



#### Fourth quarter

- Net sales amounted to SEK 1,565 million (1,585). Prices increased by an average of 1% while delivery volumes decreased by 2%.
- Operating profit from continuing operations amounted to SEK 275 million (261). The improvement is due to higher prices and lower costs.
- Change in value of forest assets was SEK 695 million (141).
- Profit for the quarter amounted to SEK 767 million (1,554). The decrease is explained by a positive SEK 1,328 million impact on profit in the previous year due to a changed corporate tax rate.

#### Full year

- Net sales amounted to SEK 6,056 million (6,307). Prices decreased by an average of 6% while delivery volumes rose by 1%.
- Operating profit from continuing operations amounted to SEK 978 million (848). The improvement, despite lower timber prices, is mainly due to higher delivery volumes from Sveaskog's own forests and lower felling costs.
- Change in the value of forest assets was SEK 1,046 million (503).
- Profit for the year amounted to SEK 1,475 million (2,155). The decrease is explained by a positive SEK 1,328 million impact on profit in the previous year due to a changed corporate tax rate.
- Associate company Setra Group AB improved its operating profit to SEK 107 million (−80).

SEKm	Quarter 4		Full year	
	2013	2012	2013	2012
Net sales	1,565	1,585	6,056	6,307
Operating profit from continuing operations	275	261	978	848
Operating profit	1,103	395	2,214	1,422
Profit before tax	1,037	304	1,941	1,128
Profit for the period/year	767	1,554	1,475	2,155
Earnings per share	6.48	13.13	12.46	18.20

Sveaskog is Sweden's largest forest owner and sells sawlogs, pulpwood and biofuel. Sveaskog also works with land transactions and develops the forest as a venue for hunting, fishing and other nature-based experiences. The forest and its assets are Sveaskog's core business and sustainable development permeates every aspect of Sveaskog's activities.

## CEO's comments



### SALES AND EARNINGS

Despite continued price reductions for wood raw material in 2013, Sveaskog improved its operating profit from continuing operations. This was primarily achieved through increased deliveries from the company's own forests and good control of costs.

Sales of wood raw material during the year amounted to 10.8 million cubic metres (m<sup>3</sup>sub). This is an increase of 1% compared with 2012. Sales of sawlogs, pulpwood and chips increased in volume by 2% while biofuel deliveries fell by 8%.

Sveaskog's net sales for 2013 amounted to SEK 6,056 million (6,307). The decrease is essentially due to 6% lower selling prices.

Operating profit from continuing operations amounted to SEK 978 million (848). Despite lower prices for our products we achieved an improvement of 15%. The key contributory factor to the improved earnings is that we increased deliveries from our own forests by 5%. Unit costs for felling fell, due among other things to the costs linked to the storm Dagmar in the comparative year. Otherwise, we had good control of costs.

Capital gains from property sales increased to SEK 163 million (122). The improvement includes an exchange transaction with SCA which meant that Sveaskog sold land in Jämtland and acquired land in Västerbotten and Norrbotten.

Share of profits of associates, derived from the holding in Setra Group AB, improved to SEK 27 million (-51). This reflects a stronger market for the sawmills after a couple of difficult years, at the same time as lower prices for wood raw material had an impact and efficiency improvement programmes at Setra are starting to have an effect.

Sveaskog's assets essentially consist of forest land and standing forest. The forests are measured at market value in the

balance sheet. The change in value of standing forest reported in the income statement amounted to SEK 1,046 million (503). The improvement is explained, among other things, by new felling calculations which allow increased final felling volumes.

### SOME RECOVERY IN THE MARKET

The start of the year was characterised by a weak macroeconomic climate and a strong Swedish krona, which affected the competitiveness of the Swedish forest industry. At the beginning of the year, Swedish sawmill production was at its lowest level since the 1990s. During 2013, additional sawmills were closed in Sweden. At the same time, the year as a whole was marked by some recovery, particularly in the second half and primarily for sawn timber and bleached softwood sulphate pulp.

