State Shareholdings in Finland

2007

Contents

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Review by the Minister

The Finnish economy continued to develop in quite a favourable way in 2007. Publicly listed companies showed mainly good results and the dividends resulting from them were generous. The dividend yield to the State based on the results of listed and non-listed companies exceeded EUR 1.5 billion for the second consecutive year. Over the years the State has adopted a more active role in its ownership steering as regards setting targets for dividend policy, which for its part has contributed to a significant increase in the State's dividend yield.

The prevailing uncertainties on the international financial markets, and especially the deterioration in economic prospects for the United States, resulted in a decline in stock prices towards the end of the year. At the end of the year, the value of the State's portfolio was 10 percent higher than at the beginning of the year, despite of the fact that the State had reduced its corporate holdings during the year.

The long-envisaged centralisation of the State's ownership steering was accomplished on 1 May 2007. The idea that only one of the ministers in the Cabinet shall be responsible for the State's ownership steering is the cornerstone of the arrangement. The little experience gained so far shows that the centralised ownership steering has already proved to be a well-functioning arrangement. The problems with reconciling the differing views of various ministers responsible for ownership steering, which earlier hindered effective decision-making, have now been eliminated. The statements readily made by the Cabinet Committee on Economic Policy have shown to give valuable support for the minister responsible for the State's ownership steering.

The ownership steering of companies operating on market terms is now entrusted to the Ownerships Steering Department in the Prime Minister's Office. The ownership steering of companies entrusted with special State assignments remained unchanged, i.e. entrusted to various responsible ministries. An important aspect is that the know-how in and the resources for analysis and monitoring, which are of great importance for the centralised ownership steering of companies operating on market terms, have now been gathered together in one unit and increased. This means stronger capabilities with respect to production of material on which the State's ownership policy decisions can be based. At the same time, reporting on State shareholdings can be broadened. This autumn the first comprehensive report on the development of State shareholdings and the results of ownership policy will be forwarded to Parliament. Submitting a yearly report to Parliament will be made a permanent procedure.

The Government appointed in spring 2007 has pursued an active and market-oriented ownership policy in accordance with its programme. The State has reduced its shareholdings in certain companies acting on market terms in a controlled manner. A positive feature is that other Finnish investors have been interested in complementing their portfolios with the shares the State has sold. A good example of this is Kemira who got its new industrial majority owner from Finland in that way.

At the same time, the State has invested new capital in state-owned companies by subscribing for their shares in share issues arranged in order to develop the companies concerned. During the Government's first year in office, two new state-owned companies have started their operations as a result of the incorporation of two earlier state-managed activities falling into the category of commercial activity.

The long-envisaged overall review of the so-called State-owned Companies Act was completed in 2007, and the new Act adopted by Parliament entered into force at the beginning of 2008. The new Act defines the distribution of powers between Parliament and the Government in cases where the State acquires or relinquishes control over companies. The Government must have an authorization from Parliament in cases where the State wishes to relinquish its sole ownership or control over a company. The Act also lays down general provisions on the separation of powers between Government plenary sessions and the ministry responsible for ownership steering and specifies the provisions on sales of shares and corporate restructurings. This makes especially the procedure for branch restructuring more flexible. Now the framework conditions for the State's ownership steering are clearer and more up to date, including legislation in the field.

The last twelve months have clearly shown that the new organisational model gives the State better opportunities to pursue its policy for active and responsible ownership steering.

Jyri Häkämies
Minister for
Ownership Steering
May 2008

State-owned Companies and State Ownership Policy

At the end of the year 2007, the State had major shareholdings in 53 companies (cf. the Appendix on page 51). Of these, the number of companies under majority State ownership was 31. The vast majority of state-owned companies were operating on market terms.

The State had holdings in 12 publicly listed companies. At the end of 2007, the value of State's holdings in listed companies totalled EUR 28.0 billion. The shareholdings with the highest value were in Fortum Corporation EUR 13.9 billion, TeliaSonera AB EUR 3.9 billion and Neste Oil Corporation EUR 3.1 billion.

As of the beginning of May 2007, the State's ownership steering of companies operating on market terms was centralised in the new Ownership Steering Department in the Prime Minister's Office. Its duties comprise also the development and overall steering of the State's ownership policy. The ownership steering of companies entrusted with special State assignments was distributed between various ministries.

Ownership policy decisions and statements

In June 2007 the Government published a decision in principle on State ownership policy. The resolution outlines the key principles and operating practices of the State's ownership steering.

In the resolution, companies are classified in two main categories: companies operating on market terms and companies entrusted with special State assignments. As regards companies operating on market terms, the goal of ownership steering is to achieve the best possible overall economic result at the time in question. In companies entrusted with special State assignments, the State as an owner has primarily social goals, although it is also a general goal that operations are profitable.

In the context of the Government resolution, the Cabinet Committee on Economic Policy published a statement on competitive remuneration systems at state-owned and associated companies. The principles of the statement on the remuneration system shall be applied when the State as owner states its position on arrangements decided by state-owned companies operating on market terms. These guidelines should also be applied to associated companies. The statement complies with the guidelines published in 2006.

In November, the Prime Minister's Office appointed an expert group on State ownership steering. It will serve as a discussion forum and advisory body for State ownership steering.

Last autumn the President of the Republic submitted a Government Bill comprising a proposal for a new Act on state shareholdings to Parliament. The new Act shall replace the so-called State-owned Companies Act from 1991. Parliament adopted the legislative proposal, and the new Act entered into force as from the beginning of 2008 (cf. page 5).

In January 2008, the Cabinet Committee on Economic Policy published a statement by which it confirmed the ownership policy guidelines. The Cabinet Committee considered it important to make a distinction between the State's role as a shareholder and a company's commercially oriented decisions. In the same context, the Cabinet committee emphasized that the objective of listed companies, operating in an open competitive economy, is to function in an economically profitable manner. Therefore, it is not possible to impose on them, retrospectively, social or regional policy obligations that other companies do not face.

Ownership policy measures and arrangements

In May the State sold its shares in Kemira GrowHow Oyj, i.e. 30.05% of the share capital, to Yara International ASA. The State's revenue from the sale amounted to some EUR 207 million.

In August the State sold 32.1% of its shares in Kemira Group to Finnish investors. The price of the deal was EUR 655.6 million. The State's holdings of the share capital in Kemira fell by 32.1% to 16.5%.

In December the State sold its 15.4% holding in Vuotekno Oy.

In February 2008 the State sold its shares in OMX AB (publ), i.e. approx. 1.25% of the shares and corresponding voting rights, to Borse Dubai and BD Stockholm AB on the basis of a bid they have placed. The sales revenue amounted to EUR 41 million.

In April 2008 the State sold its shares in Elisa plc. The price of the deal was EUR 18.1 million. Before the sale the States holding in Elisa plc was 0.65% of the share capital.

In February 2007 the State subscribed for shares amounting to EUR 85 million in the share issue of Sponda Oy and maintained its 34.3% ownership of the company.

In December the State subscribed for shares amounting to EUR 138.6 million in the share issue of Finnair Oyj and maintained its 55.78 ownership of the share capital.

The chemical analysis services of the Geological Survey of Finland GTK were corporatised. The new company Labtium Ltd., which is wholly owned by the State, started operations in September 2007. As of the beginning of 2008, a new state-owned company, Destia Oy, started its operations. Destia Oy was established to continue the business activities of the Finnish Roads Enterprise.

Key figures

Net sales of state-owned companies in 2007 totalled EUR 77.6 billion, of which listed companies accounted for EUR 67.3 billion.

The total number of personnel in the state-owned companies was 219 700; the number being 161 300 for the listed companies.

The 2007 dividend yield from the State´s portfolio of listed shares came to 5.8 percent, i.e. clearly exceeding the average of 3.8 percent for companies trading on the Main List of Nordic Exchange Helsinki (cf. table on page 10). Correspondingly the portfolio´s dividend ratio was 1.4-fold compared with the average for listed companies.

New Legislation on State Ownwership Steering

The actions by the State as an owner and shareholder are governed by the State Shareholdings and Ownership Steering Act that entered into force on 1 January 2008 (Finnish Statutes Series No. 1368/2007, hereinafter Ownership Steering Act). Until the end of the year 2007, State shareholding and ownership steering were governed by the Act on the State's exercise of its Partnership Authority in certain limited companies engaged in economic activities from 1991 (No. 740/1991, hereinafter State-owned Companies Act). The main difference between these two Acts lies in their provisions on competence and in establishing standards for State share ownership arrangements. The new Act did not engender any changes in the State's ownership steering as such or its procedures.

The Ownership Steering Act governs the State's activities as an owner of companies of all types; it applies in other words to both listed and non-listed companies. The Act does not provide for any derogation from the legislation governing companies' operations and the securities market. Consequently, both the State as an owner and state-owned companies are subject to all obligations and constraints under the Finnish Companies Act, the Securities Markets Act and the provisions on the improper use of inside information of the Penal Code.

More generally, the State's ownership steering and the operations of state-owned companies are governed by the principle that the State as an owner shall comply with the laws and regulations that it has enacted in the capacity as lawmaker, and that the companies - fully or partly - owned by the State shall comply with the same rules as other Finnish companies with an ownership base of another type. The fact that the State is the owner does, accordingly, not change the rules of the game and the State cannot claim a right or reserve to itself the right to derogate from the rules in force in Finland.

In principle, the State's ownership policy and related regulations and decisions apply equally to both publicly listed companies and non-listed companies. Even though the State's ownership policy is coherent, there are, however, great practical differences between listed companies and non-listed companies in the owner management. This is because the State's ownership steering shall take account of the publicity relating to listed companies, the legislation on the securities market, including implementation rules, and the great number of company owners.

The companies differ from each other also in that way that certain companies are entrusted with special State assignments, meaning that the company does not necessarily aim at maximising its financial result but at performing its duties as efficiently and effectively as possible. However, the majority of state-owned companies does operate on market terms and are managed in accordance with economic principles. All listed companies operate on market terms, and the provisions on or principles applied to ownership steering do not make any difference between majority state-owned companies and minority state-owned companies.

Key provisions of the 2007 Ownership Steering Act

The Ownership Steering Act applies to decision-making relating to state shareholdings and ownership steering. Accordingly, the Act does not apply to companies or affect the decision-making by companies, and it does not include provisions inconsistent with the Finnish Companies Act or the Securities Markets Act. Consequently, the Ownership Steering Act is not a so-called lex specialis warranting derogation from the general rules of legislation governing companies' operations. On the other hand, the Ownership Steering Act constitutes special legislation in relation to the Act on State Budget, i.e. it lays down in detail the procedural requirements concerning selling of shares and share capital investments.

The three key concepts of the Act are ownership steering, state-majority company and state associated company. The definition of ownership steering is broad. It refers to the exercising of the State's right to vote in general meetings as well as to other measures by which the State as a shareholder contributes to companies' administration and operating principles. Accordingly, a part of the ownership steering is both public and transparent, especially considering the fact that the State participates in the annual general meetings of listed companies. Ownership steering is, however, to a great extent being kept from the public; this part of the ownership steering comprises regular analyses of companies and contacts between the owner and the company management.

When judging the State's ownership steering it should be borne in mind that in the case of listed companies, the decision upon the issues to be discussed with the owner always is taken by the board of directors or the managing director. It is not possible for an owner to impose an obligation of this kind on listed companies. Investments and significant reviews of the strategy will be discussed with the owners because they require later involvement of the owners. On the other hand, matters falling within the sole competence of the board of directors are not been discussed with the owners beforehand. Matters of this kind are, for instance, improving business efficiency and schemes for increased profitability which may involve even quite significant consequences for company staff.

In the new Act, state-owned companies are classified into majority state-owned companies and state associated companies depending on whether the State is a majority owner or a minority owner. In the Act, the traditional concept state-owned company is however abandoned, but it is very difficult to abolish it totally. The concept state as-

sociated company refers to a limited company in which the State has at least ten per cent of the votes carried by all of the company's shares or which has been prescribed a state associated company by a government decree. At present, the number of companies that have been prescribed state associated companies is two: Arek Oy and FCG Finnish Consulting Group Oy.

The first one of the two main changes concerns the definition of authority and the distribution of powers between the different institutions of the State. The Government must obtain authorisation from Parliament if the State wishes to relinquish its sole ownership (100% of shares) or majority ownership (50.1% of shares) of a company. The previous more detailed system for acquiring authorisation, including some special provisions governing the operations of certain limited companies, were replaced by these two limits. These special provisions, governing the operations of the state-owned companies Rautaruukki, Outokumpu and Kemira, and the abolition of them resulted in a wide ranging discussion when the new Act was being drawn up. An authorisation from Parliament is further needed if the State wishes to acquire a majority of the shares in a significant company. In both cases, Parliament must give its authorisation for the acquisition or relinquishment of control, but the actual decisions upon the sale or selling of shares are made by Government.

The new Act also lays down provisions on the separation of decision-making and the distribution of powers between government plenary sessions and the ministry responsible for ownership steering. The government plenary session takes all decisions relating to the acquisition and relinquishment of shares, which means that it is not possible for a single minister or state official to interfere in State shareholdings otherwise than by authorisation from the government plenary session. The same applies to new share capital investments. A decision of the government plenary session is further needed also in situations where decisions taken by corporate bodies could result in the loss of control or a significant loss of influence. The government plenary session also decides on general principles and operating guidelines concerning state ownership policy and ownership steering. The most important guideline governing the conduct of ownership steering is thus a government decision in principle on state ownership policy, usually published by the new government quite soon after the beginning of its term of office.

The second significant change concerns the rules of procedure. In the 1991 State-owned Companies Act, the rules on corporate restructuring were to a great extent based on the Finnish Companies Act in force at that time. This caused continuing problems because numerous amendments were later made to the Companies Act and to the Security Markets Act, and because the financial practices for corporate restructuring changed over the years. The new Act is "neutral" also in this respect, because its leading principle is that it is the result of the restructuring that counts and not the method of implementation. It follows that the property owned by the State may change in the context of company or corporate restructurings, provided that the State's holdings in the new company remain at the level required in the authorisation from Parliament. As a result of that, the use of various types of merger and division schemes is much easier than before.

In the context of this law reform, also the rule concerning assessment of the fair value of a company – the perennial problem involved in mergers or acquisitions - was reformed: the fair value of shares shall be considered to be the price that is possible to obtain for the shares in trading conducted on normal commercial terms. The market price in share sales of the shares of a company subject to public trading will be formed in continuous trade; in other cases it shall be assessed by valuation methods generally used in corporate acquisitions. Also the possible control premium will be determined using above valuation methods – but also on the basis of the state of negotiations.

The new Act can generally be characterised by three positive adjectives: short, clear and flexible. The shortness and clarity are of special importance for a third person who, hopefully, quite easily gets a clear picture of how the various State bodies participate in the decision-making upon shareholdings and ownership steering. Flexibility and a clear division of powers are equally valuable for the State's ownership steering. The flexibility of the Act has not, so far, been tested in real life situations, but it is expected to enable corporate restructurings that would have been impossible earlier and that represent a potentially significant added value for State ownership.

Pekka Timonen
Director General
Ownership Steering Department

The author was responsible for the drafting of the new Act in the Ministry of Trade and Industry.

