

SCA Interim Report



1 January – 30 September 2008



Jan Johansson, President and CEO

■ Hygiene businesses

- ◆ Stable demand in the main markets
- ◆ Continued strong growth in emerging markets



■ Packaging and Forest Products

- ◆ Lower demand for packaging and solid-wood products
- ◆ Liner and solid-wood products inventory levels are still too high
- ◆ Improved market balance in publication papers



■ Group

- ◆ Sales growth of 5% currency adjusted
- ◆ EBIT decline of 19%
- ◆ Price increases not enough to offset higher raw material and energy costs

■ Business Areas

- ◆ Strong profit and sales growth in Tissue
- ◆ Stable performance in Personal Care
- ◆ Profit decrease in Packaging and Forest Products



Q3 2008 results

SEK millions

unless otherwise stated

	Q3 2008	Q3 2007	Change, %
Net sales	27,438	26,362	4
EBIT	2,046	2,526	-19
EBIT margin (%)	7.5	9.6	
Profit before tax	1,438	2,019	-29
Earnings per share (SEK)	1.78	2.87	-38
Operating cash flow	2,476	3,084	-20

Nine Months 2008 results

SEK millions	9M	9M	
unless otherwise stated	2008	2007	Change, %
Net sales	82,290	78,105	5
EBIT	6,716	7,256	-7
EBIT margin (%)	8.2	9.3	
Profit before tax	5,087	5,895	-14
Earnings per share (SEK)	5.92	7.13	-17
Operating cash flow	5,127	5,888	-13
Debt/Equity ratio	0.67	0.53	



Solid financing structure

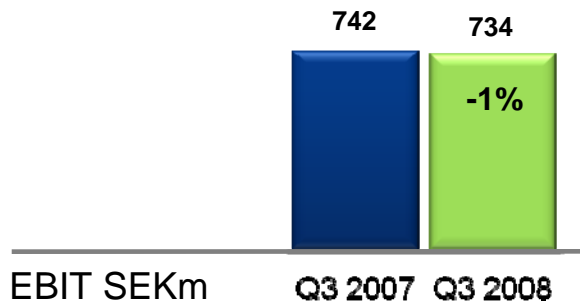
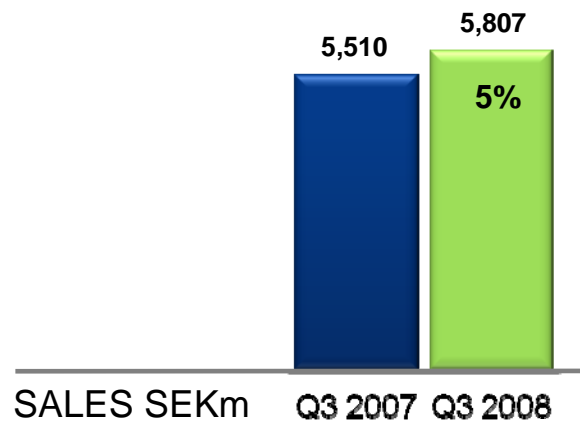
As of 28 October 2008

- Commercial papers SEK 12.4bn
- Unutilized long-term committed credit facilities of SEK 20.2bn
- Cash and cash equivalents of SEK 4bn



Personal Care

Q3 2008



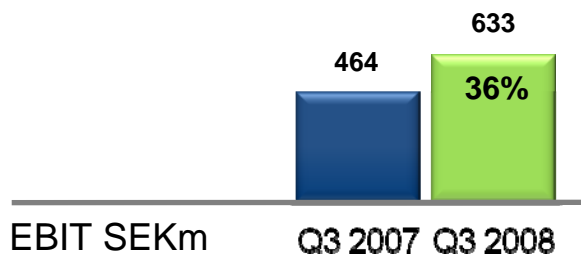
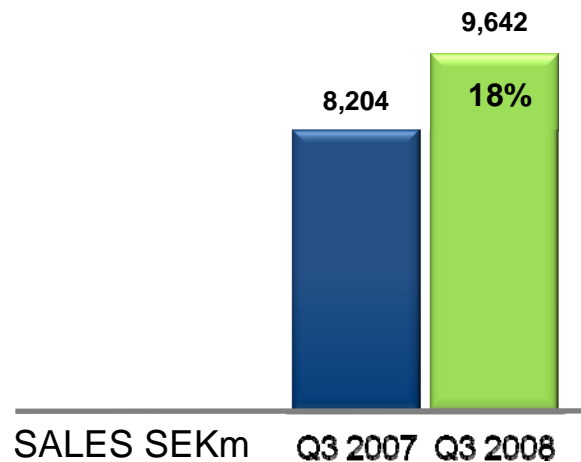
EBIT margin 13.5% 12.6%

