



ANNUAL REPORT 2008

Aktiebolaget SCA Finans (publ)  
556108-5688

## BOARD OF DIRECTORS' REPORT

### Operations

Aktiebolaget SCA Finans (publ), corporate registration number 556108-5688, with its registered office in Stockholm, is a wholly owned subsidiary of SCA Treasury B.V., the Netherlands, corporate registration number 33181970 and with its registered office in Amsterdam, the Netherlands. The Ultimate Parent Company is Svenska Cellulosa Aktiebolaget SCA (publ), corporate registration number 556012-6203, with registered office in Stockholm.

The SCA Group's financial operations are largely centralized at AB SCA Finans. The company is responsible for the Group's risk management relating to currency, interest rates and energy. AB SCA Finans manages SCA's borrowings from banks and other credit institutions, and through direct market financing. AB SCA Finans functions as an internal bank for Group companies relating to financing, interest rates and currency transactions.

Within the SCA Group, there is an established financial policy. This provides a framework of guidelines and rules for management of financial risks and for overall financial operations.

AB SCA Finans operates as counterparty for financial electricity and gas transactions conducted to hedge energy prices for SCA's European energy-intensive operations. AB SCA Finans' function as counterparty is of an administrative character and does not affect the company's earnings.

AB SCA Finans' profit before appropriations and tax amounted to SEK 2,565,772 thousand (2,076,947) and is primarily attributable to the company's net interest income, brand royalties and outcome on share swap transactions.

In 2008, medium-term borrowing totaling SEK 4,300,000 thousand was carried out. An additional credit line of SEK 3,000,000 thousand was also signed.

In 2008, AB SCA Finans acquired trademarks representing a total value of SEK 1,636 thousand, in connection with a major acquisition the Group carried out in 2007.

### Proposed disposition of unappropriated earnings

The following profit is at the disposal of the Annual General Meeting:

Retained earnings, SEK	4,880,506,551
Group contributions, net after tax	-2,489,116,956
Net profit for the year, SEK	<u>1,895,496,752</u>
	4,286,886,347

The Board of Directors and the President propose as follows:

Profit to be carried forward, SEK	4,286,886,347
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A Group contribution, net after tax, of SEK 2,489,116,956, was made to the Stockholm branch of SCA Treasury B.V., the Netherlands. In the Board's opinion, Group contributions made do not prevent the company from fulfilling its obligations in the short or long term, nor from carrying out necessary investments. The value transfer is thus permissible under Chapter 17, Section 3 of the Swedish Companies Act (2005:551).

**INCOME STATEMENT**

	<b>2008</b>	<b>2007</b>
	<b>SEK 000s</b>	<b>SEK 000s</b>
<b>Interest</b>		
Interest income (Note 3)	6,357,224	5,430,280
Interest expenses (Note 4)	<u>-3,615,786</u>	<u>-3,201,694</u>
<b>Net interest income</b>	<b>2,741,438</b>	<b>2,228,586</b>
<b>Other operating income</b>		
Other operating income (Note 5)	<u>185,240</u>	<u>36,601</u>
<b>Subtotal</b>	<b>2,926,678</b>	<b>2,265,187</b>
<b>Operating expenses</b>		
Personnel costs (Note 6)	-15,866	-10,880
Amortization of intangible assets (Note 7)	-322,031	-161,972
Depreciation of tangible assets (Note 8)	-4	-22
Other external expenses (Note 9)	<u>-23,005</u>	<u>-15,366</u>
<b>Total operating expenses</b>	<b>-360,906</b>	<b>-188,240</b>
<b>Operating profit</b>	<b><u>2,565,772</u></b>	<b><u>2,076,947</u></b>
<b>Appropriations (Note 10)</b>	<b>58,666</b>	<b>-213,547</b>
<b>Tax on profit for the year (Note 11)</b>	<b>-728,941</b>	<b>-543,774</b>
<b>Profit for the year</b>	<b><u>1,895,497</u></b>	<b><u>1,319,626</u></b>

<b>BALANCE SHEET</b>	<b>31/12/2008</b>	<b>31/12/2007</b>
	<b>SEK 000s</b>	<b>SEK 000s</b>
<b>ASSETS</b>		
<b>Fixed assets</b>		
<b>Intangible assets</b>		
Trademarks (Note 7)	684,038	956,335
Goodwill (Note 7)	187,437	235,535
<b>Tangible assets</b>		
Equipment (Note 8)	252	256
<b>Financial assets</b>		
Receivables from Group companies (Note 18)	4,482,460	5,146,682
Derivatives (Note 13)	<u>351,273</u>	<u>186,739</u>
<b>Total financial assets</b>	<b>4,833,733</b>	<b>5,333,421</b>
<b>Total fixed assets</b>	<b>5,705,460</b>	<b>6,525,547</b>
<b>Current assets</b>		
Receivables from Group companies (Note 18)	110,119,731	99,404,223
Other receivables	2,400	1,957
Tax receivable (Note 11)	234	234
Prepaid expenses and accrued income (Note 12)	670	857
Derivatives (Note 13)	2,557,606	482,730
Other investments	3,889,806	1,009,085
Cash and bank balances	<u>65,459</u>	<u>130,470</u>
<b>Total current assets</b>	<b>116,635,906</b>	<b>101,029,556</b>
<b>TOTAL ASSETS</b>	<b><u>122,341,366</u></b>	<b><u>107,555,103</u></b>

