



INTERIM REPORT 2013

Aktiebolaget SCA Finans (publ)  
Corp. Reg. No. 556108-5688

**June 30, 2013**

## Operations

Aktiebolaget SCA Finans (publ), Corporate Registration Number 556108-5688 and registered office in Stockholm, Sweden, is a wholly owned subsidiary of SCA Treasury B.V., the Netherlands, Corporate Registration Number 28065399 and registered office in Amsterdam, the Netherlands. The Parent Company of the Group is Svenska Cellulosa Aktiebolaget SCA (publ) with the Corp. Reg. No. 556012-6293 and its registered office in Stockholm.

The SCA Group's financing operation is, to a certain extent, centralized to AB SCA Finans. The company is responsible for the Group's risk management with respect to interest-rate risk, currency risk and energy-price risk. AB SCA Finans acts together with SCA Capital N.V., Belgium, as an internal bank for the Group companies with respect to loan and deposit transactions. AB SCA Finans acts alone as the internal bank for the Group companies with regard to currency and energy transactions.

AB SCA Finans manages a portion of SCA's borrowing from banks and other credit institutions in addition to direct market financing. In 2012, new external borrowing was raised in the Parent Company Svenska Cellulosa Aktiebolaget, and SCA Capital N.V. Together, these three companies represent the hub for external financing in the SCA Group. AB SCA Finans took over borrowing via the commercial paper programmes in Sweden and in Belgium from SCA Capital N.V. at the start of 2013.

Within the SCA Group, there exists an established finance policy. The policy forms a framework of guidelines and rules for managing the financial risks and for the finance operation in general. All risks and uncertainties and the methods used to manage these are described in detail in the 2012 Annual Report, under "Risk and Risk Management."

AB SCA Finans' profit before appropriations and tax amounted to SEK 715,885,000 (1,080,336,000) and was mainly attributable to the company's net interest income, foreign-exchange gains and trademark royalties.

No significant events took place after the end of the accounting period for AB SCA Finans.

<b>INCOME STATEMENT</b>	<b>2013</b>	<b>2012</b>
<b>January 1 - June 30</b>	<b>SEK 000s</b>	<b>SEK 000s</b>
Interest income	1,589,818	1,975,785
Interest expense	<u>-890,716</u>	<u>-1,041,479</u>
<b>Net interest income</b>	<b>699,102</b>	<b>934,306</b>
<b>Other operating items</b>	<b>24,494</b>	<b>257,699</b>
<b>Subtotal</b>	<b>723,596</b>	<b>1,192,005</b>
<b>Operating expenses</b>		
Operating expenses	-7,571	-4,999
Amortisation of intangible assets	<u>-140</u>	<u>-106,670</u>
<b>Total operating items</b>	<b>-7,711</b>	<b>-111,669</b>
<b>Operating profit</b>	<b>715,885</b>	<b>1,080,336</b>
<b>Tax on profit for the period</b>	<b>-157,495</b>	<b>-277,566</b>
<b>Profit for the period</b>	<b>558,390</b>	<b>802,770</b>

<b>STATEMENT OF COMPREHENSIVE INCOME</b>	<b>2013</b>	<b>2012</b>
<b>January 1 - June 30</b>	<b>SEK 000s</b>	<b>SEK 000s</b>
<b>Profit for the period</b>	<b>558,390</b>	<b>802,770</b>
<b>Other comprehensive income</b>	<b>-</b>	<b>-</b>
<b>Total comprehensive income</b>	<b>558,390</b>	<b>802,770</b>

<b>BALANCE SHEET</b>	<b>Jun. 30, 2013</b>	<b>Dec. 31, 2012</b>
	<b>SEK 000s</b>	<b>SEK 000s</b>
<b>ASSETS</b>		
<b>Non-current assets</b>		
<b>Intangible assets</b>		
Trademarks	-	-
Goodwill	<u>33</u>	<u>173</u>
<b>Total intangible assets</b>	<b>33</b>	<b>173</b>
<b>Tangible assets</b>		
Equipment	<b>250</b>	<b>250</b>
<b>Financial assets</b>		
Receivables from Group companies	155,557	74,550
Financial assets	<u>795,053</u>	<u>909,643</u>
<b>Total financial non-current assets</b>	<b>950,610</b>	<b>984,193</b>
<b>Total non-current assets</b>	<b>950,893</b>	<b>984,616</b>
<b>Current assets</b>		
Receivables from Group companies	98,948,931	97,566,152
Financial assets	154,758	145,575
Other receivables	-	18
Tax asset	3,713	1,307
Prepaid expenses and accrued income	555	402
Other current investments	-	9,959
Cash and bank balances	<u>91,127</u>	<u>19,455</u>
<b>Total current assets</b>	<b>99,199,084</b>	<b>97,742,868</b>
<b>TOTAL ASSETS</b>	<b><u>100,149,977</u></b>	<b><u>98,727,484</u></b>

