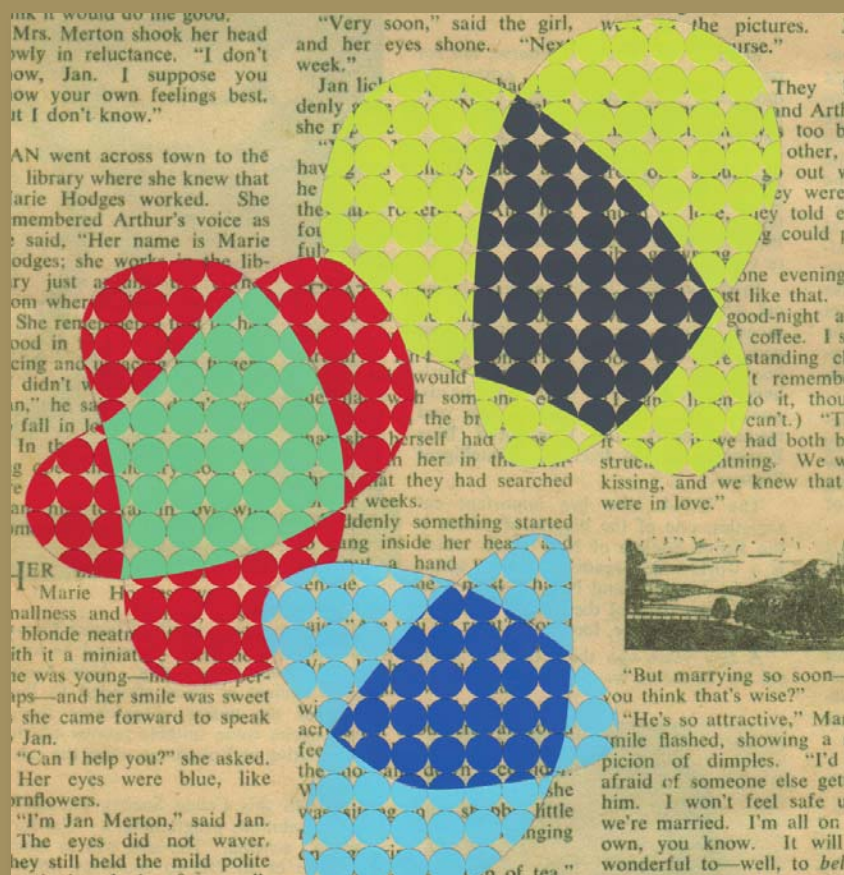








twenty  
twelve













Patricia, whooshing, tearing an explosion. "Good," he said. They spun around. "Look!" Patricia cried. It's the barge! Some have come across. They—





CellMark battled a difficult commercial environment in 2012. A slowly recovering economy, the debt crisis in Southern Europe and other factors combined to make profitable growth particularly challenging last year. While CellMark's "traditional" product divisions handled about as many tons in 2012 as they did in 2011, price and margin pressures hindered profitability. Consequently, our result fell short of expectations. Still, the year was quite successful in several respects.

Overall sales increased by nearly 10 percent, thanks in part to our two new divisions, CellMark Chemicals and CellMark Metals. Tireless work from the Gothenburg team and from our 150 new employees, enabled these divisions to integrate seamlessly into their new parent company. Today, they are a valuable addition to CellMark's global network and infrastructure and to our ability to leverage new opportunities. As expected, the acquisition and integration process has impacted our 2012 result with non-recurring costs.

Transitions such as these are always difficult. As such, we are especially thankful for the hard work and positive attitude these professionals demonstrated throughout the process. The acquisitions have been successful and the new divisions' 2012 achievements are promising. We are confident that CellMark will benefit further from synergies between our operations in 2013.

Last year, we placed significant emphasis on several development programs. The Pulp Division is managing CellMark's activities in the solid biofuels market, an initiative called CellMark Energy. This group has established CellMark as a market leading biomass supplier in France and has made significant progress developing our wood pellet business. Additionally, the Pulp and Recycling divisions jointly developed a successful waste-to-energy operation, which will grow significantly in 2013.

CellMark Chemicals has expanded its custom manufacturing and is continuing to do so in 2013. Furthermore, the Packaging and Paper divisions grew their trading volumes while penetrating new markets and developing new product segments. CellMark Recycling balanced a difficult market by enhancing its non-fiber business and by collaborating with CellMark Metals in metals recycling. It also acquired Environmental Management Consultants, integrated it into its Waste Stream Solutions practice and struck important deals with major retailers and newspapers.

CellMark also continued its diversification by adding a Basic Chemicals team late in 2012. This trading and distribution business focuses on acetic acid and caustic soda in Europe and the Mediterranean region. The team has also established itself in China, with ambitions to eventually become a global practice.

Finally, we wish to express our gratitude to our partners, who worked closely with CellMark in 2012 and supported our programs despite global economic difficulties. We rely on the exceptional support we receive from our customers, suppliers, financial institutions and insurance partners and are grateful for it. Our thanks also go to our hardworking, dedicated employees, who were truly tested in 2012. We are depending on their skills and commitment to CellMark's long-established values of integrity, trust, transparency and accountability, to bring 2013's performance back in line with our high expectations.

Hans Kling







### Focusing on Supply Chain Services

Since its establishment in 1984, CellMark has become one of the world's foremost providers of supply chain services to the pulp and paper industry. Today, CellMark comprises six product divisions: Chemicals, Metals, Pulp, Paper, Packaging and Recycling. CellMark also has three subdivisions: Energy, Basic Chemicals and Machinery and several complementary industrial investments.

CellMark's acquisition of Alcan International Network (completed at the end of 2011) resulted in the establishment of two new product divisions: CellMark Metals and CellMark Chemicals. The move reflects CellMark's longstanding plans to develop its global supply chain capabilities, creative trade finance solutions and risk management knowledge.

Valuable business and services solutions that CellMark provides:

- Sales and Marketing
- Financial Services
- Logistics and Customer Services
- Recycling Services
- Regulatory Support
- Custom Manufacturing
- Engineering & Technical Support
- Product Development

### Product Portfolio Development

Over the years, CellMark extended its traditional product portfolio beyond paper products and raw materials for the paper industry. Today, it also includes minerals, industrial and specialty chemicals, all handled by our Chemicals Division and metals, as well as materials and equipment for the foundry industry, managed by our Metals Division. Further, the Pulp Division manages our growing involvement in solid biofuels (woodchips and pellets) as well as our waste-to-energy efforts. CellMark Basic Chemicals handles our commodity chemicals program while the Packaging Division works with starch and other additives.

In North America, CellMark Recycling features 10 industrial waste-sorting facilities. The Division developed CellMark WasteStream Solutions, a zero-waste consulting program to help customers achieve their environmental goals. Moreover, CellMark Paper provides comprehensive graphic and print services through CellMark Graphics, while in Sweden, Hylte Converting AB rewinds and transforms damaged paper into first-class products. Additionally, Stockholm-based Sicutec sells pre-owned paper mill equipment and machinery.

### Our Organization

CellMark features a global network of 65 offices in 30 countries, complemented by numerous representatives in other markets. Today, the company's employees in wholly owned subsidiaries amount to almost 800. Our sourcing activities extend to more than 80 countries, with sales in about 125 markets. Additionally, CellMark is 100 percent employee owned. For the complete CellMark office network, please refer to [www.cellmark.com](http://www.cellmark.com).

### Integrity, Trust, Transparency and Accountability

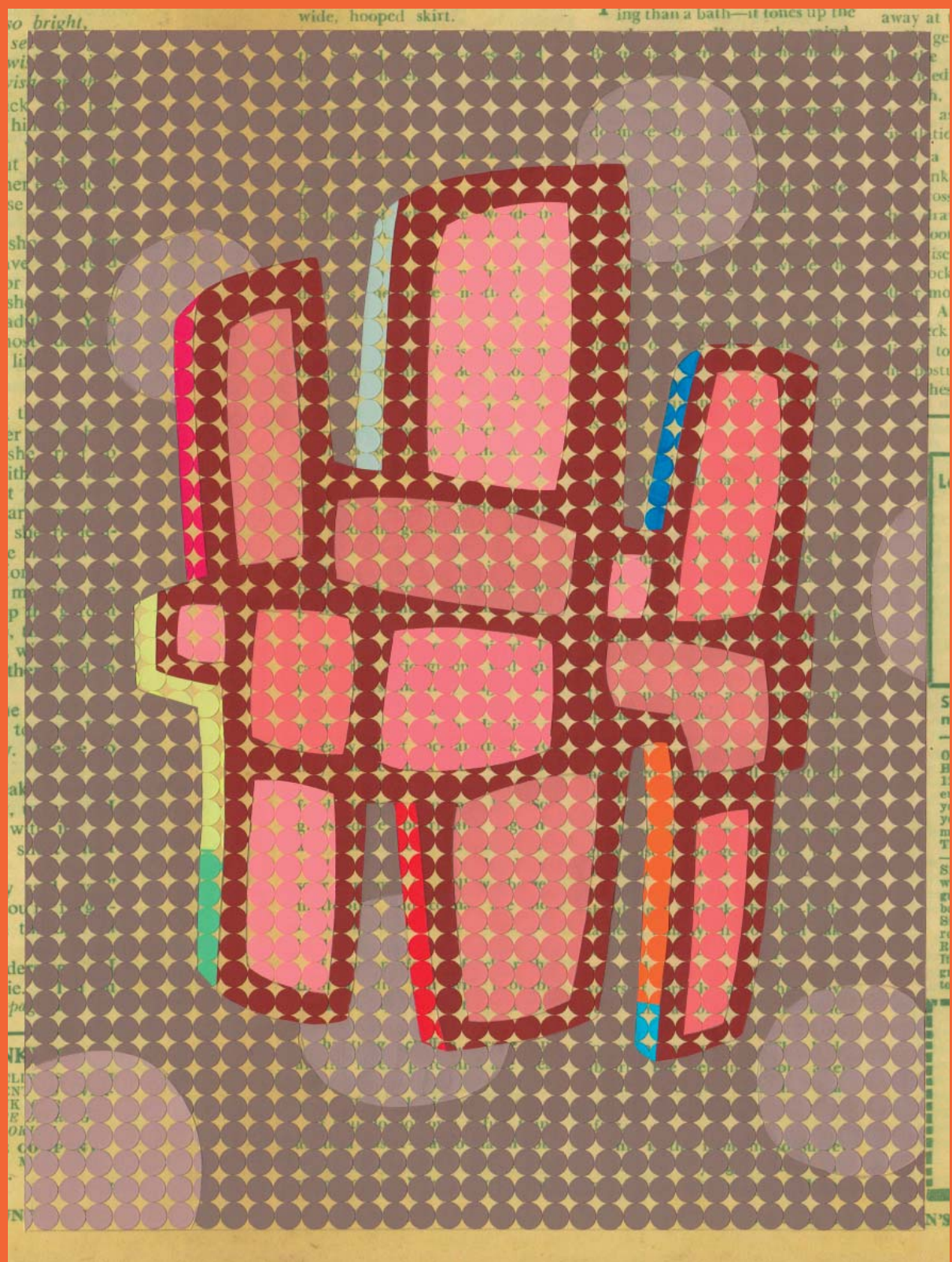
CellMark has established its position through long-term relationships and consistent performance. We value our relationships highly and continuously strive to earn and maintain the industry's confidence and respect. Our goal is to be the industry's obvious choice as a service provider. We take pride in what we do and we work hard to align our activities with the principles and values that are integral to our organization: integrity, trust, transparency and accountability.

### Future Objectives

As we are constantly reminded, business environments shift quickly, often without warning. At CellMark, we recognize the need to be agile, without losing sight of the principles and fundamentals on which our organization was built. As such, our clear objective for the future is to stay as we are, continuously changing.









Clearly, the paper industry is not sheltered from ongoing global change – and change is rapid and ubiquitous these days. While China is building the largest and best machines in the world, its production efficiencies have sparked innovation throughout the rest of the world. We have also seen accelerating change in publication grades, which has resulted in financial difficulties for many of our partners. It has been hard to navigate in this environment, but overall, we feel the Pulp Division adapted well to the new and shifting demands it faced in 2012.

Despite numerous hardships, we feel reasonably good about the year's performance. In short, CellMark Pulp continued to manage volatility well. Furthermore, we developed our products and services and continued to work closely with our partners to ensure their success. We also fine-tuned our technical sales support function, creating greater partner value. CellMark Pulp established a local trading company in China, catering to our partners' requirements. We added new market activities to our portfolio to offer a wider range of services from both a product and geographic perspective. Additionally, we see that our commitment to trust and transparency pays off through the faith that our partners, in turn, place in us.

In 2012, the Energy Group took a major step forward with wood biomass. CellMark aligned with a major utility in the United Kingdom and is helping it convert from coal to wood pellets. This transition will result in substantial annual volume as part of a long-term contract for supply and logistics services. In addition, CellMark is emerging as a major trader for global pellet manufacturers. We are positioned well as the industry prepares for demand spikes resulting from utilities seeking secure renewable fuel sources.

