

# INFORMATION

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## Interim report 1 January - 30 September 2000

	00:3	00:2	00:1	0009	9909
Net sales, SEK M	16,784	16,351	15,992	49,127	49,234 <sup>1</sup>
Earnings after financial items, excl. non-recurring items, SEK M	1,805	1,773	1,670	5,248	3,810
Earnings per share, excl. non-recurring items, SEK <sup>2</sup>	5.40	5.05	4.79	15.24	11.75
Earnings per share, incl. non-recurring items, SEK	15.02			24.86	
Cash flow from current operations per share, SEK <sup>2</sup>	9.21	6.37	3.79	19.37	20.29

<sup>1</sup> Including net sales in SCA's former fine paper operations.  
<sup>2</sup> Adjusted historically to reflect new issue.

- Earnings for the quarter, excluding non-recurring items, were record high.
- Operating margins for Hygiene Products and Packaging improved in the third quarter, compared with the second quarter.
- Nine-month earnings after financial items, excluding non-recurring items, rose 38% compared with the year-earlier period. All business groups improved their operating profit.
- Sales growth – excluding fine paper operations – was 19% during the year compared with the corresponding period a year earlier.
- Capital gains from the sale of Modö Paper amounted to SEK 2,656 M. SEK 625 M has been reserved for possible structural measures pending the outcome of the planned acquisition of Metsä Tissue.

## NET SALES AND EARNINGS

Consolidated net sales amounted to SEK 49,127 M and thus remained unchanged from the preceding year (SEK 49,234) M. Adjusted for the influence of fine-paper operations, which were included in the first three quarters of 1999, net sales rose 19% for the Group's other operations. Changes in exchange rates reduced Group net sales by 2%.

The divestment of Modö Paper provided a capital gain of SEK 2,656 M. As regards the acquisition of Metsä Tissue, the EU Commission has requested a more detailed examination, which is expected to be finalized not later than February 2001. Consequently, there is uncertainty as regards the completion of the transaction. At the same time, SCA, for competition regulatory reasons, has been unable to conduct a final acquisition estimate. Accordingly, for reasons of prudence, an amount corresponding to a slightly less than 25% of the capital gain, or SEK 625 M, has been allocated as a provision for possible structural measures. As a result, non-recurring items amount to SEK 2,031 M in the consolidated operating profit.

Group operating profit, excluding non-recurring items, amounted to SEK 6,169 M (4,709), an increase of 31% compared with the corresponding period in 1999. Including non-recurring items, operating profit totaled SEK 8,200 M. Currency movements had a marginally negative impact on earnings. Operating profit rose in all business areas. Operating profit for Hygiene Products amounted to SEK 2,044 M (1,866), up 10%, while the corresponding figure for Packaging was SEK 2,123 M (1,479), an increase of 44%, and Forest Products reported operating profit of SEK 1,986 M (1,498), up 33%. Operating profit includes SCA's share of earnings in Modö Paper for the period January-July, amounting to SEK 644 M. Operating profit in the preceding year included SEK 355 M relating to SCA's former fine paper business for the entire period.

Financial items amounted to an expense of SEK 921 (expense: 899). Despite lower net debt, interest expense rose as a result of higher interest rates.

Group earnings after financial items, excluding non-recurring items, amounted to SEK 5,248 M (3,810), up 38% from the year-earlier period. Including non-recurring items, earnings after financial items was SEK 7,279 M.

Net earnings after tax, excluding non-recurring items, totaled SEK 3,528 M (2,470), equal to earnings per share after full tax and dilution, of SEK 15.24 (11.75), representing an increase of 30%. The corresponding earnings per share, excluding goodwill amortization, totaled SEK 17.53 (13.72).

Net earnings after tax, including non-recurring items, was SEK 5,759 M, equal to earnings per share, after full tax and dilution, of SEK 24.86.

Excluding non-recurring items, the return on shareholders' equity was 14% (11), while the return on capital employed was 14% (12).

### Comparison with the second quarter

Modö Paper was divested at the end of July. During the third quarter, SCA's share in earnings amounted to SEK 120 M, compared with SEK 306 M during the second quarter. Despite the decline of SEK 186 M in the share in earnings of Modö Paper, the overall operating profit increased to SEK 2,125 M (2,093). The increase for other operations thus amounted to 12%. The Group's operating profit, including non-recurring items, amounted in the third quarter to SEK 4,156 M.

For Hygiene Products as well as Packaging, operating profit rose 17% between the quarters, amounting to SEK 740 M and 787 M, respectively. The rise in earnings is due to the implementation of sales price increases, combined with a favorable outcome for various efficiency-enhancement programs. Earnings for Forest Products totaled SEK 693 M (686).

