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**1 April–30 June 2015**

- Net sales decreased by 1% to SEK 1,700 million (1,718). Delivery volumes increased by 1% and the prices fell in average by 1%.
- Operating profit from continuing operations decreased by 20% to SEK 203 million (255). A higher proportion of deliveries from stocks previously recognised as revenue and higher silvicultural costs are the main reasons for the decline in earnings. Delivery volumes from Sveaskog's own forests increased by 5%. Prices fell by an average of 1%.
- Change in value of forest assets was SEK 293 million (164).
- Profit for the quarter rose 29% to SEK 393 million (306).

**1 January–30 June 2015**

- Net sales decreased by 1% to SEK 3,248 million (3,282). Both sales volumes and prices were largely unchanged.
- Operating profit from continuing operations decreased by 1% to SEK 623 million (632). Delivery volumes from Sveaskog's own forests increased by 2% while average prices were unchanged.
- Change in value of forest assets was SEK 432 million (192).
- Profit for the period rose 36% to SEK 805 million (594).

SEKm	3 months		6 months		12 months	
	April–June 2015	2014	January–June 2015	2014	July 2014– June 2015	Full year 2014
Net sales	1,700	1,718	3,248	3,282	6,198	6,232
Operating profit from continuing operations	203	255	623	632	1,245	1,254
Change in value of forest assets	293	164	432	192	1,272	1,032
Operating profit	548	446	1,133	880	2,671	2,418
Profit before tax	497	382	1,023	745	2,435	2,157
Profit for the period	393	306	805	594	1,902	1,691
Cash flow from operating activities	308	316	624	510	883	769

▲ Europe is the biggest export market for Swedish forest industry.



Sveaskog is Sweden's leading forest company and sells sawlogs, pulpwood, biofuel and forest seedlings. 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.

## CEO's comments



### Stable earnings for the first six months of the year

Sveaskog's operating profit from continuing operations for the first six months of 2015 amounted to SEK 623 million (632), a decrease of 1%. A higher proportion of deliveries from stocks previously recognised as revenue and higher silvicultural costs are the main reasons for the decline in earnings. In the first half of the year, deliveries from own forests increased by 2% while timber prices on average were unchanged. Yield amounted to 4.9% (4.5) which exceeds the long-term target of 4.5%. Net sales amounted to SEK 3,248 million (3,282). Sveaskog's total sales of wood raw material amounted to 5.7 (5.7) million cubic metres

(m<sup>3</sup>sub). Sawlog sales increased by 2%, sales of pulpwood and chips were unchanged while sales of biofuel decreased by 10%.

### Market development

In Sweden and the rest of Europe, the key markets for Swedish forest industry, growth increase is weak while development in the US is stronger. Growth in China is slowing down but from a high level. The value of the Swedish krona has weakened which provides improved margins for Swedish forest industry which in turn is positive for Sveaskog as a raw material supplier.

Construction in Europe remains at a stable but still low level. In the US, construction is increasing but this change mainly applies to apartment blocks. The Swedish sawmills have experienced relatively good demand and exports have increased. In North Africa and parts of the Middle East demand has been surprisingly high in view of the political uncertainty in these regions. Exports to China are rising steadily. The sawmills have experienced good sawlog availability.

Global deliveries of paper pulp are increasing while stocks decreased slightly. Exports from the Swedish pulp mills have fallen due to weaker growth in the European market. Demand for graphic paper products continues to fall while the prospects are better for other products such as cartonboard and paper for packaging. The availability of pulpwood and cellulose chips was good during the period.

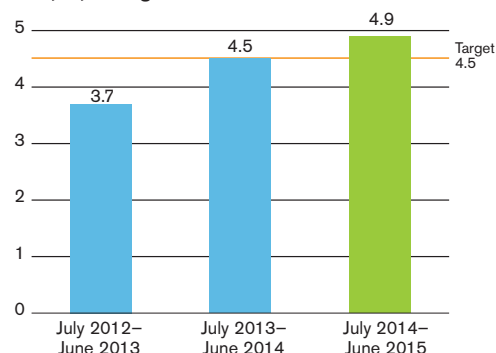
In Sweden demand for wood-based biofuels was relatively weak. The main reasons are other competing fuels, more efficient production and distribution of energy and low electricity prices. Production of felling residues (branches and tops) is falling.

