



#### 1 April – 30 June 2014

- Net sales amounted to SEK 1,718 million (1,727). The change is due to a 3% decrease in deliveries which was compensated by a 4% increase in selling prices.
- Operating profit from continuing operations amounted to SEK 255 million (273). Higher selling prices were counteracted by higher felling costs due to processing of storm-felled forests.
- Change in value of forest assets was SEK 164 million (150).
- Profit for the quarter amounted to SEK 306 million (314).

#### 1 January – 30 June 2014

- Net sales amounted to SEK 3,282 million (3,310). The change is due to a 4% decrease in deliveries which was compensated by a 4% increase in selling prices.
- Operating profit from continuing operations increased to SEK 632 million (544). The improvement is mainly due to higher delivery volumes from Sveaskog's own forests and higher selling prices.
- Change in value of forest assets was SEK 192 million (312). The decrease is mainly attributable to higher felling volumes.
- Profit for the period amounted to SEK 594 million (596).

SEKm	3 months		6 months		12 months	
	April–June 2014	2013	January–June 2014	2013	July 2013– June 2014	Full year 2013
Net sales	1,718	1,727	3,282	3,310	6,027	6,056
Operating profit from continuing operations	255	273	632	544	1,066	978
Change in value of forest assets	164	150	192	312	927	1,046
Operating profit	446	462	880	896	2,199	2,214
Profit before tax	382	397	745	763	1,923	1,941
Profit for the period	306	314	594	596	1,473	1,475
Cash flow from operating activities	316	303	510	355	791	636



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

### Positive earnings trend continues

Sveaskog's operating profit from continuing operations improved by SEK 88 million to SEK 632 million in the first half of 2014. This positive development was mainly due to higher delivery volumes from Sveaskog's own forests (+5%) and higher timber prices (+4%). Especially towards the end of the period, felling costs increased due to processing of storm-felled forests. The total sales volume decreased by 4%. Net sales for the first half of the year decreased to SEK 3,282 million (3,310).

In the first half of the year, Sveaskog sold a total of 5.7 (5.9) million cubic metres (m<sup>3</sup>sub) of wood raw material. Sales of sawlogs increased by 5% while sales of pulpwood and chips decreased by 2% and biofuel sales fell 32%.

### Market recovery

Demand for sawn wood products increased in the first half of the year. This is a continuation of the recovery which started at the end of 2013. The industry is cautiously optimistic.

The wood products company Setra Group AB, in which Sveaskog owns 50%, continues to perform well. Operating profit for the first half of the year amounted to SEK 165 million (33).

Sweden's pulp exports have risen in both volume and price. Demand for graphic papers continues to fall, while demand for cartonboard is stable. Taken overall, Sweden's exports of paper and cartonboard have decreased. There were positive signals from the pulp industry during the spring when Södra announced investment plans. There is currently some surplus of pulpwood in Sweden which is having a negative impact on price levels.

Demand for biofuel fell sharply due to low electricity prices and alternative fuels. Sveaskog's investment in liquid fuels through SunPine developed well and the company was able to pay a dividend for the first time. Sveaskog's share amounted to approximately SEK 5 million.

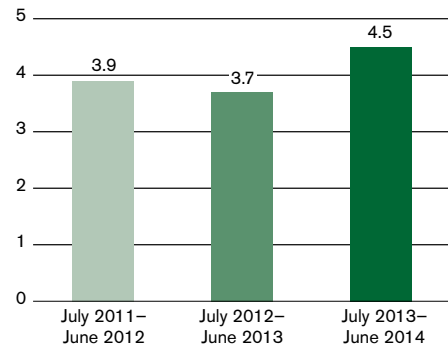
### New financial targets

At the 2014 Annual General Meeting the owner decided on new financial targets. The new yield target is 4.5% and the outcome for the first half was 4.5% (3.7). The target for the net debt/equity ratio is 0.3–0.6 and the ratio at the end of the first half was 0.49 (0.55). The Annual General Meeting also resolved to pay a dividend for 2013 of SEK 450 million which was paid in the second quarter.