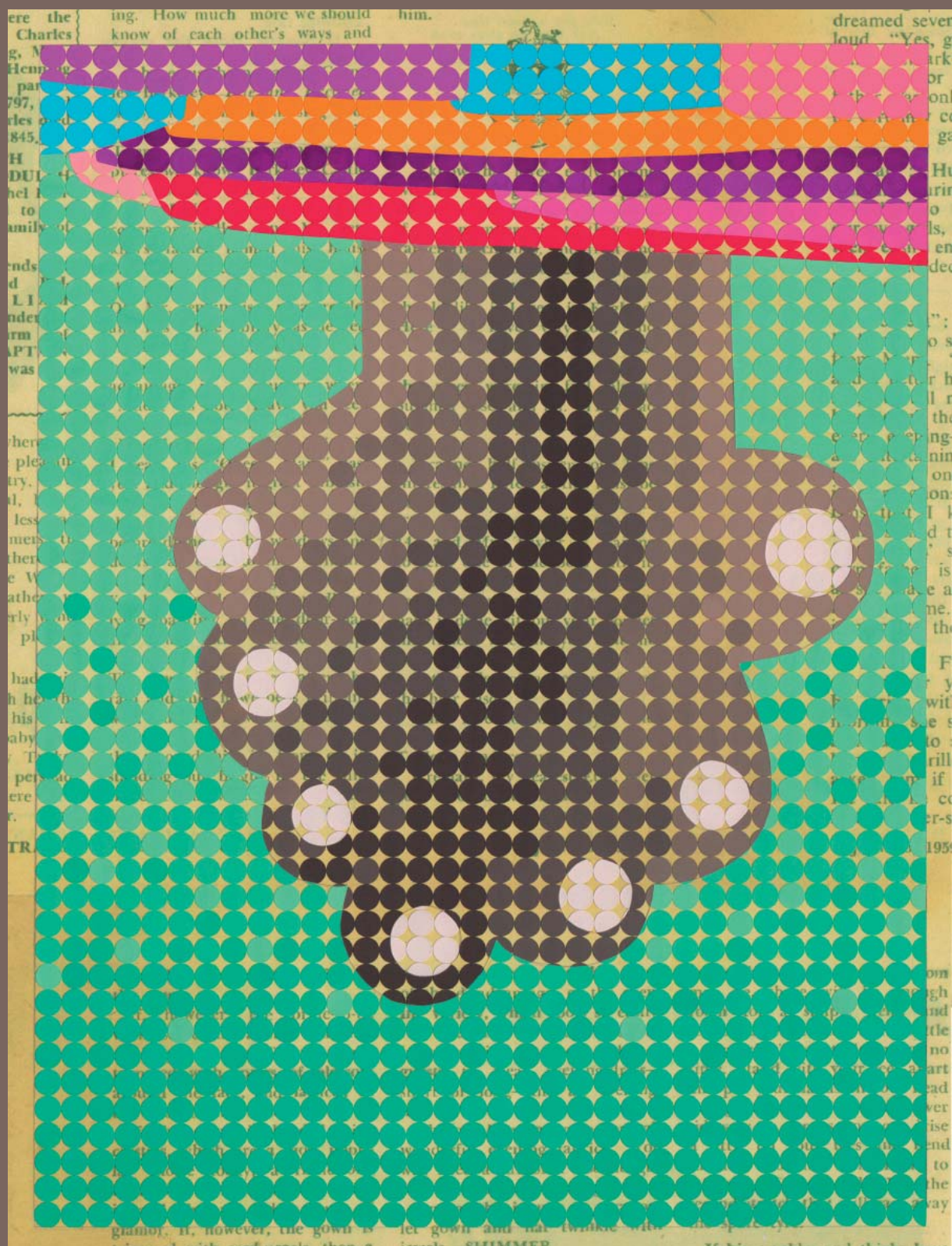
Additionally, CellMark has become a major raw biomass supplier in Northeast France. We have secured several long-term contracts (10–20-year deals) with private industrial partners as well as energy companies. These have helped CellMark gain a solid reputation in this emerging market and will facilitate our efforts to expand our activities in other parts of Europe.

Moreover, CellMark's Waste-to-Energy program continues to develop. We now supply alternative fuels to waste-to-energy plants and to the cement industry – at the same time diverting it from landfills. CellMark's financial security and ability to secure long-term supply and deliver unmatched logistics are helping us grow rapidly in this evolving market.

All in all, we have reason to be cautiously optimistic about the coming years and we remain ever grateful to our partners, who have helped us surpass our expectations through change.

Fredrik Anderson







In 2012, the Paper Division experienced a mixed result. New customer development and supplier cultivation efforts were successful and the Division increased its volume of distributed tons over 2011 by 15 percent. However, several factors impinged on profitability and financial results did not keep pace with growth.

In many ways, the 2012 expansion has established the groundwork for CellMark Paper to enjoy a strong, healthy future. Still, numerous fixed costs taken on during the fiscal year will require realignment to ensure that the business is as streamlined and efficient as possible in 2013.

CellMark Paper's European offices were especially challenged in 2012. Market volatility, caused by a fluctuating Euro and the near financial collapse of several nations, led to widespread uncertainty and difficulty maintaining trading volume. Further, the cost of freight to Europe rose dramatically and the Division had to manage several instances of late payments and bad debt.

Our Latin American offices had a sound performance last year. The teams' volumes grew, despite being handcuffed by anti-dumping legislation involving coated groundwood in Brazil, a primary (and expanding) market. This setback was overcome by exceptional expansion in Mexico as well as significant footholds being gained in several Latin American countries.

Additionally, the Miami team led the Division's efforts to optimize synergies with CellMark Chemicals and CellMark Metals – initiatives that help the entire company.

In Singapore, the team battled significant turnover at key levels, which led to a strategic shift in operations. Now, the region is managed from both Singapore and Qingdao, China, a model that has led to numerous efficiencies. Although overall numbers for the office were lukewarm in 2012, outstanding inroads in the Chinese, Australian and South African markets bode well for the group in 2013 and beyond.

In North America, the Division showed mixed results. The domestic commercial business grew significantly, thanks in part to having NorCell under the CellMark Paper umbrella for the entire fiscal year. Our increased activity with NorCell continually uncovered previously unforeseen growth opportunities – for the Division and for NorCell. At the same time, the uncoated freesheet market slowed. CellMark Paper committed to stemming that problem by building a stronger presence in specialty papers and other grades less susceptible to volatility.

As we progress into 2013, CellMark Paper is enacting tightly defined cost restructuring initiatives to ensure that profitability stays apace while volume growth continues – and it will, likely by more than 10 percent. While restoring our Division to profitable growth will require navigating global uncertainty, CellMark Paper – with talented employees and loyal customers and suppliers collaborating more effectively than ever – is well on its way to making it happen.

Joe Hoffman



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name, is a charming place. It  
took my fancy exceedingly.

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delivery-men and brought along to the  
hall all the large and heavy items.

Riding on the back of a truck General

"khorjoun" Gordon's graduate sat

women like a magnet. The polished  
cradle gathered to itself an admiring  
audience of men who were amazed at the  
wizardry of some long-dead craftsman.

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seeing nothing.

How long it was before she  
realised it, Patricia did not know,  
but suddenly she was aware of  
Lucy's hand clasped within her

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reply was: "I'm not playing with dirt,  
Grannie. I'm putting the hole back  
again."

school. Sure that his mother was out of  
hearing, he cried out triumphantly, "I  
pretended I had a headache. Grandma  
has come to stay."





CellMark Packaging

Packaging grades of board and paper maintained a relatively stable position in most markets in 2012. The underlying requirements for containerboard are supported by food and consumer goods for the most part, with a basic need to package and ship items for distribution. Even during sluggish economic times, packaging markets can grow, with customers “settling” for grades of slightly lower quality. This appears to be what happened in 2012, when packaging volume continued to show steady, if modest growth in most regions.

Continued consolidation and ownership restructuring in the packaging paper sector has been manifested by unprecedented price stability over the past few years. North American containerboard markets showed unchanged price levels for more than two years; an increase at the end of 2012 was the first movement in that time. Domestic US box demand was stable for 2012 and mill capacity was tightened by machine refitting to specialize machines in larger company mill groups. The ongoing effect of mills working to their “sweet spots” will be to maintain competitive quality and costing in the global mill mix, with a focus on high-virgin fiber grades. European mills were not as stable; they were affected by waste paper pricing, ongoing weak demand in Europe and capacity additions.

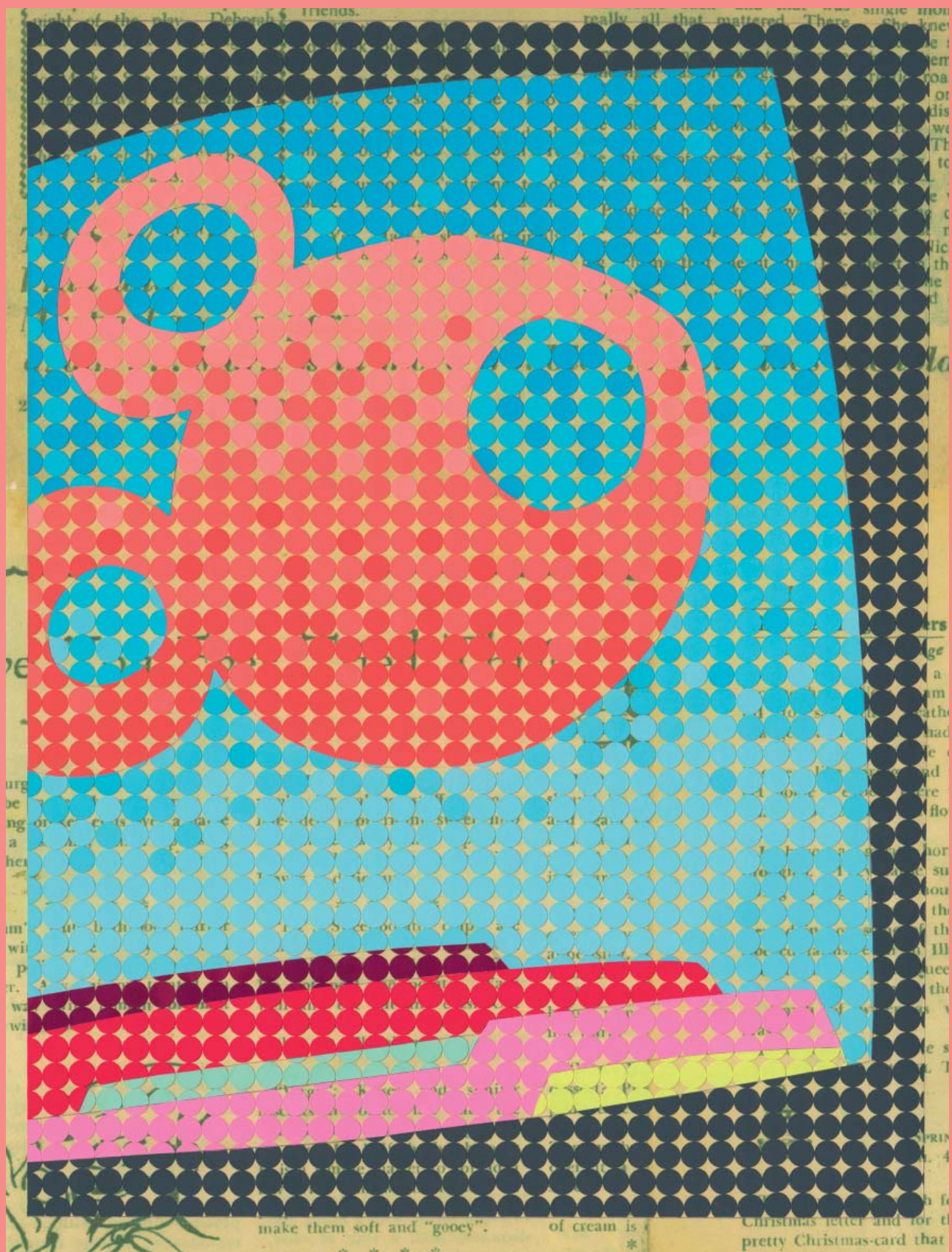
CellMark Packaging was able to maintain its growth plan during 2012, reaching record levels of transacted tonnage with market coverage that continues to expand. Financial results for the year were essentially unchanged from 2011, but tonnage shipped increased by almost 10 percent. In addition to our core activity of containerboard, we continued to increase our marketing focus on sackkraft. We now offer our mill partners full coverage of all key sackkraft markets, with direct downstream contact to customers. Sackkraft demand declined in 2012 as growth in the food and chemicals sectors was flat. At the same time, sack use for cement declined as construction activity slowed in many global regions.

Market growth in Africa continued well in 2012, the result of the Packaging Division’s full support of an important long-term region. Asian markets saw more activity on regional business as well as imports of specialty board and paper. South Asia will be an area of focus and restructuring during 2013. European markets have been supported by agricultural box needs, and South America showed stability in the food and industrial sectors.

