

SCA

Capital Market Day 2011

Jan Johansson, President and CEO



Macro and economic outlook

Uncertainty rules

Standard & Poor's decision to downgrades US's credit rating to AA+



Behind America's 'Jobless Recovery'

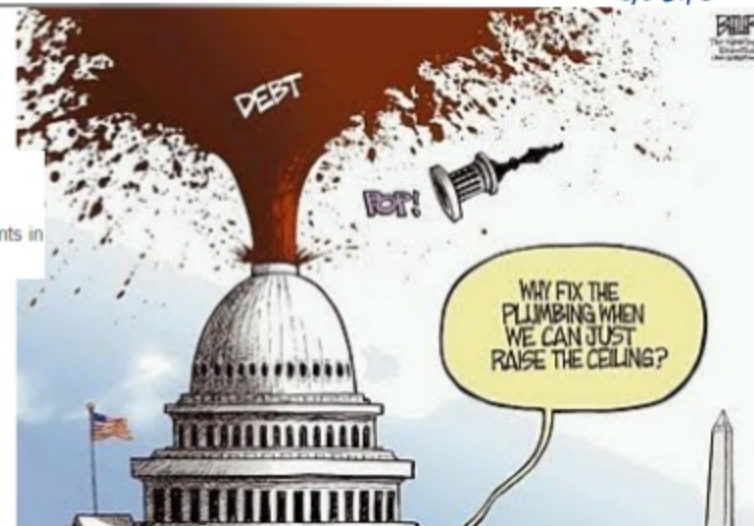
Increased manufacturing productivity and a dearth of qualified job applicants in sectors present an economic challenge for the U.S.

The Economist

The world economy

Sticky patch or meltdown?

How politicians could carelessly turn a temporary softening of the global recovery into something worse



