



INTERIM REPORT 2015

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

June 30, 2015

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 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. All new external long-term financing normally 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. All risks and uncertainties and the methods used to manage these are described in detail in the 2014 Annual Report, under "Risk and Risk Management."

AB SCA Finans' profit before appropriations and tax amounted to SEK 366,163,000 (607,936,000) and was mainly attributable to the company's net interest income and foreign-exchange gains.

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

INCOME STATEMENT	2015	2014
January 1 - June 30	SEK 000s	SEK 000s
Interest income	646,879	1,521,337
Interest expense	<u>-265,394</u>	<u>-811,028</u>
Net interest income	381,485	710,309
Other operating items	-10,080	-98,858
Subtotal	371,405	611,451
Operating expenses		
Operating expenses	-5,242	-3,515
Total operating items	-5,242	-3,515
Operating profit	366,163	607,936
Tax on profit for the period	-80,556	-133,746
Profit for the period	285,607	474,190

STATEMENT OF COMPREHENSIVE INCOME January 1 - June 30	2015 SEK 000s	2014 SEK 000s
Profit for the period	285,607	474,190
Other comprehensive income	-	-
Total comprehensive income	285,607	474,190

BALANCE SHEET	Jun. 30, 2015 SEK 000s	Dec. 31, 2014 SEK 000s
ASSETS		
Non-current assets		
Tangible assets		
Equipment	250	250
Financial assets		
Receivables from Group companies	3,551,770	2,290,483
Financial assets	<u>557,278</u>	<u>688,553</u>
Total financial non-current assets	4,109,048	2,979,036
Total non-current assets	4,109,298	2,979,286
Current assets		
Receivables from Group companies	88,179,042	102,700,288
Financial assets	326,914	381,076
Other receivables	1,600	1,670
Tax asset	11,549	10,832
Prepaid expenses and accrued income	606	801
Other current investments	<u>1,149,961</u>	-
Cash and bank balances	<u>134,287</u>	<u>174,622</u>
Total current assets	89,803,959	103,269,289
TOTAL ASSETS	<u>93,913,257</u>	<u>106,248,575</u>

BALANCE SHEET	Jun. 30, 2015	Dec. 31, 2014
	SEK 000s	SEK 000s
EQUITY, PROVISIONS AND LIABILITIES		
Equity		
Restricted equity		
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>
Total restricted equity	11,458,775	11,458,775
Unrestricted equity		
Retained earnings	51,713,073	50,814,101
Profit for the period	<u>285,607</u>	<u>898,972</u>
Total unrestricted equity	51,998,680	51,713,073
Total equity	63,457,455	63,171,848
Provisions for pensions	406	332
Other provisions	-	175
Liabilities		
Non-current liabilities		
Liabilities to Group companies	1,180,951	900,001
Financial liabilities	2,290,059	3,632,433
Other liabilities	<u>3,864</u>	<u>3,669</u>
Total non-current liabilities	3,474,874	4,536,103
Current liabilities		
Liabilities to Group companies	18,920,101	28,273,515
Financial liabilities	7,889,821	10,147,583
Accrued expenses and prepaid income	90,151	118,857
Other liabilities	80,537	139
Tax liabilities	-	-
Accounts payable	<u>-88</u>	<u>23</u>
Total current liabilities	26,980,522	38,540,117
Total liabilities	30,455,396	43,076,220
TOTAL EQUITY, PROVISIONS AND LIABILITIES	<u>93,913,257</u>	<u>106,248,575</u>
Pledged assets		
Collateral for trading in derivatives	-	-
Contingent liabilities		
FPG (Försäkringsbolaget PRI Pensionsgaranti)	491	489

STATEMENT OF CHANGES IN EQUITY

SEK 000s				
2014	Share capital	Statutory reserve	Retained earnings and profit for the year	Total equity
Equity at January 1, 2014	357,353	11,101,422	51,666,221	63,124,996
Profit for the year from the income statement			898,972	898,972
Other comprehensive income			-	-
Total comprehensive income			898,972	898,972
Transactions with owners				
Deductible Group contribution			-1,092,461	-1,092,461
Tax effect Group contribution			240,341	240,341
Total transactions with owners			-852,120	-852,120
Equity at December 31, 2014	357,353	11,101,422	51,713,073	63,171,848
SEK 000s				
Jun. 30, 2015	Share capital	Statutory reserve	Retained earnings and profit for the period	Total equity
Equity at January 1, 2015	357,353	11,101,422	51,713,073	63,171,848
Profit for the period from the income statement			285,607	285,607
Other comprehensive income			-	-
Total comprehensive income			285,607	285,607
Transactions with owners				
Total transactions with owners				
Equity at June 30, 2015	357,353	11,101,422	51,998,680	63,457,455

CASH-FLOW STATEMENT	2015	2014
January 1 - June 30	SEK 000s	SEK 000s
Operating profit	366,163	607,936
Net effect of intra-Group flows*	-383,753	-740,973
Adjustment for non-cash items **	<u>-10,940</u>	<u>-15,800</u>
	-394,693	-756,773
Tax payments	-11,550	-14,502
Operating receivables	-1,458	-1,145
Operating liabilities	<u>-3,090</u>	<u>-9,463</u>
Working capital	-4,548	-10,608
Current loans	14,575,458	-4,705,814
Non-current loans	<u>-1,130,013</u>	<u>-90,442</u>
Loans	13,445,445	-4,796,256
Pension liability	-101	74
Other non-current liabilities	<u>196</u>	<u>105</u>
Non-interest bearing non-current liabilities	95	179
Cash flow from operating activities	13,400,912	-4,970,024
Current loans	-11,229,863	3,640,060
Non-current loans	<u>-1,061,423</u>	<u>1,113,942</u>
Loan financing	-12,291,286	4,754,002
Cash flow from financing activities	-12,291,286	4,754,002
Cash flow for the period	1,109,626	-216,022
Cash and cash equivalents at the beginning of the period	174,622	216,022
Change in cash and cash equivalents	<u>1,109,626</u>	<u>-216,022</u>
Cash and cash equivalents at the end of the period	1,284,248	-

* The item SEK -383,753,000 (-740,973,000) comprises the net of Group contributions received and paid in 2014.

** The item SEK -10,940,000 (-15,800,000) consist of changes in accrued interest.

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.

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 26, 2015



Fredrik Rystedt
Chairman of the Board



Johan Rydin
President



Mikael Schmidt
Board member