Earnings after financial items, excluding non-recurring items, rose 2% and amounted to SEK 1,805 M (1,773), representing record quarterly earnings.

## CASH FLOW

The operating cash surplus amounted to SEK 8,811 M (8,031), equal to 18% (16) of net sales.

Operating cash flow amounted to SEK 5,976 M (5,912). Working capital increased by SEK 1,413 M (612) during the period. The trend in working capital during the year was affected by the exceptionally low level of tied-up working capital at year-end, when it amounted to 10.3% of net sales. Tied-up working capital at the end of the quarter amounted to 12.0%, compared with 11.7%, adjusted for fine-paper operations, at the corresponding date a year earlier. Current net capital expenditures amounted to SEK 1,427 M (1,441).

Cash flow from current operations, that is before strategic investments and dividends, amounted to SEK 4,493 M (4,276), equal to SEK 19.37 (20.29) per share.

Company acquisitions during the period totaled SEK 2,278 M, and were primarily attributable to the acquisition of Metsä Corrugated and Johnson & Johnson's North American incontinence products operations. A couple of minor divestments were conducted, resulting in proceeds of SEK 32 M. Strategic investments in plant and machinery and restructuring costs amounted to SEK 1,215 M and primarily involved expansion expenditures in hygiene operations. The sale of SCA's shareholding in Modo Paper resulted in proceeds of SEK 6,522 M. The establishment of the joint forest and sawmill company with Graninge released SEK 916 M. As a result, a net inflow of SEK 3,977 M was achieved for strategic investments, acquisitions and divestments, which can be compared with an outflow of SEK 10,167 M during the year-earlier period.

SEK M	0009	9909
Net sales	49,127	49,234
Operating cash surplus	8,811	8,031
<i>% of net sales</i>	18	16
Current capital expenditures, net	-1,427	-1,441
<i>% of net sales</i>	3	3
Changes in working capital	-1,413	-612
Other operating cash flow changes	5	-66
<b>Operating cash flow</b>	<b>5,976</b>	5,912
Tax payment etc <sup>1</sup>	-800	-1,002
<b>Free cash flow</b>	<b>5,176</b>	4,910
<i>Per share, SEK</i>	22.31	23.31
Interest payment after taxes	-683	-634
<b>Cash flow from current operations</b>	<b>4,493</b>	4,276
<i>Per share, SEK</i>	19.37	20.29
Strategic investments and divestments	3,977	-10,167
<b>Cash flow before dividend</b>	<b>8,470</b>	-5,891

<sup>1</sup> Tax attributable to operating profit.

## FINANCING

Net debt at the close of the period amounted to SEK 17,527 M, which was SEK 6,546 M lower than year-end 1999. The change reflects the net of cash flow from operations amounting to SEK 4,493 M, net expenditures for strategic investments and divestments, etc., totaling SEK 3,977 M, dividends of SEK 1,585 M and negative effects of currency movements etc., amounting to SEK 339 M.

The weakening of the Swedish krona increased equity by approximately SEK 200 M.

The debt/equity ratio amounted to 0.45 (1.05). At year-end, the debt/equity ratio was 0.69. The interest coverage multiple was 6.7 (5.2), excluding the effect of non-recurring items.

## HYGIENE PRODUCTS BUSINESS AREA

Net sales amounted to SEK 22,749 M (20,052), an increase of 13% compared with the year-earlier period. Company acquisitions accounted for most of the increase. Operating profit rose 10% to SEK 2,044 M (1,866). The improvement was primarily attributable to company acquisitions and rationalization measures. Implemented price increases, plus organic growth, largely offset increases in raw material costs during the year. The operating margin returned to the same level as in the corresponding period a year earlier.

Operating profit was SEK 109 M, or 17% higher, in the third quarter compared with the second, mainly as a result of productivity gains, which in turn led to better margins. Measured in USD, pulp prices stabilized but, expressed in EUR, the cost continued to rise during the quarter. Higher sales prices during the quarter more than offset continuing increases in raw material costs.

### Consumer products

Earnings from consumer products increased 29% to SEK 939 M (727). The rise is primarily attributable to acquisitions, as well as from efficiency-enhancement gains and organic growth.

Compared with the second quarter, operating profit in the third quarter increased from SEK 267 M to SEK 361 M, up 35%, mainly as a result of cost cutting through the so called network project and a certain net effect of the price rises and cost increases. The operating margin rose from 6% to 8%.

### AFH and Incontinence products

Operating profit for AFH and Incontinence products was marginally lower than the preceding year, amounting to SEK 1,105 M (1,139). Operating margin remained unchanged from the preceding quarter, but combined for the first three quarters, operating margin was 1 percentage point lower than the year-earlier period, due to the trend in raw material prices.

