



# Interim Report

1 January – 30 September 2010



# Q3 2010 vs Q3 2009

## SCA market update



### ▪ Significantly increased raw material prices

- ◆ Pulp, OCC, recovered paper
- ◆ Raw material costs increased SEK 1.8bn

### ▪ Stronger SEK to other currencies

- ◆ Negative sales impact of SEK 1.5bn equivalent to 6%

### ▪ Hygiene business

- ◆ Good growth for Incontinence care, Feminine care and AFH tissue
- ◆ Continued good growth in emerging markets

### ▪ Packaging and Forest Products

- ◆ Increased demand for Packaging
  - Corrugated volumes increased 4%
- ◆ Publication paper volumes flat
- ◆ Increased volumes for solid-wood products and pulp



# Q3 2010 results



<b>SEK millions</b> unless otherwise stated	<b>Q3 2010</b>	<b>Q3 2009</b>	<b>Change, Q3/Q3,%*</b>	<b>Change, Q3/Q3,%**</b>	<b>Q2 2010</b>
Net sales	27,204	27,108	0	6	27,652
EBIT*	2,574	2,576	0	2	2,440
EBIT margin* (%)	9.5	9.5			8.8
Profit before tax*	2,274	2,199	3		2,196
Earnings per share (SEK)	1.95	1.82	7		2.04
Cash flow from current operations	2,194	4,259			1,668

\* Excluding restructuring cost

\*\* Adjusted for exchange rate movements



# First nine months 2010 results



<b>SEK millions</b>	<b>9M</b>	<b>9M</b>	<b>Change,</b>	<b>Change,</b>
unless otherwise stated	<b>2010</b>	<b>2009</b>	<b>%*</b>	<b>%**</b>
Net sales	81,578	83,350	-2	4
EBIT*	7,041	7,080	-1	2
EBIT margin* (%)	8.6	8.5		
Profit before tax*	6,218	5,724	9	
Earnings per share (SEK)	5.53	5.06	9	
Cash flow from current operations	5,010	8,946		
Debt/Equity ratio	0.59	0.64		

\* Excluding restructuring cost

\*\* Adjusted for exchange rate movements

# Q3 2010 vs. Q2 2010

## Summary



### ■ Group

- ◆ Sales flat\*
- ◆ EBIT increased 7%\*\*
- ◆ Profit before tax increased 4%

### ■ Business areas

- ◆ Personal Care, EBIT decreased 5%\*\*
  - Higher raw material costs
- ◆ Tissue, EBIT decreased 4%\*\*
  - Higher prices
  - Higher raw material costs and lower volumes
- ◆ Packaging, EBIT increased 77%\*\*
  - Higher prices
- ◆ Forest Products, EBIT flat
  - Slightly higher prices
  - Higher energy costs

