



ANNUAL REPORT 2008

MEMBERS: VISUAL COPYRIGHT IN SWEDEN. NORDIC COPYRIGHT BUREAU. THE SWEDISH ARTISTS AND MUSICIANS' INTEREST ORGANIZATION. THE SWEDISH PERFORMING RIGHTS SOCIETY. THE ASSOCIATION OF OF SWEDISH PROFESSIONAL PHOTOGRAPHERS. THE SWEDISH UNION OF JOURNALISTS. THE SWEDISH MUSICIANS' UNION. THE ASSOCIATION OF SWEDISH ILLUSTRATORS. THE SWEDISH PLAYWRIGHTS' UNION. THE SWEDISH WRITERS' UNION. THE SWEDISH ASSOCIATION OF EDUCATIONAL WRITERS. THE ASSOCIATION OF SWEDISH CRAFTSMEN AND DESIGNERS. THE SWEDISH FEDERATION OF PROFESSIONAL MUSICIANS. THE SWEDISH UNION FOR THEATRE, ARTISTS AND MEDIA.



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PHOTO: CATHRINE EDVALL / FOLIO

ABOUT COPYSWEDE

Copyswede, a co-operative economic association, was established in 1982. Our role is to co-ordinate negotiations and agreements in certain areas of copyright, and to collect and distribute copyright revenue associated with these uses. Copyswede has fourteen member organizations, representing Swedish authors and performers.

COPYRIGHT AND COLLECTIVE LICENSING

Copyright is a right that accrues to the individual. It is based on the principle that the person who has created a literary or artistic work, or the person who performs a work, must give his or her permission before what he or she has created or performed may be used by others. The same right applies to anyone who has produced a film or a phonogram. Protection is also provided for the transmission rights of radio and TV companies.

Agreements on the use of works and performance involving many separate rights, such as TV programmes and films, often demand co-operation between different categories of right-holders. Via mandates from our member organizations and partnership agreements that Copyswede has with TV and radio companies and with the organizations that represent film and phonogram producers, we are authorized to conclude agreements with those who wish to use works and performances in their business.

COPYSWEDE – PARTNERS

UBOS, the Union of Broadcasting Organizations in Sweden serves in a co-ordinating role on behalf of the Nordic public service TV companies and a number of similar radio and TV companies in other countries and language areas.

IFPI, International Federation of the Phonographic Industry, Swedish Group, represents phonogram producers. FRF, Filmproducenternas Rättighetsförening (the Swedish Film Producers' Association) represents film and TV producers of various types. FRF also cooperates with Agicoa and Eurocopia in representing international film and TV producers.

COPYSWEDE – OPERATIONS

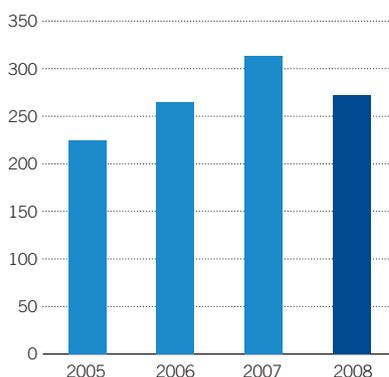
Copyswede administers the rights of authors, performers, TV and radio companies and producers via agreements in a number of areas. Our main areas of operations are:

- Licensing of simultaneous, unchanged retransmission of a large number of TV and radio channels from Sweden, the other Nordic countries, Continental Europe and the Middle East for redistribution, for example, via cable TV networks.
- Collection and management of the private copying levy.
- Distribution of the revenue collected to the rightholders concerned, in association with our member organizations and partners.

MEMBER ORGANIZATIONS

- Visual Copyright in Sweden (BUS)
- Nordic Copyright Bureau (NCB)
- The Swedish Artists and Musicians' Interest Organization (SAMI)
- The Swedish Performing Rights Society (STIM)
- The Association of Swedish Professional Photographers (SFFot)
- The Swedish Union of Journalists (SJF)
- The Swedish Musicians' Union (SMF)
- The Association of Swedish Illustrators (FST)
- The Swedish Playwrights' Union (SDF)
- The Swedish Writers' Union (SFF)
- The Swedish Association of Educational Writers (SLFF)
- The Association of Swedish Craftsmen and Designers (KIF)
- The Swedish Federation of Professional Musicians (Symf)
- The Swedish Union for Theatre, Artists and Media (TF)

REVENUE COLLECTED 2005–2008, SEK MILLION





CEO'S COMMENTS

To properly discharge its role, Copyswede must distribute the revenue it collects in an efficient way to the rightholders. In 2008, Copyswede paid SEK 300 m. in copyright revenue to different rightholders. This is the largest amount yet paid out in a single year. Copyswede distributes the revenue collected in association with our member organizations and partners. In this way, the revenue is distributed cost-efficiently and accurately to tens of thousands of Swedish and foreign rightholders.

In 2008, income totalled SEK 272 million, down from SEK 313 million in 2007. The decline is attributable almost entirely to the private copying levy, and specifically as a result of new, lower tariffs and a delayed shift in technology from recordable CDs and DVDs to products with integral hard disks. Costs incurred through Copyswede's operations amounted to just over 5 percent of the revenue collected.

NEW TARIFFS

Work relating to the private copying levy was largely dominated by negotiations on new tariffs for several of the products subject to the private copying remuneration.

The Swedish Copyright Act states the maximum possible tariff chargeable for products covered by the private copying levy. The Act also allows scope for the tariff to be lowered in specific given circumstances. This requires the rightholders, importers and manufacturers, who under the Act are liable to pay the levy, to negotiate on the amount to be paid. In this way, the legislator achieved a system that enables flexible adjustment of the compensation, in response to changes in market structures and prices, without any need to amend the law.

Since the compensation for copying ordinance was introduced in 1999, Copyswede has maintained close cooperation and has conducted many

■ "Copyswede and SRL have negotiated a two-year agreement, with new tariffs that the parties have accepted as highly reasonable."

rounds of constructive negotiation with IMI (Inspelningsmediainstitutet, the Swedish Recording Media Institute) and SRL (Sveriges Radio- och Hemelektronikleverantörer, the Swedish Radio & Consumer Electronics Suppliers). The method used by the parties for voluntary negotiation of new tariffs also led to this system of negotiation being incorporated into the law in the amendment made in 2005.

In 2008, Copyswede and SRL negotiated new tariffs for products such as MP3 players, set-top boxes and video players with integral hard disks. The negotiations were based on detailed analysis of the trend of the market for these products as well as joint surveys of how the products are used by consumers. The negotiations led to a two-year agreement with new tariffs, which both rightholders and SRL accepted as highly reasonable.

Negotiations were also conducted between Copyswede and IMI on new tariffs for recordable CDs and DVDs. An important principle is that the tariffs should be based on factors including the way in which the products are used. The negotiations were therefore based on joint surveys of consumer behaviour.

The surveys showed that the products are not just used for private copying of copyright material, but also for storage of personal photographs and material obtained by illegal file-sharing etc. The parties agreed that uses such as these were grounds for reduction of the tariff. The trend of prices for recordable discs was also taken into account.

The negotiations resulted in an agreement on new, lower tariffs. As of

1 November 2008, the tariff for the most common format of recordable CD is SEK 0.60, while the tariff for the most common format of recordable DVD is SEK 2.65.

WORK AT THE EU LEVEL

The nature of the private copying levy systems in Europe has been the focus of work at the EU Commission for several years. In 2008, the Commission appointed a working party made up of representatives of the rightholders and the electronics industry. The aim is to try and develop, on the basis of "best practice" in different European countries, common guidelines on how the systems of compensation for private copying should be applied in the different countries, as well as to try and establish guidelines on how the tariffs should be determined and how new products should be included in the systems of compensation.

The principle that the compensation should be paid by the industry that earns profits on products used for private copying is self-evident. However, an effective system of compensation is dependent on the electronics industry being able to anticipate which products will fall within the scope of the system. Copyswede has been actively involved in developing guidelines for an effective system, and the Swedish system of negotiation - which takes the way the products are used into account - plays a very central role in this work.

