

1 JANUARY–31 DECEMBER 2011 (compared with same period a year ago) including the packaging operations held for sale

- Net sales decreased by 1% (increased by 4% excluding exchange rate effects and divestments) to SEK 105,750m (106,965)
- Operating profit excluding items affecting comparability decreased by 4% (unchanged excluding exchange rate effects) to SEK 9,224m (9,608)
- Items affecting comparability, write-downs of goodwill, restructuring costs, etc., amounted to SEK 5,676m (931)
- Earnings per share, including items affecting comparability, were SEK 0.78 (7.90)
- Cash flow from current operations was SEK 6,383m (7,399)
- The Board of Directors proposes an increase in the dividend by 5%, to SEK 4.20 (4.00) per share
- An agreement was reached after year-end to divest SCA's packaging operations, excluding the kraftliner operations. Net sales and operating profit for these operations, excluding items affecting comparability, amounted to SEK 24,413m (24,234) and SEK 1,486m (1,113), respectively, corresponding to earnings per share of SEK 0.73

EARNINGS TREND, including packaging operations held for sale

SEKm	1112	1012	%	2011:4	2010:4	%
Net sales¹	105,750	106,965	-1	26,749	27,052	-1
Gross profit	23,639	24,618	-4	6,234	6,062	3
Operating profit²	9,224	9,608	-4	2,527	2,567	-2
Financial items	-1,290	-1,116		-360	-293	
Profit before tax²	7,934	8,492	-7	2,167	2,274	-5
Tax ²	-2,014	-2,211		-515	-594	
Net profit for the period²	5,920	6,281	-6	1,652	1,680	-2
Earnings per share, SEK	0.78	7.90		-4.88	2.38	

¹ Net sales from SCA's recycling operations have been reclassified as other income, with retroactive adjustment for 2010.

² Excluding items affecting comparability; for amounts, see page 14.

CEO'S COMMENTS

In November 2011 and January 2012 SCA announced two major transactions. In November a binding offer was made for Georgia-Pacific's European tissue operations, and in January 2012 the divestment of SCA's packaging operations, excluding the two kraftliner mills in Sweden, was announced. Together these two transactions will entail major synergies, lower sensitivity to economic swings and gradually higher earnings per share.

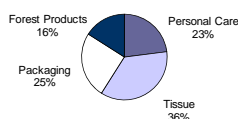
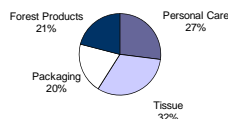
During the financial year SCA carried out important efficiency improvement measures, stepped up the pace in its launch of new products and achieved growth in both mature and emerging markets. Sales increased in all business areas, and net sales for 2011, excluding exchange rate effects and divestments, rose 4% compared with a year earlier. Growth in the hygiene operations remained good in emerging markets, where Personal Care and Tissue grew sales by 13% and 10%, respectively. To take advantage of growth opportunities in the hygiene operations and strengthen our positions in emerging markets, during the year we carried out acquisitions and investments in Brazil, Turkey and Russia, among other places.

Operating profit excluding items affecting comparability and exchange rate effects was level with the preceding year. Price increases and cost savings carried out in combination with increased volumes compensated for SEK 3.2bn in higher raw material costs and higher energy and distribution costs. Profit for the year excluding items affecting comparability and exchange rate effects decreased by 2% compared with the preceding year.

Net sales for the fourth quarter of 2011 excluding exchange rate effects and divestments increased by 1%, and operating profit excluding items affecting comparability and exchange rate effects increased by 1% compared with the fourth quarter a year ago.

Compared with the third quarter, operating profit for the fourth quarter excluding items affecting comparability rose 4%, while net sales were largely unchanged. The operating margin for the hygiene operations continued to grow.

Continued good demand is expected for SCA's hygiene operations.

SHARE OF NET SALES
1112SHARE OF OPERATING PROFIT
1112

EARNINGS TREND FOR THE GROUP*

SEKm	1112	1012	%	2011:4	2010:4	%
Net sales¹	105,750	106,965	-1	26,749	27,052	-1
Cost of goods sold	-82,111	-82,347		-20,515	-20,990	
Gross profit	23,639	24,618	-4	6,234	6,062	3
Sales, general and administration	-14,415	-15,010		-3,707	-3,495	
Operating profit²	9,224	9,608	-4	2,527	2,567	-2
Financial items	-1,290	-1,116		-360	-293	
Profit before tax²	7,934	8,492	-7	2,167	2,274	-5
Tax ²	-2,014	-2,211		-515	-594	
Net profit for the period²	5,920	6,281	-6	1,652	1,680	-2

¹ Net sales from SCA's recycling operations have been reclassified as other income, with retroactive adjustment for 2010.

² Excluding items affecting comparability; for amounts, see page 14.

Earnings per share, SEK – owners of the parent

- after dilution effects	0.78	7.90	-4.88	2.38
--------------------------	------	------	-------	------

Margins (%)

Gross margin	22.4	23.0		23.3	22.4
Operating margin¹	8.7	9.0		9.4	9.5
Financial net margin	-1.2	-1.0		-1.3	-1.1
Profit margin¹	7.5	8.0		8.1	8.4
Tax ¹	-1.9	-2.1		-1.9	-2.2
Net margin¹	5.6	5.9		6.2	6.2

¹ Excluding items affecting comparability.

OPERATING PROFIT PER BUSINESS AREA*

SEKm	1112	1012	%	2011:4	2010:4	%
Personal Care	2,645	2,922	-9	792	735	8
Tissue	3,150	3,041	4	1,046	787	33
Packaging	1,909	1,577	21	428	567	-25
Forest Products	2,001	2,455	-18	440	592	-26
- <i>Publication papers</i>	183	-88	n/a	64	-11	n/a
- <i>Pulp, timber and solid-wood products</i>	1,818	2,543	-29	376	603	-38
Other	-481	-387		-179	-114	
Total¹	9,224	9,608	-4	2,527	2,567	-2

¹ Excluding items affecting comparability.

OPERATING CASH FLOW PER BUSINESS AREA*

SEKm	1112	1012	%	2011:4	2010:4	%
Personal Care	2,823	3,230	-13	365	975	-63
Tissue	3,446	4,033	-15	1,557	1,208	29
Packaging	1,366	1,168	17	512	483	6
Forest Products	1,642	1,860	-12	393	347	13
Other	-700	-536		-254	-157	
Total	8,577	9,755	-12	2,573	2,856	-10

*Including packaging operations held for sale

GROUP

Including packaging operations held for sale

MARKET/EXTERNAL ENVIRONMENT

2011 began with a recovery of the global economy. During the year, GDP forecasts for 2011 and 2012 were successively revised downward, mainly in Europe.

