



Second quarter

- Net sales amounted to SEK 1,727 million (1,801). Prices fell by an average of 9% while delivery volumes rose 5% compared with the second quarter in the previous year.
- Operating profit from continuing operations amounted to SEK 273 million (223). The improved result despite lower price levels is due to higher deliveries from the company's own forests and lower production costs.
- Change in value of forest assets amounted to SEK 150 million (114).
- Operating profit amounted to SEK 462 million (374).
- Profit for the quarter amounted to SEK 314 million (223).

Six months January–June

- Net sales amounted to SEK 3,310 million (3,467). Prices fell by an average of 10% while delivery volumes rose 4% compared with the first half of the previous year.
- Operating profit from continuing operations amounted to SEK 544 million (446). The improved result despite lower price levels is due to higher deliveries from the company's own forests and lower production costs.
- Change in value of forest assets amounted to SEK 312 million (289).
- Operating profit amounted to SEK 896 million (804).
- Profit for the first half of the year amounted to SEK 596 million (497).
- Cash flow from operating activities before change in value of working capital amounted to SEK 281 million (31).

SEKm	Quarter 2		Jan–June	
	2013	2012	2013	2012
Net sales	1,727	1,801	3,310	3,467
Operating profit from continuing operations	273	223	544	446
Operating profit	462	374	896	804
Profit before tax	397	300	763	677
Profit for the period	314	223	596	497
Earnings per share	2.65	1.89	5.03	4.20

Sveaskog is Sweden's largest forest owner and sells sawlogs, pulpwood and biofuel. Sveaskog also works with land transactions and develops the forest as a venue for hunting, fishing and other nature-based experiences. The forest and its assets are Sveaskog's core business and sustainable development permeates every aspect of Sveaskog's activities. Sales in 2012 were over SEK 6.3 billion and the number of employees totalled approximately 700.

CEO's comments

IMPROVED OPERATING PROFIT FROM CONTINUING OPERATIONS DESPITE SIGNIFICANTLY LOWER PRICES

Sveaskog's net sales for the first half of 2013 totalled SEK 3,310 million (3,467). Compared with the same period in the previous year, sales volumes rose by 4% while selling prices decreased by an average of 10%. Sveaskog's operating profit from continuing operations for the period amounted to SEK 544 million (446). The lower price levels were compensated by a larger volume of timber from the company's own forests and lower production costs. The latter were due to additional costs incurred in the previous year for post-storm processing related to the storm Dagmar. In addition, efficiency has improved.

In total, Sveaskog's sales of wood raw material during the first half of the year amounted to 5.9 (5.7) million cubic metres (m³sub). Sales of pulpwood and chips increased by over 8% while the increase for the rest of the assortment was largely unchanged.

Capital gains from property sales amounted to SEK 36 million (76). During the first half of the year 2,404 ha were sold within the land sales programme, a specific owner assignment for Sveaskog designed to strengthen private forestry. At total of 318,071 ha have been sold within this programme and 117,929 ha remain.

Share of profits of associates, which derives from the holding in the wood products company Setra Group AB, amounted to SEK 4 million (–7). Despite a weak market situation Setra Group AB improved its operating profit from SEK 2 million to SEK 33 million. The improvement was achieved through an improved gross profit margin and lower fixed costs.

Sveaskog's operating profit before change in value of forest assets increased by SEK 69 million to SEK 584 million.

MARKET REMAINS HESITANT

Demand for sawn timber in Europe remained weak while it increased in the US and Japan. In China, demand remained strong. There is uncertainty about development in the key North African market, particularly following the recent unrest in Egypt.

The strong Swedish krona remains a threat to the Swedish wood products industry, although the krona has weakened recently which may ease exports. Swedish sawmill production is now at its lowest since the 1990s and both production levels and producer stocks are below the previous year's levels. Swedish wood product deliveries decreased in the first months of the year. The home market is estimated to have increased while exports decreased. Market development is difficult to assess.

