	9.9	10.8	11.4

SCA, THE FUTURE FOREST PRODUCTS COMPANY



OPERATING CASH FLOW ANALYSIS

SEKm	1612	1512	1412
Operating cash surplus	2,584	3,261	2,729
Change in working capital	375	118	-296
Current capital expenditures, net	-959	-869	-876
Restructuring costs, etc.	-82	-29	-88
Operating cash flow	1,918	2,481	1,469
Financial items	-84	-128	-221
Income taxes paid	-17	-15	-2
Other	2	1	3
Cash flow from current operations	1,819	2,339	1,249
Acquisitions	-58	-1	-16
Strategic capital expenditures in non-current assets	-2,231	-946	-184
Divestments	120	281	1
Cash flow before dividend	-350	1,673	1,050
Dividend	-4,038	-3,687	-3,336
Cash flow after dividend	-4,388	-2,014	-2,286
Transaction with owner	14,571	2,225	4,215
Net cash flow from discontinued operations held for distribution to owners	-13,967	2,887	538
Net cash flow from continued and discontinued operations	-3,784	3,098	2,467
Net debt at the start of the period	-29,478	-35,947	-33,919
Net cash flow	-3,784	3,098	2,467
Remeasurement to equity	-1,526	1,910	-2,785
Translation differences	-573	1,461	-1,710
Net debt at the end of the period	-35,361	-29,478	-35,947
whereof attributable to discontinued operations held for distribution to owners	-35,173	-19,058	-25,066
Debt/equity ratio	0.44	0.39	0.49
Debt payment capacity, %	8	11	10

SCA, THE FUTURE FOREST PRODUCTS COMPANY



CASH FLOW STATEMENT

SEKm	1612	1512	1412
Operating activities			
Profit before tax	10,360	9,992	9,488
Adjustment for non-cash items ¹	7,025	6,604	4,944
	17,385	16,596	14,432
Paid tax	-3,799	-2,208	-2,101
Cash flow from operating activities before changes in working capital	13,586	14,388	12,331
Cash flow from changes in working capital			
Change in inventories	1,076	-1,390	-370
Change in operating receivables	-236	-1,129	-162
Change in operating liabilities	1,130	2,120	86
Cash flow from operating activities	15,556	13,989	11,885
Investing activities			
Acquisitions	-4,420	-74	-508
Divestments	489	329	206
Investment in tangible and intangible assets	-9,388	-7,591	-5,733
Sale of tangible assets	206	304	179
Loan granted to external parties	0	0	-186
Sale of securities	141	2,046	0
Repayment of loans from external parties	0	177	0
Cash flow from investing activities	-12,972	-4,809	-6,042
Financing activities			
New issue	435	0	0
Acquisition of non-controlling interests	-50	-11	-173
Loans raised	16,165	11,100	3,485
Amortization of loans	-15,614	-15,039	-5,819
Dividend	-4,228	-3,903	-3,564
Cash flow from financing activities	-3,292	-7,853	-6,071
Cash flow for the period from continued and discontinued operations	-708	1,327	-228
Cash and cash equivalents at the beginning of the period	5,042	3,815	3,785
Translation differences in cash and cash equivalents	148	-100	258
Cash and cash equivalents at the end of the period	4,482	5,042	3,815
<i>whereof attributable to discontinued operations held for distribution to owners</i>	0	0	0
Cash flow from operating activities per share, SEK	22.06	19.84	16.86
Reconciliation with consolidated operating cash flow statement			
Cash flow for the period	-708	1,327	-228
Less:			
Loans granted to external parties	0	0	186
Repayment of loans from external parties	-141	-177	0
Sale of securities	0	-2,046	0
Loans raised	-16,165	-11,100	-3,485
Financial liabilities (additional purchase price) at acquisitions	0	-9	0
Add:			
Net debt in acquired and divested operations	-2,128	0	174
Amortization of borrowing	15,614	15,039	5,819
Investment through financial lease	-264	0	0
Accrued interest	8	64	1
Net cash flow according to consolidated operating cash flow statement	-3,784	3,098	2,467
¹ Depreciation/amortization and impairment of non-current assets	6,815	8,216	5,608
Fair-value measurement of forest assets	-689	-476	-615
Gains/loss on assets sales and swaps of assets	19	21	-350
Unpaid related to efficiency programs	571	232	234
Gain/loss on divestments	-265	-92	395
Payments related to efficiency programs already recognized	-262	-302	-396
Provision related to ongoing antitrust cases	813	0	-36
Gain/loss on sales of securities	0	-970	0
Other	23	-25	104
Total	7,025	6,604	4,944

SCA, THE FUTURE FOREST PRODUCTS COMPANY



BALANCE SHEET

SEKm	December 31, 2016	December 31, 2015	December 31, 2014
Assets			
Goodwill	19,257	15,412	15,717
Other intangible assets	7,750	7,440	7,963
Buildings, land, machinery and equipment	62,184	54,532	56,345
Biological assets	30,770	30,119	29,685
Participation in joint ventures and associates	1,123	1,078	1,088
Shares and participation	46	45	53
Surplus in funded pension plans	1,186	371	3
Non-current financial assets	722	1,032	3,137
Deferred tax assets	1,465	1,063	1,186
Other non-current assets	242	150	308
Total non-current assets	124,745	111,242	115,485
Inventories	14,347	14,661	13,793
Trade receivables	17,811	16,829	16,827
Current tax assets	741	872	652
Other current receivables	2,898	2,831	2,844
Current financial assets	568	775	1,260
Non-current assets held for sale	156	120	60
Cash and cash equivalents	4,482	5,042	3,815
Total current assets	41,003	41,130	39,251
Total assets from continued and discontinued operations	165,748	152,372	154,736
Equity			
Share capital	2,350	2,350	2,350
Other capital provided	6,830	6,830	6,830
Reserves	400	-2,242	237
Retained earnings	63,562	63,463	58,205
Attributable to owner of the Parent	73,142	70,401	67,622
Non-controlling interests	6,377	5,290	5,250
Total equity	79,519	75,691	72,872
Liabilities			
Non-current financial liabilities			
Provisions for pensions	5,602	2,771	5,100
Deferred tax liabilities	11,718	11,076	10,195
Other non-current provisions	1,413	901	600
Other non-current liabilities	181	258	206
Total non-current liabilities	50,274	36,481	40,347
Current financial liabilities			
Trade payables	15,750	14,351	13,964
Current tax liabilities	935	827	747
Current provisions	1,447	990	986
Other current liabilities	12,466	11,580	11,003
Total current liabilities	35,955	40,200	41,517
Total liabilities	86,229	76,681	81,864
Total equity and liabilities for continued and discontinued operations	165,748	152,372	154,736