The Packaging Division has built a strong and varied base of activity over the past several years, which will allow for continued expansion into new markets while we enhance the services we supply our mill partners in existing ones. 2013 will be a year of continued steady rebuilding in many industry sectors, which will provide ongoing demand growth to basic packaging requirements.

Paul Busnardo









2012 was not a very good year for the recycling industry as a whole, or for CellMark Recycling. Overall, the industry struggled with economic uncertainties in Europe, the “jobless recovery” in North America and the often bitter and confusing presidential campaign that was not resolved until November. And while it is a familiar refrain, consumer spending drives recovered fiber supply and demand in the packaging industry, unfortunately, consumer spending never improved from 2011. Despite early-year optimism, 2012 did not reach the levels forecasted or budgeted.

Despite these impediments, CellMark Recycling “soldiered on.” The Division enacted strategic cost-cutting and restructuring measures at several plants and sales offices, while continuing expansion in areas that showed immediate, tangible results. For instance, our non-fiber business broadened its supply base while adding new offshore markets. Non-fiber growth in 2012, although modest, was strategic and set the table for expansion. We are adding to our team of trading specialists and expect additional growth in this sector during 2013.

Our stock-lot roll-trading company, Sunset Trading, had a record performance in both volume and profitability last year. This was largely the result of acquisitions from previous years and warehouse relocation and consolidation. Sunset should continue its year-on-year growth in 2013, while leveraging increased efficiencies to improve profitability.

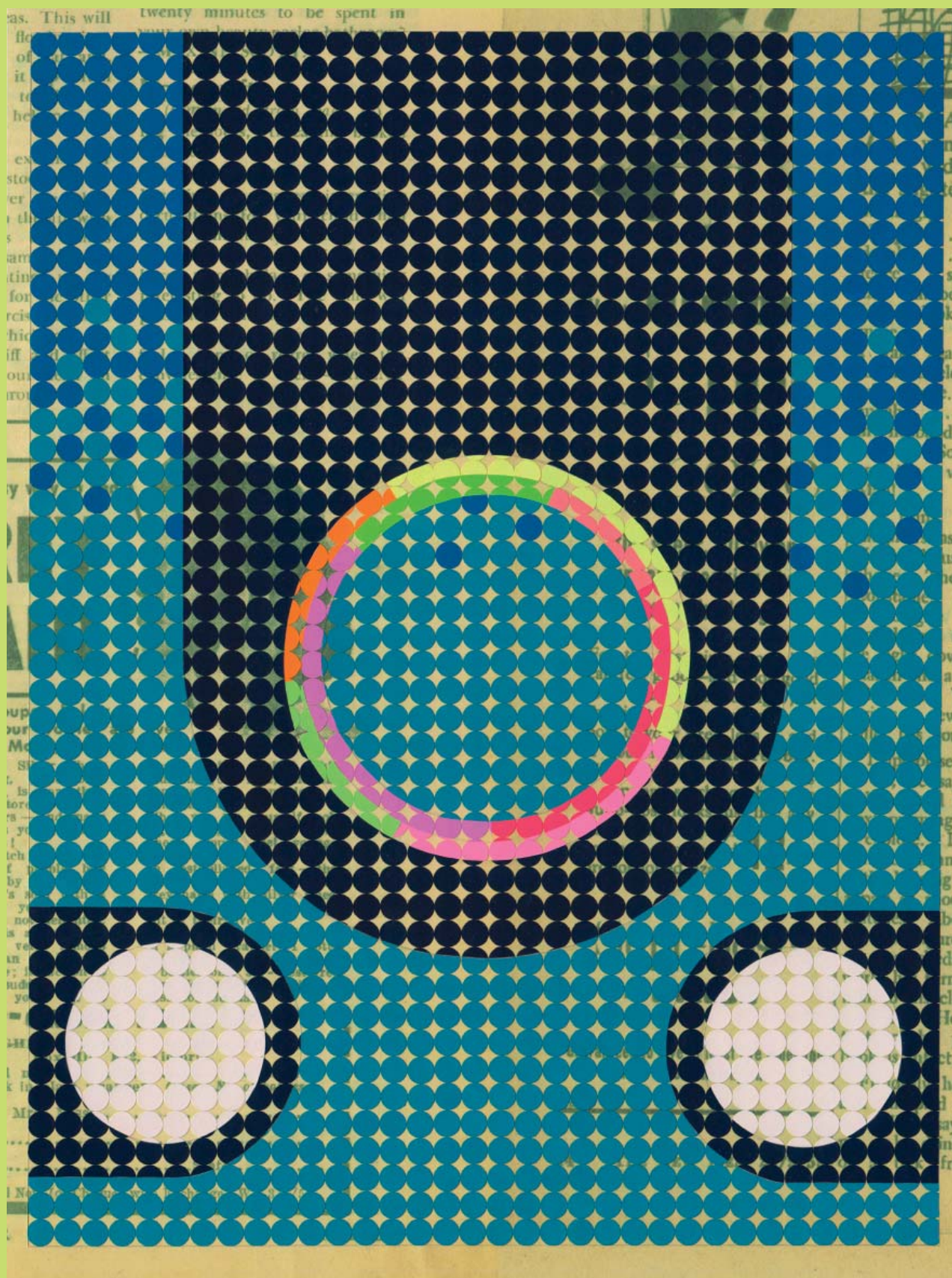
As a part of CellMark Recycling’s ongoing growth and diversification strategy, we acquired the assets of Environmental Management Consultants (EMC), a five-person consulting business in Kingston, Massachusetts, and merged these professionals into our growing CellMark Waste Stream Solutions group. We have already won recycling contracts at two major retail chains and more are under negotiation. We continue to increase the number of newspaper publishers we service and expect to grow by 15 to 20 percent in 2013.

In addition, the Division signed an exclusive, multiyear agreement to supply fiber to Pactiv Corporation’s six North American mills. Further, CellMark Recycling collaborated with another division to buy, sell and ship refuse-derived fuel (RDF) to power generators in Europe. It was an excellent example of CellMark’s global trading platform and “tool belt” bringing value to both suppliers and customers.

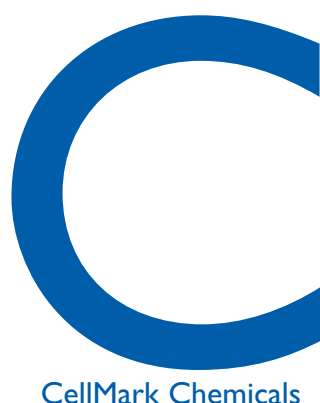
In summary, while 2012 was disappointing in some respects, we remained profitable with growth in several key sectors. I liken it to the glass being half full, rather than half empty.

Vic Rice









We are quite pleased by the Chemical Division's performance in its first year under the CellMark umbrella. Although we were unable to meet our aggressive targets, our team did establish a strong foundation from which we can grow. Additionally, the Division's profitability was relatively strong, despite a poor global economy and a broad range of transitional changes the team endured during 2012.

The US market, our strongest, produced very good results despite economic uncertainty and a business climate that focused more on saving than spending. The European region performed reasonably well and successfully battled the debt crisis in the southern countries, where CellMark Chemicals does much of its commercial activity. And while the economic slowdown in Asia hit our 2-year-old business there harder than expected, we still consider this a critical developing region for Chemicals activities, especially over the long term. We are confident our investment will pay off in time.

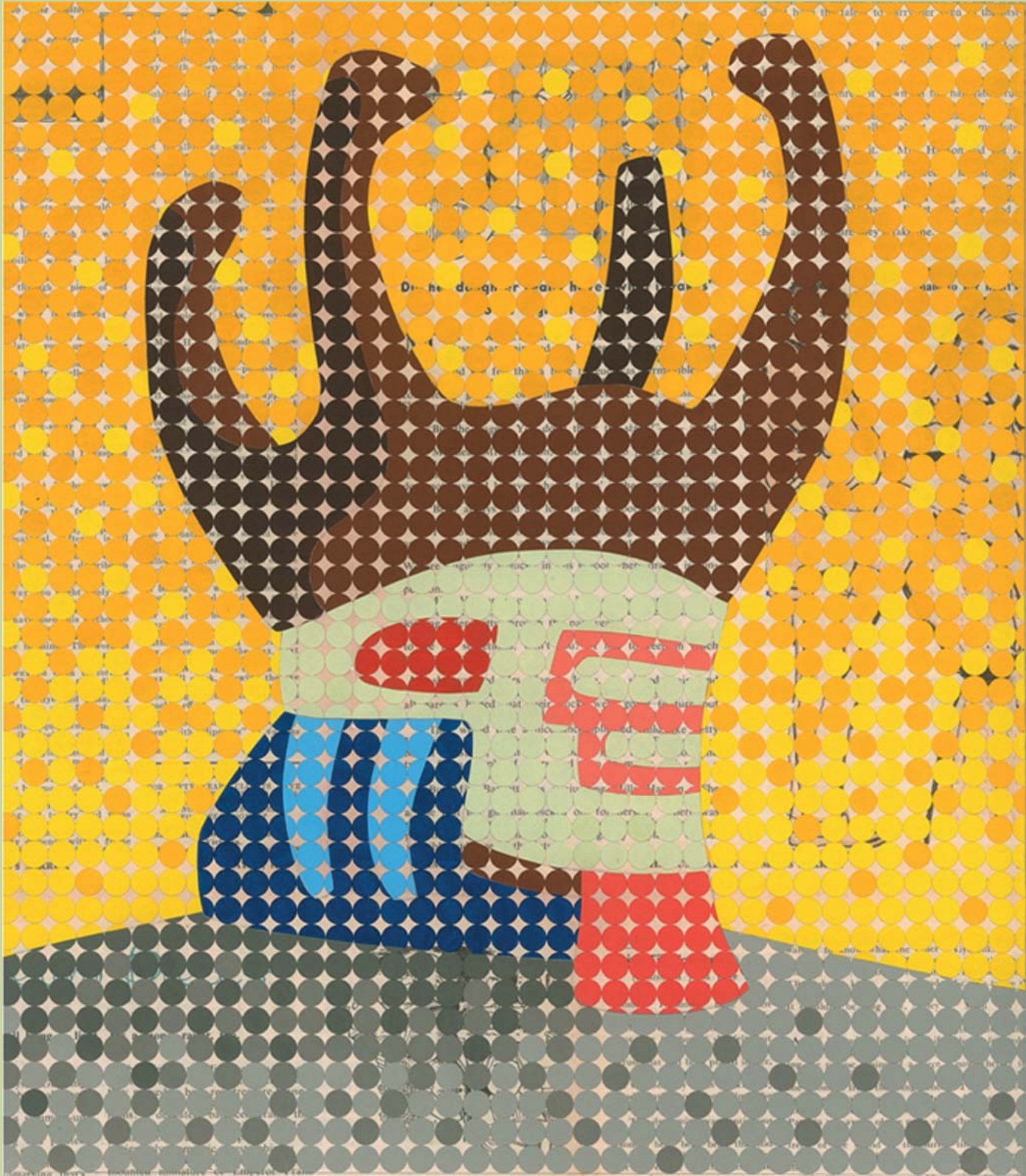
The products most impacted by the economic downturn fall within our Industrial Products sector and are sold to the building and construction, durable goods manufacturing and electronics (semiconductor) industries. Unfortunately, all of these experienced considerable slowdowns in 2012. By contrast, our Health and Personal Care Products fared better; many of these are used in the food, pharmaceutical, cosmetic and the beverage industries, which tend to be more recession-proof.

Our custom-manufactured chemicals sales continue to grow at a strong, steady pace and show great promise for our future development. This segment now accounts for more than 35 percent of our sales. Better still, given the unique nature of the applications for custom-manufactured products, we see limited competition and therefore, margins that are stronger than those of our traditional distribution products. This segment will continue to grow as we develop new products and invest in equipment to make these products more efficiently at our third-party tolling facilities in Europe and the US. We are also looking to grow through acquisitions and strategic alliances with companies that can further expand our custom chemical activities.

To sum it up, we are quite proud at what the Chemicals Division has accomplished in its first full year under CellMark. We remain confident in our employees, our projects and our new CellMark colleagues. They will all help us grow and add value for our business partners and shareholders.

Hugo Galletta









2012 was a year of integration and transition for CellMark Metals. The team spent much of the first year under its new ownership modifying itself to better suit its customers and strategic markets. The Division focused on speed and operational efficiency in 2012 and was able to make important, significant strides in these areas thanks to CellMark's robust information technology system, which integrated the new group without issue. The Metals Division was also able to leverage the parent organization's financial strength to initiate several key programs in 2012.

In general, the Metals Division made strong progress toward its strategic goal to become a globally recognized base metals distributor. There were several key successes: For example, sales of alloying metals from China increased significantly during 2012. The group made substantial progress in the Japanese and German markets, too, especially in the non-ferrous and specialty segments.

Of course, the Division was challenged by a very difficult marketplace. The debt crisis in Southern Europe, declining prices in several key markets and sourcing difficulties in Russia made a negative impact on the group's results. The second half of 2012 was particularly concerning, as the weaker macroeconomic environment led to problems. Investments in foundry equipment, for example, were much lower than expected. At the same time, steel industry demand declined considerably.

