

Operations and structure

SCA is a leading global hygiene and forest products company that sustainably develops, produces, markets and sells personal care, tissue and forest products.

SCA divides and reports its operations according to three business areas – Personal Care, Tissue and Forest Products. Personal Care includes incontinence products, baby diapers and feminine care products. Tissue includes consumer tissue and AfH tissue. Forest Products includes solid-wood products, pulp, kraftliner, publication papers, pellets and other biofuels and district heating and green electricity.

Europe is SCA's largest market. The Group also holds strong positions in North America, Latin America and Asia. Expansion takes place through both organic growth and acquisitions, primarily within Personal Care and Tissue.

SCA is Europe's largest private forest owner, with 2.6 million hectares of forest land, which covers approximately half of the Group's timber supply and enables efficient raw material integration and effective cost control.

Organization

SCA has the following five business units:

- SCA Incontinence Care, which offers incontinence products in Europe and North America.
- SCA Consumer Goods, which offers personal care products and tissue in Europe, the Middle East and Africa.
- SCA Latin America, which offers personal care products and tissue in Latin America.
- SCA AfH Professional Hygiene, which offers AfH tissue in Europe and North America.
- SCA Forest Products, which offers solid-wood products, pulp, kraftliner, publication papers, pellets and other biofuels and district heating and green electricity.

In addition to the business units, SCA has established three global units:

- Global Hygiene Category (GHC), with global responsibility for customer and

consumer brands and innovation in the hygiene area.

- Global Hygiene Supply Tissue (GHS-T), with global responsibility for sourcing, production, logistics and technology in Tissue.
- Global Hygiene Supply Personal Care (GHS-PC), with global responsibility for sourcing, production, logistics and technology in Personal Care.

The organization has six Group functions: Finance, Human Resources, Sustainability, Legal Affairs, Communications, and Strategy and Business Development. Strategy and Business Development is also responsible for the Group's Global Business Services (GBS) and IT Services. GBS has global responsibility for providing professional and transactional services in finance, HR administrative support, organization of master data, and office-related support and service to all units within SCA.



Events during the year

Initiated work in order to be able to propose to the 2017 Annual General Meeting to decide on a split of the SCA Group into two listed companies: hygiene and forest products.

SCA entered into an agreement to acquire BSN medical, a leading medical solutions

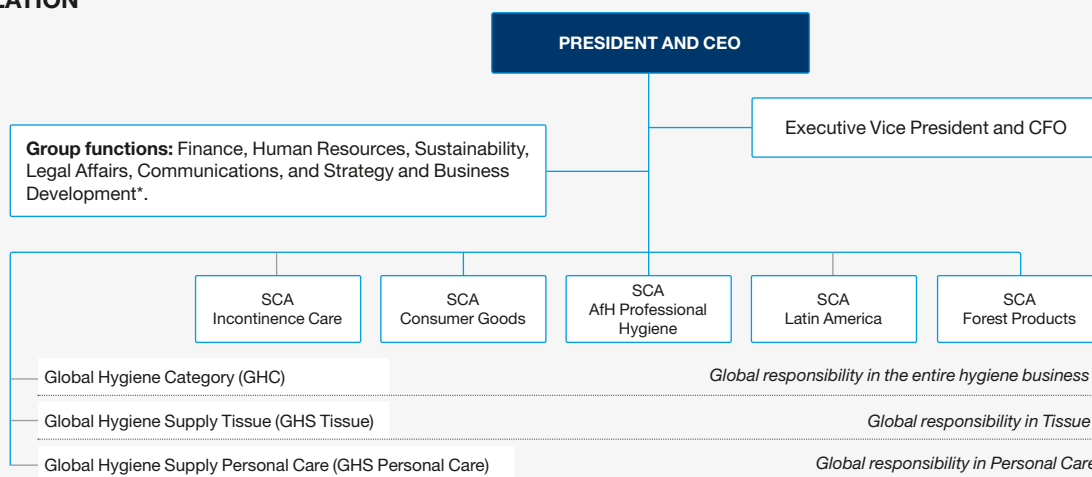
company, which develops, manufactures, markets and sells products within wound care, compression therapy and orthopedics. The purchase price for the shares is EUR 1,400m and takeover of net debt approximately EUR 1,340m¹⁾. The completion of the transaction is subject to customary regu-

latory approvals and closing is expected to take place during the second quarter 2017.

