

Interim Report



Q3 2015



Magnus Groth

President and CEO

Summary Q3 2015

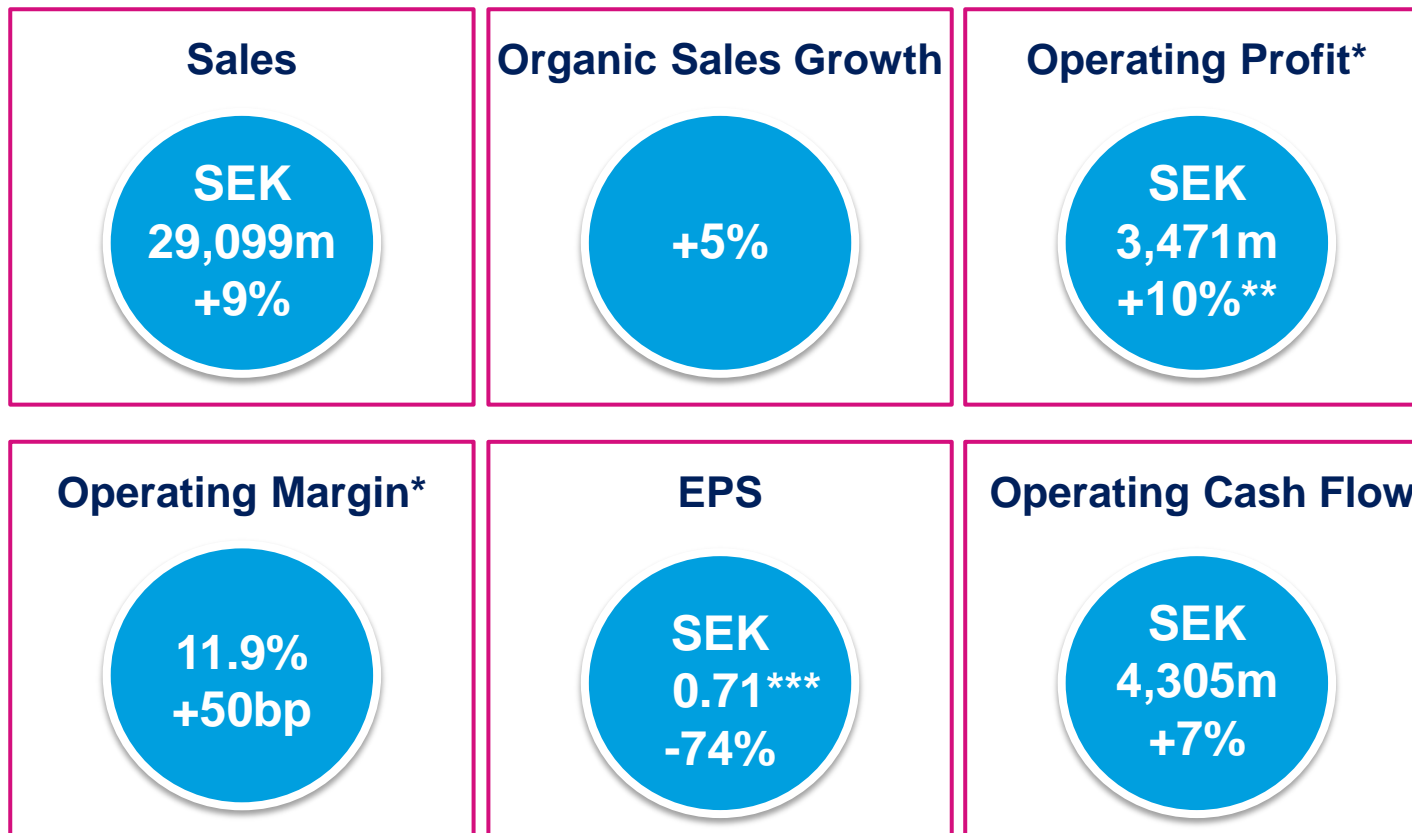


- Good organic growth in sales and operating profit
- Strong growth in emerging markets
- Good cash flow
- Continued strong contribution from efficiency gains
- Eight innovations and product launches
 - ◆ Drypers, Libero, Tempo, TENA and Tork