Centralised Ownership Steering

▶ One of the long-term development projects within the Finnish State administration was concluded on 1 May 2007 as the new Ownership Steering Department placed in the Prime Minister's Office became operational. Officials from three different ministries (Ministry of Trade and Industry, Ministry of Transport and Communications, Ministry of Finance) were transferred to the new department whose duties also comprise the ownership steering of companies which were within the administrative sphere of two further ministries (Ministry of Agriculture and Forestry and the Ministry of the Environment). Mr. Pekka Timonen, a former official of the MTI State Shareholdings Unit, was appointed Director General of the Ownership Steering Department. The staff of the new department initially totalled 18. Of these, two officials were recruited from outside the ministries and 16 were transferred from the ministries responsible for State ownership steering. In spring 2008, one more post – although on a temporary basis – was established in the department.

The new department was entrusted with the ownership steering of no less than 39 companies; a total of 15 companies were excluded from the centralised ownership steering system. Their ownership steering was retained in the various responsible ministries. The new department was entrusted with the ownership steering of companies operating on market terms only (competitive and profit-seeking companies) while the ownership steering of companies entrusted with a special task by the State (strategy tasks, exclusive rights etc.) were retained at the ministries responsible for the tasks concerned. The above classification of companies is based on a more precise identification of the goals for the State's corporate ownership and the related clear separation of ownership policy from commercial ownership.

Mission

The Ownership Steering Department in the Prime Minister's Office is an expert organization within the Government and responsible for the ownership steering of companies operating on market terms, and for guidance and coordination necessary for ensuring the coherence and consistency of the ownership steering of companies entrusted with special State assignments. The department plans and effectuates the sales of the State's shares, subscriptions for shares and measures for broadening the ownership base. As regards fully State-owned companies, the department is responsible for the development work ensuring future growth and market-based operation of the companies. Moreover, through actions taken by the State in its capacity as owner the department furthers branch restructuring that requires involvement of major owners.

The Ownership Steering Department, accordingly, serves for its part the State's objective of being a responsible owner. The guiding principle is that the State is an owner who acts in a consistent and predictable manner and whose shareholding promote the long-term development of the companies, keeping in mind, however, that the companies neither have a special status nor any specific obligations relating to State-ownership.

Organisation

The total number of staff employed at the Ownership Steering Department is 19. The staff of the department can be classified into thee categories as follows:

- General management and administration (management, administration, communications and support), 8 persons
- Ownership strategies, 4 persons
- Analysis and monitoring, 7 persons

The main functions of the department comprise the work on ownership strategies and the related analysis and monitoring activities. These two parts of the activity can be characterized by stating that the assessments of and the decisions upon the State's role and actions as an owner are made in the context of ownership strategy, while the company and sector specific know-how on which the ownership strategy is based is built through analysis and monitoring. Extern communication is a typical feature of the ownership strategy work, while analysis and monitoring form an internal support function, a kind of bedrock of the department.

Transparency in shareholdings and ownership steering

The State's corporate assets constitute a significant proportion of national worth. These assets should be managed in a way that can be controlled and is subject of public confidence. The Ownership Steering Department is an expert organization that is autonomous and independent of ministries exercising regulatory functions relating to State-owned companies. Its mains functions comprise the production and regular publication of comprehensive and comprehensible information on State shareholdings and the management of the State's assets.

The ownership steering must be coherent and as transparent as possible. The State's actions and principles for action as owner on the securities market must be credible in order to ensure that the State's role as a significant shareholder does not reduce the valuation of companies whose shares it has in its portfolio. The business partners and competitors of companies operating on market terms, on the other hand, must be able to rely on

that state-owned companies do not have any specific status due to State ownership. At the same time, ownership steering should be conducted in a manner allowing contacts between companies and a significant shareholder. Transparency is contrasted by strict adherence to rules for inside information, absolute confidentiality in handling of companies' plans and related business secrets and confidentiality of the State's business secrets relating to ownership policy.

Goals for the strategy work

The primary goal is that the State should be a responsible owner. This requires understanding of the owner's role and duties, and coherence of decision making concerning State shareholding. The State's ownership steering should also be transparent, comprehensible and credible ensuring a balance between the transparency in shareholding and the confidentiality necessary for ownership steering. These are the framework conditions for the State's ownership policy work. The strategy work will be conducted through company-specific development projects, branch restructurings of various types or research on alternatives, but also within the State administration. The latter is perhaps not quite obvious, but the State administration still comprises some activities whose character (agency, corporation or company) is subject to a detailed consideration and research on development alternatives.

During the first year of operation of the department, two new fully state-owned companies have been established: Labtium Ltd., a company providing laboratory services, and Destia, a builder of infrastructure. In the past year, the State has sold its shares in Kemira GrowHow and Vuotekno, reduced its holdings in Kemira and participated in the completion of the winding up of a company named Wood Focus. Moreover, a comprehensive overall assessment work on the future model for State enterprises has been commenced; a representative of the department is participating in it. It is to be expected that the assessment work results in the establishment of several new limited liability companies to complement the State's portfolio.

In Finland, the State does not have any special programmes for privatization of state-owned companies, but the State has gradually reduced its holdings particularly in publicly listed companies. In the case of non-listed companies, the State has searched for strategic minority shareholders who contribute with such industrial or sectorial know-how that the State impossibly can have. The sales of shares and broadenings of the ownership base have often – in certain cases even primarily – other goals than sales revenue only. They also make it possible to promote companies' possibilities to develop and, as far as possible, to broaden their ownership base. The State as owner is ready to contribute to mergers and acquisitions in order to improve the competitive position of companies and to increase the shareholder value. As regards non-listed companies, one targeted alternative is to become listed on the stock exchange, if the size of the company, the type of its business activities and the situation on the market allow that.

These are the tools by means of which the strategic work relating to ownership has continued also within the new department without any significant changes compared with previous years. Strengthening of the analysis and monitoring function, on the other hand, gave the function a stronger role and a more independent effect.

Analysis and monitoring

The analysis activities conducted by banks or investment companies operating on capital markets was chosen to serve as a counterpoint for the analysis and monitoring activities of the Ownership Steering Department. After the target was set, the following cornerstones of the analysis function were clearly identified:

- Professional tools. The analysts use a uniform system of calculation suitable for the follow-up of shareholdings and enabling the monitoring of the financial status of each company. Although the companies' accounting practices, for understandable reasons, vary from company to company, a uniform system provides a good basis for discussing the fine tuning needed in certain cases. Simultaneously, the analysis concerning other aspects is coherent and comparable.

- Increasing the understanding of companies. The key figures for State-owned companies should not only be studied but also compared with the key figures for other companies in the same sector. These are mainly foreign companies of the same size and type, because a State-owned company often is the only or the largest operator in its area of activity in Finland. In the monitoring of foreign companies, the department relies on information systems in the financial sector and the information produced by stock exchanges but also on the media and Internet. Further knowledge of the companies will be acquired by visiting their industrial facilities and by discussing with external analysts.

- Information on the State as owner and the State's corporate holdings. The Ownership Steering Department is the instance that should have the correct basic information about the State as owner. The number of shares held by the State before and after transactions, the arrangements carried out in companies and the terms of the arrangements, the dividend yield to State

etc. constitute statistical figures that are collected by the Ownership Steering Department. The history of State shareholdings is often subject to discussion, and over the years, the information in the database has increased markedly. The database also contains basic information on companies such as they were at different points of time and under certain periods of time (Enso-Gutzeit or Valmet, for example).

Although the analysis activity compares itself with other professional investors, there are decisive differences between these and the holdings managed by the Ownership Steering Department. The greatest difference is that the State's shares are not being actively traded. There are only a few share trading transactions per year, at most. They are, by Finnish standards large stock trades, subscriptions for shares or other share transactions. Short-term trading in shares is not an issue, neither is the aim to increase the State's holdings in listed companies by acquisition of shares. This makes it impossible for the State to use the same method as other portfolio managers, i.e. balancing the risks.

Another important difference is that when the State sells its holdings, funds will be available, which no longer are in the portfolio managed by the Ownership Steering Department, but have become public funds. In other words, there are assets that leave the system. This poses specific challenges to the follow-up and monitoring of the State's shareholdings: a direct comparison between the portfolio value now and five years ago is not possible. In calculating the return, account shall be taken of the revenue from the sale of shares, dividend yield and other revenue that will not be reported by the Ownership Steering. The return has thus accrued to the State and it will be registered as the revenue to the State from its shareholdings. In its reporting, the Ownership Steering aims at publishing information on portfolio changes; the transactions and their financial value are being presented in the form of a table. Moreover, depreciated assets are taken into account in return calculations in accordance with the established principles of general financial theory.

In their work, the analysts rely on publicly available information. First, as a shareholder the State is in the same position as other shareholders which means that confidential business information is not being communicated to it. Second, working on the basis of publicly available information gives the analysts freedom to discus their observations with other analysts and operators. The analysts can make their own forecasts and build up their scenarios without any fear of producing inside information.

The State's centralised ownership steering comprises nearly 40 companies operating in various areas of activity. Compared with the analysts working in the banking sector, the analysts of the Ownership Steering Department shall have knowledge of at least five different sectors, and preferably quite thorough knowledge, despite the fact that the publicly available information of these sectors is scarce. Accordingly, the work in the group of analysts spans a wide range of issues, is very challenging and stimulating; it requires enthusiasm and interest in monitoring companies' operations.

Pekka Timonen
Director General
Ownership Steering Department

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LISTED STATE MAJORITY-OWNED COMPANIES AND ASSOCIATED COMPANIES

Key figures comparison

Growth of net sales %	2003	2004	2005	2006	2007	Average
Entire stock exchange*	5.8	3.3	10.8	14.1	12.3	9.3
Entire stock exchange* excl. Nokia	7.7	4.3	9.1	12.2	8.1	8.3
Listed state majority-owned companies and associated companies**	0.0	4.5	8.7	14.9	3.6	6.3

Operating income %	2003	2004	2005	2006	2007	Average
Entire stock exchange*	8.3	9.3	9.4	10.7	10.8	9.7
Entire stock exchange* excl. Nokia	6.2	7.9	8.2	9.8	9.2	8.2
Listed state majority-owned companies and associated companies**	8.4	10.9	10.9	12.9	12.9	11.2

Net profit margin %	2003	2004	2005	2006	2007	Average
Entire stock exchange*	5.0	6.3	6.6	7.5	8.0	6.7
Entire stock exchange* excl. Nokia	3.3	5.1	5.5	6.6	6.0	5.3
Listed state majority-owned companies and associated companies**	4.6	7.5	7.5	8.8	8.9	7.5

Return on equity ratio %	2003	2004	2005	2006	2007	Average
Entire stock exchange*	10.1	12.1	13.3	17.0	18.3	14.2
Entire stock exchange* excl. Nokia	6.6	9.8	10.3	13.4	12.1	10.4
Listed state majority-owned companies and associated companies**	6.7	11.3	11.0	14.4	14.3	11.5

Equity ratio %	2003	2004	2005	2006	2007	Average
Entire stock exchange*	47.7	50.9	47.6	47.1	43.8	47.4
Entire stock exchange* excl. Nokia	44.7	48.6	46.3	46.1	44.9	46.1
Listed state majority-owned companies and associated companies**	46.1	51.0	48.5	47.7	48.1	48.3

EVA per sales %	2003	2004	2005	2006	2007	Average
Entire stock exchange*	0.3	2.5	2.4	4.3	4.6	2.8
Entire stock exchange* excl. Nokia	-2.1	0.9	0.5	2.6	2.1	0.8
Listed state majority-owned companies and associated companies**	-3.0	1.2	-0.5	4.1	3.2	1.0

P/B ratio	2003	2004	2005	2006	2007	Average
Entire stock exchange*	2.2	1.9	2.5	2.7	2.9	2.4
Entire stock exchange* excl. Nokia	1.4	1.5	1.9	2.2	2.0	1.8
Listed state majority-owned companies and associated companies**	1.2	1.3	1.8	2.1	2.1	1.7

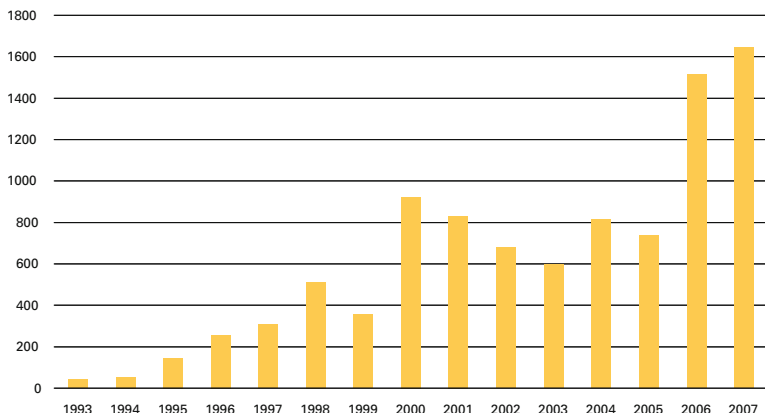
P/E ratio	2003	2004	2005	2006	2007	Average
Entire stock exchange*	21.7	16.0	18.7	16.0	16.1	17.7
Entire stock exchange* excl. Nokia	21.1	15.8	18.1	16.9	17.2	17.8
Listed state majority-owned companies and associated companies**	18.1	12.4	16.4	14.9	14.8	15.3

Dividend yield %	2003	2004	2005	2006	2007	Average
Entire stock exchange*	2.9	3.3	3.8	4.6	3.8	3.7
Entire stock exchange* excl. Nokia	4.1	3.6	4.8	5.4	5.0	4.6
Listed state majority-owned companies and associated companies**	5.4	3.9	6.3	7.6	5.8	5.8

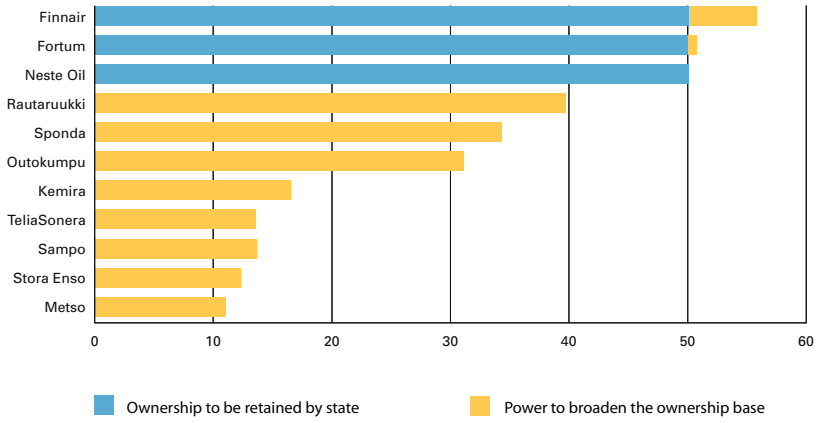
Payout ratio %	2003	2004	2005	2006	2007	Average
Entire stock exchange*	64.0	48.0	49.0	49.5	60.9	54.3
Entire stock exchange* excl. Nokia	85.8	57.9	60.1	61.1	85.8	70.1
Listed state majority-owned companies and associated companies**	61.7	45.9	94.3	100.1	86.0	77.6

* In this table, companies trading on the Helsinki Stock Exchange's Main List don't account for 100% of the List's market value, excluding banks and insurance companies. The table is calculated on the basis of total sums, growth of net sales weighted by net sales.
** Exclusive Sampo plc