Market's fear over the Euro

Measures to stabilize debt markets in the Eurozone

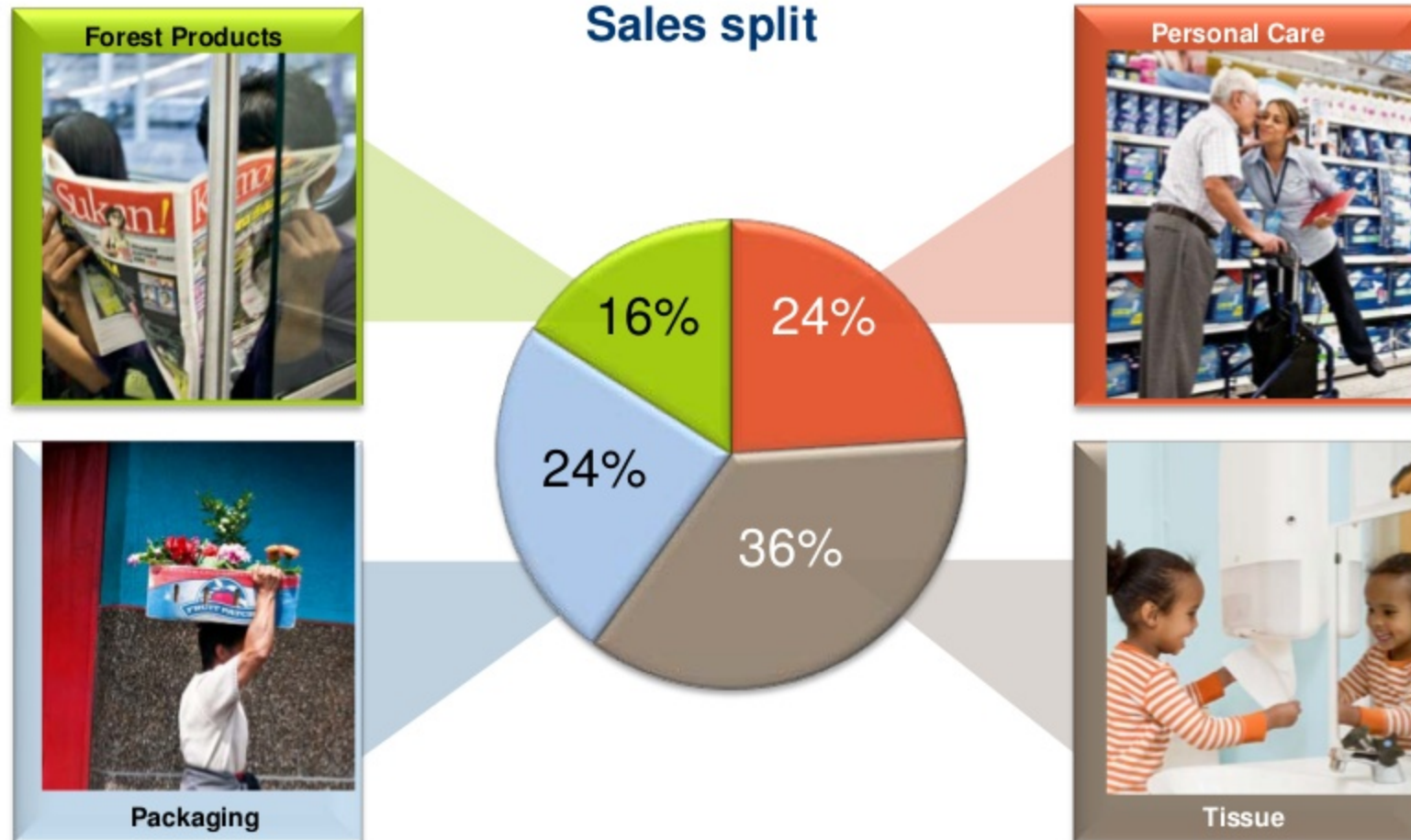


Inflation in China was reported at 6.4 percent in June of 2011



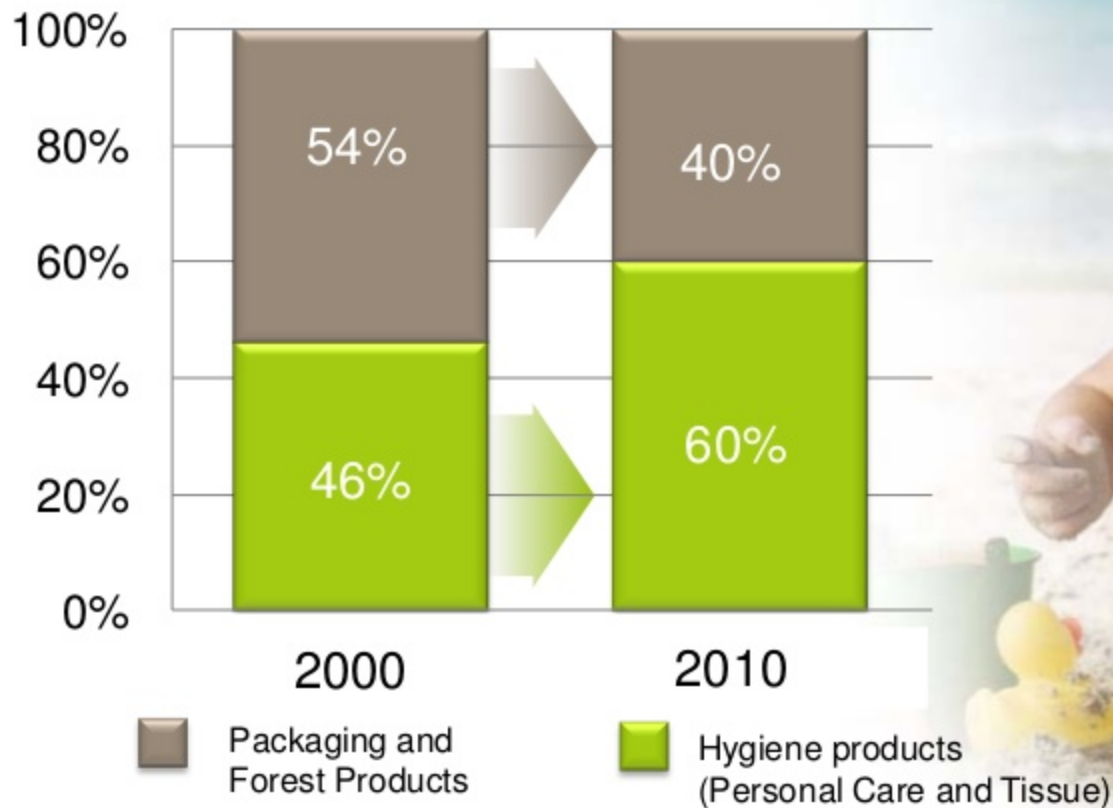
SCA Group

Sales split 2010



Increasing hygiene sales

% of net sales



Leading market positions

Global and regional

North America

AFH tissue: 3
Incontinence care: 3



Mexico

Incontinence care: 1
Tissue: 2
Feminine care: 1
Baby diapers: 3



Colombia

Incontinence care: 1
Feminine care: 1
Tissue: 1



Europe

Tissue: 1
Corrugated board: 2
Baby diapers: 2
Incontinence care: 1
Privately owned forests: 1
Solid-wood products: 2



