



ANNUAL REPORT 2012

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

## BOARD OF DIRECTORS' REPORT

### *Operation*

Aktiebolaget SCA Finans (publ), with the Corp. Reg. No. 556108-5688 and its registered office in Stockholm, Sweden, is a wholly owned company of SCA Treasury B.V., the Netherlands, with the Corp. Reg. No. 28065399 and its 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 in cooperation with SCA Capital N.V., Belgium and the Parent Company Svenska Cellulosa Aktiebolaget SCA, as an internal bank for the Group companies with respect to loans and deposits. AB SCA Finans acts alone as the internal bank for the Group companies with regard to currency and energy transactions.

AB SCA Finans represents a portion of SCA's borrowing from banks, other credit institutions, as well as direct market financing. AB SCA Finans assumed responsibility for issuing new commercial papers from SCA Capital N.V. in December 2012. All new external long-term financing takes place in the Parent Company, Svenska Cellulosa Aktiebolaget SCA. Together, these three companies represent the hub for external financing in the SCA Group.

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.

In 2012, trademarks were divested to a Dutch Group company. The carrying amount of the trademarks was zero and the capital gain amounted to SEK 216,241,000.

A shareholders' contribution of SEK 17,114,281,000 was received from the owner SCA Treasury B.V. during the year.

AB SCA Finans' profit before appropriations and tax amounted to SEK 1,470,090,000 (1,554,619,000) and is mainly attributable to the Group's net interest income, foreign-exchange gains and royalties pertaining to trademarks.

### *Corporate Governance*

AB SCA Finans is part of SCA and a description of the corporate governance and risk management for the Group is found in SCA's 2012 Annual Report.

AB SCA Finans' operations as an internal bank are regulated by a finance policy approved by the SCA Group's Board of Directors. Front office, which initiates business transactions, is controlled by Treasury control through back office and middle office. Financial and operating risks, instruments and positions must confirm to the regulations of the finance policy. Treasury accounting is responsible for reporting earnings in accordance with applicable accounting policies. External auditors review the company's accounting and internal control. SCA also has a separate internal audit function, which is responsible for evaluating and improving efficiency in SCA's internal governance and control, as well as risk management.

The Board of Directors of AB SCA Finans assumes the overall responsibility for the company's organization and management by continuously monitoring the operation, assuring an appropriate organization, management, guidelines and internal control. The Chairman of the Board leads the Board work and continuously monitors the company's operation through dialogue with the President. The Chairman of the Board receives continuous reports from Treasury accounting pertaining to the company's performance, accounting and financial risk management. However, the Board of the SCA Group determines the finance policy, which regulates the operations of AB SCA Finans.

The President of AB SCA Finans is responsible for and manages the ongoing operations in accordance with the Board's guidelines and instructions, as well as the established finance policy. The President receives continuous reports from Treasury accounting and Treasury control pertaining to the company's development, accounting and financial risk management.

SCA Treasury B.V., the Netherlands is the sole owner of AB SCA Finans and there are no restrictions in voting rights in the Articles of Association. According to the stipulations in the Articles of Association, Board members are elected at the Annual General Meeting. The Board of Directors shall comprise not less than three and not more than nine members, with not more than three deputy members. Amendments to the Articles of Association are resolved by the Annual General Meeting. The Annual General Meeting has not authorized the Board of Directors to make decisions pertaining to the issuance of new shares or acquisition of treasury shares.

#### Proposed distribution of earnings

The following profits are at the disposal of the Annual General Meeting:

	<b>Dec. 31, 2012</b>
Retained earnings, SEK	34,561,129,474
Shareholders' contribution	17,114,280,887
Group contribution, net after tax, SEK	-1.493.233.811
Profit for the year	<u>1,470,090,488</u>
	51,652,267,038

The Board of Directors and President propose:

To be carried forward            SEK 51,652,267,038

A Group contribution, net after tax, totaling SEK 119,515,147 was made to SCA Treasury B.V. the Netherlands, Stockholm Branch, at the same time as a Group contribution of SEK 1,373,718,664 was paid to Svenska Cellulosa Aktiebolaget SCA. The Board of Directors is of the opinion that the Group contribution will not prevent the company from fulfilling its short or long-term obligations, or from completing the required investments. Accordingly, the value transfer is deemed permissible.

<b>INCOME STATEMENT</b>	<b>2012</b>	<b>2011</b>
	<b>SEK 000s</b>	<b>SEK 000s</b>
Interest income (Not 3)	4,312,107	3,976,183
Interest expense (Note 3)	<u>-2,596,755</u>	<u>-2,341,789</u>
<b>Net interest income</b>	<b>1,715,352</b>	<b>1,634,394</b>
Other operating income	715,242	489,346
Other operating expenses	<u>-411,358</u>	<u>-335,864</u>
<b>Other operating items (Note 4)</b>	<b>303,884</b>	<b>153,482</b>
<b>Subtotal (Note 9)</b>	<b>2,019,236</b>	<b>1,787,876</b>
<b>Operating expenses</b>		
Personnel costs (Note 5)	-6,035	-14,138
Amortization of intangible assets (Note 6)	-160,232	-213,339
Depreciation of tangible assets (Note 7)	-	-
Other external costs (Note 8)	<u>-4,774</u>	<u>-5,780</u>
<b>Total operating items</b>	<b>-171,041</b>	<b>-233,257</b>
<b>Operating profit</b>	<b>1,848,195</b>	<b>1,554,619</b>
<b>Appropriations (Note 10)</b>	<b>159,905</b>	<b>-</b>
<b>Tax on profit for the year (Note 11)</b>	<b>-538,010</b>	<b>-421,991</b>
<b>Profit for the year</b>	<b>1,470,090</b>	<b>1,132,628</b>
<b>STATEMENT OF COMPREHENSIVE INCOME</b>	<b>2012</b>	<b>2011</b>
	<b>SEK 000s</b>	<b>SEK 000s</b>
<b>Profit for the year</b>	<b>1,470,090</b>	<b>1,132,628</b>
<b>Other comprehensive income</b>	<b>=</b>	<b>=</b>
<b>Total comprehensive income</b>	<b>1,470,090</b>	<b>1,132,628</b>

