



SCA Interim Report

1 January – 31 March 2009



Q1 2009

General market update



- Global GDP expectations -2.1% for 2009
- EURO area industrial production expectations -14% for 2009
- Hygiene business
 - ◆ Stable demand in mature markets
 - ◆ Continued good growth in emerging markets
- Packaging and Forest Products
- Weak demand for packaging
 - ◆ Western European demand -10%*
- Weak demand for solid-wood products and publication papers
 - ◆ European demand for magazine paper -20%**
 - ◆ European demand for newsprint -14%**



* Year to date February 2009 vs 2008 adjusted for fewer working days

** Q1 2009 vs Q1 2008

Q1 2009

SCA business market update



Hygiene business

- Stable demand in mature markets
- Continued good growth in emerging markets

Packaging and Forest Products

- Continuous weak demand for Packaging
- Stable demand for solid-wood products and publication papers



Q1 2009 results



SEK millions	Q1	Q1	Change,	Q4
unless otherwise stated	2009	2008	%	2008
Net sales	28,327	27,513	3	28,159
EBIT	2,136	2,471	-14	1,838
EBIT margin (%)	7.5	9.0		6.5
Profit before tax	1,511	1,946	-22	1,150
Earnings per share (SEK)	1.58	2.18	-28	2.02
Cash flow from current operations	1,640	-19		1,632
Debt/Equity ratio	0.70	0.58		0.70



Q1 2009 vs Q4 2008

Summary

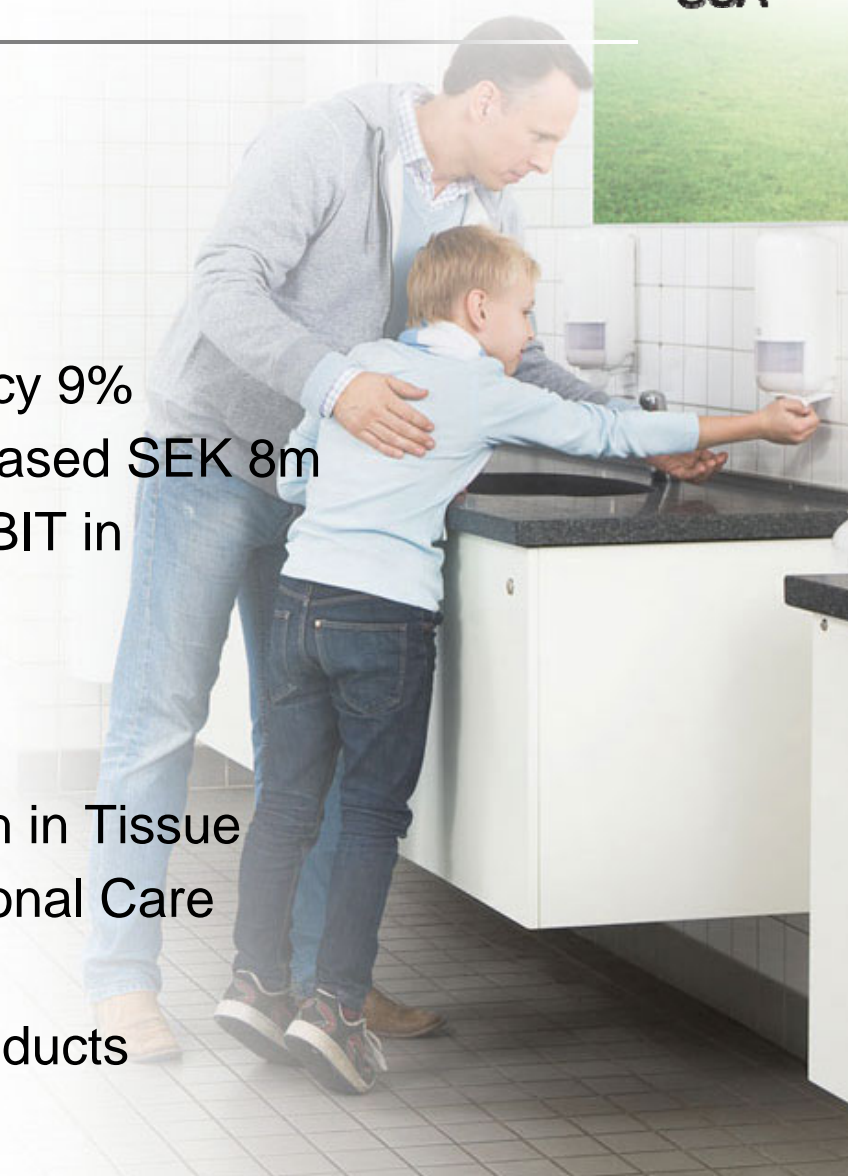


Group

- Sales growth of 1%, currency 5%
- EBIT increased 16%, currency 6%
- Profit before tax increased 31%, currency 9%
- Cash flow from current operations increased SEK 8m
- Higher EBIT mainly due to increased EBIT in Tissue and Forest Products

