

Sundsvall, July 21, 2017

**JANUARY 1 – JUNE 30, 2017**

(compared with the year-earlier period)

During the period, shares in the discontinued operation Essity (the hygiene business) were distributed to SCA's shareholders and on June 15, Essity was listed on Nasdaq Stockholm. Net profit for the period mainly comprised an earnings effect of SEK 136,914m from the distribution of Essity shares. The distribution was a non-recurring event. Unless otherwise stated, only SCA's continuing operations (the forest products business) are described in this report.

- Net sales increased 7% to SEK 8,191m (7,665)
- Adjusted EBITDA increased 2% to SEK 1,634m (1,602)
- The adjusted EBITDA margin was 19.9% (20.9)
- Adjusted operating profit amounted to SEK 1,062m (1,039)
- Operating profit amounted to SEK 949m (1,158)
- Net profit for the period from continuing operations amounted to SEK 651m (914)
- Earnings per share from continuing operations amounted to SEK 0.93 (1.30)
- Operating cash flow from continuing operations amounted to SEK 906m (1,340)

EARNINGS TREND

SEKm	2017:2	2016:2	%	2017:1	%	1706	1606	%
Net sales	4 222	3 872	9	3 969	6	8 191	7 665	7
Adjusted EBITDA ¹	827	789	5	807	2	1 634	1 602	2
Items affecting comparability	-103	119		-10		-113	119	
EBITDA	724	908	-20	797	-9	1 521	1 721	-12
Adjusted operating profit ¹	554	506	9	508	9	1 062	1 039	2
Operating profit	451	625	-28	498	-9	949	1 158	-18
Net Profit from continuing operations	288	504	-43	363	-21	651	914	-29
Net Profit from discontinued operations	138 625	-425		1 656		140 281	1 200	
Net Profit for the period from continuing and discontinued operations	138 913	79		2 019		140 932	2 114	
Adjusted EBITDA margin ¹	19,6	20,4		20,3		19,9	20,9	
Earnings per share SEK - continuing operations	0,41	0,72		0,52		0,93	1,30	
Operating cash flow, continuing operations						906	1 340	-32

¹ Excluding items affecting comparability before tax

The "Essity" hygiene business is recognized in this report as a discontinued operation under IFRS 5 (see Note 1 Accounting principles and Note 4 Discontinued operation) and is included in SCA's income statement up to June 13, 2017. Net profit from discontinued operations comprises Essity's profit for the January 1-June 13 period and a remeasurement of assets and liabilities at fair value on the date of distribution. For more detailed information about the hygiene business, refer to www.essity.com

COMMENTS ON THE FINANCIAL STATEMENTS

The Annual General Meeting's decision to split SCA into two listed companies has been implemented. For every share in SCA, shareholders have received one new share in the global hygiene and health company Essity. SCA is therefore a focused and cost-efficient forest and forest products company.

The reported result for the second quarter of 2017 was significantly impacted by extended planned maintenance stops at several of SCA's mills. Earnings were similarly affected by costs for the recently completed company split, and for the major ongoing investment project at the Östrand pulp mill. Underlying earnings are stable.

General market conditions for forest industry products are relatively strong with high demand in China, North America and Europe. The exception is publication papers, which have been adversely impacted by a continued structural decline.

Supplies of timber are balanced in SCA's operating area, creating a stable raw material market.

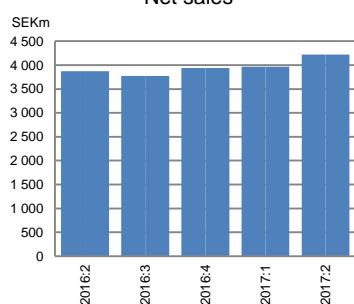
The market balance is strong in the Wood segment, with favorable underlying demand, and prices have gradually risen. The market is driven by continued high levels of construction activity in the US and high demand for wood products in China. The European market is also strong where the building materials trade, in particular, has shown continued positive growth.

The market for kraftliner has shown strong growth in recent years and the beginning of 2017 was no exception. Underlying factors include growing online shopping and demands for high quality packaging, which are increasing the preference for kraftliner – a packaging material made from fresh fiber. We have seen stepwise price increases over the past six months and another price increase for unbleached kraftliner has been announced for August.

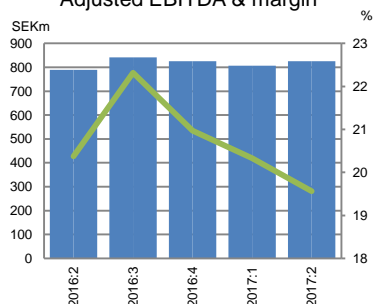
The pulp market developed favorably during the first six months of the year, with strong demand in China and relatively good demand in other markets. Market conditions were characterized by stable prices and volumes, with no significant inventory build-up to date due to increased production capacity. However, a weakened USD has recently resulted in lower delivery prices measured in Swedish kronor.

In view of the stable and long-term growing demand for long-fiber pulp, in particular from tissue and packaging producers, SCA decided in August 2015 to invest SEK 7.8bn in the expansion of the Östrand pulp mill. The project will double Östrand's capacity and make Östrand one of the most cost-efficient mills in the world for long-fiber kraft pulp production. The project is on track in terms of both time and budget.

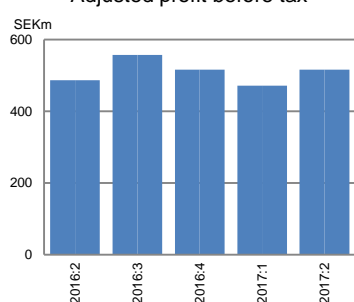
Net sales



Adjusted EBITDA & margin



Adjusted profit before tax

**Change in net sales (%)**

	2017:2 vs. 2016:2	1706 vs. 1606
Total	9	7
Price/mix	3	3
Volume	5	3
Currency	1	1

Change in adjusted EBITDA (%)

	2017:2 vs. 2016:2	1706 vs. 1606
Total	5	2
Price/mix	25	14
Volume	2	2
Raw materials	-8	-6
Energy	-4	-6
Currency	6	5
Other	-16	-7

GROUP**SALES AND OPERATING PROFIT****January-June 2017 compared with January-June 2016**

The first six months of the year showed sales growth related to higher prices and higher volumes in the industrial units. Net sales increased 7%, of which volume accounted for 3%, price/mix for 3% and currency for 1%, and amounted to SEK 8,191m (7,665).

Adjusted EBITDA increased 2% to SEK 1,634m (1,602). The increase was mainly attributable to higher prices, positive exchange rate effects and larger delivery volumes. Higher raw material costs, a downward market revaluation of electricity certificates of SEK 55m (0) and higher planned project costs of SEK 50m (8) for the investment in Östrand had a negative impact on earnings. In addition, the negative impact of planned maintenance stops amounted to SEK 154m (98). See page 5 for details.

Items affecting comparability amounted to SEK -113m (119), comprising costs related to splitting the SCA Group into two listed companies, whereof SEK 56m is due to the separation of pension funds. The positive amount in the preceding year comprised a capital gain on the sale of shares in IL Recycling.

Adjusted operating profit increased 2% to SEK 1,062m (1,039).

April-June 2017 compared with April-June 2016

Net sales grew 9%, of which volume accounted for 5%, price/mix for 3% and currency for 1%, and amounted to SEK 4,222m (3,872).

Adjusted EBITDA increased 5% to SEK 827m (789). The increase was mainly attributable to higher prices, positive exchange rate effects and larger delivery volumes. Higher costs for raw materials and energy, partly due to a market revaluation of electricity certificates, had a negative impact on earnings. In addition, earnings were adversely impacted by SEK 143m (72) for planned maintenance stops and increased project costs of SEK 29m (4) for the investment in Östrand.

