



Full year

- Net sales rose to SEK 6,951 million (6,034) due to higher prices.
- Operating profit from continuing operations improved to SEK 1,280 million (924).
- Change in value of forest assets was SEK 1,462 million (1,723).
- Profit for the period amounted to SEK 2,055 million (1,924).
- The Swedish Parliament adopted a clearer assignment for Sveaskog during the year. Forestry is the core business and the company is to be an independent player in the timber market.

Fourth quarter

- Net sales rose to SEK 1,830 million (1,653) due to higher prices.
- Operating profit from continuing operations decreased to SEK 269 million (334), mainly due to lower timber deliveries from the company's own forests.
- Change in value of forest assets was SEK 1,243 million (1,028).
- Profit for the quarter amounted to SEK 1,072 million (1,029).

MSEK	Quarter 4		Full year	
	2010	2009	2010	2009
Net sales	1,830	1,653	6,951	6,034
Operating profit from continuing operations	269	334	1,280	924
Operating profit	1,550	1,441	3,031	2,915
Profit before tax	1,461	1,378	2,774	2,644
Profit for the period/year	1,072	1,029	2,055	1,924
Earnings per share	9.06	8.69	17.36	16.25

Sveaskog is Sweden's leading forest company. We sell sawlogs, pulpwood and biofuel. We also work with land transactions and develop the forest as a venue for fishing, hunting and other nature-based experiences. The forest is Sveaskog's core business and we accept major responsibility as a driving force for development as well as contributing to new applications for both wood products and forest land. We defend sustainable development in everything we do. We have annual sales of SEK 7 billion and some 720 employees.

CEO's comments

2010 was a very successful year for Sveaskog. The company exceeded all its financial targets during the year. Operating profit from continuing operations for the full year amounted to SEK 1,280 million (924), which is a substantial improvement compared with the previous year. Most of this improvement occurred during the first half.

We noted very high demand during the year and were able to increase both sales volumes and prices. Internal efficiency improved, providing a positive balance to higher costs related to increased business volumes and silvicultural measures.

During the year Sveaskog delivered 11.3 million cubic metres (m³) of wood raw material, which is 4% more than in the previous year. Customer demand for sawlogs decreased in the fourth quarter but Sveaskog was still able to increase its annualised sales. Sales of pulpwood and chips rose by 5% and biofuel sales rose 9% for the full year. The increase in biofuel deliveries was mainly due to demand from CHP plants.

Sveaskog has approximately 140 customers within the wood products industry, the pulp and paper industry and the energy sector in Sweden and the Baltic region. Sophisticated logistics processes are increasingly playing a decisive role in new or extended business partnerships. One example is our biofuel deliveries to Eskilstuna Energi & Miljö which have been made by rail since the end of 2010. Extensive rail transports make it possible to utilise the forest fuel in inner Norrland and to supply the densely populated Mälars valley region where the need of energy is greatest. This benefits customers, forest owners and the climate.

In 2010 Sveaskog continued its active development of new forestry methods and modern technology in order to raise the value of the forest as well as the quality and productivity of our own businesses and those of our customers. For example, we launched the environmentally friendly and effective protection against the pine weevil, *Conniflex*, which can replace existing chemical agents. We have prepared our forest machines for harvest measurement which will result in faster remuneration to timber suppliers. We have also implemented a multi-tree handling head for the harvesters which will improve the working environment and make thinning more profitable. In partnership with local companies and entrepreneurs we have continued to develop equipment and machines for more efficient extraction and transport of forest fuel.

Sveaskog sold over 30,800 hectares (39,500) of forest land during the year. This is slightly less land than in 2009. Furthermore, a higher proportion of land deals took place in northern Sweden where hectare prices are lower which led to a reduction in capital gains of SEK 145 million.

Change in value of forest assets amounted to SEK 1,462 million (1,723). This is a high level in a multi-year perspective but lower than in the previous year. As well as growth in timber reserves, the value increased from higher prices for wood raw material. The increase in value is reduced by felling, sold forest land and updated felling and cost estimates.