Production of graphic papers was affected, in addition to the weak economic climate, by a structural change mainly caused by reduced demand for newsprint. During 2013, four paper machines for production of magazine and newsprint paper in Sweden were closed. Some realignment is also taking place from graphic papers to packaging paper but several players have announced closure of production capacity. Since 2011, this market and structural development has led to price pressure for wood raw material. This pressure continued during the spring and then levelled out during the summer.

On a full-year basis the average prices of wood raw material for Sveaskog fell by 6%.

Ahead of 2014 there are positive indicators which mean that I expect improvements during the year.

### LEADING AND SUSTAINABLE BUSINESS

Our vision is to be the leading forest company. This means being the most profitable forest company in the short and long term, being the preferred choice for business partners and employees, leading development and innovation in our industry and being best at combining profitable forestry with environmental responsibility.

Based on this we have set objectives for sustainable business which, in addition to targets for profitability and customer satisfaction, include being a more equal opportunities company and having good quality in environmental consideration with 99% felling without major impact. This general consideration for nature within forestry is just as important as setting aside land for nature conservation forests and ecoparks in order to encourage biodiversity. It is a way of conducting profitable forestry in a long-term, sustainable manner. It is also a way of nurturing our most important asset – the forest.

Stockholm, January 2014

Per-Olof Wedin, President and CEO.

## Operations

### NET SALES AND EARNINGS

#### Fourth quarter

Net sales in the quarter amounted to SEK 1,565 million (1,585), a decrease of 1% compared with the corresponding period in 2012. The change is explained by 2% lower delivery volumes which were partly counteracted by 1% higher average prices.

Operating profit from continuing operations, which is the result that gives the best indication of current business development, rose to SEK 275 million (261) due to higher prices and lower costs.

Capital gains from property sales amounted to SEK 118 million (23).

Share of profits of the associate company Setra Group amounted to SEK 15 million (-30).

Operating profit before change in value of forest assets amounted to SEK 408 million (254).

Change in value of forest assets was SEK 695 million (141). Operating profit after change in value of forest assets amounted to SEK 1,103 million (395).

Net financial items amounted to SEK -66 million (-91).

Profit before tax amounted to SEK 1,037 million which is an improvement of SEK 733 million compared with the same period in the previous year. Tax for the period amounted to SEK -270 million (1,250). Tax in the previous year was positive due to lower deferred tax resulting from the reduced corporate tax rate decided by the Swedish parliament at the end of 2012.

Profit for the period amounted to SEK 767 million (1,554).

#### Full year

Net sales fell by 4% and amounted to SEK 6,056 million (6,307). The lower sales are mainly explained by lower prices which were partly compensated by higher volumes. The average price decreased by 6% while delivery volumes increased by 1%. Operating profit from continuing operations amounted to SEK 978 million (848). The improvement, despite lower timber prices, is mainly due to higher delivery volumes from own forests, increased revenue for leases and lower felling costs.

Capital gains from property sales amounted to SEK 163 million (122). Sales within the programme to strengthen private forestry were lower, and the increase is mainly attributable to a substantial land exchange transaction with SCA.

Share of profits related to the associate company Setra Group amounted to SEK 27 million (-51).

Operating profit before change in value of forest assets improved and amounted to SEK 1,168 million (919).

Change in value of forest assets was SEK 1,046 million (503). Operating profit after change in value of forest assets amounted to SEK 2,214 million (1,422).

Net financial items amounted to SEK -273 million (-294). The change is mainly explained by lower interest rates.

Profit before tax amounted to SEK 1,941 million which is an improvement of SEK 813 million compared with the same period in the previous year.

Tax amounted to SEK -466 million (1,027). As mentioned above, the difference compared with the previous year is mainly due to the changed corporate tax rate.