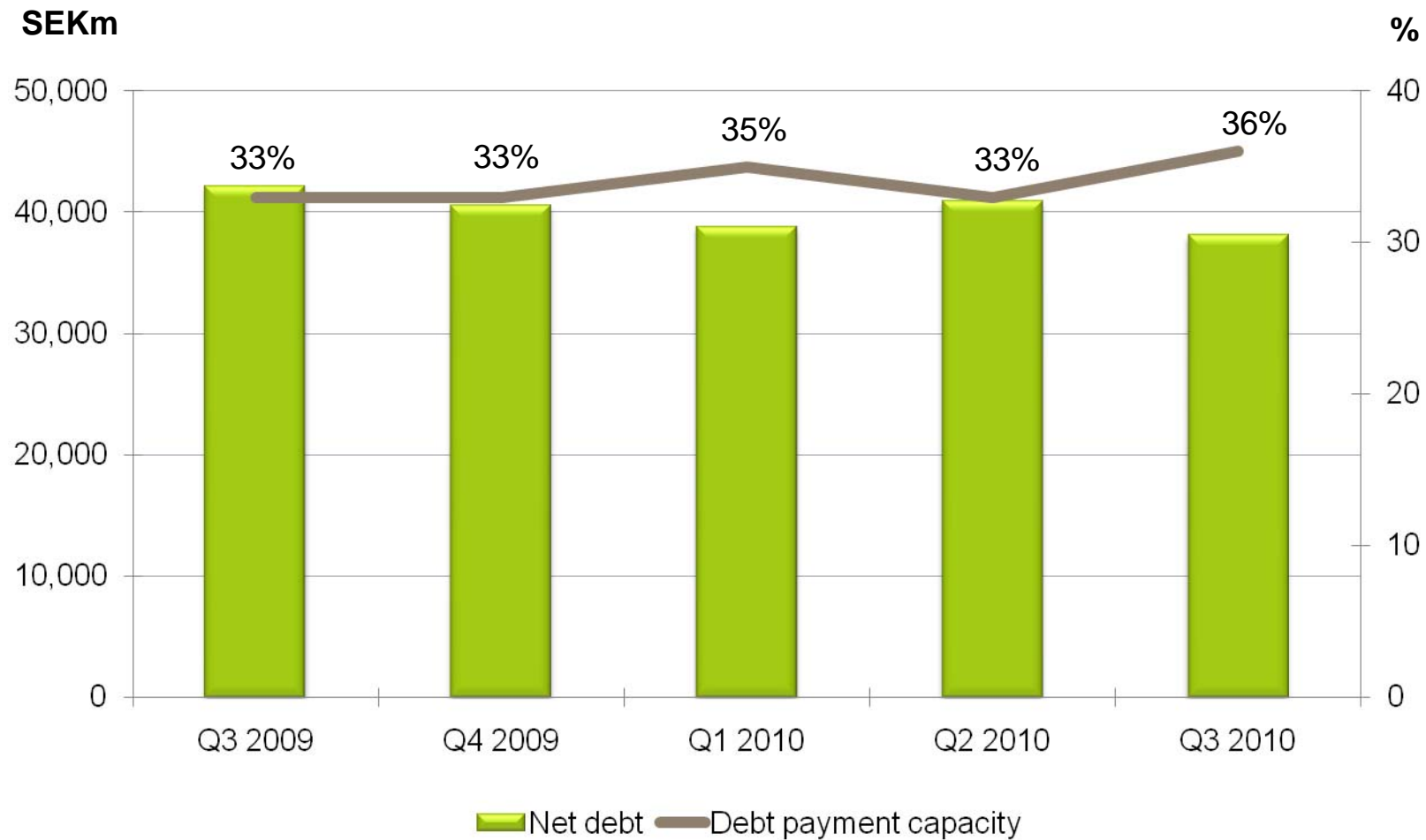
\* Adjusted for exchange rate movements

\*\* Excluding restructuring costs and adjusted for exchange rate movements



# Net debt

## And debt payment capacity



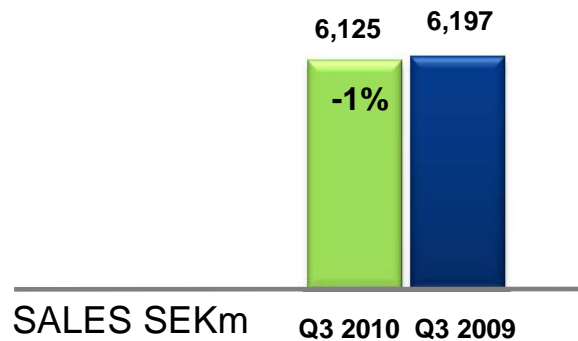
# Personal Care

Q3 2010 vs Q3 2009



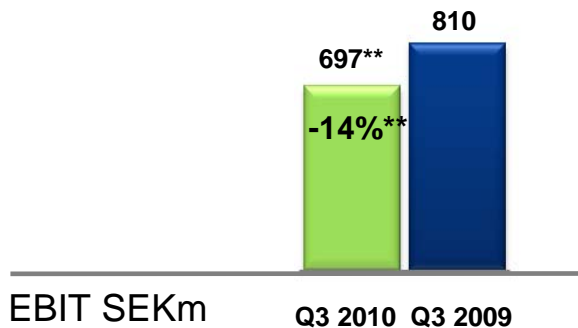
## ■ Sales decreased 1% (+2%\*)

- ◆ Incontinence care increased 4%\*
- ◆ Feminine care increased 5%\*
- ◆ Baby diapers decreased 4%\*
- ◆ Emerging markets increased 7%\*
  - ◆ Incontinence care increased 14%\*



## ■ EBIT decreased by 14%\*\* (-11%\*\*\*)

- ◆ Higher volumes
- ◆ Higher raw material cost
- ◆ Increased market activities



EBIT margin 11.4%\*\* 13.1%

\* Adjusted for exchange rate movements

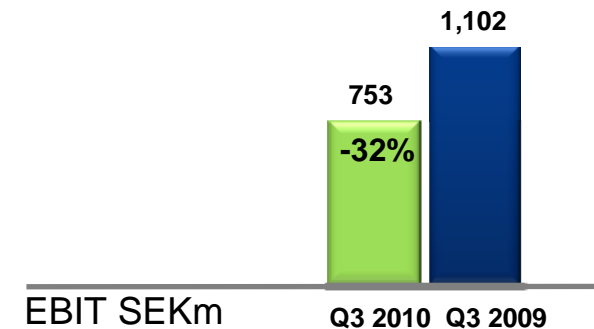
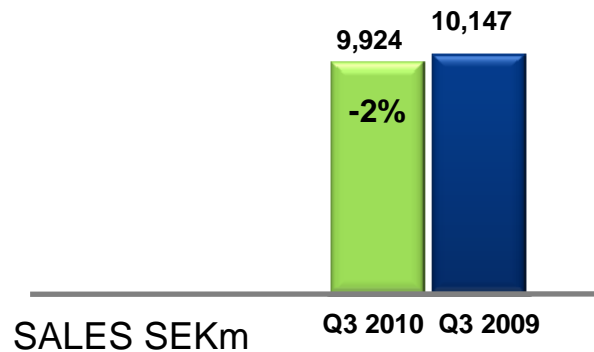
\*\* Excluding restructuring costs