The global market for incontinence care products is showing continued growth, with favourable development in emerging markets.

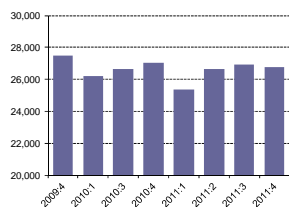
Demand for tissue rose slightly in Western Europe and North America in 2011 compared with a year earlier, and emerging markets are showing continued favourable growth. Tissue prices rose during the second half of 2011.

Demand for corrugated board in Western Europe was up by approximately 1% through November 2011. Prices of corrugated board were an average of 9% higher in 2011 than in 2010.

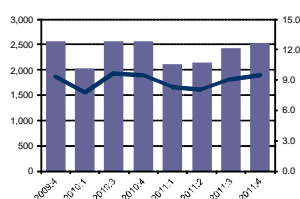
Demand in Western Europe for magazine paper was down 4% through November 2011 compared with the same period a year ago. Demand for newsprint decreased by 3% during the same period. Prices of both magazine paper and newsprint rose in 2011 compared with the preceding year.

Raw material prices for pulp, recycled paper and oil-based products increased in 2011, with sharp rises during the first half of the year. Raw material prices fell during the latter part of 2011.

Net sales

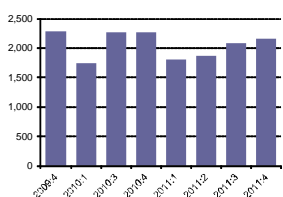


Operating profit and margin



Excluding items affecting comparability

Profit before tax



Excluding items affecting comparability.

SALES AND EARNINGS

January–December 2011 compared with corresponding period a year ago

Net sales decreased by 1% (increased by 4% excluding exchange rate effects and divestments) to SEK 105,750m (106,965). Higher prices and volumes increased sales by 3% and 1%, respectively.

Operating profit excluding items affecting comparability decreased by 4% (unchanged excluding exchange rate effects) to SEK 9,224m (9,608). Higher prices and volumes along with cost savings compensated for higher costs for raw materials, energy and distribution. The lower profit is attributable to the strengthening of the Swedish krona.

Items affecting comparability, totalling SEK 5,676m (931), consist mainly of write-downs of assets in Packaging and in Tissue in Australasia, restructuring costs and transaction costs.

Financial items increased to SEK -1,290m (-1,116). The increase is attributable to higher interest rates, which were partly compensated by an average lower level of net debt. Profit before tax excluding items affecting comparability decreased by 7% (3% excluding exchange rate effects) to SEK 7,934m (8,492). The tax expense excluding items affecting comparability was SEK 2,014 (2,211).

Net profit for the period excluding items affecting comparability decreased by 6% (2% excluding exchange rate effects) to SEK 5,920m (6,281). Earnings per share including items affecting comparability were SEK 0.78 (7.90).

Fourth quarter 2011 compared with fourth quarter 2010

Net sales decreased by 1% (increased by 1% excluding exchange rate effects and divestments) to SEK 26,749m (27,052). Higher prices increased sales by 2%, and lower volumes decreased sales by 1%.

Operating profit excluding items affecting comparability decreased by 2% (increased by 1% excluding exchange rate effects) to SEK 2,527m (2,567). Higher prices and a changed product mix compensated for higher raw material costs.

Profit before tax excluding items affecting comparability decreased by 5% (2% excluding exchange rate effects) to SEK 2,167m (2,274).

Profit for the period excluding items affecting comparability decreased by 2% (increased by 1% excluding exchange rate effects) to SEK 1,652m (1,680).

CASH FLOW AND FINANCING

The operating cash surplus amounted to SEK 14,465m (15,097). The cash flow effect of the change in working capital was SEK -1,245m (-1,042). The increase in working capital is mainly attributable to higher trade accounts receivable and inventory values. Current capital expenditures amounted to SEK -3,747m (-3,647). Operating cash flow amounted to SEK 8,577m (9,755).

Financial items increased to SEK -1,290m (-1,116) as a result of higher interest rates, which were partly compensated by a lower level of net debt. Tax payments decreased to SEK 961m (1,255). Cash flow from current operations decreased to SEK 6,383m (7,399), mainly as a result of a lower operating cash surplus and higher level of tied-up working capital.

Strategic investments decreased to SEK -1,910m (-2,427). Acquisitions and divestments amounted to SEK -691m (804). Dividends amounted to SEK -2,898m (-2,657). Net cash flow decreased to SEK 884m (3,119).

Net debt increased during the year by SEK 2,242m to SEK 36,648m. Excluding pension liabilities, net debt amounted to SEK 32,143m. Net cash flow decreased net debt by 884m. Fair value measurement of pension assets and pension obligations together with fair valuation of financial instruments increased net debt by SEK 3,505m. Exchange rate movements reduced net debt by SEK 379m. The debt/equity ratio was 0.60 at year-end (0.51 at the beginning of the year). Excluding pension liabilities, the debt/equity ratio was 0.52 at year-end (0.47 at the beginning of the year). The debt payment capacity improved to 36% (35%).

As per 31 December 2011, SCA had outstanding commercial paper worth SEK 5,142m maturing within 12 months. Unutilised credit facilities amounted to SEK 21,016m, of which long-term facilities amounted to SEK 20,377m. In addition, SCA has received committed credit facilities worth EUR 1,100m (SEK 9,832m) related to an outstanding offer of EUR 1,320m to acquire Georgia-Pacific's European tissue operations. Cash and cash equivalents amounted to SEK 2,752m.

EQUITY

Consolidated equity decreased during the period by SEK 6,530m to SEK 61,291m. Net profit for the period increased equity by SEK 607m. Equity decreased by SEK 2,898m through payment of shareholder dividends, by SEK 2,607m through restatement of the net pension liability to fair value after tax, and by SEK 696m after tax through fair value measurement of financial instruments. Exchange rate movements, including the effects of hedges of net investments in foreign assets, decreased equity by SEK 936m.

TAX

A tax expense corresponding to a tax rate of 25% is reported for the period, excluding items affecting comparability. The tax rate for the full year 2012 is expected to be 27%.

