



Q1 Presentation 2011

28 April, 2011



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2011 Q1 Highlights

- Net sales declined by 9,7% to SEK 867 m (960)¹⁾
- Underlying operating income amounted to SEK 67 m (77)^{1) 2)}
- Underlying operating margin amounted to 7.8% (8,1%)^{1) 2)}
- Increased market investments in Professional
 - Healthy growth in prioritized markets, but affecting EBIT margin short term.
 - Lower growth in major mature markets.
- EBIT margin almost on par with last year for Retail
 - Still highly competitive environment in Nordic Region.
- Significant margin improvement in Tissue

1) Excluding translation effect: net sales SEK 930 m, underlying operating income SEK 74 m with underlying operating margin 8,0%.

2) Excluding market valuation of derivatives SEK -7 m (-4) 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
 - Higher growth in take-away sector
- Retail growth in line with GDP over time
 - Weak retail markets in 2010
 - 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.
 - Pulp increasing in USD, but compensated by stronger EUR
 - Increasing cost trend for raw-materials in traded goods



HORECA Sales Development, Germany (Q4 2010)



ZAHLENSPIEGEL IV/2010

DEUTSCHER HOTEL- UND GASTSTÄTTENVERBAND (DEHOGA BUNDESVERBAND)

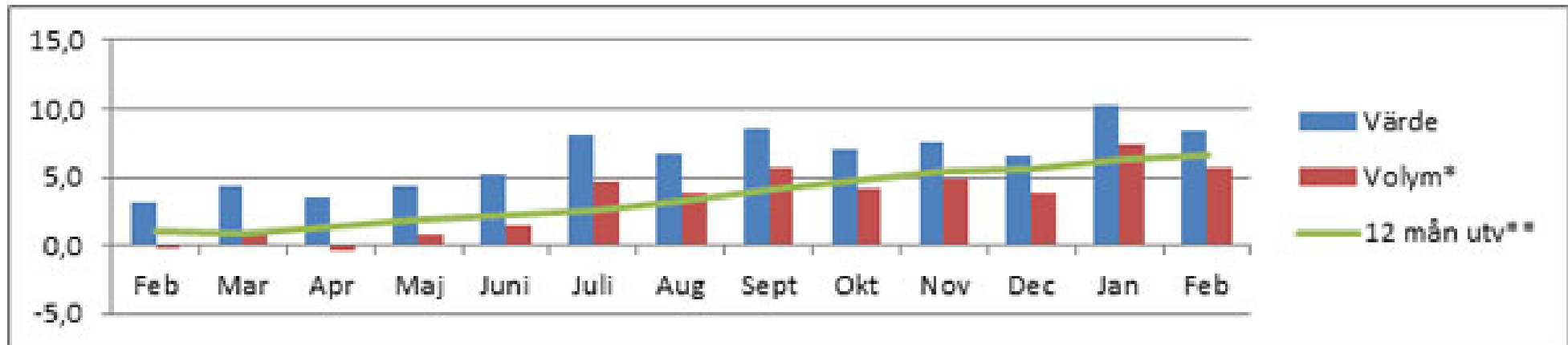
Umsatzentwicklung im Gastgewerbe viertes Quartal und Gesamtjahr 2010 (Veränderungen gegenüber Vorjahreszeitraum)

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

HoReCa total →



Restaurant Sales Development, Sweden (Feb 2010 – Feb 2011)



