

SCA Interim Report

Q2 2014



Q2 2014

Market Update



■ Tissue

- ◆ Stable demand for tissue in Europe
- ◆ Some growth for AfH tissue in North America
- ◆ Increased demand in emerging markets

■ Personal Care

- ◆ Stable demand for personal care products in Europe
- ◆ Increased demand in emerging markets

■ Forest Products

- ◆ Decreased demand for publication papers in Europe
- ◆ Improved market for solid-wood products in Europe

Summary

Q2 2014 vs. Q2 2013



- Stable market demand in mature markets and higher market demand in emerging markets
- Good organic sales growth
- Strong increase of EBIT and EBIT-margin
- Efficiency programs delivering according to plan
- Several launches of new innovations and products
 - ◆ Libero, Libresse, TENA and Tork
- Floated joint venture in Australia, New Zealand and Fiji
- SCA and Vinda to integrate hygiene business in China



SCA and Vinda to integrate hygiene business in China

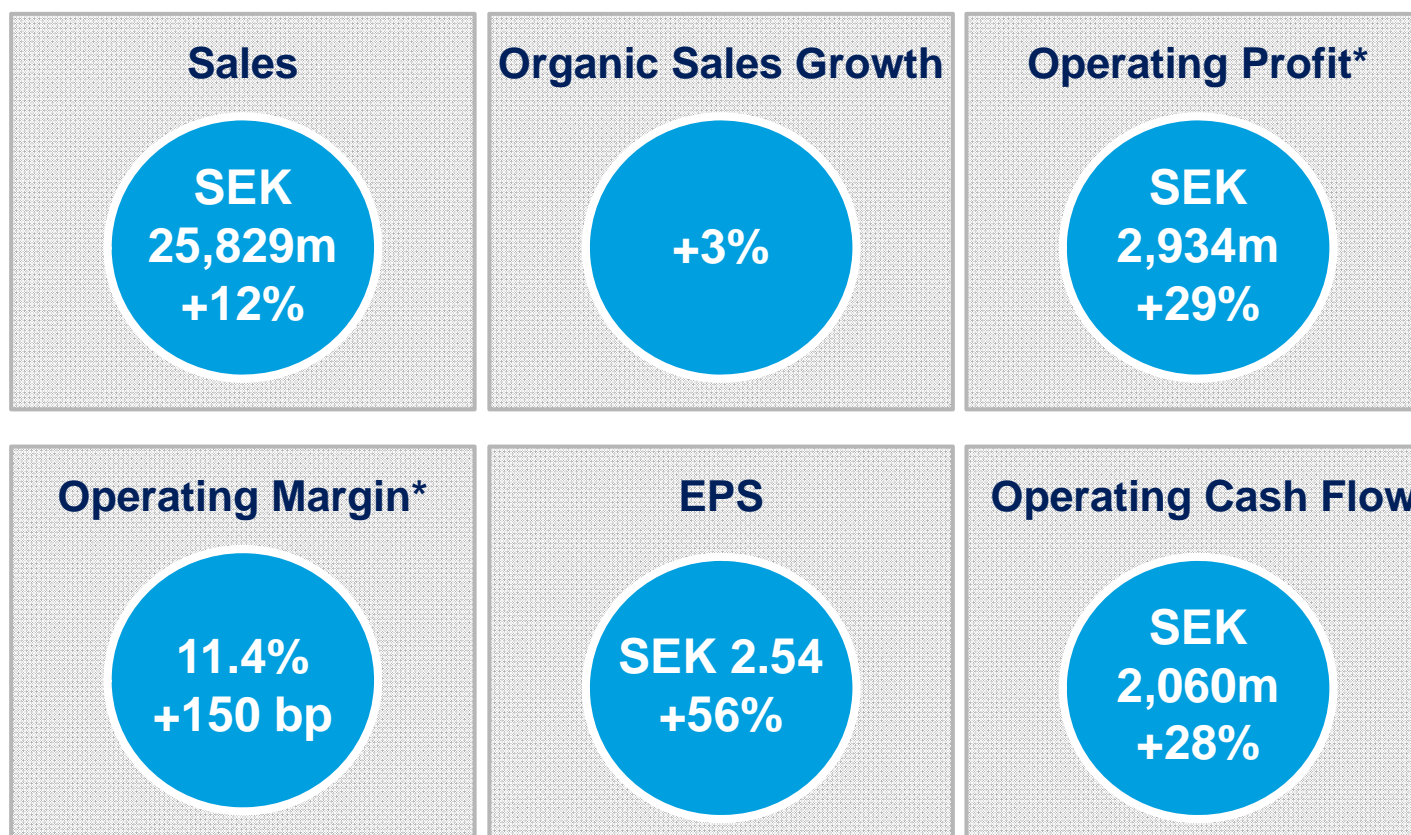


- SCA to transfer its hygiene business in China (Mainland China, Hong Kong and Macau) to Vinda
- Exclusive license for Vinda to market and sell SCA brands; TENA, Tork, Tempo, Libero and Libresse in China
- Vinda to acquire SCA's Dr P and Sealer brands in China