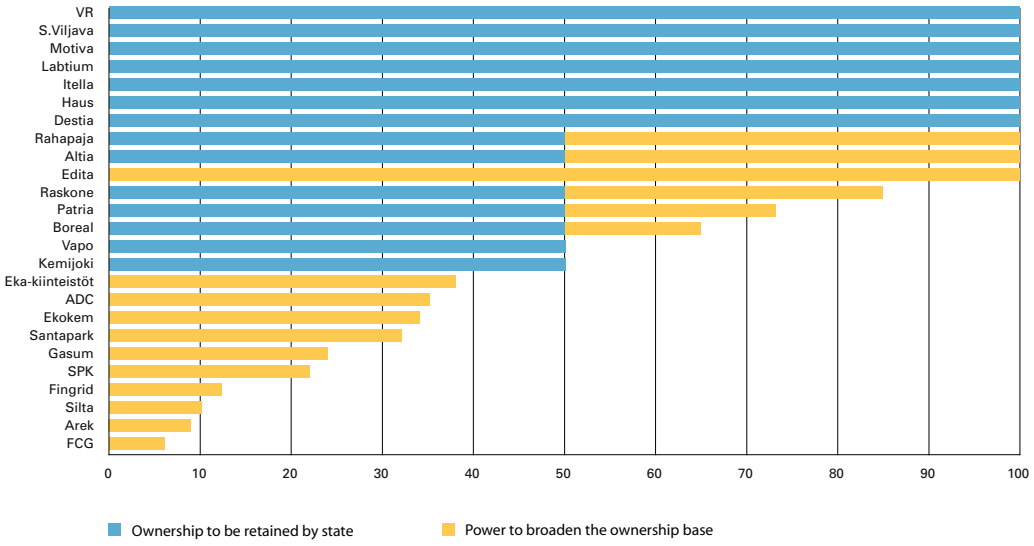
Dividend yield to the State Treasury 1993–2007, M€



Authorisation by Parliament for expanding the ownership base on 5 May 2008, %
Listed companies



Authorisation by Parliament for expanding the ownership base on 5 May 2008, %
Unlisted companies operating on market terms



PUBLICLY QUOTED COMPANIES

Finnair is a travel industry group offering scheduled passenger flight, leisure flight, travel agency and cargo services in Finland and abroad. Scheduled traffic represents more than 70 per cent of the Group's external turnover. More than half of Finnair's scheduled traffic revenue comes from traffic between Europe and Asia. Domestic traffic accounts for 12 per cent of scheduled traffic revenue.

Finnair has a competitive advantage granted by geographical location in traffic between Europe and Asia. Annually Finnair carries over 8.6 million passengers and 100 million kilos of cargo.

▶ The 2007 result was the best in the company's history. The operational profit was nearly 100 million euros. Return on invested capital was 14.2 per cent.

Finnair is Europe's fastest growing airline in Asian traffic. Last year, Finnair carried 1.1 million passengers on its Asian routes. Traffic grew by over 30 per cent from the previous year. More than half of scheduled traffic passenger and cargo revenue comes either directly or indirectly from Asian traffic.

In 2007, half of European airlines' increased Asian traffic was due to Finnair's growth. Finnair is the fourth most significant European airline in traffic between Europe and Asia.

Over 70 per cent of passengers on Finnair's Asian flights have a connecting flight to elsewhere in Europe. Of passengers on Asian routes, one third are Asian passengers, one third northern Europeans and one third other Europeans.

The present Boeing MD-11 long-haul aircraft will be withdrawn from service within two years, to be replaced by Airbus A320 and A340 aircraft. At the same time, the size of the fleet will grow. The new aircraft will reduce fuel consumption and emissions by over 20 per cent.

To partially finance the fleet modernisation, Finnair arranged in December 2007 a share issue directed at existing shareholders that raised 244 million euros. The Finnish State's participation in the issue amounted to 139.5 million euros.

On the domestic network, Finnair has focused on serving northern Finnish destinations, which are served with jet aircraft. The company also operates daily with jet aircraft to more southern Finnish cities where demand is greater.

Finnair withdrew from propeller aircraft traffic and short-haul traffic when its Estonian subsidiary Aero Airlines stopped operating in January 2008. In July 2007 Finnair sold its FlyNordic subsidiary to the airline Norwegian Air Shuttle.

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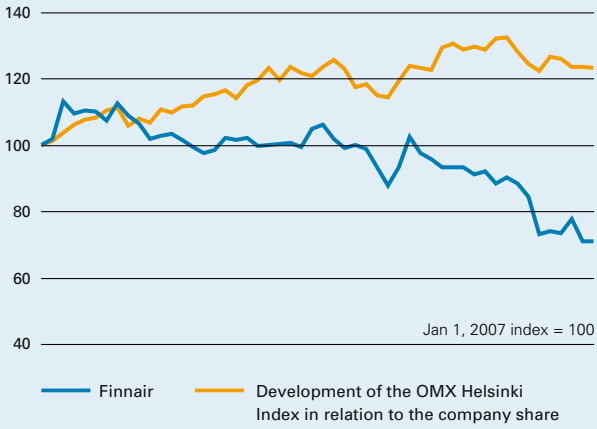
BOARD OF DIRECTORS
(as from April 27, 2008)
Christoffer Taxell, Chairman
Kari Jordan, Vice Chairman
Sigurdur Helgason
Satu Huber
Markku Hyvärinen
Ursula Ranin
Veli Sundbäck
Pekka Timonen

The Finnair fleet modernisation now under way is already reducing fuel consumption and air traffic emissions. In the next decade, Finnair will acquire for its long-haul traffic new-generation Airbus A350XWB wide-bodied aircraft, which are even more economical.

Share price performance in 2007 (weekly)



Consolidated		2005	2006	2007
Net sales	M€	1 871	1 990	2 181
Operating income	M€	82	-11	142
Income after financial items	M€	88	-15	139
Return on investment	%	11.1	-0.1	14.2
Equity ratio	%	42.2	37.2	47.0
Balance sheet total	M€	1 638	1 660	2 146
Gross investments	M€	58	252	326
Personnel, average		9 447	9 598	9 480

Parent company				
Share capital	M€	73.8	75.4	75.4
Dividends	M€	21.8	8.9	32.0

Key share figures		2005	2006	2007
Price/earnings (P/E ratio)		18.12	-88.05	7.79
Earnings/share (EPS)	€	0.73	-0.16	1.04
Equity/share	€	6.91	6.14	7.70
Dividend/share	€	0.25	0.10	0.25
Dividend/earnings	%	34.3	-64.4	31.5
Effective dividend yield	%	2.1	0.8	3.1
State ownership, January 1, 2008	%			55.8
Dividends to the State for the financial year	M€			17.9

Fortum is a leading energy company in the Nordic countries and other parts of the Baltic Rim area. Activities cover the generation, distribution and sale of electricity and heat as well as the operation and maintenance of power plants. Fortum makes sure that sustainable energy services are available today and tomorrow.

▶ Year 2007 was a financial success for Fortum; an all-time best annual result was recorded. All of the financial key targets were met even though the market conditions in the Nordic electricity market were very challenging. Thanks to flexible power generation portfolio and successful hedging, Fortum was able to raise its achieved Nordic generation power price by 7% and achieve excellent business results.

Fortum made good progress in 2007 on delivering on its strategy. Implementation of the Nordic EUR 3 billion, 1,300-MW, power and heat generation investment programme continued and several power supply agreements with large customers were made. Fortum issued the environmental impact assessment for a possible new nuclear unit in Loviisa, Finland, initiated plant investments in Estonia and Poland and revised its R&D vision and strategy to secure future growth.

Fortum's R&D vision is to enable a CO2-free and sustainable future for Fortum. Key R&D activities include, among other things, developing utilisation of bio fuels and carbon capture at power plants. In 2007 Fortum started a demonstration of carbon capture at the Värtan power plant in Stockholm, and in the beginning of 2008 a carbon capture demonstration was initiated at the Meri-Pori plant. In addition, Fortum continued to develop its end customer power offerings for increased customer value with a special focus on automated meter management.

Fortum's vision is to be the benchmark power and heat company excelling in sustainability. During 2007, the vision was revisited and the aim to excel in sustainability was added. This clearly demonstrates Fortum's long-standing commitment to sustainable development, especially climate change mitigation, but it also indicates the notion of a significant future business opportunity for forerunners in sustainability.

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Mikael Lilius

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BOARD OF DIRECTORS
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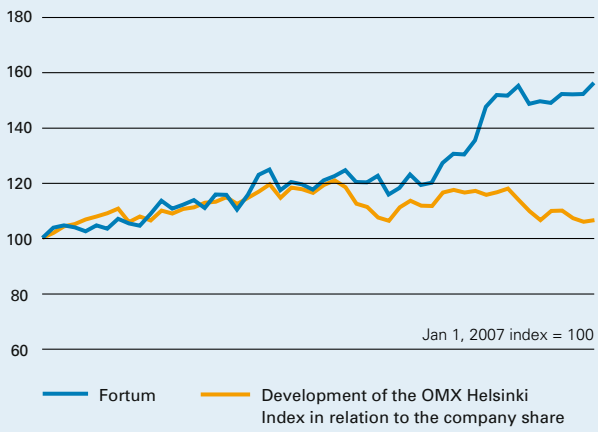
Peter Fagernäs, Chairman
Matti Lehti, Vice Chairman
Esko Aho
Ilona Ervasti-Vaintola
Birgitta Johansson-Hedberg
Marianne Lie
Christian Ramm Schmidt

In 2007, 89% of Fortum's power generation was carbon dioxide -free.

Share price performance in 2007 (weekly)



Consolidated		2005	2006	2007
Net sales	M€	3 877	4 491	4 479
Operating income	M€	1 347	1455	1 847
Income after financial items	M€	1 267	1 421	1 934
Return on investment	%	13.5	13.4	16.5
Equity ratio	%	49	48	49
Balance sheet total	M€	15 130	16 839	17 674
Gross investments	M€	479	1 395	972
Personnel, average		8 939	8 910	8 304

Parent company				
Share capital	M€	2 976	3 023	3 040
Dividends	M€	987	1 122	1 197

Key share figures		2005	2006	2007
Price/earnings (P/E ratio)		10.2	17.7	17.7
Earnings/share (EPS)	€	1.55	1.22	1.74
Equity/share	€	8.17	8.91	9.43
Dividend/share	€	1.12	1.26	1.35
Dividend/earnings	%	72.3	103.3	77.6
Effective dividend yield	%	7.1	5.8	4.4
State ownership, January 1, 2008	%			50.86
Dividends to the State for the financial year	M€			608.8

kemira

Kemira is seeking to be a group of global and leading chemical businesses with unique positions in selected customer segments. Kemira's four business areas: Kemira Pulp&Paper, Kemira Water, Kemira Specialty and Kemira Coatings provide customers with complete solutions, expertise and premium quality products. Kemira serves the pulp and paper industry, water treatment, paint business and chemical industry. In 2007, Kemira recorded revenue of approximately EUR 2.8 billion and had a staff of 10,000. Kemira operates in 40 countries.

▶ Kemira provides products, applications and solutions for the pulp and paper industry as well as for water treatment, the paint business and the chemical industry. Kemira is seeking to be a group of global and leading chemical businesses with unique positions in selected customer segments. We aim at high profitability, world-class efficiency and full utilization of synergies. We pursue continuous growth by reinforcing current customer segments, seizing new business opportunities and strengthening business in emerging markets. We seek competitive advantage derived from an efficient operating model, complete solutions, competence, a strong brand, and a strong corporate culture.

Kemira's revenue for 2007 rose by 11% over the previous year's level, to EUR 2,810.2 million. Revenue by market area was as follows: Europe 67%, North America 23%, South America 4%, Asia 5%, and others 1%.

The growth investments and corporate transactions in 2007 focused on emerging markets. In 2007 we strengthened our presence in Russia, South America and China through business acquisitions and investments. Gross capital expenditure for the year, excluding acquisitions, totaled EUR 254.4 million. The largest investments involved chemical plants constructed at the site of a pulp mill in Uruguay, a paint factory constructed in the Stockholm area, the deployment of a new Group-wide enterprise resource planning system, and an environment-related capital investment in Pori.

Towards the end of 2007, we started a strategic review. In the framework of the review we decided to further develop and enhance our expertise and business related to chemical water treatment solutions. The purpose of the strategy review is to enhance the Group's profitability and to secure future growth, with the overall results of the review ready during 2008.

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Harri Kerminen

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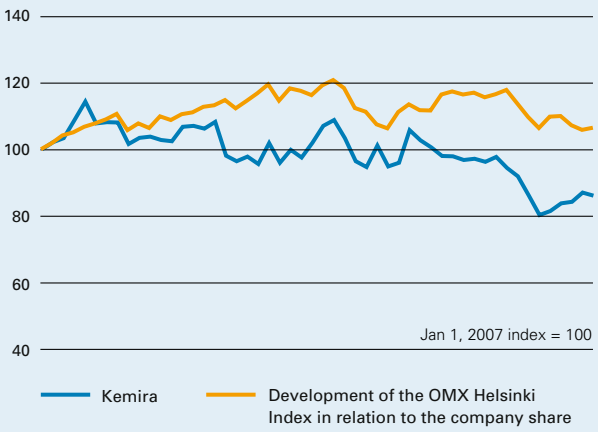
Pekka Paasikivi, Chairman
Jukka Viinanen, Vice Chairman
Elizabeth Armstrong
Juha Laaksonen
Ove Mattsson
Kaija Pehu-Lehtonen
Jarmo Väisänen

We operate in a field that provides the prerequisite for life – water. Our goal is to be the best solution provider for water treatment and industrial processes on a global basis.

Share price performance in 2007 (weekly)



Consolidated		2005	2006	2007
Net sales	M€	1 994.4	2 522.5	2810.2
Operating income	M€	165.5	193.7	143.1
Income after financial items	M€	133.5	154.2	93.3
Return on investment	%	11	12	8
Equity ratio	%	43.8	39.2	38.6
Balance sheet total	M€	2 330.9	2 769.4	2 828
Gross investments	M€	401.9	462.0	321.0
Personnel, average		7 717	9 186	10 008

Parent company				
Share capital	M€	221.3	221.6	221.8
Dividends	M€	41.0	43.6	58.2

Key share figures		2005	2006	2007
Price/earnings (P/E ratio)		18.40	18.96	27.40
Earnings/share (EPS)	€	0.73	0.90	0.53
Equity/share	€	8.33	8.85	8.85
Dividend/share	€	0.36	0.48	0.50
Dividend/earnings	%	49.1	53.4	95.2
Effective dividend yield	%	2.7	2.8	3.5
State ownership, January 1, 2008	%			16.52
Dividends to the State for the financial year	M€			10.3

Metso is a global engineering and technology corporation with 2007 net sales of over EUR 6 billion. Metso's share (MEO1V) is listed on the OMX Nordic Exchange Helsinki. We are the market leader in pulp and paper technology and in systems for rock and minerals processing and metal recycling. We are also among the leading suppliers of automation and control solutions for the energy and process industry. With approximately 27,000 highly skilled employees, we serve customers in well over 100 countries. We are a global company with operations in more than 50 countries and production in 19 countries and on every continent.