In addition to the impact of the weak economic situation, pulp and paper mills are affected by the structural changes currently taking place in the industry. At the beginning of the year, several players announced capacity closures. On 1 July, Södra confirmed that in August it will cease production at the pulp mill in Tofte, Norway, with a capacity for 400,000 tonnes of chemical paper pulp. At the same time, Södra plans to increase capacity at the pulp mill in Värö, Sweden, by 275,000 tonnes. Implementation of the announced closure will affect the timber

balance and therefore pulpwood prices.

Demand for graphic papers from European mills is declining steadily with a fall of 5% since the start of the year. Demand for kraftliner is also lower than in the previous year.

Consumption of biofuel recently ended for the season. Prices of pellets in the Nordic market remain at a low level.

Prices of wood raw material are lower than in the first half of 2012 and minor price movements occurred during the first half of 2013. Sawlog prices are showing signs of increasing while pulpwood prices remain unchanged overall, although there are some regional differences. These lower prices have affected supplies of wood raw material and raw material supplied by family-owned forestry remains low. Even though the notified felling area increased in May, the rate after five months is 12% below the previous year's level.

FOREST BUSINESS IN NEW WAYS

Recently opportunities for processed biofuels, such as biodiesel and pyrolysis oil, have been the focus of attention among other things in a seminar during the Almedalen Week political forum. Preem, which like Sveaskog is a part owner of SunPine, is taking a clear active role in this development. Sveaskog is monitoring the ongoing debate with great interest and supports development initiatives designed to create sales for wood raw material in new ways.

ENVIRONMENTAL ADVISORY COUNCIL

The Environmental Advisory Council's progress report "Long-term Sustainable Land Management" was submitted to the Minister of the Environment on 17 June. The Council focused, among other things, on environmental consideration in forestry with the intention of drafting forest management legislation and a strategy to achieve the generation goal while ensuring that the environmental objective "Sustainable Forests" is reached. The report highlights Sveaskog's nature conservation work and the balance between production targets and environmental targets as a good example for other forest companies to emulate. The Environmental Advisory Council notes that Sveaskog develops high conservation values within the framework of its ecopark activities and that Sveaskog is also the forest company which best meets the consideration requirements during final felling.

OMBERG ECOPARK 10-YEAR JUBILEE

Sveaskog's Omberg ecopark had its ten-year jubilee at the end of May. The ecopark, located on the eastern shore of Lake Vättern was inaugurated in 2003 as the first of a total of 36 ecoparks planned by Sveaskog. In the ten years since its inauguration the area has been transformed from dense spruce forests to new meadowlands and deciduous forest in order to increase biodiversity.



Per-Olof Wedin, President and CEO.

Operations

NET SALES AND EARNINGS

Second quarter

Net sales in the second quarter amounted to SEK 1,727 million (1,801), a decrease of 4% compared with the same period in 2012. The change is explained by an average fall in timber prices of 9%, which was partly counteracted by a 5% increase in delivery volumes.

Operating profit from continuing operations increased to SEK 273 million (223). The change is mainly due to a 10% rise in deliveries from own forests as well as lower felling costs which more than compensated for the lower timber prices. The lower felling costs are mainly due to costs incurred in the previous year for post-storm processing after the storm Dagmar.

Capital gains from property sales amounted to SEK 17 million (29).

Share of profits of associates related to the holding in Setra Group amounted to SEK 22 million (8).

Operating profit before change in value of forest assets amounted to SEK 312 million (260).

Change in value of forest assets was SEK 150 million (114). Operating profit after change in value of forest assets amounted to SEK 462 million (374).

Net financial items amounted to SEK –65 million (–74).

Profit for the period was SEK 314 million (223).

January–June

Net sales decreased by 5% to SEK 3,310 million (3,467). The change is explained by a fall in timber prices of 10%, which was partly counteracted by a 4% increase in delivery volumes.

Operating profit from continuing operations amounted to SEK 544 million (446). The increase is mainly due to an 11% rise in deliveries from own forests as well as lower felling costs which more than compensated for the lower timber prices. The lower felling costs are mainly due to costs incurred in the previous year for post-storm processing after the storm Dagmar. In addition, efficiency improved.

Capital gains from property sales, mainly sales to private forestry, amounted to SEK 36 million (76).

Share of profits of associates amounted to SEK 4 million (–7).

Operating profit before change in value of forest assets amounted to SEK 584 million (515).

