



# Q1 2010

## Market update



### ▪ **Significantly increased raw material prices**

- ◆ OCC +140%
- ◆ Recovered paper US +80%
- ◆ Recovered paper Europe +30%
- ◆ Pulp +40%

### ▪ **Hygiene businesses**

- ◆ Stable demand

### ▪ **Packaging and Forest Products**

- ◆ Increased demand from low levels for packaging
  - Western European demand +3%\*
- ◆ Good market balance for solid-wood products
- ◆ European demand for publication papers:
  - Magazine paper (SC and LWC) +4%
  - Newsprint +2%



\* Year to date February 2010 vs 2009

# Significantly increased raw material prices



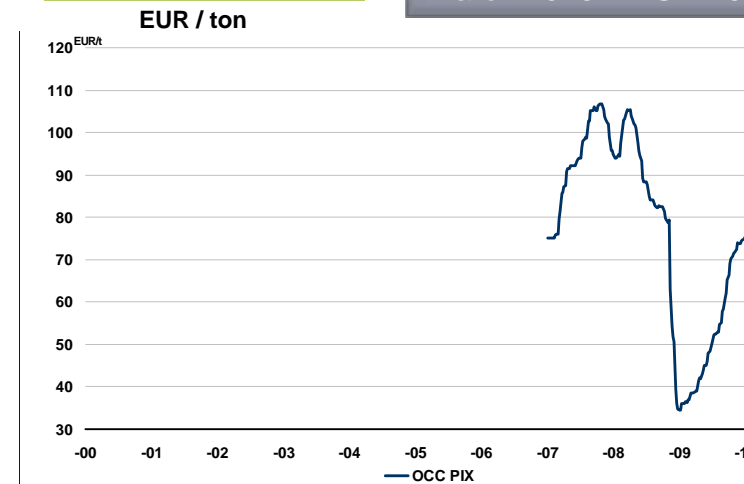
## NBSK pulp

March 2009 – USD 578  
March 2010 – USD 879



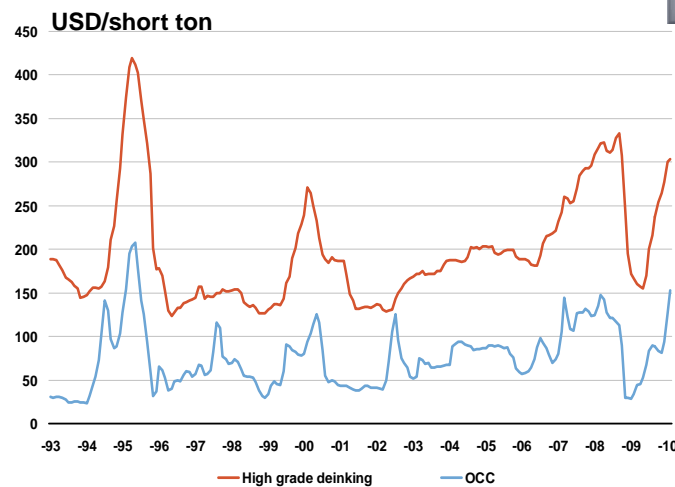
## OCC

March 2009 – EUR 39  
March 2010 – EUR 102



## Recovered paper - USA

February 2009 – USD 166  
February 2010 – USD 303





# Q1 2010 results

<b>SEK millions</b>	<b>Q1</b>	<b>Q1</b>	<b>Change,</b>	<b>Change,</b>	<b>Q4</b>
unless otherwise stated	<b>2010</b>	<b>2009</b>	<b>%</b>	<b>%**</b>	<b>2009</b>
Net sales	26,722	28,327	-6	1	27,507
EBIT*	2,027	2,136	-5	-1	2,568
EBIT margin* (%)	7.6	7.5			9.3
Profit before tax*	1,748	1,511	16	20	2,280
Earnings per share (SEK)	1.53	1.58	-3		1.72
Cash flow from current operations	1,148	1,640	-30		2,544
Debt/Equity ratio	0.57	0.70			0.60

