

SCA Year-end Report

1 January – 31 December 2007



Jan Johansson
President and CEO





First impressions

Highlights 2007

- Positive sales growth
- Strong earnings growth
- Price and mix improvements
- Higher raw material costs



Strong earnings improvement

SEK millions

unless otherwise stated

	2007	2007	2006	Change, %
Net sales	105,913	105,913	101,439	4
EBITDA	19,818	15,976*	14,665	9
EBITDA-margin (%)	18.7	15.1*	14.5	
EBIT	10,147	9,847*	8,505	16
Profit before tax	8,237	7,937*	6,833	16
Earnings per share (SEK)	10.16	9.80*	7.75	26
Operating cash flow	8,127	8,127	6,304	29
Debt/Equity ratio	0.58	0.58	0.62	



*Excluding forest revaluation and efficiency enhancement activities with a net EBIT impact of SEK 300m

Strong performance

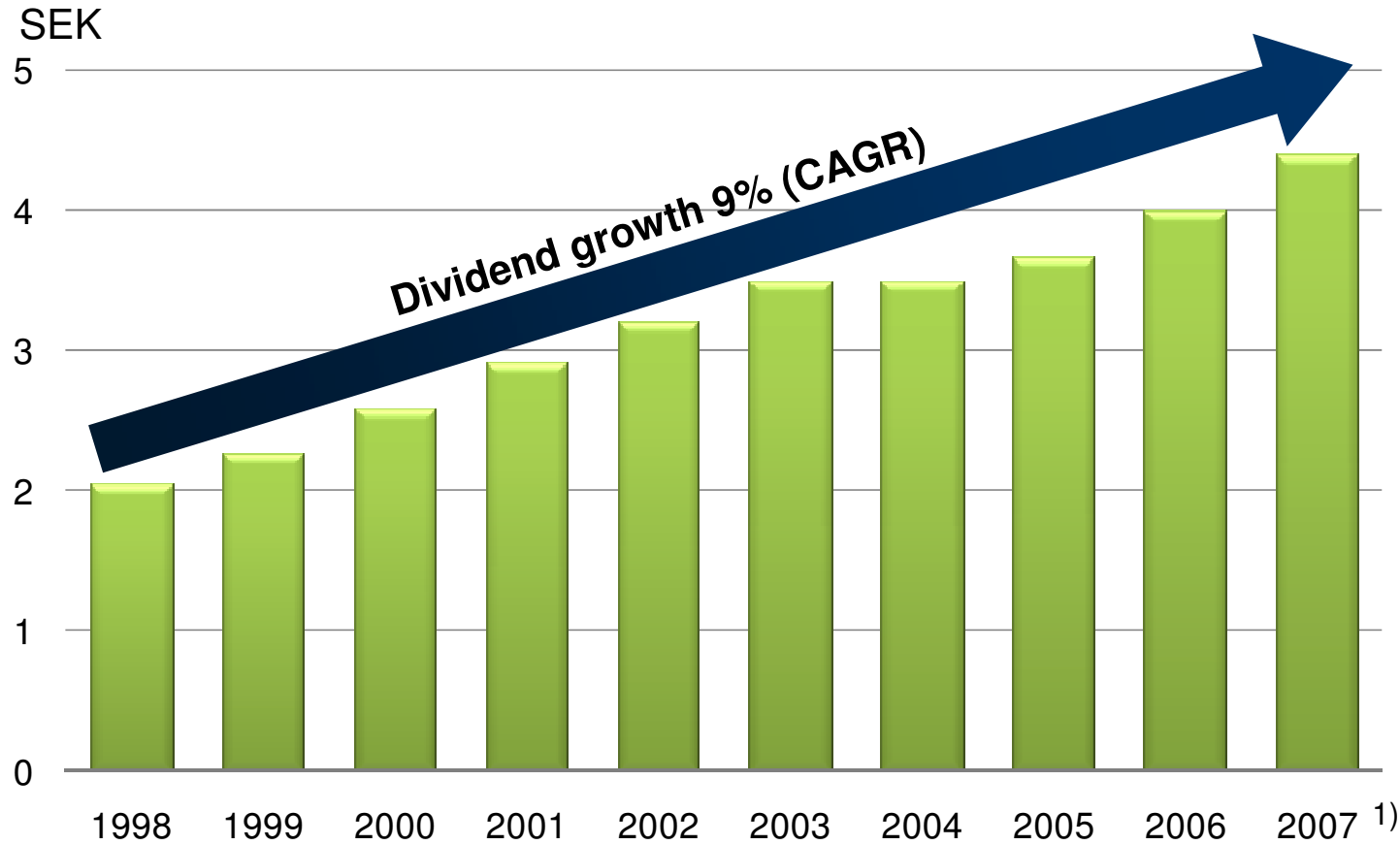
SEK millions unless otherwise stated	Q4 2007	Q4 2007	Q3 2007	Change, %
Net sales	27,808	27,808	26,362	5
EBITDA	8,019	4,177*	4,056	3
EBITDA-margin (%)	28.8	15.0*	15.4	
EBIT	2,891	2,591*	2,526	3
Profit before tax	2,342	2,042*	2,019	1

