

1 JANUARY–30 SEPTEMBER 2011 (compared with same period a year ago)

- Net sales decreased by 1% (increased by 6% excluding exchange rate effects and divestments) to SEK 79,001m (79,913)
- Operating profit excluding restructuring costs decreased by 5% (decreased by 1% excluding exchange rate effects) to SEK 6,697m (7,041)
- Restructuring costs totalled SEK 350m (931)
- Earnings per share rose 2% (7% excluding exchange rate effects) to SEK 5.66 (5.53)
- Cash flow from current operations was SEK 4,397m (5,010)
- Operating profit for the third quarter, excluding restructuring costs, increased by 13% over the second quarter to SEK 2,435m (2,150)

EARNINGS TREND

SEKm	1109	1009	%	2011:3	2010:3	%
Net sales¹	79,001	79,913	-1	26,937	26,647	1
Gross profit	17,405	18,556	-6	5,900	6,111	-3
Operating profit²	6,697	7,041	-5	2,435	2,574	-5
Financial items	-930	-823		-351	-300	
Profit before tax²	5,767	6,218	-7	2,084	2,274	-8
Tax ²	-1,499	-1,617		-541	-533	
Net profit for the period²	4,268	4,601	-7	1,543	1,741	-11
Earnings per share, SEK	5.66	5.53	2	1.82	1.95	-7

¹ Net sales from SCA's recycling operations have been reclassified as other income, with retroactive adjustment for 2010.

² Excluding restructuring costs; for amounts, see page 13.

CEO'S COMMENTS

Net sales for the first nine months of 2011 rose 6%, excluding exchange rate effects and divestments, as a result of higher prices and volumes. Growth in the hygiene operations remained favourable in emerging markets, where the Tissue and Personal Care business areas reported sales increases of 10% and 12%, respectively. SCA's global brands – TENA for incontinence care products and Tork for tissue in the away-from-home (AFH) market – have also grown their market shares during the year.

Operating profit for the first nine months of 2011 decreased by 1%, excluding restructuring costs and exchange rate effects, compared with the same period a year ago. Higher prices and volumes along with cost savings, compensated for most of the slightly more than SEK 3bn in higher raw materials costs, and higher costs for energy and distribution. The strengthening of the Swedish krona lowered operating profit by SEK 700m.

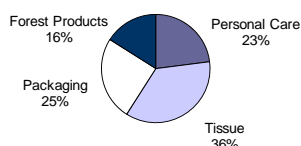
Net sales for the third quarter of 2011 increased by 1%, and operating profit, excluding restructuring costs, rose 13% compared with the second quarter. Earnings improved for all business areas. The higher consolidated profit is mainly attributable to price increases, which compensated for SEK 280m in higher raw material costs.

Earnings per share for the first nine months increased by 2% – and by 7% excluding exchange rate effects – compared with the same period a year ago.

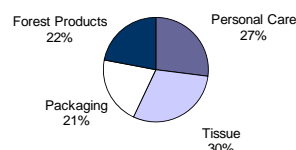
An efficiency enhancement programme was launched during the third quarter, primarily in the hygiene and packaging operations, worth a total of SEK 1,400m, including SEK 900m in items affecting cash flow. The third quarter was charged with SEK 350m in restructuring costs. The measures will lead to annual savings of approximately SEK 700m within a two-year period.

Uncertainty surrounding developments in the global economy has increased, which makes the future economic outlook difficult to judge. So far we have not seen any negative impact on the demand for our products.

SHARE OF NET SALES 1109



SHARE OF OPERATING PROFIT 1109



EARNINGS TREND FOR THE GROUP

SEKm	1109	1009	%	2011:3	2010:3	%
Net sales¹	79,001	79,913	-1	26,937	26,647	1
Cost of goods sold	-61,596	-61,357		-21,037	-20,536	
Gross profit	17,405	18,556	-6	5,900	6,111	-3
Sales, general and administration	-10,708	-11,515		-3,465	-3,537	
Operating profit²	6,697	7,041	-5	2,435	2,574	-5
Financial items	-930	-823		-351	-300	
Profit before tax²	5,767	6,218	-7	2,084	2,274	-8
Tax ²	-1,499	-1,617		-541	-533	
Net profit for the period²	4,268	4,601	-7	1,543	1,741	-11

¹ Net sales from SCA's recycling operations have been reclassified as other income, with retroactive adjustment for 2010.

² Excluding restructuring costs; for amounts, see page 13.

Earnings per share, SEK - owners of the parent

- after dilution effects	5.66	5.53	2	1.82	1.95	-7
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Margins (%)

Gross margin	22.0	23.2		21.9	22.9	
Operating margin¹	8.5	8.8		9.0	9.7	
Financial net margin	-1.2	-1.0		-1.3	-1.1	
Profit margin¹	7.3	7.8		7.7	8.6	
Tax ¹	-1.9	-2.0		-2.0	-2.0	
Net margin¹	5.4	5.8		5.7	6.6	

¹ Excluding restructuring costs.

OPERATING PROFIT PER BUSINESS AREA

SEKm	1109	1009	%	2011:3	2010:3	%
Personal Care	1,853	2,187	-15	688	697	-1
Tissue	2,104	2,254	-7	809	753	7
Packaging	1,481	1,010	47	534	512	4
Forest Products	1,561	1,863	-16	534	685	-22
- <i>Publication papers</i>	119	-77	n/a	82	-38	n/a
- <i>Pulp, timber and solid-wood products</i>	1,442	1,940	-26	452	723	-37
Other	-302	-273		-130	-73	
Total¹	6,697	7,041	-5	2,435	2,574	-5

¹ Excluding restructuring costs.

