State Shareholdings in Finland

2004

MINISTRY OF
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Review by the Minister of Trade and Industry

In Finland economic growth speeded up in 2004, and GDP grew by 3.7 per cent according to preliminary estimates. Despite the accelerated growth of exports, the increase in demand mainly lay on the consumption of households and private investments. The rise in consumer prices remained at 0.2 per cent. The employment rate went up slightly. Share prices rose by a little over 3 per cent, measured by the HEX general index.

The results of most state-owned companies and the State's associated companies improved in 2004. The State's dividend yield stood on the high level of the past few years. Along with the favourable share price development the value of the State's portfolio in listed companies rose markedly, although the State continued the sales of its shares. Since 1993 the State Treasury has received a total of EUR 12.8 billion as revenue from sales of shares.

Within the powers granted by Parliament, the Government may, also in the future, decrease the State's holdings according to market situations and based on company-specific considerations.

By selling holdings, the State obtains funds for re-investment. Besides that the revenue from the sales are used for debt redemption, the sales revenue may be used – in partnership with private capital – for promotion of innovation activities and support for business start-ups in development of products and business concepts. Thus the preconditions of our country's business activities and economic growth can be strengthened in the long term as well.

The State's ownership policy is by nature transparent and well predictable activity. Its outlines are based on public documents, like the Government Decision-in-Principle on the State's Ownership Policy adopted in 2004. The State is a long-term owner bound to its companies, which actively contributes to the development of the companies by the means available to an owner.

In recent years the State has sought to enhance, in varied ways, good corporate government in the companies within its sphere of interest. The State as an owner has published statements e.g. on rewarding the companies' management and administrative bodies, on external boards of directors, as well as on the role and tasks of the supervisory boards. The policy outlines have been implemented on a company-by-company basis according to company-specific schedules, in such a manner that the characteristics of the companies and the opinions of the other owners have been taken into account.

In spring 2004 the State adopted the principles to be followed in nominating board member candidates to the boards of directors of publicly listed state-owned companies and the State's associated companies. In line with these principles, the annual general meeting is to set up a committee consisting of representatives of the major owners to draft a proposal to the next shareholders' meeting for board member candidates to be appointed. As a company's board of directors is appointed specifically based on the owners' trust, and as it acts in the interest of the shareholders, the preparations related to the election of a new board of directors must remain in the hands of the owners, instead of the board of directors in office, for example. Good experiences have already been gained of the nomination committees working in accordance with the State's policy, and based on these, the practice will be continued.

A good number of studies on the centralisation of the State's ownership steering have been carried out along the years and it has been the topic of extensive discussions. In the summer 2004 the Government made a decision on the centralisation of the State's ownership steering. At the first stage of the centralisation, a management group for ownership steering was set up. Its task is to ensure that the drafting and implementation of the ownership steering measures are consistent throughout the public administration. Since the very beginning, the activities of the management group have proved useful and met expectations.

The objective is that the Government will, at the beginning of 2006, make a decision on the completion of the centralisation and that it will decide to establish a State ownership steering unit and determine its placement within the public administration. Thus the new ownership steering unit could become operational as of the beginning of the year 2007.

Minister of Trade and Industry
Mauri Pekkarinen
May 2005

State-owned Companies and Associated Companies

The State has major shareholdings in some 50 companies (cf. the Annex on page 34). At the end of 2004, these included 12 listed companies in which the market value of the State's holdings totalled EUR 15.0 billion. The shareholding with the highest value was in Fortum Corporation, i.e. EUR 7.0 billion.

The administration of the State's corporate assets is divided between nine ministries. The Ministry of Trade and Industry is responsible for development and overall steering of the State's ownership policy and for drafting of the related stands, decisions and measures.

Ownership policy measures and decisions

In February 2004 the Government made a decision-in-principle on ownership policy. The objective is to develop the companies within the State's sphere of influence so that the value of the holdings will rise in the long term.

The Cabinet Committee on Economic Policy adopted a stand on the rewarding policy of companies, supplementing the decision-in-principle. At the same time, the Cabinet Committee adopted another stand on the nomination procedure of the board member candidates of publicly listed state-owned companies and associated companies (cf. the articles on pages 4–5).

In the summer of 2004 the Government made a decision on the centralisation of the State's ownership steering and on which state-owned companies and the State's associated companies are counted among companies with market-based operations and thereby within centralised ownership steering. As the first stage of the centralisation, a management group for ownership steering was set up. The group, which started its work at the beginning of July, is to ensure the consistency of the preparation and implementation of the ownership steering measures in public administration.

In November 2004 the State decided to recommend unifying the upper age limit of the members of the boards of directors and supervisory boards of the state-owned companies and the State's associated companies in such a way that the age of a member to be nominated could be no more than 68 years at the time of the nomination.

At the beginning of 2005, the Ministry of Trade and Industry decided, after the handling of the Government's Cabinet Committee on Economic Policy, to initiate drafting of an overall revision of the so-called State-owned Companies Act.

Strategic arrangements related to ownership steering

In 2004 the State continued the strategic arrangements related to ownership steering in the state-owned companies and the State's associated companies in order to strengthen their operating conditions. The State's sales revenue from broadenings of the ownership bases of companies totalled EUR 2.2 billion.

In spring 2004 the State sold Kemijoki Oy's B-series shares for the amount of EUR 7 million to Kemijoki Oy, after which the company's other shareholders were entitled, as agreed upon, to buy these shares. The State's shareholdings of Kemijoki's total share portfolio fell to 50.1%.

In March 2004 the State sold a part of Sampo plc's A-series shares to Varma Mutual Employment Pension Insurance Company (Keskinäinen Työeläkevakuutusyhtiö Varma) and in June to international investors. The sales revenue amounted to EUR 883.5 million. After the sales, the State's holdings in Sampo were 21.35%.

The State sold its indirect holdings in the Engel Group (Engel-Yhtymä Oy) to ISS Suomi Oy for a sale price of nearly EUR 60 million by an agreement concluded in June.

In September the Cabinet Committee on Economic Policy handled the plan of the state-owned company Fortum Corporation to separate its oil business from the Group, considering it justified from the standpoint of the State as an owner. After the completion of the arrangement in spring 2005, the State became an owner of the new listed company Neste Oil Corporation with a 50.1% holding.

In October the State signed a letter of intent on a sale of shares in which it sold Vapo Oy's shares to Metsäliitto Osuuskunta for EUR 46.9 million. As a result of the deal the State's ownership in Vapo fell to 50.1%.

In October 2004 Kemira Oyj separated Kemira GrowHow Oyj from the Group and listed it on the stock exchange. The State's holdings in Kemira GrowHow Oyj represented 30.0%.

In November the State sold, for the worth of EUR 77.6 million, Sponda Oyj's shares to domestic and international institutional investors. The State's ownership in the company decreased to 34.5% of the portfolio of shares.

In December the State sold TeliaSonera AB's shares for EUR 1,123 million by an international sale of shares, which cut the State's holdings to 13.8% in TeliaSonera.

In February 2005 the State sold Sampo Oyj's shares for EUR 430 million in international and the Nordic markets. The State's holdings in the company fell to 14.0%.

Key figures

The net sales of the 10 state-owned companies presented in this publication totalled EUR 20.4 billion in 2004 (EUR 20.1 billion in 2003). The profit after the financial items rose to nearly EUR 2.1 billion (EUR 1.5 billion). The average equity ratio was 49%, whereas it stood at 44% in the previous year. The total number of clerical personnel and employees was 75,700, i.e. a little lower than the year before.

The net sales of the associated companies in this publication, excluding Sampo plc, totalled EUR 37.4 billion (EUR 35.6 billion in 2003). The profit after the financial items of the companies was EUR 3.6 billion, whereas it amounted to less than EUR 1.5 billion in the previous year. The number of personnel totalled 129,500.

The State's dividend yield

Based on the results of the previous financial year, all state-owned companies and the State's associated companies paid dividend to the State for little over EUR 800 million in 2004 (cf. the Figure on page 7).

The total sum of the dividends of the state-owned companies and the State's associated companies presented in this publication that were distributed on the basis of the returns of 2004 was EUR 2,092 million. Of this, the share of the state-owned companies was EUR 676 million and that of the listed associated companies EUR 1,416 million. The dividends paid to the State from the total dividend sum amounted to EUR 689 million; the sum accrued from the state-owned companies being EUR 441 million and that from the associated companies EUR 248 million.

The 2004 dividend yield of the State's portfolio of listed shares exceeded the average of the companies traded on the Helsinki Stock Exchange's Main List (cf. the Table on page 6). The dividend ratio of the portfolio was lower than in the companies on average.

Nomination Committees as the Owner's Tool

The Finnish organisations representing the business community revised their corporate governance guidelines in the autumn of 2003, and the new guidelines were also integrated into the enlisting rules of the stock exchange. These so-called HEX Guidelines, "Corporate Governance Recommendation for Listed Companies", became applicable as of 1 July 2004. In practice, decisions implementing this Recommendation were made at annual general meetings and boards of directors during the spring of 2004. In that connection the State as an owner, too, had to define its stand to the Recommendation.

The underlying principle of the State's ownership steering has been that the state-owned companies and the State's associated companies with market-based operations compete fully with the same rules of the game as other companies. In other words, ownership does not give any exemptions to the companies in which the State is an owner, but it does not impose any easement on them, either. In this way the owner, for its part, seeks to ensure the realisation of the so-called competition neutrality. The State has consistently emphasised that it expects companies to always follow the best market practices e.g. in their administration and reporting. The State has also contributed to promotion of corporate governance practices.

In fact, the State's starting point is that the HEX Recommendation is to be followed as a minimum standard in all listed state-owned companies and associated companies. However, in regard to the preparations for electing a board of directors and nominating the member candidates, the State decided to adopt a procedure that implements the objectives of the Recommendation, but deviates from its main method of implementation.

The HEX Recommendation's main rule is that a committee appointed by the board would prepare for the election of a board of directors. This has not been said in the form of direct procedural guidelines, but the Recommendation underlines the importance of the preparations for a board election, on the one hand, and starts from the principle that the preparatory tasks belong to the board committees, on the other hand. Still, the State has considered that the preparations for electing a board of directors belong to the owners. Therefore it has proposed, both in 2004 and in 2005, that the annual general meetings set up for this purpose a committee representing the most important owners. The proposals have also been approved at the annual general meetings, and the experiences gained of the committees during the first year were very good.

A committee nominating board member candidates, which is composed of the owners, is preferred to the board's internal committee, especially because the election of a board of directors for a company is an important decision based on the exercise of the shareholder power. A board of directors is to enjoy the owners' trust, and the major owners must also participate in the nomination of the board member candidates, and not just in the decision-making at the annual general meetings. Furthermore, it may be stated almost as matter-of-course that an external committee evaluates the composition and renewal needs of a board of directors more objectively and more critically than the board of directors itself.

Naturally, the board of directors of a company represents the owners, and the obvious underlying principle is that the board of directors represents all owners, and not just the major ones. However, in discussions on the preparation of nomination matters, this is a weak argument, since in practice the board of directors has been elected at the annual general meeting with the support of the same owners that participate in the work of the nomination committees.

To avoid misunderstandings, it should be stated that the State has not sought to deviate from the HEX Recommendation with is stand concerning the nomination committees, but to implement it in a way that is justified and to secure the owners' possibilities of influence in companies with centralised ownership structures.

The model for preparations adopted in the HEX Recommendation, in which the "board itself complements itself" in a way, has been taken from the Anglo-American practices where it is applied to companies with decentralised ownership. In Sweden, for example, it has been commonly recognised that the election of a board of directors should not be left for the board itself to prepare, if the company has centralised ownership and identifiable owners. In such companies evaluation of the board of directors and nominating the member candidates are key issues in terms of both exercise of the shareholder power and the responsibility of the major owners: the owners must supervise the board of directors and ensure that it acts specifically in the owners' common interest.

In Finland, either, the State is not the only owner that has considered a nomination committee composed of the owners justified. They have been set up in other companies, too, where the ownership is relatively centralised and where at least the owners exercising the actual powers can be clearly identified. As the board of directors is elected especially based on the owners' trust, and as the board acts in the interest of the shareholders, the preparations related to the election of the board should be retained in the hands of the owners, whenever possible. The representatives of the owners do not handle other nomination cases, and, when necessary, the board sets up a nomination committee, acting inside the board, for these preparations.

If again the ownership in a company is decentralised, and there is no owner or group of owners that would be relevant for the exercise of the powers, the prerequisites do not always exist for the owners' cooperation. Then the task of nominating board member candidates is, in a natural way, transferred to the board of directors, which – while representing all the owners – also tends to this task on behalf of the owners.

To conclude, it should be noted that the boards of directors also take part in the work of the nomination committees elected by the annual general meeting, since the Chairman of the Board is an expert member of the committee. Thus the results of the board's self-assessment and its views of the development needs are conveyed to the representatives of the owners. Similarly, in other companies the committees nominating members to the boards of directors hear the major owners, so that the dialogue between the owners and the board is realised in both models. In fact, it is most a question of the responsibility for leading the election process, which at least from the owner's perspective belongs more naturally to the elector rather than to the person to be elected.

Pekka Timonen
Chief Counsellor
State Shareholdings Unit
Ministry of Trade and Industry

Experiences of the Work of the Nomination Committees

In spring 2004 the annual general meeting decided to set up a committee for nominating board member candidates in Fortum Corporation, Kemira Oyj, Metso Corporation, Outokumpu Oyj and in Rautaruukki Corporation. Last autumn a new listed company Kemira Grow How Oyj was established, and its annual general meeting also elected a similar committee. According to the decision by the annual general meeting, three to four of the shareholders with the highest voting right were represented in these nomination committees. The shareholders' representation was based on the list of shareholders of 1 December 2004. In each of these companies the State is the biggest owner, or one of the biggest owners.

