

## JANUARY 1–DECEMBER 31, 2013 (compared with same period a year ago)

- Net sales rose 4% (10% excluding exchange rate effects and divestments) to SEK 89,019m (85,408)
- Operating profit, excluding items affecting comparability, rose 15% (19% excluding exchange rate effects and divestments) to SEK 9,934m (8,646)
- Profit before tax, excluding items affecting comparability, rose 21% (25% excluding exchange rate effects and divestments) to SEK 8,934m (7,382)
- Items affecting comparability totaled SEK -1,251m (-2,634), including revaluation of Vinda with a positive effect of SEK 564m (0)
- Earnings per share were SEK 7.90 (7.06)
- Cash flow from current operations was SEK 5,989m (7,271)
- The Board of Directors proposes an increase in the dividend by 5.6% to SEK 4.75 (4.50)

### Earnings trend

SEK m	1312	1212	%	2013:4	2012:4	%
<b>Net sales</b>	<b>89,019</b>	85,408	4	<b>22,442</b>	23,445	-4
<b>Gross profit</b>	<b>22,013</b>	20,959	5	<b>5,592</b>	5,834	-4
<b>Operating profit<sup>1,2</sup></b>	<b>9,934</b>	8,646	15	<b>3,049</b>	2,422	26
Financial items	-1,000	-1,264		-255	-293	
<b>Profit before tax<sup>1,2</sup></b>	<b>8,934</b>	7,382	21	<b>2,794</b>	2,129	31
Tax <sup>1</sup>	-2,542	-628		-914	853	
Net profit for the period from disposal group	0	503		0	0	
<b>Net profit for the period<sup>1</sup></b>	<b>6,392</b>	7,257	-12	<b>1,880</b>	2,982	-37
Earnings per share, SEK	<b>7.90</b>	7.06		<b>2.61</b>	2.97	
<sup>1</sup> Excluding items affecting comparability; for amounts see page 12.						
<sup>2</sup> Including gains on forest swaps, before tax.	<b>583</b>	91		<b>455</b>	24	

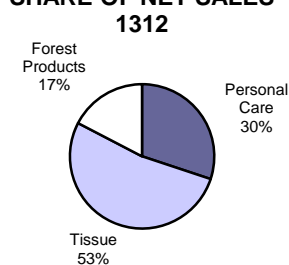
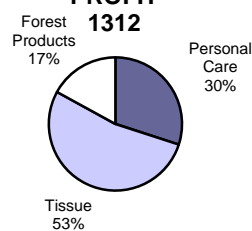
### CEO'S COMMENTS

SCA further strengthened its position in emerging markets in 2013. During the fourth quarter of 2013, the offer for the Chinese tissue company Vinda was completed, and SCA is today the majority owner of Vinda with 51.4% ownership in the company. SCA decided during the year to invest in local production of hygiene products in India and has launched Libero baby diapers and Tempo consumer tissue in the Indian market.

The efficiency programs in the hygiene and forest products operations are continuing according to plan.

Consolidated net sales for 2013, excluding exchange rate effects and divestments, rose 10% compared with a year ago. The increase is mainly attributable to acquisitions and higher volumes. Operating profit, excluding items affecting comparability, exchange rate effects and divestments, rose 19%. Cost savings, higher volumes, the acquisition in Europe and gains on forest swaps contributed to the earnings improvement. Operating profit for Personal Care and Tissue, excluding items affecting comparability, exchange rate effects and divestments, rose 4% and 27%, respectively. Operating profit for Forest Products, excluding items affecting comparability, rose 35%. Profit before tax, excluding items affecting comparability, exchange rate effects and divestments, rose 25%.

Consolidated net sales for the fourth quarter of 2013, excluding exchange rate effects and divestments, rose 1% compared with the same period a year ago. The increase is mainly attributable to higher volumes. Operating profit, excluding items affecting comparability, exchange rate effects and divestments, rose 31%. Cost savings and gains on forest swaps contributed to the earnings improvement. The corresponding profit for Tissue rose 18%, while profit for Personal Care decreased by 12% as a result of lower earnings for baby diapers associated with an increase in marketing activities. However, incontinence care products and feminine care products had a positive earnings impact. Operating profit for Forest Products, excluding items affecting comparability, rose 188%. Profit before tax, excluding items affecting comparability, exchange rate effects and divestments, rose 38%.

**SHARE OF NET SALES****SHARE OF OPERATING PROFIT****EARNINGS TREND FOR THE GROUP**

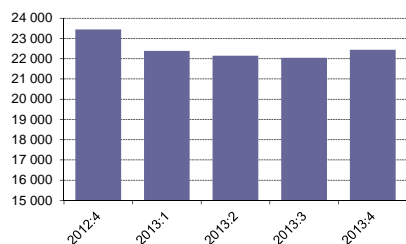
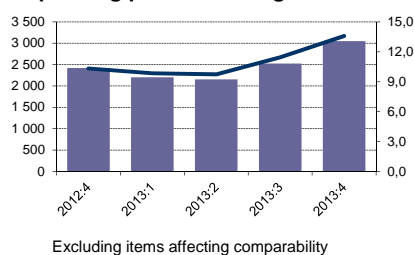
SEK m	1312	1212	%	2013:4	2012:4	%
<b>Net sales</b>	<b>89,019</b>	85,408	4	<b>22,442</b>	23,445	-4
Cost of goods sold	-67,006	-64,449		-16,850	-17,611	
<b>Gross profit</b>	<b>22,013</b>	20,959	5	<b>5,592</b>	5,834	-4
Sales, general and administration	-12,079	-12,313		-2,543	-3,412	
<b>Operating profit<sup>1,2</sup></b>	<b>9,934</b>	8,646	15	<b>3,049</b>	2,422	26
Financial items	-1,000	-1,264		-255	-293	
<b>Profit before tax<sup>1,2</sup></b>	<b>8,934</b>	7,382	21	<b>2,794</b>	2,129	31
Tax <sup>1</sup>	-2,542	-628		-914	853	
Net profit for the period from disposal group	0	503		0	0	
<b>Net profit for the period<sup>1</sup></b>	<b>6,392</b>	7,257	-12	<b>1,880</b>	2,982	-37
<sup>1</sup> Excluding items affecting comparability; for amounts see page 12.						
<sup>2</sup> Including gains on forest swaps, before tax.	<b>583</b>	91		<b>455</b>	24	
<b>Earnings per share, SEK owners of the parent</b>						
- after dilution effects	7.90	7.06		2.61	2.97	
<b>Margins (%)</b>						
<b>Gross margin</b>	<b>24.7</b>	24.5		<b>24.9</b>	24.9	
<b>Operating margin<sup>1,2</sup></b>	<b>11.2</b>	10.1		<b>13.6</b>	10.3	
Financial net margin	-1.1	-1.5		-1.1	-1.2	
<b>Profit margin<sup>1</sup></b>	<b>10.1</b>	8.6		<b>12.5</b>	9.1	
Tax <sup>1</sup>	-2.9	-0.7		-4.1	3.6	
<b>Net margin<sup>1</sup></b>	<b>7.2</b>	7.9		<b>8.4</b>	12.7	
<sup>1</sup> Excluding items affecting comparability; for amounts see page 12.						
<sup>2</sup> Including gains on forest swaps, before tax.	<b>583</b>	91		<b>455</b>	24	