<b>BALANCE SHEET</b>	<b>Dec. 31, 2012</b>	<b>Dec. 31, 2011</b>
	<b>SEK 000s</b>	<b>SEK 000s</b>
<b>ASSETS</b>		
<b>Non-current assets</b>		
<b>Intangible assets</b>		
Trademarks (Note 6)	-	122,687
Goodwill (Note 6)	<u>173</u>	<u>37,718</u>
<b>Total intangible assets</b>	<b>173</b>	<b>160,405</b>
<b>Tangible assets</b>		
Equipment (Note 7)	<b>250</b>	<b>250</b>
<b>Financial non-current assets</b>		
Receivables from Group companies (Note 12)	74,550	399,736
Financial assets (Note 13)	<u>909,643</u>	<u>835,684</u>
<b>Total financial non-current assets</b>	<b>984,193</b>	<b>1,235,420</b>
<b>Total non-current assets</b>	<b>984,616</b>	<b>1,396,075</b>
<b>Current assets</b>		
Receivables from Group companies (Note 12)	97,566,152	111,145,001
Financial assets (Note 13)	145,575	172,550
Other receivables	18	113
Tax asset (Note 11)	1,307	1,307
Prepaid expenses and accrued income (Note 14)	402	416
Other current investments (Note 13)	9,959	209,941
Cash and bank balances	<u>19,455</u>	<u>19,272</u>
<b>Total current assets</b>	<b>97,742,868</b>	<b>111,548,600</b>
<b>TOTAL ASSETS</b>	<b><u>98,727,484</u></b>	<b><u>112,944,675</u></b>

<b>BALANCE SHEET</b>	<b>Dec. 31, 2012</b>	<b>Dec. 31, 2011</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	50,182,177	33,428,502
Profit for the year	<u>1,470,090</u>	<u>1,132,628</u>
<b>Total unrestricted equity</b>	<b>51,652,267</b>	<b>34,561,130</b>
<b>Total equity</b>	<b>63,111,042</b>	<b>46,019,905</b>
<b>Untaxed reserves (Note 15)</b>	<b>173</b>	<b>160,078</b>
<b>Provisions for pensions (Note 5)</b>	<b>119</b>	<b>3,305</b>
<b>Other provisions</b>	<b>175</b>	<b>273</b>
<b>Liabilities</b>		
<b>Non-current liabilities</b>		
Liabilities to Group companies (Note 12)	624,481	472,785
Financial liabilities (Note 13)	7,229,043	11,207,064
Other liabilities	<u>3,369</u>	<u>4,180</u>
<b>Total non-current liabilities</b>	<b>7,856,893</b>	<b>11,684,029</b>
<b>Current liabilities</b>		
Liabilities to Group companies (Note 12)	26,764,801	53,991,544
Financial liabilities (Note 13)	869,060	945,592
Accrued expenses and deferred income (Note 16)	124,780	139,498
Other liabilities	267	238
Accounts payable (Note 13)	<u>174</u>	<u>213</u>
<b>Total current liabilities</b>	<b>27,759,082</b>	<b>55,077,085</b>
<b>Total liabilities</b>	<b>35,615,975</b>	<b>66,761,114</b>
<b>TOTAL EQUITY, PROVISIONS AND LIABILITIES</b>	<b><u>98,727,484</u></b>	<b><u>112,944,675</u></b>
<b>Pledged assets</b>		
Collateral for trading in derivatives (Note 13)	9,959	9,941
<b>Contingent liabilities</b>		
FPG (Försäkringsbolaget PRI Pensionsgaranti)	444	422

## STATEMENT OF CHANGES IN EQUITY

SEK 000s			Retained earnings and profit for the year	Total equity
<b>2011</b>	<b>Share capital</b>	<b>Statutory reserve</b>		
<b>Equity at December 31, 2010</b>	<b>357,353</b>	<b>11,101,422</b>	<b>34,472,367</b>	<b>45,931,142</b>
<b>Equity at January 1, 2011</b>	<b>357,353</b>	<b>11,101,422</b>	<b>34,472,367</b>	<b>45,931,142</b>
Profit for the year from the income statement			1,132,628	1,132,628
Other comprehensive income			-	-
<b>Total comprehensive income</b>			<b>1,132,628</b>	<b>1,132,628</b>
<b>Transactions with owners</b>				
Deductible Group contribution			-1,416,370	-1,416,370
Tax effect Group contribution			372,505	372,505
<b>Total transactions with owners</b>			<b>-1,043,865</b>	<b>-1,043,865</b>
<b>Equity at December 31, 2011</b>	<b>357,353</b>	<b>11,101,422</b>	<b>34,561,130</b>	<b>46,019,905</b>
<b>SEK 000s</b>			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>

<b>CASH-FLOW STATEMENT</b>	<b>2012</b>	<b>2011</b>
	<b>SEK 000s</b>	<b>SEK 000s</b>
<b>Operating profit</b>	2,008,100	1,554,619
Net effect of intra-Group flows (Note 17)	-1,560,071	-1,710,256
Adjustments for non-cash items, etc. (Note 17)	<u>-230,587</u>	<u>26,142</u>
	<b>217,442</b>	<b>-129,495</b>
<b>Tax payments</b>	<b>-5,147</b>	<b>-49,486</b>
Operating receivables	234	1,153
Operating liabilities	<u>-2,331</u>	<u>-2,417</u>
<b>Working capital</b>	<b>-2,097</b>	<b>-1,264</b>
Current loans	13,118,061	-808,541
Non-current loans	<u>251,226</u>	<u>-60,254</u>
<b>Loans</b>	<b>13,369,287</b>	<b>-868,795</b>
Pension liability	-3,281	3,438
Other non-current liabilities	<u>-812</u>	<u>-708</u>
<b>Non-interest bearing non-current liabilities</b>	<b>-4,093</b>	<b>2,730</b>
<b>Cash flow from operating activities</b>	<b>13,575,392</b>	<b>-1,046,310</b>
<b>Divestment of trademarks</b>	<b>216,241</b>	<b>-</b>
<b>Cash flow from investing activities</b>	<b>216,241</b>	<b>-</b>
Current loans	-27,279,388	1,901,000
Non-current loans	<u>-3,826,325</u>	<u>-665,023</u>
<b>Loan financing</b>	<b>-31,105,713</b>	<b>1,235,977</b>
<b>Shareholders' contribution</b>	<b>17,114,281</b>	<b>-</b>
<b>Cash flow from financing activities</b>	<b>-13,991,432</b>	<b>1,235,977</b>
<b>Cash flow for the year</b>	<b>-199,799</b>	<b>189,667</b>
Cash and cash equivalents, January 1	229,213	39,546
Change in cash and cash equivalents	<u>-199,799</u>	<u>189,667</u>
<b>Cash and cash equivalents, December 31</b>	<b>29,414</b>	<b>229,213</b>
<b>Supplementary disclosures</b>		
<b>Cash and cash equivalents</b>		
Cash and bank balances	19,455	19,272
Current investments	<u>9,959</u>	<u>209,941</u>
<b>Total cash and cash equivalents</b>	<b>29,414</b>	<b>229,213</b>



**Interest paid and received**

Interest paid	-1,345,621	-1,621,847
Interest received	<u>3,273,704</u>	<u>3,511,925</u>
<b>Total interest paid and received</b>	<b>1,928,083</b>	<b>1,890,078</b>

**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 Standard 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.

**REVENUE RECOGNITION**

Interest income is recognized in accordance with the effective interest method. Royalties are recognized in accordance with the implied financial effect of the contract.