### Changes in Sveaskog's Board of Directors

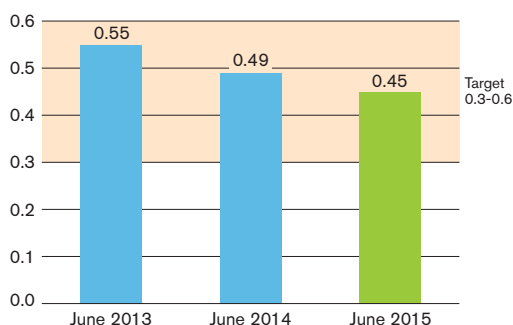
At an extraordinary General Meeting held in June, Helene Biström was elected as Chairman of the Board after Göran Persson resigned from the Board at his own request. Helene Biström has been a member of the Board of Sveaskog since April 2014.

Per-Olof Wedin, President and CEO

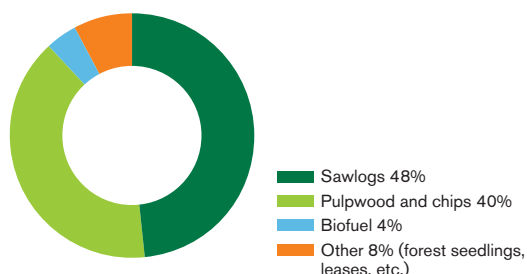
Yield, %, rolling 12 months



Net debt/equity ratio, multiple, at 30 June



Product breakdown by % of sales, rolling 12 months



## Group performance

### 1 APRIL–30 JUNE 2015

#### Net sales

Net sales decreased by 1% to SEK 1,700 million (1,718). Total delivery volumes were 1% higher compared with the corresponding period last year while average prices were 1% lower. Sales of wood raw material amounted to 2.8 (2.8) million cubic metres (m<sup>3</sup>sub).

#### Earnings

forests increased by 5% while prices decreased by an average of 1%. The decline in earnings is mainly explained by a higher proportion of deliveries from stocks. According to the accounting rules applied (IFRS) inventories are measured at market value. This means that revenue recognition when inventories change can take place in a period other than the delivery period. The change for the quarter amounted to SEK -34 million. Higher silvicultural costs are an additional reason for the decline in earnings.

Gains from property sales amounted to SEK 30 million (-6). Share of profits of the associate Setra Group amounted to SEK 22 million (33). Operating profit before change in value of forest assets amounted to SEK 255 million (282). Change in value for the second quarter was SEK 293 million (164). The increase is attributable to higher price effects in the valuation model and slightly lower felling volumes. After change in value of forest assets, operating profit amounted to SEK 548 million (446).

Net financial items in the quarter amounted to SEK -51 million (-64). Profit before tax increased by 30% to SEK 497 million (382). Tax for the period amounted to SEK -104 million (-76). Profit for the quarter rose 29% to SEK 393 million (306).

### 1 JANUARY–30 JUNE 2015

#### Net sales

Net sales decreased by 1% to SEK 3,248 million (3,282). Both sales volumes and prices were largely unchanged. Sales of wood raw material amounted to 5.7 (5.7) million cubic metres (m<sup>3</sup>sub).

#### Earnings

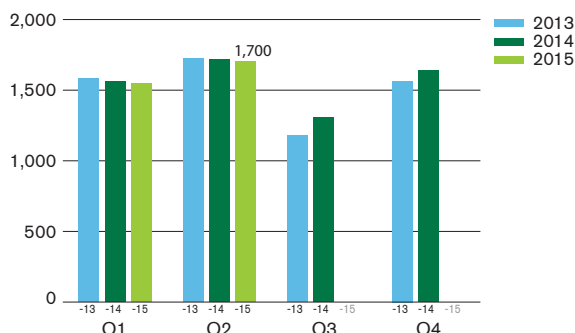
Operating profit from continuing operations decreased by 1% to SEK 623 million (632). Deliveries from own forests were 2% higher and prices were largely unchanged. The effects of increased deliveries were counteracted by higher deliveries from stocks and increased silvicultural costs. Earnings include a VAT remission of SEK 36 million attributable to a transfer of operations at the beginning of the 2000s.