In 2009, Copyswede will continue to participate in the work so that rightholders will be assured of the revenue that is so important to them, even when the practice of copying crosses over to MP3



players built into mobile phones and new types of media extenders.

THE TV SECTOR

In the autumn, Copyswede presented proposals for new, more transparent tariffs for application to Copyswede-licensed retransmission of Swedish and foreign TV and radio channels. The recommendation was one tariff for foreign channels and one for the Swedish channels (SVT's channels and TV4's main channel).

Negotiations were started with the cable TV operators, but had not been brought to a conclusion before year-end 2008. The biggest cable TV operators were not prepared to enter into genuine negotiations on the size of the compensation for the SVT channels. The compensation that rightholders demanded from the cable TV operators for the latter's retransmission of all SVT channels totalled SEK 1.55 per household per month. Early in 2009, some of the biggest cable TV operators asked the government to appoint a mediator on the issue. In view of the unwillingness that these cable TV operators have shown to date in negotiating on compensation for the SVT channels, Copyswede welcomes the appointment of a mediator to make it easier for the parties to agree on the tariffs and other conditions to apply to the use of the channels by the cable TV operators. To Copyswede, it goes without saying that operators who retransmit and use the channels should pay for their use.

LICENSING AND NEW MEDIA

In 2008, copyright was a hotly debated topic. Enforcement of copyright in a new media landscape is an issue that has strongly engaged the attention of the rightholders at Copyswede. With KLYS (the Swedish Joint Committee for Artistic and Literary Professionals), Copyswede takes part in the work of

groups of copyright experts and in the debate on copyright.

In the TV sector, one clear trend is that high-quality content is a precondition for the development of new distribution and business models. The Swedish Copyright Act has been very carefully framed to enable rights to be licensed, in an appropriate way, to those who wish to use copyright material in their business, and during the year the rightholders have via Copyswede offered contractual solutions and signed agreements on several new applications, such as Web TV over the Internet, retransmission via 3G and various time-shift solutions for TV programmes.

Strong, effective copyright is a prerequisite for authors and performing artists to live on their creativity, and also serves as a guarantee for a future supply of original, qualitative content. The work that our member organizations spend on negotiating acceptable terms for use of their rightholders' works and performances is the basis of an effective system of copyright. The individual framework agreements and collectively negotiated agreements established by organizations not only create an effective framework for the way in which individual rightholders enter into agreements on assigning their rights so close to the operator who wishes to use the rights, they also create the conditions for the rightholders to authorize Copyswede to enter into agreements on such uses, which agreements would otherwise have been difficult to bring about without effective coordination among the rightholders.

Mattias Åkerlind



”High-quality content is a precondition for the development of new distribution and business models in the TV sector.”

PRIVATE COPYING LEVY

LEGISLATION

Every year, private individuals record huge amounts of music, films and TV programmes for private use. To compensate authors, performers and producers to some extent for the copying of copyright material for private use allowed under the law, a system of compensation is provided for in Article 26, subsections k-m of the Swedish Copyright Act. Similar systems to the one introduced in 1999 exist in most other European countries.

Under the system, importers and manufacturers are required to pay a private copying levy on their imports of

products especially suitable for private copying, such as recordable CDs, DVDs, video players and MP3 players with integral storage capacity. According to the legislation, the levy for analogue products is SEK 0.025 per recordable minute. In the case of products capable of multiple digital recordings, such as CD-RWs/DVD-RWs, MP3 players and video players with integral storage capacity, the levy is SEK 4 per gigabyte of storage capacity. The levy for other digital recordable media, such as CD-Rs and DVD-Rs, is SEK 2.50 per gigabyte of storage capacity.

Business enterprises can request a



SUMMARY, SEK

Revenue	160,150,678
Personnel costs	2,879,060
Other costs	1,688,063
For distribution	155,583,555
<i>Cost of collection</i>	<i>2.85%</i>

reduction in the amounts payable in certain specifically defined circumstances. No levy at all is payable on products that are exported or used by the functionally disabled, or on products used professionally.

Under the Copyright Act, the private copying levy is to be collected via representative organizations, on a collective basis. Under a partnership agreement between Copyswede, FRF (representing the film producers), IFPI (representing the phonogram producers) and UBOS (representing the broadcasting organizations), Copyswede collects the levy on behalf of all the rightsholders.

THE LAW IN PRACTICE

The law sets out the overall rules on the private copying levy. Swedish legislation has a lower level of detailed regulation than in many other countries. The legislator's intention was that the actors in the market should agree on the rules to be used in practice, and this is what has occurred. Following negotiations with IMI (Inspelningsmediainstitutet, the Swedish Recording Media Institute), SRL (Sveriges Radio- och Hemelektronikleverantörer, the Swedish Radio & Consumer Electronics Suppliers) and CE (the Swedish Consumer Electronics Industry Organization), Copyswede has agreed on the practical aspects of collecting the levy. It is in the interests of all parties to create as efficient a system as possible. It is also essential to establish a manageable system enabling

THE COPYRIGHT ACT AND ITS APPLICATION

What the law states	Practical implementation
The importer's liability to pay arises at the moment of import.	The importer is allowed credit and is only required to pay levy when the products are sold on.
The importer is under a duty to produce accounts at the moment of import.	Under the agreement, the importer is allowed to produce accounts and pay once a month.
Under standard rules of civil law, any private copying levy paid in error is to be refunded.	In practice, the parties avoid payments in error by deferring payment of levy until the point when the end-user is known.
No levy is payable for products that are to be used for purposes other than copying for private use.	Importers are not liable for the levy on sales to "professional users" who are registered with Copyswede. A player may also register at a later stage with Copyswede to take over accounting and payment liability for the levy from the importer.
The levy is not payable for products that are intended for use by the functionally disabled.	Importers are not liable for the levy on sales to any organization for the functionally disabled that are registered with Copyswede.
The levy is payable on devices capable of audio and video recording and especially designed for private use.	Under the agreement with the industry, lists have been drawn up of which products are to be subject to the levy and which are not. If a product does not appear on any list the parties, have not yet agreed on its inclusion or non-inclusion.



PHOTO: MÄRTA THISNER / FOLIO

importers and manufacturers to sell products to professional users, organizations for the functionally disabled and, in some cases, resellers, without any liability for the levy. The industry-wide agreements entered into on management of the practical side of the private copying levy are summarized in the table "The Copyright Act and its application".

PRODUCTS SUBJECT TO PRIVATE COPYING LEVY

Under the law, the levy is payable on any products that are especially suitable for the production of copies for private use. In 2008, remuneration was collected for the following products:

- DVD-R/RWs
- CD-R/RWs
- Audio players with integral storage capacity, e.g. MP3 players
- Video players with integral storage capacity, e.g. DVD players, TV sets and set-top boxes
- E-cassettes (VHS) of more than 15 minutes' duration
- C-cassettes of more than 15 minutes' duration
- Minidiscs
- CD-R/RWs (audio discs)

TARIFFS

Under agreements with SRL and CE, the levy is payable for audio players, video players and similar products with integral storage capacity (e.g. DVD players, TV sets and set-top boxes) In 2008, Copyswede, SRL and CE negotia-

ted agreements on new, lower tariffs for these products. The tariff is in each case determined by the storage capacity of the product as follows.

■ PRODUCTS WITH INTEGRAL STORAGE

Storage capacity	Amount charged
50 – 80 GB	SEK 175
81 – 160 GB	SEK 225
161 – 250 GB	SEK 250
> 250 GB	SEK 300

For devices with a storage capacity of less than 50 GB, the charge is SEK 3.50 per gigabyte. In 2008, negotiations were also conducted with IMI on tariffs for recordable CDs and DVDs. The parties have agreed on new, lower tariffs as follows.