SCA, THE FUTURE FOREST PRODUCTS COMPANY



BALANCE SHEET, CONTINUED

SEKm	December 31, 2016	December 31, 2015	December 31, 2014
Debt/equity ratio	0.44	0.39	0.49
Equity/assets ratio	44%	46%	44%
Total equity	79,519	75,691	72,872
Equity per share, SEK	113	107	103
Return on equity	7.9%	9.9%	10.2%
Return on equity, excluding items affecting comparability	7.8%	11.2%	11.9%
Capital employed			
- Total group	114,880	105,169	108,819
- Continued operations	40,127	37,836	38,828
Of which working capital			
- Total group	6,883	8,167	8,350
- Continued operations	2,740	3,002	3,118
Return on capital employed*			
- Total group	10.1%	10.1%	9.9%
- Continued operations	5.8%	3.3%	5.4%
Return on capital employed*, excluding items affecting comparability			
- Total group	12.5%	12.0%	11.2%
- Continued operations	5.5%	6.6%	6.4%
Net debt			
- Total group	35,361	29,478	35,947
- Continued operations	188	10,420	10,881
Provisions for restructuring costs are included in the balance sheet as follows:			
- Other provisions**	1,413	901	600
- Operating liabilities	898	548	623
* Rolling twelve months			
** of which, provision for tax risks	516	798	489

SCA, THE FUTURE FOREST PRODUCTS COMPANY



NET SALES

SEKm	1612	1512	1412	2016:4	2016:3	2016:2	2016:1	2015:4
Forest	4,978	5,108	5,187	1,296	1,261	1,234	1,187	1,182
Wood	5,441	5,315	5,114	1,361	1,320	1,496	1,264	1,197
Pulp	2,492	2,760	2,518	668	668	556	600	631
Paper	7,744	8,548	8,226	1,998	1,859	1,889	1,998	2,129
Intra-group deliveries	-5,282	-5,579	-5,633	-1,384	-1,339	-1,303	-1,256	-1,289
Total net sales	15,373	16,152	15,412	3,939	3,769	3,872	3,793	3,850

ADJUSTED OPERATING PROFIT¹ PER BUSINESS AREA

SEKm	1612	1512	1412	2016:4	2016:3	2016:2	2016:1	2015:4
Forest ^{2,3}	1,131	1,108	1,128	310	269	285	267	286
Wood	334	281	401	108	95	93	38	16
Pulp	272	759	552	37	97	39	99	160
Paper	586	620	564	139	165	118	164	214
Other	-168	-224	-171	-55	-49	-29	-35	-79
Total ^{1,2,3}	2,155	2,544	2,474	539	577	506	533	597

¹ Excluding items affecting comparability

² Including gains on forest swaps, before tax

³ Including revaluation of forest

OPERATING CASH FLOW PER BUSINESS AREA

SEKm	1612	1512	1412	2016:4	2016:3	2016:2	2016:1	2015:4
Forest	748	497	77	98	204	168	278	-62
Wood	465	428	514	177	132	23	133	172
Pulp	662	722	669	207	-91	232	314	100
Paper	406	1,011	438	246	-173	193	140	397
Other	-364	-176	-228	-158	-65	-77	-64	-69
Total	1,917	2,482	1,470	570	7	539	801	538

SCA, THE FUTURE FOREST PRODUCTS COMPANY



FOREST

SEKm	1612	1512	1412	2016:4	2016:3	2016:2	2016:1	2015:4
Net sales	4,978	5,108	5,187	1,296	1,261	1,234	1,187	1,182
Adjusted EBITDA ^{1,2}	1,238	1,213	1,232	338	295	312	293	313
Depreciation according to plan	-107	-105	-104	-28	-26	-27	-26	-27
Adjusted operating profit ^{1,2}	1,131	1,108	1,128	310	269	285	267	286
Operating cash flow	748	497	77	98	204	168	278	-62
Adjusted EBITDA margin, % ^{1,2}	24.9	23.7	23.8	26.1	23.4	25.3	24.7	26.5
Adjusted operating margin, % ^{1,2}	22.7	21.7	21.7	23.9	21.3	23.1	22.5	24.2
Adjusted return on capital employed, %	4.3	4.2	4.5	4.7	4.1	4.4	6.1	4.6
Harvesting of own forest, thousand m ³	4,099	4,911	4,210	1,368	898	1,322	511	1,477
Revaluation of forest	689	476	543	120	196	101	272	55

