

1 JANUARY–30 JUNE 2011 (compared with same period a year ago)

- Net sales decreased by 2% (increased by 5% excluding exchange rate effects and divestments) to SEK 52,064m (53,266)
- Operating profit excluding restructuring costs decreased by 5% (increased by 1% excluding exchange rate effects) to SEK 4,262m (4,467)
- Restructuring costs amounted to SEK 0m (451)
- Earnings per share rose 8% (13% excluding exchange rate effects) to SEK 3.85 (3.57)
- Cash flow from current operations was SEK 1,840m (2,816)

EARNINGS TREND

SEKm	1106	1006	%	2011:2	2010:2	%
Net sales¹	52,064	53,266	-2	26,671	27,067	-1
Gross profit	11,505	12,445	-8	5,806	6,410	-9
Operating profit²	4,262	4,467	-5	2,150	2,440	-12
Financial items	-579	-523		-277	-244	
Profit before tax²	3,683	3,944	-7	1,873	2,196	-15
Tax ²	-958	-1,084		-487	-595	
Net profit for the period²	2,725	2,860	-5	1,386	1,601	-13
Earnings per share, SEK	3.85	3.57	8	1.96	2.04	-4

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

² Excluding the preceding year's restructuring costs; for amounts, see page 17.

CEO'S COMMENTS

The recovery of the world economy continues, but at a slower pace. Emerging markets are showing continued strong growth, while in Europe, major regional differences exist. The rapid growth in the emerging markets has driven up raw material prices sharply. Indications are strong that prices are now stabilising at a very high level.

During the year we have raised our own prices, continued to carry out cost-cutting measures and stepped up the pace of new product launches.

Net sales for the second quarter of 2011 rose 5% and operating profit rose 2% compared with the first quarter of 2011. The earnings improvement is attributable to higher volumes and prices.

Net sales for the first half of 2011 increased by 5%, excluding exchange rate effects and divestments, as a result of higher prices and volumes compared with the same period a year ago.

Compared with the first half of 2010, raw material costs have risen by more than SEK 2bn. We have succeeded in compensating for this through own price increases and cost cutting. The strengthening of the Swedish krona has entailed a decrease in operating profit by SEK 600m. All business areas have been affected. During the first half of 2011, profit was not affected by restructuring costs.

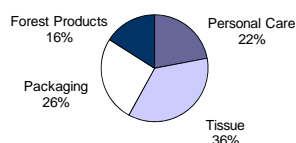
Earnings per share rose 8%, or 13% excluding exchange rate effects.

Operating profit for the first half of 2011 rose 1%, excluding exchange rate effects and restructuring costs, compared with the same period a year ago. Higher prices and volumes along with cost savings compensated for sharply higher costs for raw materials, energy and distribution. Earnings for Personal Care were favourably affected by higher volumes and cost savings, while SEK 420m in higher raw material costs led to a lower profit. Higher prices and a changed product mix along with higher volumes had a favourable effect on earnings for Tissue. However, SEK 400m in higher raw material costs and higher energy and distribution costs led to a lower profit.

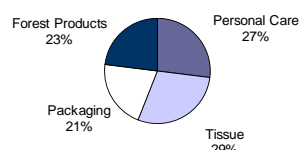
The sharp earnings improvement for Packaging is attributable to higher prices and volumes along with cost savings, which compensated for slightly more than SEK 1bn in higher raw material costs. Profit for Forest Products decreased as a result of higher raw material and energy costs, as well as the fact that the strengthening of the Swedish krona was not fully compensated by higher prices and productivity improvements.

Continued favourable demand is expected in all of SCA's business areas.

SHARE OF NET SALES 1106



SHARE OF OPERATING PROFIT 1106



EARNINGS TREND FOR THE GROUP

SEKm	1106	1006	%	2011:2	2010:2	%
Net sales¹	52,064	53,266	-2	26,671	27,067	-1
Cost of goods sold	-40,559	-40,821		-20,865	-20,657	
Gross profit	11,505	12,445	-8	5,806	6,410	-9
Sales, general and administration	-7,243	-7,978		-3,656	-3,970	
Operating profit²	4,262	4,467	-5	2,150	2,440	-12
Financial items	-579	-523		-277	-244	
Profit before tax²	3,683	3,944	-7	1,873	2,196	-15
Tax ²	-958	-1,084		-487	-595	
Net profit for the period²	2,725	2,860	-5	1,386	1,601	-13

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

² Excluding the preceding year's restructuring costs; for amounts, see page 17.

Earnings per share, SEK - owners of the parent

- after dilution effects	3.85	3.57	8	1.96	2.04	-4
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Margins (%)

Gross margin	22.1	23.4		21.8	23.7	
Operating margin¹	8.2	8.4		8.1	9.0	
Financial net margin	-1.1	-1.0		-1.0	-0.9	
Profit margin¹	7.1	7.4		7.1	8.1	
Tax ¹	-1.8	-2.0		-1.8	-2.2	
Net margin¹	5.3	5.4		5.3	5.9	

¹ Excluding restructuring costs.

OPERATING PROFIT PER BUSINESS AREA

SEKm	1106	1006	%	2011:2	2010:2	%
Personal Care	1,165	1,490	-22	582	753	-23
Tissue	1,295	1,501	-14	668	791	-16
Packaging	947	498	90	467	306	53
Forest Products	1,027	1,178	-13	532	691	-23
- <i>Publication papers</i>	37	-39	n/a	26	-24	n/a
- <i>Pulp, timber and solid-wood products</i>	990	1,217	-19	506	715	-29
Other	-172	-200		-99	-101	
Total¹	4,262	4,467	-5	2,150	2,440	-12

¹ Excluding restructuring costs.

