



#### Fourth quarter

- Net sales amounted to SEK 1,585 million (1,775). Average prices decreased by 13% while delivery volumes were largely unchanged.
- Operating profit from continuing operations decreased to SEK 261 million (336) mainly due to lower timber prices.
- Change in value of forest assets amounted to SEK 141 million (–155).
- Profit for the quarter amounted to SEK 1,554 million (148). The change is due to a changed corporate tax rate which had an earnings impact of SEK 1,328 million.

#### Full year

- Net sales amounted to SEK 6,307 million (6,724). Average prices decreased by 10% while delivery volumes rose 1%.
- Operating profit from continuing operations amounted to SEK 848 million (1,085). The decrease is due to lower average prices, processing costs after the storm Dagmar and the fact that earning in the previous year included insurance compensation related to the storm Gudrun. Earnings were positively affected 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 was SEK 503 million (177).
- Profit for the year amounted to SEK 2,155 million (899). The improvement is mainly due to changes in corporate tax rates with a positive earnings impact of SEK 1,328 million.

SEKm	Quarter 4		Full year	
	2012	2011	2012	2011
Net sales	1,585	1,775	6,307	6,724
Operating profit from continuing operations	261	336	848	1,085
Operating profit	395	274	1,422	1,459
Profit before tax	304	207	1,128	1,229
Profit for the period/year	1,554	148	2,155	899
Earnings per share	13.13	1.25	18.20	7.59

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 fishing, hunting and other nature-based experiences. The forest and its assets are Sveaskog's core business. Conducting forestry operations and developing new business opportunities and applications for wood raw material, wood products and forest land are a major responsibility. Sustainable development permeates every aspect of Sveaskog's business.

## CEO's comments

### EARNINGS AND MARKET

Despite the weak macroeconomic development in 2012, Sveaskog managed the year relatively well. Sales of wood raw material totalled 10.7 million cubic metres (m<sup>3</sup>sub). This is an increase of 1% compared with 2011. Sales of sawlogs, the most valuable product line, rose 6% while sales of pulpwood and chips decreased by 2%.

Sveaskog's net sales for 2012 totalled SEK 6,307 million (6,724). The decrease compared with the previous year is essentially due to 10% lower selling prices.

Operating profit from continuing operations amounted to SEK 848 million (1,085). The decrease is due to lower average prices, processing costs related to the storm Dagmar and the fact that earnings in the previous year included insurance compensation relating to the storm Gudrun. Earnings were positively affected by higher volumes of timber from the company's own forests and a larger proportion of sawlogs in deliveries.

Sveaskog's assets essentially comprise forest land and standing timber. Standing timber is market valued in the balance sheet. The change in value of standing timber, which is recognised in the income statement, amounted to SEK 503 million (177).

In December 2012, the Swedish Parliament decided on a changed corporate tax rate which had a positive effect on Sveaskog's tax in the year-end accounts for 2012. This effect amounts to SEK 1,328 million and is the main reason for the increased profit for the year.

Yield amounted to 3.2% (4.4) and return on equity was 12.3% (4.7).