SEK M	00:3	00:2	00:1	0009	9909
<b>Net sales</b>	<b>7,848</b>	7,499	7,402	<b>22,749</b>	20,052
<b>Operating surplus</b>	<b>1,131</b>	1,001	1,036	<b>3,168</b>	2,760
<b>Operating profit</b>	<b>740</b>	631	673	<b>2,044</b>	1,866
<b>Operating surplus margin, %</b>	<b>14</b>	13	14	<b>14</b>	14
<b>Operating margin, %</b>	<b>9</b>	8	9	<b>9</b>	9
<b>Volume growth, %</b>					
Consumer products	0.7 <sup>1</sup>	0.2 <sup>1</sup>	4.3 <sup>1</sup>	16.8 <sup>2</sup>	5.0 <sup>2</sup>
AFH and Incontinence products	1.5 <sup>1</sup>	4.1 <sup>1</sup>	1.6 <sup>1</sup>	6.5 <sup>2</sup>	8.2 <sup>2</sup>

<sup>1</sup> Compared with the immediately preceding quarter.

<sup>2</sup> Compared with corresponding period previous year.

## PACKAGING BUSINESS AREA

Net sales for the period amounted to SEK 17,884 M (14,271), an increase of 25%, attributable to acquired companies, organic growth and increased sales prices.

Operating profit amounted to SEK 2,123 M (1,479), an increase of 44%. The increase resulted from company acquisitions and higher sales prices. The improvement in earnings was noticeable in the kraftliner area. However, higher earnings for testliner operations was limited by the sharp increase in recovered fiber prices and energy costs. For corrugated board operations, higher paper costs have not yet been fully offset through higher sales prices.

Compared with the second quarter, operating profit in the third quarter increased 17% to SEK 787 M (671), primarily as a result of price increases in the corrugated board area. Operating margin advanced from 11% to 13%.

### Corrugated board packaging

Demand remains high in Europe and volume shipments were some 5% higher than in 1999. In the major markets – Germany, France and Italy – volume shipments rose by about 7%. SCA's volume growth is lower than the market average, due to such factors as SCA's relatively extensive operations in the United Kingdom, where the corrugated board market fell by almost 2%, due mainly to the high sterling exchange rate. The application of a strict pricing policy has also hampered the volume trend.

Price rises for corrugated paper were implemented gradually during the year and the margin increased during the third quarter. However, there is still a need to further increase corrugated board prices in order to fully offset earlier price hikes in paper. New increases are not expected to be implemented during the current year.

### Containerboard

Demand was very buoyant in Europe during the first nine months of the year and price hikes were implemented, parallel with sharp increases in raw material costs and energy prices. However, both sales prices and raw material costs have now stabilized.

Due to a slowdown in domestic demand in the US, North American liner producers have taken significant downtime. Lower demand for corrugated paper in the US is due primarily to a worsening balance of payments as a result of the strong dollar exchange rate and inventory adjustments, which are partly attributable to the previous year-end. Also in Europe, inventory adjustments have taken place and thus some downtime was taken in an effort to balance the inventory situation. These measures have resulted in normal inventory levels and a balance has been achieved between supply and demand.

SEK M	00:3	00:2	00:1	0009	9909
<b>Net sales</b>	<b>6,093</b>	6,015	5,776	<b>17,884</b>	14,271
<b>Operating surplus</b>	<b>1,067</b>	982	1,002	<b>3,051</b>	2,315
<b>Operating profit</b>	<b>787</b>	671	665	<b>2,123</b>	1,479
<b>Operating surplus margin, %</b>	<b>18</b>	16	17	<b>17</b>	16
<b>Operating margin, %</b>	<b>13</b>	11	12	<b>12</b>	10
<b>Production</b>					
Liner products, kton	<b>615</b>	631	647	<b>1,893</b>	1,647
<b>Deliveries</b>					
Liner products, kton	<b>604</b>	620	647	<b>1,871</b>	1,698
Corrugated board, Mm <sup>2</sup>	<b>903</b>	967	920	<b>2,790</b>	2,488

## FOREST PRODUCTS BUSINESS AREA

Net sales by the business area amounted to SEK 9,500 M (8,445), an increase of 12%. Operating profit rose to SEK 1,986 M (1,498), up 33%, primarily as a result of higher earnings in pulp operations.

Earnings for the third quarter increased slightly and totaled SEK 693 M (686) from the second quarter. The rise in earnings is mainly the result of a continuing strengthening in the favorable earnings in pulp operations. A certain decline in delivery volumes meant that earnings for printing paper operations was a little lower than in the second quarter.