■ RECORDABLE PRODUCTS

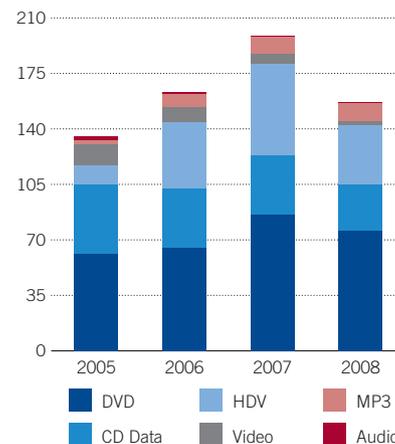
Product/storage capacity	Amount charged
CD-R All up to 900 MB	SEK 0.60
CD-R All up to 900 MB	SEK 0.95
DVD-R/+R 4.7 GB	SEK 2.65
DVD-RW/+RW 4.7 GB	SEK 4.25
DVD-RAM 4.7 GB	SEK 4.25
DVD-R/+R Double Layer 8.5 GB	SEK 4.80

REVENUE COLLECTED

In 2008, a total of approximately SEK 160 million was collected. This was considerably lower than in the preceding year. The drop in revenue collected is partly explained by the new tariffs, but also by falling consumption of the products traditionally used for private copying. Of the amount collected, video

cassettes accounted for some SEK 3 million and audio cassettes for around SEK 1 million. Revenue of approximately SEK 30 million was collected for CD-R/RWs and approximately SEK 77 million for DVD-R/RWs. The revenue collected for audio players with integral storage capacity totalled roughly SEK 12 million, while the amount collected for video players with integral storage capacity was approximately SEK 37 million. A breakdown of the revenue collected over recent years, by product group, is illustrated in the bar chart below.

■ TOTAL REVENUE COLLECTED BY PRODUCT CATEGORY 2005–2008, SEK M.



CABLE TV

Simultaneous unchanged re-broadcasting – or retransmission – is subject to specific provisions in the Copyright Act. These are designed to simplify the task of the retransmitter in obtaining all the permissions needed. Under these provisions, an "extended collective licence" may be issued. This is a legal device whereby a representative copyright organization can also license rights belonging to those who are not members of the organization. Copyswede licenses retransmission on behalf of a large number of TV and radio channels from Sweden, the Nordic countries, Continental Europe and the Middle East.

By working with FRF, IFPI and UBOS, Copyswede can provide a comprehensive licence to those who wish to retransmit any of the channels offered. The extended collective licence and Copyswede's agreements cover all types of network and technology for radio and TV re-broadcasting, all the way from simple central aerial installations to the latest sophisticated digital cable TV networks. They also include new types of network for distribution of audio and video, such as broadband, mobile telephone networks and so on. Copyswede can also license retransmissions of radio and TV programmes in hotels and similar establishments, and for internal use at companies, public authorities and other organizations.

The tariff in 2008 was SEK 6.30 per household per month for retransmission of up to two foreign TV channels alongside the main channel of Sweden's TV 4. The charge for additional channels was SEK 1.60 per household per month for each channel. The charge is index-linked. To reflect the rise in the Swedish Consumer Price Index, the charges were raised on 1 July 2008 to SEK 6.50 and SEK 1.60, respectively.

Operators may choose to pay under an alternative, special tariff for add-on packages. In that case, the charge is SEK

3.90 per household per month for each Nordic channel and SEK 2.20 per household per month for each non-Nordic channel. Since 1 July 2005, SVT/UR's (Utbildningsradion, the Swedish Educational Broadcasting Company) programmes have been licensed separately from the standard cable TV agreements on the foreign channels in Copyswede's offering.

In June 2008, Copyswede announced the termination of all retransmission agreements with cable TV operators and other retransmitters, to take effect on 31 January 2009. The intention of terminating these agreements was - effective 1 February 2009 - to offer the cable TV operators licences based on new tariff models. Over the years, Copyswede



SUMMARY, SEK

Revenue	39,480,030
Personnel costs	2,303,812
Other costs	971,109
For distribution	36,205,109
Cost of collection	8.30%

customers have regularly requested tariffs based on a single price per channel. In the autumn, Copyswede presented proposals for new tariffs, one for foreign and one for Swedish channels, both based on the principle of one price per channel. However, the negotiations on new tariffs had still not been brought to a conclusion at year-end 2008. Work on new tariffs to be effective from 1 February 2009 nevertheless continued into the New Year.

THE FOLLOWING CHANNELS WERE LICENSED DURING 2008

Swedish channels

SVT 1
SVT 2
Barnkanalen
Kunskapskanalen
TV 4

Nordic channels

Danish channels

DR 1
DR 2
TV 2 Danmark

Finnish channels

YLE 1
YLE 2
MTV 3
FTV via terrestrial network
FTV via satellite

Norwegian channels

NRK 1
NRK 2
TV 2 Norge

Other channels

Arabic language channels

Al Arabiya
ANN (Arab News Network)
MBC Europe
Rotana Music
Rotana Clip
Rotana Tarab

Belarussian channel

First Musical Channel

Bosnian channels

BHT 1
OBN

Croatian channel

HRT 1
HRT Plus

Dutch channel

BVN TV

Eritrean channel

Eri TV

French channels

ARTE
France 2
France 3
France 5
M 6

German channels

3sat
ARD – Das Erste
ARD Phoenix
ARTE
BR – ARD
HR – ARD
MDR – ARD
N3 – ARD
PRO 7
RBB – ARD
RTL
RTL 2
SAT 1
Südwest – ARD
WDR – ARD
ZDF

Greek channel

ERT SAT

Hungarian channels

M 2 (Magyar TV)
Duna TV

Iranian channels

Channel One TV
Irrin
Jame-jam 1 alt 2
Jaam-e-jam International
Pars TV

Italian channels

Rai Uno
Rai Due
Rai Tre

Kosovar channel

RTK 1

Kurdish channels

MMC
METV (Mezopotania TV)
Roj TV

Montenegrin channel

TV Montenegro RTCG

Polish channels

Polonia 1
Polsat 2 International
Tele 5
TVP 3
TVP Kultura
TVP Polonia

Portuguese channel

RTPi

Romanian channel

Pro TV

Russian channels

O2 TV
7 TV Sporivniyi Telekanal
Iz Ruk v Ruki TV
Mir TV
NEO Television
Planeta Sport
RTR Planeta
Russkij Illusion
Shkolnik TV
TBN Russia
Telekanal Damskii Klub
TNV Telekanal Novy Vek

Serbian channel

Balkan Media TV

Somali channel

Universal TV

Spanish channels

TVE International
Canal 24 Horas

Tunisian channel

TV 7 Tunis

Turkish channels

TRT 1
TRT 2
TRT 3
TRT 4
TRT International
ATV
Kanal D
TGRT
Kanal 7
Show TV

Ukrainian channel

UTR Ukraina

Radio channels

Radio channels from
Sveriges Radio
Radio channels from
Danmarks Radio
Radio channels from YLE
Radio channels from NRK
Deutschland Funk
RAI Radio 1
RNE



OTHER RETRANSMISSION



PHOTO: EVA HILDÉN SMITH / FOLIO

Other retransmission includes revenue for all types of retransmission other than those covered by the standard cable TV agreements.

Retransmission of SVT channels via the cable TV networks in Sweden was, in the period from 1 July 2005 to 31 January 2009, inclusive, governed by a special agreement between SVT and Copyswede. SVT paid the amount due for retransmission. In this agreement, Copyswede represents the rights accruing to authors and performers and to film and phonogram producers.

The business area also includes the joint licensing by Copyswede and IFPI of satellite transmission of SVT Europa



SUMMARY, SEK

Revenue	68,157,236
Personnel costs	576,848
Other costs	169,519
For distribution	67,410,869
<i>Cost of collection</i>	<i>1.10 %</i>

and transmission of the Finnish channel TV Finland via the terrestrial network in Mälardalen, central Sweden, plus Copyswede's revenue from retransmission of Swedish TV channels via the terrestrial network in Finland and on cable networks abroad etc.

RADIO AND TV PROGRAMMES ON VIDEO, DVD AND IN EDUCATION

Copyswede has agreements with SRAO (the negotiating organization for Swedish Radio and Swedish Television) and one with a number of video and DVD distributors concerning the use of SVT's programmes in DVD issues. The agreement was renewed and its area of application expanded by the addition of phonogram publishing, and covers SVT, SR and UR. Copyswede also initiated negotiations with the public-service companies on making material commercially available on demand and with SVT on trials of certain time shift systems. Copyswede has a separate agreement with SRAO and the Swedish merchant navy on the provision of SVT programmes to sailors. A further

agreement with UR and Sweden's municipalities authorizes use of UR's programmes within the education system on payment of a fee by UR for such use.