The acquisition of Wausau Paper Corp., a leading North American AfH tissue company, was completed. Following the acquisition,

¹⁾ Estimated as of December 31, 2016.

ORGANIZATION



* The Strategy and Business Development Group function is also responsible for Global Business Services (GBS) and IT Services. GBS has global responsibility for providing professional and transactional services in finance, HR administrative support, organization of master data, and office-related support and service to all units within SCA.



SCA is the second largest player in the AfH tissue segment in the North American market.

The divestment of the hygiene business in Southeast Asia, Taiwan and South Korea for integration into Vinda was closed. SCA is the majority shareholder in Vinda, one of China's largest hygiene companies.

A new production facility for incontinence products in Brazil was inaugurated.

Decision was taken on restructuring measures in tissue production in France and Spain.

The baby diaper business in Mexico was closed as part of work to address weak market positions with inadequate profitability.

SCA decided to discontinue its hygiene business in India as a result of its conclusion that profitability cannot be achieved within a reasonable time frame. Discontinuation will take place during the first quarter of 2017.

Acquisitions, investments and divestments



Initiated work in order to be able to propose to the Annual General Meeting 2017 to decide on a split of the SCA Group into two listed companies: hygiene and forest products

On August 24, 2016, SCA announced that the company would initiate work in order to be able to propose to the 2017 Annual General Meeting to decide on a split of the SCA Group into two listed companies; one for the hygiene business and one for the forest products business. A split of the Group and a distribution and listing of the shares in the subsidiary which today operates the hygiene business, is expected to increase focus, customer value, development opportunities and enables each company to successfully realize its strategies under the leadership of separate and dedicated management teams, two different boards of directors and independent access to capital. This is considered to increase value for SCA's shareholders in the long term. In addition, the synergies between the operations have diminished over time and are currently limited. An evaluation of various methods and structural alternatives to carry out a complete split of the business into two separate companies has been carried out. Therefore, the Board of Directors intends to propose to the 2017 AGM a distribution of all shares in and listing of the

company's hygiene business. Distribution to shareholders is planned in proportion to their holdings of Class A and Class B shares. If shareholders approve the proposal, the new hygiene company is planned to be distributed and listed on Nasdaq Stockholm no later than in the second half of 2017.

Acquisition of BSN medical, a leading medical solutions company

In 2016, SCA announced that it had entered into an agreement to acquire BSN medical, a leading medical solutions company. BSN medical develops, manufactures, markets and sells products within wound care, compression therapy and orthopedics. The purchase price for the shares amounts to EUR 1,400m and takeover of net debt to approximately EUR 1,340m¹⁾. The completion of the transaction is subject to customary regulatory approvals. Closing of the transaction is expected to take place in the second quarter of 2017.

BSN medical is an innovative medical solutions company with well-known brands such as Leukoplast, Cutimed, JOBST, Delta Cast, Delta Lite and Actimove. The company has a sales organization with sales in more than 140 countries and production in eleven countries as well as approximately 6,000 employees.

The BSN medical acquisition is an excellent strategic fit for SCA and supports the company's vision to improve well-being through leading hygiene and health solutions, two closely interlinked areas. BSN medical has leading market positions in several attractive medical product categories and provides a new growth platform with future industry consolidation opportunities. SCA's incontinence business, with the globally leading TENA brand, shares similar positive market characteristics, customers and sales channels with BSN medical, which will provide opportunities for accelerated growth through cross-selling.

BSN medical reported net sales for 2015 of EUR 861m (SEK 8,050m), adjusted EBITDA²⁾ of EUR 201m (SEK 1,879m), an adjusted operating profit³⁾ of EUR 137m (SEK 1,281m), an adjusted operating margin³⁾ of 15.9%, and an adjusted return on capital employed³⁾ of 7.7%. BSN medical reported net sales of EUR 627m (SEK 5,872m) for the first nine months of 2016, adjusted EBITDA²⁾ of EUR 151m (SEK 1,414m), an adjusted operating profit³⁾ of EUR 103m (SEK 965m), and an adjusted operating margin³⁾ of 16.4%.