**OPERATING PROFIT PER BUSINESS AREA**

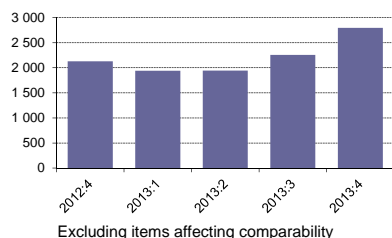
SEK m	1312	1212	%	2013:4	2012:4	%
Personal Care	3,201	3,180	1	781	884	-12
Tissue	5,595	4,640	21	1,567	1,419	10
Forest Products <sup>2</sup>	1,843	1,363	35	916	318	188
Other	-705	-537		-215	-199	
<b>Total<sup>1</sup></b>	<b>9,934</b>	8,646	15	<b>3,049</b>	2,422	26
<sup>1</sup> Excluding items affecting comparability; for amounts see page 12.						
<sup>2</sup> Including gains on forest swaps, before tax.	<b>583</b>	91		<b>455</b>	24	

**OPERATING CASH FLOW PER BUSINESS AREA**

SEK m	1312	1212	%	2013:4	2012:4	%
Personal Care	3,107	3,586	-13	767	762	1
Tissue	5,409	6,154	-12	1,664	2,026	-18
Forest Products	592	1,223	-52	-1	154	-101
Other	-619	-1,319		296	-496	
<b>Total</b>	<b>8,489</b>	9,644	-12	<b>2,726</b>	2,446	11

**Net sales****Operating profit and margin**

Excluding items affecting comparability

**Profit before tax**

Excluding items affecting comparability

**GROUP****MARKET/EXTERNAL ENVIRONMENT**

Demand for tissue in Europe and North America grew slightly in 2013 compared with the preceding year. Growth in demand for tissue in emerging markets remained favorable.

Demand for personal care products in Europe was stable in 2013 compared with the preceding year, while growth was good in emerging markets.

Demand for publication paper in Europe declined in 2013 compared with 2012, which has led to capacity reductions in the market. In Europe, the market balance for solid wood products improved in 2013, which led to price increases. Average prices for kraftliner in Europe were higher in 2013 than a year earlier.

**OTHER GROUP INFORMATION**

In 2012, the packaging operations were divested on June 30, and on July 19 Georgia-Pacific's European tissue operations were acquired. In addition, the Asian hygiene company Everbeauty was acquired on June 1, 2012, and the remaining 50% of the Chilean hygiene company PISA was acquired on May 1, 2012. The UK-based newsprint facility Aylesford Newsprint was divested on October 2, 2012. In 2013 the Austrian publication paper mill in Laakirchen was divested on April 1, and during the second quarter, the parts of Georgia-Pacific that the European Commission required SCA to sell in connection with its acquisition were divested. In earnings for the comparison period, for the first half of the year, the Packaging operations are reported on a separate line in the income statement – Net profit for the period from disposal group. The acquisitions are included in the income statement from their respective acquisition dates, while the divestments are included up until their respective divestment dates. Vinda was consolidated on December 31, 2013.

**SALES AND EARNINGS****January–December 2013 compared with corresponding period a year ago**

Net sales rose 4% (10% excluding exchange rate effects and divestments) to SEK 89,019m (85,408). Higher volumes increased sales by 4%, while lower prices primarily for Forest Products decreased sales by 1%. Acquisitions increased sales by 7%, while divestments lowered sales by 4%.

Operating profit, excluding items affecting comparability, rose 15% (19% excluding exchange rate effects and divestments) to SEK 9,934m (8,646). Earnings improved as a result of the acquisition in Europe, cost savings, higher volumes and gains on forest swaps. Lower prices primarily for Forest Products, negative exchange rate effects and higher energy costs had a negative effect on earnings. The corresponding profit for Personal Care increased by 1% (4% excluding exchange rate effects), while the corresponding profit for Tissue rose 21% (27% excluding exchange rate effects and divestments). Profit for Forest Products improved by 35% as a result of cost savings programs and gains on forest swaps.

Items affecting comparability amounted to SEK -1,251m (-2,634) and consist of restructuring costs for the previously announced efficiency programs, transaction costs for acquisitions and divestments, and integration costs for the Georgia-Pacific acquisition. Items affecting comparability include a positive valuation effect of SEK 564m for the shareholding in Vinda (see page 19).

Cost savings related to the cost-cutting and efficiency program covering all of SCA's hygiene operations, i.e. Personal Care and Tissue, amounted to approximately SEK 1,050m in 2013. The savings during the fourth quarter totaled SEK 390m, which corresponds to an annual rate of approximately EUR 175m. Total cost savings are expected to amount to EUR 300m upon full effect in 2015. The program is progressing according to plan.

Financial items decreased to SEK -1,000m (-1,264) as a result of lower interest rates and a lower average level of net debt during the year. Profit before tax, excluding items affecting comparability, rose 21% (25% excluding exchange rate effects and

divestments) to SEK 8,934m (7,382). The tax expense, excluding items affecting comparability, was SEK 2,542m (628). The preceding year's tax expense included the effects of the reduced tax rate in Sweden, by SEK 1,331m.

Net profit for the year, excluding items affecting comparability, decreased by 12% (9% excluding exchange rate effects) to SEK 6,392m (7,257). The figure for the preceding year included SEK 503m in profit for Packaging. Earnings per share, including items affecting comparability, were SEK 7.90 (7.06).

#### Fourth quarter 2013 compared with fourth quarter 2012

Net sales decreased by 4% (increased by 1% excluding exchange rate effects and divestments) to SEK 22,442m (23,445). Higher volumes increased sales by 1%. Divestments lowered sales by 5%.

Operating profit, excluding items affecting comparability, rose 26% (31% excluding exchange rate effects and divestments) to SEK 3,049m (2,422). Profit was positively affected by higher volumes, cost savings and gains on forest swaps. Higher energy and raw material costs had a negative impact on profit.

Profit before tax, excluding items affecting comparability, rose 31% (38% excluding exchange rate effects and divestments) to SEK 2,794m (2,129).

## CASH FLOW AND FINANCING

The operating cash surplus amounted to SEK 13,492m (12,624). The cash flow effect of changes in working capital was SEK -284m (1,159), mainly owing to a reduction in trade accounts payable. Current capital expenditures amounted to SEK -3,427m (-3,161). Operating cash flow amounted to SEK 8,489m (9,644).

Financial items decreased to SEK -1,000m (-1,264) as a result of lower interest rates and a lower average level of net debt during the year. Tax payments increased to SEK 1,634m (1,193). Cash flow from current operations decreased to SEK 5,989m (7,271). A higher operating surplus did not fully compensate for a higher level of tied-up working capital and higher capital expenditures for the year compared with the preceding year.

Strategic investments totaled SEK -1,868m (-1,863). The net sum of acquisitions and divestments was SEK -3,750m (2,810). Net cash flow from the divested packaging operations was SEK 0m (468). Payment of the shareholder dividend affected cash flow by SEK -3,202m (-2,997). Net cash flow totaled SEK -2,831m (5,689).

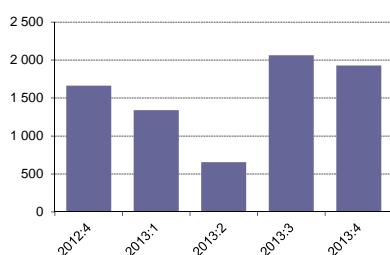
Net debt has increased by SEK 959m during the year, to SEK 33,886m. Excluding pension liabilities, net debt amounted to SEK 31,782m. Net cash flow, including the acquired net debt in Vinda, increased net debt by SEK 2,831m. Fair value measurement of pension assets and pension obligations together with fair valuation of financial instruments reduced net debt by SEK 2,223m. Exchange rate movements increased net debt by SEK 165m. Reclassification of non-current provisions to pension liabilities in accordance with IAS 19 increased net debt by SEK 186m. The debt/equity ratio was 0.51 (0.55 at the start of the year). Excluding pension liabilities, the debt/equity ratio was 0.48 (0.48 at the start of the year). The debt payment capacity was 37% (37%).