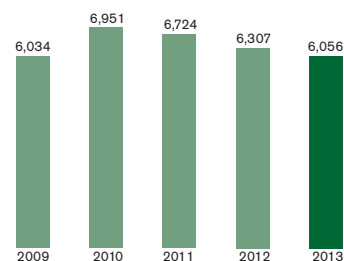
Profit for the year amounted to SEK 1,475 million (2,155). The decrease is explained by the effect of the changed corporate tax rate. Operating profit from continuing operations, capital gains and change in value of forest assets increased.

### CASH FLOW, INVESTMENTS AND FINANCIAL POSITION

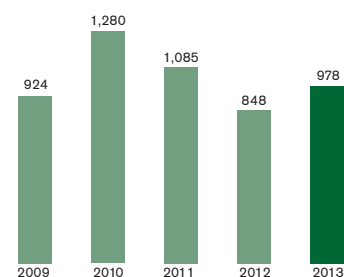
Cash flow from operating activities amounted to SEK 636 million (542). The increase is mainly due to higher operating profit from continuing operations and a positive change in working capital. Investments in property, plant and equipment amounted to SEK 212 million (168). These mainly comprise forest land and forest machines. Investments in shares amounted to SEK 0 million (4). Sales of property, plant and equipment amounted to SEK 370 million (251) and sale of shares was SEK 0 million (2).

During the year, Sveaskog's interest-bearing net debt decreased by SEK 471 million and amounted to SEK 8,533 million (9,004). The loan portfolio mostly consists

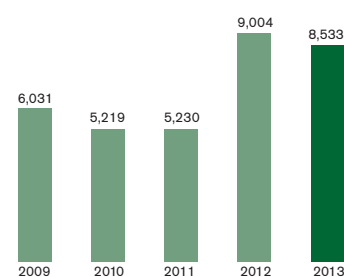
#### Net sales, SEKm



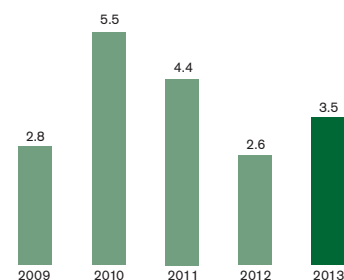
#### Operating profit from continuing operations, SEKm

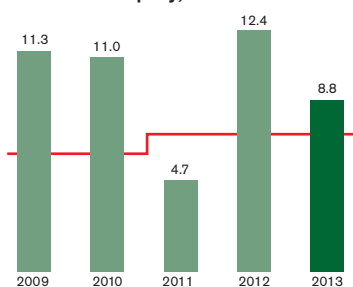


#### Interest-bearing net debt, SEKm

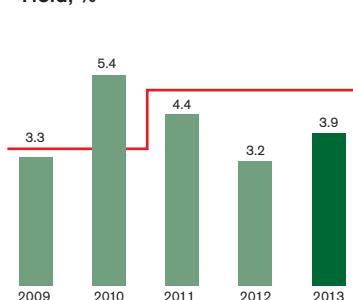


#### Interest cover, multiple

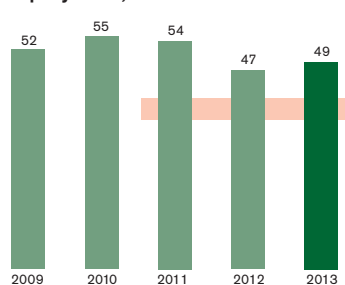


**OWNER FINANCIAL TARGETS****Return on equity, %**

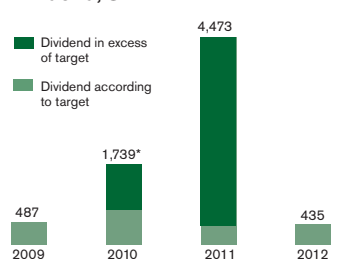
Financial target: 7% since 2011.  
Previous target 6%.