- Benefits in distribution, sales, innovation and R&D
- Vinda gets access to a broader product portfolio and SCA brands, reaching broader consumer and customer base
- SCA's hygiene business in China had net sales of approx. SEK 600m in 2013
- Purchase consideration amounts to approx. SEK 1,000m
- Subject to approval by the shareholders of Vinda



Group

Q2 2014 vs. Q2 2013



* Excluding items affecting comparability and including gains on forest swaps of SEK 175m (0) before tax

Innovations and Product Launches

Q2 2014

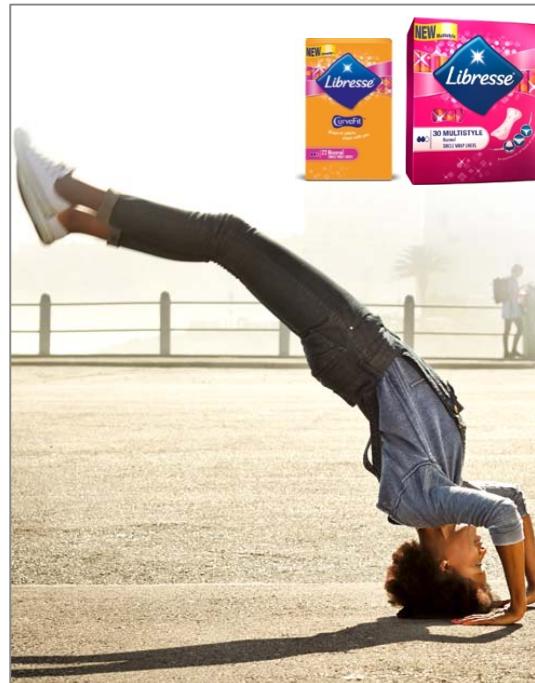


TENA Lady / Lady Pants



- Global relaunch of TENA Lady and Lady pants
- Feminine designed Lady pants allowing consumers to choose from a family of TENA Lady range fitted for the needed occasion – discrete & secure

Libresse Multistyle Liners / CurveFit™



- New Libresse Multistyle, the most absorbent liners designed to fit any style of knickers
- Curvefit liners, uniquely shaped to perfectly fit body shape for maximum comfort

Libero Comfort / Up&Go



- Comfort: Elastics smoother and softer around the legs, improved fit with better comfort
- Up&Go: Improved fit adjusts to baby's unique body, softly following in every move. High absorption capacity to secure optimal leakage protection

