

1 JANUARY–30 JUNE 2009 (compared with corresponding period a year ago)

- Net sales rose 3% to SEK 56,242m (54,852)
- Profit before tax, excluding restructuring costs, was SEK 3,525m (3,649)
- Restructuring costs in Packaging amounted to SEK 439m (0)
- Profit for the period, excluding restructuring costs, was SEK 2,608m (2,919)
- Earnings per share were SEK 3.24 (4.14)
- Cash flow from current operations amounted to SEK 4,687m (695)

EARNINGS TREND

SEKm	0906	0806	%	2009:2	2008:2	%
Net sales	56,242	54,852	3	27,915	27,339	2
Gross profit¹	13,015	11,511	13	6,683	5,716	17
Operating profit²	4,504	4,670	-4	2,368	2,199	8
Financial items	-979	-1,021		-354	-496	
Profit before tax²	3,525	3,649	-3	2,014	1,703	18
Tax ²	-917	-730		-525	-321	
Net profit for the period²	2,608	2,919	-11	1,489	1,382	8
Earnings per share, SEK	3.24	4.14	-22	1.66	1.96	-15

¹ 2008 figures have been reclassified between cost of goods sold (gross profit) and sales, general and administration.

² Excluding items affecting comparability in the second quarter of 2009 amounting to SEK -439m before tax and SEK -325m after tax.

CEO'S COMMENTS

Net sales rose 3% compared with the same period a year ago, to SEK 56,242m. Operating profit for the first half of the year, excluding restructuring costs, was SEK 4,504m (4,670). Compared with the first quarter, operating profit excluding restructuring costs improved by 11%, to SEK 2,368m. Currency effects during the second quarter were marginal compared with the first quarter. Profit before tax, excluding restructuring costs, grew to SEK 2,014m, an improvement of 33% compared with the first quarter. Return on capital employed, excluding restructuring costs, was 8% for the first half of the year.

Our focus on strengthening the Group's cash flow – among other things by reducing working capital – continues to generate favourable results. Cash flow from current operations during the first half of the year amounted to SEK 4,687m, an improvement of SEK 3,992m compared with a year ago.

Sales of Personal Care products rose 17% during the second quarter compared with the same period a year ago. Following a relatively weak start of the year, sales grew 3% over the first quarter, while operating profit improved by 16%. Underlying this improvement is strong sales development in Europe, continued favourable performance in our emerging markets, and lower raw material costs. The operating margin strengthened compared with the first quarter and was 12.3% for the second quarter.

Net sales for the Tissue operations improved by 14% during the second quarter compared with the same period a year ago, and operating profit by 76%. The positive trend from the first quarter of the year has continued, and operating profit rose 17% during the second quarter. The increase can be credited to the strong performance of our AFH tissue business in the USA, continued strong performance in the European market, improved profitability in Mexico and Central America, and lower raw material and energy costs. This trend is particularly gratifying, as price pressure has risen and is expected to remain during the second half of the year.

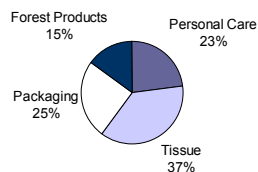
The European Packaging operation weakened further during the second quarter, with continued weak demand and price pressure for corrugated board as well as for testliner. Operating profit was SEK 11m before restructuring costs. Producer inventories of liner have decreased significantly following cutbacks in production and plant closures by the market players. However, additional measures will be needed before supply and demand are in balance.

In our Forest Products business, net sales rose 2% during the second quarter compared with the same period a year ago, and operating profit improved by 16%. Despite a challenging market for publication papers, the favourable earnings trend from the first quarter continued, and operating profit rose 10% during the second quarter. The improvement is mainly attributable to lower energy and raw material costs. In the solid-wood products segment we are now seeing rising prices as a result of an improved market balance.

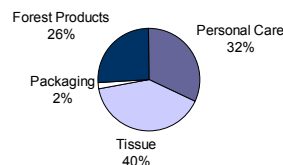
We will encounter continued difficult market conditions for the packaging operations during the second half of the year and therefore see a risk for an earnings decline for this business. Our Forest Products business is feeling the effects of price pressure for publication papers, while there is potential for price increases for solid-wood products. The economy is also affecting our hygiene business, mainly through a greater focus on price. However, we believe that the effects of this, if any, will be limited.

Jan Johansson, President and CEO

SHARE OF NET SALES 0906



SHARE OF OPERATING PROFIT 0906



EARNINGS TREND FOR THE GROUP

SEKm	0906	0806	%	2009:2	2008:2	%
Net sales	56,242	54,852	3	27,915	27,339	2
Cost of goods sold ¹	-43,227	-43,341		-21,232	-21,623	
Gross profit	13,015	11,511	13	6,683	5,716	17
Sales, general and administration ¹	-8,511	-6,841		-4,315	-3,517	
Operating profit²	4,504	4,670	-4	2,368	2,199	8
Financial items	-979	-1,021		-354	-496	
Profit before tax²	3,525	3,649	-3	2,014	1,703	18
Tax ²	-917	-730		-525	-321	
Net profit for the period²	2,608	2,919	-11	1,489	1,382	8

¹ 2008 figures have been reclassified between cost of goods sold and sales, general and administration.

² Excluding items affecting comparability in the second quarter of 2009 amounting to SEK -439m before tax and SEK -325m after tax.

Earnings per share, SEK - owners of the parent

- after dilution effects	3.24	4.14	-22	1.66	1.96	-15
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Margins (%)

Gross margin	23.1	21.0		23.9	20.9	
Operating margin¹	8.0	8.5		8.5	8.0	
Financial net margin	-1.7	-1.9		-1.3	-1.8	
Profit margin¹	6.3	6.6		7.2	6.2	
Tax	-1.6	-1.3		-1.9	-1.2	
Net margin¹	4.7	5.3		5.3	5.0	

¹ Excluding items affecting comparability.