- **Sales increased by 5%**
 - ◆ *Incontinence care, 7% sales growth*
 - Growth in Retail and Health Care
 - Good growth in Russia and Eastern Europe
 - ◆ *Baby diapers, 6% sales growth*
 - Strong growth in emerging markets
 - ◆ *Feminine care, 4% sales growth*
 - Positive volume growth
- **Volume growth of 4%**
- **Sales growth in emerging markets 13%***
- **EBIT decreased by 1%**
 - ◆ Improved product mix
 - ◆ Increasing raw material costs
 - ◆ Negative impact from technology shift in baby diapers

* Currency adjusted

Tissue

Q3 2008



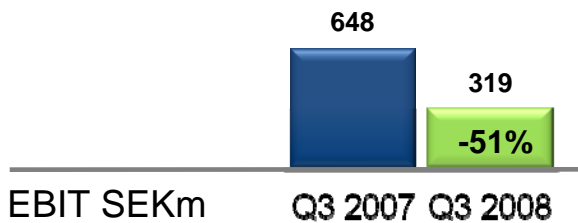
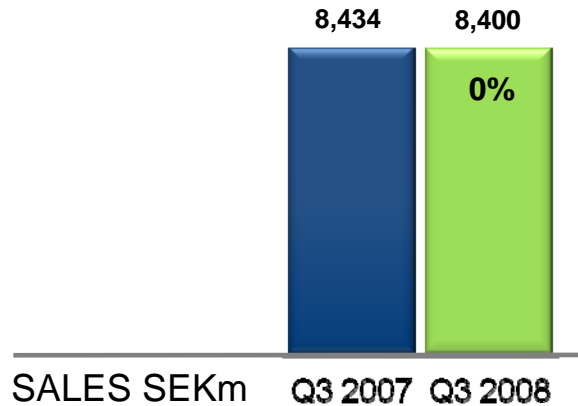
EBIT margin 5.7% 6.6%

- **Sales increased by 18%**
 - ◆ *Consumer tissue, 30% sales growth*
 - Sales growth adjusted for acquisition 8%
 - Price increases and volume growth
 - ◆ *AFH tissue, 3% sales growth*
 - 6% sales growth currency adjusted
 - Price increases in all regions
- **Volume growth of 15%, adjusted for acquisition 3%**
- **Sales growth in emerging markets 21%***
- **EBIT increased by 36%**
 - ◆ Increased prices
 - ◆ Impact from acquisition
 - ◆ Higher raw material and energy costs

* Currency adjusted

Packaging

Q3 2008

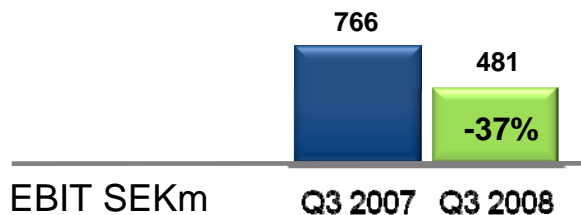
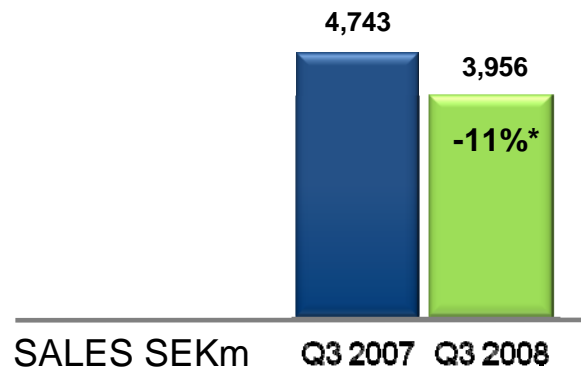


EBIT margin 7.7% 3.8%

- **Stable sales**
 - ◆ Higher prices offset lower volumes in Europe
- **EBIT decreased by 51%**
 - ◆ Increased corrugated prices
 - ◆ Higher raw material, energy and transportation costs
 - ◆ Production downtime
 - ◆ External export sales of liner

Forest Products

Q3 2008



Category	Q3 2007	Q3 2008
EBIT margin	16.2%	12.2%

- **Sales decrease of 11% adjusted for transport operations***

- ◆ *Publication papers, stable sales*

- Higher prices
- Lower volumes
- Negative currency effects

- ◆ *Solid-wood products, lower sales*

- Lower prices and volumes

- **EBIT decreased by 37%**

- ◆ *Solid-wood products*

- Profit decrease of SEK 250m
- Lower prices and volumes
- Production downtime
- Higher raw material costs

- ◆ *Publication papers*

- Price increase of 6% did not compensate for raw material and energy cost increases

* Adjusted for the transport operations now included in other income

Outlook



- Continued strong hygiene businesses
- Packaging and solid-wood products remain under pressure
- Price increases for publication papers

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