



Third quarter

- Net sales amounted to SEK 1,255 million (1,337). Average prices decreased by 12% while delivery volumes rose 4%.
- Operating profit from continuing operations amounted to SEK 141 million (173). The decrease is mainly due to lower timber prices which were compensated to some extent by a higher volume of timber from the company's own forests and a larger proportion of sawlogs in deliveries.
- Change in value of forest assets amounted to SEK 73 million (161).
- Operating profit amounted to SEK 223 million (376).
- Profit for the quarter was SEK 104 million (231).

Nine months January–September

- Net sales amounted to SEK 4,722 million (4,949). Average timber prices decreased by 8% while delivery volumes increased by 1% compared with the same period in the previous year.
- Operating profit from continuing operations amounted to SEK 587 million (749). The decrease is mainly due to lower timber prices, partly compensated by a higher volume of timber from the company's own forests and a larger proportion of sawlogs in deliveries. Processing costs after the storm Dagmar and insurance compensation received last year also affected earnings compared with 2011.
- Change in value of forest assets amounted to SEK 362 million (332).
- Operating profit amounted to SEK 1,027 million (1,185).
- Profit for the period amounted to SEK 601 million (751).

SEKm	Quarter 3		Jan–Sept	
	2012	2011	2012	2011
Net sales	1,255	1,337	4,722	4,949
Operating profit from continuing operations	141	173	587	749
Operating profit	223	376	1,027	1,185
Profit before tax	147	314	824	1,022
Profit for the period	104	231	601	751
Earnings per share	0.88	1.95	5.08	6.34

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 raw material and forest land. We defend sustainable development in everything we do. We have annual sales of SEK 7 billion and some 700 employees.

CEO's comments

Sveaskog's net sales for the period January–September totalled SEK 4,722 million (4,949). The decline compared with the previous year is essentially due to an 8% decrease in average selling prices. The total sales volume increased by 1%. Operating profit from continuing operations for the period amounted to SEK 587 million (749). The lower price levels had a negative impact on earnings but were compensated to some extent by a higher volume of timber from own forests and a higher proportion of sawlogs in deliveries. Comparisons between the years should take into account higher felling costs as a result of the storm Dagmar of SEK 60 million and the fact that last year included insurance compensation of SEK 62 million.

Sales of wood raw material amounted to 7.9 million cubic metres (m³sub), which is an increase of 1% compared with the same period in the previous year. On the other hand, the proportion of sawlogs, pulpwood and biofuel in total deliveries differed compared with last year and this had a positive impact on revenues. Despite the weak economic climate, sawmill production was higher than in the same period last year which was reflected in a 10% increase in sawlog deliveries. Deliveries of pulpwood and chips decreased by 5% while biofuel deliveries rose 2%.

The Swedish wood products industry, which is Sveaskog's most important customer segment, is currently experiencing major problems with profitability and facing continued uncertainty about how demand and prices will develop. The strengthening of the Swedish krona has had a strong impact on both competitiveness and profitability. Some of Sveaskog's customers filed for bankruptcy during the year.

The Swedish pulp and paper industry is also under strong profitability pressure in a weakened market. Several redundancy notices have been issued during the period and Holmen decided to close a machine in Hallstavik. Newsprint deliveries have fallen sharply compared with the same period in 2011. Approximately half of the total Swedish production capacity is in product segments where demand has stagnated and overcapacity prevails.

There are no indications that the recession will be short. This is naturally having an effect on Sveaskog in terms of demand and price levels. Operating profit from continuing operations will be lower than last year on a full-year basis.

During the period Sveaskog and a number of forest companies started a co-operation with BAE Systems in Örnsköldsvik, Sweden, for machine development. The intention is to develop new technology which can lead to reduced hauling damage, lower fuel consumption and improved efficiency in forestry. This co-operation is mainly focused on forwarders and investigating whether technology used in caterpillar vehicles can be used for forest machines.

Our work on our assignment to strengthen private forestry through the sale of forest land continues. In 2012 we will offer 150 forest properties for sale. The autumn advertising campaign



addresses a broader target group and we have developed an application for interested parties which provides information and inspiration for forest property acquisitions.