It is a very common view that the drafting of proposals related to the composition and remuneration of a board of directors become transparent through a nomination committee elected at the annual general meeting. Based on a decision by the annual general meeting, preparatory work lies clearly in the hands of the owners, and no such impression would be created that the board of directors of a company itself would complement itself and determine its own remuneration. Although the nomination committees submitted their proposal to the boards of the companies, the role of the board was only to put the proposal forward by attaching it as such to the invitation to the annual general meeting. The proposal of the nomination committee is intended for the annual general meeting and its duties end after the proposal has been submitted.

In each company the work of the nomination committee was started by the Chairman of the Board. In line with the decision by the annual general meeting, he sent an invitation letter to the biggest shareholders at the beginning of last December, asking them to nominate a representative for the nomination committee. The nomination committees had time to hold their first meeting either in mid-December or as late as at the beginning of January, so that the preparatory period for the proposals remained relatively short. Thus it became a common view that in order to ensure that the preparations would be of a sufficiently high quality, the work of the nomination committees should be started earlier or the preparatory work should already be initiated as unofficial clearly before the first meeting of the nomination committee. However, electing the nomination committee at an earlier date increases the risk that the ownership structure changes during the preparatory work. Then the nomination committee elected would no longer represent in all parts the biggest owners, when the proposal is submitted to the board of directors of the company. Therefore it has been preferred to initiate unofficial preparatory work in good time.

In the work of a nomination committee, the role and inputs of the Chairman of the Board proved very significant, particularly at the initial stage of the work. The representatives of the owners found it very important to hear, as the basis for the preparations, the Chairman's assessment on the weaknesses and strengths of the composition and work of the board of directors. Based on information obtained in this way, it was possible to form an up-to-date view of the needs that should be taken into account in the proposal for the composition of the next board of directors. The expertise of the Chairman of the Board also turned out to be important in the process of electing new board members, assuming that the nomination committee considered it justified to propose a prolongation to the Chairman's term of office.

Discussions at the nomination committees were objective and constructive. It was in the interest of all the parties concerned to nominate such boards of directors for the companies that would be as competent and skilled as possible. Evaluation and comparison of different member candidates require in-depth preparatory work, for which the tightness of schedules did not always give enough possibilities. Unofficial preparations a priori, which have been started early enough, and to which at least the State as a long-term major owner can contribute, increases the flexibility of the schedules.

All in all, the short experience of the nomination committees' work was positive. The problems occurred during the first round could be overcome. No such problems were encountered that would question the usability and utility of the owners' nomination committee, when the company has major identifiable owners.

Markku Tapio
Director General
State Shareholdings Unit
Ministry of Trade and Industry

Profitability and returns of listed companies*)

Growth of net sales%	2000	2001	2002	2003	2004	Average
Entire stock exchange	31.6	5.8	4.6	5.8	3.3	10.2
Entire stock exchange excl. Nokia	25.1	6.7	6.8	7.7	4.3	10.1
Listed state-owned companies and associated companies	20.3	9.2	6.4	0.0	4.5	8.1

Operating income%	2000	2001	2002	2003	2004	Average
Entire stock exchange	11.3	9.8	8.8	8.3	9.3	9.5
Entire stock exchange excl. Nokia	9.0	7.7	6.4	6.2	7.9	7.4
Listed state-owned companies and associated companiest	10.1	7.5	6.9	8.4	10.9	8.8

Net profit margin%	2000	2001	2002	2003	2004	Average
Entire stock exchange	7.1	6.0	5.7	5.1	6.3	6.0
Entire stock exchange excl. Nokia	5.3	4.2	3.7	3.3	5.1	4.3
Listed state-owned companies and associated companiest	5.8	4.0	4.7	4.6	7.5	5.3

Return on equity ratio%	2000	2001	2002	2003	2004	Average
Entire stock exchange	17.6	13.0	11.5	10.1	12.2	12.9
Entire stock exchange excl. Nokia	12.2	8.7	7.4	6.6	9.8	8.9
Listed state-owned companies and associated companies	11.4	6.8	7.7	6.7	11.3	8.8

Equity ratio%	2000	2001	2002	2003	2004	Average
Entire stock exchange	43.4	45.2	46.4	47.7	50.9	46.7
Entire stock exchange excl. Nokia	41.4	43.4	43.7	44.7	48.6	44.4
Listed state-owned companies and associated companies	40.4	43.9	43.7	46.1	51.0	45.0

EVA per sales%	2000	2001	2002	2003	2004	Average
Entire stock exchange	3.7	1.5	–0.4	0.3	2.5	1.5
Entire stock exchange excl. Nokia	1.3	–0.9	–2.8	–2.1	0.9	–0.7
Listed state-owned companies and associated companiest	1.1	–2.6	–5.4	–3.0	1.2	–1.8

P/B ratio	2000	2001	2002	2003	2004	Average
Entire stock exchange	5.0	2.8	1.8	2.2	1.9	2.7
Entire stock exchange excl. Nokia	1.6	1.3	1.1	1.4	1.5	1.4
Listed state-owned companies and associated companies	1.4	1.1	1.1	1.2	1.3	1.2

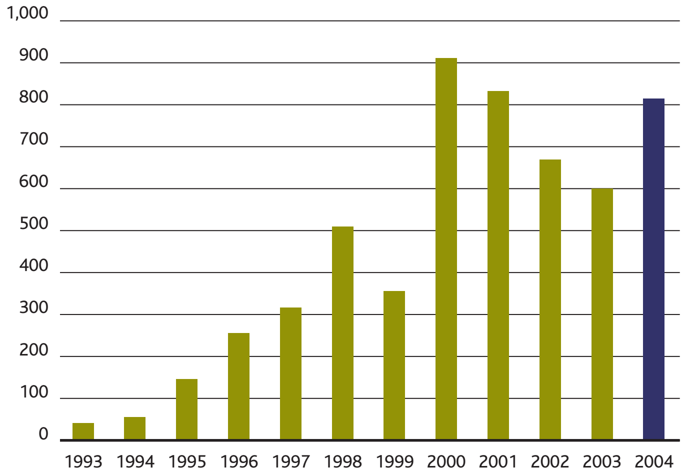
P/E ratio	2000	2001	2002	2003	2004	Average
Entire stock exchange	31.6	22.5	16.7	21.7	16.0	21.7
Entire stock exchange excl. Nokia	14.3	15.5	16.0	21.1	15.8	16.5
Listed state-owned companies and associated companies	13.9	16.3	15.4	18.1	12.4	15.2

Dividend yield%	2000	2001	2002	2003	2004	Average
Entire stock exchange	1.2	2.1	2.9	3.0	3.3	2.5
Entire stock exchange excl. Nokia	3.1	3.7	3.9	4.3	3.6	3.7
Listed state-owned companies and associated companies	2.8	3.0	3.3	3.8	3.7	3.3

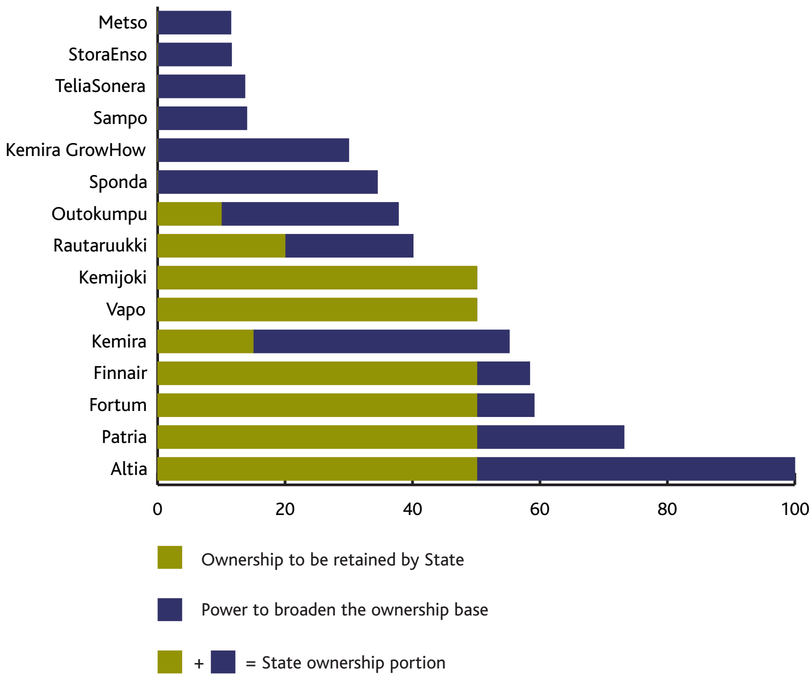
Payout ratio%	2000	2001	2002	2003	2004	Average
Entire stock exchange	39.2	46.6	48.9	66.1	48.3	49.8
Entire stock exchange excl. Nokia	43.9	57.3	62.6	89.7	58.4	62.4
Listed state-owned companies and associated companies	39.7	49.4	49.9	68.5	45.9	50.7

*) Excl. banks and insurance companies
Counted from aggregates, growth of net sales weighted by net sales.

Dividend yield to the State Treasury 1993–2004, M€



Authorisation by Parliament for expanding the ownership base on 31 March 2005,%



Publicly Quoted State-owned Companies

FINNAIR

Finnair is a travel industry group offering scheduled passenger flight, leisure flight, travel agency and cargo services in Finland and abroad. Scheduled passenger traffic operations represent 80 per cent of the Group's external turnover. Half of Finnair's scheduled passenger traffic revenue comes from European routes and a quarter from Asian routes. Domestic traffic accounts for around one fifth of scheduled passenger traffic sales revenue.

Finnair has a competitive advantage granted by geographical location in traffic between Europe and the Far East. Finnair transports annually more than eight million passengers and over 70 million kilos of cargo.

Air transport in 2004 was marked by higher fuel costs and a fall in prices resulting from overcapacity and tight competition. The solutions adopted led to an improvement in Finnair's profitability compared with the previous year.

Finnair's growth in passenger traffic and improvement of load factors were the best in the industry among European airlines. The number of passengers carried by the Finnair Group's airlines reached a new record, with the annual figure of eight million passengers being exceeded for the first time in the company's history.

The quality of operations and service was among the best in Europe according to independent surveys. Finnair has for several years now been the most punctual airline in Europe. At the same time, significant productivity improvements have been achieved in the Group's different units.

The Finnair Group's own tour operator, Aurinkomatkat-Suntours, as well as Finnair Leisure Flights, which also sells leisure flight services to other tour operators, returned a historically good result in 2004. This was due to growth in demand and an improvement of the average price as last-minute discounts declined significantly.

During the last five years, Finnair has replaced half of its fleet with new aircraft. In autumn an investment programme comprising 29 Airbus aircraft was concluded. In autumn 2005 the first of 12 Embraer E170 aircraft will join the Finnair fleet. The Embraer will replace two current types of aircraft. The turboprop fleet was transferred entirely to the Group's Estonian subsidiary Aero.

In recent years, the airline industry has been in the grip of powerful forces, and those operating in the sector have been required to display endurance and adaptability. Finnair has survived well compared to the sector as a whole. An effective strategy and successful cost-cutting has delivered financial health, which has helped Finnair show the staying power necessary in a tight competitive climate.

Improving profitability remains the most important objective for the near future. According to the Group's growth strategy, traffic to Asian destinations will be increased and the operations of the Swedish subsidiary flynordic will be expanded.

Finnair is one of the best-known brands in the domestic market and continues to grow in Asia as well.

Consolidated		2001	2002	2003	2004
Net sales	M€	1,631	1,656	1,558	1,698
Operating income	M€	13	60	–19	17
Income after financial items	M€	9	54	–22	11
Return on investment	%	2.9	7.6	0.0	3.7
Equity ratio	%	41.3	44.3	44.4	42.7
Balance sheet total	M€	1,508	1,480	1,415	1,478
Gross investments	M€	281	102	82	115
Personnel, average		10,847	10,476	9,981	9,522
Parent company					
Share capital	M€	72.0	72.0	72.0	72.0
Dividends	M€	5.9	12.7	8.5	8.5

Distribution of shares in Finnair Oyj
State of Finland 58.4%
Others 41,6%

President and CEO
Keijo Suila

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Board of Directors (as from March 23, 2005)
Christoffer Taxell, Chairman
Samuli Haapasalo
Markku Hyvärinen
Kari Jordan
Veli Sundbäck
Helena Terho
Kaisa Vikkula

President and CEO Keijo Suila

Key share figures		2001	2002	2003	2004
Price/earnings (P/E ratio)		44.52	8.63	–27.66	39.81
Earnings/share (EPS)	€	0.08	0.43	–0.19	0.14
Equity/share	€	7.29	7.58	7.24	7.29
Dividend/share	€	0.07	0.15	0.10	0.10
Dividend/earnings	%	83.1	34.5	–52.2	71.6
Effective dividend yield	%	1.9	4.0	1.89	1.80

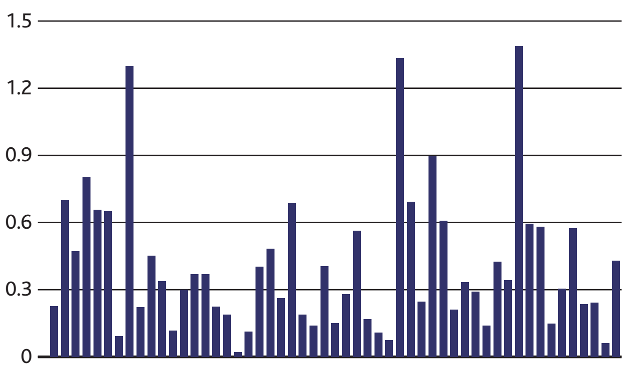
Market value of the company		
Dec 31, 2004	M€	471.3

