



**Interim report  
January – September  
2010**

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# Interim report

## January – September 2010

### Third quarter

- Net sales rose to SEK 1,474 million (1,212), mainly due to higher prices as well as increased volumes.
- Operating profit from continuing operations improved to SEK 213 million (184).
- Share of profits of associate companies amounted to SEK 18 million (–12).
- Change in value of forest assets amounted to SEK 119 million (222).
- Profit for the quarter amounted to SEK 252 million (307).

### January–September

- Net sales rose to SEK 5,121 million (4,381), mainly due to higher prices as well as increased volumes.
- Operating profit from continuing operations improved significantly to SEK 1,011 million (590).
- Share of profits from associate companies amounted to SEK 58 million (–144).
- Change in value of forest assets amounted to SEK 219 million (695).
- Profit for the period amounted to SEK 983 million (895).

SEKm	Quarter 3		January–September	
	2010	2009	2010	2009
Net sales	1,474	1,212	5,121	4,381
Operating profit from continuing operations	213	184	1,011	590
Operating profit	388	482	1,481	1,474
Profit before tax	335	420	1,313	1,266
Profit for the period	252	307	983	895
Earnings per share	2.13	2.59	8.30	7.56

### CEO's comments

Sveaskog's operating profit from continuing operations for the period January–September amounted to SEK 1,011 million (590). This is a strong improvement compared with the same period in the previous year. The improvement in earnings essentially occurred during the first half.

The improved earnings compared with the previous year are mainly explained by good demand and by our ability to increase both sales volumes and prices of our products. Costs rose due to higher business volumes and enhanced silvicultural measures.

During the period January–September, Sveaskog delivered 8,358 cubic metres (m<sup>3</sup>sub) of wood raw material, an increase of 7% compared with the same period last year. Sales of sawlogs and pulpwood rose 6% and biofuel sales increased by 13%. The increase in biofuel deliveries was mainly due to higher demand from CHP plants.

During the third quarter Sveaskog renewed cooperation with customers in the pulp and paper industry, wood products industry and the energy sector. One example is the multi-year agreement renewed in September with Smurfit Kappa for annual deliveries of approximately two million cubic metres of pulpwood to Smurfit Kappa's facility in Piteå.

In order to raise productivity and the value of the forest, Sveaskog develops new technology and new forestry methods. We perform regular field tests in cooperation with the Swedish University of Agricultural

Sciences (SLU), machine manufacturers and others. One example of new technology is equipment for harvester measurement which Sveaskog is now introducing on all harvesters. This allows timber measurement to be carried out directly in the forest based on the harvester's results, which means that timber suppliers can be paid more quickly. Another technology that raises productivity is a multi-tree handling head (see cover picture) which Sveaskog uses on most of the company's thinning machines.

During the third quarter audits were conducted of Sveaskog's ISO and FSC\* (Forest Stewardship Council) certifications. On the whole the results of these audits were positive but improvements were also required relating, among other things, to soil scarification in sensitive areas, felling planning for timber purchases and procurement routines for contractors.

During the period, Sveaskog inaugurated ecoparks in Manuvaara in the county of Norrbotten and Grytaberg in the county of Gävleborg. This means that since 2003 we have inaugurated 28 ecoparks, large forest landscapes with high natural values.

The associate company Setra Group AB continues to develop well and reports an operating profit of SEK 202 million (–367). The improved result is mainly due to a stronger market for wood products and completed efficiency improvements.

Share of profits of associates during the period January–September thus improved to SEK 58 million (–144).

Together with the other two principal owners, Sveaskog is working to phase out its ownership in Setra Group AB.

During the period January–September, Sveaskog sold over 24,000 hectares of forest land (29,000). This area is slightly less than during the same period in the previous year and an increased proportion of land deals took place in northern Sweden where hectare prices are lower. This explains the lower capital gains of SEK 140 million.

Change in value of forest assets amounts to SEK 219 million (695). The lower level compared with the previous year is partly due to higher extraction from Sveaskog's own forests.

Overall profit for the period January–September amounts to SEK 983 million (895).

In August, Sveaskog sold a company which included the industrial site and facility in Lövhöjden in Piteå to Stenvalls Trä AB. During the same month an industrial site at Seskarö outside Haparanda was acquired from Setra Group AB.