The associate company Setra Group AB developed well in 2010 although some slowdown in the market was noted in the



autumn. The underlying operating result improved sharply. During the fourth quarter earnings were charged with restructuring costs due to streamlining of the company's operations. Sveaskog's share of profits of associates improved to SEK 27 million (-139).

Together with the other two principal owners Sveaskog is working to phase out its ownership in Setra Group AB. A process is currently under way within Setra Group AB to sell sawmills that fall outside the company's future strategy.

Profit for the year for Sveaskog amounts to SEK 2,055 million (1,924).

During 2010 the Swedish Parliament adopted a clearer assignment for Sveaskog. This states that Sveaskog is an independent player in the market with forestry as its core business. Sveaskog's assignment to provide the state with replacement land ceased at the end of the year. However, Sveaskog will through distribution transfer a maximum of 100,000 hectares of productive forest land which the state can use as replacement land when acquiring land with high natural values. We made preparations during the autumn and in December 2010 transferred land to a newly formed subsidiary, so that such distribution can be made during 2011.

I would like to express a big thank-you to Sveaskog's employees, contractors, suppliers and customers for their dedicated efforts and fruitful co-operation which has provided the basis for success and good results during the year. As we announced in the fourth quarter, Sveaskog's Board and I are agreed that this is the right time for a change of CEO in the company. I will stay on as CEO until the annual general meeting in April and I am looking forward during the spring to continuing the development of Sveaskog as a leading forest company together with the company's experienced and skilled employees.

Gunnar Olofsson, President and CEO.

Operations

NET SALES AND EARNINGS

Fourth quarter

Net sales rose 11% during the quarter compared with the same period in 2009 and amounted to SEK 1,830 million (1,653). The change is due to higher prices. Total delivery volumes fell 3%.

Operating profit from continuing operations decreased and amounted to SEK 269 million (334), mainly due to lower deliveries of timber from own forests.

Capital gains from property sales, primarily sales to private forestry, amounted to SEK 69 million (74).

Share of profits in the associate Setra Group AB amounted to SEK -31 million (5).

Operating profit before change in value of forest assets amounted to SEK 307 million (413).

Change in value of forest assets amounted to SEK 1,243 million (1,028). After change in value of forest assets operating profit amounted to SEK 1,550 million (1,441).

Net financial items amounted to SEK -89 million (-63).

Profit for the period improved by 4% compared with the same period in the previous year and amounted to SEK 1,072 million (1,029), which is mainly explained by an increased change in value of forest assets.

Full year

Net sales rose to SEK 6,951 million (6,034) which corresponds to an increase of 15%. The increase is mainly explained by higher prices. Delivery volumes increased by 4%. Operating profit from continued operations improved substantially and amounted to SEK 1,280 million (924), mainly due to higher prices.

Capital gains from property sales, primarily sales to private forestry, amounted to SEK 262 million (407). The decrease is mainly explained by lower sales due to a smaller sold area and a greater concentration to northern Sweden where average property prices are lower.

Share of profits of the associate Setra Group AB amounted to SEK 27 million (-139).

Operating profit before change in value of forest assets amounted to SEK 1,569 million (1,192).

Change in value of forest assets amounted to SEK 1,462 million (1,723). After change in value of forest assets operating profit amounted to SEK 3,031 million (2,915).

Net financial items amounted to SEK -257 million (-271). The change is mainly explained by a lower average loan portfolio.

Profit for the year was 7% higher than in the previous year and amounted to SEK 2,055 million (1,924).

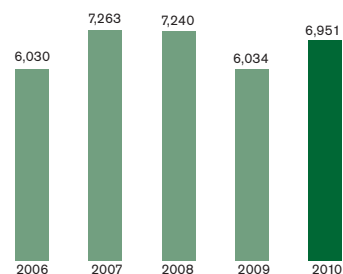
CASH FLOW, INVESTMENTS AND FINANCIAL POSITION

Cash flow from operating activities amounted to SEK 744 million (534). It was mainly the positive operating profit which led to this higher result compared with the previous year. Investments in property, plant and equipment amounted to SEK 250 million (203). The mainly comprised forest land, standing forest and forest machines. Investments in shares totalled SEK 49 million (255). Sales of property, plant and equipment, primarily forest properties, amounted to SEK 777 million (980) and sales of shares amounted to SEK 31 million (0). Interest-bearing net debt decreased by SEK 812 million during the year to SEK 5,219 million.