Types and quantities of shares	2001	2002	2003	2004
Average number of shares adjusted by issue	84,739,098	84,740,792	84,743,171	84,750,387
Average number of shares adjusted by issue, Dec 31	84,739,098	84,743,163	84,745,663	84,759,213
Number of shares, Dec 31	84,739,098	84,743,163	84,745,663	84,759,213

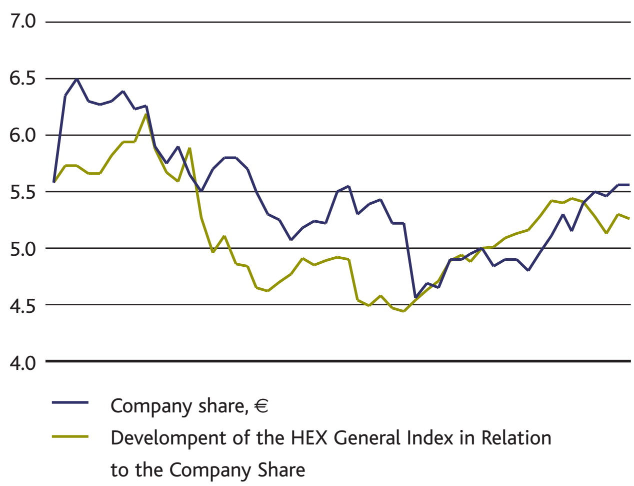
Shares traded and price trend		2001	2002	2003	2004
Shares traded	Mill.	10.9	16.7	17.8	21.3
Shares traded/shares outstanding	%	12.9	19.7	21.0	25.1
Shares traded	M€	47.9	72.3	76.4	114.9
Average share price	€	4.40	4.33	4.29	5.40
Lowest share price	€	3.48	3.70	3.20	4.46
Highest share price	€	5.20	5.10	5.58	6.57
Share price on closing of books	€	3.75	3.75	5.30	5.56

State ownership	
Dec 31, 2004	58.4%
Limit to which the Government has been authorised to decrease the State's holding	50.1%

Shares traded in 2004, Mill. shares



Share price performance in 2004



Fortum

The year 2004 proved to be an extremely strong one for Fortum. Economic performance improved and both operational profit and cash flow strengthened considerably. The key economic targets, return on capital employed (ROCE) at 12% and return on equity (ROE) at 12%, were both clearly exceeded.

Fortum strengthened its position in north-western Russia by increasing its stake to 31% in Lenenergo, the leading power company in the St Petersburg area. The company also reinforced its position in Poland with increased shares in district heating. Fortum's share of carbon dioxide free production last year was 83% and the company was the biggest supplier of eco-labelled electricity in the Nordic region.

Investment of around EUR 500 million in increasing capacity for sulphur-free diesel production at the Porvoo refinery continued as planned.

Separation of the oil business

In September 2004, Fortum announced its plan to separate its oil operation, Fortum Oil Oy, into an independent business. In spring of 2005 Fortum Oil was renamed Neste Oil Oyj.

Fortum's Annual General Meeting approved this action in March 2005. According to the decision around 85% of Neste Oil shares will be distributed to Fortum Corporation shareholders. The remainder, around15%, will be sold by Fortum Corporation to institutional and private investors. Following dividend distribution and the sale of shares, Fortum's intention is to divest itself of its role as owner of Neste Oil.

The Helsinki Stock Exchange also approved Neste Oil's application for listing in March 2005. Neste Oil is one of northern Europe's leading independent oil refining and marketing companies. It focuses on top-quality traffic fuels and other environmentally benign oil products. In 2004 Neste Oil's Porvoo and Naantali refineries together delivered around 13.6 million tonnes of refined oil products.

Fortum today

Fortum today is a supplier of power and heat and it continues to pursue its Nordic strategy. Fortum also continues to work on developing and improving customer services and on becoming the Nordic energy supplier of choice.

Following the separation of its oil business, Fortum Corporation intends to pay a dividend of, on average, 50-60% of the previous year's profit.

In 2004 Fortum introduced the customer service quality guarantee. The customer guarantee is a promise to handle issues in the manner agreed upon. Otherwise, the customer receives monetary compensation. Within Fortum, the customer ombudsmen look after the customers' interest. It is their job to monitor customer-related matters on a general level and to help individual customers if they are not satisfied with the solution they have received through the Customer Service feedback process.

Consolidated		2001	2002	2003	2004
Net sales	M€	10,410	11,148	11,392	11,665
Operating income	M€	914	1,289	1,420	1,914
Income after financial items	M€	702	1,008	1,184	1,655
Return on investment	%	8.7	11.1	11.4	15.6
Equity ratio	%	48	41	40	46
Balance sheet total	M€	14,294	17,960	16,562	16,704
Gross investments	M€	713	4,381	1,136	833
Personnel, average		14,803	14,053	13,343	12,859
Parent company					
Share capital	M€	2,875	2,876	2,886	2,948
Dividends	M€	220	262	357	506

Distribution of shares in Fortum Corporation

General government 65.17%
Households 5.26%
Outside Finland and nominee registrations 25.18%
Financial and insurance institutions 2.12%
Private non-financial corporations 0.98%
Public non-financial corporations 0.01%
Non-profit organisations 1.26%

President and CEO

Mikael Lilius

President and CEO Mikael Lilius

Head office

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Keilaniementie 1
Espoo
Postal address
P.O. Box 1
FI-00048 FORTUM, Finland
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Fax +358 010 45 24447
www.fortum.com

Board of Directors (as from March 31, 2005)

Peter Fagernäs, Chairman
Birgitta Kantola, Deputy Chairman
Birgitta Johansson-Hedberg
Lasse Kurkilahti
Matti Lehti
Marianne Lie
Erkki Virtanen

Key share figures		2001	2002	2003	2004
Price/earnings (P/E ratio)		8.3	7.5	9.0	9.5
Earnings/share (EPS)	€	0.57	0.79	0.91	1.44
Equity/share	€	6.49	6.97	7.55	8.50
Dividend/share	€	0.26	0.31	0.42	0.58
Dividend/earnings	%	45.6	39.3	46.2	40.3
Effective dividend yield	%	5.5	5.3	5.1	4.3

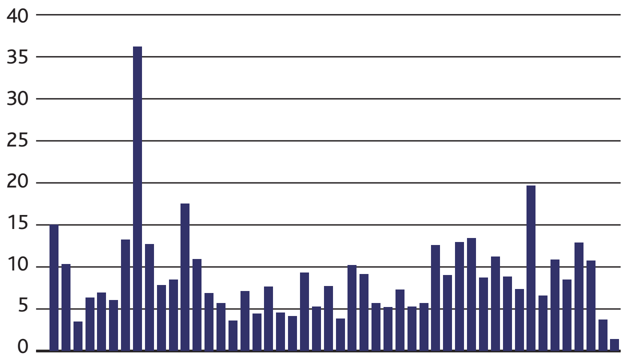
Market value of the company		
Dec 31, 2004	M€	11.8

Types and quantities of shares	2001	2002	2003	2004
Number of shares, Dec 31	845,608,575	845,775,555	849,813,479	867,083,905
Number of own shares, Dec 31	-	-	-	-

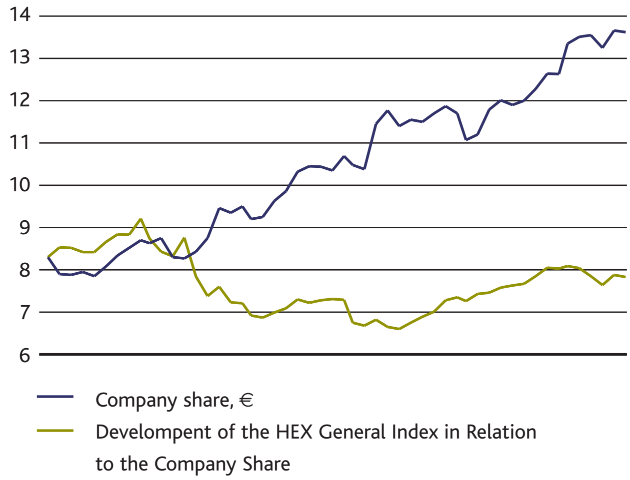
Shares traded and price trend		2001	2002	2003	2004
Shares traded	Number	134,498,556	251,216,856	270,277,275	478,832,282
Shares traded/shares outstanding	%	16.8	29.7	31.9	56.2
Shares traded	M€	644.7	1 475	1 867	4 927
Average share price	€	4.79	5.87	6.94	10.29
Lowest share price	€	4.05	4.75	5.66	7.45
Highest share price	€	5.70	6.52	8.75	13.99
Share price on closing of books	€	4.75	6.25	8.18	13.62

State ownership	
Dec 31, 2004	59.26%
Limit to which the Government has been authorised to decrease the State's holding	50.1%

Shares traded in 2004, Mill. shares



Share price performance in 2004



For Kemira, 2004 was a time of major structural changes. Apart from the listing of Kemira GrowHow, Kemira disposed of several non-core businesses. The company reported net sales of EUR 2,533 million, operating income of EUR 194 million and income before taxes of EUR 123 million.

Kemira is strengthening its operations within pulp and paper chemicals, water treatment chemicals, industrial chemicals and paints and coatings through both organic growth and acquisitions. The objective of all operations, including capital expenditures, is to improve profitability, achieve growth, build a strong competitive position and boost synergies across the Group.

Capital expenditures in 2004 came to EUR 215 million. EUR 46 million was spent on research and development, or ca. 2 2.3% of net sales.

Within pulp and paper chemicals, the cyclical dip in the client industry is expected to swing upward. Thanks to the acquisition of Finnish Chemicals, the unit's net sales and operating income in 2005 are set to increase on the previous year.

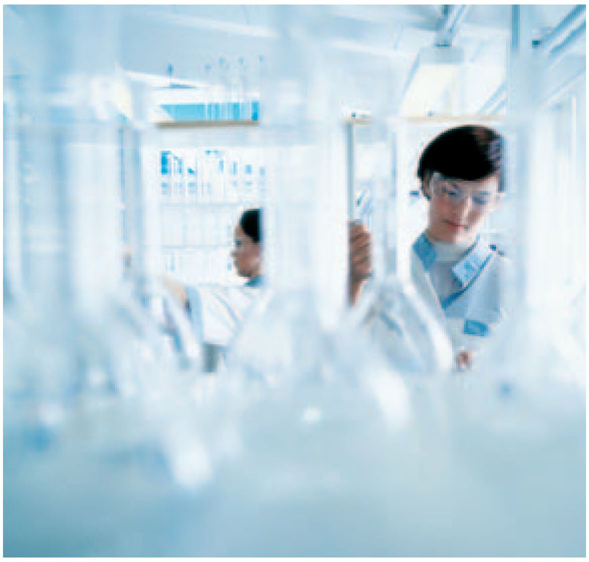
Demand for water treatment chemicals should continue growing well and net sales are estimated to increase substantially following the acquisition of Eaglebrook in North America. Operating income is likewise estimated to be higher than in 2004.

Industrial Chemicals is anticipating a rise in titanium dioxide prices. A favourable sales trend is also seen for the unit's formic acid products and sodium percarbonate, which is used in detergents. A special factor that will lift net sales is the acquisition of Verdugt BV of the Netherlands, which should also contribute to an increase in operating income from continuing operations compared with 2004.

Paints and coatings are expected to enjoy good demand. Because some units were sold off during 2004, net sales generated by the entire Paints & Coatings business are likely to be at the level seen in 2004, but operating income is expected to increase further.

The Kemira Group's net sales and operating income in 2005 are expected to improve on 2004 (stripping out the effect of divested businesses). Financial expenses are estimated to be markedly smaller than last year.

All forecasts and estimates mentioned in this report are based on the current judgement of the economic environment and the actual results may be significantly different.



With the acquisition of Finnish Chemicals, Kemira became the world's second-largest producer in the pulp and paper chemistry sector, and within industrial chemicals, the acquisition of Verdugt BV of the Netherlands made Kemira one of the leading players in the field of organic acid derivatives.