Items affecting comparability amounted to SEK -103m (119), comprising costs related to splitting the SCA Group into two listed companies, whereof SEK 56m is due to the separation of pension funds. The positive amount in the preceding year comprised a capital gain on the sale of shares in IL Recycling.

Adjusted operating profit increased 9% to SEK 554m (506).

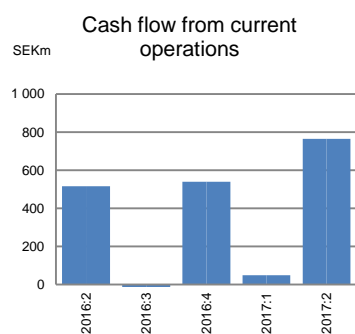
April-June 2017 compared with January-March 2017

Net sales grew 6%, of which volume accounted for 4% and price/mix for 2%, and amounted to SEK 4,222m (3,969).

Adjusted EBITDA increased 2% to SEK 827m (807). The increase was primarily due to higher prices, larger delivery volumes and lower energy costs (mainly in relation to a downward market revaluation of electricity certificates with larger effect in the first quarter). Planned maintenance stops had a negative impact of SEK 143m (11).

Items affecting comparability amounted to SEK -103m (-10), comprising costs related to splitting the SCA Group into two listed companies, whereof SEK 56m is due to the separation of pension funds.

Adjusted operating profit increased 9% to SEK 554m (508).



CASH FLOW

January-June 2017 compared with January-June 2016

The operating cash surplus amounted to SEK 1,300m (1,197). The cash flow effect from changes in working capital was SEK 41m (430). Working capital as a share of net sales decreased slightly. Current capital expenditures amounted to SEK -289m (-269). Operating cash flow was SEK 906m (1,340).

Strategic capital expenditures totaled SEK -1,476m (-882). The increase is primarily related to the ongoing investment in increased capacity at the Östrand pulp mill (see page 5). Cash flow before dividend, continuing operations, was SEK -662m (531).

Net cash flow from continuing and discontinued operations was SEK -27,133m (-7,118). The largest impact was due to the acquisition of BSN Medical in the discontinued operation (Essity) in the second quarter.

FINANCING

In the second quarter, measures were taken to ensure that SCA's continuing operations, as previously decided and communicated, would achieve net debt of SEK 5,000m, proforma, at December 31, 2016. A dividend of SEK 4,214m was paid to the shareholders of SCA and capital of SEK 598m was injected into the subsidiary Essity AB. Combined with existing net debt of SEK 188m at December 31, 2016, these two measures resulted in the planned level of net debt.

The negative cash flow before dividend, combined with minor effects from translation differences and a remeasurement of equity, resulted in net debt of SEK 5,584m for SCA's continuing operations at June 30, 2017, an increase of SEK 584m compared with the proforma net debt at the beginning of the year.

In connection with the split, a new loan structure was established on June 15, 2017, comprising of bank loans from a group of four banks and a bilateral loan from Svensk Exportkredit. The total amount of these credits and committed credit facilities is SEK 9,500m. At June 30, 2017, SCA's gross debt amounted to SEK 7,750m, with an average maturity of 3.9 years and an average fixed-interest rate period of 5.1 months. Cash and cash equivalents amounted to SEK 1,139m.

At the end of the period, the debt/equity ratio was 0.16.

During the period, financial items amounted to SEK -75m (-40), mainly comprised financial expenses incurred up until the distribution of Essity AB.

TAX

January-June 2017

Tax expense, including items affecting comparability, was SEK 223m, corresponding to a tax rate of 25.5%.

In the fourth quarter of 2016, a deferred tax asset of SEK 29m was recognized, related to the adjustment of income tax on capital gains on the sale of Laakirchen. In the second quarter of 2017, it was confirmed that no payment would be received, and therefore the tax asset was reversed. Tax expense for the year increased by SEK 29m as a result, which increases the effective tax rate but does not affect cash flow.

EQUITY

January-June 2017

During the period, consolidated equity decreased SEK 43,804m to SEK 35,715m. Equity increased due to comprehensive income of SEK 141,177 for the period, and to a private placement of SEK 960m to non-controlling interests. Equity declined SEK 4,344m due to a cash dividend (of which SEK 4,214m was distributed to SCA's shareholders and the remaining amount to non-controlling interests), and SEK 181,690m due to the distribution of shares in Essity AB. Other items increased equity by SEK 93m.

CURRENCY EXPOSURE AND CURRENCY HEDGING

Due to its strong focus on exports, SCA's operations are sensitive to currency fluctuations. About 80% of sales are priced in currencies other than SEK. Most purchasing is conducted in SEK, but some purchasing is carried out in foreign currencies. The net exposure for the three largest currencies during the January-June 2017 period are presented below, measured as sales in each foreign currency less purchases in the same currency.

EUR	EUR 270m
USD	USD 167m
GBP	GBP 56m
Other (translated to SEK)	SEK 317m
Total (translated to SEK)	SEK 5,011m

In accordance with SCA's Treasury Policy, this exposure is hedged to a certain extent. All balance-sheet items in foreign currency are hedged, as is the foreign currency portion of decided and contracted investments in fixed assets. According to the policy, future transaction exposure may also be hedged. The company has hedged about 75% of the estimated net inflow of EUR over the next six months at the average exchange rate of EUR/SEK 9.52.

PROJECT-RELATED COSTS FOR THE INVESTMENT IN INCREASED PULP CAPACITY AT ÖSTRAND

SCA decided in 2015 to invest in increased pulp production capacity at Östrand's pulp mill. The annual production capacity of bleached kraft pulp is planned to increase from today's level of 430,000 tons to about 900,000 tons. The investment is expected to amount to around SEK 7.8bn during a three year period.

By June 2017, about SEK 4.1bn had been invested in the Östrand project, corresponding to about 53 % of the total investment. Start-up of production is planned to June 2018. The project will double Östrand's capacity and make Östrand one of the most cost-efficient mills in the world for long-fiber kraft pulp production.

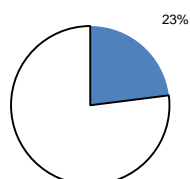
The project is on track in terms of both time and investment expenditure.

During the investment period project related costs will negatively affect results. Increased cost for wood handling, depreciation and temporarily increased staffing are the main cost drivers impacting the project-related costs during the investment period. For full-year 2017, project costs before tax are expected to be about SEK 150m, of which depreciation accounts for approximately SEK 50m. Full-year 2016 project costs before tax were about SEK 75m, of which depreciation accounted for approximately SEK 45m.

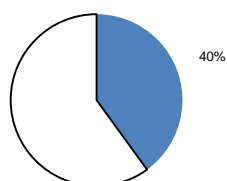
PLANNED MAINTENANCE STOPS

End September/early October 2017 there will be maintenance stops at the kraftliner mill in Obbola (Paper). In the fourth quarter, there will be a maintenance stop at Östrand (Pulp). The estimated effect of the maintenance stops on operating profit is calculated as the total of the direct cost for the maintenance and the loss of income from reduced production during the stop.