¹ Excluding items affecting comparability

² Including gains on forest swaps, before tax

WOOD

SEKm	1612	1512	1412	2016:4	2016:3	2016:2	2016:1	2015:4
Net sales	5,441	5,315	5,114	1,361	1,320	1,496	1,264	1,197
Adjusted EBITDA ¹	531	478	603	161	143	140	87	66
Depreciation according to plan	-197	-197	-202	-53	-48	-47	-49	-50
Adjusted operating profit ¹	334	281	401	108	95	93	38	16
Operating cash flow	465	428	514	177	132	23	133	172
Adjusted EBITDA margin, % ¹	9.8	9.0	11.8	11.8	10.8	9.4	6.9	5.5
Adjusted operating margin, % ¹	6.1	5.3	7.8	7.9	7.2	6.2	3.0	1.3
Adjusted return on capital employed, % ¹	11.6	10.1	15.4	14.6	12.1	11.5	4.9	0.6
Deliveries, Wood products, thousand m ³	2,480	2,336	2,238	617	590	674	599	539

¹ Excluding items affecting comparability

PULP

SEKm	1612	1512	1412	2016:4	2016:3	2016:2	2016:1	2015:4
Net sales	2,492	2,760	2,518	668	668	556	600	631
Adjusted EBITDA ¹	530	970	768	102	160	105	163	215
Depreciation according to plan	-258	-211	-216	-65	-63	-66	-64	-55
Adjusted operating profit ¹	272	759	552	37	97	39	99	160
Operating cash flow	662	722	669	207	-91	232	314	100
Adjusted EBITDA margin, % ¹	21.3	35.1	30.5	15.3	24.0	18.9	27.2	34.1
Adjusted operating margin, % ¹	10.9	27.5	21.9	5.5	14.5	7.0	16.5	25.4
Adjusted return on capital employed, % ¹	7.2	32.0	24.5	3.3	8.7	2.7	16.0	23.8
Deliveries, Pulp, thousand tonnes	507	514	516	131	134	119	123	122

¹ Excluding items affecting comparability

SCA, THE FUTURE FOREST PRODUCTS COMPANY



PAPER

SEKm	1612	1512	1412	2016:4	2016:3	2016:2	2016:1	2015:4
Net sales	7,744	8,548	8,226	1,998	1,859	1,889	1,998	2,129
Adjusted EBITDA ¹	1,128	1,295	1,243	276	290	259	303	355
Depreciation according to plan	-542	-675	-679	-137	-125	-141	-139	-141
Adjusted operating profit ¹	586	620	564	139	165	118	164	214
Operating cash flow	406	1,011	438	246	-173	193	140	397
Adjusted EBITDA margin, % ¹	14.6	15.1	15.1	13.8	15.6	13.7	15.2	16.7
Adjusted operating margin, % ¹	7.6	7.3	6.9	7.0	8.9	6.2	8.2	10.1
Adjusted return on capital employed, % ¹	8.5	8.5	7.8	7.7	11.8	8.9	18.0	13.9
Deliveries, Publication papers, thousand tonnes	730	872	863	194	176	163	197	224
Deliveries, Kraftliner, thousand tonnes	800	827	799	195	195	212	198	196

¹ Excluding items affecting comparability

SCA, THE FUTURE FOREST PRODUCTS COMPANY



ALTERNATIVE PERFORMANCE MEASURES (APM)

For definitions please read Note A2 in SCA's Annual Report 2016.

CAPITAL EMPLOYED

SEKm	1612	1512	1412
Total assets	165,748	152,372	154,736
-Financial receivables	-6,958	-7,220	-8,215
-Non-current non-interest bearing liabilities	-13,312	-12,235	-11,001
-Current non-interest bearing liabilities	-30,598	-27,748	-26,701
Capital employed	114,880	105,169	108,819

WORKING CAPITAL

SEKm	1612	1512	1412
Inventories	14,347	14,661	13,793
Accounts receivables	17,811	16,829	16,827
Other current receivables	2,898	2,831	2,844
Accounts payables	-15,750	-14,351	-13,964
Other current liabilities	-12,466	-11,580	-11,004
Adjustments	43	-223	-146
Working capital	6,883	8,167	8,350

NET DEBT

SEKm	1612	1512	1412
Surplus in funded pension plans	1,186	371	3
Non-current financial assets	722	1,032	3,137
Current financial assets	568	775	1,260
Cash and cash equivalents	4,482	5,042	3,815
Financial receivables	6,958	7,220	8,215
Non-current financial liabilities	31,360	21,475	24,246
Provisions for pensions	5,602	2,771	5,100
Current financial liabilities	5,357	12,452	14,816
Financial liabilities	42,319	36,698	44,162
Net debt	35,361	29,478	35,947

Adjusted earnings before depreciation and amortization (EBITDA)

SEKm	1612	1512	1412	2016:4	2016:3	2016:2	2016:1	2015:4
Operating profit	2,271	1,264	2,082	532	581	625	533	522
-Depreciation	1,114	1,197	1,209	287	264	283	280	275
-Items affecting comparability	-116	1,280	392	7	-4	-119	0	75
-Depreciation in items affecting comparability	0	0	0	0	0	0	0	0
Adjusted earnings before depreciation and amortization	3,269	3,741	3,683	826	841	789	813	872

SCA, THE FUTURE FOREST PRODUCTS COMPANY



ALTERNATIVE PERFORMANCE MEASURES (APM), CONTINUED

CAPITAL EMPLOYED

SEKm	1612	1512	1412	2016:4	2016:3	2016:2	2016:1	2015:4
Forest	26,518	26,416	26,334	26,518	26,403	26,260	26,264	26,416
Wood	2,898	2,687	2,578	2,898	2,963	2,979	2,826	2,687
Pulp	4,797	2,921	2,077	4,797	4,110	3,597	3,376	2,921
Paper	7,199	6,339	7,579	7,199	7,380	6,706	6,772	6,339
Other	-1,285	-527	260	-1,285	-1,117	-1,147	-1,158	-527
Total capital employed	40,127	37,836	38,828	40,127	39,739	38,395	38,080	37,836