OPERATING CASH FLOW PER BUSINESS AREA

SEKm	1109	1009	%	2011:3	2010:3	%
Personal Care	2,458	2,255	9	998	601	66
Tissue	1,889	2,825	-33	994	1,083	-8
Packaging	854	685	25	723	678	7
Forest Products	1,249	1,513	-17	776	678	14
Other	-446	-379		-466	-276	
Total	6,004	6,899	-13	3,025	2,764	9

GROUP

MARKET/EXTERNAL ENVIRONMENT

Uncertainty surrounding developments in the global economy has increased. GDP forecasts for 2011 and 2012 have been adjusted downward both regionally and globally.

The global market for incontinence care products is showing continued growth, with favourable development in emerging markets. Demand for tissue has been rising slightly in Western Europe and was stable in North America during the first nine months of 2011 compared with a year ago, while emerging markets are showing continued favourable growth.

Prices of consumer tissue in Europe have been stable, while prices of tissue in the away-from-home (AFH) market rose slightly during the third quarter of 2011.

Demand for corrugated board in Western Europe was up by approximately 2% through August 2011. Prices of corrugated board continued to rise during the third quarter of 2011.

Demand in Europe for magazine paper decreased by 2% during the first nine months of the year compared with the same period a year ago. Demand for newsprint decreased by 1% during the same period. Prices of both magazine paper and newsprint were unchanged or rose slightly during the third quarter.

Raw material prices for pulp, recycled paper and oil-based products decreased somewhat during the quarter, but from high levels.

SALES AND EARNINGS

January–September 2011 compared with corresponding period a year ago

Net sales decreased by 1% (increased by 6% excluding exchange rate effects and divestments) to SEK 79,001m (79,913). Higher prices and volumes increased sales by 4% and 2%, respectively.

Operating profit excluding restructuring costs decreased by 5% (1% excluding exchange rate effects) to SEK 6,697m (7,041). Higher prices and volumes along with cost savings compensated for sharply higher costs for raw materials, energy and distribution. The lower profit is therefore mainly attributable to the strengthening of the Swedish krona.

Restructuring costs totalled SEK 350m (931).

Financial items increased to SEK -930m (-823). The increase is attributable to higher interest rates, which were partly compensated by a lower level of net debt. Profit before tax excluding restructuring costs decreased by 7% (2% excluding exchange rate effects) to SEK 5,767m (6,218). The tax expense excluding effects of restructuring costs was SEK 1,499m (1,617).

Net profit for the period excluding restructuring costs decreased by 7% (increased by 2% excluding exchange rate effects) to SEK 4,268m (4,601). Earnings per share rose 2% (7% excluding exchange rate effects) to SEK 5.66 (5.53).

Third quarter 2011 compared with third quarter 2010

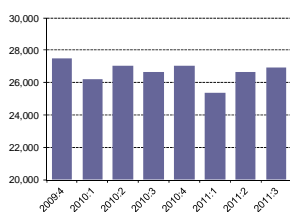
Net sales increased by 1% (6% excluding exchange rate effects and divestments) to SEK 26,937m (26,647). Higher prices and volumes each increased sales by 3%.

Operating profit excluding restructuring costs decreased by 5% (2% excluding exchange rate effects) to SEK 2,435m (2,574). Higher volumes and prices along with cost savings did not fully compensate for higher raw material costs.

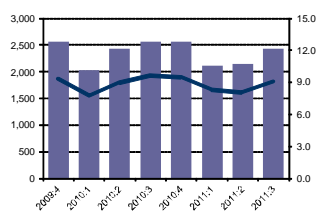
Profit before tax excluding restructuring costs decreased by 8% (5% excluding exchange rate effects) to SEK 2,084m (2,274).

Net profit for the period excluding restructuring costs decreased by 11% (8% excluding exchange rate effects) to SEK 1,543m (1,741). Earnings per share decreased by 7% (4% excluding exchange rate effects) to SEK 1.82 (1.95).

Net sales

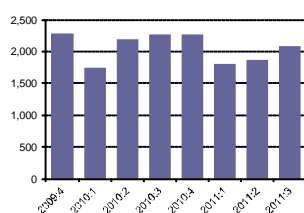


Operating profit and margin



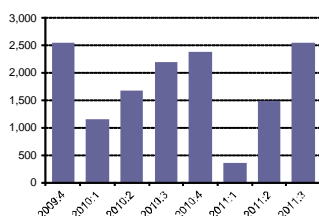
Excluding items affecting comparability

Profit before tax



Excluding items affecting comparability

Cashflow from current operations



CASH FLOW AND FINANCING

The operating cash surplus amounted to SEK 10,514m (11,178). The cash flow effect of the change in working capital was SEK -1,544m (-1,763). The increase in working capital is mainly attributable to higher trade accounts receivable and inventory values. Current capital expenditures were higher than in the preceding year and amounted to SEK -2,391m (-1,959). Operating cash flow amounted to SEK 6,004m (6,899).

Financial items increased to SEK -930m (-823) as a result of higher interest rates, which were partly compensated by a lower level of net debt. Tax payments decreased to SEK 720m (1,083). Cash flow from current operations decreased to SEK 4,397m (5,010), mainly as a result of a lower operating cash surplus and higher current capital expenditures.