**Yield, %**

Financial target: 5% since 2011.  
Previous target 3.5%.

**Equity ratio, %**

Financial 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.

of loans issued under Sveaskog's MTN programme as well as Swedish commercial paper programmes. Bank financing accounts for approximately 5% of the portfolio. The loan volume under the commercial paper programme amounts to SEK 2,520 million (3,000) and is refinanced regularly. Under the MTN programme the outstanding volume at year-end was SEK 4,850 million (4,140). The average fixed interest period during the year was approximately 22 months at the lowest and was 30 months on the closing date. Interest cover amounted to 3.5 (2.6) and the gross borrowing cost was 2.65% (3.4).

**Other units within the Group****PARENT COMPANY**

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

For Sveaskog AB operating income during the year reached SEK 46 million (26). Profit after financial items amounted to SEK 0 million (4,500). The Parent Company's expenses mainly comprise interest expenses. 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 316 million compared with SEK 346 million in the previous year. Operating profit amounted to SEK 24 million (30).

**SETRA GROUP AB**

Sveaskog owns 50% of the shares in the wood products company Setra Group AB which is reported as an associate company. Share of profits of the company is recognised in the consolidated income statement. Net sales amounted to SEK 4,068 million (4,069). Operating profit was SEK 107 million (–80). Sveaskog's share of the company's profits, adjusted for intra-group profits, amounted to SEK 27 million, compared with SEK –51 million in the previous year.

**Market**

Sveaskog conducts trading in wood raw materials in Sweden, about half of which is taken from the company's own forests. Market conditions in the industry are greatly affected by development in the global wood products and forest industries as well as the energy sector. Sveaskog's customers are primarily in Sweden and export a large proportion of their products throughout the world. Supply, demand, prices and currencies therefore affect profitability at different steps in the supply chain.

**SAWMILLS**

2013 was characterised by some economic recovery. In Western Europe, which is a large market for Swedish sawmills, the major import countries increased their activities in the second half of the year, although the increase occurred from a low level. Construction in Europe increased to some extent.

In the American market, housing starts remained at a low level during the first half of the year and then rose slightly towards year-end.

The Swedish krona remained strong during most of the year which affected the competitiveness of Swedish sawmills in most markets. Additional sawmills in Sweden were closed during 2013. Despite unit closures, production increased somewhat through a higher level of activity in existing facilities.

Prices of sawn products rose slightly during the year, primarily in southern Sweden.

Production could probably have been higher during the year but the shortage of sawlogs in the second half and fourth quarter had a reducing effect. Export prices for sawn products increased during the year. Sawlog prices were largely unchanged but rose slightly during the second half of the year, mainly in southern Sweden. For Sveaskog there is reason to take an optimistic view of market development.

**Sveaskog's deliveries**

In 2013, Sveaskog delivered 4,298 thousand m<sup>3</sup> (4,224) of sawlogs, an increase of 2% over 2012.

**PULP AND PAPER INDUSTRY**

Western Europe is the most important market for the Swedish pulp and paper industry followed by Asia. Production and exports of Swedish paper pulp increased slightly during the year. During the second half of the year, prices for bleached softwood sulphate pulp (NBSK) increased from approximately USD 820 per tonne to USD 900–920 per tonne and optimism in the industry grew to some extent.

The closure of capacity within newsprint led to lower production and exports of paper. Demand for paper for packaging applications rose, on the other hand. Some realignment from graphic papers to packaging paper is underway in the industry. The market for pulpwood and other fibre raw material was mostly characterised by a surplus which led to falling prices. The closure of forest industry facilities in Norway has led to increased imports of pulpwood to Sweden. Sveaskog expects continued competition from imported wood.

*Sveaskog's deliveries*

Sveaskog delivered 4,978 thousand m<sup>3</sup>sub (5,018) of pulpwood and chips in 2013, which is 1% less than in 2012.