In accordance with FSC certification, Sveaskog performs annual nature conservation burning in order to preserve the natural ecosystem and strengthen natural values. This year's wet summer meant we were unable to carry out all the planned burning activities. Otherwise we have had good conditions for forest and nature conservation work during this year's field season.

During the period, Sveaskog has held some ten meetings and forest excursions with members of parliament and local politicians in order to give our picture of today's forestry. This information should be viewed against the background of the debate about forestry which has been underway during the year. In our opinion Swedish forestry is sustainable and it is possible to combine economically rational production of renewable wood raw material with increased natural values. Sveaskog uses 20% of its productive forest land for nature conservation. General consideration for nature during felling combined with investments in ecoparks and nature conservation forests, create a future forest landscape which, after some ecological delivery time, will have considerably richer biodiversity than the forests of today.

Sveaskog inaugurated two new ecoparks during the autumn – Tjadnes-Nimtek Ecopark in the municipalities of Arvidsjaur and Arjeplog and the Tranuberget Ecopark in north Dalarna. The ecoparks mainly consist of old forests with unique Swedish countryside.

Per-Olof Wedin, President and CEO.

Operations

NET SALES AND EARNINGS

Third quarter

Net sales totalled SEK 1,255 million (1,337) during the quarter, a decrease of 6% compared with the same period in 2011. The change is due to a 12% decrease in average timber prices, which was compensated to some extent by higher delivery volumes and a higher proportion of sawlogs. Operating profit from continuing operations decreased to SEK 141 million (173). The change is mainly due to lower average timber prices, which were partly compensated by a higher volume of timber from the company's own forests and a larger proportion of sawlogs in deliveries.

Capital gains from property sales amounted to SEK 23 million (45). Share of profits of the associated company Setra Group AB amounted to SEK –14 million (–3). Operating profit before change in value of forest assets amounted to SEK 150 million (215).

Change in value of forest assets amounted to SEK 73 million (161), due among other things to higher removals from own forests. After change in value of forest assets, operating profit amounted to SEK 223 million (376).

Net financial items amounted to SEK –76 million (–62).

Profit for the period decreased by SEK 127 million compared with the same period in the previous year and amounted to SEK 104 million (231).

January–September

Net sales decreased by 5% to SEK 4,722 million (4,949). The change is explained by an 8% reduction in average timber prices which was partly compensated by a higher proportion of sawlogs in deliveries.

Operating profit from continuing operations amounted to SEK 587 million (749). The decrease is mainly explained by lower average timber prices, processing costs

after the storm Dagmar and the insurance compensation related to the storm Gudrun received in the previous year. A higher volume of timber from own forests and a larger proportion of sawlogs in deliveries had a positive impact on earnings.

Capital gains from property sales, primarily sales to private forestry, amounted to SEK 99 million (112).

Share of profits of the associated company Setra Group amounted to SEK –21 million (–8).

Operating profit before change in value of forest assets decreased and amounted to SEK 665 million (853). Change in value of forest assets was SEK 362 million (332). After change in value of forest assets, operating profit amounted to SEK 1,027 million (1,185).

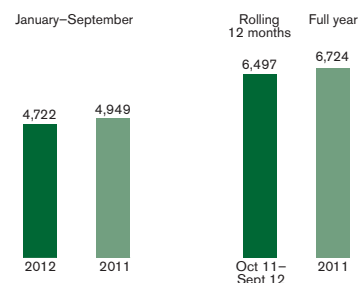
Net financial items amounted to SEK –203 million (–163). The change is mainly explained by a higher average loan portfolio

Profit for the period decreased by SEK 150 million compared with the same period last year and amounted to SEK 601 million (751).

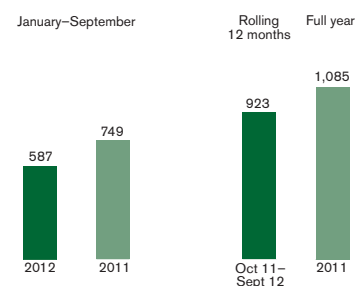
CASH FLOW, INVESTMENTS AND FINANCIAL POSITION

Cash flow from operating activities before change in working capital amounted to SEK 16 million (–21). After change in working capital, cash flow amounted to SEK 237 million (570). Investments in property, plant and equipment amounted to SEK 136 million (133). These mainly comprise forest land and forest machines. Investments in shares accounted for SEK 0 million (10). Sales of property, plant and equipment and shares, primarily forest properties, amounted to SEK 186 million (294). The interest-bearing net debt amounted to SEK 9,287 million (5,310). Compared with 31 December 2011, working capital decreased by SEK 221 million mainly due to increased operating liabilities.