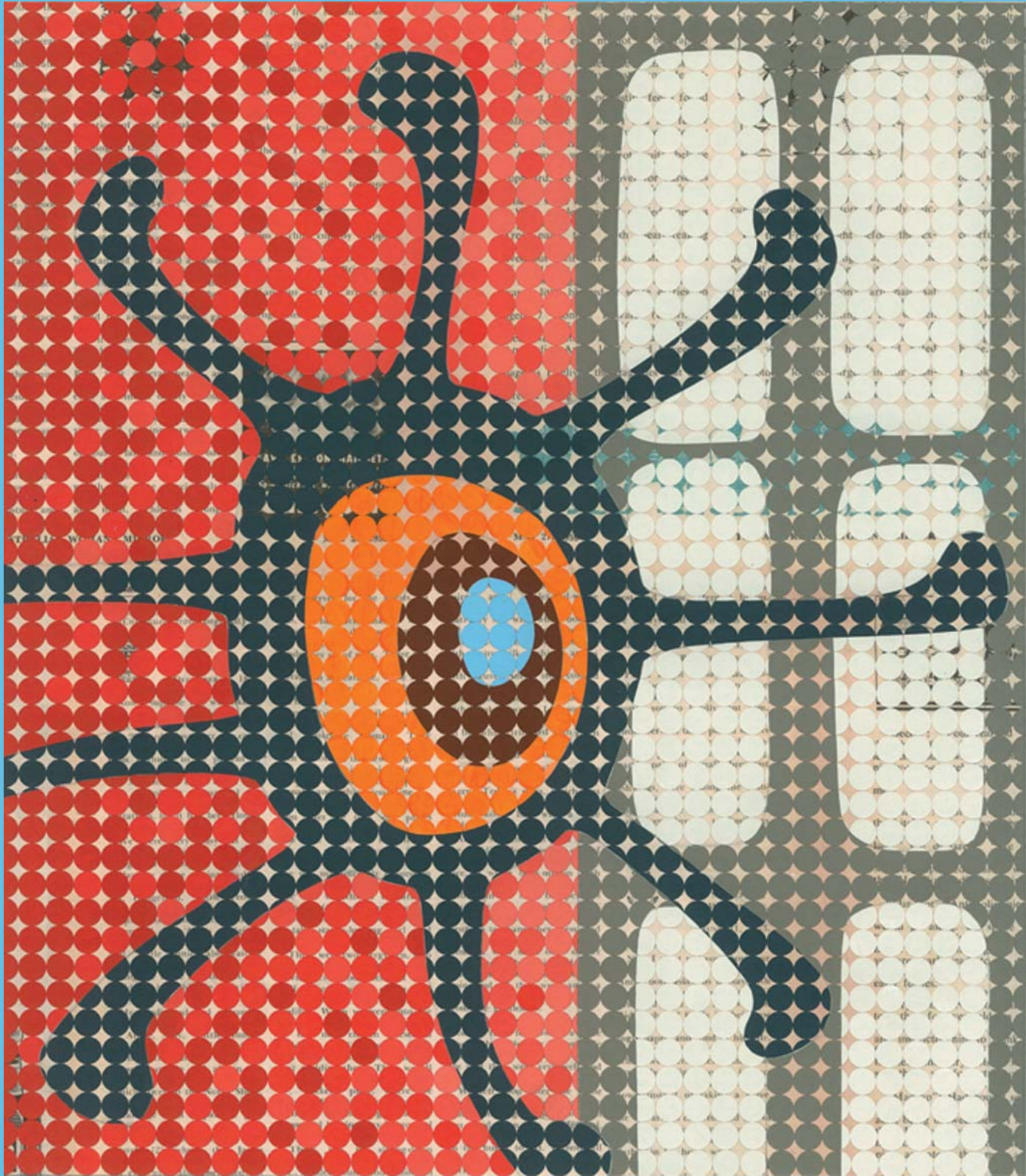
Despite these difficulties, our hardworking professionals enabled the Metals Division to record slightly higher sales than expected, although profits fell short of expectations.

Due to continuing economic uncertainty, 2013 will also be a real challenge for CellMark Metals. Still, we will continue to deliver exceptional value to our customers and suppliers, in new and innovative ways. We will also develop our role in the recycling market and collaborate with our CellMark Recycling partners throughout these efforts.

Finally, we will continue to rely on the commitment and skills of our employees and our many customers and suppliers. We are grateful to them all for confirming their trust in our capabilities and we look forward to partnering with them at even deeper levels in 2013.

Hans Kling

















## Highlights

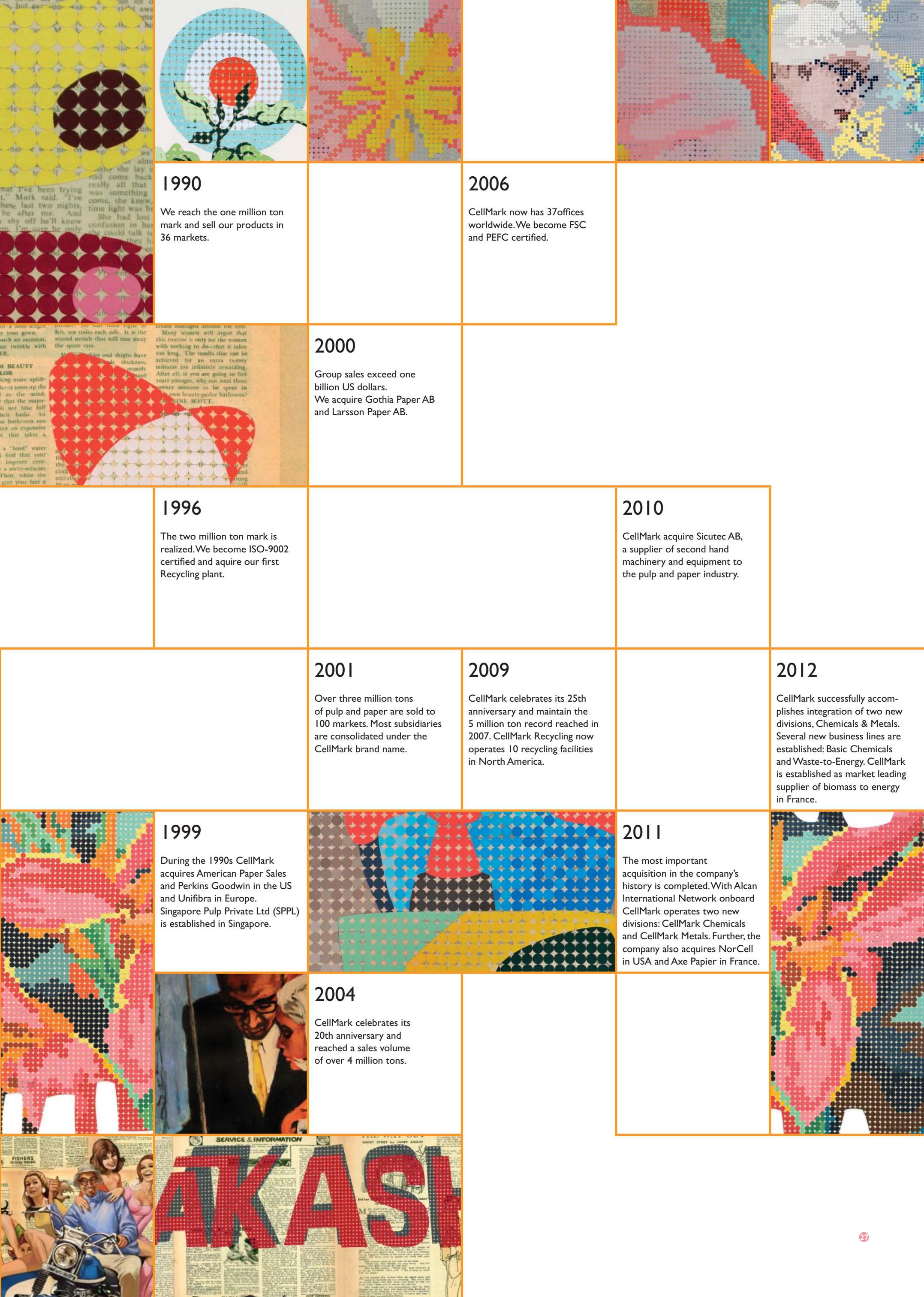
### 1984

Cellulose Marketing International AB is founded in Gothenburg with 21 employees. Five overseas sales offices are established. Later, in 1997, the company name is changed to CellMark AB.

### 1987

CellMark is now 100% employee owned. We acquire Pacific Forest Resources Inc. (PacFor), adding packaging paper and board and recovered paper to our existing base in market pulp and whitepaper.





## 1990

We reach the one million ton mark and sell our products in 36 markets.

## 2006

CellMark now has 37 offices worldwide. We become FSC and PEFC certified.

## 2000

Group sales exceed one billion US dollars. We acquire Gothia Paper AB and Larsson Paper AB.

## 1996

The two million ton mark is realized. We become ISO-9002 certified and acquire our first Recycling plant.

## 2010

CellMark acquire Sicutec AB, a supplier of second hand machinery and equipment to the pulp and paper industry.

## 2001

Over three million tons of pulp and paper are sold to 100 markets. Most subsidiaries are consolidated under the CellMark brand name.

## 2009

CellMark celebrates its 25th anniversary and maintain the 5 million ton record reached in 2007. CellMark Recycling now operates 10 recycling facilities in North America.

## 2012

CellMark successfully accomplishes integration of two new divisions, Chemicals & Metals. Several new business lines are established: Basic Chemicals and Waste-to-Energy. CellMark is established as market leading supplier of biomass to energy in France.

## 1999

During the 1990s CellMark acquires American Paper Sales and Perkins Goodwin in the US and Unifibra in Europe. Singapore Pulp Private Ltd (SPPL) is established in Singapore.

## 2011

The most important acquisition in the company's history is completed. With Alcan International Network onboard CellMark operates two new divisions: CellMark Chemicals and CellMark Metals. Further, the company also acquires NorCell in USA and Axe Papier in France.

## 2004

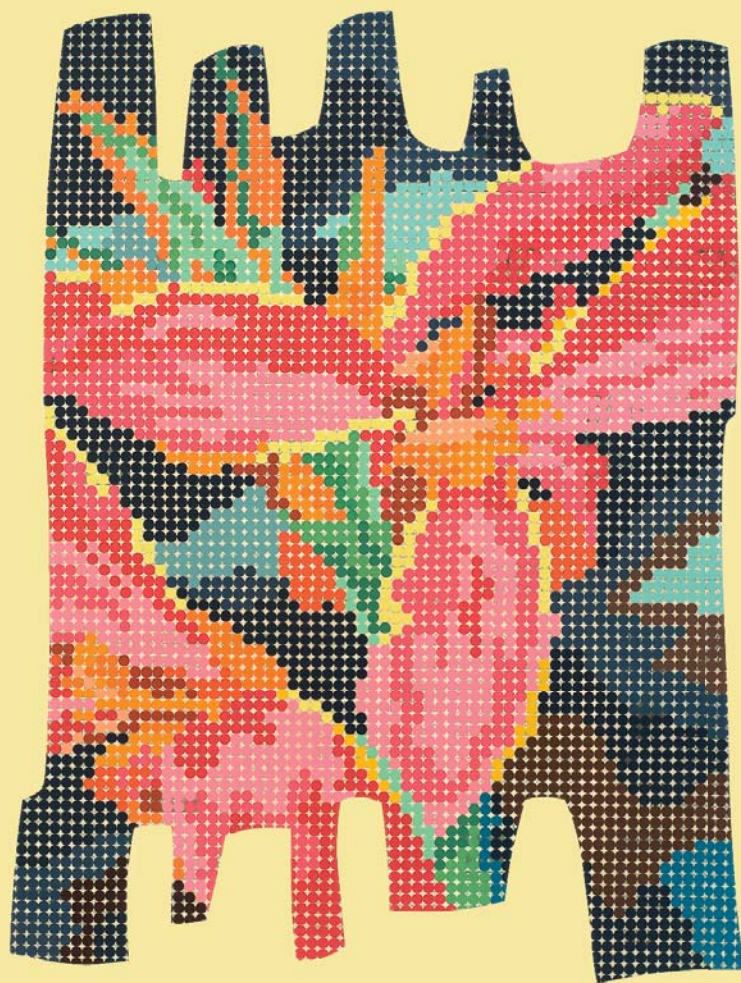
CellMark celebrates its 20th anniversary and reached a sales volume of over 4 million tons.













# D

## Director's Report

*The Board of Directors and the President hereby submit the annual report and the consolidated financial statements for 2012. The parent company's financials are not presented separately in this report. Note 2, number of employees, salaries and emoluments etc is a summary. The statutory annual report, including the financials of the parent company and complete supplementary information, can be obtained from the company or the Swedish Registration Office, Bolagsverket.*

### Operations

CellMark Holding AB, together with wholly-owned subsidiaries and associated companies, markets forest, chemical and metal products. The net sales of the parent company and the group result from marketing of products and commission thereon. Investments for the year for the group totalled TSEK 45 120, whereof TSEK 1 306 referred to computer software, TSEK 1 758 to other intangible assets, TSEK 9 427 to land and buildings, TSEK 25 314 to equipment and TSEK 7 315 to associated companies.