Change in value of forest assets was SEK 312 million (289). Operating profit after change in value of forest assets amounted to SEK 896 million (804).

Net financial items amounted to SEK –133 million (–127).

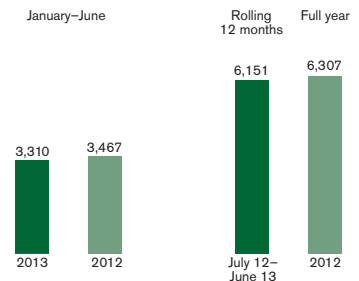
Profit for the period was SEK 596 million (497).

CASH FLOW, INVESTMENTS AND FINANCIAL POSITION

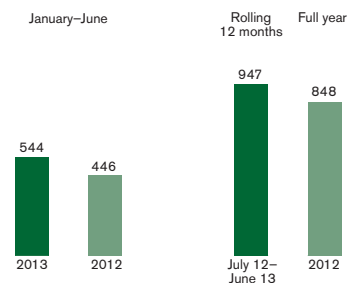
Cash flow from operating activities before change in working capital amounted to SEK 281 million (31). After change in working capital, cash flow amounted to SEK 355 million (165). Investments in property, plant and equipment totalled SEK 105 million (128) and mainly comprised forest properties and forest machines. Sales of property, plant and equipment, primarily forest properties, amounted to SEK 88 million (130).

Sveaskog's interest-bearing net debt decreased by SEK 434 million during the year and amounted to SEK 9,073 million (9,507). A dividend of SEK 435 million was paid to the owner in the second quarter. The loan portfolio mostly consists of loans issued under Sveaskog's MTN programme as well as Swedish commercial paper programmes. At the moment, approximately 10% of the portfolio consists of bank financing. The loan volume under the commercial paper programme amounts to SEK 2,670 million (3,070) and is refinanced regularly. Under the MTN programme a gross amount of SEK 1,830 million was issued in 2013 and the current outstanding volume is SEK 4,700 million (3,920). The average fixed interest period during the year has been approximately 21 months at the lowest and was 29 months on the closing date.

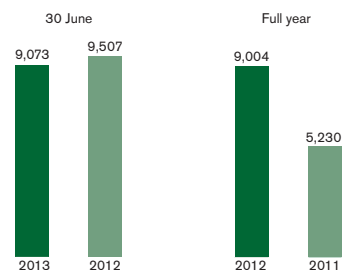
Net sales, SEKm



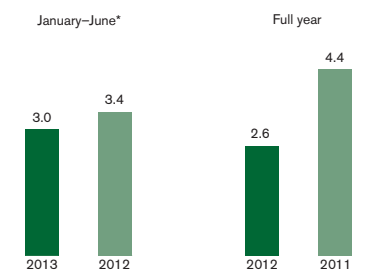
Operating profit from continuing operations, SEKm



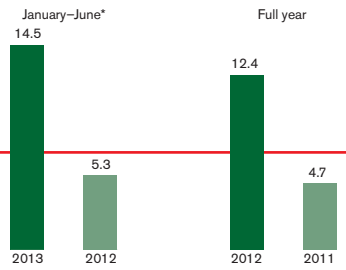
Interest-bearing net debt, SEKm



Interest cover, multiple

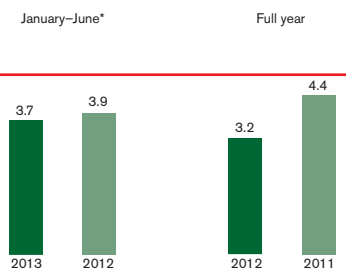


* Rolling 12 months.

OWNER FINANCIAL TARGETS**Return on equity, %**

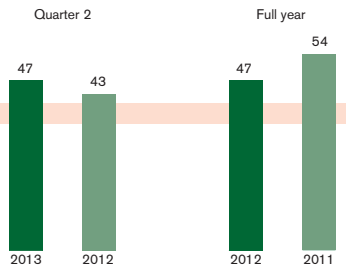
Target: 7%.

* Rolling 12 months.