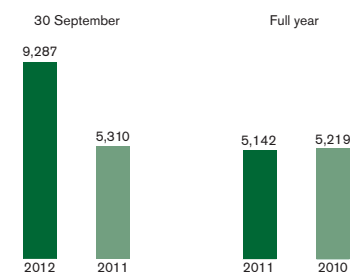
Net sales, SEKm



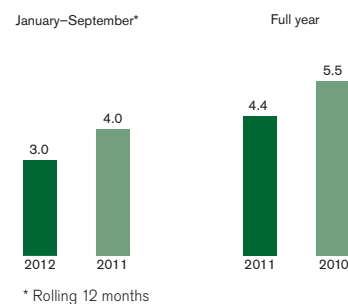
Operating profit from continuing operations, SEKm



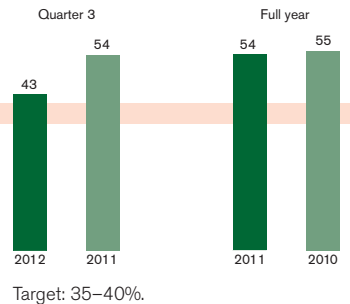
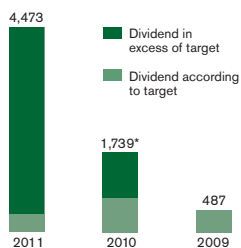
Interest-bearing net debt, SEKm



Interest cover, multiple



* Rolling 12 months

OWNER FINANCIAL TARGETS**Return on equity, %****Yield, %****Equity ratio, %****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.

As in the previous quarters, the financial markets have been burdened by weak macroeconomic results which in turn are an effect of the debt crises in the US and Europe. Considerable unease about the future is affecting both companies and the financial markets. Opportunities for monetary policy stimulus are almost exhausted so the need for fiscal stimulus is increasing but counteracted by demands to cut costs and exercise restraint, particularly in the most heavily indebted countries, which will result in falling or very low growth. Sveaskog's borrowing costs are therefore expected to remain at relatively unchanged levels in the immediate future.

Sveaskog's interest-bearing net debt in 2012 has increased by SEK 4,145 million and amounted to SEK 9,287 million (5,310). The loan portfolio mostly consists of loans issued under Sveaskog's MTN programme as well as Swedish commercial paper programmes. At present, about 10% of the portfolio consists of bank financing. The loan volume under the commercial paper programme is SEK 3,100 million (2,010) and is refinanced regularly. A gross amount of SEK 2,600 million has been raised under the MTN programme in 2012 and the present outstanding volume is SEK 4,120 million (2,590). The average fixed interest period during the year has been approximately 20 months at the lowest and was 24 months on the accounting date. Interest cover amounted to 3.0 (4.0).

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 first nine months was SEK 12 million (9). Profit after financial items amounted to SEK 4,086 million (–449) of which capital gains from property sales accounted for SEK 3 million (0). Net financial items included a dividend from a subsidiary of SEK 4,500 million. The Parent Company's expenses mainly comprise interest expenses as a result of the acquisition of Sveaskog Förvaltnings AB. The company has no employees.

SVENSKA SKOGSPLANTOR 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 322 million compared with SEK 305 million in the same period last year. Operating profit was SEK 1 million lower and amounted to SEK 33 million (34).

SETRA GROUP AB

Sveaskog owns 50% of the shares in the wood products company Setra Group AB. The company is an associated company. Share of profits of the associate is recognised in the consolidated income statement. Net sales for the first nine months amounted to SEK 3,118 million (3,400). Sveaskog's share of profit in the company, adjusted for inter-company profit during the year, amounted to SEK –21 million, compared with SEK –8 million in the previous year.