OPERATING PROFIT PER BUSINESS AREA

SEKm	0906	0806	%	2009:2	2008:2	%
Personal Care	1,524	1,466	4	820	721	14
Tissue	1,879	1,123	67	1,015	577	76
Packaging	92	1,065	-91	11	457	-98
Forest Products	1,225	1,208	1	642	553	16
- <i>Publication papers</i>	666	174	283	378	91	315
- <i>Pulp, timber and solid-wood products</i>	559	1,034	-46	264	462	-43
Other	-216	-192		-120	-109	
Total¹	4,504	4,670	-4	2,368	2,199	8

¹ Excluding items affecting comparability.

OPERATING CASH FLOW PER BUSINESS AREA

SEKm	0906	0806	%	2009:2	2008:2	%
Personal Care	1,887	978	93	1,132	279	306
Tissue	2,402	585	311	1,405	443	217
Packaging	100	471	-79	213	519	-59
Forest Products	1,400	686	104	658	526	25
Other	73	-69		-60	28	
Total	5,862	2,651	121	3,348	1,795	87

GROUP

MARKET/EXTERNAL ENVIRONMENT

The global recession continues. Weak consumption is following in the wake of rising unemployment. Industrial production and travel continue to be significantly hurt by the crisis.

Consumers are increasingly choosing lower grades with lower price, and campaign activities have risen for tissue as well as for personal care products, which has led to intensified competition. Retailing has once again become more price-focused, and sales of products under retailers' private labels are increasing.

In the away-from-home (AFH) tissue segment, the decline is apparent in industrial and travel-related segments, while other segments are showing continued growth. For example, in the restaurant industry, the fast-food segment continues to grow.

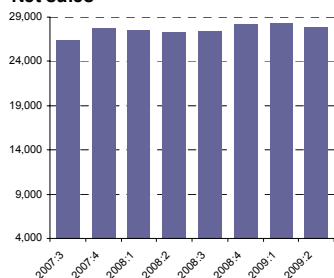
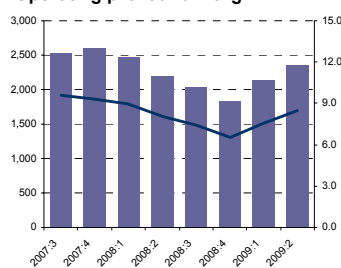
The tougher climate is also noticeable in the public sector, where tenders for incontinence care products, for example, have become more price-focused and lower grades are coming into demand.

The European packaging market continues to struggle with very weak demand for corrugated board, which is down by roughly 12% compared with a year ago. While relatively large regional differences exist, large and important markets such as Germany and Italy are still showing very weak development.

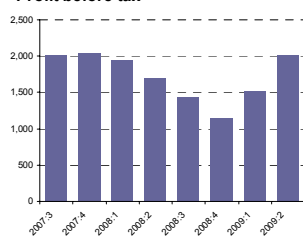
Extensive production halts and closures have led to a significant drop in producer inventories of testliner. Prices of kraftliner and testliner continued to fall during the second quarter, and prices of corrugated board are under pressure.

Demand for publication papers in Europe remained very weak during the second quarter, especially for LWC paper, with a decline of 27%, and for newsprint, which was down 15%, and price competition is rising. Capacity utilisation in the industry is low, at 70%-80%.

Demand remains weak for solid-wood products, although the market balance has improved as a result of major production cuts made by the producers. As a result of these, prices are now rising.

Net sales**Operating profit and margin**

Excluding items affecting comparability

Profit before tax

Excluding items affecting comparability

SALES AND EARNINGS

Net sales increased by 3%, or SEK 1,390m, compared with a year ago to SEK 56,242m (54,852). The total change in volume was negative and reduced sales by 9%, of which the effect of the divestment of the packaging operations in the UK and Ireland was 4%. Lower prices for packaging were offset by higher prices primarily for tissue and publication papers. In all, sales decreased by 1% as a result of price changes. Exchange rate movements had a favourable impact on net sales, by 13%.

Operating profit, excluding items affecting comparability, decreased by SEK 166m to SEK 4,504m (4,670). Earnings benefited from lower raw material costs. Lower volumes, higher energy costs and other manufacturing costs reduced earnings. Costs for sales and administration rose mainly due to currency effects, totalling SEK 800m, and to marketing activities. Total exchange rate movements had a favourable impact on operating profit, by 12%. Financial items amounted to SEK -979m (-1,021).

Profit before tax, excluding items affecting comparability, decreased by 3% to SEK 3,525m (3,649). Exchange rate movements had a favourable impact on profit, by 11%. The tax expense excluding items affecting comparability was SEK -917m (-730).

Profit for the period, excluding items affecting comparability, was SEK 2,608m (2,919), and earnings per share were SEK 3.24 (4.14).

Second quarter 2009 compared with second quarter 2008

Net sales rose 2% to SEK 27,915m (27,339). Lower volumes and divested operations reduced sales by 8%, of which the effect of divested operations was 3%. Exchange rate movements had favourable impact on sales, by 10%.

Operating profit excluding items affecting comparability rose 8%, mainly due to higher earnings for Tissue. Exchange rate movements affected operating profit by 13%.

Profit before tax, excluding items affecting comparability, improved by 18% to SEK 2,014m (1,703). Exchange rate movements had a favourable impact on profit before tax, by 13%.

CASH FLOW AND FINANCING

Operating cash surplus increased by SEK 372m compared with a year ago, to SEK 7,439m (7,067). In contrast to a year ago, when working capital increased, during the first half of the year working capital decreased and the cash flow effect was SEK 586m (-2,256). Working capital in relation to net sales decreased to 10%. Current capital expenditures were slightly lower than a year ago and amounted to SEK 1,747m (1,869). Operating cash flow improved by SEK 3,211m to SEK 5,862m (2,651).