OPERATING CASH FLOW

SEKm	1612	1512	1412	2016:4	2016:3	2016:2	2016:1	2015:4
Forest								
Operating cash surplus	545	736	277	215	98	212	20	258
Change in working capital	343	-143	-96	-48	150	-17	258	-291
Current capital expenditures, net	-140	-96	-105	-69	-44	-27	0	-29
Restructuring costs, etc	0	0	1	0	0	0	0	0
Operating cash flow	748	497	77	98	204	168	278	-62
Wood								
Operating cash surplus	519	476	603	166	143	137	73	63
Change in working capital	6	47	2	51	1	-85	39	152
Current capital expenditures, net	-67	-80	-48	-30	-10	-24	-3	-36
Restructuring costs, etc	7	-15	-43	-10	-2	-5	24	-7
Operating cash flow	465	428	514	177	132	23	133	172
Pulp								
Operating cash surplus	608	961	778	193	166	104	145	214
Change in working capital	77	-163	-18	25	-251	130	173	-131
Current capital expenditures, net	-43	-62	-82	-4	-17	-13	-9	19
Restructuring costs, etc	20	-14	-9	-7	11	11	5	-2
Operating cash flow	662	722	669	207	-91	232	314	100
Paper								
Operating cash surplus	1,038	1,303	1,234	187	283	258	310	355
Change in working capital	-85	283	-177	141	-115	70	-181	355
Current capital expenditures, net	-610	-556	-587	-114	-332	-101	-63	-307
Restructuring costs, etc	63	-19	-32	32	-9	-34	74	-6
Operating cash flow	406	1,011	438	246	-173	193	140	397

**SCA HYGIENE AB,
THE FUTURE HYGIENE AND HEALTH COMPANY ESSITY**



EARNINGS TREND

SEKm	1612	1512	1412	2016:4	2016:3	2016:2	2016:1	2015:4
Net sales	101,238	98,519	87,997	26,772	25,235	24,983	24,248	25,049
Adjusted operating profit before amortization of acquisition related intangible assets ¹	11,992	10,603	9,495	3,195	3,114	2,939	2,744	2,886
Operating profit before amortization of acquisition related intangible assets	9,347	10,311	8,486	2,516	2,571	1,707	2,553	3,688
Amortization of acquisition related intangible assets	-159	-133	-126	-51	-38	-39	-31	-29
Adjusted operating profit ¹	11,833	10,470	9,369	3,144	3,076	2,900	2,713	2,857
Items affecting comparability	-2,825	-786	-1,009	-688	-714	-1,232	-191	773
Operating profit	9,008	9,684	8,360	2,456	2,362	1,668	2,522	3,630
Financial items	-835	-828	-740	-265	-156	-111	-303	-233
Profit before tax	8,173	8,856	7,620	2,191	2,206	1,557	2,219	3,397
Adjusted profit before tax ¹	10,998	9,642	8,629	2,879	2,920	2,789	2,410	2,624
Tax	-3,931	-2,278	-1,939	-1,021	-334	-1,982	-594	-870
Profit for the period	4,242	6,578	5,681	1,170	1,872	-425	1,625	2,527
Earnings per share, SEK	5.41	8.73	7.42	1.40	2.46	-0.61	2.15	3.48

¹ Excluding items affecting comparability

ADJUSTED EARNINGS TREND

SEKm	1612	1512	1412	2016:4	2016:3	2016:2	2016:1	2015:4
Net sales	101,238	98,519	87,997	26,772	25,235	24,983	24,248	25,049
Adjusted cost of goods sold ¹	-72,438	-71,898	-64,081	-19,131	-17,881	-17,850	-17,576	-18,197
Adjusted gross profit ¹	28,800	26,621	23,916	7,641	7,354	7,133	6,672	6,852
Adjusted sales, general and administration ¹	-16,808	-16,018	-14,421	-4,446	-4,240	-4,194	-3,928	-3,966
Adjusted operating profit before amortization of acquisition related intangible assets ¹	11,992	10,603	9,495	3,195	3,114	2,939	2,744	2,886
Amortization of acquisition related intangible assets	-159	-133	-126	-51	-38	-39	-31	-29
Adjusted operating profit ¹	11,833	10,470	9,369	3,144	3,076	2,900	2,713	2,857
Financial items	-835	-828	-740	-265	-156	-111	-303	-233
Adjusted profit before tax ¹	10,998	9,642	8,629	2,879	2,920	2,789	2,410	2,624
Adjusted tax ¹	-4,355	-2,745	-2,162	-1,096	-451	-2,174	-634	-913
Adjusted profit for the period ¹	6,643	6,897	6,467	1,783	2,469	615	1,776	1,711

¹ Excluding items affecting comparability

Earnings per share, SEK owners of the parent company

- after dilution effects	5.41	8.73	7.42	1.40	2.46	-0.61	2.15	3.48
Adjusted Margins (%)								
Gross margin ¹	28.4	27.0	27.2	28.5	29.1	28.6	27.5	27.4
EBITA margin ¹	11.8	10.8	10.8	11.9	12.3	11.8	11.3	11.5
Operating margin ¹	11.7	10.6	10.6	11.7	12.2	11.6	11.2	11.4
Financial net margin	-0.8	-0.8	-0.8	-1.0	-0.6	-0.4	-1.2	-0.9
Profit margin ¹	10.9	9.8	9.8	10.7	11.6	11.2	10.0	10.5
Tax ¹	-4.3	-2.8	-2.5	-4.1	-1.8	-8.7	-2.6	-3.6
Net margin ¹	6.6	7.0	7.3	6.6	9.8	2.5	7.4	6.9