	2016					2017				
	Outcome					Outcome		Forecast		
SEKm	Q1	Q2	Q3	Q4	Total	Q1	Q2	Q3	Q4	Total
Pulp	24	24	24	23	95	8	65	5	25	103
Paper	2	48	19	29	98	3	78	15	25	121
Total	26	72	43	38	193	11	143	20	50	224

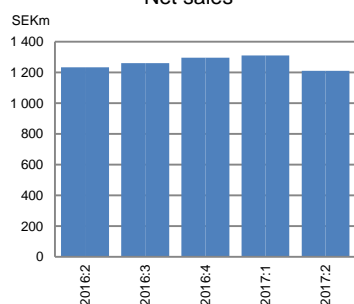
Share of net sales*
1706

* before elimination of intra-Group sales

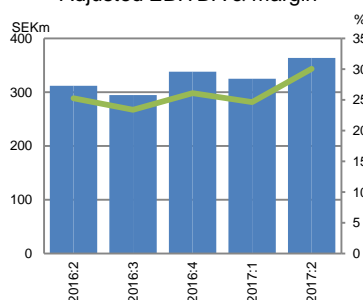
Share of adjusted EBITDA
1706**

** share calculated excluding central costs

Net sales



Adjusted EBITDA & margin



FOREST

The Forest segment manages 2.6 million hectares of forest land, of which 2 million is productive, and supplies timber to SCA's forest industry operations (Wood, Pulp and Paper). Roughly the same amount of timber that is harvested from SCA's own forests is purchased from other forest owners. By-products are used in energy production.

SEKm	2017:2	2016:2	%	2017:1	%	1706	1606	%
Net sales	1,210	1,234	-2	1,312	-8	2,522	2,421	4
Adjusted EBITDA ¹	364	312	17	325	12	689	605	14
Depreciation	-27	-27		-28		-55	-53	4
Adjusted operating profit ¹	336	285	18	297	13	633	552	15
Adjusted EBITDA margin, % ¹	30.1	25.3		24.7		27.3	25.0	
Adjusted operating margin, % ¹	27.8	23.1		22.6		25.1	22.8	
Adjusted return on capital employed, %	5.1	4.4		4.5		4.6	4.3	
Harvesting of own forest, thousand m ³ sub	1,353	1,322	2	664	104	2,017	1,833	10
Change of value in biological assets (forest)	103	101	2	231	-55	334	373	-10

¹ Excluding items affecting comparability

Management of own forest

Forest includes net sales of timber sourced from SCA's own forests, and from timber purchased from other forest owners, which is sold internally to SCA's forest industries. Pricing to the industry is based on Forest's external timber purchasing prices. Logistics cost savings generated by location swaps are reported in the industries. These sales of internally and externally purchased timber volumes supplied to SCA's forest industry operations together with the internal supply of by-products, represent Forest's net sales.

The proportion of timber harvested from own forest relative to deliveries from external suppliers varies between quarters. The change in value of the forest asset amounted to SEK 103m during the second quarter compared to SEK 231m during the first quarter. The expected change in value of the biological asset is distributed between the various quarters of the year based on the differences in harvesting levels from own forest.

During the first six months of the year, the volume of timber harvested from own forest was 2.0 million m³ sub. The current planned rate of timber harvested from own forest is approximately 4.3 million m³ sub per year.

January-June 2017 compared with January-June 2016

Net sales rose 4% to SEK 2,522m (2,421). The increase was related to higher delivery volumes. Prices were in line with the preceding year.

Adjusted EBITDA increased 14% to SEK 689m (605). The increase was attributable to the higher share of timber deliveries from SCA owned forest.

April-June 2017 compared with April-June 2016

Net sales decreased 2% to SEK 1,210m (1,234). The decrease was related to lower delivery volumes. Prices were in line with the preceding year.

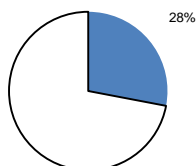
Adjusted EBITDA increased 17% to SEK 364m (312). This increase was primarily attributable to a higher share of timber deliveries from SCA owned forest.

April-June 2017 compared with January-March 2017

Net sales decreased 8% to SEK 1,210m (1,312). The decrease was related to lower delivery volumes, in spite of higher harvesting volumes from SCA owned forest. Prices were in line with the year-earlier quarter.

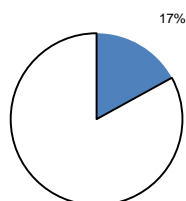
Adjusted EBITDA increased 12% to SEK 364m (325). The increase was due to the substantially higher share of timber deliveries from SCA owned forest. Change in the value of the biological assets was lower, due to the higher harvesting volume of own forest, and amounted to SEK 103m (231).

Share of net sales *
1706



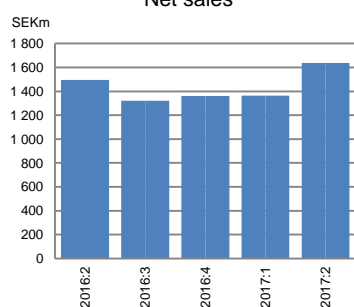
* before elimination of intra-Group sales

Share of adjusted EBITDA
1706**

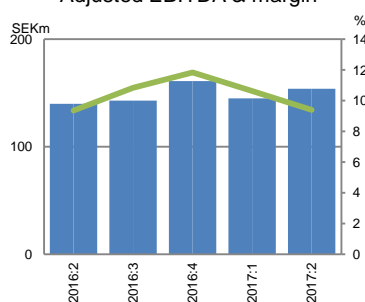


** share calculated excluding central costs

Net sales



Adjusted EBITDA & margin



WOOD

The Wood segment comprises five sawmills in Sweden, wood processing units with planing mills in Sweden, France and the UK, as well as a distribution and wholesale business. By-products are used in energy production.

SEKm	2017:2	2016:2	%	2017:1	%	1706	1606	%
Net sales	1,637	1,496	9	1,364	20	3,001	2,760	9
Adjusted EBITDA ¹	154	140	10	145	6	299	227	32
Depreciation	-55	-47	17	-62	-11	-117	-96	22
Adjusted operating profit ¹	99	93	6	83	19	182	131	39
Adjusted EBITDA margin, % ¹	9.4	9.4		10.6		10.0	8.2	
Adjusted operating margin, % ¹	6.0	6.2		6.1		6.1	4.7	
Adjusted return on capital employed, %	12.4	12.7		10.9		12.6	8.3	
Deliveries, wood products, thousand m ³	705	674	5	601	17	1,306	1,273	3

¹ Excluding items affecting comparability

January-June 2017 compared with January-June 2016

Net sales grew 9% to SEK 3,001m (2,760). The increase was due to higher prices and volumes.

Adjusted EBITDA increased 32% to SEK 299m (227). This increase was mainly related to higher prices. Higher raw material costs had a negative impact on earnings.

April-June 2017 compared with April-June 2016

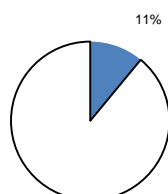
Net sales grew 9% to SEK 1,637m (1,496) due to higher volumes and prices.

Adjusted EBITDA increased 10% to SEK 154m (140). The increase was mainly related to higher volumes and selling prices. Higher raw material costs had a negative impact on earnings.

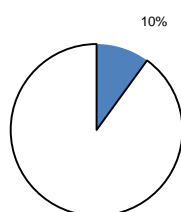
April-June 2017 compared with January-March 2017

Net sales grew 20% to SEK 1,637m (1,364). The increase was mainly the result of higher seasonal volumes, but also partly to higher prices.

Adjusted EBITDA increased 6% to SEK 154m (145). The increase was mainly related to higher delivery volumes and higher prices.

Share of net sales *
1706

* before elimination of intra-Group sales

Share of adjusted EBITDA
1706**

** share calculated excluding central costs

PULP

The Pulp segment comprises kraft pulp and chemical thermomechanical pulp (CTMP). The pulp is produced in Östrand, where a major investment project to expand the production capacity is also ongoing.