DIVIDEND

The Board of Directors proposes an increase in the dividend by 5%, to SEK 4.20 per share (4.00), or SEK 2,950m (2,809). Dividend growth during the last ten-year period thereby amounts to 4%. The record date for the right to the dividend has been proposed as Tuesday, 3 April 2012.

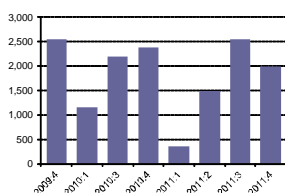
ITEMS AFFECTING COMPARABILITY

Items affecting comparability amounted to SEK 5,676m (931). These consist of Group write-downs of assets in the packaging operations, totalling SEK 3,949m; a capital loss of SEK 654m in connection with the divestment of 50% of the hygiene operations in Australasia; transaction costs of SEK 118m in connection with acquisitions and divestments; and restructuring costs of SEK 955m (931).

OTHER EVENTS DURING THE QUARTER

In November SCA made a binding offer to acquire Georgia-Pacific's European tissue operations, with 2010 sales amounting to SEK 11.9bn (EUR 1.25bn). The offered price is approximately SEK 12bn (EUR 1.32bn). The deal is a good strategic fit for SCA and will

Cashflow from current operations



strengthen the Group's product offering and geographic reach in Europe. Annual synergies are estimated at EUR 125m, with full effect three years after closing. The transaction is subject to customary consultation with employee representatives and approval by the relevant authorities.

In November SCA decided to form a joint venture for its existing operations in Australasia, with net sales of SEK 4,400m in 2010. The joint venture in Australasia enables more efficient financing and will increase the speed of development for the operations. SCA and the Australian company Pacific Equity Partners (PEP) each hold 50% of the company. The transaction entails a deconsolidation of the business, which will be financially reported as a joint venture according to the equity-share method. In connection with the refinancing of the business and divestment of 50% of the equity, at the start of 2012 SCA received approximately SEK 3,200m. In connection with the transaction, a net loss of SEK 654m was recorded, which was charged against earnings during the fourth quarter of 2011.

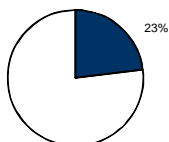
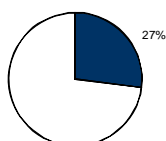
To support its long-term strategy and strengthen its competitiveness, SCA has initiated a reorganisation of its global hygiene operations. The new organisation took effect on 1 January 2012 and will contribute to increased efficiency, market presence and growth.

During the fourth quarter SCA decided to invest a total of SEK 540m in an upgrade of the paper machine and refurbishment of the soda-recovery boiler at the kraftliner mill in Munksund, Sweden. The main aim of the investment is to increase production of value-added products, such as white-top kraftliner.

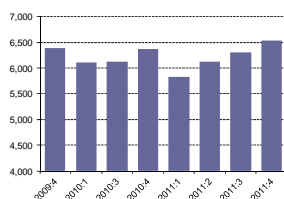
EVENTS AFTER THE END OF THE QUARTER

On 17 January 2012 an agreement was reached with DS Smith on the divestment of SCA's packaging operations, excluding the two kraftliner mills in Sweden. The purchase price is EUR 1.7bn on a debt-free basis. The operations had net sales in 2011 of approximately SEK 24.4bn (EUR 2.5bn) and approximately 12,000 employees. In connection with the transaction, a write-down of goodwill of approximately SEK 4bn was made for the fourth quarter of 2011. The transaction is subject to approval from DS Smith's shareholders and the pertinent authorities.

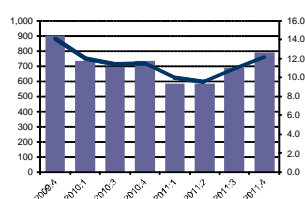
PERSONAL CARE

Share of Group, net sales
1112Share of Group, operating profit
1112

Net sales



Operating profit and margin



Deviations, operating profit (%)

1112 vs. 1012	%
Price/mix	2
Volume	8
Raw material	-22
Energy	0
Currency	-4
Other	7

SEKm	1112	1012	%	2011:4	2010:4	%
Net sales	24,775	25,027	-1	6,529	6,375	2
Operating surplus*	3,738	4,111	-9	1,068	1,028	4
Operating profit*	2,645	2,922	-9	792	735	8
Operating margin, %*	10.7	11.7		12.1	11.5	
Operating cash flow	2,823	3,230		365	975	

* Excluding restructuring costs, which are reported as items affecting comparability outside of the business area.

SCA is the global market leader in incontinence care with its TENA brand. During the year, several new products were launched, including a line of incontinence care products designed as protective underwear for both men and women, and TENA Belt, an incontinence care product that offers users improved skin comfort.

In baby diapers, SCA is the market leader in the Nordic countries with its Libero brand. During the year, SCA expanded its offering of baby care products under the Libero brand. In the Nordic countries and Russia, a thinner and more comfortable baby diaper was launched.

In 2011 SCA established operations in two strategically important markets. In Brazil, SCA acquired Pro Descart, the second-largest player in the incontinence care market. In Turkey, SCA acquired 95% of San Saglik, the second-largest provider of incontinence care products in the country, and 50% of Komili, the fourth-largest producer of baby diapers and feminine care products.

January–December 2011 compared with corresponding period a year ago

Net sales decreased by 1% (increased by 5% excluding exchange rate effects) to SEK 24,775m (25,027). Higher volumes increased sales by 3%, and acquisitions increased sales by 2%. In emerging markets, sales rose 13% excluding exchange rate effects.

Sales of TENA-brand incontinence care products increased by 4%, excluding exchange rate effects. Sales of baby diapers increased by 7%, excluding exchange rate effects, mainly related to the preceding year's acquisition in Mexico. Sales of feminine care products increased by 1%, excluding exchange rate effects, driven by favourable sales growth in Latin America.

Operating profit was 9% lower than a year ago (5% excluding exchange rate effects) and amounted to SEK 2,645m (2,922). Profit was favourably affected by higher volumes and prices, and cost savings. Profit was charged with negative exchange rate effects and SEK 628m in higher raw material costs.

The operating cash surplus amounted to SEK 3,745m (4,111). Operating cash flow decreased to SEK 2,823m (3,230) as a result of a lower operating cash surplus and higher current capital expenditures, which were partly compensated by a lower level of working capital.

Fourth quarter 2011 compared with fourth quarter 2010

Net sales increased by 2% (4% excluding exchange rate effects) to SEK 6,529m (6,375). Higher volumes and prices each increased sales by 1%, and acquisitions increased sales by 2%.