Innovations and Product Launches

Q2 2014

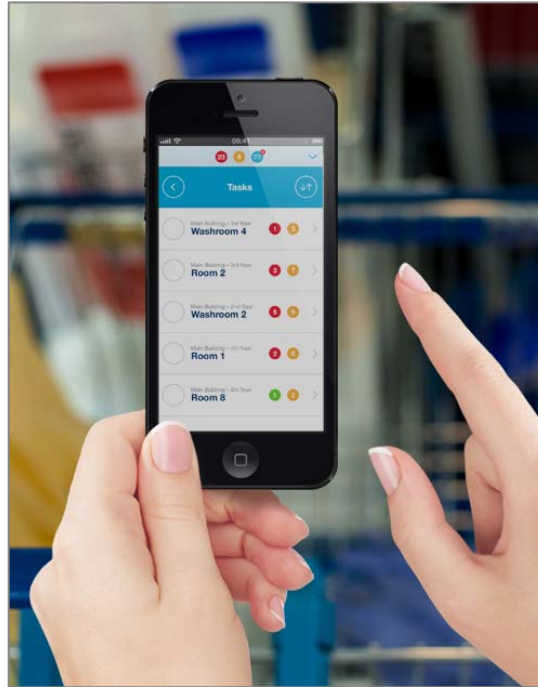


Tork - Bloe®



- IT-based washroom service
- Provides easily accessible real-time data on toilet use
- Facilitates cleaning, control odors and reduce water usage

Tork - EasyCube™



- IT-based washroom service
- Provides easily accessible real-time data on refill consumption
- Gives instant overview of when and where cleaning is needed

Tork Sanitizing Wet Wipe



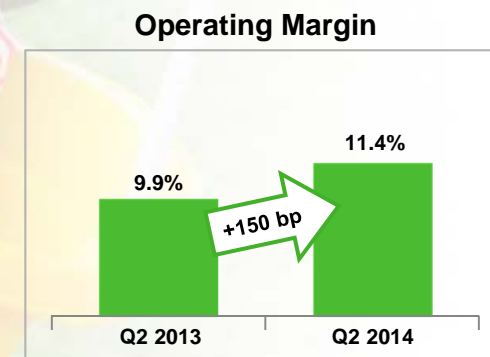
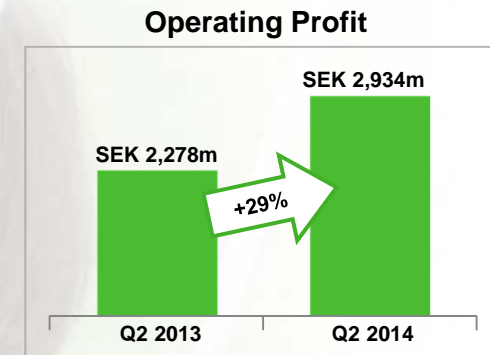
- Wet wipes for cleaning and sanitizing restaurant tables
- Discreet and portable solution

Group

Q2 2014 vs. Q2 2013



- Sales growth 12%
- Organic sales growth of 3%
 - ◆ All business areas show organic sales growth
 - ◆ Good growth for the hygiene business in emerging markets
 - ◆ Good growth for Forest Products
- Operating profit increased 29%*
 - ◆ Organic operating profit growth 11%**
 - ◆ Better price/mix
 - ◆ Higher volumes
 - ◆ Cost savings
 - ◆ Acquisition in China
 - ◆ Gains on forest swaps
 - ◆ Higher raw material costs
- Operating margin increased 150 bp to 11.4%*
 - ◆ Higher margin in Tissue and Forest Products
- Operating cash flow increased 28%