¹ Excluding items affecting comparability

**SCA HYGIENE AB,
THE FUTURE HYGIENE AND HEALTH COMPANY ESSITY**



STATEMENT OF PROFIT OR LOSS

SEKm	1612	1512	1412	2016:4	2016:3	2016:2	2016:1	2015:4
Net sales	101,238	98,519	87,997	26,772	25,235	24,983	24,248	25,049
Cost of goods sold ¹	-72,438	-71,898	-64,081	-19,131	-17,881	-17,850	-17,576	-18,197
Items affecting comparability ^{1,2}	-532	-267	-441	-49	-353	-108	-22	9
Gross profit	28,268	26,354	23,475	7,592	7,001	7,025	6,650	6,861
Sales, general and administration ¹	-16,965	-16,216	-14,527	-4,495	-4,283	-4,227	-3,960	-4,021
Items affecting comparability ^{1,2}	-2,113	-25	-568	-630	-190	-1,124	-169	793
Share of profits of associates and joint ventures	157	198	106	49	43	33	32	55
Operating profit before amortization of acquisition related intangible assets	9,347	10,311	8,486	2,516	2,571	1,707	2,553	3,688
Amortization of acquisition related intangible assets ¹	-159	-133	-126	-51	-38	-39	-31	-29
Items affecting comparability ^{1,2}	-180	-494	0	-9	-171	0	0	-29
Operating profit	9,008	9,684	8,360	2,456	2,362	1,668	2,522	3,630
Financial items	-835	-828	-740	-265	-156	-111	-303	-233
Profit before tax	8,173	8,856	7,620	2,191	2,206	1,557	2,219	3,397
Tax	-3,931	-2,278	-1,939	-1,021	-334	-1,982	-594	-870
Profit for the period from discontinued operations	4,242	6,578	5,681	1,170	1,872	-425	1,625	2,527
Earnings attributable to:								
Owners of the parent	3,800	6,129	5,212	985	1,731	-428	1,512	2,447
Non-controlling interests	442	449	469	185	141	3	113	80
Average no. of shares before dilution, millions	702.3	702.3	702.3	702.3	702.3	702.3	702.3	702.3
Average no. of shares after dilution, millions	702.3	702.3	702.3	702.3	702.3	702.3	702.3	702.3
Earnings per share, SEK owners of the parent discontinued operations								
- before dilution effects	5.41	8.73	7.42	1.40	2.46	-0.61	2.15	3.48
- after dilution effects	5.41	8.73	7.42	1.40	2.46	-0.61	2.15	3.48
¹ Of which, depreciation	-5,144	-4,764	-4,301	-1,350	-1,307	-1,264	-1,223	-1,168
² Distribution of items affecting comparability by function								
Cost of goods sold	-532	-267	-441	-49	-353	-108	-22	9
Sales, general and administration	-2,113	-25	-568	-630	-190	-1,124	-169	793
Impairment, etc.	-180	-494	0	-9	-171	0	0	-29
Financial items	0	0	0	0	0	0	0	0
Total items affecting comparability	-2,825	-786	-1,009	-688	-714	-1,232	-191	773
Gross margin	27.9	26.8	26.7	28.4	27.7	28.1	27.4	27.4
EBITA margin	9.2	10.5	9.6	9.4	10.2	6.8	10.5	14.7
Operating margin	8.9	9.8	9.5	9.2	9.4	6.7	10.4	14.5
Financial net margin	-0.8	-0.8	-0.8	-1.0	-0.6	-0.4	-1.2	-0.9
Profit margin	8.1	9.0	8.7	8.2	8.8	6.3	9.2	13.6
Tax	-3.9	-2.3	-2.2	-3.8	-1.3	-7.9	-2.4	-3.5
Net margin	4.2	6.7	6.5	4.4	7.5	-1.6	6.8	10.1
Adjusted, excluding items affecting comparability:								
Gross margin	28.4	27.0	27.2	28.5	29.1	28.6	27.5	27.4
EBITA margin	11.8	10.8	10.8	11.9	12.3	11.8	11.3	11.5
Operating margin	11.7	10.6	10.6	11.7	12.2	11.6	11.2	11.4
Financial net margin	-0.8	-0.8	-0.8	-1.0	-0.6	-0.4	-1.2	-0.9
Profit margin	10.9	9.8	9.8	10.7	11.6	11.2	10.0	10.5
Tax	-4.3	-2.8	-2.5	-4.1	-1.8	-8.7	-2.6	-3.6
Net margin	6.6	7.0	7.3	6.6	9.8	2.5	7.4	6.9

**SCA HYGIENE AB,
THE FUTURE HYGIENE AND HEALTH COMPANY ESSITY**



BALANCE SHEET

SEKm	December 31, 2016	December 31, 2015	December 31, 2014
Assets			
Goodwill	19,253	15,412	15,660
Other intangible assets	7,665	7,351	7,895
Buildings, land, machinery and equipment	47,494	42,402	43,599
Participation in joint ventures and associates	1,096	1,041	1,047
Shares and participation	32	33	40
Surplus in funded pension plans	335	35	3
Non-current receivables, Group companies	0	39	11
Non-current financial receivables, Group companies	3	3	3
Non-current financial assets	714	728	2,843
Deferred tax assets	1,457	1,056	1,151
Other non-current assets	241	149	116
Total non-current assets	78,290	68,249	72,368
Inventories	10,944	11,229	10,343
Trade receivables	15,843	14,808	14,912
Current tax assets	740	868	647
Current receivables, Group companies	57	166	117
Current financial receivables, Group companies	1,433	12,207	12,764
Other current receivables	2,333	2,100	2,188
Current financial assets	244	776	1,260
Non-current assets held for sale	156	120	60
Cash and cash equivalents	4,244	4,828	3,806
Total current assets	35,994	47,102	46,097
Total assets	114,284	115,351	118,465
Equity			
Share capital	0	0	0
Other capital provided	0	0	0
Reserves	4,061	1,501	4,015
Retained earnings	29,143	41,485	35,660
Attributable to owner of the Parent	33,204	42,986	39,675
Non-controlling interests	6,376	5,289	5,250
Total equity	39,580	48,275	44,925
Liabilities			
Non-current financial liabilities	31,299	21,463	24,199
Non-current liabilities, Group companies	48	0	4
Provisions for pensions	5,273	2,919	4,958
Deferred tax liabilities	3,872	3,756	3,231
Other non-current provisions	1,407	886	579
Other non-current liabilities	72	146	97
Total non-current liabilities	41,971	29,170	33,068
Current financial liabilities	5,089	12,402	14,791
Current liabilities, Group companies	259	341	273
Current financial liabilities, Group companies	485	852	1,797
Trade payables	12,972	11,869	11,800
Current tax liabilities	915	808	729
Current provisions	1,409	889	917
Other current liabilities	11,604	10,745	10,165
Total current liabilities	32,733	37,906	40,472
Total liabilities	74,704	67,076	73,540
Total equity and liabilities	114,284	115,351	118,465