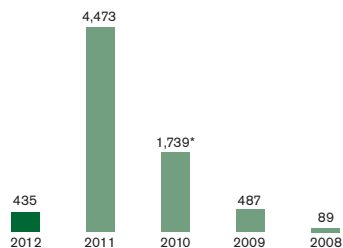
Yield, %

Target: 5%.

* Rolling 12 months

Equity ratio, %

Target: 35–40%.

Dividend, SEKm

Target: At least 60% of profit after tax excluding non-cash adjustments in accordance with IFRS.

* Incl. consolidated value for distribution of Ersättningsmark i Sverige AB.

PARENT COMPANY

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

For Sveaskog AB operating income during the first half of the year totalled SEK 33 million (9), of which capital gains from property sales accounted for SEK 26 million (3). Loss after financial items was SEK 167 million (+4,199). The previous year included a dividend of SEK 4,500 million from the subsidiary Sveaskog Förvaltnings AB. The Parent Company's expenses mainly comprise interest expenses. The company has no employees.

SVENSKA SKOGSPANTOR AB

Svenska Skogsplantor is a wholly owned subsidiary which produces and sells forest cultivation materials as well as providing silvicultural services. The company's sales totalled SEK 220 million (261) in the first half of the year. Operating property decreased compared with the same period last year and amounted to SEK 25 million (44). The decline is explained by lower deliveries mainly due to reduced demand.

SETRA GROUP AB

Sveaskog owns 50% of the shares in Setra Group AB. The company is an associated company and share of profits of the company is recognised in the consolidated income statement. Net sales for the first half of the year amounted to SEK 2,140 million (2,237) and operating profit reached SEK 33 million (2). Sveaskog's share of profit amounted to SEK 4 million (–7) adjusted for intra-group profits.

Market**WOOD PRODUCTS INDUSTRY**

The export value for wood industry products decreased by almost 3% in the first quarter. In Europe, construction levels remain low and production of sawn timber is at a low level. Germany has relatively high prices for wood products and sawlogs and housing construction is at a relatively low level with a rising trend. In the UK, construction has been at a low level but additional stimulus packages are now increasing construction activities.

After a strong upswing and subsequent price increases, prices of wood products in the US have fallen again. The increase in new construction has ceased but there are hopes that this slowdown is temporary. Domestic production of wood products has increased sharply but is affected by some raw material shortages and the lack of a qualified workforce for the sawmills. Imports from Canada are slowly rising. Canada's exports to China are decreasing.

Imports of sawn timber in the Middle East and North Africa remain at high levels. One major market is Egypt, where imports are now falling. In China, growth remains high but it is uncertain whether this growth rate will continue. Demand for wood products continues to rise. Exports from Sweden are increasing but from a very low level.

In Japan, building starts are increasing slowly. Price increases have occurred for sawn timber while the yen has weakened. Government initiatives are underway to reverse the low growth by increasing liquidity in the market.

In Sweden, production of sawn timber fell slightly, as did stock levels and delivered volumes. The export price fell slightly at the start of the quarter but this was compensated by a weaker rate for the Swedish krona. Supplies of wood raw material were relatively low, primarily in southern and central Sweden, which resulted in relatively low sawlog stocks in these areas. Here, sawlog prices were raised or remained unchanged.

Sveaskog's deliveries

Sveaskog delivered 2,308 thousand m³sub of sawlogs in the period January–June 2013, which is on a par with the corresponding period in 2012.

PULP AND PAPER INDUSTRY

Demand and prices for graphic papers/newsprint remained under pressure despite capacity cutbacks. Structural changes with sales and closures of pulp mills continue.

The scenario for market pulp and other paper products is somewhat brighter. Producer stocks rose slightly in May and prices are showing a weak increase.

Exports rose during the spring and the export value has increased.

On the whole there is a good balance in pulpwood flows. Pulpwood prices have been increased in southern Sweden and reduced in the north.

Sveaskog's deliveries

Sveaskog delivered 2,707 thousand m³sub of pulpwood and chips in the period January–June 2013, which is 8% higher than in the corresponding period in 2012.