A review of this agreement was carried out during 2008 and is expected to be finalized in spring 2009, when a new agreement is expected to be signed. The original agreement has been extended until 30 June 2009 inclusive. Copyswede has also entered into an agreement known as the skolbandningsavtal ("schools taping agreement") with the Swedish Association of Local Authorities and several individual municipalities. In the agreement, Copyswede also represents FRF and



SUMMARY, SEK

Revenue	4,603,331
Personnel costs	232,324
Other costs	89,098
For distribution	4,281,909
<i>Cost of collection</i>	<i>6.98%</i>

IFPI. It provides certain scope for schools to use SVT, TV 4 and SR programmes via copying. The healthcare service and the armed forces also have agreements with Copyswede entitling them to record TV programmes.

DISTRIBUTION OF REVENUE

The revenue collected in categories such as private copying, retransmission via cable TV networks, DVD/video publishing, use of UR programmes etc. is to be shared among several rightholder groups. Every year, new distribution agreements are signed between Copyswede and representatives of radio and TV (via UBOS) and the film and phonogram industry (FRF/IFPI) on how the various revenue amounts will be distributed among them. Under their own distribution rules, UBOS and FRF/IFPI are responsible for onward distribution to the individual radio/TV companies and film/phonogram

producers in Sweden and abroad.

Copyswede's share of the revenue amounts is distributed according to various principles that require annual approval by all member organizations, after which the individual authors and performers are paid their annual dues. The payments are made either via the member organizations or direct by Copyswede. Rightholders outside Sweden are also due a share of the revenue collected. Authors and performers outside Sweden receive payments based on reciprocal agreements via sister organizations abroad or direct from Copyswede.



SUMMARY: DISTRIBUTION OF REVENUE IN 2008, SEK

Private copying	208,967,725
Retransmission	88,590,437
DVD/video etc.	2,536,526
Total	300,094,688

For more information, please see the brochure "Distribution brochure 2008", which may be downloaded from the Copyswede Website (www.copyswede.se) or ordered direct from Copyswede.

Distribution of Private Copying Levy



SUMMARY: DISTRIBUTION OF PRIVATE COPYING LEVY IN 2008, SEK

UBOS	10,809,782
FRF*	94,727,488
IFPI	21,700,866
Individual, via Copyswede	18,512,843
STIM, SAMI, organizations abroad etc.	63,216,746

Before distribution of the revenue collected for the private copying levy, UBOS receives around 5.33 percent, net of the costs of collection, under a separate agreement. The revenue is then split firstly per product category between audio and video copying. This distribution is based on analysis of the legal copying of various products, as indicated by annual surveys conducted by SIFO.

The route taken by the private copying levy from collection to rightholders is illustrated by the chart alongside.

AUDIO DISTRIBUTION

Audio copying on to recordable CDs and DVDs, MP3 players, audio cassettes and, to a minor extent, hard disk video players, consists partly of recordings of works issued on CD and cassette and partly of recordings of radio programmes etc. The surveys conducted indicate that most of what is recorded is music.

Other than music, audio books and radio programmes are copied on a very modest scale. The audio distribution in respect of recorded music is covered by a distribution agreement, under which IFPI, SAMI and STIM are each allocated around 33 percent of the distribution for music. A distribution arrangement regarding audio books and radio programmes is in development and is expected to be finalized during 2009.

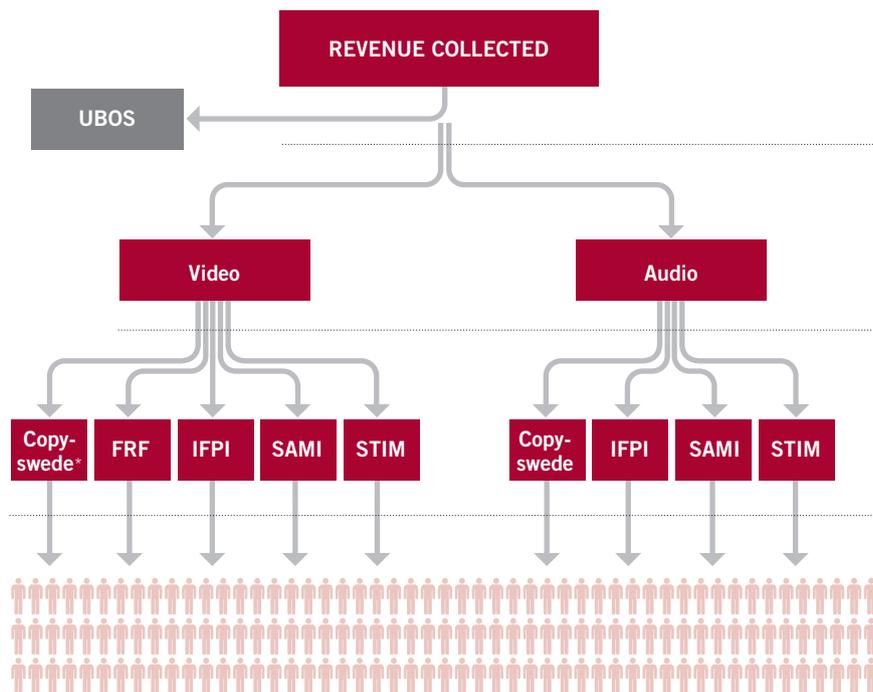
VIDEO DISTRIBUTION

The distribution for video copying is made up of the items among the revenue collected for DVDs, videocassettes, MP3 players and hard disk video players that according to surveys conducted by SIFO are attributable to video copying. The private copying levy for video copying has been distributed on the basis of the findings of the SIFO surveys in respect of the following

* Includes video revenue to USA rightholders for 2006 and 2007



■ PRIVATE COPYING LEVY – FROM COLLECTION TO ARTIST AND PRODUCER



Once UBOS has been paid its share the revenue is divided between Video and Audio. The shares accruing to the respective product sectors are determined on the basis of the findings of SIFO surveys.

The revenue is then distributed in accordance with an agreement between these organizations.

The organizations forward the monies due to the individual rightholders.

* Payments to rightholders in the Swedish Union for Theatre, Artists and Media sector are distributed via TROMB.

channels: SVT 1 and 2, TV4, TV3 and Kanal 5. In future distributions, this may change, depending on the findings from surveys on copying of programmes on the different channels.

Once UBOS has been paid its share the remainder is divided up in accordance with an agreement stating that 33 percent goes to FRF and 67 percent to the Copyswede-affiliated groups, including IFPI's share for phonograms used in TV programmes. The portion shared by Copyswede and IFPI is split, in accordance with distribution agreements between the member organizations representing the various rightholder groups as shown in the table alongside.

The respective shares accruing to the artist categories are then distributed individually. The music-based organizations STIM, SAMI and IFPI are responsible for distribution of all revenue in respect of recorded music that has

been copied. Other individual revenue is distributed by Copyswede and paid individually to each rightholder, either direct by Copyswede or via Copyswede member organizations.

Payments to foreign rightholders are calculated using the same principles as used for the rightholders in Sweden. These payments are effected via sister organizations abroad or direct by Copyswede.



FACTORS INFLUENCING THE SIZE OF THE PRIVATE COPYING LEVY:

- The type of programme to which the rightholder contributes, for example feature film, children's programme etc.
- The extent to which the programme is copied.
- The channel on which the programme is sent.
- The capacity in which and the extent to which the rightholder contributes.