Financial items decreased slightly to SEK -979m (-1,021). Lower interest rates had a favourable effect, while the effect of a higher level of net debt and exchange rate movements was negative. Tax payments were lower than a year ago and totalled SEK 204m (939). Cash flow from current operations improved by SEK 3,992m to SEK 4,687m (695).

Strategic investments and acquisitions amounted to SEK 1,629m (1,976). The dividend paid to the shareholders amounted to SEK 2,458m (3,091). Net cash flow was SEK 600m (-4,344), an improvement of SEK 4,944m.

Net debt increased by SEK 677m and amounted to SEK 47,679m at the end of the period, compared with SEK 47,002m at the start of the year. Net cash flow reduced net debt by SEK 600m, while the restatement of pension assets and pension liabilities and financial instruments to fair value increased net debt by SEK 900m. Exchange rate movements caused by the weakening of the Swedish krona increased net debt by SEK 377m. The debt/equity ratio was 0.71 (0.70 at the start of the year).

As per 30 June 2009, SCA had outstanding commercial paper worth SEK 11,160m maturing in 10 months. On this same date, unutilised long-term credit facilities amounted to SEK 25,927m. Cash and cash equivalents amounted to SEK 5,690m.

EQUITY

Consolidated equity increased during the period by SEK 49m to SEK 67,301m. Net profit for the period increased equity by SEK 2,283m, and the shareholder dividend decreased equity by SEK 2,458m. Equity decreased through restatement of the net pension liability to fair value, by SEK 745m after tax. The restatement of financial instruments to fair value increased equity by SEK 145m after tax. Exchange rate movements including hedges of net foreign assets, etc., increased equity by SEK 824m.

As a result of restructuring within the Group, the parent company's unrestricted equity has increased by approximately SEK 30,000m, representing the value of shares received in a subsidiary. (See also the parent company balance sheet on page 18.)

TAX

A tax expense of 26% is reported for the first half of the year, which is also the estimated tax rate for 2009.

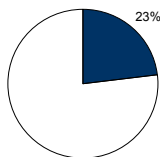
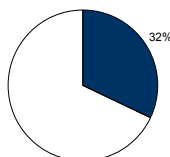
OTHER EVENTS

First quarter

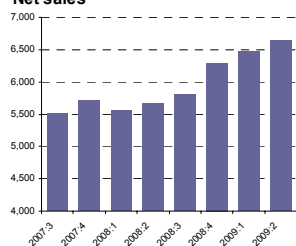
As announced in connection with the first quarter interim report, in April SCA launched a restructuring programme in the European packaging operations designed to adjust the operations' capacity and costs. The closure of the New Hythe testliner mill, with a capacity of 260,000 tonnes, was brought forward to May 2009. In addition, it was announced that 11 corrugated board plants in Europe will be closed. As a result of a general review of employee numbers at SCA's plants, approximately 2,200 positions will be cut, corresponding to a 14% workforce reduction in the packaging operations. These measures will be implemented gradually in 2009. The total cost will be SEK 1,700m, of which SEK 640m pertains to write downs and SEK 1,060m cash expenditures. The programme will result in savings of SEK 1,070m annually, as per the second quarter of 2010.

In the European tissue operations, SCA decided in March to close the paper mill in Pratovecchio, Italy. The mill has a capacity of 22,000 tonnes. As previously announced, SCA will also restructure operations at its mill in Orléans, France. A total of 172 positions will be affected at the two plants.

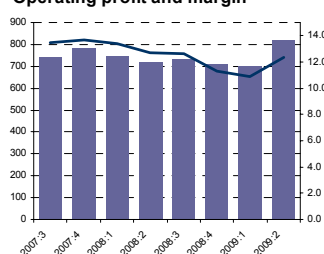
SCA has decided to invest SEK 635m in the liner plant in Aschaffenburg, Germany. The underlying reasons for the investment are new, more stringent emission standards and the opportunity to secure the plant's energy supply at a considerably lower cost than currently. The investment, with a repayment period of three years, will give the plant an optimal balance between electricity and steam generation with a high level of energy efficiency, which will generate a positive annual effect on profit of approximately SEK 100m. The investment is expected to be fully carried out by 2011.

Share of Group, net sales
0906Share of Group, operating profit
0906

Net sales



Operating profit and margin

Deviations, operating profit (%)
0906 vs. 0806

Category	Deviation (%)
Price/mix	19
Volume	3
Raw material	-9
Energy	-1
Currency	11
Other	-19
Total	4

PERSONAL CARE

SEKm	0906	0806	%	2009:2	2008:2	%
Net sales	13,126	11,235	17	6,650	5,671	17
Operating surplus	2,101	1,973	6	1,113	974	14
Operating profit	1,524	1,466	4	820	721	14
Operating margin, %	11.6	13.0		12.3	12.7	

Following a weak start to the year, sales of Tena incontinence care products in Europe rose strongly. Despite tougher competition, Tena is maintaining its strong market position. In the US, awareness of the Tena brand is growing steadily in the retail sector.

The competition and campaign activities are intensive also for baby diapers, where all of SCA's retailer brand positions in Europe developed very favourably. The launch of the Baby Care line of skin care products by Libero and the launch of the Tiger collection of designer diapers during the spring have boosted sales and strengthened the Libero brand.

During the second quarter, SCA launched a line of tampons under the Libresse brand, with Norway as the first pilot market. The initial reception of the launch has been favourable.

During the first half of the year, SCA's sales in its selected emerging markets grew by 23%.

January–June 2009 compared with corresponding period a year ago

Net sales rose 17% to SEK 13,126m (11,235). Higher prices and larger volumes each accounted for 2% of the sales increase. Exchange rate movements had a favourable impact on net sales, by 13%.

Operating profit was 4% higher than a year ago and amounted to SEK 1,524m (1,466). Earnings improved as a result of higher prices and an improved product mix – mainly for baby diapers – while higher raw material and manufacturing costs, as well as higher marketing costs – especially in Eastern Europe – had a negative effect on earnings. Exchange rate movements affected earnings favourably, by 11%. The operating margin was lower than the corresponding period a year ago.