<b>EQUITY, PROVISIONS AND LIABILITIES</b>	<b>31/12/2008 SEK 000s</b>	<b>31/12/2007 SEK 000s</b>
<b>Equity</b>		
<b>Restricted equity</b>		
Share capital, 3,573,530 shares, each having a quotient value of SEK 100	357,353	357,353
Statutory reserve	<u>41,101,422</u>	<u>41,101,422</u>
	<b>41,458,775</b>	<b>41,458,775</b>
<b>Unrestricted equity</b>		
Retained earnings	2,391,390	3,560,881
Profit for the year	<u>1,895,497</u>	<u>1,319,626</u>
	<b>4,286,887</b>	<b>4,880,507</b>
<b>Total equity</b>	<b>45,745,662</b>	<b>46,339,282</b>
<b>Untaxed reserves (Note 14)</b>	<b>256,949</b>	<b>315,615</b>
<b>Provisions for pensions (Note 15)</b>	<b>4,587</b>	<b>0</b>
<b>Liabilities</b>		
<b>Long-term liabilities</b>		
Financial liabilities (Note 16)	36,194,838	18,177,617
Other liabilities	7,939	7,847
Derivative (Note 13)	<u>94,220</u>	<u>18,061</u>
<b>Total Long-term liabilities</b>	<b>36,296,997</b>	<b>18,203,525</b>
<b>Current liabilities</b>		
Liabilities to Group companies (Note 18)	27,229,606	21,933,308
Financial liabilities (Note 16)	10,253,077	19,609,752
Accrued expenses and prepaid income (Note 17)	732,615	524,638
Other liabilities	215	229
Accounts payable	2,789	288
Derivative instruments (Note 13)	<u>1,818,869</u>	<u>628,466</u>
<b>Total current liabilities</b>	<b>40,037,171</b>	<b>42,696,681</b>
<b>Total liabilities</b>	<b>76,334,168</b>	<b>60,900,206</b>
<b>TOTAL EQUITY, PROVISIONS AND LIABILITIES</b>	<b><u>122,341,366</u></b>	<b><u>107,555,103</u></b>
<b>Pledged assets</b>		
Assets for derivative trading	<b>19,806</b>	<b>19,211</b>
<b>Contingent liabilities</b>		
FPG (Försäkringsbolaget Pensionsgaranti)	<b>336</b>	<b>315</b>
Swedish Tax Agency	<b>25,060</b>	<b>0</b>

**CASH-FLOW STATEMENT**

	<b>2008</b>	<b>2007</b>
	<b>SEK 000s</b>	<b>SEK 000s</b>
<b>Operating profit</b>	2,565,772	2,076,947
Adjustment for non-cash items <sup>1</sup>	<u>-1,710,109</u>	<u>-1,163,438</u>
	<b>855,663</b>	<b>913,509</b>
<b>Tax payments</b>	<b>-44,556</b>	<b>-58,471</b>
<b>Change in</b>		
Operating receivables	-19,289	-3,302
Operating liabilities	<u>-22,372</u>	<u>26,271</u>
<b>Change in working capital</b>	<b>-41,661</b>	<b>22,969</b>
<b>Change in</b>		
Current loans	-12,685,357	-6,499,819
Long-term loans	<u>499,688</u>	<u>404,393</u>
<b>Change in loans</b>	<b>-12,185,669</b>	<b>-6,095,426</b>
<b>Change in</b>		
Other Long-term liabilities	<u>4,680</u>	<u>-1,942</u>
<b>Change in non-current, noninterest-bearing liabilities</b>	<b>4,680</b>	<b>-1,942</b>
<b>Cash flow from operating activities</b>	<b>-11,411,543</b>	<b>-5,219,362</b>
<b>Cash flow from acquisitions of brands, etc.</b>	<b>-1,636</b>	<b>-1,065,061</b>
<b>Change in</b>		
Current loans	-3,864,491	3,947,263
Long-term loans	<u>18,093,380</u>	<u>3,212,399</u>
<b>Cash flow from financing activities</b>	<b>14,228,889</b>	<b>7,159,662</b>
<b>Cash flow for the year</b>	<b>2,815,710</b>	<b>875,240</b>
Cash and cash equivalents at the beginning of the year	1,139,555	264,315
Change in cash and cash equivalents	<u>2,815,710</u>	<u>875,240</u>
<b>Cash and cash equivalents at the end of the year</b>	<b>3,955,265</b>	<b>1,139,555</b>
<b>Supplementary disclosure</b>		
<b>Cash and cash equivalents</b>		
Cash and bank balances	65,459	130,470
Current investments	<u>3,889,806</u>	<u>1,009,085</u>
<b>Total</b>	<b>3,955,265</b>	<b>1,139,555</b>
<b>Interest paid and received</b>		
Interest paid	-2,870,723	-2,426,259
Interest received	<u>6,243,102</u>	<u>4,392,149</u>
<b>Total</b>	<b>3,372,379</b>	<b>1,965,890</b>