**BIOFUEL MARKET**

In Europe, there is a requirement that at least 20% of energy production will be based on renewable raw materials by 2020. The changeover is going slowly, however, due to the weak economic situation in many countries. Germany is increasing its energy production based on coal combustion and imports of wood pellets from the US to Europe are rising.

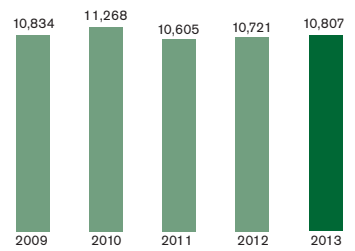
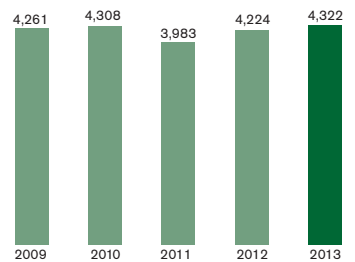
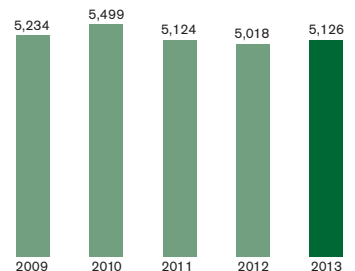
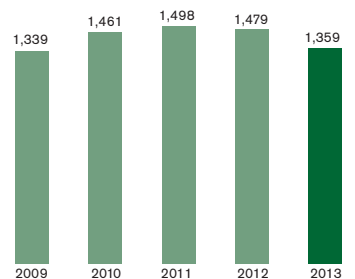
In Sweden, demand was relatively good during the cold spring. Supplies of tree tops and branches (slash) and energy wood were substantial during the rest of the year which contributed to price reductions for biofuel in the second half. Demand was also affected by the low Swedish electricity price.

A warm autumn slowed deliveries in the second half of the year, particularly in the fourth quarter.

Sveaskog expects a more balanced market in future where the winter weather and quality will affect delivery opportunities.

*Sveaskog's deliveries*

Sveaskog delivered 1,353 thousand m<sup>3</sup>sub (1,479) of biofuel in 2013, which is 9% less than in 2012.

**Sveaskog's total delivery volume, thousand m<sup>3</sup>sub****Delivery volume, sawlogs, thousand m<sup>3</sup>sub****Delivery volume, pulpwood and chips, thousand m<sup>3</sup>sub****Delivery volume, biofuel, thousand m<sup>3</sup>sub**

Slash chipping in Galhammar Ecopark.  
Photo Kurt Rodhe.