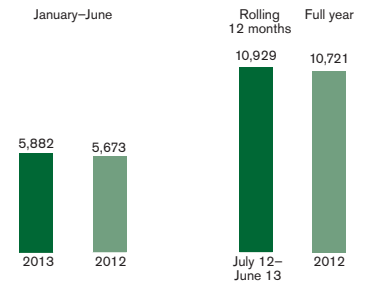
BIOFUEL MARKET

Biofuel consumption has more or less ceased for the season. Pellet prices in the Nordic market remain at a low level and fell further in June. Nordic price levels are below the level at the start of the year. In the rest of Europe, prices rose slightly and are above the level at start of the year.

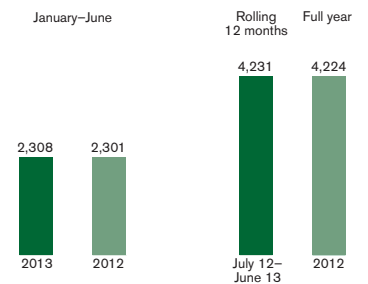
Sveaskog's deliveries

Sveaskog delivered 868 thousand m³sub of biofuel in the period January–June 2013, which is on a par with the same period in 2012.

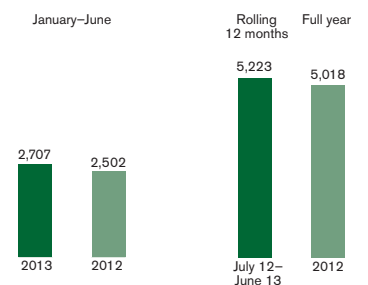
Sveaskog's total delivery volume, thousand m³sub



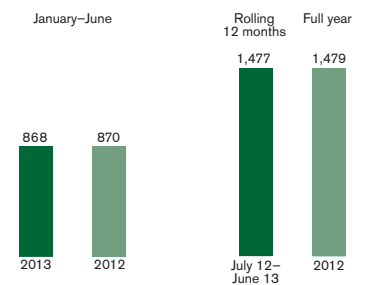
Delivery volumes, sawlogs, thousand m³sub



Delivery volumes, pulpwood and chips, thousand m³sub



Delivery volumes, biofuel, thousand m³sub



Omberg ecopark celebrates its 10-year jubilee in 2013.

Sveaskog Group

Condensed income statement

SEKm	3 months		6 months		12 months	
	Q 2 2013	Q 2 2012	Jan–June 2013	Jan–June 2012	July 2012– June 2013	Full year 2012
Net sales	1,727	1,801	3,310	3,467	6,151	6,307
Other operating income	13	2	19	7	49	37
Raw materials and consumables	-495	-530	-1,103	-1,208	-1,930	-2,036
Change in inventories	-124	-153	-135	-128	-4	4
Other external costs (Note 2)	-683	-738	-1,230	-1,368	-2,682	-2,819
Staff costs	-140	-134	-268	-273	-529	-535
Depreciation	-25	-25	-49	-51	-108	-110
Operating profit from continuing operations	273	223	544	446	947	848
Capital gains from property sales	17	29	36	76	81	122
Share of profits of associates	22	8	4	-7	-40	-51
Operating profit before change in value of forest assets	312	260	584	515	988	919
Change in value of forest assets (Note 1)	150	114	312	289	526	503
Operating profit	462	374	896	804	1,514	1,422
Financial items	-65	-74	-133	-127	-299	-294
Profit before tax	397	300	763	677	1,215	1,128
Tax	-83	-77	-167	-180	1,040	1,027
Profit for the period/year	314	223	596	497	2,255	2,155
Earnings/share, SEK before and after dilution	2.65	1.89	5.03	4.20	19.05	18.20
- calculated on the average number of shares, million	118.4	118.4	118.4	118.4	118.4	118.4

Statement of comprehensive income

SEKm	3 months		6 months		12 months	
	Q 2 2013	Q 2 2012	Jan–June 2013	Jan–June 2012	July 2012– June 2013	Full year 2012
Profit for the period/year	314	223	596	497	2,255	2,155
Other comprehensive income						
Components that will not be reversed in profit or loss						
Actuarial gains/losses on pensions	-	-	-	-	7	7
Tax on actuarial gains/losses	-	-	-	-	-5	-5
Components that can be reversed in profit or loss						
Exchange differences	1	0	0	0	0	0
Cash flow hedges	32	-9	57	12	18	-26
Tax attributable to cash flow hedges	-7	3	-13	-3	-5	4
Total other comprehensive income for the period/year, net after tax	26	-6	44	9	15	-20
Total comprehensive income for the period/year	340	217	640	506	2,270	2,135

Definitions

Capital turnover rate

Net sales divided by average operating capital.