▶ Our purpose statement – Engineering Customer Success – reflects the direct correlation between our own talent and expertise and our customers' success. We enhance the competitiveness of our customers and advance sustainable industrial development.

We aim to deliver efficient, high-quality and environmentally-sound solutions that meet our customers' needs. Our efforts are supported by our global network of experts, close and long-term collaboration with customers, and our solid technology and process know-how.

We deliver our purpose through our values: customer success, profitable innovation, professional development and personal commitment.

Our purpose, our values and our code of conduct form a solid foundation for our strategy, which aims to secure the continuity of our profitable growth. By following the roadmap of profitable growth, we can achieve our vision of becoming the industry benchmark.

Just like us, also our customers – companies in the paper, board and pulp industry, the mining and construction industry, the metal recycling industry, and the energy industry – operate in different parts of the world.

Our customers in the new emerging markets are investing in new production capacity. In our traditional market areas of Europe and North America, the emphasis is on process efficiency and production optimization.

Our experts in our three business areas – Metso Paper, Metso Minerals and Metso Automation – serve customers around the world.

Our success is based on customer satisfaction, continuous improvement of our own operational excellence, a global presence and technology leadership. We aim to strengthen our presence near our customers, expand our services business and better utilize our extensive environmental technology expertise.

We are committed to securing the success of our customers – every day, everywhere. Metso – Expect results.

President and CEO
Jorma Eloranta

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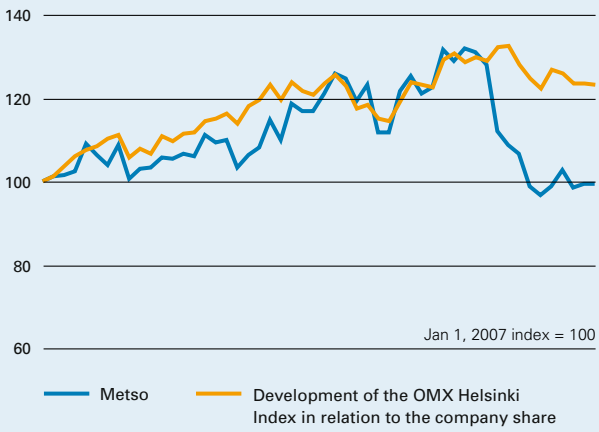
Matti Kavetvuo, Chairman
Jaakko Rauramo, Vice Chairman
Maija-Liisa Friman
Christer Gardell
Arto Honkaniemi
Yrjö Neuvo
Jukka Viinanen

M-real New Thames Ltd. produces environmental office papers on one paper machine, PM 6. Mill Manager Howard Emmett and Metso's Project Manager Ilpo Turunen are pleased with the consistently high quality of New Thames' products, which is a combination of successful product development and learning how to run the paper machine in an optimal way. The The mill is located in Kent in Great Britain.

Share price performance in 2007 (weekly)



Consolidated		2005	2006	2007
Net sales	M€	4 221.0	4 955.0	6 250.0
Operating income	M€	335.0	457.0	580.0
Income after financial items	M€	292.0	421.0	547.0
Return on investment	%	18.9	22.5	26.1
Equity ratio	%	36.6	35.4	37.7
Balance sheet total	M€	3 917.0	4 968.0	5 254.0
Gross investments	M€	107	131	159
Personnel, average		22 405	23 364	26 269

Parent company				
Share capital	M€	241	241	241
Dividends	M€	198	212	425

Key share figures		2005	2006	2007
Price/earnings (P/E ratio)		13.81	13.23	13.88
Earnings/share (EPS)	€	1.69	2.89	2.69
Equity/share	€	8.89	10.21	11.36
Dividend/share	€	1.4	1.5	3.0
Dividend/earnings	%	83	52	112
Effective dividend yield	%	6.0	3.9	8.0
State ownership, January 1, 2008	%			11.1
Dividends to the State for the financial year	M€			47.1

NESTE OIL

Neste Oil Corporation is a refining and marketing company focused on advanced, clean traffic fuels. The company aims for growth in both the oil refinery business and the production of renewable diesel of premium quality. Neste Oil's refineries are located in Porvoo and Naantali. Their combined crude oil refining capacity is some 260 000 barrels a year. Neste Oil's shares are quoted on the Nordic Exchange Helsinki.

▶ In 2007, Neste Oil continued to pursue its strategy for cleaner traffic fuels. Two major investment projects were concluded as the production line for diesel and a plant producing renewable diesel at Porvoo refinery started production. A major step was also the decision taken in November 2007 to build a large renewable diesel plant in Singapore.

Oil Refining and Renewable Fuels are the two divisions on which the growth is based according to the corporate strategy. There are also promising growth prospects for premium-quality base oils and gasoline components, which since 2007 constitute a separate division, Specialty Products.

In addition, the company has two more divisions supporting its growth strategy. Shipping division provides logistic services for the supply of raw materials and for the transport of refined products. The Oil Retail division engages in the retail and direct sales and marketing of refined petroleum products, among others via the network of Neste Oils' retail outlets. The engineering company Neste Jacobs, of which Neste Oil is a majority owner, presents a competitive advantage in carrying out investment projects.

Neste Oil's result for 2007 was strongly affected by the delay in the accomplishment of the new diesel line at Porvoo refinery. The company's net sales for 2007 decreased to EUR 12 103 million, which means a five percent reduction compared with 2006 (EUR 12 734 million). The reduction in net sales is mainly due to the sale of Neste Oil's holding in Eastex Crue Compnay in the beginning of 2007. Without this transaction Neste Oil's net sales would have increased by 10 percent. The annual comparable operating profit increased to EUR 626 million (EUR 597 million) due to an increase in the refining margin and in the sales by the Oil Refining division. The result was, however, hindered by increasing costs, such as maintenance costs, and the higher depreciation amounts of the Oil Refining division compared to the previous year. The company had a strong balance sheet; liabilities accounted for 23.7 percent of the total capital at the end of the year.

Neste Oil has both the necessary will and economic resources to carry out large growth projects in its areas of strength. Several billions of euros will be invested in these projects by the middle of next decade. The company will also continue to invest in its existing refineries in order to develop their operations.

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Risto Rinne

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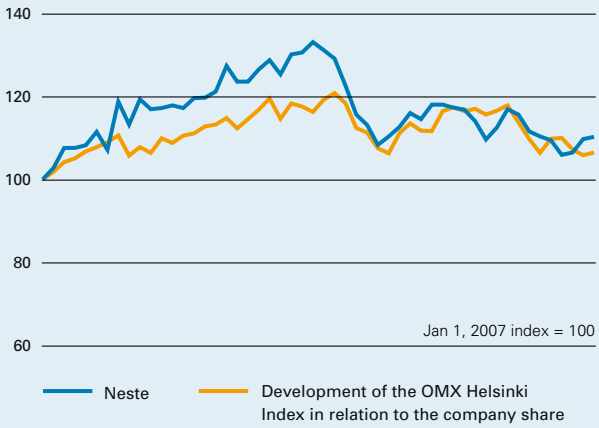
Mikael von Frenckell, Vice Chairman
Michael A. M. Boersma
Ainomaija Haarla
Nina Linander
Antti Tanskanen
Markku Tapio
Maarit Toivanen-Koivisto

Neste Oil's objective is to be world leader in the production of renewable fuels. Neste Oil's NExBTL renewable diesel contributes to a significant reduction in greenhouse gas and other emissions compared to fossil diesel fuel.

Share price performance in 2007 (weekly)



Consolidated		2005	2006	2007
Net sales	M€	9 974	12 734	12 103
Operating income	M€	831	854	801
Income after financial items	M€	823	841	763
Return on investment	%	37.0	31.9	26.2
Equity ratio	%	42.4	48.4	49.9
Balance sheet total	M€	3 829	4 340	4 871
Gross investments	M€	668	535	334
Personnel, average		4 528	4 678	4 810

Parent company				
Share capital	M€	40	40	40
Dividends	M€	205	231	256

Key share figures		2005	2006	2007
Price/earnings (P/E ratio)		9.2	9.4	10.7
Earnings/share (EPS)	€	2.6	2.5	2.3
Equity/share	€	6.3	8.2	9.5
Dividend/share	€	0.8	0.9	1.0
Dividend/earnings	%	30.8	36.6	44.4
Effective dividend yield	%	3.4	3.9	4.1
State ownership, January 1, 2008	%			50.1
Dividends to the State for the financial year	M€			128.5

Outokumpu is a global leader in stainless steel. Our vision is to be the undisputed number one in stainless, with success based on operational excellence. Customers in a wide range of industries use our stainless steel and services worldwide. Being fully recyclable, maintenance-free, as well as very strong and durable material, stainless steel is one of the key building blocks for sustainable future.

What makes Outokumpu special is total customer focus – all the way, from R&D to delivery. You have the idea. We offer world-class stainless steel, technical know-how and support. We activate your ideas.

▶ Outokumpu is an international stainless steel company. Outokumpu is one of the largest producers of stainless steel and is widely recognized as a world leader in technical support, research and development. The Group's product range covers standard as well as special grades and products.

Outokumpu's main production facilities are located in Finland, Sweden, the UK and the US. Outokumpu's melting capacity totals 2.55 million tons and the finished products capacity for cold rolled material and white hot strip is 1.6 million tons. Outokumpu also produces 0.3 million tons of long products and plate annually.

In global terms, Outokumpu's biggest site, Tornio Works in Finland, is the world's most cost-efficient and the most integrated single-site stainless steel production facility. In autumn 2007 and winter 2008, Outokumpu announced major investments in the production of specialty products in Avesta, Sweden and in the production of bright-annealed austenitic and ferritic products in Tornio Works, Finland. These investments will increase Outokumpu's production capacity in the coming years. According to the current strategic phase, entered in autumn 2007, Outokumpu is increasing the share of specialty grades and products in its product mix.

Outokumpu has a 16% share of the stainless steel coil market in Europe and a 6% share worldwide. Outokumpu's main markets are Europe (73% of sales in 2007), Asia (12%) and North and South America (12%). Outokumpu's sales in 2007 were EUR 6.9 billion and it had 8 200 employees.

The group has a comprehensive network of sales companies and service centers in some 30 countries.

President and CEO
Juha Rantanen

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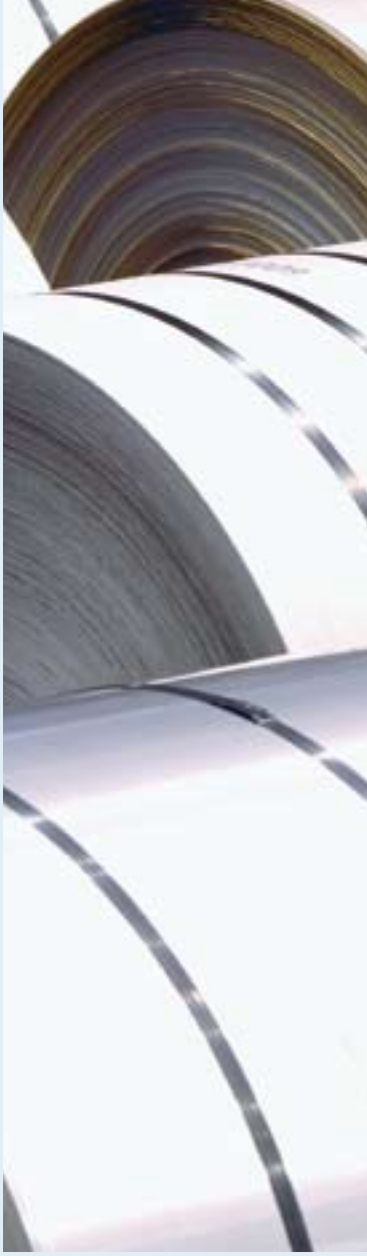
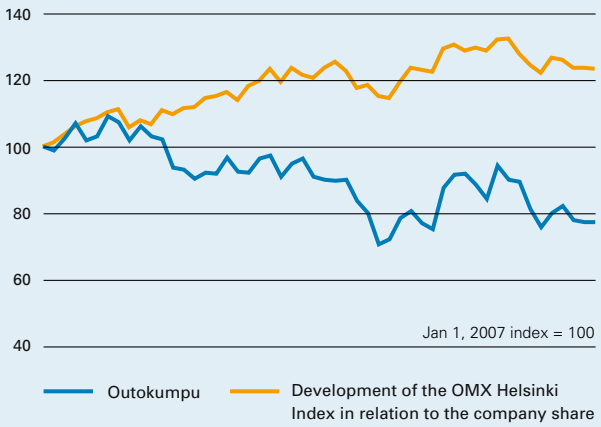
Ole Johansson, Chairman
Anssi Soila, Vice Chairman
Evert Henkes
Jarmo Kilpelä
Victoire de Margerie
Anna Nilsson-Ehle
Leo Oksanen
Leena Saarinen



The consumption of stainless steel grows faster than any other metal in the world. Consumption of stainless steel increases with economic growth as both its properties and its aesthetic image are highly competitive.

Share price performance in 2007 (weekly)



Consolidated		2005	2006	2007
Net sales	M€	5 016	6 154	6 913
Operating income	M€	57	824	589
Income after financial items	M€	-8	784	798
Return on investment	%	1.3	20.7	13.9
Equity ratio	%	38.2	47.9	56.5
Balance sheet total	M€	5 507	6 414	5 910
Gross investments	M€	164	187	190
Personnel, average		9 579	8 505	8 270

Parent company				
Share capital	M€	308	308	308
Dividends	M€	81	199	216

Key share figures		2005	2006	2007
Price/earnings (P/E ratio)		neg.	5.6	6.0
Earnings/share (EPS)	€	-2.01	5.31	3.52
Equity/share	€	11.31	16.87	18.53
Dividend/share	€	0.45	1.10	1.20
Dividend/earnings	%	neg.	20.7	33.9
Effective dividend yield	%	3.6	3.7	5.7
State ownership, January 1, 2008	%			31.1
Dividends to the State for the financial year	M€			67.7

RUUKKI

Rautaruukki supplies metal-based components, systems and integrated systems to the construction and engineering industries. The company has a wide selection of metal products and services. Rautaruukki has operations in 24 countries and employs 14,600 people. Net sales in 2007 totalled EUR 3.9 billion. The company's share is quoted on the OMX Nordic Exchange Helsinki (Rautaruukki Oyj: RTRKS). The Corporation uses the marketing name Ruukki.

▶ Ruukki aims to be the leading supplier of metal-based solutions in Europe to customers in construction and in the lifting, handling and transportation equipment industry. Ruukki is also seeking growth in component and systems deliveries in the energy sector, special products, and in the parts processing business.

Dynamic growth in the Eastern European market presents a major opportunity for all Ruukki's businesses. The company intends to considerably grow its net sales in Central Eastern Europe, Russia and Ukraine.

Ruukki has three divisions with customer responsibility. Ruukki Construction supplies metal-based solutions for building construction, especially for commercial, industrial and logistics needs, as well as for infrastructure construction. Ruukki Engineering supplies metal-based solutions to the lifting, handling and transportation equipment industry, as well as to the energy, offshore & marine and paper & wood processing industries. Ruukki Metals supplies first-class steel products to customers in the form they require either prefabricated or as parts from works and stores. The fourth division, Ruukki Production, is responsible for cost-efficient production.