Operating cash surplus was SEK 2,136m (1,982), while operating cash flow increased to SEK 1,887m (978). The increase is attributable to a positive effect compared with a year ago of a lower level of working capital and a slightly lower level of current capital expenditures.

Second quarter 2009 compared with second quarter of 2008

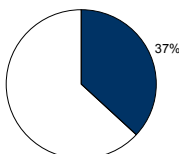
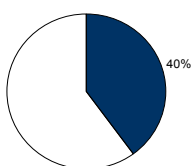
Net sales rose 17% to SEK 6,650m (5,671). Sales rose 3% as a result of higher prices and an improved product mix. Greater volumes improved sales by 1%, and exchange rate movements affected net sales favourably by 13%.

The sales increase for Tena-brand incontinence care products was 16%. Sales to the healthcare sector grew 16%, and sales to the retail sector showed continued good growth. Growth in the more fast-growing markets in Eastern Europe and Russia remained favourable.

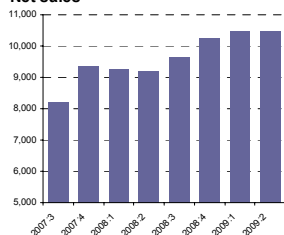
The sales increase for baby diapers was 18%. The sales trend in emerging markets such as Malaysia and Russia remained very favourable, with double-digit growth. The generation shift initiated a year ago toward new products in Europe, with a changed product mix, has had a favourable impact.

Sales of feminine care products rose 18%. Growth was good in markets in Eastern Europe, Russia and Mexico.

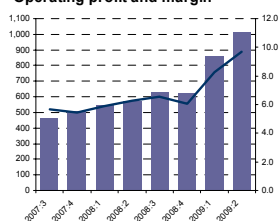
Operating profit grew 14%. Higher prices and volumes contributed to the earnings improvement, while greater campaign activity and higher marketing costs – especially in Eastern Europe – had a negative impact on earnings. Exchange rate movements increased profit by 13%.

Share of Group, net sales
0906Share of Group, operating profit
0906

Net sales



Operating profit and margin

Deviations, operating profit (%)
0906 vs. 0806

Price/mix	63
Volume	-4
Raw material	63
Energy	-6
Currency	13
Other	-62

TISSUE

SEKm	0906	0806	%	2009:2	2008:2	%
Net sales	20,940	18,482	13	10,474	9,203	14
Operating surplus	3,153	2,161	46	1,655	1,089	52
Operating profit	1,879	1,123	67	1,015	577	76
Operating margin, %	9.0	6.1		9.7	6.3	

Demand for tissue in the AFH market is down in segments such as industry and certain hotel and catering businesses, which has led to greater competition. The launch in Europe at the start of the year of Elevation, the latest designer line under the Tork brand, is now having a favourable impact on sales. Volumes are up and SCA is taking market shares in Europe. The launch of Elevation is planned for the USA during the second half of the year.

In the consumer tissue segment, demand is relatively stable. However, campaign activity has risen sharply, with a greater focus on price. SCA has now begun in earnest the launch of its new brand platform. In Germany and Austria, the facial tissue brand Tempo has also been launched as toilet paper, while in the UK SCA has launched Plenty, a new brand of kitchen rolls. The Plenty brand will be launched across several European markets.

During the first half of the year, SCA's sales in its selected emerging markets grew by 16%.

January–June 2009 compared with corresponding period a year ago

Net sales rose 13% to SEK 20,940m (18,482). Sales increased by 4% as a result of higher prices, while lower volumes reduced sales by 4%. Exchange rate movements had a favourable impact on net sales, by 13%.

Operating profit improved by SEK 756m, or 67%, to SEK 1,879m (1,123). A better product mix, higher prices and lower raw material costs – especially in the European operations – boosted earnings. Higher marketing costs along with slightly higher energy costs had a lowering effect on earnings. The strong development of profitability for the North American tissue operations, even excluding foreign exchange movements, contributed to the earnings improvement. Exchange rate movements had a favourable impact on profit, by 13%.

Operating cash surplus was SEK 3,122m (2,070), and operating cash flow was SEK 2,402m (585). The higher operating cash surplus was strengthened by a lower level of working capital compared with the preceding year and a slightly lower level of current capital expenditures.

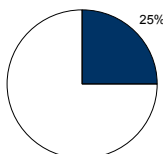
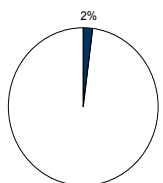
Second quarter 2009 compared with second quarter 2008

Net sales rose 14% to SEK 10,474m (9,203). Higher prices increased sales by 3%, while lower volumes had a negative impact, by 2%. Exchange rate movements had a favourable impact on sales, by 13%.

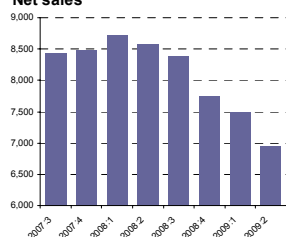
For consumer tissue, sales rose 13%, mainly as a result of higher prices and favourable exchange rate movements, while volumes were stable. Growth remained good in Eastern Europe and Latin America.

For AFH tissue, sales rose 19%, mainly due to higher prices and exchange rate movements. Volumes decreased by 4%.

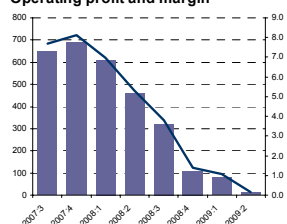
Operating profit improved by SEK 438m, or 76%, to SEK 1,015m (577). Higher prices and a better product mix, along with lower raw material costs, contributed to the improvement. Exchange rate movements had a favourable impact on profit, by 18%.