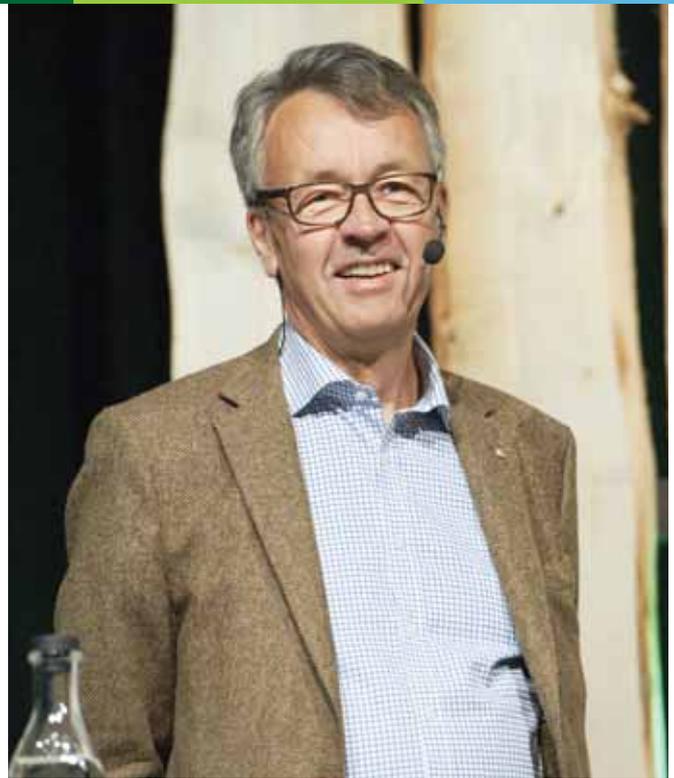
### TOUGH MARKET

2012 was a tough year for the Swedish forest industry. The year was characterised by a further weakening of the economy. Demand fell in Western Europe, which is a major market for both the Swedish wood products industry and the pulp and paper industry.

The price of sawn products fell at the same time as the Swedish krona strengthened which had an adverse effect on the competitiveness of Swedish sawmills – Sveaskog's customers – in the European market. Some sawmills went bankrupt during the year.

For the pulp and paper industry demand for both graphic paper and newsprint was low with lower prices than in the previous year. The market for packaging and hygiene paper was more favourable.

Demand for wood-based biofuel was somewhat hesitant during the year and affected, among other things, by competition from other fuels such as waste.



### CUSTOMER- AND MARKET-ORIENTED ORGANISATION

We have been working in a more customer and market-oriented organisation since 1 April 2012. We have also adopted a new strategy. This has already had effects which signify a more businesslike approach. We have improved cost efficiency and come closer to our customers – and there is a major commitment among employees to be involved, to develop Sveaskog and participate in the journey of change which we have initiated.

### TO BE THE LEADING FOREST COMPANY

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.

The main features in our strategy are to increase profitability in the value chain from forest to customer, to develop business centred around timber and biofuel and to increase revenues from forest land. At the same time, we will develop our forest holdings profitably and sustainably over time. The way we work is characterised by our values: customer focus, innovation, simplicity and transparency.

The market situation is difficult – but there are some signs of light at the end of the tunnel. What will happen in 2013 is hard to assess.

Stockholm, January 2013  
Per-Olof Wedin, President and CEO

## Operations

### NET SALES AND EARNINGS

#### Fourth quarter

Net sales totalled SEK 1,585 million (1,775) during the quarter, a decrease of 11% compared with the same period in 2011. The change is explained by 13% lower average prices. Delivery volumes were largely unchanged.

Operating profit from continuing operations decreased to SEK 261 million (336) mainly due to the fall in prices.

Capital gains from property sales, mainly related to sales to private forestry, amounted to SEK 23 million (107).

Share of profits of the associated company Setra Group amounted to SEK -30 million (-14).

Operating profit before change in value of forest assets amounted to SEK 254 million (429).

Change in value of forest assets amounted to SEK 141 million (-155). After change in value of forest assets, operating profit amounted to SEK 395 million (274).

Net financial items amounted to SEK -91 million (-67)

Profit before tax amounted to SEK 304 million (207) which is an improvement of SEK 97 million compared with the same period last year. Tax for the period was positive due to lower deferred tax, an effect of the reduction in the corporate tax rate decided by the Swedish Parliament at the end of the year. Tax for the period was SEK 1,250 million (-59).

Profit for the period amounted to SEK 1,554 million (148), mainly due to the tax reduction mentioned above.

#### Full year

Net sales decreased by 6% and amounted to SEK 6,307 million (6,724). The lower sales are mainly due to lower prices which were partly compensated by higher volumes from the company's own forests and a higher proportion of sawlogs. The average price decreased by 10% while delivery volumes rose 1%. Operating profit from continuing operations amounted to SEK 848 million (1,085). The decrease is due to lower average prices, processing costs after the storm Dagmar and the fact that earnings in

the previous year included insurance compensation related to the storm Gudrun. Earnings were positively affected 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, primarily sales to private forestry, amounted to SEK 122 million (219). The decrease is mainly explained by lower sales due to a lower sold area and a greater concentration to northern Sweden where average property prices are lower and the fact that no sales of replacement land took place during the year. The assignment to provide replacement land ceased in 2010, but a couple of transactions were completed in 2011.