Consolidated		2001/FAS	2002/FAS	2003/IFRS	2004/IFRS
Net sales	M€	2,454.4	2,612.3	2,738.2	2,533.4
Operating income	M€	144.1	40.0	148.7	193.9
Income after financial items	M€	112.8	16.0	121.0	122.8
Return on investment	%	8	3	8.0	11.4
Equity ratio	%	46	43	41.4	46.7
Balance sheet total	M€	2,450	2,491.1	2,585.8	2,043.0
Gross investments	M€	298	243.4	236.0	215.0
Personnel, average		10,207	10,377	10,536	9,714
Parent company					
Share capital	M€	217.0	217.0	217.0	220.7
Dividends [1]	M€	35.5	35.5	199.6	40.9

Distribution of shares in Kemira

State of Finland 55.2%
Finnish institutional investors 22,5%
International institutional investors 11,8%
Private investors 7,1%
Kemira 3,4%

Chief Executive Officer

Lasse Kurkilahti

CEO Lasse Kurkilahti

Kemira Group

Kemira House
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www.kemira.com

Board of Directors (as from April 5, 2005)

Anssi Soila, Chairman
Eija Malmivirta, Vice Chairman
Elizabeth Armstrong
Heikki Bergholm
Ove Mattsson
Kaija Pehu-Lehtonen
Markku Tapio

Key share figures		2001/FAS	2002/FAS	2003/IFRS	2004/IFRS
Price/earnings (P/E ratio)		11.50	94.14	14.38	15.88
Earnings/share (EPS)	€	0.58	0.07	0.64	0.63
Equity/share	€	9.35	8.94	8.77	7.69
Dividend/share[1)]	€	0.30	0.30	1.67	0.34
Dividend/earnings	%	51.7	428.6	51.5	53.1
Effective dividend yield	%	4.5	4.6	18.0	3.4

Market value of the company					
Dec 31	M€	793	774	1,087	1,222

Types and quantities of shares	2001	2002	2003	2004
Average number of shares adjusted by issue (1,000)[2)]	121,075	118,170	118,170	119,187

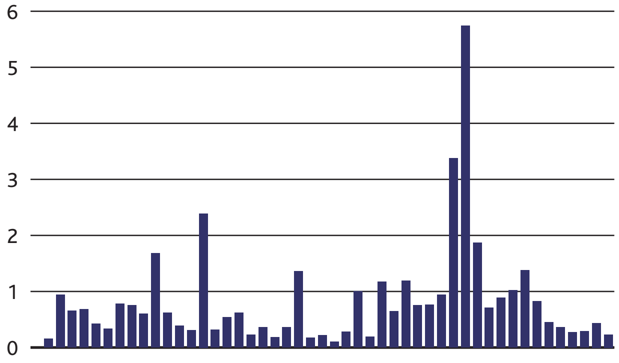
Types and quantities of shares (Dec 31)				
(1,000) [2)]	119,208	118,170	118,170	120,306

Shares traded and price trend		2001	2002	2003	2004
Shares traded	(1,000)	72,176	24,606	23,011	41,991
Shares traded/shares outstanding	%	60.5	20.8	19.5	34.9
Shares traded	M€	532	178	170	439
Average share price	€	7.36	7.22	7.39	10.45
Lowest share price	€	5.30	5.75	5.75	9.20
Highest share price	€	8.75	8.50	9.30	11.69
Share price on closing of books	€	6.65	6.55	9.20	10.16

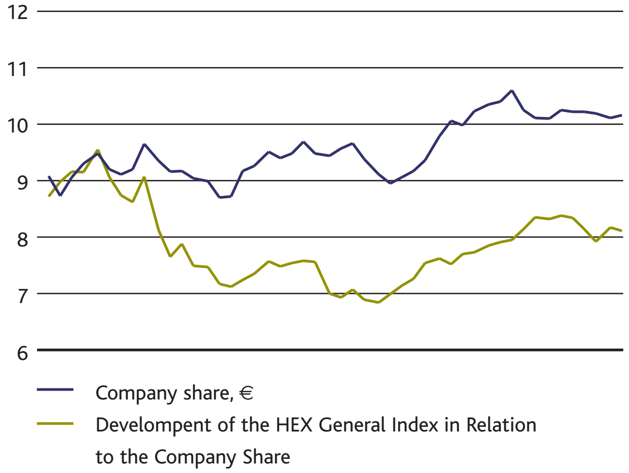
State ownership	
Dec 31, 2004	55.25%
Limit to which the Government has been authorised to decrease the State's holding	15%

[1)] The total cash dividend payout during 2004 for the 2003 financial year was € 39 million (€ 0.33 per share), in addition to which GrowHow shares were distributed as a dividend to a total amount of € 161 million (€ 1.34 per share). The dividend payout ratio has been calculated according to a dividend of € 0.33.
[2)] The number of shares outstanding, adjusted by the number of shares bought back.

Shares traded in 2004, Mill. shares



Share price performance in 2004



Other State-owned Companies

Alko is an independent company fully owned by the state. The company's basic function is the retail sale of alcoholic beverages under a monopoly granted under the Alcohol Act, with the aim of preventing the harmful effects of alcohol consumption.

The company's basic function is the retail sale of alcoholic beverages under a monopoly granted under the Alcohol Act. Exceptions to alcoholic beverages under a monopoly are fermented beverages containing up to 4.7% alcohol by volume and wines sold by Finnish farm wineries containing up to 13% alcohol by volume.

Alko shops must comply with strict requirements concerning responsible control over their sales. Alcoholic beverages are not sold to underage or intoxicated persons. We also strive to prevent the handover of alcohol to underage persons.

During 2004 more than 1.2 million age checks were carried out on young customers, about 136 000 refusals to sell alcohol to intoxicated persons were recorded as were some 26 000 obvious attempts to make prohibited purchases or handovers. Alko shops distribute a wide range of printed material on the detrimental impact and health hazards of alcoholic beverages and on proper drinking habits.

At the end of 2004, Alko had 320 shops and 141 supplementary order points. Alko ensures impartiality in the composition and pricing of the product range by publishing a booklet called Listing Procedure and Retail Sale of Alcoholic Beverages, stating the principles governing relations between Alko and its suppliers.

At the end of 2004, the standard range included about 1 949 products from 50 countries.

Alko sales per litre increased by 2.6 per cent, totalling 108.8 million litres. In 100% alcohol, Alko sold 18.8 million litres, which was 10.2 per cent more than in 2003. Bag-in-box wines rose to 25 per cent of wine sales in terms of litres.

Alko's Alcohol control Laboratory (ACL) tests the quality and safety of products sold by Alko. Products in the standard range are tested at regular intervals for the properties that the authorities require to be tested in the EU area. With respect to environmental protection, Alko subscribes to the Business Charter for Sustainable Development of the International Chamber of Commerce, for example.

Recycling of packaging is the most visible part of Alko's environmental responsibility in practice – more than 90 per cent of all packaging sold is returned.

Consolidated		2001	2002	2003	2004
Net sales	M€	1,029.5	1,091.5	1,133.1	1,004.5
Operating income	M€	32.6	–1.1	42.9	42.8
Income after financial items	M€	36.3	0.7	43.8	43.8
Return on investment	%	43.5	1.2	87.0	73.8
Equity ratio	%	33.5	20.0	25.0	30.7
Balance sheet total	M€	238.3	232.9	217.3	210.9
Gross investments	M€	8.9	8.3	9.8	7.6
Personnel, average		2,209	2,508	2,479	2,453
Parent company					
Share capital	M€	17	17	17	17
Dividends	M€	26.1	20.0	20.0	32.0

Distribution of shares in Alko Inc
State of Finland 100%

President and CEO
Jaakko Uotila

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Faxi +358 20 711 5386
firstname.lastname@alko.fi
www.alko.fi

Board of Directors
(as from January 1, 2005)
Jussi Huttunen, Chairman
Reijo Väärälä, Vice Chairman
Raija Koskinen
Satu Lähteenmäki
Jussi Simpura
Soili Suonoja

President and CEO Jaakko Uotila

ALTIA
1888

Altia is the leading Finnish wine and spirits house in the Baltic Sea region. Besides our own products, we also offer international quality brands from all over the world.

The net sales of the Altia Group in 2004 were EUR 218.3 million and profit from operations was EUR 21.3 million. Profit before taxes was EUR 63.0 million. The Group employed an average of 713 people over the year.

The business areas of the Group are Altia Spirits, Altia Wines, Scandinavian Beverage Group (as of 16 December 2004), Grain Processing and Enzymes. Altia's share of the Finnish spirits market is about 60 per cent and its strongest brands include Koskenkorva Viina, Jaloviina and Monopol Cognac. Its best-known imported brands are the whiskies of William Grant & Sons and Brown-Forman and the liqueurs of De Kuyper.

Altia's share of wines sold in Finland is about 40 per cent. The core of the product range consists of wines bottled by Altia such as Magyar Fehér Bor and El Tiempo. The company also represents and imports wines such as those of Masi and Lindemans.

Altia acquired the Scandinavian Beverage Group (SBG) on 16 December 2004. SBG is an importing and sales corporation comprising importers of alcoholic and other beverages in Sweden, Norway, Denmark and Finland. SBG also represents many leading wine brands. Altia now anticipates synergy benefits from market status, combined expertise and management of supplier accounts. SBG will operate initially as one business area of Altia.

Altia is responsible for distribution of Finlandia Vodka in Finland and Estonia. This brand is owned by Finlandia Vodka Worldwide Ltd, which has been a wholly owned subsidiary of the US Brown-Forman Corporation since 1 January 2005. Altia has a sole license to continue manufacturing Finlandia Vodka until 2017. SkyCellar Ltd, a joint venture established with Finnair, serves as the airline's official wine partner. Altia operates in Estonia through its local subsidiaries Altia Eesti AS.

The Grain Processing business area comprises the operations of Altia's Koskenkorva plant, which produces grain spirit, starch and animal feed and the technical ethanol and food products made at the Rajamäki plant.

Roal Ltd, 50% owned by Altia, is engaged in the production, research and development of enzymes.

Besides a healthy financial performance, Altia also seeks to be the best partner for quality and reliability. The Group strategy is based on a product portfolio that meets the needs of the customer, management of relations with suppliers and partners, brand creation and maintenance, and cost-effective manufacturing and logistics. Our high-quality products are safe, and well-known to all Finns.

Altia business sales helps enterprises for example to arrange events for their customers.

Consolidated		2001	2002	2003	2004
Net sales	M€	227.1	248.1	200.3	218.3
Operating income	M€	32.6	102.3	24.2	63.3
Income after financial items	M€	35.0	103.4	25.3	63.0
Return on investment	%	22.0	61.0	15.4	29.1
Equity ratio	%	58.0	60.8	58.8	42.2
Balance sheet total	M€	256.2	306.7	236.4	444.5
Gross investments	M€	9.3	28.0	14.0	61.7
Personnel, average		729	699	676	713
Parent company					
Share capital	M€	60.5	60.5	60.5	60.5
Dividends	M€	25.0	66.0	10.0	10.0

Distribution of shares in Altia Corporation
State of Finland 100%
President and CEO
Veikko Kasurinen
Head Office
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Salmisaarenranta 7, Helsinki
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Fax +358 9 133 3278
firstname.lastname@altiagroup.fi
www.altiagroup.fi
Board of Directors
(as from April 6, 2005)
Markku Tapio, Chairman
Heikki Hakala, Vice Chairman
Satu Heikintalo
Jarmo Leppiniemi
Jaakko Nenonen
Satu Raiski
Riitta Vermas

President and CEO Veikko Kasurinen

KEMIJOKI OY

Kemijoki Oy is the most prominent producer of hydropower and the related services in Finland. The company owns sixteen hydropower plants in the waterway of the Kemijoki River. In addition, it regulates the artificial lakes of Lokka and Porttipahta, as well as Lake Kemijärvi and Lake Olkkajärvi. The electric power produced by the power plants is sold in whole to the joint hydropower owners.

Kemijoki Oy is the Group's parent company. The Group includes subsidiaries that generate electricity with hydropower in the Rivers Kymijoki and Lieksanjoki, carry out electric network activities and sell services and products related to hydropower technology.

The Group's hydropower plants produced a total of 4,546 million kilowatt hours of electric power, of which 4,140 million kilowatt hours were produced at Kemijoki Oy's power plants and 406 million kilowatt hours at the power plants of the subsidiaries situated on the Rivers of Kymijoki and Lieksanjoki. The Group's total production was about six per cent more than during an average hydropower year, corresponding to 31 per cent of all indigenous electricity produced with hydropower.

The total capacity of the Group's power plants rose to 1,008 megawatts along with the basic upgrading of the Seitakorva power plant. The waterway of the Kemijoki River accounts for 938 megawatts of the power plant output. The total uptime of the power plants in the Kemijoki region was good, i.e. approximately 94 per cent.

The economic status of the Kemijoki Group remained stable and the operative targets set were achieved. Its equity ratio was 35.8 per cent and the balance sheet total EUR 418.0 million. The equity ratio of the parent company stood at 35.3 per cent and the balance sheet total at EUR 425.5 million. The Group's net sales totalled EUR 40.1 million.

The past year was a period of change for Kemijoki Oy. After the negative decision on the Vuotos project and the completion of the power plants in Kitinen, the focus of the operations will clearly be on electricity production. The human resources of the company were reassessed according to the new situation, leading to a decision to initiate the co-operation procedure, on the basis of which the need for reducing personnel was set at 52 employees.

In 2005 the implementation of the investment plan will be continued by a basic refurbishment of the Permantokoski power plant, as well as by upgrading and raising the power capacity of Unit 2 of the Petäjäskoski power plant. The last part of the unstepped main course of river, Sierilä, would give 120 million kilowatt hours a year of additional energy. The construction plan for the project will be finalised and the application for an environmental permit will be filed in during 2005. The subsidiaries KEMIJOKI Kymijoen Voima Oy and KEMIJOKI Lieksanjoen Voima Oy, producing hydropower on the Rivers Kymijoki and Lieksanjoki, will be merged with the parent company in the summer of 2005.

Raising the power capacity of the power plant units, which is carried out in connection with refurbishments, is very profitable. In 2004 Unit 1 of Seitakorva was upgraded. Its power capacity was also raised by replacing the rotor and generator of the turbine. The power plant's flow rate of 250 m3/s rose by a hundred cubic metres per second and its output increased by 22 megawatts. At the same time, the total output of the Group's power plants climbed to 1,008 megawatts.