<b>BALANCE SHEET</b>	<b>Jun. 30, 2013</b>	<b>Dec. 31, 2012</b>
	<b>SEK 000s</b>	<b>SEK 000s</b>
<b>EQUITY, PROVISIONS AND LIABILITIES</b>		
<b>Equity</b>		
<b>Restricted equity</b>		
Share capital 3,573,530 shares with a quotient value of SEK 100	357,353	357,353
Statutory reserve	<u>11,101,422</u>	<u>11,101,422</u>
<b>Total restricted equity</b>	<b>11,458,775</b>	<b>11,458,775</b>
<b>Unrestricted equity</b>		
Retained earnings	51,652,267	50,182,177
Profit for the period	<u>558,390</u>	<u>1,470,090</u>
<b>Total unrestricted equity</b>	<b>52,210,657</b>	<b>51,652,267</b>
<b>Total equity</b>	<b>63,669,432</b>	<b>63,111,042</b>
<b>Untaxed reserves</b>	<b>173</b>	<b>173</b>
<b>Provisions for pensions</b>	<b>145</b>	<b>119</b>
<b>Other provisions</b>	<b>175</b>	<b>175</b>
<b>Liabilities</b>		
<b>Non-current liabilities</b>		
Liabilities to Group companies	624,582	624,481
Financial liabilities	5,976,800	7,229,043
Other liabilities	<u>3,143</u>	<u>3,369</u>
<b>Total non-current liabilities</b>	<b>6,604,525</b>	<b>7,856,893</b>
<b>Current liabilities</b>		
Liabilities to Group companies	23,348,167	26,764,801
Financial liabilities	6,243,536	869,060
Accrued expenses and prepaid income	126,449	124,780
Other liabilities	157,295	267
Accounts payable	<u>80</u>	<u>174</u>
<b>Total current liabilities</b>	<b>29,875,527</b>	<b>27,759,082</b>
<b>Total liabilities</b>	<b>36,480,052</b>	<b>35,615,975</b>
<b>TOTAL EQUITY, PROVISIONS AND LIABILITIES</b>	<b><u>100,149,977</u></b>	<b><u>98,727,484</u></b>
<b>Pledged assets</b>		
Collateral for trading in derivatives	-	9,959
<b>Contingent liabilities</b>		
FPG (Försäkringsbolaget PRI Pensionsgaranti)	451	444

## STATEMENT OF CHANGES IN EQUITY

SEK 000s			Retained earnings and profit for the year	Total equity
<b>2012</b>	<b>Share capital</b>	<b>Statutory reserve</b>		
<b>Equity at January 1, 2012</b>	<b>357,353</b>	<b>11,101,422</b>	<b>34,561,130</b>	<b>46,019,905</b>
Profit for the year from the income statement			1,470,090	1,470,090
Other comprehensive income			-	-
<b>Total comprehensive income</b>			<b>1,470,090</b>	<b>1,470,090</b>
<b>Transactions with owners</b>				
Shareholders' contribution			17,114,281	17,114,281
Deductible Group contribution			-2,026,096	-2,026,096
Tax effect Group contribution			532,862	532,862
<b>Total transactions with owners</b>			<b>15,621,047</b>	<b>15,621,047</b>
<b>Equity at December 31, 2012</b>	<b>357,353</b>	<b>11,101,422</b>	<b>51,652,267</b>	<b>63,111,042</b>
SEK 000s			Retained earnings and profit for the period	Total equity
<b>Jun. 30, 2013</b>	<b>Share capital</b>	<b>Statutory reserve</b>		
<b>Equity at January 1, 2013</b>	<b>357,353</b>	<b>11,101,422</b>	<b>51,652,267</b>	<b>63,111,042</b>
Profit for the period from the income statement			558,390	558,390
Other comprehensive income			-	-
<b>Total comprehensive income</b>			<b>558,390</b>	<b>558,390</b>
<b>Transactions with owners</b>			-	-
<b>Total transactions with owners</b>			-	-
<b>Equity at June 30, 2012</b>	<b>357,353</b>	<b>11,101,422</b>	<b>52,210,657</b>	<b>63,669,432</b>

