

SCA NORDLINER HOLDINGS LIMITED

(Registered No. 2541467)

Directors' Report and Accounts for the year ended 31 December 1996



SCA NORDLINER HOLDINGS LIMITED**DIRECTORS' REPORT**

The directors present their report and accounts for the year ended 31 December 1996.

RESULTS AND REVIEW OF ACTIVITIES

The company did not trade during the year and consequently no profit and loss account has been prepared.

DIRECTORS

The directors who served during the year were:-

C N Snape	
A D Thorne	
R L Holdron	(appointed 3 December 1996)
T Lindgren	(resigned 14 July 1997)

None of the directors who held office during the year had any interest in the shares of the company or any of its holding companies incorporated in great Britain.

By order of the Board



A J Staples
Secretary

16 October 1997

SCA NORDLINER HOLDINGS LIMITED**Balance Sheet 31 December 1996**

	Notes	<u>1996</u> £	<u>1995</u> £
Fixed Assets			
Investments	4	<u>200,000</u>	<u>200,000</u>
Capital and Reserves			
Called up share capital	5	100	100
Merger reserve	6	<u>199,900</u>	<u>199,900</u>
Equity Shareholders' funds		<u>200,000</u>	<u>200,000</u>

The company was made dormant (within the meaning of Section 250 of the Companies Act 1985) on 3 December 1996.

Approved by the Board of Directors on 16 October 1997.



R L Holdron
Director

SCA NORDLINER HOLDINGS LIMITED**Notes to the financial statements for the year ended 31 December 1996****1. Principal Activity**

The company has not traded on its own account and has not incurred any liabilities during this year. Consequently it has made neither profit nor loss.

2. Accounting policies

These accounts are based on the historic cost convention.

3. Directors and Employees

None of the directors received emoluments in respect of their services to the company during the year (1995: £Nil).

4. Fixed asset investments

Interests in Group undertakings:

At 1 January 1996 and 31 December 1996	£200,000
--	----------

Interests in Group undertakings are as follows:

Name of Company	Description of shares held	Proportion of nominal value of issued shares held	Principal activity	Capital and reserves at 31 December 1996
SCA Nordliner (UK) Limited	200,000 ordinary shares	100%	Dormant	£339,552

The above company is registered and operates in England and Wales.

The directors are of the opinion that the value of the investment is not less than the amount at which it has been shown in the balance sheet.

SCA NORDLINER HOLDINGS LIMITEDNotes to the financial statements for the year ended 31 December 1996 continued5. Share Capital

	<u>1996</u>	<u>1995</u>
Authorised		
100 ordinary shares of £1 each	<u>£100</u>	<u>£100</u>
Allotted, called up and fully paid		
100 ordinary shares of £1 each	<u>£100</u>	<u>£100</u>

6. Reserves

	Merger Reserve
At 1 January 1996 and 31 December 1996	<u>£199,900</u>

7. Ultimate holding company

The Company's ultimate holding company is Svenska Cellulosa Aktiebolaget SCA, a company incorporated in Sweden.