## Sveaskog Group

## Condensed income statement

SEKm	3 months		12 months	
	Q 4 2013	Q 4 2012	Full year 2013	Full year 2012
Net sales	1,565	1,585	6,056	6,307
Other operating income	16	27	40	37
Raw materials and consumables	-474	-454	-1,929	-2,036
Change in inventories	105	81	37	4
Other external costs	-744	-811	-2,577	-2,819
Staff costs	-169	-134	-552	-535
Depreciation	-24	-33	-97	-110
<b>Operating profit from continuing operations</b> (Note 2)	275	261	978	848
Capital gains from property sales	118	23	163	122
Share of profits of associates	15	-30	27	-51
<b>Operating profit before change in value of forest assets</b>	408	254	1,168	919
Change in value of forest assets (Note 1)	695	141	1,046	503
<b>Operating profit</b>	1,103	395	2,214	1,422
Financial items	-66	-91	-273	-294
<b>Profit before tax</b>	1,037	304	1,941	1,128
Tax	-270	1,250	-466	1,027
<b>Profit for the period/year</b>	767	1,554	1,475	2,155
Earnings/share, SEK before and after dilution	6.48	13.13	12.46	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 4 2013	Q 4 2012	Full year 2013	Full year 2012
<b>Profit for the period/year</b>	767	1,554	1,475	2,155
<b>Other comprehensive income</b>				
Components that will not be reversed in profit or loss				
Actuarial gains/losses on pension	56	7	56	7
Tax on actuarial gains/losses	-12	-5	-12	-5
Components that can be reversed in profit or loss				
Exchange differences	1	1	1	0
Cash flow hedges	-12	-8	53	-26
Tax attributable to cash flow hedges (Note 3)	3	-1	-12	4
<b>Total other comprehensive income for the period/year, net after tax</b>	36	-6	86	-20
<b>Total comprehensive income for the period/year</b>	803	1,548	1,561	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 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 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	31 Dec 2013	31 Dec 2012
<b>ASSETS</b>		
<b>Non-current assets</b>		
Intangible assets	5	8
Property, plant and equipment		
Forest land (Note 1)	2,156	2,083
Other property, plant and equipment	537	563
Biological assets – standing timber (Note 1)	29,375	28,424
Financial assets	414	389
<b>Total non-current assets</b>	<b>32,487</b>	<b>31,467</b>
<b>Current assets</b>		
Inventories	673	659
Current receivables, etc., non-interest bearing	1,512	1,789
Cash and cash equivalents	1,155	830
<b>Total current assets</b>	<b>3,340</b>	<b>3,278</b>
<b>TOTAL ASSETS</b>	<b>35,827</b>	<b>34,745</b>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity</b>	<b>17,397</b>	<b>16,271</b>
<b>Non-current liabilities</b>		
Interest-bearing liabilities and provisions	6,004	5,529
Other liabilities and provisions	7,645	7,332
<b>Total non-current liabilities</b>	<b>13,689</b>	<b>12,861</b>
<b>Current liabilities</b>		
Interest-bearing liabilities	3,645	4,305
Other liabilities	1,096	1,308
<b>Total current liabilities</b>	<b>4,741</b>	<b>5,613</b>
<b>TOTAL LIABILITIES</b>	<b>18,430</b>	<b>18,474</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>35,827</b>	<b>34,745</b>

#### 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 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	Full year 2013	Full year 2012
<b>Operating activities</b>		
Operating profit	2,214	1,422
Adjustment for non-cash items	-1,280	-548
Interest received	19	40
Interest paid	-314	-245
Paid tax	-95	-287
<b>Cash flow from operating activities before change in working capital</b>	544	382
Change in working capital	92	160
<b>Cash flow from operating activities</b>	636	542
<b>Investing activities</b>		
Investments in property, plant and equipment	-212	-168
Investments in shares	0	-4
Sale of property, plant and equipment	370	251
Sale of shares	0	2
Change in interest-bearing receivables	0	0
<b>Cash flow from investing activities</b>	158	81
<b>Financing activities</b>		
Change in equity capital		
Dividend paid	-435	-4,473*
Change in interest-bearing liabilities	-34	3,934
<b>Cash flow from financing activities</b>	-469	-539
<b>Cash flow for the year</b>	326	84
<b>Cash and cash equivalents, opening balance</b>	830	746
<b>Cash and cash equivalents, closing balance</b>	1,155	830

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

### Condensed statement of changes in equity

SEKm	Full year 2013	Full year 2012
<b>Opening equity, 1 January</b>	16,271	18,609
Total comprehensive income for the year	1,561	2,135
Dividend paid in accordance with AGM decision	-435	-4,473*
<b>Closing equity at the end of the year</b>	17,397	16,271

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

### Key figures

	Full year 2013	Full year 2012
Yield, % 1)	(target minimum 5%) 3.9	3.2
Return on equity, % 1)	(target minimum 7%) 8.8	12.4
Equity ratio, %	(target 35–40%) 49	47
Operating margin, %	37	22
Return on operating capital, % 1)	8.7	5.8
Debt/equity ratio, multiple	0.49	0.55
Interest cover, multiple 1,3)	3.5	2.6
Interest-bearing net debt, SEKm	8,533	9,004
Earnings per share, SEK 2)	12.46	18.20
Average number of employees	899	949
Number of employees	693	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	Full year 2013	Full year 2012
Operating income	46	26
Operating expenses	0	-1
<b>Operating profit</b>	46	25
Financial items	-46	4,475
<b>Profit before tax</b>	0	4,500
Tax	0	0
<b>Profit for the year *</b>	0	4,500

\* Same as Total comprehensive income for the year.