<sup>1</sup> Items not included in cash flow are: depreciation, SEK 322,035 thousand; change in accrued interest: SEK 208,877 thousand; refund SCA internal tax pool 2007 of SEK 197,469 thousand, and payment of Group contribution 2007 of SEK 2,438,490 thousand – all totaling SEK 1,710,109 thousand.

**Change in equity**

<b>SEK 000s 2007</b>	<b>Share capital</b>	<b>Statutory reserve</b>	<b>Retained earnings</b>	<b>Total equity</b>
<b>Opening equity</b>	<b>357,353</b>	<b>41,101,422</b>	<b>5,316,594</b>	<b>46,775,369</b>
Deductible Group contribution			-1,733,244	-1,733,244
Non-deductible Group contribution			-507,777	-507,777
Tax effect of Group contribution			485,308	485,308
<b>Total transactions reported directly in equity</b>			<b>-1,755,713</b>	<b>-1,755,713</b>
Profit for the year			1,319,626	1,319,626
<b>Closing equity at 31 December 2007</b>	<b>357,353</b>	<b>41,101,422</b>	<b>4,880,507</b>	<b>46,339,282</b>

<b>SEK 000s 2008</b>	<b>Share capital</b>	<b>Statutory reserve</b>	<b>Retained earnings</b>	<b>Total Equity</b>
<b>Opening equity</b>	<b>357,353</b>	<b>41,101,422</b>	<b>4,880,507</b>	<b>46,339,282</b>
Deductible Group contribution			-2,727,838	-2,727,838
Non-deductible Group contribution			-729,269	-729,269
Tax effect of Group contribution			967,990	967,990
<b>Total transactions reported directly in equity</b>			<b>-2,489,117</b>	<b>-2,489,117</b>
Profit for the year			1,895,497	1,895,497
<b>Closing equity at 31 December 2008</b>	<b>357,353</b>	<b>41,101,422</b>	<b>4,286,887</b>	<b>45,745,662</b>

## NOTES

### NOTE 1 Accounting and measurement principles

The annual accounts have been prepared in accordance with the Annual Accounts Act and the Swedish Financial Accounting Standards Council's recommendations 1–29.

#### REVENUE RECOGNITION

Interest income is recognized in accordance with the effective interest method, which means it is accrued so that a constant return is obtained. Royalties are recognized in accordance with the implied financial effect of the contract.

#### TRANSLATION OF FOREIGN CURRENCY

Receivables and liabilities in foreign currency are measured at closing day rates at each balance sheet date. Exchange rate effects are reported net within operating profit.

#### TANGIBLE ASSETS

Tangible assets are measured at cost after deduction for accumulated depreciation and any accumulated write-downs. Depreciation according to plan is based on the assets' acquisition value and estimated useful life. Equipment is depreciated straight-line over a period of five years.

#### INTANGIBLE ASSETS

Amortization is based on the assets' acquisition value and the fiscal amortization period. Trademarks and goodwill are amortized straight-line over a period of five years.

#### FINANCIAL INSTRUMENTS

Financial instruments reported in the balance sheet include securities, other financial receivables, accounts receivable, accounts payable, financial liabilities and derivatives.

##### *Recognition and derecognition*

Purchases and sales of financial instruments are recorded in the accounts on the trade date with the exception of securities, financial assets and financial liabilities, all of which are recorded on the settlement date. Financial instruments are initially valued at cost corresponding to the fair value of the instrument including transaction costs. Recognition then takes place on the basis of the categories specified below.

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 otherwise been extinguished.

##### *Measurement*

The fair value of financial instruments is calculated on the basis of prevailing market listings on the closing date. In the absence of quoted market listings, the fair value is determined with the aid of normal valuation models such as discounting of future cash flows at listed market rates of interest for the respective term. These estimated cash flows are established based on available market information.

