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Neomarkka in brief

- Neomarkka Plc is an investment company whose stock is quoted on the Helsinki Stock Exchange.
- Neomarkka targets a high absolute return on the net asset value regardless of the overall direction of equity and bond markets. The company seeks less variation in returns than is currently the case on equity markets.
- The company's investments are focused mainly on hedge funds. A smaller part of the net assets can be invested directly or indirectly using vehicles such as shares, bonds, derivatives and other securities.
- Novalis Plc is a fully-owned subsidiary of Neomarkka, which manages the Group's investments in unlisted telecommunications companies.

The year 2004

- At year end the net asset value was EUR 9.40 per share after deferred tax liability. The year before it was EUR 8.74 out of which a dividend of EUR 0.08 was distributed to the shareholders.
- Dividend-adjusted return on net asset value was 8.5% (7.8%)
- The Board proposes that EUR 0.30 per share be distributed in dividend (EUR 0.08).
- Neomarkka switched to the Helsinki Stock Exchanges' main list from the I-list.
- During the year, the leverage was increased from 93% to 141%, and allocation to hedge funds was increased to 94% of the net assets.

Managing Director's Review

In 2004, Neomarkka's return in relation to the risk level was good and provided confirmation that active asset management also worked in a market situation that was unusually stagnant for most of the year. Neomarkka succeeded in choosing excellent asset managers for both its hedge fund investments and equity investments. A return on net assets of 8.5% was achieved with a very low realized risk. The starting point for the year was to exceed the previous year's return on net assets of 7.8%. This target was reached. There was also a clear growth in investment activity during the year with the consolidated balance sheet value rising from EUR 49 million to EUR 82 million.

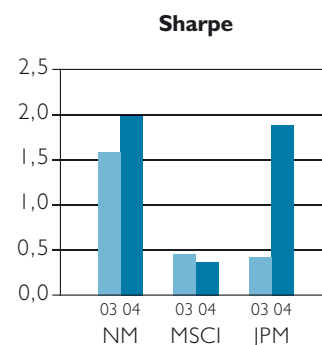
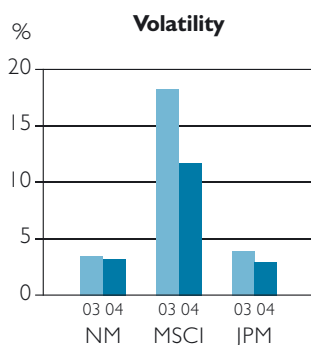
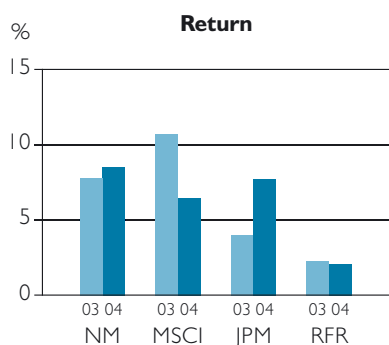
Return and risk

Neomarkka's target is an absolute return, i.e. a good, positive return on net assets every year, regardless of the direction of equity and bond markets. In order to put Neomarkka's return and risk into perspective, the diagrams below show a comparison with a global equity market index and a bond index for the euro zone. The indices chosen depict the return and risk level of traditional well-diversified investments into equities and bonds. Return on net assets shows the overall return of Neomarkka's operations after costs, with investments valued at market value.

The first diagram shows the return figures for 2004, the second the risk level measured by volatility and the third the Sharpe Ratio. In 2004, the return on Neomarkka's net asset value per share was 8.5%. During the same period global equities showed a return of 6.5%, and bonds in the euro zone 7.7%. Neomarkka's Sharpe Ratio was 2.0. The Sharpe Ratio for global equities was 0.4 and for bonds 1.9. A high Sharpe Ratio means that the return was high in relation to the realised risk.

Leverage

One of the themes for the year was the gradual raising of the leverage, i.e. level of investment, so that the return on our investments would have a greater effect on the return of the net assets. At the end of the year, investments into hedge funds and equities together were bigger than the net asset value. The total leverage, which also includes private equity investments, had risen from 93% to 141% of the net asset value (diagram on next page). The increased leverage implies higher risk. To compensate, we take care that the portfolio is well diversified. The hedge funds have been excellent in this respect. Actually, the volatility of the net asset value decreased compared with the previous year, so in effect the risk was reduced, even though the investment portfolio grew.



2003/rfr=2.3%, 2004/rfr=2.1%

NM = Neomarkka's net asset value, dividend adjusted
 MSCI = Equities, Morgan Stanley World Free Yield Index (EUR)
 JPM = Bonds, JP Morgan EMU Government Bond Index (EUR)
 RFR = Risk-free return on the money market in the euro zone



Market returns

From a risk-free investment denominated in euros and made on the money market on the first day of the year, one knew in advance that it would bring a return of 2.1% less possible costs. However, someone who took the risk of investing in the Worldwide Index achieved 4.4% in addition to the risk-free return, and slightly more if currencies were hedged.

It is interesting that there seems to be no consistent opinion about the level of return that should be expected from the equity market. Even though it is possible to measure the realised risk premium, there is no consensus about the relevance of historical information. Different studies of realised US data give a range of between 2% and 6% for a long-term risk premium. Some researchers have come to the conclusion that the risk premium has fallen to about 2%, or even less, during recent decades. It is also thought possible that this lower risk premium level has become predominant, in combination with equities remaining at a higher price level compared to where they historically used to be. In the light of this, 2004 was a good year on the equity market.

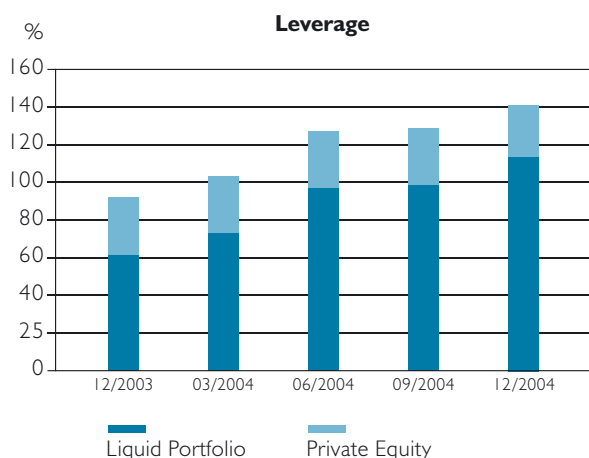
Even if there is uncertainty about the long-term return on equities, we at least know that the return on the equity indices has fluctuated greatly year by year.

The risk premium on the World Index was, for example, +4.4% in 2004, +8.4% in 2003, -35.3% in 2002, -16.6% in 2001, -11.7% in 2000, +43.2% in 1999, i.e. an average of -4.2% over the period in question. In spite of the big fluctuations, many investors want to participate in the index lotteries, and many believe that the end result will improve if they participate for long enough.

Active asset management

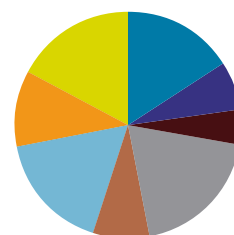
In Neomarkka's view, it is possible for a skilled active asset manager to improve the return compared with the market average and also to reduce the risk. Our task is to choose the right asset managers and ensure that the risks, which are always present, are not too similar among the managers. In other words, the portfolio must be well diversified between a sufficient number of managers and various strategies.

At the end of the year, Neomarkka had a total of 18 external asset managers who indirectly, via their funds or mandates, managed what we call our liquid portfolio. All these managers have strategies that completely disregard the index way of thinking. In 15 of these assignments the investment was made in hedge funds, i.e. funds with strategies and tools that seek to protect the capital from losses. The allocation of capital in Neomarkka's liquid portfolio between different strategies is depicted in the diagram below.



Neomarkka's Liquid Portfolio

- 16% Fixed Income Arbitrage
- 7% Convertible Arbitrage
- 5% Event-Driven
- 19% Long/Short Equity
- 8% Managed Futures
- 17% Global Macro
- 11% Emerging Market Debt
- 17% Long Only Equity



Neomarkka's hedge fund portfolio

Neomarkka formed its first hedge fund portfolio at the end of March 2002, since when its average annual return has been 9.6%. As the diagram shows, the appreciation in the value of the hedge funds has been remarkably steady, particularly when compared with the return from the equities market during the same period.