Gains from property sales amounted to SEK 46 million (-2). Share of profits of the associate Setra Group amounted to SEK 32 million (58). Operating profit before change in value of forest assets amounted to SEK 701 million (688). Change in value of forest assets was SEK 432 million (192). The increase is attributable to higher price effects in the valuation model and slightly lower felling volumes. After change in value of forest assets, operating profit amounted to SEK 1,133 million (880). Net financial items amounted to SEK -110 million (-135). Profit before tax increased by 37% to SEK 1,023 million (745). Tax for the period amounted to SEK -218 million (-151). Profit for the period increased by 36% to SEK 805 million (594).

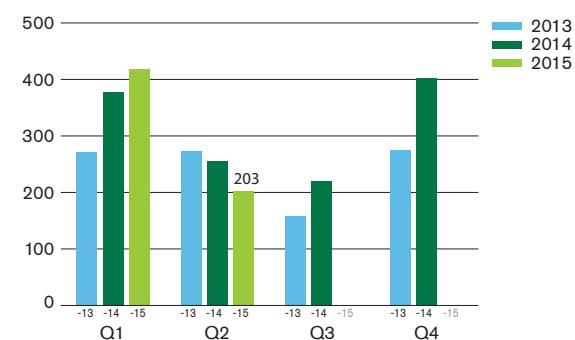
#### Cash flow, investments and financial position

Cash flow from operating activities amounted to SEK 624 million (510). The increase is mainly due to a more positive change in working capital. Investments in property, plant and equipment amounted to SEK 59 million

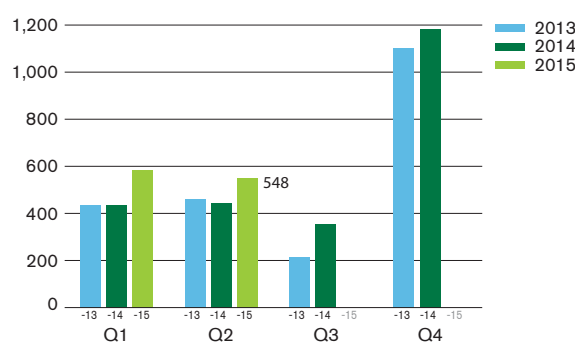
Net sales, SEKm



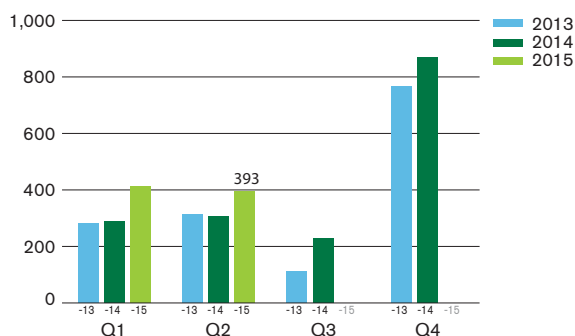
Operating profit from continuing operations, SEKm



Operating profit, SEKm



Profit for the period, SEKm



(52) and investments in shares amounted to SEK 1 million (1). Sales of property, plant and equipment, primarily forest properties, amounted to SEK 109 million (10). Cash flow includes a dividend from Setra Group AB of SEK 32 million.

Sveaskog's interest-bearing net debt at 30 June amounted to SEK 8,275 million (8,490). At the end of the period, the loan portfolio mostly comprised loans issued under Sveaskog's MTN programme as well as a Swedish commercial paper programme. Approximately 4% of the portfolio consists of bank financing. The loan volume under the commercial paper programme amounted to SEK 2,720 million (2,520) and is refinanced regularly. Under the MTN programme the outstanding volume at 30 June was SEK 4,890 million (5,190). The lowest average fixed interest period during the six-month period was 31 months.

The net debt/equity ratio amounted to 0.45 (0.49).

Interest cover amounted to 5.2 (4.0) and the gross borrowing cost was 2.02% (2.67).

**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. Operating income for Sveaskog AB (publ.) in the first six months of the year amounted to SEK 7 million (6). Loss after net financial items was SEK 122 million (-191). The Parent Company's costs mainly comprise interest expenses. The company has no employees.