Share of profit of the associated company Setra Group amounted to SEK -51 million (-22).

Operating profit before change in value of forest assets decreased and amounted to SEK 919 million (1,282).

Change in value of forest assets was SEK 503 million (177). After change in value of forest assets, operating profit amounted to SEK 1,422 million (1,459).

Net financial items amounted to SEK -294 million (-230). The change was mainly due to a higher average loan portfolio.

Profit before tax amounted to SEK 1,128 million which was a decrease of SEK 101 million compared with the same period last year.

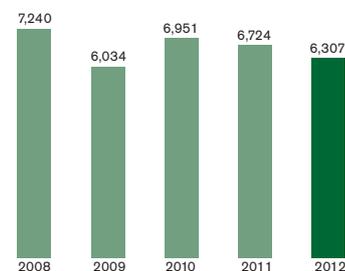
Tax amounted to SEK 1,027 million (-330) due to the change in the corporate tax rate.

Profit for the year amounted to SEK 2,155 million (899). The improvement was mainly due to the changed corporate tax rate.

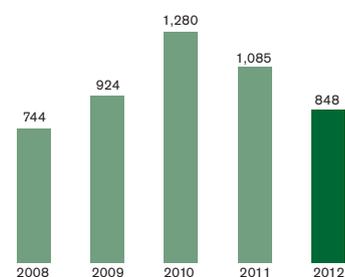
### CASH FLOW, INVESTMENTS AND FINANCIAL POSITION

Cash flow from operating activities amounted to SEK 542 million (670). The decrease is mainly due to a lower operating profit from continuing operations and lower property sales. Investments in property, plant and equipment amounted to SEK 168 million (211) and mainly comprised forest

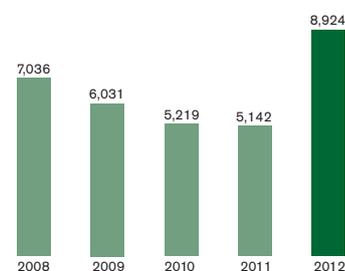
#### Net sales, SEKm



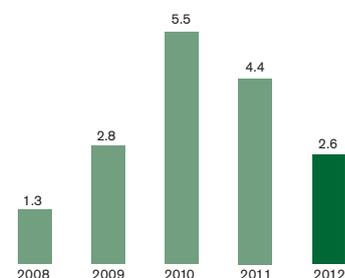
#### Operating profit from continuing operations, SEKm



#### Interest-bearing net debt, SEKm

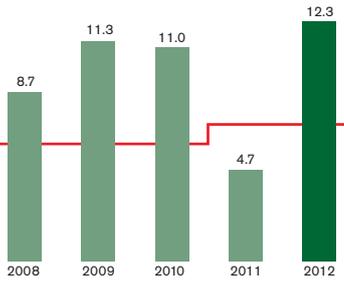


#### Interest cover, multiple



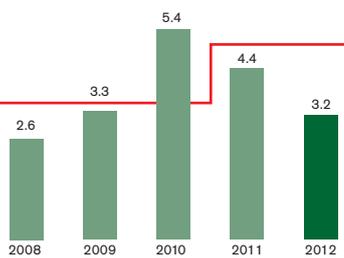
## OWNER FINANCIAL TARGETS

## Return on equity, %



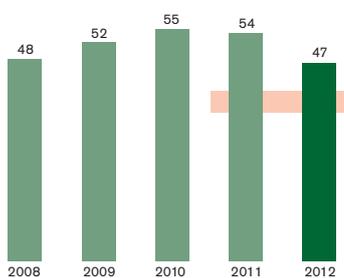
Financial target: 7% starting 2011.  
Previously 6%.

## Yield, %



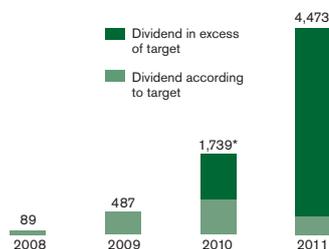
Financial target: 5% starting 2011.  
Previously 3.5%.

## 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.

land and forest machines. Investments in shares amounted to SEK 4 million (18). Sales of property, plant and equipment, mainly forest properties, amounted to SEK 251 million (433) and sales of shares amounted to SEK 2 million (0).