- Feb 2011: +5,7% volume, 8,4% value
- 2010: +2,4% volume, 5,6% value



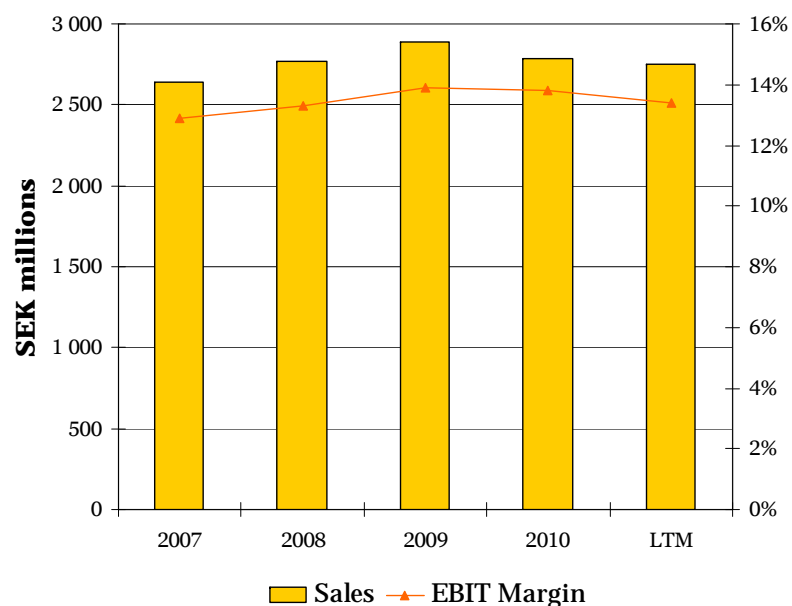


Business Areas



Professional – Stable Volumes

Sales and EBIT¹



Geographical split – sales Q1 2011

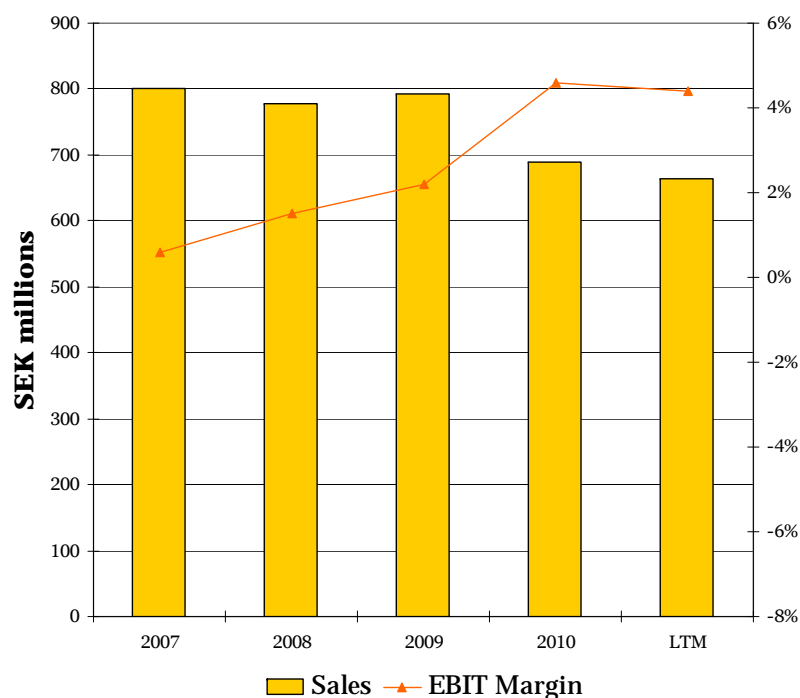
Net sales Professional	Q1 2011	Q1 2010	Growth	Growth at fixed exchange rates
Nordic	142	146	-2.7%	-2.7%
Central Europe	359	382	-6.0%	3.4%
South & East Europe	96	99	-3.0%	8.1%
Rest of the World	7	7	0.0%	0.0%
TOTAL	604	634	-4.7%	2.7%

- South & East Europe achieve strong growth, correlated to sales and marketing initiatives started in 2010.
- Gross margin on par with last year.

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

Retail – Stability in Margin

Sales and EBIT¹



Geographical split – sales Q1 2011

Net sales Retail	Q1 2011	Q1 2010	Growth	Growth at fixed exchange rates
Nordic	19	26	-26.9%	-26.9%
Central Europe	132	150	-12.0%	-2.7%
South & East Europe	8	9	-11.1%	0.0%
Rest of the World	0	0	0.0%	0.0%
TOTAL	159	185	-14.1%	-5.6%

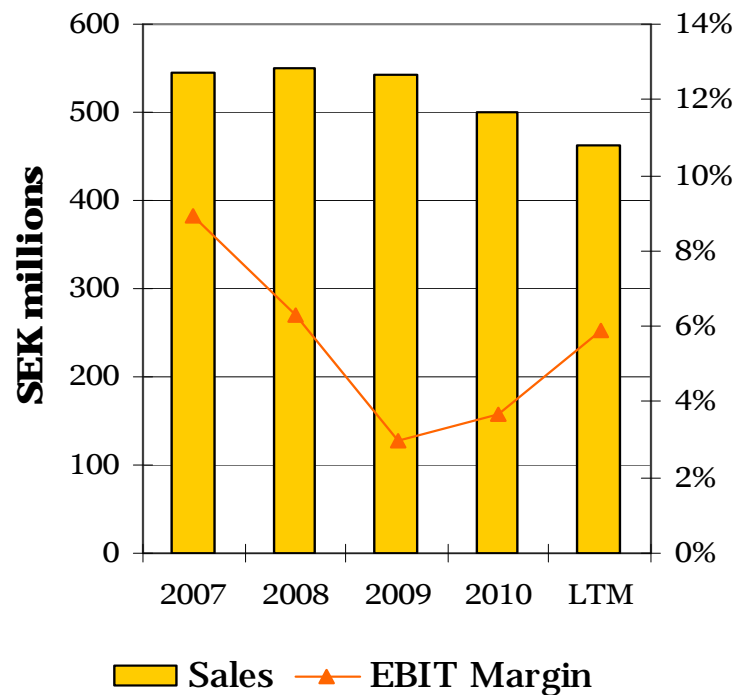
- Nordic region still highly competitive and challenging from volume perspective. New listings will improve situation in H2.
- Phasing out process of one major private label customer started.
- Stable EBIT at fixed exchange rate.