Consolidated		2001	2002	2003	2004
Net sales	M€	52.6	48.3	43.6	40.1
Operating income	M€	10.8	–8.0	5.4	5.4
Income after financial items	M€	1.3	–16.6	–2.2	–1.5
Return on investment	%	3.0	–2.3	1.8	1.5
Equity ratio	%	39.2	36.9	38.0	35.8
Balance sheet total	M€	441.1	433.2	417.0	418.0
Gross investments	M€	20.5	10.7	10.4	12.1
Personnel, average		416	356	345	320
Parent company					
Share capital	M€	41.3	41.3	41.3	41.3
Dividends	M€	0.2	0.0	0.8	0.7

Distribution of shares in Kemijoki Oy
State of Finland 50,10%
Fortum Power and Heat Oy 17.50%
Lapin Sähkövoima Oy 9.34%
UPM-Kymmene Oyj 4.13%
City of Helsinki 0.94%
Rovakairan Tuotanto Oy 0.70%
Rovaniemen Energia Oy 0.40%
Kemijoki Oy 16,89%

President and CEO
Aimo Takala

President and CEO Aimo Takala

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Postal address
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info@kemijoki.fi

Board of Directors (as from x.x. 2005)
Tapio Kuula, Chairman
Markku Tynkkynen, Vice Chairman
Hannu Haase
Paula Nybergh
Marjut Ontronen
Pekka Päätiläinen
Seppo Ruohonen

Patria

Patria is an internationally operating Aerospace and Defence Group which key business areas are armoured wheeled vehicles, mortar systems, helicopters and aircraft, and the life cycle support of these products.

Patria is the leading supplier of the armoured wheeled vehicles in Europe.

The Group posted net sales of EUR 346.4 million (EUR 259.1 million) representing an increase of 34 per cent on the previous year. Patria employed an average of 1988 persons in 2004 and its operating profit increased by 9.8 million euros. Defence material and maintenance accounted for 83% of net sales, and civilian products and maintenance for 17%., and income before taxes totalled 30.4 million euros. Our net sales amounted to 346.4 million euros. The Group's order stock also increased significantly, by 194.4 million euros, and totalled 687.1 million euros at the end of the year.

Patria Group's organisation has been divided into four Business Areas: Vehicles, Weapon Systems, Aviation and Advanced Solutions. As of 2005 the main jurisdictional part of the Patria Group consists of the parent company, Patria Plc, and its wholly owned subgroups, with Patria Aviation Oy, Patria Vammas Oy, Patria Vehicles Oy, Patria Weapon Systems Oy, Patria Aerostructures Oy and Patria Advanced Solutions Oy. Patria is owned by the Finnish State (73.2%) and European Aeronautic Defence and Space Company EADS N.V. (26.8%).

Patria's main goals for 2004 were to improve international competitiveness and profitability, as well as to develop domestic and international partnerships. The serial production of Patria AMV for the Polish Ministry of Defence started in autumn 2004. Furthermore Patria AMV's order stock increased significantly towards the end of the year as a result of the Finnish Defence Forces' order for 62 vehicles. Patria's development of AMOS (Advanced Mortar System) continued towards 0-series production. Furthermore Patria received an order from the Italian company Agusta SpA for the manufacture of NH90 helicopter composite rear fuselages and delivered the first wing spoiler sets of the Airbus A 380 airliner to Airbus France S.A.S.

Patria's strong know-how mainly results from solutions developed in Finland and from local partnerships. Good co-operation with the Finnish Defence Forces has been important to Patria's success. Patria will continue to create centres of excellence with Finnish defence industry enterprises and the Finnish Defence Forces. Our marketing co-operation with EADS International will expand, and our already good co-operation, for example, with Land Systems Hägglunds will become increasingly closer. Patria has co-operation partners in more than 50 countries.

Internationalisation and improving our international competitiveness are among Patria's key objectives for 2005. To boost international project operations, Patria need to acquire new skills and form new partnerships. The internationalisation of life cycle support services also involves several development objectives. Patria's international competitiveness and profitability will improve in the medium and long term as a result of restructuring measures taken, investments and co-operation with domestic and international partners.

Consolidated		2001	2002	2003	2004
Net sales	M€	218.7	232.5	259.1	346.4
Operating income	M€	1.6	7.0	15.9	25.7
Income after financial items	M€	4.4	9.5	16.4	25.9
Return on investment	%	3.3	5.7	9.0	12.7
Equity ratio	%	75.4	68.5	56.7	56.8
Balance sheet total	M€	318.1	333.8	375.2	417.1
Gross investments	M€	7.8	14.9	12.7	22.3
Personnel, average		2,257	2,117	2,032	1,988
Parent company					
Share capital	M€	38.0	38.0	38.0	38.0
Dividends	M€	2.3	2.3	2.9	11.9

Distribution of shares in Patria Plc
State of Finland 73.2%
European Aeronautic Defence and Space Company EADS N.V. 26.8%

President and CEO
Jorma Wiitakorpi

Group Administration
Kaivokatu 10 A
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Fax +358 204 691 2022
www.patria.fi

Board of Directors
Björn Mattsson, Chairman
Eero Rantala, Vice Chairman
Matti Ahola
Friedrich Dörhöfer
Hervé Garnier
Ritva Hainari
Jussi Itävuori
Tuija Soanjärvi
Anneli Tuominen

President and CEO
Jorma Wiitakorpi

posti

Finland Post is the leading provider of messaging and logistics services in Finland and selected markets in Northern Europe. The Group is seeking growth, particularly in information logistics, comprehensive logistics solutions and international business. It aims to develop its business towards integrated information and materials flow management, enabling versatile messaging and logistics solutions.

Three Business Units

Messaging, the leading service provider in the field, is responsible for letter, magazine, newspaper and direct mail delivery services in Finland, while also providing such services abroad.

Information Logistics provides companies and other organisations with digital printing, e-commerce transaction, e-government, data management and direct marketing services. Information logistics companies operate in eight countries in Northern Europe under the name Itella.

Logistics specialises in transport and parcel services for corporate and consumer customers, warehousing and terminal services and application services integrating physical and electronic processes.

A Step towards Intelligent Logistics

Finland Post develops its business towards intelligent logistics, integrating information and material flows, strengthening its chosen strategy in 2004. Traditional postal services showed positive trends in delivery volumes of unaddressed direct mail. In information logistics, Finland Post propped up its position through business acquisitions in e-Invoicing and e-Services, including acquisitions in the Baltic countries. Logistics increased its parcel volumes, boosted its service warehouse business and invested in creating the basis for services related to shipments to Russia.

Finland Post Group's consolidated net turnover for 2004 rose to EUR 1,235 million, or by 8 per cent on a year earlier, generating 89 per cent of its net turnover from Finland and 11 per cent from international operations. Consolidated operating profit climbed to EUR 95 million, accounting for 8 per cent (6 per cent) of consolidated net turnover. At the end of 2004, Finland Post Group had a staff of 23,297, 728 of whom worked abroad.

Warehousing and terminal services are among Finland Post Group's strategic areas of growth. The Post provides full-service warehousing for outsourcing companies' warehousing operations, designing warehousing services that can be operationally integrated with customer companies' service and logistics strategies.

Consolidated		2001	2002	2003	2004
Net sales	M€	1,046.1	1,112.1	1,145.5	1,235.2
Operating income	M€	32.0	55.6	73.7	95.2
Income after financial items	M€	32.9	58.3	76.1	101.1
Return on investment	%	6.5	10.5	12.9	16.1
Equity ratio	%	63.0	62.3	65.8	65.5
Balance sheet total	M€	801.1	853.0	856.4	918.8
Gross investments	M€	160.8	98.3	71.6	78.3
Personnel, average		23,304	23,077	23,592	23,544
Parent company					
Share capital	M€	70.0	70.0	70.0	70.0
Dividends	M€	8.0	15.0	20.0	35.0

Distribution of shares in Finland Post Group
State of Finland 100%

President and CEO
Jukka Alho

Head Office
Street address
Postintaival 7 A, Helsinki
Postal address
P.O. Box 1, FIN-00011 POSTI, FINLAND
Tel. +358 204 511
(from Finland 020 4511)
Call Centre:
for consumers +358 200 27100
(from Finland 0200 27100)
for businesses +358 200 75000
(from Finland 0200 75000)
www.posti.fi

Board of Directors (as from April 12, 2005)
Eero Kasanen, Chairman
Mikko Kosonen, Deputy Chairman
Samuli Haapasalo
Erkki Helaniemi
Antero Palmolahti
Mirja Sandberg
Soili Suonoja
Pirjo Tiiri

President and CEO Jukka Alho

Vapo processes local natural resources, such as wood, peat and municipal waste, in a responsible manner. Vapo is the leading supplier of local and renewable fuels, bioelectricity and bio heat, as well as solutions of bio waste and dry waste management.

The Vapo Group consists of the parent company Vapo Oy, which comprises Vapo Energy's production of bio fuels, Vapo Power's heat and power production, and Vapo Biotech's environment-related business. The subsidiary Vapo Timber Oy processes wood. Kekkilä Oyj produces and markets growing media and fertilisers. The business of the Vapo Group is concentrated in the Baltic Sea region.

Objectives

Vapo aims to be the most cost-efficient producer of bio fuels and a welcomed partner in the Baltic Sea region. In Finland Vapo is the top actor in production of local bioelectricity and bio heat, in bio waste and dry waste management, and in deliveries of technology. Vapo is also a major developer of bio energy and waste management technology.

The most cost-efficient sawing activity in Finland and the leading growing media business in the Northern countries support the core business.

Strategy

Vapo invests in the lines of business with strongest growth and best competitiveness. These are local bio fuels, bioelectricity and bio heat, as well as waste management and its technology. Vapo also ensures the competitiveness of its other lines of business.

The year 2004

In 2004 Vapo strengthened its position as the leading bio energy company in the Baltic Sea region. In Sweden the pellet production was considerably extended as a result of a company acquisition. In Finland the market position was fortified, when Biowatti Oy's production of pellets was transferred to Vapo towards the end of the year and production of peat pellets was started in Haukineva.

At the end of 2004, the State and Metsäliitto agreed on a raise of Metsäliitto's holdings in Vapo. At present Metsäliitto owns 49.9 per cent and the Republic of Finland 50.1 per cent of the Vapo shares.

In 2004 the net sales of the Vapo Group totalled EUR 527 million (EUR 472.2 million in 2003). The Group's operating income amounted to EUR 27.8 million (EUR 38.4 million), accounting for 5.3 per cent of the net sales. At the end of the year, the Group had 1,814 employees, of whom 731 worked abroad.

Vapo started production of peat pellets at the new Haukineva pellet factory in 2004.

Consolidated		2001	2002	2003	2004
Net sales	M€	412	434	472	527.7
Operating income	M€	31	38	38	28
Income after financial items	M€	28	34	34	24
Return on investment	%	8.7	9.5	8.8	6.3
Equity ratio	%	56.2	53	52.6	51.4
Balance sheet total	M€	471	525	550	581
Gross investments	M€	26	62	54	78
Personnel, average		1,209	1,311	1,744	1,814
Parent company					
Share capital	M€	50	50	50	50
Dividends	M€	10	12	12	12

Distribution of shares in Vapo Oy
State of Finland 50.1%
Metsäliitto Osuuskunta 49.9%

Managing Director
Matti Hilli

Group administration
Street address
Yrjönkatu 42, Jyväskylä
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P.O. Box 22, FI-40101 Jyväskylä, Finland
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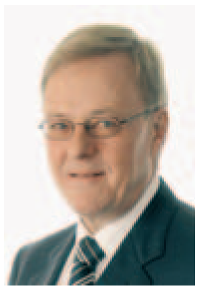
Fax +358 14 623 5601
info@vapo.fi
www.vapo.fi

Board of Directors (as from March 17, 2005)
Heikki Niskakangas, Chairman
Antti Oksanen, Vice Chairman
Ritva Hainari
Markku Melkko
Katariina Simola
Arimo Uusitalo



Managing Director Matti Hilli

VR's core businesses are transport and track maintenance services. VR provides safe, high-standard and environmentally friendly transport and related services for freight customers and passengers. For the Finnish state, other public bodies and industrial corporations, VR provides professional track design, construction and maintenance services.

VR Group's net profit in 2004 totalled EUR 51.7 million, compared with EUR 41.3 million in the year before. The operating profit was EUR 62.8 (53.0) million and net turnover amounted to EUR 1,178.9 (1,160.5) million. The improvement in profits was due to enhanced cost-efficiency.

VR Ltd, the Group´s largest company, is responsible for rail transport. In 2004 VR Ltd carried altogether 42.7 million tonnes of freight. This comprised domestic carryings of 26.3 million tonnes and international transports of 16.4 million tonnes. Domestic carryings rose by 5.1% and international freight traffic crossing Finland´s borders by train decreased 11.4%. Transit traffic via Finland to third countries totalled 3.2 million tonnes, the same as in the previous year. The net turnover of freight services totalled EUR 348.2 (351.8) million.

The total number of passenger journeys rose to 60.1 million, an increase of 0.4% from 2003. Of these, 12.1 million were long-distance journeys and 48.0 million were commuter journeys in the Greater Helsinki region. The number of long-distance journeys increased 1.8%. The total number of journeys in commuter traffic in the Greater Helsinki region remained unchanged from the previous year. The net turnover of passenger services totalled EUR 304.4 (296.9) million.

VR-Track Ltd specializes in track design, construction and maintenance services. Customers include the Finnish government, local authorities, ports and industrial companies using the rail network. The net turnover of track construction and maintenance was EUR 235.5 (215.4) million. Just over 90% of this came from contracts awarded by the Finnish Rail Administration, which is responsible for managing the national rail network.

Pohjolan Liikenne, a subgroup of the VR Group, carried a total of 8.9 million tonnes of freight in 2004, 3.6% more than in the previous year. The number of bus and coach journeys totalled 10.2 million, down 26.2% due to a reduction in contract services. The net turnover of road services amounted to EUR 197.8 (201.6) million.

The Group's capital expenditure totalled EUR 180.0 (151.5) million, which included EUR 140.5 million covering rolling stock for VR Ltd. A major part of this expenditure was for deliveries of Pendolino and commuter trains.

VR carried record volumes of freight in its domestic services in 2004. The market share rose in particular in product carryings for the chemical branch of the forest industry.