### Group Identification

CellMark Holding AB, company reg.no. 556498-0893, is the parent company of CellMark AB, company reg.no. 556244-2433 and a subsidiary to CellMark Investment AB, company reg.no. 556737-1959.

### Foreign Branches

The Group has representative offices in Shanghai, Qingdao, Istanbul, Taiwan and Korea.

### Risk Management

CellMark has defined the risks in its business model and has well-developed processes for the elimination of such risks. Price and product risks are covered as we only conclude back-to-back transactions with suppliers and customers. We sell counterpart and political risks in the insurance and banking markets, where we also cover our foreign exchange exposures.

### Financial Highlights of the Group (MUSD\*)

	2012	2011	2010	2009	2008	2007	2006	2005
Operating Income	3 087	2 823	2 585	2 153	2 542	2 313	1 892	1 684
Profit after								
Financial Items	15.2	20.6	26.7	26.0	23.1	27.2	23.2	17.2
Total Assets	883	916	728	626	640	644	534	418
Equity Ratio (%)	18.6	17.1	19.1	18.6	14.9	19.0	17.7	16.7

\*MUSD shall be read as Millions of US Dollars.

Equity Ratio: Shareholders' equity as a percentage of total assets.

### Equity

The Group's non-restricted equity totals TSEK 996 889, which includes the profit for the year of TSEK 67 489.

The financial results as well as the operating and financial position of the Group are presented in the following income statement and balance sheet, cash flow statement, related supplementary information and notes to the accounts.











*(Background illustration shows two figures, one holding a large circular object resembling a globe or a mirror, set against a patterned background.)*

### Consolidated Income Statement in TSEK

	Note	2012		2011	
		SEK (000)	USD (000)*	SEK (000)	USD (000)**
<b>CONSOLIDATED INCOME STATEMENT</b>					
<b>Operating Income</b>					
Net Sales		20 703 280	3 080 249	18 221 891	2 817 935
Other Operating Income		42 196	6 278	30 117	4 657
<b>Total Operating Income</b>	I	<b>20 745 476</b>	<b>3 086 527</b>	18 252 008	2 822 592
<b>Operating Expenses</b>					
Cost of Goods Sold		-19 624 862	-2 919 802	-17 387 190	-2 688 851
Other External Costs	3	-325 222	-48 386	-221 603	-34 270
Personnel Costs	2	-613 560	-91 286	-466 053	-72 073
Depreciation of Fixed Assets	5, 6, 7, 8	-47 164	-7 017	-27 571	-4 264
<b>Total Operating Expenses</b>		<b>-20 610 808</b>	<b>-3 066 491</b>	-18 102 417	-2 799 458
<b>Operating Profit</b>		<b>134 668</b>	<b>20 036</b>	149 591	23 134
<b>Result from Financial Investments</b>					
Result from Participations in Associated Companies		1 273	189	-665	-103
Interest Income		19 792	2 945	25 447	3 935
Interest Expenses		-53 805	-8 005	-40 972	-6 336
<b>Total Result from Financial Investments</b>		<b>-32 740</b>	<b>-4 871</b>	-16 190	-2 504
<b>Profit after Financial Items</b>		<b>101 928</b>	<b>15 165</b>	133 401	20 630
Tax on Profit for the Year	4	-34 641	-5 154	-20 462	-3 164
Minority Interest		202	30	-179	-28
<b>Net Profit for the Year</b>		<b>67 489</b>	<b>10 041</b>	112 760	17 438

\*Based on average exchange rate during the year I USD = SEK 6.7213

\*\*Based on average exchange rate during the year I USD = SEK 6.4664



# B

## Consolidated Balance Sheet in TSEK

### CONSOLIDATED BALANCE SHEET

	Note	Dec 31, 2012 SEK (000)	USD (000)*	Dec 31, 2011 SEK (000)	USD (000)**
<b>ASSETS</b>					
<b>Fixed Assets</b>					
<b>Intangible Fixed Assets</b>					
Goodwill	5	54 324	8 338	25 795	3 726
Computer Software	6	2 175	334	4 295	620
Other Intangible Fixed Assets	6	20 910	3 209	27 393	3 957
<b>Total Intangible Fixed Assets</b>		<b>77 409</b>	<b>11 881</b>	57 483	8 303
<b>Tangible Fixed Assets</b>					
Land and Buildings	7	135 301	20 766	136 864	19 768
Equipment	8	68 303	10 483	67 988	9 820
<b>Total Tangible Fixed Assets</b>		<b>203 604</b>	<b>31 249</b>	204 852	29 588
<b>Financial Assets</b>					
Participations in Associated Companies	10	31 836	4 886	24 347	3 517
Other Shares		634	97	964	139
Endowment Insurance		22 228	3 411	19 625	2 835
Other Long-Term Receivables		51 538	7 910	65 110	9 404
Deferred Tax Assets		67 455	10 353	73 407	10 603
<b>Total Financial Assets</b>		<b>173 691</b>	<b>26 657</b>	183 453	26 498
<b>Total Fixed Assets</b>		<b>454 704</b>	<b>69 787</b>	445 788	64 389
<b>Current Assets</b>					
<b>Inventory</b>					
		<b>1 384 627</b>	<b>212 510</b>	1 446 678	208 955
<b>Current Receivables</b>					
Accounts Receivable – Trade		3 224 060	494 822	3 503 959	506 104
Receivables from Parent Company		271 836	41 721	208 205	30 073
Receivables from Associated Companies		18 537	2 845	15 808	2 283
Income Tax Receivable		23 955	3 676	7 071	1 021
Other Receivables		148 404	22 777	98 460	14 221
Prepaid Expenses and Accrued Income		70 317	10 792	132 845	19 188
<b>Total Current Receivables</b>		<b>3 757 109</b>	<b>576 633</b>	3 966 348	572 890
<b>Cash and Bank Balances</b>		<b>156 302</b>	<b>23 988</b>	485 043	70 058
<b>Total Current Assets</b>		<b>5 298 038</b>	<b>813 131</b>	5 898 069	851 903
<b>TOTAL ASSETS</b>		<b>5 752 742</b>	<b>882 918</b>	6 343 857	916 292