The characteristic of a genuine hedge fund should be that down side risk is limited. In Neomarkka's case, the return from hedge funds has been positive in 85% of the months, and during these months the return has deviated from zero much more than in the negative months. It is interesting that the World Index for equities has behaved in an opposite fashion during the period in question. The correlation figures below show that the dependence of the hedge fund portfolio on the equity and bond markets has been small.

The hedge fund portfolio's correlation with the equities in Neomarkka's portfolio has also been small. So the combination of Neomarkka's hedge funds and equities has formed an effective portfolio. The Sharpe Ratio, which is the most common measure of how well a portfolio's return and risk are balanced, confirms this, the figure for Neomarkka's combined portfolio being 2.5 for 2004 (2.2 in 2003).

Markets and hedge funds

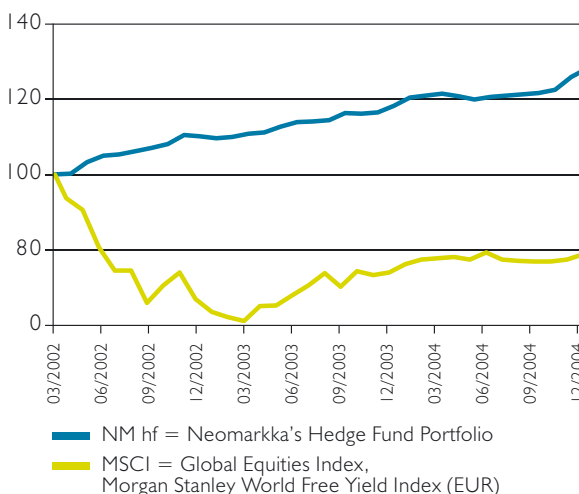
Volatility on the equities market (price fluctuations) was at an unusually low level in 2004. The World Index volatility on the equities market was only 12%, compared with a normal figure previously of about 15%. Movements in interest rates have also been unusually small. Since September 2003 long-term market interest rates (10 years) in the United States have mostly remained in the fairly narrow bracket of 4% to 4.5%, after a downward trend that lasted some twenty years and ended in June 2003.

The relatively small movements on the equity and bond markets made the work for many hedge funds more difficult and, on index-level, led to lower returns than many had anticipated. For example, the HFR fund of fund index produced a return of 6.7% in 2004 compared to an average of about 10% per year from January 1990. At Neomarkka we are of the opinion that one should not expect very high index returns from hedge funds. Because of the big flow of capital to hedge funds and the constantly increasing number of funds, it seems unlikely that the average fund will achieve an exceptional return.

This being the case, the strategy followed when choosing funds will be of greater importance than before. Neomarkka's view is that successful funds can be identified by analysing the funds' investment strategy and, in particular, the risk management. In the best

Neomarkka's Hedge Fund Portfolio 31.3.2002 - 31.12.2004

Compound Return

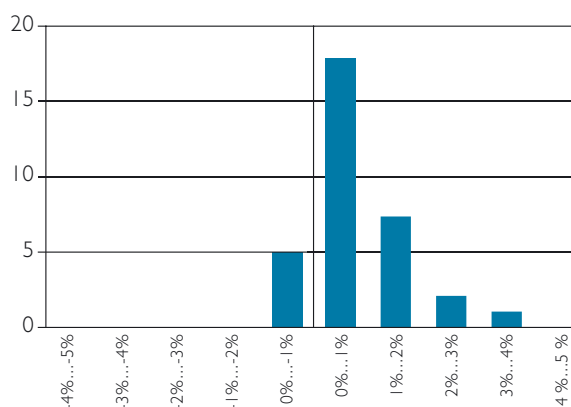


Correlation of portfolio with market indices

Shares, World/MSCI World free (EUR)	0.04
Shares, USA/S&P 500 (USD)	0.20
Shares, Japan/Nikkei 225 (YEN)	0.22
Shares, Europe/Euro Stoxx 50 (EUR)	0.08
Shares, Finland/HEX Portfolio Index (EUR)	0.14
Shares in Neomarkka's portfolio (EUR)	0.07
Bonds, USA/EFFAS US Government Bond Index (USD)	0.13
Bonds, Europe/JPM Government Bond Index (EUR)	0.21
Hedge Funds/HFR Fund of Fund Index (USD)	0.39

Source: Hedge Fund Research, Inc.

Distribution of Monthly Returns



Return analysis	NM hf	MSCI	JPM
Number of months	33	33	33
Positive months	% 85	55	76
Average return during positive months	% 1.0	2.7	1.1
Average return during negative months	% -0.5	-4.7	-0.7
Return	% 29	-22	24
Return (annualised)	% 9.6	-8.5	8.0
Standard deviation (annualised)	% 3.3	17	3.4
Sharpe Ratio (rfr=2.5%)	2.2	neg	1.6

NM hf = Neomarkka's Hedge Fund Portfolio
 MSCI = Global Equities Index, Morgan Stanley World Free Yield Index (EUR)
 JPM = Euro zone Bond Index, JP Morgan EMU Government Bond Index (EUR)

funds, superior risk management forms the core of the investment process; it is not just the subsequent measuring of realised risk. Successful managers also know how to regenerate. That is essential because the same strategies, as they become more common, do not necessarily produce superior returns in the long run.

Share price

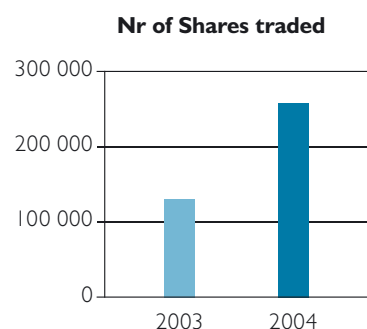
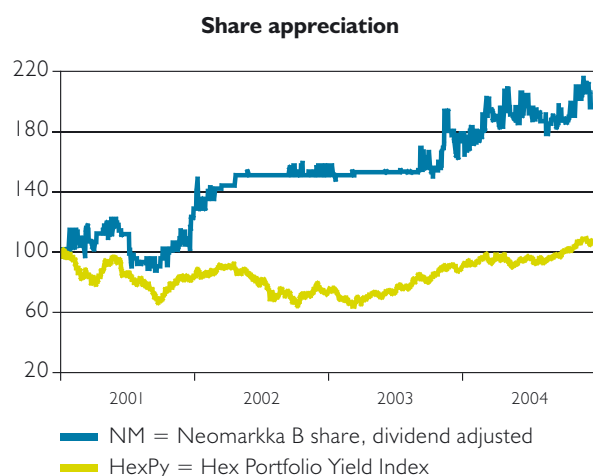
Neomarkka's share price rose during the year and the share's liquidity improved somewhat. Including dividends the share returned 15% in 2004. At the end of the year the share price was 22% below the net asset value. The share's turnover was doubled but was still small. Active measures taken by the company in order to improve the share's liquidity were transferring the company's listing to the Main List on the Helsinki Stock Exchange from the I-List, and increasing communication with various types of investor in the form of a new company brochure and more active participation in events taking place in the sector.

Starting with year 2005 it will be easier to follow and analyse Neomarkka's result, as Neomarkka adopts the International Financial Reporting Standards (IFRS). From this follows that investments are recorded at market value, and thus the consolidated financial result will correspond, as a rule, to the change in net asset value. Previously the financial result has frequently differed considerably from the change in net asset value, which may have complicated the analysis. The financial figures according to IFRS for year 2004 have been published, and they are also presented in a section of the annual report. These figures will be used as comparison in the reporting of year 2005.

It is Neomarkka's aim that the share's liquidity increases and that the share gives a good and stable return to the shareholders.