Consolidated		**2001**	**2002**	**2003**	**2004**
Net sales	M€	1,151	1,140	1,160	1,179
Operating income	M€	49	27	53	63
Profit before extraordinary items and taxes	M€	61	37	61	70
Return on investment	%	5.2	3.2	5.1	5.8
Equity ratio	%	79.1	82.9	83.1	81.5
Balance sheet total	M€	1,515	1,450	1,466	1,517
Gross investments	M€	178	144	151	180
Personnel, average		14,938	14,426	13,746	13,264
Parent company					
Share capital	M€	370	370	370	370
Dividends	M€	17	30	40	20

Distribution of shares in VR-Group Ltd
State of Finland 100%
President and CEO
Henri Kuitunen
Head Office
Vilhonkatu 13
FI-00100 Helsinki, Finland
Tel. +358 307 10
Fax +358 307 21 700
www.vr.fi
Board of Directors (as from March 30, 2005)
Martin Granholm, Chairman
Antti Remes, Vice Chairman
Pekka Hurtola
Kari Kallio
Kirsti Lehtovaara-Kolu
Eija Malmivirta
Veli-Matti Ropponen
Jukka Ruuska

President and CEO
Henri Kuitunen

Associated Companies

KEMIRA GrowHow
partnership • knowledge • solutions

Kemira GrowHow Oyj is one of the leading companies in the European fertiliser and feed phosphate industry. Kemira GrowHow develops and markets high quality fertilisers and integrated solutions for crop cultivation, animal feed supplements and chemicals required in various industries. The company has 2,900 employees worldwide and in 2004 net sales were 1155 million euros. Kemira GrowHow Oyj is listed on the Helsinki Stock Exchange.

Consolidated		2001/FAS*	2002/FAS*	2003/FAS	2004/FAS
Net sales	M€	1,157.8	1,165.2	1,205.4	1,155.4
Operating profit	M€	52.6	–31.7	24.8	52.6
Result after financial items	M€	27.4	–55.3	–3.1	40.2
Return on investment	%	9.0	–4.9	3.1	9.2
Equity ratio	%	13.4	22.1	22.3	46.1
Balance sheet total	M€	943.6	839.5	843.0	806.6
Gross investments	M€	43.4	61.5	52.7	76.7
Personnel, average		N/A	N/A	3,133	3,016
Parent company					
Share capital	M€	133.0	156.0	156.0	156.0
Dividends	M€	–	–	–	17.2

*) Figures do not correspond to figures in accordance with the legal structure at that time.

Key share figures		2001/FAS*	2002/FAS*	2003/FAS	2004/FAS
Price/earnings (P/E ratio)		–	–	–	9.63
Earnings/share (EPS)	€	0.31	–0.90	–0.14	0.58
Equity/share	€	2.10	3.11	3.19	6.48
Dividend/share	€	–	–	–	0.30
Dividend/earnings	%	–	–	–	51.3
Effective dividend yield	%	–	–	–	5.3
Shares traded/shares outstanding	%	–	–	–	75%

State ownership	
Dec 31, 2004	30.05%
Limit to which the Government has been authorised to decrease the State's holding	0%

Distribution of shares in KemiraGrowHow Oyj
State of Finland 30.1%
Kemira Oyj 14.6%
Nominee registered and foreign owners 27.6%
Finnish institutions 20.6%
Households 7.1%

Chief Executive Officer
Heikki Sirviö

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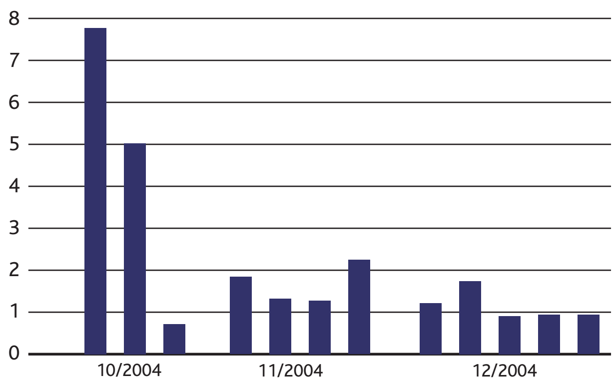
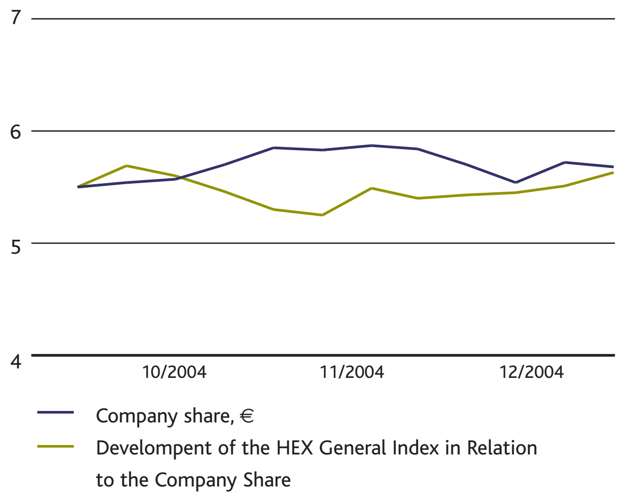
Fax +358 10 215 2126
e-mail
firstname.lastname@kemira-growhow.com
www.kemira-growhow.com

Board of Directors (as from April 6, 2005)
Ossi Virolainen, Chairman
Lauri Ratia, Vice Chairman
Sari Aitokallio
Arto Honkaniemi
Satu Raiski
Helena Terho
Esa Tirkkonen

Shares traded in 2004, Mill. shares



Share price performance in 2004



Metso is a global technology corporation serving customers in the pulp and paper industry, rock and minerals processing, the energy industry and selected other industries. In 2004, the net sales of Metso Corporation were approx. EUR 4 billion, and it has some 23,000 employees in more than 50 countries. Metso's shares are listed on the Helsinki and New York Stock Exchanges.

Consolidated		2001/FAS	2002/FAS	2003/FAS	2004/FAS
Net sales	M€	4,343	4,691	4,250	3,976
Operating income	M€	246	167	–229	111
Income after financial items	M€	222	93	–303	49
Return on investment	%	12.3	6.4	–8.7	5.7
Equity ratio	%	31.1	33.3	28.3	32.7
Balance sheet total	M€	5 042	4 399	3 823	3 578
Gross investments	M€	154	193	128	97
Personnel, average		25,613	29,258	27,400	24,363
Parent company					
Share capital	M€	232	232	232	232
Dividends	M€	82	82	27	48

Key share figures		2001/FAS	2002/FAS	2003/FAS	2004/FAS
Price/earnings (P/E ratio)		10.62	21.54	neg.	23.07
Earnings/share (EPS)	€	1.09	0.48	–1.89	0.51
Equity/share	€	10.78	10.12	7.51	7.72
Dividend/share	€	0.60	0.60	0.20	0.35
Dividend/earnings	%	55	126	neg.	69
Effective dividend yield	%	5.2	5.8	2.1	3.0
Shares traded/shares outstanding	%	52.5	77.2	73.3	84.1

State ownership	
Dec 31, 2004	11.5%
Limit to which the Government has been authorised to decrease the State's holding	0%

Shareholders of Metso Corporation
State of Finland 11.5%
Nominee-registered shares 65.2%
Finnish private investors 5.9%
Others 17.4%

President and CEO
Jorma Eloranta

Head Office
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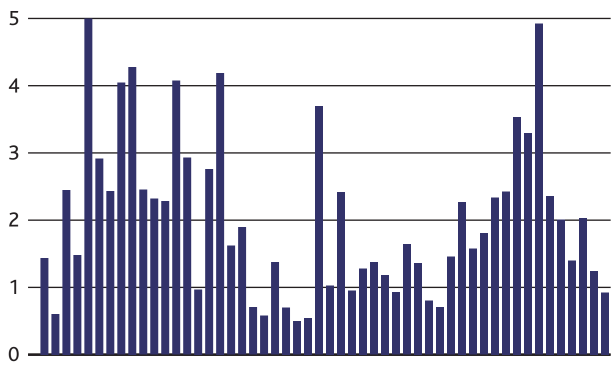
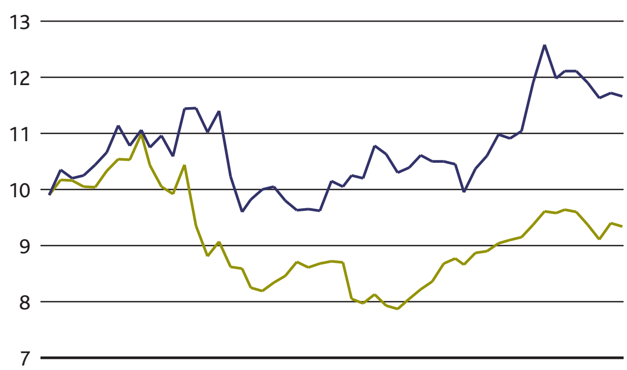
Fax +358 20 484 101
metso.info@metso.com
www.metso.com

Board of Directors (as from April 4, 2005)
Matti Kavetvuo, Chairman
Jaakko Rauramo, Vice Chairman
Svante Adde
Maija-Liisa Friman
Satu Huber
Juhani Kuusi

Shares traded in 2004, Mill. shares



Share price performance in 2004



Company share, €
Develompent of the HEX General Index in Relation to the Company Share

Outokumpu is an international stainless steel and technology company. Outokumpu operates in over 30 countries and employs some 13 000 people. In 2004, the Group´s sales amounted to EUR 7.1 billion, of which 95% was generated outside Finland.

Distribution of shares in Outokumpu Oyj (January 31, 2005)
State of Finland 37.8%
The Finnish Social Insurance Institution 11.3%
Other Finnish organizations 18.1%
Private Finnish investors 9.4%
International shareholders 23.4%

Chief Executive
Juha Rantanen

Head Office
Street address
Riihitontuntie 7 B, Espoo
Postal address
P.O. Box 140, FI-02201 Espoo, Finland
Tel. +358 9 4211
Fax +358 9 421 3888
www.outokumpu.com

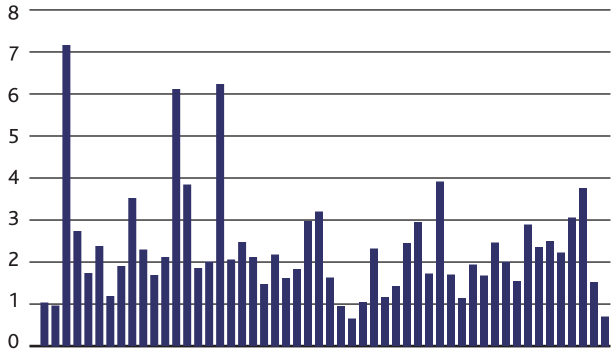
Board of Directors (as from April 5, 2005)
Heimo Karinen, Chairman
Ole Johansson, Vice Chairman
Evert Henkes
Arto Honkaniemi
Jorma Huuhtanen
Jukka Härmälä
Juha Lohiniva
Anna Nilsson-Ehle
Leena Saarinen
Soili Suonoja

Consolidated		2001/FAS	2002/FAS	2003/IFRS	2004/IFRS
Net sales	M€	5,324	5,558	5,922	7,136
Operating income	M€	183	267	214	468
Income after financial items	M€	147	213	108	477
Return on investment	%	6.7	7.0	5.0	10.3
Equity ratio	%	41.6	31.1	33.0	35.8
Balance sheet total	M€	5,401	6,327	6,397	7,077
Gross investments	M€	914	2 042	622	473
Personnel, average		19,010	20,196	21,442	19,761
Parent company					
Share capital	M€	212	294	304	308
Dividends	M€	75.2	68.6	35.5	90.4

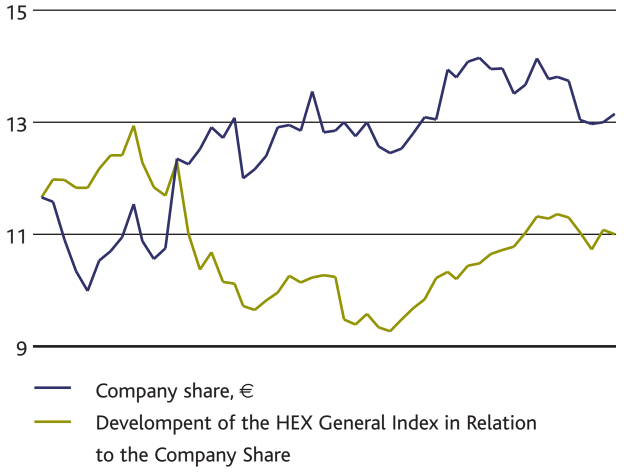
Key share figures		2001/FAS	2002/FAS	2003/IFRS	2004/IFRS
Price/earnings (P/E ratio)		19.4	7.2	16.7	6.2
Earnings/share (EPS)	€	0.55	1.15	0.65	2.13
Equity/share	€	11.37	11.14	11.54	13.65
Dividend/share	€	0.55	0.40	0.20	0.50
Dividend/earnings	%	100.0	43.5	32.0	23.6
Effective dividend yield	%	5.1	4.8	1.9	3.8
Shares traded/shares outstanding	%	27.1	42.3	44.0	68.5

State ownership	
Dec 31, 2004	37.8%
Limit to which the Government has been authorised to decrease the State’s holding	10%

Shares traded in 2004, Mill. shares



Share price performance in 2004



Ruukki supplies components, systems and total solutions to the construction and mechanical engineering industries. The company has a wide selection of products and services in metal products. Ruukki has operations in 24 countries and employs 12,000 people.
The year 2004 was a success and the financial targets were clearly exceeded. Net sales rose by 21 per cent to 3569 million euros and operating profit rose to 475 million euros. Earnings per share were 2.31 euro and dividend per share 0.80 euro.
The company's share is quoted on the Helsinki Exchanges (Rautaruukki Corporation: RTRKS).