- EBIT decreased 1%\*\*
  - Higher volumes
  - Synergies and cost savings
  - Higher raw material costs
  - Lower prices
- Profit before tax increased 16%\*
  - Lower finance net

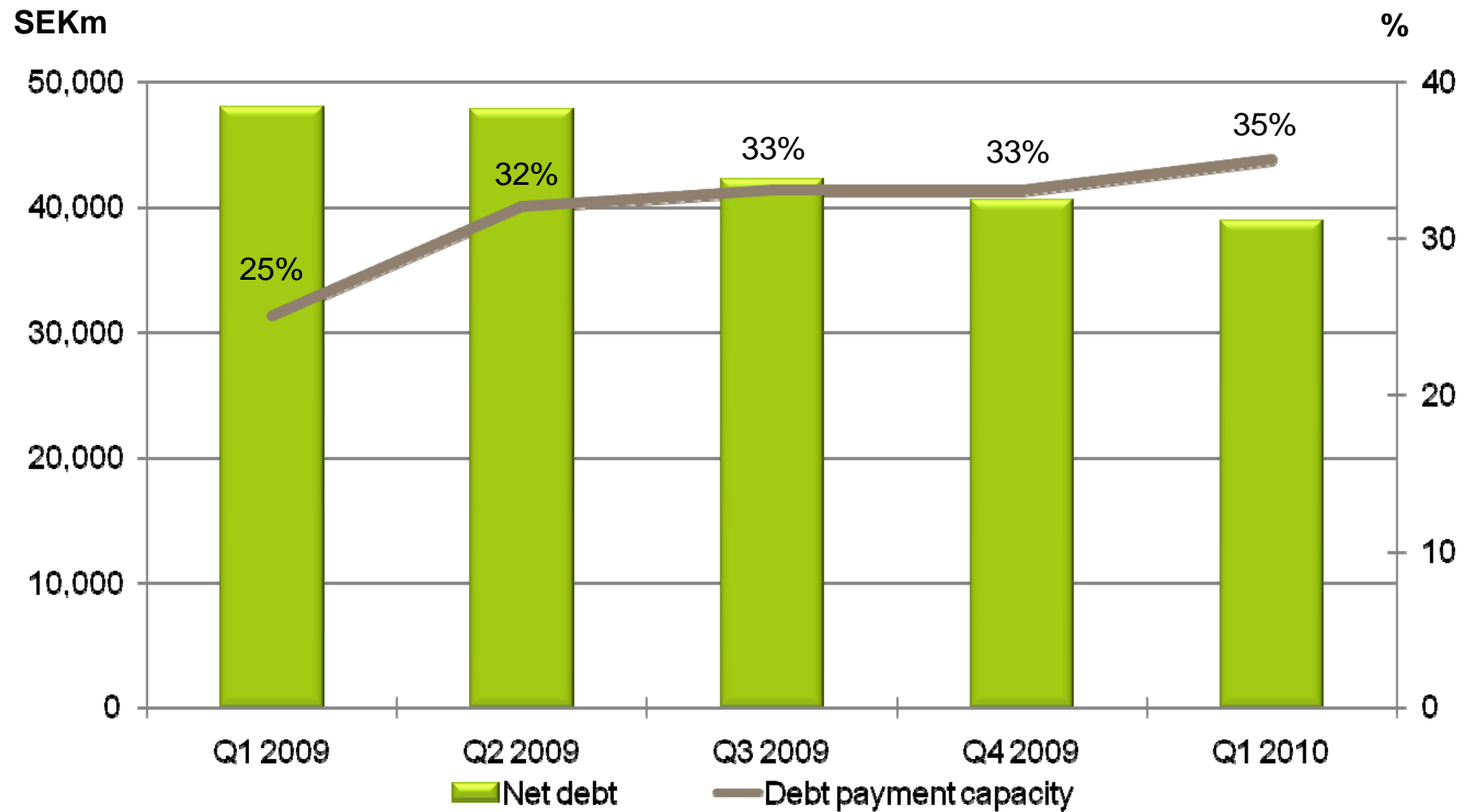
\* Adjusted for Packaging restructuring costs