2007 was a successful one for Ruukki. Demand was brisk in all customer industries and the company's comparable net sales were up by 10 per cent. Operating profit of EUR 637 million for 2007 was the best in the company's history. At year-end 2007, the solutions businesses - construction and engineering - accounted for 44 per cent of the company's net sales.

President and CEO
Sakari Tamminen

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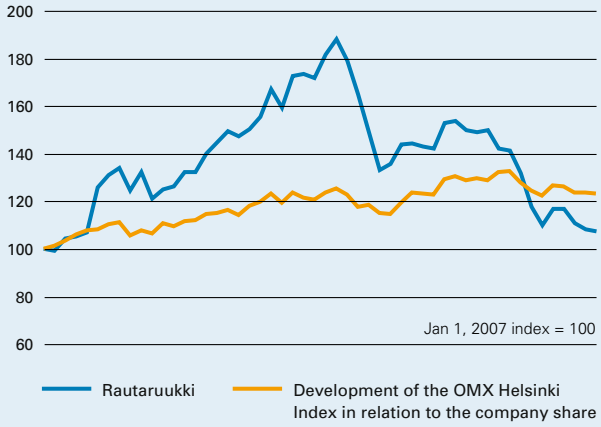
BOARD OF DIRECTORS
(as from April 2, 2008)
Jukka Viinanen, Chairman
Reino Hanhinen, Vice Chairman
Maarit Aarni-Sirviö
Christer Granskog
Pirkko Juntti
Kalle J. Korhonen
Liisa Leino

Ruukki's multi-storey construction solutions successfully combine technical innovations and the company's sound expertise in foundations, frames and façades for buildings.

Share price performance in 2007 (weekly)



Consolidated		2005	2006	2007
Net sales	M€	3 654	3 682	3 876
Operating income	M€	529	618	637
Income after financial items	M€	612	635	621
Return on investment	%	32.8	31.5	29.6
Equity ratio	%	56.0	61.6	70.4
Balance sheet total	M€	2 701	3 026	2 861
Gross investments	M€	134	325	191
Personnel, average		11 684	13 121	14 715

Parent company				
Share capital	Milj.€	236	236	238
Dividends	Milj.€	191	276	277

Key share figures		2005	2006	2007
Price/earnings (P/E ratio)		6.1	8.2	9.0
Earnings/share (EPS)	€	3.35	3.66	3.31
Equity/share	€	10.98	13.26	14.3
Dividend/share	€	1.40	2.0	2.0
Dividend/earnings	%	41.9	55.1	60.4
Effective dividend yield	%	6.8	6.6	6.7
State ownership, January 1, 2008	%			39.7
Dividends to the State for the financial year	M€			111.3

SAMPO GROUP

Sampo Group comprises of If, the leading P&C insurance company in the Nordic and the Baltic countries, Sampo Life, a life insurer and Sampo plc, the parent company.

▶ Sampo Group's business is divided into two main business areas:

If P&C Insurance Company is the leading property and casualty insurance company in the Nordic region, with insurance operations that also encompass the Baltic countries. The P&C insurance group's parent company, If P&C Insurance Holding Ltd, is located in Sweden, and the If subsidiaries provide insurance solutions and services in Finland, Sweden, Norway, Denmark and the Baltic countries.

Sampo Life, a life insurance company, operates in Finland and the Baltic countries. The Sampo Life Group comprises the Finnish parent company, Sampo Life, fully owned by Sampo plc, and its subsidiary operating in the Baltic countries.

Sampo Group's parent company, Sampo plc, owns and administers the insurance subsidiaries. In addition, the company has approximately EUR 5 billion in investment assets following the divestment of Sampo Bank Group.

President and CEO
Björn Wahlroos

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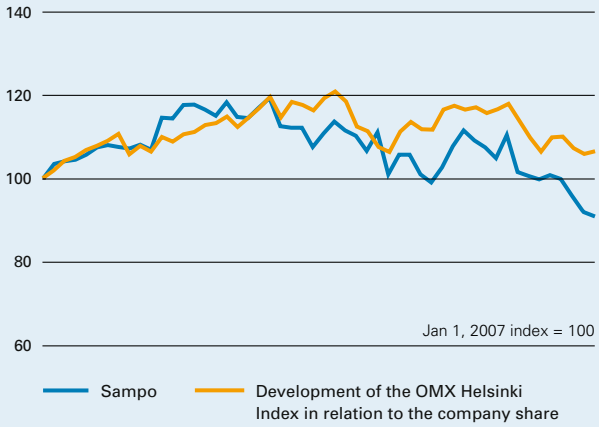
BOARD OF DIRECTORS
(as from April 15, 2008)
Georg Ehrnrooth, Chairman
Matti Vuoria, Vice Chairman
Tom Berglund
Anne Brunila
Lýdur Gudmundsson
Eira Palin-Lehtinen
Jukka Pekkarinen
Christoffer Taxell
Björn Wahlroos

Sampo Group consists of the leading property and casualty insurance company in the Nordic region and the Baltic countries, If, the life insurance company Sampo Life, and Sampo Group's parent company, Sampo plc.

Share price performance in 2007 (weekly)



Consolidated		2005	2006	2007
Net sales	M€	6 843	7 159	7 343
Operating income	M€	1 295	1 353	3 833
Income after financial items	M€	..	..	..
Return on investment	%	28.4	22.6	52.6
Equity ratio	%	10.1	10.9	30.5
Balance sheet total	M€	42 985	47 620	25 424
Gross investments	M€	..	..	..
Personnel, average		11 730	11 657	6 846

Parent company				
Share capital	M€	96	95	98
Dividends	M€	339	693	694

Key share figures		2005	2006	2007
Price/earnings (P/E ratio)		8.8	11.7	2.9
Earnings/share (EPS)	€	1.68	1.73	6.18
Equity/share	€	7.65	9.18	13.47
Dividend/share	€	0.6	1.2	1.2
Dividend/earnings	%	35.7	69.4	19.4
Effective dividend yield	%	4.1	5.9	6.6
State ownership, January 1, 2008	%			13.7
Dividends to the State for the financial year	M€			95.1

Sponda Plc is a real estate investment company specializing in commercial properties in the largest cities in Finland and Russia. Sponda seeks growth in particular from property development and from Russia's large and growing real estate market.

▶ Sponda's business concept is to own, lease and develop office, retail and logistics properties into environments that promote the business success of its clients. Through innovative and customer-orientated solutions Sponda develops the best practices in its sector and enhances the environment and cityscape in a responsible way.

In 2007 Sponda established an office in St Petersburg. The company's Russian operations and property development activities grew strongly during the year. Sponda's largest property development projects are the PortGate logistics complex at Vuosaari Harbour and City-Center complex in Helsinki. In early 2007 Sponda implemented a EUR 250 million share issue, and sold properties that were outside its strategic focus for roughly EUR 400 million.

The total leasable area of Sponda's investment properties at the end of 2007 was around 1.3 million m², comprising of 156 office and retail properties and 49 logistics properties. The fair value of the property portfolio at the end of 2007 was EUR 2.5 billion.

Sponda's operations are organised into five business units: Office and Retail Properties, Logistics Properties, Russia and the Baltic Countries, Property Development and Real Estate Funds.

For more information, please visit www.sponda.fi.

President and CEO
Kari Inkinen

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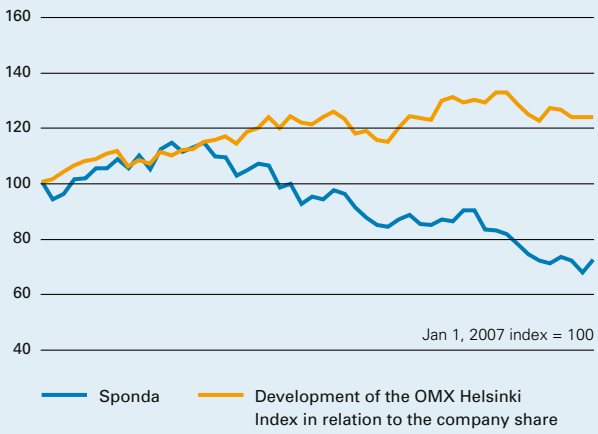
BOARD OF DIRECTORS
(as from March 19, 2008)
Lauri Ratia, Chairman
Timo Korvenpää, Vice Chairman
Klaus Cawén
Tuula Entelä
Arja Talma
Erkki Virtanen

The modern premises of the Helsinki courthouse were built in an old industrial building.

Share price performance in 2007 (weekly)



Consolidated		2005	2006	2007
Net sales	M€	103.1	117.4	210.9
Operating income	M€	65.5	103.9	256.7
Income after financial items	M€	39.2	65.4	184.4
Return on investment	%	5.6	7.2	10.1
Equity ratio	%	44.9	20.2	32.3
Balance sheet total	M€	1 278.7	2 939.4	2 898.5
Gross investments	M€	52.1	1 244.6	254.0
Personnel, average		54	63	217

Parent company				
Share capital	M€	79.2	79.3	111.0
Dividends	M€	39.6	44.4	55.5

Key share figures		2005	2006	2007
Price/earnings (P/E ratio)		21.2	19.7	6.5
Earnings/share (EPS)	€	0.37	0.61	1.3
Equity/share	€	7.25	7.45	8.40
Dividend/share	€	0.50	0.40	0.50
Dividend/earnings	%	133.4	65.6	39.5
Effective dividend yield	%	6.3	3.3	6.1
State ownership, January 1, 2008	%			34.3
Dividends to the State for the financial year	M€			19.0

Stora Enso is an integrated paper, packaging and forest products company producing newsprint and book paper, magazine paper, fine paper, consumer board, industrial packaging and wood products. Stora Enso's sales totalled EUR 13.4 billion in 2007. The Group has some 38 000 employees in more than 40 countries on five continents. Stora Enso has an annual production capacity of 13.1 million tonnes of paper and board and 7.5 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 and Stockholm.

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Stora Enso serves mainly business-to-business customers through its own global sales and marketing network. A global presence provides local customer service. Customers include publishers, printing houses and merchants, as well as the packaging, joinery and construction industries – and are mainly concentrated in Europe, North America and Asia. As Stora Enso moves into the future, the Group is focusing on expanding its operations in new growth markets in China, Latin America and Russia.

The Group has production facilities in Europe, North and Latin America, and Asia. Modern production capacity, combined with efficient raw material and energy sourcing and efficient processes, ensure excellent continuity of production.

Stora Enso is committed to sustainability. Economic, environmental and social responsibility underpins our thinking and our approach to every aspect of doing business. The Group builds accountability into its operations by being transparent and engaging in open dialogue with its stakeholders. Group-wide targets and clear governance are used to monitor and measure how well Stora Enso performs in terms of sustainability.

President and CEO
Jouko Karvinen

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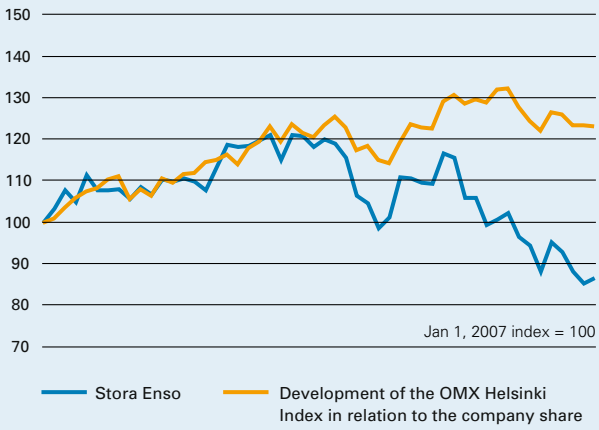
BOARD OF DIRECTORS
(as from March 26, 2008)
Claes Dahlbäck, Chairman
Ilkka Niemi, Vice Chairman
Gunnar Brock
Dominique Hériard Dubreuil
Birgitta Kantola
Juha Rantanen
Jan Sjöqvist
Matti Vuoria
Marcus Wallenberg

Share price performance in 2007 (weekly)



Stora Enso has an annual production capacity of 13.1 million tonnes of paper and board and 7.5 million cubic metres of sawn wood products.

Consolidated		2005	2006	2007
Net sales	M€	11 343	12 957	13 374
Operating income	M€	438	884	1 172
Income after financial items	M€	104	711	77
Return on investment	%	4.7	8.7	11.3
Equity ratio	%	41.0	45.3	49.3
Balance sheet total	M€	17 830.7	17 382.1	15 310.8
Gross investments	M€	1 079	536	784
Personnel, average		41 392	41 036	39 239

Parent company				
Share capital	M€	1 382	1 342	1 342
Dividends	M€	365	355	355

Key share figures		2005	2006	2007
Price/earnings (P/E ratio)		40.9	21.8	11.6
Earnings/share (EPS)	€	0.33	0.69	0.99
Equity/share	€	9.16	9.89	9.48
Dividend/share	€	0.45	0.45	0.45
Dividend/earnings	%	136	65	45
Effective dividend yield	%	3.9	3.8	4.4
State ownership, January 1, 2008	%			12.3
Dividends to the State for the financial year	M€			43.7

TeliaSonera

TeliaSonera provides telecommunication services in the Nordic and Baltic countries, in Spain and the emerging markets of Eurasia, including Russia and Turkey.

▶ TeliaSonera offers services that help people and companies communicate in an easy, efficient and environmentally friendly way. Our main purpose is to best serve our customers and create value for our shareholders through strong profits and cash flows. We create value by continuously exploiting new business opportunities on our mobile and broadband networks, such as mobile data and IPTV, and expanding in the fast growing markets of Eurasia. We aim to lead the migration to new mobile and Internet-based services in our Nordic and Baltic markets. In 2007, the number of subscriptions reached approximately 115 million in the majority-owned operations and associated companies, operating income, excluding non-recurring items, was SEK 27.5 billion and the number of employees 31,292. TeliaSonera is listed on the Stockholm and Helsinki stock exchanges.

President and Chief Executive Officer
Lars Nyberg

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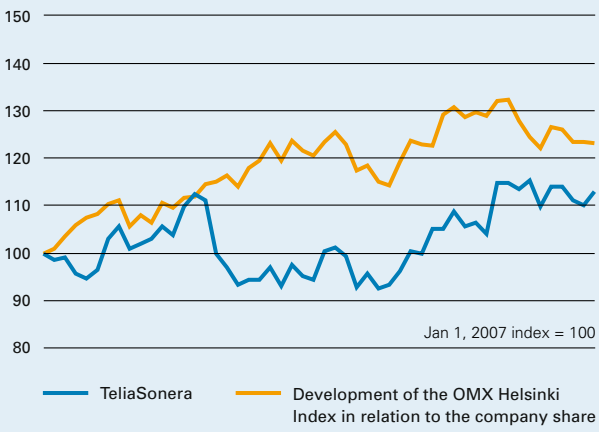
BOARD OF DIRECTORS
(re-elected as from March 31, 2008)
Tom von Weymarn, Chairman
Maija-Liisa Friman
Conny Karlsson
Lars G Nordström
Timo Peltola
Jon Risfelt
Caroline Sundewall
Employee representatives:
Elof Isaksson
Agneta Ahlström
Berith Westman

Share price performance in 2007 (weekly)



TeliaSonera is in the business of providing high quality telecommunications services, including packaging and carrying content like sound, images, data, information,transactions and entertainment.