**SCA HYGIENE AB,
THE FUTURE HYGIENE AND HEALTH COMPANY ESSITY**



BALANCE SHEET, CONTINUED

SEKm	December 31, 2016	December 31, 2015	December 31, 2014
Debt/equity ratio	0.89	0.39	0.56
Equity/assets ratio	29%	37%	33%
Equity	39,580	48,275	44,925
Equity per share, SEK	56	68	64
Return on equity	9%	14%	13%
Return on equity, excluding items affecting comparability	15%	15%	19%
Capital employed	74,753	67,333	69,991
- of which working capital	4,143	5,165	5,232
Return on capital employed	12%	14%	13%
Return on capital employed, excluding items affecting comparability	16%	15%	14%
Net debt	35,173	19,058	25,066

**SCA HYGIENE AB,
THE FUTURE HYGIENE AND HEALTH COMPANY ESSITY**



OPERATING CASH FLOW ANALYSIS

SEKm	1612	1512	1412
Operating cash surplus	16,759	15,051	13,521
Change in working capital	1,596	-517	-147
Current capital expenditures, net	-4,222	-3,293	-2,861
Restructuring costs, etc.	-1,102	-801	-799
Operating cash flow	13,031	10,440	9,714
Financial items	-835	-828	-740
Income taxes paid	-3,782	-2,194	-2,099
Other	149	132	25
Cash flow from current operations	8,563	7,550	6,900
Acquisitions	-6,540	-92	-492
Strategic capital expenditures in non-current assets	-2,033	-2,179	-1,632
Divestments	369	49	205
Cash flow before dividend	359	5,328	4,981
Private placement to non-controlling interest	435	0	0
Dividend to non-controlling interests	-190	-216	-228
Transactions with shareholders	-14,571	-2,225	-4,215
Net cash flow	-13,967	2,887	538
Net debt at the start of the period	-19,058	-25,066	-21,470
Net cash flow	-13,967	2,887	538
Remeasurement to equity	-1,570	1,281	-2,455
Translation differences	-578	1,840	-1,679
Net debt at the end of the period	-35,173	-19,058	-25,066
Debt/equity ratio	0.89	0.39	0.56
Debt payment capacity, %	41	53	44

**SCA HYGIENE AB,
THE FUTURE HYGIENE AND HEALTH COMPANY ESSITY**



CASH FLOW STATEMENT

SEKm	1612	1512	1412
Operating activities			
Profit before tax	8,173	8,856	7,620
Adjustment for non-cash items ¹	6,791	4,635	4,384
	14,964	13,491	12,004
Paid tax	-3,782	-2,194	-2,099
Cash flow from operating activities before changes in working capital	11,182	11,297	9,905
Cash flow from changes in working capital			
Change in inventories	1,059	-1,407	-120
Change in operating receivables	-298	-1,029	-158
Change in operating liabilities	835	1,919	131
Cash flow from operating activities	12,778	10,780	9,758
Investing activities			
Company acquisitions	-4,416	-72	-492
Divestments	369	49	205
Investments in intangible assets and property, plant and equipment	-6,339	-5,679	-4,596
Sale of property, plant and equipment	83	207	103
Loans granted to external parties	0	0	-129
Repayment of loans from external parties	0	2,046	0
Sale of securities	184	186	0
Cash flow from investing activities	-10,119	-3,263	-4,909
Financing activities			
Private placement to non-controlling interests	435	0	0
Acquisition of non-controlling interests	0	-11	-173
Change, receivable from Group companies	10,403	-382	1,839
Loans raised	16,148	11,100	3,485
Amortization of debt	-15,614	-14,657	-5,814
Dividend to non-controlling interests	-190	-216	-228
Transactions with shareholders	-14,571	-2,225	-4,215
Cash flow from financing activities	-3,389	-6,391	-5,106
Cash flow for the period	-730	1,126	-257
Cash and cash equivalents at the beginning of the period	4,828	3,806	3,800
Exchange differences in cash and cash equivalents	146	-104	263
Cash and cash equivalents at the end of the period	4,244	4,828	3,806
Cash flow from operating activities per share, SEK	18.12	15.29	13.84
Reconciliation with consolidated operating cash flow statement			
Cash flow for the period	-730	1,126	-257
Amortization of debt	15,614	14,658	2,329
Loans raised	-16,148	-11,100	0
Loans granted to external parties	0	0	129
Sale of securities	0	-2,046	0
Repayment of loans from external parties	-184	-186	0
Change, receivable from Group companies	-10,403	382	-1,839
Net debt in acquired and divested operations	-2,124	0	174
Financial liability (earn-out payment) upon acquisition	0	-9	0
Accrued interest	8	63	1
Other	0	-1	1
Net cash flow according to consolidated operating cash flow statement	-13,967	2,887	538
¹ Depreciation/amortization and impairment of non-current assets	5,701	5,606	4,389
Gains/loss on assets sales and swaps of assets	51	22	-14
Gain/loss on sale of securities	0	-970	0
Gain/loss on divestments	-149	0	0
Unpaid relating to efficiency program	578	180	246
Payments related to efficiency program already recognized	-196	-274	-306
Revaluation of previous share upon acquisition	0	0	-36
Provision related to ongoing antitrust cases	813	0	0
Other	-7	71	105
Total	6,791	4,635	4,384