Samuel von Martens
Managing Director



Consolidated Net Asset Value

Neomarkka Group December 31	2004	2003	2002
Net Asset Value/share, EUR			
Before deferred tax liability	9.67	8.74 ^{*)}	8.19 ^{*)}
After deferred tax liability	9.40	8.74	8.19
Dividend paid	0.08	0.08	0.08
Assets	EUR million	EUR million	EUR million
Fixed assets	0.0	0.0	0.0
Current assets			
Listed equity and equity funds	11.1	7.5	11.2
Hedge funds	53.2	24.9	18.0
Private equity	15.6	16.3	16.3
Financial assets	8.7	4.2 ^{*)}	4.1 ^{*)}
Total assets	88.6	52.9	49.6
Current liabilities	-30.4	-0.3	-0.3
Net Asset Value before deferred tax liability	58.2	52.6 ^{*)}	49.3 ^{*)}
Deferred tax liability	-1.6	-0.0 ^{*)}	-0.0 ^{*)}
Net Asset Value after deferred tax liability	56.6	52.6	49.3
Number of shares	6,020,360	6,020,360	6,020,360

Publicly quoted securities are valued at the last trading price and funds are valued at the submitted final or estimated NAV. In cases where a last trading price is not available, the last bid is used. Private equity investments are valued at purchase expense or at the probable selling price in case it is lower than the purchase price.

^{*)} Between Dec. 31, 2001 and Oct. 31, 2004 the deferred tax receivables were not booked. At the same period deferred tax liabilities were offset by deferred tax receivables in the NAV-calculations.

Net Asset Value Reports

Neomarkka publishes monthly net asset value reports that provide investors with information on investments performance. As a rule, the reports are published within ten weekdays of the end of each calendar month in the form of stock exchange releases and on the Group's website at www.neomarkka.fi/en.

Monthly NAV returns, %

	Jan.	Feb.	March	April	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.	Year
2004	1.1	0.5	0.3	0.2	-0.6	0.9	0.1	0.0	0.3	0.9	3.1	1.3	8.5
2003	-1.5	-0.7	0.0	2.1	0.7	1.0	1.3	1.6	0.7	1.2	0.9	0.2	7.8
2002	0.4	0.5	1.2	0.5	0.7	-2.1	-2.1	0.0	-2.5	1.1	2.0	-1.7	-2.3

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Report by the Board of Directors

Neomarkka switched to the Helsinki Stock Exchanges' main list from the I-list on 21 September 2004. The Board of Directors considers that the company will reach its investors better from the main list, and that the switch therefore facilitates an increase in the liquidity of Neomarkka's share and a more efficient pricing of the share.

Neomarkka's Board of Directors has decided that the company's main mission is to create shareholder value by acting as a channel to such investments that are otherwise fairly inaccessible to investors.

Investing will focus mainly on hedge funds, run by investors who seek absolute return and have proven to be exceptionally successful. Hedge funds usually target at professional investors and the minimum allowed investment can be fairly substantial.

A smaller part of the assets can be invested directly or indirectly using vehicles such as shares, bonds, derivatives and other securities. The company adjusts its leverage by borrowing.

On its investments, Neomarkka targets a high absolute return regardless of the overall direction of the equity and bond markets. The company seeks less variation in returns than is currently the case on the equity markets.

Net Asset Value

At the end of 2004, the Group's net asset value after deferred tax liability was EUR 56.6 million (EUR 52.6 million in 2003). The change in net asset value was EUR 4.5 million (EUR 3.8 million), when adding back the dividend paid to shareholders. The net asset value per share was EUR 9.40 (EUR 8.74). Shareholders were paid a dividend of EUR 0.08 per share for 2003.

The return on net asset value per share was 8.5% (7.8%), dividends reinvested. Annual volatility calculated from monthly returns on net assets was 3.2% (3.5%), and the Sharpe Ratio was 2.0 (1.6). Volatility measures variability in returns, thereby describing the risk involved. The Sharpe Ratio describes the reward for risk.

For comparison, the one-, two- and three-year development of some market indices are presented in the following table, including dividends where applicable:

	12 mo	24 mo	36 mo
Equities, World/ MSCI World free (EUR)	6.5%	18%	-20%
Equities, USA/ S&P 500 (USD)	11%	42%	11%
Equities, Japan/ Nikkei 225 (YEN)	8.6%	36%	12%
Equities, Europe/ Euro Stoxx 50 (EUR)	9.9%	30%	-15%
Equities, Finland/ HEX general index (EUR)	7.6%	17%	-22%
Equities, Finland/ HEX portfolio index (EUR)	21%	49%	29%
Bonds, USA/ EFFAS Government Bond Index (USD)	2.9%	5.9%	20%
Bonds, Europe/ JPM EMU Gov Bond (EUR)	7.7%	12%	23%
Hedge funds/ HFR Hedge fund of fund index (USD)	6.7%	19%	20%
Neomarkka share (dividend adjusted)	15%	37%	61%
Neomarkka NAV (dividend adjusted)	8.5%	17%	14%

Neomarkka shares: prices and volumes traded

The closing price of Neomarkka's B share on the last business day of the year was EUR 7.35 (EUR 6.45). The total return on the share was 15.3% for the year (19.0%), including the dividend. At year end, the price of the share was lower than the net asset value. The discount declined during the year from 26% to 22%.

During 2004, 259,128 B shares (131,107) were traded on the Helsinki Stock Exchange. The volume corresponds to 4.4% of the number of B shares (2.2%) and EUR 1.8 million (EUR 0.8 million). The lowest trading price for the year was EUR 5.93 (EUR 4.67) and the highest trading price was EUR 7.79 (EUR 7.00). The value of all company shares on the last business day of the year at stock exchange prices amounted to EUR 44.2 million (EUR 38.8 million).

Net turnover, financial result and financing

Consolidated net turnover totalled EUR 18.0 million (EUR 15.8 million in 2003). Net turnover mainly comprises income from the trade of securities, dividends received, and interest income. Operating expenses amounted to EUR 1.1 million (EUR 1.0 million). Financial result for the year came to EUR 3.8 million (EUR 1.6 million) and earnings per share to EUR 0.63 (EUR 0.26).

The most relevant indicator for an investment company is the change in its net asset value shown by the net asset value calculation, not the financial result shown in the income statement according to Finnish Accounting Standards. The change in net asset value includes unrealised profits and losses, while the financial result includes only the latter; the difference at any given time may be substantial in either direction. The consolidated unrealised profits increased from 4.0 million euros at the beginning of the year to 6.3 million euros at the end.

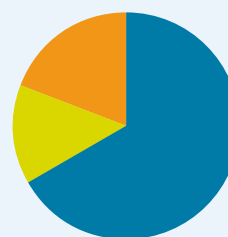
The consolidated equity ratio at year end was 63.1% (99.5%). Shareholder's equity per share was EUR 8.62 (EUR 8.07) at year end. The Group had loans of EUR 30 million for investment purposes at year end (EUR 0 million).

Investments in fixed assets during the year were minor. At year end, tangible fixed assets after depreciation amounted to EUR 0.02 million (EUR 0.03 million).

Investments

At year end the market value of Neomarkka's hedge fund investments was EUR 53.2 million (EUR 24.9 million) and the market value of listed shares and equity funds EUR 11.1 million (EUR 7.5 million). The value of Novalis Plc's unlisted investments was EUR 15.6 million (EUR 16.3 million). The amount of money market investments was EUR 2.7 million (EUR 2.0 million). As a rule foreign exchange positions were hedged through forward contracts. At year end, the leverage was 141% of the net asset value (93%), when leverage is defined as risky investments per net asset value.

Investments Dec. 31, 2004



	EUR million	Market value %
Hedge funds	53.2	94
Listed equity	11.1	20
Private equity	15.6	27
Leverage on NAV		141

Hedge funds and listed shares

In year 2004 Neomarkka Plc's liquid portfolio consisted of hedge funds, listed shares and currency derivatives. The liquid portfolio accounted on average for approximately 90% of the consolidated net asset value (60%).

At year end, the market value of hedge funds was 94% of the net asset value (47%). During the year, Neomarkka invested in seven new funds and withdrew its investment from two. The diversification of the portfolio was improved by increasing both the number of hedge funds and the investment styles of the hedge funds.

The proportion of equity investments was increased slightly during the year, so that at year end they accounted for 20% of net asset value (14%). During 2004, Neomarkka owned both Finnish and foreign shares.

In 2004, Neomarkka Plc's investment portfolio of hedge funds and shares returned 11.6% (14.6%) with an annual volatility of 3.9% (5.7%), and a Sharpe Ratio at 2.5 (2.2), as calculated from monthly figures.