**TRANSLATION OF FOREIGN CURRENCY**

Financial instruments in foreign currency are measured in the financial statements at the exchange rate in effect on the closing date. Exchange-rate differences are recognized under other operating items.

**TANGIBLE ASSETS**

Tangible assets are measured at cost after deduction for accumulated depreciation and any impairment. Depreciation according to plan is based on the costs and estimated useful lives of the assets. Equipment is depreciated on a straight-line basis over a five-year period.

**INTANGIBLE ASSETS**

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

**FINANCIAL INSTRUMENTS**

Financial instruments recognized in the balance sheet include cash and cash equivalents, securities, other financial receivables, accounts receivable, accounts payable, loans and derivatives.

Purchases and sales of financial instruments are recognized in the financial statements on the trade date, with the exception of loan receivables, financial assets and other financial liabilities, all of which are recognized on the settlement date. All financial instruments are initially measured at cost, which corresponds to the fair value of the instrument including transaction costs. The instruments are then recognized in accordance with the principles stipulated below for each type of instrument.

Financial assets are derecognized from the balance sheet when the risk and the right to receive cash flows from the instrument have ceased or been transferred to another counterparty. Financial liabilities are derecognized from the balance sheet when AB SCA Finans has met its commitments or they have been otherwise extinguished.

#### *Securities and financial receivables*

Securities and financial receivables are recognized at amortized cost in accordance with the effective interest method less any provisions for impairment.

#### *Accounts receivable*

Accounts receivable are recognized in the amount at which they are expected to be paid, based on an individual assessment of doubtful receivables. Credit risk in accounts receivable is managed in accordance with SCA's proactive credit checks. However, most accounts receivable are from Group companies.

#### *Financial liabilities*

Financial liabilities are initially recognized at fair value, net after transaction costs, and subsequently at amortized cost according to the effective interest method.

#### *Derivative instruments*

Derivative instruments are measured at fair value through profit or loss. The market values are prepared in accordance with generally accepted valuation techniques based on observable data.

The fair value of derivative 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 customary valuation techniques, such as discounting of future cash flows to listed market rates for each duration. These calculated cash flows are established based on available market information. There are no hedging relationships in AB SCA Finans. Derivatives are recognized in a gross amount without taking ISDA agreements in the balance sheet into consideration.

For disclosures in notes relating to the fair value of non-current loans, current market interest rates and an estimate of SCA's risk premium are used as the basis for calculation. The fair value of current loans and investments is considered to correspond to the carrying amount since a change in market interest rates does not have a significant effect on market value.

#### GROUP CONTRIBUTIONS

Group contributions are recognized in accordance with their financial impact. This means that Group contributions paid or received for the purpose of reducing the Group's total tax are recognized directly against retained earnings after deduction for the effect on current tax.

#### PENSION OBLIGATIONS

The company's pension obligations are recognized in accordance with recommendation 4 issued by FAR SRS (the institute for the accountancy profession in Sweden). Certain pension obligations are covered by insurance taken out with insurance companies. Other pension obligations are not covered through insurance. The capital value of these obligations comprises the present value of future obligations and is calculated on an actuarial basis. The capital value is recognized as a provision in the balance sheet. The interest portion of the change in the pension liability and other pension costs are charged against operating profit.

#### TAXES

Recognized income tax includes tax to be paid or received for the current year, adjustments of prior-year current tax and changes in deferred tax.

All tax liabilities/assets are measured at their nominal amount and based on the tax rules and tax rates in effect on the balance-sheet date.

For items recognized in profit or loss, related tax effects are also recognized in profit or loss. Items recognized in other comprehensive income or directly against equity are recognized in a net amount after tax.

Deferred tax is calculated on all temporary differences between the carrying amount and tax base of assets and liabilities according to the balance-sheet method. Due to the links between accounting and taxation, deferred tax liabilities on untaxed reserves are recognized as part of the untaxed reserves. The company does not have any other temporary differences.

## **NOTE 2 FINANCIAL RISK MANAGEMENT**

The SCA Group's financial risk management is centralized to capitalize on economies of scale and synergy effects and to minimize management risks. The central treasury function is responsible for the Group's loan financing, energy, currency and interest-rate risk management, and serves as an internal bank for the Group companies' financial transactions. External borrowing is conducted to a certain extent in AB SCA Finans. New non-current financing takes place in Svenska Cellulosa Aktiebolaget SCA. SCA Finans assumed responsibility for issues under the commercial papers program from SCA Capital B.V. at year-end 2012.

As an individual company, AB SCA Finans is exposed to financial risks which it manages in accordance with the finance policies established by the Board of SCA. The Group's financial risk management is described in SCA's 2012 Annual Report.

AB SCA Finans' capital structure is determined based on the requirement that the company must be sufficiently capitalized to address the financial risks that arise and to maintain a favorable credit rating. The equity/assets ratio, which is defined as adjusted equity as a percentage of total assets, amounted to 64% (41) as of December 31, 2012. AB SCA Finans is party to various major financial transactions with external counterparties, either independently or together with Svenska Cellulosa Aktiebolaget SCA.

### **TARGETS AND POLICIES FOR FINANCIAL RISK MANAGEMENT AT AB SCA FINANS**

#### **Currency risk**

AB SCA Finans serves as the sole internal bank for the Group companies' currency transactions, which include currency derivatives and cash transactions. The company, in turn, conducts financial transactions with various players in the finance market in order to manage the Group's currency risk. In accordance with SCA's finance policy, central treasury management has an opportunity, through AB SCA Finans, to hedge an interval for the Group's forecast transaction exposure of between zero and 18 months.

There is a mandate for the company to take positions in the currency market. This mandate is restricted by limits based on generally accepted Value-at-Risk models in accordance with SCA's finance policy.

Currency risk in external and internal loans and deposit transactions is eliminated using currency derivatives. The currency risk is isolated and managed according to the following.

#### **Interest-rate risk**

AB SCA Finans acts together with SCA Capital N.V. as the internal bank for the Group companies' loans and deposit transactions. As a rule, the Group companies' transactions have a duration of 12 months. Together with Svenska Cellulosa Aktiebolaget SCA, AB SCA Finans raises most of SCA's external financing. SCA aims to have a favorable distribution of interest maturities to avoid large loan volumes falling due for interest payments at the same time.