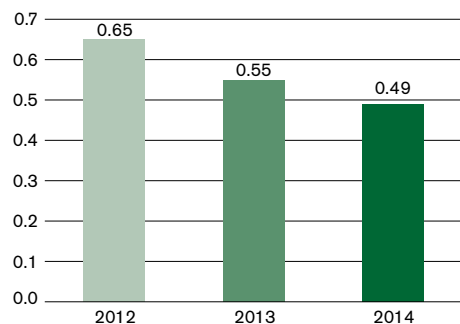


Per-Olof Wedin, President and CEO.

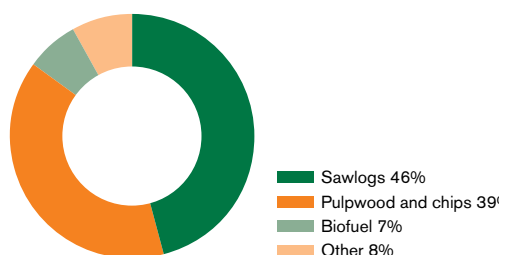
### Yield, %, rolling 12 months



### Net debt/equity, multiple, at 30 June



### Product breakdown by % of sales, rolling 12 months



# Group performance

## 1 APRIL–30 JUNE 2014

### Net sales

Net sales decreased by 1% to SEK 1,718 million (1,727). The change is due to a 3% fall in delivery volumes compared with the corresponding period in the previous year while timber prices rose by an average of 4%. Sales of wood raw material amounted to 2.8 (2.9) million cubic metres (m<sup>3</sup>sub). Sales of forest seedlings and silvicultural material decreased by 7%.

### Earnings

Operating profit from continuing operations amounted to SEK 255 million (273). Delivery volumes from own forests were largely unchanged while prices increased. Felling costs rose due to processing of storm-felled forests and earnings development for Svenska Skogsplantor was less favourable.

Capital loss from property sales amounted to SEK 6 million (+17). No major transactions were completed during the period. The negative figure is due to non-completion of property transactions announced earlier.

Share of profits of the associate Setra Group amounted to SEK 33 million (22).

Operating profit before change in value of forest assets amounted to SEK 282 million (312). Sveaskog's forest assets are valued quarterly. The change in value for the second quarter amounted to SEK 164 million (150), which is the estimated change in fair value according to IAS 41. Operating profit after change in value of forest assets amounted to SEK 446 million (462).

Net financial items in the quarter amounted to SEK –64 million (–65). Profit before tax amounted to SEK 382 million (397). Tax for the period was SEK –76 million (–83). Profit for the period amounted to SEK 306 million (314).

## 1 JANUARY–30 JUNE 2014

### Net sales

Net sales amounted to SEK 3,282 million (3,310). The change is mainly due to a 4% fall in timber deliveries which was compensated by a 4% increase in timber prices. Sales of wood raw material amounted to 5.7 (5.9) million cubic metres (m<sup>3</sup>sub). Sales from Svenska Skogsplantor decreased by 7%.

### Earnings

Operating profit from continuing operations amounted to SEK 632 million (544). The improvement is mainly due to higher delivery volumes from own forests and higher timber prices.

Capital loss from property sales amounted to SEK 2 million (+36). The negative figure is due to non-completion of property transactions announced earlier.

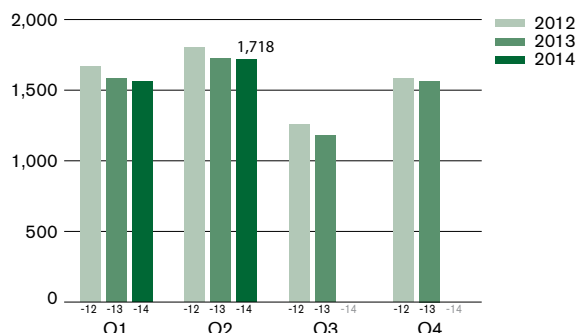
Share of profits of the associate company Setra Group amounted to SEK 58 million (4). The earnings trend reflects a combination of a favourable market situation and completed internal measures which resulted, among other things, in higher yield and an improved quality mix.