**Setra Group AB**

Sveaskog owns 50% of the shares in the wood products company Setra Group AB which is reported as an associate. Share of profits of associates is recognised in the consolidated income statement. Net sales for the period January–June amounted to SEK 2,270 million (2,258). Operating profit amounted to SEK 88 million (165). Demand for wood products was relatively stable in the first six months of the year but increased production led to excess supplies and a fall in prices. The price fall was compensated to some extent by the weaker Swedish krona. The negative trends in the market strengthened somewhat towards the end of the period. Sveaskog's share of the company's profits, adjusted for intra-group profits, decreased by 45% in the six-month period to SEK 32 million (58).

## Market situation and timber deliveries

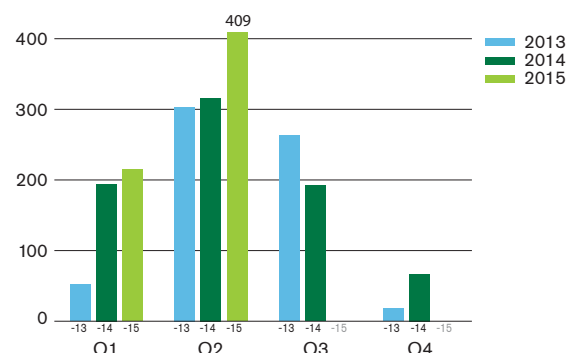
Sveaskog conducts trading in wood raw material in Sweden and more than half of the material is taken from the company's own forests. The main product range is sawlogs, pulpwood and chips, and biofuel. Most of Sveaskog's customers are in Sweden but export a large proportion of their products worldwide. Supply, demand, prices and currencies therefore affect profitability at different stages. Europe is the largest export market for Swedish forest products although exports to new markets outside Europe are rising. The weakening of the Swedish krona which has occurred recently is positive for most of Sveaskog's customers.

**SAWMILLS**

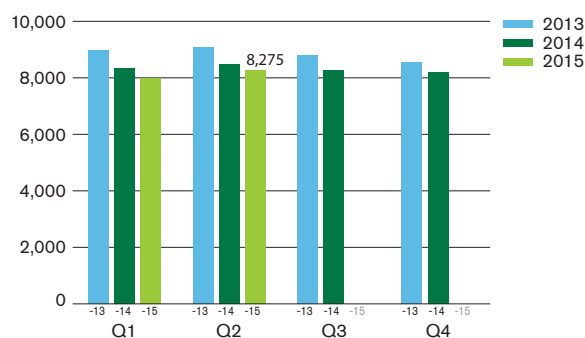
Construction in Europe is at a stable but still relatively low level. In the US, construction is rising but the change mainly applies to apartment blocks. Exports of sawn wood products to the US from Europe and Sweden are rising but Canada is still by far the biggest exporter.

In Sweden, production of sawn wood products has been close to previous average levels. Stocks were at a relatively high level but decreased slightly towards the end of the period at the same time as order intake

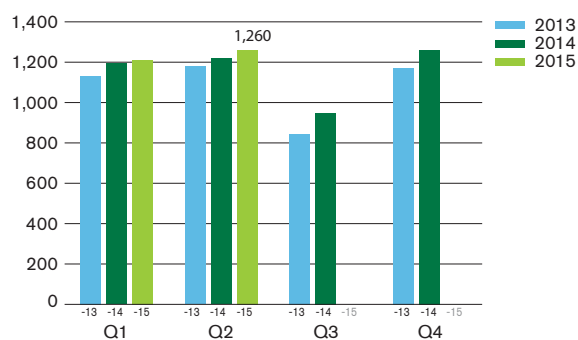
**Cash flow from operating activities per quarter, SEKm**



**Interest-bearing net debt, SEKm**



**Delivery volume sawlogs, thousand m³sub**



improved. Swedish demand was relatively high. Exports also increased. Demand was also surprisingly high in North Africa and parts of the Middle East despite the political uncertainty in these regions. Exports are rising steadily. Export prices fell slightly.

Sawlog availability was high. Raw material stocks have been relatively high but are now showing signs of decreasing. Earlier price cuts for sawlogs have now been replaced by cautious price increases.

#### Sveaskog's deliveries

Sveaskog delivered 1,260 (1,218) thousand m<sup>3</sup>sub of sawlogs in the second quarter which is 3% higher than in the corresponding period last year.