For disclosures in a note concerning the fair value of long-term loans, current market interest rates and an estimate of SCA's risk premium are taken into account in fair value calculations. The fair value of short-term loans and investments is considered to correspond to the book value as a change in market interest rates has a negligible effect on market value.

##### *Securities and financial receivables*

Securities and financial receivables are measured at amortized cost applying the effective interest method deducted for any impairment value.

##### *Accounts receivable*

Accounts receivable are reported to the amount at which they are expected to be paid, based on an individual assessment of bad debts.

**Financial liabilities**

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

**Derivatives**

Results of derivative instruments linked to lendings and borrowings are recognized on a gross basis as interest income and interest expenses. The interest differential is distributed over the term of the contract. Other derivatives are recognized at fair value and the value changes affect the result continuously.

**TAXES**

The reported income taxes include taxes on reported profits for the accounting period and adjustments relating to tax for earlier periods, as well as changes in deferred taxes.

Deferred taxes are measured at their nominal amount and based on the tax rate adopted at the balance sheet date.

For items recognized in the income statement, related tax effects are also recognized in the income statement. For items recognized directly in equity, related tax effects are recognized in equity.

Deferred tax is calculated for all temporary differences between the values of assets and liabilities for accounting and tax purposes using the balance sheet method. Deferred tax liabilities in untaxed reserves are reported as part of untaxed reserves due to the links between accounting and taxation.

**NOTE 2 Financial risk management**

SCA's financial risk management is centralized to capitalize on economies of scale and synergy effects and to minimize operational risks. The central treasury function is responsible for the Group's borrowing, currency and interest rate risk management, and serves as an internal bank for the Group's financial transactions. The operation is mainly carried out in AB SCA Finance.

The Group's financial policy, which is established by the SCA Group's Board of Directors, constitutes a framework of guidelines and rules for financial risk management and financial activities in general. AB SCA Finans executes financial transactions to manage the Group's financial risks and is therefore, as a single company, exposed to financial risks.

The Group's financial risk management is described in SCA's 2008 Annual Report.

**Currency risk**

AB SCA Finans executes financial transactions with different counterparties in the financial market to manage SCA's currency risk. The company acts as internal bank for the Group companies' currency transactions. This means that AB SCA Finans is exposed to exchange rate fluctuations.

**Interest-rate risk**

AB SCA Finans ensures that there is capital in the Group and manages the Group's interest-rate risk in accordance with the financial policy. AB SCA Finans is exposed to interest-rate fluctuations in connection with borrowing and lending to Group companies and through external borrowing. However, AB SCA Finans has equity that is used for lending to Group companies, which means that AB SCA Finans is a net investor despite its management of SCA's debt portfolio.

**Equity risk**

The social security cost on the exercise of the Group's employee stock option program has been hedged in AB SCA Finans by equity swaps against an upturn in the SCA share price. Thus, AB SCA Finans is exposed to fluctuations in the SCA share price.

**Refinancing risks and liquidity**

SCA limits its refinancing risk by having a favorable distribution and a certain term for the loans included in its gross borrowing, and by having a reserve of unused credit facilities. SCA's gross debt portfolio is held primarily at AB SCA Finans.

**Credit risk**

Financial risk management involves exposure to credit risks. This exposure arises from the investment of surplus liquidity and through claims on banks and other counterparties that arise through derivative instruments. SCA's financial policy contains a special counterparty regulation by which maximum credit exposure for different counterparties is stipulated. One objective is that counterparties must have a minimum credit rating of A- from Standard & Poor's or equivalent rating from Moody's. Investments and derivative transactions with Group companies are considered to be risk-free credits for AB SCA Finans. The credit exposure in derivative instruments is determined as a market value plus an additional amount based on credit risk factors that reflect the risk of increased exposure as a result of market fluctuations.

**Energy price risk**

Energy price risk is the risk of price fluctuations on the energy market. AB SCA Finans operates as counterparty for financial electricity and gas transactions conducted to hedge energy prices for SCA's European, North American and Mexican energy-intensive operations. AB SCA Finans' function as counterparty is of an administrative character and does not affect the company's earnings.

**RISK MANAGEMENT DURING THE YEAR****Currency and interest-rate risks**

The currency transactions during the year affected SCA Finans' result positively by SEK 121,874 thousand (-10,429). On 31 December 2008 there were outstanding currency positions for the Group with a market value of SEK 30,130 thousand (-4,285).

AB SCA Finans is a net investor and a general reduction in the level of interest rates by one percentage point would decrease the annual level of interest for SCA Finans by approximately SEK 457m (463).