Consolidated		2001/FAS	2002/FAS	2003/FAS	2004/FAS
Net sales	M€	2,906	2,884	2,953	3,569
Operating income	M€	93	6	128	475
Income after financial items	M€	41	–46	70	430
Return on investment	%	5.0	0.6	7.1	26.1
Equity ratio	%	33.3	31.1	34.6	43.0
Balance sheet total	M€	2,559	2,561	2,403	2,616
Gross investments	M€	162	142	102	149
Personnel, average		13,678	13,325	12,782	12,273
Parent company					
Share capital	M€	236	236	236	236
Dividends	M€	27	0	27	109

Key share figures		2001/FAS	2002/FAS	2003/FAS	2004/FAS
Price/earnings (P/E ratio)		18.8	–13.2	15.0	3.8
Earnings/share (EPS)	€	0.22	–0.26	0.39	2.31
Equity/share	€	6.21	5.81	6.07	8.20
Dividend/share	€	0.20	0	0.20	0.80
Dividend/earnings	%	91.9	0	51.3	34.7
Effective dividend yield	%	4.9	0	3.4	9.2
Shares traded/shares outstanding	%	29	25	33	94

State ownership	
Dec 31, 2004	40.1%
Limit to which the Government has been authorised to decrease the State's holding	20%

Distribution of shares in Rautaruukki Corporation
State of Finland 40.1%
Private households 11.2%
Other Finnish owners 15.8%
International owners 32.9%

Managing director
Sakari Tamminen

Head office
Street address
Suolakivenkatu 1, Helsinki
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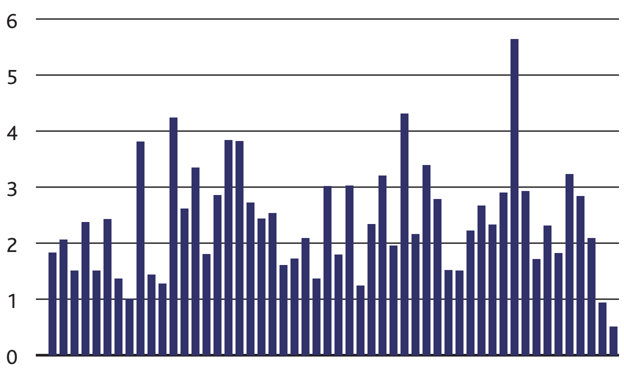
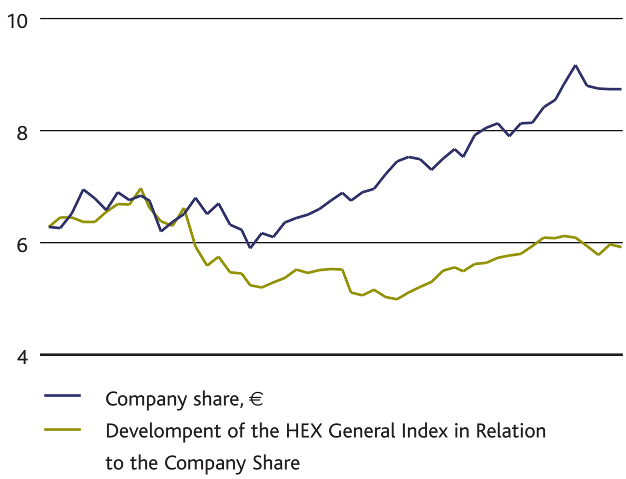
Tel +358 20 5911
Fax +358 20 592 9088
www.ruukki.com

Board of Directors (as from March 23, 2005)
Jukka Viinanen, Chairman
Georg Ehrnrooth, Deputy Chairman
Maarit Aarni
Christer Granskog
Pirkko Juntti
Kalle J. Korhonen
Kiuru Schalin

Shares traded in 2004, Mill. shares



Share price performance in 2004



SAMPO GROUP

Sampo plc is the holding company of Sampo Group. Sampo's core business areas are banking, long-term savings and P&C insurance. Sampo brand covers a wide range of investment, savings and traditional banking services to retail, corporate and institutional customers in Finland and the Baltic countries. Sampo plc owns the leading Nordic P&C insurance group If, after transactions carried out in 2004. Sampo Group's P&C insurance, banking and long-term savings businesses have over 4 million retail customers and nearly 400,000 corporate and institutional customers in the Nordic and Baltic countries after the acquisition.

Consolidated		2001/FAS	2002/FAS	2003/FAS	2004/FAS
Net sales	M€	3,572	2,984	2,455	6,017
Operating profit	M€	1 104	549	472	1,014
Net income from financial operations	M€	469	448	404	394
P&C insurance premiums written	M€	-	-	-	2,549
Life insurance premiums written	M€	755	613	528	528
Deposits	M€	9,062	9,230	9,392	9,567
Loans	M€	13,597	12,490	13,908	14,749
Mutual funds	M€	2,675	3,858	5,214	6,783
Balance sheet total	M€	27,157	25,094	25,250	36,977
Staff, average		10,162	5,977	5,529	11,972
Parent company					
Share capital	M€	93	94	93	95
Dividends	M€	417	194	831	113

Key share figures		2001/FAS	2002/FAS	2003/FAS	2004/FAS
Price/earnings (P/E ratio)		5.9	11.6	12.8	7.3
Earnings/share (EPS)	€	1.50	0.63	0.64	1.40
Equity/share	€	5.18	5.15	5.43	5.37
Dividend/share	€	0.75	0.35	1.50	0.20
Dividend/earnings	%	50.2	56.0	234.4	14.3
Effective dividend yield	%	8.5	4.8	18.3	2.0
Shares traded/shares outstanding	%	41.7	32.3	34.0	116.4

State ownership	
Dec 31, 2004*)	21.16%
Limit to which the Government has been authorised to decrease the State's holding	0%

*) Government announced that its holding had decreased to 14.04 per cent of share capital on 18 February 2005.

Distribution of shares in Sampo plc
State of Finland 21.16% *)
Varma 15.12%
Björn Wahlroos 2.08%
Nominee registered 37.03%
Others 24.61%

Chief Executive Officer
Björn Wahlroos

Contact information
SAMPO PLC, Head Office
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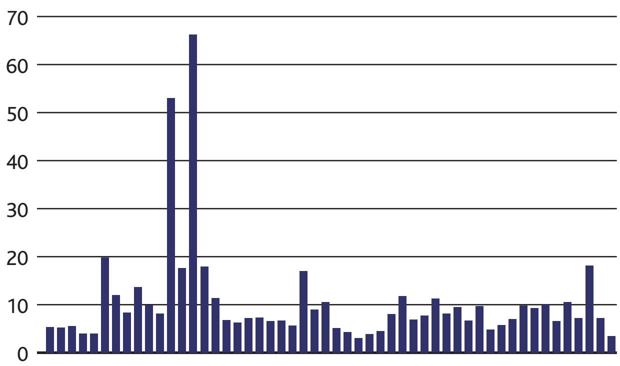
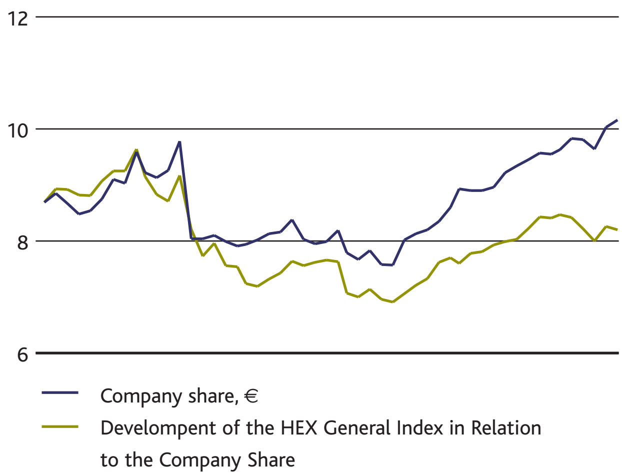
Fax +358 10 516 0051
Internet: www.sampo.com

Board of Directors (as from April 11, 2005)
Olli-Pekka Kallasvuo, Chairman
Jyrki Juusela, Vice Chairman
Tom Berglund
Anne Brunila
Georg Ehrnrooth
Christoffer Taxell
Matti Vuoria
Björn Wahlroos

Shares traded in 2004, Mill. shares



Share price performance in 2004



Sponda

Sponda Plc is a property investment company specializing in business premises in the Helsinki Metropolitan Area. Sponda's business concept is to create operating environments that promote the success of its clients. Sponda's property portfolio has a market value of approximately EUR 1.2 billion and a total leasable area of about 800,000 m². Sponda is the largest real estate investment company listed on the Helsinki Stock Exchange. The market capitalization of Sponda's share capital on 31 December 2004 was EUR 566 million.
Sponda has chosen office, retail and logistics premises in the Helsinki Metropolitan Area as its area of focus. Some 90% of Sponda's net operating income comes from the Helsinki Metropolitan Area, where Sponda owns 70 properties.
Sponda concentrates on large real estate entities. These are City-Center and Havis Business Center in Helsinki Business District, Upseerin Avec in Espoo, and Honkatalo in Vantaa.

Consolidated		2001/FAS	2002/FAS	2003/FAS	2004/FAS
Net sales	M€	122.2	100.7	100.4	99.2
Operating income	M€	77.7	125.3	62.7	68.1
Income after financial items	M€	41.9	108.2	39.5	41.4
Return on investment	%	6.7	12.4	6.0	6.3
Equity ratio	%	41.6	52.9	45.4	45.5
Balance sheet total	M€	1,198.7	1,038.9	1,094.0	1,117.8
Gross investments	M€	62.1	94.4	81.1	59.3
Personnel, average		54	50	52	50
Parent company					
Share capital	M€	82.0	81.2	78.4	78.8
Dividends	M€	24.3	70.3	23.5	39.4

Key share figures		2001/FAS	2002/FAS	2003/FAS	2004/FAS
Price/earnings (P/E ratio)		12.0	5.6	17.0	16.7
Earnings/share (EPS)	€	0.39	0.97	0.39	0.43
Equity/share	€	6.12	6.81	6.33	6.45
Dividend/share	€	0.30	0.90	0.30	0.50
Dividend/earnings	%	76.6	92.8	76.9	116.3
Effective dividend yield	%	6.41	16.51	4.5	7.0
Shares traded/shares outstanding	%		8.8	45.3	55.4

State ownership	
Dec 31, 2004	34.5%
Limit to which the Government has been authorised to decrease the State's holding	0%

Distribution of shares in Sponda Plc
State of Finland 34,5%
Nokia Corporation Pension Fund 1.3%
The State Pension Fund 1.3%
Investment Fund Nordea Nordic Small Cap 0,6%
Suomen Ekonomiliitto – Finlands Ekonomförbund 0,4%

President and CEO
Kari Kolu

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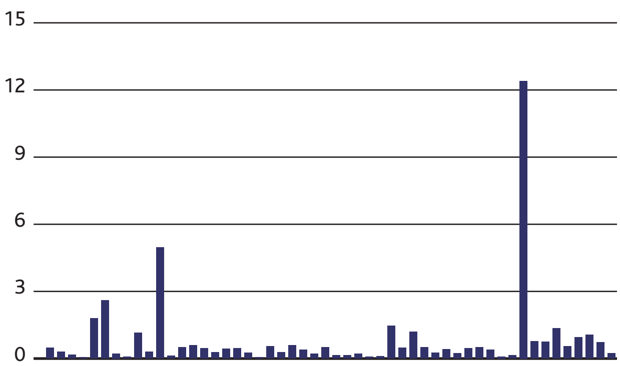
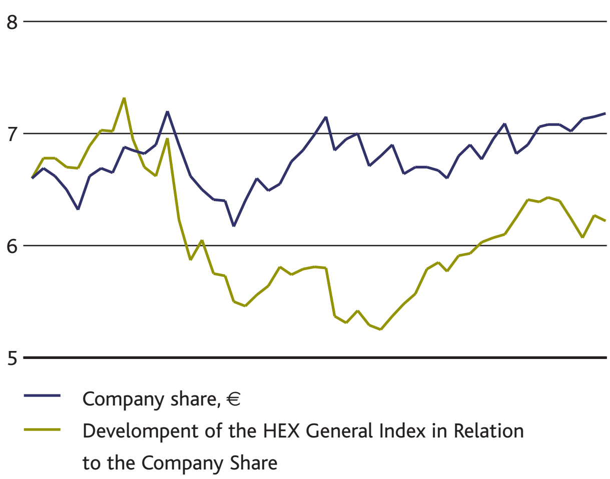
Board of Directors (as from March 23, 2005)
Anssi Soila, Chairman
Jarmo Väisänen, Vice Chairman
Kaj-Gustaf Bergh
Tuula Entelä
Maija-Liisa Friman
Harri Pynnä

Shares traded in 2004, Mill. shares



Share price performance in 2004



Stora Enso is an integrated paper, packaging and forest products company producing publication and fine papers, packaging boards and wood products, areas in which the Group is a global market leader. Stora Enso sales totalled EUR 12.4 billion in 2004. The Group has some 45 000 employees in more than 40 countries in five continents and an annual production capacity of 16.4 million tonnes of paper and board and 7.7 million cubic metres of sawn wood products, including 3.2 million cubic metres of value-added products. Stora Enso's shares are listed in Helsinki, Stockholm and New York.

