



First quarter

- Net sales amounted to SEK 1,583 million (1 666). Prices fell by an average of 11% while delivery volumes rose 3% compared with the first quarter in the previous year.
- Operating profit from continuing operations amounted to SEK 271 million (223). This 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 162 million (175).
- Operating profit amounted to SEK 434 million (430).
- Profit for the period amounted to SEK 282 million (274).

SEKm	Quarter 1	
	2013	2012
Net sales	1,583	1,666
Operating profit from continuing operations	271	223
Operating profit	434	430
Profit before tax	366	377
Profit for the period	282	274
Earnings per share	2.38	2.31

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

HIGHER VOLUMES BUT LOWER PRICES

Sveaskog's net sales for the first quarter of 2013 amounted to SEK 1,583 million (1,666). In comparison with the same period in the previous year, sales volumes rose by 3% while selling prices, on average, decreased by 11%. Sveaskog's operating profit from continuing operations amounted to SEK 271 million (223). The lower price levels were compensated by a larger volume of timber from the company's own forests and lower production costs, due among other things to improved efficiency. Production costs in the previous year were affected by additional costs for post-storm processing related to the storm Dagmar.

In total, Sveaskog's sales of wood raw material during the quarter amounted to 3.0 (2.9) million cubic metres (m³sub). Sales of pulpwood and chips increased by over 6% while the increase for the rest of the assortment was more modest.

CONTINUED WEAK MARKET

Development in Sveaskog's markets remained weak during the quarter. For most of Sveaskog's sawmill customers the weak business climate and the strong Swedish krona are having a marked impact on sales and profitability. The sawmill industry currently has low stocks and there are hopes that the recession has bottomed out. In addition to the weak economic situation, pulp and paper mills are affected by a structural change since graphic papers are losing competitiveness as a carrier of information in favour of electronic alternatives. In the first quarter the closure of paper machines in Kvarnsveden, Hylte and Bråviken was announced as well as Södra's pulp mill in Tofte, Norway. If these closures are carried out, the timber balance will be affected by lower market demand.

In the short term, Sveaskog does not see any major difficulty in finding a market for wood raw material from its own forests. This is because small forest owners have postponed felling in anticipation of higher prices.

CUSTOMERS SEE SVEASKOG AS A KEY BUSINESS PARTNER

In January, Sveaskog obtained the results of a survey among the company's customers which shows what they expect from Sveaskog as a business partner. This is an important and necessary study which provides us with material on which to base a professional improvement programme.

Despite the challenging market, Sveaskog's Customer Index



increased from 64 (2010) to 65, indicating that Sveaskog continues to be a key business partner. Customer relationships, contact person and delivery quality are the factors with the greatest influence on satisfaction and these areas will now be given priority.

THE FUTURE OF SALMON

Sveaskog also develops forests and land as venues for fishing, hunting and other outdoor experiences. Having sufficient salmon stocks for all fishing groups is an important issue and at the end of March Sveaskog therefore arranged, in the presence of HM King Carl XVI Gustaf and Rural Affairs Minister Eskil Erlandsson, a seminar in Mörrum on the future of the Baltic salmon and how to achieve sufficient stocks for recreational and commercial fishing. Mörrum Kronolaxfiske, which is owned by Sveaskog, has one of the best fishing waters in Europe and is one of Sweden's four index waters. Research into salmon and salmon production has been conducted here for many years.

Per-Olof Wedin, President and CEO.

Operations

OPERATIONS

First quarter

Net sales decreased by 5% compared with the same period in 2012 and amounted to SEK 1,583 million (1,666). The change is mainly explained by 11% lower prices which were partly counteracted by a 3% rise in delivery volumes.

Operating profit from continuing operations increased to SEK 271 million (223). The improvement is mainly due to higher deliveries from own forests and lower production costs which in terms of earnings compensated for the lower price levels.

Capital gains from property sales, mainly sales to private forestry, amounted to SEK 19 million (47).

Share of profits of the associated company Setra Group amounted to SEK –18 million (–15).

Operating profit before change in value of forest assets amounted to SEK 272 million (255).

Change in value of forest assets amounted to SEK 162 million (175). Operating profit after change in value of forest assets amounted to SEK 434 million (430).

Net financial items amounted to SEK –68 million (–53).

Profit for the period was SEK 282 million (274).