Market**WOOD PRODUCTS INDUSTRY**

In the US, demand and prices for sawn products rose in the spring and summer. Wood product consumption was 7% higher in the second quarter compared with the same quarter last year. This increase occurred, however, from a historically low level. In Europe, demand for wood products remained weak. The markets in the Middle East and North Africa are increasing consumption of sawn redwood which compensated for reduced demand in Europe. In China, demand has been strong but growth has now levelled out from a high level. Demand remains weak in Japan.

Exports of sawn timber from Sweden in the second quarter were 3% lower than in the same period last year. Export prices for sawn products in June were approximately 10% lower than in the previous year. Recently, the strong Swedish krona further reduced the international competitiveness of the Swedish sawmills. One additional problem for the sawmills is falling prices for

cellulose chips, sawdust and bark. These difficulties have led to bankruptcies and cutbacks as well as production restrictions. Global trading in sawlogs is decreasing and prices continue to fall. Demand and prices are also falling in Sweden.

Sveaskog's deliveries

Sveaskog's sawlog deliveries in the period January to September totalled 3,098,000 m³sub, an increase of 10% compared with the same period in 2011.

PULP AND PAPER INDUSTRY

Global demand for market pulp decreased during the second quarter compared with the previous quarter. The production level was comparatively high at most producers which led to increasing stocks of market pulp. The price of softwood pulp has fallen considerably in the last year from a level of over USD 1,000 per tonne to just over USD 760 per tonne at the end of September. The price on 9 October was USD 775 per tonne. If prices are not raised, the probability of production restrictions will increase.

The Swedish pulp and paper industry's production has decreased. Market shut-downs have been implemented which are also complemented by maintenance shut-downs. There is overcapacity for graphic papers. Decisions were taken recently to close two paper mills and one pulp mill. Supplies of fibre raw material were

considerable in Sweden in relation to demand in the third quarter. Prices have fallen slightly and most players in the market are experiencing difficulty in disposing of the pulpwood they plan to sell.

Sveaskog's deliveries

Sveaskog delivered 3,688,000 m³sub of pulpwood and chips in the period January to September, a decrease of 5% compared with the same period in 2011.

BIOFUEL MARKET

The price of pellets fell slightly in the major pellet markets in Europe in the second quarter mainly due to lower demand during the summer season. The steady increase in demand for industrial pellets in Europe is encouraging continued export increases from North America and new investments in pellet plants.

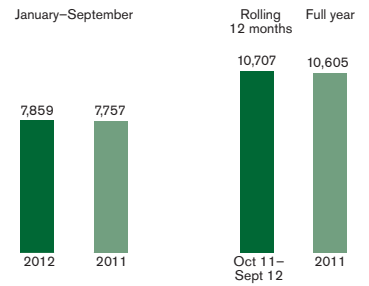
Pellet prices in Sweden are still considerably higher than in Central Europe.

In Sweden, large biofuel stocks from the recent mild winter and competition from alternative fuels have led to slower demand and falling prices ahead of the next heating season.

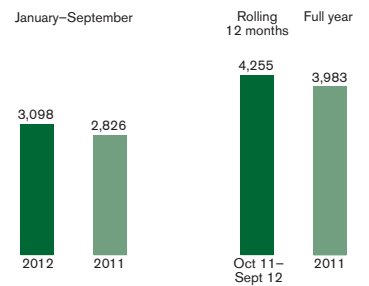
Sveaskog's deliveries

Sveaskog's biofuel deliveries totalled 1,073,000 m³sub during the period January to September, an increase of almost 2% compared with the same period in 2011.

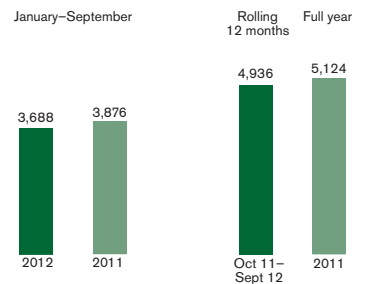
Sveaskog's total delivery volume, 000s m³sub