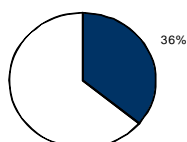
Sales of TENA-brand incontinence care products increased by 5%, excluding exchange rate effects. The increase is related to the acquisition in Brazil and favourable growth in Eastern Europe. Sales of baby diapers increased by 5%, excluding exchange rate effects. The increase is mainly related to Europe and Latin America. Sales of feminine care products increased by 1%, excluding exchange rate effects.

Operating profit increased by 8% (12% excluding exchange rate effects) to SEK 792m (735). Profit was favourably affected by higher volumes and prices, and cost savings. Profit was charged with SEK 56m in higher raw material costs and negative exchange rate effects.

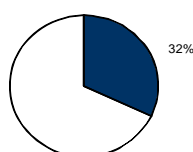
Operating cash flow was SEK 365m (975). The change is mainly attributable to a higher level of trade accounts receivable.

TISSUE

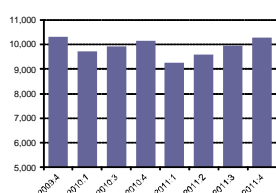
Share of Group, net sales
1112



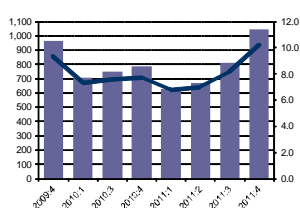
Share of Group, operating profit
1112



Net sales



Operating profit and margin



Deviations, operating profit (%)

1112 vs. 1012	
Price/mix	32
Volume	4
Raw material	-11
Energy	0
Currency	-6
Other	-15

SEKm	1112	1012	%	2011:4	2010:4	%
Net sales	39,118	39,870	-2	10,280	10,154	1
Operating surplus*	5,246	5,225	0	1,593	1,351	18
Operating profit*	3,150	3,041	4	1,046	787	33
Operating margin, %*	8.1	7.6		10.2	7.8	
Operating cash flow	3,446	4,033		1,557	1,208	

* Excluding restructuring costs and the write-down of goodwill, which are reported as items affecting comparability outside of the business area.

In the away-from-home (AFH) tissue segment, SCA grew its market shares in Europe with its Tork brand. SCA's environmentally certified tissue products led to new contracts in Europe, the USA and the Asia-Pacific region. In the AFH segment, a new, more user-friendly soap dispenser was launched in the Tork Elevation series.

In November SCA made a binding offer to acquire Georgia-Pacific's European tissue operations, with 2010 sales amounting to SEK 11.9bn (EUR 1.25bn). The offered price is approximately SEK 12bn (EUR 1.32bn). The deal is a good strategic fit for SCA and will strengthen the product offering and geographic reach in Europe. Annual synergies are estimated at EUR 125m, with full effect three years after closing. The transaction is subject to customary consultation with employee representatives and approval by the relevant authorities.

January–December 2011 compared with corresponding period a year ago

Net sales decreased by 2% (increased by 4% excluding exchange rate effects) to SEK 39,118m (39,870). Higher prices and volumes each increased sales by 2%. Sales in emerging markets increased by 10%, excluding exchange rate movements.

Sales of consumer tissue increased by 3%, excluding exchange rate effects. Emerging markets showed strong sales growth.

Sales of AFH tissue increased by 6%, excluding exchange rate effects. The increase is mainly attributable to strong growth in Eastern Europe, North America and Latin America.

Operating profit improved by 4% (10% excluding exchange rate effects) to SEK 3,150m (3,041). Higher prices, a changed product mix and higher volumes had a favourable impact on profit. Sharply higher raw material costs, by SEK 338m, higher distribution costs and negative exchange rate effects lowered operating profit.

The operating cash surplus increased to SEK 5,347m (5,277), and operating cash flow decreased to SEK 3,446m (4,033). Cash flow decreased as a result of a higher level of working capital.

Fourth quarter 2011 compared with fourth quarter 2010

Net sales increased by 1% (3% excluding exchange rate effects) to SEK 10,280m (10,154). Higher prices and a changed product mix increased sales by 3%.

Net sales of consumer tissue were level with the fourth quarter a year ago, excluding exchange rate effects. Emerging markets showed strong sales growth.

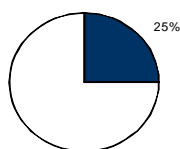
Net sales of AFH tissue increased by 6%, excluding exchange rate effects. Markets in Western Europe and North America showed favourable growth.

Operating profit improved by 33% (37% excluding exchange rate effects) to SEK 1,046m (787). Higher prices, a changed product mix and lower raw material costs had a favourable impact on profit. Exchange rate effects lowered profit.

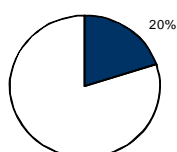
PACKAGING

Including packaging operations held for sale

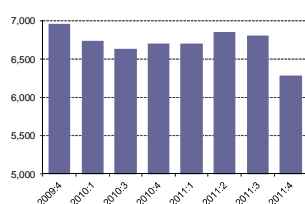
Share of Group, net sales
1112



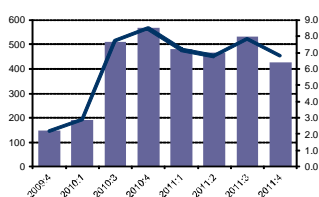
Share of Group, operating profit
1112



Net sales



Operating profit and margin



Deviations, operating profit (%)

1112 vs. 1012	21
Price/mix	132
Volume	9
Raw material	-100
Energy	-6
Currency	-5
Other	-9

SEKm	1112	1012	%	2011:4	2010:4	%
Deliveries						
- Liner products, thousand tonnes	2,108	2,110	0	495	519	-5
- Corrugated board, million m ²	3,377	3,514	-4	803	874	-8
Net sales*	26,650	26,831	-1	6,287	6,704	-6
Operating surplus**	3,192	2,961	8	761	895	-15
Operating profit**	1,909	1,577	21	428	567	-25
Operating margin, %**	7.2	5.9		6.8	8.5	
Operating cash flow	1,366	1,168		512	483	

* As from 2010, net sales from SCA's recycling operations have been reclassified as other income, entailing a decrease in net sales for the same period in the preceding year by SEK 2,802m.

** Excluding restructuring costs and the write-down of goodwill, which are reported as items affecting comparability outside of the business area.

In January 2012 SCA announced that its packaging operations – excluding the two kraftliner mills in Sweden – are being divested to DS Smith. The purchase price is EUR 1.7bn on a debt-free basis. The transaction is subject to approval from DS Smith's shareholders and the pertinent competition authorities.