Global

Incontinence care: 1
AFH tissue: 2

Australia

Feminine care: 1
Incontinence care: 1
Tissue: 2

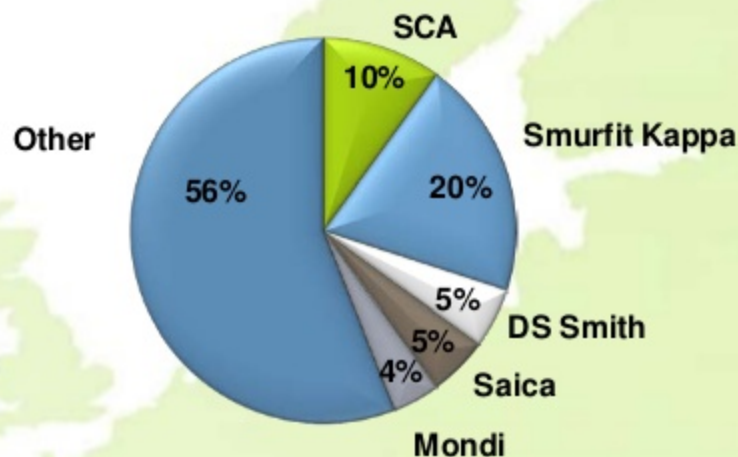


Packaging and Publication papers

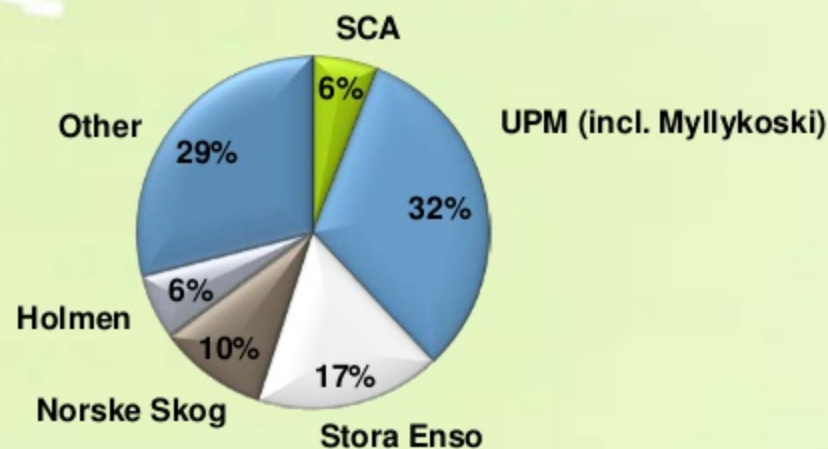
European market



Corrugated board



Publication papers

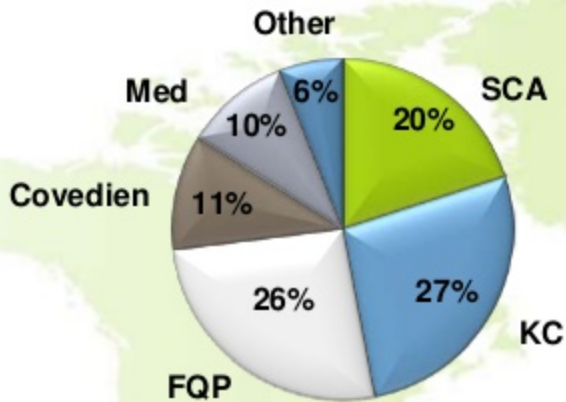


Incontinence care

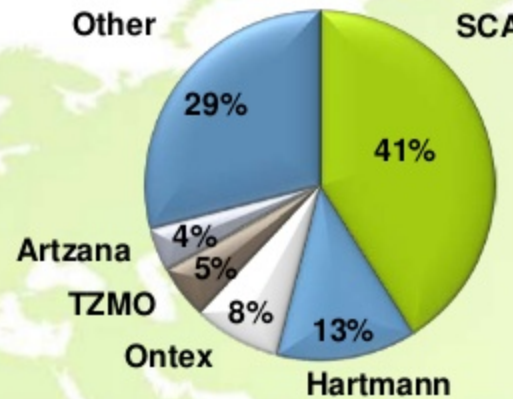
Market shares



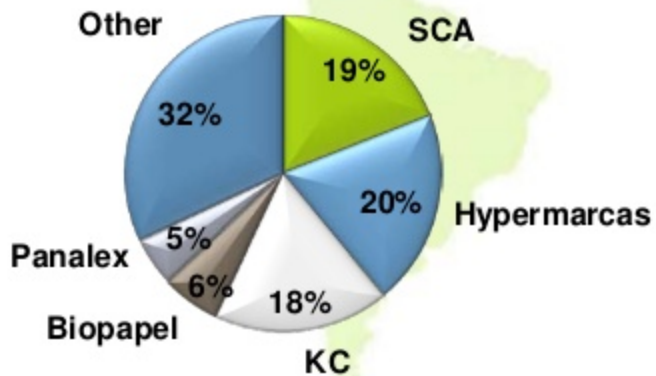
North America



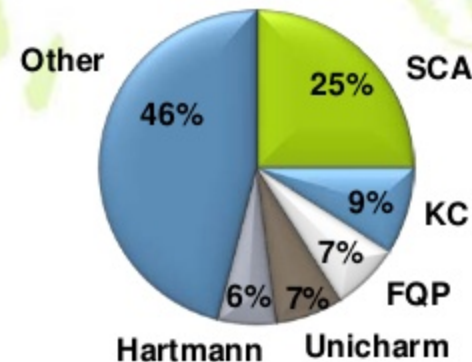
Europe



Latin America



Global



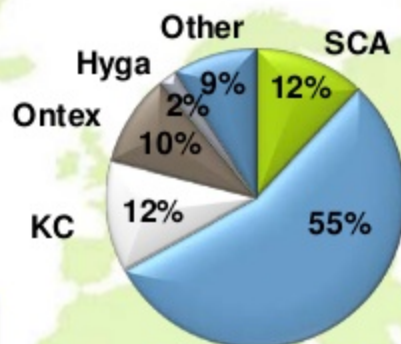
Baby diapers and Feminine care

Market shares

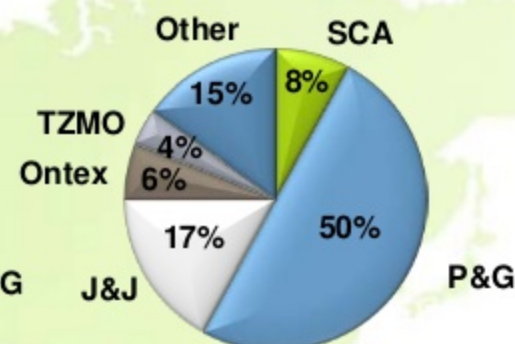


Europe

Baby diapers

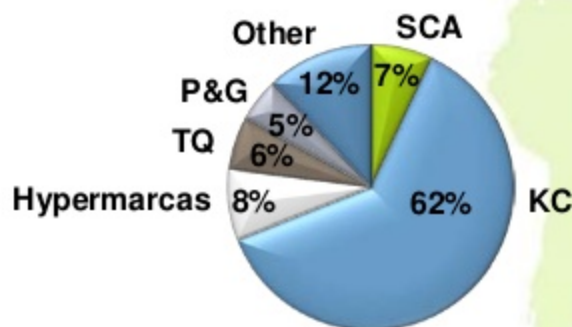


Feminine care

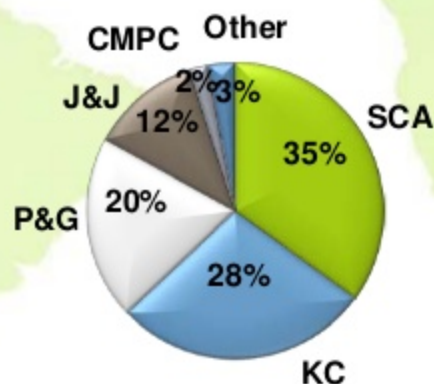


Latin America*

Baby diapers*