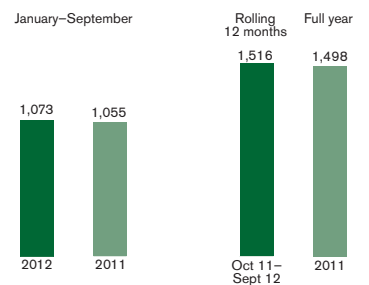
Delivery volume, sawlogs, 000s m³sub



Delivery volume, pulpwood and chips, 000s m³sub



Delivery volume, biofuel, 000s m³sub



Sveaskog Group

Condensed income statement

(Note 1) SEKm	3 months		9 months		12 months	
	Q 3 2012	Q 3 2011	Jan–Sept 2012	Jan–Sept 2011	Oct 2011– Sept 2012	Full year 2011
Net sales	1,255	1,337	4,722	4,949	6,497	6,724
Other operating income (Note 2)	3	6	10	78	19	87
Raw material and consumables	-374	-488	-1,582	-1,881	-2,123	-2,422
Change in inventories	51	69	-77	-19	46	104
Other external costs (Note 2)	-640	-591	-2,008	-1,889	-2,852	-2,733
Staff costs	-128	-135	-401	-416	-563	-578
Depreciation	-26	-25	-77	-73	-101	-97
Operating profit from continuing operations	141	173	587	749	923	1,085
Capital gains from property sales	23	45	99	112	206	219
Share of profits of associates	-14	-3	-21	-8	-35	-22
Operating profit before change in value of forest assets	150	215	665	853	1,094	1,282
Change in value of forest assets (Note 1)	73	161	362	332	207	177
Operating profit	223	376	1,027	1,185	1,301	1,459
Financial items	-76	-62	-203	-163	-270	-230
Profit before tax	147	314	824	1,022	1,031	1,229
Tax	-43	-83	-223	-271	-282	-330
Profit for the period/year	104	231	601	751	749	899
Earnings per share, SEK before and after dilution	0.88	1.95	5.08	6.34	6.33	7.59
- calculated on average number of shares, million	118.4	118.4	118.4	118.4	118.4	118.4

Statement of comprehensive income

(Note 1) SEKm	3 months		9 months		12 months	
	Q 3 2012	Q 3 2011	Jan–Sept 2012	Jan–Sept 2011	Oct 2011– Sept 2012	Full year 2011
Profit for the period/year	104	231	601	751	749	899
Other comprehensive income						
Exchange differences	-1	1	-1	1	-2	0
Cash flow hedges	-30	-25	-18	-4	-17	-3
Tax attributable to cash flow hedges	8	6	5	1	5	1
Total other comprehensive income for the period/year, net after tax	-23	-18	-14	-2	-14	-2
Total comprehensive income for the period/year	81	213	587	749	735	897

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 the end of the period/year.

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.

Sveaskog Group

Condensed balance sheet

SEKm	30 Sept 2012	30 Sept 2011	31 Dec 2011
ASSETS			
Non-current assets			
Intangible assets	9	11	11
Property, plant and equipment			
Forest land (Note 1)	2,078	2,005	2,014
Other property, plant and equipment	580	577	610
Biological assets – standing timber (Note 1)	28,308	28,161	27,995
Financial assets	434	479	452
Total non-current assets	31,409	31,233	31,082
Current assets			
Inventories	591	558	671
Current receivables, etc., non-interest bearing	2,114	1,947	1,868
Cash and cash equivalents	567	860	746
Total current assets	3,272	3,365	3,285
TOTAL ASSETS	34,681	34,598	34,367
EQUITY AND LIABILITIES			
Equity	14,788	18,526	18,674
Non-current liabilities			
Interest-bearing liabilities and provisions	5,756	2,338	3,322
Other liabilities and provisions	8,572	8,050	8,464
Total non-current liabilities	14,328	10,388	11,786
Current liabilities			
Interest-bearing liabilities	4,098	3,833	2,567
Other liabilities	1,467	1,851	1,340
Total current liabilities	5,565	5,684	3,907
TOTAL LIABILITIES	19,893	16,072	15,693
TOTAL EQUITY AND LIABILITIES	34,681	34,598	34,367

Net earnings per share

Profit for the year after tax divided by average number of shares during the year.

