

Press release

Stockholm, October 27, 2016



Capital structure and dividend policy for SCA's hygiene business

SCA has decided on capital structure and dividend policy targets for the Group's hygiene business.

The capital structure target for SCA's hygiene business is to have an effective capital structure at the same time that the long-term access to debt financing is ensured. Cash flow in relation to net debt shall take into account the target to maintain a solid investment grade rating.

Dividend policy: SCA's hygiene business aims to provide long-term stable and rising dividends to its shareholders. When cash flow from current operations exceeds what the company can invest in profitable expansion over the long term, and under the condition that the capital structure target is met, the surplus shall be distributed to the shareholders.

As per September 30, 2016, SCA's net debt, including pension liabilities, amounted to SEK 40,281m, allocated pro forma as follows: SEK 35,281m attributed to the hygiene business and SEK 5,000m to the forest products business. The complete pro forma balance sheet and income statement for the hygiene business are included in this press release.

SCA's current lenders will be given the possibility to switch counterparty to SCA Hygiene AB, the Parent Company of SCA's hygiene business or its subsidiaries. Due to this SCA informs that the company is currently participating in a process relating to a potential corporate acquisition. The process is still in an early phase but no decisions have been made. However, any potential acquisition by SCA will be made without prejudice of the capital structure targets. SCA will not provide any further information concerning this process.

For further information, please contact:

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SCA is a leading global hygiene and forest products company. The Group develops and produces sustainable personal care, tissue and forest products. Sales are conducted in about 100 countries under many strong brands, including the leading global brands TENA and Tork, and regional brands, such as Libero, Libresse, Lotus, Nosotras, Saba, Tempo, Vinda and Zewa. As Europe's largest private forest owner, SCA places considerable emphasis on sustainable forest management. The Group has about 44,000 employees. Sales in 2015 amounted to approximately SEK 115bn (EUR 12.3bn). SCA was founded in 1929, has its headquarters in Stockholm, Sweden, and is listed on Nasdaq Stockholm. For more information, visit www.sca.com.

**Pro forma Condensed Consolidated Balance Sheet
September 30, 2016**

SEKm



Non-current assets	
Intangible assets	26,447
Buildings, land, machinery and equipment	45,755
Shares and participations	1,067
Financial and other non-current assets	2,690
Total non-current assets	75,959
Current assets	
Inventories	11,318
Trade receivables and other current assets	19,039
Current financial assets, cash and cash equivalents	5,820
Total current assets	36,177
Total assets	112,136
Equity	
Owners of the parent	33,408
Non-controlling interest	6,172
Total equity	39,580
Non-current liabilities	
Non-current financial liabilities	31,280
Provisions for pensions	8,450
Other non-current liabilities	4,433
Total non-current liabilities	44,163
Current liabilities	
Current financial liabilities	2,219
Other current liabilities	26,174
Total current liabilities	28,393
Total liabilities	72,556
Total equity and liabilities	112,136

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Pro forma Condensed Consolidated Income Statement
January 1, 2016 - September 30, 2016



SEKm

Net sales	74,465
Cost of goods sold	-53,335
Items affecting comparability	-484
Gross profit	20,646
Sales, general and administration	-12,550
Items affecting comparability	-1,654
Share of profits of associates and joint ventures	108
Operating profit	6,550
Financial items	-570
Profit before tax	5,980
Tax	-2,910
Net profit for the period	3,070

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