Fixed-income derivatives are used to achieve the desired distribution and duration for the interest maturities. The company's equity is utilized in its lending to the Group companies, which means that AB SCA Finans is a net investor despite its management of SCA's external financing.

Central treasury management, through AB SCA Finans, is responsible for identifying and managing the Group's external interest-rate exposure. SCA's finance policy stipulates that the duration of the average interest term per currency is to be within an interval of three to 15 months. The company is impacted when the average maturity of intra-Group transactions does not fully correspond with its external transactions.

There is a mandate for the company to take operational positions in the market. This mandate is restricted by limits based on generally accepted Value-at-Risk models in accordance with SCA's finance policy.

### **Refinancing risk and liquidity**

AB SCA Finans limits its refinancing risk by having a favorable distribution of maturities for its outstanding loans in accordance with SCA's finance policy.

### **Credit risk**

Financial risk management involves exposure to credit risks. This exposure arises in conjunction with investments of liquidity and through the receivables from banks and other counterparties that arise through derivative instruments. SCA's finance policy contains special counterparty regulations that stipulate the maximum credit exposure for various counterparties. One objective is for the counterparties to have a minimum credit rating of A- from at least two of the rating agencies Standard & Poor's, Moody's or Fitch. Investments and derivative transactions with Group companies are not considered to involve any credit risk for AB SCA Finans. Credit exposure in derivative instruments is set as the market value and a mark-up is included for energy derivatives.

### **Price risk**

Energy price refers to the risk of price movements in the energy market. AB SCA Finans acts as the counterparty for the financial electricity and gas transactions conducted to hedge energy prices for SCA's energy-intensive operations. These transactions comprise various electricity and gas derivatives. AB SCA Finans does not assume any price risk, since transactions with Group companies are offset by external transactions in accordance with SCA's energy risk policy.

## **AB SCA FINANS' MANAGEMENT OF FINANCIAL RISKS DURING THE YEAR**

### **Currency risk**

The currency transactions during the year had a positive impact of SEK 32m (33) on AB SCA Finans' earnings. As of December 31, 2012, outstanding currency positions with a carrying amount of positive SEK 10m (11) had been hedged with external financial parties on the Group's behalf. A general strengthening of the Swedish krona (SEK) by 5% in relation to other currencies would improve the outstanding carrying amount by SEK 70m (42), including derivatives outstanding on the balance-sheet date.

#### **Currency sensitivity by currency, SEKm**

USD	-13.9
GBP	24.9
EUR	21.4
DKK	14.5
NOK	8.0
CHF	4.3
CAD	3.1
CZK	3.0
RUB	2.9
PLN	1.7
<b>TOTAL</b>	<b>70.0</b>

### Interest-rate risk

Net interest income during the year had a positive impact of SEK 1,715 m (1,634) on AB SCA Finans' earnings. AB SCA Finans is a net investor, and a general interest-rate reduction of one percentage point would decrease AB SCA Finans' net interest income by approximately SEK 631m annually (460), including derivatives outstanding on the balance-sheet date.

### Refinancing risk and liquidity

AB SCA Finans' refinancing and liquidity are primarily secured by bank loans and bond issues. Multilateral development banks also serve as lenders; refer also to Note 13.

### Credit risk

Credit exposure in derivative instruments is set as the market value and for energy derivatives with a mark-up. AB SCA Finans endeavors to use standardized agreements that allow for the statutory net calculation of receivables and liabilities in countries where this is possible. Although continuous payment offsets on outstanding receivables and liabilities in derivative instruments do not take place, the right of offset in the event of a counterparty's bankruptcy means that AB SCA Finans measures this credit risk as a net amount. As of December 31, 2012, the credit risk associated with financial cash instruments amounted to SEK 29m (229). Credit exposure associated with derivative instruments totaled SEK 703m (652). Of the total credit exposure, SEK 245m (460) was with counterparties with a minimum rating of AA.

As of December 31, 2012, no receivables had fallen due for payment. No provisions were made in 2012 for possible or confirmed loan losses. There was deemed to be no provision requirement for doubtful receivables as of December 31, 2012. Credit risk in accounts receivable is managed in accordance with SCA's proactive credit checks.

### Price risk

As of December 31, 2012, external energy derivatives of 7.7 TWh (7.1) were outstanding on behalf of various Group companies. AB SCA Finans mirrors the Group companies' transactions with external counterparties. During the year, AB SCA Finans received a mandate to conduct a certain degree of positioning in the market between internal and external transactions as a result of the dissolution of hedges. These hedges belonged to internal companies that are no longer part of the Group. The energy loss amounted to SEK 1m in 2012. The net position on December 31, 2012 amounted to SEK 1m (0); refer also to Notes 12 and 13.

## NOTE 3 INTEREST INCOME AND INTEREST EXPENSE

SEK 000s	2012	2011
<b>External financial counterparties</b>		
Interest income	831,613	479,438
Market revaluation of fixed-income derivatives	66,391	250,500
Interest expense	<u>-949,877</u>	<u>-691,011</u>
<b>Net interest income external financial counterparties</b>	<b>-51,873</b>	<b>38,927</b>
<b>Group companies</b>		
Interest income Group companies	3,480,494	3,496,745
Market revaluation of fixed-income derivatives	-133,827	-292,359
Interest expense Group companies	<u>-1,579,442</u>	<u>-1,608,919</u>
<b>Net interest income Group companies</b>	<b>1,767,225</b>	<b>1,595,467</b>
<b>Net interest income</b>	<b>1,715,352</b>	<b>1,634,394</b>

**NOTE 4 OTHER OPERATING ITEMS**

<b>SEK 000s</b>	<b>2011</b>	<b>2011</b>
Exchange-rate gains	111,179	60,130
Energy losses	-57,524	-136,132
Financial expenses	-5,045	-15,594
Exchange-rate differences	<u>261,312</u>	<u>148,524</u>
<b>Total external financial counterparties</b>	<b>309,922</b>	<b>56,928</b>
Royalties, Group companies	69,561	144,433
Capital gains, trademarks	216,241	0
Exchange-rate losses, Group companies	-78,800	-26,677
Energy gains, Group companies	56,949	136,258
Other operating items	-8,126	-9,621
Exchange-rate differences, Group companies	<u>-261,863</u>	<u>-147,839</u>
<b>Total Group companies</b>	<b>-6,038</b>	<b>96,554</b>
<b>Total other operating items</b>	<b>303,884</b>	<b>153,482</b>

**NOTE 5 PERSONNEL COSTS**

**Salaries and remuneration SEK 000s**

	<b>2012</b>	<b>2011</b>
Board of Directors, President, Executive Vice Presidents and senior executives <sup>1)</sup>	-	-
of which, variable salary	-	-
Other employees	<u>6,301</u>	<u>5,704</u>
<b>Total</b>	<b>6,301</b>	<b>5,704</b>

**Social security costs SEK 000s**

	<b>2012</b>	<b>2011</b>
Total social security costs	-363	8,032
of which, pension costs <sup>2)</sup>	-2,681	5,374

1) Salaries and remuneration, social security costs, pension costs, as well as pension liabilities are charged to AB SCA Finans' Parent Company.