**Refinancing risks, liquidity and credit risk****Bank credit facilities**

SCA has two syndicated bank facilities: one for EUR 1,200m (SEK 13,123m), of which EUR 60m (SEK 656m) with a final maturity in 2010, EUR 35m (SEK 383m) with a final maturity in 2011 and EUR 1,105m (SEK 12,084m), with a final maturity in 2012, as well as EUR 1,000m (SEK 10,936m) with a final maturity in 2014. These credit facilities may be used by AB SCA Finans. At year-end, a total of SEK 11,375m (3,502) had been used by AB SCA Finans of the available SEK 24,059m (20,821). The company also has confirmed bilateral bank credit facilities totaling SEK 8,000m (5,000).

**Market programs**

For issuing bonds in the European capital market, SCA has a Euro Medium Term Note (EMTN) program with a framework amount of EUR 2,000m (SEK 21,872m). As of 31 December 2008, a total of SEK 11,656m nominal (10,425) was utilized by AB SCA Finans with a remaining maturity of 2.8 years (3.8).

SCA has two short-term borrowing programs – a Swedish commercial paper program with a framework amount of SEK 15,000m and a Belgian commercial paper program with a framework amount of EUR 400m (SEK 4,374m). Both of these programs can be utilized by AB SCA Finans. As of 31 December, a total of SEK 8,862m (13,056) and SEK 1,339m (2,421), respectively, was utilized by AB SCA Finans. AB SCA Finans is the only issuer under these programs.

**Credit risk**

Credit exposure in external derivative instruments is determined as a market value plus an additional amount based on credit risk factors that reflect the risk of increased exposure as a result of market fluctuations. AB SCA Finans endeavors to use standardized agreements which, in countries where this is possible, allow statutory net calculation of receivables and liabilities.

Even if payment set-offs on outstanding receivables and liabilities in derivative instruments do not take place, the right of set-off in the event of a counterparty's bankruptcy means that AB SCA Finans measures this credit risk as a net amount. As of 31 December 2008, the credit risk associated with financial cash instruments was SEK 3,956m (1,301). Credit exposure associated with derivative instruments was SEK 4,043m (2,338).

#### Energy price risk

As of 31 December 2008, external energy derivatives of 2.7 TWh (1.5) were outstanding on behalf of SCA companies with a market value of SEK 326m (38).

#### Equity risk

AB SCA Finans has on behalf of the SCA Group entered into share swap contracts regarding SCA shares with a nominal value of SEK 42m (100). As of 31 December 2008, the fair value was negative in an amount of SEK 31.3m (8.3).

### NOTE 3 Interest income

<b>Interest income (SEK 000s)</b>	<b>2008</b>	<b>2007</b>
Interest income, lending	37,201	8,634
Interest income, derivatives	444,428	650,041
Interest income, Group companies, lending	5,800,732	4,634,571
Interest income, Group companies, derivatives	74,863	137,034
<b>Total</b>	<b>6,357,224</b>	<b>5,430,280</b>

### NOTE 4 Interest expenses

<b>Interest expenses (SEK 000s)</b>	<b>2008</b>	<b>2007</b>
Interest expenses, borrowing	-2,023,391	-1,545,251
Interest expenses, derivatives	-728,363	-824,928
Interest expenses, Group companies, borrowing	-823,832	-805,329
Interest expenses, Group companies, derivatives	-40,200	-26,186
<b>Total</b>	<b>-3,615,786</b>	<b>-3,201,694</b>

### NOTE 5 Other operating income

<b>Other operating income (SEK 000s)</b>	<b>2008</b>	<b>2007</b>
Royalties on trademarks <sup>1</sup>	124,801	79,613
Exchange rate result	120,533	-10,429
Financial costs	-19,086	-28,523
Other operating items	-41,008	-4,060
<b>Total</b>	<b>185,240</b>	<b>36,601</b>

<sup>1</sup> Trademarks purchased in Australia, New Zealand and Europe, intended for SCA's operations in these countries.

**NOTE 6 Personnel costs and personnel data**

<b>Personnel data</b>	<b>2008</b>	<b>2007</b>
Average number of employees	11	10
of whom women	7	4
(SEK 000s)		
Pension liabilities for President, Vice President, Board <sup>1</sup> and senior executives	-	-
<b>Personnel costs (SEK 000s)</b>		
<b>Salaries and other remuneration</b>		
President, Vice President, Board <sup>1</sup> and senior executives	-	-
of which variable elements	-	-
Other employees	6,774	7,416
<b>Social security costs<sup>1</sup></b>	<b>8,941</b>	<b>3,356</b>
of which pension costs	6,663	879
Other personnel costs	151	108
<b>Total</b>	<b>15,866</b>	<b>10,880</b>

None of the total of three (three) Board members or the senior executives are women (unchanged compared with 2007).