The acquisition is expected to be accretive to SCA's earnings per share from the first year. BSN medical has high cash conversion and an asset-light business model.

In relation to the acquisition, SCA expects to realize annual synergies of at least EUR 30m with full effect three years after closing. Restructuring costs are expected to amount to approximately EUR 10m and are expected to be incurred in the first three years following completion. Transaction costs amount to approximately EUR 25m, of which approximately EUR 15m is recognized as an item affecting comparability in the fourth quarter of 2016. The remaining costs will be recognized as an item affecting comparability in the second quarter of 2017. Intangibles related to the acquisition are expected to amount to approximately EUR 2.7bn. The acquisition will be fully debt-funded and SCA has committed credit facilities in place. SCA remains fully committed to retaining a solid investment grade rating.

¹⁾ Estimated as of December 31, 2016.

²⁾ Excluding items affecting comparability.

³⁾ Excluding items affecting comparability and including BSN medical's purchase price allocation amortization.

SCA completed the acquisition of Wausau Paper Corp., a North American AfH tissue company

In 2016, SCA announced that the acquisition of Wausau Paper Corp., a leading North American AfH tissue company, had been completed for a total purchase price of USD 513m in cash. The company manufactures and markets AfH towel and tissue products, along with soap and dispensing systems. The combined operations provide customers with access to a comprehensive portfolio of food service offerings, premium tissue and washroom products. The acquisition is expected to generate annual synergies of approximately USD 40m, with full effect three years after closing. Synergies are expected in sourcing, production, logistics, reduced imports, increased volumes of premium products and reduced SG&A costs. Restructuring costs are expected to amount to approximately USD 50m.

SCA completed the divestment of the hygiene business in Southeast Asia, Taiwan and South Korea to Vinda

In 2016, SCA announced the completion of the divestment of hygiene business in Southeast Asia, Taiwan and South Korea for integration into Vinda International Holdings Limited ("Vinda"). SCA is the majority shareholder in Vinda, one of China's largest hygiene companies. As part of the transaction, SCA and Vinda have signed an agreement regarding the exclusive license to market and sell the SCA brands: TENA (incontinence products), Tork (AfH tissue), Tempo (consumer tissue), Libero (baby diapers), and Libresse (feminine care) in Southeast Asia, Taiwan and South Korea. Under the agreement, Vinda holds the rights to these product brands in these Asian markets. Vinda also acquired the brands Drypers, Dr.P, Sealer, Prokids, EQ Dry and Control Plus in these markets. The purchase consideration amounted to HKD 2.8bn on a debt-free basis. Vinda is listed on the Hong Kong Stock Exchange.

Divestment of holding in the recycling company IL Recycling

During 2016, SCA sold its 33.33% shareholding in the recycling company IL Recycling for a purchase consideration of SEK 236m.

Closure of tissue production plant in Spain

In 2016, SCA announced that a tissue production plant in Sant Joan de Mediona, Spain, will be closed. The decision is in line with the company's strategy to optimize its geographic production footprint in order to drive cost and capital efficiency and increase value creation in the Tissue business area. The production plant has an annual capacity of 45,000 tons.

Restructuring measures at tissue production plants in France

In 2016, a decision was announced by SCA that to further improve efficiency and strengthen the competitiveness of the tissue operations, restructuring measures will be implemented at the Hondouville and Saint-Etienne-du-Rouvray production plants in France. In Saint-Etienne-du-Rouvray, SCA has decided to divest production of tabletop products for consumers to focus on the plant's core operation: household towel and toilet paper production.

Closure of baby diaper business in Mexico

During 2016, SCA announced that the baby diaper business in Mexico will be closed as part of the work to address weak market positions with inadequate profitability. The baby diaper business in Mexico had net sales of approximately SEK 340m in 2015.