- Strong sales and EBITDA
- Higher energy costs
- P&G's tissue business consolidated
- Raised value of forest assets and costs for measures to enhance competitiveness, net EBIT impact SEK 300m

*Excluding forest revaluation and efficiency enhancement activities with a net EBIT impact of SEK 300m



Continued dividend growth



Proposed dividend of SEK 4.40 per share

1) Proposed dividend



Personal Care

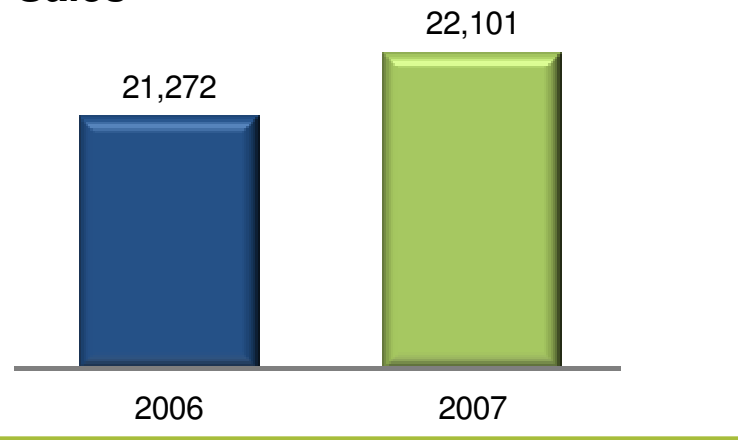


Personal Care

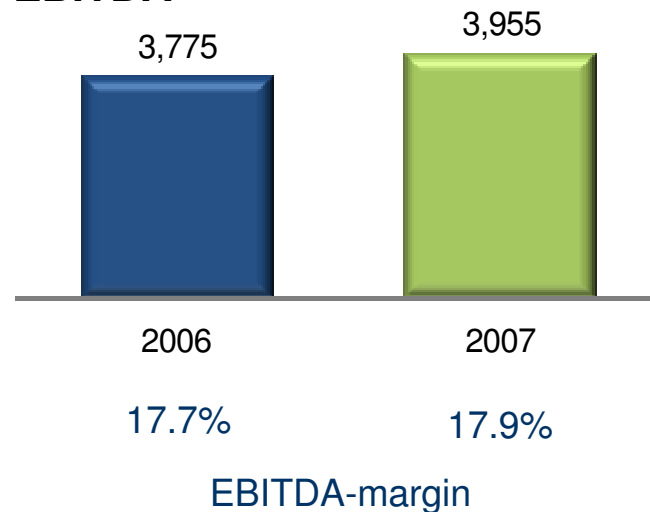
– Continued positive development



Sales



EBITDA



2007/2006 comments

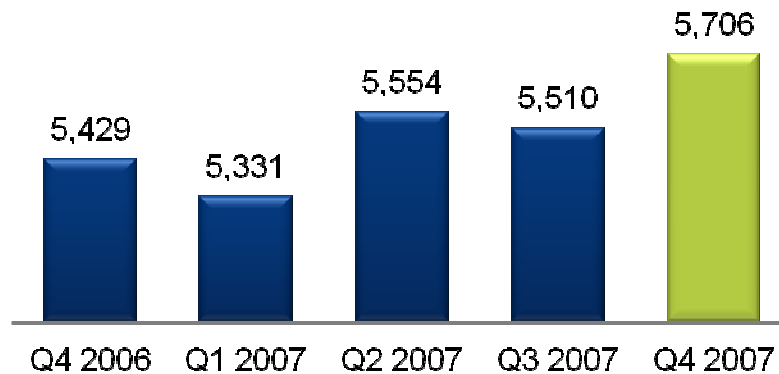
- Sales growth mainly related to 13% retail sales growth in Europe for incontinence care
- Good sales growth in South America for feminine care and baby diapers
- Improved product mix
- Joint ventures established in India and Middle East



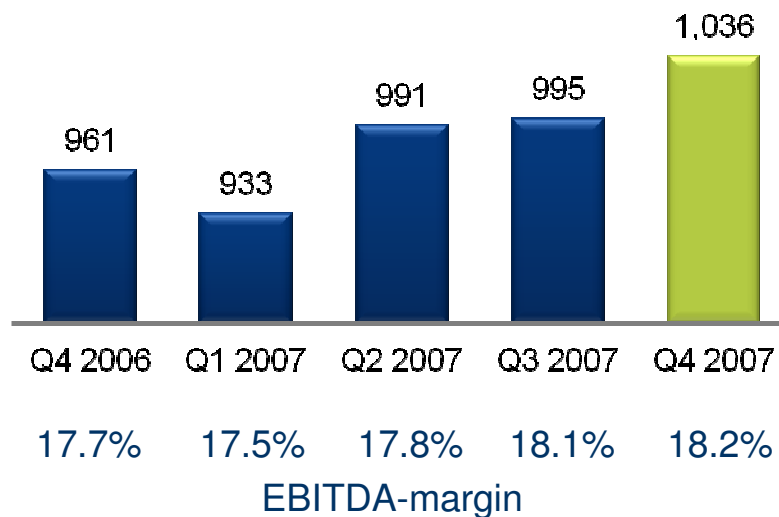
Personal Care

– Higher sales and earnings

Sales



EBITDA



Q4/Q3 comments

- Sales growth driven by incontinence care in health care segment
- Good sales development for baby diapers in Nordic countries and Russia
- Improved product mix in baby diapers