OPERATING CASH FLOW PER BUSINESS AREA

SEKm	1106	1006	%	2011:2	2010:2	%
Personal Care	1,460	1,654	-12	758	829	-9
Tissue	895	1,742	-49	677	722	-6
Packaging	131	7	n/a	188	218	-14
Forest Products	473	835	-43	230	604	-62
Other	20	-103		177	46	
Total	2,979	4,135	-28	2,030	2,419	-16

GROUP

MARKET/EXTERNAL ENVIRONMENT

The recovery of the global economy is continuing, but at a slower pace. Emerging markets are showing continued strong growth, while considerable regional differences exist in Europe. The high level of growth in emerging markets has driven up raw material prices to very high levels.

The global market for incontinence care products is showing continued growth. Demand for tissue was stable in Western Europe and North America during the first half of 2011 compared with a year ago. Emerging markets are showing continued favourable growth.

Demand for corrugated board in Western Europe is up 3% through May 2011 compared with a year ago. Prices of corrugated board continued to rise during the second quarter of 2011.

Demand in Europe for magazine paper decreased by 2% during the first half of 2011 compared with the same period a year ago. Demand for newsprint rose 2% during the same period.

Raw material prices continued to rise during the second quarter of 2011.

SALES AND EARNINGS

January–June 2011 compared with corresponding period a year ago

Net sales decreased by 2% (increased by 5% excluding exchange rate effects and divestments) to SEK 52,064m (53,266). Higher prices and volumes increased sales by 4% and 1%, respectively.

Operating profit excluding restructuring costs decreased by 5% (increased by 1% excluding exchange rate effects) to SEK 4,262m (4,467). Higher prices and volumes along with cost savings compensated for sharply higher costs for raw materials, energy and distribution. The lower profit is attributable to the strengthening of the Swedish krona.

Restructuring costs totalled SEK 0m (451).

Financial items increased to SEK -579m (-523). The increase is attributable to higher interest rates, which were partly compensated by a lower level of net debt. Profit before tax excluding restructuring costs decreased by 7% (1% excluding exchange rate effects) to SEK 3,683m (3,944). The tax expense excluding effects of restructuring costs was SEK 958m (1,084).

Net profit for the period excluding restructuring costs decreased by 5% (unchanged excluding exchange rate effects) to SEK 2,725m (2,860). Earnings per share rose 8% (13% excluding exchange rate effects) to SEK 3.85 (3.57).

Second quarter 2011 compared with second quarter 2010

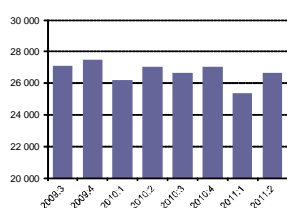
Net sales decreased by 1% (increased by 6% excluding exchange rate effects) to SEK 26,671m (27,067). Higher prices and volumes increased sales by 4% and 2%, respectively.

Operating profit excluding restructuring costs decreased by 12% (7% excluding exchange rate effects) to SEK 2,150m (2,440). Higher volumes and prices 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, including transaction exposure in Forest Products.

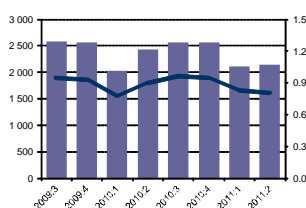
Profit before tax excluding restructuring costs decreased by 15% (10% excluding exchange rate effects) to SEK 1,873m (2,196).

Net profit for the period excluding restructuring costs decreased by 13% (8% excluding exchange rate effects) to SEK 1,386m (1,601). Earnings per share decreased by 4% (increased by 1% excluding exchange rate effects) to SEK 1.96 (2.04).

Net sales

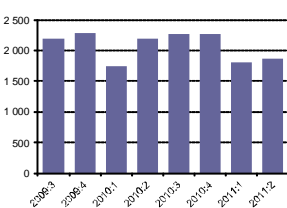


Operating profit and margin



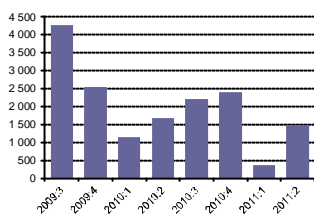
Excluding items affecting comparability

Profit before tax



Excluding items affecting comparability

Cashflow from current operations



CASH FLOW AND FINANCING

The operating cash surplus amounted to SEK 6,814m (7,273). The cash flow effect of the change in working capital was SEK -1,945m (-1,772). The increase is mainly attributable to higher trade accounts receivable and inventory values. Current capital expenditures were higher than in the preceding year and amounted to SEK 1,458m (952). Operating cash flow amounted to SEK 2,979m (4,135).

Financial items increased to SEK -579m (-523) as a result of higher interest rates, which were partly compensated by a lower level of net debt. Tax payments decreased to SEK 578m (798). Cash flow from current operations decreased to SEK 1,840m (2,816), mainly as a result of a lower operating cash surplus and higher current capital expenditures.

Strategic investments amounted to SEK -854m (-997). Acquisitions and divestments amounted to SEK -94m (1,223). The dividend payout amounted to SEK 2,809m (2,599). Net cash flow was SEK -1,917m (443).