Discontinuation of hygiene business in India

In 2016, SCA announced the decision to discontinue its hygiene business in India. Four years after entering the Indian market, SCA's conclusion is that profitability cannot be achieved within a reasonable time frame. SCA prioritizes growth in selected emerging markets, such as China, Southeast Asia, Latin America, Eastern Europe and Russia, where the company already holds strong market positions. The hygiene business in India reported total net sales of approximately SEK 110m in 2015, the majority of which was related to baby diapers. Discontinuation of the hygiene business will take place in the first quarter of 2017.

EVENTS AFTER THE END OF THE YEAR

SCA strengthens tissue business in the UK

On January 26, 2017, SCA announced that it is investing in a through-air drying (TAD) machine at its tissue plant in Skelmersdale in order to meet the growing demand for high-quality tissue and strengthen the product offering in the UK. SCA also decided to close an older tissue machine in Stubbins and an agreement was signed to divest the tissue plant in Chesterfield to Sidcot Group Limited. These measures are part of SCA's Tissue Roadmap and are aligned with the company's strategy to streamline production and secure capacity for future growth in order to increase value creation in the Tissue business area. Both initiatives are subject to customary consultation with employee representatives.

Following the investment in the tissue plant in Skelmersdale of approximately SEK 160m, production capacity for TAD mother reels will amount to 28,000 tons. The cost for closing the older tissue machine in Stubbins, with an annual production capacity of 20,000 tons, is expected to amount to approximately SEK 120m and will be recognized as an item affecting comparability, most of which in the first quarter of 2017. Of these costs, approximately SEK 70m is expected to affect cash flow.

Sidcot Group Limited will pay a sales consideration of approximately GBP 3m (about SEK 35m) for the production facility in Chesterfield. The facility produces mother reels but has no converting capacity. SCA will have no internal need for the type of mother reels produced at the plant. The annual production capacity is 31,000 tons. An impairment loss of about SEK 10m is recognized as an item affecting comparability in the fourth quarter of 2016. Closing of the transaction is expected in the first quarter of 2017.

Other Group information

Parent Company

The Group's Parent Company, Svenska Cellulosa Aktiebolaget SCA (publ), owns most of the forest land and other real estate relating to forestry operations, and grants felling rights for standing timber to the subsidiary SCA Skog AB. The Parent Company is otherwise a holding company with the main task of owning and managing shares in a number of business group companies and performing Group-wide management and administrative functions. In 2016, the Parent Company recognized operating income of SEK 539m (430) and profit before appropriations and tax of SEK 42,902m (10,097). During the year, the Parent Company's net divestments in shares and participations in companies outside SCA amounted to SEK 6m (-7). Investments in property and non-current assets totaled SEK 165m (157) during the year. Cash and cash equivalents at year-end amounted to SEK 0m (0).

Research and development (R&D)

Research and development (R&D) costs during the year amounted to SEK 1,258m (1,093), corresponding to about 1.1% of consolidated net sales. R&D is coordinated and conducted from a global perspective. Product development is carried out in close cooperation with the local units, as well as through direct collaboration with customers. A slightly more long-term approach is adopted when it comes to R&D in the fields of materials and technology.

Holdings of treasury shares

SCA implemented a directed cash issue of a total of 1,800,000 shares in 2001. These shares were subsequently acquired by SCA to be used for transfer to senior executives and key individuals under the employee stock option program. The program ended in 2009. Following the share split in 2007 and transfer of the shares under the concluded program, the company holds a total of 2,767,605 treasury shares. The Board was not authorized to repurchase shares in 2016.

Share distribution

During the year, 2,847,037 Class A shares were converted into Class B shares. The proportion of Class A shares was 9.2% at year-end.

Dividend

The Board of Directors proposes an increase in the dividend by 4.3%, to SEK 6.00 per share (5.75), or SEK 4,214m (4,038). Accordingly, dividend growth over the most recent five-year period amounted to 7.4% and during the last ten-year period 4.1%. The record date for entitlement to receive dividends is proposed as April 7, 2017.