Group

Q3 2015 vs. Q3 2014



* Excluding items affecting comparability

** Excluding items affecting comparability and currency translation effects

*** Including items affecting comparability. Excluding items affecting comparability SEK 3.37, +20%

Important Events



- Dividing the Group into two divisions: a Hygiene division and a Forest Products division
- Enhancing the hygiene organization
- Acquiring Wausau Paper Corp., a North American Away-from-Home tissue company
- Divesting business in South East Asia, Taiwan and South Korea for integration with Vinda
- Divesting baby diapers business in South Africa
- Divesting Bromma Business Jet
- Closure of tissue production facility in France
- Intending to close paper machine at Ortviken publication paper mill and an impairment loss for the mill
- Investing in increased pulp capacity
- Inclusion in Dow Jones Sustainability Indices as industry leader

Strategic Priorities



PROFITABLE GROWTH



INNOVATION



EFFICIENCY



INCREASING EFFICIENCY IN THE ENTIRE VALUE CHAIN

Acquisition of Wausau Paper Corp.



- Acquisition of Wausau Paper, one of the largest Away-from-Home tissue companies in North America
- Wausau Paper had sales in 2014 of USD 352m (SEK 2.4 billion)
- Total consideration of USD 513m (SEK 4.2 billion) in cash
- Expected annual synergies of approximately USD 40m with full effect three years after closing
 - ◆ Restructuring costs expected to amount to approximately USD 50m
- Completion of the transaction is subject to Wausau Paper shareholder and regulatory approvals
 - ◆ Closing expected during Q1 2016

Divesting business in South East Asia, Taiwan and South Korea for integration with Vinda



- Exclusive license for Vinda to market and sell SCA brands in South East Asia, Taiwan and South Korea
 - ◆ TENA, Tork, Tempo, Libero and Libresse
- Vinda will acquire the SCA brands Drypers, Sealer, Dr P, Prokids, EQ Dry and Control Plus in these markets
- SCA's hygiene business in South East Asia, Taiwan and South Korea had net sales of approx. SEK 2.2 billion in 2014
- Purchase consideration amounts to HKD 2.8 billion (approx. SEK 3.1 billion)
- The agreement is subject to approval by the independent shareholders of Vinda with closing expected during Q1 2016

Intended closure of paper machine at Ortviken paper mill and an impairment loss for the mill