Strategic investments amounted to SEK -1,288m (-1,713). Acquisitions and divestments amounted to SEK -711m (1,189). Dividends amounted to SEK -2,844m (-2,634). Net cash flow was SEK -446m (1,852).

Net debt has increased by SEK 4,054m during the year to date, to SEK 38,460m. Net debt amounted to SEK 33,635m, excluding pension liabilities. Net cash flow increased net debt by SEK 446m, while fair value measurement of pension assets, pension obligations and financial instruments increased net debt by SEK 3,677m. Exchange rate movements decreased net debt by SEK 69m. The debt/equity ratio was 0.58 (0.51 at the beginning of the year). The debt/equity ratio, excluding pension liabilities, was 0.51 (0.48 at the beginning of the year). The debt payment capacity improved to 37% (33%).

As per 30 September 2011, SCA had outstanding commercial paper worth SEK 7,092m maturing within 12 months. Unutilised credit facilities amounted to SEK 21,678m, of which long-term facilities amounted to SEK 21,028m. Cash and cash equivalents amounted to SEK 2,917m.

EQUITY

Consolidated equity decreased during the period by SEK 1,813m to SEK 66,008m. Net profit for the period increased equity by SEK 4,009m. Equity decreased by SEK 2,844m through payment of shareholder dividends, by SEK 2,636m after tax through restatement of the net pension liability to fair value, and by SEK 666m after tax through fair value measurement of financial instruments. Exchange rate movements, including the effects of hedges of net investments in foreign assets, increased equity by SEK 324m.

TAX

A tax expense corresponding to a tax rate of 26% is reported for the period, which is also expected to be the tax rate for the full year 2011.

RESTRUCTURING

In accordance with what has been previously communicated, SCA is continuing its work on lowering costs and increasing efficiency and profitability. Efficiency enhancement measures involving staff reductions by 2,000 employees, among other things, are being made in Personal Care, Tissue and Packaging. The annual cost savings will amount to approximately SEK 700m, with gradual effect in 2012 and 2013. Total restructuring costs will amount to approximately SEK 1,400m, of which approximately SEK 900m will have an effect on cash flow and the remaining SEK 500m pertains to impairment charges associated with disposals of plant. These costs will be booked as they arise, and during the third quarter of 2011, restructuring costs of SEK 350m were booked, including SEK 210m in costs affecting cash flow. Provisions for the rest of the costs will be made mainly during the fourth quarter of 2011 and first quarter of 2012.

INVESTMENTS AND DIVESTMENTS

During the third quarter, SCA acquired 95% of the Turkish hygiene products company San Saglik, the second largest provider of incontinence care products in Turkey. The purchase consideration amounted to SEK 95m on a debt-free basis. The acquisition includes local production and strong brands. San Saglik has annual sales of approximately SEK 100m. SCA has a call option for the remaining 5% of the company.

Also during the third quarter, SCA acquired the Brazilian hygiene products company Pro Descart, which has the number two position in Brazil's incontinence care products market. The company also sells baby diapers and wet wipes. Consideration for the deal amounted to the equivalent of SEK 450m on a debt-free basis. The company has annual sales of SEK 360m.

To meet demand for premium products in the US market, during the third quarter SCA decided to invest SEK 460m in an upgrade of an existing tissue machine. The machine today has a capacity of 70,000 annual tonnes; this will remain unchanged, and production is expected to commence around year-end 2012/start of 2013.

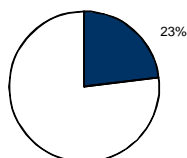
During the third quarter a decision was made to rebuild one of the newsprint machines in Ortviken to allow production of higher grades. The investment is worth SEK 350m. The rebuilt machine is expected to begin operating during the third quarter of 2012 with a marginal increase in its capacity of 245,000 annual tonnes.

OTHER EVENTS

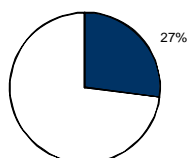
Mats Berencreutz has been appointed Executive Vice President in SCA and will also continue to be responsible for SCA's hygiene operations.

PERSONAL CARE

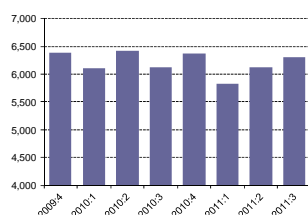
Share of Group, net sales
1109



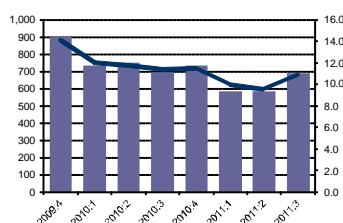
Share of Group, operating profit
1109



Net sales



Operating profit and margin



Deviations, operating profit (%)
1109 vs. 1009

Price/mix	-2
Volume	9
Raw material	-27
Energy	0
Currency	-4
Other	9

SEKm	1109	1009	%	2011:3	2010:3	%
Net sales	18,246	18,652	-2	6,310	6,125	3
Operating surplus*	2,670	3,083	-13	958	989	-3
Operating profit*	1,853	2,187	-15	688	697	-1
Operating margin, %*	10.2	11.7		10.9	11.4	
Operating cash flow	2,458	2,255		998	601	

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

SCA is the European market leader in all incontinence care segments with its TENA brand, and during the year its market shares have increased. During the third quarter of 2011, production of incontinence care products began in Russia, and in China, TENA Belt was launched, a new incontinence care product that offers users improved skin comfort. The new product also contributes to lower environmental impact and a lesser burden for caregivers.

In baby diapers, SCA is the market leader in the Nordic countries with its Libero brand. During the quarter, a line of designer diapers was launched and the range of infant care products was further expanded.