<b>CASH-FLOW STATEMENT</b>	<b>2013</b>	<b>2012</b>
<b>January 1 - June 30</b>	<b>SEK 000s</b>	<b>SEK 000s</b>
<b>Operating profit</b>	<b>715,885</b>	<b>1,080,336</b>
Net effect of intra-Group flows*	-857,354	-391,328
Adjustment for non-cash items **	4,411	92,105
	<b>-852,943</b>	<b>-299,223</b>
<b>Tax payments</b>	<b>-3,713</b>	<b>-1,686</b>
Operating receivables	-102	352
Operating liabilities	<u>-2,341</u>	<u>-2,728</u>
<b>Working capital</b>	<b>-2,443</b>	<b>-2,376</b>
Current loans	-1,392,008	232,848
Non-current loans	<u>33,584</u>	<u>169,680</u>
<b>Loans</b>	<b>-1,358,424</b>	<b>402,528</b>
Pension liability	199	-1,473
Other non-current liabilities	<u>-226</u>	<u>27</u>
<b>Non-interest bearing non-current liabilities</b>	<b>-27</b>	<b>-1,446</b>
<b>Cash flow from operating activities</b>	<b>-1,501,665</b>	<b>1,178,133</b>
Current loans	2,815,520	14,275,730
Non-current loans	<u>-1,252,142</u>	<u>-1,541,808</u>
<b>Loan financing</b>	<b>1,563,378</b>	<b>12,733,922</b>
<b>Cash flow from financing activities</b>	<b>1,563,378</b>	<b>12,733,922</b>
<b>Cash flow for the period</b>	<b>61,713</b>	<b>13,912,055</b>
Cash and cash equivalents at the beginning of the period	29,414	229,214
Change in cash and cash equivalents	<u>61,713</u>	<u>13,912,055</u>
<b>Cash and cash equivalents at the end of the period</b>	<b>91,127</b>	<b>14,141,269</b>

\* The item SEK -857,354,000 (-391,328,000) comprises the net of Group contributions received and paid in 2012.

\*\* The item SEK 4,411,000 (92,105,000) comprises reversed depreciation/amortisation of SEK 140,000 (106,670,000) and a change in accrued interest of SEK 4,271,000 (-14,565,000).

## NOTES

### NOTE 1 ACCOUNTING AND MEASUREMENT POLICIES

The annual report of AB SCA Finans was prepared in accordance with the Annual Accounts Act and the Swedish Financial Reporting Board's recommendation RFR 2. RFR 2 stipulates that the company shall apply International Financial Reporting Standards (IFRS), as adopted by the EU, insofar as this is possible within the framework of the Annual Accounts Act, and with consideration given to the link between accounting and taxation.

The presentation format of the balance sheet and income statement was adapted to better reflect the company's operations in the financial sector, which is consistent with transparency, generally accepted accounting principles in Sweden and a true and fair view under Chapter 2 of the Annual Accounts Act.

The preparation of financial statements in agreement with the applied rules and regulations requires the use of a number of important accounting estimates. In addition, senior management is required to make certain judgments in connection with the application of the company's accounting policies. The areas that contain a high degree of complex estimations or are such that the estimations and assessments are of material significance for the company's Annual Report are detailed in the section below describing the amortization periods for intangible assets, as well as the market valuation of financial derivatives.

AB SCA Finans has elected to apply RFR 2 in its entirety. Consequently, AB SCA Finans will measure the market value of all financial derivatives. AB SCA Finans believes that a market valuation of financial derivatives will provide reliable and relevant information about the company, which in turn will provide a more accurate view of AB SCA Finans. The policies in the market valuation have not changed since the preceding year.

#### INTANGIBLE ASSETS

Amortization according to plan is based on the costs and the tax amortization periods of the assets. Trademarks and goodwill are amortised on a straight-line basis over a five-year period.

#### MARKET VALUATION

The fair value of financial instruments is calculated on the basis of prevailing market listings on the balance-sheet date. In the absence of market listings, fair value is determined with the aid of common valuation models, such as discounting of future cash flows to listed market interest rates for each duration. These calculated cash flows are established based on available market information.

### NOTE 2 TRANSACTIONS WITH RELATED PARTIES

In AB SCA Finans' assignment, as part of SCA's Treasury operations, many transactions arise with related parties in the SCA Group. AB SCA Finans acts alone as the internal bank for currency transactions in the Group and, in turn, hedges the currency risk using external financial counterparties.

AB SCA Finans acts together with SCA Capital N.V. as the internal bank for the Group companies' loan and deposit transactions. External borrowing takes place in AB SCA Finans, SCA Capital N.V. and Svenska Cellulosa Aktiebolaget SCA, meaning that lending and borrowing takes place between all three companies. Inter-company assets and liabilities are recognised separately in the balance sheet.

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

The Board of Directors and President confirm that the interim report has been prepared in accordance with RFR 2 and generally accepted accounting principles in Sweden and provides a true and fair view of AB SCA Finans' position and earnings.

Stockholm, August 29, 2013

Lennart Persson  
Chairman of the Board

Carl-Axel Olson  
President

Mikael Schmidt  
Board member