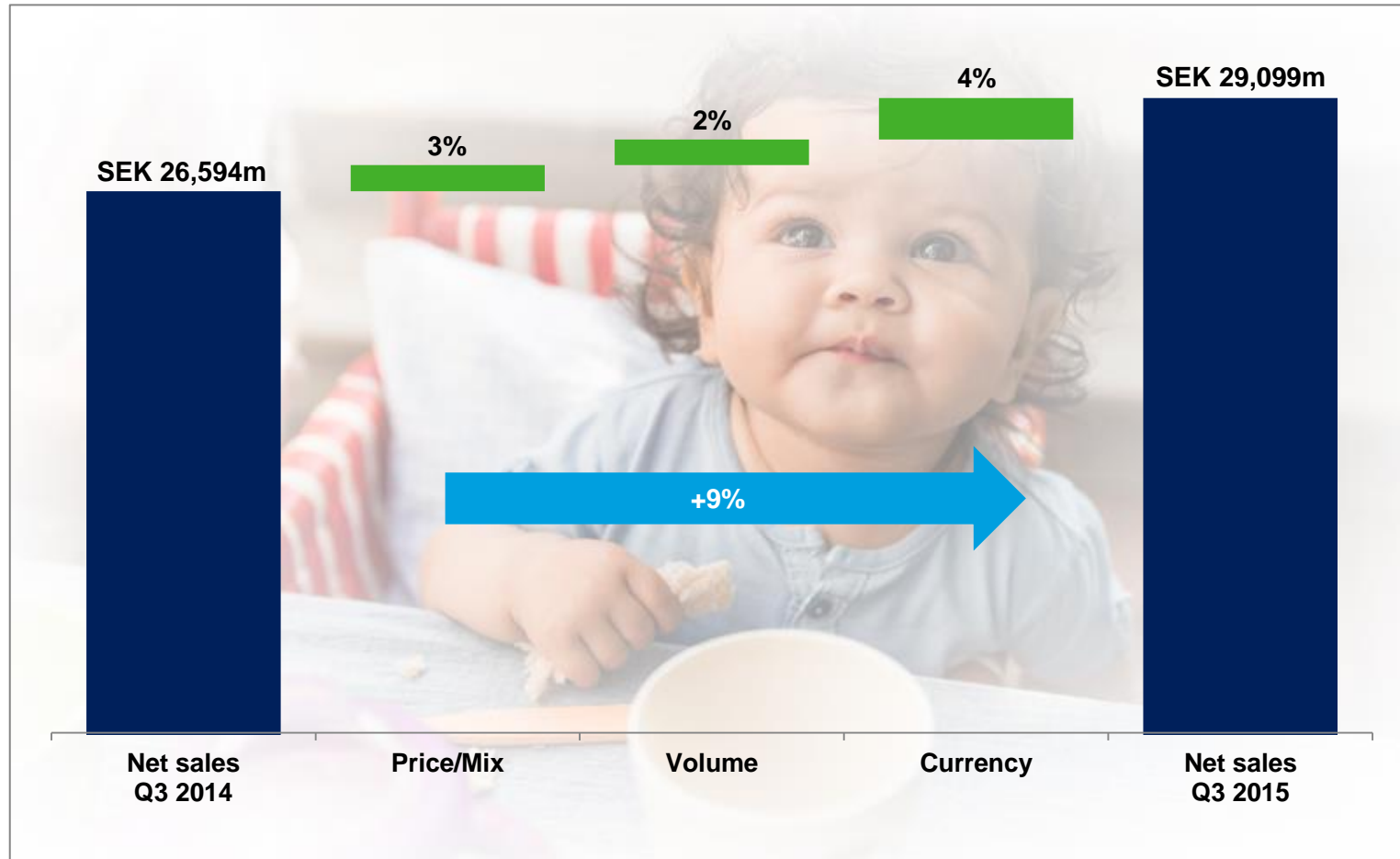
- Intended closure of paper machine at Ortviken publication paper mill
- Impairment loss for the Ortviken publication paper mill
- Efficiency improvement measures at the Obbola and Munksund kraftliner mills
- Total annual cost savings approx. SEK 180m, of which approx. SEK 120m in lower depreciation, with full effect 2017
- Total costs of approx. SEK 1.4 billion
 - ◆ Impairment loss of approx. SEK 1.3 billion recognized as an item affecting comparability in Q3 2015
 - ◆ Restructuring costs of approx. SEK 90m recognized as an item affecting comparability in Q4 2015