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

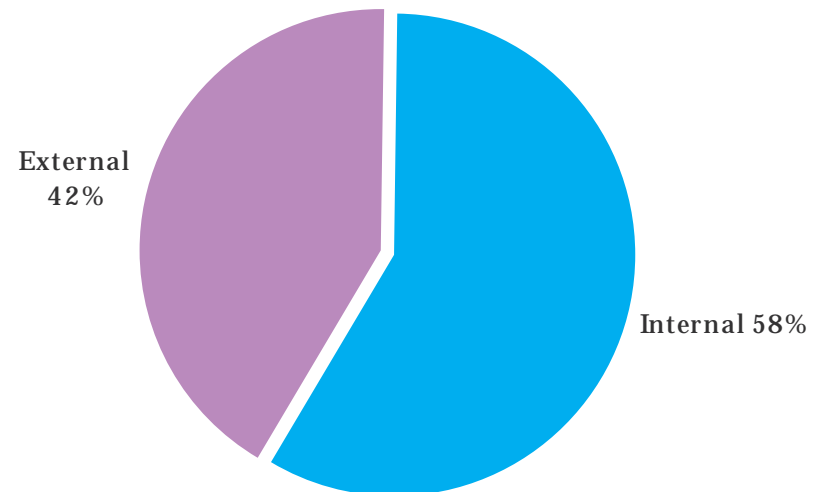


Tissue – Improved EBIT

Sales and EBIT



Sales mix Q1 2011



- Improved EBIT through less complex production process and improved efficiency.
- Lower volumes, but improved mix.



Financials



Income Statement

<i>SEKm</i>	Q1 2011	Q1 2010	LTM	FY 2010
Net sales	867	960	3 877	3 971
Gross profit	227	248	1 030	1 052
Gross margin	26,2%	25,8%	26,6%	26,5%
Selling expenses	-118	-121	-431	-434
Administrative expenses	-42	-45	-171	-174
R&D expenses	-6	-6	-25	-25
Other operating net	0	-2	19	17
Operating income (reported)	61	74	423	436
Non-recurring items ¹⁾	-7	-4	-2	1
Operating income (underlying)	67	77	425	435
Operating margin (underlying)	7.8%	8.1%	10.9%	10.9%
Financial net	-6	-8	-15	-18
Taxes	-15	-15	-112	-112
Net income, continuing operations	41	51	296	306
Earnings per share, continuing operations	0.86	1.09	6.30	6.52

1) Restructuring costs and market valuation of derivatives

Q1 Margin in line with Previous Year

<i>SEKm</i>		Q1 2011	Q1 2010	LTM	FY 2010
<i>Professional</i>	Net sales	604	634	2 752	2 783
	Operating income ¹⁾	53	69	368	384
	Operating margin	8.7%	10.8%	13.4%	13.8%
<i>Retail</i>	Net sales	159	185	664	689
	Operating income ¹⁾	6	8	29	32
	Operating margin	3.5%	4.3%	4.4%	4.6%
<i>Tissue</i>	Net sales	104	141	462	499
	Operating income ¹⁾	9	1	27	18
	Operating margin	8.7%	0.4%	5.9%	3.7%
<i>Duni</i>	Net sales	867	960	3 877	3 971
	Operating income¹⁾	67	77	425	435
	Operating margin	7.8%	8.1%	10.9%	10.9%

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



Improved Operating Cash Flow

<i>SEKm</i>	Q1 2011	Q1 2010	LTM	YTD 2010
EBITDA¹⁾	95	104	528	537
Capital expenditure	-38	-45	-229	-236
<i>Change in;</i>				
Inventory	-56	-42	-97	-83
Accounts receivable	26	-23	-25	-74
Accounts payable	-69	-49	-13	7
Other operating working capital	-2	-26	-2	-26
Change in working capital	-101	-140	-136	-175
Operating cash flow	-44	-81	163	126

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

Financial Position

<i>SEKm</i>	Q1 2011	Q1 2010	FY 2010
Goodwill	1 199	1 199	1 199
Tangible and intangible fixed assets	639	545	632
Net financial assets ¹⁾	255	300	253
Inventories	491	413	437
Accounts receivable	600	630	634
Accounts payable	-242	-281	-315
Other operating assets and liabilities ³⁾	-266	-285	-266
Net assets	2 676	2 521	2 573
Net debt	647	676	582
Equity	2 029	1 844	1 991
Equity and net debt	2 676	2 521	2 573
ROCE ²⁾	18%	20%	19%
ROCE ²⁾ w/o Goodwill	35%	44%	40%
Net debt / Equity	32%	37%	29%
Net debt / EBITDA ²⁾	1.2	1.2	1.1

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

**2011-03
LTM**

Sales growth > 5%

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

-0.8%
(at fixed
exchange rates)

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)