Tissue

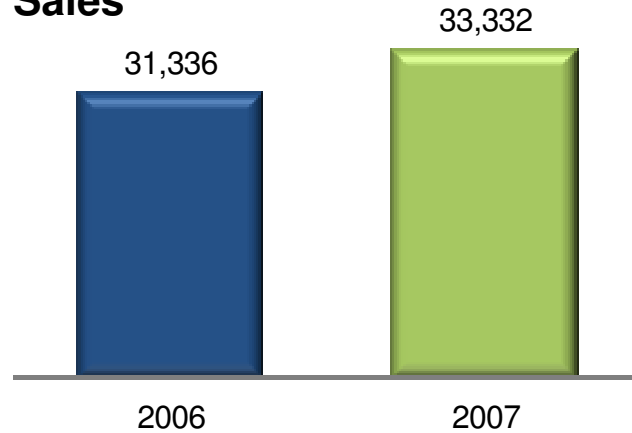


Tissue

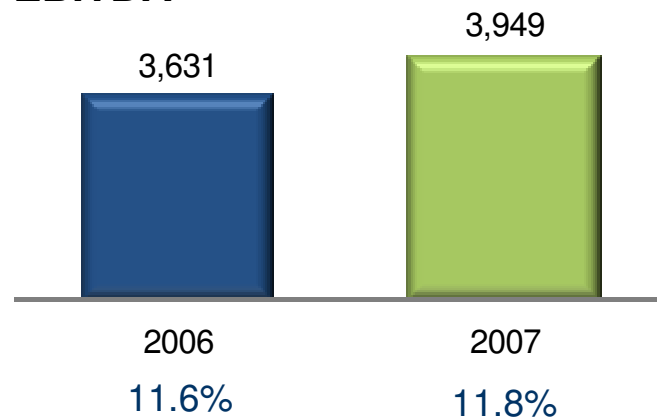
– Good development



Sales



EBITDA



11.6%

11.8%

EBITDA-margin

2007/2006 comments

- Sales growth related to P&G acquisition and price increases
- Good sales growth for consumer tissue in South America
- Increased raw material cost, but lower energy cost
- Consolidation of P&G business as of October 1, integration going according to plan

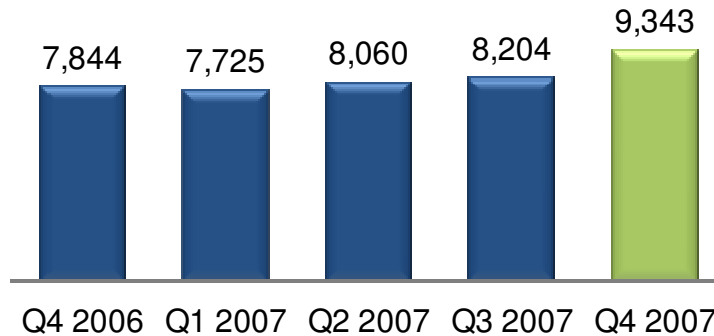


Tissue

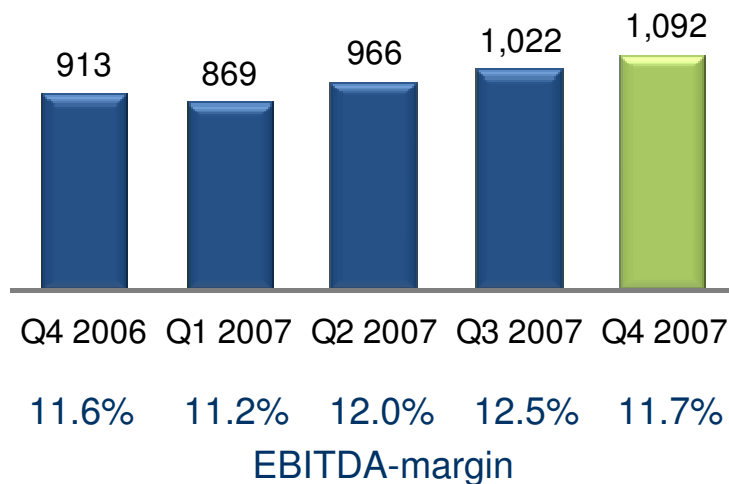
– Consolidation of the P&G acquisition



Sales



EBITDA



Q4/Q3 comments

- Sales growth and EBIT improvement mainly related to P&G acquisition
- AFH sales in US seasonally lower, but improved mix and earnings
- Record sales and improved mix for AFH Europe
- Higher energy costs