## ■ Market

### Sawmill industry

The global sawlog price index has risen 18% in 15 months. The US dollar has weakened and sawlog prices have risen in local currency in many countries including Finland, Sweden, Germany, Latvia and Russia.

As a sign of greater global demand for forest products, global trading in sawlogs increased by 20% during the first six months of the year. This trade is now up at the levels which prevailed prior to the financial crisis.

Total production of sawn wood products in Sweden rose by approximately 6% in the first half of the year. Demand for sawn timber fell, however, in many key European markets during the autumn.

During the third quarter the Swedish wood products industry's international competitiveness weakened due to an increasingly strong Swedish currency. Demand was good at the start of the quarter but weakened somewhat towards the end of the period. Building production is slowing increasing from a low level while demand in the repairs and renovations sector is at a stable high level. There is some resistance to price increases due to underlying uncertainty about market development.

### Pulp and paper industry

Global production of market pulp increased by 6% in the first half of the year. The biggest increases occurred in Western Europe, Eastern Europe, Russia and Southeast Asia. Demand for paper pulp increased worldwide except in China where consumption fell. Global demand for pulp fell, however, during the third quarter.

Global pulpwood prices today are almost 10% higher than at the same time in 2009. Sweden's pulpwood prices have increased by almost 15% during 2010.

The Swedish pulp and paper industry had good demand for most products during the quarter, but the industry has weaker international competitiveness due to an increasingly strong Swedish currency. Pulp prices have fallen somewhat from a very high level.

### Biofuel market

The expansion of biofuel-based energy production continues. Within the EU, intensive efforts are under way to secure raw material supplies for the European energy sector in a sustainable manner. Swedish companies are receiving a growing number of enquiries from foreign energy companies about their ability to supply biofuel.

Pellet prices fell during the second quarter compared with the previous quarter in both Germany and Austria but despite this prices were high.

Prices for pellets in Sweden, which is the largest market in Europe, were practically unchanged during the period and are still considerably higher than in central Europe.

## ■ Timber market

### Northern Europe

Russia continues to be the world's dominant roundwood exporter but their market share has fallen substantially from almost 40% in 2006 to just over 20% this year. The main reason for this decline is considered to be the export duties introduced by the Russian authorities in 2008.

The Finnish forest industry increased its production within the pulp and paper and wood products sectors after a very weak autumn 2009. In order to meet the increased raw material requirement felling activity rose among private forest owners and trade almost doubled. Imports of roundwood also rose. It is primarily Russian hardwood pulpwood that is once again being shipped to the Finnish industry.

Trade in sawlogs and pulpwood around the Baltic is gathering pace after some years of low activity. It is probable that imports to Sweden will rise to 2007's levels, with imports of over seven million cubic metres.

### Sweden

Demand for timber raw material is good with strong timber flows. Prices of both sawlogs and pulpwood are high, which will lead to high felling levels during the autumn.

Biofuel deliveries are low since many boilers had maintenance shutdowns during the third quarter. Biofuel prices are expected to rise.

## ■ Sales, earnings and profitability

### Third quarter

During the quarter net sales increased by 22% compared with the same period in 2009 and amounted to SEK 1,474 million (1,212). The change is primarily due to increased prices but also to higher delivery volumes. Selling prices have risen by an average of 20%.

Operating profit from continuing operations improved and amounted to SEK 213 million (184) due to higher prices and delivery volumes. Capital gains from property sales, primarily sales to private forestry, amounted to SEK 38 million (88).

Share of profits of associates amounted to SEK 18 million (–12).

Operating profit before change in value of forest assets improved and amounted to SEK 269 million (260).

Change in value of forest assets amounted to SEK 119 million (222). The lower level compared with the previous year is partly due to higher extraction from own forests. One component in the change in value of forest assets is prices and costs. These are currently based on a seven-year average (2002–2009) which will be changed to an eight-year average in the 2010 closing accounts.

After change in value of forest assets operating profit amounted to SEK 388 million (482).

Net financial items amounted to SEK –53 million (–62).

Profit for the period decreased by 18% compared with the same period in the previous year and amounted to SEK 252 million (307). This is explained by a lower increase in the change of value of forest assets

### January–September

Net sales rose to SEK 5,121 million (4,381), which corresponds to an increase of 17%. Average timber prices increased by 15% and volumes by 7%.