As per December 31, 2013, SCA had, excluding Vinda, outstanding commercial paper worth SEK 5,895m maturing within 12 months. Unutilized credit facilities amounted to SEK 18,186m, including SEK 17,867m in long-term facilities. Cash and cash equivalents amounted to SEK 3,649m.

## EQUITY

Consolidated equity increased by SEK 6,140m during the period, to SEK 66,304m. Net profit for the period increased equity by SEK 5,564m. Equity decreased by SEK 3,202m through payment of the shareholder dividend. Equity increased by SEK 1,474m after tax as a result of restatement of the net pension liability to fair value. Fair value measurement of financial instruments increased equity by SEK 208m after tax. Exchange rate movements, including the effects of hedges of net investments in foreign assets, after tax increased equity by SEK 280m. Acquisitions of non-controlling interests, consisting of outstanding minority shares in the German subsidiary SCA Hygiene Products SE, reduced equity by SEK 996m. Minority shares in the Chinese subsidiary Vinda increased equity by SEK 2,812m.

Cash flow from current operations



## TAX

A tax expense of SEK 2,542m is reported for the period, excluding items affecting comparability, corresponding to a tax rate of 28%. The tax expense, including items affecting comparability, was SEK 2,119m.

## DIVIDEND

The Board of Directors proposes an increase in the dividend by 5.6% to SEK 4.75 per share (4.50), or SEK 3,336m (3,161). Dividend growth during the last ten-year period thereby amounts to 3.1%. Tuesday, April 15, 2014, has been proposed as the record date for the right to the dividend.

## EVENTS DURING THE YEAR

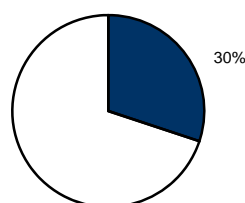
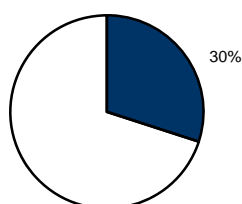
On April 2, 2013, SCA completed the divestment of the Austrian publication paper mill in Laakirchen. The initial purchase consideration was EUR 100m, with a possible, maximum earn-out payment of EUR 100m based on a two-year profit-sharing model.

In connection with SCA's acquisition of Georgia-Pacific's European tissue operations in 2012, the European Commission set conditions for the divestment of certain consumer tissue businesses. These divestments were carried out in April 2013 and have been approved by the European Commission. The purchase consideration was approximately EUR 100m.

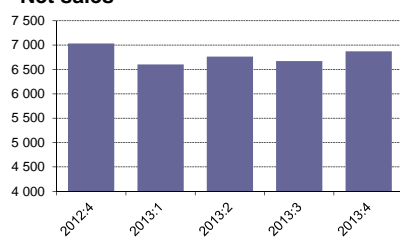
On June 28, 2013, SCA implemented a compulsory redemption of minority shares in its German subsidiary SCA Hygiene Products SE (formerly PWA). The purchase price for the shares was approximately SEK 1bn. Final purchase consideration will be established by a German court of law.

On September 12, 2013, SCA announced that it will invest approximately SEK 150m in local production of hygiene products in India. The plan is to start production at SCA's own plant in 2015. During the year, SCA launched Libero baby diapers and Tempo consumer tissue.

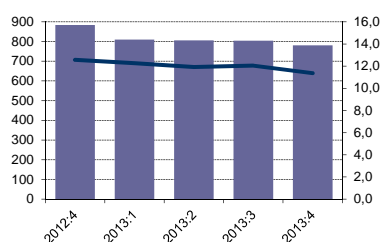
On September 9, 2013, SCA decided to make a public cash offer for the Chinese tissue company Vinda. SCA became a part owner of Vinda in 2007 and owned 21.7% of the company prior to the offer. The deal was completed during the fourth quarter of 2013, and today SCA is the majority owner of Vinda with 51.4% ownership. Vinda is the third largest tissue company in China, which is the world's second largest tissue market.

Share of Group, net sales  
1312Share of Group, operating profit  
1312

Net sales



Operating profit and margin



Deviations, operating profit (%)

1312 vs. 1212	
	1
Price/mix	-5
Volume	10
Raw material	-1
Energy	0
Currency	-3
Other	0

## PERSONAL CARE

SEK m	1312	1212	%	2013:4	2012:4	%
Net sales	26,914	26,294	2	6,873	7,033	-2
Operating surplus	4,152	4,075	2	1,039	1,100	-6
Operating profit*	3,201	3,180	1	781	884	-12
Operating margin, %*	11.9	12.1		11.4	12.6	
Operating cash flow	3,107	3,586		767	762	

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

### January–December 2013 compared with corresponding period a year ago

Net sales rose 2% (6% excluding exchange rate effects) to SEK 26,914m (26,294). Higher volumes and acquisitions each increased sales by 3%. In emerging markets, sales rose 10% excluding exchange rate effects.

Sales of incontinence care products under the globally leading TENA brand rose 6%, excluding exchange rate effects, driven mainly by emerging markets and favorable growth in Europe. Sales of baby diapers rose 2%, excluding exchange rate effects, mainly related to Eastern Europe and the acquisition in Asia. Sales of feminine care products rose 7%, excluding exchange rate effects, mainly attributable to emerging markets.

Operating profit, excluding items affecting comparability, was 1% higher than in the preceding year (4% excluding exchange rate effects) and amounted to SEK 3,201m (3,180). Profit was favorably affected by higher volumes, cost savings and acquisitions. Investments in increased marketing activities led to higher volumes, but weighed down earnings, mainly for baby diapers. Higher raw material costs and exchange rate effects had a negative effect on profit. Incontinence care products and feminine care products showed improved earnings, while profit for baby diapers was lower.

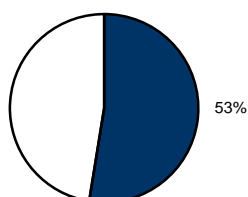
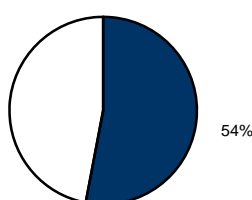
The operating cash surplus amounted to SEK 4,162m (4,091). Operating cash flow decreased to SEK 3,107m (3,586) as a result of a higher level of working capital and increased investments.

### Fourth quarter 2013 compared with fourth quarter 2012

Net sales decreased by 2% (unchanged excluding exchange rate effects) to SEK 6,873m (7,033). Higher volumes compensated for increased marketing activities.

Sales of incontinence care products under the globally leading TENA brand rose 4%, excluding exchange rate effects, driven mainly by Europe and emerging markets. Sales of baby diapers decreased by 5%, excluding exchange rate effects. The decrease is mainly attributable to lower sales in emerging markets. Sales of feminine care products rose 7%, excluding exchange rate effects, mainly attributable to emerging markets.