The financial climate has been tough worldwide, but Europe was the region worst affected. For Sveaskog, which is mostly dependent on the Swedish capital market, the financial markets functioned well during the year and the assessment is that this will continue in 2013.

Following a decision at the Annual General Meeting in April 2012, Sveaskog issued a dividend of SEK 4,473 million to its owner. This was SEK 4,000 million in excess of the dividend target in order to adjust the equity ratio to the new equity ratio target of 35–40%. Sveaskog's interest-bearing net debt therefore increased by SEK 3,782 million and amounted to SEK 8,924 million (5,142). 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 loans volume under the commercial paper programme is SEK 3,000 million (1,800) and has been refinanced regularly. SEK 2,820 million was raised under the MTN programme in 2012 and the outstanding volume at year-end was SEK 4,140 million (2,270). The average fixed interest period during the year was approximately 20 months at the lowest and 24 months at year-end. Interest cover amounted to 2.6 (4.4) and the gross cost of borrowing was 3.4% (3.9).

## 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 and is also responsible for Group-wide financing.

For Sveaskog AB (publ.) operating income during the year totalled SEK 26 million (12). Profit after financial items amounted to SEK 4,500 million (0) due to dividend from subsidiary. 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 346 million compared with SEK 329 million in the previous year. Operating profit amounted to SEK 30 million (31).

## 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 amounted to SEK 4,069 million (4,476). Sveaskog's share of profit adjusted for inter-company profit amounted to SEK –51 million, compared with SEK –22 million in the previous year.

## Market

## WOOD PRODUCTS INDUSTRY

2012 was characterised by a further weakening of the economic climate. In Western Europe, which is a major market for the Swedish wood products industry, demand and prices for sawn timber fell. The strong Swedish krona further weakened the competitiveness of Swedish sawmills in these markets.

In the US, housing construction during the first half of the year was at a very low level with some recovery during the second half. In this area there were major price rises for sawn timber at the beginning of the year. North Africa and the Middle East compensated for the downturn in Europe to some extent, primarily in the redwood segment.

In Sweden, these difficulties led to the closure of a number of units, mainly in the first half of the year. Demand for sawlogs weakened and prices started to fall. Demand strengthened somewhat in the second half but the sawmills' weak profitability and low ability to pay led to continued price reductions for sawlogs.

## Sveaskog's deliveries

Sveaskog's sawlog deliveries in 2012 totalled 4,224,000 m<sup>3</sup>sub (3,983,000), an increase of 6% over 2011.

**PULP AND PAPER INDUSTRY**

Western Europe is the most important market for the Swedish pulp and paper industry. After the weaker trend in 2011 demand remained low at the beginning of 2012. This improved to some extent in the second half and prices for long-fibre market pulp rose to USD 820 per tonne (NBSK), although this is markedly lower than the highest price in the previous year. Demand and prices for packaging paper fell slightly at the beginning of the year, to then rise again in the latter part of the year. Relatively large price decreases were implemented for graphic papers including newsprint.

Large stocks of pulpwood and other fibre raw material, and the industry's difficulties in the market, led to weak demand and falling prices for these products. The relation between supply and demand became slightly more balanced towards the end of the year but prices remained low.

*Sveaskog's deliveries*

Sveaskog delivered 5,018,000 m<sup>3</sup>sub (5,124,000) of pulpwood and chips in 2012, which is 2% less than in 2011.

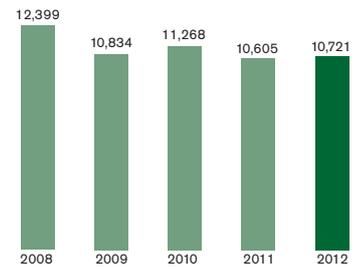
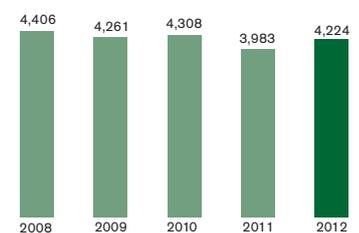
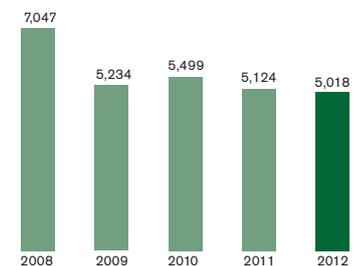
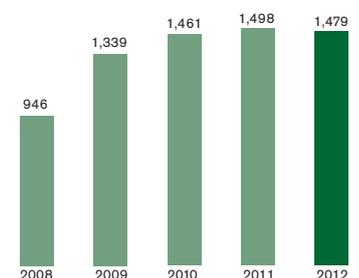
**BIOFUEL MARKET**