Net debt has increased by SEK 2,224m during the year to SEK 36,630m. Net cash flow increased net debt by SEK 1,917m, while fair value measurement of pension assets, pension obligations and financial instruments increased net debt by SEK 459m. Exchange rate movements attributable to the strengthening of the Swedish krona decreased net debt by SEK 152m. The debt/equity ratio was 0.55 (0.51 at the beginning of the year). The debt payment capacity improved to 37% (33%).

As per 30 June 2011, SCA had outstanding commercial paper worth SEK 6,846m maturing within 12 months. Unutilised credit facilities amounted to SEK 20,442m, of which long-term facilities amounted to SEK 19,796m. Cash and cash equivalents amounted to SEK 2,757m.

EQUITY

Consolidated equity decreased during the period by SEK 840m to SEK 66,981m. Net profit for the period increased equity by SEK 2,725m. Equity decreased by SEK 2,809m through payment of the shareholder dividend, by SEK 272m after tax through restatement of the net pension liability to fair value, and by SEK 199m 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 285m.

TAX

A tax expense corresponding to a tax rate of 26% is reported for the period, which is also expected to be the tax rate for the full year 2011.

OTHER EVENTS

First quarter

For the fourth year in a row, SCA has been named as one of the world's most ethical companies by the Ethisphere Institute in the USA.

Second quarter

To capitalise on the favourable growth in the Russian market and further strengthen SCA's market-leading position, a decision was made to invest approximately SEK 1.2bn in a second tissue machine in Sovetsk, Russia. The new tissue machine has annual capacity of 60,000 tonnes, with production start planned for 2013. The investment is part of the strategy to grow in emerging markets and to increase the share of sales of SCA's own brands.

A decision was also made to invest approximately SEK 1.1bn in a new tissue machine in Kostheim, Germany, to meet increased demand primarily for AFH tissue products. The new tissue machine will have annual capacity of 60,000 tonnes, with production start planned for 2013.

To increase production capacity and reduce costs, a decision was made to invest approximately SEK 300m in the Bollsta sawmill, in Sweden. The investment pertains to two new biofuel boilers, increased drying capacity and an upgrade of the saw line. These investments will increase production capacity from 450,000 cubic metres to 525,000 cubic metres of sawn pine products per year.

Mats Berencreutz took office as Chief Operating Officer (COO) of SCA's global hygiene business and continues to be a member of the Corporate Senior Management Team. The appointment strengthens the Group's resources and creates conditions to further co-ordinate

and develop SCA's hygiene business, with the goal of improving profitability and increasing growth. Magnus Groth, currently CEO of Studsvik AB, has been appointed as new President of SCA's tissue operations in Europe. He will take office on 15 August and will be a member of SCA's Corporate Senior Management Team.

SCA acquired 50% of the Turkish hygiene products company Komili from Yıldız Holding, Turkey's largest food group. The purchase consideration amounted to SEK 308m on a debt-free basis. Komili is currently the fourth largest producer of baby diapers and feminine care products in Turkey and has operations in associated product areas, such as wet wipes, soaps and shampoos. Komili will operate as a joint venture between SCA and Yıldız Holding. The acquisition includes local production and access to a strong distribution network in the country. Komili's annual sales are approximately SEK 530m.

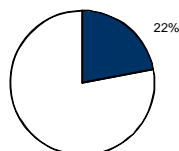
During the quarter, SCA sold its Greek packaging business, with annual sales of approximately SEK 500m. The unit was sold to a Turkish packaging company in which SCA has a 49% interest. After the end of the quarter, SCA sold its packaging plant in Kuban, Russia, with annual sales of approximately SEK 220m. The sales had no profit impact.

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.

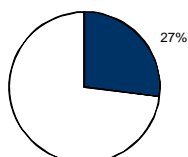
During the quarter, SCA issued a five-year EUR 600m (SEK 5,489) Eurobond.

PERSONAL CARE

Share of Group, net sales
1106



Share of Group, operating profit
1106



SEKm	1106	1006	%	2011:2	2010:2	%
Net sales	11,936	12,527	-5	6,116	6,418	-5
Operating surplus*	1,712	2,094	-18	856	1,051	-19
Operating profit*	1,165	1,490	-22	582	753	-23
Operating margin, %*	9.8	11.9		9.5	11.7	
Operating cash flow	1,460	1,654		758	829	

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

With its TENA brand, SCA is the European market leader in all incontinence care segments. During the second quarter, SCA launched a line of incontinence care products designed as protective underwear for both men and women.

In baby diapers, SCA has a strong, market-leading position in the Nordic countries with its Libero brand. During the second quarter, SCA launched a line of thin baby diapers under the Libero brand in the Nordic countries and Russia. In Europe, the volume development for existing and new private label contracts will result in gradually larger deliveries during the second half of 2011, entailing that in 2012, SCA will be utilizing its entire, existing production capacity.

During the second quarter of 2011, a 50% interest was acquired in a Turkish company that produces and sells hygiene products. Through this acquisition, SCA has established a hygiene products operation in Turkey.

Price increases have been carried out and will gradually take effect during the second half of 2011.

January–June 2011 compared with corresponding period a year ago

Net sales decreased by 5% (increased by 4% excluding exchange rate effects) to SEK 11,936m (12,527). Higher volumes as a result of increased market activities increased sales by 2%, while acquisitions increased sales by 2%. In emerging markets, sales rose 9% excluding exchange rate movements.

Sales of TENA-brand incontinence care products increased by 3%, excluding exchange rate effects.

Sales of baby diapers increased by 6%, excluding exchange rate effects. The increase is mainly attributable 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 22% lower than a year ago (17% excluding exchange rate effects) and amounted to SEK 1,165m (1,490). Profit was favourably affected by higher volumes and cost savings, while profit was charged with SEK 420m in higher raw material costs and negative exchange rate effects.