Packaging

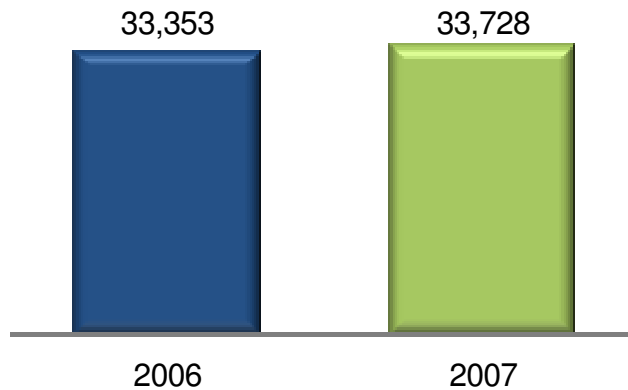


Packaging

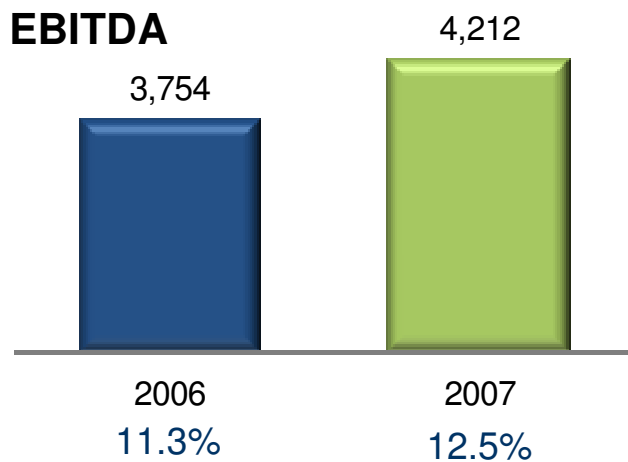
– Strong improvements



Sales



EBITDA



11.3%

12.5%

EBITDA-margin

2007/2006 comments

- Good market growth in 2007
- Price increases amounting to 8% implemented during 2007
- Increased prices more than offset higher raw material costs
- Strong sales growth
- Eastern Europe and China growth markets
- Divestment of North American operations

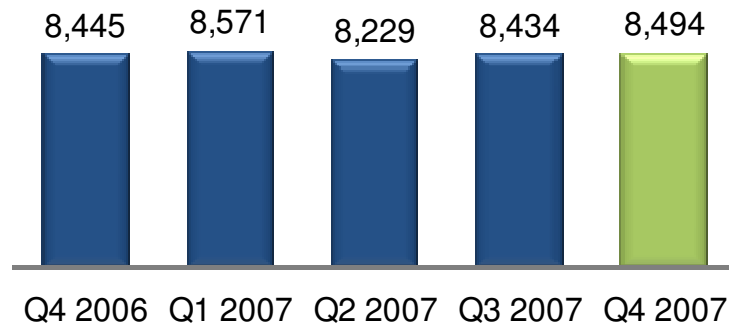


Packaging

– Positive impact from price increases



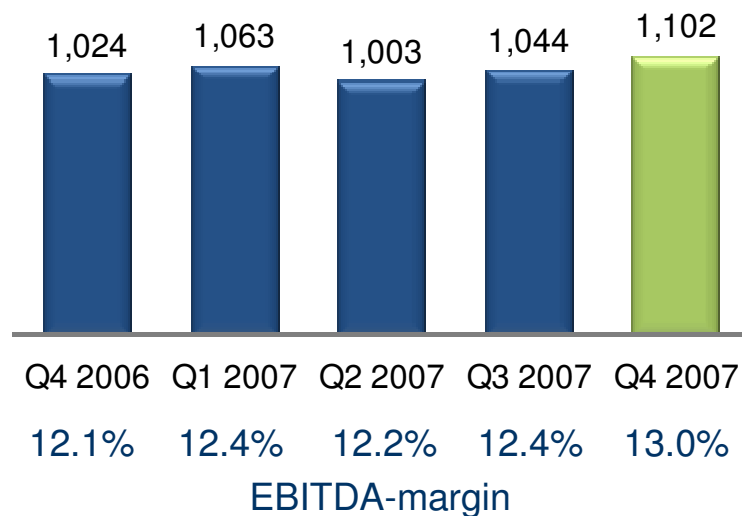
Sales



Q4/Q3 comments

- Improved profitability
- Continued price improvements
- Higher raw material and energy costs