In Europe, there is a requirement for 20% of energy production to be based on renewable raw materials by 2020. The changeover has started but there is risk that the debt crisis will obstruct and delay this process. European biofuel producers compete with significant imports of wood pellets from the US.

Following a slight upturn in the spring in Sweden, demand for wood-based biofuels was slightly weaker in the autumn. Competing fuels, combined with the summer's relatively large biofuel stocks, contributed to this development. The low price of Swedish electricity also affected demand. Furthermore, the situation was affected by production restrictions and repairs, as well as pure breakdowns at energy producers. Swedish wood pellet prices fell slightly as did prices for other wood-based biofuels.

*Sveaskog's deliveries*

Sveaskog's biofuel deliveries totalled 1,479,000 m<sup>3</sup>sub (1,498,000) in 2012, which is 1% lower than in 2011.

**Sveaskog's total delivery volume, 000s m<sup>3</sup>sub****Delivery volumes, sawlogs, 000s m<sup>3</sup>sub****Delivery volumes, pulpwood and chips, 000s m<sup>3</sup>sub****Delivery volumes, biofuel, 000s m<sup>3</sup>sub**

## Sveaskog Group

### Condensed income statement

(Note 1) SEKm	3 months		12 months	
	Q 4 2012	Q 4 2011	Full year 2012	Full year 2011
Net sales	1,585	1,775	6,307	6,724
Other operating income (Note 2)	27	9	37	87
Raw materials and consumables	-454	-541	-2,036	-2,422
Change in inventories	81	123	4	104
Other external costs (Note 2)	-811	-844	-2,819	-2,733
Staff costs	-134	-162	-535	-578
Depreciation	-33	-24	-110	-97
<b>Operating profit from continuing operations</b>	<b>261</b>	<b>336</b>	<b>848</b>	<b>1,085</b>
Capital gains from property sales	23	107	122	219
Share of profits of associates	-30	-14	-51	-22
<b>Operating profit before change in value of forest assets</b>	<b>254</b>	<b>429</b>	<b>919</b>	<b>1,282</b>
Change in value of forest assets (Note 1)	141	-155	503	177
<b>Operating profit</b>	<b>395</b>	<b>274</b>	<b>1,422</b>	<b>1,459</b>
Financial items	-91	-67	-294	-230
<b>Profit before tax</b>	<b>304</b>	<b>207</b>	<b>1,128</b>	<b>1,229</b>
Tax	1,250	-59	1,027	-330
<b>Profit for the period/year</b>	<b>1,554</b>	<b>148</b>	<b>2,155</b>	<b>899</b>
Earnings per share, SEK before and after dilution	13.13	1.25	18.20	7.59
- Calculated on average number of shares, million	118.4	118.4	118.4	118.4

### Statement of comprehensive income

(Note 1) SEKm	3 months		12 months	
	Q 4 2012	Q 4 2011	Full year 2012	Full year 2011
<b>Profit for the period/year</b>	<b>1,554</b>	<b>148</b>	<b>2,155</b>	<b>899</b>
<b>Other comprehensive income</b>				
Exchange differences	0	-1	-1	0
Cash flow hedges	-8	1	-26	-3
Tax attributable to cash flow hedges	-1	0	4	1
<b>Total other comprehensive income for the period/year, net after tax</b>	<b>-9</b>	<b>0</b>	<b>-23</b>	<b>-2</b>
<b>Total comprehensive income for the period/year</b>	<b>1,545</b>	<b>148</b>	<b>2,132</b>	<b>897</b>