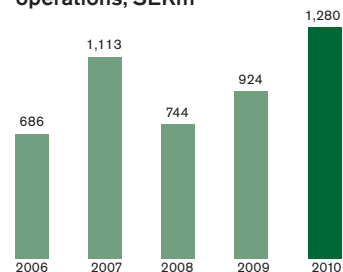
2010 has also been affected by the financial crisis which started in autumn 2008. The two dominant factors have been the debt crisis for the PIGS countries and the effect of this on EMU and the euro as well as the American central bank's extended repurchase programme of fixed-income securities designed to stimulate the American economy. The past year has still taken overall built a more stable foundation for recovery in the global economy. Sweden stands out in this context as "best in class" and the Swedish Riksbank, unlike other central banks, has started a normalising interest rate increase cycle.

Sveaskog's net debt continued to decrease during the year and loans that fell due during the year, with the exception of loans via the commercial paper market, were amortised. The loan portfolio mostly consists of loans issued under Sveaskog's

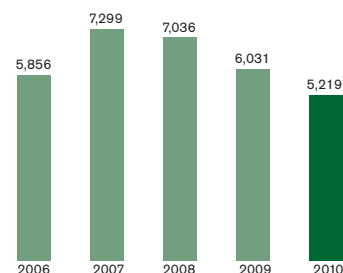
Net sales, SEKm



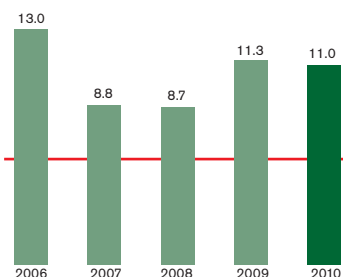
Operating profit from continuing operations, SEKm



Interest-bearing net debt, SEKm

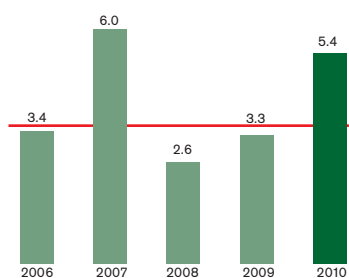


Return on equity, %

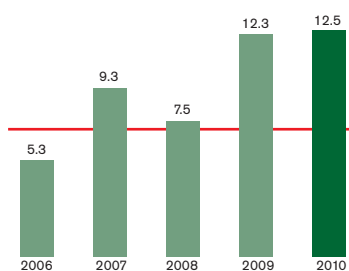


Financial target*: 6%.

* Decided by owner.

Yield, %

Financial target*: 3.5%.

Return on operating capital, %

Financial target*: 7%.

Debt/equity ratio, multiple

Financial target*: 0.3–0.7 multiple.

Interest cover, multiple

Financial target*: 1.5–2.5 multiple.

* Decided by owner.

MTN programme as well as Swedish commercial paper programmes. At the moment only about 5% of the portfolio comprises bank financing. The loan volume under the commercial paper programme remained unchanged during the year (SEK 1,800 million) and has been refinanced regularly in three-month period. The average fixed interest period during 2010 was at most 18 months and on the closing date approximately 12 months which is also the lowest during the year.

OTHER UNITS WITHIN THE GROUP

Sveaskog Naturupplevelser increased its sales for the full year by 4% to SEK 97 million (93). The increase mainly related to higher revenues from hunting leases where Sveaskog continues to work to adjust prices to market levels since they have in principle remained unchanged for ten years, as well as leases of land and fishing waters to eco-tourism companies.

Operating profit improved by 7% and amounted to SEK 59 million (55). The improvement is explained both by higher revenues and reduced costs.