CASH FLOW, INVESTMENTS AND FINANCIAL POSITION

Cash flow from operating activities amounted to SEK 52 million (40). Investments in property, plant and equipment amounted to SEK 77 million (68). These mainly comprise forest land, standing timber and forest machines. Sales of property, plant and equipment, mainly forest properties, amounted to SEK 44 million (80). Following a decision at the Annual General Meeting in April 2012, Sveaskog issued a dividend of SEK 4,473 million to its owner. This was SEK 4,000 million in excess of the dividend

target in order to adjust the equity ratio to its new target of 35–40%. Interest-bearing net debt therefore increased by SEK 3,317 million and amounted to SEK 8,972 million (5,655).

Sveaskog's net debt decreased marginally during the quarter. The loan portfolio mostly consists of loans issued under Sveaskog's MTN programme as well as Swedish commercial paper programmes. At present, only about 10% of the portfolio consists of bank financing. The loan volume under the commercial paper programme has increased to SEK 2,400 million (1,970) and is refinanced regularly. Under the MTN programme SEK 780 million was issued during the quarter and the current outstanding volume is SEK 4,400 million (3,770). The average fixed interest period during the quarter was approximately 23 months at the lowest and just over 28 months on the closing date. Interest cover amounted to 2.6 (4.1) and the gross cost of borrowing was 2.73% (3.41).

PARENT COMPANY

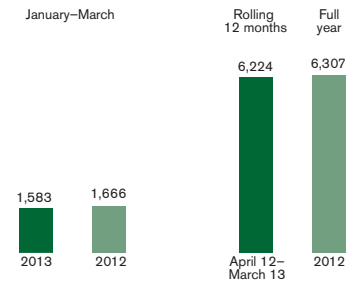
Sveaskog AB (publ.), 100% owned by the Swedish state, owns and manages forest properties and shares in subsidiaries and is responsible for Group-wide financing.

For Sveaskog AB (publ.) operating income during the first quarter amounted to SEK 17 million (6). Loss after financial items was SEK 80 million (155). The company has no employees.

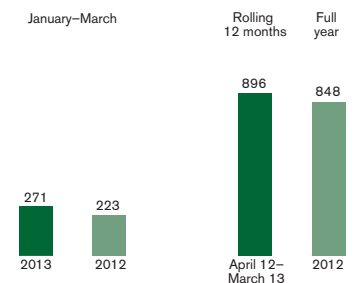
SVENSKA SKOGSPANTOR AB

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 6 million (6). Operating loss amounted to SEK 29 million (29). The low sales and negative earnings are normal since the silvicultural season is not usually underway in the first quarter.

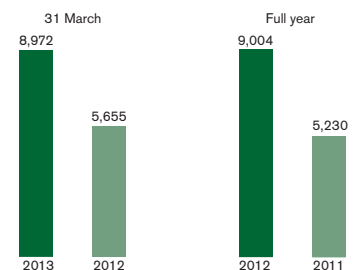
Net sales, SEKm



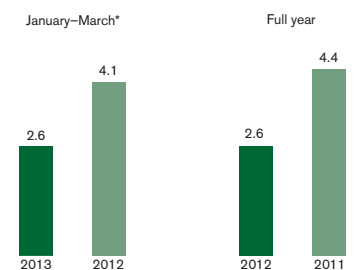
Operating profit from continuing operations, SEKm



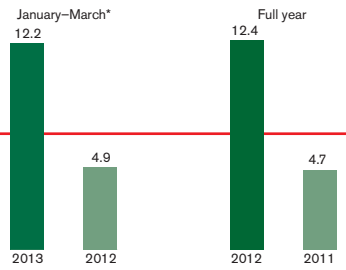
Interest-bearing net debt, SEKm



Interest cover, multiple

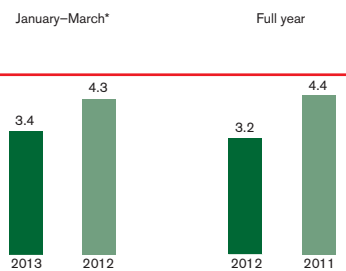


* Rolling 12 months.

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

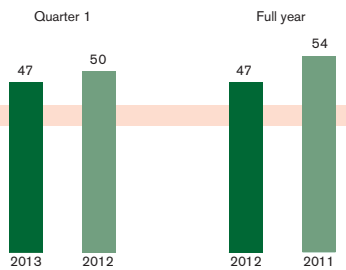
Target: 7%.

* Rolling 12 months.