## 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 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 2012	31 Dec 2011
<b>ASSETS</b>		
<b>Non-current assets</b>		
Intangible assets		
Property, plant and equipment	8	11
Forest land (Note 1)	2,083	2,014
Other property, plant and equipment	563	610
Biological assets – standing timber (Note 1)	28,424	27,995
Financial assets	389	452
<b>Total non-current assets</b>	<b>31,467</b>	<b>31,082</b>
<b>Current assets</b>		
Inventories	659	671
Current receivables, etc., non-interest bearing	1,789	1,868
Cash and cash equivalents	830	746
<b>Total current assets</b>	<b>3,278</b>	<b>3,285</b>
<b>TOTAL ASSETS</b>	<b>34,745</b>	<b>34,367</b>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity</b>	<b>16,333</b>	<b>18,674</b>
Non-current liabilities		
Interest-bearing liabilities and provisions	5,449	3,322
Other liabilities and provisions	7,350	8,464
<b>Total non-current liabilities</b>	<b>12,799</b>	<b>11,786</b>
Current liabilities		
Interest-bearing liabilities	4,305	2,567
Other liabilities	1,308	1,340
<b>Total current liabilities</b>	<b>5,613</b>	<b>3,907</b>
<b>TOTAL LIABILITIES</b>	<b>18,412</b>	<b>15,693</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>34,745</b>	<b>34,367</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 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	Full year 2012	Full year 2011
<b>Operating activities</b>		
Operating profit	1,422	1,459
Adjustment for non-cash items, etc.	-548	-361
Interest received	40	27
Interest paid	-245	-231
Paid tax	-287	-427
<b>Cash flow from operating activities before change in working capital</b>	<b>382</b>	<b>467</b>
Change in working capital	160	203
<b>Cash flow from operating activities</b>	<b>542</b>	<b>670</b>
<b>Investing activities</b>		
Investments in property, plant and equipment	-168	-211
Investments in shares	-4	-18
Sale of property, plant and equipment	251	433
Sale of shares	2	0
Change in interest-bearing receivables	0	0
<b>Cash flow from investing activities</b>	<b>81</b>	<b>204</b>
<b>Financing activities</b>		
Change in owner capital		
Dividend paid	-4,473**	-856*
Change in interest-bearing liabilities	3,934	202
<b>Cash flow from financing activities</b>	<b>-539</b>	<b>-654</b>
<b>Cash flow for the period/year</b>	<b>84</b>	<b>220</b>
<b>Cash and cash equivalents, opening balance</b>	<b>746</b>	<b>526</b>
<b>Cash and cash equivalents, closing balance</b>	<b>830</b>	<b>746</b>

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

\*\* 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 2012	Full year 2011
<b>Opening equity, 1 January</b>	<b>18,674</b>	<b>19,516</b>
Total comprehensive income for the year	2,132	897
Dividend paid in accordance with AGM decision	-4,473**	-1,739*
<b>Closing equity at the end of the year</b>	<b>16,333</b>	<b>18,674</b>

\* Ordinary dividend SEK 756 million plus consolidated value of subsidiary Ersättningsmark i Sverige AB comprising 100,000 ha of forest land.

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

## Key figures

		Full year 2012	Full year 2011
Yield, % 1)	(target minimum 5%)	3.2	4.4
Return on equity, % 1)	(target minimum 7%)	12.3	4.7
Equity ratio, %	(target 35-40%)	47	54
Operating margin, %		22	22
Return on operating capital, % 1)		5.8	6.1
Debt/equity ratio		0.55	0.28
Interest cover, multiple 1,3)		2.6	4.4
Interest-bearing net debt, SEKm		8,924	5,142
Earnings per share, SEK 2)		18.20	7.59
Average number of employees		949	1,008
Number of employees		702	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

SEKm	Full year 2012	Full year 2011
Operating income	26	12
Operating expenses	-1	-15
<b>Operating profit/loss</b>	<b>25</b>	<b>-3</b>
Financial items	4,475	3
<b>Profit before tax</b>	<b>4,500</b>	<b>0</b>
Tax	0	0
<b>Profit for the year*</b>	<b>4,500</b>	<b>0</b>

\* Same as Total comprehensive income for the year.