Operating profit before change in value of forest assets amounted to SEK 688 million (584). Change in value of forest assets was SEK 192 million (312). Operating profit after change in value of forest assets was SEK 880 million (896).

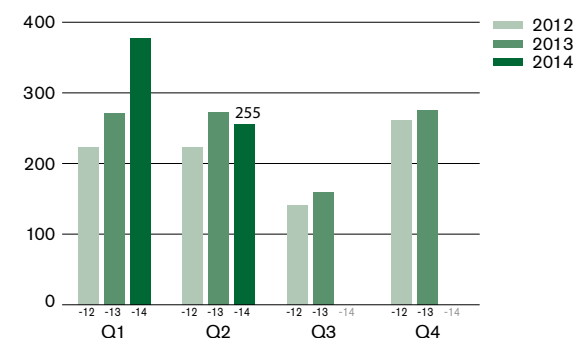
Net financial items amounted to SEK –135 million (–133).

Profit for the period amounted to SEK 594 million (596).

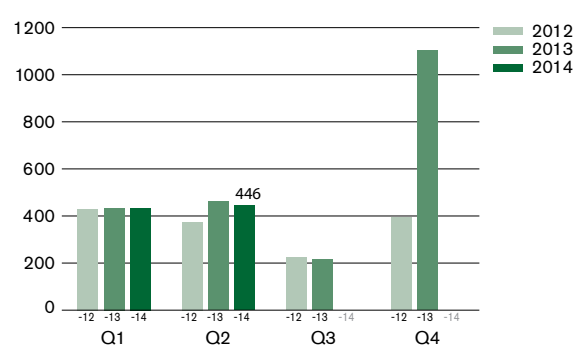
Net sales, SEKm



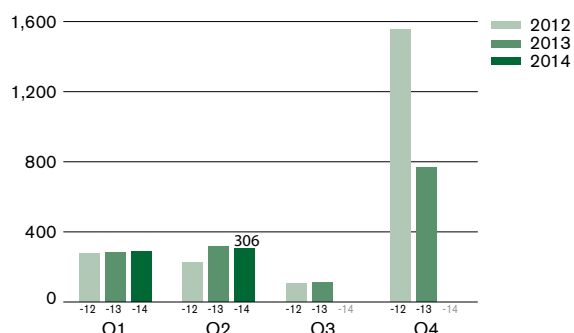
Operating profit from continuing operations, SEKm



Operating profit, SEKm



Profit for the period, SEKm



**Cash flow, investments and financial position**

Cash flow from operating activities amounted to SEK 510 million (355). The increase is mainly due to a higher operating profit from continuing operations. Investments in property, plant and equipment amounted to SEK 52 million (105) and investments in shares amounted to SEK 1 million (0). Sales of property, plant and equipment, primarily forest properties, amounted to SEK 10 million (88).

Sveaskog's interest-bearing net debt at 30 June amounted to SEK 8,490 million (9,073). At the end of the period, the loan portfolio mostly comprised loans raised under Sveaskog's MTN programme as well as a Swedish commercial paper programme. Bank financing accounts for approximately 5% of the portfolio. The loan volume under the commercial paper programme amounted to SEK 2,520 million (2,670) and is refinanced regularly. Under the MTN programme the outstanding volume at 30 June was SEK 5,190 million (4,700). The lowest average fixed interest period during the quarter was approximately 29 months.

The debt/equity ratio amounted to 0.49 (0.55).

Interest cover amounted to 4.0 (3.0) and the gross borrowing cost was 2.67% (2.58).

**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. Sveaskog AB's operating income in the first half of the year amounted to SEK 6 million (33). Loss after net financial items amounted to SEK 191 million (-167). The Parent Company's costs mainly comprise interest expenses. The company has no employees.

**Setra Group AB**

Sveaskog owns 50% of the shares in the wood products company Setra Group AB which is reported as an associate. Share of profits of associates is recognised in the consolidated income statement. Net sales for the period January–June amounted to SEK 2,258 million (2,140). Operating profit amounted to SEK 165 million (33). The earnings trend reflects a combination of a favourable market situation and completed internal measures which resulted, among other things, in higher yield and an improved quality mix. Sveaskog's share of the company's profits adjusted for intra-group profits amounted to SEK 58 million (4) for the first half of the year.