#### PULP AND PAPER INDUSTRY

Globally, deliveries of paper pulp increased while stocks decreased slightly. Almost 80% of Swedish exports go to Europe where growth so far has not fully met expectations. Exports therefore decreased somewhat at the same time as production increased. Export prices have been reduced but from high levels.

Demand for graphic products continues to fall. On the other hand an improvement can be seen for many other products such as cartonboard for packaging and packaging paper. Swedish production here is at a high level and the earlier trend with falling production and paper exports has been reversed.

The period was characterised by good availability for pulpwood and cellulose chips. Earlier price increases for pulpwood have levelled out.

#### Sveaskog's deliveries

Sveaskog delivered 1,332 (1,335) thousand m<sup>3</sup>sub of pulpwood and chips in the second quarter which is the same level as in the corresponding period last year.

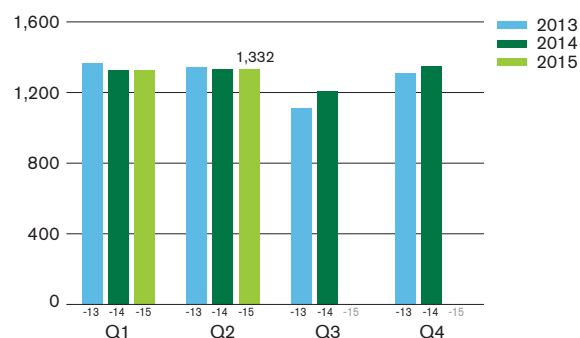
#### BIOFUEL MARKET

In Sweden, energy production from wood-based biofuel is regional or local. Demand was weak during the first half of the year. The main reasons are other competing fuels such as waste, more efficient production and distribution of energy as well as low electricity prices. Production of felling residues (branches and tops) is falling.

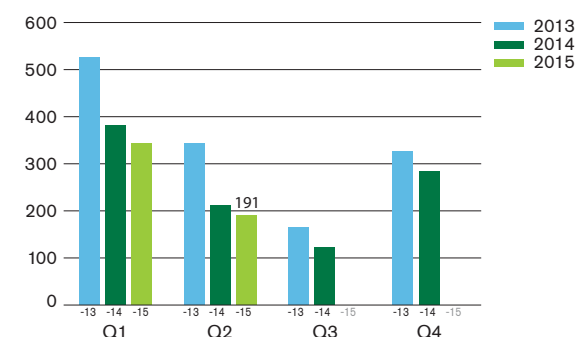
#### Sveaskog's deliveries

Sveaskog delivered 191 (212) thousand m<sup>3</sup>sub of biofuel in the second quarter which is 9% less than in the corresponding period last year.

Delivery volume pulpwood and chips, thousand m<sup>3</sup>sub



Delivery volume biofuel, thousand m<sup>3</sup>sub



#### Key figures, Group

	Jan–June 2015	Jan–June 2014	July 2014–June 2015	Full year 2014	
Yield, % 1)	(target at least 4.5%)	4,9	4,5	4,9	5,0
Net debt/equity ratio, multiple (target 0.3–0.6)		0.45	0.49	0.45	0.44
Operating margin, %		35	27	43	39
Return on operating capital, % 1)		10.1	8.5	10.1	9.2
Return on equity, % 1)		10.6	8.7	10.6	9.4
Interest cover, multiple 1,3)		5.2	4.0	5.2	4.8
Equity ratio, %		49	48	49	50
Interest-bearing net debt, SEKm		8,275	8,490	8,275	8,207
Earnings per share, SEK 2)		6.80	5.02	16.06	14.28
Average number of employees		829	860	829	877
Number of employees		684	690	684	678
Total delivery volume, thousand m <sup>3</sup> fub		5,666	5,668	10,837	10,838

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.