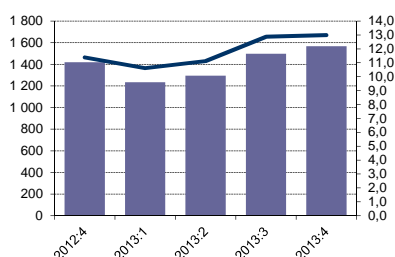
Operating profit, excluding items affecting comparability, decreased by 12% (12% excluding exchange rate effects) to SEK 781m (884). Earnings were favorably affected by cost savings and higher volumes. Investments in increased marketing activities weighed down earnings, mainly for baby diapers. Incontinence care products and feminine care products showed improved earnings, while profit for baby diapers was lower.

Share of Group, net sales  
1312Share of Group, operating profit  
1312

Net sales



Operating profit and margin

Deviations, operating profit (%)  
1312 vs. 1212

Category	Deviation (%)
Price/mix	-1
Volume	8
Raw material	-1
Energy	-2
Currency	-3
Other	20

## TISSUE

SEK m	1312	1212	%	2013:4	2012:4	%
Net sales	46,987	42,375	11	12,065	12,460	-3
Operating surplus	8,063	6,815	18	2,184	2,040	7
Operating profit*	5,595	4,640	21	1,567	1,419	10
Operating margin, %*	11.9	10.9		13.0	11.4	
Operating cash flow	5,409	6,154		1,664	2,026	

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

Cost savings related to the acquisition of Georgia-Pacific's European tissue operations amounted to SEK 385m in 2013. The savings totaled SEK 125m during the fourth quarter of 2013, corresponding to an annual rate of approximately EUR 55m. Total cost savings are expected to amount to EUR 125m upon full effect in 2016. The program is progressing according to plan.

### January–December 2013 compared with corresponding period a year ago

Net sales rose 11% (15% excluding exchange rate effects and divestments) to SEK 46,987m (42,375). Higher volumes increased sales by 3%. Acquisitions increased sales by 12%, while divestments lowered sales by 2%. Sales in emerging markets rose 13%, excluding exchange rate effects.

Sales of consumer tissue rose 16%, excluding exchange rate effects and divestments, mainly related to the acquisition in Europe.

Sales of AfH tissue rose 16%, excluding exchange rate effects, mainly related to the acquisition in Europe.

Operating profit, excluding items affecting comparability, improved by 21% (27% excluding exchange rate effects and divestments) to SEK 5,595m (4,640). Acquisitions, higher volumes and cost savings contributed to the earnings improvement. Acquisitions accounted for 9 percentage points of the earnings improvement. Higher energy and raw material costs, negative exchange rate effects and slightly lower prices reduced earnings.

The operating cash surplus increased to SEK 8,061m (6,871). Operating cash flow decreased to SEK 5,409m (6,154). The higher operating cash surplus did not compensate for a higher level of tied-up working capital and higher structural costs.

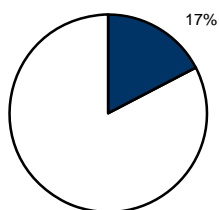
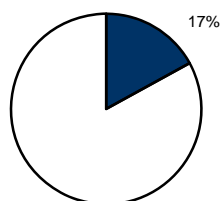
### Fourth quarter 2013 compared with fourth quarter 2012

Net sales decreased by 3% (increase of 1% excluding exchange rate effects and divestments), to SEK 12,065m (12,460). Higher volumes increased sales by 1%, while divestments lowered sales by 4%.

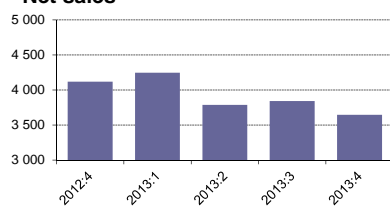
Sales of consumer tissue increased by 1%, excluding exchange rate effects and divestments, mainly related to emerging markets.

Sales of AfH tissue rose 4%, excluding exchange rate effects, mainly related to emerging markets.

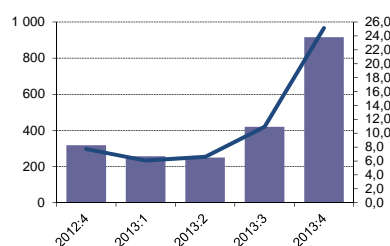
Operating profit, excluding items affecting comparability, rose 10% (18% excluding exchange rate effects and divestments) to SEK 1,567m (1,419). Higher volumes and cost savings had a positive effect on profit. Divestments had a negative effect on operating profit, by 7%. Higher raw material costs and exchange rate effects reduced profit.

Share of Group, net sales  
1312Share of Group, operating profit  
1312

Net sales



Operating profit and margin

Deviations, operating profit (%)  
1312 vs. 1212

35

Price/mix*	-28
Volume	0
Raw material	8
Energy	-12
Currency	0
Other	67

Price/mix includes exchange rate effects of approximately -14% (SEK -190m).

## FOREST PRODUCTS

SEK m	1312	1212	%	2013:4	2012:4	%
Deliveries						
- Publication papers, thousand tonnes*	990	1,492	-34	224	328	-32
- Solid-wood products, thousand m3	2,201	2,117	4	517	539	-4
- Kraftliner products, thousand tonnes	726	767	-5	175	175	0
- Pulp products, thousand tonnes	508	508	0	127	125	2
Net sales	15,525	18,283	-15	3,646	4,119	-11
Operating surplus	3,092	2,885	7	1,204	663	82
Operating profit**, <sup>1</sup>	1,843	1,363	35	916	318	188
Operating margin, %**	11.9	7.5		25.1	7.7	
Operating cash flow	592	1,223		-1	154	
<sup>1</sup> Including gains on forest swaps, before tax.	583	91		455	24	

\*) Adjusted for the divestments of Aylesford and Laakirchen, deliveries increased by 3% and 12%, respectively.

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

The ongoing efficiency program led to an earnings improvement of SEK 550m in 2013. The earnings improvements during the fourth quarter amounted to SEK 245m, corresponding to an annual rate of approximately SEK 980m. The total earnings improvement is expected to amount to SEK 1,300m upon full effect in 2015. The program is progressing according to plan.

### January–December 2013 compared with corresponding period a year ago

Net sales decreased by 15% (unchanged excluding divestments) to SEK 15,525m (18,283). Higher volumes increased sales by 1%. Lower prices (including exchange rate effects) lowered sales by 1%. Divestments lowered sales by 15%.

Sales of publication paper decreased as a result of lower prices (including exchange rate effects) and divestments. Higher volumes had a positive effect on sales of publication paper. Sales of kraftliner decreased as a result of lower volumes that were not fully compensated by higher prices. Sales of solid-wood products increased as a result of higher volumes and prices (including exchange rate effects). Sales of pulp decreased as a result of lower volumes that were not fully compensated by higher prices.

Operating profit, excluding items affecting comparability, rose 35% to SEK 1,843m (1,363). Cost savings and lower raw material costs had a positive impact on profit. The higher profit is also attributable to gains of SEK 583m (91) on forest swaps. Lower prices, negative exchange rate effects of SEK 190m as a result of a stronger Swedish krona, higher energy costs and costs for extended maintenance shutdowns lowered earnings.

The operating cash surplus was SEK 1,927m (2,313), and operating cash flow totaled SEK 592m (1,223).

### Fourth quarter 2013 compared with fourth quarter 2012

Net sales decreased by 11% (increase of 5% excluding divestments) to SEK 3,646m (4,119). Higher prices increased sales by 6%, while lower volumes reduced sales by 1%. Divestments reduced sales by 16%.