**SCA HYGIENE AB,
THE FUTURE HYGIENE AND HEALTH COMPANY ESSITY**



NET SALES

SEKm	1612	1512	1412	2016:4	2016:3	2016:2	2016:1	2015:4
Personal Care	33,651	34,344	31,066	8,711	8,362	8,427	8,151	8,681
Consumer Tissue	41,560	41,657	37,051	11,115	10,164	10,043	10,238	10,630
Professional Hygiene	26,001	22,527	19,943	6,929	6,725	6,471	5,876	5,736
Other	26	-9	-45	17	-16	42	-17	2
Total net sales	101,238	98,519	88,015	26,772	25,235	24,983	24,248	25,049

ADJUSTED EBITA¹

SEKm	1612	1512	1412	2016:4	2016:3	2016:2	2016:1	2015:4
Personal Care	4,283	3,997	3,528	1,161	1,072	1,073	977	1,088
Consumer Tissue	4,450	3,846	3,858	1,190	1,110	1,072	1,078	1,052
Professional Hygiene	3,836	3,497	2,918	1,059	1,060	940	777	918
Other	-577	-737	-809	-215	-128	-146	-88	-172
Total adjusted EBITA¹	11,992	10,603	9,495	3,195	3,114	2,939	2,744	2,886

¹ Excluding items affecting comparability

ADJUSTED OPERATING PROFIT¹

SEKm	1612	1512	1412	2016:4	2016:3	2016:2	2016:1	2015:4
Personal Care	4,255	3,990	3,526	1,143	1,068	1,070	974	1,086
Consumer Tissue	4,382	3,773	3,798	1,173	1,093	1,055	1,061	1,035
Professional Hygiene	3,773	3,444	2,854	1,042	1,044	922	765	908
Other	-577	-737	-809	-214	-129	-147	-87	-172
Total adjusted operating profit¹	11,833	10,470	9,369	3,144	3,076	2,900	2,713	2,857
Financial items	-835	-828	-740	-265	-156	-111	-303	-233
Adjusted profit before tax ¹	10,998	9,642	8,629	2,879	2,920	2,789	2,410	2,624
Adjusted Tax ¹	-4,355	-2,745	-2,162	-1,096	-451	-2,174	-634	-913
Adjusted net profit for the period ²	6,643	6,897	6,467	1,783	2,469	615	1,776	1,711

¹ Excluding items affecting comparability before tax amounting to:

	-2,825	-786	-1,009	-688	-714	-1,232	-191	773
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² Excluding items affecting comparability after tax amounting to:

	-2,401	-319	-786	-613	-597	-1,040	-151	816
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OPERATING CASH FLOW PER BUSINESS AREA

SEKm	1612	1512	1412	2016:4	2016:3	2016:2	2016:1	2015:4
Personal Care	4,723	3,792	3,345	1,143	1,450	1,200	930	1,061
Consumer Tissue	5,199	4,104	4,181	1,308	1,772	847	1,272	1,136
Professional Hygiene	4,135	3,563	3,162	1,278	1,492	1,213	152	966
Other	-1,026	-1,019	-974	-358	9	-257	-420	32
Total	13,031	10,440	9,714	3,371	4,723	3,003	1,934	3,195

**SCA HYGIENE AB,
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PERSONAL CARE

SEKm	1612	1512	1412	2016:4	2016:3	2016:2	2016:1	2015:4
Net sales	33,651	34,344	31,066	8,711	8,362	8,427	8,151	8,681
Organic sales, %	3	7					6	
Adjusted EBITA ¹	4,283	3,997	3,528	1,161	1,072	1,073	977	1,088
Adjusted EBITA margin, % ¹	12.7	11.6	11.4	13.3	12.8	12.7	12.0	12.5
Adjusted operating profit ¹	4,255	3,990	3,526	1,143	1,068	1,070	974	1,086
Adjusted operating margin, % ¹	12.6	11.6	11.4	13.1	12.8	12.7	11.9	12.5
Adjusted return on capital employed, % ¹	31.8	29.2	27.3	34.7	32.5	31.1	28.9	33.1
Operating cash flow	4,723	3,792	3,345	1,143	1,450	1,200	930	1,061

¹ Excluding items affecting comparability

CONSUMER TISSUE

SEKm	1612	1512	1412	2016:4	2016:3	2016:2	2016:1	2015:4
Net sales	41,560	41,657	37,051	11,115	10,164	10,043	10,238	10,630
Organic sales, %	3	6					4	
Adjusted EBITA ¹	4,450	3,846	3,858	1,190	1,110	1,072	1,078	1,052
Adjusted EBITA margin, % ¹	10.7	9.2	10.4	10.7	10.9	10.7	10.5	9.9
Adjusted operating profit ¹	4,382	3,773	3,798	1,173	1,093	1,055	1,061	1,035
Adjusted operating margin, % ¹	10.5	9.1	10.3	10.6	10.8	10.5	10.4	9.7
Adjusted return on capital employed, % ¹	10.9	9.2	9.7	11.6	10.6	10.4	9.7	10.2
Operating cash flow	5,199	4,104	4,181	1,308	1,772	847	1,272	1,136