Debt/equity ratio

Interest-bearing net debt divided by equity.

Equity ratio

Equity divided by total assets, all calculated at the end of the period/year.

Gross margin

Operating profit before depreciation and share of profits of associates expressed as a percentage of net sales.

Interest-bearing net debt

Interest-bearing liabilities minus interest-bearing assets, all calculated at the end of the period/year.

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

Condensed balance sheet

SEKm	30 June 2013	30 June 2012	31 Dec 2012
ASSETS			
Non-current assets			
Intangible assets	6	10	8
Property, plant and equipment			
Forest land (Note 1)	2,132	2,081	2,083
Other property, plant and equipment	547	596	563
Biological assets – standing timber (Note 1)	28,726	28,261	28,424
Financial assets	381	442	389
Total non-current assets	31,792	31,390	31,467
Current assets			
Inventories	545	545	659
Current receivables, etc., non-interest bearing	1,959	2,263	1,789
Cash and cash equivalents	695	213	830
Total current assets	3,199	3,021	3,278
TOTAL ASSETS	34,991	34,411	34,745
EQUITY AND LIABILITIES			
Equity	16,476	14,642	16,271
Non-current liabilities			
Interest-bearing liabilities and provisions	6,281	5,659	5,529
Other liabilities and provisions	7,360	8,498	7,332
Total non-current liabilities	13,641	14,157	12,861
Current liabilities			
Interest-bearing liabilities	3,487	4,061	4,305
Other liabilities	1,387	1,551	1,308
Total current liabilities	4,874	5,612	5,613
TOTAL LIABILITIES	18,515	19,769	18,474
TOTAL EQUITY AND LIABILITIES	34,991	34,411	34,745

Operating capital

Total assets excluding interest-bearing assets, tax assets and assets held for sale minus non-interest bearing liabilities and deferred tax liabilities, all calculated at the end of the period/year.

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 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

Condensed statement of cash flows

SEKm	Jan–June 2013	Jan–June 2012	Full year 2012
Operating activities			
Operating profit	896	804	1,422
Adjustment for non-cash items, etc.	–383	–324	–548
Interest received	10	23	40
Interest paid	–143	–150	–245
Paid tax	–99	–322	–287
Cash flow from operating activities before change in working capital	281	31	382
Change in working capital	74	134	160
Cash flow from operating activities	355	165	542
Investing activities			
Investments in property, plant and equipment	–105	–128	–168
Investments in shares	0	0	–4
Sale of property, plant and equipment	88	130	251
Sale of shares	0	0	2
Change in interest-bearing receivables	0	0	0
Cash flow from investing activities	–17	2	81
Financing activities			
Dividend paid	–435	–4,473	–4,473
Change in financial liabilities	–38	3,773	3,934
Cash flow from financing activities	–473	–700	–539
Cash flow for the period/year	–135	–533	84
Cash and cash equivalents, opening balance	830	746	746
Cash and cash equivalents, closing balance	695	213	830

Condensed statement of changes in equity

SEKm	Jan–June 2013	Jan–June 2012	Full year 2012
Opening equity, 1 January	16,271	18,609	18,609
Total comprehensive income	640	506	2,135
Dividend paid in accordance with AGM decision	–435	–4,473*	–4,473*
Closing equity at the end of the period/year	16,476	14,642	16,271

* Cash dividend SEK 4,473 million of which SEK 4,000 million in excess of dividend target.