SEKm	2017:2	2016:2	%	2017:1	%	1706	1606	%
Net sales	585	556	5	641	-9	1,226	1,156	6
Adjusted EBITDA ¹	71	105	-32	104	-32	175	268	-35
Depreciation	-55	-66	-17	-73	-25	-128	-130	-2
Adjusted operating profit ¹	16	39	-59	31	-48	47	138	-66
Adjusted EBITDA margin, % ¹	12.1	18.9		16.3		14.3	23.2	
Adjusted operating margin, % ¹	2.7	7.0		4.9		3.8	11.9	
Adjusted return on capital employed, %	1.1	4.5		2.5		3.8	16.9	
Deliveries, pulp, thousand tonnes	114	119	-4	128	-11	242	242	0

¹ Excluding items affecting comparability

January-June 2017 compared with January-June 2016

Net sales increased 6% to SEK 1,226m (1,156). The increase was related to higher prices and positive currency effects.

Adjusted EBITDA declined 35% to SEK 175m (268). Higher selling prices had a positive impact on earnings. A market revaluation of electricity certificates of SEK 35m (0) had a negative impact on earnings. Higher planned project costs of SEK 50m (8) for the investment in Östrand and SEK 73m (48) in planned maintenance stops affected the result negatively.

April-June 2017 compared with April-June 2016

Net sales increased 5% to SEK 585m (556). The increase was attributable to higher prices and positive exchange rate effects, partly offset by lower deliveries.

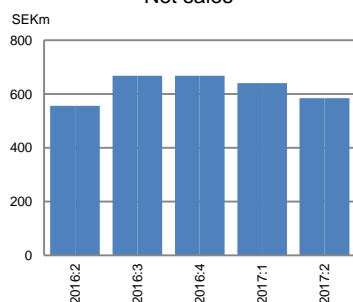
Adjusted EBITDA declined 32% to SEK 71m (105). A remeasurement of SEK 10m (0) related to a market revaluation of electricity certificates had a negative impact on earnings. Planned maintenance stops had a negative impact of SEK 65m (24) on earnings. Higher planned costs of SEK 29m (4) for the investment in Östrand had a negative impact on earnings.

April-June 2017 compared with January-March 2017

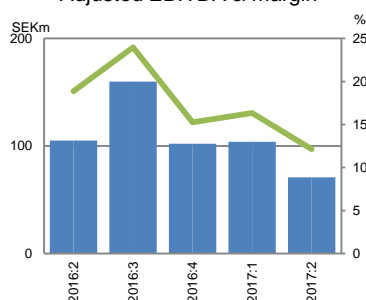
Net sales decreased 9% to SEK 585m (641), resulting from lower deliveries during the period due to the planned maintenance stop.

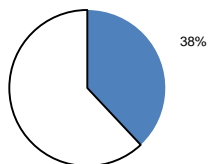
Adjusted EBITDA declined 32% to SEK 71m (104). The annual production stop had a negative impact of SEK 65m (8) on earnings. Higher planned project costs of SEK 29m (21) for the investment in Östrand had a negative impact on earnings. Higher price/mix and a smaller downward market revaluation of electricity certificates had a positive impact of SEK 10m (25) on earnings.

Net sales

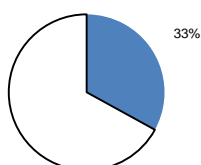


Adjusted EBITDA & margin



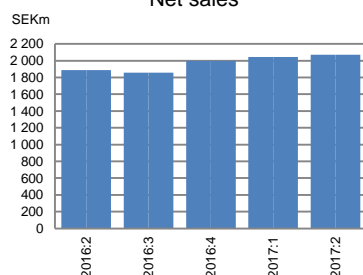
Share of net sales *
1706

* before elimination of intra-Group sales

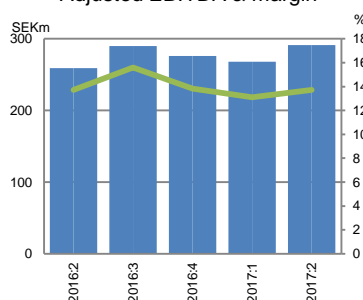
Share of adjusted EBITDA
1706**

** share calculated excluding central costs

Net sales



Adjusted EBITDA & margin



PAPER

The Paper segment comprises packaging paper (kraftliner) manufactured in Obbola and Munksund, and publication papers manufactured in Ortviken, and used for magazines, catalogues and commercial print.

SEKm	2017:2	2016:2	%	2017:1	%	1706	1606	%
Net sales	2,072	1,889	10	2,046	1	4,118	3,887	6
Adjusted EBITDA ¹	291	259	12	268	9	559	562	-1
Depreciation	-136	-141	-4	-127	7	-263	-280	-6
Adjusted operating profit ¹	156	118	32	141	11	297	282	5
Adjusted EBITDA margin, % ¹	14.0	13.7		13.1		13.6	14.5	
Adjusted operating margin, % ¹	7.5	6.2		6.9		7.2	7.3	
Adjusted return on capital employed, %	8.3	7.0		7.7		8.3	9.6	
Deliveries, kraftliner, thousand tonnes	218	212	3	226	-4	444	410	8
Deliveries, publication paper, thousand tonnes	178	163	9	175	2	353	360	-2

¹ Excluding items affecting comparability

January-June 2017 compared with January-June 2016

Net sales grew 6% to SEK 4,118m (3,887). The increase was attributable to higher volumes and higher prices for kraftliner, but was offset by lower volumes and lower prices for publication papers.

Adjusted EBITDA declined 1% to SEK 559m (562). Higher selling prices for kraftliner could not quite offset the higher raw material costs, mainly for recovered fiber and latex, a market revaluation of electricity certificates with a negative effect of SEK 20m (0) and the effects of the maintenance stops.

April-June 2017 compared with April-June 2016

Net sales increased 10% to SEK 2,072m (1,889). The increase was attributable to higher prices for kraftliner, and positive exchange rate effects.

Adjusted EBITDA increased 12% to SEK 291m (259). The increase was primarily related to higher selling prices for kraftliner and positive exchange rate effects. Higher raw material costs had a negative impact on earnings.

April-June 2017 compared with January-March 2017

Net sales increased 1% to SEK 2,072m (2,046). A positive price trend for kraftliner was offset by lower volumes due to the planned maintenance stops in Munksund and Ortviken.

Adjusted EBITDA increased 9% to SEK 291m (268). The increase was primarily related to higher selling prices for kraftliner. Planned maintenance stops had a negative impact on earnings.

DISTRIBUTION OF SHARES

June 30, 2017	Class A	Class B	Total
Registered number of shares	64,593,939	637,748,550	702,342,489

In the second quarter of 2017, the company's treasury shares were cancelled, following a decision by the Annual General Meeting. The company has not thereafter held any treasury shares.

At the end of the period the proportion of Class A shares was 9.2%. In the second quarter a total of 584 Class A shares were converted to Class B shares at the request of shareholders. The total number of votes in the company thereafter amounts to 1,283,687,940.

EVENTS AFTER THE QUARTER

No significant events took place after the end of the quarter.

FUTURE REPORTS

The report for the third quarter will be published on October 31.

INVITATION TO PRESS CONFERENCE ON THE INTERIM REPORT FOR THE FIRST SIX MONTHS OF 2017

The six-month report will be published on July 21, 2017 at about 8:00 a.m., followed by a press conference at 10:00 a.m.

At the press conference, the President and CEO, Ulf Larsson, and CFO, Toby Lawton, will present the report and answer any questions.

The press conference will be webcast live at www.sca.com. It is also possible to participate by telephone by calling +44 (0) 20 7162 9960 or +1 646 851 2094 or + 46 (0) 8 5052 0337. Ring in good time before the conference commences. Specify "SCA" or conference ID no. 962387.

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Please note:

SCA discloses the information provided herein pursuant to the EU Market Abuse Regulation. 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. The information was submitted for publication, through the agency of the contact person set out below, on July 21, 2017 at 8:00 a.m. CET.