The total sickness absence at AB SCA Finans during the period 1 January to 31 December 2008, is 1% (2). There is no long-term sickness absence.

AB SCA Finans has defined-contribution as well as defined-benefit pension plans. The company's defined-benefit plan is described below.

Pension liabilities regarding retirement pensions have been secured by a joint Swedish SCA pension foundation. As of 31 December 2008, the market value of AB SCA Finans' part of the foundation's assets was SEK 12,227 thousand (19,851). During the year an allowance of SEK 0 thousand (253) was received. As of 31 December 2008, the capital value of the pension obligations was SEK 16,814 thousand (15,746). The pension disbursements were SEK 310 thousand (288) in 2008. Since the obligations exceed the pension assets, a pension provision of SEK 4,587 thousand (0) is reported in the balance sheet.

AB SCA Finans has an obligation for sickness and family pensions for employees that is secured by insurance at the insurance company Alecta. These benefits are reported as a defined-contribution plan since AB SCA Finans did not have access to sufficient information to report the obligation as a benefit plan. The fee amount of sickness and family pensions for 2008 at Alecta is SEK 141 thousand (233).

<sup>1</sup> Effective from 2005, salaries and remunerations, social security costs, pension costs and pension liabilities are reported by the Parent Company. Of AB SCA Finans' pension costs, SEK 2,657 thousand (3,) relate to the president, the vice president and the Board. This also includes previous presidents and vice presidents. Since the assets in the foundation are less than the pension obligations, the pension provision made for them is reported as SEK 2,550 thousand (0).

**NOTE 7 Intangible assets**

<b>Trademarks (SEK 000s)</b>	<b>2008</b>	<b>2007</b>
Opening cost	1,361,487	544,321
Investments	-	817,166
<b>Closing accumulated cost</b>	<b>1,361,487</b>	<b>1,361,487</b>
Opening amortization	-405,152	-255,541
Amortization for the year	-272,297	-149,611
<b>Closing accumulated amortization</b>	<b>-677,449</b>	<b>-405,152</b>
<b>Closing planned residual value</b>	<b>684,038</b>	<b>956,335</b>
<b>Goodwill trademarks (SEK 000s)</b>	<b>2008</b>	<b>2007</b>
Opening cost	247,896	-
Investments	1,636	247,896
<b>Closing accumulated cost</b>	<b>249,532</b>	<b>247,896</b>
Opening amortization	-12,361	-
Amortization for the year	-49,734	-12,361
<b>Closing accumulated amortization</b>	<b>-62,095</b>	<b>-12,361</b>
<b>Closing planned residual value</b>	<b>187,437</b>	<b>235,535</b>

**NOTE 8 Tangible assets**

<b>Equipment (SEK 000s)</b>	<b>2008</b>	<b>2007</b>
Opening cost	453	453
Investments	-	-
<b>Closing accumulated cost</b>	<b>453</b>	<b>453</b>
Opening depreciation	-197	-175
Depreciation for the year	-4	-22
<b>Closing accumulated depreciation</b>	<b>-201</b>	<b>-197</b>
<b>Closing planned residual value</b>	<b>252</b>	<b>256</b>

**NOTE 9 Other external costs (Note 9)**

<b>Audit costs (SEK 000s)</b>	<b>2008</b>	<b>2007</b>
<i>PricewaterhouseCoopers AB</i>		
Auditing assignments	-678	-676
<b>Total</b>	<b>-678</b>	<b>-676</b>

**NOTE 10 Appropriations**

<b>Excess depreciation (SEK 000s)</b>	<b>2008</b>	<b>2007</b>
Reversal of excess depreciation, equipment	-4	11
Reversal and excess amortization, trademarks	58,670	-213,558
<b>Total</b>	<b>58,666</b>	<b>-213,547</b>

**NOTE 11 Taxes**

<b>Tax on profit for the year (SEK 000s)</b>	<b>2008</b>	<b>2007</b>
Current tax expense	-728,941	-543,774

The difference between reported tax expense and expected tax expense is as follows:

<b>Reconciliation tax, %</b>	<b>2008</b>	<b>2007</b>
Tax expense	27.8	29.2
Expected tax expense	28.0	28.0
<b>Difference</b>	<b>-0.2</b>	<b>1.2</b>

The difference is as follows:

<b>%</b>	<b>2008</b>	<b>2007</b>
Taxes relating to prior periods	-1.2	0.0
Other non-taxable/non-deductible items	1.0	1.2
<b>Difference</b>	<b>-0.2</b>	<b>1.2</b>

<b>Current tax expense (SEK 000s)</b>	<b>2008</b>	<b>2007</b>
Income tax for the year	-760,363	-543,774
Adjustments for prior years	31,422	-
<b>Total</b>	<b>-728,941</b>	<b>-543,774</b>