\*\* Adjusted for Packaging restructuring costs and exchange rate movements



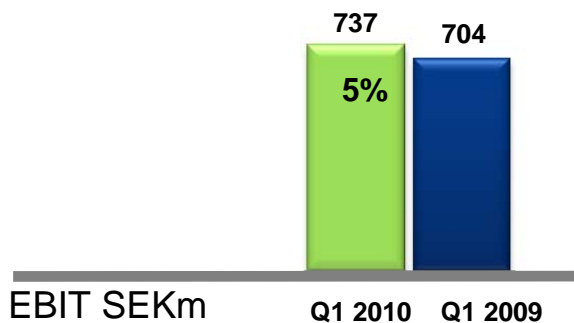
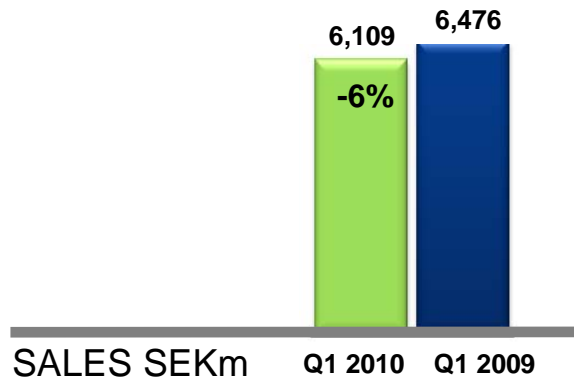
# Reduced net debt

And improved debt payment capacity



# Personal Care

Q1 2010 vs Q1 2009



EBIT margin 12.1% 10.9%

- **Sales decreased 6% (0%\*)**

- ◆ Incontinence care up 3%\*
- ◆ Feminine care up 9%\*
- ◆ Baby diapers -9%\*

- **EBIT increased by 5% (9%\*)**

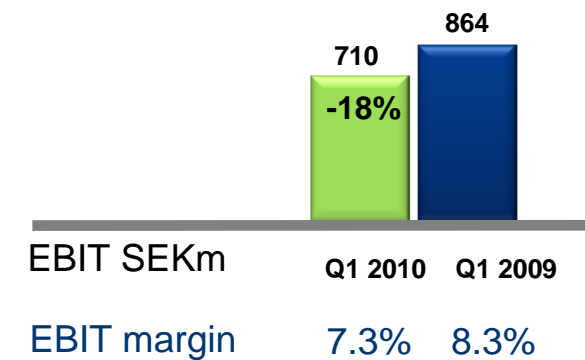
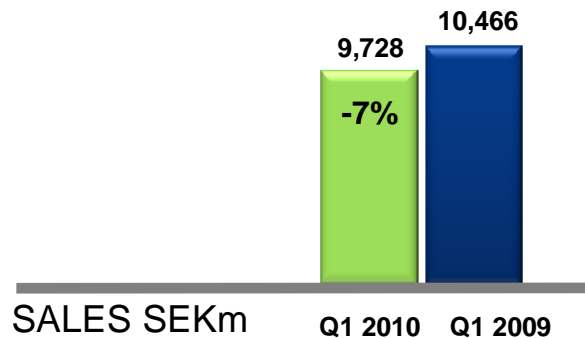
- ◆ Higher volumes
- ◆ Lower prices
- ◆ Lower raw material cost
- ◆ Higher marketing costs