■ DISTRIBUTION AMONG RIGHTHOLDERS GROUPS

Rightholder group	Percentage
Actors	24.74
Choreographers	0.64
Dancers	0.49
Directors	15.18
Dramatists	17.84
Editing/cutting/lighting	0.32
Film cameramen	2.61
Journalists	2.18
Music authors (STIM)	13.73
Musicians/conductors	8.29
Phonograms (IFPI/SAMI)	3.25
Set designers	1.67
Singers/artists	3.42
Still photographers	1.72
Translators	0.52
Writers	3.40

Distribution of Retransmission Revenue

SUMMARY: RETRANSMISSION REVENUE PAID IN 2008, SEK

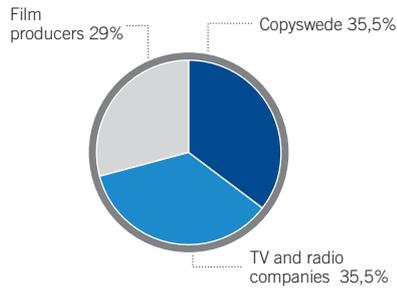
UBOS	12,612,872
FRF	20,129,647
IFPI	430,060
Individual, via Copyswede	28,485,694
STIM, SAMI, organizations abroad etc.	26,932,164

Copyswede's revenue for cable retransmission is collected from a large number of channels, primarily Nordic and European public service channels retransmitted in Sweden. As the pie chart shows, the revenue is first split three ways among the different rightholder groups (see pie chart Cable TV distribution).

The composite Finnish channel broadcast via the Nacka transmitter in the Stockholm region does not show any films. As a result, film producers do not receive any share of the revenue from this channel. It is instead shared by Ylesradio and Copyswede (see pie chart The Nacka Transmitter).

Once the shares relating to foreign channels and the revenue payable to FRF and UBOS are distributed, the remainder is distributed as the Copyswede-affiliated groups' shares in respect of the Swedish channels. The remuneration

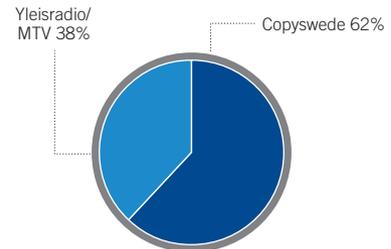
CABLE TV DISTRIBUTION



shared among Copyswede-affiliated groups in spring 2008 pertained to revenue for retransmissions during 2006. Agreements in respect of that year have been contracted in respect of SVT 1 & 2, SVT Europa and TV4, as shown in the tables below.

Revenue to the artist categories is then distributed on an individual basis. The music-based organizations are responsible for distributing all revenue for recorded music used on these channels. Other individual revenue is distributed by Copyswede and paid either via Copyswede member organizations or direct by Copyswede. Payments to authors and performers outside Sweden and payments allocated to the foreign channels are made on the basis of reciprocal agreements via sister collecting societies abroad or direct by Copyswede.

THE NACKA TRANSMITTER



UR

Revenue under the agreement with UR on various uses of UR programmes by the municipalities has not yet been distributed in respect of 2007 and 2008. Proposals for distribution will be prepared during 2009.

FACTORS INFLUENCING THE SIZE OF THE CABLE TV LEVY:

- The individual contract confirming that the rightholder still holds his/her cable TV rights.
- The capacity in which and the extent to which the rightholder contributes.
- The channel on which the programme is sent.
- The number of times the programme is transmitted.

PERCENTAGE BREAKDOWN, YEAR OF TRANSMISSION 2006

	Percentage
SVT 1 & 2	
Actors, misc. TF other than directors	13.99
Artists	5.11
Directors	8.08
Musicians	9.00
Phonogram	2.74
Scriptwriters	20.49
STIM	34.87
Translators	1.03
Visual artists/still photographers	4.69

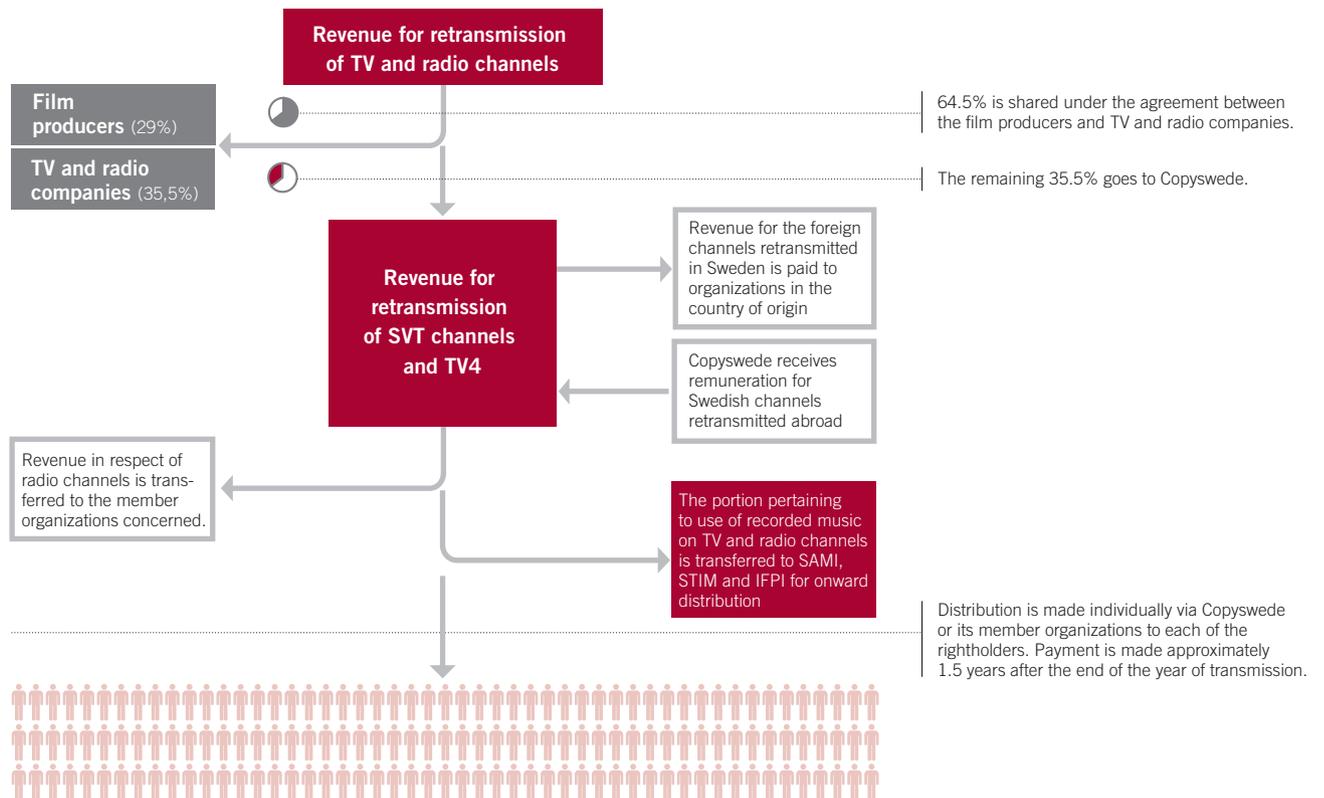
	Percentage
SVT Europa	
Actors, misc. TF other than directors	16.14
Artists	6.96
Directors	6.32
Musicians	11.91
Phonogram	3.01
Scriptwriters	21.02
STIM	29.14
Translators	0.24
Visual artists/still photographers	5.27

	Percentage
TV4	
Actors, misc. TF other than directors	10.61
Artists	3.20
Directors	8.70
Musicians	7.21
Phonogram	1.84
Scriptwriters	15.08
STIM	51.80
Visual artists/still photographers	1.56



PHOTO: MIIA SAASTAMOINEN / FOLIO

■ RETRANSMISSION REVENUE – FROM COLLECTION TO RIGHTHOLDER:





COPYSWEDE – ORGANIZATION

ANNUAL GENERAL MEETING

Copyswede's Annual General Meeting was held on 28 May 2008 at Copyswede's head office. Two members' conferences took place, on 9 May 2008 and on 23 October 2008.

BOARD MEETINGS

During 2008, the Board held twelve meetings.