Business areas

- Increased sales and strong profit growth in Tissue
- Increased sales but lower profit in Personal Care
- Lower sales and profit in Packaging
- Sales and profit increased in Forest Products

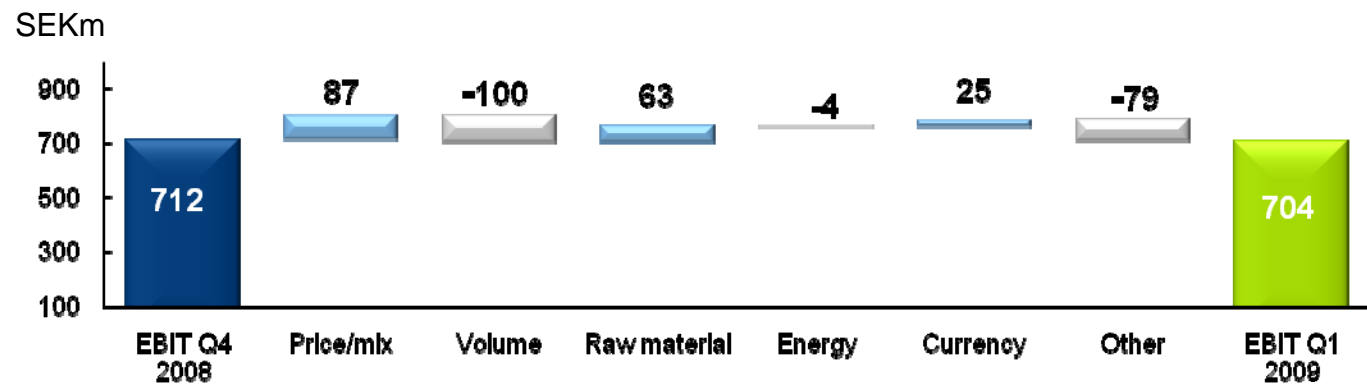


Q1 2009 vs Q4 2008

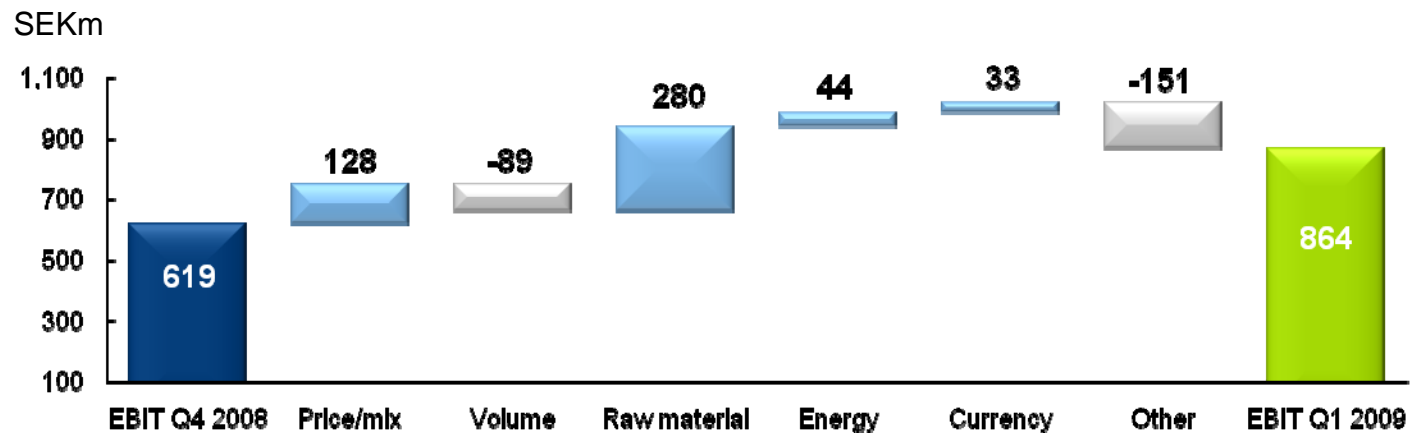
Personal Care and Tissue



- Personal Care, EBIT decreased 1%



- Tissue, EBIT increased 40%

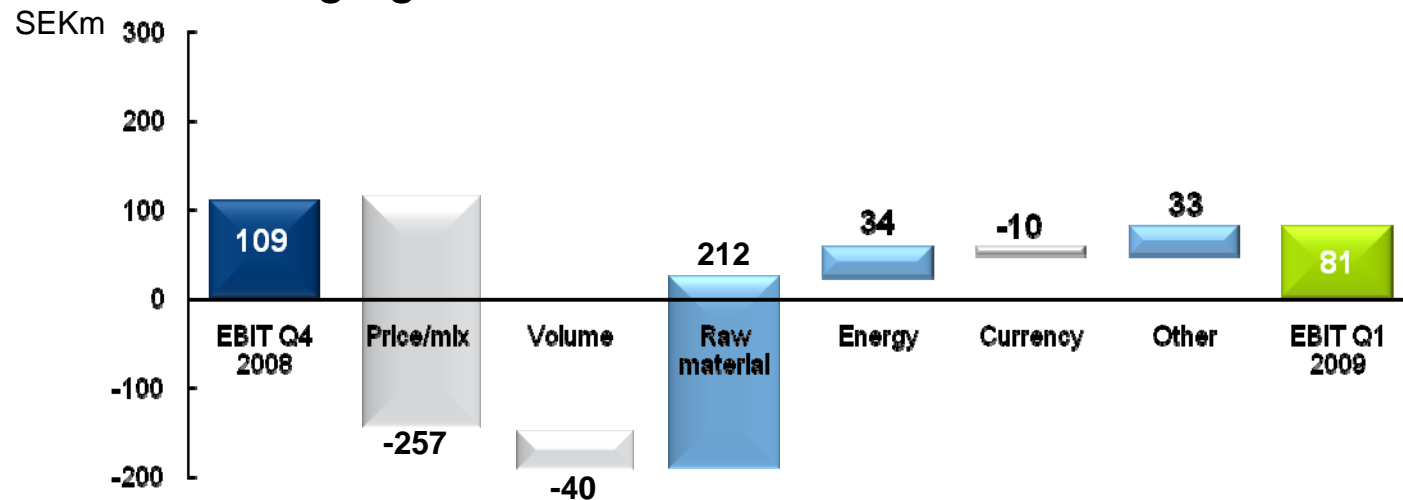


Q1 2009 vs Q4 2008

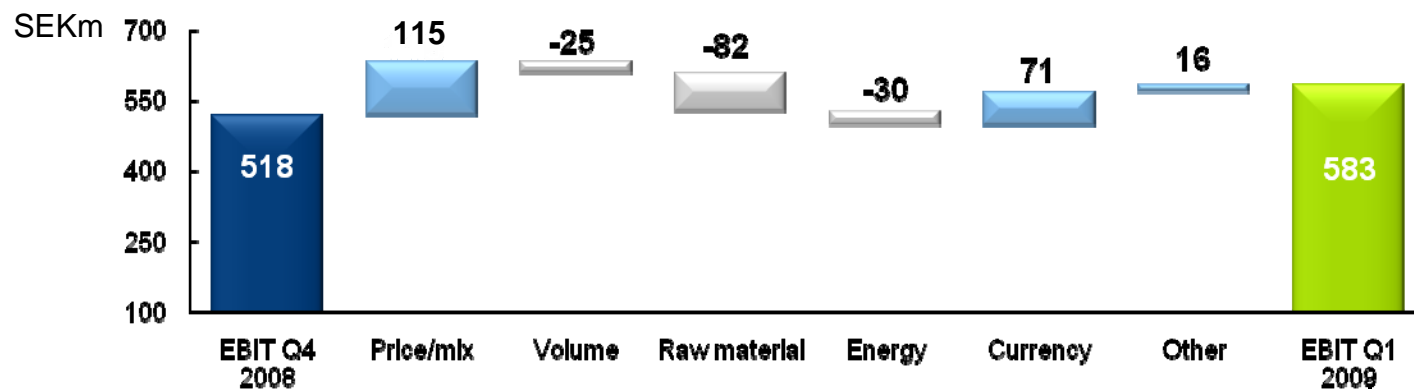
Packaging and Forest Products



- Packaging, EBIT decreased 26%



- Forest Products, EBIT increased 13 %



Q1 2009 vs Q1 2008

Summary



Group

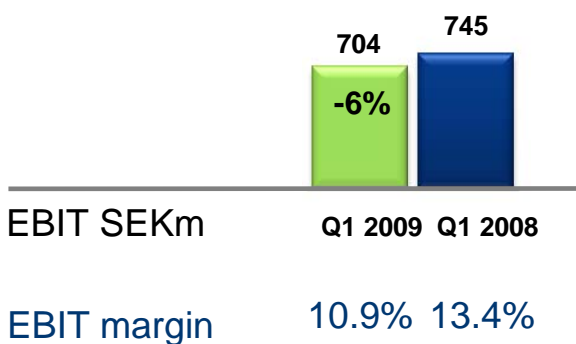
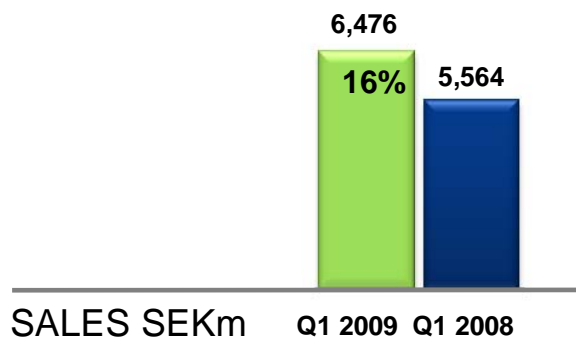
- Sales growth of 3%, currency 11%