During the year, a decision was made to invest in an upgrade of the paper machine and refurbishment of the soda-recovery boiler at the kraftliner mill in Munksund, Sweden. The main aim of the investment is to increase production of value-added products, such as white-top kraftliner.

SCA's prices for corrugated board were an average of 9% higher in 2011 than a year ago.

January–December 2011 compared with corresponding period a year ago

Net sales decreased by 1% (increased by 8% excluding exchange rate effects and divestments) to SEK 26,650m (26,831). Higher prices increased net sales by 8%, while divested operations lowered sales by 5%.

Operating profit increased by 21% (26% excluding exchange rate effects) to SEK 1,909m (1,577). The profit improvement is attributable to higher prices and volumes, and cost savings, which compensated for approximately SEK 1.6bn in higher raw material costs.

The operating cash surplus improved to SEK 3,181m (2,921). Operating cash flow increased to SEK 1,366m (1,168) as a result of the higher operating cash surplus and lower investments, which compensated for the higher level of working capital.

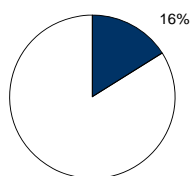
Fourth quarter 2011 compared with fourth quarter 2010

Net sales decreased by 6% (unchanged excluding exchange rate effects and divestments) to SEK 6,287m (6,704). Higher prices increased net sales by 3%, while lower volumes decreased sales by 3%. Divested operations reduced sales by 5%.

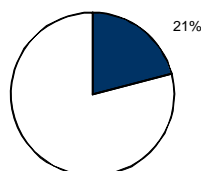
Operating profit decreased to SEK 428m (567). Higher prices and cost savings contributed to a higher profit, but did not fully compensate for higher raw material and energy costs, lower volumes as a result of divestments and negative exchange rate effects.

FOREST PRODUCTS

Share of Group, net sales
1112



Share of Group, operating profit
1112



SEKm	1112	1012	%	2011:4	2010:4	%
Deliveries						
- Publication papers, thousand tonnes	1,588	1,592	0	398	408	-2
- Solid-wood products, thousand m ³ *	1,916	1,817	5	473	472	0
Net sales	17,180	17,123	0	4,155	4,290	-3
Operating surplus**	3,286	3,821	-14	743	935	-21
Operating profit**	2,001	2,455	-18	440	592	-26
Operating margin, %**	11.6	14.3		10.6	13.8	
Operating cash flow	1,642	1,860		393	347	

*) Includes the Gällö and Tjärnvik sawmills, which are consolidated as from 1 July 2010.

**) Excluding restructuring costs, which are reported as items affecting comparability outside of the business area.

During the year, SCA and the Norwegian company Fred.Olsen Renewables formed a jointly owned company to build a wind farm on SCA's land in northern Sweden. The area has the potential for approximately 2 TWh in annual wind power generation. In a co-operation project with the Norwegian company Statkraft, construction of the first wind farm was begun during the year.

At the end of the year, the new lime kiln at the Östrand pulp mill was inaugurated. It will reduce carbon dioxide emissions by 80% while reducing costs by approximately SEK 50m on a yearly basis.

A decision was made during the year to rebuild one of the newsprint machines in Ortviken, Sundsvall, to allow production of higher paper grades.

January–December 2011 compared with the corresponding period a year ago

Net sales were level with the corresponding period a year ago (increased by 1% excluding exchange rate effects) and amounted to SEK 17,180m (17,123). Higher prices primarily for publication papers along with acquisitions increased sales by 2% and 1%, respectively. Lower volumes decreased sales by 2%.

Operating profit decreased by 18% to SEK 2,001m (2,455). Profit for the publication paper operations improved to SEK 183m (-88). Higher prices for publication papers compensated for higher raw material costs and negative exchange rate effects. The lower operating profit for the pulp and solid-wood operations is mainly attributable to higher raw material costs and negative exchange rate effects. Completed productivity improvements had a favourable effect on profit.

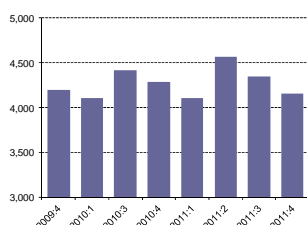
The operating cash surplus was SEK 2,700m (3,216), and operating cash flow totalled SEK 1,642m (1,860).

Fourth quarter 2011 compared with fourth quarter 2010

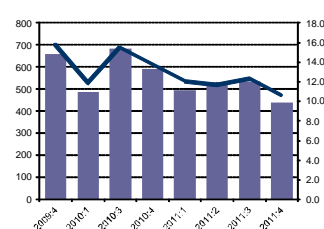
Net sales decreased by 3% to SEK 4,155m (4,290). Higher prices for publication papers increased net sales by 1%. Lower volumes decreased net sales by 4%.

Operating profit amounted to SEK 440m (592). The lower profit is attributable to higher raw material costs and negative exchange rate effects.

Net sales



Operating profit and margin



Deviations, operating profit (%)

1112 vs. 1012	Deviation (%)
Price/mix	14
Volume	-1
Raw material	-26
Energy	-4
Currency	0
Other	-1

In the adjacent deviation analysis, the currency deviation amounts to 0% (SEK 0m) and consists of a translation effect. Including the exchange rate effect from the business area's transaction exposure, the total exchange rate effect is approximately -19% (SEK -460m), with a corresponding increase primarily in the price/mix deviation.

SHARE DISTRIBUTION

31 December 2011	Class A	Class B	Total
Registered number of shares	96,590,430	608,519,664	705,110,094
- of which treasury shares		2,767,605	2,767,605

At the end of the period, the proportion of Class A shares was 13.7%. During the fourth quarter, at the request of shareholders a total of 990 Class A shares were converted to Class B shares. The total number of votes in the company is 1,574,423,964.

RISKS AND UNCERTAINTIES

SCA's risk exposure and risk management are described on pages 44–49 of the 2010 Annual Report. No significant changes have taken place that have affected the reported risks.

Risks in conjunction with company acquisitions are analysed in the due diligence processes that SCA carries out prior to all acquisitions. In cases where acquisitions have been carried out that may affect the assessment of SCA's risk exposure, these are described under the heading "Other events" in interim reports.