In September 2011 SCA acquired the Brazilian hygiene products company Pro Descart, which has the number two position in Brazil's incontinence care market. The company also sells baby diapers and wet wipes. During the third quarter, SCA also acquired 95% of the Turkish hygiene products company San Saglik, the second largest provider of incontinence care products in Turkey.

January–September 2011 compared with corresponding period a year ago

Net sales decreased by 2% (increased by 5% excluding exchange rate effects) to SEK 18,246m (18,652). Higher volumes increased sales by 3%, while acquisitions increased sales by 2%. In emerging markets, sales rose 12% excluding exchange rate movements.

Sales of TENA-brand incontinence care products increased by 4%, excluding exchange rate effects. Sales of baby diapers increased by 8%, excluding exchange rate effects. The increase is mainly attributable to the preceding year's acquisition in Mexico. Sales of feminine care products increased by 2%, excluding exchange rate effects, driven by favourable sales growth in Latin America.

Operating profit was 15% lower than a year ago (11% excluding exchange rate effects) and amounted to SEK 1,853m (2,187). Profit was favourably affected by higher volumes and cost savings, while profit was charged with SEK 580m in higher raw material costs and negative exchange rate effects.

The operating cash surplus decreased to SEK 2,681m (3,080). Operating cash flow increased to SEK 2,458m (2,255) as a result of a lower level of working capital, which compensated for the lower operating cash surplus, and higher current capital expenditures.

Third quarter 2011 compared with third quarter 2010

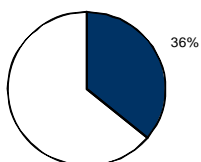
Net sales increased by 3% (8% excluding exchange rate effects) to SEK 6,310m (6,125). Higher volumes and prices increased sales by 4% and 1%, respectively, and acquisitions increased sales by 3%.

Sales of TENA-brand incontinence care products increased by 7%, excluding exchange rate effects. Growth in Latin America remained very favourable. Sales of baby diapers increased by 10%, excluding exchange rate effects. The increase is mainly attributable to the acquisition in Mexico. Sales of feminine care products increased by 4%, excluding exchange rate effects.

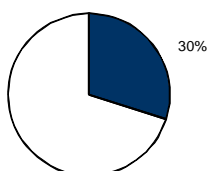
Operating profit decreased by 1% (unchanged excluding exchange rate effects) to SEK 688m (697). Profit was favourably affected by higher volumes, higher prices and cost savings, while profit was charged with SEK 180m in higher raw material costs and negative exchange rate effects.

TISSUE

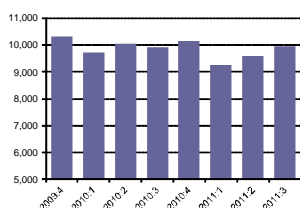
Share of Group, net sales
1109



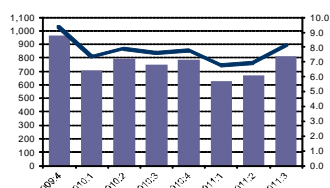
Share of Group, operating profit
1109



Net sales



Operating profit and margin



Deviations, operating profit (%)
1109 vs. 1009

	-7
Price/mix	32
Volume	5
Raw material	-19
Energy	-1
Currency	-7
Other	-17

SEK m	1109	1009	%	2011:3	2010:3	%
Net sales	28,838	29,716	-3	9,951	9,924	0
Operating surplus*	3,653	3,874	-6	1,338	1,285	4
Operating profit*	2,104	2,254	-7	809	753	7
Operating margin, %*	7.3	7.6		8.1	7.6	
Operating cash flow	1,889	2,825		994	1,083	

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

In the AFH tissue segment, SCA has increased its market shares with its Tork brand. SCA's environmentally certified tissue products have led to new contracts both in Europe and the USA.

To meet demand for premium products in the US market, SCA has decided to upgrade an existing tissue machine. The machine's capacity will remain unchanged at 70,000 annual tonnes, and operation is expected to commence around year-end 2012/start of 2013.

Price increases have been carried out and will have further impact during the fourth quarter of 2011.

January–September 2011 compared with corresponding period a year ago

Net sales decreased by 3% (increased by 5% excluding exchange rate effects) to SEK 28,838m (29,716). Higher prices and volumes increased sales by 3% and 2%, respectively. Sales in emerging markets increased by 10%, excluding exchange rate movements.

Sales of consumer tissue increased by 3%, excluding exchange rate effects. Emerging markets are showing strong sales growth.

Sales of AFH tissue increased by 6%, excluding exchange rate effects. The increase is mainly attributable to strong growth in Eastern Europe, North America and Latin America.

Operating profit decreased by 7% (unchanged excluding exchange rate effects) to SEK 2,104m (2,254). Higher prices, a changed product mix and higher volumes had a favourable impact on profit. However, higher raw material costs, by SEK 430m, higher costs for distribution and energy, and exchange rate effects led to a lower operating profit.

The operating cash surplus decreased to SEK 3,700m (3,920), and operating cash flow decreased to SEK 1,889m (2,825). Cash flow decreased as a result of the lower operating cash surplus and higher level of working capital.

Third quarter 2011 compared with third quarter 2010

Net sales were level with the third quarter a year ago (increased by 5% excluding exchange rate effects) to SEK 9,951m (9,924). Higher volumes increased sales by 4%, while higher prices and a changed product mix increased sales by 1%.