Sales of publication paper decreased as a result of lower prices (including exchange rate effects) and divestments. Higher volumes had a positive impact on sales. Sales of kraftliner rose as a result of higher prices. Sales of solid-wood products rose as a result of higher prices that compensated for lower volumes. Sales of pulp rose as a result of higher prices and volumes.

Operating profit, excluding items affecting comparability, rose 188% to SEK 916m (318). The higher profit is to a large part attributable to gains on forest swaps, which had an impact on profit by SEK 455m (24). Cost savings and higher prices also contributed to the earnings growth. Profit was negatively affected by higher energy and raw material costs.



## SHARE DISTRIBUTION

December 31, 2013	Class A	Class B	Total
Registered number of shares	87,417,535	617,692,559	705,110,094
- of which treasury shares		2,767,605	2,767,605

At the end of the reporting period the proportion of Class A shares was 12.4%. During the fourth quarter, at the request of shareholders a total of 350,522 Class A shares were converted to Class B shares. The total number of votes in the company is thereafter 1,491,867,909.

## FUTURE REPORTS

SCA's 2013 Annual Report will be available from the company and on the company's website, [www.sca.com](http://www.sca.com), during the week of March 17, 2014.

In 2014, quarterly reports will be published on April 29, July 18 and October 29.

## ANNUAL GENERAL MEETING

SCA's Annual General Meeting will be held at 3 p.m. (CET) on April 10, 2014, at the Stockholm Waterfront Congress Centre, Stockholm, Sweden.

## INVITATION TO PRESS CONFERENCE ON YEAR-END REPORT 2013

Media and analysts are invited to a press conference, where this year-end report will be presented by Jan Johansson, President and CEO of SCA.

Time: 10:00 CET, Wednesday, January 29, 2014

Location: SCA's headquarters, Waterfront Building, Klarabergsviadukten 63, Stockholm

The presentation will be webcast at [www.sca.com](http://www.sca.com). To participate, call: +44 (0)20 7162 0077, +1 (334) 323-6201 or + 46 (0)8 5052 0110.

Stockholm, January 29, 2014

SVENSKA CELLULOSA AKTIEBOLAG SCA (publ)

Jan Johansson  
President and CEO

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### NB

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. Submitted for publication on January 29, 2014, at 8.00 CET. This report has not been reviewed by the company's auditors.

## OPERATING CASH FLOW ANALYSIS

SEK m	<b>1312</b>	1212
Operating cash surplus	13,492	12,624
Change in working capital	-284	1,159
Current capital expenditures, net	-3,427	-3,161
Restructuring costs, etc.	-1,292	-978
<b>Operating cash flow</b>	<b>8,489</b>	9,644
Financial items	-1,000	-1,264
Income taxes paid	-1,634	-1,193
Other	134	84
<b>Cash flow from current operations</b>	<b>5,989</b>	7,271
Acquisitions	-5,466	-14,872
Strategic capital expenditures, fixed assets	-1,868	-1,863
Divestments	1,716	17,682
<b>Cash flow before dividend</b>	<b>371</b>	8,218
Dividend	-3,202	-2,997
<b>Cash flow after dividend</b>	<b>-2,831</b>	5,221
Net cash flow from disposal group	0	468
<b>Net cash flow</b>	<b>-2,831</b>	5,689
<b>Net debt at the start of the period</b>	<b>-32,927</b>	-36,648*
Net cash flow	-2,831	5,689
Remeasurement to equity	2,223	-1,847
Currency effects	-165	-121
Effect of reclassification of operating liability**	-186	0
<b>Net debt at the end of the period</b>	<b>-33,886</b>	-32,927
<b>Debt/equity ratio</b>	<b>0.51</b>	0.55
<b>Debt payment capacity, %</b>	<b>37</b>	37

\* Including disposal group

\*\* Provision for payroll tax has been reclassified to net debt under IAS 19.

**CASH FLOW STATEMENT**

SEK m	1312	1212	1312*	1212*
<b>Operating activities</b>				
Profit before tax	7,683	5,427		
Adjustment for non-cash items <sup>1</sup>	3,665	6,130		
	11,348	11,557	-	1,087
Paid tax	-1,634	-1,303	-	-110
<b>Cash flow from operating activities before changes in working capital</b>	<b>9,714</b>	10,254	-	977
<b>Cash flow from changes in working capital</b>				
Change in inventories	133	495		
Change in operating receivables	123	-607	-	-213
Change in operating liabilities	-540	1,059		
<b>Cash flow from operating activities</b>	<b>9,430</b>	11,201	-	764
<b>Investing activities</b>				
Acquisition of operations	-1,976	-14,144		
Sold operations	1,371	17,068		
Acquisition tangible and intangible assets	-5,550	-5,673		
Sale of tangible assets	255	359		
Payment of loans to external parties	0	-1,081		
Repayment of loans from external parties	390	0		
<b>Cash flow from investing activities</b>	<b>-5,510</b>	-3,471	-	-321
<b>Financing activities</b>				
Acquisition of non-controlling interests	-1,028	0		
Borrowings	1,955	0		
Amortization of debt	0	-5,421		
Dividends paid	-3,202	-2,999		
<b>Cash flow from financing activities</b>	<b>-2,275</b>	-8,420	-	-41
<b>Cash flow for the period</b>	<b>1,645</b>	-690	-	402
Cash and cash equivalents at the beginning of the year	2,017	2,752		
Exchange rate differences in cash and cash equivalents	-13	-45		
<b>Cash and cash equivalents at the end of the period</b>	<b>3,649</b>	2,017		
*Of which, the packaging operations divested June 2012.				
Cash flow from operating activities per share, SEK	13.37	15.89		
<b>Reconciliation with operating cash flow analysis</b>				
<b>Cash flow for the period</b>	<b>1,645</b>	-690		
<b>Deducted items:</b>				
Payment of loans to external parties	0	1,081		
Repayment of loans from external parties	-390	0		
Borrowings	-1,955	0		
Amortization of debt	0	5,421		
<b>Added items:</b>				
Net debt in acquired and divested operations	-2,117	-119		
Accrued interest	-14	-4		
<b>Net cash flow according to operating cash flow analysis</b>	<b>-2,831</b>	5,689		
<sup>1</sup> Depreciation and impairment, fixed assets	5,153	6,058		
Fair-value measurement/net growth of forest assets	-574	-643		
Gains sale/swap of assets	-585	-149		
Unpaid related to efficiency programs	661	479		
Profit or Loss from disposals	156	851		
Payments related to efficiency programs, already recognized	-509	-382		
Valuation effect Vinda	-564	0		
Other	-73	-84		
<b>Total</b>	<b>3,665</b>	6,130		