Svenska Skogsplantor AB had largely unchanged sales, SEK 327 million compared with SEK 326 million in 2009. During the year Svenska Skogsplantor and Sveaskog launched Conniflex, which is an effective and environmentally friendly mechanical plant protection against the pine weevil. This protection, which consists of a coating of glue and sand, will replace the chemical pesticides used today on pine and spruce seedlings. Expansion of treatment capacity and volumes is under way. Operating profit was unchanged and amounted to SEK 32 million (32).

The associate company Setra Group AB reports improved earnings due to the improved business climate for the wood products market as well as internal efficiency improvements and cost savings. During the fourth quarter earnings were charged with restructuring costs. Sveaskog share of profits in the company during the year amounted to SEK 27 million compared with SEK –139 million in the previous year.

Together with the other two principal owners Sveaskog is working to phase out its ownership in Setra Group AB. A process is currently under way within Setra Group AB to sell sawmills that fall outside the company's future strategy.

PARENT COMPANY

Sveaskog AB (publ), 100% owned by the Swedish state, owns and manages forest properties and shares in subsidiaries and is also responsible for Group-wide financing.

Sveaskog AB's operating income during the year was SEK 48 million (44). Loss after financial items amounted to SEK 355 million (–459), of which capital gains on property sales accounted for SEK 30 million (32). The Parent Company's expenses mainly comprise interest expenses as a result of the acquisition of Sveaskog Förvaltnings AB. The company has no employees.

Market**WOOD PRODUCTS INDUSTRY**

Increased demand for both sawlogs and processed wood products in China has to a large extent benefited the wood products industry in western Canada and the US. European sawmills will also in the longer term derive direct and indirect benefits from China's growing need of wood products.

The export market for sawn wood products from Sweden weakened during the autumn and in the short term it is likely that exports, mainly to the European market, will continue to decrease. The fourth quarter brought continued difficulties. Many sawmills implemented production restrictions during the Christmas and New Year holiday period.

The stronger Swedish krona in relation to the euro has reduced the competitiveness of Swedish sawmills during 2010 and the advantage this sector had previously compared with other countries in Europe has disappeared. Instead, Finnish sawmills have increased their market shares in both Europe and Japan.

PULP AND PAPER INDUSTRY

Global demand for most pulp and paper grades was higher in 2010 than in 2009.

The European pulp industry, including Swedish pulp manufacturers, experienced a very positive period in 2010 with high production and record-high pulp prices. Total production of market pulp in Western Europe during the period January–October rose by almost 15%, which was a bigger increase than in North and South America.

Most pulp and paper mills in Sweden maintained a high level of production during most of 2010, which led to record-high demand for both pulpwood and chips. The forest industry also saw high activity in Finland. Total consumption of wood raw material almost doubled in 2010. In order to meet the major increase in demand, the country's private forest owners increased their felling rates and many forest companies imported considerably more roundwood and chips than in 2009.

ENERGY SECTOR

Global trading with wood pellets continues to increase and is preliminarily estimated to have risen by more than 20% in 2010. The largest exporters continue to be Canada, Russia, Latvia, France and Australia. Europe accounts for almost all imports of pellets worldwide. The largest importing countries during the year were Belgium, Germany, Italy, the Netherlands, Sweden and Denmark.

TRADE WITH WOOD RAW MATERIAL

Sawlogs market

Global sawlog prices continued to rise and reached their highest level for two years in the third quarter. Sawmills in North America, Latin America and Oceania generally have lower costs for wood raw material than sawmills in Europe.

As a whole demand and prices for sawlogs in Sweden were high in 2010. During the first half demand was strong while sawlog prices continued to rise to historically high levels. During the second half the business climate for the Swedish wood products industry weakened. This resulted in lower demand for sawlogs at the end of the year. Proposals for price reductions are now a common occurrence in the market.

Sveaskog's sawlog deliveries in 2010 totalled 4,308,000 m³sub, which is an increase of 47,000 m³sub compared with 2009.

Market for pulpwood and chips

Increased global demand for paper pulp led to higher prices for pulpwood and chips.

In Sweden demand for both chips and pulpwood was high during the autumn. In northern and central Sweden raw material flows were strong at the start of the year, while shortages of pulpwood soon developed in southern Sweden. Towards the end of the year this shortage started to become more general throughout the country. As a consequence of lower sawmill production, supplies of sawmill chips decreased. Consumption of small diameter sawlogs as pulpwood started. Price increases for pulpwood were implemented during the autumn.