\*Based on closing day rate of exchange | USD = SEK 6.5156

\*\*Based on closing day rate of exchange | USD = SEK 6.9234





Consolidated Balance Sheet  
in TSEK

CONSOLIDATED BALANCE SHEET

EQUITY AND LIABILITIES

Equity

Restricted Equity

Share Capital, 1 677 231 shares à par SEK 0.1

Restricted Reserves

Total Restricted Equity

Non-Restricted Equity

Non-Restricted Reserves

Profit for the Year

Total Non-Restricted Equity

Total Equity

Minority Interest

Provisions

Deferred Taxes

Provisions for Pension

Total Provisions

Long-Term Liabilities

Liabilities to Credit Institutions

Other Long-Term Liabilities

Total Long-Term Liabilities

Current Liabilities

Liabilities to Credit Institutions

Accounts Payable – Trade

Due to Associated Companies

Income Tax Liability

Other Current Liabilities

Accrued Expenses and Prepaid Income

Total Current Liabilities

TOTAL EQUITY AND LIABILITIES

MEMORANDUM ITEMS

Pledged Assets

Contingent Liabilities

Note

Dec 31, 2012

SEK (000) USD (000)\*

Dec 31, 2011

SEK (000) USD (000)\*\*

II

168

26

168

24

71 839

11 026

100 852

14 567

72 007

11 052

101 020

14 591

929 400

142 642

868 404

125 430

67 489

10 358

112 760

16 287

996 889

153 000

981 164

141 717

1 068 896

164 052

1 082 184

156 308

1 061

163

1 335

193

7 370

1 131

11 716

1 692

153 708

23 591

179 654

25 949

161 078

24 722

191 370

27 641

92 980

14 270

139 260

20 114

4 224

648

5 695

823

97 204

14 918

144 955

20 937

2 310 355

354 588

2 911 357

420 510

1 647 896

252 915

1 531 542

221 212

8 836

1 356

9 214

1 331

15 049

2 310

15 230

2 200

149 868

23 002

147 712

21 335

292 499

44 892

308 958

44 625

4 424 503

679 063

4 924 013

711 213

5 752 742

882 918

6 343 857

916 292

12

2 787 393

427 803

3 322 631

479 913

12

743 478

114 107

794 736

114 790

\*Based on closing day rate of exchange 1 USD = SEK 6.5156

\*\*Based on closing day rate of exchange 1 USD = SEK 6.9234



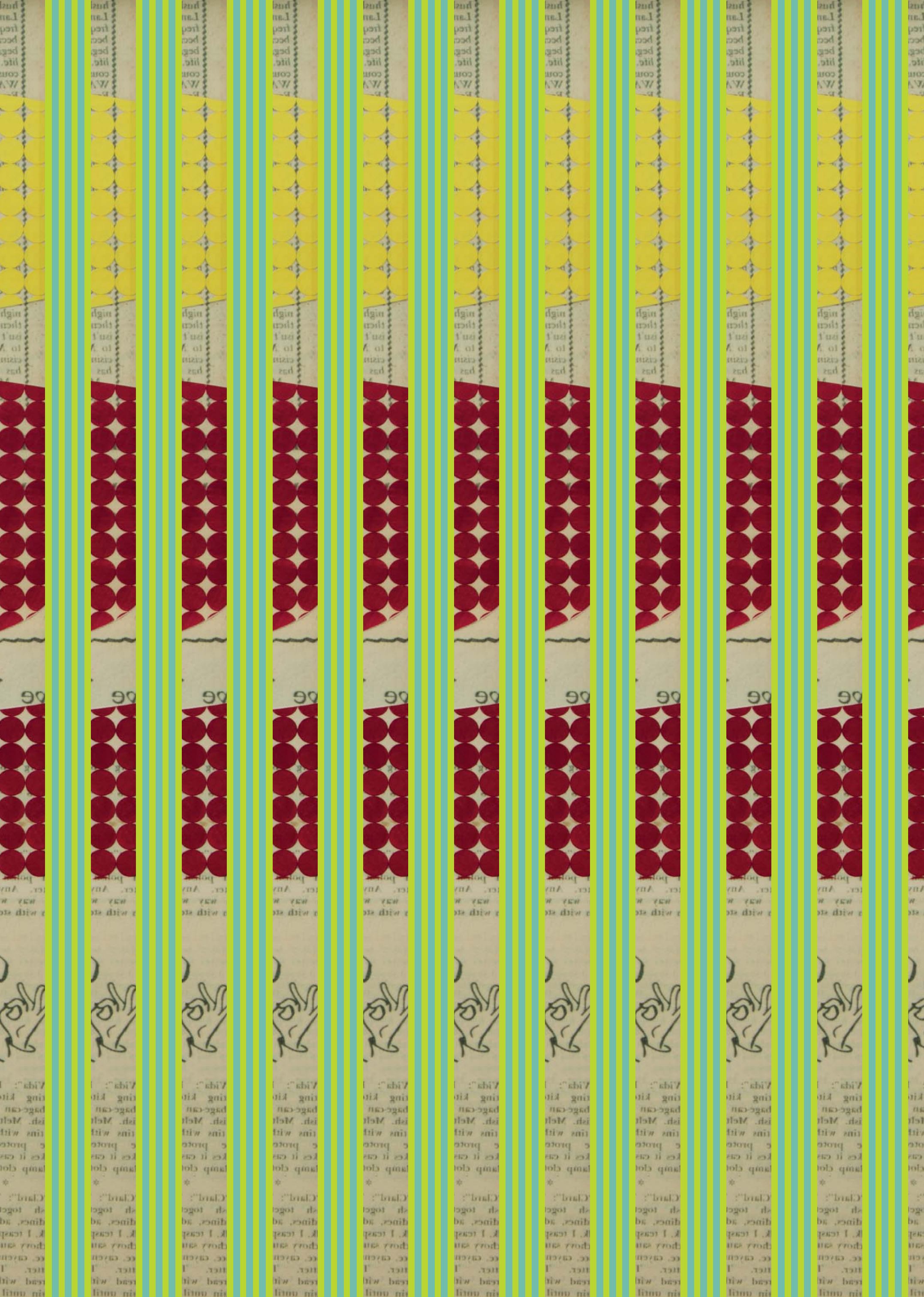


Consolidated Cash Flow Statement  
in TSEK

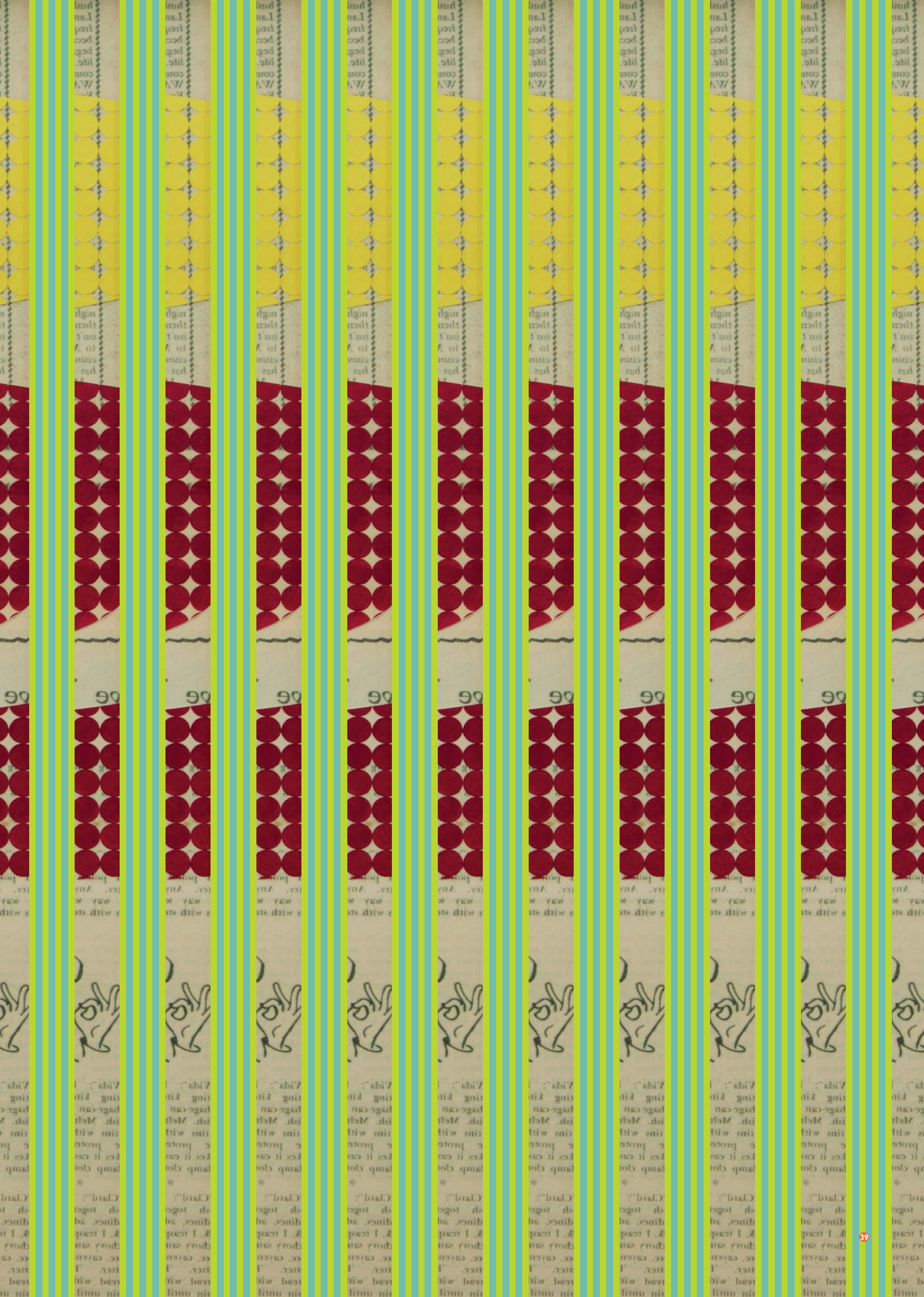
CONSOLIDATED CASH FLOW STATEMENT

	2012	2011
	SEK (000)	SEK (000)
<b>Operating Activities</b>		
Operating Profit	134 668	149 591
Adjustment for Items Excluded from Cash Flow Statement, etc.		
Depreciation	47 164	27 571
Other Adjustments	-22 705	-8 511
Currency Exchange Differences	-3 464	6 041
Capital Gain/Loss of Fixed Assets	2 329	-392
	<b>157 992</b>	<b>174 300</b>
Interest Received	24 141	25 447
Interest Paid	-58 155	-40 971
Income Taxes Paid	-59 017	-17 656
<b>Cash Flow from Operating Activities before Changes in Working Capital</b>	<b>64 961</b>	<b>141 120</b>
<b>Cash Flow from Changes in Working Capital</b>		
Change in Inventories	7 843	-336 291
Change in Accounts Receivable	158 180	-98 589
Change in Receivables	-289 182	-29 374
Change in Accounts Payable	202 880	-145 826
Change in Liabilities	-335 443	537 670
<b>Cash Flow from Operating Activities</b>	<b>-190 761</b>	<b>68 710</b>
<b>Investing Activities</b>		
Purchase of Intangible Fixed Assets	-48 895	-10 880
Purchase of Tangible Fixed Assets	-36 810	-52 206
Purchase of Subsidiaries	-194	173 391
Purchase of Financial Assets	-6 284	-74 223
Sale of Fixed Assets	0	13 094
Sale of Financial Assets	2 201	0
Dividend Received	0	298
Change in Long Term Receivables	14 875	-67 140
<b>Cash Flow from Investing Activities</b>	<b>-75 107</b>	<b>-17 666</b>
<b>Financing Activities</b>		
Change in Loan from Credit Institutions, etc.	-60 877	68 133
<b>Cash Flow from Financing Activities</b>	<b>-60 877</b>	<b>68 133</b>
<b>Net Change in Cash and Cash Equivalents</b>	<b>-326 745</b>	<b>119 177</b>
<b>Cash and Cash Equivalents Beginning of the Year</b>	<b>485 043</b>	<b>370 870</b>
<b>Exchange Rate Difference in Cash and Cash Equivalents</b>	<b>-1 996</b>	<b>-5 004</b>
<b>Cash and Cash Equivalents End of the Year</b>	<b>156 302</b>	<b>485 043</b>
<b>Cashflow from Purchase of Subsidiaries</b>		
Purchase Price Paid	-194	-152 175
Cash and Cash Equivalents in Purchased Companies	0	325 566
<b>Cashflow from Purchase of Subsidiaries</b>	<b>-194</b>	<b>173 391</b>













## Supplementary Information

### Accounting Principles

The annual report has been prepared according to the Swedish Annual Accounts Act and the general advice and guidelines of the Swedish Accounting Standards Board.

### Consolidated Financial Statements

The consolidated income statement and balance sheet include all companies in which the parent company directly or indirectly holds more than 50% of the shares or voting rights, see note 9.

All acquisitions of companies have been recorded according to the purchase method. Untaxed reserves reported in the individual group companies are divided in the consolidated balance sheet as a capital part and a tax part. The capital part has been accounted for under restricted reserves. The tax part is accounted for as an allocation under deferred tax.

Companies acquired during the year have been consolidated from acquisition date.

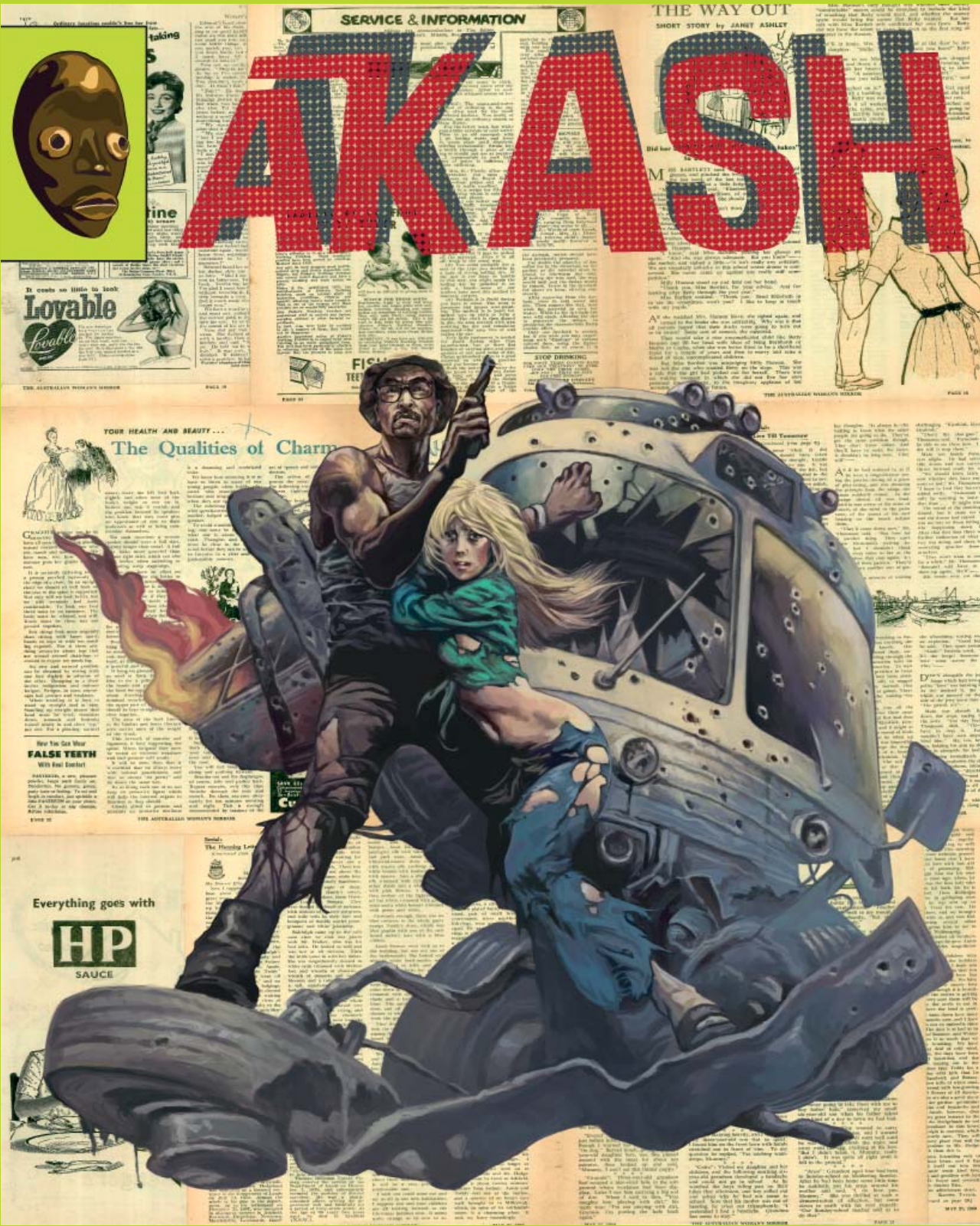
Participations in associated companies have been reported according to the equity method. Companies where CellMark holds between 20% and 50% of the voting rights are treated as associated companies. The equity method means that the acquisition cost for the shares, adding the change in the associated company's equity after the date of acquisition, is accounted for under the heading "Participations in Associated Companies" in the consolidated balance sheet.

The current method has been used in translating the income statements and balance sheets in foreign subsidiaries into Swedish kronor. All assets and liabilities in the foreign subsidiaries' balance sheets have been translated at year-end rate and all items in the income statements have been translated using the average rate of the year. Translation differences arising have been entered directly as equity.

A provision equal to the equity in CellMark China Group has been made due to a proposed proceeding threatened by an external part.

### Receivables and Liabilities in Foreign Currency

Receivables and liabilities in foreign currency have been translated at the rate of exchange at year-end. The difference between the acquisition value and the value at year-end has been accounted for as income/expense. Receivables and liabilities that have been sold forward have been valued at the forward exchange rate.





## Supplementary Information in TSEK

### Fixed Assets

Fixed assets are accounted for at the acquisition cost with deduction for depreciation according to plan based on assessment of the expected economic life of the assets. Depreciation according to plan is computed as follows:

Computer equipment	20%
Other equipment	20%
Buildings	2–4%
Goodwill	10–20%
Other intangible assets	10–20%

### Current Assets

Receivables have been recorded at the amount they are expected to be paid.

Inventories have been valued at the lower of cost or market, i.e. the lower of the acquisition value and the estimated net sales value.

### Cash Flow Statement

Note 1  
Operating Income

Group	2012	2011
Pulp	4 231 666	4 484 575
Paper	7 603 237	7 092 957
Packaging	3 560 648	3 626 712
Recycling	2 842 887	3 040 961
Chemicals	950 623	0
Metals	1 441 771	0
Basic Chemicals	88 766	0
Other	25 878	6 803
<b>Total</b>	<b>20 745 476</b>	<b>18 252 008</b>

No Purchases or Sales between the Parent Company and other Group Companies have taken place.