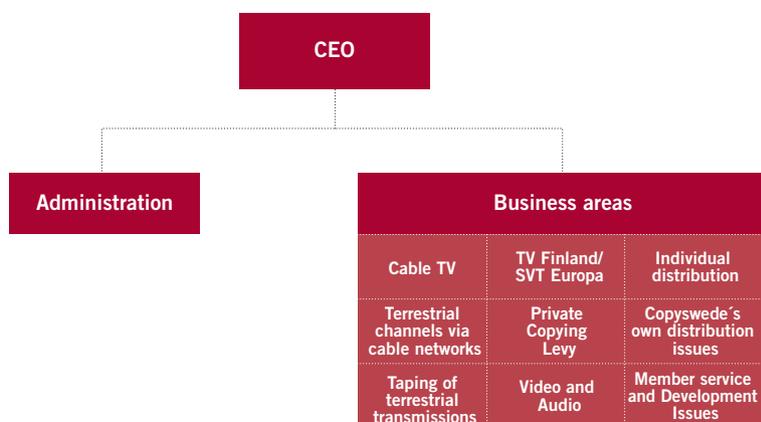
BOARD OF DIRECTORS

Kenth Muldin (Chairman)
Ulf Mårtens (1st Vice Chairman)
Susin Lindblom (2nd Vice Chairman)
Jan Lillier
Mats Lindberg
Ingvar Hällerstahl
Anita Vahlberg.

PERSONNEL

At year-end 2008, Copyswede had the following members of personnel:

Mattias Åkerlind, CEO
Neda Marklund, Secretary
Lena Rosén, Receptionist
Ingalena Bruhn, Financial Manager, Distribution
Angela Håkanson, Financial Assistant
Susanne Limpar Lantz, Financial Assistant
Peter Carls, Legal Affairs, Copyright Contracts etc.
Pär Nordfors, Legal Affairs, Retransmission etc.
Karolina von Essen, Legal Affairs, Distribution
Katarina Björkstедt, Legal Affairs, Distribution
Annelie Nordgren, Administrator, Distribution
Anna Sarkany, Legal Affairs
Liselott Silwer, Communications
Tanja Jalamo, Legal Affairs, Private Copying (on parental leave since the beginning of December)
Charlotte Byrne, Legal Affairs, Private Copying, Temporary Replacement
Lars Grönquist, Senior Legal Officer
Stefan Gustafsson, Graduate Economist, Private Copying Levy, Consultant



ADMINISTRATION REPORT 2008

DESCRIPTION OF OPERATIONS

Copyswede is a copyright-based organization whose role is to co-ordinate negotiations and agreements in certain areas of copyright, and to collect and distribute fees for uses of copyright material under copyright law. Copyswede has fourteen member organizations that represent Swedish authors and performers. Via mandates from our member organizations and partnership agreements that Copyswede has with TV and radio companies and with the organizations that represent the film and phonogram producers, we are authorized to sign blanket agreements on the use of copyright works and performances.

Copyswede licenses a large number of TV and radio channels based in Sweden, the Nordic countries, Continental Europe and the Middle East for retransmission via cable TV and other networks. The channels licensed via Copyswede are those where the TV company has not purchased the retransmission rights from the authors, performers and producers who in some way have contributed to the content of the channel.

The Copyright Act has a provision that allows what is called an extended collective licence to extend the coverage of the agreements entered into between Copyswede and cable TV operators also to include Swedish and foreign rightholders not directly represented by our member organizations or partners. For the agreements to acquire extended coverage, Copyswede must represent several rightholders in the sector and must treat all rightholders equally, whatever their nationality.

The extended collective licence and Copyswede's agreements cover all types of network and technology for retransmission of radio and TV. Copyswede can also license retransmission of radio and TV programmes for use in hotels and similar establishments, and for internal use at companies, public authorities and other organizations.

Copyswede also collects and administers the private copying levy. The ordinance on compensation for copying was introduced into the Copyright Act in 1999 to compensate authors, performers and producers to a degree for the copying of copyright material for private use that is allowed under the law. Similar systems of compensation for copying exist in most other European countries.

Under the law, importers and manufacturers have to pay a private copying levy on their imports of products especially suitable for private copying, such as recordable CDs, DVDs, video players and MP3 players with integral storage capacity. Today, Copyswede has agreements with just over 200 companies on payment of the private copying levy.

All revenue collected by Copyswede is distributed to the rightholders concerned, in cooperation with our member organizations and partners.

SIGNIFICANT EVENTS DURING THE YEAR

In 2008, Copyswede and SRL, the industry association representing importers of domestic electronic products, negotiated new tariffs for products such as MP3 players, set-top boxes and video recorders with integral hard disks. The negotiations were based on detailed analysis of the trend of the market for these products as well as jointly conducted surveys of how the products are used by consumers for private copying. The negotiations led to a two-year agreement with new tariffs, effective from 1 July 2008, which both rightholders and SRL accepted as highly reasonable. Under the agreement, the tariff for MP3 players and video players with integral storage capacity is SEK 3,50 per gigabyte. In the case of products with a storage capacity of more than 50 gigabyte, a sliding scale tariff is applied with a maximum of SEK 300 per device.

Negotiations were also conducted between Copyswede and the industry organization IMI on new tariffs for recordable CDs and DVDs. An important principle is that the tariffs should be based on the way in which the products are used etc. The negotiations were therefore based on joint surveys of consumer behaviour and resulted in an agreement on new, lower tariffs. As of 1 November 2008, the tariff for the most common format of recordable CD is SEK 0.60, while the tariff for the most common format of recordable DVD is SEK 2.65.

In 2008, the EU Commission appointed a working party made up of representatives of the rightholders and the electronics industry. The aim is to try and develop, on the basis of "best practice" in different European countries, common guidelines on how the systems of compensation for copying should be applied in the different countries, but also to try and establish guidelines on how the tariffs should be determined and how new products should be included in the systems of compensation.

Copyswede has been actively involved in developing guidelines for an effective system, and the Swedish system of negotiation - which takes the way the products are actually used into account - plays a very central role in this work.

In the autumn, Copyswede presented a set of proposals for new, more transparent tariffs for application to retransmission of Swedish and foreign TV and radio channels licensed by Copyswede. The recommendation was one tariff for foreign channels and one for the Swedish channels (SVT's channels and TV4's main channel).



Negotiations were started with the cable TV operators, but had not been brought to a conclusion before year-end 2008. The biggest cable TV operators were not prepared to enter into genuine negotiations on the size of the compensation for the SVT channels. The compensation that rightholders demanded from the cable TV operators for the latter's retransmission of all SVT channels totalled SEK 1.55 per household per month. Negotiations are being conducted in parallel on the tariff for the foreign channels and TV4.

SIGNIFICANT EVENTS SINCE THE YEAR-END

The negotiations on both the foreign and the Swedish channels have continued during 2009. In early 2009, some of the biggest cable TV operators requested the government to appoint a mediator on the issue of the tariff for the SVT channels. Copyswede is in favour of the appointment of a mediator to ease the process by which the parties are to reach agreement on tariffs and other conditions that are to apply to the use of programmes by the cable TV operators.

FINANCE

Business Areas

The organization is divided into an administrative section and nine separate business areas, on the principle of one for every agreement sector. Prior to budget decisions and during the year in progress, Copyswede analyzes what proportion of the administration's work is being spent on different issues and what costs are to be attributed to each area.

Management of funds held

The funds that Copyswede manages are those which, pending finalization of distribution agreements or payment of the amounts due, have to be placed in such a way as to produce at least a nominal amount. Under rules agreed, any placements in anything other than bank accounts are restricted to safe, non-speculative instruments. The types of security permissible are certificates of deposit, treasury notes/bonds, treasury bills, money market instruments issued by specific institutions and other money market instruments with a similar level of security. The interest rate on 31 December 2008 was 1.7 %. Total interest income for Copyswede in 2008 totalled SEK 19,753,256.

Expense and Income

Copyswede applies the Swedish Annual Accounts Act. The Association's income consists of revenue in respect of the use of copyright-protected works and performances. As a result, the largest item of expense is also the copyright payments

made or allocated to TV companies, producers and various organizations, as well as to authors and performers. Other expenses pertain to the administration's activities and remuneration to the Board of Directors. Revenue in 2008 totalled SEK 272,478,173. The corresponding figure for 2007 was SEK 313,135,177. As collaboration among rightholders spans several areas of revenue collection, major benefits of scale are available. This enables costs, as percentage of every SEK collected, to be kept down. In 2008, costs represented just over 5 percent of revenue.