Swedish imports of pulpwood and chips increased during 2010. The largest increase was in imports from the Baltic countries and Russia.

Sveaskog delivered 5,499,000 m³sub of pulpwood and chips in 2010, an increase of 265,000 m³sub compared with the previous year.

Biofuel market

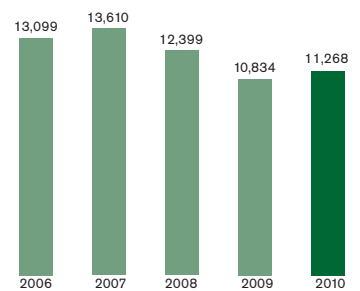
Demand for biofuel in Sweden remained strong. A high electricity price and cold weather contributed to an additional need for volumes, particularly in southern Sweden. Biofuel stocks are limited but availability and demand are balanced. The biofuel market is characterised by a geographical imbalance between supply and demand. Long-distance transports are increasing in order to even out geographical imbalances between supply and demand in Sweden.

Price development in Sweden was more restrictive in 2010 than in previous years. This is partly because the price level for biofuel is approaching or on a par with pulpwood which means that pulpwood is also a possible product for biofuel customers.

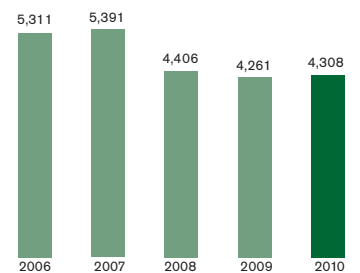
The international flow within the Baltic Sea region is increasing primarily from the Baltic countries to Finland, Sweden and Denmark. Very little biofuel is exported from Sweden.

Sveaskog's biofuel deliveries amounted to 1,461,000 m³sub in 2010, compared with 1,339,000 m³sub in 2009.

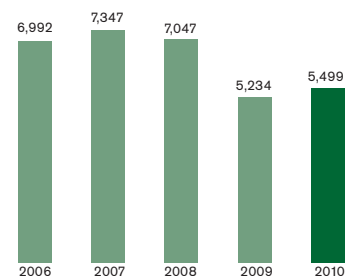
Sveaskog's total delivery volume, thousand m³sub



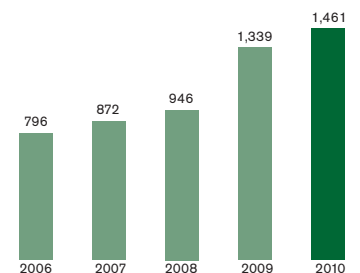
Delivery volume, sawlogs, thousand m³sub



Delivery volume, pulpwood and chips, thousand m³sub



Delivery volume biofuel, thousand m³sub



Sveaskog Group

Summary income statement

(Note 1) SEKm	3 months		12 months	
	Q 4 2010	Q 4 2009	Full year 2010	Full year 2009
Net sales	1,830	1,653	6,951	6,034
Other operating income	11	6	29	16
Raw materials and consumables	-700	-598	-2,510	-2,267
Change in inventories	61	48	7	33
Other external costs	-762	-629	-2,585	-2,275
Staff costs	-149	-127	-523	-540
Depreciation	-22	-19	-89	-77
Operating profit from continuing operations	269	334	1,280	924
Capital gains from property sales	69	74	262	407
Share of profits of associates	-31	5	27	-139
Operating profit before change in value of forest assets	307	413	1,569	1,192
Change in value of forest assets (Note 1)	1,243	1,028	1,462	1,723
Operating profit	1,550	1,441	3,031	2,915
Financial items	-89	-63	-257	-271
Profit before tax	1,461	1,378	2,774	2,644
Tax	-389	-349	-719	-720
Profit for the period/year	1,072	1,029	2,055	1,924
Earnings per share, SEK, before and after dilution	9.06	8.69	17.36	16.25
- calculated on average number of shares, million	118.4	118.4	118.4	118.4

Statement of comprehensive income

(Note 1) SEKm	3 months		12 months	
	Q 4 2010	Q 4 2009	Full year 2010	Full year 2009
Profit for the period/year	1,072	1,029	2,055	1,924
Other comprehensive income				
Exchange differences	0	1	-2	-1
Cash flow hedges	27	2	71	18
Tax attributable to cash flow hedges	-7	-1	-19	-5
Total other comprehensive income for the period/year net after tax	20	2	50	12
Total comprehensive income for the period/year	1,092	1,031	2,105	1,936

Definitions

Adjusted equity – Equity plus minority interests.

