



Q4 Presentation 2010

16 February, 2011



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2010 Q4 Highlights

- Net sales declined by 5.2% to SEK 1,097 m (1,157)¹⁾
- Underlying operating income amounted to SEK 163 m (167)^{1) 2)}
- Underlying operating margin amounted to 14.8% (14.4%)^{1) 2)}
- Raw material costs stabilized on a high level
- Continued stable volume growth in Professional
 - Underlying growth steadily improved throughout the year
 - Healthy EBIT margin
- Stabilizing Retail volumes compared to previous quarters
 - Very strong EBIT margin 14.1% (10.1%) in Q4
- Yet another challenging quarter in Tissue

1) Excluding translation effect: net sales SEK 1,176 m, underlying operating income SEK 179 m with underlying operating margin 15.2%

2) Excluding market valuation of derivatives SEK 6 m (6) and restructuring costs of SEK 0 m (0)



Market Outlook

- HORECA market long-term growing in line or slightly above GDP
 - Positive eating out trend
 - Continued strong growth in take-away sector
- Retail growth in line with GDP
 - Even though private-label over-represented in category, competitive pressure remains fierce
- Improved GDP statistics start having a positive influence on HORECA
 - Consumers confidence strengthened
 - HORECA statistics in key markets moving into positive territory
 - Hotel sector demonstrate a faster recovery compared to restaurant sector
- Important input materials such as pulp remain on a high level
 - EUR/USD volatility important driver for changes in EUR pulp price in the short term
 - Increasing cost trend for raw-materials used in traded goods



HORECA Sales Development, Germany (Q3 2010)



ZAHLENSPIEGEL III/2010

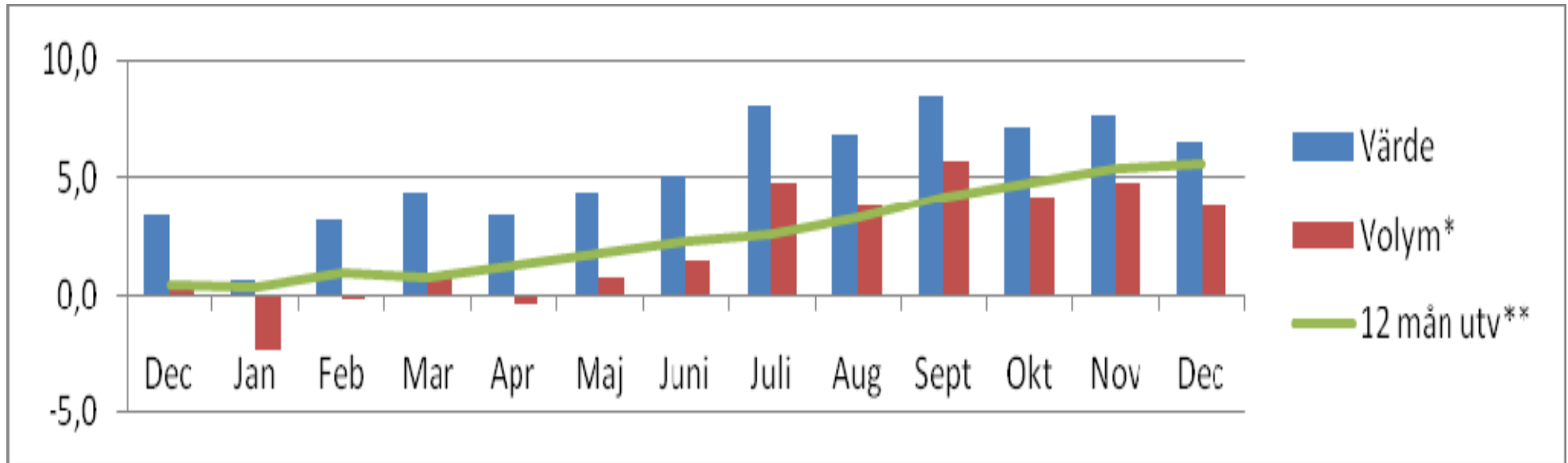
DEUTSCHER HOTEL- UND GASTSTÄTTENVERBAND (DEHOGA BUNDESVERBAND)

Umsatzentwicklung im Gastgewerbe drittes Quartal und Januar bis September 2010 (Veränderungen gegenüber Vorjahreszeitraum)