Operating profit from continuing operations improved substantially and amounted to SEK 1,011 million (590). The improved result is mainly explained by higher prices and delivery volumes.

Capital gains from property sales, primarily sales to private forestry, amounted to SEK 193 million (333).

Share of profits of associates amounted to SEK 58 million (–144).

Operating profit before change in value of forest assets improved and amounted to SEK 1,262 million (779).

Change in value of forest assets was SEK 219 million (695).

See comments in the section Third quarter.

After change in value of forest assets, operating profit amounted to SEK 1,481 million (1,474).

Net financial items amounted to SEK –168 million (–208). The change is mainly due to a lower interest rate and lower average loan portfolio.

Profit for the period was 10% higher than in the same period last year and amounted to SEK 983 million (895).

### ■ Cash flow, investments and financial position

Cash flow from operating activities amounted to SEK 590 million (428). It was mainly the positive operating profit that led to this higher result compared with the previous year.

Investments in property, plant and equipment amounted to SEK 181 million (134). These mainly comprised forest land, machines and vehicles.

Investments in shares totalled SEK 29 million (252). Sales of property, plant and equipment, primarily forest properties, amounted to SEK 557 million (745) and sales of shares amounted to SEK 31 million (0). Interest-bearing net debt has so far decreased during the year by SEK 517 million to SEK 5,514 million.

Credit margins in the financial lending market in which Sveaskog operates appear to have bottomed out for the moment. At present, Sveaskog is mainly affected by a possible change in credit margins through the commercial paper programme in the Swedish money market. A general increase in the interest rate of one (1) percentage point would reduce the Group's profit before tax by approximately SEK 50 million.

### ■ Personnel

The number of employees at 30 September 2010 was 723 (719).

### ■ Other units within the Group

**Sveaskog Naturupplevelser AB** increased its sales by 4% to SEK 76 million (73).

The increased sales mainly relate to higher revenues from hunting leases where Sveaskog continues to work to adjust prices to the market primarily in northern Sweden, as well as leases of land and fishing waters to tourism companies.

**Svenska Skogsplantor AB** had largely unchanged sales which amounted to SEK 309 million (304). The increase is mainly due to higher prices.

During the spring, Svenska Skogsplantor and Sveaskog launched Conniflex, which is an effective and environmentally friendly mechanical plant protection against the pine weevil. This protection, which consists of a coating of glue and sand, will replace the chemical pesticides used today on pine and spruce seedlings. Expansion of treatment capacity and volumes is under way.

The associate company **Setra Group AB** reports a marked improvement in earnings due to the improved business climate for the wood products market as well as internal efficiency improvements and cost savings. Sveaskog's share of the company's profits amounted to SEK 58 million compared with SEK –144 million in the same period last year.

### ■ Parent Company

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

Sveaskog AB's operating income for the first nine months of 2010 amounted to SEK 15 million (28). Loss after financial items amounted to SEK 268 million (–376), of which capital gains on property sales accounted for SEK 1 million (20). The Parent Company's expenses mainly comprise interest expenses as a result of the acquisition of Sveaskog Förvaltnings AB. The company has no employees.

\* Forest Stewardship Council, FSC, is an independent international organisation for certification of responsible forestry. The aim is socially beneficial, environmentally appropriate and economically viable responsible forest management. FSC's logotype on products represents independent certification of forestry and product manufacture according to the FSC's rules.