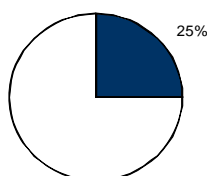
Sales of consumer tissue increased by 5%, excluding exchange rate effects. Emerging markets are showing strong sales growth.

Sales of AFH tissue increased by 5%, excluding exchange rate effects. Markets in Western Europe, North America and Latin America showed favourable growth.

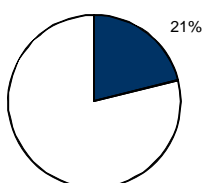
Operating profit improved by 7% (12% excluding exchange rate effects) to SEK 809m (753). Higher prices, a changed product mix and higher volumes had a favourable impact on profit. Higher energy and raw material costs as well as exchange rate effects had a lowering effect on profit.

PACKAGING

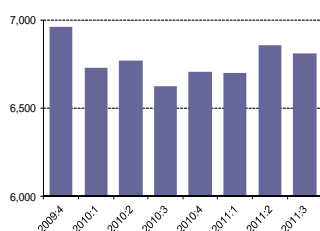
Share of Group, net sales
1109



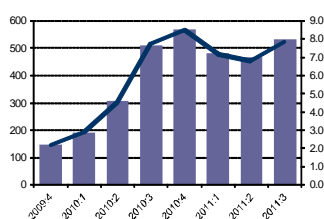
Share of Group, operating profit
1109



Net sales



Operating profit and margin



Deviations, operating profit (%)

1109 vs. 1009	
	47
Price/mix	189
Volume	23
Raw material	-147
Energy	-7
Currency	-7
Other	-4

SEKm	1109	1009	%	2011:3	2010:3	%
Deliveries						
- Liner products, thousand tonnes	1,613	1,591	1	531	536	-1
- Corrugated board, million m ²	2,574	2,640	-3	835	868	-4
Net sales*	20,363	20,127	1	6,810	6,627	3
Operating surplus**	2,431	2,066	18	855	838	2
Operating profit**	1,481	1,010	47	534	512	4
Operating margin, %**	7.3	5.0		7.8	7.7	
Operating cash flow	854	685		723	678	

^{*)} As from 2010, net sales from SCA's recycling operations have been reclassified as other income, entailing a decrease in net sales for the same period in the preceding year by SEK 2,100m.

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

Corrugated board prices continued to rise during the third quarter of 2011.

January–September 2011 compared with corresponding period a year ago

Net sales increased by 1% (12% excluding exchange rate effects and divestments) to SEK 20,363m (20,127). Higher prices and volumes increased net sales by 9% and 3%, respectively. Sales were 6% lower as a result of divested operations.

Operating profit was SEK 1,481m (1,010). The strong profit improvement is attributable to higher prices and volumes as well as cost savings, which compensated for nearly SEK 1.5bn in higher raw material costs and negative exchange rate effects.

Operating cash surplus improved to SEK 2,433m (2,043). Operating cash flow increased to SEK 854m (685) as a result of the higher operating cash surplus.

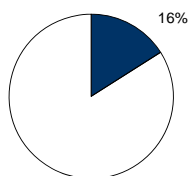
Third quarter 2011 compared with third quarter 2010

Net sales increased by 3% (10% excluding exchange rate effects and divestments) to SEK 6,810m (6,627). Higher prices and volumes increased net sales by 7% and 3%, respectively. Sales decreased by 5% as a result of divested operations.

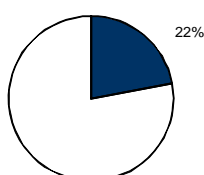
Operating profit increased to SEK 534m (512). The profit improvement is attributable to higher prices and volumes as well as cost savings, which compensated for SEK 500m in higher raw material costs and negative exchange rate effects.

FOREST PRODUCTS

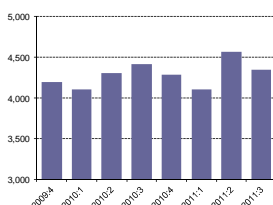
Share of Group, net sales
1109



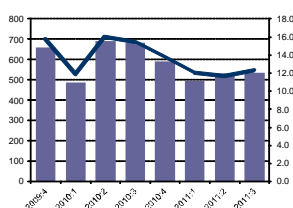
Share of Group, operating profit
1109



Net sales



Operating profit and margin



Deviations, operating profit (%)

1109 vs. 1009		-16
Price/mix	14	
Volume	0	
Raw material	-32	
Energy	-6	
Currency	0	
Other	8	

SEKm	1109	1009	%	2011:3	2010:3	%
Deliveries						
- Publication papers, thousand tonnes	1,190	1,184	1	410	399	3
- Solid-wood products, thousand m ³	1,443*	1,345	7	478	514	-7
Net sales	13,025	12,833	1	4,349	4,415	-1
Operating surplus**	2,543	2,886	-12	835	1,028	-19
Operating profit**	1,561	1,863	-16	534	685	-22
Operating margin, %**	12.0	14.5		12.3	15.5	
Operating cash flow	1,249	1,513		776	678	

^{*)} Includes approximately 195,000 m³ from the Gällö and Tjärnvik sawmills, which are consolidated as from 1 July 2010.

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

During the third quarter a decision was made to rebuild one of the newsprint machines in Ortvikén, Sundsvall, to allow production of higher grades. The rebuilt machine is expected to begin operating during the third quarter of 2012 with a marginal increase in its capacity of 245,000 annual tonnes.

January–September 2011 compared with corresponding period a year ago

Net sales increased by 1% (3% excluding exchange rate effects) to SEK 13,025m (12,833). Higher prices primarily for publication papers increased sales by 2%. Higher volumes increased sales by 1%.