2) Of AB SCA Finans' pension costs, SEK 1,445,000 (1,796,000) pertains to former Presidents, Executive Vice Presidents and Board members.

The company's outstanding pension provisions for these costs amounted to SEK 0 (1,623,000) in 2012.

<b>Pension costs SEK 000s</b>	<b>2012</b>	<b>2011</b>
<b>Self-administered pension plans</b>		
Cost excluding interest expense	-3,050	3,544
Interest expense (recognized in personnel costs)	<u>139</u>	<u>1</u>
<b>Total</b>	<b>-2,911</b>	<b>3,545</b>
<b>Retirement through insurance</b>		
Insurance premiums	737	795
Other	<u>32</u>	<u>29</u>
<b>Total</b>	<b>-2,142</b>	<b>824</b>

Tax on returns	12	0
Special payroll tax on pension costs	-582	1,012
Cost for credit insurance, etc.	<u>31</u>	<u>-7</u>
<b>Total</b>	<b>-539</b>	<b>1.005</b>
<b>Pension cost for the year</b>	<b>-2,681</b>	<b>5,374</b>

Pension liabilities regarding retirement pensions have been secured by a joint Swedish SCA pension foundation. As of December 31, 2012, the market value of AB SCA Finans' portion of the foundation's assets amounted to SEK 22,733,000 (17,879,000). An allowance was received totaling SEK 0 (0) in 2012. As of December 31, 2012, the capital value of the pension obligations was SEK 22,089,000 (21,101,000). Pension payments of SEK 274,000 (266,000) were made in 2012. The value of the assets was higher than the pension obligations on December 31, 2012 in the amount of SEK 644,000, which is why previous pension provisions could be dissolved. In 2011, assets were less than pension obligations by SEK 3,222,000, which is why pension provisions were made in a corresponding amount.

**Capital value of pension obligations relating to self-administered pension plans,**

<b>SEK 000s</b>	<b>2012</b>	<b>2011</b>
Balance, January 1	3,305	26
Cost excluding interest expense	-3,050	3,544
Interest expense (recognized in personnel costs)	139	1
Payment of pensions	<u>-274</u>	<u>-266</u>
<b>Balance, December 31</b>	<b>120</b>	<b>3,305</b>

The capital value of the pension obligations as at December 31, 2012 pertains to obligations regarding ITP1 amounting to SEK 120,000 (83,000), which SCA recognizes as a "self-administered pension plan." The discount rate is 4.2% (4.5). Next year's anticipated payment pertaining to defined-benefit pension plans amounts to SEK 447,000.

AB SCA Finans has an obligation for disability and family pensions for salaried employees in Sweden, secured through insurance with the insurance company Alecta. These benefits are recognized as a defined-contribution plan, since AB SCA Finans did not have access to sufficient information to recognize this obligation as a defined-benefit plan. Premiums during the year for disability and family pension insurance with Alecta amounted to SEK 141,000 (131,000). Personnel costs also include other personnel costs amounting to SEK 96,000 (402,000).

<b>Average number of employees</b>	<b>2012</b>	<b>2011</b>
Sweden	9	10
of whom women, %	56	62

Of the total of three (three) Board members and senior executives, none are women (unchanged compared with 2011).

**NOTE 6 INTANGIBLE ASSETS**

<b>Trademarks SEK 000s</b>	<b>2012</b>	<b>2011</b>
Cost, January 1	1,361,487	1,361,487
Investments	-	-
Divestments	<u>-544,321</u>	-
<b>Accumulated cost, December 31</b>	<b>817,166</b>	<b>1,361,487</b>
Amortization, January 1	-1,238,800	-1,075,367
Divestments	544,321	-
Amortization for the year	<u>-122,687</u>	<u>-163,433</u>
<b>Accumulated amortization, December 31</b>	<b>-817,166</b>	<b>-1,238,800</b>
<b>Planned residual value, December 31</b>	<b>0</b>	<b>122,687</b>

<b>Goodwill, Trademarks SEK 000s</b>	<b>2012</b>	<b>2011</b>
Cost, January 1	249,532	249,532
Investments	-	-
<b>Accumulated cost, December 31</b>	<b>249,532</b>	<b>249,532</b>
Amortization, January 1	-211,814	-161,908
Amortization for the year	<u>-37,545</u>	<u>-49,906</u>
<b>Accumulated amortization, December 31</b>	<b>-249,359</b>	<b>-211,814</b>
<b>Planned residual value, December 31</b>	<b>173</b>	<b>37,718</b>

**NOTE 7 TANGIBLE ASSETS**

<b>Equipment SEK 000s</b>	<b>2012</b>	<b>2011</b>
Cost, January 1	271	453
Investments	<u>-21</u>	<u>-182</u>
<b>Accumulated cost, December 31</b>	<b>250</b>	<b>271</b>
Depreciation, January 1	-21	-203
Depreciation for the year	<u>21</u>	<u>182</u>
<b>Accumulated depreciation, December 31</b>	<b>0</b>	<b>-21</b>
<b>Planned residual value, December 31</b>	<b>250</b>	<b>250</b>

**NOTE 8 OTHER EXTERNAL EXPENSES**

<b>Auditing expenses SEK 000s</b>	<b>2012</b>	<b>2011</b>
<b>PwC</b>		
Audit assignment	-790	-683
Auditing activities other than audit assignment	-16	-
Tax consultancy services	-	-
Other services	-	-
<b>Total</b>	<b>-806</b>	<b>-683</b>

**NOTE 9 REVENUE BY REVENUE CLASS**

<b>Revenue class SEK 000s</b>	<b>2012</b>	<b>2011</b>
Operational interest-rate and currency hedging including position taking	30,367	31,120
Net interest income, external financial counterparties	-118,264	-209,206
Net interest income, Group companies	1,901,052	1,887,826
Royalty including capital gains	285,802	144,433
Other	-79,721	-66,297
<b>Total</b>	<b>2,019,236</b>	<b>1,787,876</b>

**NOTE 10 APPROPRIATIONS**

<b>Excess depreciation/amortization SEK 000s</b>	<b>2012</b>	<b>2011</b>
Excess amortization, trademarks	159,905	96,888
Excess depreciation, equipment	-	-17
<b>Total</b>	<b>159,905</b>	<b>96,871</b>