### Condensed balance sheet

SEKm	31 Dec 2012	31 Dec 2011
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	59	60
Total property, plant and equipment	59	60
Financial assets		
Shares and participations	24,934	24,934
Receivables from group companies, interest-bearing	2,220	2,120
Total financial assets	27,154	27,054
Total non-current assets	27,213	27,114
<b>Current assets</b>		
Current receivables, etc., non-interest bearing	544	656
Receivables from group companies, interest-bearing	265	4,238
Cash and bank balances	0	0
Total current assets	809	4,894
<b>TOTAL ASSETS</b>	<b>28,022</b>	<b>32,008</b>
<b>EQUITY AND LIABILITIES</b>		
Equity	11,750	11,723
Non-current liabilities		
Interest-bearing non-current liabilities	4,817	2,619
Other provisions	7	10
Total non-current liabilities	4,824	2,629
Current liabilities		
Interest-bearing liabilities and provisions	11,355	17,610
Other liabilities and provisions	93	46
Total current liabilities	11,448	17,656
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>28,022</b>	<b>32,008</b>

## Parent Company

### Condensed cash flow statement

SEKm	Full year 2012	Full year 2011
<b>Cash flow from operating activities</b>	2,841	-588
<b>Cash flow from investing activities</b>	-86	-349
<b>Cash flow from financing activities</b>	-2,755	937
<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 2012	Full year 2011
Opening equity, 1 January	11,723	12,639
Dividend paid in accordance with AGM decision	-4,473	-756
Distribution of shares according to AGM decision	0	-160
<b>Profit for the year</b>	4,500	0
<b>Closing equity at the end of the year</b>	11,750	11,723

#### ACCOUNTING PRINCIPLES

The year-end 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 31 December 2012 has been calculated at 30,507 (30,009), of which 28,424 (27,995) comprises the fair value of standing timber and 2,083 (2,014) comprises cost of land in accordance with IAS 41. The change in the balance sheet amounts to 498 (24).

#### NOTE 2 – COMMENTS ON THE INCOME STATEMENT, SEK M

The decline in operating profit from continuing operations is explained, among other things, by last year's full-year profit including an insurance compensation of SEK 62 million in other operating income and that the full-year result includes processing costs from the storm Dagmar of approximately SEK 70 million. Otherwise the lower earnings are primarily due to lower prices.

#### 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

During 2012 no relations or transactions with related parties took place apart from normal transactions in operations. Transactions with related parties are disclosed in Note 3 of the Sveaskog Group's annual report for 2012. The Swedish Parliament has decided on a reduction of income tax for companies in Sweden from the present 26.3% to 22.0% with effect from 1 January 2013. This decision has had a positive earnings impact for Sveaskog of SEK 1,328 million.

#### 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 2012 will be decided by the Board in March 2013.

#### 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) on 22 March 2013. The printed annual report in Swedish will be distributed at the beginning of April. The printed annual report can be ordered 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, 29 January 2013  
Sveaskog AB (publ.) (556558-0031)

Göran Persson  
*Chairman*

Eva Färnstrand  
*Board Member*

Thomas Hahn  
*Board Member*

Johan Hallberg  
*Board Member*

Birgitta Johansson-Hedberg  
*Board Member*

Carina Håkansson  
*Board Member*

Anna-Stina Nordmark Nilsson  
*Board Member*

Mats G Ringesten  
*Board Member*

Eva-Lisa Lindvall  
*Employee Representative*

Sture Persson  
*Employee Representative*

Per-Olof Wedin  
*President and CEO*

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



Sveaskog is an independent player in the Swedish timber market and customer requirements are always the starting point for development of products and services. One product development that has become increasingly common is custom cut sawlogs. This means that customers obtain exactly the logs they require, with the right dimension and length.

Sveaskog's raw material comes from the company's own forests, via imports or purchases from private forest owners or from exchanges with other forest companies. This means that Sveaskog can supply a broad range which combined with qualified services and expertise makes Sveaskog a flexible and reliable supplier.

#### FOR FURTHER INFORMATION, PLEASE CONTACT

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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

Annual General Meeting	22 April 2013
Interim report January–March 2013	22 April 2013
Interim report January–June 2013	19 July 2013
Interim report January–September 2013	24 October 2013

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