Private equity investments

The investment portfolio of Novalis Plc, a wholly owned Neomarkka subsidiary, comprised unlisted Finnish telephone operators. The acquisition value of unlisted investments at the end of 2004 was 15.6 million euros (16.3 million euros). During the year, Novalis sold its shares in Lännen Puhelin Oy for 0.76 million euros. The shares had been acquired to the Neomarkka Group during 1999 and 2001. The total return, including dividends from this investment, amounted to approximately 30% for the holding period. Novalis did not make any new investments during the year.

Report by the Board of Directors

In 2004, Novalis Plc received dividends worth 0.6 million euros (0.5 million euros) excluding *avoir fiscal*. The dividend yield on the private equity investments was 3.5% (3.0%).

The recorded value for unlisted investments is at original acquisition cost, while the probable selling price is estimated to be at least equal to the acquisition cost. The value assessment includes uncertainty factors. To support the valuation of Novalis Plc's holdings, the Board of Directors commissioned an independent valuation from FIM Corporate Finance Oy. In a statement issued in November 2004, it was noted that at the time of assessment, the valuation of Novalis Plc's current assets at acquisition price was found to be fair and justifiable.

Group structure and shareholders

Neomarkka Plc is the parent company in a Group that includes the wholly owned subsidiaries Novalis Plc and Alnus Oy.

At the end of 2004, Neomarkka Plc had 14,978 shareholders (15,429). At year end, the holding of the largest, Norvestia plc, was 32.49% of the shares (32.49%) and 53.09% of the votes (53.09%). Neomarkka is thereby part of the Norvestia Group. Through Norvestia, Neomarkka is also part of the Kaupthing Group, whose parent company Kaupthing Bunadarbanki hf. is domiciled in Reykjavik and listed on the Reykjavik and Stockholm Exchanges.

At year end, the holding of the second largest shareholder, Metsäliitto Osuuskunta, was 20.02% of the shares (20.02%) and 13.90% of the votes (13.90%). At year end, the combined holding of the ten largest shareholders was 56.17% of the shares (54.67%) and 69.53% of the votes (68.49%).

Board and auditors

The following were re-elected to the Board at the Annual General Meeting on March 9, 2004:

M.Sc. (Econ) Sigurdur Einarsson, London (chairman)
MBA Mika Lehto, Helsinki (vice chairman)
M.Sc. (Econ) Hreidar Már Sigurdsson, Reykjavik
M.Sc. (Econ) Hannu Anttila, Espoo and
PhD (Econ) Stig-Erik Bergström, Espoo

At the Annual General Meeting Ernst & Young Oy, Authorized Public Accountants was chosen as auditor, with Carl-Gustaf af Hällström, Authorized Public Accountant, as responsible auditor.

Vice chairman Mika Lehto resigned from the Board of Directors on 2 September, 2004.

The Board of Directors normally convenes 8 to 10 times a year. In 2004 the Board of Directors met 11 times. The participation activity of the members was 88%.

Audit committee

Each year, the Board appoints an audit committee, the functions of which are to monitor the financial position of the company and oversee financial reporting, to assess internal control, the adequacy and regularity of risk management, and compliance with laws and regulations, to liaise with the auditor, and to review the auditor's reports. The auditing committee reports to the Board. Until September 2, 2004 the committee comprised Hannu Anttila (chairman), Stig-Erik Bergström and Mika Lehto. Since September 2, 2004 the committee comprises Hannu Anttila (chairman) and Stig-Erik Bergström. The audit committee convened two times during 2004.

Company personnel

The company employs both full-time and part-time personnel. On average there were 4 employees (4).

Company shares

At its Annual General Meeting, the Neomarkka Board obtained authorisation to acquire B shares up to the equivalent of five (5) per cent of all B shares with funds available for distribution. The Board did not exercise this authorisation in 2004.

Proposal for disposal of the profit

The Board proposes that EUR 0.30 (EUR 0.08) per share be distributed to shareholders from the parent company's distributable funds, a total of EUR 1.8 million (EUR 0.5 million).

Dividend policy

Neomarkka targets a high absolute return regardless of the overall direction of equity and bond markets. At the same time, the company seeks less variation in returns than is currently the case on equity markets.

The shareholder's total return comprises the change in share value and the dividend paid by the company. The Board will propose dividends when it judges that this leads to the best total return for shareholders.

Adopting the IFRS rules

The Neomarkka Group ceased using the Finnish Accounting Standards (FAS) in favour of the international accounting standard (International Financial Reporting Standards, IFRS) as of January 1, 2005.

The Group will publish its first interim report in 2005 in accordance with IFRS. Comparison figures for year 2004 according to IFRS were published on 15 February, 2005. Neomarkka's annual report includes a section, which presents the IFRS comparison figures for 2004.

Implementation of IFRS will have a significant influence on the presentation of the Group's consolidated financial statements. In comparison with the financial statements prepared in accordance with FAS, switching to IFRS affects the consolidated income statement, balance sheet, key figures and notes. Most importantly, the new regulations cause the financial instruments to be recorded at current market value instead of according to the lowest of acquisition price and market value. This will increase the financial result. Further, the consolidated equity will increase significantly, as unrealised profits for financial instruments less deferred tax liability will be recorded.

The consolidated net asset value calculation, which is published regularly every month, has been at market value already before the switch of accounting standards. Under IFRS, the consolidated financial result will correspond to the dividend adjusted change in net asset value for a period.

Prospects

Neomarkka invests a large proportion of its net asset value in hedge funds. As before, the company may from time to time also invest in a more traditional manner, both in listed and in unlisted instruments on the equity and bond markets.

The intention is to adjust the investment portfolio and the leverage in accordance with changing expectations on return and risk. On the first day of 2005, leverage was at 143% and is expected to increase somewhat during the first quarter of the year.

Income Statements

Consolidated Income Statement

EUR 1,000	Notes	Oct. 1 - Dec. 31 2004	Oct. 1 - Dec. 31 2003	Jan. 1 - Dec. 31 2004	Jan. 1 - Dec. 31 2003
Net turnover	1	4,681	7,625	17,968	15,782
Purchase of securities		-11,004	-6,698	-42,075	-14,071
Change in inventories		9,410	193	28,989	992
Personnel expenses	2	-97	-98	-337	-400
Depreciation		-2	-2	-7	-9
Other operating expenses		-233	-213	-726	-569
		-1,926	-6,818	-14,156	-14,057
Operating result		2,755	807	3,812	1,725
Financial income and expenses	3	-188	1	-472	2
Result before taxes		2,567	808	3,340	1,727
Taxes	5	640	-6	453	-165
Financial result		3,207	802	3,793	1,562
Earnings/share before dilution, EUR		0.53	0.13	0.63	0.26
Earnings/share after dilution, EUR		0.53	0.13	0.63	0.26
Number of shares		6,020,360	6,020,360	6,020,360	6,020,360

Parent Company Income Statement

EUR 1,000	Notes	Oct. 1 - Dec. 31 2004	Oct. 1 - Dec. 31 2003	Jan. 1 - Dec. 31 2004	Jan. 1 - Dec. 31 2003
Net turnover	1	3,660	7,583	16,263	15,122
Purchase of securities		-11,003	-6,698	-42,075	-14,071
Change in inventories		10,127	193	29,706	992
Personnel expenses	2	-78	-71	-272	-297
Depreciation		-1	-2	-6	-9
Other operating expenses		-230	-208	-712	-536
		-1,185	-6,786	-13,359	-13,921
Operating result		2,475	797	2,904	1,201
Financial income and expenses	3	-49	-4	22	275
Result before extraordinary items		2,426	793	2,926	1,476
Extraordinary items	4	-539	2	-539	2
Result before taxes		1,887	795	2,387	1,478
Taxes	5	685	0	685	0
Financial result		2,572	795	3,072	1,478
Earnings/share before dilution, EUR		0.43	0.13	0.51	0.24
Earnings/share after dilution, EUR		0.43	0.13	0.51	0.25
Number of shares		6,020,360	6,020,360	6,020,360	6,020,360