Environmental impact in Sweden

In 2016, SCA conducted 13 operations for which a permit is required in Sweden. Operations for which permits are required accounted for 15% of consolidated net sales. Five permits relate to the manufacture of pulp and paper. These operations impact the environment through emissions to air and water, solid waste and noise. Seven permits relate to the production of solid-wood and value-added products, and biofuel. These operations impact the environment through emissions to air and water, as well as noise. One permit relates to the manufacture of fuel pellets. This operation affects the environment through emissions to air and water, as well as noise.

Guidelines for remuneration of senior executives

The Board of Directors has decided to propose to the AGM 2017 the following guidelines for determining salaries and other remuneration for senior executives to apply for the period following the AGM.

"Remuneration of senior executives will be a fixed salary, variable remuneration, additional benefits and pension. Senior executives include the President, the Executive Vice President, Business Unit Presidents and equivalents, and the Central Staff Managers. The total remuneration is to correspond to market practice and be competitive in the senior executive's field of profession and linked to the manager's responsibility and

authority. Variable remuneration is to be limited and linked to the fixed remuneration, based on performance results in relation to annual and long-term established targets. In the event of termination of employment, the notice period should normally be up to two years if termination is initiated by the company, and one year, when initiated by the senior executive. There will be no severance pay. Pension benefits should, wherever possible, only include defined premium pension benefits and entitle the executive to receive a pension from the age of 65. Variable remuneration is not pensionable income. The Board of Directors has the right to depart from the established guidelines if there is an individual case with special grounds. The guidelines do not take precedence over compulsory conditions in accordance with labor legislation or collective agreements. Furthermore, they are not applicable to existing contracts."

For information concerning the company's application of previously agreed guidelines and information on the company's calculated expenses for remuneration of senior executives, see Note C3 on pages 102–103.

Use of non-International Financial Reporting Standards (IFRS) performance measures

In July 2016, the European Securities and Market Authority (ESMA) issued guidelines for reporting alternative performance measures in company financial statements and prospectuses. Alternative performance measures related to performance measures not included within the framework of IFRS. These performance measures have been developed to help users of financial statements, investors and management to analyze the company's operations, and several of these are generally accepted financial key figures. These alternative performance measures can be found in the Board of Directors' Report, the financial statements and the notes. A description of the performance measures and how they are used is presented in Note A2, Use of non-International Financial Reporting Standards (IFRS) performance measures.

Sales and earnings

SCA's adjusted operating profit¹⁾ for 2016 rose 7% compared with the preceding year (8% excluding currency translation effects, acquisitions and divestments). Higher volumes, better price/mix, cost savings, lower raw material and energy costs, and acquisition contributed to the earnings increase.

Net sales

SCA's net sales for 2016 increased 2% compared with the preceding year and amounted to SEK 117,314m (115,316). Organic sales, which exclude exchange rate effects, acquisitions and divestments, increased by 2%, of which volume accounted for 1% and price/mix for 1%. Organic sales were in line with the previous year in mature markets and increased by 7% in emerging markets.

Profit

SCA's adjusted operating profit for 2016, excluding items affecting comparability totaling SEK –2,710m (–2,067), increased 7% compared with the preceding year and amounted to SEK 13,989m (13,014).

Financial items decreased to SEK –919m (–955). The decrease was attributable to lower interest payments and positive currency translation effects. Adjusted profit before tax¹⁾ rose 8% to SEK 13,070m (12,059). The average tax rate for year's profit, excluding items affecting comparability, was 36.5%. The tax rate excluding items affecting comparability and excluding a tax provision of approximately SEK 1.3bn, in part related to ongoing tax cases in Sweden and Austria, was 26%. Adjusted profit for the period, excluding items affecting comparability after tax of SEK –2,283m (–1,301), amounted to SEK 8,295m (8,753). Profit for the period amounted to SEK 6,012m (7,452). Adjusted earnings per share¹⁾ attributable to

owners of the Parent amounted to SEK 11.18 (11.82). Earnings per share amounted to SEK 7.93 (9.97).