- Hygiene sales growth in emerging markets of 21%, currency 6%
- EBIT decline of 14%, currency 6%
- Profit before tax decreased 22%, currency 3%
- Cash flow from current operations increased SEK 1,659m
- Higher prices and lower raw material costs did not compensate for lower volumes and increased energy and manufacturing costs

Business areas

- Strong sales and profit growth in Tissue
- Strong sales growth but lower profit in Personal Care
- Lower sales and significant profit decline in Packaging
- Stable sales but lower profit in Forest Products

Personal Care

Q1 2009 vs Q1 2008



- **Sales increased by 16%, currency 13%**

- ◆ *Incontinence care, 15% sales growth*
 - Healthcare sales increased 15%
- ◆ *Baby diapers, 21% sales growth*
 - Strong growth in emerging markets
- ◆ *Feminine care, 11% sales growth*
 - Good growth in Latin America and Europe

- **Sales growth in emerging markets 22%**

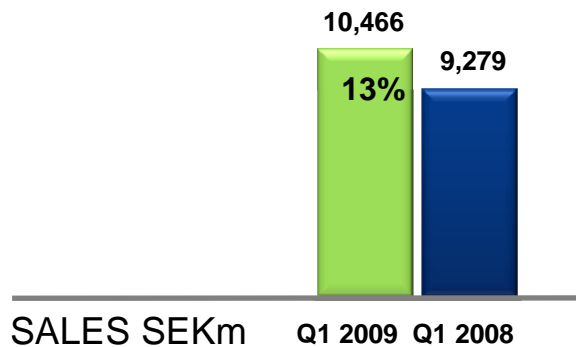
- **EBIT decreased by 6%, currency 4%**

- ◆ Higher prices and improved product mix, mainly in baby diapers
- ◆ Higher raw material costs
- ◆ Negative impact from technology shift in baby diapers
- ◆ Increased manufacturing and distribution costs



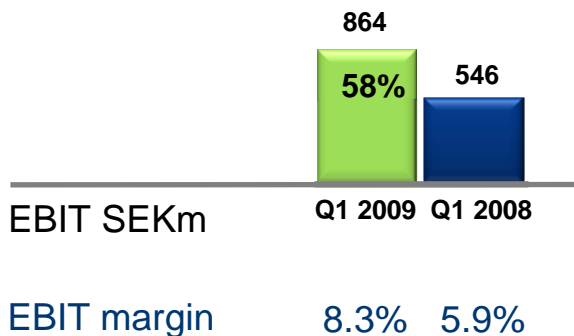
Tissue

Q1 2009 vs Q1 2008



- **Sales increased by 13%, currency 11%**

- ◆ *Consumer tissue, 14% sales growth*
 - Improved product mix
 - Higher prices
- ◆ *AFH tissue, 15% sales growth*
 - Improved product mix
 - Higher prices in all regions
 - Lower volumes