\* Adjusted for exchange rate movements

# Tissue

Q1 2010 vs Q1 2009



- **Sales decreased 7% (0%\*)**

- ◆ Consumer tissue -3%\*
- ◆ AFH-tissue increased 6%\*

- **EBIT decreased by 18% (-13%\*)**

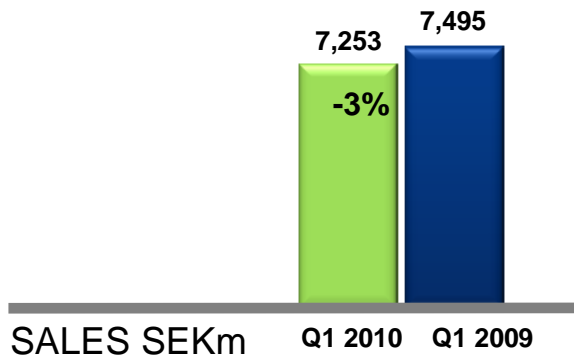
- ◆ Higher volumes
- ◆ Lower energy and distribution costs
- ◆ Acquisition synergies
- ◆ Lower prices
- ◆ Higher raw material costs



\* Adjusted for exchange rate movements

# Packaging

Q1 2010 vs Q1 2009

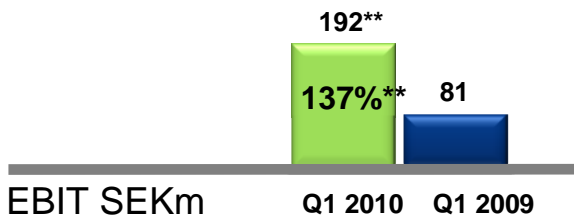


- **Sales decreased by 3% (7%\*)**

- ◆ Higher prices and volumes

- **EBIT increased by 137%\*\* (152%\*\*\*)**

- ◆ Higher prices and volumes
- ◆ Savings from restructuring program
- ◆ Increased raw material costs



EBIT margin      2.6%\*\* 1.1%

\* Adjusted for exchange rate movements and the closure of the New Hythe testliner mill in the UK

\*\* Adjusted for restructuring costs

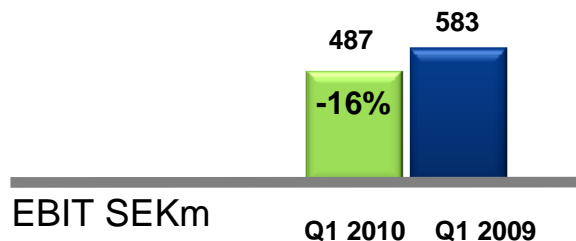
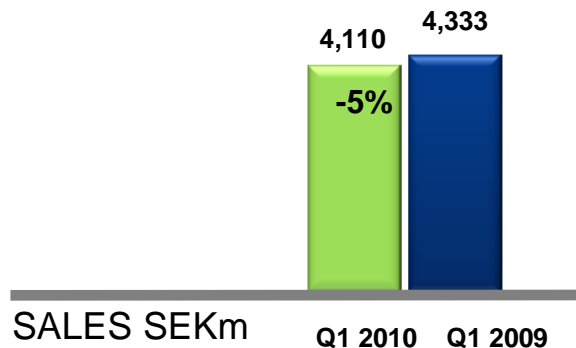
\*\*\* Adjusted for restructuring costs and exchange rate movements





# Forest Products

Q1 2010 vs Q1 2009



EBIT margin      11.8% 13.5%

## ■ Sales decreased by 5% (-3%\*)

- ◆ Publication papers
  - Higher volumes
  - Lower prices
- ◆ Solid-wood products
  - Higher volumes
  - Higher prices

## ■ EBIT decreased by 16% (-16%\*)

- ◆ Publication papers, decreased EBIT
  - Lower prices
- ◆ Solid-wood products, increased EBIT
  - Higher volumes
  - Higher prices
- ◆ Pulp, increased EBIT
  - Higher prices

\* Adjusted for exchange rate movements



# Outlook 2010



## ■ Group

- ◆ Improved general market conditions
- ◆ Effects from price increases and cost reductions gradually during the second half 2010

## ■ Hygiene businesses

- ◆ Good demand
- ◆ High promotion activities
- ◆ Increasing prices for Tissue

## ■ Packaging

- ◆ Demand improvement
- ◆ Increasing prices

## ■ Forest Products

- ◆ Signs of small recovery from low level for publication papers
- ◆ Price increases on magazine paper
- ◆ Good market balance for solid-wood products