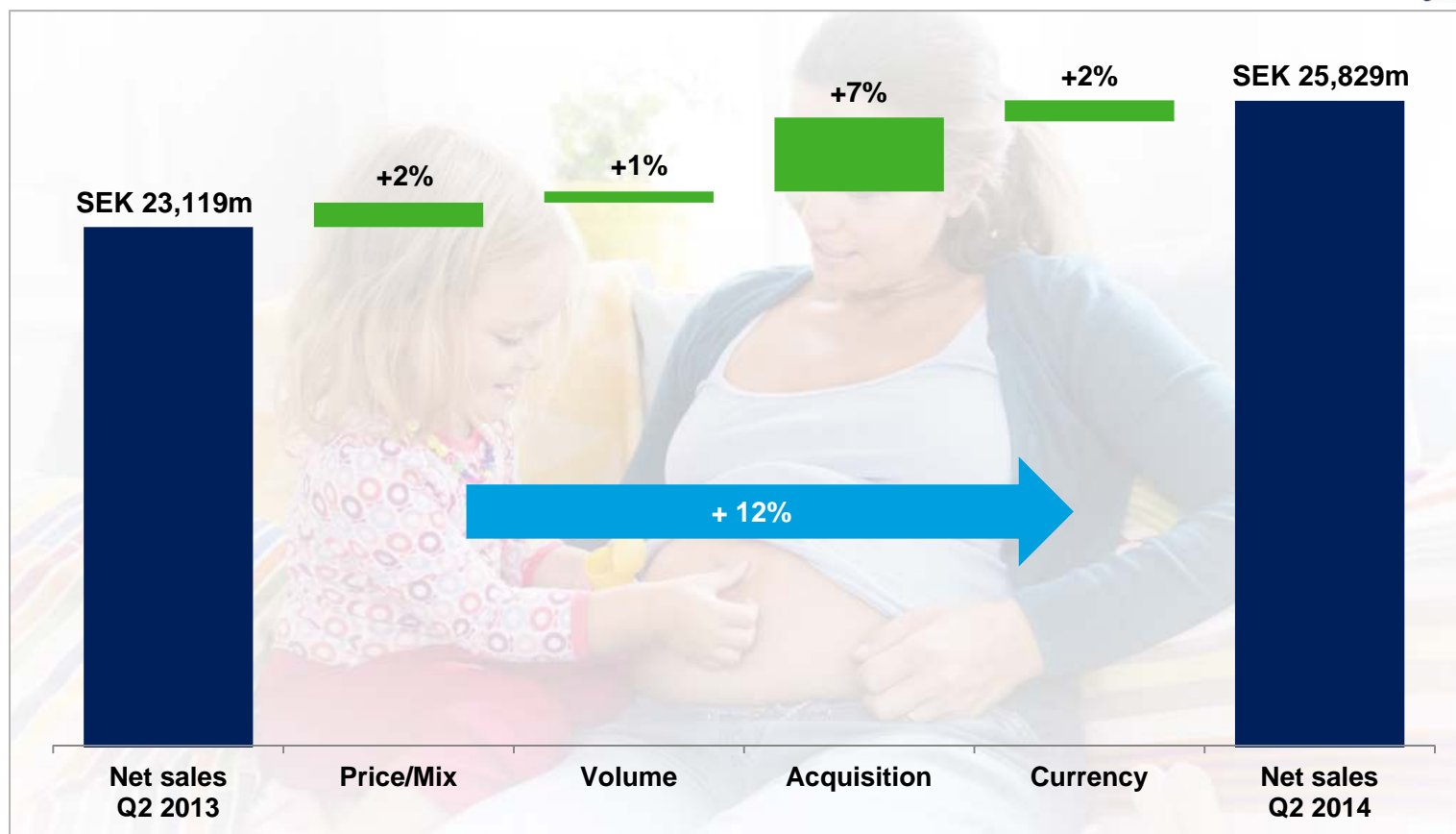


* Excluding items affecting comparability and including gains on forest swaps of SEK 175m (0) before tax

** Excluding items affecting comparability, exchange rate effects, acquisition in China and gains on forest swaps

Net Sales

Q2 2014 vs. Q2 2013



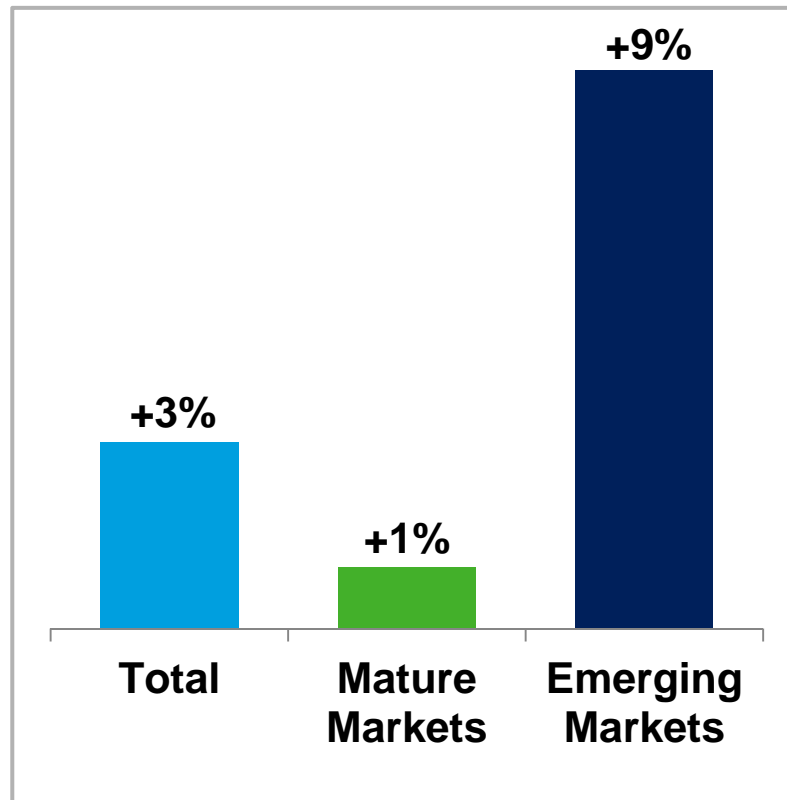
- Organic sales growth 3.3%
- ◆ Price/Mix +2%
- ◆ Volume +1%