- **Sales growth in emerging markets 20%**

- **EBIT increased by 58%, currency 14%**

- ◆ Improved mix
- ◆ Lower raw material costs
- ◆ Acquisition synergies
- ◆ Higher marketing costs
- ◆ Higher prices
- ◆ Slightly higher energy costs



Packaging

Q1 2009 vs Q1 2008

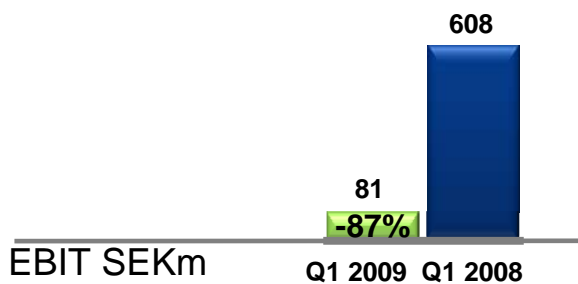
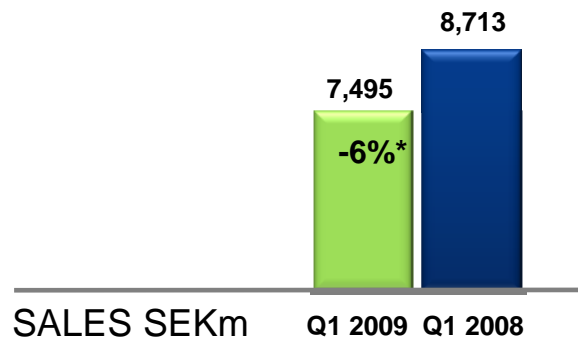


- **Sales decreased 6%*, currency 12%**

- ◆ Lower volumes and prices

- **EBIT decreased by 87%, currency 1%**

- ◆ Lower volumes and prices
- ◆ Production downtime 66,000 tonnes
- ◆ Lower raw material costs
- ◆ Reduced number of employees by approximately 1,000



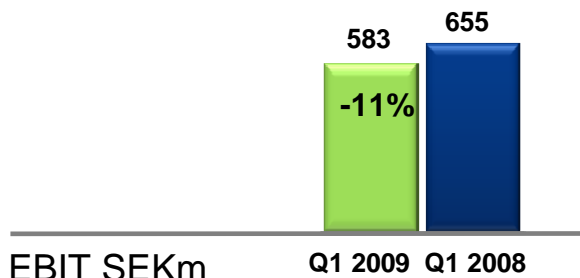
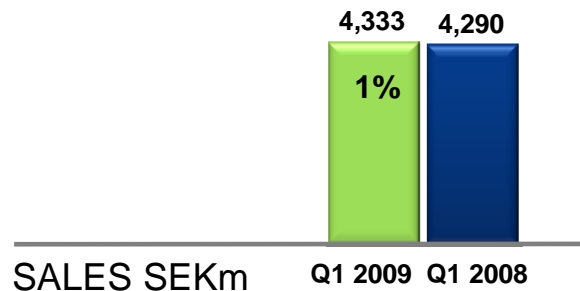
EBIT margin 1.1% 7.0%



* Adjusted for the divestment of the UK and Ireland conventional corrugated business

Forest Products

Q1 2009 vs Q1 2008



EBIT margin 13.5% 15.3%

- **Sales increase of 1%, currency 3%**
 - ◆ *Publication papers, increased sales*
 - Higher prices
 - ◆ *Solid-wood products, decreased sales*
 - Higher volumes
 - Lower prices
- **EBIT decreased by 11%, currency 6%**
 - ◆ *Publication papers, increased EBIT*
 - Higher prices
 - Increased raw material and energy costs
 - ◆ *Solid-wood products, decreased EBIT*
 - Lower prices
 - Higher raw material costs