The operating cash surplus decreased to SEK 1,723m (2,093). Operating cash flow decreased to SEK 1,460m (1,654) as a result of the lower operating cash surplus and higher current capital expenditures.

Second quarter 2011 compared with second quarter 2010

Net sales decreased by 5% (increased by 4% excluding exchange rate effects) to SEK 6,116m (6,418). Higher volumes increased sales by 2%, and acquisitions increased sales by 2%.

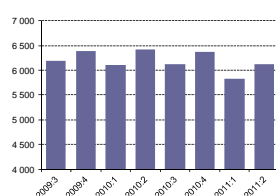
Sales of TENA-brand incontinence care products increased by 2%, excluding exchange rate effects. Growth in Latin America remained very favourable.

Sales of baby diapers increased by 8%, excluding exchange rate effects. The increase is mainly attributable to the acquisition in Mexico.

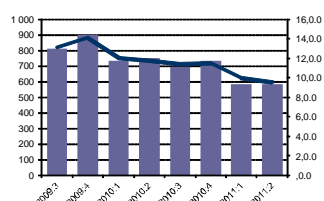
Sales of feminine care products increased by 1%, excluding exchange rate effects.

Operating profit decreased by 23% (18% excluding exchange rate effects) to SEK 582m (753). Profit was favourably affected by higher volumes and cost savings, while profit was charged with SEK 190m in higher raw material costs and negative exchange rate effects.

Net sales



Operating profit and margin

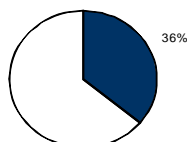


Deviations, operating profit (%)
1106 vs. 1006

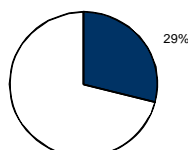
	-22
Price/mix	-8
Volume	7
Raw material	-28
Energy	0
Currency	-5
Other	12

TISSUE

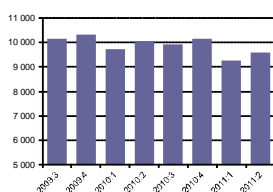
Share of Group, net sales
1106



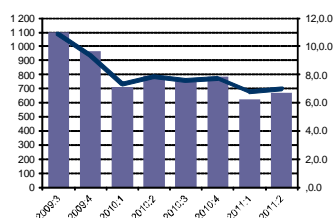
Share of Group, operating profit
1106



Net sales



Operating profit and margin



Deviations, operating profit (%)

1106 vs. 1006	
Price/mix	41
Volume	2
Raw material	-26
Energy	0
Currency	-8
Other	-23

SEKm	1106	1006	%	2011:2	2010:2	%
Net sales	18,887	19,792	-5	9,609	10,064	-5
Operating surplus	2,315	2,589	-11	1,176	1,333	-12
Operating profit	1,295	1,501	-14	668	791	-16
Operating margin, %	6.9	7.6		7.0	7.9	
Operating cash flow	895	1,742		677	722	

In the away-from-home (AFH) tissue segment, SCA grew its market shares in Europe and North America with its Tork brand.

Price increases have been carried out and will have a gradual impact during the second half of 2011.

January–June 2011 compared with corresponding period a year ago

Net sales decreased by 5% (increased by 4% excluding exchange rate effects) to SEK 18,887m (19,792). Higher prices and volumes increased sales by 3% and 1%, respectively. Sales in emerging markets increased by 9%, excluding exchange rate movements.

Sales of consumer tissue increased by 3%, excluding exchange rate effects. Emerging markets are showing 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 decreased by 14% (6% excluding exchange rate effects) to SEK 1,295m (1,501). Higher prices, a changed product mix and higher volumes had a favourable impact on profit. However, sharply higher raw material costs, by SEK 400m, higher costs for distribution and energy, and exchange rate effects led to a lower operating profit.

The operating cash surplus decreased to SEK 2,346m (2,617), and operating cash flow decreased to SEK 895m (1,742). Cash flow decreased as a result of the lower operating cash surplus and higher level of working capital.

Second quarter 2011 compared with second quarter 2010

Net sales decreased by 5% (increased by 4% excluding exchange rate effects) to SEK 9,609m (10,064). Higher volumes increased sales by 1%, while higher prices and a changed product mix increased sales by 3%.

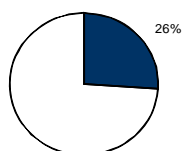
Sales of consumer tissue increased by 4%, excluding exchange rate effects. Emerging markets are showing strong sales growth.

Sales of AFH tissue increased by 6%, excluding exchange rate effects. Markets in Western Europe, North America and Latin America showed higher growth.

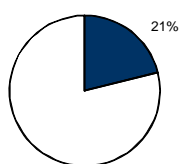
Operating profit decreased by 16% (8% excluding exchange rate effects) to SEK 668m (791). Higher prices, a changed product mix and higher volumes had a favourable impact on profit. However, higher costs for distribution, energy and raw materials, as well as exchange rate effects, led to a lower operating profit.