Share of Group, net sales
0906Share of Group, operating profit
0906

Net sales



Operating profit and margin



Deviations, operating profit (%) 0906 vs. 0806		
Price/mix	-140	-14
Volume	-59	-25*
Raw material	82	18**
Energy	3	0.3
Currency	16	1.8
Other	7	0.7
		-91

PACKAGING

SEKm	0906	0806	%	2009:2	2008:2	%
Deliveries						
- Liner products, ktonnes	1,023	1,194	-14	483	600	-20
- Corrugated board, million m ²	1,656	2,214	-25*	822	1,102	-25*
Net sales	14,453	17,295	-16	6,958	8,582	-19
Operating surplus**	955	1,868	-49	437	858	-49
Operating profit**	92	1,065	-91	11	457	-98
Operating margin, %**	0.6	6.2		0.2	5.3	

*) Adjusted for the change in volume resulting from the divestment of operations in the UK and Ireland, the change was -14%.

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

Demand for corrugated board in Europe remains weak. However, the deterioration compared with the first quarter was only 1%. As a result of low demand and contracts that are indexed to the price trend for liner, prices of corrugated board were down 4% compared with the first quarter.

In May SCA closed its liner mill in New Hythe, England. SCA has also begun the restructuring programme that will generate SEK 1,070m in annual savings starting in the second quarter of 2010. The programme is proceeding according to plan, with restructuring costs during the second quarter totalling SEK 439m.

SCA cut its production by approximately 158,000 tonnes during the second quarter in an effort to contribute to a better market balance. The decrease in production in the liner operations had a negative impact on earnings. Savings achieved in the corrugated board operations through a reduction in overtime and fewer shifts have resulted in lower personnel costs. The number of full-time employees has been successively adapted to the lower level of production.

January–June 2009 compared with corresponding period a year ago

Net sales decreased by 16% to SEK 14,453m (17,295). Adjusted for the divestment of operations in the UK and Ireland in 2008, sales decreased by 2%. Lower prices and volumes contributed to the decrease by 9% and 11%, respectively. Exchange rate movements had a favourable impact on net sales, by 18%.

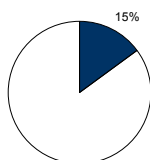
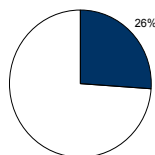
Operating profit fell 91% to SEK 92m (1,065). Lower prices and volumes were partly compensated by lower raw material costs. Exchange rate movements had a favourable impact on profit, by 16%.

Operating cash surplus was SEK 934m (1,838), and operating cash flow was SEK 100m (471). The lower operating cash surplus and higher current capital expenditures were partly compensated by a lower level of working capital compared with a year ago.

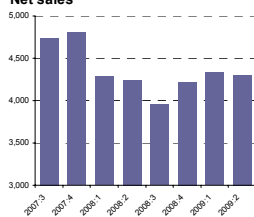
Second quarter 2009 compared with second quarter 2008

Net sales decreased by 19% to SEK 6,958m (8,582). Adjusted for the divestment in 2008, sales were down 8%. Lower prices and volumes reduced sales by 5% and 9%, respectively. Exchange rate movements had a favourable impact on net sales, by 6%.

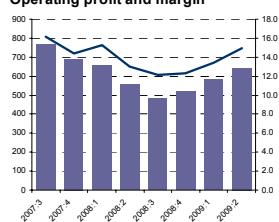
Operating profit fell 98% to SEK 11m (457), mainly due to lower prices and volumes, which were partly compensated by lower energy and raw material costs. Exchange rate movements had a favourable impact on profit, by 14%.

Share of Group, net sales
0906Share of Group, operating profit
0906

Net sales



Operating profit and margin



Deviations, operating profit (%) 0906 vs. 0806	
	1
Price/mix	22
Volume	0
Raw material	-6
Energy	-6
Currency	3
Other	-12

FOREST PRODUCTS

SEKm	0906	0806	%	2009:2	2008:2	%
Deliveries						
- Publication papers, ktonnes	760	773	-2	380	387	-2
- Solid-wood products, km ³	871	818	6	490	444	10
Net sales	8,637	8,529	1	4,304	4,239	2
Operating surplus	1,911	1,841	4	983	870	13
Operating profit	1,225	1,208	1	642	553	16
Operating margin, %	14.2	14.2		14.9	13.0	

Demand in Europe for publication paper remains weak. SCA has been able to partially offset the weak market situation, among other things through sales to markets outside Europe. SCA has secured volume for a large share of its European contracts until year-end. Against the backdrop of the strong competition, prices have come under pressure.

In solid-wood products, SCA has succeeded in increasing delivery volumes, among other things by achieving considerably higher delivery volumes to markets outside Europe.

January–June 2009 compared with corresponding period a year ago

Net sales rose 1% to SEK 8,637m (8,529). Sales rose 6% as a result of higher prices for publication papers, while lower prices for pulp and solid-wood products had a lowering effect on sales, by 3%. Lower volumes decreased sales by 5%. Exchange rate movements had a favourable impact, by 3%.

Operating profit rose 1% to SEK 1,225m (1,208). Earnings for the publication paper operations increased, mainly as a result of higher prices. Higher energy costs and a slight drop in volumes moderated the increase. Operating profit for the pulp and solid-wood operations decreased as a result of lower sales prices and higher raw material costs, combined with lower capacity utilisation. Exchange rate movements had a favourable impact on profit, by 3%.

Operating cash surplus amounted to SEK 1,426m (1,369), and operating cash flow was SEK 1,400m (686). A higher operating cash surplus, together with a lower level of working capital and slightly lower current capital expenditures than a year ago, contributed to the improvement.

Second quarter 2009 compared with second quarter 2008

Net sales rose 2% to SEK 4,304m (4,239). Higher prices for publication papers increased sales by 6%, while lower prices for pulp and solid-wood products decreased sales by 3%. Lower volumes reduced sales by 4%. Exchange rate movements had a favourable impact on net sales, by 3%.