**Market situation and timber deliveries**

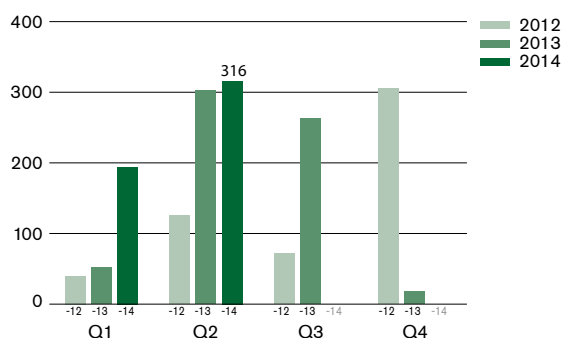
Sveaskog conducts trading in wood raw material in Sweden of which over half is taken from the company's own forests. Customers are primarily in Sweden and export a large proportion of their products worldwide. Supply, demand, prices and currencies therefore affect profitability at different stages.

Conditions in the timber market are greatly affected by development in the global wood products and forest industries as well as the energy sector. Swedish export industry has strengthened due to the recent relatively weak Swedish krona.

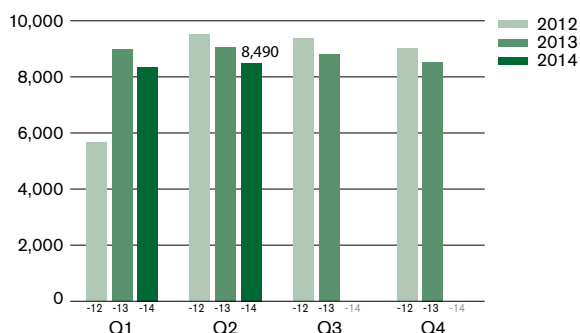
**SAWMILLS**

Demand for sawn products rose in the first half particularly in North Africa and Asia. In Europe, Germany and the UK are key markets where demand is growing. The sawmills remain cautiously optimistic. In general, there is

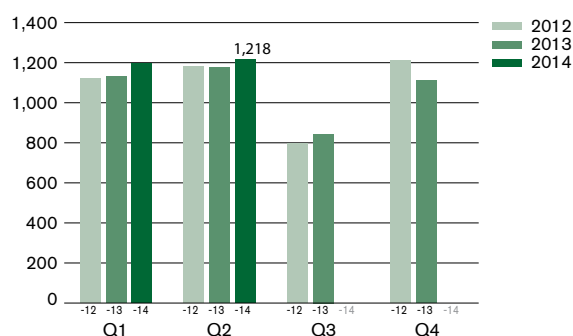
**Cash flow from operating activities per quarter, SEKm**



**Interest-bearing net debt, SEKm**



**Delivery volume sawlogs, thousand m³sub**



high demand for sawlogs and prices have increased except in the storm-affected areas. Supply of sawlogs shows some surplus in the south and shortages in the rest of Sweden.

#### Sveaskog's deliveries

Sveaskog's sawlog deliveries increased in the second quarter to 1,218 thousand m<sup>3</sup>sub (1,178) which is 3% higher than in the corresponding quarter last year.

#### 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 during the first four months of the year. The price of bleached softwood sulphate pulp (NBSK) remained relatively stable above USD 900 during the period.

Demand for graphic papers continues to fall while Europe's deliveries of fine papers was only marginally below last year's level. Packaging material is increasing.

In the Swedish market there was a surplus of pulpwood at the end of the period except in the northern part of the country where the situation was slightly more balanced.

#### Sveaskog's deliveries

Sveaskog's pulpwood and chips deliveries in the second quarter amounted to 1,335 thousand m<sup>3</sup>sub (1,342) which is 1% lower than the corresponding period last year.