Key figures

The Group's adjusted gross margin¹⁾ amounted to 26.9% (25.9) and the adjusted operating margin¹⁾ was 11.9% (11.3). Adjusted return on capital employed¹⁾ improved to 12.5% (12.0). Adjusted return on equity¹⁾ was 11.0% (11.6). The interest coverage ratio increased to 12.3 (11.5).

¹⁾ Excluding items affecting comparability.

Summary income statement

SEKm	2016	2015	2014
Net sales	117,314	115,316	104,054
Adjusted operating profit¹⁾	13,989	13,014	11,849
Items affecting comparability ²⁾	–2,710	–2,067	–1,400
Operating profit	11,279	10,947	10,449
Financial items ³⁾	–919	–955	–961
Profit before tax	10,360	9,992	9,488
Adjusted profit before tax¹⁾	13,070	12,059	10,888
Tax ⁴⁾	–4,348	–2,540	–2,420
Profit for the period	6,012	7,452	7,068

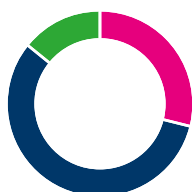
¹⁾ Excluding items affecting comparability.

²⁾ Includes the sale of securities, SEK 970m for 2015.

³⁾ Excludes the sale of securities, SEK 970m for 2015.

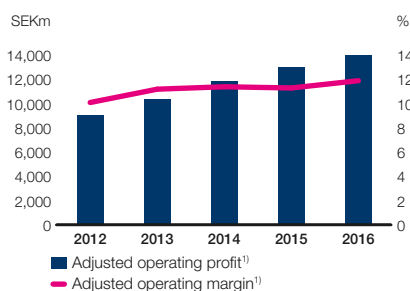
⁴⁾ Including provision of approximately SEK 1,300m for 2016 and approximately SEK 300m for 2015.

Net sales, share of Group



■ Personal Care, 29%
■ Tissue, 57%
■ Forest Products, 14%

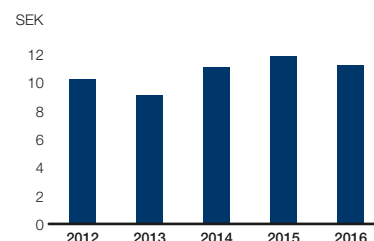
Adjusted operating profit and adjusted operating margin¹⁾



¹⁾ Excluding items affecting comparability.

2012 and 2013 restated in accordance with IFRS 10 and 11.

Adjusted earnings per share after dilution effects¹⁾



¹⁾ Excluding items affecting comparability.

2012 and 2013 restated in accordance with IFRS 10 and 11.

Operating cash flow

A high level of control of the operating cash flow is a key part of SCA's long-term competitiveness strategy. Operating cash flow amounted to SEK 14,948m (12,921). The increase is primarily attributable to changes in working capital and a higher operating cash surplus compared with the preceding year.

The operating cash surplus rose 6% to SEK 19,343m (18,312). Working capital decreased due to increased trade payables and other current liabilities. Working capital in proportion to net sales amounted to 6% (7). Current capital expenditures increased SEK 1,019m during the year and amounted to SEK 5,181m (4,162), corresponding to 4% (4) of net sales. Operating cash flow increased to SEK 14,948m (12,921).

Financial items decreased SEK 36m to SEK -919m (-955). The decrease was attributable to lower interest payments and positive translation effects. Tax payments totaled

SEK 3,799m (2,208). Cash flow from current operations amounted to SEK 10,382m (9,890).

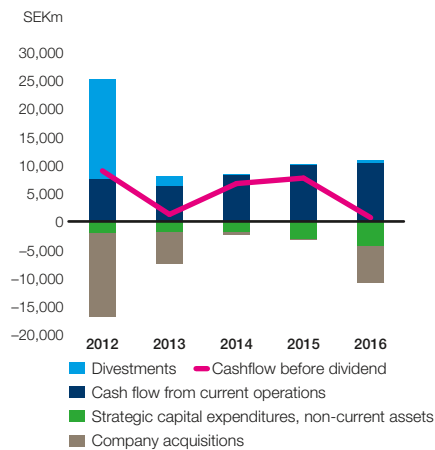
Strategic capital expenditures in non-current assets made to strengthen organic growth totaled SEK 4,264m (3,125). The year's expense for strategic capital expenditures was mainly related to investments in increased capacity at the Östrand pulp mill in Sweden and investments in a new production plant for incontinence products in Brazil.