EBITDA



Forest Products

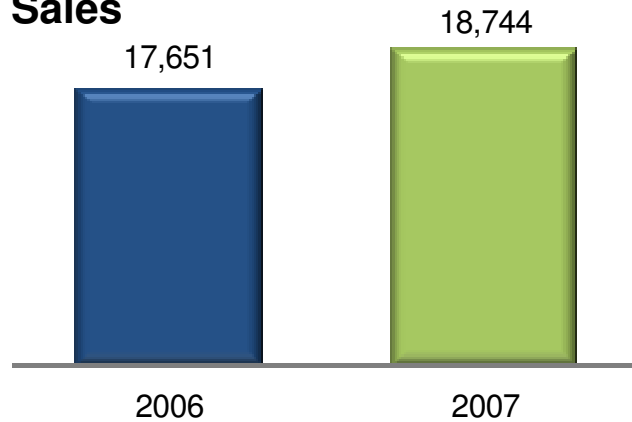


Forest Products

– Strong sales and earnings growth



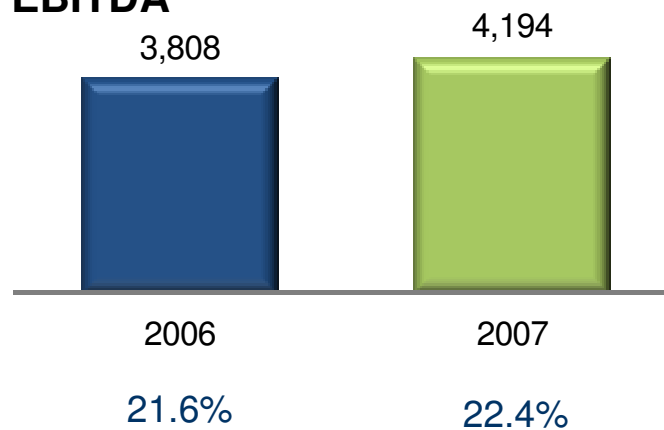
Sales



2007/2006 comments

- Strong sales growth
- Results improvement related to solid-wood products and pulp
- Lower energy costs
- Strong pulp and timber markets