The market situation for newsprint, SC and LWC is highly favorable. It is estimated that there is scope for price hikes in early 2001.

### Publication papers

Operating profit from publication paper operations amounted to SEK 973 M (959). Slightly higher sales prices and higher delivery volumes offset higher costs of pulp and recycled fiber as well as increased energy costs.

### Pulp, timber and solid wood products

The operating profit totaled SEK 1,013 M (539), and was thus close to twice as high as the preceding year. The improvement is mainly attributable to better earnings in pulp operations. Operating profit in forestry operations was on a par with that of the preceding year, while earnings for sawmill operations improved slightly.

SEK M	00:3	00:2	00:1	0009	9909
<b>Net sales</b>	<b>3,228</b>	3,177	3,095	<b>9,500</b>	8,445
<b>Operating surplus</b>	<b>942</b>	950	869	<b>2,761</b>	2,248
<b>Operating profit</b>	<b>693</b>	686	607	<b>1,986</b>	1,498
<b>Operating surplus margin, %</b>	<b>29</b>	30	28	<b>29</b>	27
<b>Operating margin, %</b>	<b>21</b>	22	20	<b>21</b>	18
<b>Production</b>					
Publication paper, kton	<b>323</b>	319	319	<b>961</b>	904
Solid wood products, km <sup>3</sup>	<b>150</b>	187	170	<b>507</b>	469
<b>Deliveries</b>					
Publication paper, kton	<b>310</b>	329	311	<b>950</b>	889
Solid wood products, km <sup>3</sup>	<b>125</b>	178	184	<b>487</b>	470

## PERSONNEL

The number of employees at the close of the period was 35,455 (35,903). During the period, the number of employees in acquired companies totaled 4,531, while the separation of fine paper operations, which occurred in the fourth quarter of 1999, reduced the number of employees by 3,572. Accordingly, the number of employees for comparable units declined by 1,407.

## MARKET OUTLOOK

The market situation is expected to remain strong during the remainder of the year, with favorable demand for the Group's products.

Following an intensive period of price rises in the hygiene and corrugated paper areas during the first three quarters, the price pattern is now expected to stabilize during the fourth quarter. Pulp and recovered paper costs are expected to remain unchanged for the rest of the year. On the other hand, the recent increases in the price of oil will lead to rising energy and transport costs. The cost of pulp wood purchased in Sweden is also expected to rise during the fourth quarter.

The Hygiene Products area is considered to be the only business area in the Group that has the potential to achieve a certain improvement in margins during the fourth quarter. This is because of further productivity gains and the full impact of implemented price increases. However, other areas are expected to attain improvements in margins during 2001.

The divestment of Modö Paper and the acquisition of Metsä Corrugated – in isolation from other operations – will result in decline in earnings after financial items of about SEK 75 M in the fourth quarter, compared with the third.

## SHARE DISTRIBUTION

<b>00-09-30</b>	<b>Series A</b>	<b>Series B</b>	<b>Total</b>
Registered number of shares	62,023,109	168,378,446	230,401,555
Unconverted debenture loans	-	1,169,908	1,169,908
Outstanding warrants	-	1,741,206	1,741,206
<b>Total after full conversion</b>	<b>62,023,109</b>	<b>171,289,560</b>	<b>233,312,669</b>

Calculated in accordance with the recommendations of the Swedish Financial Analysts Association, effects of the outstanding convertible debenture and warrant programs amount to a maximum dilution of 0.6%, which was taken into account when calculating earnings per share for the period.

Stockholm, October 30, 2000  
SVENSKA CELLULOSA AKTIEBOLAGET SCA (publ)

Sverker Martin-Löf  
President and CEO

### Auditor's Report

We have reviewed this interim report and in this connection have followed the Recommendation issued by the Swedish Institute of Authorized Public Accountants (FAR). A review is substantially limited, relative to an audit. Nothing has come to my attention that indicates that the interim report does not comply with the requirements of the Securities and Clearing Operations Act and the Annual Accounts Act.

Stockholm, 30 October 2000

PricewaterhouseCoopers AB  
Robert Barnden  
Authorized Public Accountant

The year-end report for the period 1 January – 31 December will be released on 30 January 2001.