Packaging



Market challenges

- High liner inventories
- Overcapacity
- Weak demand

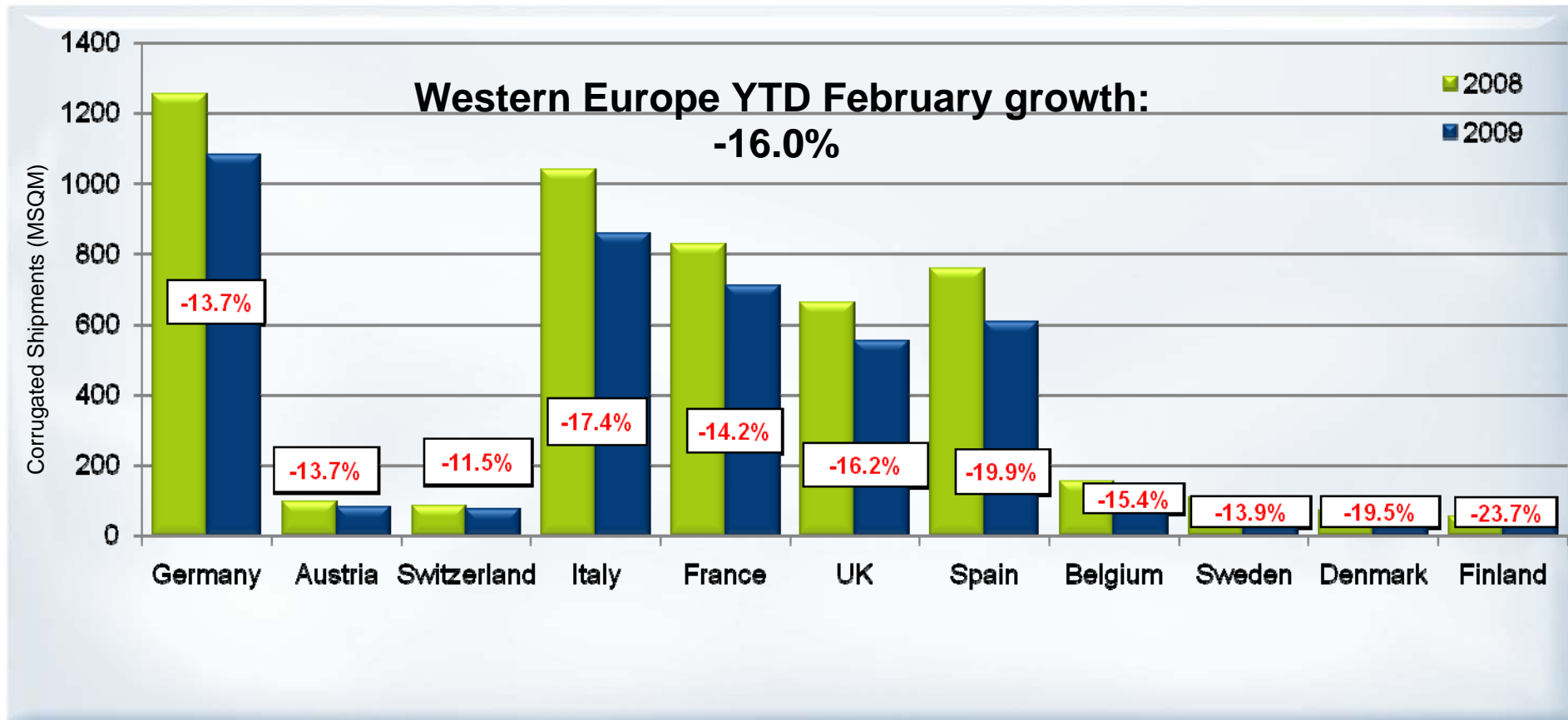


SCA response

- Production curtailments
- Earlier closure of New Hythe testliner mill
- Rationalization of units and work force