## Sveaskog Group

### Summary income statement

(Note 1) SEKm	3 months		9 months		12 months	
	Q 3 2010	Q 3 2009	Jan-Sept 2010	Jan-Sept 2009	Oct 2009- Sept 2010	Full year 2009
Net sales	1,474	1,212	5,121	4,381	6,774	6,034
Other operating income	9	5	18	10	24	16
Raw materials and consumables	-539	-407	-1,810	-1,669	-2,408	-2,267
Change in inventories	21	82	-54	-15	-6	33
Other external costs	-612	-566	-1,823	-1,646	-2,452	-2,275
Staff costs	-118	-122	-374	-413	-501	-540
Depreciation	-22	-20	-67	-58	-86	-77
<b>Operating profit from continuing operations</b>	<b>213</b>	<b>184</b>	<b>1,011</b>	<b>590</b>	<b>1,345</b>	<b>924</b>
Capital gains from property sales	38	88	193	333	267	407
Share of profits of associates	18	-12	58	-144	63	-139
<b>Operating profit before change in value of forest assets</b>	<b>269</b>	<b>260</b>	<b>1,262</b>	<b>779</b>	<b>1,675</b>	<b>1,192</b>
Change in value of forest assets (Note 1)	119	222	219	695	1,247	1,723
<b>Operating profit</b>	<b>388</b>	<b>482</b>	<b>1,481</b>	<b>1,474</b>	<b>2,922</b>	<b>2,915</b>
Financial items	-53	-62	-168	-208	-231	-271
<b>Profit before tax</b>	<b>335</b>	<b>420</b>	<b>1,313</b>	<b>1,266</b>	<b>2,691</b>	<b>2,644</b>
Tax	-83	-113	-330	-371	-679	-720
<b>Profit for the period/year</b>	<b>252</b>	<b>307</b>	<b>983</b>	<b>895</b>	<b>2,012</b>	<b>1,924</b>
Earnings per share, SEK, before and after dilution	2.13	2.59	8.30	7.56	17.00	16.25
- calculated on average number of shares, million	118.4	118.4	118.4	118.4	118.4	118.4

### Statement of comprehensive income

(Note 1) SEKm	3 months		9 months		12 months	
	Q 3 2010	Q 3 2009	Jan-Sept 2010	Jan-Sept 2009	Oct 2009- Sept 2010	Full year 2009
<b>Profit for the period</b>	<b>252</b>	<b>307</b>	<b>983</b>	<b>895</b>	<b>2,012</b>	<b>1,924</b>
<b>Other comprehensive income</b>						
Exchange differences	-1	-1	-2	-1	-1	-1
Cash flow hedges	22	14	44	16	46	18
Tax attributable to cash flow hedges	-6	-3	-12	-4	-13	-5
<b>Total other comprehensive income for the period/year, net after tax</b>	<b>15</b>	<b>10</b>	<b>30</b>	<b>11</b>	<b>32</b>	<b>12</b>
<b>Total comprehensive income for the period/year</b>	<b>267</b>	<b>317</b>	<b>1,013</b>	<b>906</b>	<b>2,044</b>	<b>1,936</b>

### Summary balance sheet

SEKm	30 Sept 2010	30 Sept 2009	31 Dec 2009
<b>ASSETS</b>			
<b>Non-current assets</b>			
Intangible assets			
Property, plant and equipment	8	9	9
Forest land (Note 1)	2,009	2,019	2,013
Other property, plant and equipment	553	512	556
Biological assets – standing forest (Note 1)	27,983	27,143	28,028
Financial assets	532	454	457
<b>Total non-current assets</b>	<b>31,085</b>	<b>30,137</b>	<b>31,063</b>
<b>Current assets</b>			
Inventories	522	552	596
Current receivables, etc., non-interest bearing	2,349	2,148	2,064
Current interest-bearing receivables	0	2	0
Cash and cash equivalents	743	233	506
<b>Total current assets</b>	<b>3,614</b>	<b>2,935</b>	<b>3,166</b>
<b>TOTAL ASSETS</b>	<b>34,699</b>	<b>33,072</b>	<b>34,229</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>	<b>18,424</b>	<b>16,868</b>	<b>17,898</b>
Non-current liabilities - Interest-bearing liabilities and provisions	3,944	4,476	3,972
- Other liabilities and provisions	8,141	8,016	8,221
<b>Total non-current liabilities</b>	<b>12,085</b>	<b>12,492</b>	<b>12,193</b>
Current liabilities - Interest-bearing liabilities	2,313	2,065	2,566
- Other liabilities	1,877	1,647	1,572
<b>Total current liabilities</b>	<b>4,190</b>	<b>3,712</b>	<b>4,138</b>
<b>TOTAL LIABILITIES</b>	<b>16,275</b>	<b>16,204</b>	<b>16,331</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>34,699</b>	<b>33,072</b>	<b>34,229</b>