Betriebsart	3. Quartal 2010		Januar bis September 2010	
	nominal	real	nominal	real
Hotellerie (Hotels, Hotels garnis, Gasthöfe, Pensionen)	+7,8%	+1,9%	+6,3%	+0,7%
Beherbergungsgewerbe insgesamt	+7,5%	+1,5%	+6,1%	+0,3%
Speisengeprägte Gastronomie	-0,5%	-1,8%	-1,0%	-2,4%
Getränkegeprägte Gastronomie	-1,8%	-2,8%	-2,1%	-3,1%
Gaststättengewerbe insgesamt	-0,7%	-1,9%	-1,2%	-2,5%
Pachtkantinen	+2,7%	k.A.	+2,8%	k.A.
Caterer	+7,9%	k.A.	+7,9%	k.A.
Pachtkantinen und Caterer insgesamt	+3,3%	+2,4%	+3,4%	+2,3%
Gastgewerbe insgesamt	+2,7%	-0,4%	+1,7%	-1,1%



Restaurant Sales Development, Sweden (Dec 2009 – Dec 2010)



- +3.8% in volume in Dec and +6.5% in value
- +2.4% in volume YTD and +5.6% in value

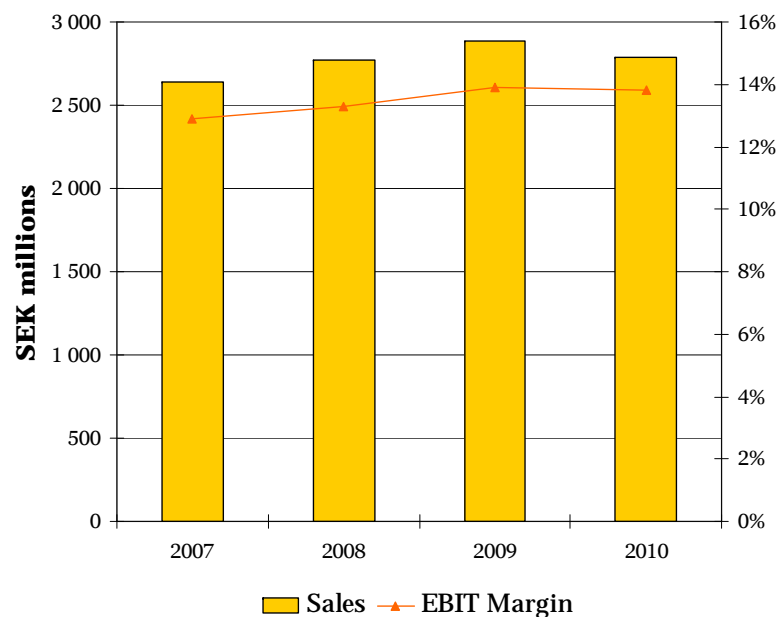




Business Areas

Professional – Continued Growth

Sales and EBIT¹



Geographical split – sales Q4 2010

Net sales Professional	Q4 2010	Q4 2009	Growth	Growth at fixed exchange rates
Nordic	182	177	2.8%	2.8%
Central Europe	451	464	-2.8%	7.1%
South & East Europe	118	118	0.0%	10.2%
Rest of the World	7	7	0.0%	14.3%
TOTAL	758	766	-0.9%	6.8%

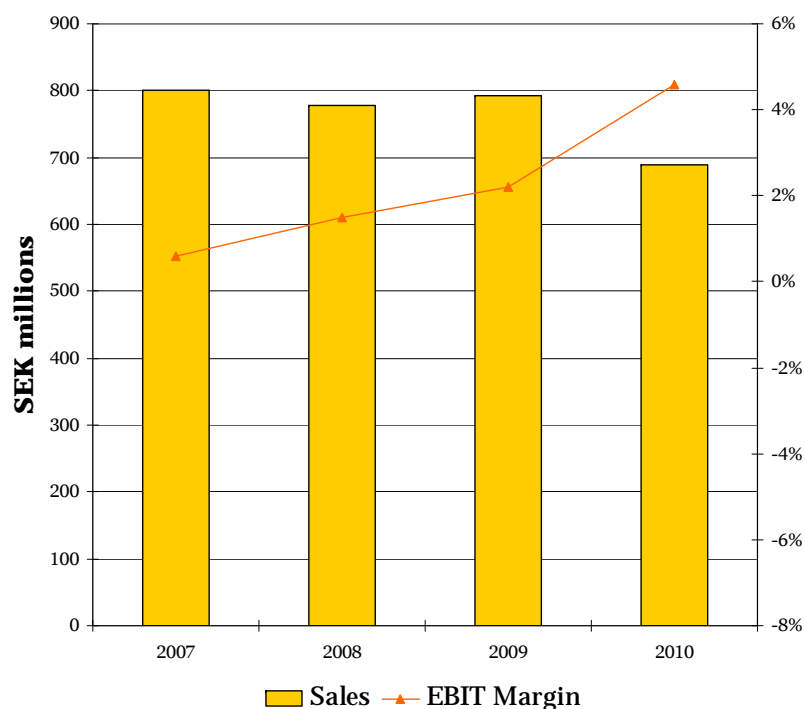
- Volume growth continues to strengthen in Q4 in all regions
- Price increases together with lower cost base compensate for significantly higher raw material costs