**STATEMENT OF PROFIT OR LOSS**

SEK m	2013:4	2012:4	2013:3	1312	1212
<b>Net sales</b>	<b>22,442</b>	23,445	22,046	<b>89,019</b>	85,408
Cost of goods sold <sup>1</sup>	-16,850	-17,611	-16,383	-67,006	-64,449
<b>Gross profit</b>	<b>5,592</b>	5,834	5,663	<b>22,013</b>	20,959
Sales, general and administration <sup>1</sup>	-2,625	-3,506	-3,212	-12,285	-12,472
Items affecting comparability <sup>2</sup>	-227	-1,193	-233	-1,251	-2,634
Share of profits of associates	82	94	73	206	159
<b>Operating profit</b>	<b>2,822</b>	1,229	2,291	<b>8,683</b>	6,012
Financial items	-255	-293	-268	-1,000	-1,264
<b>Profit before tax</b>	<b>2,567</b>	936	2,023	<b>7,683</b>	4,748
Tax	-741	1,145	-574	-2,119	-251
<b>Net profit for the period continued operations</b>	<b>1,826</b>	2,081	1,449	<b>5,564</b>	4,497
Net profit for the period from disposal group	0	0	0	0	503
<b>Net profit for the period</b>	<b>1,826</b>	2,081	1,449	<b>5,564</b>	5,000
<b>Earnings attributable to:</b>					
Owners of the parent	1,836	2,086	1,449	5,547	4,956
Non-controlling interests	-10	-5	0	17	44
<b>Earnings per share, SEK - owners of the parent total operations</b>					
- before dilution effects	2.61	2.97	2.06	7.90	7.06
- after dilution effects	2.61	2.97	2.06	7.90	7.06
<b>Earnings per share, SEK - owners of the parent continued operations</b>					
- before dilution effects	2.61	2.97	2.06	7.90	6.34
- after dilution effects	2.61	2.97	2.06	7.90	6.34
<b>Calculation of earnings per share</b>	<b>2013:4</b>	2012:4	2013:3	<b>1312</b>	1212
Earnings attributable to owners of the parent	1,836	2,086	1,449	5,547	4,956
Average no. of shares before dilution, millions	702.3	702.3	702.3	702.3	702.3
Average no. of shares after dilution, millions	702.3	702.3	702.3	702.3	702.3
<sup>1</sup> Of which, depreciation	-1,258	-1,302	-1,222	-4,930	-4,926
<sup>2</sup> Distribution of items affecting comparability					
Distribution of restructuring costs, etc. per function					
Cost of goods sold	-75	-253	-63	-288	-300
Sales, general and administration	-92	-425	-160	-740	-982
Impairment, etc.	-60	-515	-10	-223	-1,352
Total items affecting comparability	-227	-1,193	-233	-1,251	-2,634
<b>Gross margin</b>	<b>24.9</b>	24.9	25.7	<b>24.7</b>	24.5
Operating margin	12.6	5.2	10.4	9.8	7.0
Financial net margin	-1.1	-1.2	-1.2	-1.1	-1.5
<b>Profit margin</b>	<b>11.5</b>	4.0	9.2	<b>8.7</b>	5.5
Tax	-3.3	4.9	-2.6	-2.4	-0.3
<b>Net margin *</b>	<b>8.2</b>	8.9	6.6	<b>6.3</b>	5.2
* Excluding Net profit for the period from disposal group					
<b>Excluding items affecting comparability:</b>	<b>2013:4</b>	2012:4	2013:3	<b>1312</b>	1212
<b>Gross margin</b>	<b>24.9</b>	24.9	25.7	<b>24.7</b>	24.5
Operating margin	13.6	10.3	11.4	11.2	10.1
Financial net margin	-1.1	-1.2	-1.2	-1.1	-1.5
<b>Profit margin</b>	<b>12.5</b>	9.1	10.2	<b>10.1</b>	8.6
Tax	-4.1	3.6	-2.9	-2.9	-0.7
<b>Net margin *</b>	<b>8.4</b>	12.7	7.3	<b>7.2</b>	7.9
* Excluding Net profit for the period from disposal group					

**STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME**

SEK m	2013:4	2012:4	2013:3	1312	1212
<b>Profit for the period</b>	<b>1,826</b>	2,081	1,449	<b>5,564</b>	5,000
<b>Other comprehensive income for the period</b>					
<b>Items never reclassified subsequently to profit or loss</b>					
Actuarial gains/losses on defined benefit pension plans	766	162	-421	1,974	-2,011
Income tax relating to components of other comprehensive income	-191	11	127	-500	479
	575	173	-294	1,474	-1,532
<b>Items that may be reclassified subsequently to profit or loss</b>					
Available-for-sale financial assets	75	154	68	249	286
Cash flow hedges	-57	-68	98	-48	-22
Exchange differences on translating foreign operations	1,355	1,362	-1,036	845	-2,984
Gains/losses from hedges of net investments in foreign operations	-440	-893	204	-423	1,134
Income tax relating to components of other comprehensive income	123	20	-66	-131*	1
	1,056	575	-732	492	-1,585
<b>Other comprehensive income for the period, net of tax</b>	<b>1,631</b>	748	-1,026	<b>1,966</b>	-3,117
<b>Total comprehensive income for the period</b>	<b>3,457</b>	2,829	423	<b>7,530</b>	1,883
<b>Total comprehensive income attributable to:</b>					
Owners of the parent	3,373	2,871	425	7,396	1,908
Non-controlling interests	84	-42	-2	134	-25
				-249	

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**

SEK m	1312	1212
<b>Attributable to owners of the parent</b>		
Opening balance, January 1	59,706	60,752
Total comprehensive income for the period	7,396	1,908
Dividend	-3,161	-2,950
Acquisition of non-controlling interests	-666	0
Revaluation effect of non-controlling interests	-4	-4
<b>Closing balance</b>	<b>63,271</b>	59,706
<b>Non-controlling interests</b>		
Opening balance, January 1	458	539
Total comprehensive income for the period	134	-25
Dividend	-41	-49
Acquisition of non-controlling interests	2,482	-7
<b>Closing balance</b>	<b>3,033</b>	458
<b>Total equity, closing balance</b>	<b>66,304</b>	60,164

**CONSOLIDATED BALANCE SHEET**

SEK m	Note	December 31, 2013	December 31, 2012
<b>Assets</b>			
Goodwill		13,630	12,169
Other intangible assets		8,031	5,460
Tangible assets		80,570	74,205
Shares and participations		1,310	2,517
Non-current financial assets	4	3,221	3,614
Other non-current receivables	4	1,720	905
<b>Total non-current assets</b>		<b>108,482</b>	<b>98,870</b>
Operating receivables and inventories	4	29,882	28,539
Current financial assets	4	227	168
Non-current assets held for sale		32	1,937
Cash and cash equivalents		3,649	2,017
<b>Total current assets</b>		<b>33,790</b>	<b>32,661</b>
<b>Total assets</b>		<b>142,272</b>	<b>131,531</b>
<b>Equity</b>			
Owners of the parent		63,271	59,706
Non-controlling interests		3,033	458
<b>Total equity</b>		<b>66,304</b>	<b>60,164</b>
<b>Liabilities</b>			
Provisions for pensions		2,546	4,861
Other provisions		10,432	9,107
Non-current financial liabilities	4	28,444	23,759
Other non-current liabilities	4	586	1,013
<b>Total non-current liabilities</b>		<b>42,008</b>	<b>38,740</b>
Current financial liabilities <sup>1</sup>	4	9,828	9,955
Other current liabilities	4	24,132	22,672
<b>Total current liabilities</b>		<b>33,960</b>	<b>32,627</b>
<b>Total liabilities</b>		<b>75,968</b>	<b>71,367</b>
<b>Total equity and liabilities</b>		<b>142,272</b>	<b>131,531</b>
<sup>1</sup> Committed credit lines amount to SEK 18 186m of which unutilized SEK 18 186m.			
Debt/equity ratio		0.51	0.55
Visible equity/assets ratio		44%	45%
Return on capital employed		9%	7%
Return on equity		9%	8%
<b>Excluding items affecting comparability:</b>			
Return on capital employed		11%	10%
Return on equity		10%	12%
Equity per share, SEK		94	85
Capital employed		100,190	93,091
- of which working capital		7,224	6,625
Provisions for restructuring costs are included in the balance sheet as follows:			
- Other provisions*		786	613
- Operating liabilities		414	630
*) of which, provision for tax risks		293	482
Net debt		33,886	32,927
Total Equity		66,304	60,164