Operating profit rose 16% to SEK 642m (553). Earnings improved sharply for the publication paper operations and moderately for solid-wood products, which was offset by lower earnings for pulp. Exchange rate movements had a favourable impact on profit, by 4%.

SHARE DISTRIBUTION

30 June 2009	Class A	Class B	Total
Registered number of shares	105,684,907	599,425,187	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 15.0%. After the end of the quarter, at the request of shareholders a total of 100,000 Class A shares were converted to Class B shares. The total number of votes in the company thereafter amounts to 1,655,374,257.

During the second quarter of 2009, a previously active employee option programme expired. Calculated according to IFRS recommendations, the employee option programmes entail no dilutive effect.

RISKS AND UNCERTAINTIES

SCA's strategic and operational risk exposure as well as risk management are described on pages 32–34 of the 2008 Annual Report. SCA's financial risk management is described on pages 48–53. Risks related to financial reporting are described on page 85. No significant changes have taken place that have affected the reported risks.

Developments in the financial markets have given rise to a higher level of general uncertainty, which also entails risks and uncertainties for the operations.

Strategic 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 "Acquisitions and divestments" in interim reports. No significant acquisitions were made during the first half of the year.

Operational risks

Management of operational risks is primarily carried out by SCA's business managers. SCA's internal audit function is tasked with following up compliance with internal control processes.

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 1.1 of the Swedish Financial Reporting Board, and with regard to the Parent Company, according to RFR 2.1. The accounting principles applied correspond to those described in the 2008 Annual Report.

FUTURE REPORTS

The interim report for the period January–September 2009 will be released on 27 October. The 2009 year-end report will be released on 28 January 2010.

Invitation to press conference for Q2

Media and analysts are invited to a press conference, at which the interim report will be presented by Jan Johansson, President and CEO of SCA.

Time: Thursday, 23 July, at 2 p.m.

Location: Aulan, Salén Konferenser, Norrlandsgatan 15, Stockholm

The press conference will be webcast live at www.sca.com. It will also be possible to participate via phone, by calling +44 20 7162 0077, +1 (334) 323-6201, or +46-8-5052 0110.

The Board of Directors and President certify that the half-year interim report provides a true and fair overview of the Parent Company's and Group's operations, financial position and results of operations, and that it describes the significant risks and uncertainties facing the company and the companies included in the Group.

Stockholm, 23 July 2009
SVENSKA CELLULOSA AKTIEBOLAGET SCA (publ)

	 Sverker Martin-Löf Chairman of the Board	
 Rolf Börjesson Director	 Sören Gyll Director	 Tom Hedelius Director
 Leif Johansson Director	 Anders Nyrén Director	 Barbara Milian Thoralfsson Director
	 Jan Johansson Director President and CEO	
 Lars Jonsson Employee representative	 Thomas Wiklund Employee representative	 Örjan Svensson Employee representative

REVIEW REPORT

We have reviewed this report for the period 1 January–30 June 2009 for Svenska Cellulosa Aktiebolaget SCA (publ). The board of directors and the CEO are responsible for the preparation and presentation of this interim report in accordance with IAS 34 and the Swedish Annual Accounts Act. Our responsibility is to express a conclusion on this interim report based on our review.

We conducted our review in accordance with the Swedish Standard on Review Engagements SÖG 2410, Review of Interim Report Performed by the Independent Auditor of the Entity. A review consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing in Sweden, RS, and other generally accepted auditing standards in Sweden. The procedures performed in a review do not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Based on our review, nothing has come to our attention that causes us to believe that the interim report is not prepared, in all material respects, in accordance with IAS 34 and the Swedish Annual Accounts Act, regarding the Group, and with the Swedish Annual Accounts Act, regarding the Parent Company.

Stockholm, 23 July 2009
PricewaterhouseCoopers AB
Anders Lundin
Authorised Public Accountant

OPERATING CASH FLOW ANALYSIS

SEKm	0906	0806
Operating cash surplus	7,439	7,067
Change in working capital	586	-2,256
Current capital expenditures, net	-1,747	-1,869
Restructuring costs, etc.	-416	-291
Operating cash flow	5,862	2,651
Financial items	-979	-1,021
Income taxes paid	-204	-939
Other	8	4
Cash flow from current operations	4,687	695
Acquisitions	4	-611
Strategic capital expenditures, fixed assets	-1,640	-1,369
Divestments	7	4
Cash flow before dividend	3,058	-1,281
Dividend	-2,458	-3,091
Cash flow after dividend	600	-4,372
Sale of treasury shares	0	28
Net cash flow	600	-4,344
Net debt at the start of the period	-47,002	-37,368
Net cash flow	600	-4,344
Remeasurement to equity	-900	-1,107
Currency effects	-377	425
Net debt at the end of the period	-47,679	-42,394
Debt/equity ratio	0.71	0.66
Debt payment capacity, %	28	32

CASH FLOW STATEMENT

SEKm	0906	0806
Operating activities		
Profit before tax	3,086	3,649
Adjustment for non-cash items ¹	2,737	2,131
	5,823	5,780
Paid tax	-204	-939
Cash flow from operating activities before changes in working capital	5,619	4,841
Cash flow from changes in working capital		
Change in inventories	1,228	-1,101
Change in operating receivables	1,747	-962
Change in operating liabilities	-2,389	-193
Cash flow from operating activities	6,205	2,585
Investing activities		
Acquisition of operations	4	-609
Sold operations	7	-3
Acquisition tangible and intangible assets	-3,459	-3,387
Sale of tangible assets	75	149
Payment of loans to external parties	0	-57
Repayment of loans from external parties	619	0
Cash flow from investing activities	-2,754	-3,907
Financing activities		
Sale of treasury shares	0	28
Borrowings	0	2,960
Amortisation of debt	-1,053	-
Dividends paid	-2,458	-3,091
Cash flow from financing activities	-3,511	-103
Cash flow for the period	-60	-1,425
Cash and cash equivalents at the beginning of the year	5,738	3,023
Exchange differences in cash and cash equivalents	12	-23
Cash and cash equivalents at the end of the period	5,690	1,575
Reconciliation with operating cash flow analysis		
Cash flow for the period	-60	-1,425
Deducted items:		
Payment of loans to external parties	0	57
Repayment of loans from external parties	-619	0
Borrowings	0	-2,960
Amortisation of debt	1,053	-
Added items:		
Net debt in acquired and divested operations	0	5
Accrued interest	229	-21
Investments through finance leases	-3	-
Net cash flow according to operating cash flow analysis	600	-4,344
¹ Depreciation and impairment, fixed assets	3,531	3,005
Fair value valuation of forest assets	-474	-484
Unpaid related to efficiency programmes	207	-
Payments related to efficiency programmes	-275	-262
Other	-252	-128
Total	2,737	2,131

