

Press release

Stockholm, August 24, 2016



SCA plans to split the Group into two listed companies in 2017, hygiene and forest products

SCA is a leading global hygiene and forest products company. Today about 85% of the Group sales derives from the hygiene business and about 15% from the forest products business. To create further value for the shareholders, the SCA Board of Directors plans to initiate work in order to propose to the Annual General Meeting 2017 to decide on a split of the Group into two listed companies. This is planned to be completed through a distribution of the Group's hygiene business to its shareholders in accordance with the rules of Lex Asea*. In the event of a distribution of the hygiene business, SCA's shareholders will, in addition to their current shareholding, also receive shares in the new listed hygiene company.

In August 2015, SCA announced that, in order to further develop the Group's two operations, SCA had decided to initiate a dividing of the Group into two divisions: a hygiene division and a forest products division.

"For the Annual General Meeting 2017, the Board of Directors plans to present a proposal for the distribution and listing of the company's hygiene business", says Pär Boman, Chairman of the Board of Directors of SCA.

"Our hygiene and forest products businesses are two strong operations with attractive offerings in their respective industries. After a thorough analysis, our conclusion is that a split of SCA into two listed companies is the best way to continue to create shareholder value, customer benefits and further development opportunities", says Magnus Groth, President and CEO of SCA.

An evaluation, mainly based on value creation and flexibility for the shareholders, has been made of various methods and structural alternatives to achieve a complete split of the two businesses into two independent companies. The conclusion is that a distribution and listing of SCA's hygiene business will create more shareholder value and incur relatively low transactional risk and relatively low transaction costs.

"It is the Board of Directors' opinion that the proposal to split the hygiene and forest products businesses into two listed companies increases the ability for each business to successfully realize its strategies and increase value for SCA's shareholders. It is also

For further information, please contact:

Joséphine Edwall-Björklund, SVP Group Functions Communications , +46 8 788 52 20
Linda Nyberg, VP Media Relations and Online Communications, +46 8 788 51 58
Johan Karlsson, VP Investor Relations, +46 8 788 51 30

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.



pleasing that the main shareholders will support the proposal at the Annual General Meeting”, says Pär Boman Chairman of the Board of Directors of SCA.

“As a long-term asset manager and active owner in SCA we share the company’s opinion that a dividing of the business creates value over time. It is a natural step in the successful streamlining towards the hygiene business and the forest products business conducted over several years, says Helena Stjernholm”, CEO, Industrivärden.

Prior to the Annual General Meeting 2017, the Board of Directors plans to present a proposal for the distribution and listing of the Group’s hygiene business. The distribution is proposed to be made to the shareholders in proportion to their holdings of SCA’s Class A and Class B shares. The distribution is expected to meet the requirements of Lex Asea. If the shareholders decide in favor of the proposal, the plan is to distribute and list the new hygiene company on Nasdaq Stockholm during the second half of 2017. Following a split, there will be two listed companies. One will be a hygiene company including SCA’s current business areas Personal Care and Tissue. The second, a forest products company including all forest products operations and all the forest land owned by the SCA Group.

“SCA’s leading global hygiene business offers products that make life easier every day for millions of people around the world. An increasing awareness of the relationship between hygiene and health, combined with a growing and aging population, are creating greater demand for hygiene products. Furthermore, SCA is Europe’s largest private forest owner and the well-integrated supply chain, with production facilities concentrated in Sweden in close proximity to its forest holdings, offers significant synergies and competitive advantages. Forest Products is an efficient and well-invested business. Our investment in increased pulp capacity in the Östrand mill, one of the largest industrial investments in Sweden, will further strengthen our long-term competitiveness”, says Magnus Groth, President and CEO of SCA.

Effective immediately, SCA’s Directors appointed by shareholders and CEO, Magnus Groth, have, in addition to current assignments also been appointed the Board of Directors and CEO of the parent company for the hygiene business. The intention is to appoint Ulf Larsson, current President of SCA Forest Products and a member of the Executive Management Team, CEO of the listed forest products company after the distribution of the hygiene business.

Effective immediately, the Board of Directors has also appointed Ulf Larsson, in addition to current assignments, Executive Vice President of SCA.

The intention is that the new listed hygiene company receives a new name and is registered in Stockholm and the forest products company keeps the name SCA and is registered in Sundsvall.

For further information, please contact:

Joséphine Edwall-Björklund, SVP Group Functions Communications , +46 8 788 52 20
Linda Nyberg, VP Media Relations and Online Communications, +46 8 788 51 58
Johan Karlsson, VP Investor Relations, +46 8 788 51 30

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.



Conference call

A conference call, held in English, for media, analysts and investors will be held today at 09:30 CET by Magnus Groth, President and CEO of SCA. The conference call will be live webcasted at www.sca.com. You can also participate by telephone, call: +1 646 934 6795, +44 (0)207 1620 177 or +46 (0)8 5052 0114. Specify "SCA" or conference id 959885. Please call in good time before the conference starts.

Facts SCAs businesses 2015

	Hygiene business	Forest products business
Net sales	SEK 98,528m	SEK 17,279m
Adjusted operating profit ¹	SEK 11,207m	SEK 2,605m
Capital employed ²	SEK 68,201m	SEK 37,217m
Average number of employees	39,898	4,153
Sales in number of countries	Approx. 100	Approx. 50

¹ Excluding items affecting comparability and common Group expenses

² Excluding common Group items

*Lex Asea is a tax regulation in Sweden. This provision means that if a parent company distributes shares in a wholly owned subsidiary to its shareholders, then the taxation of the capital gain the shareholders may enjoy in connection to the distribution under certain circumstances be postponed until the time when the shareholder in turn sells the received shares.

NB: This information is information that SCA is obliged to make public pursuant to the EU Market Abuse Regulation or the Securities Markets Act. The information was submitted for publication, through the agency of the contact person set out below, at 07:30 CET on August 24, 2016.

Karl Stoltz, Media Relations Manager, +46 8 788 51 55

For further information, please contact:

Joséphine Edwall-Björklund, SVP Group Functions Communications, +46 8 788 52 20

Linda Nyberg, VP Media Relations and Online Communications, +46 8 788 51 58

Johan Karlsson, VP Investor Relations, +46 8 788 51 30

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.