Consolidated, IFRS		2005	2006	2007
Net sales	SEK in millions	87 661	91 060	96 344
Operating income /-loss	SEK in millions	17 549	25 489	26 155
Income after financial items	SEK in millions	17 019	25 226	25 251
Return on Capital [1]	%	12.6	19.5	19.4
Equity ratio [1]	%	58.9	49.9	50.3
Balance sheet total [1]	SEK in millions	203 775	199 392	216 702
Gross investments)	SEK in millions	14 315	15 052	20 702
Personnel, average		27 403	26 969	28 376

Parent company				
Share capital	SEK in millions	14 961	14 369	14 369
Dividends	SEK in millions	15 717 [2]	28 290 [3]	17 962 [4]

1) Legal entity
2) Consists of SEK 5,613 million ordinary and SEK 10,104 million extraordinary dividend
3) Consists of SEK 8,083 million ordinary and SEK 20,208 million extraordinary dividend
4) Consists of SEK 8,083 million ordinary and SEK 9,879 million extraordinary dividend

Key share figures, IFRS		2005	2006	2007
Price/earnings (P/E ratio) [4]		16.7	14.9	15.4
Earnings/share (EPS)	SEK	2.56	3.78	3.94
Equity/share	SEK	28.29	26.55	26.12
Dividend/share	SEK	3.50 [1]	6.30 [2]	4.00 [3]
Dividend/earnings	%	136.9 [1]	166.5 [2]	101.6 [3]
Effective dividend yield	%	8.2 [1]	11.2 [2]	6.6 [3]
State share ownership January 1, 2008	%			13.7
Dividends to the State for the financial year	M€			262.0

1) Consists of SEK 1,25 ordinary and SEK 2,25 extraordinary dividend
2) Consists of SEK 1,80 ordinary and SEK 4,50 extraordinary dividend
3) Consists of SEK 1,80 ordinary and SEK 2,20 extraordinary dividend
4) The closing price at the Stockholm Stock Exchange used in calculation

OTHER COMPANIES OPERATING ON MARKET TERMS

ALTIA
— CORPORATION —

Altia is a growth-oriented distributor of wines, beers and spirits, with a unique understanding of Nordic and Baltic consumers and markets. Altia imports, markets, produces and exports alcoholic beverages. The company represents international quality brands from around the world and distils grain spirit for the production of its own, well-known brands.

Altia's operations in each of its markets are handled by local sales and marketing organisations. The company's production facilities are located in Koskenkorva and Rajamäki in Finland, as well as in Tabasalu in Estonia.

The growing interest in luxury products can be seen in the growing demand for quality wines, sparkling wines and champagne in the Nordic countries.

CEO
Antti Pankakoski

▶ In 2007, Altia's net sales grew faster than the market – by as much as seven per cent – to EUR 494.7 million. Operating profit excluding non-recurring items increased from EUR 15.8 million to EUR 17.1 million. However, operating profit including non-recurring items decreased from EUR 15.1 million to EUR -47.0 million.

The cost level increased significantly in 2007. An increase in construction costs prevented the expansion of the Koskenkorva fuel ethanol plant. The price of domestic barley, of which Altia uses approximately 190 million kilos annually, almost doubled. Due to the increased international consumer demand, the purchase price of whiskey, cognac and champagne increased and the beverages became more difficult to obtain. At the end of the year, alcohol taxation was tightened in both Finland and Estonia.

Altia's strategy was to focus on basic business operations, alcoholic beverage production, sales, marketing, imports and exports. Special attention was paid to opportunities for developing Group profitability and competitiveness. Implementation of SAP, an ERP system presently being developed, will improve the operative management of the company.

A balanced product portfolio and continuous development of the selection are success factors in Altia's operations. Approximately two thirds of the alcoholic beverages based net sales come from supplier products imported, marketed and sold by Altia, while one third comes from Altia's proprietary products, which form the basis for the company's profitability. In 2007, Altia initiated the development and internationalisation of Koskenkorva, the company's most renowned brand. The export efforts will continue in the most promising markets.

In June 2007, Altia acquired the Danish alcoholic beverage company Vintappergaarden A/S. In the future, the company will be chiefly focusing on organic growth.

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BOARD OF DIRECTORS
(as from April 4, 2008)
Jarmo Leppiniemi, Chairman
Riitta Vermas, Vice Chairman
Catarina Fagerholm
Ainomaija Haarla
Arto Harjumaaskola
Ilkka Puro
Markku Rönkkö

Consolidated		2005	2006	2007
Net sales	M€	422.7	462.4	494.7
Operating income	M€	24.8	15.1	-47.0
Income after financial items	M€	23.0	13.3	-51.6
Return on investment	%	8.2	8.5	-13.4
Equity ratio	%	39	38.1	30.4
Balance sheet total	M€	486.3	495.4	452.3
Gross investments	M€	17.1	16.1	17.3
Personnel, average		971	1103	1135
Parent company				
Share capital	M€	60.5	60.5	60.5
Dividends	M€	10.0	5.0	5.0
State ownership, January 1, 2008	%			99.9
Dividends to the State for the financial year	M€			5.0

EDITA

Edita Plc is a Nordic communications group with operations in three business areas: marketing communications production services, printing and distribution services and non-fiction publishing.

Edita is increasingly focusing on marketing communications production services. Multi-channel, printed and digital communications are produced in Finland and Sweden.

President and CEO
Timo Lepistö

▶ Under its strategy approved in 2007, Edita will increasingly focus on marketing communications production services. It will make intensive use of new technology in printed, digital and multi-channel communications production.

In the printing and distribution business, Edita has been a pioneer in the digitisation of services and especially in the production of high-standard printed materials and personalised campaigns.

Edita is also Finland's largest publisher of non-fiction books and web-based information services, and is well-known for its legal web information services.

In its domestic markets of Finland and Sweden, Edita provides both marketing communications production services and printing and distribution solutions. Its main customers are big companies and organizations with large customer databases, for whom on-going multichannel marketing and communication is crucial.

In 2007, Edita concluded a major restructuring project, reinforced its focus businesses with investments, and divested non-core business operations. The services provided in Finland and Sweden were harmonised. High volume magazine printing was divested in its entirety by selling Acta Print Oy in Finland. In Sweden, Edita invested in marketing resource management (MRM) systems by acquiring a 40% stake in the Swedish BrandSystems AB. These systems are in great demand in the market.

Edita's traditionally strong competence and leadership in the increasingly digital and personalised direct marketing sector was reinforced by acquiring Käpylä Print Oy in Finland, which focuses on special advertising products, and Arkpressen i Västerås AB in Sweden.

The restructuring based on the approved strategy had the expected impact on the 2007 profit. Edita's net revenue and net profit were respectively EUR 147.6 million and EUR 4.4 million in 2007. Despite the major restructuring, Edita succeeded in maintaining the level of profit before non-recurring items at almost the previous year's level. Edita's goal is to become the largest provider of production services for marketing communications in the Nordic region.

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BOARD OF DIRECTORS
(as from March 26, 2008)
Lauri Ratia, Chairman
Jarmo Väisänen, Vice Chairman
Liisa Jauri
Riitta Laitasalo
Timo Löyttyniemi
Marianne Mäkelä

Consolidated		2005	2006	2007
Net sales	M€	177.4	170.3	147.6
Operating income	M€	-6.2	7.0	4.4
Income after financial items	M€	-7.7	5.8	3.4
Return on investment	%	-7.8	12.6	7.2
Equity ratio	%	22.5	29.1	35.8
Balance sheet total	M€	89.1	86.7	77.9
Gross investments	M€	4.1	8.3	5.6
Personnel, average		1270	1147	1018
Parent company				
Share capital	M€	6.0	6.0	6.0
Dividends	M€	0	0	0
State ownership, January 1, 2008	%			100
Dividends to the State for the financial year	M€			0

The Ekokem Group is the leading provider of advanced overall environmental management services in Finland. The company's strengths are its high-quality waste management and recovery methods, high level of expertise and individual customer service.

The company's core competencies have been extended beyond the treatment of hazardous waste to recovery of other types of waste and to energy production and related services, decontamination of contaminated soil and ground water, and environmental remediation services. Ekokem provides its customers with overall environmental management solutions that are safe and of high quality.

Ekokem has its main facilities in Riihimäki. The new waste-to-energy plant is located between the stacks.

Managing Director Esa Tommila

Ekokem is the leading Finnish company in the field of advanced environmental management services. The treatment and recycling of hazardous waste stands for just over a quarter of its net sales. In recent years, production of overall waste management services as a chain from the customer to the waste treatment facility, and, on the other hand, services for remediation of contaminated soil and environmental remediation services have become just as important as areas of business. In these fields, the Ekokem Group is the leading company in Finland as concerns know-how, and its inventive and environmentally friendly waste recovery solutions contribute to the strengthening of its customers' competitiveness.

Of the waste Ekokem received in 2007, 69% was recovered as energy and 15% were recycled as materials. A new field of business is the modern waste-to-energy plant, which started its operations in the autumn of 2007. It is the first of its kind in Finland. It uses traditional waste from industry and source-separated municipal waste in the generation of district heat for the cities of Riihimäki and Hyvinkää. Ekokem also carries out waste management and soil decontamination projects abroad.

Nowadays the competition level for all the four lines of business is high. Of the hazardous waste produced in Finland Ekokem treats approx. one fifth. Nowadays there are about two dozen other industrial-scale waste management operators in the field. Only about 5% of Ekokem's net sales derive from market dominance, and this part of the business is arranged in a transparent manner. In the beginning of 2008, the Articles of Association of the company were modernized, among other things, by abolishing its special duties and the prohibition of dividends, which were considered to be out-of-date. The company works hard for the development of its services and technology.

The new EU compliant waste-to-energy plant, for example, was built and its final environmental permit was obtained in less than three years, which is a European record. In 2007, the net sales of the Ekokem Group amounted to EUR 74.3 million and the number of employees totalled 300. Ekokem has permanent establishments in ten different locations.

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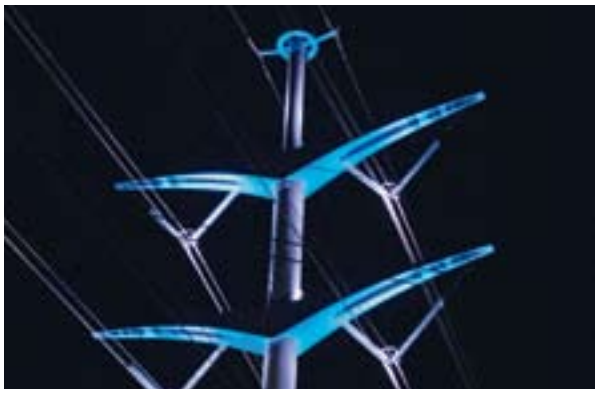
BOARD OF DIRECTORS
(as from April 24, 2008)
Maija-Liisa Friman, Chairman
Timo Kietäväinen, Vice Chairman
Pia Björk
Jorma Haavisto
Petri Kouvo
Helena Säteri
Hannu Vornamo

Consolidated		2005	2006	2007
Net sales	M€	57.9	60.9	74.3
Operating income	M€	5.1	4.8	8.5
Income after financial items	M€	5.9	5.5	9.2
Return on investment	%	6.6	5.8	8.1
Equity ratio	%	80.2	72.8	60.0
Balance sheet total	M€	103.5	118.8	155.9
Gross investments	M€	10.4	27.6	52.2
Personnel, average		275	288	302
Parent company				
Share capital	M€	6.0	6.0	6.0
Dividends	M€	0.0	0.0	3.2 (*)
State ownership, January 1, 2008	%			34.1
Dividends to the State for the financial year	M€			1.1

Transmission system operator Fingrid functions in the open Nordic electricity markets. Fingrid´s mission is to transmit electricity reliably, to promote the functioning ot the electricity market and develop the electricity transmission system. Fingrid owns the Finnish main grid and all significant cross-border connections. It has a total of approximately 14 000 kilometres of transmission lines and 106 substations. Customers comprise electricity producers, electricity market parties, major industrial enterprises, and regional and distribution network companies.



Fingrid is responsible for the functioning of the Finnish main grid and all significant cross-border connections.

President and CEO Jukka Ruusunen

▶ Total electricity consumption in Finland in 2007 amounted to 90.3 terawatt hours, of which Fingrid transmitted 68.4 terawatt hours in its grid. The Group's gross capital expenditure in 2007 was 79 million euros. Of this amount, 67 million euros were used for transmission grid and 7 million euros for reserve power. IT-related capital expenditure was approx. 5 million euros.

Revenue of the Fingrid Group in 2007 was 335 million euros. The operating profit of the group was 91 million euros, which contains 12 million euros of positive change in the fair value of electricity derivatives. Operating profit excluding the change in the fair value of electricity derivates was 79 million euros. The Group's profit for the year was 42 million euros.

The return on investment was 7.3 per cent and the return on equity 10.3 per cent. The equity ratio was 27.5 per cent at the end of the review period. The financial position of the Group continued to be good. The Fingrid Group employed 248 persons, including temporary employees, at the end of 2007.

Fingrid will continue the implementation of its extensive capital expenditure programme. The capital expenditure will grow from an annual level of approx. 40 million euros to more than 100 million euros per year in the coming years. The capital expenditure will grow because electricity consumption is increasing, the ageing transmission grid needs to be renewed, and cross-border transmission capacity needs to be further enhanced in order to promote the market mechanisms. Moreover, Fingrid has to increase its own reserve power capacity.

Responding to the future challenges calls for a well-defined strategy. In 2007, Fingrid implemented significant strategy work based on the foreseeable changes in the operating environment over the next few years and decades. Our strategy is built around our corporate values: transparency, impartiality, efficiency, and responsibility.

Our solid, shared values constitute the foundation from which we can achieve our vision of being "the international forerunner in transmission system operation". Finland can rely on Fingrid providing its customers with the best transmission system services in the world: reliable electricity supply, good transmission connections, and active contribution to electricity market promotion.

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Timo Rajala, Vice Chairman
Timo Karttinen
Ari Koponen
Ritva Nirkkonen
Anja Silvennoinen
Jorma Tammenaho

Consolidated		2005	2006	2007
Net sales	M€	316.7	351.3	334.6
Operating income	M€	110	79.5	90.7
Income after financial items	M€	75.1	51.5	56.5
Return on investment	%	8.7	6.4	7.3
Equity ratio	%	23.9	25.5	27.5
Balance sheet total	M€	1 482	1 514	1 565
Gross investments	M€	63.3	69.6	79.2
Personnel, average		228	238	241
Parent company				
Share capital	M€	55.9	55.9	55.9
Dividends	M€	6.6	6.9	7.2
State ownership, January 1, 2008	%			12
Dividends to the State for the financial year	M€			0.9

FCG Finnish Consulting Group

FCG Finnish Consulting Group is a leading multi-industry consulting company in Finland and the market leader in several industries. The Group's expertise combines broad sectoral competence with strong experience, particularly in developing public administration in Finland and abroad. Its clientele comprises not only public administration, but also a wealth of private sector customers. The personnel of the FCG Group include more than 800 experts in Finland and overseas.

The business operations of FCG companies in the Helsinki Metropolitan Area moved to the Group's new premises in Käpylä, Helsinki, in autumn 2007.

Group Director Seppo Mäki

▶ Established in 2005, the FCG Group focuses its services on infrastructural and environmental engineering, community planning, training and competence development, and international development consulting.