Operating profit decreased by 16% to SEK 1,561m (1,863). Profit for the publication paper operations improved to SEK 118m (-77). Higher prices for publication papers compensated for higher raw material costs and negative exchange rate effects. The lower operating profit for the pulp and solid-wood operations is mainly attributable to negative exchange rate effects. Completed productivity improvements had a favourable effect on earnings.

The operating cash surplus was SEK 2,015m (2,408), and operating cash flow totalled SEK 1,249m (1,513).

Third quarter 2011 compared with third quarter 2010

Net sales decreased by 1% (unchanged excluding exchange rate effects) to SEK 4,349m (4,415). Higher prices for publication papers increased net sales.

Operating profit decreased by 22% to SEK 534m (685). The lower profit is attributable to higher raw material and energy costs, and negative exchange rate effects.

SHARE DISTRIBUTION

30 September 2011	Class A	Class B	Total
Registered number of shares	96,591,420	608,518,674	705,110,094
- of which treasury shares		2,767,605	2,767,605

At the end of the period, the proportion of Class A shares was 13.7%. During the third quarter, at the request of shareholders a total of 862,003 Class A shares were converted to Class B shares. The total number of votes in the company is 1,574,432,874.

RISKS AND UNCERTAINTIES

SCA's risk exposure and risk management are described on pages 44–49 of the 2010 Annual Report. No significant changes have taken place that have affected the reported risks.

Risks in conjunction with company acquisitions are analysed 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. No significant acquisitions were made during the period.

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 group heads. This means that most operational risks are managed by SCA's business groups at the local level, but that they are co-ordinated when considered necessary. The tools used in this co-ordination consist primarily of the business groups' regular reporting and the annual strategy process, where risks and risk management are a part of the process.

SCA's financial risk management is centralised, 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 compiled and followed up on a regular basis to ensure compliance with these guidelines. SCA has also centralised other risk management.

SCA has a staff function for internal audit, which monitors compliance in the organisation 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 2010 Annual Report, except for with respect to a number of amendments to existing standards and new interpretations that took effect on 1 January 2011.

FUTURE REPORTS

The year-end report for 2011 will be released on 26 January 2012.

INVITATION TO PRESS CONFERENCE ON Q3

The media and analysts are invited to attend a press conference at which this report will be presented by Jan Johansson, President and CEO.

Time: Tuesday, 25 October 2011, 09.30 CET.

Location: World Trade Center, New York conference room, Stockholm, Sweden.

The press conference will be webcast live at www.sca.com. It is also possible to participate in the press conference by phone, by calling +44 20 7162 0177, +1 334 323 6203, or +46-8-5052 0114.

OPERATING CASH FLOW ANALYSIS

SEKm	1109	1009
Operating cash surplus	10,514	11,178
Change in working capital	-1,544	-1,763
Current capital expenditures, net	-2,391	-1,959
Restructuring costs, etc.	-575	-557
Operating cash flow	6,004	6,899
Financial items	-930	-823
Income taxes paid	-720	-1,083
Other	43	17
Cash flow from current operations	4,397	5,010
Acquisitions	-932	-81
Strategic capital expenditures, fixed assets	-1,288	-1,713
Divestments	221	1,270
Cash flow before dividend	2,398	4,486
Dividend	-2,844	-2,634
Net cash flow	-446	1,852
Net debt at the start of the period	-34,406	-40,430
Net cash flow	-446	1,852
Remeasurement to equity	-3,677	-1,511
Currency effects	69	2,075
Net debt at the end of the period	-38,460	-38,014
Debt/equity ratio	0.58	0.59
Debt payment capacity, %	37	33

CASH FLOW STATEMENT

SEKm	1109	1009
Operating activities		
Profit before tax	5,417	5,287
Adjustment for non-cash items ¹	3,655	4,517
	9,072	9,804
Paid tax	-720	-1,083
Cash flow from operating activities before changes in working capital	8,352	8,721
Cash flow from changes in working capital		
Change in inventories	-412	-1,690
Change in operating receivables	-1,040	-2,891
Change in operating liabilities	-92	2,817
Cash flow from operating activities	6,808	6,957
Investing activities		
Acquisition of operations	-933	-62
Sold operations	34	190
Acquisition tangible and intangible assets	-3,839	-3,843
Sale of tangible assets	161	178
Payment of loans to external parties	-171	-110
Cash flow from investing activities	-4,748	-3,647
Financing activities		
Borrowings	1,838	0
Amortisation of debt	0	-1,792
Dividends paid	-2,844	-2,634
Cash flow from financing activities	-1,006	-4,426
Cash flow for the period	1,054	-1,116
Cash and cash equivalents at the beginning of the year	1,866	5,148
Exchange differences in cash and cash equivalents	-3	-76
Cash and cash equivalents at the end of the period	2,917	3,956

Reconciliation with operating cash flow analysis

Cash flow for the period	1,054	-1,116
Deducted items:		
Payment of loans to external parties	171	110
Repayment of loans from external parties	0	0
Borrowings	-1,838	0
Amortisation of debt	0	1,792
Added items:		
Net debt in acquired and divested operations	187	1,061
Accrued interest	-18	12
Investments through finance leases	-2	-7
Net cash flow according to operating cash flow analysis	-446	1,852

¹ Depreciation and impairment, fixed assets	4,584	4,849
Fair-value measurement/net growth of forest assets	-527	-485
Unpaid related to efficiency programmes	98	704
Payments related to efficiency programmes already recognized	-380	-437
Other	-120	-114
Total	3,655	4,517