PACKAGING

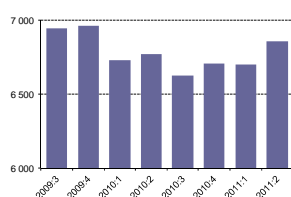
Share of Group, net sales
1106



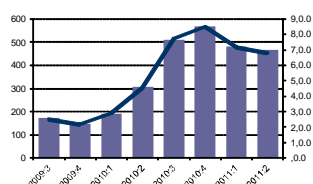
Share of Group, operating profit
1106



Net sales



Operating profit and margin



Deviations, operating profit (%)

1106 vs. 1006	%
Price/mix	298
Volume	32
Raw material	-212
Energy	-6
Currency	-12
Other	-10

SEKm	1106	1006	%	2011:2	2010:2	%
Deliveries						
- Liner products, thousand tonnes	1,082	1,055	3	546	529	3
- Corrugated board, million m ²	1,739	1,772	-2	866	897	-3
Net sales*	13,553	13,500	0	6,856	6,770	1
Operating surplus**	1,576	1,228	28	778	661	18
Operating profit**	947	498	90	467	306	53
Operating margin, %**	7.0	3.7		6.8	4.5	
Operating cash flow	131	7		188	218	

¹⁾ 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 1,336m.

²⁾ Excluding restructuring costs, which are reported as items affecting comparability outside of the business area.

Corrugated board prices continued to rise during the second quarter of 2011 and are expected to rise also during the second half of the year.

January–June 2011 compared with corresponding period a year ago

Net sales were level with the corresponding period a year ago (13% higher excluding exchange rate effects and divestments) and totalled SEK 13,553m (13,500). Higher prices and volumes increased net sales by 11% and 2%, respectively. Sales were 5% lower as a result of divested operations.

Operating profit was SEK 947m (498). The strong profit improvement is attributable to higher prices and volumes as well as cost savings, which compensated for slightly more than SEK 1bn in higher raw material costs and negative exchange rate effects.

Operating cash surplus improved to SEK 1,566m (1,213), and operating cash flow was SEK 131m (7). The higher operating cash surplus was countered by a higher level of tied-up working capital.

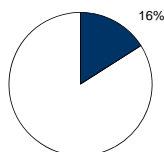
Second quarter 2011 compared with second quarter 2010

Net sales increased by 1% (11% excluding exchange rate effects and divestments) to SEK 6,856m (6,770). Net sales increased by 11% as a result of higher prices. Sales were 4% lower as a result of divested operations.

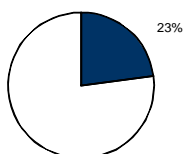
Operating profit increased to SEK 467m (306). The strong profit improvement is attributable to higher prices and volumes as well as cost savings, which compensated for slightly more than SEK 500m in higher raw material costs and negative exchange rate effects.

FOREST PRODUCTS

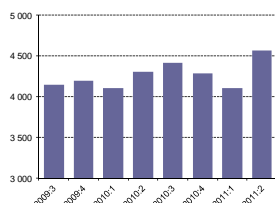
Share of Group, net sales
1106



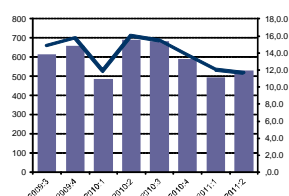
Share of Group, operating profit
1106



Net sales



Operating profit and margin



Deviations, operating profit (%)

1106 vs. 1006	
	-13
Price/mix	5
Volume	0
Raw material	-18
Energy	-7
Currency	0
Other	7

SEKm	1106	1006	%	2011:2	2010:2	%
Deliveries						
- Publication papers, thousand tonnes	780	785	-1	403	388	4
- Solid-wood products, thousand m ³	965*	831	16	524**	440	19
Net sales	8,676	8,418	3	4,566	4,308	6
Operating surplus	1,708	1,858	-8	873	1,030	-15
Operating profit	1,027	1,178	-13	532	691	-23
Operating margin, %	11.8	14.0		11.7	16.0	
Operating cash flow	473	835		230	604	

^{*)} Includes approximately 128,000 m³ from the Gällö and Tjärnvik sawmills, which are consolidated as from 1 July 2010.

^{**)} Includes approximately 70,000 m³ from the Gällö and Tjärnvik sawmills, which are consolidated as from 1 July 2010.

During the second quarter of 2011 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. Together with SCA's previous collaboration with Norway's Statkraft, total annual wind power generation will amount to approximately 4.5 TWh once all of the plants have been completed.

In the publication paper operations, small price increases have been carried out for all grades for the second half of 2011.

January–June 2011 compared with corresponding period a year ago

Net sales increased by 3% (increased by 5% excluding exchange rate effects) to SEK 8,676m (8,418). Higher prices primarily for publication papers and pulp contributed to the sales increase. Higher volumes and acquisitions increased sales by 1% and 3%, respectively.

Operating profit decreased by 13% to SEK 1,027m (1,178). Profit for the publication paper operations improved to SEK 37m (-39). Higher prices for publication papers compensated for lower volumes, higher raw material costs and negative exchange rate effects. The lower operating profit for the pulp and solid-wood operations is mainly attributable to negative exchange rate effects. Completed productivity improvements had a favourable effect on earnings.

The operating cash surplus was SEK 1,332m (1,540), and operating cash flow totalled SEK 473m (835).

Second quarter 2011 compared with second quarter 2010

Net sales increased by 6% (8% excluding exchange rate effects) to SEK 4,566m (4,308). Higher prices for publication papers and pulp, along with higher volumes, increased net sales. Acquisitions increased sales by 3%.

Operating profit decreased by 23% to SEK 532m (691). The lower profit is attributable to higher raw material and energy costs, and negative exchange rate effects.

In the adjacent deviation analysis, the currency deviation amounts to 0% (SEK 2m) 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 -30% (SEK -340m), with a corresponding increase primarily in the price/mix deviation.