# Sveaskog Group

## Condensed income statement

SEKm	3 months		6 months		12 months	
	April–June 2015	April–June 2014	Jan–June 2015	Jan–June 2014	July 2014– June 2015	Full year 2014
Net sales	1,700	1,718	3,248	3,282	6,198	6,232
Other operating income	9	13	9	21	43	55
Raw materials and consumables	-393	-455	-862	-953	-1,673	-1,764
Change in inventories	-231	-135	-189	-60	-47	82
Other external costs	-717	-725	-1,266	-1,340	-2,659	-2,733
Employee benefit expenses	-140	-137	-268	-270	-520	-522
Depreciation	-25	-24	-49	-48	-97	-96
<b>Operating profit from continuing operations</b>	<b>203</b>	<b>255</b>	<b>623</b>	<b>632</b>	<b>1,245</b>	<b>1,254</b>
Capital gains/losses from property sales	30	-6	46	-2	116	68
Share of profits of associates	22	33	32	58	38	64
<b>Operating profit before change in value of forest assets</b>	<b>255</b>	<b>282</b>	<b>701</b>	<b>688</b>	<b>1,399</b>	<b>1,386</b>
Change in value of forest assets (Note 1)	293	164	432	192	1,272	1,032
<b>Operating profit</b>	<b>548</b>	<b>446</b>	<b>1,133</b>	<b>880</b>	<b>2,671</b>	<b>2,418</b>
Financial items	-51	-64	-110	-135	-236	-261
<b>Profit before tax</b>	<b>497</b>	<b>382</b>	<b>1,023</b>	<b>745</b>	<b>2,435</b>	<b>2,157</b>
Tax	-104	-76	-218	-151	-533	-466
<b>Profit for the period/year</b>	<b>393</b>	<b>306</b>	<b>805</b>	<b>594</b>	<b>1,902</b>	<b>1,691</b>
Earnings per share, SEK, before and after dilution	3.32	2.59	6.80	5.02	16.06	14.28
- 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	
	April–June 2015	April–June 2014	Jan–June 2015	Jan–June 2014	July 2014– June 2015	Full year 2014
<b>Profit for the period/year</b>	<b>393</b>	<b>306</b>	<b>805</b>	<b>594</b>	<b>1,902</b>	<b>1,691</b>
<b>Other comprehensive income</b>						
Components that will not be reversed in profit or loss						
Actuarial gains/losses on pensions *	-	-	-	-	-108	-108
Tax on actuarial gains/losses	-	-	-	-	24	24
Components that can be reversed in profit or loss						
Exchange differences	0	0	0	0	0	0
Cash flow hedges	24	-32	14	-65	-37	-116
Tax attributable to cash flow hedges	-5	7	-3	14	9	26
<b>Total other comprehensive income for the period/year, net after tax</b>	<b>19</b>	<b>-25</b>	<b>11</b>	<b>-51</b>	<b>-112</b>	<b>-174</b>
<b>Total comprehensive income for the period/year</b>	<b>412</b>	<b>281</b>	<b>816</b>	<b>543</b>	<b>1,790</b>	<b>1,517</b>

\* Actuarial calculations are only performed per full year.

# Sveaskog Group

## Condensed balance sheet

SEKm	30 June 2015	30 June 2014	31 Dec 2014
<b>ASSETS</b>			
<b>Non-current assets</b>			
Intangible assets	1	3	2
Property, plant and equipment			
Forest land (Note 1)	2,184	2,160	2,174
Other property, plant and equipment	509	534	534
Biological assets – standing timber (Note 1)	30,748	29,568	30,344
Financial assets	503	488	503
<b>Total non-current assets</b>	<b>33,945</b>	<b>32,753</b>	<b>33,557</b>
<b>Current assets</b>			
Inventories	519	606	740
Current receivables, etc., non-interest bearing	1,566	1,582	1,561
Cash and cash equivalents	1,559	1,480	1,345
<b>Total current assets</b>	<b>3,644</b>	<b>3,668</b>	<b>3,646</b>
<b>TOTAL ASSETS</b>	<b>37,589</b>	<b>36,421</b>	<b>37,203</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>	<b>18,479</b>	<b>17,489</b>	<b>18,463</b>
<b>Non-current liabilities</b>			
Interest-bearing liabilities and provisions	6,109	6,556	6,536
Other liabilities and provisions	7,938	7,666	7,898
<b>Total non-current liabilities</b>	<b>14,047</b>	<b>14,222</b>	<b>14,434</b>
<b>Current liabilities</b>			
Interest-bearing liabilities	3,725	3,414	3,016
Other liabilities	1,338	1,296	1,290
<b>Total current liabilities</b>	<b>5,063</b>	<b>4,710</b>	<b>4,306</b>
<b>TOTAL LIABILITIES</b>	<b>19,110</b>	<b>18,932</b>	<b>18,740</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>37,589</b>	<b>36,421</b>	<b>37,203</b>

## Definitions

### Capital turnover rate

Net sales divided by average operating capital.