CONSOLIDATED INCOME STATEMENT

SEKm	2011:3	2010:3	2011:2	1109	1009
Net sales¹	26,937	26,647	26,671	79,001	79,913
Cost of goods sold ²	-21,037	-20,536	-20,865	-61,596	-61,357
Gross profit	5,900	6,111	5,806	17,405	18,556
Sales, general and administration ²	-3,491	-3,578	-3,687	-10,787	-11,594
Items affecting comparability ³	-350	-480	0	-350	-931
Share in profits of associates	26	41	31	79	79
Operating profit	2,085	2,094	2,150	6,347	6,110
Financial items	-351	-300	-277	-930	-823
Profit before tax	1,734	1,794	1,873	5,417	5,287
Tax	-450	-415	-487	-1,408	-1,375
Net profit for the period	1,284	1,379	1,386	4,009	3,912
Earnings attributable to:					
Owners of the parent	1,275	1,372	1,376	3,978	3,881
Non-controlling interests	9	7	10	31	31
Earnings per share, SEK - owners of the parent					
- before dilution effects	1.82	1.95	1.96	5.66	5.53
- after dilution effects	1.82	1.95	1.96	5.66	5.53
Calculation of earnings per share					
Earnings attributable to owners of the parent	1,275	1,372	1,376	3,978	3,881
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 Net sales from SCAs recycling operations have been reclassified to other income, with retroactive adjustment for 2010.					
² Of which, depreciation					
	-1,468	-1,554	-1,494	-4,443	-4,747
³ Distribution of items affecting comparability, per function					
Cost of goods sold	-246	-432	0	-246	-779
Sales, general and administration	-104	-48	0	-104	-152
	2011:3	2010:3	2011:2	1109	1009
Gross margin	21.9	22.9	21.8	22.0	23.2
Operating margin	7.7	7.9	8.1	8.0	7.6
Financial net margin	-1.3	-1.1	-1.0	-1.2	-1.0
Profit margin	6.4	6.8	7.1	6.8	6.6
Tax	-1.7	-1.6	-1.8	-1.8	-1.7
Net margin	4.7	5.2	5.3	5.0	4.9
Excluding restructuring costs:					
	2011:3	2010:3	2011:2	1109	1009
Gross margin	21.9	22.9	21.8	22.0	23.2
Operating margin	9.0	9.7	8.1	8.5	8.8
Financial net margin	-1.3	-1.1	-1.0	-1.2	-1.0
Profit margin	7.7	8.6	7.1	7.3	7.8
Tax	-2.0	-2.0	-1.8	-1.9	-2.0
Net margin	5.7	6.6	5.3	5.4	5.8

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

SEKm	2011:3	2010:3	2011:2	1109	1009
Profit for the period	1,284	1,379	1,386	4,009	3,912
Other comprehensive income for the period					
Actuarial gains/losses on defined benefit pension plans	-3,122	-235	-800	-3,580	-1,622
Available-for-sale financial assets	-366	111	-124	-464	109
Cash flow hedges	-134	-31	-241	-270	325
Exchange differences on translating foreign operations	1,299	-4,488	1,693	1,424	-7,778
Gains/losses from hedges of net investments in foreign operations	-689	1,617	-756	-1,097	4,006
Income tax relating to components of other comprehensive income	791	74	351	1,012	374
Other comprehensive income for the period, net of tax	-2,221	-2,952	123	-2,975	-4,586
Total comprehensive income for the period	-937	-1,573	1,509	1,034	-674
Total comprehensive income attributable to:					
Owners of the parent	-957	-1,538	1,483	984	-604
Non-controlling interests	20	-35	26	50	-70

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

SEKm	1109	1009
Attributable to owners of the parent		
Opening balance, 1 January	67,255	67,155
Total comprehensive income for the period	984	-604
Dividend	-2,809	-2,599
Revaluation of non-controlling interests	-3	0
Closing balance	65,427	63,952
Non-controlling interests		
Opening balance, 1 January	566	750
Total comprehensive income for the period	50	-70
Dividend	-35	-35
Change in Group composition	0	-53
Closing balance	581	592
Total equity, closing balance	66,008	64,544

CONSOLIDATED BALANCE SHEET

SEKm	30 September 2011	31 December 2010
Assets		
Goodwill	18,079	17,688
Other intangible assets	3,238	3,270
Tangible assets	82,172	82,236
Shares and participations	1,419	1,098
Non-current financial assets ¹	1,901	3,254
Other non-current receivables	1,655	1,363
Total non-current assets	108,464	108,909
Operating receivables and inventories	33,328	31,890
Current financial assets	545	220
Non-current assets held for sale	155	93
Cash and cash equivalents	2,917	1,866
Total current assets	36,945	34,069
Total assets	145,409	142,978
Equity		
Owners of the parent	65,427	67,255
Minority interests	581	566
Total equity	66,008	67,821
Liabilities		
Provisions for pensions	5,008	3,108
Other provisions	10,680	10,800
Non-current financial liabilities	29,134	23,459
Other non-current liabilities	1,084	791
Total non-current liabilities	45,906	38,158
Current financial liabilities ²	9,566	13,047
Operating liabilities	23,929	23,952
Total current liabilities	33,495	36,999
Total liabilities	79,401	75,157
Total equity and liabilities	145,409	142,978
Debt/equity ratio	0.58	0.51
Visible equity/assets ratio	45%	47%
Return on capital employed	9%	8%
Return on equity	9%	8%
Excluding restructuring costs:		
Return on capital employed	9%	9%
Return on equity	9%	9%
¹ Of which pension assets	182	1,056
² Committed credit lines amount to SEK 21,678m of which unutilised SEK 21,678m.		
Capital employed	104,468	102,227
- of which working capital	10,172	8,899
Net debt	38,460	34,406
Shareholders' equity	66,008	67,821
Provisions for restructuring costs are included in the balance sheet as follows:		
- Other provisions*	594	595
- Operating liabilities	323	605
*) of which, provision for tax risks	246	246