Björn Lyngfelt, Senior Vice President, Group Communications, tel: +46 (0) 60 19 34 98

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

SEKm	2017:2	2016:2	%	2017:1		1706	1606	
Net sales	4,222	3,872	9	3,969	6	8,191	7,665	7
Other income	337	418	-19	465	-28	802	916	-12
Change in inventories	-77	-22		-27		-104	-174	
Change in value in biological assets	103	101	2	231	-55	334	373	-10
Raw materials and consumables	-1,423	-1,231	16	-1,503	-5	-2,926	-2,626	11
Personnel costs	-708	-665	6	-659	7	-1,367	-1,313	4
Other external costs	-1,628	-1,686	-3	-1,669	-2	-3,297	-3,240	2
Items affecting comparability	-103	119		-10		-113	119	
EBITDA	724	908	-20	797	-9	1,521	1,721	-12
Depreciation	-273	-283	-4	-299	-9	-572	-563	2
Operating profit	451	625	-28	498	-9	949	1,158	-18
Financial items	-39	-19	0	-36	0	-75	-40	0
Profit before tax	412	606	-32	462	-11	874	1,118	-22
Tax	-124	-102	0	-99	0	-223	-204	0
Net Profit for the period from continuing operations	288	504	-43	363	-21	651	914	-29
Net profit after tax for the period from discontinued operations ¹	138,625	-425		1,656	0	140,281	1,200	0
Net Profit for the period from continuing and discontinued operations	138,913	79		2,019	0	140,932	2,114	0
Earnings attributable to:								
Owners of the parent company								
Profit from continuing operations	288	504		363	0	651	914	0
Profit from discontinued operations ¹	138,495	-428		1,460	0	139,955	1,084	0
Net Profit from continuing and discontinued operations	138,783	76		1,823	0	140,606	1,998	0
Non-controlling interests								
Profit from continuing operations	0	0		0	0	0	0	0
Profit from discontinued operations	130	3		196	0	326	116	0
Profit from continuing and discontinued operations	130	3		196	0	326	116	0
Average no. of shares, millions ²	702.3	702.3		702.3		702.3	702.3	
Earnings per share SEK - continuing operations ²	0.41	0.72		0.52		0.93	1.30	
Earnings per share SEK - total company ²	197.60	0.11		2.60		200.20	2.84	
- of which profit effect from the distribution of Essity shares	194.94					194.94		
¹ Of which operating profit from discontinued operations	1,711	-425		1,656		3,367	1,200	
Of which profit effect from the distribution of Essity shares	136,914	0		0		136,914	0	

² There are no dilution effects

Percent	2017:2	2016:2	2017:1	1706	1606
EBITDA margin	17,1	23,5	20,1	18,6	22,5
Operating margin	10,7	16,1	12,5	11,6	15,1
Net margin	6,9	13,0	9,1	8,0	11,9
Adjusted, excluding items affecting comparability:					
Adjusted EBITDA margin	19,6	20,4	20,3	19,9	20,9
Adjusted operating margin	13,1	13,1	12,8	13,0	13,6

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

SEKm	2017:2	2016:2	2017:1	1706	1606
Net profit for the period, continuing operations	288	504	363	651	914
Net profit for the period, discontinued operations	138,625	-425	1,656	140,281	1,200
Net profit for the period	138,913	79	2,019	140,932	2,114
Other comprehensive income for the period					
Items that may not be reclassified to the income statement					
Actuarial gains/losses on defined benefit pension plans	136	-126	301	437	-293
Income tax attributable to components of other comprehensive income	-30	28	-67	-97	64
Sum continuing operations	106	-98	234	340	-229
Sum discontinued operations	87	-947	543	630	-2,325
Sum	193	-1,045	777	970	-2,554
Items that have been or may be reclassified subsequently to the income statement					
Available-for-sale financial assets	1	0	0	1	0
Cash flow hedges	9	5	-55	-46	112
Translation differences in foreign operations	-2	-17	1	-1	-2
Gains/losses from hedges of net investments in foreign operations	1	0	-1	0	0
Other comprehensive income from associated companies	0	0	0	0	0
Income tax attributable to components of other comprehensive income	-2	-1	12	10	-25
Sum continuing operations	7	-13	-43	-36	85
Sum discontinued operations	-831	1,212	142	-689	974
Sum	-824	1,199	99	-725	1,059
Other comprehensive income for the period, net of tax					
Sum continuing operations	113	-111	191	304	-144
Sum discontinued operations	-744	265	685	-59	-1,351
Sum	-631	154	876	245	-1,495
Total comprehensive income for the period					
Sum continuing operations	401	393	554	955	770
Sum discontinued operations	137,881	-160	2,341	140,222	-151
Sum	138,282	233	2,895	141,177	619
Total comprehensive income attributable to:					
Owners of the parent company	138,288	63	2,721	141,009	440
Non-controlling interests	-6	170	174	168	179

CONDENSED CONSOLIDATED BALANCE SHEET

At June 30, 2017, only the continuing operations are included. At December 31, 2016, both continuing and discontinued operations are included.

SEKm	June 30, 2017	December 31, 2016
Assets		
Goodwill and other intangible assets	114	27 007
Fixed assets		
Buildings, land, machinery and equipment	16 039	62 184
Biological assets	31 119	30 770
Other financial assets	1 351	4 784
Total Fixed assets	48 623	124 745
Working capital		
Inventories	3 273	14 347
Trade receivables	2 469	17 811
Other current receivables	738	4 363
Cash and cash equivalents	1 139	4 482
Total current assets	7 619	41 003
Total assets	56 242	165 748
Equity		
Attributable to owners of the Parent		
Share capital	2 350	2 350
Share premium	6 830	6 830
Reserves	-265	400
Retained earnings	26 798	63 562
Non-controlling interests	2	6 377
Total equity	35 715	79 519
Liabilities		
Non-current financial liabilities	1 532	31 360
Provisions for pensions	271	5 602
Deferred tax liabilities	8 111	11 718
Other non-current liabilities & provisions	170	1 594
Total non-current liabilities	10 084	50 274
Current financial liabilities	6 218	5 357
Trade payables	2 938	15 750
Other current liabilities	1 287	14 848
Total current liabilities	10 443	35 955
Total liabilities and equity	56 242	165 748
Debt/equity ratio	0,16	0,44
Equity/assets ratio	63%	44%
Return on capital employed	5,1%	5,8%
Adjusted return on capital employed	5,4%	5,5%

¹ Rolling twelve months

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

SEKm	1706	1612
Attributable to owners of the parent		
Opening balance, January 1	73,142	70,401
Total comprehensive income for the period	141,009	7,108
Cash dividend	-4,214	-4,038
Dividend of Essity shares	-174,448	0
Private placement to non-controlling interest	499	240
Private placement to non-controlling interest, dilution	-288	-110
Issuing costs for private placement	0	-4
Acquisition of non-controlling interests	15	-799
Acquisition of non-controlling interests, dilution	0	348
Change in Group composition	0	-4
Remeasurement effect upon acquisition of non-controlling interests	-2	0
Closing balance	35,713	73,142
Non-controlling interests		
Opening balance, January 1	6,377	5,290
Total comprehensive income for the period	168	677
Cash dividend	-130	-190
Dividend of Essity shares	-7,242	0
Private placement to non-controlling interest	461	199
Private placement to non-controlling interest, dilution	288	110
Issuing costs for private placement	0	-4
Acquisition of non-controlling interests	80	643
Acquisition of non-controlling interests, dilution	0	-348
Closing balance	2	6,377
Total equity, closing balance	35,715	79,519
Equity per share, SEK	51	113