*Copies of the Interim Report are available at SCA U.K. Holdings Limited, SCA Packaging House, 543, New Hythe Lane, Aylesford, Kent ME20 7PE, attention, Tony Staples, telephone 0044 1622 883 025.*

## Statement of Earnings

1 January – 30 September

	2000		1999	
	SEK M	EUR M	SEK M	EUR M
Net sales	49,127	5,858	49,234	5,559
Operating expenses	-40,239	-4,798	-41,291	-4,662
Non-recurring items	2,031	242	-	-
<b>Operating surplus</b>	<b>10,919</b>	<b>1,302</b>	7,943	897
Depreciation according to plan, properties and plant	-2,875	-342	-2,841	-320
Depreciation according to plan, goodwill	-533	-64	-414	-47
Share in earnings of Modö Paper AB <sup>1</sup>	644	77	-	-
Share in earnings of other associated companies	45	5	21	2
<b>Operating profit</b>	<b>8,200</b>	<b>978</b>	4,709	532
Financial items	-921	-110	-899	-102
<b>Earnings after financial items</b>	<b>7,279</b>	<b>868</b>	3,810	430
Income taxes	-1,485	-177	-1,294	-146
Minority interest	-35	-4	-46	-5
<b>Net earnings after tax</b>	<b>5,759</b>	<b>687</b>	2,470	279
<b>Operating margin excl. non-recurring items</b>	<b>13 %</b>		10 %	
<b>Return on shareholders equity excl. non-recurring items</b>	<b>14 %</b>		11 %	
<b>Return on capital employed excl. non-recurring items</b>	<b>14 %</b>		11 %	

<sup>1</sup> As of 1 October 1999, Modö Paper AB is included as a share in earnings. For earlier periods, SCA's original fine paper operations are included in net sales, operating expenses, etc.

## Business Areas

### Net sales

1 January – 30 September

SEK M	2000	1999
<b>Hygiene Products</b>	<b>22,749</b>	20,052
<b>Packaging</b>	<b>17,884</b>	14,271
<b>Forest Products</b>	<b>9,500</b>	8,445
<b>Fine paper, paper merchanting<sup>1</sup></b>	-	7,795
<b>Other operations</b>	<b>1,119</b>	1,302
<b>Intra-Group deliveries</b>	<b>-2,125</b>	-2,631
<b>Total net sales</b>	<b>49,127</b>	49,234

See also additional information on page 16

<sup>1</sup> As of 1 October 1999, Modo Paper AB is included as a share in earnings. Accordingly, net sales are not reported after this date.

### Earnings

1 January – 30 September

SEK M	2000	1999
<b>Hygiene Products</b>	<b>2,044</b>	1,866
<b>Packaging</b>	<b>2,123</b>	1,479
<b>Forest Products</b>	<b>1,986</b>	1,498
<b>Fine paper, paper merchanting<sup>2</sup></b>	<b>644</b>	355
<b>Other operations</b>	<b>-95</b>	-75
<b>Operating profit, before goodwill amortization and excl. non-recurring items</b>	<b>6,702</b>	5,123
<b>Goodwill amortization<sup>3</sup></b>	<b>-533</b>	-414
<b>Total operating profit, excl. non-recurring items</b>	<b>6,169</b>	4,709
<b>Non-recurring items</b>	<b>2,031</b>	-
<b>Financial items</b>	<b>-921</b>	-899
<b>Earnings after financial items</b>	<b>7,279</b>	3,810
<b>Earnings after financial items, excl. non-recurring items</b>	<b>5,248</b>	3,810

See also additional information on page 16.

<sup>2</sup> Pertains to share in earnings of Modo Paper AB as of the fourth quarter 1999, but refers to operating profit for earlier periods.

<sup>3</sup> Goodwill amortization:	2000	1999
Hygiene Products	138	65
Packaging	160	108
Fine paper, paper merchanting	-	2
Common	235	239
<b>Group</b>	<b>533</b>	414

## Balance sheet

	2000-09-30		1999-12-31	
	SEK M	EUR M	SEK M	EUR M
<b>Assets</b>				
Tangible assets	43,965	5,160	44,571	5,215
Goodwill	11,196	1,314	10,431	1,220
Other intangible assets	883	104	904	106
Long-term receivables	388	46	102	12
Shares and participations	2,284	268	5,057	592
Receivables and inventories	20,872	2,450	18,312	2,143
Financial receivables and investments	4,737	556	4,207	492
Cash and bank balances	1,384	162	1,630	191
<b>Total assets</b>	<b>85,709</b>	10,060	85,214	9,971
<b>Equity, provisions and liabilities</b>				
Shareholders' equity	38,435	4,511	34,133	3,994
Minority interests	587	69	587	69
Provisions for pensions	936	110	1,029	120
Other provisions	8,837	1,037	7,603	890
Interest-bearing debt	22,712	2,666	28,881	3,379
Operating liabilities and other noninterest-bearing debt	14,202	1,667	12,981	1,519
<b>Total equity, provisions and liabilities</b>	<b>85,709</b>	10,060	85,214	9,971
<b>Debt/equity</b>	<b>0.45 times</b>		0.69 times	
<b>Equity/assets</b>	<b>46 %</b>		41 %	