Fredrik Rystedt

CFO

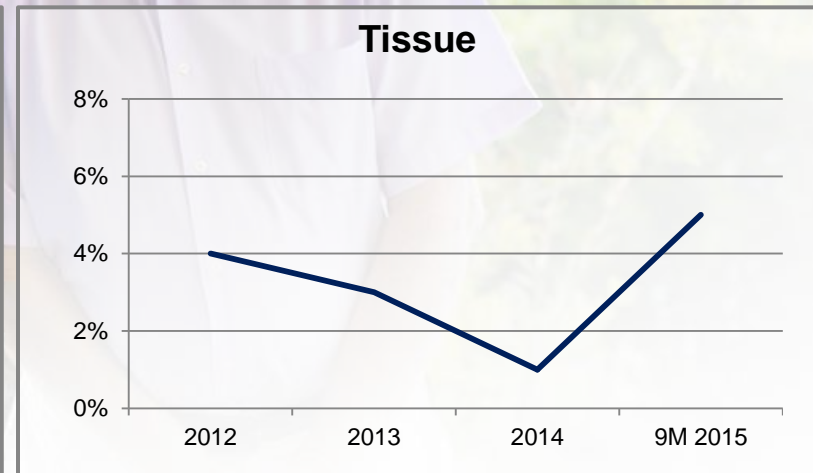
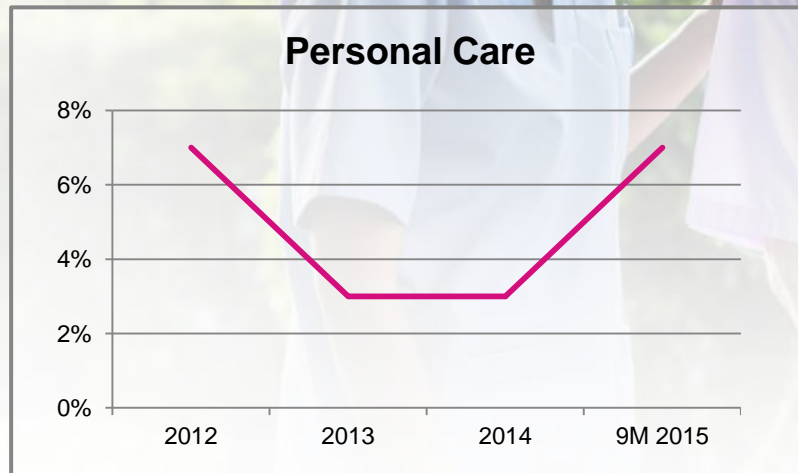
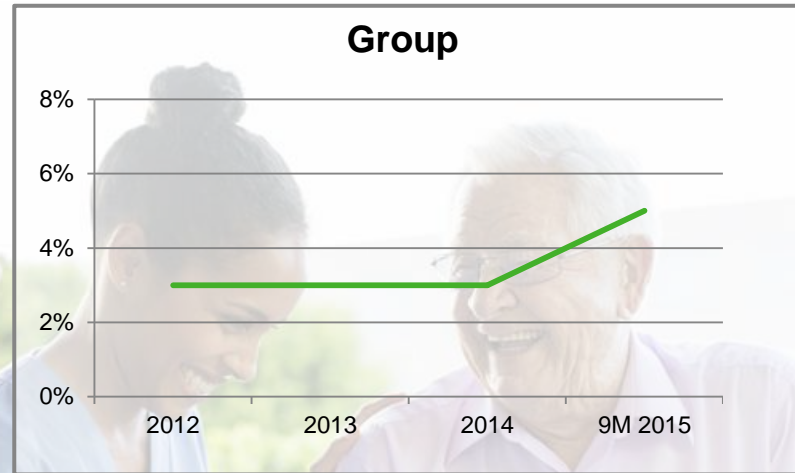
Net Sales