CONSOLIDATED CASH FLOW STATEMENT

SEKm	1706	1606
Operating activities		
Profit before tax	875	1 117
Adjustment for non-cash items ¹	202	23
Paid tax	-19	-7
Cash flow from continuing operations	1 058	1 133
Cash flow from discontinued operations	5 651	5 936
Cash flow from operating activities before changes in working capital	6 709	7 069
Change in inventories	127	229
Change in operating receivables	-256	-131
Change in operating liabilities	170	332
Cash flow from operating activities, continuing operations	1 099	1 563
Cash flow from operating activities, discontinued operations	4 517	4 788
Cash flow from operating activities	5 616	6 351
Investing activities		
Divestments	0	120
Investment in tangible and intangible assets	-1 771	-1 216
Sale of tangible assets	6	64
Repayment of loans from external parties	216	-43
Cash flow from investing activities, continuing operations	-1 549	-1 075
Dividend of Essity shares ²	-4 170	0
Cash flow from investing activities, discontinued operations	-15 591	-6 422
Cash flow from investing activities	-21 310	-7 497
Financing activities		
New issue	0	419
Loans raised	7 754	13 589
Amortization of loans	-2 064	-9 651
Listing costs	-121	0
Dividend	-4 214	-4 107
Cash flow from financing activities, remaining operations	1 355	-452
Cash flow from financing activities, discontinued operations	11 022	702
Cash flow from financing activities	12 377	250
Net cash flow for the period	-3 317	-896
Translation differences in cash and cash equivalents	-26	77
Cash and cash equivalents at the beginning of the period	4 482	5 042
Cash and cash equivalents at the end of the period	1 139	4 223
Cash flow from operating activities per share SEK, continuing operations	1,56	2,22
¹ Depreciation/amortization and impairment of non-current assets	572	563
Fair-value measurement of forest assets	-334	-373
Gains/loss on assets sales and swaps of assets	2	-29
Gain/loss on divestments	56	-117
Payments related to efficiency programs already recognized	-11	-24
Other	-82	5
Total	202	23

² Corresponds to the cash and cash equivalents in Essity on the listing day

CONSOLIDATED OPERATING CASH FLOW STATEMENT*The discontinued operation is recognized on separate rows in both periods.*

SEKm	1706	1606
Operating cash surplus	1,300	1,197
Change in working capital	41	430
Current capital expenditures, net	-289	-269
Restructuring costs, etc.	-146	-18
Operating cash flow, continuing operations	906	1,340
Operating cash flow, discontinued operations	4,649	4,937
Operating cash flow	5,555	6,277
Financial items	-75	-41
Income taxes paid	-19	-7
Other	2	2
Cash flow from current operations, continuing operations	814	1,294
Cash flow from current operations, discontinued operations	3,040	3,261
Cash flow from current operations	3,854	4,555
Strategic capital expenditures in non-current assets	-1,476	-882
Divestments	0	119
Cash flow before dividend, continuing operations	-662	531
Cash flow before dividend, discontinued operations	-22,257	-3,961
Cash flow before dividend	-22,919	-3,430
Private placement to non-controlling interest	0	419
Dividend	-4,214	-4,107
Net cash flow from continuing and discontinued operations	-27,133	-7,118
Net debt at the start of the period	-35,361	-29,478
Net cash flow	-27,133	-7,118
Net debt, discontinued operations, on the listing day ¹	56,015	0
Remeasurement to equity	1,319	-3,425
Translation differences	-424	-14
Net debt at the end of the period	-5,584	-40,035
Debt/equity ratio	0.16	0.55

¹ Essity's cash and cash equivalents on the listing day were 4 170m SEK**RECONCILIATION BETWEEN CONSOLIDATED CASH FLOW STATEMENT AND CONSOLIDATED OPERATING CASH FLOW STATEMENT**

SEKm	1706	1606
Net cash flow for the period, continuing and discontinued operations	-3 317	-896
Repayment of loans from external parties	-216	-156
Loans raised	-7 754	-13 589
Amortization of borrowing	2 064	9 651
Adjustment discontinued operations	-17 915	-2 127
Accrued interest	5	-1
Net cash flow according to consolidated operating cash flow statement	-27 133	-7 118

INCOME STATEMENT PARENT COMPANY

At the end of 2016, the Parent Company's former Group-wide operations were transferred to Essity AB, which led to lower operating expenses and personnel costs. The related current assets and current liabilities were adjusted after the end of the year, which explains the lower balance-sheet items.

SEKm	1706	1606
Other operating income	106	128
Other operating expenses	-510	-231
Personnel expenses	-18	-177
Operating profit before depreciations and write-downs (EBITDA)	-422	-280
Depreciations and write-downs	-37	-33
Operating profit	-459	-313
Financial items	-30	37,329
Profit before tax	-489	37,016
Untaxed reserve and Tax	256	147
Net profit for the period	-233	37,163

Other operating income pertained to remuneration for the granting of felling rights for the Parent Company's forest land. Other operating expenses include a capital loss of SEK 419m attributable to an intra-Group transfer of forest land.

Financial items were lower compared with the year-earlier period due to the Parent Company not receiving any dividends from subsidiaries in 2017.

BALANCE SHEET PARENT COMPANY

SEKm	June 30, 2017	December 31, 2016
Tangible assets	8,272	8,271
Financial assets	4,845	79,880
Total non-current assets	13,117	88,151
Total current assets	15,395	61,147
Total assets	28,512	149,298
Restricted equity	11,733	10,996
Unrestricted equity	6,817	87,390
Total equity	18,550	98,386
Untaxed reserves	0	242
Provisions	1,425	1,330
Non-current liabilities	1,497	2,272
Current liabilities	7,040	47,068
Total equity, provisions and liabilities	28,512	149,298

Financial non-current assets were lower due to the listing of Essity AB's shares on Nasdaq Stockholm in June 2017. The listing and related issuance costs also explain why non-restricted equity was lower compared with the year-earlier period.

NOTES

1 ACCOUNTING PRINCIPLES

This interim report has been prepared in accordance with IAS 34 and recommendation RFR 1 of the Swedish Financial Reporting Board, and with regards to the Parent Company, RFR 2. Effective January 1, 2017, SCA applies the following new or amended International Financial Reporting Standards (IFRS):

- Amendments to IAS 12: Recognition of Deferred Tax Assets for Unrealized Losses
- Amendments to IAS 7: Disclosure Initiative

The consolidated income statement and the Parent Company income statement for the continuing forest products company have been changed from a function-based income statement to a cost-based income statement, which better reflects the continuing operations.

The segmentation has been changed compared with the 2016 Annual Report. Transactions of external wood raw material swaps in the Forest segment are included in net sales, but recognized net of the corresponding raw material purchase. External sales of logistic services and by-products are now reported as other income (previously netted with other operating cost and energy cost, respectively).

In other respects, the accounting principles applied are consistent with those described in the 2016 Annual Report.

The abovementioned amendments are not judged to have any material impact on the Group's or Parent Company's results or financial position.

No major changes have occurred in the judgement regarding new or amended accounting standards after 2017, compared to the judgement reported in SCA's Annual Report 2016.

In this report, sales to the hygiene business have been regarded as sales to external parties and have not been eliminated. Profit for the period for the hygiene business is recognized on a separate line in the consolidated income statement. In the cash flow statement, the hygiene business is recognized separately under each main group. At June 30, 2017, only the continuing operations are included in the balance sheet. At December 31, 2016, both continuing and discontinued operations are included.

2 RISKS AND UNCERTAINTIES

SCA's risk exposure and risk management are described on pages 76-81 of the 2016 Annual Report. Since year-end, the company's hygiene business has been distributed to SCA's shareholders under the name of Essity. Since the distribution comprised approximately 86% of the company's sales and approximately 69% of the company's capital at December 31, 2016, the distribution has had a significant impact on the company's risk profile. These changes are described below.