1) Excluding non-recurring costs and market valuation of derivatives



Retail – Tough Market Environment

Sales and EBIT¹



Geographical split – sales Q4 2010

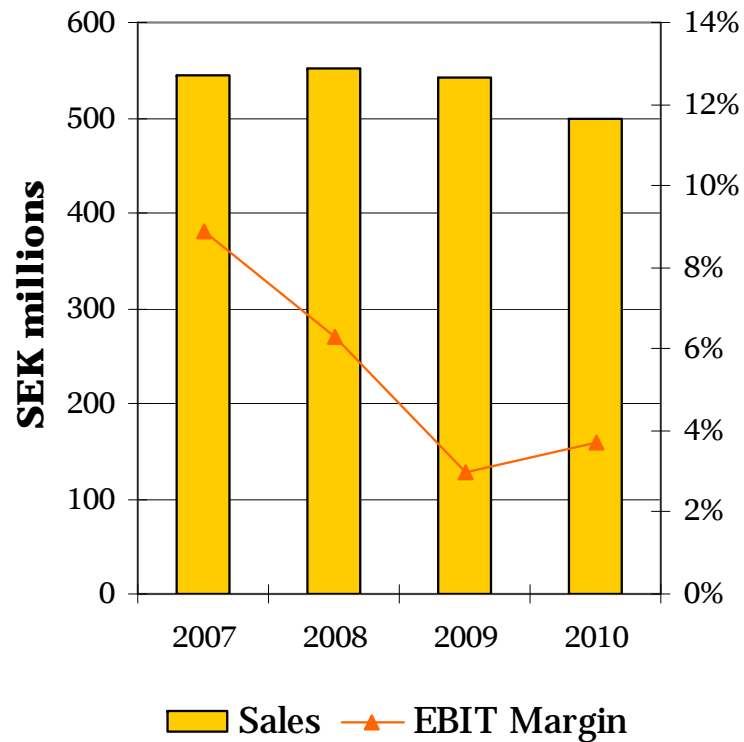
Net sales Retail	Q4 2010	Q4 2009	Growth	Growth at fixed exchange rates
Nordic	28	39	-28.2%	-28.2%
Central Europe	180	200	-10.0%	-1.0%
South & East Europe	22	19	15.8%	26.3%
Rest of the World	0	0	0.0%	0.0%
TOTAL	231	258	-10.5%	-3.1%

- Volumes recovered somewhat from previous quarters
- Improved customer base combined with lower costs are the main drivers behind increased EBIT margin.

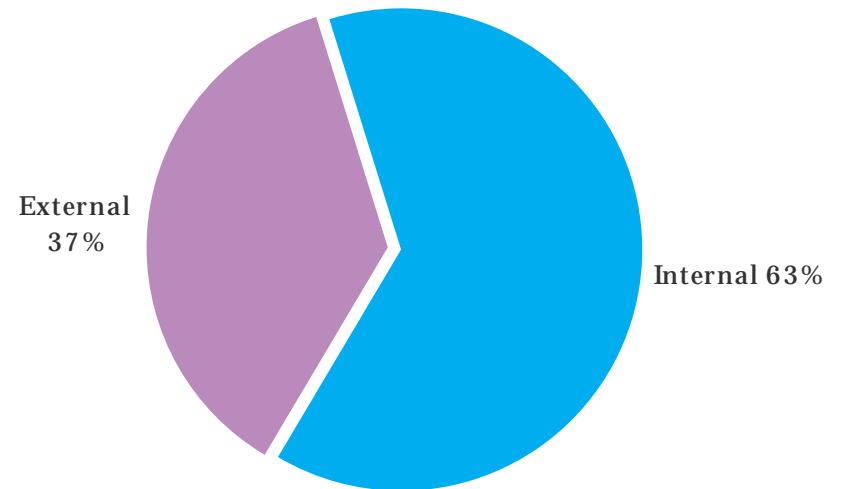
1) Excluding non-recurring costs and market valuation of derivatives