Group

Organic Sales Growth Q2 2014 vs. Q2 2013



By region



■ Emerging markets

- ◆ Strong growth in Eastern Europe, Russia and Latin America
 - Feminine care in Latin America +19%
 - Incontinence products in Latin America +23%
 - Incontinence products in Russia +29%
 - Tissue in Russia +22%

■ Mature markets

- ◆ Low growth in mature markets
 - AfH tissue in Western Europe +5%



Q2 2014 Results



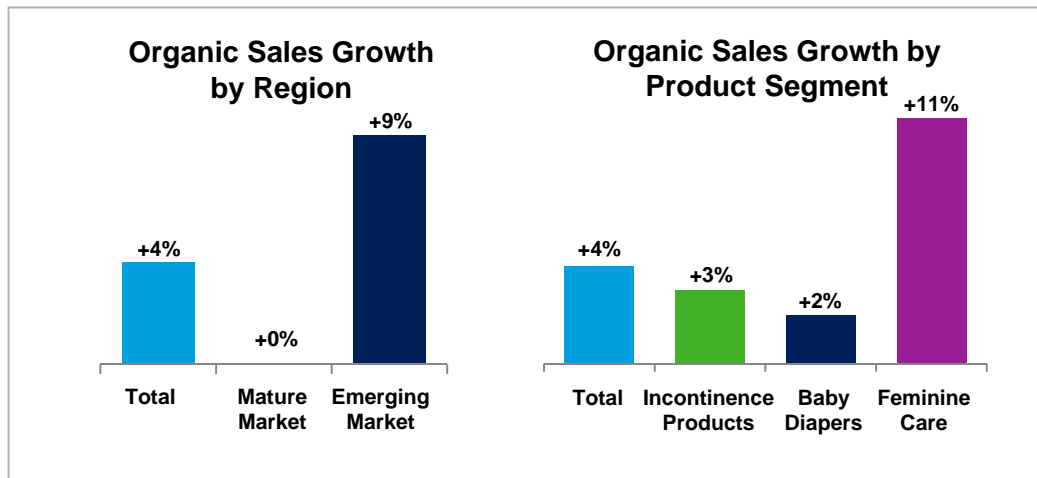
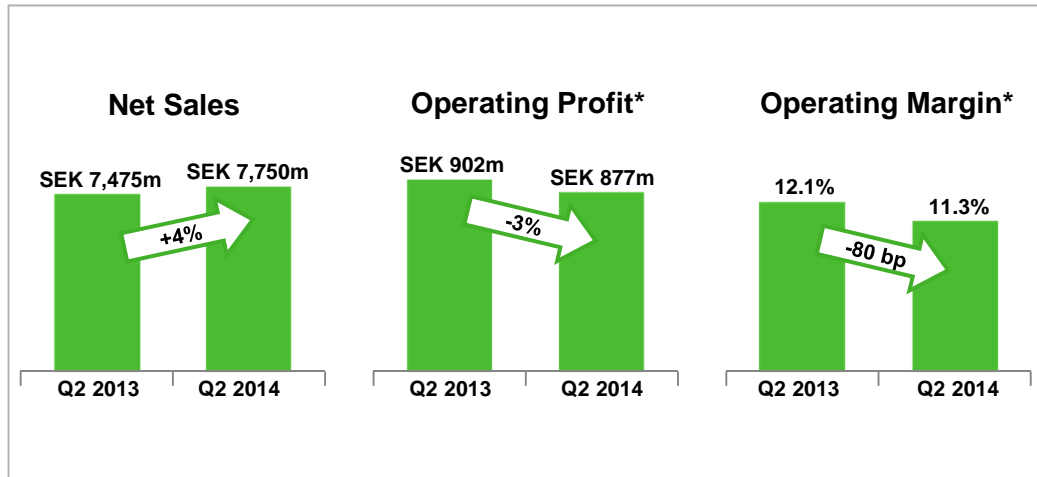
SEK millions	Q2	Q2	Change
unless otherwise stated	2014	2013	%
Net sales	25,829	23,119	12
Operating profit*	2,934	2,278	29
Operating margin* (%)	11.4	9.9	
Profit before tax*	2,739	2,051	34
Earnings per share (SEK)	2.54	1.63	56
Operating cash flow	2,060	1,606	28
Debt/Equity ratio	0.56	0.54	