Net debt increased SEK 5,883m during the year to SEK 35,361m at year-end. Net cash flow increased net debt by SEK 3,784m. Fair value measurement of pension assets and an update of the assumptions and assess-

ments that influence the valuation of pension obligations, net, together with fair valuation of financial instruments, increased net debt by SEK 1,526m. The effect of fair value measurement is largely attributable to assumptions of a lower discount rate that increases pension liabilities. Exchange rate movements increased net debt by SEK 573m.

The debt/equity ratio was 0.44 (0.39). Excluding pension liabilities, the debt/equity ratio was 0.39 (0.36). The debt payment capacity was 40% (47).

The Group's cash flow

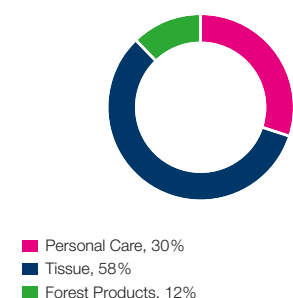


2012 and 2013 restated in accordance with IFRS 10 and 11.

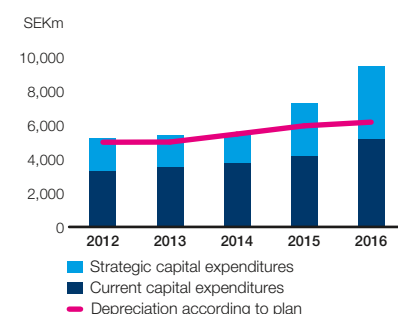
Summary operating cash flow statement

SEKm	2016	2015	2014
Operating cash surplus	19,343	18,312	16,250
Change in working capital	1,970	-399	-446
Current capital expenditures, net	-5,181	-4,162	-3,737
Restructuring costs, etc.	-1,184	-830	-883
Operating cash flow	14,948	12,921	11,184
Financial items	-919	-955	-961
Income taxes paid, etc.	-3,647	-2,076	-2,074
Cash flow from current operations	10,382	9,890	8,149
Company acquisitions	-6,598	-93	-508
Strategic capital expenditures in non-current assets	-4,264	-3,125	-1,816
Divestments	489	329	206
Cash flow before dividend	9	7,001	6,031

Operating cash flow, share of Group

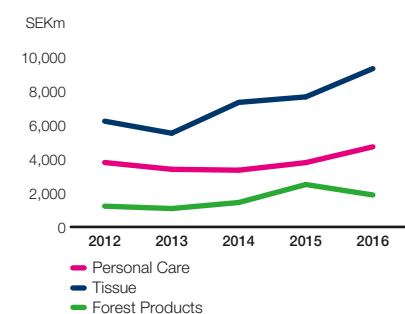


Capital expenditures



2012 and 2013 restated in accordance with IFRS 10 and 11.

Operating cash flow by business area



2012 and 2013 restated in accordance with IFRS 10 and 11.

Financial position

Assets and capital employed

The Group's total assets increased 9% compared with the preceding year, amounting to SEK 165,748m (152,372). Non-current assets rose SEK 13,503m compared with the preceding year to SEK 124,745m, of which property, plant and equipment increased SEK 8,303m to SEK 92,954m and intangible assets increased SEK 4,155m to SEK 27,007m. Current and strategic capital expenditures in property, plant and equipment amounted to SEK 9,798m and depreciation for the year to SEK 5,861m.

Current assets decreased SEK 127m to SEK 41,003m (41,130). Working capital amounted to SEK 6,883m (8,167). Capital employed was 9% higher and totaled SEK 114,880m (105,169). The distribution of capital employed per currency is shown in the table below.

The value denominated in SEK of the Group's foreign net assets amounted to SEK 61,009m at year end. In 2015, the Group's foreign net assets totaled SEK 62,196m.