Balance Sheets

Consolidated Balance Sheet

EUR 1,000	Notes	Dec. 31, 2004	Dec. 31, 2003
ASSETS			
Fixed assets			
Tangible assets	6	21	28
		21	28
Current assets			
Inventories	8	73,627	44,638
Calculatory tax receivables	9	1,939	371
Current receivables	10	3,941	1,769
Money market investments	11	1,785	1,109
Cash and cash equivalents		960	921
		82,252	48,808
		82,273	48,836
SHAREHOLDERS' EQUITY AND LIABILITIES			
Shareholders' equity			
Restricted shareholders' equity	12	24,082	24,082
Premium fund		66	66
Reserve fund		1,221	1,221
Retained earnings		1,394	314
Other unrestricted equity		21,327	21,327
Financial result		3,793	1,562
		51,883	48,572
Current liabilities			
	13	30,390	264
		82,273	48,836

Parent Company Balance Sheet

EUR 1,000	Notes	Dec. 31, 2004	Dec. 31, 2003
ASSETS			
Fixed assets			
Tangible assets	6	20	26
Other investments	7	16,571	16,571
		16,591	16,597
Current assets			
Inventories	8	58,026	28,321
Calculatory tax receivables	9	1,939	371
Current receivables	10	3,941	1,767
Money market investments	11	1,785	1,109
Cash and cash equivalents		885	880
		66,576	32,448
		83,167	49,045
SHAREHOLDERS' EQUITY AND LIABILITIES			
Shareholders' equity			
Restricted shareholders' equity	12	24,082	24,082
Premium fund		66	66
Reserve fund		1,221	1,221
Retained earnings		996	0
Other unrestricted equity		21,327	21,327
Financial result		3,072	1,478
		50,764	48,174
Current liabilities			
	13	32,403	871
		83,167	49,045

Cash Flow Statements

Consolidated Cash Flow Statement

EUR 1,000	Oct. 1 - Dec. 31 2004	Oct. 1 - Dec. 31 2003	Jan. 1 - Dec. 31 2004	Jan. 1 - Dec. 31 2003
Operating activities				
Result before extraordinary items	2,567	808	3,340	1,727
Depreciation	2	2	7	9
Avoir fiscal and source tax credits	-929	-6	-1,114	-165
	1,640	804	2,233	1,571
Changes in working capital				
Increase (-) or decrease (+) in inventories	-9,410	-193	-28,989	-992
Increase (-) or decrease (+) in current receivables	-804	-1,754	-2,173	-1,700
Increase (-) or decrease (+) in liquid assets	-1,277	1,344	-676	2,245
Increase (+) or decrease (-) in current liabilities	10,054	-350	30,126	-85
	-1,437	-953	-1,712	-532
Cash flow in operating activities	203	-149	521	1,039
Financing activities				
Dividends paid	0	0	-482	-483
Cash flow in financing activities	0	0	-482	-483
Cash flow for the year	203	-149	39	556
Liquid funds at the beginning of period	757	1,070	921	365
Liquid funds at the end of period	960	921	960	921

Parent Company Cash Flow Statement

EUR 1,000	Oct. 1-Dec. 31 2004	Oct. 1-Dec. 31 2003	Jan. 1-Dec. 31 2004	Jan. 1-Dec. 31 2003
Operating activities				
Result before extraordinary items	2,426	793	2,926	1,476
Depreciation	1	2	6	9
Avoir fiscal and source tax credits	-882	0	-882	0
	1,545	795	2,050	1,485
Changes in working capital				
Increase (-) or decrease (+) in inventories	-10 127	-193	-29,705	-992
Increase (-) or decrease (+) in current receivables	-804	-1,751	-2,174	-1,696
Increase (-) or decrease (+) in liquid assets	-1,277	1,343	-676	1,674
Increase (+) or decrease (-) in current liabilities	11,347	-374	31,531	538
	-861	-975	-1,024	-476
Cash flow in operating activities	684	-180	1,026	1,009
Financing activities				
Dividends paid	0	0	-482	-483
Received or paid group contributions	-539	2	-539	2
Cash flow in financing activities	-539	2	-1,021	-481
Cash flow for the year	145	-178	5	528
Liquid funds at the beginning of period	740	1,058	880	352
Liquid funds at the end of period	885	880	885	880

Financial Statement Principles

Scope and principles of the consolidated accounts

The consolidated accounts include the parent company Neomarkka Plc and its wholly-owned subsidiaries Novalis Plc and Alnus Oy. The domicile of the Group companies is Helsinki.

The consolidated accounts were drawn up in accordance with the general instructions submitted by the Accounting Board.

Internal transactions and liabilities have been eliminated. Internal holdings have been eliminated on the acquisition cost principle.

Because of the nature of the company's operations, interest income derived from non-current loan receivables are entered under other income from operations.

Valuation principles

• Non-current assets

Non-current assets are owned by the parent company and subsidiaries. The balance sheet values for non-current assets are based on the original acquisition cost. Planned depreciations on tangible assets are in compliance with the maximum amount laid down in the Tax Act. Other capitalised expenditure will be depreciated over 5 years.

• Inventories

Shares, funds and other securities make up the inventories. The acquisition value is calculated by the trading lot using the first in first out -principle. Publicly quoted securities are entered at lowest value of the acquisition cost or the last trading price on the closing date or a corresponding price. Funds are entered at the declared final or estimated net asset value. Unlisted shares and holdings are entered at the acquisition cost or a lower probable selling price.

Current receivables are valued at the estimated total amount to be received. Liquid securities are valued at the acquisition cost.

• Currency forward contracts

Currency forward contracts are valued at the mean exchange rate on the European Central Bank's closing date. In the income statement, changes in the value of contracts that hedge underlying investments are entered under adjustment items for purchases of securities. The nominal amount of currency forward contracts states the amount of currency in an agreed future transaction.

• Exchange rates

Receivables and debts denominated in foreign currencies have been valued at the mean exchange rate on the closing date or the previous business day.

• Taxes

Starting in 2004, all tax receivables from tax credits based on avoir fiscal and withholding taxes, and from previous losses, have been entered in the financial statement. Deferred tax liabilities from unrealised profits, which are not entered, are presented in the net asset value calculation.

Notes to the Accounts

The Group operates through Neomarkka Plc and Novalis Plc. Operations in the subsidiary Alnus Oy are minor.

Income Statement

1. Net turnover

EUR 1,000	Consolidated		Parent Company	
	2004	2003	2004	2003
Sales of securities	15,337	14,158	14,572	14,158
Dividend income	1,186	1,043	902	800
Membership dividends	274	251	0	0
Avoir fiscal and source tax credits	1,114	165	732	0
Interest income	57	165	57	164
	17,968	15,782	16,263	15,122

2. Personnel expenses

EUR 1,000	Consolidated		Parent Company	
	2004	2003	2004	2003
Wages and salaries	274	304	223	224
Pension expenses	29	43	20	27
Other personnel expenses	34	53	29	46
	337	400	272	297
Of which,				
Salaries and fees to the management				
Chairman of the Board	11	11	11	11
Other Board members	31	44	31	44
Managing Director	112	87	90	43
	154	142	132	98
Fees to the company's auditors, the amounts are included in Other operating expenses				
Audit of the Annual Accounts	7	6	7	5
Interim Accounts review	5	13	5	13
Other services	1	1	1	1
	13	20	13	19

3. Financial income and expenses

EUR 1,000	Consolidated		Parent Company	
	2004	2003	2004	2003
Dividend income from subsidiaries	0	0	368	287
Avoir fiscal from the dividend income	0	0	150	0
Interest income, other	7	2	7	2
Interest expenses (-), to the Kaupthing Group	-478	0	-478	0
Interest expenses (-), within the Neomarkka Group	0	0	-24	-14
Other financial expenses (-)	-1	0	-1	0
	-472	2	22	275

4. Extraordinary items

EUR 1,000	Consolidated		Parent Company	
	2004	2003	2004	2003
Group contribution from Alnus Oy	0	0	6	2
Group contribution to Novalis Plc	0	0	-545	0
	0	0	-539	2

5. Taxes

EUR 1,000	Consolidated		Parent Company	
	2004	2003	2004	2003
Corporate tax from the result	-771	-165	-539	0
Avoir fiscal tax receivables	1,224	0	1,224	0
	453	-165	685	0

Notes to the Accounts

Balance Sheet

6. Tangible assets

EUR 1,000	Consolidated		Parent Company	
	Dec. 31, 2004	Dec. 31, 2003	Dec. 31, 2004	Dec. 31, 2003
Machinery and equipment				
Acquisition cost Jan. 1	97	97	91	91
Accumulated depreciation	-69	-60	-65	-56
Depreciation for the year	-7	-9	-6	-9
Acquisition cost Dec. 31	21	28	20	26

7. Other investments

EUR 1,000	Consolidated		Parent Company	
	Dec. 31, 2004	Dec. 31, 2003	Dec. 31, 2004	Dec. 31, 2003
Acquisition cost Jan. 1	0	79	16,571	16,650
Decreases	0	-79	0	-79
Acquisition cost Dec. 31	0	0	16,571	16,571

Shares in subsidiaries	Business ID	Share capital EUR 1,000	No. of shares	Book value EUR 1,000	Share- holding %
Alnus Oy, Helsinki	0762281-4	168	1,000	171	100.0
Novalis Plc, Helsinki	1642820-4	2,000	2,000,000	16,400	100.0

Books closed December 31, 2004, length of financial year 12 months.