Risk management processes

SCA's board decides on the Group's strategic direction, based on recommendations made by Group management. Responsibility for the long-term, overall management of strategic risks corresponds to the company's delegation structure, from the Board to the CEO and from the CEO to the business unit heads. This means that most operational risks are managed by SCA's business units at the local level, but that they are co-ordinated when considered necessary. The tools used in this co-ordination consist primarily of the business units' regular reporting and the annual strategy process, where risks and risk management are a part of the process.

SCA's financial risk management is centralised, as is the Group's internal bank for the Group companies' financial transactions and management of the Group's energy risks. Financial risks are managed in accordance with the Group's finance policy, which is adopted by SCA's board and which – together with SCA's energy risk policy – makes up a framework for risk management. Risks are compiled and followed up on a regular basis to ensure compliance with these guidelines. SCA has also centralised other risk management.

SCA has a staff function for internal audit, which monitors compliance in the organisation with the Group's policies.

RELATED PARTY TRANSACTIONS

No transactions have been carried out between SCA and related parties that had a material impact on the company's financial position and results of operations.

ACCOUNTING PRINCIPLES

This interim report has been prepared in accordance with IAS 34 and recommendation RFR 1 of the Swedish Financial Reporting Board (RFR), and with regard to the Parent Company, RFR 2. The accounting principles applied correspond to those described in the 2010 Annual Report, except for with respect to a number of amendments to existing standards and new interpretations that took effect on 1 January 2011.

On 17 January 2012 SCA announced its intention to divest its packaging operations, excluding the kraftliner operations, to the packaging company DS Smith. The deal is expected to be completed during the second quarter of 2012. Based on this, the operations that are intended to be divested have been classified and reported as a disposal group held for sale, in accordance with IFRS 5. This year-end report includes information about earnings, assets, liabilities and cash flow for the disposal group. Comparative figures have been adjusted where necessary. In calculations of the disposal group's profit for the period as well as assets, liabilities and cash flow, SCA has used the same accounting principles as for the rest of the Group, with certain, special additions and assumptions, which are reported on in this section. In connection with the ongoing divestment, a write-down of assets has been made to a value that corresponds to the contracted purchase price. The units included in the disposal group include all of the companies that are owned directly or indirectly by SCA and are included in the part of Packaging that are intended to be divested. The reported tax expense and deferred tax have been based on what has been calculated for the respective units with applicable adjustments for the disposal group and the rest of the Group as a whole. This approach has also been applied for net financial items. Other items have been calculated and classified on the same basis as for the rest of the SCA Group.

During the fourth quarter, SCA decided to establish a joint venture partnership for its existing hygiene operations in Australasia. Based on this, non-current assets for the operations referred to here have been classified and reported as non-current assets held for sale in accordance with IFRS 5. A write-down of assets has been made to a value that corresponds to the contracted purchase price.

FUTURE REPORTS

In 2012 quarterly interim reports will be published on 18 April, 19 July and 18 October.

SCA's Annual Report will be available at the company and on the company's website, www.sca.com, by 8 March 2012 at the latest.

ANNUAL GENERAL MEETING

SCA's Annual General Meeting will be held on Thursday, 29 March 2012, at the Stockholm City Conference Centre, in Stockholm, Sweden.

INVITATION TO PRESS CONFERENCE ON Q4

Media and analysts are invited to a press conference, where this year-end report will be presented by Jan Johansson, President and CEO of SCA.

Time: Thursday, 26 January 2012, at 14.00 CET

Location: Klarasalen, Målargatan 1, Stockholm, Sweden.

The press conference will be webcast live at www.sca.com. It is also possible to participate in the press conference via phone, by calling +44 20 7162 0177, +1 (334) 323-6203, or +46-8-5052 0114.

OPERATING CASH FLOW ANALYSIS*

SEKm	1112	1012
Operating cash surplus	14,465	15,097
Change in working capital	-1,245	-1,042
Current capital expenditures, net	-3,747	-3,647
Restructuring costs, etc.	-896	-653
Operating cash flow	8,577	9,755
Financial items	-1,290	-1,116
Income taxes paid	-961	-1,255
Other	57	15
Cash flow from current operations	6,383	7,399
Acquisitions	-983	-493
Strategic capital expenditures, fixed assets	-1,910	-2,427
Divestments	292	1,297
Cash flow before dividend	3,782	5,776
Dividend	-2,898	-2,657
Net cash flow	884	3,119
Net debt at the start of the period	-34,406	-40,430
Net cash flow	884	3,119
Remeasurement to equity	-3,505	695
Currency effects	379	2,210
Net debt at the end of the period	-36,648	-34,406
Debt/equity ratio	0.60	0.51
Debt payment capacity, %	36	35

* Including packaging operations held for sale

CASH FLOW STATEMENT

SEKm	1112	1012	1112*	1012*
Operating activities				
Profit before tax	2,258	7,561		
Adjustment for non-cash items ¹	10,009	5,751		
	12,267	13,312		
Paid tax	-961	-1,255		
Cash flow from operating activities before changes in working capital	11,306	12,057		
Cash flow from changes in working capital				
Change in inventories	-562	-1,866		
Change in operating receivables	-894	-3,197		
Change in operating liabilities	211	4,021		
Cash flow from operating activities	10,061	11,015	1,574	1,539
Investing activities				
Acquisition of operations	-932	-458		
Sold operations	49	1,205		
Acquisition tangible and intangible assets	-5,911	-6,370		
Sale of tangible assets	265	303		
Payment of loans to external parties	-179	0		
Repayment of loans from external parties	0	934		
Cash flow from investing activities	-6,708	-4,386	-678	-754
Financing activities				
Borrowings	438	0		
Amortisation of debt	0	-7,179		
Dividends paid	-2,898	-2,657		
Cash flow from financing activities	-2,460	-9,836	-521	-313
Cash flow for the period	893	-3,207	375	472
Cash and cash equivalents at the beginning of the year	1,866	5,148		
Exchange differences in cash and cash equivalents	-7	-75		
Cash and cash equivalents at the end of the period	2,752	1,866		

*Of which packaging operations held for sale

Reconciliation with operating cash flow analysis

Cash flow for the period	893	-3,207
Deducted items:		
Payment of loans to external parties	179	0
Repayment of loans from external parties	0	-934
Borrowings	-438	0
Amortisation of debt	0	7,179
Added items:		
Net debt in acquired and divested operations	192	57
Accrued interest	69	31
Investments through finance leases	-11	-7
Net cash flow according to operating cash flow analysis	884	3,119

¹ Depreciation and impairment, fixed assets	11,235	6,442
Fair-value measurement/net growth of forest assets	-623	-629
Unpaid related to efficiency programmes	40	577
Payments related to efficiency programmes already recognized	-408	-482
Other	-235	-157
Total	10,009	5,751