CONSOLIDATED INCOME STATEMENT

SEKm	2009:2	2008:2	2009:1	0906	0806
Net sales	27,915	27,339	28,327	56,242	54,852
Cost of goods sold ^{1,2}	-21,232	-21,623	-21,995	-43,227	-43,341
Gross profit	6,683	5,716	6,332	13,015	11,511
Sales, general and administration ^{1,2}	-4,328	-3,520	-4,204	-8,532	-6,857
Items affecting comparability ³	-439	0	0	-439	0
Share in profits of associates	13	3	8	21	16
Operating profit	1,929	2,199	2,136	4,065	4,670
Financial items	-354	-496	-625	-979	-1,021
Profit before tax	1,575	1,703	1,511	3,086	3,649
Tax	-411	-321	-392	-803	-730
Net profit for the period	1,164	1,382	1,119	2,283	2,919
Earnings attributable to:					
Owners of the parent	1,165	1,377	1,110	2,275	2,911
Non-controlling interests	-1	5	9	8	8
Earnings per share, SEK - owners of the parent					
- before dilution effects	1.66	1.96	1.58	3.24	4.15
- after dilution effects	1.66	1.96	1.58	3.24	4.14
Calculation of earnings per share					
	2009:2	2008:2	2009:1	0906	0806
Earnings attributable to owners of the parent	1,165	1,377	1,110	2,275	2,911
Average no. of shares before dilution, millions	702.3	702.1	702.3	702.3	702.1
Warrants	0.0	0.2	0.0	0.0	0.2
Average no. of shares after dilution	702.3	702.3	702.3	702.3	702.3
¹ Of which, depreciation	-1,724	-1,490	-1,722	-3,446	-3,004
² 2008 figures have been reclassified between cost of goods sold and sales, general and administration.					
³ Distribution of items affecting comparability, per function					
Cost of goods sold	-379	-	-	-379	-
Sales, general and administration	-60	-	-	-60	-
	2009:2	2008:2	2009:1	0906	0806
Gross margin	23.9	20.9	22.4	23.1	21.0
Operating margin	6.9	8.0	7.5	7.2	8.5
Financial net margin	-1.3	-1.8	-2.2	-1.7	-1.9
Profit margin	5.6	6.2	5.3	5.5	6.6
Tax	-1.5	-1.2	-1.4	-1.4	-1.3
Net margin	4.1	5.0	3.9	4.1	5.3

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

SEKm	2009:2	2008:2	2009:1	0906	0806
Profit for the period	1,164	1,382	1,119	2,283	2,919
Other comprehensive income for the period, net of tax:					
Actuarial gains/losses on defined benefit pension plans	376	-1,181	-1,361	-985	-957
Available-for-sale financial assets	114	-147	15	129	-240
Cash flow hedges	41	197	-18	23	199
Exchange differences on translating foreign operations	50	398	1,211	1,261	-1,401
Gains/losses from hedges of net investments in foreign operations	-325	64	-112	-437	247
Income tax relating to components of other comprehensive income	-127	278	360	233	217
Other comprehensive income for the period, net of tax	129	-391	95	224	-1,935
Total comprehensive income for the period	1,293	991	1,214	2,507	984
Total comprehensive income attributable to:					
Owners of the parent	1,313	981	1,199	2,512	979
Non-controlling interests	-20	10	15	-5	5

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

SEKm	0906	0806
Attributable to owners of the parent		
Opening balance, 1 January	66,450	63,590
Total comprehensive income for the period	2,512	979
Sale of treasury shares	0	28
Dividend	-2,458	-3,089
Closing balance	66,504	61,508
Non-controlling interests		
Opening balance, 1 January	802	689
Total comprehensive income for the period	-5	5
Dividend	0	-2
Change in Group composition	0	-6
Closing balance	797	686
Total equity, closing balance	67,301	62,194

CONSOLIDATED BALANCE SHEET

	30 June 2009	31 December 2008
	SEKm	SEKm
Assets		
Goodwill	20,140	19,374
Other intangible assets	3,666	3,786
Tangible assets	89,062	88,411
Shares and participations	1,089	1,056
Non-current financial assets ¹	1,419	2,499
Other non-current receivables	1,283	1,239
Total non-current assets	116,659	116,365
Operating receivables and inventories	33,130	36,121
Current financial assets	823	642
Non-current assets held for sale	146	102
Cash and cash equivalents	5,690	5,738
Total current assets	39,789	42,603
Total assets	156,448	158,968
Equity		
Owners of the parent	66,504	66,450
Minority interests	797	802
Total equity	67,301	67,252
Liabilities		
Provisions for pensions	3,893	3,443
Other provisions	9,617	9,849
Non-current financial liabilities	36,329	38,859
Other non-current liabilities	744	857
Total non-current liabilities	50,583	53,008
Current financial liabilities ²	15,207	13,170
Operating liabilities	23,357	25,538
Total current liabilities	38,564	38,708
Total liabilities	89,147	91,716
Total equity and liabilities	156,448	158,968
Debt/equity ratio	0.71	0.70
Visible equity/assets ratio	43%	42%
Return on capital employed	7%	8%
Return on equity	8%	9%
¹ Of which pension assets	458	843
² Committed credit lines amount to SEK 31,927m, of which unutilised SEK 25,927m.		
Capital employed	114,980	114,254
- of which working capital	11,153	11,818
Net debt	47,679	47,002
Shareholders' equity	67,301	67,252
Provisions for restructuring costs are included in the balance sheet as follows:		
- Other provisions*	544	643
- Operating liabilities	646	652
*) of which, provision for tax risks	246	246