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## Supplementary Information in TSEK

Note 2  
Number of Employees, Salaries and Emoluments, etc

Group	2012	Men	2011	Men
Average Number of Employees:				
Sweden	102	43	97	43
USA	429	275	387	247
Other Countries	225	95	88	37
	<b>756</b>	<b>413</b>	572	327

Number of Board Members, Presidents and Managing Officers:	<b>2012</b>	<b>Men</b>	2011	Men
Board Members	31	28	21	20
Presidents and Managing Officers	23	20	14	12

Salaries, emoluments, social security expenses and pension expenses were paid as follows:	<b>2012</b>	2011
Salaries and Emoluments	451 367	347 900
Social Security Expenses	68 988	51 146
Pension Expenses	58 012	34 410
	<b>578 367</b>	433 456

Pension Obligation to Board and President	0	0
---	---	---

Note 3  
Disclosure of Audit Fee and Cost Reimbursements

Group	2012	2011
<b>Moore Stephens</b>		
Audit Assignment	3 251	1 595
Non-Audit Assignments	3 588	1 445
<b>Other Auditors</b>		
Audit Assignment	4 562	2 800
Non-Audit Assignments	5 404	3 199
<b>Total</b>	<b>16 805</b>	9 039

Note 4  
Tax on Profit for the Year

Group	2012	2011
Income Tax	44 739	21 188
Deferred Tax	-10 098	-726
	<b>34 641</b>	20 462





### Supplementary Information in TSEK

Note 5  
Acquisition Values and Depreciation, etc. for Goodwill

Group	Dec 31, 2012	Dec 31, 2011
Acquisition Value Brought Forward	54 874	24 263
Purchases	41 871	17 786
Subsidiaries Acquired	0	12 128
Exchange Rate Differences	-3 532	697
<b>Accumulated Acquisition Value Carried Forward</b>	<b>93 213</b>	54 874
Depreciation Brought Forward	-29 079	-23 778
Subsidiaries Acquired	0	-2 171
Exchange Rate Differences	2 969	-692
Depreciation for the Period	-12 779	-2 438
<b>Accumulated Depreciation Carried Forward</b>	<b>-38 889</b>	-29 079
<b>Book Value</b>	<b>54 324</b>	25 795

Note 6  
Acquisition Values and Depreciation, etc. for Computer Software

Group	Dec 31, 2012	Dec 31, 2011
Acquisition Value Brought Forward	28 675	20 729
Purchases	1 306	0
Subsidiaries Acquired	0	7 862
Sales/Disposals	-3 478	0
Reclassifications	2 015	-40
Exchange Rate Differences	-834	124
<b>Accumulated Acquisition Value Carried Forward</b>	<b>27 684</b>	28 675
Depreciation Brought Forward	-24 380	-16 321
Subsidiaries Acquired	0	-5 465
Sales/Disposals	2 175	0
Reclassifications	-1 951	0
Exchange Rate Differences	305	-587
Depreciation for the Period	-1 658	-2 007
<b>Accumulated Depreciation Carried Forward</b>	<b>-25 509</b>	-24 380
<b>Book Value</b>	<b>2 175</b>	4 295

Other Intangible Assets

Group	Dec 31, 2012	Dec 31, 2011
Acquisition Value Brought Forward	54 718	27 121
Purchases	1 758	0
Subsidiaries Acquired	1 802	27 099
Exchange Rate Differences	-3 111	498
<b>Accumulated Acquisition Value Carried Forward</b>	<b>55 167</b>	54 718
Depreciation Brought Forward	-27 325	-19 511
Subsidiaries Acquired	95	-1 798
Exchange Rate Differences	1 770	-1 035
Depreciation for the Period	-8 797	-4 981
<b>Accumulated Depreciation Carried Forward</b>	<b>-34 257</b>	-27 325
<b>Book Value</b>	<b>20 910</b>	27 393



# S

## Supplementary Information in TSEK

Note 7

Acquisition Values and Depreciation, etc. for Land and Buildings

	Dec 31, 2012	Dec 31, 2011
<b>Group</b>		
Acquisition Value Brought Forward	160 229	137 316
Purchases	9 427	20 739
Reclassifications	2 237	0
Exchange Rate Differences	-8 547	2 174
<b>Accumulated Acquisition Value Carried Forward</b>	<b>163 346</b>	160 229
Depreciation Brought Forward	-23 365	-18 292
Write down Brought Forward	0	-2 000
Reclassifications	-2 061	0
Exchange Rate Differences	953	-620
Depreciation for the Period	-3 572	-2 453
<b>Accumulated Depreciation Carried Forward</b>	<b>-28 045</b>	-23 365
<b>Book Value</b>	<b>135 301</b>	136 864
Book Value, Buildings	98 066	97 317
Book Value, Land	37 235	39 547
	<b>135 301</b>	136 864

Note 8

Acquisition Values and Depreciation, etc. for Equipment

	Dec 31, 2012	Dec 31, 2011
<b>Group</b>		
Acquisition Value Brought Forward	169 951	146 074
Purchases	25 314	37 606
Subsidiaries Acquired	2 060	24 724
Sales/Disposals	-12 225	-41 031
Reclassifications	934	40
Exchange Rate Differences	-8 366	2 538
<b>Accumulated Acquisition Value Carried Forward</b>	<b>177 668</b>	169 951
Depreciation Brought Forward	-101 963	-85 607
Subsidiaries Acquired	-1 065	-11 570
Sales/Disposals	8 786	13 122
Reclassifications	-145	278
Exchange Rate Differences	5 382	-2 494
Depreciation for the Period	-20 360	-15 692
<b>Accumulated Depreciation Carried Forward</b>	<b>-109 365</b>	-101 963
<b>Book Value</b>	<b>68 303</b>	67 988







# S

## Supplementary Information in TSEK

Note 10

Participating Interests in Associated Companies

Group	Dec 31, 2012	Dec 31, 2011
Share of Capital, Opening Balance	24 347	25 473
Purchases	7 315	517
Share of Profit for the Year at Associated Companies	1 273	-665
Deduction for Dividends Received	0	-1 062
Exchange Rate Differences	-1 099	84
<b>Share of Capital at Year-End</b>	<b>31 836</b>	24 347

Company	Country/ Reg office	Share of Capital	Dec 31, 2012 Book Value	Dec 31, 2011 Book Value
Intersales KB, 916840-3930 Participation Right	Gothenburg		81	-189
Pittsburgh Recycling Services Inc/par USD 50 000/	USA	50%	6 396	6 395
Central Kentucky Fiber Resources LLC	USA	50%	1 965	2 855
Urban Impact Recycling Ltd/par CAD 1 501 580/	Canada	50%	14 038	13 673
Bren-Mar Properties LLC	USA	50%	1 028	665
3600 Viking Way Enterprises Ltd	Canada	50%	14	461
Magna Silva	Singapore	22.058%	452	487
Green Pellets Sarawak/par MYR 25 000 000/	Malaysia	30%	7 234	0
Sabela/par EUR 20 000/	France	50%	628	0
<b>Book Value</b>			<b>31 836</b>	24 347

















Gothenburg · June 3 · 2013

Mr Thomas Hedberg	Chairman
Mr Hans Kling	Executive Director
Mr Victor E Rice	Executive Director
Sir Adrian Montague CBE	Non-Executive Director
Mr Jay Hambro	Non-Executive Director
Mr Philippe Liétard	Non-Executive Director
Our Audit Report was submitted on June 3, 2013	
Carl Magnus Kollberg	Authorized Public Accountant
Ulf Lindesson	Authorized Public Accountant





To the General Meeting of the shareholders of CellMark Holding AB  
Corporate identity number 556498-0893

**Report on the annual accounts and consolidated accounts**

We have audited the annual accounts and consolidated accounts of CellMark Holding AB for the year 2012.

**Responsibilities of the Board of Directors and the Managing Director for the annual accounts and consolidated accounts**

The Board of Directors and the Managing Director are responsible for the preparation and fair representation of these annual accounts and consolidated accounts in accordance with the Annual Accounts Act, and for such internal control as the Board of Directors and the Managing Director determine is necessary to enable the preparation of annual accounts and consolidated accounts that are free from material misstatement, whether due to fraud or error.

**Auditor's responsibility**

Our responsibility is to express an opinion on these annual accounts and consolidated accounts based on our audit. We conducted our audit in accordance with International Standards on Auditing and generally accepted auditing standards in Sweden. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the annual accounts and consolidated accounts are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the annual accounts and consolidated accounts. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the annual accounts and consolidated accounts, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the company's preparation and fair presentation of the annual accounts and consolidated accounts in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Board of Directors and the Managing Director, as well as evaluating the overall presentation of the annual accounts and consolidated accounts.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

**Opinions**

In our opinion, the annual accounts and consolidated accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of the parent company and the group as of 31 December 2012 and of their financial performance and its cash flows for the year then ended in accordance with the Annual Accounts Act. The statutory administration report is consistent with the other parts of the annual accounts and consolidated accounts.

We therefore recommend that the annual meeting of shareholders adopt the income statement and balance sheet for the parent company and the group.





To the General Meeting of the shareholders of CellMark Holding AB  
Corporate identity number 556498-0893

**Report on other legal and regulatory requirements**

In addition to our audit of the annual accounts and consolidated accounts, we have examined the proposed appropriations of the company's profit or loss and the administration of the Board of Directors and the Managing Director of CellMark Holding AB for the year 2012.

**Responsibilities of the Board of Directors and the Managing Director**

The Board of Directors is responsible for the proposal for appropriations of the company's profit or loss, and the Board of Directors and the Managing Director are responsible for administration under the Companies Act.

**Auditor's responsibility**

Our responsibility is to express an opinion with reasonable assurance on the proposed appropriations of the company's profit or loss and on the administration based on our audit. We conducted the audit in accordance with generally accepted auditing standards in Sweden.

As a basis for our opinion on the Board of Directors' proposed appropriations of the company's profit or loss, we examined whether the proposal is in accordance with the Companies Act.

As a basis for our opinion concerning discharge from liability, in addition to our audit of the annual accounts and consolidated accounts, we examined significant decisions, actions taken and circumstances of the company in order to determine whether any member of the Board of Directors or the Managing Director is liable to the company. We also examined whether any member of the Board of Directors or the Managing Director has, in any other way, acted in contravention of the Companies Act, the Annual Accounts Act or the Articles of Association.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**Opinions**

We recommend to the annual meeting of shareholders that the profit be appropriated in accordance with the proposal in the statutory administration report and that the members of the Board of Directors and the Managing Director be discharged from liability for the financial year.

Gothenburg, June 3, 2013

Carl Magnus Kollberg  
Authorized Public Accountant

Ulf Lindesson  
Authorized Public Accountant

This audit report is a translation of the audit report issued for the official annual report including information regarding the parent company and complete information in note 2.



H

Here we are

A

Athens

Austin  
Atlanta

B

Barcelona

Birmingham  
Bangkok

Bronx

Blaine

D

Doylestown

Dubai  
Dusseldorf

C

Calgary

Chilliwack

Chicago

Cumming

E

Everett

G

Geldrop

Geneva

Gent

Gothenburg

H

Ho Chi Minh City

Hong Kong

Hyltebruk

Huntington Beach

I

Istanbul

K

Kirkcaldy

Krakow

L

Lima

Lake Oswego

Lexington



M Melbourne  
N New Westminster  
Q Qingdao  
R Richmond  
S San Rafael, Seoul, Shanghai, Singapore, Slough, South Norwalk, Stamford, Stockholm, Southport, Suffern, Syracuse, Sydney  
T Taipei, Tokyo  
V Vancouver  
W Wake Forest, Wellington, Winnipeg  
P Paris, Pearl River, Pittsburgh  
Mississauga, Monk Fryston, Mumbai, Mount Laurel

For the complete CellMark office network, please refer to [www.cellmark.com](http://www.cellmark.com)



GRACEFUL posture can be as attractive as real beauty. We have all seen the admiring glances turned towards the woman who sits, stands and moves easily. We have seen, too, how her easy manner puts her guests at their ease.

It is certainly irritating to see a person perched nervously on the edge of a chair. In an upright chair we should sit well back of the seat so the spine is supported. Not only will we look better, but we will certainly feel more comfortable. To look our best there must be no tenseness. The body must be relaxed, not stiff. Knees must be close, but not pressed together.

Few things look more ungainly than sitting with knees apart, hands on hips or with too much leg exposed. Nor is there anything attractive about legs too are wound around chair-legs crossed to expose too much leg.

An easy and natural position can be obtained by sitting with one foot slightly in advance of the other. Slumping in a chair invites indigestion and fatigue. Fatigue, in turn, causes bad posture and weakness.

When standing it is best to stand up straight and balanced. Standing up straight means the head must be level, shoulders down, stomach and back tucked neatly in and chest not out. For a pleasing, natural

## Now You Can Wear FALSE TEETH With Real Comfort

FASTEETH, a new powder, keeps teeth fresh, deodorizes. No gum-pasty taste or feeling. Laugh in comfort, just a little FASTEETH on your teeth. Get it to-day at a Refuse substitutes.

PAGE 32

Every

We were very busy all the morning packing Biddulph's things and getting all ready, and at last he drove us into Sydney in the buggy—that is, Annie, Mr. Hedgeland, "Little Teddy" and myself. Biddulph went off to join his "best man," and we proceeded to Amy's lodgings, where we found her ready dressed and "Little Annie" also waiting for us. She had some views of taking the nurse and baby to the wedding, but this we providentially overruled.

Mr. Hedgeland had ordered a close carriage, and we all—that is, Annie, Amy, "Little Annie," Mr. Hedgeland and I—drove down to the Circular Quay and crossed, carriage and all, in the Transit, a large steamer that takes vehicles over to the North Shore. Biddulph was in the same boat in a carriage with a pair of grey horses.

We drove straight to the church [2] where the James Tuckers, Hirs, [3] Thorntons, [4] etc., were also assembled. It was the first wedding at the new church, and the building was dressed with flowers for the occasion, the altar with white lilies alone, and very pretty it looked.