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 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

Condensed cash flow statement

SEKm	Jan–Sept 2012	Jan–Sept 2011	Full year 2011
Operating activities			
Operating profit	1,027	1,185	1,459
Adjustment for non-cash items	–411	–462	–361
Interest received, etc.	38	19	27
Interest paid	–241	–182	–231
Paid tax	–397	–581	–427
Cash flow from operating activities before change in working capital	16	–21	467
Change in working capital	221	591	203
Cash flow from operating activities	237	570	670
Investing activities			
Investments in property, plant and equipment	–136	–133	–211
Investments in shares	0	–10	–18
Sale of property, plant and equipment	184	294	433
Sale of shares	2	0	0
Change in interest-bearing receivables	0	0	0
Cash flow from investing activities	50	151	204
Financing activities			
Change in owner capital			
Dividend paid	–4,473	–856*	–856*
Change in interest-bearing liabilities	4,007	469	202
Cash flow from financing activities	–466	–387	–654
Cash flow for the period/year	–179	334	220
Cash and cash equivalents, opening balance	746	526	526
Cash and cash equivalents, closing balance	567	860	746

* Cash dividend SEK 756 million and balance on account in Ersättningsmark i Sverige AB SEK 100 million.

Condensed statement of changes in equity

SEKm	Jan–Sept 2012	Jan–Sept 2011	Full year 2011
Opening equity, 1 January	18,674	19,516	19,516
Total comprehensive income	587	749	897
Dividend paid in accordance with AGM decision	–4,473	–1,739	–1,739
Closing equity at the end of the period/year	14,788	18,526	18,674

Key figures

	Jan–Sept 2012	Jan–Sept 2011	Full year 2011
Operating margin, %	22	24	22
Yield, % 1)	(target minimum 5%) 3.7	4.0	4.4
Return on equity, % 1)	(target minimum 7%) 4.5	9.9	4.7
Equity ratio, %	(target 35-40%) 43	54	54
Return on operating capital, % 1)	5.4	11.3	6.1
Debt/equity ratio, multiple	0.63	0.29	0.28
Interest cover, multiple 1,3)	3.0	4.0	4.4
Interest-bearing net debt, SEKm	9,287	5,310	5,142
Earnings per share, SEK 2)	5.08	6.34	7.59
Average number of employees	920	973	1,008
Number of employees	699	723	726

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

(Note 1) SEKm	9 months		12 months	
	Jan–Sept 2012	Jan–Sept 2011	Oct 2010– Sept 2012	Full year 2011
Operating income	12	9	15	12
Operating expenses	0	0	-15	-15
Operating profit/loss	12	9	0	-3
Financial items	4,074	-458	4,535	3
Profit/loss before tax	4,086	-449	4,535	0
Tax	109	118	-9	0
Profit/loss for the period/year *	4,195	-331	4,526	0

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

Condensed balance sheet

SEKm	30 Sept 2012	30 Sept 2011	31 Dec 2011
ASSETS			
Non-current assets			
Property, plant and equipment	60	60	60
Total property, plant and equipment	60	60	60
Financial assets			
Shares and participations	24,934	24,934	24,934
Receivables from group companies, interest-bearing	2,220	1,970	2,120
Total financial assets	27,154	26,904	27,054
Total non-current assets	27,214	26,964	27,114
Current assets			
Current receivables, etc., non-interest bearing	138	154	656
Receivables from group companies, interest bearing	154	4,399	4,238
Cash and bank balances	199	0	0
Total current assets	491	4,553	4,894
TOTAL ASSETS	27,705	31,517	32,008
EQUITY AND LIABILITIES			
Equity	11,445	11,392	11,723
Non-current liabilities			
Interest-bearing non-current liabilities	5,097	1,619	2,619
Other provisions	10	-	10
Total non-current liabilities	5,107	1,619	2,629
Current liabilities			
Interest-bearing liabilities and provisions	11,073	18,448	17,610
Other liabilities and provisions	80	58	46
Total current liabilities	11,153	18,506	17,656
TOTAL EQUITY AND LIABILITIES	27,705	31,517	32,008

Parent Company

Condensed cash flow statement

SEKm	Jan–Sept 2012	Jan–Sept 2011	Full year 2011
Cash flow from operating activities	3,054	–576	–588
Cash flow from investing activities	–98	–199	–349
Cash flow from financing activities	–2,757	775	937
Total cash flow	199	0	0
Cash and cash equivalents, opening balance	0	0	0
Cash and cash equivalents, closing balance	199	0	0