Q3 2015 vs. Q3 2014



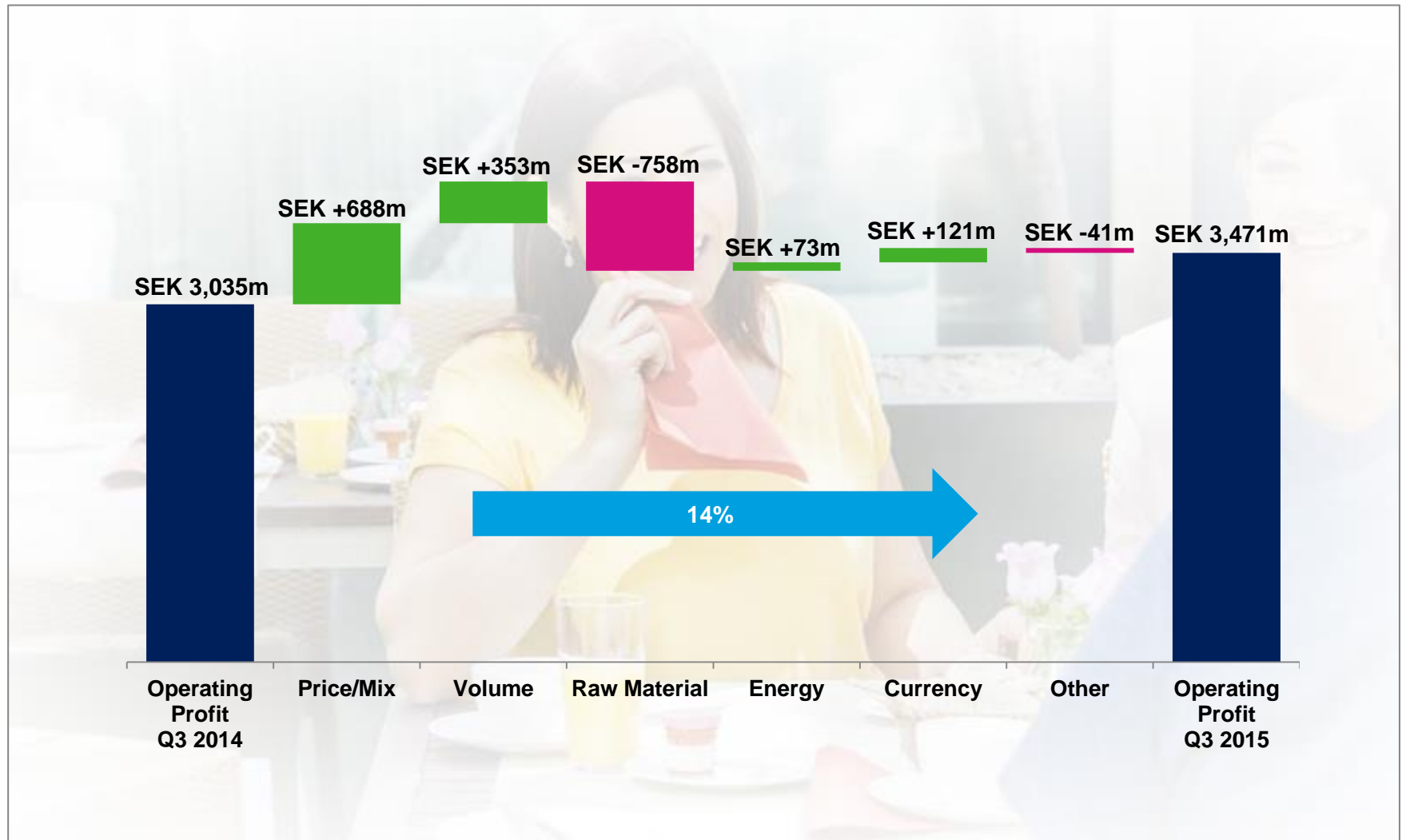
- Organic sales growth 5%
- ◆ Price/Mix 3%
- ◆ Volume 2%

Organic Sales Growth



Operating Profit* – Group

Q3 2015 vs. Q3 2014



* Excluding items affecting comparability

Cash Flow

Q3 2015 vs. Q3 2014



	Q3 2015 SEKm	Q3 2014 SEKm
Operating cash surplus	4,770	4,195
Change in working capital	714	813
Restructuring costs, etc	-220	-148
Capital expenditures (including strategic)	-1,731	-1,195
Operating cash flow including strategic capital expenditures	3,533	3,665

Items affecting comparability

Q3 2015



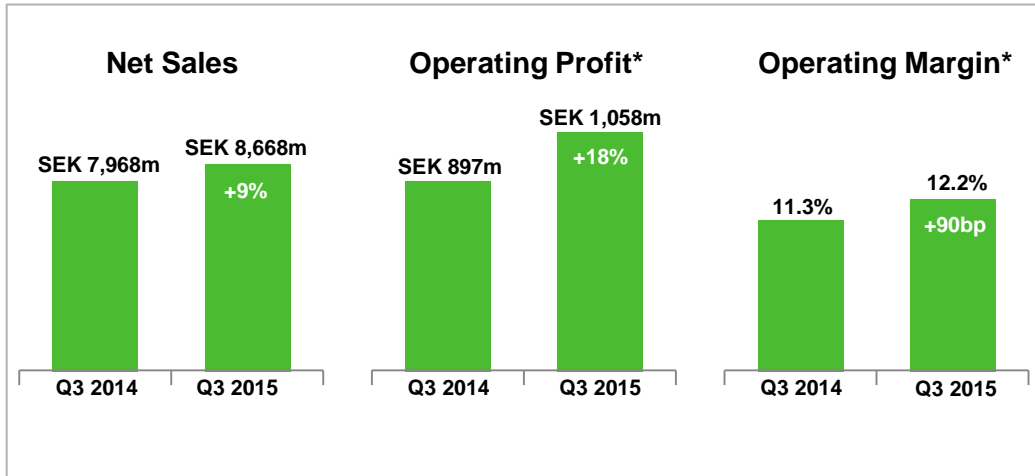
	Q3 2015 SEKm
• Impairment of assets, mainly Ortviken publication paper mill	1,410
• Impairment of brands, Mexican baby diapers and Everbeauty acquisition	438
• Restructuring costs related to Georgia-Pacific acquisition	430
• Costs for divestment of Bromma Business Jet	95
• Other, including transaction related advisory fees	111
Total items affecting comparability	2,484