### Condensed balance sheet

SEKm	31 Dec 2013	31 Dec 2012
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	56	59
<b>Total property, plant and equipment</b>	56	59
<b>Financial assets</b>		
Shares and participations	24,934	24,934
Receivables from group companies, interest-bearing	2,210	2,220
Total financial assets	27,144	27,154
<b>Total non-current assets</b>	27,200	27,213
<b>Current assets</b>		
Current receivables, etc., non-interest bearing	398	544
Receivables from group companies, interest-bearing	98	265
Cash and bank balances	0	0
<b>Total current assets</b>	496	809
<b>TOTAL ASSETS</b>	27,696	28,022
<b>Equity</b>		
Equity	11,315	11,750
<b>Non-current liabilities</b>		
Interest-bearing non-current liabilities	5,447	4,817
Other provisions	3	7
<b>Total non-current liabilities</b>	5,450	4,824
<b>Current liabilities</b>		
Interest-bearing liabilities and provisions	10,860	11,355
Other liabilities and provisions	71	93
<b>Total current liabilities</b>	10,931	11,448
<b>TOTAL EQUITY AND LIABILITIES</b>	27,696	28,022

## Parent Company

### Condensed statement of cash flows

SEKm	Full year 2013	Full year 2012
<b>Cash flow from operating activities</b>	255	2,841
<b>Cash flow from investing activities</b>	45	-86
<b>Cash flow from financing activities</b>	-300	-2,755
<b>Total cash flow</b>	0	0
<b>Cash and cash equivalents, opening balance</b>	0	0
<b>Cash and cash equivalents, closing balance</b>	0	0

### Condensed statement of changes in equity

SEKm	Full year 2013	Full year 2012
Opening equity, 1 January	11,750	11,723
Dividend paid in accordance with AGM decision	-435	-4,473
Profit for the year	0	4,500
<b>Closing equity at the end of the year</b>	<b>11,315</b>	<b>11,750</b>

#### ACCOUNTING PRINCIPLES

The year-end 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 year-end 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, IAS 1 Presentation of Financial Statements and IFRS 13 Fair Value Measurement. New IAS 19, IAS 1 and IFRS 13 are applied with effect from 1 January 2013 and the comparative year has been adjusted accordingly. Other new or revised IFRS and interpretations from IFRIC have not had any effect on the earnings or financial position of the Group or the Parent Company.

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

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

The market-related value of Sveaskog's forest assets at 31 December 2013 has been calculated at 31,531 (30,507), of which 29,375 (28,424) comprises the fair value of standing timber and 2,156 (2,083) comprises an identified cost of land. The change in the balance sheet amounts to 1,024 (498). The increase is due to new felling calculations and updated price and cost assessments.

#### 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 table below shows the Group's derivatives measured at fair value as of 31 December 2013 and 31 December 2012:

SEKm	Level 1		Level 2		Level 3	
	2013	2012	2013	2012	2013	2012
<b>Assets</b>						
Financial assets at fair value through profit or loss						
Total assets	0	0	0	0	0	0
<b>Liabilities</b>						
Derivative instruments	0	0	60	118	0	0
Total liabilities	0	0	60	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 shown below:**

(Fair value = market value plus accrued interest)

	31 Dec 2013	31 Dec 2012
Non-current liabilities	5,624	4,328
Current liabilities	3,624	4,867
Total	9,248	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. An updated picture will be provided in the 2013 Annual Report.