Tissue

Sales and EBIT



Sales mix Q4 2010



- Lower volumes in hygiene sector



Financials



Income Statement

<i>SEKm</i>	Q4 2010	Q4 2009	YTD 2010	YTD 2009
Net sales	1 097	1 157	3 971	4 220
Gross profit	312	357	1 052	1 166
Gross margin	28,4%	30,8%	26,5%	27,6%
Selling expenses	-107	-128	-434	-482
Administrative expenses	-45	-43	-174	-184
R&D expenses	-9	-10	-25	-29
Other operating net	18	-3	17	17
Operating income (reported)	169	173	436	488
Non-recurring items ¹⁾	6	6	1	52
Operating income (underlying)	163	167	435	436
Operating margin (underlying)	14.8%	14.4%	10.9%	10.3%
Financial net	-6	-7	-18	-43
Taxes	-46	-35	-112	-108
Net income, continuing operations	117	131	306	336
Earnings per share, continuing operations	2.49	2.79	6.52	7.15

1) Restructuring costs and market valuation of derivatives

Positive Margin Development

<i>SEKm</i>		Q4 2010	Q4 2009	YTD 2010	YTD 2009
<i>Professional</i>	Net sales	758	766	2 783	2 885
	Operating income ¹⁾	124	137	384	402
	Operating margin	16.4%	17.8%	13.8%	13.9%
<i>Retail</i>	Net sales	231	257	689	792
	Operating income ¹⁾	33	26	32	18
	Operating margin	14.1%	10.1%	4.6%	2.2%
<i>Tissue</i>	Net sales	109	134	499	543
	Operating income ¹⁾	6	4	18	16
	Operating margin	5.4%	3.1%	3.7%	3.0%
<i>Duni</i>	Net sales	1 097	1 157	3 971	4 220
	Operating income¹⁾	163	167	435	436
	Operating margin	14.8%	14.4%	10.9%	10.3%

1) Excluding non-recurring cost and market valuation of derivatives



Seasonally Strong Cash Flow

<i>SEKm</i>	Q4 2010	Q4 2009	YTD 2010	YTD 2009
EBITDA¹⁾	186	193	537	539
Capital expenditure	-58	-40	-236	-121
<i>Change in;</i>				
Inventory	67	70	-83	146
Accounts receivable	-33	39	-74	58
Accounts payable	49	52	7	3
Other operating working capital	-6	-29	-26	56
Change in working capital	77	131	-175	263
Operating cash flow	205	285	126	681

1) Excluding non-recurring costs and market valuation of derivatives



Solid Financial Position

<i>SEKm</i>	2010	2009
Goodwill	1 199	1 199
Tangible and intangible fixed assets	632	540
Net financial assets ¹⁾	253	327
Inventories	437	382
Accounts receivable	634	640
Accounts payable	-315	-344
Other operating assets and liabilities ³⁾	-266	-324
Net assets	2 573	2 420
Net debt	582	631
Equity	1 991	1 789
Equity and net debt	2 573	2 420
ROCE ²⁾	19%	21%
ROCE ²⁾ w/o Goodwill	40%	49%
Net debt / Equity	29%	35%
Net debt / EBITDA ²⁾	1.1	1.2

1) Deferred tax assets and liabilities + Income tax receivables and payables

2) Excluding non-recurring costs and market valuation of derivatives

3) Including restructuring provision and derivatives

Financial Targets

**2010-12
LTM**

Sales growth > 5%

- Organic growth of 5% over a business cycle
- Consider acquisitions to reach new markets or to strengthen current market positions

-5.9%

EBIT margin > 10%

- Top line growth – premium focus
- Improvements in manufacturing, sourcing and logistics

10.9%

Dividend payout ratio 40+%

- Target at least 40% of net profit

3:50 SEK
per share
(Proposal)