Operating costs

Operating costs during the year totalled around SEK 15.65 million. The corresponding figure for the preceding year was SEK 13.40 million. These costs have to be charged to the various copyright payments collected. The costs of individual distribution are charged only to the amount that is available for individual distribution. A percentage breakdown for costs in 2008 for the various categories is given in the table below.

Business area, %	Share of expenses 2008	Share of expenses 2007
Cable TV	23.2	22.2
Terrestrial channels via cable networks	5.2	2.9
Private copying levy	32.3	6.8
Member Service, development issues, own distribution issues	20.5	19.2
Distribution	16.4	16.4
Other	2.4	2.5

Funds accruing to non-Copyswede rightholders (including radio and TV companies and producer organizations), and funds where use must be approved by the member organizations, may only be used to cover costs by agreement with the parties concerned. Such items are recognized as a receivable from the respective collection category and will be charged to amounts that are to be distributed.

ALLOCATION OF DISTRIBUTABLE INCOME

In accordance with the provisions governing the activities of the organization, Copyswede's Income Statement closed with a break-even result and as a result no surplus is available for distribution.

KEY RATIO

Under the Swedish Annual Accounts Act, one or more "key ratios" must be stated. The purpose of such indicators is to



evaluate the results of the organization. In organizations such as Copyswede, it is difficult to establish a meaningful key ratio. The key ratio selected by the Board is operating costs, excluding the cost of copyright payments, divided by the total amount distributed during the year. The key ratio thus becomes a reflection not only of the volume of the revenues collected, but also of the fact that distribution agreements have been established and monies paid out. Another consequence of this choice of key ratio is that the higher the proportion of payouts that are individual, the higher the key ratio is. The cost of distributing minor amounts to a large number of beneficiaries is, of course, higher than that of distributing large amounts to a few. In that respect, the key ratio may be misleading as a measure of the efficiency of operations. When a new revenue stream comes into being or when the amount collected rises very sharply, this will lead to a temporary rise in the key ratio until the relevant distribution agreements are established and monies may be paid out. The chart below illustrates the changes in Copyswede's key ratio over the past few years.

■ COST OF ADMINISTRATION AS A PERCENTAGE OF DISTRIBUTIONS PAID





INCOME STATEMENT

COPYSWEDE CO-OPERATIVE ECONOMIC ASSOCIATION
Corp. Id. No. 769602-0036

SEK	Note	2008	2007
Operating income:			
Cable TV revenue		39,480,030	41,049,948
Other retransmission		68,157,236	61,556,530
Private copying levy		160,150,678	202,967,952
Other production of copies		4,603,331	7,451,674
Other operating income		86,898	109,073
		272,478,173	313,135,177
Operating expenses:			
Copyright remuneration		-256,794,437	-299,702,231
Other external costs	4,5	-5,953,863	-5,066,147
Personnel costs	1,2,3,6	-9,533,482	-8,139,671
Depreciation	7	-165,820	-199,085
		-272,447,602	-313,107,134
Operating profit		30,571	28,043
Result from financial investments:			
Interest income		19,753,256	13,839,111
Interest expense		-1,205	0
Interest to copyright holders		-19,752,051	-13,839,111
		0	0
Profit after financial items		30,571	28,043
Tax on profit for the year		-30,571	-28,043
NET PROFIT FOR THE YEAR		0	0



BALANCE SHEET

COPYSWEDE CO-OPERATIVE ECONOMIC ASSOCIATION
Corp. Id. No. 769602-0036

SEK	Note	2008	2007
ASSETS			
Fixed assets			
<i>Tangible assets</i>			
Equipment	7	226,327	372,053
Total fixed assets		226,327	372,053
Current assets			
<i>Current receivables</i>			
Accounts receivable – trade		15,684,797	19,436,936
Prepaid tax		275,395	215,277
Other receivables	8	18,988,355	19,254,020
Prepaid expenses		496,692	527,411
		35,445,239	39,433,644
Cash and bank balances		464,158,514	486,485,505
Total current assets		499,603,753	525,919,149
TOTAL ASSETS		499,830,080	526,291,202
EQUITY AND LIABILITIES			
Equity			
<i>Restricted equity</i>			
Contributed capital		14,000	14,000
Total equity		14,000	14,000
Long-term liabilities			
Owed to rightholders	9	10,165,671	13,822,105
Total long-term liabilities		10,165,671	13,822,105
Current liabilities			
Owed to rightholders	9	483,005,172	505,577,522
Accounts payable – trade		694,725	527,486
Other liabilities	10	4,232,404	4,112,561
Accrued expenses	11	1,718,108	2,237,528
Total current liabilities		489,650,409	512,455,097
TOTAL EQUITY AND LIABILITIES		499,830,080	526,291,202
Pledged assets		None	None
Contingent liabilities		None	None



CASH FLOW STATEMENT

Copyswede Economic Association Corp. Id. No. 769602-0036

SEK	2008	2007
Day-to-day operations		
Operating profit	30,571	28,043
Adjustment for non-cash-flow items		
Depreciation	165,820	199,085
Capital loss	51,349	14,429
	247,740	241,557
Tax paid	-90,689	-82,174
Cash flow from day-to-day operations before changes in working capital	157,051	159,383
Changes in working capital		
Decrease in current receivables	4,048,523	888,132
Decrease/increase in current liabilities	-22,804,688	123,326,339
Cash flow from day-to-day operations	-18,599,114	124,373,854
Investment activity		
Investments in equipment	-71,443	-71,452
Cash flow from investment activity	-71,443	-71,452
Financing activity		
Decrease in long-term liabilities	-3,656,434	-151,739
Cash flow from financing activity	-3,656,434	-151,739
Decrease/increase in cash and cash equivalents	-22,326,991	124,150,663
Cash and cash equivalents at beginning of year	486,485,505	362,334,842
Cash and cash equivalents at year-end	464,158,514	486,485,505

NOTES

Copyswede Co-operative Economic Association Corp.
Id. No. 769602-0036

Unless otherwise indicated, amounts are in SEK.

VALUATION POLICIES

Unless otherwise indicated in a note below, assets and liabilities are reported at acquisition cost. Receivables have been accounted for in the values at which they are expected to be received, following an appraisal of the circumstances in each case.

ACCOUNTING POLICIES

The annual accounts conform to the Swedish Annual Accounts Act and the general recommendations of the Swedish Accounting Standards Board.

The accounting policies are unchanged from those applied in the preceding year.

Operating income includes the income invoiced for the year, net of value added tax.

Under Copyswede's investment policy, cash and cash equivalents are deposited in bank accounts or placed in short-term interest-bearing investments.

The costs of operations have been distributed over the Association's various business areas. In the case of distribution that requires the approval of non-Copyswede rightholders, the amounts involved are accounted for as a receivable. Other apportioned costs have been financed by deductions from the relevant gross items of revenue.

Note 1 Average number of employees

	2008	2007
Number of employees	14	12
Of whom, men, %	25	33

Note 2 Sickness absence

%	2008	2007
Total sickness absence	4.2	4.8
Long-term sickness absence	36	73

Total sickness absence is stated as a percentage of the total regular working hours of the employees

Long-term sickness absence is the percentage of total sickness absence that is represented by absences of a continuous period of 60 days or more.

Standard working hours are defined as a working week of 37.5 hours x 52 weeks, less public holidays that normally fall on working days, plus other non-working days.