**IMPORTANT EVENTS AFTER THE CLOSING DATE**

No important events have taken place after the closing date.

**OTHER**

During 2013 no relations or transactions with related parties have taken place apart from normal impact of transactions in operations. Transactions with related parties will be disclosed in the Group's Note 3 in the 2013 Annual Report.

**DIVIDEND**

According to current financial targets, the ordinary dividend over time shall correspond to at least 60% of profit after tax excluding non-cash flow changes in value according to IFRS. Sveaskog's consolidation requirements and financial position in general shall be taken into account. A proposal to the AGM for a dividend for 2013 will be decided by the Board in March 2014.

**ANNUAL GENERAL MEETING**

The Annual General Meeting will be held in Stockholm on 22 April 2013. The AGM is open to the general public. The annual report (in Swedish) is scheduled for publication at [www.sveaskog.se](http://www.sveaskog.se) in mid-March 2014. The printed annual report in Swedish will be distributed at the beginning of April. The printed annual report can be order from Sveaskog, e-mail [info@sveaskog.se](mailto:info@sveaskog.se) or directly via Sveaskog's website [www.sveaskog.se](http://www.sveaskog.se)

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

Stockholm, 28 January 2014  
Sveaskog AB (publ.) (556558-0031)

Göran Persson  
*Chairman*

Eva Färnstrand  
*Board Member*

Thomas Hahn  
*Board Member*

Johan Hallberg  
*Board Member*

Birgitta Johansson-Hedberg  
*Board Member*

Anna-Stina Nordmark Nilsson  
*Board Member*

Mats G Ringesten  
*Board Member*

Eva-Lisa Lindvall  
*Employee representative*

Sture Persson  
*Employee representative*

Per-Olof Wedin  
*President and CEO*

This report has not been reviewed by the auditors.



Photo: Anders Alm

A clear-felled area can arouse emotions and be regarded as a dramatic change in the landscape. Previously a felled area was often a large, rectangular and bare piece of land. Today felling is carried out with greater consideration, with the clear-felled area often meandering through the landscape and where both small and large stands of trees have been saved. Natural value trees and shrubs which are untypical are spared, such as deciduous trees in pine forests and sensitive biotopes, dead wood and dead trees. Cultural landmarks are nurtured and edge zones are left beside streams.

Sveaskog has set objectives for sustainable business which include being a leader in sustainable forest management. One specific target is to meet 99% of the environmental values in forest management without major impact. This is called the "consideration index". General consideration for nature at felling is just as important as setting land aside for nature conservation forests and ecoparks, since it provides conditions for biodiversity at landscape level.

In Pålänge outside Kalix, Sveaskog has received attention for its attractive felling. Those taking part in this work included (from left) Fredrik Risén (forestry contractor), Jan Forsström (landowner), Anders Nenzén (Forest Cooperation) and Bror Olofsson (timber purchaser Sveaskog).

#### FOR FURTHER INFORMATION, PLEASE CONTACT

Per-Olof Wedin, President and CEO, tel +46 8 655 91 74, +46 761 30 42 01

Per Matses, Deputy CEO and CFO, tel +46 8 655 92 90, +46 706 55 98 20

[www.sveaskog.se](http://www.sveaskog.se)

#### FINANCIAL CALENDAR

AGM	24 April 2014
Interim report January–March 2014	24 April 2014
Interim report January–June 2014	16 July 2014
Interim report January–September 2014	22 October 2014

#### Sveaskog AB, Stockholm

Torggatan 4, SE-105 22 Stockholm  
Tel +46 8 655 90 00

#### Sveaskog AB, Kalix

Torggatan 4, Box 315, SE-952 23 Kalix  
Tel +46 923 787 00

[info@sveaskog.se](mailto:info@sveaskog.se)  
[www.sveaskog.se](http://www.sveaskog.se)