Key figures

		Jan–June 2013	Jan–June 2012	Full year 2012
Yield, % 1)	(target minimum 5%)	3.7	3.9	3.2
Return on equity, % 1)	(target minimum 7%)	14.5	5.3	12.4
Equity ratio, %	(target 35–40%)	47	43	47
Operating margin, %		27	23	22
Return on operating capital, % 1)		6.1	6.1	5.8
Debt/equity ratio, multiple		0.55	0.65	0.55
Interest cover, multiple 1, 3)		3.0	3.4	2.6
Interest-bearing net debt, SEKm		9,073	9,507	9,004
Earnings per share, SEK 2)		5.03	4.20	18.20
Average number of employees		866	931	949
Number of employees		689	704	702

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

Condensed income statement

SEKm	6 months		12 months	
	Jan–June 2013	Jan–June 2012	July 2012– June 2013	Full year 2012
Operating income	33	9	50	26
Operating expenses	-1	0	-2	-1
Operating profit	32	9	48	25
Financial items	-199	4,190*	86	4,475*
Profit/loss before tax	-167	4,199	134	4,500
Tax	37	79	-42	0
Profit/loss for the period/year **	-130	4,278	92	4,500

* The Parent Company received a dividend of SEK 4,500 million from the subsidiary Sveaskog Förvaltnings AB.

** Same as Total comprehensive income for the period/year.

Condensed balance sheet

SEKm	30 June 2013	30 June 2012	31 Dec 2012
ASSETS			
Non-current assets			
Property, plant and equipment	57	60	59
Total property, plant and equipment	57	60	59
Financial assets			
Shares and participations	24,934	24,934	24,934
Receivables from group companies, interest-bearing	1,910	1,870	2,220
Total financial assets	26,844	26,804	27,154
Total non-current assets	26,901	26,864	27,213
Current assets			
Current receivables, etc., non-interest bearing	601	107	544
Receivables from group companies, interest-bearing	18	159	265
Cash and bank balances	0	0	0
Total current assets	619	266	809
TOTAL ASSETS	27,520	27,130	28,022
Equity			
Equity	11,185	11,528	11,750
Non-current liabilities			
Interest-bearing non-current liabilities	5,597	4,898	4,817
Other provisions	7	10	7
Total non-current liabilities	5,604	4,908	4,824
Current liabilities			
Interest-bearing liabilities and provisions	10,676	10,634	11,355
Other liabilities and provisions	55	60	93
Total current liabilities	10,731	10,694	11,448
TOTAL EQUITY AND LIABILITIES	27,520	27,130	28,022

Parent Company

Condensed statement of cash flows

SEKm	Jan–June 2013	Jan–June 2012	Full year 2012
Cash flow from operating activities	–4	3,143	2,841
Cash flow from investing activities	338	252	–86
Cash flow from financing activities	–334	–3,395	–2,755
Total cash flow	0	0	0
Cash and cash equivalents, opening balance	0	0	0
Cash and cash equivalents, closing balance	0	0	0

Condensed statement of changes in equity

SEKm	Jan–June 2013	Jan–June 2012	Full year 2012
Opening equity, 1 January	11,750	11,723	11,723
Dividend paid in accordance with AGM decision	–435	–4,473	–4,473
Profit/loss for the period/year	–130	4,278	4,500
Closing equity at the end of the period/year	11,185	11,528	11,750

ACCOUNTING PRINCIPLES

The interim report for the Group is prepared in accordance with IAS 34 Interim Financial Reporting and the Swedish Annual Accounts Act. For the Parent Company the interim report is prepared in accordance with the Annual Accounts Act which is 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 with regard to IAS 19 Employee Benefits and IAS 1 Presentation of Financial Statements. New IAS 19 and IAS 1 are applied with effect from 1 January 2013 and the comparative year has been adjusted accordingly. Other new or revised IFRS and interpretations from IFRIC have not had any effect on the earnings or financial position of the Group or the Parent Company.

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, SEKm

The market-related value of Sveaskog's forest assets at 30 June 2013 has been calculated at 30,858 (30,342), of which 28,726 (28,261) comprises the fair value of standing timber and 2,132 (2,081) comprises an identified cost of land. The change in the balance sheet amounts to 516 (321).

NOTE 2 – COMMENTS ON THE INCOME STATEMENT, SEKm

The full-year result for 2012 included costs for processing from the storm Dagmar of approximately SEK 70 million.