SHARE DISTRIBUTION

30 June 2011	Class A	Class B	Total
Registered number of shares	97,453,423	607,656,671	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 13.8%. During the second quarter, at the request of shareholders a total of 2,650,000 Class A shares were converted to Class B shares. The total number of votes in the company is 1,582,190,901. After the end of the second quarter, at the request of shareholders 500,000 Class A shares have been converted to Class B shares. The total number of votes in the company is thereafter 1,577,690,901.

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. No significant acquisitions were made during the period.

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 group heads. This means that most operational risks are managed by SCA's business groups 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 groups' 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.

FUTURE REPORTS

The interim report for the period January–September will be released on 25 October. The year-end report for 2011 will be released on 26 January 2012.

INVITATION TO PRESS CONFERENCE ON Q2

The media and analysts are invited to attend a press conference at which this report will be presented by Jan Johansson, President and CEO.


Time: Thursday, 21 July 2011, 14.00 CET.

Location: World Trade Center, New York conference room, Stockholm, Sweden.

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

The Board of Directors and President certify that the half-year interim report gives a true and fair view of the Parent Company's and Group's operations, financial position and results of operations, and describes material risks and uncertainties facing the Parent Company and the companies included in the Group.

Stockholm, 21 July 2011
SVENSKA CELLULOSA AKTIEBOLAGET SCA (publ)



Sverker Martin-Löf
Chairman of the Board



Pär Boman
Director



Leif Johansson
Director



Rolf Börjesson
Director



Anders Nyrén
Director




Sören Gyll
Director



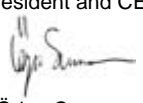
Barbara Milian Thoralfsson
Director



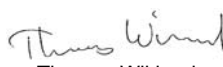
Lars Jonsson
Employee representative



Jan Johansson
Director
President and CEO



Örjan Svensson
Employee representative



Thomas Wiklund
Employee representative

REVIEW REPORT

We have reviewed this report for the period 1 January–30 June 2011 for Svenska Cellulosa Aktiebolaget SCA (publ). The board of directors and the CEO are responsible for the preparation and presentation of this interim report in accordance with IAS 34 and the Swedish Annual Accounts Act. Our responsibility is to express a conclusion on this interim report based on our review.

We conducted our review in accordance with the Swedish Standard on Review Engagements (SÖG) 2410, Review of Interim Report Performed by the Independent Auditor of the Entity. A review consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (ISA) and other generally accepted auditing standards. The procedures performed in a review do not make it possible for us to obtain such certainty that we can be aware of all material circumstances that could have been identified if an audit was performed. The stated conclusion based on a review therefore does not have the same level of certainty as a stated conclusion based on an audit.

Based on our review, nothing has come to our attention that causes us to believe that the interim report is not prepared, in all material respects, in accordance with IAS 34 and the Swedish Annual Accounts Act, regarding the Group, and with the Swedish Annual Accounts Act, regarding the Parent Company.

Stockholm, 21 July 2011

PricewaterhouseCoopers AB

Anders Lundin

Authorised Public Accountant

OPERATING CASH FLOW ANALYSIS

SEKm	1 106	1 006
Operating cash surplus	6,814	7,273
Change in working capital	-1,945	-1,772
Current capital expenditures, net	-1,458	-952
Restructuring costs, etc.	-432	-414
Operating cash flow	2,979	4,135
Financial items	-579	-523
Income taxes paid	-578	-798
Other	18	2
Cash flow from current operations	1,840	2,816
Acquisitions	-278	-47
Strategic capital expenditures, fixed assets	-854	-997
Divestments	184	1,270
Cash flow before dividend	892	3,042
Dividend	-2,809	-2,599
Net cash flow	-1,917	443
Net debt at the start of the period	-34,406	-40,430
Net cash flow	-1,917	443
Remeasurement to equity	-459	-1,380
Currency effects	152	521
Net debt at the end of the period	-36,630	-40,846
Debt/equity ratio	0.55	0.62
Debt payment capacity, %	37	33

CASH FLOW STATEMENT

SEKm	1106	1006
Operating activities		
Profit before tax	3,683	3,493
Adjustment for non-cash items ¹	2,141	2,826
	5,824	6,319
Paid tax	-578	-798
Cash flow from operating activities before changes in working capital	5,246	5,521
Cash flow from changes in working capital		
Change in inventories	-460	-1,327
Change in operating receivables	-1,088	-2,184
Change in operating liabilities	-397	1,739
Cash flow from operating activities	3,301	3,749
Investing activities		
Acquisition of operations	-279	-47
Sold operations	-5	190
Acquisition tangible and intangible assets	-2,356	-2,119
Sale of tangible assets	46	178
Payment of loans to external parties	0	-28
Repayment of loans from external parties	200	0
Cash flow from investing activities	-2,394	-1,826
Financing activities		
Borrowings	2,802	0
Amortisation of debt	0	-466
Dividends paid	-2,809	-2,599
Cash flow from financing activities	-7	-3,065
Cash flow for the period	900	-1,142
Cash and cash equivalents at the beginning of the year	1,866	5,148
Exchange differences in cash and cash equivalents	-9	-7
Cash and cash equivalents at the end of the period	2,757	3,999
Reconciliation with operating cash flow analysis		
Cash flow for the period	900	-1,142
Deducted items:		
Payment of loans to external parties	0	28
Repayment of loans from external parties	-200	0
Borrowings	-2,802	0
Amortisation of debt	0	466
Added items:		
Net debt in acquired and divested operations	190	1,080
Accrued interest	-3	19
Investments through finance leases	-2	-8
Net cash flow according to operating cash flow analysis	-1,917	443
¹ Depreciation and impairment, fixed assets	2,975	3,310
Fair-value measurement/net growth of forest assets	-361	-326
Unpaid related to efficiency programmes	0	334
Payments related to efficiency programmes already recognized	-367	-401
Other	-106	-91
Total	2,141	2,826