Corrugated market demand

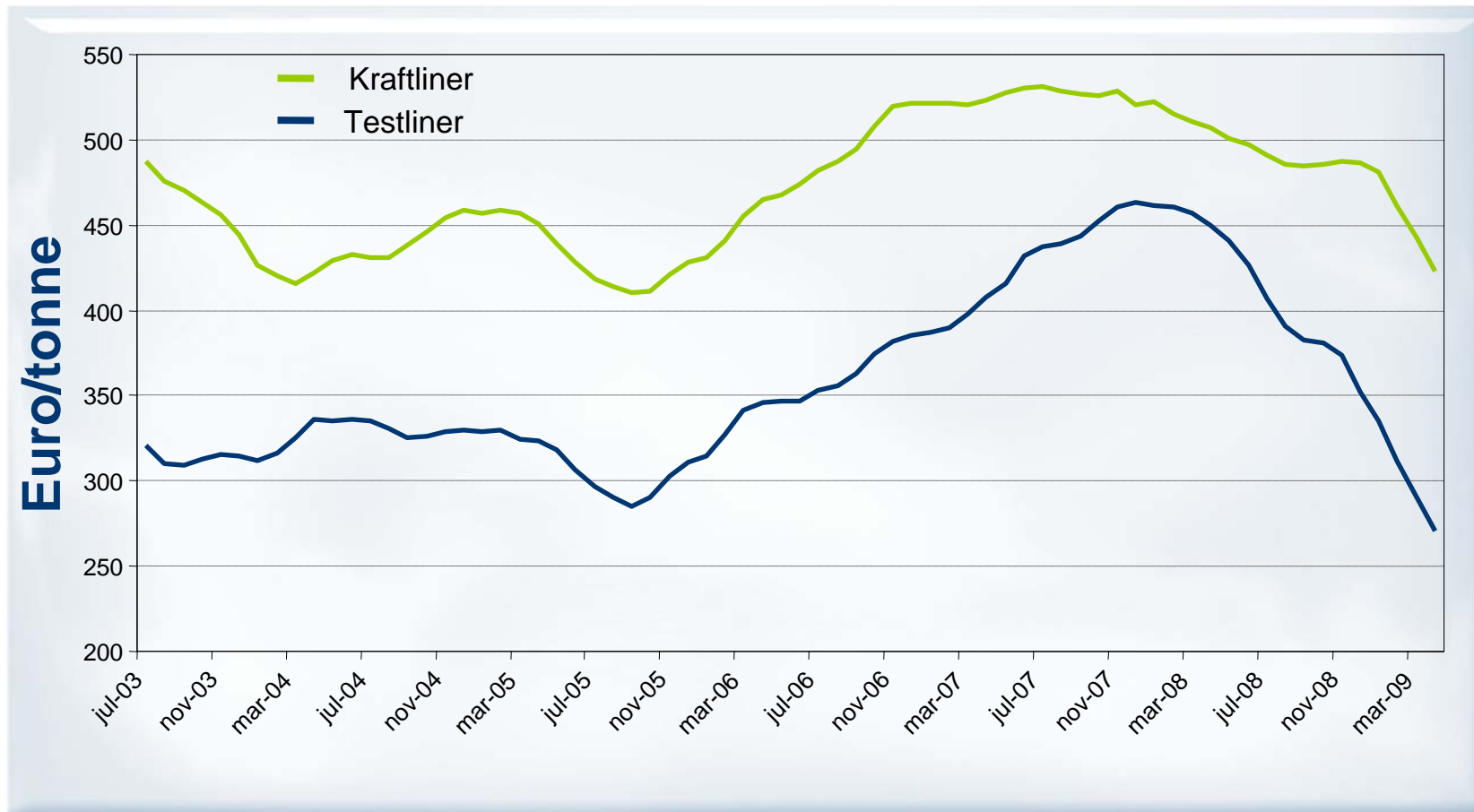
Western Europe -10%* adjusted for fewer working days



* Year to date February 2009 vs 2008

Containerboard

Price development – Testliner and Kraftliner



Source: FOEX

Containerboard

European recycled paper machines



Packaging

Immediate corrective measures

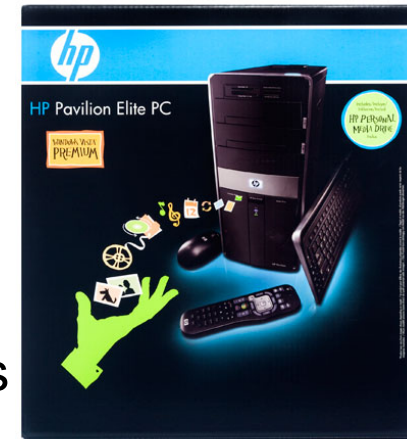


Containerboard

- Early closure of New Hythe testliner mill mid 2009 (capacity 260,000 tonnes)
- Headcount optimization