EBITDA



21.6%

22.4%

EBITDA-margin

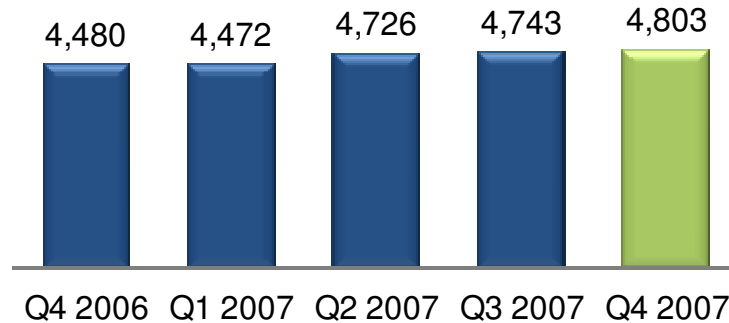


Forest Products

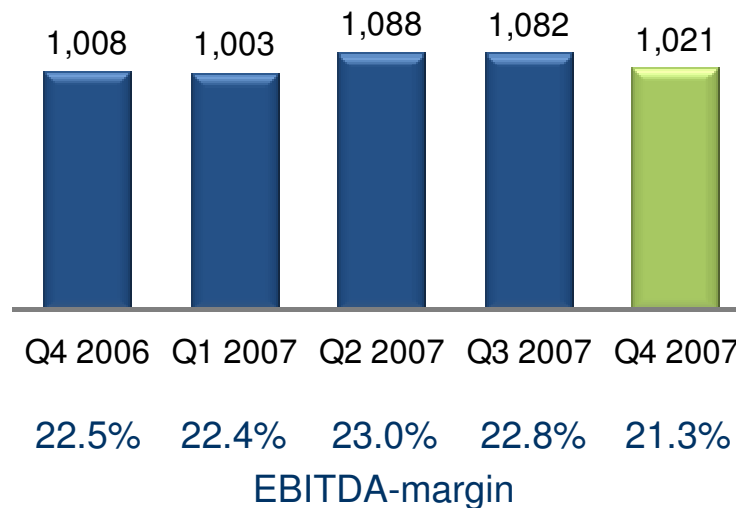
– Seasonally high energy costs



Sales



EBITDA

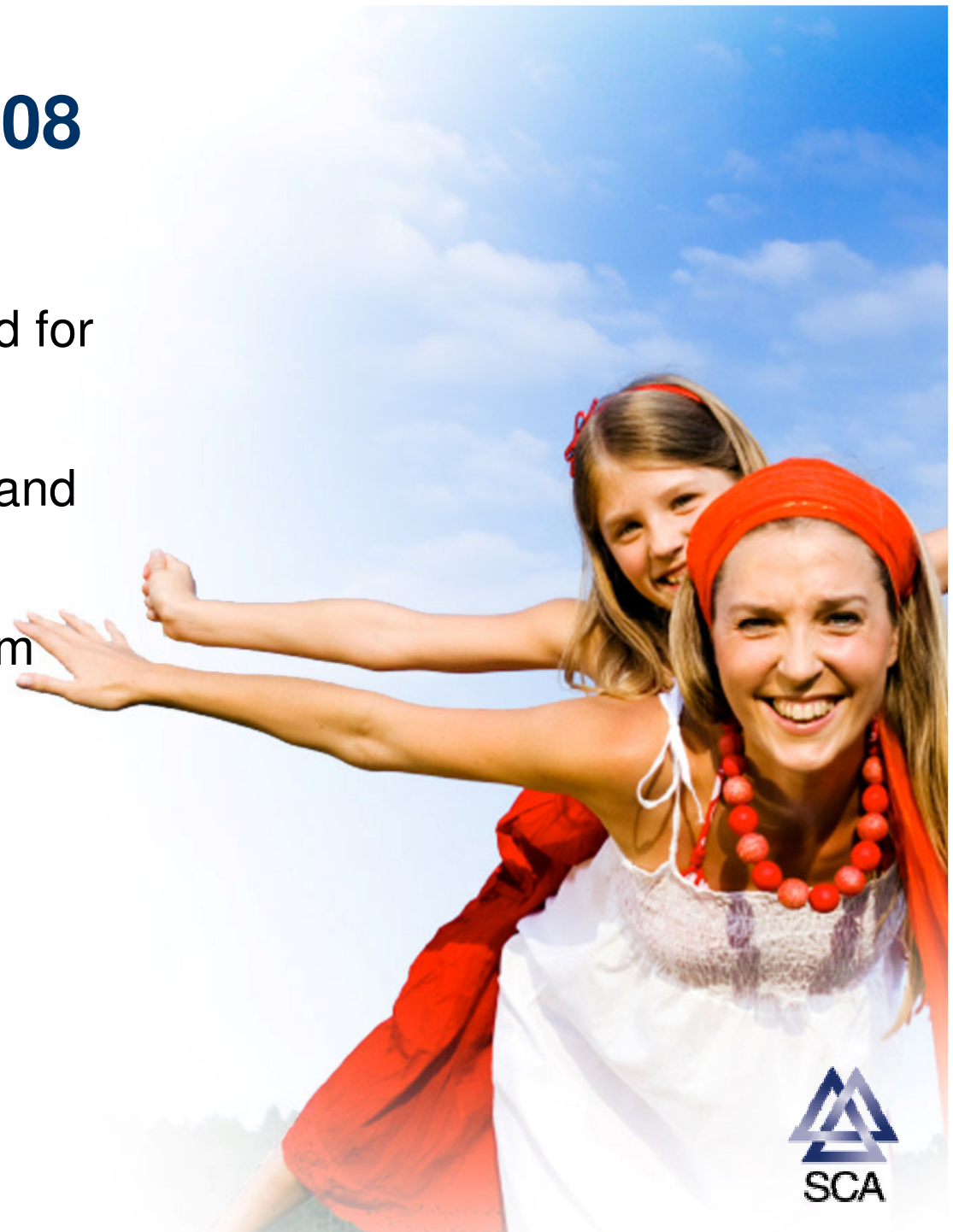


Q4/Q3 comments

- Improved price and mix in publication papers offset by higher energy costs
- Lower earnings for solid-wood products mainly due to lower prices
- Maintenance stop at pulp mill

Market trends 2008

- Continued good demand for SCA's main segments
- Increased raw material and energy costs
- Positive price momentum



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