Capital turnover rate – Net sales divided by average operating capital.

Debt/equity ratio – Interest-bearing net debt divided by adjusted equity.

Equity ratio – Adjusted equity divided by total assets, all calculated at year end.

Gross margin – Operating profit before depreciation and share of profits of subsidiaries expressed as a percentage of net sales.

Interest-bearing net debt – Interest-bearing liabilities minus interest-bearing assets, all calculated at year-end

Interest cover – Operating profit before change in value of forest assets excl. capital gains on property sales plus financial income divided by financial expenses.

Net earnings per share – Profit for the year after tax divided by average number of shares during the year.

Sveaskog Group

Summary balance sheet

SEKm	31 Dec 2010	31 Dec 2009
ASSETS		
Non-current assets		
Intangible assets		
Property, plant and equipment	7	9
Forest land (Note 1)	1,982	2,013
Other property, plant and equipment	555	556
Biological assets – standing forest (Note 1)	28,003	28,028
Financial assets	475	457
Total non-current assets	31,022	31,063
Current assets		
Inventories	608	596
Current receivables, etc., non-interest bearing	2,325	2,064
Current interest-bearing receivables	0	0
Cash and cash equivalents	526	506
Assets held for distribution*	1,155	0
Total current assets	4,614	3,166
TOTAL ASSETS	35,636	34,229
EQUITY AND LIABILITIES		
Equity	19,516	17,898
Non-current liabilities		
- Interest-bearing liabilities and provisions	2,834	3,972
- Other liabilities and provisions	8,359	8,221
Total non-current liabilities	11,193	12,193
Current liabilities		
- Interest-bearing liabilities	2,911	2,566
- Other liabilities	1,728	1,572
Liabilities attributable to assets held for distribution	288	0
Total current liabilities	4,927	4,138
TOTAL LIABILITIES	16,120	16,331
TOTAL EQUITY AND LIABILITIES	35,636	34,229

* Assets held for distribution relate to the consolidated value of the 100,000 hectares of productive forest land that will be distributed to the owner in accordance with a parliamentary decision.

Operating capital – Total assets excluding interest-bearing assets, tax receivables and assets held for sale minus non-interest bearing liabilities and deferred tax liabilities, all calculated at year-end.

Operating margin – Operating profit expressed as a percentage of net sales.

Operating profit from continuing operations – Operating profit before change in value of forest assets, share of profits of associates and capital gains from property sales.

Return on equity – Profit for the year after tax expressed as a percentage of average adjusted equity.

Return on operating capital – Operating profit divided by average operating capital, excluding deferred tax.

Yield – Operating profit before change in value of forest assets excluding capital gains on property sales, divided by average operating capital, excluding deferred tax.

Sveaskog Group

Summary cash flow statement

SEKm	Full year 2010	Full year 2009
Operating activities		
Operating profit	3,031	2,915
Adjustment for non-cash items, etc.	-1,754	-2,048
Interest received	16	12
Interest paid	-237	-283
Paid tax	-224	-94
Cash flow from operating activities before change in working capital	832	502
Change in working capital	-88	32
Cash flow from operating activities	744	534
Investing activities		
Investments in property, plant and equipment	-250	-203
Investments in shares	-49	-255
Sale of property, plant and equipment	777	980
Sale of shares	31	0
Change in interest-bearing receivables	0	0
Cash flow from investing activities	509	522
Financing activities		
Dividend paid	-487	-89
Change in financial liabilities	-746	-1,200
Cash flow from financing activities	-1,233	-1,289
Cash for the period/year	20	-233
Cash and cash equivalents, opening balance	506	739
Cash and cash equivalents, closing balance	526	506