Condensed statement of changes in equity

SEKm	Jan–Sept 2012	Jan–Sept 2011	Full year 2011
Opening equity, 1 January	11,723	12,639	12,639
Dividend paid in accordance with AGM decision	–4,473	–756	–756
Distribution of shares according to AGM decision	–	–160	–160
Profit/loss for the period/year	4,195	–331	0
Closing equity at the end of the period/year	11,445	11,392	11,723

ACCOUNTING PRINCIPLES

The interim 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. 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, SEK M

The market-related value of Sveaskog's forest assets at 30 September 2012 has been calculated at 30,386 (30,166), of which 28,308 (28,161) comprises the fair value of standing timber and 2,078 (2,005) an identified cost for land. The change in the balance sheet amounts to 220 (174).

NOTE 2 – COMMENTS ON THE INCOME STATEMENT, SEK M

The decline in earnings compared with the previous year is explained, among other things, by last year's accumulated earnings including an insurance compensation of SEK 62

million. Other operating income and accumulated earnings for the year include processing costs from the storm Dagmar of SEK 60 million in operating profit from continuing operations.

RISKS AND UNCERTAINTIES

A description of risks, uncertainties and risk management is provided in Sveaskog's 2011 Annual Report (in Swedish) on pages 76–78. 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 Sveaskog's 2011 Annual Report (in Swedish). No significant changes have occurred in relations or transactions with related parties compared with those described in the 2011 report.

The Swedish government has proposed a reduction in income tax for companies in Sweden from the present 26.3% to 22.0%. A decision on a reduction will be made later in 2012.

Based on the Sveaskog Group's balance sheet at 30 September 2012, such a reduction in income tax is estimated to result in a reduced deferred tax liability in the income statement for 2012 of SEK 1,348 million which has not been taken into account in this interim report.

Stockholm, 25 October 2012

Per-Olof Wedin
President and CEO

Review report

Auditor's report from the review of interim financial information in summary (interim report) prepared in accordance with IAS 34 and Chapter 9 of the Swedish Annual Accounts Act.

INTRODUCTION

We have reviewed the interim report for Sveaskog AB (publ) for the period 1 January until 30 September 2012. The Board of Directors and the President are responsible for the preparation and presentation of this interim report in accordance with IAS 34 and the Annual Accounts Act. Our responsibility is to express a conclusion on this interim report based on our review.

FOCUS AND SCOPE OF THE REVIEW

We conducted our review in accordance with the Standard on Review Engagements SÖG 2410, "Review of Interim Financial Information Performed by the Independent Auditors of the Entity". A review consists of making inquiries, primarily to persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review has a different focus and is substantially less in scope than an audit conducted in accordance with Standards on Auditing in Sweden RS and other generally accepted auditing practices in Sweden. The procedures performed in a review do not enable us to obtain a level of assurance that would make us aware of all significant matters that might be identified in an audit. Therefore, the conclusion expressed on the basis of a review does not give the same level of assurance as a conclusion expressed on the basis of an audit.

CONCLUSION

Based on our review, nothing has come to our attention that causes us to believe that the interim report is not, in all material respects, prepared for the Group in accordance with IAS 34 and the Annual Accounts Act, and for the Parent Company, in accordance with the Annual Accounts Act.

Stockholm, 25 October 2012

PricewaterhouseCoopers AB

Martin Johansson

Auditor in charge

Authorised Public Accountant



SVENSKA SKOGSPLANTOR

Svenska Skogsplantor is Sweden's leading company within forest regeneration and seedlings. The company has nationwide operations and a broad assortment of seedlings as well as offering regeneration services. Operations are conducted in eight nurseries and two sales areas. During the year the company has sold almost 124 million forest seedlings which corresponds to a market share of approximately 35%. The customer base consists of forest companies and private land-owners throughout Sweden. Sveaskog is the largest customer.

Demand for seedlings treated with the insecticide-free pine weevil protection Conniflex has been high. The expansion of new seed plantations in the so-called TreO programme for future access to processed seeds is still underway and will continue for a few more years. Sustained genetic processing of forest cultivation material is highly important for the entire industry and makes a key contribution to the potential for increased growth in the forest.

FOR FURTHER INFORMATION, PLEASE CONTACT

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FINANCIAL CALENDAR

Year-end report 2012

29 January 2013

Interim report January–March 2013 and AGM

22 April 2013

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