**NOTE 11 TAXES**

<b>Tax on profit for the year SEK 000s</b>	<b>2012</b>	<b>2011</b>
Current tax expense	<u>-538,010</u>	<u>-421,991</u>
<b>Total</b>	<b>-538,010</b>	<b>-421,991</b>

<b>Reconciliation SEK 000s</b>	<b>2012</b>		<b>2011</b>	
	<b>SEKm</b>	<b>%</b>	<b>SEKm</b>	<b>%</b>
Tax expense	-538,010	26.8	-421,991	27.1
Expected tax	<u>-528,130</u>	<u>26.3</u>	<u>-408,865</u>	<u>26.3</u>
<b>Difference</b>	<b>-9,880</b>	<b>0.5</b>	<b>-13,126</b>	<b>0.8</b>

**Difference is due to:**

Other non-taxable/non-deductible items	<u>-9,880</u>	<u>0.5</u>	<u>-13,126</u>	<u>0.8</u>
<b>Total</b>	<b>-9,880</b>	<b>0.5</b>	<b>-13,126</b>	<b>0.8</b>

<b>Current tax expense SEK 000s</b>	<b>2012</b>	<b>2011</b>
Income tax for the period	<u>-538,010</u>	<u>-421,991</u>
<b>Total</b>	<b>-538,010</b>	<b>-421,991</b>

**CURRENT TAX ASSET**

The change in the current tax asset during the period is explained below:

<b>SEK 000s</b>	<b>2012</b>	<b>2011</b>
Balance, January 1	1,307	1,307
Current tax expense/income	-538,010	-421,991
Paid tax	5,146	49,486
Tax income/expense, other Group companies	<u>532,864</u>	<u>372,505</u>
<b>Tax asset, December 31</b>	<b>1,307</b>	<b>1,307</b>

AB SCA Finans made a Group contribution of SEK 162,164,000 (878,951,000) to SCA Treasury B.V. Holland, Stockholm Branch.

The tax effect amounted to SEK 42,649,000 (231,164,000). The company made a Group contribution of SEK 1,863,933,000 (1,025,042,000) to Svenska Cellulosa Aktiebolaget SCA and received a Group contribution of SEK 0 (487,623,000) from Svenska Cellulosa Aktiebolaget SCA. The tax effects amounted to SEK 490,215,000 (269,586,000) and SEK 0 (128,245,000) respectively.

**NOTE 12 FINANCIAL INSTRUMENTS, GROUP COMPANIES**

<b>Receivables from Group companies, SEK 000s</b>	<b>2012</b>	<b>2011</b>
<b>Non-current receivables</b>		
Loans	31,866	360,813
Derivatives, refer to table below	<u>42,684</u>	<u>38,923</u>
<b>Total</b>	<b>74,550</b>	<b>399,736</b>

**Current receivables**

Loans	96,604,775	109,920,264
Derivatives, refer to table below	861,511	623,284
Accrued interest	99,736	113,562
Group contributions	0	487,622
Other	<u>130</u>	<u>269</u>
<b>Total</b>	<b>97,566,152</b>	<b>111,145,001</b>

<b>Total</b>	<b>97,640,702</b>	<b>111,544,737</b>
<b>Liabilities to Group companies SEK 000s</b>	<b>2012</b>	<b>2011</b>
<b>Non-current liabilities</b>		
Deposits	136,999	143,139
Derivatives, refer to table below	<u>487,482</u>	<u>329,646</u>
<b>Total</b>	<b>624,481</b>	<b>472,785</b>
<b>Current liabilities</b>		
Deposits	23,959,800	51,402,682
Derivatives, refer to table below	1,838,860	1,650,425
Accrued interest	108,694	57,102
Group contributions	857,354	878,951
Other	<u>93</u>	<u>2,384</u>
<b>Total</b>	<b>26,764,801</b>	<b>53,991,544</b>
<b>Total</b>	<b>27,389,282</b>	<b>54,464,329</b>

All financial instruments, with the exception of derivative instruments, are recognized at amortized cost in accordance with the effective interest method, translated at the closing rate. The derivative instruments are valued at market price.

Intra-Group receivables and liabilities mainly have short-term maturities and fixed-interest periods; long-term maturities occur only in exceptional cases.

Market values are determined in accordance with fair value hierarchy level two, which means that they are determined based on observable inputs and established valuation techniques.

Currency derivatives are mainly used to hedge the Group companies' future income and expenses in foreign currency with AB SCA Finans.

Commodity derivatives comprise electricity and gas derivatives used to hedge the Group companies' future energy prices with AB SCA Finans.

#### Net market value of outstanding derivatives, Group companies

<b>SEK 000s</b>	<b>2012</b>	<b>2011</b>
Current derivatives	-1,038,851	-1,086,547
Fixed-income derivatives	-457,706	-304,347
Commodity derivatives	74,410	73,030
<b>Total</b>	<b>-1,422,147</b>	<b>-1,317,864</b>

All loans are recognized at amortized cost in accordance with the effective interest method, translated at closing rate.

<b>Non-current receivables SEK 000s</b>	<b>2012</b>	<b>2011</b>
BRL loans	31,866	-
EUR loans	-	<u>360,813</u>
<b>Total</b>	<b>31,866</b>	<b>360,813</b>
<b>Current receivables SEK 000s</b>		
SEK loans	85,392,899	92,203,898
EUR loans	9,269,141	12,226,028
Other currencies and cashpool	<u>1,942,735</u>	<u>5,490,338</u>
<b>Total</b>	<b>96,604,775</b>	<b>109,920,264</b>
<b>Non-current liabilities SEK 000s</b>		
USD deposits	<u>136,999</u>	<u>143,139</u>
<b>Total</b>	<b>136,999</b>	<b>143,139</b>
<b>Current liabilities SEK 000s</b>		
SEK deposits	4,763,723	4,604,545
EUR deposits	12,989,678	46,157,197
Other currencies and cashpool	<u>6,206,398</u>	<u>640,940</u>