8. Inventories

EUR 1,000	Consolidated		Parent Company	
	Dec. 31, 2004	Dec. 31, 2003	Dec. 31, 2004	Dec. 31, 2003
Hedge funds	49,237	22,430	49,237	22,430
Listed equity and equity funds	8,789	5,891	8,789	5,891
Private equity	15,601	16,317	0	0
	73,627	44,638	58,026	28,321

Neomarkka Plc

Hedge funds	No.	Book value EUR 1,000	Market value EUR 1,000	Acquisition value EUR 1,000
Ashmore Emerging Markets Liquid Investment Portfolio	801,752	4,232	4,399	4,232
Clinton Multistrategy Fund	2,978	3,232	3,232	3,410
Eikos Fond	229	3,931	4,536	3,931
ER Global Markets XL - Euro Fund	1,466	1,466	1,590	1,466
Futuris Fond	18,837	3,603	4,401	3,603
GLG Market Neutral Fund D	18,336	3,500	4,433	3,500
Greylock Global Opportunity Fund	10,255	2,677	2,677	2,958
Halcyon Offshore Event-Driven Strategies Fund	3,515	3,314	3,314	3,482
Latitude Fund (Bermuda)	2,000	2,000	2,000	2,000
Lynx Bermuda Fond	3,222	3,200	3,496	3,200
Morley Alternative Investment Strategy Fund	165,198	3,000	3,000	3,000
Nektar Bermuda Fond	3,889	4,230	4,356	4,230
Tanglin Fond	31,917	4,191	5,080	4,191
Thames River Edo Fund	3,253	2,990	3,041	2,990
Vega Feeder Fund	375	3,671	3,671	4,162
Total hedge funds		49,237	53,226	50,355

Listed equity and equity funds	No.	Book value EUR 1,000	Market value EUR 1,000	Acquisition value EUR 1,000
Finnish companies				
Aspocomp Group Plc	28,000	93	136	93
Atria Yhtymä Oyj series A	24,000	211	271	211
Elisa Oyj	23,400	209	278	209
Finnair Oyj	50,000	226	278	226
Finnlines Oyj	16,000	184	205	184
Fiskars Oyj series A	21,000	135	166	135
Fortum Oyj	40,000	330	545	330
HK Ruokatalo Oyj series A	40,000	172	294	172
Honkarakenne Oyj series B	10,000	55	55	71
Huhtamäki Oyj	25,000	193	297	193
Kemira Oyj	25,000	165	254	165
Kemira GrowHow Oyj	10,050	53	57	53
Kesko Oyj series B	6,000	68	108	68
Metso Oyj	12,000	140	140	165
M-Real Oyj series B	75,165	353	353	413
Okmetic Oyj	65,100	145	159	260
OKO Oyj series A	23,000	184	240	184
Olvi Oyj series A	8,000	45	105	45
Outokumpu Oyj series A	30,000	314	394	314
Pohjola Yhtymä Oyj series D	15,000	67	127	67
Raisio Yhtymä Oyj series V	279,800	327	532	327
Rautaruukki Oyj series K	25,000	116	219	116
Stora Enso Oyj series R	38,000	400	428	400
Tecnomen Oyj	67,500	29	90	29
UPM-Kymmene Oyj	30,000	366	491	366
		4,580	6,222	4,796
Other companies				
	No.	Book value EUR 1,000	Market value EUR 1,000	Acquisition value EUR 1,000
3 COM Cp nnm	48,500	148	148	189
AT&T Corporation Inc.	3,200	45	45	52
Bayer A G Co	3,700	81	92	81
BE Semiconductor Industry	27,532	109	111	109
Compuware Corp nnm	52,500	218	247	218
Nordea AB FDR	75,000	347	560	347
Rottneros AB	170,000	136	142	136
Strålfors AB series B	19,700	92	130	92
Sun Microsystems Inc.	75,000	230	297	230
TDC A/S	6,000	178	187	178
TeliaSonera AB	145,000	496	635	496
Valeo SA	3,850	106	119	106
Winn-Dixie Stores Inc.	6,800	23	23	51
		2,209	2,736	2,285
Share funds				
	No.	Book value EUR 1,000	Market value EUR 1,000	Acquisition value EUR 1,000
Fourton Odysseus	18,430	2,000	2,184	2,000
Total listed equity and equity funds		8,789	11,142	9,081
Novalis Plc				
Private equity				
	No.	Book value EUR 1,000	Market value EUR 1,000	Acquisition value EUR 1,000
Shares				
Kymen Puhelin Oy	135	111	111	111
Oulun Puhelin Oyj	746,250	3,081	3,081	3,081
Satakunnan Puhelin Oy	81,700	920	920	920
Tikka Communications Oy	830	822	822	822
		4,934	4,934	4,934

Notes to the Accounts

	No.	Book value EUR 1,000	Market value EUR 1,000	Acquisition value EUR 1,000
Membership certificates				
Puhelinosuuskunta KPY	7,618	10,667	10,667	10,667
Total private equity		15,601	15 601	15,601

The evaluation of the private equity holdings has been described in the Board of Directors' report.

Total consolidated inventories		73,627	79,969	75,037
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Derivative contracts	Nominal value EUR 1,000	Book value EUR 1,000	Market value EUR 1,000	
Foreign-exchange derivatives				
Forward contracts	32,064	698	698	
Year 2003	15,608	246	246	

The book value of Derivative contracts is included in Other receivables, note 10.

9. Calculatory tax receivables

EUR 1,000	Consolidated		Parent Company	
	Dec. 31, 2004	Dec. 31, 2003	Dec. 31, 2004	Dec. 31, 2003
Tax receivables, avoif fiscal and source tax	1,254	371	1,254	371
Calculatory tax receivables, 26% of running losses	685	0	685	0
	1,939	371	1,939	371

Neomarkka Plc has in year 2004 booked such tax receivables that due to the prudence principle were not booked earlier. On December 31, 2003 the amount of these receivables was EUR 2.1 million.

Other calculatory tax receivables and -liabilities, not entered in the financial statements

EUR 1,000	Consolidated		Parent Company	
	Dec. 31, 2004	Dec. 31, 2003	Dec. 31, 2004	Dec. 31, 2003
Avoif fiscal and source tax credits	0	805	0	651
Calculatory tax receivables, 29% of running losses	0	1,303	0	1,303
Deferred tax liabilities from unrealised profits	-1,650	-1,165	-1,650	-1,165
Other calculatory tax receivables and -liabilities totally	-1,650	943	-1,650	789

Neither deferred tax liabilities from unrealised profits nor the unrealised profits have been entered in the financial statements.