## Cash flow statement

1 January – 30 September

SEK M	2000	1999
Operating cash surplus <sup>2</sup>	8,811	8,031
Changes in working capital	-1,413	-612
Current capital expenditures	-1,427	-1,441
Other operating cash flow changes	5	-66
<b>Operating cash flow</b>	<b>5,976</b>	<b>5,912</b>
Financial items	-921	-899
Income taxes paid	-496	-696
Other	-66	-41
<b>Cash flow from current operations</b>	<b>4,493</b>	<b>4,276</b>
Strategic capital expenditures	-948	-2,193
Strategic structural expenditures	-267	-254
Company acquisitions	-2,278	-7,750
Divestments	7,470	30
<b>Cash flow before dividend</b>	<b>8,470</b>	<b>-5,891</b>
Conversion of convertible debenture loan	15	
Dividend	-1,585	-1,304
<b>Net cash flow<sup>1</sup></b>	<b>6,900</b>	<b>-7,195</b>
<b>Net debt at beginning of period</b>	<b>-24,073</b>	<b>-21,370</b>
Net cash flow	6,900	-7,195
Currency effects	-354	712
<b>Net debt at end of period</b>	<b>-17,527</b>	<b>-27,853</b>
<b>Debt payment capacity</b>	<b>42%</b>	<b>32%</b>

<sup>1</sup> Additional information in accordance with Swedish Financial Accounting Standards Council's recommendation regarding reporting of cash flow:

Net cash flow	6,900	-7,195
Change in interest-bearing debt	-7,174	7,916
<b>Change in cash and bank balances</b>	<b>-274</b>	<b>721</b>
<b>Cash and bank balances at beginning of period</b>	<b>1,630</b>	<b>1,819</b>
Change in cash and bank balances	-274	721
Currency effects on cash and bank balances	28	-121
<b>Cash and bank balances at end of period</b>	<b>1,384</b>	<b>2,419</b>

<sup>2</sup> Operating surplus adjusted for significant non-cash items in accordance with the principles being applied by SCA effective at mid-year 1999, excluding for example strategic divestments.

## Quarterly data

### Group

SEK M	2000				1999		
	III	II	I	IV	III	II	I
Net sales	16,784	16,351	15,992	15,662	16,603	16,389	16,242
Operating surplus, excl. non-recurring items	3,116	2,903	2,869	3,053	2,783	2,627	2,533
Depreciation according to plan, properties and plant	-949	-952	-974	-998	-931	-961	-949
Depreciation according to plan, goodwill	-189	-172	-172	-188	-147	-132	-135
Share in earnings of Modo Paper AB <sup>1</sup>	120	306	218	136	-	-	-
Share in earnings of other associated companies	27	8	10	21	5	11	5
<b>Operating profit, excl. non-recurring items</b>	<b>2,125</b>	2,093	1,951	2,024	1,710	1,545	1,454
Non-recurring items	2,031	-	-	-	-	-	-
Financial items	-320	-320	-281	-313	-315	-258	-326
<b>Earnings after financial items</b>	<b>3,836</b>	1,773	1,670	1,711	1,395	1,287	1,128
<b>Earnings after financial items, excl. non-recurring items</b>	<b>1,805</b>	1,773	1,670	1,711	1,395	1,287	1,128
Income taxes	-349	-587	-549	-555	-497	-425	-372
Minority interest	-7	-16	-12	-24	-15	-21	-10
<b>Net earnings after tax</b>	<b>3,480</b>	1,170	1,109	1,132	883	841	746
<b>Net earnings after tax, excl. non-recurring items</b>	<b>1,249</b>	1,170	1,109	1,132	883	841	746
<b>Earnings per share, excl. non-recurring items, SEK</b>	<b>5.40</b>	5.05	4.79	5.10	4.19	4.01	3.55
<b>Earnings per share, excl. goodwill amortizations and non-recurring items, SEK</b>	<b>6.21</b>	5.79	5.53	5.94	4.89	4.63	4.20
<b>Earnings per share, incl. non-recurring items, SEK</b>	<b>15.02</b>						

<sup>1</sup> As of 1 October 1999, Modo Paper AB is included as a share in earnings. For earlier periods, SCA's original fine paper operations are included in net sales, operating expenses, etc.