Equity

The Group's consolidated equity amounted to SEK 79,519m (75,691) at year end. Profit for the period increased equity by SEK 6,012m (7,452), while shareholder dividends reduced equity by SEK 4,228m (3,903). Equity was reduced due to the fair value measurement of pension assets, and an update of the assumptions and assessments that influence the valuation of pension obligations, net, by SEK 1,114m after tax. The measurement of financial instruments to fair value increased equity by SEK 564m after tax. Exchange rate movements, including the effect of hedges of net foreign investments, after tax, increased equity by SEK 2,312m. Equity increased as a result of a private placement to non-controlling interests in Vinda by SEK 431m and decreased due to the acquisition of non-controlling interests by SEK 156m. Other items increased equity by SEK 7m.

Financing

The Group's interest-bearing gross debt amounted to SEK 36,716m (33,822) at year-end. The maturity period was 3.9 (3.4) years.

Net debt amounted to SEK 35,361m (29,478) at year-end. Net cash flow increased net debt by SEK 3,784m. Fair value measurement of pension assets and an update of the assumptions and assessments that influence the valuation of pension obligations, net, together with fair valuation of financial instruments, increased net debt by SEK 1,526m. The effect of fair value measurement is largely attributable to assumptions of a lower discount rate that increases pension liabilities. Exchange rate movements increased net debt by SEK 573m.

Key figures

The debt/equity ratio was 0.44 (0.39). Excluding pension liabilities, the debt/equity ratio was 0.39 (0.36). The visible equity/assets ratio was 44% (46). Adjusted return on capital employed and equity¹⁾ was 12.5% (12.0) and 11.0% (11.6) respectively. The capital turnover rate was 1.05 (1.06). At year-end, working capital amounted to 6% (7) of net sales.

¹⁾ Excluding items affecting comparability.

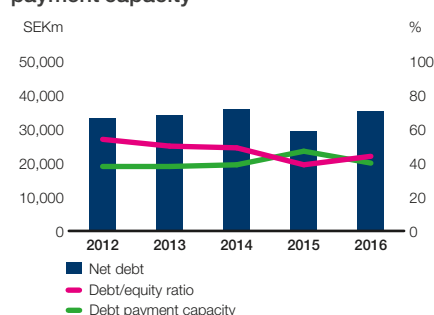
Consolidated capital employed by currency, SEKm

	2016	%	2015	%	2014	%
EUR	25,420	22	24,097	23	31,037	29
SEK	39,661	35	39,464	38	36,337	33
USD	14,419	13	7,124	7	7,192	7
GBP	4,783	4	4,879	5	5,452	5
Other	30,597	26	29,605	27	28,801	26
Total	114,880	100	105,169	100	108,819	100

Consolidated balance sheet

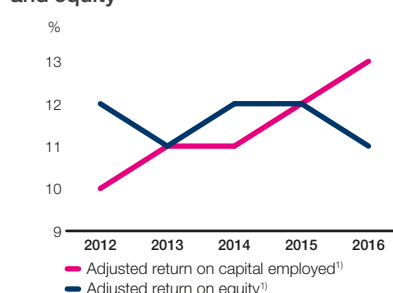
SEKm	2016	2015	2014
Intangible assets	27,007	22,852	23,680
Property, plant and equipment	62,184	54,532	56,345
Biological assets	30,770	30,119	29,685
Other non-current assets	4,784	3,739	5,775
Total non-current assets	124,745	111,242	115,485
Current assets	41,003	41,130	39,251
Total assets	165,748	152,372	154,736
Equity	79,519	75,691	72,872
Non-current liabilities	50,274	36,481	40,347
Current liabilities	35,955	40,200	41,517
Total equity and liabilities	165,748	152,372	154,736
Working capital	6,883	8,167	8,350
Capital employed	114,880	105,169	108,819
Net debt	35,361	29,478	35,947

Net debt, debt/equity ratio and debt payment capacity



2012 and 2013 restated in accordance with IFRS 10 and 11.

Adjusted return on capital employed and equity¹⁾



¹⁾ Excluding items affecting comparability.

2012 and 2013 restated in accordance with IFRS 10 and 11.

Capital employed, share of Group