10. Current receivables

EUR 1,000	Consolidated		Parent Company	
	Dec. 31, 2004	Dec. 31, 2003	Dec. 31, 2004	Dec. 31, 2003
Sales receivables	2,287	1,502	2,287	1,502
Other receivables	1,653	250	1,653	248
Interest receivables	1	17	1	17
	3,941	1 769	3,941	1,767

11. Money market securities

EUR 1,000	Consolidated		Parent Company	
	Dec. 31, 2004	Dec. 31, 2003	Dec. 31, 2004	Dec. 31, 2003
Market value	1,790	1,112	1,790	1,112
Book value	1,785	1,109	1,785	1,109
Excess value	5	3	5	3
	No.	Book value EUR 1,000	Market value EUR 1,000	Acquisition value EUR 1,000
Of which, Money market funds				
Nordea Pro Euro Korke Kasvu	187,110	1,684	1,688	1,684
Pohjola Likvidi	4,747	101	102	101
		1,785	1,790	1,785

12. Shareholders' equity

EUR 1,000	Consolidated		Parent Company	
	Dec. 31, 2004	Dec. 31, 2003	Dec. 31, 2004	Dec. 31, 2003
Restricted shareholders' equity Jan. 1				
Series A	558	558	558	558
Series B	23,524	23,590	23,524	23,590
Cancelled own shares	0	-66	0	-66
Restricted shareholders' equity Dec. 31	24,082	24,082	24,082	24,082
Premium fund Jan. 1	66	0	66	0
Cancelled own shares	0	66	0	66
Premium fund Dec. 31	66	66	66	66
Fund for own shares Jan. 1	0	79	0	79
Cancelled own shares	0	-79	0	-79
Fund for own shares Dec. 31	0	0	0	0
Reserve fund Jan. 1	1,221	1,221	1,221	1,221
Reserve fund Dec. 31	1,221	1,221	1,221	1,221
Retained earnings Jan. 1	1,876	-1,976	1,478	-2,290
Dividends paid	-482	-483	-482	-483
Transferred from other unrestricted equity	0	2,773	0	2,773
Retained earnings Dec. 31	1,394	314	996	0
Other unrestricted equity Jan. 1	21,327	24,100	21,327	24,100
Transferred to retained earnings	0	-2,773	0	-2,773
Other unrestricted equity Dec. 31	21,327	21,327	21,327	21,327
Financial result	3,793	1,562	3,072	1,478
Shareholders' equity Dec. 31	51,833	48,572	50,764	48,174
Parent company restricted shareholders' equity by share series	Dec. 31, 2004		Dec. 31, 2003	
	No.	Shareh. equity EUR 1,000	No.	Shareh. equity EUR 1,000
Series A (20 votes/share)	139,600	558	139,600	558
Series B (1 vote/share)	5,880,760	23,524	5,880,760	23,524
	6,020,360	24,082	6,020,360	24,082

The nominal value of the shares has been altered to EUR 4.00. The change was registered on September 1, 2000.

13. Current liabilities

EUR 1,000	Consolidated		Parent Company	
	Dec. 31, 2004	Dec. 31, 2003	Dec. 31, 2004	Dec. 31, 2003
Accounts payable	68	68	54	68
Accounts payable, Norvestia Group	5	5	5	5
Accrued liabilities	73	88	61	74
Interest liabilities, Kaupthing Group	182	0	182	0
Liabilities, Neomarkka Group	0	0	561	0
Other current liabilities	62	103	62	103
Short-term loans, Kaupthing Group	30,000	0	30,000	0
Short-term loans, Neomarkka Group	0	0	1,478	621
	30,390	264	32,403	871

Short-term loans to the Kaupthing Group consist of three bank loans, 10 million euros each, at interest rates between 2.9% and 3.3%. The maturity of the loans is 12 months.

14. Pledges

EUR 1,000	Consolidated		Parent Company	
	Dec. 31, 2004	Dec. 31, 2003	Dec. 31, 2004	Dec. 31, 2003
	none	none	none	none

Board of Directors Proposal for the Distribution of Profits

On December 31, 2004, the Group's distributable assets amounted to EUR 26,514,130.37.

The parent company's distributable assets were EUR 25,395,524.49, putting a total EUR 25,395,524.49 at the disposal of the Annual General Meeting.

The Board of Directors proposes the distributable retained earnings to be used as follows:

EUR 0.30 per share to be distributed to 6,020,360 shares	1,806,108.00 EUR
Transferred to retained earnings	2,262,610.03 EUR
Other unrestricted equity	21,326,806.46 EUR
	<hr/>
	25,395,524.49 EUR

The company's other unrestricted equity was created by reducing the share capital. An amount corresponding to the reduction was transferred to a fund that can be used as decided by the Annual General Meeting.

If the Board's proposal is approved, the shareholders' equity of Neomarkka Plc will be as follows:

Share capital	24,081,440.00 EUR
Premium fund	66,400.00 EUR
Reserve fund	1,221,254.58 EUR
Retained earnings	2,262,610.03 EUR
Other unrestricted equity	21,326,806.46 EUR
	<hr/>
	48,958,511.07 EUR

According to the Board of Directors proposal, the payment record date is March 14, 2005. The Board proposes to the Annual General Meeting that the payment be made at the end of the record period, on March 21, 2005.

Helsinki, January 25, 2005

Sigurdur Einarsson
Chairman

Hannu Anttila

Stig-Erik Bergström

Hreidar Már Sigurdsson

Samuel von Martens
Managing Director

Auditor's Report

To the shareholders of Neomarkka Plc

We have audited the accounting, the financial statements, the consolidated financial statements and the administration of Neomarkka Plc for the accounting period January 1 - December 31 2004. The financial statements, which include the report of the Board of Directors, the income statements and the balance sheets, cash flow statement and notes to the financial statements of the consolidated closing and of the closing of the parent company, have been prepared by the Board of Directors and the Managing Director. Based on our audit we express an opinion on these financial statements and on the administration.

We have conducted the audit in accordance with Finnish Standards on Auditing. Those standards require, that we perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. Our audit included examining on a test basis evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management as well as evaluating the overall financial statement presentation. The purpose of our audit of the administration is to examine that the members of the Board of Directors and the Managing Director have legally complied with the rules of the Companies Act.

In our opinion, the financial statements for the financial period, showing a profit for the parent company amounting to EUR 3,072,401.70, have been prepared in accordance with the Accounting Act and other rules and regulations governing the preparation of financial statements. The financial statements give a true and fair view, as defined in the Accounting Act, of the consolidated and parent company's results of operations and financial position. The financial statements including the consolidated financial statements can be adopted and the members of the Board of Directors and the Managing Director can be discharged from liability for the period examined by us. The proposal by the Board of Directors regarding the handling of the result is in compliance with the Companies Act.

Helsinki, January 26, 2005

Ernst & Young Oy
Authorised Public Accountant Firm

Carl Gustaf af Hällström
Authorised Public Accountant

Key Figures

Key Figures from the Income Statement and Balance Sheet

EUR 1,000	2004	2003	2002	2001	2000
Net turnover	17,968	15,782	9,031	14,624	11,816
Operating result	3,812	1,725	-1,969	-2,138	-2,015
% of net turnover	21.2	10.9	-21.8	-14.6	-17.1
Result before e.o. items and taxes	3,340	1,727	-1,962	-2,099	-1,876
% of net turnover	18.6	10.9	-21.7	-14.4	-15.9
Result before taxes	3,340	1,727	-1,962	-2,099	-1,876
% of net turnover	18.6	10.9	-21.7	-14.4	-15.9
Financial result	3,793	1,562	-2,097	-2,176	-1,877
Return on equity, % (ROE)	7.6	3.2	-4.3	-4.2	-3.5
Return on investment, % (ROI)	5.9	3.6	-4.0	-4.1	-3.5
Equity ratio, %	63.1	99.5	99.3	98.9	98.8
Net debt-equity ratio (Gearing), %	52.5	-4.2	-7.8	-35.3	-40.4
Non-interest-bearing debt	390	264	349	543	626
Leverage, %	141	93	92	65	59

Key Figures per Share (series A and B)