## Quarterly data Business Areas

### Net sales

SEK M	2000				1999		
	III	II	I	IV	III	II	I
<b>Hygiene Products</b>	<b>7,848</b>	7,499	7,402	7,275	6,764	6,679	6,609
<b>Packaging</b>	<b>6,093</b>	6,015	5,776	5,587	4,862	4,664	4,745
<b>Forest Products</b>	<b>3,228</b>	3,177	3,095	3,087	2,892	2,812	2,741
<b>Fine paper, paper merchanting<sup>1</sup></b>	<b>-</b>	-	-	-	2,558	2,616	2,621
<b>Other operations</b>	<b>390</b>	347	382	383	440	487	375
<b>Intra-Group deliveries</b>	<b>-775</b>	-687	-663	-670	-913	-869	-849
<b>Total net sales</b>	<b>16,784</b>	16,351	15,992	15,662	16,603	16,389	16,242

See also additional information on page 17

### Operating surplus

SEK M	2000				1999		
	III	II	I	IV	III	II	I
<b>Hygiene Products</b>	<b>1,131</b>	1,001	1,036	1,117	948	907	905
<b>Packaging</b>	<b>1,067</b>	982	1,002	1,075	823	793	699
<b>Forest Products</b>	<b>942</b>	950	869	896	797	742	709
<b>Fine paper, paper merchanting<sup>1</sup></b>	<b>-</b>	-	-	-	228	236	222
<b>Other operations</b>	<b>-24</b>	-30	-38	-35	-13	-51	-2
<b>Total operating surplus, excl. non-recurring items</b>	<b>3,116</b>	2,903	2,869	3,053	2,783	2,627	2,533
<b>Non-recurring items</b>	<b>2,031</b>	-	-	-	-	-	-
<b>Total operating surplus</b>	<b>5,147</b>	2,903	2,869	3,053	2,783	2,627	2,533

See also additional information on page 17

<sup>1</sup> As of 1 October 1999, Modo Paper AB is included as a share in earnings. For earlier periods, SCA's original fine paper operations are included in net sales, operating expenses, etc.

## Quarterly data Business Areas

### Operating profit

SEK M	2000				1999		
	III	II	I	IV	III	II	I
<b>Hygiene Products</b>	<b>740</b>	631	673	747	649	602	615
<b>Packaging</b>	<b>787</b>	671	665	737	550	505	424
<b>Forest Products</b>	<b>693</b>	686	607	625	552	488	458
<b>Fine paper, paper merchanting<sup>1</sup></b>	<b>120</b>	306	218	136	125	122	108
<b>Other operations</b>	<b>-26</b>	-29	-40	-33	-19	-40	-16
<b>Operating profit before goodwill amortization</b>	<b>2,314</b>	2,265	2,123	2,212	1,857	1,677	1,589
<b>Goodwill amortization<sup>2</sup></b>	<b>-189</b>	-172	-172	-188	-147	-132	-135
<b>Total operating profit, excl. non-recurring items</b>	<b>2,125</b>	2,093	1,951	2,024	1,710	1,545	1,454
<b>Non-recurring items</b>	<b>2,031</b>	-	-	-	-	-	-
<b>Total operating profit, incl. non-recurring items</b>	<b>4,156</b>	2,093	1,951	2,024	1,710	1,545	1,454

See also additional information on page 17

<sup>1</sup> Pertains to share in earnings of Modo Paper AB as of the fourth quarter 1999, but refers to operating profit for earlier periods.

### <sup>2</sup> Goodwill amortization:

Hygiene Products	<b>48</b>	43	46	45	27	19	19
Packaging	<b>62</b>	51	47	63	40	31	37
Fine paper, paper merchanting	-	-	-	-	1	1	0
Common	<b>78</b>	78	79	80	79	81	79
<b>Group</b>	<b>189</b>	172	172	188	147	132	135

## Quarterly data Business Areas

### Operating surplus margins

Percent	2000				1999		
	III	II	I	IV	III	II	I
<b>Hygiene Products</b>	<b>14</b>	13	14	15	14	14	14
<b>Packaging</b>	<b>18</b>	16	17	19	17	17	15
<b>Forest Products</b>	<b>29</b>	30	28	29	28	26	26

See also additional information on page 18

### Operating margins excluding goodwill amortization

Percent	2000				1999		
	III	II	I	IV	III	II	I
<b>Hygiene Products</b>	<b>9</b>	8	9	10	10	9	9
<b>Packaging</b>	<b>13</b>	11	12	13	11	11	9
<b>Forest Products</b>	<b>21</b>	22	20	20	19	17	17

See also additional information on page 18

## Quarterly data Group

### Margins<sup>1</sup>

Excl. non-recurring items	2000				1999		
Percent	III	II	I	IV	III	II	I
<b>Operating surplus margin</b>	<b>18.6</b>	17.8	17.9	19.5	16.8	16.0	15.6
<b>Operating margin, excl. goodwill amortization</b>	<b>13.8</b>	13.9	13.3	14.1	11.2	10.2	9.8
<b>Operating margin</b>	<b>12.7</b>	12.8	12.2	12.9	10.3	9.4	9.0
<b>Financial net margin</b>	<b>-1.9</b>	-1.9	-1.8	-2.0	-1.9	-1.6	-2.0
<b>Profit margin</b>	<b>10.8</b>	10.9	10.4	10.9	8.4	7.8	7.0

<sup>1</sup> Since fine paper and paper merchandising are reported as a share in earnings of Modo Paper AB as of 1 October 1999, the margin figures are not fully comparable over time.