## Sveaskog Group

### Summary cash flow statement

SEKm	Jan–Sept 2010	Jan–Sept 2009	Full year 2009
<b>Operating activities</b>			
Operating profit	1,481	1,474	2,915
Adjustment for non-cash items, etc.	-474	-859	-2,048
Interest received	7	13	12
Interest paid	-176	-221	-283
Paid tax	-165	-75	-94
<b>Cash flow from operating activities before change in working capital</b>	673	332	502
Change in working capital	-83	96	32
<b>Cash flow from operating activities</b>	590	428	534
<b>Investing activities</b>			
Investments in property, plant and equipment	-181	-134	-203
Investments in shares	-29	-252	-255
Sale of property, plant and equipment	557	745	980
Sale of shares	31	0	0
Change in interest-bearing receivables	0	0	0
<b>Cash flow from investing activities</b>	378	359	522
<b>Financing activities</b>			
Dividend paid	-487	-89	-89
Change in financial liabilities	-244	-1,204	-1,200
<b>Cash flow from financing activities</b>	-731	-1,293	-1,289
<b>Cash flow for the period/year</b>	237	-506	-233
<b>Cash and cash equivalents, opening balance</b>	506	739	739
<b>Cash and cash equivalents, closing balance</b>	743	233	506

### Summary statement of changes in equity

SEKm	Jan–Sept 2010	Jan–Sept 2009	Full year 2009
<b>Opening equity, 1 January</b>	17,898	16,051	16,051
Total comprehensive income for the period/year	1,013	906	1,936
Dividend paid in accordance with AGM decision	-487*	-89	-89
<b>Closing equity at the end of the period/year</b>	18,424	16,868	17,898

\* At the Annual General Meeting it was decided that a cash dividend of SEK 486,513,170, corresponding to SEK 4.11 per share, should be paid to the shareholder.

### Key figures \*\*

	Jan–Sept 2010	Jan–Sept 2009	Full year 2009
Operating margin, %	29	34	48
Return on equity, % 1)	11.4	9.2	11.3
Equity ratio, %	53	51	52
Debt/equity ratio, multiple	0.30	0.37	0.34
Interest cover, multiple 1,3)	5.9	1.2	2.8
Interest-bearing net debt, SEKm	5,514	6,306	6,031
Earnings per share, SEK 2)	8.30	7.56	16.25
Average number of employees	933	938	958
Number of employees	723	719	721

\*\* Definitions, see 2009 Annual Report

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 divided by financial expenses.

## Parent Company

### Summary income statement

SEKm	9 months		12 months	
	Jan–Sept 2010	Jan–Sept 2009	Oct 2009–Sept 2010	Full year 2009
Operating income	15	28	31	44
Operating expenses	0	-1	0	-1
<b>Operating profit</b>	15	27	31	43
Financial items	-283	-403	-382	-502
<b>Profit/loss before tax</b>	-268	-376	-351	-459
Tax	71	99	93	121
<b>Profit/loss for the period</b>	-197	-277	-258	-338

## ■ Summary balance sheet

SEKm	30 Sept 2010	30 Sept 2009	31 Dec 2009
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	64	66	65
Total property, plant and equipment	64	66	65
Financial assets			
Interest-bearing	2,370	2,520	2,520
Non-interest bearing	24,934	24,934	24,934
Total financial assets	27,304	27,454	27,454
Total non-current assets	27,368	27,520	27,519
<b>Current assets</b>			
Current receivables, etc., non-interest bearing	84	124	494
Short-term investments	4,478	4,814	4,767
Cash and bank balances	0	0	0
Total current assets	4,562	4,938	5,261
<b>TOTAL ASSETS</b>	<b>31,930</b>	<b>32,458</b>	<b>32,780</b>
Equity			
Total equity	12,436	12,841	13,120
Non-current liabilities			
Interest-bearing non-current liabilities	3,169	3,669	3,169
Total non-current liabilities	3,169	3,669	3,169
Current liabilities			
Interest-bearing liabilities and provisions	16,268	15,884	16,455
Other liabilities and provisions	57	64	36
Total current liabilities	16,325	15,948	16,491
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>31,930</b>	<b>32,458</b>	<b>32,780</b>