NET SALES

SEKm	0906	0806	2009:2	2009:1	2008:4	2008:3	2008:2	2008:1
Personal Care	13,126	11,235	6,650	6,476	6,289	5,807	5,671	5,564
Tissue	20,940	18,482	10,474	10,466	10,256	9,642	9,203	9,279
Packaging	14,453	17,295	6,958	7,495	7,746	8,400	8,582	8,713
Forest Products	8,637	8,529	4,304	4,333	4,225	3,956	4,239	4,290
- Publication papers	5,010	4,397	2,475	2,535	2,373	2,245	2,198	2,199
- Pulp, timber and solid-wood products	3,627	4,132	1,829	1,798	1,852	1,711	2,041	2,091
Other	632	720	261	371	379	369	351	369
Intra-group deliveries	-1,546	-1,409	-732	-814	-736	-736	-707	-702
Total net sales	56,242	54,852	27,915	28,327	28,159	27,438	27,339	27,513

OPERATING PROFIT

SEKm	0906	0806	2009:2	2009:1	2008:4	2008:3	2008:2	2008:1
Personal Care	1,524	1,466	820	704	712	734	721	745
Tissue	1,879	1,123	1,015	864	619	633	577	546
Packaging	92	1,065	11	81	109	319	457	608
Forest Products	1,225	1,208	642	583	518	481	553	655
- Publication papers	666	174	378	288	150	78	91	83
- Pulp, timber and solid-wood products	559	1,034	264	295	368	403	462	572
Other	-216	-192	-120	-96	-120	-121	-109	-83
Total operating profit¹	4,504	4,670	2,368	2,136	1,838	2,046	2,199	2,471
Financial items	-979	-1,021	-354	-625	-688	-608	-496	-525
Profit before tax¹	3,525	3,649	2,014	1,511	1,150	1,438	1,703	1,946
Tax ¹	-917	-730	-525	-392	276	-185	-321	-409
Net profit for the period¹	2,608	2,919	1,489	1,119	1,426	1,253	1,382	1,537

¹ Excluding items affecting comparability in the second quarter of 2009 amounting to SEK -439m before tax and SEK -325m after tax.

OPERATING MARGIN

%	0906	0806	2009:2	2009:1	2008:4	2008:3	2008:2	2008:1
Personal Care	11.6	13.0	12.3	10.9	11.3	12.6	12.7	13.4
Tissue	9.0	6.1	9.7	8.3	6.0	6.6	6.3	5.9
Packaging	0.6	6.2	0.2	1.1	1.4	3.8	5.3	7.0
Forest Products	14.2	14.2	14.9	13.5	12.3	12.2	13.0	15.3
- Publication papers	13.3	4.0	15.3	11.4	6.3	3.5	4.1	3.8
- Pulp, timber and solid-wood products	15.4	25.0	14.4	16.4	19.9	23.6	22.6	27.4

CONSOLIDATED INCOME STATEMENT

SEKm	2009:2	2009:1	2008:4	2008:3	2008:2
Net sales	27,915	28,327	28,159	27,438	27,339
Cost of goods sold ¹	-21,232	-21,995	-22,908	-21,941	-21,623
Gross profit	6,683	6,332	5,251	5,497	5,716
Sales, general and administration ¹	-4,328	-4,204	-3,409	-3,464	-3,520
Items affecting comparability	-439	0	0	0	0
Share in profits of associates	13	8	-4	13	3
Operating profit	1,929	2,136	1,838	2,046	2,199
Financial items	-354	-625	-688	-608	-496
Profit before tax	1,575	1,511	1,150	1,438	1,703
Taxes	-411	-392	276	-185	-321
Net profit for the period	1,164	1,119	1,426	1,253	1,382

¹ 2008 figures have been reclassified between cost of goods sold and sales, general and administration.

INCOME STATEMENT PARENT COMPANY

SEKm	0906	0806
Administration costs	-236	-232
Other operating income	109	85
Other operating expenses	-109	-85
Operating profit	-236	-232
Financial items ¹	33,084	900
Profit before tax	32,848	668
Taxes	235	347
Net profit for the period	33,083	1,015

BALANCE SHEET PARENT COMPANY

	30 June 2009	31 December 2008
	SEKm	SEKm
Intangible assets	1	2
Tangible assets	6,319	6,328
Financial investments ^{1, 2}	124,291	62,538
Total fixed assets	130,611	68,868
Total current assets	3,899	1,731
Total assets	134,510	70,599
Restricted equity	10,996	10,996
Unrestricted equity	37,866	7,241
Total shareholders' equity	48,862	18,237
Untaxed reserves	135	136
Provisions	584	580
Long-term liabilities ³	11,251	0
Current liabilities ²	73,678	51,646
Total equity and liabilities	134,510	70,599

¹ Financial items for 2009 include SEK 33,722m in dividends from shares in subsidiaries, of which SEK 30,001m pertains to the value of shares received in one subsidiary. The value of these shares is based on net asset value and is reported on the balance sheet amount financial assets.

² In 2009 the company has made a capital contribution of SEK 30,000m to a subsidiary, financed by internal Group loans.

³ Starting in 2009, the Parent Company is also registered as a borrower for new borrowings pertaining to the SCA Group's external borrowing.

For further information, please contact:

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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. In case of variation in the content of the two versions, the Swedish version shall take precedence.