CONSOLIDATED INCOME STATEMENT

SEKm	2011:2	2010:2	2011:1	1106	1006
Net sales¹	26,671	27,067	25,393	52,064	53,266
Cost of goods sold ²	-20,865	-20,657	-19,694	-40,559	-40,821
Gross profit	5,806	6,410	5,699	11,505	12,445
Sales, general and administration ²	-3,687	-3,995	-3,609	-7,296	-8,016
Items affecting comparability ³	0	-207	0	0	-451
Share in profits of associates	31	25	22	53	38
Operating profit	2,150	2,233	2,112	4,262	4,016
Financial items	-277	-244	-302	-579	-523
Profit before tax	1,873	1,989	1,810	3,683	3,493
Tax	-487	-539	-471	-958	-960
Net profit for the period	1,386	1,450	1,339	2,725	2,533
Earnings attributable to:					
Owners of the parent	1,376	1,435	1,327	2,703	2,509
Non-controlling interests	10	15	12	22	24
Earnings per share, SEK - owners of the parent					
- before dilution effects	1.96	2.04	1.89	3.85	3.57
- after dilution effects	1.96	2.04	1.89	3.85	3.57
Calculation of earnings per share					
Earnings attributable to owners of the parent	1,376	1,435	1,327	2,703	2,509
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 Net sales from SCAs recycling operations have been reclassified to other income, with retroactive adjustment for 2010.					
² Of which, depreciation					
	-1,494	-1,598	-1,481	-2,975	-3,193
³ Distribution of items affecting comparability, per function					
Cost of goods sold	0	-197		0	-347
Sales, general and administration	0	-10		0	-104
	2011:2	2010:2	2011:1	1106	1006
Gross margin	21.8	23.7	22.4	22.1	23.4
Operating margin	8.1	8.2	8.3	8.2	7.5
Financial net margin	-1.0	-0.9	-1.2	-1.1	-1.0
Profit margin	7.1	7.3	7.1	7.1	6.5
Tax	-1.8	-2.0	-1.9	-1.8	-1.8
Net margin	5.3	5.3	5.2	5.3	4.7
Excluding restructuring costs:					
	2011:2	2010:2	2011:1	1106	1006
Gross margin	21.8	23.7	22.4	22.1	23.4
Operating margin	8.1	9.0	8.3	8.2	8.4
Financial net margin	-1.0	-0.9	-1.2	-1.1	-1.0
Profit margin	7.1	8.1	7.1	7.1	7.4
Tax	-1.8	-2.2	-1.9	-1.8	-2.0
Net margin	5.3	5.9	5.2	5.3	5.4

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

SEKm	2011:2	2010:2	2011:1	1106	1006
Profit for the period	1,386	1,450	1,339	2,725	2,533
Other comprehensive income for the period					
Actuarial gains/losses on defined benefit pension plans	-800	-1,591	342	-458	-1,387
Available-for-sale financial assets	-124	-94	26	-98	-2
Cash flow hedges	-241	260	105	-136	356
Exchange differences on translating foreign operations	1,693	-99	-1,568	125	-3,290
Gains/losses from hedges of net investments in foreign operations	-756	469	348	-408	2,389
Income tax relating to components of other comprehensive income	351	372	-130	221	300
Other comprehensive income for the period, net of tax	123	-683	-877	-754	-1,634
Total comprehensive income for the period	1,509	767	462	1,971	899
Total comprehensive income attributable to:					
Owners of the parent	1,483	774	458	1,941	934
Non-controlling interests	26	-7	4	30	-35

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

SEKm	1106	1006
Attributable to owners of the parent		
Opening balance, 1 January	67,255	67,156
Total comprehensive income for the period	1,941	934
Dividend	-2,809	-2,599
Revaluation of non-controlling interests	-2	0
Closing balance	66,385	65,491
Non-controlling interests		
Opening balance, 1 January	566	750
Total comprehensive income for the period	30	-35
Dividend	0	0
Change in Group composition	0	-53
Closing balance	596	662
Total equity, closing balance	66,981	66,153

CONSOLIDATED BALANCE SHEET

SEKm	30 June 2011	31 December 2010
Assets		
Goodwill	17,439	17,688
Other intangible assets	3,282	3,270
Tangible assets	81,671	82,236
Shares and participations	1,371	1,098
Non-current financial assets ¹	2,564	3,254
Other non-current receivables	1,674	1,363
Total non-current assets	108,001	108,909
Operating receivables and inventories	32,927	31,890
Current financial assets	203	220
Non-current assets held for sale	219	93
Cash and cash equivalents	2,757	1,866
Total current assets	36,106	34,069
Total assets	144,107	142,978
Equity		
Owners of the parent	66,385	67,255
Minority interests	596	566
Total equity	66,981	67,821
Liabilities		
Provisions for pensions	2,866	3,108
Other provisions	11,268	10,800
Non-current financial liabilities	29,458	23,459
Other non-current liabilities	846	791
Total non-current liabilities	44,438	38,158
Current financial liabilities ²	9,701	13,047
Operating liabilities	22,987	23,952
Total current liabilities	32,688	36,999
Total liabilities	77,126	75,157
Total equity and liabilities	144,107	142,978
Debt/equity ratio	0.55	0.51
Visible equity/assets ratio	46%	47%
Return on capital employed	9%	8%
Return on equity	9%	8%
Excluding restructuring costs:		
Return on capital employed	9%	9%
Return on equity	9%	9%
¹ Of which pension assets	735	1,056
² Committed credit lines amount to SEK 21,442m of which unutilised SEK 20,442m.		
Capital employed	103,611	102,227
- of which working capital	10,410	8,899
Net debt	36,630	34,406
Shareholders' equity	66,981	67,821
Provisions for restructuring costs are included in the balance sheet as follows:		
- Other provisions*	596	595
- Operating liabilities	236	605
*) of which, provision for tax risks	247	246