**NET SALES**

SEK m	1312	1212	2013:4	2013:3	2013:2	2013:1	2012:4	2012:3
Personal Care	26,914	26,294	6,873	6,673	6,764	6,604	7,033	6,490
Tissue	46,987	42,375	12,065	11,642	11,650	11,630	12,460	11,333
Forest Products	15,525	18,283	3,646	3,843	3,788	4,248	4,119	4,513
Other	125	1,268	4	5	33	83	222	248
Intra-group deliveries	-532	-2,812	-146	-117	-90	-179	-389	-384
<b>Total net sales</b>	<b>89,019</b>	<b>85,408</b>	<b>22,442</b>	<b>22,046</b>	<b>22,145</b>	<b>22,386</b>	<b>23,445</b>	<b>22,200</b>

**OPERATING PROFIT**

SEK m	1312	1212	2013:4	2013:3	2013:2	2013:1	2012:4	2012:3
Personal Care	3,201	3,180	781	804	806	810	884	847
Tissue	5,595	4,640	1,567	1,498	1,295	1,235	1,419	1,275
Forest Products <sup>3</sup>	1,843	1,363	916	420	250	257	318	281
Other	-705	-537	-215	-198	-195	-97	-199	-118
<b>Total operating profit</b> <sup>1,3</sup>	<b>9,934</b>	<b>8,646</b>	<b>3,049</b>	<b>2,524</b>	<b>2,156</b>	<b>2,205</b>	<b>2,422</b>	<b>2,285</b>
Financial items	-1,000	-1,264	-255	-268	-213	-264	-293	-324
<b>Profit before tax</b> <sup>1,3</sup>	<b>8,934</b>	<b>7,382</b>	<b>2,794</b>	<b>2,256</b>	<b>1,943</b>	<b>1,941</b>	<b>2,129</b>	<b>1,961</b>
Tax	-2,542	-628	-914	-636	-492	-500	853	-589
Net profit for the period from disposal group	0	503	0	0	0	0	0	0
<b>Net profit for the period</b> <sup>2</sup>	<b>6,392</b>	<b>7,257</b>	<b>1,880</b>	<b>1,620</b>	<b>1,451</b>	<b>1,441</b>	<b>2,982</b>	<b>1,372</b>
<sup>1</sup> Excluding items affecting comparability before tax amounting to:	-1,251	-2,634	-227	-233	-373	-418	-1,193	-1,031
<sup>2</sup> Excluding items affecting comparability after tax amounting to:	-828	-2,257	-54	-171	-297	-306	-901	-1,002
<sup>3</sup> Including gains on forest swaps, before tax:	583	91	455	7	0	121	24	35

**OPERATING MARGIN**

%	1312	1212	2013:4	2013:3	2013:2	2013:1	2012:4	2012:3
Personal Care	11.9	12.1	11.4	12.0	11.9	12.3	12.6	13.1
Tissue	11.9	10.9	13.0	12.9	11.1	10.6	11.4	11.3
Forest Products	11.9	7.5	25.1	10.9	6.6	6.0	7.7	6.2

**STATEMENT OF PROFIT OR LOSS**

SEK m	2013:4	2013:3	2013:2	2013:1	2012:4
<b>Net sales</b>	<b>22,442</b>	<b>22,046</b>	<b>22,145</b>	<b>22,386</b>	<b>23,445</b>
Cost of goods sold	-16,850	-16,383	-16,700	-17,073	-17,611
<b>Gross profit</b>	<b>5,592</b>	<b>5,663</b>	<b>5,445</b>	<b>5,313</b>	<b>5,834</b>
Sales, general and administration	-2,625	-3,212	-3,324	-3,124	-3,506
Items affecting comparability	-227	-233	-373	-418	-1,193
Share of profits of associates	82	73	35	16	94
<b>Operating profit</b>	<b>2,822</b>	<b>2,291</b>	<b>1,783</b>	<b>1,787</b>	<b>1,229</b>
Financial items	-255	-268	-213	-264	-293
<b>Profit before tax</b>	<b>2,567</b>	<b>2,023</b>	<b>1,570</b>	<b>1,523</b>	<b>936</b>
Taxes	-741	-574	-416	-388	1,145
<b>Net profit for the period</b>	<b>1,826</b>	<b>1,449</b>	<b>1,154</b>	<b>1,135</b>	<b>2,081</b>

**INCOME STATEMENT PARENT COMPANY**

SEK m	1312	1212
Administrative expenses	-838	-493
Other operating income	457	98
Other operating expenses	-212	-95
<b>Operating profit</b>	<b>-593</b>	<b>-490</b>
Financial items	6,463	4,781
<b>Profit before tax</b>	<b>5,870</b>	<b>4,291</b>
Untaxed reserve and Tax	-45	-238
<b>Net profit for the period</b>	<b>5,825</b>	<b>4,053</b>

**BALANCE SHEET PARENT COMPANY**

SEK m	December 31, 2013	December 31, 2012
Intangible fixed assets	1	1
Tangible fixed assets	7,644	6,724
Financial fixed assets	129,651	124,804
Total fixed assets	137,296	131,529
Total current assets	1,895	3,480
<b>Total assets</b>	<b>139,191</b>	<b>135,009</b>
Restricted equity	10,996	10,996
Unrestricted equity	42,006	39,342
Total equity	53,002	50,338
Untaxed reserves	197	181
Provisions	1,280	1,194
Non-current liabilities	21,367	15,593
Current liabilities	63,345	67,703
<b>Total equity, provisions and liabilities</b>	<b>139,191</b>	<b>135,009</b>



## NOTES

### 1 ACCOUNTING PRINCIPLES

This year-end 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 2012 Annual Report.

Effective January 1, 2013, SCA applies the following new or amended IFRSs:

- IAS 19 Employee Benefits
- IFRS 13 Fair Value Measurement
- IAS 1 Presentation of Financial Statements – Recognition of items in other comprehensive income

The amendments in IAS 19 Employee Benefits consist mainly of the removal of the corridor approach and the replacement of interest expenses and the expected return on plan assets by a net interest figure calculated using the discounting rate, based on the net surplus or deficit in the defined-benefit plan. For SCA, which already applies immediate recognition of actuarial gains and losses, the amendment imposes a restriction insofar as the return on plan assets in profit or loss is limited to a predetermined discounting rate instead of the company's long-term expectation of the actual return on plan assets, which applied through 2012. For 2012, the amended interest calculation would have reduced profit for the year by SEK 205m. IFRS 13 Fair Value Measurement aims to improve consistency and reduce complexity in the application of fair value measurement by providing a precise definition and a shared source in IFRS for fair value measurements and associated disclosures. The requirements do not expand the area of application for when fair value is required to be used, but provide guidance on how it should be applied when other IFRSs already require or permit fair value measurement. The standard is not expected to have any material impact on the Group. Other changes are not expected to have any material impact on the Group's or Parent Company's result of operations, financial position or disclosures.

#### Changes in SCA's financial reporting for 2014

Effective January 1, 2014, SCA applies the following reporting standards: IFRS 10 Consolidated Financial Statements, IFRS 11 Joint Arrangements, IFRS 12 Disclosure of Interests in Other Entities, IAS 27 Separate Financial Statements, and IAS 28 Investments in Associates and Joint Ventures. These standards are applied retrospectively, which entails that the income statements and balance sheets for 2012 and 2013 have been recalculated to reflect the changes in the new and amended reporting standards. It is mainly IFRS 10 Consolidated Financial Statements and IFRS 11 Joint Arrangements that have affected the recalculations. The other standards are not judged to have any material impact on the Group's or parent company's result or financial position.