Magnus Groth

President and CEO

Personal Care

Q3 2015 vs Q3 2014



- Sales growth 9%
- Organic sales growth 8%
- Operating profit increased 18%*
 - ◆ Better price/mix
 - ◆ Higher volumes
 - ◆ Cost savings
 - ◆ Higher raw material costs mainly due to a stronger USD
 - ◆ Increased marketing activities for incontinence products
- Operating margin 12.2%*
- ROCE** 31.4%

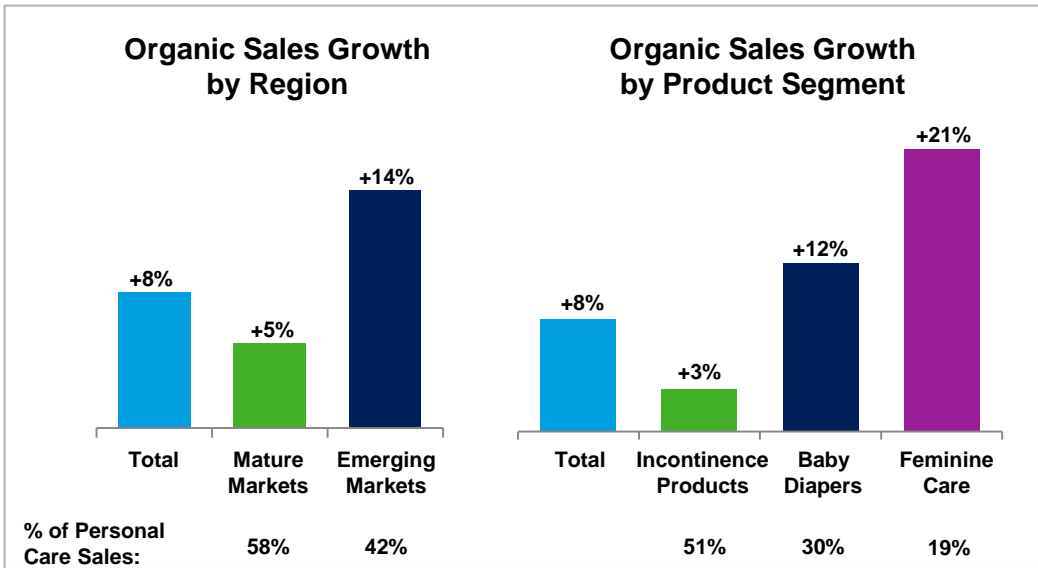


* Excluding items affecting comparability

** Return on capital employed excluding items affecting comparability

Personal Care

Q3 2015 vs Q3 2014



■ Organic sales growth 8%

- ◆ Price/mix +4%
- ◆ Volume +4%
- ◆ Strong growth in emerging markets
- ◆ Strong growth for feminine care and baby diapers

■ Mature markets

- ◆ Western Europe
 - Strong growth for baby diapers
 - Good growth for feminine care
 - Higher sales for incontinence products
- ◆ North America
 - Lower sales for incontinence products

■ Emerging markets

- ◆ Latin America +20%
 - Strong growth for feminine care and incontinence products
 - Good growth for baby diapers
- ◆ Russia +48%
 - Strong growth for all product segments



Personal Care

Innovations and Product Launches Q3 2015



TENA Men Protective Shield



- Extra thin, black shield to protect men against drips and dribbles
- Enable recruitment of the many men who do not use purpose-made-products
- The thin, black design marks the shield out as clearly 'for men' and extremely discreet