NET SALES

SEKm	1106	1006	2011:2	2011:1	2010:4	2010:3	2010:2	2010:1
Personal Care	11,936	12,527	6,116	5,820	6,375	6,125	6,418	6,109
Tissue	18,887	19,792	9,609	9,278	10,154	9,924	10,064	9,728
Packaging ¹	13,553	13,500	6,856	6,697	6,704	6,627	6,770	6,730
Forest Products	8,676	8,418	4,566	4,110	4,290	4,415	4,308	4,110
- Publication papers	4,294	4,250	2,241	2,053	2,145	2,131	2,086	2,164
- Pulp, timber and solid-wood products	4,382	4,168	2,325	2,057	2,145	2,284	2,222	1,946
Other	978	886	510	468	478	491	512	374
Intra-group deliveries	-1,966	-1,857	-986	-980	-949	-935	-1,005	-852
Total net sales	52,064	53,266	26,671	25,393	27,052	26,647	27,067	26,199

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

OPERATING PROFIT

SEKm	1106	1006	2011:2	2011:1	2010:4	2010:3	2010:2	2010:1
Personal Care	1,165	1,490	582	583	735	697	753	737
Tissue	1,295	1,501	668	627	787	753	791	710
Packaging	947	498	467	480	567	512	306	192
Forest Products	1,027	1,178	532	495	592	685	691	487
- Publication papers	37	-39	26	11	-11	-38	-24	-15
- Pulp, timber and solid-wood products	990	1,217	506	484	603	723	715	502
Other	-172	-200	-99	-73	-114	-73	-101	-99
Total operating profit¹	4,262	4,467	2,150	2,112	2,567	2,574	2,440	2,027
Financial items	-579	-523	-277	-302	-293	-300	-244	-279
Profit before tax¹	3,683	3,944	1,873	1,810	2,274	2,274	2,196	1,748
Tax ²	-958	-1,084	-487	-471	-594	-533	-595	-489
Net profit for the period¹	2,725	2,860	1,386	1,339	1,680	1,741	1,601	1,259
¹ Excl. restructuring costs before tax amounting to:	0	-451	0	0	0	-480	-207	-244
After tax amounting to:	0	-327	0	0	0	-362	-151	-176

OPERATING MARGIN

%	1106	1006	2011:2	2011:1	2010:4	2010:3	2010:2	2010:1
Personal Care	9.8	11.9	9.5	10.0	11.5	11.4	11.7	12.1
Tissue	6.9	7.6	7.0	6.8	7.8	7.6	7.9	7.3
Packaging	7.0	3.7	6.8	7.2	8.5	7.7	4.5	2.9
Forest Products	11.8	14.0	11.7	12.0	13.8	15.5	16.0	11.8
- Publication papers	0.9	-0.9	1.2	0.5	-0.5	-1.8	-1.2	-0.7
- Pulp, timber and solid-wood products	22.6	29.2	21.8	23.5	28.1	31.7	32.2	25.8

CONSOLIDATED INCOME STATEMENT

SEKm	2011:2	2011:1	2010:4	2010:3	2010:2
Net sales	26,671	25,393	27,052	26,647	27,067
Cost of goods sold	-20,865	-19,694	-20,990	-20,536	-20,657
Gross profit	5,806	5,699	6,062	6,111	6,410
Sales, general and administration	-3,687	-3,609	-3,527	-3,578	-3,995
Items affecting comparability	0	0	0	-480	-207
Share in profits of associates	31	22	32	41	25
Operating profit	2,150	2,112	2,567	2,094	2,233
Financial items	-277	-302	-293	-300	-244
Profit before tax	1,873	1,810	2,274	1,794	1,989
Taxes	-487	-471	-594	-415	-539
Net profit for the period	1,386	1,339	1,680	1,379	1,450

INCOME STATEMENT PARENT COMPANY

SEKm	1 106	1 006
Administrative expenses	-247	-240
Other operating income	98	99
Other operating expenses	-98	-99
Operating profit	-247	-240
Financial items ¹	1,623	1,280
Profit before tax	1,376	1,040
Tax	396	243
Net profit for the period	1,772	1,283

BALANCE SHEET PARENT COMPANY

SEKm	30 June 2011	31 December 2010
Intangible fixed assets	1	1
Tangible fixed assets	6,432	6,441
Financial fixed assets	127,193	124,604
Total fixed assets	133,626	131,046
Total current assets	608	6,119
Total assets	134,234	137,165
Restricted equity	10,996	10,996
Unrestricted equity	37,722	38,759
Total equity	48,718	49,755
Untaxed reserves	156	156
Provisions	1,072	1,050
Non-current liabilities	18,069	9,256
Current liabilities	66,219	76,948
Total equity, provisions and liabilities	134,234	137,165

For further information, please contact:

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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.