## ■ Summary cash flow statement

SEKm	Jan–Sept 2010	Jan–Sept 2009	Full year 2009
<b>Cash flow from operating activities</b>	<b>62</b>	<b>505</b>	<b>420</b>
<b>Cash flow from investing activities</b>	<b>151</b>	<b>584</b>	<b>598</b>
<b>Cash flow from financing activities</b>	<b>–213</b>	<b>–1,089</b>	<b>–1,018</b>
<b>Total cash flow</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Cash and cash equivalents, opening balance</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Cash and cash equivalents, closing balance</b>	<b>0</b>	<b>0</b>	<b>0</b>

## ■ Summary statement of changes in equity

SEKm	Jan–Sept 2010	Jan–Sept 2009	Full year 2009
Opening equity, 1 January	13,120	13,207	13,207
Dividend paid in accordance with AGM decision	–487	–89	–89
Group contribution	–	–	461
Tax effect of group contribution	–	–	–121
<b>Profit/loss for the period/year</b>	<b>–197</b>	<b>–277</b>	<b>–338</b>
<b>Closing equity at the end of the period/year</b>	<b>12,436</b>	<b>12,841</b>	<b>13,120</b>

### Accounting principles

The interim report for the Group is prepared in accordance with IAS 34 Interim Financial Reporting, the Swedish Annual Accounts Act and the Securities Market Act. For the Parent Company the interim report is prepared in accordance with the Annual Accounts Act and the Securities Market Act, which are in accordance with the regulations in RFR 2.3 Accounting for Legal Entities. The accounting principles for the Parent Company and the Group applies in this report are unchanged compared with the most recently published annual report except that with effect from 1 January 2010 the Group applies IAS 27 (revised) Consolidated and Separate Financial Statements as well as IFRS 3 (revised) Business Combinations. These standards are not assessed as having any material effect on the Group's financial statements.

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

### Risks and uncertainties

A description of risks, uncertainties and risk management is provided in Sveaskog's 2009 Annual Report (in Swedish) on

pages 72–74. 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 balance sheet date

No significant events occurred after the balance sheet date.

### Other

Transactions with related parties are disclosed in the Group's Note 3 in Sveaskog's 2009 Annual Report. No significant changes have occurred in relations or transactions with related parties compared with those described in the 2009 report, except that during the third quarter Sveaskog Förvaltnings AB acquired the industrial site at Seskarö from the associate company Setra Group AB.

### Note 1 - Change in value of forest assets, SEKm

The market-related value of Sveaskog's forest assets at 30 September 2010 has been calculated at 29,992 (29,162), of which 27,983 (27,143) comprises the fair value of standing forest and 2,009 (2,019) an identified cost for land. The change in the balance sheet amounts to 830 (490).

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 described material risks and uncertainties facing the Parent Company and other companies in the Group.

Stockholm, 26 October 2010  
Sveaskog AB (publ.) (556558-0031)

Göran Persson  
*Chairman*

Eva Färnstrand  
*Board Member*

Marianne Förander  
*Board Member*

Thomas Hahn  
*Board Member*

Birgitta Johansson-Hedberg  
*Board Member*

Carina Håkansson  
*Board Member*

Elisabeth Nilsson  
*Board Member*

Anna-Stina Nordmark Nilsson  
*Board Member*

Mats G Ringesten  
*Board Member*

Sture Persson  
*Employee representative*

Eva-Lisa Lindvall  
*Employee representative*

Gunnar Olofsson  
*President and CEO*

## Review report

To the Board of Directors of Sveaskog AB (publ), reg. no. 556558-0031

We have reviewed the interim report for Sveaskog AB (publ) for the period 1 January until 30 September 2010. The Board of Directors and the President are responsible for the preparation and presentation of this interim report in accordance with IAS 34 and the Annual Accounts Act. Our responsibility is to express a conclusion on this interim report based on our review.

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

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

Stockholm, 26 October 2010

Mikael Eriksson  
*Authorised Public Accountant  
PricewaterhouseCoopers*

Martin Johansson  
*Authorised Public Accountant  
PricewaterhouseCoopers*

Filip Cassel  
*Authorised Public Accountant  
Appointed by the Swedish National Audit Office*

### For further information, please contact

Gunnar Olofsson, President and CEO, tel +46 8 655 91 74, +46 703 34 15 16

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

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

### Financial calendar

Year-end report 2010

27 January 2011

Interim report January–March 2011 and AGM

28 April 2011