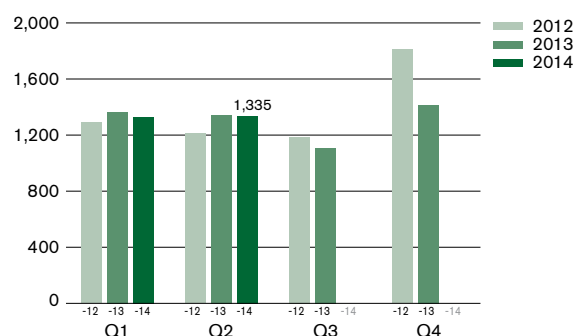
#### BIOFUEL MARKET

In Sweden, biofuel-based energy production is regional or local. Demand was weak in the first half of the year. This was mainly due to low electricity prices and tough competition from alternative fuels. The mild weather during the winter was also a contributory factor. Despite the low demand, prices were largely unchanged since these are often set for an entire season.

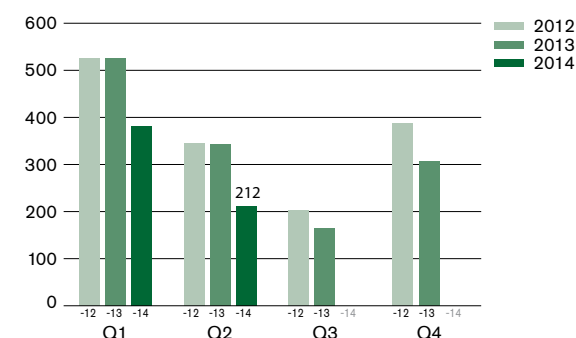
#### Sveaskog's deliveries

Sveaskog's biofuel deliveries in the second quarter amounted to 212 thousand m<sup>3</sup>sub (342) which is 38% below the volume in the same period last year.

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



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



#### Key figures, Group

	Jan–June 2014	Jan–June 2013	July 2013–June 2014	Full year 2013
Yield, % 1) (target at least 4.5%)	4.5	3.7	4.5	3.9
Net debt/equity ratio, multiple (target 0.3–0.6)	0.49	0.55	0.49	0.49
Operating margin, %	27	27	37	37
Return on operating capital, % 1)	8.5	6.1	8.5	8.7
Return on equity, % 1)	8.7	14.5	8.7	8.8
Interest cover, multiple 1,3)	4.0	3.0	4.0	3.5
Equity ratio, %	48	47	48	49
Interest-bearing net debt, SEKm	8,490	9,073	8,490	8,533
Earnings per share, SEK 2)	5.02	5.03	12.45	12.46
Average number of employees	860	866	860	899
Number of employees	690	689	690	693
Total delivery volume, thousand m <sup>3</sup> sub	5,668	5,882	10,593	10,807

1) Rolling 12 months.

2) Calculated on number of shares, 118,373,034.

3) Operating profit before change in value of forest assets minus capital gains on property sales plus financial income divided by financial expenses.