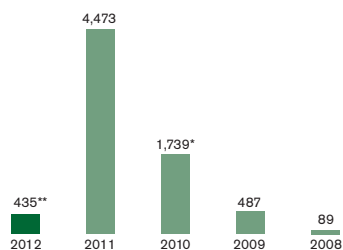
Yield, %

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.

** Proposed dividend to be decided by 2013 Annual General Meeting.

SETRA GROUP AB

Sveaskog owns 50% of the shares in the wood products company Setra Group AB. The company is an associated company and share of profits of the company is recognised in the Sveaskog Group's income statement. Net sales in the first quarter amounted to SEK 945 million (1,065). Sveaskog's share of profit amounted to SEK –18 million compared with SEK –15 million in the same period last year.

Market**WOOD PRODUCTS INDUSTRY**

The market situation for sawn timber remained weak in the first quarter of 2013, mainly affected by the situation in the European construction sector. Exports to North Africa also decreased compared with

the previous year. In the US, a recovery took place for wood products consumption with sharp price rises for sawn timber. In China, the level of activity in the construction market was high during the period although there are signs of slower growth. Swedish sawmill production continued to decrease and during the first three months of the year was at a lower level than in 2012.

The continued low production of sawn timber has created a better balance between supply and demand which contributed to slightly higher export prices at the beginning of the year and relatively low stocks.

Sveaskog's deliveries

Sveaskog delivered 1,130 thousand m³sub of sawlogs in the first quarter, which was 1% higher than in the same period last year.



PULP AND PAPER INDUSTRY

Global demand for market pulp remained at a low level in the first quarter and deliveries were a couple of per cent below the same period in the previous year. Stocks at producers decreased slightly during the period which contributed to a slow rise in prices. In addition to the weak economic situation, pulp and paper mills are affected by a structural change where paper is losing competitiveness as a carrier of information in favour of electronic alternatives. The closure of several paper machines was announced during the quarter. The falling demand for graphic papers has led to price pressure of one to three per cent since the start of the year.

There is still relatively good demand for packaging and this increased in Europe in the first quarter.

Sveaskog's deliveries

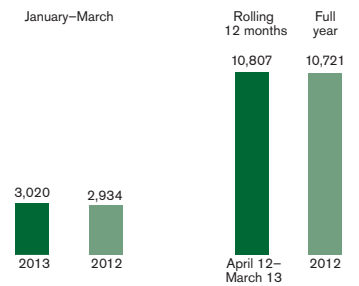
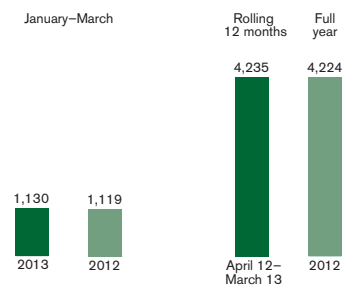
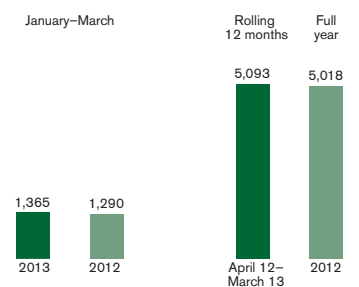
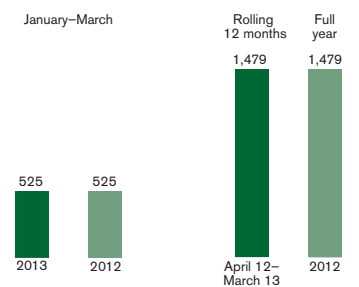
Sveaskog delivered 1,365 thousand m³sub of pulpwood and chips in the first quarter which is 6% higher than the same period in the previous year.

BIOFUEL MARKET

Nordic pellet prices were stable in the first quarter of 2013 and continental prices rose slightly. The market situation for industrial pellets in Europe remains positive, due among other things to newly established units and government incentives for conversion to renewable fuels.

Sveaskog's deliveries

Sveaskog delivered 525 thousand m³sub of biofuel in the first quarter which is on a par with the same period last year.