New premises were completed for the FCG companies in Käpylä, Helsinki, and the Group's business operations in the Helsinki Metropolitan Area moved under the same roof in 2007. The Group companies also adopted a joint visual identity and the FCG business emblem. At the beginning of September 2007, the Group's subsidiaries were given new names starting with FCG. The growth in the Group's business volume was accelerated by acquisitions, the most important of these being the purchase of the shares of IP-Engineering Finland Ltd, which specialises in geotechnology and environmental consultation, and the Swedish SIPU International AB, which provides development consultation services.

FCG Group's Management and Training business area consists of FCG Efeko Oy and its subsidiary FCG MentorIT Oy, which focuses on ICT services. The business area offers training and consultation services to management, finance and administration, health and social care, and environmental and community engineering.

FCG International Consulting business area specialises in developing training, the environment and social structures in the target countries. This business area is made up of FCG International Oy and its international subsidiaries.

FCG Planeko Oy constitutes the Infra and Environment business area of FCG. The company's operations are divided into five sectors: architecture and regional development, geotechnical engineering and construction technology, traffic planning and infrastructure, water and wastewater engineering and research, and environmental consulting. All of these are supported by means of services connected with building and maintenance.

Despite the decline in economic growth rate, no fall in demand is envisaged in the service sectors represented by FCG. Demand is influenced most by the ongoing domestic municipal and service structure reform and internationally by the expected rise in Finland's development aid.

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Ilkka Hyvärinen
Timo Kietäväinen
Marketta Kokkonen
Eero Piipponen
Jorma Kielenniva

Consolidated		2005	2006	2007
Net sales	M€	25.0	65.6	73.2
Operating income	M€	0.9	4.7	3.0
Income after financial items	M€	1.1	5.0	3.2
Return on investment	%	5.0	20.3	12.5
Equity ratio	%	62.3	70.8	65.1
Balance sheet total	M€	38.6	40.3	42.3
Gross investments	M€	0.4	2.2	9.4
Personnel, average		628	689	816
Parent company				
Share capital	M€	19.7	19.7	19.7
Dividends	M€	1.2	2.4	1.0
State ownership, January 1, 2008	%			6
Dividends to the State for the financial year	M€			0.1

Gasum

Gasum focuses on the import and wholesale trading of natural gas and the provision of natural gas-based energy solutions in Finland. Gasum is also responsible for the maintenance and development of the natural gas transmission network and has 1,100 km of natural gas transmission pipeline. A total of 10% of all energy consumed in Finland is produced with natural gas.

The Gasum Group includes the parent company Gasum Oy and its fully-owned subsidiaries: Gasum Paikallisjakelu Oy and its Estonian subsidiary Gaasienergia AS, Gasum Energiapalvelut Oy, Gas Exchange Ltd and Helsingin Kaupunkikaasu Oy.

Gasum sold a total of 43.4 TWh (4.34 billion cubic metres) of natural gas in 2007.

A considerable proportion of natural gas is still used for combined heat and power (CHP) production by communities and industry. The expansion of Neste Oil's Porvoo refinery, which became operational in 2007, enhanced the use of natural gas as raw material.

On 7 January 2008 Gasum signed a letter of intent with Neste Oil Plc regarding the supply of natural gas to its Naantali refinery, and with Turun Seudun Maakaasu ja Energiantuotanto Oy (TSME) to its planned power station generating electricity and district heat. The letter of intent covers the supply of around 450 million cubic metres of natural gas to the Turku economic zone. The envisaged pipeline constructed by Gasum will be 195 km long.

The use of natural gas in traffic is an important developing market segment. Gasum aims to construct a basic network of 30 filling stations by the end of 2010. There are around 300 natural gas vehicles (NGVs) in Finland, of which around one-third are buses operating in the Helsinki Metropolitan Area. Gasum also studied the feasibility of producing and marketing liquefied natural gas (LNG) for use as fuel in applications such as ferry traffic.

Gasum is responsible for the maintenance and development of the Finnish natural gas transmission network. Gasum has local distribution in many areas around Finland, including Helsinki, Kotka, Lohja and Siuntio.

CEO
Antero Jännes

Gasum decided on several major network extension projects in 2007: a new natural gas pipeline will be constructed between Mäntsälä and Siuntio in Western Uusimaa, and a new parallel pipeline will be built from Iittala, north of Hämeenlinna, to Tampere. Gasum is also exploring the potential use of natural gas in the Hankoniemi area.

Gasum's integrated management system is certified in accordance with the ISO 9001:2000 and ISO 14001:2004 standards. The company is a signatory to the Finnish Chemical Industry's Responsible Care initiative and the Finnish industrial energy savings agreement.

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Juha Vainikka, Vice Chairman
Björn Ahlnäs
Paula Lähde
Aleksei Novitsky
Christer Paltschik
Kristiina Vuori

Consolidated		2005	2006	2007
Net sales	M€	643	888	852.1
Operating income	M€	40.0	77.9	92.6
Income after financial items	M€	40.0	77.9	93.0
Return on investment	%	7.2	10.2	15.9
Equity ratio	%	58.9	60.8	61.2
Balance sheet total	M€	564	602	636.8
Gross investments	M€	40.5	37.6	29.6
Personnel, average		185	201	209
Parent company				
Share capital	M€	178.3	178.3	178.3
Dividends	M€	22.3	44.5	47.7
State ownership, January 1, 2008	%			24
Dividends to the State for the financial year	M€			11.4

Itella is a service company that takes care of its customers' important information and material flows. The Group operates in ten northern European countries, with its international business accounting for 25 per cent of net sales. One of its key basic tasks in Finland lies in providing important daily nationwide mail services to both consumers and companies.

Itella is Finland's second largest corporate employer. The company is committed to sustainable development: it strives to operate responsibly towards the environment, society and its employees.

One of the key basic tasks of the Itella Group in Finland lies in providing important daily nationwide mail services to both consumers and companies.

President and CEO Jukka Alho

▶ Itella Mail Communication offers versatile letter, magazine and direct mail distribution services. In addition, it develops comprehensive solutions for customer relationship marketing needs.

Itella Information is a partner for businesses and organisations in the processing, management and delivery of information flows. These services are related to the rationalisation and development of invoicing processes, supply-delivery chain integration and document processing.

Itella Logistics offers its costumers service logistics solutions relating to freight and forwarding operations, transports and deliveries, warehousing and contract logistics.

Itella Group's net sales grew by 8.9 per cent and its operating profit by 14.4 per cent. Its EBIT margin increased slightly to 6.0 per cent. Itella will pay dividends worth MEUR 39.0 and employee profit-sharing bonuses worth MEUR 6.0 million.

Main events in 2007 included Itella Information's rise to become the market leader in northern Europe and Itella Logistics' expansion into Russia. For mail services, a comprehensive development phase began with the launch by Itella Mail Communication of a development and investment plan in Finland, spanning several years.

Itella is seeking to be the leading information and service logistics company in northern Europe by 2012. In Finland, its competitive edge consists in an efficient distribution and service network, through which Itella offers overwhelmingly comprehensive and high-quality services. On international markets, Itella operates by carefully segmenting its markets and differentiating itself through innovative and technology-based services.

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Hele-Hannele Aminoff
Erkki Helaniemi
Antero Palmolahti
Mirja Sandberg
Riitta Savonlahti
Maarit Toivanen-Koivisto

Consolidated		2005	2006	2007
Net sales	M€	1348.2	1550.6	1688.3
Operating income	M€	97.8	89.0	101.8
Income after financial items	M€	103.7	94.4	109.5
Return on investment	%	15.4	14.1	15.6
Equity ratio	%	63.5	65.1	65.9
Balance sheet total	M€	1039.3	1051.5	1119.1
Gross investments	M€	143.0	69.5	94.2
Personnel, average		24624	25294	25623
Parent company				
Share capital	M€	70	70	70
Dividends	M€	43	27	39
State ownership, January 1, 2008	%			100
Dividends to the State for the financial year	M€			39.0

KEMIJOKI OY

Kemijoki Oy is the leading producer of hydroelectric power and related services in Finland. The company owns 20 hydropower plants, of which 16 are located in the watercourse of the River Kemijoki, two on the River Lieksanjoki and two on the River Kymijoki. In addition, it regulates the artificial lakes of Lokka and Porttipahta, Lake Kemijärvi and Lake Olkkajärvi. The electric energy produced by its hydropower plants is delivered to the hydropower company shareholders.

▶ Hydropower is a renewable, emission-free, diversified form of domestic energy. Due to its excellent adjustment properties and reliability it is the most important factor to guarantee a balanced function of the electricity system and the security of electricity supply. The hydropower plants of Kemijoki Oy account for a third of the power control need in Finland and the frequency-controlled reserve produced in power plants in order to maintain the balanced function of the electricity system.

In 2007, the electricity generated by the company's hydropower plants totalled 4,381 GWh.

Throughout its existence Kemijoki Oy has increased its production capacity. In the year 2007, the company continued its project for refurbishing and increasing the capacity of the power plant at Ossauskoski whose machinery No 2 was replaced. As a result of that the capacity increased by 10 MW. The rest of the machinery at Ossauskoski will be replaced in 2008. The project for increasing the capacity of the Ossauskoski power plant is close to completion. The next project for the company will be the refurbishment of Vanttauskoski and Pirttikoski power plants in the main riverbed. It is no more possible to increase the hydropower capacity in a marked way by increasing the efficiency of existing plants. The only possibility of increasing capacity is to build new hydropower plants and reservoirs.

The capacity of the Ossauskoski power plant will increase to 31 MW after the refurbishment of the rest of its machinery in 2008.

President and CEO
Aimo Takala

Kemijoki Oy has made a study of the remaining hydropower potential of the River Kemijoki. The study reveals that the unharnessed hydropower potential in the watercourse of the River Kemijoki amounts to 2,200 GWh. Harnessing this potential would increase the company's production capacity by almost 50 percent. Kemijoki Oy has the necessary enforcement capacity, if a political agreement is reached on the matter.

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Tapio Kuula, Chairman
Markku Tynkkynen, Vice Chairman
Risto Andsten
Hannu Haase
Maarit Herranen
Paula Nybergh
Seppo Ruohonen

Consolidated		2005	2006	2007
Net sales	M€	38.1	39.0	41.5
Operating income	M€	1.7	-1.3	-0.2
Income after financial items	M€	-5.3	-8.6	-8.9
Return on investment	%	0.5	-0.4	-0.1
Equity ratio	%	35.8	34.5	32.3
Balance sheet total	M€	419.6	414.9	421.4
Gross investments	M€	9.9	11.0	16.8
Personnel, average		305	284	270

Parent company				
Share capital	M€	41.3	41.3	41.3
Dividends	M€	0.7	0.7	0.7
State ownership, January 1, 2008	%			50.1
Dividends to the State for the financial year	M€			0.4

Patria

Patria is a defence and aerospace Group with international operations delivering competitive solutions based on its own specialist knowhow and partnerships.

Key business areas are

- armoured wheeled vehicles and mortar systems, ammunition products and their life cycle support services
- life cycle support and training services for military and governmental aircraft and helicopters
- maintenance of the army material for the Finnish Defence Forces
- development and integration of systems for command and control and situational awareness.

Patria is owned by the State of Finland (73.2 %) and the European Aeronautic Defence and Space Company EADS N.V.(26.8 %).

The Group's net sales for 2007 totalled EUR 541.2 million. Defence material and maintenance accounted for 86% and civilian products for 14% of the net sales. Sales outside Finland accounted for 49% of the net sales. At the end of the financial period, the volume of the Group's order stock was EUR 907.1 million. The Group's operating profit was EUR 37.3 million. The consolidated income before taxes amounted to EUR 33.5 million. The Group's return on equity was 11.8%

Patria has invested heavily in export business. In 2007, Patria signed contracts for the delivery of Patria AMV vehicles with South Africa, Croatia and United Arab Emirates. At the end of the year, cooperation with Lockheed Martin was started in the USA in order to provide the United States Marine Corps with a new vehicle solution.

The Nammo Group, owned by Patria and the Norwegian State, continued to post strong export growth.

On the domestic market solutions were found for the NH90 helicopters and the Finnish Army's material maintenance partnership programme, in which Patria plays a major role. Through these projects, Patria continues to develop its cooperation with the Finnish Defence Forces.

Manufacturing of armoured wheeled vehicles, including their life cycle support services, is one of the core business areas of the Patria Group.

President and CEO
Jorma Wiitakorpi

Patria's competitiveness on international markets is based in the cooperation with local partners. Customers' decision-making processes are faster than before, and they expect shorter delivery times for products and services. Patria responds to these challenges by networking with local partners.

In Finland, Patria's continued cooperation with local partners is visible, among other things, in the progress of several business park projects. The Hämeenlinna and Vammala business parks create the basis for close partnership networks, which enable companies to benefit from each other's competences.

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Hervé Garnier
Hervé Guillou
Ilkka Hollo
Jussi Itävuori
Anneli Tuominen

Consolidated		2005	2006	2007
Net sales	M€	317.2	447.8	541.2
Operating income	M€	13.2	26.9	37.3
Income after financial items	M€	12.3	25.6	33.5
Return on investment	%	6.6	12.2	14.6
Equity ratio	%	61.4	55.2	48.1
Balance sheet total	M€	410.6	483.5	515.1
Gross investments	M€	11.7	45.6	57.3
Personnel, average		1 848	2 447	2 662
Parent company				
Share capital	M€	38.0	38.0	38.0
Dividends	M€	5.1	15.2	11.4
State ownership, January 1, 2008	%			73.2
Dividends to the State for the financial year	M€			8.4

RAHAPAJA OY

The Mint of Finland Group is the leading company in its field in the Nordic countries and the Baltic region, and it is also one of the technologically most advanced mints in the world. The operations of the Mint of Finland Group are divided into production, sales, and marketing of circulation coins, collector coins and medals, decorations, business gifts and jewellery. Mint of Finland Ltd is the only company in the world to have three national mints integrated into the same group.

The minting of coins and the skilful working of metal are century-long traditions within the company and go back as far as the year 990. In Finland the history of the mint began in 1860, when the Russian tsar Alexander II confirmed that Finland would have its own monetary unit. Today, Mint of Finland Ltd is the number one supplier of euro coins, as it has struck euros for six countries already. The other companies within the group also represent strong competence in their own fields. The common goal is to combine the latest technology with traditional handicraft and beautiful design.

The Mint of Finland group consists of the parent company Mint of Finland Ltd, AB Myntverket in Sweden, and Det Norske Myntverket AS in Norway. These companies have been responsible for the production of the coins used as the states' official currency, as well as the production of collector coins and medals. The group also includes Nordic Moneta that specialises on the sales of collectible numismatic products. In Finland the company operates under the name Rahapaja Moneta, in Sweden under the name Mynthuset Sverige, and in Denmark under the name Mønthuset Danmark. The group also includes Rahapaja Insignia in Finland and Svenska Medalj in Sweden, which have specialised on the production of medals and business gifts, as well as the coin shop Eesti Mündiäri in Tallinn. Rahapaja Insignia also produces a major part of all the decorations awarded by the Finnish state and local authorities.

The Mint of Finland Group is one of the leading minting companies in Europe. It has already minted Euro coins for six European countries.