Note 3 Gender breakdown, Board and Executive Management

	2008	2007
Board of Directors		
Number of women	2	3
Number of men	5	4
Executive Management		
Number of women	–	–
Number of men	1	1

Note 4 Summary of other external costs:

	2008	2007
Rent and other costs of premises	1,306,570	1,237,675
Office costs	866,065	961,456
Consultancy costs, other external services	3,105,294	2,296,006
Other costs	674,934	571,010
	5,952,863	5,066,147

Note 5 Fees to auditor

	2008	2007
Auditing services		
Öhrlings PricewaterhouseCoopers	140,000	–
Ernst & Young	43,800	116,000
Other services		
Öhrlings PricewaterhouseCoopers	–	–
Ernst & Young	–	12,750
Fee to specially-appointed auditor for auditing services	4,370	4,635

Note 6 Salaries and other remuneration

	2008	2007
Salaries and other remuneration		
All employees	6,101,425	5,265,076
Of which, to CEO and Board	936,843	942,356
Social welfare costs (of which, pension costs)		
All employees	3,112,953 (933,819)	2,610,511 (764,520)
Of which, to CEO and Board	536,272 (188,085)	500,347 (156,796)

Copyswede secures pension commitments, which are of the defined-benefit type, via regular payments to SPP. The period of notice in the case of termination of the CEO's employment by Copyswede is 12 months. In the case of the CEO himself requesting his employment to be terminated, the period of notice is six months.



Note 7 Depreciation

Depreciation according to plan is based on the acquisition cost and the estimated service life of the asset, which is five years.

	2008	2007
Equipment		
Acquisition cost at beginning of year	1,673,684	1,643,734
Purchases	71,443	71,452
Retirement of assets	-267,151	-41,502
Acquisition cost at year-end	1,477,976	1,673,684
Depreciation at beginning of year	1,301,631	1,129,619
Retirement of assets	-215,802	-27,073
Depreciation for the year	165,820	199,085
Accumulated depreciation at year-end	1,251,649	1,301,631
Residual value according to plan at year-end	226,327	372,053

Note 8 Other receivables

The bulk of this amount consists of Copyswede's claims to cover costs. For more details, please refer to "Accounting Policies" above.

The year's costs for administration of the private copying levy, SEK 4,528,648 (4,556,062), will be charged to the distribution of the revenue collected in respect of 2008 – to be carried out in 2009 – between FRF, IFPI, UBOS and Copyswede.

The cost of administration of the cable TV revenue in 2008 is SEK 3,274,921 (2,781,819), which will be charged to amounts to be distributed in 2009.

According to a decision taken in 1996, the cost of the individual distribution for the year is to be calculated in connection with the annual accounts. Only those organizations whose individual distribution is handled by Copyswede are to be required to contribute to the financing of this part of its operations. The cost of the year's individual distribution is SEK 2,311,255 (2,062,415) and will be deducted from the individual payments to be distributed in 2009.

The cost of work on development, emerging issues and Copyswede's own distribution issues is SEK 2,903,129 (2,397,550). This cost is to be charged to Copyswede's own shares of the revenue collected in respect of cable TV revenue and private copying levy, in proportion to the size of these shares.

The cost of work during the year on terrestrial transmission of channels via cable TV networks is SEK 731,736 (350,969). The amount will be charged to amounts to be distributed in 2009.

Note 9 Owed to rightholders

	2008	2007
Undistributed retransmission revenue	145,375,541	129,606,385
Undistributed private copying levy	276,029,990	339,058,406
Estimated individual payments	11,048,600	6,829,497
Provisions, dramatists	8,646,315	7,618,472
Provisions, writers	3,576,466	2,928,999
Provisions, journalists	1,320,450	418,283
Provisions, directors	13,959,127	9,235,978
Provisions, actors, misc TF other than directors	11,701,677	8,730,583
Provisions, musicians	4,001,836	2,572,715
Provisions, film cameramen	1,481,513	835,261
Provisions, visual artists/still photographers	4,273,777	2,323,941
Provisions, presenters	1,043,668	1,817,239
Other	10,711,883	7,423,868
Total assets	493,170,843	519,399,627
Of which, long-term portion	10,165,671	13,822,105
Balance, current portion	483,005,172	505,577,522

Long-term liabilities fall due for payment in 1-5 years

Note 10 Other liabilities

	2008	2007
Tax deducted at source	232,404	205,087
Value added tax	0	607,474
On-account payment, cable TV administration	4,000,000	3,300,000
	4,232,404	4,112,561

Note 11 Accrued expenses

	2008	2007
Accrued personnel costs	1,320,696	1,128,874
Accrued consultancy costs	108,630	184,524
Other accrued costs	288,782	924,130
	1,718,108	2,237,528

Note 12 Key ratio

The key ratio selected is operating costs, excluding copyright payments, as a percentage of the total amount distributed during the year. The figure for 2008 was 5.2 % (2007: 6.8 %).



Stockholm, 31 March 2009

Kenth Muldin
Chairman

Ulf Mårtens
1st Vice Chairman

Susin Lindblom
2nd Vice Chairman

Jan Lilliér

Mats Lindberg

Ingvar Hällerstahl

Anita Vahlberg

Mattias Åkerlind
CEO

Our audit report was submitted on 15 April 2009

Lars Wennberg
Authorized Public Accountant

Paul Vestergren
Specially-Appointed Auditor



AUDIT REPORT

To the Annual General Meeting of Copyswede
(Co-operative Economic Association)
769602-0036

We have examined the annual accounts, the financial statements and the administration by the Board of Directors and the Chief Executive Officer of Copyswede (Co-operative Economic Association) for 2008. These accounts, the administration and the application of the Swedish Annual Accounts Act during the preparation of the annual accounts are the responsibility of the Board of Directors and the Chief Executive Officer. Our responsibility is to express an opinion on the annual accounts and the administration based on our audit.

The audit was carried out in accordance with generally accepted auditing standards in Sweden. We planned and performed our audit so as to obtain a high degree of, but not absolute, assurance that the annual accounts are free of material misstatements. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the accounts. It also includes assessing the accounting policies used and their application by the Board of Directors and the Chief Executive Officer and significant estimates made by the Board of Directors and the Chief Executive Officer when preparing the annual accounts, as well as evaluating the overall presentation of information in the annual accounts.

As the basis for our opinion on discharge from liability, we have examined significant decisions, actions taken and circumstances in the Association in order to be able to determine the liability, if any, to the Association of any Board member or the Chief Executive Officer. We also examined whether any Board member or the Chief Executive Officer has, in any other way, acted in contravention of the Swedish Law on Economic Associations, the Swedish Annual Accounts Act or the Association's Articles of Association. We believe that our audit gives us reasonable grounds for the following statements.

The annual accounts have been prepared in accordance with the Swedish Annual Accounts Act and thereby give a true and fair view of the financial results and position of the Association in accordance with generally accepted accounting standards in Sweden. The statutory administration report is consistent with the other parts of the annual accounts

We recommend to the Annual General Meeting that the Association's income statement and the balance sheet be adopted and that the members of the Board of Directors and the Chief Executive Officer be discharged from liability for the financial year.

Lars Wennberg
Authorized Public Accountant

Stockholm, 15 April 2009

Paul Vestergren
Specially-Appointed Auditor

INFORMATION

Information in English is available both in print and via the Copyswede Website.

www.copyswede.se

The Website offers an overview of Copyswede and its various departments, as well as forms and up-to-date contact details. It also contains texts of Copyswede's consultation responses and other statements on current issues. The site also provides access to downloadable forms and brochures in PDF (portable document format), plus links to legal texts and Swedish and foreign copyright organizations. An abbreviated version of Copyswede's website is also available in English along with up-to-date versions of printed information in English in PDF.

INFORMATION IN SWEDISH

The Private Copying Levy

Information for importers/manufacturers (information sheet)

Information for professional users (information sheet)

Information for retailers (information sheet)

The Private Copying Levy – Why and Who For? (brochure)

The Private Copying Levy 2007. A report on collection and distribution (brochure)

Cable TV

Information on legal and contractual conditions for retransmission of radio and TV channels (brochure)

Distribution

Individual distributions from Copyswede. Where from, who to and how? (brochure)

Distribution Brochure 2008

General

Copyright and co-ordinated rights (brochure)

INFORMATION IN ENGLISH

The Private Copying Levy

The Private Copying Levy in Sweden (brochure)

General

Copyright and Co-ordinated Rights (brochure)

Distribution

Distribution Brochure 2008

The printed information is available in PDF on the Website, but may also be ordered from Copyswede by phone on Tel. (+46)-8-545 667 00, or via e-mail at copyswede@copyswede.se