## Sveaskog Group

## Condensed income statement

SEKm	3 months		6 months		12 months	
	Q 2 2014	Q 2 2013	Jan–June 2014	Jan–June 2013	July 2013– June 2014	Full year 2013
Net sales	1,718	1,727	3,282	3,310	6,028	6,056
Other operating income	13	13	21	19	42	40
Raw materials and consumables	-455	-495	-953	-1,103	-1,779	-1,929
Change in inventories	-135	-124	-60	-135	112	37
Other external costs (Note 2)	-725	-683	-1,340	-1,230	-2,687	-2,577
Employee benefit expenses	-137	-140	-270	-268	-554	-552
Depreciation	-24	-25	-48	-49	-96	-97
<b>Operating profit from continuing operations</b>	<b>255</b>	<b>273</b>	<b>632</b>	<b>544</b>	<b>1,066</b>	<b>978</b>
Capital gains from property sales	-6	17	-2	36	125	163
Share of profits of associates	33	22	58	4	81	27
<b>Operating profit before change in value of forest assets</b>	<b>282</b>	<b>312</b>	<b>688</b>	<b>584</b>	<b>1,272</b>	<b>1,168</b>
Change in value of forest assets (Note 1)	164	150	192	312	926	1,046
<b>Operating profit</b>	<b>446</b>	<b>462</b>	<b>880</b>	<b>896</b>	<b>2,198</b>	<b>2,214</b>
Financial items	-64	-65	-135	-133	-275	-273
<b>Profit before tax</b>	<b>382</b>	<b>397</b>	<b>745</b>	<b>763</b>	<b>1,923</b>	<b>1,941</b>
Tax	-76	-83	-151	-167	-450	-466
<b>Profit for the period/year</b>	<b>306</b>	<b>314</b>	<b>594</b>	<b>596</b>	<b>1,473</b>	<b>1,475</b>
Earnings per share, SEK before and after dilutions	2.59	2.65	5.02	5.03	12.45	12.46
- calculated on the 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		6 months		12 months	
	Q 2 2014	Q 2 2013	Jan–June 2014	Jan–June 2013	July 2013– June 2014	Full year 2013
<b>Profit for the period/year</b>	<b>306</b>	<b>314</b>	<b>594</b>	<b>596</b>	<b>1,473</b>	<b>1,475</b>
<b>Other comprehensive income</b>						
Components that will not be reversed in profit or loss						
Actuarial gains/losses on pensions	-	-	-	-	56	56
Tax on actuarial gains/losses	-	-	-	-	-12	-12
Components that can be reversed in profit or loss						
Exchange differences	0	1	0	0	1	1
Cash flow hedges	-32	32	-65	57	-69	53
Tax attributable to cash flow hedges	7	-7	14	-13	15	-12
<b>Total other comprehensive income for the period/year, net after tax</b>	<b>-25</b>	<b>26</b>	<b>-51</b>	<b>44</b>	<b>-9</b>	<b>86</b>
<b>Total comprehensive income for the period/year</b>	<b>281</b>	<b>340</b>	<b>543</b>	<b>640</b>	<b>1,464</b>	<b>1,561</b>

# Sveaskog Group

## Condensed balance sheet

SEKm	30 June 2014	30 June 2013	31 Dec 2013
<b>ASSETS</b>			
<b>Non-current assets</b>			
Intangible assets	3	6	5
Property, plant and equipment			
Forest land (Note 1)	2,160	2,132	2,156
Other property, plant and equipment	534	547	537
Biological assets – standing timber (Note 1)	29,568	28,726	29,375
Financial assets	488	381	415
<b>Total non-current assets</b>	<b>32,753</b>	<b>31,792</b>	<b>32,488</b>
<b>Current assets</b>			
Inventories	606	545	673
Current receivables, etc., non-interest bearing	1,582	1,959	1,512
Cash and cash equivalents	1,480	695	1,155
<b>Total current assets</b>	<b>3,668</b>	<b>3,199</b>	<b>3,340</b>
<b>TOTAL ASSETS</b>	<b>36,421</b>	<b>34,991</b>	<b>35,828</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>	17,489	16,475	17,396
<b>Non-current liabilities</b>			
Interest-bearing liabilities and provisions	6,556	6,281	6,044
Other liabilities and provisions	7,666	7,360	7,646
<b>Total non-current liabilities</b>	<b>14,222</b>	<b>13,641</b>	<b>13,690</b>
<b>Current liabilities</b>			
Interest-bearing liabilities	3,414	3,487	3,645
Other liabilities	1,296	1,388	1,097
<b>Total current liabilities</b>	<b>4,710</b>	<b>4,875</b>	<b>4,742</b>
<b>TOTAL LIABILITIES</b>	<b>18,932</b>	<b>18,516</b>	<b>18,432</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>36,421</b>	<b>34,991</b>	<b>35,828</b>

## 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 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 the end of the period/year.

### Interest cover

Operating profit before change in value of forest assets excl. capital gains on property sales plus financial income divided by financial expenses.

### Net earnings per share

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

### Operating capital

Total assets excluding interest-bearing assets, tax assets and assets held for sale minus non-interest bearing liabilities and deferred tax liabilities, all calculated at the end of the period/year.

### Operating margin

Operating profit expressed as a percentage of net sales.

### Operating profit from continuing operations

Operating profit before change in value of forest assets, share of profits of associates and capital gains from property sales.