Feminine care*

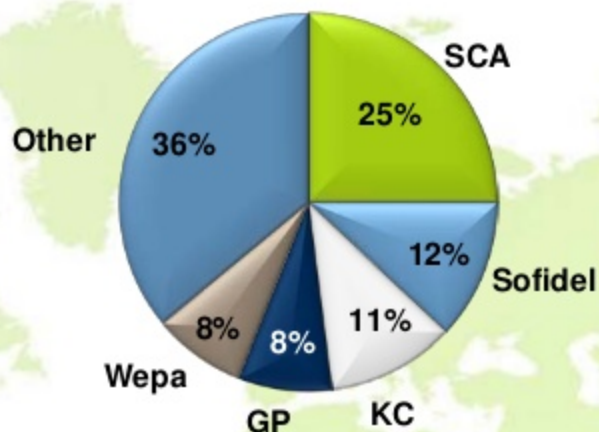


* Market share in SCAs markets

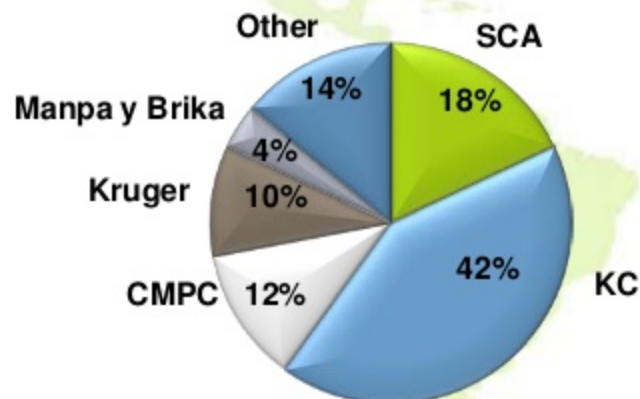
Consumer tissue

Market shares

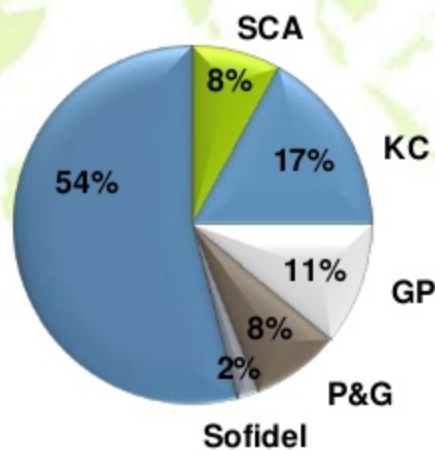
Europe



Latin America*



Global



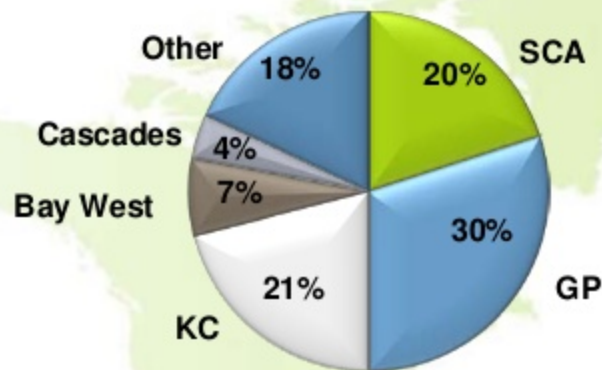
* Market share in SCAs markets

AFH tissue

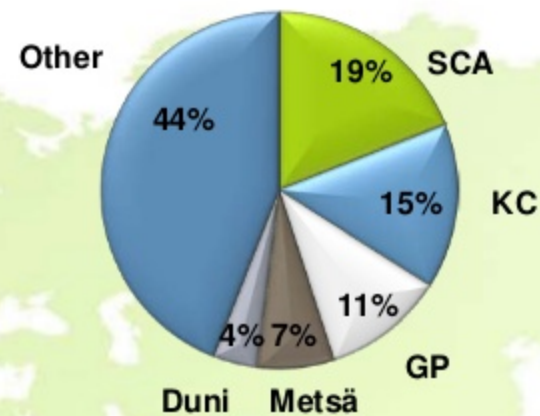
Market shares



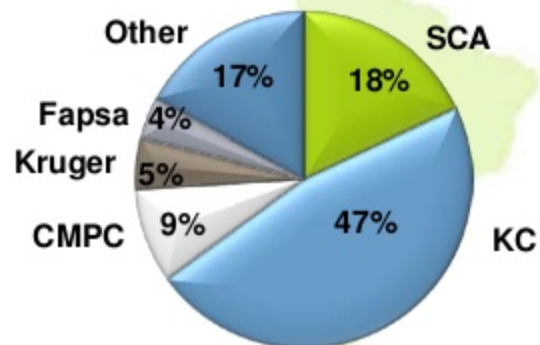
North America



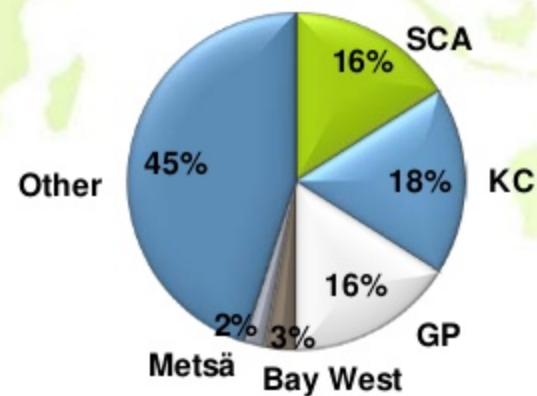
Europe



Latin America*



Global



* Market share in SCAs markets

Strategic focus areas

COST AND CASH FLOW

- Cost reductions in all business areas of close to SEK 1bn***
- Cash flow from current operations SEK 7.4bn***

CAPITAL EFFICIENCY

- Efficiency programs in Packaging and Forest Products
- Supply Chain excellence and asset utilization programs in Tissue Europe
- Restructuring program in baby diapers in Europe
- New tissue plant in Mexico
- New personal care plant in Russia
- Further tissue investments in Kostheim and Sovetsk
- Investment in Bollsta sawmill

INNOVATIONS

- Personal Care
 - Thin baby diaper
 - Tena Ultra thins
 - Strong Tena value assortment
- Tissue
 - Tork Xpressnap Café, Tork Performance
 - Tempo ice, Zoo Boxes
- Packaging
 - Trueflo
 - ZeoCool
- Forest Products
 - Increased value added

GROWTH

- SCA Group 5%*
- Personal Care 2%**
 - Emerging Markets 10%**
- Tissue 2%**
 - Emerging Markets 6%**
- Packaging 20%*
- Forest Products 3%**

Acquisitions:

- Mexico- Copamex
- Turkey- 95% San Saglik
- Turkey- 50% Komili
- Brazil – Pro Descart
- SCA and Fred.Olsen Renewables to construct wind farms