<b>Current tax receivables (+), tax liabilities (-) (SEK 000s)</b>	<b>2008</b>	<b>2007</b>
Opening balance	234	229
Adjustment for prior years, incl, tax surcharge and interest	31,422	-
Paid tax	44,556	58,471
Current tax expense	-760,363	-543,774
Tax income, other Group companies	684,385	485,308
<b>Closing balance</b>	<b>234</b>	<b>234</b>

AB SCA Finans has made a Group contribution to SCA Treasury B.V. Holland, Stockholm branch, of SEK 3,457,107 thousand (2,438,490). The tax effect amounts to SEK 967,990 thousand (682,777).

The company also participates in the SCA Group's tax pooling arrangement, and has received SEK 283,605 thousand (197,469 ) in internal tax. These items are reported as short-term liabilities/receivables to/from Group companies respectively.

**NOTE 12 Prepaid expenses and accrued income**

<b>(SEK 000s)</b>	<b>2008</b>	<b>2007</b>
Accrued interest income	278	418
PRI	147	118
Other accrued items	245	321
<b>Total</b>	<b>670</b>	<b>857</b>

**NOTE 13 Report on derivative instruments****Outstanding derivatives in balance sheet (SEK 000s)**

Year 2007	Assets		Liabilities	
	Short-term	Long-term	Short-term	Long-term
Currency derivatives	435,763	362	589,796	120
Interest rate derivatives	-	183,029	-	14,593
Commodity derivatives	37,437	3,348	37,437	3,348
Equity derivatives	9,530	-	1,233	-
<b>Total</b>	<b>482,730</b>	<b>186,739</b>	<b>628,466</b>	<b>18,061</b>
<b>Year 2008</b>				
Currency derivatives	2,312,834	-	1,524,549	2,431
Interest rate derivatives	3,536	261,261	21,769	1,777
Commodity derivatives	241,236	90,012	241,236	90,012
Equity derivatives	-	-	31,315	-
<b>Total</b>	<b>2,557,606</b>	<b>351,273</b>	<b>1,818,869</b>	<b>94,220</b>

**Nominal amounts of outstanding derivative instruments after set-off.**

SEK 000s	2008	2007
Currency derivatives	49,662,996	51,605,056
Interest rate derivatives	20,255,709	25,819,333
Commodity derivatives	951,801	417,255
Equity derivatives	42,053	99,615
<b>Total</b>	<b>70,912,559</b>	<b>77,941,259</b>

**NOTE 14 Untaxed reserves**

Accumulated excess depreciation (SEK 000s)	2008	2007
Accumulated excess depreciation, equipment	-17	-20
Accumulated excess amortization, trademarks	256,966	315,635
<b>Total</b>	<b>256,949</b>	<b>315,615</b>

**NOTE 15 Provisions for pensions**

Provisions (SEK 000s)	2008	2007
Pension provision, PRI	4,587	0
<b>Total</b>	<b>4,587</b>	<b>0</b>

**NOTE 16 Financial liabilities**

Long-term liabilities (SEK 000s)	2008	2007
Bond loans	15,136,311	13,532,991
Other long-term loans maturing in >1 year, <5 years	17,512,177	791,162
Other long-term loans maturing in >5 years	3,570,250	3,883,942
Transactions costs, long-term loans	-23,900	-30,478
<b>Total long-term liabilities</b>	<b>36,194,838</b>	<b>18,177,617</b>

**Bond loans at 31-12-2008 (SEK 000s)**

Term	Type	Nom	Interest	Currency	Book value	Matu- rity	Fair value
2007-2014	4,70% Notes	1,000,000	4.70%	SEK	1,000,000	2014-02-12	1,016,282
2006-2011	3.875% Notes	700,000	3.88%	EUR	7,655,200	2011-03-07	7,703,979
2005-2010	3,60% Notes	1,500,000	3.60%	SEK	1,500,000	2010-11-18	1,481,074
2005-2010	Floating Rate Notes	500,000	3 mån <sup>1</sup>	SEK	500,000	2010-11-18	505,073
2003-2015	4.50% Notes	450,000	4.50%	USD	3,479,850	2015-07-15	3,553,867
2005-2015	Index Linked Notes <sup>2</sup>	300,000	3.50%	SEK	374,301	2015-12-01	258,778
2005-2015	Index Linked Notes <sup>2</sup>	500,000	3.50%	SEK	626,960	2015-12-01	431,220
<b>Total</b>					<b>15,136,311</b>		<b>14,950,273</b>

<sup>1</sup> STIBOR+ 0.34%<sup>2</sup> Indexed to CPI**Other long-term loans by currency, weighted interest rate**