¹ Excluding items affecting comparability

PROFESSIONAL HYGIENE

SEKm	1612	1512	1412	2016:4	2016:3	2016:2	2016:1	2015:4
Net sales	26,001	22,527	19,943	6,929	6,725	6,471	5,876	5,736
Organic sales, %	3	2					3	
Adjusted EBITA ¹	3,836	3,497	2,918	1,059	1,060	940	777	918
Adjusted EBITA margin, % ¹	14.8	15.5	14.6	15.3	15.8	14.5	13.2	16.0
Adjusted operating profit ¹	3,773	3,444	2,854	1,042	1,044	922	765	908
Adjusted operating margin, % ¹	14.5	15.3	14.3	15.0	15.5	14.2	13.0	15.8
Adjusted return on capital employed, % ¹	19.6	24.1	21.2	19.8	20.0	17.7	22.8	25.8
Operating cash flow	4,135	3,563	3,162	1,278	1,492	1,213	152	966

¹ Excluding items affecting comparability

**SCA HYGIENE AB,
THE FUTURE HYGIENE AND HEALTH COMPANY ESSITY**



ALTERNATIVE PERFORMANCE MEASURES (APM)

For definitions please read Note A2 in SCA's Annual Report 2016.

CAPITAL EMPLOYED

SEKm	1612	1512	1412
Total assets	114,284	115,351	118,465
-Financial receivables	-6,973	-18,577	-20,679
-Non-current non-interest bearing liabilities	-5,399	-4,788	-3,911
-Current non-interest bearing liabilities	-27,159	-24,653	-23,884
Capital employed	74,753	67,333	69,991

WORKING CAPITAL

SEKm	1612	1512	1412
Inventories	10,944	11,229	10,343
Accounts receivables	15,843	14,808	14,912
Other current receivables	2,390	2,266	2,305
Accounts payables	-12,972	-11,869	-11,800
Other current liabilities	-11,863	-11,086	-10,438
Adjustments	-199	-183	-90
Working capital	4,143	5,165	5,232

NET DEBT

SEKm	1612	1512	1412
Surplus in funded pension plans	335	35	3
Non-current financial assets	717	731	2,846
Current financial assets	1,677	12,983	14,024
Cash and cash equivalents	4,244	4,828	3,806
Financial receivables	6,973	18,577	20,679
Non-current financial liabilities	31,299	21,463	24,199
Provisions for pensions	5,273	2,919	4,958
Current financial liabilities	5,574	13,253	16,588
Financial liabilities	42,146	37,635	45,745
Net debt	35,173	19,058	25,066

EBITA

SEKm	1612	1512	1412	2016:4	2016:3	2016:2	2016:1	2015:4
Personal Care	4,283	3,997	3,528	1,161	1,072	1,073	977	1,088
Consumer Tissue	4,450	3,846	3,858	1,190	1,110	1,072	1,078	1,052
Professional Hygiene	3,836	3,497	2,918	1,059	1,060	940	777	918
Other	-577	-737	-809	-215	-128	-146	-88	-172
Adjusted EBITA ¹	11,992	10,603	9,495	3,195	3,114	2,939	2,744	2,886
Items affecting comparability cost of goods sold	-532	-267	-441	-49	-353	-108	-22	9
Items affecting comparability sales and administration costs	-2,113	-25	-568	-630	-190	-1,124	-169	793
EBITA	9,347	10,311	8,486	2,516	2,571	1,707	2,553	3,688

¹ Excluding items affecting comparability

**SCA HYGIENE AB,
THE FUTURE HYGIENE AND HEALTH COMPANY ESSITY**

ALTERNATIVE PERFORMANCE MEASURES (APM), CONTINUED



CAPITAL EMPLOYED

SEKm	1612	1512	1412	2016:4	2016:3	2016:2	2016:1	2015:4
Personal Care	13,665	13,149	13,578	13,665	12,680	13,577	13,904	13,149
Consumer Tissue	40,082	40,903	40,866	40,082	41,160	40,963	40,132	40,903
Professional Hygiene	21,253	14,151	14,623	21,253	20,858	20,942	20,773	14,151
Other	-247	-870	924	-247	163	-1,224	-289	-870
Total capital employed	74,753	67,333	69,991	74,753	74,861	74,258	74,520	67,333

OPERATING CASH FLOW

SEKm	1612	1512	1412	2016:4	2016:3	2016:2	2016:1	2015:4
Personal Care								
Operating cash surplus	5,314	5,018	4,511	1,432	1,332	1,332	1,218	1,314
Change in working capital	289	-314	-96	120	255	29	-115	-22
Current capital expenditures, net	-805	-840	-884	-331	-154	-176	-144	-238
Restructuring costs, etc	-75	-72	-186	-78	17	15	-29	7
Operating cash flow	4,723	3,792	3,345	1,143	1,450	1,200	930	1,061
Consumer Tissue								
Operating cash surplus	6,455	5,845	5,641	1,711	1,610	1,561	1,573	1,563
Change in working capital	891	-130	195	622	382	-155	42	112
Current capital expenditures, net	-1,892	-1,437	-1,197	-918	-350	-347	-277	-432
Restructuring costs, etc	-255	-174	-458	-107	130	-212	-66	-107
Operating cash flow	5,199	4,104	4,181	1,308	1,772	847	1,272	1,136
Professional Hygiene								
Operating cash surplus	5,515	4,858	4,119	1,505	1,487	1,345	1,178	1,265
Change in working capital	-30	-155	-140	261	495	-44	-742	8
Current capital expenditures, net	-1,267	-823	-652	-494	-291	-272	-210	-242
Restructuring costs, etc	-83	-317	-165	6	-199	184	-74	-65
Operating cash flow	4,135	3,563	3,162	1,278	1,492	1,213	152	966