Summary statement of changes in equity

SEKm	Full year 2010	Full year 2009
Opening equity, 1 January	17,898	16,051
Total comprehensive income for the year	2,105	1,936
Dividend paid in accordance with AGM decision	-487	-89
Closing equity at the end of the year	19,516	17,898

Key figures

SEKm	Full year 2010	Full year 2009
Operating margin, %	44	48
Yield, % (target minimum 3.5%)	5.4	3.3
Return on operating capital, % (target minimum 7%)	12.5	12.3
Return on equity, % 1) (target minimum 6%)	11.0	11.3
Equity ratio, %	55	52
Debt/equity ratio, multiple (target 0.3-0.7%)	0.27	0.34
Interest cover, multiple 1,3) (target 1.5-2.5%)	5.5	2.8
Interest-bearing net debt, SEKm	5,219	6,031
Earnings per share, SEK 2)	17.36	16.25
Average number of employees	964	958
Number of employees	720	721

1) Rolling 12 months.

2) Calculated on number of shares, 118,373,034.

3) Operating profit before change in value of forest assets minus capital gains on property sales plus financial income divided by financial expenses.

Parent Company

Summary income statement

SEKm	Full year 2010	Full year 2009
Operating income	48	44
Operating expenses	-1	-1
Operating profit	47	43
Financial items	-402	-502
Profit/loss before tax	-355	-459
Tax	95	121
Profit/loss for the period	-260	-338

Summary balance sheet

SEKm	31 Dec 2010	31 Dec 2009
ASSETS		
Non-current assets		
Property, plant and equipment	60	65
Total property, plant and equipment	60	65
Financial assets		
Interest-bearing	1,870	2,520
Non-interest bearing	24,994	24,934
Total financial assets	26,864	27,454
Total non-current assets	26,924	27,519
Current assets		
Current receivables, etc., non-interest bearing	400	494
Short-term investments	4,239	4,767
Cash and bank balances	0	0
Total current assets	4,639	5,261
TOTAL ASSETS	31,563	32,780
Equity		
Total equity	12,639	13,120
Non-current liabilities		
Interest-bearing non-current liabilities	2,069	3,169
Total non-current liabilities	2,069	3,169
Current liabilities		
Interest-bearing liabilities and provisions	16,826	16,455
Other liabilities and provisions	29	36
Total current liabilities	16,855	16,491
TOTAL EQUITY AND LIABILITIES	31,563	32,780

Parent Company

Summary cash flow statement

SEKm	Full year 2010	Full year 2009
Cash flow from operating activities	130	420
Cash flow from investing activities	625	598
Cash flow from financing activities	-755	-1,018
Total cash flow	0	0
Cash and cash equivalents, opening balance	0	0
Cash and cash equivalents, closing balance	0	0

Summary statement of changes in equity

SEKm	Full year 2010	Full year 2009
Opening equity, 1 January	13,120	13,207
Dividend paid in accordance with AGM decision	-487	-89
Group contribution	360	461
Tax effect of group contribution	-94	-121
Profit/loss for the year	-260	-338
Closing equity at the end of the year	12,639	13,120

ACCOUNTING PRINCIPLES

The year-end report for the Group is prepared in accordance with IAS 34 Interim Financial Reporting, the Swedish Annual Accounts Act and the Securities Market Act. For the Parent Company the interim report is prepared in accordance with the Annual Accounts Act and the Securities Market Act, which are in accordance with the regulations in RFR 2. Accounting for Legal Entities. The accounting principles and calculation principles for the Parent Company and the Group applied in this report are unchanged compared with the most recently published annual report except that with effect from 1 January 2010 the Group applies IAS 27 (revised) Consolidated and Separate Financial Statements as well as IFRS 3 (revised) Business Combinations. These standards are not assessed as having any material effect on the Group's financial statements.

Amounts are stated in SEK million unless otherwise indicated. Figures in parentheses refer to the same period in the previous year.