### Equity ratio

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

### Gross margin

Operating profit before depreciation and share of profit 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 debt/equity ratio

Interest-bearing net debt divided by equity.

### Net earnings per share

Profit for the period/year after tax divided by average number of shares during the period/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 the end of the 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 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 2015	Jan–June 2014	Full year 2014
<b>Operating activities</b>			
Operating profit	1,133	880	2,418
Adjustment for non-cash items, etc.	-546	-242	-1,236
Interest received	5	11	21
Interest paid	-114	-146	-267
Paid tax	-127	-73	-120
<b>Cash flow from operating activities before change in working capital</b>	<b>351</b>	<b>430</b>	<b>816</b>
Change in working capital	273	80	-47
<b>Cash flow from operating activities</b>	<b>624</b>	<b>510</b>	<b>769</b>
<b>Investing activities</b>			
Investments in property, plant and equipment	-59	-52	-132
Investments in shares	-1	-1	-1
Dividend from associate	32	-	-
Sale of property, plant and equipment	109	10	194
Sale of shares	0	0	0
Change in interest-bearing receivables	0	0	0
<b>Cash flow from investing activities</b>	<b>81</b>	<b>-43</b>	<b>61</b>
<b>Financing activities</b>			
Dividend paid	-800	-450	-450
Change in financial liabilities	309	308	-190
<b>Cash flow from financing activities</b>	<b>-491</b>	<b>-142</b>	<b>-640</b>
<b>Cash flow for the period/year</b>	<b>214</b>	<b>325</b>	<b>190</b>
<b>Cash and cash equivalents, opening balance</b>	<b>1,345</b>	<b>1,155</b>	<b>1,155</b>
<b>Cash and cash equivalents, closing balance</b>	<b>1,559</b>	<b>1,480</b>	<b>1,345</b>

## Condensed statement of changes in equity

SEKm	Jan–June 2015	Jan–June 2014	Full year 2014
<b>Opening equity, 1 January</b>	<b>18,463</b>	<b>17,397</b>	<b>17,397</b>
Total comprehensive income	816	543	1,517
Dividend paid in accordance with AGM decision	-800	-450	-450
<b>Closing equity at the end of the period/year</b>	<b>18,479</b>	<b>17,489</b>	<b>18,463</b>



# Parent Company

## Condensed income statement

SEKm	3 months		6 months		12 months	
	April–June 2015	April–June 2014	Jan–June 2015	Jan–June 2014	July 2014– June 2015	Full year 2014
Operating income	3	3	7	6	17	16
Operating expenses	0	-12	-1	-15	9	-5
<b>Operating profit/loss</b>	<b>3</b>	<b>-9</b>	<b>6</b>	<b>-9</b>	<b>26</b>	<b>11</b>
Financial items	-63	-91	-128	-182	40	-14
<b>Profit/loss before tax</b>	<b>-60</b>	<b>-100</b>	<b>-122</b>	<b>-191</b>	<b>66</b>	<b>-3</b>
Tax	13	21	27	42	-15	0
<b>Profit/loss for the period/year *</b>	<b>-47</b>	<b>-79</b>	<b>-95</b>	<b>-149</b>	<b>51</b>	<b>-3</b>

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

## Condensed balance sheet

SEKm	30 June 2015	30 June 2014	31 Dec 2014
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	56	57	56
<b>Total property, plant and equipment</b>	<b>56</b>	<b>57</b>	<b>56</b>
<b>Financial assets</b>			
Shares and participations	24,934	24,934	24,934
Receivables from group companies, interest-bearing	2,410	2,410	2,410
<b>Total financial assets</b>	<b>27,344</b>	<b>27,344</b>	<b>27,344</b>
<b>Total non-current assets</b>	<b>27,400</b>	<b>27,401</b>	<b>27,400</b>
<b>Current assets</b>			
Current receivables, etc., non-interest bearing	62	82	354
Receivables from group companies, interest-bearing	226	342	0
Cash and cash equivalents	0	0	0
<b>Total current assets</b>	<b>288</b>	<b>424</b>	<b>354</b>
<b>TOTAL ASSETS</b>	<b>27,688</b>	<b>27,825</b>	<b>27,754</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>	<b>9,967</b>	<b>10,716</b>	<b>10,862</b>
<b>Non-current liabilities</b>			
Interest-bearing non-current liabilities	5,486	5,986	5,886
Other provisions	1	3	1
<b>Total non-current liabilities</b>	<b>5,487</b>	<b>5,989</b>	<b>5,887</b>
<b>Current liabilities</b>			
Interest-bearing liabilities and provisions	12,185	11,065	10,938
Other liabilities and provisions	49	55	67
<b>Total current liabilities</b>	<b>12,234</b>	<b>11,120</b>	<b>11,005</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>27,688</b>	<b>27,825</b>	<b>27,754</b>