CONSOLIDATED INCOME STATEMENT, according to IAS 34 and IFRS 5

All lines except for the net profit line are excluding the packaging operations held for sale

SEKm	2011:4	2010:4	2011:3	1112	1012
Net sales	20,935	20,883	20,756	81,337	82,731
Cost of goods sold ¹	-15,726	-15,829	-15,879	-61,701	-61,906
Gross profit	5,209	5,054	4,877	19,636	20,825
Sales, general and administration ¹	-3,087	-2,873	-2,877	-11,981	-12,426
Items affecting comparability ²	-5,287	-3	-152	-5,439	-702
Share in profits of associates	17	28	22	83	96
Operating profit	-3,148	2,206	1,870	2,299	7,793
Financial items	-367	-305	-361	-1,325	-1,170
Profit before tax	-3,515	1,901	1,509	974	6,623
Tax	-152	-492	-403	-1,267	-1,755
Net profit for the period continued operations	-3,667	1,409	1,106	-293	4,868
Net profit discontinued operations ³	265	271	178	900	724
Net profit for the period	-3,402	1,680	1,284	607	5,592
Earnings attributable to:					
Owners of the parent	-3,430	1,671	1,275	548	5,552
Non-controlling interests	28	9	9	59	40
Earnings per share, SEK - owners of the parent total operations					
- before dilution effects	-4.88	2.38	1.82	0.78	7.90
- after dilution effects	-4.88	2.38	1.82	0.78	7.90
Earnings per share, SEK - owners of the parent continued operations					
- before dilution effects	-5.26	1.99	1.56	-0.50	6.87
- after dilution effects	-5.26	1.99	1.56	-0.50	6.87
With the Group financing costs allocated to the packaging operations held for sale				0.05	
Calculation of earnings per share	2011:4	2010:4	2011:3	1112	1012
Earnings attributable to owners of the parent	-3,430	1,671	1,275	548	5,552
Average no. of shares before dilution, millions	702.3	702.3	702.3	702.3	702.3
Average no. of shares after dilution	702.3	702.3	702.3	702.3	702.3
¹ Of which, depreciation	-1,228	-1,311	-1,212	-4,912	-5,217
² Distribution of items affecting comparability					
Distribution of restructuring costs					
Cost of goods sold	-556	-3	-120	-676	-690
Sales, general and administration	-67	0	-32	-99	-12
Goodwill impairment, etc.	-4,664	0	0	-4,664	0
³ Included in discontinued operations	-39	3	-198	-237	-229
Items affecting comparability total operations	-5,326	0	-350	-5,676	-931
	2011:4	2010:4	2011:3	1112	1012
Gross margin ¹	23.3	22.4	21.9	22.4	23.0
Operating margin ¹	-10.5	9.5	7.7	3.4	8.1
Financial net margin ¹	-1.3	-1.1	-1.3	-1.2	-1.0
Profit margin ¹	-11.8	8.4	6.4	2.2	7.1
Tax ¹	-0.9	-2.2	-1.7	-1.6	-1.8
Net margin ¹	-12.7	6.2	4.7	0.6	5.3
¹ Including packaging operations held for sale					
Excluding items affecting comparability:	2011:4	2010:4	2011:3	1112	1012
Gross margin ¹	23.3	22.4	21.9	22.4	23.0
Operating margin ¹	9.4	9.5	9.0	8.7	9.0
Financial net margin ¹	-1.3	-1.1	-1.3	-1.2	-1.0
Profit margin ¹	8.1	8.4	7.7	7.5	8.0
Tax ¹	-1.9	-2.2	-2.0	-1.9	-2.1
Net margin ¹	6.2	6.2	5.7	5.6	5.9

¹ Including packaging operations held for sale

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

SEKm	2011:4	2010:4	2011:3	1112	1012
Profit for the period	-3,402	1,680	1,284	607	5,592
Other comprehensive income for the period					
Actuarial gains/losses on defined benefit pension plans	68	2,145	-3,122	-3,512	523
Available-for-sale financial assets	112	227	-366	-352	336
Cash flow hedges	-192	167	-134	-462	492
Exchange differences on translating foreign operations	-2,369	-855	1,299	-945	-8,633
Gains/losses from hedges of net investments in foreign operations	1,110	607	-689	13	4,613
Income tax relating to components of other comprehensive income	11	-666	791	1,023	-292
Other comprehensive income for the period, net of tax	-1,260	1,625	-2,221	-4,235	-2,961
Total comprehensive income for the period	-4,662	3,305	-937	-3,628	2,631
Total comprehensive income attributable to:					
Owners of the parent	-4,674	3,303	-957	-3,690	2,699
Non-controlling interests	12	2	20	62	-68

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

SEKm	1112	1012
Attributable to owners of the parent		
Opening balance, 1 January	67,255	67,156
Total comprehensive income for the period	-3,690	2,699
Dividend	-2,809	-2,599
Revaluation of non-controlling interests	-4	-1
Closing balance	60,752	67,255
Non-controlling interests		
Opening balance, 1 January	566	750
Total comprehensive income for the period	62	-68
Dividend	-89	-58
Change in Group composition	0	-58
Closing balance	539	566
Total equity, closing balance	61,291	67,821

CONSOLIDATED BALANCE SHEET

SEKm	31 December 2011	31 December 2010
Assets		
Goodwill	9,433	17,688
Other intangible assets	2,629	3,270
Tangible assets	69,328	82,236
Shares and participations	1,136	1,098
Non-current financial assets ¹	2,083	3,254
Other non-current receivables	902	1,363
Total non-current assets	85,511	108,909
Operating receivables and inventories	25,577	31,890
Current financial assets	292	220
Non-current assets held for sale	3,379	93
Cash and cash equivalents	2,644	1,866
Total current assets	31,892	34,069
Assets in disposal group held for sale	21,601	
Total assets	139,004	142,978
Equity		
Owners of the parent	60,752	67,255
Minority interests	539	566
Total equity	61,291	67,821
Liabilities		
Provisions for pensions	3,301	3,108
Other provisions	9,350	10,800
Non-current financial liabilities	27,711	23,459
Other non-current liabilities	857	791
Total non-current liabilities	41,219	38,158
Current financial liabilities ²	9,266	13,047
Operating liabilities	19,627	23,952
Total current liabilities	28,893	36,999
Liabilities in disposal group held for sale	7,601	
Total liabilities	70,112	75,157
Total equity and liabilities	139,004	142,978
The information below includes the packaging operations held for sale		
Debt/equity ratio	0.60	0.51
Visible equity/assets ratio	52%	47%
Return on capital employed	4%	8%
Return on equity	1%	8%
Excluding items affecting comparability:		
Return on capital employed	9%	9%
Return on equity	9%	9%
¹ Of which pension assets	186	1,056
² Committed credit lines amount to SEK 21,016m of which unutilised SEK 21,016m. Furthermore, there is a credit line amounting to EUR 1,100m (SEK 9,832m).		
Capital employed	97,939	102,227
- of which working capital	9,183	8,899
Net debt	36,648	34,406
Shareholders' equity	61,291	67,821
Provisions for restructuring costs are included in the balance sheet as follows:		
- Other provisions*	678	595
- Operating liabilities	394	605
*) of which, provision for tax risks	247	246