### Five-year summary

Full year	1999	1998	1997	1996	1995
Earnings after financial items, SEK M	5,521	5,169	4,457	3,573	5,731
Earnings per share after tax, SEK	16.85	16.11	13.20	10.11	16.57
Earnings per share after tax, excluding goodwill amortization, SEK	19.66	18.06	14.97	11.50	18.01
Debt/equity ratio, times	0.69	0.83	0.85	0.79	0.80
Return on capital employed, %	12	13	12	10	16
Return on shareholders' equity, %	12	13	12	10	17

## Additional information Business Areas

### Net sales

1 January – 30 September

SEK M	2000	1999
<b>Hygiene Products</b>	<b>22,749</b>	20,052
Consumer products	13,545	11,443
AFH and Incontinence products	9,204	8,609
<b>Forest Products</b>	<b>9,500</b>	8,445
Publication paper	5,180	4,801
Pulp, timber and solid wood products	4,320	3,644

### Operating profit

1 January – 30 September

SEK M	2000	1999
<b>Hygiene Products</b>	<b>2,044</b>	1,866
Consumer products	939	727
AFH and Incontinence products	1,105	1,139
<b>Forest Products</b>	<b>1,986</b>	1,498
Publication paper	973	959
Pulp, timber and solid wood products	1,013	539

## Additional information Business Areas

### Quarterly data

#### Net sales

SEK M	2000				1999		
	III	II	I	IV	III	II	I
<b>Hygiene Products</b>	<b>7,848</b>	7,499	7,402	7,275	6,764	6,679	6,609
Consumer products	4,662	4,440	4,443	4,284	3,894	3,774	3,775
AFH and Incontinence products	3,186	3,059	2,959	2,991	2,870	2,905	2,834
<b>Forest Products</b>	<b>3,228</b>	3,177	3,095	3,087	2,892	2,812	2,741
Publication paper	1,729	1,767	1,684	1,783	1,620	1,625	1,556
Pulp, timber and solid wood products	1,499	1,410	1,411	1,304	1,272	1,187	1,185

#### Operating surplus

SEK M	2000				1999		
	III	II	I	IV	III	II	I
<b>Hygiene Products</b>	<b>1,131</b>	1,001	1,036	1,117	948	907	905
Consumer products	645	536	571	624	449	406	424
AFH and Incontinence products	486	465	465	493	499	501	481
<b>Forest Products</b>	<b>942</b>	950	869	896	797	742	709
Publication paper	480	506	516	519	469	515	498
Pulp, timber and solid wood products	462	444	353	377	328	227	211

#### Operating profit

SEK M	2000				1999		
	III	II	I	IV	III	II	I
<b>Hygiene Products</b>	<b>740</b>	631	673	747	649	602	615
Consumer products	361	267	311	380	260	218	250
AFH and Incontinence products	379	364	362	367	389	384	365
<b>Forest Products</b>	<b>693</b>	686	607	625	552	488	458
Publication paper	304	331	338	347	297	347	315
Pulp, timber and solid wood products	389	355	269	278	255	141	143

## Additional information Business Areas

### Quarterly data

#### Operating surplus margins

Percent	2000			1999			
	III	II	I	IV	III	II	I
<b>Hygiene Products</b>	<b>14</b>	13	14	15	14	14	14
Consumer products	14	12	13	15	12	11	11
AFH and Incontinence products	15	15	16	17	17	17	17
<b>Forest Products</b>	<b>29</b>	30	28	29	28	26	26
Publication paper	28	29	31	29	29	32	32
Pulp, timber and solid wood products	31	31	25	29	26	19	18

#### Operating margins excluding goodwill amortization

Percent	2000			1999			
	III	II	I	IV	III	II	I
<b>Hygiene Products</b>	<b>9</b>	8	9	10	10	9	9
Consumer products	8	6	7	9	7	6	7
AFH and Incontinence products	12	12	12	12	14	13	13
<b>Forest Products</b>	<b>21</b>	22	20	20	19	17	17
Publication paper	18	19	20	19	18	21	20
Pulp, timber and solid wood products	26	25	19	21	20	12	12