## Parent Company

### Condensed statement of cash flows

SEKm	Jan–June 2015	Jan–June 2014	Full year 2014
<b>Cash flow from operating activities</b>	–48	–82	130
<b>Cash flow from investing activities</b>	1	–213	–197
<b>Cash flow from financing activities</b>	47	295	67
<b>Total cash flow</b>	0	0	0
<b>Cash and cash equivalents, opening balance</b>	0	0	0
<b>Cash and cash equivalents, closing balance</b>	0	0	0

### Condensed statement of changes in equity

SEKm	Jan–June 2015	Jan–June 2014	Full year 2014
<b>Opening equity, 1 January</b>	10,862	11,315	11,315
Dividend paid in accordance with AGM decision	–800	–450	–450
Profit/loss for the period/year	–95	–149	–3
<b>Closing equity at the end of the period/year</b>	9,967	10,716	10,862

#### 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 applied in this report for the Parent Company and the Group are unchanged compared with the most recently published annual report. New or revised IFRSs 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 corresponding period in the previous year.

#### NOTE 1 – CHANGE IN VALUE OF FOREST ASSETS

The market-related value of Sveaskog's forest assets at 30 June 2015 has been calculated at SEK 32,932 million (32,518), of which SEK 30,748 million (30,344) comprises the fair value of standing timber and SEK 2,184 million (2,174) an identified cost of land. The change in the balance sheet since year-end 2014 amounts to SEK 414 million (197), of which the unrecognised change in value is SEK 432 million (192) in profit or loss for the first half of the year. The parameters applied when calculating standing timber are updated in the year-end accounts.

#### MEASUREMENT AT FAIR VALUE

The table below shows the Group's assets, liabilities and derivatives measured at fair value:

SEKm	Level 1		Level 2		Level 3	
	Jan–June 2015	Jan–June 2014	Jan–June 2015	Jan–June 2014	Jan–June 2015	Jan–June 2014
<i>Assets</i>						
Financial assets at fair value through profit or loss						
Standing timber					30,748	29,568
Total assets	0	0	0	0	30,748	29,568
<i>Liabilities</i>						
Liabilities	0	0	9,248	9,448		
Derivative instruments	0	0	153	125	0	0
Total liabilities	0	0	9,401	9,573	0	0

#### Measurement techniques for level 2 fair value

Derivatives in level 2 consist of interest rate swaps and are recognised at market value or as hedge accounting. 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:**

SEKm	30 June 2015	30 June 2014
Non-current liabilities	5,520	6,030
Current liabilities	3,728	3,417
Total	9,248	9,447

**RISKS AND UNCERTAINTIES**

A description of risks, uncertainties and risk management is provided in Sveaskog's 2014 Annual Report (in Swedish) on pages 19–21. No other significant changes, in addition to those mentioned in this interim report, have occurred since publication of the annual report.

**IMPORTANT EVENTS AFTER THE CLOSING DATE**

No important events have taken place after the closing date.

**RELATED-PARTY TRANSACTIONS**

Transactions with related parties are specified in the Group's Note 3 in Sveaskog's 2014 Annual Report (in Swedish). No significant changes have occurred in relations or transactions with related parties compared with what is described in the 2014 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, 21 July 2015  
Sveaskog AB (publ.) (556558-0031)

Per-Olof Wedin  
*President and CEO*

The report has been signed by the CEO after authorisation from the Board of Directors.  
The report has not been reviewed by the company's auditors.

**FOR FURTHER INFORMATION, PLEASE CONTACT**

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**FINANCIAL CALENDAR**

Interim report January – September 2015	21 October 2015
Year-end report 2015	29 January 2016

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