* Excluding items affecting comparability and including gains on forest swaps of SEK 175m (0) before tax

Personal Care

Q2 2014 vs Q2 2013



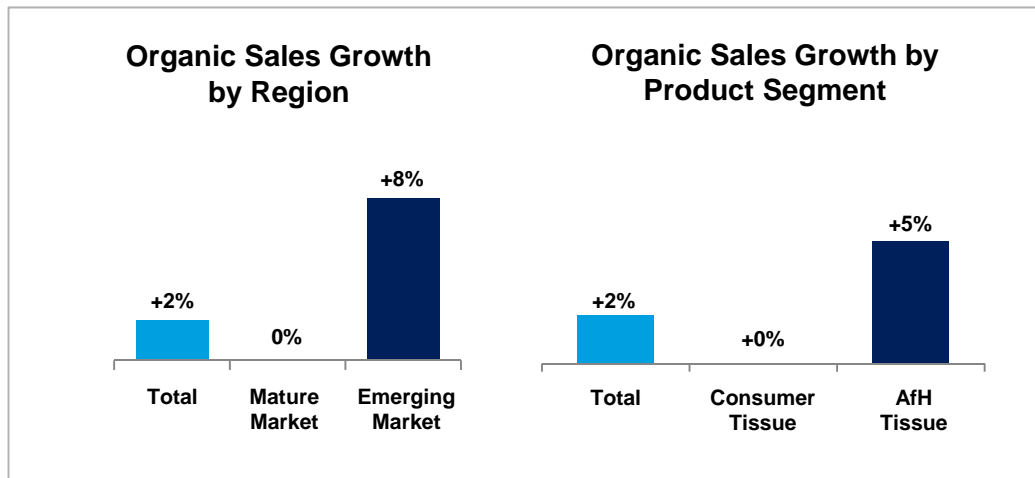
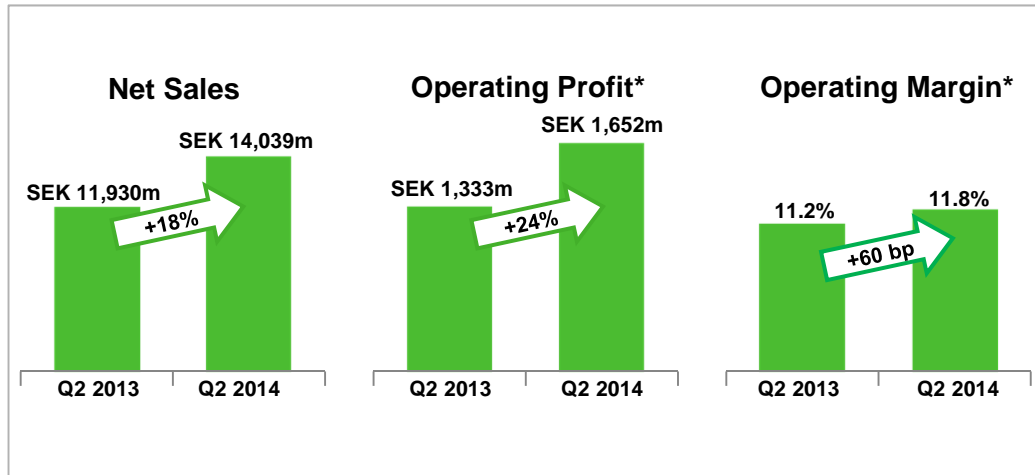
- **Sales growth 4%**
- **Organic sales growth 4%**
 - ◆ Price/mix +2%
 - ◆ Volume +2%
 - ◆ Strong growth in emerging markets
 - ◆ Growth in all product segments
 - ◆ Strong growth for feminine care
- **Operating profit decreased 3%***
 - ◆ Better price/mix
 - ◆ Higher volumes
 - ◆ Cost savings
 - ◆ Higher raw material costs
 - ◆ Negative transaction exchange rate effects due to weakened currencies in emerging markets
- **Operating margin 11.3%***