Libero Touch™



- Premium assortment of Libero diapers. Full range of both open and pant diapers
- Upgraded with new super soft and comfortable materials and premium packaging

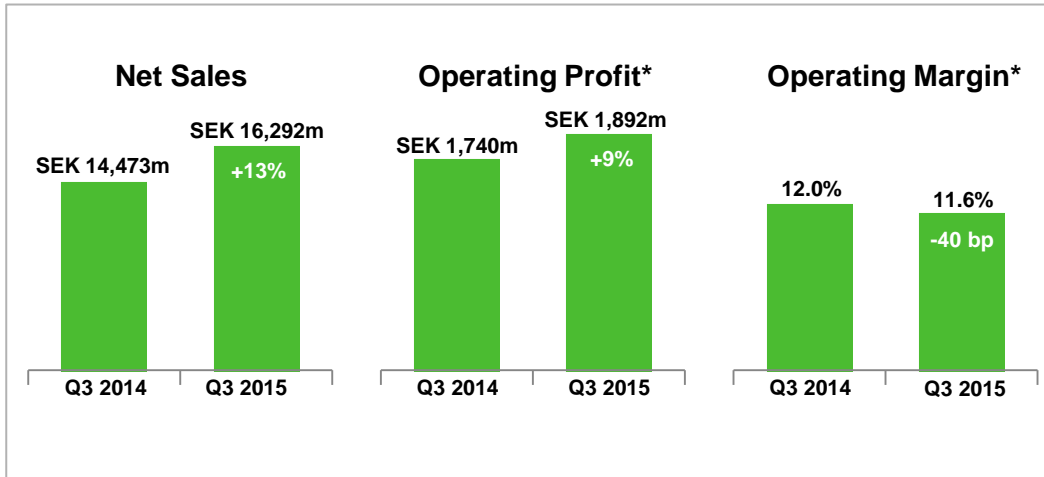
Drypers Touch™



- Drypers softest diapers ever with DrySOFT™, providing ultimate comfort for the baby
- Upgraded with new and softer materials and premium packaging

Tissue

Q3 2015 vs Q3 2014



- Sales growth 13%
- Organic sales growth 6%
- Operating profit increased 9%*
 - ◆ Better price/mix
 - ◆ Higher volumes
 - ◆ Cost savings
 - ◆ Higher raw material costs mainly due to a stronger USD
- Operating margin 11.6%*
- ROCE** 13.5%