NET SALES

SEKm	1109	1009	2011:3	2011:2	2011:1	2010:4	2010:3	2010:2
Personal Care	18,246	18,652	6,310	6,116	5,820	6,375	6,125	6,418
Tissue	28,838	29,716	9,951	9,609	9,278	10,154	9,924	10,064
Packaging ¹	20,363	20,127	6,810	6,856	6,697	6,704	6,627	6,770
Forest Products	13,025	12,833	4,349	4,566	4,110	4,290	4,415	4,308
- Publication papers	6,623	6,381	2,329	2,241	2,053	2,145	2,131	2,086
- Pulp, timber and solid-wood products	6,402	6,452	2,020	2,325	2,057	2,145	2,284	2,222
Other	1,488	1,377	510	510	468	478	491	512
Intra-group deliveries	-2,959	-2,792	-993	-986	-980	-949	-935	-1,005
Total net sales	79,001	79,913	26,937	26,671	25,393	27,052	26,647	27,067

¹ Net sales from SCA's recycling operations have been reclassified as other income, with retroactive adjustment for 2010.

OPERATING PROFIT

SEKm	1109	1009	2011:3	2011:2	2011:1	2010:4	2010:3	2010:2
Personal Care	1,853	2,187	688	582	583	735	697	753
Tissue	2,104	2,254	809	668	627	787	753	791
Packaging	1,481	1,010	534	467	480	567	512	306
Forest Products	1,561	1,863	534	532	495	592	685	691
- Publication papers	119	-77	82	26	11	-11	-38	-24
- Pulp, timber and solid-wood products	1,442	1,940	452	506	484	603	723	715
Other	-302	-273	-130	-99	-73	-114	-73	-101
Total operating profit¹	6,697	7,041	2,435	2,150	2,112	2,567	2,574	2,440
Financial items	-930	-823	-351	-277	-302	-293	-300	-244
Profit before tax¹	5,767	6,218	2,084	1,873	1,810	2,274	2,274	2,196
Tax ¹	-1,499	-1,617	-541	-487	-471	-594	-533	-595
Net profit for the period¹	4,268	4,601	1,543	1,386	1,339	1,680	1,741	1,601
¹ Excl. restructuring costs before tax amounting to:	-350	-931	-350	0	0	0	-480	-207
After tax amounting to:	-259	-689	-259	0	0	0	-362	-151

OPERATING MARGIN

%	1109	1009	2011:3	2011:2	2011:1	2010:4	2010:3	2010:2
Personal Care	10.2	11.7	10.9	9.5	10.0	11.5	11.4	11.7
Tissue	7.3	7.6	8.1	7.0	6.8	7.8	7.6	7.9
Packaging	7.3	5.0	7.8	6.8	7.2	8.5	7.7	4.5
Forest Products	12.0	14.5	12.3	11.7	12.0	13.8	15.5	16.0
- Publication papers	1.8	-1.2	3.5	1.2	0.5	-0.5	-1.8	-1.2
- Pulp, timber and solid-wood products	22.5	30.1	22.4	21.8	23.5	28.1	31.7	32.2

CONSOLIDATED INCOME STATEMENT

SEKm	2011:3	2011:2	2011:1	2010:4	2010:3
Net sales	26,937	26,671	25,393	27,052	26,647
Cost of goods sold	-21,037	-20,865	-19,694	-20,990	-20,536
Gross profit	5,900	5,806	5,699	6,062	6,111
Sales, general and administration	-3,491	-3,687	-3,609	-3,527	-3,578
Items affecting comparability	-350	0	0	0	-480
Share in profits of associates	26	31	22	32	41
Operating profit	2,085	2,150	2,112	2,567	2,094
Financial items	-351	-277	-302	-293	-300
Profit before tax	1,734	1,873	1,810	2,274	1,794
Taxes	-450	-487	-471	-594	-415
Net profit for the period	1,284	1,386	1,339	1,680	1,379

INCOME STATEMENT PARENT COMPANY

SEKm	1109	1009
Administrative expenses	-381	-339
Other operating income	131	151
Other operating expenses	-131	-150
Operating profit	-381	-338
Financial items ¹	1,877	2,078
Profit before tax	1,496	1,740
Tax	614	361
Net profit for the period	2,110	2,101

BALANCE SHEET PARENT COMPANY

SEKm	30 September 2011	31 December 2010
Intangible fixed assets	1	1
Tangible fixed assets	6,462	6,441
Financial fixed assets	127,375	124,604
Total fixed assets	133,838	131,046
Total current assets	1,002	6,119
Total assets	134,840	137,165
Restricted equity	10,996	10,996
Unrestricted equity	38,060	38,759
Total equity	49,056	49,755
Untaxed reserves	156	156
Provisions	1,095	1,050
Non-current liabilities	17,237	9,256
Current liabilities	67,296	76,948
Total equity, provisions and liabilities	134,840	137,165

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Note

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.