Consolidated		2001/IFRS	2002/IFRS	2003/IFRS	2004/IFRS
Net sales	M€	13,509	12,783	12,172	12,396
Operating income	M€	1,483	900	526	336
Income after financial items	M€	1,219	709	319	269
Return on investment	%	10.6	7.2	4.5	3.0
Equity ratio	%	43.8	44.3	44.7	49.9
Balance sheet total	M€	20,558	18,214	17,942	16,412
Gross investments	M€	857	878	1,248	980
Personnel, average		44,275	43,853	44,264	43,779
Parent company					
Share capital	M€	1,542	1,530	1,469	1,423
Dividends	M€	409	392	389	377

Key share figures		2001/IFRS	2002/IFRS	2003/IFRS	2004/IFRS
Price/earnings (P/E ratio) (Series R)		15.3	17.6	42.7	45.1
Earnings/share (EPS)	€	0.93	0.55	0.24	0.25
Equity/share	€	9.90	9.22	9.49	9.81
Dividend/share	€	0.45	0.45	0.45	0.45
Dividend/earnings	%	48	82	180	180
Effective dividend yield (Series R)	%	3.1	4.5	4.2	4.0
Shares traded/shares outstanding	%	62	85	92	106

State ownership	
Dec 31, 2004	11.6%
Limit to which the Government has been authorised to decrease the State's holding	0%

Distribution of shares in Stora Enso Oyj

(as per February 28, 2005)

State of Finland 11.6%
Knut and Alice Wallenberg Foundation 7.0%
Social Insurance Institution of Finland 3.3%
Varma Mutual Pension Insurance Company 1.1%
Sampo Life Insurance Company Limited 0.8%

CEO

Jukka Härmälä

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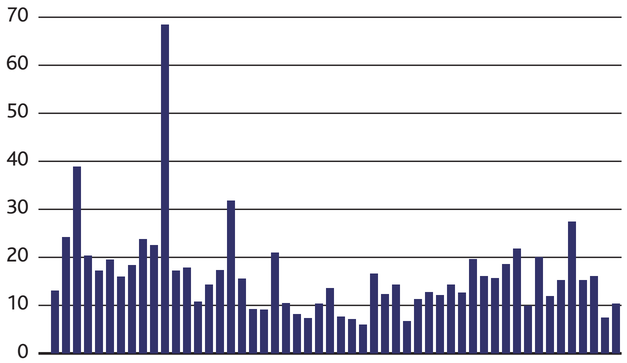
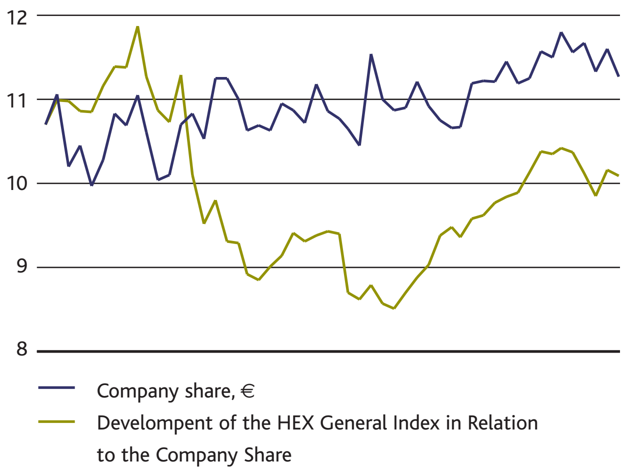
Board of Directors (as from March 22, 2005)

Claes Dahlbäck, Chairman
Ilkka Niemi, Vice Chairman
Gunnar Brock
Lee A. Chaden
Harald Einsmann
Jukka Härmälä
Birgitta Kantola
Jan Sjöqvist
Matti Vuoria
Marcus Wallenberg

Shares traded in Helsinki in 2004, Series R, Mill. shares



Share price performance in Helsinki in 2004, Series R



TeliaSonera

TeliaSonera is the leading telecommunications company in the Nordic and Baltic regions. At the end of December 2004 TeliaSonera had 15.4 million mobile customers (51.4 million including associated companies) and 8.3 million fixed telephony customers (8.9 million including associated companies) and 2.0 million Internet customers (2.1 million including associated companies). TeliaSonera has extensive interests in the mobile telecommunications sectors in Russia, Turkey and Eurasia. TeliaSonera is listed on the Stockholm Stock Exchange and the Helsinki Stock Exchange. Net sales for the year ended December 2004 amounted to SEK 81.9 billion (EUR 9,1 billion). The number of employees at the year-end was 29,082.

Consolidated. pro-forma		2001/IFRS	2002/IFRS	2003/IFRS	2004/IFRS
Net sales	M SEK	80,925	80,979	81,772	81,937
Operating income	M SEK	9,586	–45,958	13,140	18,793
Income after financial items	M SEK	5,253	–46,791	12,346	17,448
Return on Capital [1]	%	7.8	–7.7	11.6	13.8
Equity/Assets ratio [1]	%	46.2	51.8	56.7	60.1
Balance sheet total [1]	M SEK	128,191	206,656	190,060	193,018
Gross investments	M SEK	30,593	14,506	10,445	19,430
Personnel. average		41,441	29,321	25,906	26,268
Parent company					
Share capital	M SEK	9,604	14,738	14,961	14,961
Dividends [2]	M SEK	600	1,870	4,675	5,610 [2]

[1] Legal entity

[2] According to result year

Key Share Figures, Legal Entity		2001/IFRS	2002/IFRS	2003/IFRS	2004/IFRS
Price/earnings (P/E ratio) [1]		75.0	–12.7	19.3	14.4
Earnings/share (EPS)	SEK	0.62	–2.58	1.95	2.77
Equity/share	SEK	19.95	23.63	24.04	26.02
Dividend/share	SEK	0.20	0.40	1.00	1.20
Dividend/earnings	%	32.3	neg.	51.3	43.3
Effective dividend yield [1]	%	0.4	1.2	2.7	3.0
Shares traded/shares outstanding	%	n/a	n/a	66	94

State ownership	
Dec 31. 2004	13.7%
Limit to which the Government has been authorised to decrease the State's holding	0%

[1] The closing price in the Stockhom Stock Exchange at the year-end is used.

Distribution of shares in TeliaSonera

State of Sweden 45.3%
State of Finland 13.7%
Robur-Fonder 2.3%
SEB fonder 1.7%
Nordea funds 1.6%
SHB/SPP funds 1,5%
Alecta 1,1%

President and CEO

Anders Igel

Head Office

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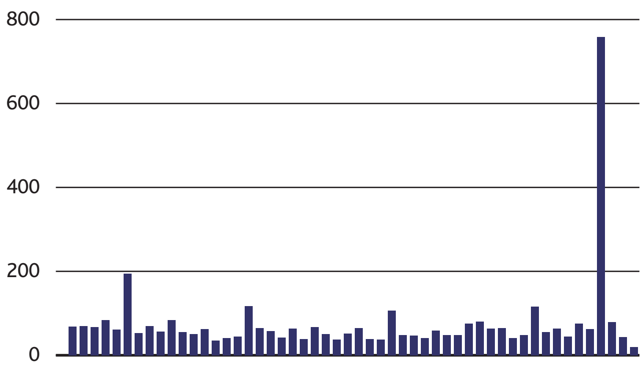
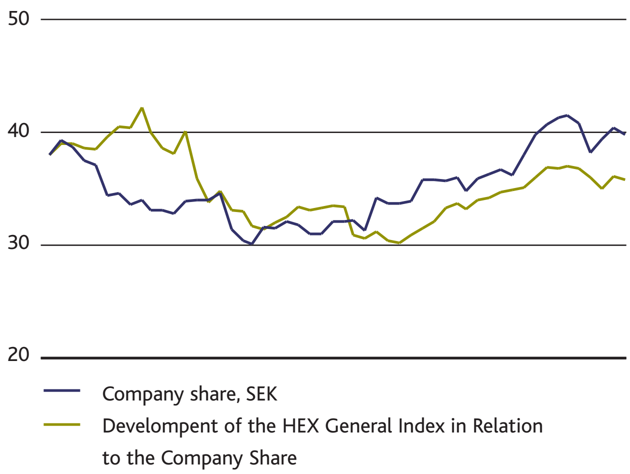
Board of Directors

(as from April 26, 2005)
Tom von Weymarn, Chairman
Carl Bennet, Vice Chairman
Eva Liljeblom
Lennart Låftman
Sven-Christer Nilsson
Timo Peltola
Paul Smits
Caroline Sundewall
Employee representatives:
Elof Isaksson
Yvonne Karlsson
Berith Westman

Shares traded in 2004, Mill. shares



Share price performance in 2004



Appendix

Major State-owned Companies and Associated Companies 31 December 2004 (Group Data)

	Branch	Net sales 2004 M€	Personnel 2004	State share %	Supervising ministry
State-owned companies					
Alko Inc.	Alcoholic beverage retail trade	1.004, 5	2.453	100.0	STM
Altia Corporation	Alcoholic beverage production and wholesale trade	218,3	713	100.0	KTM
OHY Arsenal Plc[1)]	Property management	4,3	10	100.0	VM
Boreal Plant Breeding Ltd [2)]	Breeding and marketing of field crop varieties	6,2	70	65.0	MMM
CSC Scientific Computing Ltd	ADP services related to computational engineering	14,0	137	100.0	OPM
Edita Plc	Printing and publishing	184,5	1.400	100.0	VM
Finland Post Corporation	Postal service	1.235,2	23.077	100.0	LVM
Finnair Oyj	Air transport	1.698	9.522	58.4	LVM
Finnish Export Credit Plc [3)]	Export financing	1,5	4	100.0	VM
Finnish Fund for Industrial Cooperation Ltd (Finnfund)	Special financing	..	29	79.9	UM
Finnish Industry Investment Ltd	Capital investment	..	10	100.0	KTM
Finnvera plc	Special financing	162,9	414	100.0	KTM
Fortum Corporation	Energy production and oil refining	11.665	12.859	60.5	KTM
Hansel Oy [4)]	Procurement services	9,5	63	100.0	VM
Haus kehittämiskeskus Oy	Domestic public administration development and training	7,1	65	60.0	VM
Kapiteeli Oyj	Property investment	276	215	100.0	VM
Kemijoki Oy	Energy production	40,1	320	67.0	KTM
Kemira Oyj	Chemicals	2.533,4	9.714	56.2	KTM
Mint of Finland Ltd	Metals	105,1	244	100.0	VM
Motiva Oy	Promotion of efficient use of energy	4,0	27	100.0	KTM
Patria Plc	Defence materiels and technology	346,4	1.988	73.2	KTM
Raskone Oy	Heavy-duty machinery repair and service operations	71,9	712	90.0	LVM
Solidium Oy	Investment company	7,2	1	100.0	VM
Suomen Erillisverkot Oy	Telecommunications	11,8	49	60.0	LVM
Suomen Viljava Oy	Grain warehousing, handling and processing services	17	130	100.0	MMM
Tietokarhu Oy [5)]	IT services for tax authorities	23,8	214	20.0	VM
Vapo Oy	Peat and timber industry	527,7	1.814	66.7	KTM
Oy Veikkaus Ab	Football pools and lottery	1.260,8	377	99.6	OPM
VPU Garment Factory Ltd	Clothing	6,8	112	100.0	PLM
VR-Group Ltd	Rail transport	1.178,9	13.264	100.0	LVM
Yleisradio Oy	Broadcasting	359,0	3. 600	99.9	LVM

	Branch	Net sales 2004 M€	Personnel 2004	State share %	Supervising ministry
Associated Companies					
Arek Oy [6]	Pension-related information management services	0	8	9.0	VM
Eka-kiinteistöt Oy	Property investment	7,2	2	38.0	VM
Ekokem Oy Ab	Handling of hazardous waste	51,8	286	34.3	YM
Fingrid Oyj	Electric power transmission	302	220	12.3	KTM
Gasum Corporation	Natural gas wholesale trade	610,1	165	24.0	KTM
Kemira GrowHow Oyj		1.155,4	3.016	30.1	
Licentia Ltd	Licensing and commercialisation of scientific findings	1,6	8	37.5	KTM
Metso Corporation	Metal engineering	3.976	24.363	11.5	KTM
OMX Abp	Exchanges and securities; provision of IT systems and services	343	1.400	1.3	VM
Outokumpu Oyj	Metals and technology	7.136	19.761	37.8	KTM
Rautaruukki Corporation	Metal engineering	3.569,4	12.273	40.1	KTM
Sampo plc	Banking and insurance	6.017	11.972	21.2	VM
Santapark Ltd [7]	Tourism and theme park	1,3	3	32.1	KTM
Silta Oy	Outsourcing of personnel services	15,8	231	10.2	VM
Sponda Plc	Property investment	99,2	50	34.5	VM
Stora Enso Oyj	Forest products industry	12.395,8	43.779	11.6	KTM
Suomen Siemenperunakeskus Oy [8]	Maintenance, production and marketing of potato varieties	2,8	11	22.0	MMM
TeliaSonera AB	Telecommunications	9.083	26.268	13.7	LVM
Vuotekno Oy	Premises services	2,7	9	15.4	KTM

[1] In liquidation

[2] Financial year 1 July 2003 - 30 June 2004

[3] The entry criterion has changed

[4] Finnish Export Credit Plc and Fide Ltd were merged on 31 Dec. 2004

[5] Percentage of votes 80%

[6] Financial year 24 September 2003 – 31 December 2004

[7] Financial year 1 March 2003 – 29 February 2005

[8] Financial year 1 December 2003 – 30 November 2004

[-] no information available

KTM = Ministry of Trade and Industry
LVM = Ministry of Transport and Communications
MMM = Ministry of Agriculture and Forestry
OPM = Ministry of Education
STM = Ministry of Social Affairs and Health
PLM = Ministry of Defence
UM = Ministry for Foreign Affairs
VM = Ministry of Finance
YM = Ministry of the Environment

Ministry of Trade and Industry

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MINISTRY OF
TRADE AND
INDUSTRY