* Excluding items affecting comparability

Tissue

Q2 2014 vs Q2 2013



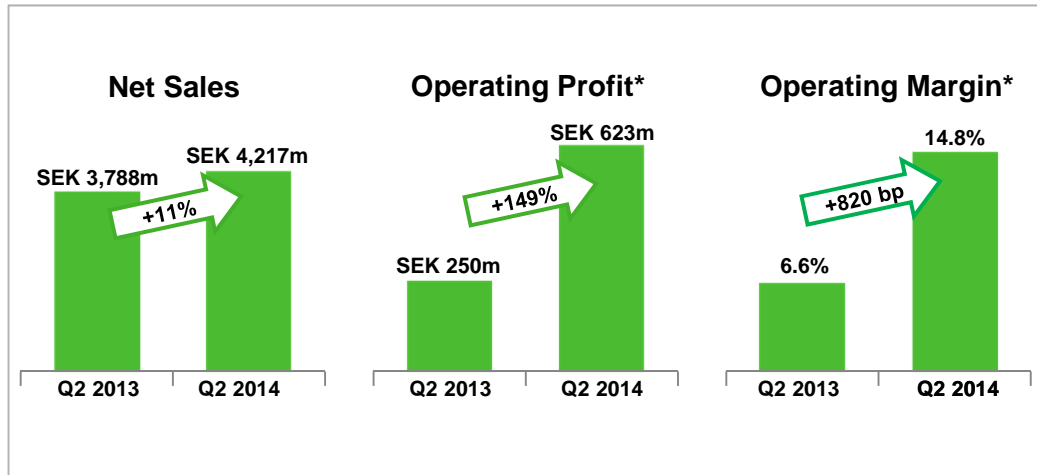
- **Sales growth 18%**
- **Organic sales growth 2%**
 - ◆ Price/mix +1%
 - ◆ Volume +1%
 - ◆ Strong growth in emerging markets
 - ◆ Good growth for AfH tissue
- **Operating profit increased 24%***
 - ◆ Better price/mix
 - ◆ Higher volumes
 - ◆ Cost savings
 - ◆ Acquisition in China
 - ◆ Lower raw material and energy costs
- **Operating margin 11.8%***



* Excluding items affecting comparability

Forest Products

Q2 2014 vs Q2 2013



- **Sales growth 11%**
 - ◆ Price/mix +6%
 - ◆ Volume +4%
 - ◆ Currency +1%
 - ◆ Growth in all product segments
- **Operating profit increased 149%***
 - ◆ Higher prices
 - ◆ Cost savings
 - ◆ Gains on forest swaps
 - ◆ Higher energy costs
 - ◆ Higher harvesting costs
- **Operating margin 14.8%***



* Excluding items affecting comparability and including gains on forest swaps of SEK 175m (0) before tax

Summary

Q2 2014 vs. Q2 2013



- Stable market demand in mature markets and higher market demand in emerging markets
- Good organic sales growth
- Strong increase of EBIT and EBIT-margin
- Efficiency programs delivering according to plan
- Several launches of new innovations and products
 - ◆ Libero, Libresse, TENA and Tork
- Floated joint venture in Australia, New Zealand and Fiji
- SCA and Vinda to integrate hygiene business in China



Q&A





SCA
Care of Life