NET SALES*

SEKm	1112	1012	2011:4	2011:3	2011:2	2011:1	2010:4	2010:3
Personal Care	24,775	25,027	6,529	6,310	6,116	5,820	6,375	6,125
Tissue	39,118	39,870	10,280	9,951	9,609	9,278	10,154	9,924
Packaging ¹	26,650	26,831	6,287	6,810	6,856	6,697	6,704	6,627
Forest Products	17,180	17,123	4,155	4,349	4,566	4,110	4,290	4,415
- Publication papers	8,854	8,526	2,231	2,329	2,241	2,053	2,145	2,131
- Pulp, timber and solid-wood products	8,326	8,597	1,924	2,020	2,325	2,057	2,145	2,284
Other	1,881	1,855	393	510	510	468	478	491
Intra-group deliveries	-3,854	-3,741	-895	-993	-986	-980	-949	-935
Total net sales	105,750	106,965	26,749	26,937	26,671	25,393	27,052	26,647

¹Net sales from SCA's recycling operations have been reclassified as other income, with retroactive adjustment for 2010.

OPERATING PROFIT*

SEKm	1112	1012	2011:4	2011:3	2011:2	2011:1	2010:4	2010:3
Personal Care	2,645	2,922	792	688	582	583	735	697
Tissue	3,150	3,041	1,046	809	668	627	787	753
Packaging	1,909	1,577	428	534	467	480	567	512
Forest Products	2,001	2,455	440	534	532	495	592	685
- Publication papers	183	-88	64	82	26	11	-11	-38
- Pulp, timber and solid-wood products	1,818	2,543	376	452	506	484	603	723
Other	-481	-387	-179	-130	-99	-73	-114	-73
Total operating profit¹	9,224	9,608	2,527	2,435	2,150	2,112	2,567	2,574
Financial items	-1,290	-1,116	-360	-351	-277	-302	-293	-300
Profit before tax¹	7,934	8,492	2,167	2,084	1,873	1,810	2,274	2,274
Tax ¹	-2,014	-2,211	-515	-541	-487	-471	-594	-533
Net profit for the period¹	5,920	6,281	1,652	1,543	1,386	1,339	1,680	1,741
¹ Excluding items affecting comparability before tax amounting to:								
After tax amounting to:	-5,676	-931	-5,326	-350	0	0	0	-480
	-5,313	-689	-5,054	-259	0	0	0	-362

OPERATING MARGIN*

%	1112	1012	2011:4	2011:3	2011:2	2011:1	2010:4	2010:3
Personal Care	10.7	11.7	12.1	10.9	9.5	10.0	11.5	11.4
Tissue	8.1	7.6	10.2	8.1	7.0	6.8	7.8	7.6
Packaging	7.2	5.9	6.8	7.8	6.8	7.2	8.5	7.7
Forest Products	11.6	14.3	10.6	12.3	11.7	12.0	13.8	15.5
- Publication papers	2.1	-1.0	2.9	3.5	1.2	0.5	-0.5	-1.8
- Pulp, timber and solid-wood products	21.8	29.6	19.5	22.4	21.8	23.5	28.1	31.7

*Including packaging operations held for sale

CONSOLIDATED INCOME STATEMENT*

SEKm	2011:4	2011:3	2011:2	2011:1	2010:4
Net sales	26,749	26,937	26,671	25,393	27,052
Cost of goods sold	-20,515	-21,037	-20,865	-19,694	-20,990
Gross profit	6,234	5,900	5,806	5,699	6,062
Sales, general and administration	-3,712	-3,491	-3,687	-3,609	-3,527
Items affecting comparability	-5,326	-350	0	0	0
Share in profits of associates	5	26	31	22	32
Operating profit	-2,799	2,085	2,150	2,112	2,567
Financial items	-360	-351	-277	-302	-293
Profit before tax	-3,159	1,734	1,873	1,810	2,274
Taxes	-243	-450	-487	-471	-594
Net profit for the period	-3,402	1,284	1,386	1,339	1,680

*Including packaging operations held for sale

INCOME STATEMENT PARENT COMPANY

SEKm	1112	1012
Administrative expenses	-630	-477
Other operating income	174	185
Other operating expenses	-171	-179
Operating profit	-627	-471
Financial items ¹	2,755	3,361
Profit before tax	2,128	2,890
Tax	160	-392
Net profit for the period	2,288	2,498

¹The company has received and reported Group contribution in the income statement on the line for financial items according to RFR 2. Comparable year has been restated.

BALANCE SHEET PARENT COMPANY

SEKm	31 December 2011	31 December 2010
Intangible fixed assets	1	1
Tangible fixed assets	6,504	6,441
Financial fixed assets	127,503	124,604
Total fixed assets	134,008	131,046
Total current assets	1,512	6,119
Total assets	135,520	137,165
Restricted equity	10,996	10,996
Unrestricted equity	38,238	38,759
Total equity	49,234	49,755
Untaxed reserves	169	156
Provisions	915	1,050
Non-current liabilities	15,811	9,256
Current liabilities	69,391	76,948
Total equity, provisions and liabilities	135,520	137,165

For further information, please contact:

Camilla Weiner, Head of Corporate Communications, +46 8 788 52 34

Johan Karlsson, Vice President Investor Relations, +46 8 788 51 30

Pär Altan, Vice President Media Relations, +46 8 788 52 37

Note

SCA discloses the information provided herein pursuant to the Securities Markets Act. This report has been prepared in both Swedish and English versions. In case of variations in the content between the two versions, the Swedish version shall govern. Submitted for publication on 26 January 2012, at 12.00 CET.