### Return on equity

Profit after tax expressed as a percentage of average equity.

### Return on operating capital

Operating profit divided by average operating capital, excluding deferred tax.

### Yield

Operating profit before change in value of forest assets excluding capital gains on property sales, divided by average operating capital, excluding deferred tax.

# Sveaskog Group

## Condensed statement of cash flows

SEKm	Jan–June 2014	Jan–June 2013	Full year 2013
<b>Operating activities</b>			
Operating profit	880	896	2,214
Adjustment for non-cash items	-242	-383	-1,280
Interest received	11	10	19
Interest paid	-146	-143	-314
Paid tax	-73	-99	-95
<b>Cash flow from operating activities before change in working capital</b>	<b>430</b>	<b>281</b>	<b>544</b>
Change in working capital	80	74	92
<b>Cash flow from operating activities</b>	<b>510</b>	<b>355</b>	<b>636</b>
<b>Investing activities</b>			
Investments in property, plant and equipment	-52	-105	-212
Investments in shares	-1	0	0
Sale of property, plant and equipment	10	88	370
Sale of shares	0	0	0
Change in interest-bearing receivables	0	0	0
<b>Cash flow from investing activities</b>	<b>-43</b>	<b>-17</b>	<b>158</b>
<b>Financing activities</b>			
Dividend paid	-450	-435	-435
Change in financial liabilities	308	-38	-34
<b>Cash flow from financing activities</b>	<b>-142</b>	<b>-473</b>	<b>-469</b>
<b>Cash flow for the period/year</b>	<b>325</b>	<b>-135</b>	<b>325</b>
<b>Cash and cash equivalents, opening balance</b>	<b>1,155</b>	<b>830</b>	<b>830</b>
<b>Cash and cash equivalents, closing balance</b>	<b>1,480</b>	<b>695</b>	<b>1,155</b>

## Condensed statement of changes in equity

SEKm	Jan–June 2014	Jan–June 2013	Full year 2013
<b>Opening equity, 1 January</b>	<b>17,396</b>	<b>16,270</b>	<b>16,270</b>
Total comprehensive income	543	640	1,561
Dividend paid in accordance with AGM decision	-450	-435	-435
<b>Closing equity at the end of the period/year</b>	<b>17,489</b>	<b>16,475</b>	<b>17,396</b>



# Parent Company

## Condensed income statement

(Note 1) SEKm	3 months		6 months		12 months	
	Q 2 2014	Q 2 2013	Jan–June 2014	Jan–June 2013	July 2013– June 2014	Full year 2013
Operating income	3	16	6	33	19	46
Operating expenses	-12	0	-15	-1	-14	0
<b>Operating profit/loss</b>	-9	16	-9	32	5	46
Financial items	-91	-103	-182	-199	-29	-46
<b>Profit/loss before tax</b>	-100	-87	-191	-167	-24	0
Tax	21	19	42	37	5	0
<b>Profit for the period/year *</b>	-79	-68	-149	-130	-19	0

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

## Condensed balance sheet

SEKm	30 June 2014	30 June 2013	31 Dec 2013
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	57	57	56
<b>Total property, plant and equipment</b>	57	57	56
<b>Financial assets</b>			
Shares and participations	24,934	24,934	24,934
Receivables from group companies, interest-bearing	2,410	1,910	2,210
Total financial assets	27,344	26,844	27,144
<b>Total non-current assets</b>	27,401	26,901	27,200
<b>Current assets</b>			
Current receivables, etc., non-interest bearing	82	601	398
Receivables from group companies, interest-bearing	342	18	98
Cash and cash equivalents	0	0	0
<b>Total current assets</b>	424	619	496
<b>TOTAL ASSETS</b>	27,825	27,520	27,696
<b>Equity</b>			
Equity	10,716	11,185	11,315
<b>Non-current liabilities</b>			
Interest-bearing non-current liabilities	5,986	5,597	5,447
Other provisions	3	7	3
<b>Total non-current liabilities</b>	5,989	5,604	5,450
<b>Current liabilities</b>			
Interest-bearing liabilities and provisions	11,065	10,676	10,860
Other liabilities and provisions	55	55	71
<b>Total current liabilities</b>	11,120	10,731	10,931
<b>TOTAL EQUITY AND LIABILITIES</b>	27,825	27,520	27,696