<b>Total</b>		<b>23,959,799</b>		<b>51,402,682</b>		
<b>Maturity profile of undiscounted flows, Group companies, including net and gross-settled derivatives</b>						
<b>SEK 000s</b>	<b>Total</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017+</b>
<b>Receivables</b>	<b>96,636,641</b>	96,604,775	-	-	-	31,866
<b>Derivatives, net-settled</b>	<b>111,338</b>	83,383	26,321	1,634	-	-
<b>Interest*</b>	<b>3,586,133</b>	3,576,301	2,458	2,458	2,458	2,458
<b>Total</b>	<b>100,334,112</b>	<b>100,264,459</b>	<b>28,779</b>	<b>4,092</b>	<b>2,458</b>	<b>34,324</b>
<b>Liabilities</b>	<b>24,096,798</b>	23,959,799	-	-	-	136,999
<b>Derivatives, net-settled</b>	<b>36,928</b>	21,760	14,551	617	-	-
<b>Derivatives, gross-settled</b>	<b>1,496,557</b>	1,155,868	121,434	112,803	104,664	1,788
<b>Interest*</b>	<b>1,722,328</b>	1,682,920	9,852	9,852	9,852	9,852
<b>Total</b>	<b>27,352,611</b>	<b>26,820,347</b>	<b>145,837</b>	<b>123,272</b>	<b>114,516</b>	<b>148,639</b>
<b>Net total</b>	<b>72,981,501</b>	<b>73,444,112</b>	<b>-117,058</b>	<b>-119,180</b>	<b>-112,058</b>	<b>-114,315</b>

**Recognized fair value of gross-settled derivatives as net of nominal market values**

<b>SEK 000s</b>	<b>Total</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017+</b>
<b>Assets</b>	<b>112,807,352</b>	106,738,989	165,063	176,021	5,240,252	487,027
<b>Liabilities</b>	<b>-114,303,909</b>	-107,894,857	-286,497	-288,824	-5,344,916	-488,815
<b>Total</b>	<b>-1,496,557</b>	<b>-1,155,868</b>	<b>-121,434</b>	<b>-112,803</b>	<b>-104,664</b>	<b>-1,788</b>

\* Fixed-interest periods are set at the agreed interest rate, while the closing date's interest rate for floating interest periods is assumed to be unchanged.

**NOTE 13 FINANCIAL INSTRUMENT EXTERNAL FINANCIAL COUNTERPARTIES**

<b>Receivables external financial counterparties SEK 000s</b>	<b>2012</b>	<b>2011</b>
<b>Non-current receivables</b>		
Derivatives, refer to the table below	<u>909,643</u>	<u>835,684</u>
<b>Total</b>	<b>909,643</b>	<b>835,684</b>
<b>Current receivables</b>		
Derivatives, refer to the table below	145,575	172,550
Liquid investments, refer to the table below	<u>9,959</u>	<u>209,941</u>
<b>Total</b>	<b>155,534</b>	<b>382,491</b>
<b>Total</b>	<b>1,065,177</b>	<b>1,218,175</b>
<b>Liabilities external financial counterparties SEK 000s</b>	<b>2012</b>	<b>2011</b>
<b>Non-current liabilities</b>		
Bond issues	4,929,726	5,115,171
Derivatives, refer to the table below	200,456	196,546
Other non-current loans with maturities > 5 years	800,000	1,624,106
Other non-current loans with maturities >1 year, < 5 years	1,300,308	4,276,269
Transaction costs, non-current loans	<u>-1,447</u>	<u>-5,028</u>
<b>Total</b>	<b>7,229,043</b>	<b>11,207,064</b>
<b>Current liabilities</b>		
Derivatives, refer to the table below	181,182	236,274
Loans with maturities <1 year	687,878	709,318
Accounts payable	<u>174</u>	<u>213</u>
<b>Total</b>	<b>869,234</b>	<b>945,805</b>

**Total** **8,098,277** **12,152,869**

All financial instruments, with the exception of derivative instruments, are recognized at amortized cost in accordance with the effective interest method, translated at the closing rate. Derivative instruments are valued at fair value. Market values are determined in accordance with the fair value hierarchy level two, which means that they are determined based on observable inputs and established valuation techniques.

External currency derivatives are mainly used to hedge AB SCA Finans' risk, since the Group companies hedge their future income and expenses with AB SCA Finans.

Fixed-income derivatives are primarily interest-rate swaps linked to non-current borrowing that convert the interest period from long to short-term.

Commodity derivatives comprise electricity and gas derivatives used to hedge AB SCA Finans' risk when the Group companies hedge future energy prices with AB SCA Finans. Position-taking occurs in AB SCA Finans with respect to interest-rate and currency hedging, while energy hedges are neutral in terms of position. Derivatives are recognized in a gross amount in the balance sheet and the items categorized as financial assets are mainly attributable to the gross recognition of the derivative.

**Net market value of outstanding derivatives, external financial counterparties**

<b>SEK 000s</b>	<b>2012</b>	<b>2011</b>
Currency derivatives	40,687	-124
Fixed-income derivatives	706,507	648,569
Commodity derivatives	-73,614	-73,030
<b>Total</b>	<b>673,580</b>	<b>575,415</b>

AB SCA Finans has the following commercial paper programs and liquid investments at its disposal for lending. Cash and cash equivalents are mainly intended to be used for amortization of outstanding loans.

Treasury bills are used as collateral with clearing banks for trading on derivatives.

Credit facilities are part of SCA's financial readiness, according to which the size of the Group's unutilized credit facilities and cash and cash equivalents shall correspond to 10% of the Group's forecasted annual sales. The refinancing risk that arises in conjunction with the utilization of the commercial paper programs is limited by credit facilities from banks with favorable credit ratings.

		<b>Dec. 31, 2012</b>	<b>Dec. 31, 2011</b>
<b>Commercial paper program</b>	<b>Nominal SEKm</b>	<b>Utilized SEKm</b>	<b>Utilized SEKm</b>
Swedish SEK 15,000m	15,000	688	-
Belgian EUR 400m	3,443	-	-
<b>Total</b>	<b>18,443</b>	<b>688</b>	<b>-*</b>

\* SCA Finans has issued certificates under the programs since December 2012.

		<b>Dec. 31, 2012</b>	<b>Dec. 31, 2011</b>
<b>Credit facilities</b>	<b>Nominal SEKm</b>	<b>Utilized SEKm</b>	<b>Utilized SEKm</b>
<b>Overdraft facilities</b>			
Maturity	2013	185	-
<b>Total</b>	<b>185</b>	<b>-</b>	<b>-</b>

<b>Liquid investments SEK 000s</b>	<b>Dec. 31, 2012</b>	<b>Dec. 31, 2011</b>
Deposits < 3 months	-	200,000
Treasury bills Sweden with maturities < 3 months	4,980	4,972
Treasury bills Sweden with maturities > 3 months	4,979	4,969
<b>Total</b>	<b>9,959</b>	<b>209,941</b>

AB SCA Finans has bank loans and an EMTN program at its disposal for non-current borrowing.

The EMTN program has a framework of EUR 3,000m (SEK 25,825m) and as of December 31, 2012, SCA Finans's portion of EUR 232m (224) was outstanding with an average maturity of 2.1 years (3.1). USD 450m (SEK 2,928m) has been issued in the US market.

In accordance with SCA's finance policy, AB SCA Finans shall maintain a favorable distribution of external loan and interest maturities.