Currency	>1 year, <5 years		>5 years	
	Nominal (SEK 000s)	Interest, %	Nominal (SEK 000s)	Interest, %
USD	497,885	3,88	309,612	7.18
GBP	280,535	2,40	1,630,715	6.53
SEK	10,500,000	5,51	800,000	5.33
EUR	6,233,757	4,21	829,923	5.69
<b>Total</b>	<b>17,512,177</b>		<b>3,570,250</b>	

<sup>1</sup> Transactions cost for long-term borrowings SEK 23.9m (30.5) not included.**Maturity profile by loan source 31-12-2008, SEK 000s**

Year	Commercial paper and short-term bank loans	Bond loans	Other loans	Total
2009	10,253,077	-	-	10,253,077
2010	-	2,000,000	273,400	2,273,400
2011	-	7,655,200	497,885	8,153,085
2012	-	-	6,482,363	6,482,363
2013	-	-	4,283,650	4,283,650
2014	-	1,000,000	7,605,595	8,605,595
>2015	-	4,481,111	1,939,534	6,420,645
<b>Total</b>	<b>10,253,077</b>	<b>15,136,311</b>	<b>21,082,427<sup>1</sup></b>	<b>46,471,815</b>

<sup>1</sup> Transaction cost of SEK 23.9m (30.5) for long-term borrowings not included.

**NOTE 17 Accrued expenses and prepaid income**

<b>Accrued expenses and prepaid income (SEK 000s)</b>	<b>2008</b>	<b>2007</b>
Accrued interest expenses, external	728,073	519,337
Accrued social security costs	1,670	871
Accrued vacation pay liability	587	444
Accrued bonuses	0	1,138
Other items	2,285	2,848
<b>Total</b>	<b>732,615</b>	<b>524,638</b>

**NOTE 18 Receivables and liabilities to Group companies****Long-term receivables (SEK 000s)**

<b>Currency</b>	<b>Nom value</b>	<b>Interest rate</b>	<b>Maturity</b>	<b>Book value 31-12-2008</b>
EUR	186,000	5.10%	2010-03-26	2,034,096
EUR	163,331	5.10%	2010-01-25	1,786,183
EUR	60,551	6.12%	2017-08-03	662,181
<b>Total</b>				<b>4,482,460</b>

**Short-term receivables (SEK 000s)**

<b>Currency</b>	<b>Nom value</b>	<b>Weighted interest rate by currency</b>	<b>Maturity</b>	<b>Book value 31-12-2008</b>
SEK	73,101,149	3,80%	<12 mo,	73,101,149
EUR	1,771,084	4,04%	<12 mo,	19,368,580
USD	346,156	3,63%	<12 mo,	2,676,822
Other currencies	-	9,77%	<12 mo,	13,544,012
Accrued interest income	-	-	-	968,549
Cashpool	-	-	-	156,071
Other	-	-	-	304,548
<b>Total</b>				<b>110,119,731</b>

**Long-term liabilities (SEK 000s)**

<b>Currency</b>	<b>Nom value</b>	<b>Weighted interest rate by currency</b>	<b>Maturity</b>	<b>Book value 31-12-2008</b>
EUR	1,578,247	3.43%	<12 mo.	17,259,713
SEK	2,178,909	2.00%	<12 mo.	2,178,909
GBP	111,372	4.40%	<12 mo.	1,249,746
Other currencies	-	3.80%	<12 mo.	1,389,543
Accrued interest income	-	-	-	134,433
Cashpool	-	-	-	1,559,842
Group contribution	-	-	-	3,457,107
Other	-	-	-	313
<b>Total</b>				<b>27,229,606</b>

**Maturity profile of receivables and liabilities on 31 December 2008 (SEK 000s)**

<b>Year</b>	<b>Short-term receivables</b>	<b>Long-term receivables</b>	<b>Short-term liabilities</b>	<b>Long-term liabilities</b>
2009	110,119,731	-	27,229,606	-
2010	-	3,820,279	-	-
2011	-	-	-	-
2012	-	-	-	-
2013	-	-	-	-
2014	-	-	-	-
>2015	-	662,181	-	-
<b>Total</b>	<b>110,119,731</b>	<b>4,482,460</b>	<b>27,229,606</b>	<b>-</b>

**NOTE 19 Registered office**

AB SCA Finans has its registered office in the county of Stockholm, Stockholm municipality. Its address is: Box 7827, SE-103 97 Stockholm, Sweden.

Stockholm, 10 February 2009

Lennart Persson  
Chairman

Anders Nyberg

Carl-Axel Olson  
President

Our audit report was submitted on  
11 February, 2009.

PricewaterhouseCoopers AB

Anna Hesselman  
Authorized Public Accountant