* 2010 adjusted for exchange rate movements and divestments

** 2010 adjusted for exchange rate movements

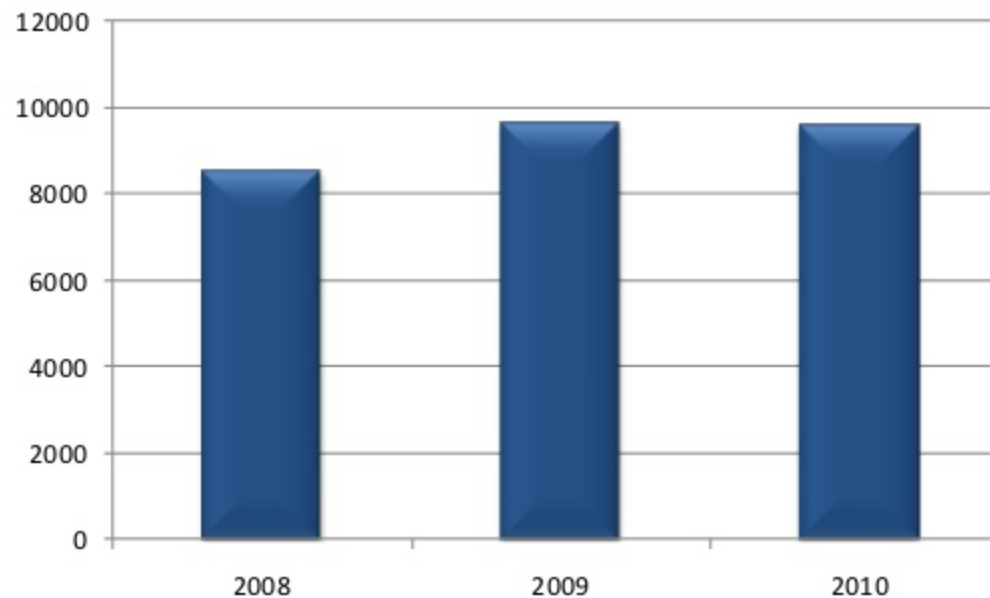
*** 2010

Strategic focus

Yielding results



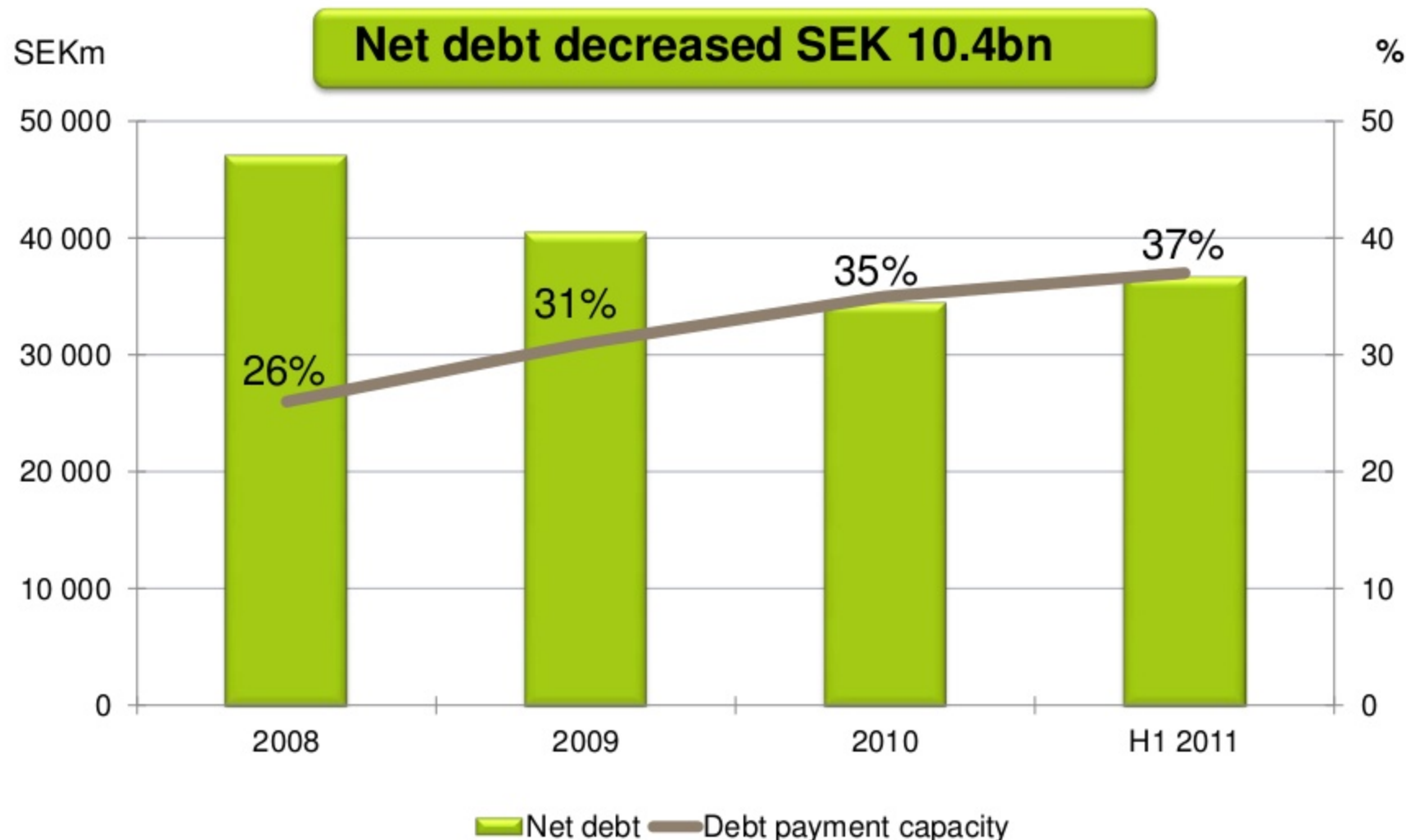
Operating profit*



* Excluding extraordinary items

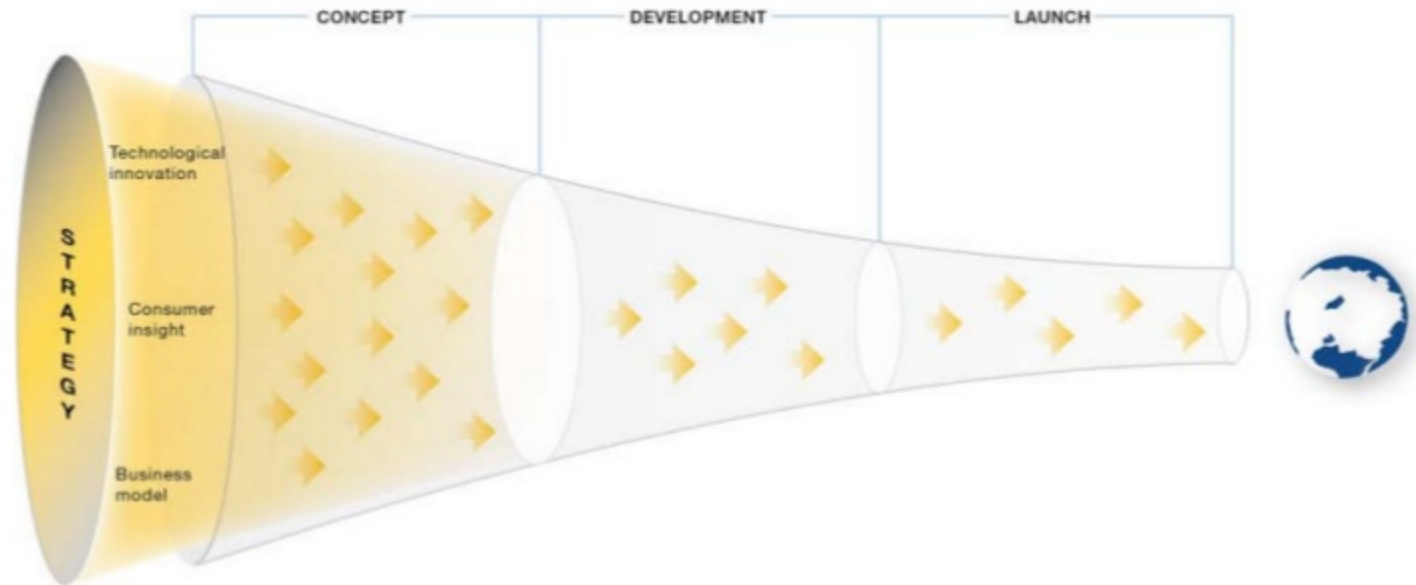
Decreased net debt

And improved debt payment capacity



Innovation for profitable growth

- Meet changing demands and requirements
- Create long-term, profitable differentiation
- Strengthen market positions
- Build stronger brands
- Drive growth



Growth

SCA's growth markets



Latin America

South East Asia

Eastern Europe
/Russia

Middle East

China

- ✓ Strong SCA positions
- ✓ Good market growth
- ✓ Favourable socio-demographics

- ✓ Good market growth
- ✓ Favourable socio-demographics

- ✓ Incontinence care products



Growth

High growth in Emerging markets

H1 2011

Emerging markets hygiene sales growth:

Personal Care: +9%*



Tissue: +9%*



% of Hygiene sales in 2010



Emerging markets

Mature markets

* Adjusted for exchange rate movements

Sustainability as a business driver



- Reduced cost
 - ◆ ESAVE = SEK 600m in annual cost savings
- Improved competitive edge
 - ◆ Sustainability credentials generate good business
 - ◆ Great growth potential through customized offerings in D&E markets
 - ◆ Renewable energy, wind power, biofuels
 - ◆ World's largest producer of FSC-certified products
- Attract investors
 - ◆ 23% of investors in SCA shares make sustainability screening
- Reduced risk level
- Attract top talents
- Strengthen the brand

Financial targets

Remain unchanged



	ROCE*	Sales growth**
Personal Care	30%	5-7%
Tissue	13%	3-4%
Packaging	10%	
Forest Products	11%	
Group	13%	



* Return on capital employed, over a business cycle

** Annual organic sales growth

Strategic focus areas



**COST AND
CASH FLOW**

**CAPITAL
EFFICIENCY**

INNOVATION

GROWTH

SCA Packaging

Michael Cronin, President