NOTE 1 - CHANGE IN VALUE OF FOREST ASSETS, SEK M

The market-related value of Sveaskog's forest assets at 31 December 2010 has been calculated at 29,985 (30,041), of which 28,003 (28,028) comprises the fair value of standing forest and 1,982 (2,013) an identified cost for land. The change in the balance sheet amounts to -56 (1,248).

RISKS AND UNCERTAINTIES

A description of risks, uncertainties and risk management is provided in Sveaskog's 2009 Annual Report (in Swedish) on pages 72-74. No other significant changes, in addition to those mentioned in this year-end report, have occurred since the annual report was published.

IMPORTANT EVENTS AFTER THE BALANCE SHEET DATE

No significant events occurred after the balance sheet date.

OTHER

Transactions with related parties are disclosed in the Group's Note 3 in Sveaskog's 2009 Annual Report. No significant changes have

occurred in relations or transactions with related parties compared with those described in the 2009 reports, except that during the third quarter Sveaskog Förvaltnings AB acquired the industrial site at Seskarö from the associate company Setra Group AB.

DIVIDEND

In accordance with the current dividend policy the ordinary dividend shall over time correspond to at least 60% of profit after tax excluding non-cash flow adjustments from changes in value according to IFRS. Sveaskog's consolidation requirements and financial position in general shall be taken into account.

In accordance with this policy the Board proposes a dividend of SEK 756 million.

Furthermore, in accordance with a parliamentary decision in June 2010, Sveaskog shall transfer productive forest land with a total maximum area of 100,000 hectares of productive forest land to the state to be used as replacement land. Sveaskog has for this purpose transferred land to a newly formed subsidiary. The shares in the subsidiary have a book value of SEK 59 million. Consolidated assets in the company at 31 December 2010 amounted to SEK 1,155 million and liabilities attributable to these to SEK 288 million.

Until distribution takes place the Board may if required decide on an additional capital contribution.

The Board's proposal is that the assets in the subsidiary be distributed.

ANNUAL GENERAL MEETING

The Annual General Meeting will be held in Stockholm on 28 April 2011. The Meeting is open to the public. The Annual Report (in Swedish) is scheduled for publication at www.sveaskog.se on 20 March 2011. Printed Swedish annual reports will be distributed at the beginning of April. The printed Annual Report can be ordered from Sveaskog, e-mail info@sveaskog.se or directly via Sveaskog's website www.sveaskog.se.

The Board of Directors and the CEO hereby confirm that this year-end report provides a true and fair overview of the Parent Company's and the Group's operations, their financial position and performance, and described material risks and uncertainties facing the Parent Company and other companies in the Group

Stockholm, 27 January 2011
Sveaskog AB (publ.) (556558-0031)

Göran Persson
Chairman

Eva Färnstrand
Board Member

Marianne Förander
Board Member

Thomas Hahn
Board Member

Birgitta Johansson-Hedberg
Board Member

Carina Håkansson
Board Member

Elisabeth Nilsson
Board Member

Anna-Stina Nordmark Nilsson
Board Member

Mats G Ringesten
Board Member

Sture Persson
Employee representative

Eva-Lisa Lindvall
Employee representative

This report has not been reviewed by the company's auditors

Gunnar Olofsson
President and CEO



Logistics play a central role in Sveaskog's business activities. The reason is that every year we have ten thousand different production sites, i.e. felling locations in the forest. Agreements with customers comprise large and complex raw material flows which must function continuously and cope with changes. Customers' increased specialisation, with requirements for specific products and grades, mean that timber flows affect an increasingly large geographic area.

In order to meet the demands of our customers and at the same time raise the efficiency of the logistics process, Sveaskog works with rail, sea and road transports depending on the mode of transportation most suitable for the distance involved. A higher proportion of rail transports provide several advantages. These include a larger geographical base with more potential customers in Sweden and the rest of Europe as well as lower emissions and improved environmental performance.

For further information, please contact

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Financial calendar

Annual General Meeting	28 April 2011
Interim report January – March 2011	28 April 2011
Interim report January – June 2011	21 July 2011
Interim report January – September 2011	27 October 2011

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