President and CEO
Maarit Aarni-Sirviö

Mint of Finland Ltd's largest export project in the year 2007 was the completion of the delivery of 10 Bath coins to Thailand. Additionally, the company delivered a new euro country starter package to the Central Bank in Cyprus (circulation coins, coin series, and presentation packages). The marketing position for numismatic products was strengthened in the Baltic region. The opening of an office in Latvia enables further developing of the operations in the Baltic countries. However, the strong fluctuation in the price of metal influenced the price of raw materials and the availability of blanks, which reduced profitability.

The Mint of Finland group has a personnel of approximately 250 and exports its products to nearly 40 countries. The turnover in 2007 reached approximately 121 million euros.

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Hille Korhonen
Jukka Ohtola
Anssi Pihkala
Catharina Stackelberg-Hammarén

Consolidated		2005	2006	2007
Net sales	M€	105.0	122.2	120.5
Operating income	M€	5.8	11.0	4.8
Income after financial items	M€	6.2	12.1	6.3
Return on investment	%	6.5	12.0	5.4
Equity ratio	%	65.5	64.4	70.3
Balance sheet total	M€	88.0	95.1	84.6
Gross investments	M€	1.7	1.3	1.8
Personnel, average		233	247	263
Parent company				
Share capital	M€	5.0	5.0	5.0
Dividends	M€	1.9	1.5	1.8
State ownership, January 1, 2008	%			100
Dividends to the State for the financial year	M€			1.8

RASKONE

Raskone was formed in 1994 of the repair facilities of the Finnish Road Administration, subordinated to the Ministry of Transport and Communications, and those of the Water and Environmental Administration. In little more than a decade, the company has expanded to its present size trough both acquisitions and organic growth. Its turnover has increased from approx. EUR 13 million in the first year of operation to EUR 149 million in 2007. Today Raskone is the largest company proving vehicle life cycle services in Finland.

In little more than a decade, Raskone became one of the biggest large vehicle repair and leasing companies.

Managing Director Jyrki Kaskinen

▶ The Raskone Group provides its customers with duty vehicle life cycle services. Raskone Oy's main line of business is maintenance and repair of duty vehicles and machinery. Its network of service and repair shops covers the whole country. Besides the parent company Raskone Oy, the Raskone Group also comprises two wholly owned subsidiaries, Easy Km Oy and Pajakulma Oy. Easy Km provides its business customers with full-service leasing solutions, and Pajakulma Oy is engaged in equipping trucks for various kinds of operations. Pajakulma is a subgroup comprising of two subsidiaries in Finland and three companies in the Baltic Sea region. The wide range of services provided by the three companies of the Group, i.e. Easy Km Oy, Raskone Oy and Pajakulma Oy, constitute a competitive whole on the market.

In October, Pajakulma acquired the company Jorpelehto Oy, a manufacturer of various kinds of platforms for trucks used in the transportation of soil materials.The products of Jorpelehto provide a complement to Pajakulma Oy's range of customer solutions based on its sectorial expertise.

In February, the city of Jyväskylä contracted-out its duty vehicles to Easy Km Oy, and as of beginning of March its repair shop business to Raskone Oy. The city of Jyväskylä is along with the city of Lahti the other major city customer of Raskone.

Raskone is still working actively in order to expand its business while the sectoral structure is changing. The benefits of large volume will be exploited in a more efficient way, and the profitability is expected to improve during the financial year. Net sales growth is estimated to continue.

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Johanna Haavisto
Sari Harvia-Jyllinmaa
Maire Laitinen
Marilene Mäkipää
Aimo Sinkkonen

Consolidated		2005	2006	2007
Net sales	M€	102.8	116.4	148.8
Operating income	M€	5.4	4.8	5.5
Income after financial items	M€	3.3	3.3	4.0
Return on investment	%	7.6	7.9	9.8
Equity ratio	%	12.4	21.6	26.1
Balance sheet total	M€	78.8	80.6	74.3
Gross investments	M€	7.3	15.5	11.5
Personnel, average		769	877	946
Parent company				
Share capital	M€	1.0	1.0	1.0
Dividends	M€	0.5	0.7	0.5
State ownership, January 1, 2008	%			85
Dividends to the State for the financial year	M€			0.4

Vapo's mission is to meet the growing need for bio energy and its vision is to be the leading and most profitable supplier of pellets and other biofuels in the Baltic Sea Region and a significant local supplier of heat and electricity in Finland, Sweden and Estonia.

Pellet deliveries reached a new peak. Higher prices on competing forms of heating and the technical development of pellet heating devices make the pellet-fuel heating system increasingly common.

President and CEO Matti Hilli

▶ Vapo is the leading supplier of local and renewable fuels, electricity and heat from renewable sources and environmental business solutions in the Baltic Sea Region. The Vapo Group comprises the parent company Vapo Oy with its five business areas: Local Fuels, Heat and Power, Pellets, Garden and Environment and Vapo Timber Oy.

Vapo's strategy is to be the leading bio energy company in the Baltic Sea Region. The company aims at maintaining the energy use of peat at least at its present level in Finland and to increase the use of peat in energy production in Sweden and the Baltic states. Vapo expands its business outside the emissions-trading sector, i.e. production and sales of pellets and horticultural peat. As concerns pellets and other biofuels Vapo builds on its already strong position in the Baltic Sea Region. The company also increases its local production of heat and electricity from own fuels. As regards its environmental business Vapo concentrates on growing media and the supply of horticultural peat to the Baltic Sea Region.

As regards Vapo the year 2007 was marked by changing conditions. The two consecutive warm winters affected fuel consumption and the supply of raw materials for saw mills. The rainy summer had a negative impact on peat production, only slightly more than half of the objective was achieved.

The market conditions, however, were favourable. The market for timber was particularly good in the beginning of the year. Local fuels were in good demand and the company had the biggest increase in sales in this area of business.

Net sales for the Vapo Group increased to EUR 660.6 million in 2007 (EUR 600.9 million in 2006). The operating income came to EUR 55.5 million, i.e. an increase by 8.4 percent of net sales (EUR 53.8 million, i.e. 9.0%, in 2006). The Group had approx. 1 828 employees.

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BOARD OF DIRECTORS
(as from March 26, 2008)
Heikki Niskakangas, Chairman
Kari Jordan, Vice Chairman
Martti Asunta
Markku Melkko
Marja-Leena Rinkineva
Katariina Simola

Consolidated		2005	2006	2007
Net sales	M€	523.9	600.9	660.6
Operating income	M€	23.5	53.8	55.5
Income after financial items	M€	19.7	49.2	48.4
Return on investment	%	5.2	10.8	9.9
Equity ratio	%	48.6	47.3	43.5
Balance sheet total	M€	625	700	788
Gross investments	M€	78	69	112
Personnel, average		1734	1891	1828
Parent company				
Share capital	M€	50	50	50
Dividends	M€	11.5	17	17
State ownership, January 1, 2008	%			50,1
Dividends to the State for the financial year	M€			8.5

VR is a customer-focused, eco-friendly Finnish transport service company that provides rail services and complementary road services. VR also offers track construction and maintenance services. In addition, VR Group contains companies providing catering and restaurant services and telecommunications services.

A record 66.7 million journeys were made in VR's rail passenger services in 2007.

CEO
Henri Kuitunen

▶ VR Ltd, the Group´s largest company, is responsible for rail transport. In 2007 a record 66.7 million passenger journeys were made by rail, an increase of 4.5% from the previous year. The number of long-distance journeys increased 3.1%. Altogether 53.7 million journeys were made in commuter services in the Greater Helsinki region, an increase of 4.9%. In services between Finland and Russia a total of 399,000 passenger journeys were made, which is 18.4% more than in the previous year. Passenger services had a net turnover of EUR 370.2 (340.0) million

VR Ltd carried altogether 40.3 (43.6) million tonnes of freight. Domestic carryings accounted for 26.2 (26.0) million tonnes. The volume of international freight traffic, crossing Finland's borders, was 14.1 (17.6) million tonnes. Most of this, ie 13.5 million tonnes, was traffic between Russia and Finland. This declined 20.0% from the previous year. Transit carryings via Finland to third countries decreased 16.4% from the previous year, to 3.5 million tonnes. The net turnover of freight services totalled EUR 340.0 (358.9) million.

VR-Track Ltd and its subsidiaries specialize in track design, construction and maintenance services. The company's customers include the Finnish government, local authorities, ports, industrial companies using the rail network, and other main contractors for track maintenance. The net turnover of track construction and maintenance was EUR 238.6 (233.0) million. Most of this, more than 80%, came from contracts awarded by the Finnish Rail Administration, which is responsible for managing the national rail network.

The net turnover of the Pohjolan Liikenne subgroup, which provides VR Group's road services, increased 19.3% to EUR 286.6 (240.1) million. Freight accounted for 86% of this. Freight volumes in road services increased 10.0% from the previous year, amounting to 10.8 million tonnes. The number of bus and coach journeys totalled 14.4 million, 2.4% more than in the previous year.

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BOARD OF DIRECTORS
(as from April 4, 2008)
Antti Lagerroos, Chairman
Christer Granskog
Maaret Heiskari
Jorma Hellsten
Antti Mäkelä
Soili Suonoja
Arja Talma
Markku Tapio

Consolidated		2005	2006	2007
Net sales	M€	1 196.6	1 264.6	1 334.1
Operating income	M€	61.1	85.2	87.1
Income after financial items	M€	65.7	89.3	93,5
Return on investment	%	5.4	7.0	7.2
Equity ratio	%	82.8	83.6	84.1
Balance sheet total	M€	1 511.6	1 552.6	1 593.5
Gross investments	M€	210.2	110.3	118.9
Personnel, average		12 791	12 663	12 540

Parent company				
Share capital	M€	370.0	370.0	370.0
Dividends	M€	23.0	30.4	54.8
State ownership, January 1, 2008	%			100
Dividends to the State for the financial year	M€			54.8

STATE MAJORITY-OWNED COMPANIES AND ASSOCIATED COMPANIES

31.12.2007 (Group Data)

	Branch	Net sales 2007 M€	Personnel 2007	State share %	Supervising ministry
State majority-owned companies					
Alko Inc.	Alcoholic beverage retail trade	1 067.5	2 609	100.0	STM
Altia Corporation	Alcoholic beverage production and wholesale trade	494.7	1 135	99.9	VNK
OHY Arsenal Plc*	Property management	..	..	100.0	VM
Boreal Plant Breeding Ltd 1)	Breeding and marketing of field crop varieties	7	71	65.0	VNK
CSC Scientific Computing Ltd	ADP services related to computational engineering	16.7	155	100.0	OPM
Destia Oy 2) (as from 1 January 2008)	Industrial. environmental and transportation services	(602)	(2 774)	100.0	VNK
Edita Plc	Printing and publishing	147.6	1 018	100.0	VNK
Finnair Oyj	Air transport	2 181	9 480	55.8	VNK
Finnish Fund for Industrial Cooperation Ltd (Finnfund)	Special financing	..	37	79.9	UM
Finnish Industry Investment Ltd	Capital investment	..	19	100.0	TEM
Finnvera plc	Special financing	186.3	401	100.0	TEM
Fortum Corporation	Energy production	4 479	8 304	50.8	VNK
Hansel Oy	Procurement services	8	55	100.0	VM
Haus Kehittämiskeskus Oy	Domestic public administration development and training	6	39	60.0	VNK
Itella Corporation	Postal service	1 688.3	25 623	100.0	VNK
Kemijoki Oy	Energy production	41.5	270	50.1	VNK
Labtium Oy3)	Chemical laboratory services	-	-	100.0	VNK
Mint of Finland Ltd	Metals	120.5	263	100.0	VNK
Motiva Oy	Promotion of efficient use of energy	4	28	100.0	VNK
Neste Oil Corporation	Oil refining	12 103	4 810	50.1	VNK
Patria Oyj	Defence materiels and technology	541.2	2 662	73.2	VNK
Raskone Oy	Heavy-duty machinery repair and service operations	149	946	85.0	VNK
Solidium Oy	Investment company	56.3	20	100.0	VNK
Suomen Erillisverkot Oy	Telecommunications	24.5	64	100.0	SM
Suomen Viljava Oy	Grain warehousing. handling and processing services	17	93	100.0	VNK
Tietokarhu Oy 4)	IT services for tax authorities	35.1	265	20.0	VM
Vapo Oy	Peat and timber industry	661	1 828	50.1	VNK
Oy Veikkaus Ab	Football pools and lottery	1 391.4	370	100.0	OPM
VR-Group Ltd	Rail transport	1 334.1	12 540	100.0	VNK
Yleisradio Oy	Broadcasting	385.4	3 278	99.9	LVM
Yrityspankki Skop Oyj*	Banking	..	..	100.0	VM

Associated companies

	Branch	Net sales 2007 M€	Personnel 2007	State share %	Supervising ministry
Arek Oy	Pension-related information management services	34	10	9.0	VNK
Art and Design City Helsinki Oy Ab	Community planning	0.4	4	35.2	VNK
Eka-kiinteistöt Oy*	Property investment	..	..	38.0	VNK
Ekokem Oy Ab	Handling of hazardous waste	74.3	302	34.1	VNK
Elisa Corporation 5)	Communication services	1 568	3 299	0.65	VNK
Fingrid Oyj	Electric power transmission	334.6	241	12.3	VNK
FCG Finnish Consulting Group Oy	Consultancy and training services	73.2	816	6.1	VNK
Finnish Aviation Academy Ltd	Training in the aviation industry	8.1	35	49.5	OPM
Gasum Corporation	Natural gas wholesale trade	852.1	209	24.0	VNK
Horse Institute Ltd	Training in the equestrian industry	6.8	105	25.0	VNK
Kemira Oyj	Chemicals	2 810.2	10 008	16.5	VNK
Metso Corporation	Metal engineering	6 250.0	26 269	11.1	VNK
OMX Abp 6)	Exchanges and securities; provision of IT systems and services	456	1 481	1.3	VNK
Outokumpu Oyj	Metals and technology	6 913	8 270	31.1	VNK
Rautaruukki Corporation	Metal engineering	3 876	14 715	39.7	VNK
Sampo plc	Banking and insurance	7 343	6 846	13.7	VNK
Santapark Ltd 7)	Tourism and theme park	2	4	32.1	VNK
Silta Oy	Outsourcing of personnel services	20	275	10.2	VNK
Sponda Plc	Property investment	210.9	217	34.3	VNK
Stora Enso Oyj	Forest products industry	13 374	39 239	12.3	VNK
Suomenlinnan Liikenne Oy	Traffic	4	15	50.0	OPM
Suomen Siemenperunakeskus Oy	Maintenance. production and marketing of potato varieties	3	12	22.0	VNK
TeliaSonera AB	Telecommunications	10 204	28 376	13.7	VNK

1) Financial year 1 July 2006 - 30 June 2007
2) Figures for Finnish Road Enterprise
3) As from 1 September 2007
4) Percentage of votes 80%
5) The State sold its shares on 22 April 2008
6) The State sold its shares on 1 February 2008
7) Financial year 1 May 2006 - 30 April 2007
* In liquidation
.. no information available

LVM = Ministry of Transport and Communications
MMM = Ministry of Agriculture and Forestry
OPM = Ministry of Education
SM = Ministry of the Interior
STM = Ministry of Social Affairs and Health
TEM = Ministry of Employment and the Economy
UM = Ministry for Foreign Affairs
VM = Ministry of Finance
YM = Ministry of the Environment

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