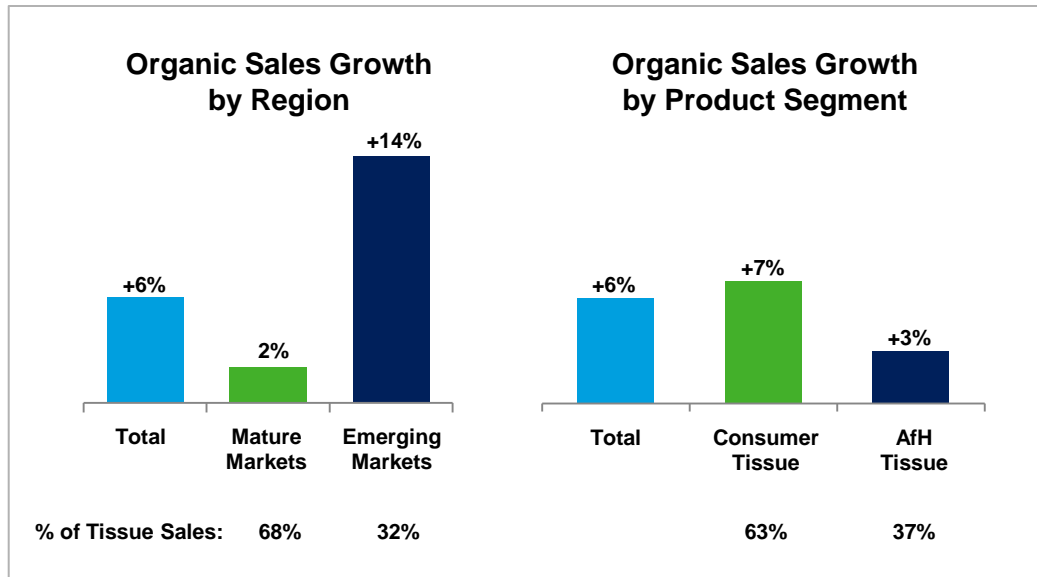


* Excluding items affecting comparability

** Return on capital employed excluding items affecting comparability

Tissue

Q3 2015 vs Q3 2014



■ Organic sales growth 6%

- ◆ Price/mix +2%
- ◆ Volume +4%
- ◆ Strong growth in emerging markets

■ Mature markets

- ◆ Western Europe
 - Good growth for consumer tissue
 - Flat sales for AfH tissue
- ◆ North America
 - Good growth for AfH tissue

■ Emerging markets

- ◆ Asia +16%
- ◆ Latin America +11%
- ◆ Russia +17%



Tissue

Innovations and Product Launches Q3 2015



Tork Image Design Line®
and Tork Luxury Soft
Foam Soap

Tork Xpress® Extra Soft
Multifold Hand Towel

Tempo®

Tempo® Light



- New dispenser line for premium washrooms
- Combining form and function for dispensers in high-end washrooms

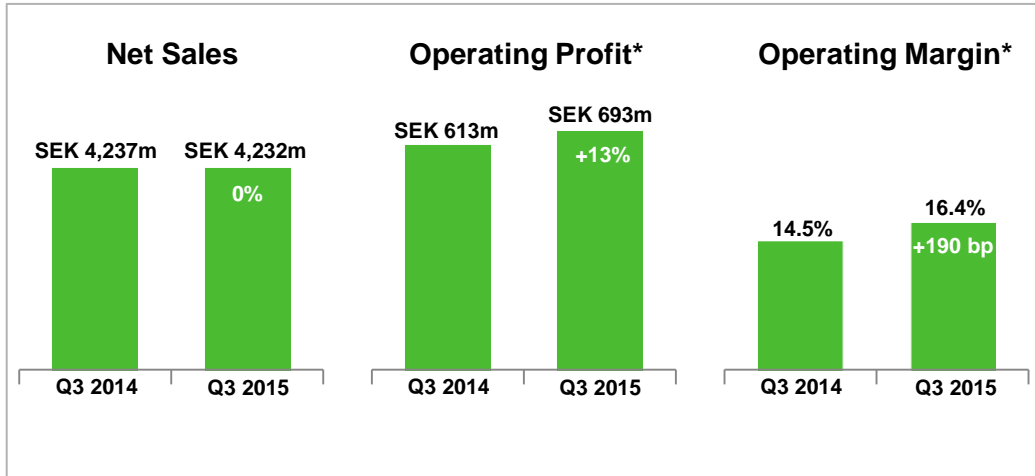
- The most exclusive Tork Xpress® hand towel for premium washrooms
- Even more impressive drying and user experience
- New leaf print

- Upgrade of the core range of Tempo® Hankies
- "Best ever Tempo® because softer than ever, strong as always"
- Includes all existing Tempo® 4 ply products

- Tempo® Light cube boxes come with the well known quality of Tempo® tissues, but are lighter, suit many different usage occasions at home
- Launch of two variants in 8 design executions: Tempo® Light & Tempo® Cosmetic

Forest Products

Q3 2015 vs Q3 2014



- **Sales growth 0%**
 - ◆ Price/mix +1%
 - ◆ Volume -2%
 - ◆ Currency +1%
 - ◆ Strong growth for kraftliner and pulp
- **Operating profit increased 14%****
 - ◆ Higher prices (including exchange rate effects)
 - ◆ Cost savings
 - ◆ Lower raw material and energy costs
- **Operating margin 16.4%***
- **ROCE*** 7.4%**



* Excluding items affecting comparability

** Excluding items affecting comparability and gains on forest swaps of SEK 0m (6) before tax

*** Return on capital employed excluding items affecting comparability

Q3 2015

Summary



- Good organic growth in sales and operating profit
- Several strategic initiatives



Q&A



SCA
Care of Life