- **GDP growth and economic conditions.** The description of the forest products' exposure has not changed. However, there is no longer any exposure to the retail market or markets for institutional care and homecare facilities for incontinence products or the Away-From-Home (AFH) tissue market.
- **Impact of political decisions.** The public sector is no longer a significant customer.
- **Dependence on major customers and distributors.** The description of SCA's dependence on retail trade as the largest single customer group no longer applies to SCAs continuing operations. In 2016, SCA's ten largest customers accounted for about 26% of SCA's net sales. The largest single customer accounted for about 10% of net sales.
- **Risks at plants.** Insurance is no longer provided internally. All insurance is taken out with market-leading insurance companies. It should also be noted that the company's biggest fixed asset, the standing forest, remains uninsured.
- **Cost of input goods.** It should be noted that market pulp is no longer an input, but a product for sale. SCA does not purchase pulp from other suppliers, but produces all of its own pulp need.
- **Energy price risk.** In 2016, SCA purchased 2.3 TWh of electricity and no natural gas.
- **Currency risk.** As SCA essentially became a Swedish exporting company after the distribution of the hygiene business, the currency risk has changed significantly and is described on page 5 in this report.
- **Credit risk.** At June 30, 2017, credit exposure in accounts receivables amounted to SEK 2,469m and financial credit exposure, in which the counterparty is a financial player or a pension administrator, to SEK 2,437m. This exposure includes credit risk of SEK 1,139m for cash and cash equivalents. The credit exposure of derivative instruments was SEK 87m.

- **Liquidity and refinancing risk.** The Group's financing mainly consists of bank loans from a group of four banks with good credit ratings and a bilateral loan from Svensk Exportkredit. The total amount of these credits and committed credit facilities is SEK 9,500m with maturities of three to seven years. At the end of the quarter, the average maturity of the gross debt was 3.9 years. At June 30, 2017, SCA's gross debt totaled SEK 7,750m. On the same date, unutilized credit facilities amounted to SEK 1,800m, and cash and cash equivalents to SEK 1,139m.
- **Interest rate risk.** At June 30, 2017, the average fixed-interest rate period for gross debt, including derivative instruments, was 5.1 months.

Distribution of the hygiene business entailed no principal changes to the company's risk profile in any other areas.

3 RELATED PARTY TRANSACTIONS

No transactions took place between SCA and related parties with any material impact on the company's financial position or results.

4 DISCONTINUED OPERATION

SCA distributed the shares in Essity to SCA's shareholders in a fixed ratio of 1:1, whereby shareholders received one Class A share in Essity for every Class A share in SCA, and one Class B share in Essity for every Class B share in SCA. Essity's first day of trading on Nasdaq Stockholm was June 15, 2016 and the closing price was SEK 247.20 for the Class A share and 248.50 for the Class B share. This represents a market capitalization of about SEK 174,448m for Essity. The remeasurement of assets and liabilities at fair value when Essity was distributed generated a profit effect of SEK 136,914m.

No impairment was carried out in conjunction with the distribution of the hygiene business.

The income statement and cash flow statement for the hygiene business from the beginning of the fiscal year until June 13, 2017 is presented below.

EARNINGS TREND

SEKm	2017:2	2016:2	1706	1606
Net sales	22 586	24 983	47 854	49 231
Operating profit	2 478	1 668	4 965	4 190
Financial items	-221	-111	-487	-414
Profit before tax	2 257	1 557	4 478	3 776
Tax	-546	-1 982	-1 111	-2 576
Profit for the period	1 711	-425	3 367	1 200

CASH FLOW STATEMENT DISCONTINUED OPERATION

SEKm	1706	1606
Cash flow from operating activities	4,517	4,788
Cash flow from investing activities	-15,591	-6,422
Cash flow from financing activities	11,022	702
Cash flow for the period, discontinued operations	-52	-932

CONTINUING OPERATIONS' TRANSACTIONS WITH DISCONTINUED OPERATIONS

SEKm	1706 ¹	1606	1612
Net sales	214	242	511
Procured	0	0	0
Other costs	0	-29	-56
Financial income	9	1	2
Financial cost	-70	-56	-108

¹ From January 1 until June 13, 2017

5. FINANCIAL INSTRUMENTS PER CATEGORY

At June 30, 2017, only the continuing operations are included. At December 31, 2016, both continuing and discontinued operations are included.

SEKm	Carrying amount in the balance sheet	Measured at fair value through profit or loss	Derivatives used for hedge accounting	Available-for-sale financial assets	Financial liabilities measured at amortized cost	Of which fair value by level ¹	
						1	2
March 31, 2017							
Derivatives	121	34	87	0	0	0	121
Non-current financial assets	8	0	0	8	0	0	8
Total assets	129	34	87	8	0	0	129
Derivatives	34	18	16	0	0	0	34
Current financial liabilities	6 209	0	0	0	6 209	0	0
Non-current financial liabilities	1 532	0	0	0	1 532	0	0
Total liabilities	7 775	18	16	0	7 741	0	34

SEKm	Carrying amount in the balance sheet	Measured at fair value through profit or loss	Derivatives used for hedge accounting	Available-for-sale financial assets	Financial liabilities measured at amortized cost	Of which fair value by level ¹	
						1	2
December 31, 2016							
Derivatives	1 259	313	946	0	0	0	1 259
Non-current financial assets	90	0	0	90	0	82	8
Total assets	1 349	313	946	90	0	82	1 267
Derivatives	705	567	138	0	0	0	705
Current financial liabilities	4 656	425	0	0	4 231	0	425
Non-current financial liabilities	31 338	16 021	0	0	15 317	0	16 021
Total liabilities	36 699	17 013	138	0	19 548	0	17 151

The fair value of trade receivables, other current and non-current receivables, cash and cash equivalents, trade payables and other current and non-current liabilities is estimated to be equal to their carrying amount. The total fair value of financial liabilities is SEK 7 756 (37 047).

No transfers between Levels 1 and 2 were made during the period. No financial instruments were classified as Level 3.

The fair value of financial instruments is calculated using current market prices on the balance-sheet date. The value of derivatives is based on published prices in an active market. The fair value of debt instruments is determined using valuation models, such as discounting future cash flows at quoted market rates for the respective maturity.

6. CONTINGENT LIABILITIES AND PLEDGED ASSETS, PARENT COMPANY

Contingent liabilities

SEKm	June 30, 2017	December 31, 2016
Guarantees for subsidiaries	651	76 476
Other contingent liabilities	0	17
Total	651	76 493

Pledged assets

SEKm	June 30, 2017	December 31, 2016
Chattel mortgages	0	20
Other	0	130
Total	0	150

7 USE OF NON-INTERNATIONAL FINANCIAL REPORTING STANDARDS (IFRS) PERFORMANCE MEASURES

Reference is made in this interim report to a number of non-IFRS performance measures that are used to help investors as well as management analyze the company's operations. These are described on pages 92-94 of SCA's 2016 Annual Report. Described below are the non-IFRS performance measures that are used as a complement to the information in the Annual Report.