# Parent Company

## Condensed statement of cash flows

SEKm	Jan–June 2014	Jan–June 2013	Full year 2013
<b>Cash flow from operating activities</b>	-82	-4	255
<b>Cash flow from investing activities</b>	-213	338	45
<b>Cash flow from financing activities</b>	295	-334	-300
<b>Total cash flow</b>	0	0	0
<b>Cash and cash equivalents, opening balance</b>	0	0	0
<b>Cash and cash equivalents, opening balance</b>	0	0	0

## Condensed statement of changes in equity

SEKm	Jan–June 2014	Jan–June 2013	Full year 2013
<b>Opening equity, 1 January</b>	11,315	11,750	11,750
Dividend paid in accordance with AGM decision	-450	-435	-435
Profit/loss for the period/year	-149	-130	0
<b>Closing equity at the end of the period/year</b>	10,716	11,185	11,315

### ACCOUNTING PRINCIPLES

The interim report for the Group is prepared in accordance with IAS 34 Interim Financial Reporting and the Swedish Annual Accounts Act. For the Parent Company the interim report is prepared in accordance with the Annual Accounts Act which is in accordance with the regulations in RFR 2 Accounting for Legal Entities. The accounting principles and calculation principles 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. Large Swedish subsidiaries apply K3 with effect from 1 January 2014 and comparative figures have been adjusted. The effect on the Group was minimal.

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 30 June 2014 has been calculated at 31,728 (30,858), of which 29,568 (28,726) comprises the fair value of standing timber and 2,160 (2,132) an identified cost of land. The change in the balance sheet amounts to 870 (516).

### NOTE 2 – COMMENTS ON THE INCOME STATEMENT, SEKm

Costs include costs for processing following the storms Hilde and Ivar.

### NOTE 3 – MEASUREMENT OF FINANCIAL DERIVATIVES AND LIABILITIES

The table below shows the Group's derivatives measured at fair value as of 30 June 2014 and 31 December 2013:

SEKm	Level 1		Level 2		Level 3	
	June 2014	2013	June 2014	2013	June 2014	2013
<i>Assets</i>						
Financial assets at fair value through profit or loss						
Standing forest					29,568	29,375
Total assets	0	0	0	0	29,568	29,375
<i>Liabilities</i>						
Liabilities	0	0	9,448	9,248		
Derivative instruments	0	0	125	60	0	0
Total liabilities	0	0	9,573	9,308	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**

liabilities. The treasury function reports to the Chief Accountant who in turn reports to the Deputy CEO/CFO. The treasury function uses a well-established financial system and financial price information from a well-known financial information system. Measurement of derivatives of the OTC type are double-checked to ensure the correct valuation.

**Fair value of financial liabilities. The fair value of borrowing is assessed as shown below:**

	30 June 2014	31 Dec 2013
Non-current liabilities	6,030	5,624
Current liabilities	3,417	3,624
Total	9,447	9,248

**RISKS AND UNCERTAINTIES**

A description of risks, uncertainties and risk management is provided in Sveaskog's 2013 Annual Report (in Swedish) on pages 19–22. No other significant changes, in addition to those mentioned in this interim report, have occurred since publication of the annual report.

**IMPORTANT EVENTS AFTER THE CLOSING DATE**

No important events have taken place after the closing date.

**OTHER**

Transactions with related parties are disclosed in the Group's Note 3 in the 2013 Annual Report. No significant changes have taken place in relations to or transactions with related parties compared with what is described in the 2013 annual report.

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

Stockholm, 16 July 2014  
Sveaskog AB (publ.) (556558-0031)

Per-Olof Wedin  
*President and CEO*

The report has been signed by the CEO following authorisation from the Board.  
This report has not been reviewed by the auditors.

**FOR FURTHER INFORMATION, PLEASE CONTACT**

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**FINANCIAL CALENDAR**

Interim report January – September 2014	22 October 2014
Year-end report 2014	29 January 2015

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