\*\*\* Excluding restructuring costs and adjusted for exchange rate movements



# Tissue

Q3 2010 vs Q3 2009



EBIT margin      7.6%   10.9%

\* Adjusted for exchange rate movements

## ■ Sales decreased 2% (+2%\*)

- ◆ Consumer tissue increased 1%\*
- ◆ AFH tissue increased 4%\*

## ■ EBIT decreased by 32% (-31%\*)

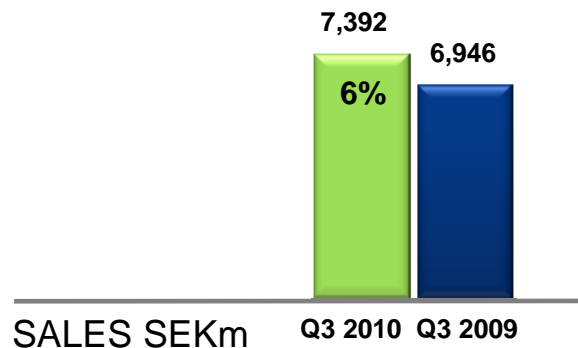
- ◆ Higher raw material costs
- ◆ Higher prices
- ◆ Synergies from acquisition
- ◆ Lower other production costs and energy costs





# Packaging

## Q3 2010 vs Q3 2009

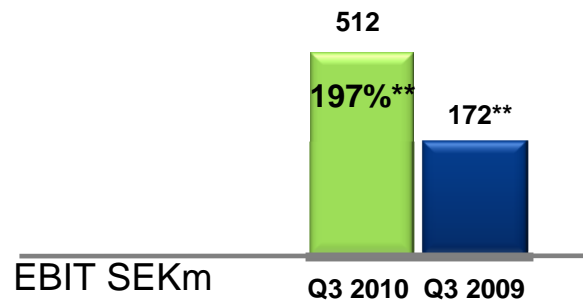


- **Sales increased by 6% (24%\*)**

- ◆ Higher prices and volumes

- **EBIT increased to SEK 512m (172)\*\***

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



EBIT margin      6.9%    2.5\*\*%

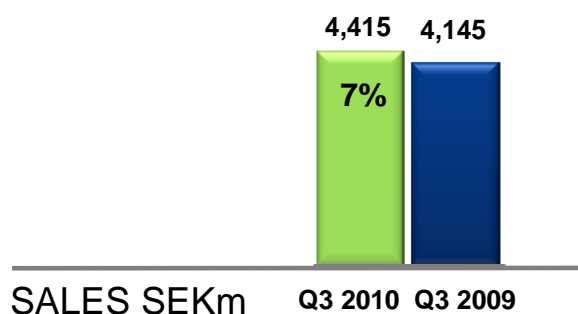
\* Adjusted for the divestment of the Asian packaging business and exchange rate movements

\*\* Excluding restructuring costs

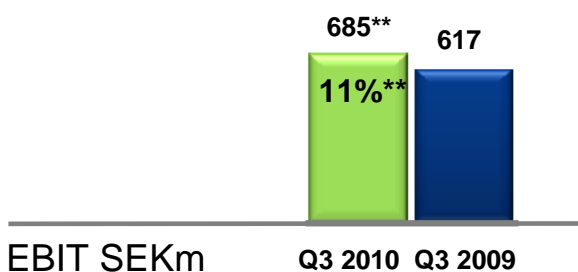


# Forest Products

Q3 2010 vs Q3 2009



SALES SEKm Q3 2010 Q3 2009



EBIT SEKm Q3 2010 Q3 2009

EBIT margin 15.5%\*\* 14.9%

\* Adjusted for exchange rate movements

\*\* Excluding restructuring costs

\*\*\* Excluding restructuring costs and adjusted for exchange rate movements

## ■ Sales increased by 7% (8%\*)

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

## ■ EBIT increased by 11%\*\* (7%\*\*\*)

- ◆ Publication papers, decreased EBIT
  - Lower prices
  - Increased raw material costs
- ◆ Pulp and Solid-wood products, increased EBIT
  - Higher prices and volumes



# Outlook 2010



## ■ Hygiene businesses

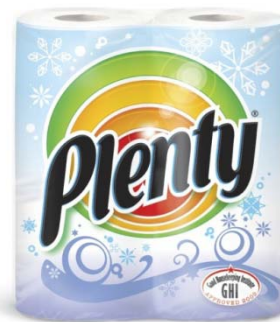
- ◆ Good demand
- ◆ Seasonally weaker demand in Q4 for AFH tissue North America
- ◆ Full impact in Q4 of price increases in Tissue

## ■ Packaging

- ◆ Seasonally weaker demand in Q4
- ◆ Increasing prices

## ■ Forest Products

- ◆ Good demand





# Q & A

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*c/o Life* Because our products make life easier for you and for millions of people around the world. Because our resources and the way we work are natural parts of the global lifecycle. And because we care.