Description of financial performance measures not used in IFRS

Non-IFRS performance measure	Description	Reason for use of the measure
EBITDA	Operating profit before depreciation, amortization and impairment of tangible and intangible assets	The measure is a good complement for comparing earnings with other companies, regardless of the size of each company's depreciations of non-current assets
Adjusted EBITDA	Operating profit before depreciation, amortization and impairment of tangible and intangible assets, excluding items affecting comparability	The measure is a good complement for comparing earnings with other companies, regardless of the size of each company's depreciations of non-current assets and is also adjusted for the impact of items affecting comparability
EBITDA margin	Operating profit before depreciation, amortization and impairment of tangible and intangible assets as a percentage of net sales for the year	The measure is a good complement for comparing the margin with other companies, regardless of the age of each company's non-current assets or the rate of depreciation they apply
Adjusted EBITDA margin	Operating profit before depreciation, amortization and impairment of tangible and intangible assets, excluding items affecting comparability, as a percentage of net sales for the year	The measure is a good complement for comparing the margin with other companies, regardless of the age of each company's non-current assets or the rate of depreciation they apply, and is also adjusted for the impact of items affecting comparability
Adjusted operating margin	Operating profit, excluding items affecting comparability, as a percentage of net sales for the year	Operating margin is a key component, together with the capital turnover rate, for monitoring value creation and is also adjusted for the impact of items affecting comparability
Adjusted return on capital employed, ROCE	Accumulated return on capital employed is calculated as operating profit on a rolling 12-month basis, excluding items affecting comparability, as a percentage of the average of capital employed over the past five quarters. Corresponding key figures for a quarter are calculated as operating profit for the quarter, excluding items affecting comparability, multiplied by four as a percentage of the average capital employed over the past two quarters.	This is the central ratio for measuring return on all capital tied up in operations, adjusted for the impact of items affecting comparability.
Earnings per share, continuing operations	Net profit for the period from continuing operations divided by the number of listed shares	The measure shows the amount of earnings per share generated by the continuing operations
Earnings per share, continuing and discontinued operations	Net profit for the period from continuing and discontinued operations divided by the number of listed shares	The measure shows the amount of earnings per share generated by the continuing and discontinued operations
Working capital as a percentage of sales	Working capital divided by rolling 12-month net sales	Shows the amount of the sales that is tied-up in working capital

CALCULATION OF FINANCIAL PERFORMANCE MEASURES NOT DEFINED IN IFRS**CAPITAL EMPLOYED**

SEKm	1706	1612
Total assets	56 242	52 958
-Financial receivables	-2 436	-1 421
-Non-current non-interest bearing liabilities	-8 281	-7 961
-Current non-interest bearing liabilities	-4 226	-3 699
Assets	0	307
Liabilities	0	-57
Capital employed	41 299	40 127
Return on capital employed ¹	5,1%	5,8%
Return on capital employed ¹ , excluding items affecting comparability	5,4%	5,5%

WORKING CAPITAL

SEKm	1706	1612
Inventories	3 273	3 402
Accounts receivable	2 469	1 968
Other current receivables	651	566
Accounts payable	-2 938	-2 778
Other current liabilities	-1 242	-863
Adjustments ²	460	243
Assets for transfer to discontinued operations	0	259
Liabilities for transfer to discontinued operations	0	-57
Working capital	2 673	2 740
Working capital / net sales %	17%	18%

NET DEBT

SEKm	1706	1612
Surplus in funded pension plans	1 203	851
Non-current financial assets	8	8
Current financial assets	87	809
Cash and cash equivalents	1 139	238
Financial receivables	2 437	1 906
Non-current financial liabilities	1 532	63
Provisions for pensions	271	329
Current financial liabilities	6 218	1 702
Financial liabilities	8 021	2 094
Net debt	-5 584	-188

¹ rolling 12 månader

² Adjustments

Other current receivables, green certificates	-12	-34
Accounts payable, strategic capital expenditures	442	274
Other current liabilities, emission rights	30	3
	460	243

8 SEGMENT INFORMATION

The forest products company SCA reports four segments in accordance with IFRS 8:

- The Forest segment manages 2.6 million hectares of forest land, of which 2 million is productive, and supplies timber to SCA's forest industry operations (Wood, Pulp and Paper). Roughly the same amount of timber that is harvested from SCA's own forests is purchased from other forest owners. By-products are used in energy production.
- The Wood segment comprises five sawmills in Sweden, wood processing units with planing mills in Sweden, France and the UK, as well as a distribution and wholesale business. By-products are used in energy production.
- The Pulp segment comprises kraft pulp and chemical thermomechanical pulp (CTMP). The pulp is produced in Östrand, where a major investment project to expand the production capacity is also ongoing.
- The Paper segment comprises packaging papers (kraftliner) manufactured in Obbola and Munksund and publication paper manufactured in Ortvikén, and used for magazines, catalogues and commercial print.

NET SALES

SEKm	2017:2	2017:1	2016:4	2016:3	2016:2	2016:1
Forest	1,210	1,312	1,296	1,261	1,234	1,187
Wood	1,637	1,364	1,361	1,320	1,496	1,264
Pulp	585	641	668	668	556	600
Paper	2,072	2,046	1,998	1,859	1,889	1,998
Intra-group deliveries	-1,282	-1,394	-1,384	-1,339	-1,303	-1,256
Total net sales	4,222	3,969	3,939	3,769	3,872	3,793

ADJUSTED EBITDA

SEKm	2017:2	2017:1	2016:4	2016:3	2016:2	2016:1
Forest	364	325	338	295	312	293
Wood	154	145	161	143	140	87
Pulp	71	104	102	160	105	163
Paper	291	268	276	290	259	303
Other	-53	-35	-51	-47	-27	-33
Total adjusted EBITDA¹	827	807	826	841	789	813

ADJUSTED EBITDA MARGIN

%	2017:2	2017:1	2016:4	2016:3	2016:2	2016:1
Forest	30.1	24.7	26.1	23.4	25.3	24.7
Wood	9.4	10.6	11.8	10.8	9.4	6.9
Pulp	12.1	16.3	15.3	24.0	18.9	27.2
Paper	14.0	13.1	13.8	15.6	13.7	15.2
Total adjusted EBITDA margin¹	19.6	20.3	21.0	22.3	20.4	21.4

ADJUSTED OPERATING PROFIT

SEKm	2017:2	2017:1	2016:4	2016:3	2016:2	2016:1
Forest	336	297	310	269	285	267
Wood	99	83	108	95	93	38
Pulp	16	31	37	97	39	99
Paper	156	141	139	165	118	164
Other	-53	-44	-55	-49	-29	-35
Total adjusted operating profit¹	554	508	539	577	506	533

ADJUSTED OPERATING MARGIN

%	2017:2	2017:1	2016:4	2016:3	2016:2	2016:1
Forest	27.8	22.6	23.9	21.3	23.1	22.5
Wood	6.0	6.1	7.9	7.2	6.2	3.0
Pulp	2.7	4.9	5.5	14.5	7.0	16.5
Paper	7.5	6.9	7.0	8.9	6.2	8.2
Total adjusted operating margin¹	13.1	12.8	13.7	15.3	13.1	14.1

¹Excluding items affecting comparability

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

Sundsvall, July 21, 2017

SVENSKA CELLULOSA AKTIEBOLAGET SCA (publ)

Pär Boman Chairman of the Board	Charlotte Bengtsson Board Member	Lennart Evrell Board member	Annemarie Gardshol Board member
Martin Lindqvist Board member	Lotta Lyrå Board member	Barbara Milian Thoralfsson Board member	Bert Nordberg Board member
Roger Boström Board member appointed by the employees	Johanna Viklund Lindén Board member, appointed by the employees	Hans Wentjärv Board member, appointed by the employees	
	Ulf Larsson Board member President and CEO		

Review report

Svenska Cellulosa Aktiebolaget SCA (publ), org.nr 556012-6293

Introduction

We have reviewed the condensed interim report for Svenska Cellulosa Aktiebolaget SCA (publ) as at June 30, 2017 and for the six months period then ended. The Board of Directors and the Managing Director 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.

Scope of review

We conducted our review in accordance with the International Standard on Review Engagements, ISRE 2410 *Review of Interim Financial Statements 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 and other generally accepted auditing standards in Sweden. The procedures performed in a review do not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

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 in accordance with the Swedish Annual Accounts Act regarding the Parent Company.

Sundsvall July 21, 2017

Ernst & Young AB

Hamish Mabon
Authorized Public Accountant