For SCA, this entails that some joint ventures have been reclassified to subsidiaries. The joint ventures that have not been reclassified as subsidiaries will be classified as joint ventures and will be recalculated in accordance with the equity method. A few individual companies will also be classified as joint operations and will continue to apply proportionate consolidation.

During the first quarter of 2014 SCA will publish recalculated financial statements for 2012 and 2013 via a separate press release.

### 2 RISKS AND UNCERTAINTIES

SCA's risk exposure and risk management are described on pages 56–61 of the 2012 Annual Report. No significant changes have taken place that have affected the reported risks.

Risks in conjunction with company acquisitions are analyzed 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.

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

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

SCA has a staff function for internal audit, which monitors compliance in the organization with the Group's policies.

### 3 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.

### 4 FINANCIAL INSTRUMENTS

Distribution by level for measurement at fair value, excluding Vinda

SEK m	Carrying amount in the balance sheet	Measured at fair value through profit or loss	Derivatives used for hedge accounting	Available-for-sale financial assets	Financial liabilities measured at amortized cost	Of which fair value by level <sup>1</sup>	
						1	2
<b>December 31, 2013</b>							
Derivatives	1,077	268	809	-	-	-	1,077
Non-current financial assets	1,657	-	-	1,657	-	1,649	8
<b>Total assets</b>	<b>2,734</b>	<b>268</b>	<b>809</b>	<b>1,657</b>	<b>0</b>	<b>1,649</b>	<b>1,085</b>
Derivatives	647	186	461	-	-	-	647
Financial liabilities							
Current financial liabilities	8,874	521	-	-	8,353	-	521
Non-current financial liabilities	26,516	15,796	-	-	10,720	-	15,796
<b>Total liabilities</b>	<b>36,037</b>	<b>16,503</b>	<b>461</b>	<b>-</b>	<b>19,073</b>	<b>19,073</b>	<b>16,964</b>
<b>December 31, 2012</b>							
Derivatives	1,400	397	1,003	-	-	-	1,400
Non-current financial assets	1,448	-	-	1,448	-	1,440	8
<b>Total assets</b>	<b>2,848</b>	<b>397</b>	<b>1,003</b>	<b>1,448</b>	<b>-</b>	<b>1,440</b>	<b>1,408</b>
Derivatives	484	156	328	-	-	-	484
Financial liabilities							
Current financial liabilities	9,834	-	-	-	9,834	-	-
Non-current financial liabilities	23,583	12,943	-	-	10,640	-	12,943
<b>Total liabilities</b>	<b>33,901</b>	<b>13,099</b>	<b>328</b>	<b>-</b>	<b>20,474</b>	<b>-</b>	<b>13,427</b>

<sup>1</sup> No financial instruments have been classified to level 3

The fair value of trade receivables, other current and non-current receivables, cash and cash equivalents, trade payables and other current and non-current liabilities is estimated to be equal to their book value. The total fair value of financial liabilities, excluding Vinda, amounts to SEK 36,066m (33,979).

No transfers between level 1 and 2 were made during the period.

The fair value of financial instruments is calculated based on current market quotations on the balance sheet date. The value of derivatives is based on published prices in an active market. The fair value of debt instruments is set using valuation models, such as discounting of future cash flows to quoted market interest rates for the respective durations.

### 5 ACQUISITIONS AND DIVESTMENTS

SCA completed the divestment of its Austrian publication paper mill in Laakirchen on April 2, 2013. During the period, this operation generated sales of SEK 688m and an operating profit of SEK 34m. The operation was deconsolidated as from the month of April.

On January 17, 2012, an agreement was reached with DS Smith on the divestment of SCA's packaging operations, excluding the two kraftliner mills in Sweden. The purchase price was EUR 1,700m on a debt-free basis. The deal was approved by the European Commission Competition Authority on May 25, 2012, and was completed on June 30, 2012. The operations were deconsolidated on June 30, 2012. Completion accounts are settled.

A purchase price allocation is preliminary until 12 months after an acquisition, at which time it is confirmed. When adjusting a purchase price allocation, the income statements and balance sheets are adjusted for the comparison period. The acquisition balance for Everbeauty, which was acquired on June 1, 2012, has been confirmed in accordance with the preliminary purchase price allocation.

SCA Hygiene Products SE (Societas Europaeas), formerly PWA, has become a wholly owned subsidiary of SCA after the shares outstanding were acquired through a compulsory redemption from non-controlling interests (minority). The consideration paid amounted to approximately SEK 1bn.

In connection with SCA's acquisition of Georgia-Pacific's European tissue operations in 2012, the European Commission required divestments of certain consumer tissue operations that previously belonged to Georgia-Pacific in the UK, Ireland and Benelux, and certain operations in the Nordic countries. These operations generated sales of SEK 621m and an operating profit of SEK 79m during the period. The operations were deconsolidated in the second quarter of 2013.

The previous, preliminarily reported purchase price allocation for Georgia-Pacific was confirmed during the third quarter and is included in the third quarter interim report for 2013.

In September 2013 SCA decided to make a cash offer for the Chinese tissue company Vinda of HKD 11.00 per share. The offer was conditional upon SCA achieving an ownership share in excess of 50% in Vinda. Prior to the offer, SCA already owned 21.7% of Vinda, which was reported as an associated company in the Group. After the expiration of the acceptance period, on November 11, SCA was the majority owner with 59.95% of the shares. SCA subsequently sold 8.6% of the shares and today owns 51.4% of the shares in Vinda. Acquisition costs for Vinda amounted to approximately SEK 47m at year-end. The previous holding in Vinda has been revaluated according to IFRS, resulting in a positive revaluation effect of SEK 564m. This will be reported among items affecting comparability.

Vinda is a stock corporation listed on the Hong Kong Stock Exchange. This means that the company must adhere to the stock exchange rules issued by the Hong Kong Stock Exchange. The insider trading rules entail that all information is to be published simultaneously to all shareholders, and thus SCA only has access to published information from Vinda. This entails, in turn, that fair value adjustments and calculations of intangible assets and goodwill are only preliminary. Goodwill is justified by strong market positions in the tissue segment in China. As reported in the 2013 half-year interim report, Vinda's net sales amounted to SEK 2,773m, and profit for the period after tax amounted to SEK 238m.

<b>Purchase price allocation Vinda</b>	Preliminary
<b>SEK m</b>	
Intangible assets	2 895
Non-current assets	4393
Current assets	2 455
Cash and cash equivalents	642
Net debt excluding cash and cash equivalents	-2 461
Provisions and other non-current liabilities	-726
Operating liabilities	-1 411
<b>Net identifiable assets and liabilities</b>	<b>5 787</b>
Goodwill	1743
Previously owned share in associated company	-1 467
Profit on revaluation of previous holding	-564
Non-controlling interest	-2 812
<b>Consideration paid</b>	<b>2 687</b>
Consideration paid	-2 687
Cash and cash equivalents in acquired operations	642
<b>Effect on Group's cash and cash equivalents (Consolidated cash flow statement)</b>	<b>-2 045</b>
Acquired net debt excluding cash and cash equivalents	-2 461
<b>Acquisition of operations including net debt taken over (Consolidated operating cash flow analysis)</b>	<b>-4 506</b>