NOTE 3 – MEASUREMENT OF FINANCIAL DERIVATIVES AND LIABILITIES

The following table shows the Group's derivatives measured at fair value as of 30 June 2013 and 31 December 2012:

SEKm	Level 1		Level 2		Level 3	
	June 2013	2012	June 2013	2012	June 1 2013	2012
<i>Assets</i>						
Financial assets at fair value through profit or loss						
Total assets	0	0	0	0	0	0
<i>Liabilities</i>						
Derivative instruments	0	0	30	118	0	0
Total liabilities	0	0	30	118	0	0

Measurement techniques for level 2 fair value

Derivatives in level 2 consist of interest rate swaps and are used for both trading and hedging purposes. Measurement at fair value of interest rate swaps is based on swap rates obtained from a financial information system and converted to a zero coupon curve for measurement.

The Group's measurement process

Within the framework of the Group's treasury function work is performed with measurement of financial assets and liabilities. The treasury function reports to the Chief Accountant who in turn reports to the Deputy CEO/CFO. The treasury function uses a well-established financial system and financial price information from a well-known financial information system. Measurement of derivatives of the OTC type are double-checked to ensure the correct valuation.

Fair value of financial liabilities. The fair value of borrowing is assessed as shown below:

(Fair value = nominal amount plus accrued interest)

	30 June 2013	31 Dec 2012
Non-current liabilities	6,324	4,328
Current liabilities	3,480	4,867
Total	9,804	9,195

RISKS AND UNCERTAINTIES

A description of risks, uncertainties and risk management is provided in Sveaskog's 2012 Annual Report (in Swedish) on pages 58–60. No other significant changes, in addition to those mentioned in this interim report, have occurred since the annual report was published.

IMPORTANT EVENTS AFTER THE CLOSING DATE

No important events have taken place after the closing date.

OTHER

Transactions with related parties are disclosed in the Group's Note 3 in the 2012 Annual Report. No significant changes have occurred in relations or transactions with related parties compared with what is described in the 2012 Annual Report.

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

Stockholm, 19 July 2013
Sveaskog AB (publ.) (556558-0031)

Göran Persson
Chairman

Eva Färnstrand
Board Member

Thomas Hahn
Board Member

Johan Hallberg
Board Member

Birgitta Johansson-Hedberg
Board Member

Anna-Stina Nordmark Nilsson
Board Member

Mats G Ringesten
Board Member

Eva-Lisa Lindvall
Employee representative

Sture Persson
Employee representative

Per-Olof Wedin
President and CEO

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



Olof Johansson, SVP Environment at Sveaskog, during guided tour of Omberg ecopark

In line with Sveaskog's efforts to preserve and develop natural values, there are today 36 ecoparks covering approximately 175,000 hectares of forest land. These are ecological pearls in the Swedish countryside where threatened species are allowed to thrive. In the parks work on biodiversity is strengthened and opportunities are available for rewarding nature-based experiences. Sveaskog's ecoparks are located throughout Sweden, from Naakajärvi in the north to Raslängen in the south and from Halle-Hunneberg in the west to Rautiorova in the east.

At the end of May 2013, the first ecopark, Omberg, had its 10-year jubilee. This event was celebrated with an excursion through the transformed landscape with an ecological lunch in the open air. Elisabeth Nilsson, County Governor of Östergötland, spoke about Omberg's major significance for the inhabitants of Östergötland and how important it is to manage the park in a sustainable manner.

Olof Johansson, SVP Environment at Sveaskog, Stefan Bleckert, VP Nature Conservation, and Per Pettersson, Ecopark Manager, guided the visitors from the Country Administrative Board, the Swedish Forest Agency, WWF, the Swedish Society for Nature Conservation, the Swedish Species Information Centre, local entrepreneurs and employees from Sveaskog.

"The Omberg ecopark has been transformed in these ten years. Now we can see the results of our efforts. Thousands of big oaks have been cleared around and the deciduous forest has returned. The oak grove lies on a long slope down towards Lake Vättern where the blue water stretches out behind the oaks and flowering meadows. We can say that this has turned out even better than we had hoped. A lot has been done and a lot has happened in the landscape," says Olof Johansson. "Today this is a very popular place for an excursion with great natural values."

FOR FURTHER INFORMATION, PLEASE CONTACT

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FINANCIAL CALENDAR

Interim report January–September 2013	24 October 2013
Year-end report 2013	28 January 2014

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