**Sveaskog's total delivery volume, thousand m³sub****Delivery volumes, sawlogs, thousand m³sub****Delivery volumes, pulpwood and chips, thousand m³sub****Delivery volumes, biofuel, thousand m³sub**

Sveaskog Group

Condensed income statement

SEKm	3 months		12 months	
	Q 1 2013	Q 1 2012	April 2012– March 2013	Full year 2012
Net sales	1,583	1,666	6,224	6,307
Other operating income	6	5	38	37
Raw material and consumables	-608	-678	-1,966	-2,036
Change in inventories	-11	25	-32	4
Other external costs (Note 2)	-547	-630	-2,736	-2,819
Staff costs	-128	-139	-524	-535
Depreciation	-24	-26	-108	-110
Operating profit from continuing operations	271	223	896	848
Capital gains from property sales	19	47	94	122
Share of profits of associates	-18	-15	-54	-51
Operating profit before change in value of forest assets	272	255	936	919
Change in value of forest assets (Note 1)	162	175	490	503
Operating profit	434	430	1,426	1,422
Financial items	-68	-53	-309	-294
Profit before tax	366	377	1,117	1,128
Tax	-84	-103	1,046	1,027
Profit for the period/year	282	274	2,163	2,155
Earnings/share, SEK before and after dilution	2.38	2.31	18.27	18.20
- calculated on the average number of shares, million	118.4	118.4	118.4	118.4

Statement of comprehensive income

SEKm	3 months		12 months	
	Q 1 2013	Q 1 2012	April 2012– March 2013	Full year 2012
Profit for the period/year	282	274	2 163	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	-2	0
Cash flow hedges	25	21	-22	-26
Tax attributable to cash flow hedges	-6	-6	4	4
Total other comprehensive income for the period/year net after tax	18	15	-18	-20
Total comprehensive income for the period/year	300	289	2,145	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	31 March 2013	31 March 2012	31 Dec 2012
ASSETS			
Non-current assets			
Intangible assets	8	10	8
Property, plant and equipment			
Forest land (Note 1)	2,128	2,045	2,083
Other property, plant and equipment	554	610	563
Biological assets – standing timber (Note 1)	28,584	28,154	28,424
Financial assets	366	432	389
Total non-current assets	31,640	31,251	31,467
Current assets			
Inventories	700	726	659
Current receivables, etc., non-interest bearing	1,957	2,474	1,789
Cash and cash equivalents	939	3,066	830
Total current assets	3,596	6,266	3,278
TOTAL ASSETS	35,236	37,517	34,745
EQUITY AND LIABILITIES			
Equity	16,571	18,898	16,271
Non-current liabilities			
Interest-bearing liabilities and provisions	6,196	4,878	5,529
Other liabilities and provisions	7,354	8,452	7,332
Total non-current liabilities	13,550	13,330	12,861
Current liabilities			
Interest-bearing liabilities	3,716	3,843	4,305
Other liabilities	1,399	1,446	1,308
Total current liabilities	5,115	5,289	5,613
TOTAL LIABILITIES	18,665	18,619	18,474
TOTAL EQUITY AND LIABILITIES	35,236	37,517	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 cash flow statement

SEKm	Jan–March 2013	Jan–March 2012	Full year 2012
Operating activities			
Operating profit	434	430	1,422
Adjustment for non-cash items, etc.	-180	-215	-548
Interest received	4	11	40
Interest paid	-72	-64	-245
Paid tax	-37	-244	-287
Cash flow from operating activities before change in working capital	149	-82	382
Change in working capital	-97	122	160
Cash flow from operating activities	52	40	542
Investing activities			
Investments in property, plant and equipment	-77	-68	-168
Investments in shares	0	0	-4
Sale of property, plant and equipment	44	80	251
Sale of shares	0	0	2
Change in interest-bearing receivables	0	0	0
Cash flow from investing activities	-33	12	81
Financing activities			
Dividend paid	0	0	-4,473
Change in financial liabilities	90	2,268	3,934
Cash flow from financing activities	90	2,268	-539
Cash flow for the period/year	109	2,320	84
Cash and cash equivalents, opening balance	830	746	746
Cash and cash equivalents, closing balance	939	3,066	830

Condensed statement of changes in equity

SEKm	Jan–March 2013	Jan–March 2012	Full year 2012
Opening equity, 1 January	16,271	18,609	18,609
Total comprehensive income	300	289	2,135
Dividend paid in accordance with AGM decision	0	0	-4,473*
Closing equity at the end of the period/year	16,571	18,898	16,271

* Ordinary dividend SEK 473 million, in addition SEK 4,000 million in excess of dividend target.