SCA is of the opinion that a short-term interest period generates a lower borrowing cost over time. Accordingly, most of the loans with long-term interest periods are associated with interest-rate swaps to enable non-current borrowing with short-term interest periods.

<b>Non-current loans SEK 000s</b>	<b>2012</b>	<b>2011</b>
<b>Maturity &gt; 5 years</b>		
USD deposits	-	145,787
SEK deposits	800,000	800,000
EUR deposits	-	<u>678,319</u>
<b>Total</b>	<b>800,000</b>	<b>1,624,106</b>
<b>Maturity &gt; 1 year, &lt; 5 years</b>		
USD deposits	139,557	-
GBP deposits	507,469	775,118
EUR deposits	<u>653,282</u>	<u>3,501,151</u>
<b>Total</b>	<b>1,300,308</b>	<b>4,276,269</b>

All loans are recognized at amortized cost in accordance with the effective interest method, translated at the closing rate. Hedging relationships between various loans and their associated swaps are established at the Group level. Accordingly, hedge accounting occurs at the Group level and not at the company level. All derivative instruments in AB SCA Finans are recognized at fair value.

<b>Bond issues</b>	<b>Maturity years</b>	<b>Carrying amount</b>	<b>Fair value, SEKm</b>
		<b>SEK 000s</b>	
		<b>Dec. 31, 2012</b>	<b>Dec. 31, 2012</b>
Notes USD 450m	2015	2,928,465	3,187
Index Linked Interest Note SEK 300m	2015	374,301	319
Index Linked Interest Note SEK 500m	2015	626,960	532
Notes SEK 500m	2014	500,000	516
Notes SEK 500m	2014	500,000	516
<b>Total</b>		<b>4,929,726</b>	<b>5,070</b>

#### **Maturity profile of undiscounted external financial liabilities including net and gross-settled derivatives**

<b>SEK 000s</b>	<b>Total</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018+</b>
<b>Commercial paper</b>	<b>687,875</b>	687,875	-	-	-	-	-
<b>Bond issues</b>	<b>4,929,726</b>	-	1,000,000	3,929,726	-	-	-
<b>Non-current loans</b>	<b>2,100,308</b>	-	507,469	-	-	792,839	800,000
<b>Derivatives, net-settled liabilities</b>	<b>117,605</b>	89,183	26,748	1,674	-	-	-
<b>Derivatives, net-settled assets</b>	<b>-43,991</b>	-28,452	-14,922	-617	-	-	-
<b>Derivatives, gross-settled</b>	<b>-747,194</b>	102,324	-346,237	32,059	-459,406	-63,910	-12,024
<b>Interest on loans*</b>	<b>359,550</b>	116,288	93,031	69,674	46,417	22,760	11,380
<b>Total</b>	<b>7,403,879</b>	<b>967,217</b>	<b>1,266,089</b>	<b>4,032,516</b>	<b>-412,989</b>	<b>751,689</b>	<b>799,356</b>

#### **Gross-settled derivatives' recognized fair value as net of nominal market values**

<b>SEK 000s</b>	<b>Total</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018+</b>
<b>Assets</b>	<b>24,002,122</b>	11,344,507	865,353	4,929,726	5,624,440	606,268	631,828
<b>Liabilities</b>	<b>-23,254,928</b>	-11,446,831	-519,116	-4,961,785	-5,165,034	-542,358	-619,804
<b>Total</b>	<b>747,194</b>	<b>-102,324</b>	<b>346,237</b>	<b>-32,059</b>	<b>459,406</b>	<b>63,910</b>	<b>12,024</b>

\* Fixed interest periods are set at the agreed interest rate, while the closing date's interest rate for floating interest period is assumed to be unchanged.

**NOTE 14 PREPAID EXPENSES AND ACCRUED INCOME**

<b>SEK 000s</b>	<b>2012</b>	<b>2011</b>
Accrued interest income, external financial counterparties	13	29
PRI	148	149
Other	241	238
<b>Total</b>	<b>402</b>	<b>416</b>

**NOTE 15 UNTAXED RESERVES**

<b>Accumulated excess amortization SEK 000s</b>	<b>2012</b>	<b>2011</b>
Accumulated excess amortization, trademarks	173	160,078
<b>Total</b>	<b>173</b>	<b>160,078</b>

**NOTE 16 ACCRUED EXPENSES AND DEFERRED INCOME**

<b>SEK 000s</b>	<b>2012</b>	<b>2011</b>
Accrued interest expense, external financial counterparties	122,222	136,910
Accrued social security costs	531	716
Accrued vacation pay liability	607	617
Accrued bonuses	1,081	392
Other	339	863
<b>Total</b>	<b>124,780</b>	<b>139,498</b>

**NOTE 17 ADJUSTMENTS FOR NON-CASH ITEMS, ETC.**

<b>SEK 000s</b>	<b>2012</b>	<b>2011</b>
Net effect of Group contributions	<u>-1,560,071</u>	<u>-1,710,256</u>
	-1,560,071	-1,710,256
<i>Non-cash items</i>		
Depreciation/amortization	160,232	213,339
Capital gain, trademarks	-216,241	-
Dissolution of excess amortization, trademarks	-159,905	-
Change in accrued interest	<u>-14,673</u>	<u>-187,197</u>
	-230,587	26,142
<b>Total</b>	<b>-1,790,658</b>	<b>-1,684,114</b>

**NOTE 18 FINANCIAL INSTRUMENTS BY CATEGORY**

All financial instruments, with the exception of derivative instruments, are classified at amortized cost in accordance with the effective interest method. Derivative instruments are measured at fair value.

Derivative instruments have been separated from other financial instruments in Notes 12 and 13.

The market values were prepared in accordance with the fair value hierarchy level 2, meaning based on observable data and generally accepted valuation techniques. There are no hedging relationships in AB SCA Finans.

**NOTE 19 REGISTERED OFFICE OF THE COMPANY**

AB SCA Finans has its registered office in the City of Stockholm, Stockholm County. The address is: Box 200, SE-101 23 Stockholm, Sweden.

The Board of Directors and President declare that the Annual Report has been prepared in accordance with RFR 2 and with generally accepted accounting policies, and gives a true and fair view of AB SCA Finans' financial position and results of operations. The statutory Board of Directors' Report for the company provides a fair view of AB SCA Finans' operations, financial position and results of operations and describes material risks and uncertainties facing the company.

Stockholm, April 26, 2013

Lennart Persson  
Chairman of the Board

Carl-Axel Olson  
President

Mikael Schmidt  
Board member

Our auditors' report was submitted on April 26, 2013

PricewaterhouseCoopers AB

Theodor Hugosson  
Authorized Public Accountant