The church was quite full of

Biddulph, and soon after we got to the church with Mr. Walker, the best man. He looked so nervous he was not at all nervous. The bride came in with her father. She was magnificently dressed in white satin trimmed with Maltese lace and wreaths of clematis, a wreath of clematis and orange blossom and a tulle veil. She was a tall, stately-looking girl and looked extremely well.

There were two clergymen, who gave us the benefit of the whole service. Everybody behaved very well. There was no crying, and the responses were distinctly audible. When we went into the vestry afterwards the clergyman of the new church present, Biddulph and Emily with a Bible and prayer-book, theirs being the first wedding there. Then we all drove down to Clifton, [5] W. Tucker's place, where we found Mr. and Mrs. Henry standing in the large drawing-room and looking very happy and comfortable.

There was no sitting-breakfast, but sandwiches, etc., handed round and unlimited champagne. They had invited no one beyond the respective families, but these made a very large party, and very comfortable.

Mrs. W. Tucker.

### FOOTNOTES

[1] The Sydney-suburban home of the Hedgelands.

[2] Christ Church, Lavender Bay.

[3] Mrs. Hirst was formerly Caroline Tucker.

[4] George Thornton was twice Mayor of Sydney, and became an M.L.C. in 1877.

[5] In Carabella-street, Kirribilli.

[6] In Pitt-street, Kirribilli. [7] George Caleb Hedgeland was appointed as a licensed surveyor in the Department of Lands on July 14, 1871. Almost the whole of his time in the department

wick, Waverley, Ryde, and Sherwood.

Under date of August 30, 1877, Rachel Henning mentions that her nephew, Upcott Sloman, had come down from Bathurst at the age of sixteen to take up the profession of surveying, and that "Mr. Hedgeland would be able to help him so much."

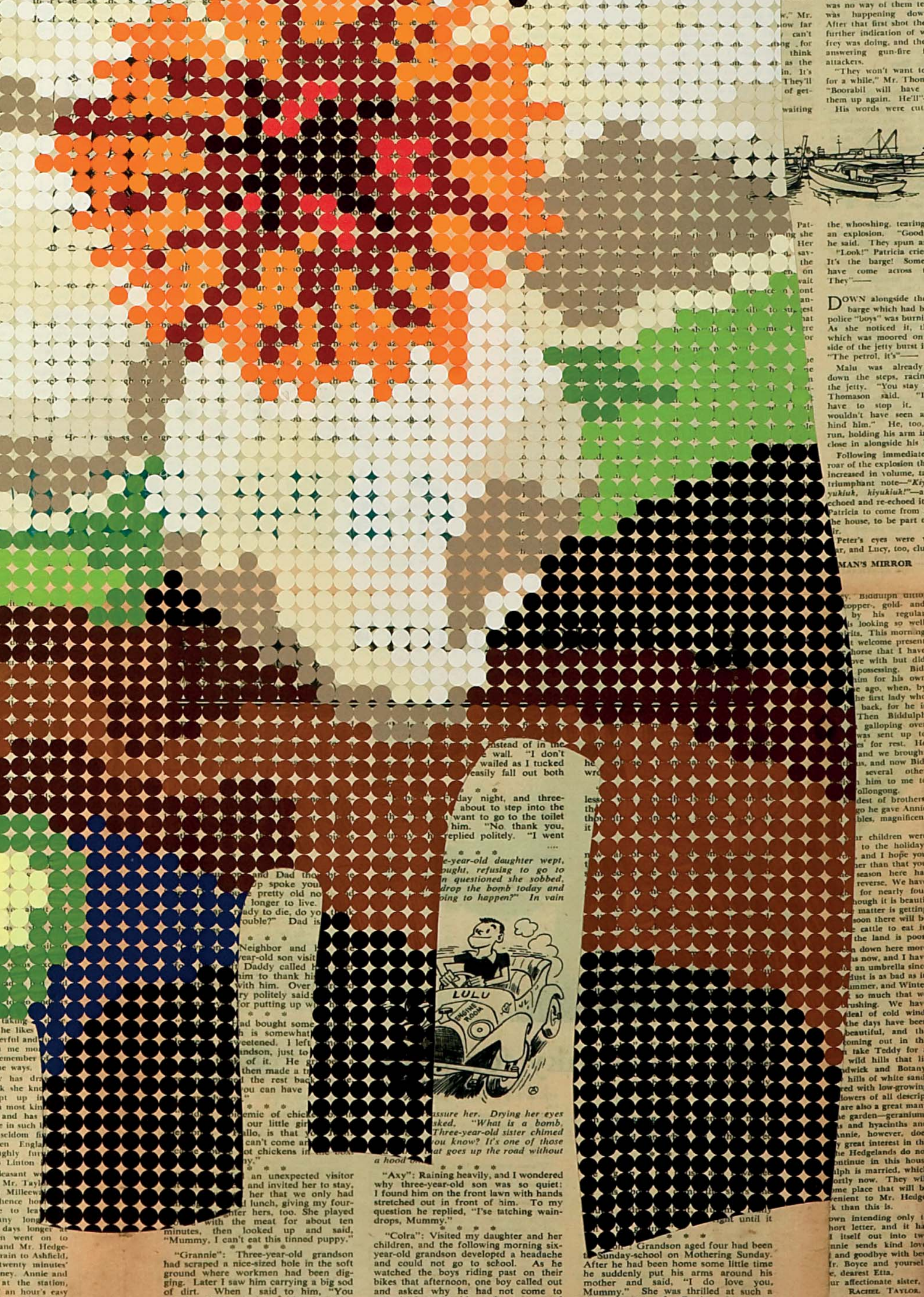
Thomas Biddulph Upcott Sloman entered the service of the Department of Lands on December 1, 1878, and subsequently occupied the position of district surveyor. He was a highly-esteemed officer, serving the de-

Wednesday by the steamer, as soon as I get back I expect we shall begin building. The new house ought to be up in about three months, and I hope it will be a very pretty and comfortable one.

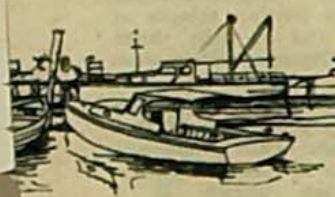
I wish you could come out and see us all in our new habitation.

remained a few Linton, and the stay with Annie. I went by the journey from Sydney. Teddy met me and a quarter





Mr. ...  
After that first shot the  
further indication of w  
frey was doing, and the  
answering gun-fire from  
attackers.  
"They won't want to  
for a while," Mr. Thom  
"Boorabill will have  
them up again. He'll"  
His words were cut  
waiting



Pat-  
an explosion. "Good  
he said. They spun a  
"Look!" Patricia cried  
It's the barge! Some  
have come across the  
They"—

DOWN alongside the  
barge which had b  
police "boys" was burni  
As she noticed it, the  
which was moored on  
side of the jetty burst i  
"The petrol, it's"—

Malu was already  
down the steps, racin  
the jetty. "You stay  
Thomason said. "I  
have to stop it.  
wouldn't have seen a  
hind him." He, too,  
run, holding his arm i  
close in alongside his

Following immediate  
roar of the explosion th  
increased in volume, t  
triumphant note—"Ki  
yukiuk, hiyukiuk!"—a  
echoed and re-echoed it  
Patricia to come from  
the house, to be part o  
sir.

Peter's eyes were v  
ar, and Lucy, too, clu  
MAN'S MIRROR

By, Biddulph into  
copper, gold, and  
by his regular  
is looking so well  
bits. This morning  
at welcome present  
horse that I have  
love with but did  
possessing. Bidd  
him for his own  
ago, when, by  
the first lady who  
back, for he is  
Then Biddulph  
galloping over  
was sent up to  
for rest. He  
and we brought  
us, and now Bidd  
several other  
him to me to  
ollongong.  
dearest of brother  
ago he gave Annie  
bles, magnificent

your children were  
to the holiday  
and I hope you  
ner than that you  
season here has  
reverse. We have  
for nearly four  
though it is beauti  
the matter is getting  
soon there will be  
the cattle to eat fr  
the land is poor  
seen down here mor  
is now, and I have  
an umbrella since  
dust is as bad as it  
summer, and Winte  
so much that we  
brushing. We have  
deal of cold wind  
the days have been  
beautiful, and the  
coming out in the  
take Teddy for  
wild hills that li  
ndwick and Botany  
hills of white sand  
red with low-growin  
flowers of all descri  
are also a great man  
the garden—geranium  
as and hyacinths an  
Annie, however, doe  
great interest in th  
the Hedglands do no  
continue in this hous  
alph is married, whic  
fortly now. They wil  
ome place that will b  
venient to Mr. Hedge  
k than this is.

own intending only  
hort letter, and it ha  
I itself out into tw  
nnie sends kind love  
and goodbye with be  
r. Boyce and yoursell  
e, dearest Etta,  
our affectionate sister,  
RACHEL TAYLOR

... instead of in the  
... wall. "I don't  
... wailed as I tucked  
... easily fall out both

... day night, and three-  
... about to step into the  
... want to go to the toilet  
... him. "No thank you,  
... replied politely. "I went

... e-year-old daughter wept,  
... thought, refusing to go to  
... n questioned she sobbed,  
... drop the bomb today and  
... ing to happen?" In vain

... and Dad thought  
... up spoke you  
... pretty old no  
... longer to live.  
... ready to die, do you think  
... ouble?" Dad is

... Neighbor and  
... year-old son visit  
... Daddy called  
... him to thank hi  
... with him. Over  
... try politely said:  
... for putting up with

... Had bought some  
... is somewhat  
... sweetened. I left  
... ndson, just to  
... of it. He gr  
... then made a ti  
... the rest back  
... you can have

... emic of chicks  
... our little girl  
... allo, is that you  
... can't come an  
... ot chickens in the  
... ny."

... an unexpected visitor  
... and invited her to stay,  
... her that we only had  
... lunch, giving my four-  
... enter hers, too. She played  
... with the meat for about ten  
... minutes, then looked up and said,  
... "Mummy, I can't eat this tinned puppy."



... assure her. Drying her eyes  
... asked, "What is a bomb,  
... Three-year-old sister chimed  
... you know? It's one of those  
... that goes up the road without  
... a hood on."

"Axy": Raining heavily, and I wondered  
why three-year-old son was so quiet:  
I found him on the front lawn with hands  
stretched out in front of him. To my  
question he replied, "I'veatching wain-  
drops, Mummy."

"Cola": Visited my daughter and her  
children, and the following morning six-  
year-old grandson developed a headache  
and could not go to school. As he  
watched the boys riding past on their  
bikes that afternoon, one boy called out  
and asked why he had not come to





Illustrated by  
Don Poelsma

P

PaperSeed

### Our Mission

The PaperSeed Foundation is a non-profit organization dedicated to strengthening educational opportunities for children and young people in underserved and resource-lacking communities around the world.

### Our Vision

The PaperSeed Foundation envisions a world where all children have the opportunity to obtain a good education. We believe that higher educational attainment dramatically expands the futures of young people and empowers them to reach their potential, thus allowing them to engage fully in their communities and the world-at-large. Further, we believe that working together with our community-based partners creates better, more sustainable solutions.

### About Us

With sponsorship from CellMark and support from its commercial partners, the PaperSeed Foundation works with community-based organizations and leaders to create locally defined and culturally appropriate solutions. By harnessing our global networks, PaperSeed creates coalitions between employees, local communities, NGOs and businesses that are committed to strengthening education. We recognize that strengthening education is complex and believe that supporting community-based partners with small grants is the best way for us to create locally appropriate solutions and long-term impact.

CellMark employees in our Miami office started PaperSeed over ten years ago and today CellMark provides financial support for all foundation administrative and operating expenses. As such, 100 percent of donations directly benefit educational projects.

During 2012 PaperSeed worked with community-based organizations to strengthen education in China, Guatemala, India, Kenya, Trinidad and Tobago and the United States.

Please visit [www.paperseed.org](http://www.paperseed.org) to learn more about our work.



PaperSeed Foundation





**SODA ACADEMY**  
**EMAIL - SUOPhans@hotmail.com**  
**SCHOOL MOTTO: COMMITMENT FOR EXCELLENCE**







Hitesh Natalwala

The work of Hitesh Natalwala accurately mirrors his background and transient lifestyle. Born in Nairobi of Indian extraction, the family moved to Britain where Hitesh was educated. He completed his studies at London's St Martins School of Art before the family moved again, this time to Australia. He now divides his time between Britain and Australia, but keeps a semi-permanent base in London.

The influence of this rich life experience is clear when confronted with Natalwala's work. His palette is vibrant, stimulating and warm while his subject matter is gleaned from all manner of sources ranging from Bollywood and pop culture to exotic flora. All executed with a masterly technique. One can only marvel over the months of painstaking precision work that is required to produce his dot pictures comprised of hundreds of diminute paper dots hand-painted with gouache.

Hitesh has exhibited in Hong Kong, India, Singapore and extensively throughout Australia. His work is found in private collections in Australia, Great Britain, Hong Kong, India and Singapore.















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