Key figures

		Jan–March 2013	Jan–March 2012	Full year 2012
Yield, % 1)	(target minimum 5%)	3.4	4.3	3.2
Return on equity, % 1)	(target minimum 7%)	12.2	4.9	12.4
Equity ratio, %	(target 35–40%)	47	50	47
Operating margin, %		27	26	22
Return on operating capital, % 1)		5.7	6.4	5.8
Debt/equity ratio, multiple		0.54	0.30	0.55
Interest cover, multiple 1,3)		2.6	4.1	2.6
Interest-bearing net debt, SEKm		8,972	5,655	9,004
Earnings per share, SEK 2)		2.38	2.31	18.20
Average number of employees		800	900	949
Number of employees		695	713	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	3 months		12 months	
	Q 1 2013	Q 1 2012	April 2012– March 2013	Full year 2012
Operating income	17	6	37	26
Operating expenses	-1	0	-2	-1
Operating profit	16	6	35	-25
Financial items	-96	-161	4,540	4,475
Profit before tax	-80	-155	4,575	4,500
Tax	18	41	-23	0
Profit for the period/year *	-62	-114	4,552	4,500

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

Condensed balance sheet

SEKm	31 March 2013	31 March 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	1,950	2,220	2,220
Total financial assets	26,884	27,154	27,154
Total non-current assets	26,941	27,214	27,213
Current assets			
Current receivables, etc., non-interest bearing	587	1,203	544
Receivables from group companies, interest-bearing	61	400	265
Cash and bank balances	0	0	0
Total current assets	648	1,603	809
TOTAL ASSETS	27,589	38,817	28,022
Equity			
Equity	11,688	11,609	11,750
Non-current liabilities			
Interest-bearing non-current liabilities	5,497	4,099	4,817
Other provisions	6	10	7
Total non-current liabilities	5,503	4,109	4,824
Current liabilities			
Interest-bearing liabilities and provisions	10,331	13,045	11,355
Other liabilities and provisions	67	54	93
Total current liabilities	10,398	13,099	11,448
TOTAL EQUITY AND LIABILITIES	27,589	28,817	28,022

Parent Company

Condensed cash flow statement

SEKm	Jan–March 2013	Jan–March 2012	Full year 2012
Cash flow from operating activities	59	-2,192	2,841
Cash flow from investing activities	285	-98	-86
Cash flow from financing activities	-344	2,690	-2,755
Total cash flow	0	400	0
Cash and cash equivalents, opening balance	0	0	0
Cash and cash equivalents, closing balance	0	400	0

Condensed statement of changes in equity

SEKm	Jan–March 2013	Jan–March 2012	Full year 2012
Opening equity, 1 January	11,750	11,723	11,723
Dividend paid in accordance with AGM decision	-	-	-4,473
Profit/loss for the period/year	-62	-114	4,500
Closing equity at the end of the period/year	11,688	11,609	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 assets at 31 March 2013 has been calculated at 30,712 (30,199), of which 28,584 (28,154) comprises the fair value of standing timber and 2,128 (2,045) comprises an identified cost of land. The change in the balance sheet amounts to 513 (215).

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 31 March 2013 and 31 December 2012:

SEKm	Level 1		Level 2		Level 3	
	Q 1 2013	2012	Q 1 2013	2012	Q 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 used for hedging						
Total liabilities	0	0	75	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)

	31 March 2013	31 Dec 2012
Non-current liabilities	3,706	4,328
Current liabilities	5,528	4,867
Total	9,234	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.

Stockholm, 22 April 2013
Sveaskog AB (publ.) (556558-0031)

Per-Olof Wedin
President and CEO

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

Sveaskog is Sweden's largest forest owner and part of the company's operations involve developing the forest as a venue for hunting, fishing and other nature-based experiences. Sveaskog owns Mörrums Kronolaxfiske (Mörrum Salmon Fishing), which is one of the best fishing waters in Europe.

The 73rd salmon fishing season started at the end of March when 800 anglers gathered. In conjunction with the premiere a one-day seminar was arranged on the theme of how the Baltic salmon can be managed in order to be a sustainable source for both recreational and commercial fishing. Today it is difficult to obtain sufficient salmon for all these groups. This issue was discussed by HM King Carl XVI Gustaf and Sweden's Minister for Rural Affairs Eskil Erlandsson with among others Sveaskog's President and CEO Per-Olof Wedin.

"We hope to be able to find a way for commercial and recreational fishing to co-exist with sustainable catch levels based on research. We would like to see more salmon in Mörrum but we realise that this is a complex issue," said Per-Olof Wedin, CEO of Sveaskog.



FOR FURTHER INFORMATION, PLEASE CONTACT

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FINANCIAL CALENDAR

Interim report January–June 2013

19 July 2013

Interim report January–September 2013

24 October 2013

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