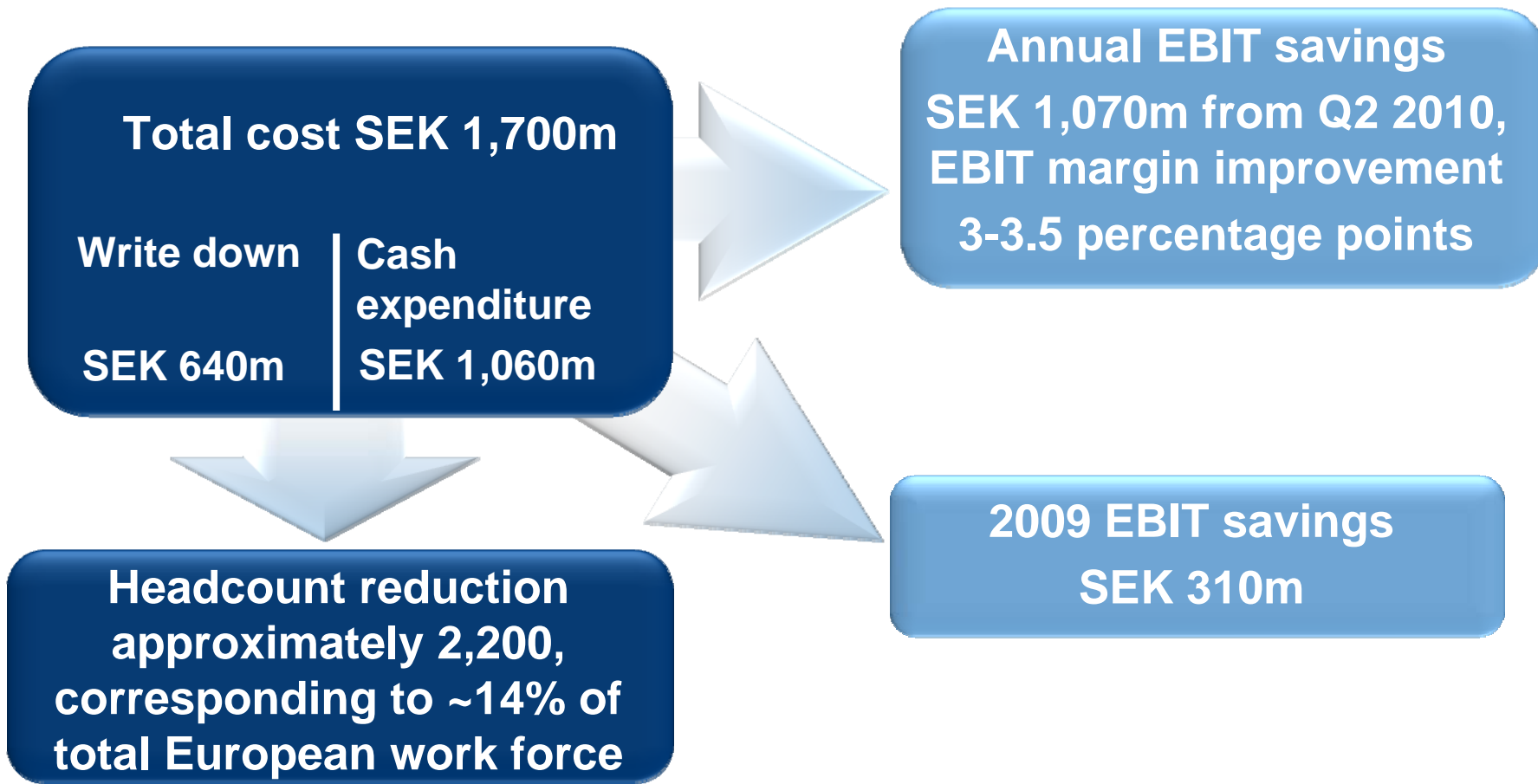
Corrugated

- Downsizing and optimization of businesses
- Closure of 11 corrugated units
- Productivity and product mix improvement at 50 units



Packaging

Efficiency potential



Packaging

Cost and cash flow impact



Cost distribution

2009

Q2	SEK 470m
Q3	SEK 250m
Q4	SEK 980m
Full year	SEK 1,700m

Net EBIT impact

2009

Q2	SEK -400m
Q3	SEK -160m
Q4	SEK -830m
Full year	SEK -1,390m

Cash flow impact*

2009

2010

Full year	SEK -170m	SEK 210m
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* Including savings

Outlook 2009



Q4 2008 guidance remains

Outlook 2009

- Hygiene businesses



Positive

- Packaging



Negative

- Forest Products



Stable



Q & A



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