	2004	2003	2002	2001	2000
Net asset value/share after deferred tax liability, EUR	9.40	8.74	8.19	8.46	8.78
Change in net asset value/share, %	8.5	7.8	-2.3	-2.7	-3.1
Discount in net asset value, %	22	26	33	44	57
Equity/share, EUR	8.62	8.07	7.88	8.31	8.75
Earnings/share (EPS), EUR	0.63	0.26	-0.35	-0.36	-0.31
Dividend/share, EUR	0.30 ¹⁾	0.08	0.08	0.08	0.08
Dividend/earnings, %	47.6 ¹⁾	30.9	n.a.	n.a.	n.a.
Effective dividend yield, %	4.1 ¹⁾	1.2	1.5	1.7	2.2
P/E-ratio	11.7	24.9	-15.8	-13.2	-12.2
Share performance, EUR					
- average quotation	6.96	5.77	5.40	4.03	7.12
- lowest quotation	5.93	4.67	4.64	3.20	3.70
- highest quotation	7.79	7.00	5.80	4.75	11.00
- quotation at year end	7.35	6.45	5.50	4.75	3.80
Change in quotation, adjusted for dividend, %	15	19	17	27	-45
Market capitalisation, EUR 1,000	43,224	38,737	33,098	28,538	23,404
Shares traded					
B shares	259,128	131,107	168,858	141,370	353,276
- % of shares	4.4	2.2	2.9	2.4	6.0
Adjusted and weighted average number of shares during the year					
A shares	6,020,360	6,024,817	6,036,960	6,036,960	6,037,678
B shares	139,600	139,600	139,600	139,600	139,600
	5,880,760	5,885,217	5,897,360	5,897,360	5,898,078
Number of shares adjusted on Dec. 31.					
A shares	6,020,360	6,020,360	6,036,960	6,036,960	6,036,960
B shares	139,600	139,600	139,600	139,600	139,600
	5,880,760	5,880,760	5,897,360	5,897,360	5,897,360

¹⁾ The Board's proposal

Calculation of Key Figures

Return on net asset value, %	=	Compound geometric return calculated from monthly returns, return is adjusted for dividend the month the dividend is paid	
Net turnover	=	Net turnover + other operating income	
Return on equity, % (ROE)	=	$\frac{\text{Profit/loss before extraordinary items - taxes}}{\text{Shareholders' equity + minority interest less deferred tax (average)}} \times 100$	
Return on investment, % (ROI)	=	$\frac{\text{Profit/loss before extraordinary items + interest paid and other financial expenses}}{\text{Balance sheet total - interest-free debts (average)}} \times 100$	
Equity ratio, %	=	$\frac{\text{Shareholders' equity + minority interest less deferred tax}}{\text{Balance sheet total - advances received}} \times 100$	
Net debt-equity ratio (Gearing), %	=	$\frac{\text{Interest-bearing debts - cash in hand and at bank and money market investments}}{\text{Shareholders' equity + minority interest}} \times 100$	
Earnings per share (EPS), EUR	=	$\frac{\text{Profit/loss before extraordinary items +/- minority interest +/- share of associated company profits - taxes}}{\text{No. of shares, adjusted for share issues (average)}}$	
Equity/share, EUR	=	$\frac{\text{Shareholders' equity - minority interest less deferred tax}}{\text{No. of shares on Dec. 31 adjusted for share issues}}$	
Dividend/share, EUR	=	$\frac{\text{Dividend for the financial year}}{\text{No. of shares on Dec. 31 adjusted for share issues}}$	
Dividend/earnings, %	=	$\frac{\text{Dividend/share}}{\text{Earnings/share}} \times 100$	
Effective dividend yield, %	=	$\frac{\text{Dividend/share}}{\text{Share price on Dec. 31 adjusted for share issues}} \times 100$	
P/E ratio	=	$\frac{\text{Share price on Dec. 31 adjusted for share issues}}{\text{Earnings/share}}$	
Market capitalisation	=	(No. of B shares - no. of own B shares) x closing price at year end + No. of A shares x average quotation	
Discount in net asset value, %	=	$\frac{\text{Net asset value/share after deferred tax liability - quotation at year end}}{\text{Net asset value/share after deferred tax liability}} \times 100$	
Leverage, %	=	$\frac{\text{Inventories at market value}}{\text{Net asset value}} \times 100$	

Information on the Financial Statement according to IFRS

The Neomarkka Group ceased using the Finnish Accounting Standards (FAS) in favour of the International Financial Reporting Standards (IFRS) as of January 1, 2005. The first interim report of the year, which will be published on April 20, 2005, follows IFRS. In this interim report, the comparison figures from the corresponding period in year 2004 also follow IFRS. The main differences between the published financial statement for 2004 according to FAS and the same according to IFRS are as follows.

Financial assets and calculatory tax liability

The new standards cause consolidated financial assets to be recorded at fair value (current market value), less calculatory tax liability, instead of according to the lowest of acquisition price and market value.

Financial statement

Implementation of IFRS has a significant influence on the presentation of the Group's consolidated income statement and balance sheet. Net turnover, purchase of securities and change in inventories are removed from the income statement. Instead, gains and losses from the trade of financial assets are reported. These consist of realised gains and losses from the trade of financial assets, received dividends and interest earnings as well as unrealised gains and losses from financial assets.

Compared to FAS, the consolidated result of year 2004 is higher according to IFRS, due to the recording of unrealised gains that stem from the year. Consolidated shareholders' equity increases both due to the higher financial result and due to unrealised gains from previous years. The consolidated financial result corresponds to the dividend adjusted change in net asset value for a period.

There are no changes in contingent liabilities and pledges. The company had no leasing contracts on December 31, 2004. The market values of the financial assets (Group inventories) are reported in the notes to the financial statement according to FAS.

IFRS comparison of the Financial Statements Year 2004

Consolidated Income Statement

EUR 1,000	FAS 2004	Effects of adoption of IFRS 2004	IFRS 2004
Net turnover	17,968	-17,968	-
Purchase of securities	-42,075	42,075	-
Change in inventories	28,989	-28,989	-
Gains and losses from the trade of financial assets	-	7,219	7,219
Personnel expenses	-337		-337
Depreciation	-7		-7
Other operating expenses	-726		-726
Operating result	3,812	2,337	6,149
Financial income and expenses	-472	-7	-479
Result before taxes	3,340	2,330	5,670
Taxes	453	-1,650	-1,197
Financial result	3,793	680	4,473

IFRS Comparison of the Financial Statements Year 2004

Consolidated Balance Sheet

EUR 1,000	FAS 31.12.2004	Effects of adoption of IFRS	IFRS 31.12.2004
ASSETS			
Non-current assets			
Tangible assets	21		21
Non-current assets in total	21		21
Current assets			
Inventories	73,627	-73,627	-
Financial assets held for trading	-	8,958	8,958
Other financial assets at fair value	-	57,200	57,200
Other financial assets	-	15,601	15,601
Calculatory tax receivables	1,939	-1,650	289
Receivables	3,941		3,941
Cash in hand and at bank	2,745	-1,785	960
Current assets in total	82,252	4,697	86,949
Assets in total	82,273	4,697	86,970
SHAREHOLDERS' EQUITY AND LIABILITIES			
Shareholders' equity			
Restricted shareholders' equity	24,082		24,082
Premium fund	66		66
Reserve fund	1,221		1,221
Retained earnings	1,394	4,017	5,411
Other unrestricted equity	21,327		21,327
Financial result	3,793	680	4,473
Shareholders' equity in total	51,883	4,697	56,580
Current liabilities	30,390		30,390
Shareholders' equity and liabilities in total	82,273	4,697	86,970

Consolidated Cash Flow Statement

EUR 1,000	FAS 2004	Effects of adoption of IFRS	IFRS 2004
Operating activities			
Result before extraordinary items	3,340	2,330	5,670
Other activities, which do not include payment transactions	-1,107		-1,107
Changes in working capital			
Change in financial assets held for trading and other financial assets	-28,989	-3,006	-31,995
Change in current receivables	-2,173		-2,173
Change in liquid assets	-676	676	-
Change in current liabilities	30,126		30,126
Cash flow in operating activities	521	0	521
Financing activities			
Dividends paid	-482		-482
Cash flow for the year	39	0	39
Liquid funds Jan. 1	921		921
Liquid funds Dec. 31	960		960

Key Figures

EUR 1,000	FAS 1.1.-31.12. 2004	IFRS 1.1.-31.12. 2004
Return on equity, %	7.6	8.2
Return on investment, %	5.9	8.8
Earnings/share, EUR	0.63	0.74
Equity ratio, %	63.1	65.1
Equity/share, EUR	8.62	9.40

Balancing Account of Shareholders' Equity

EUR 1,000	31.12.2004	31.12.2003
Shareholders' equity according to FAS	51,883	48,572
Effects of adoption of IFRS rules:		
Unrealised gains from financial assets	6,347	4,016
Calculatory tax liabilities	-1,650	-
Shareholders' equity according to IFRS	56,580	52,588

Balancing Account of Financial Result

EUR 1,000	2004	2003
Financial result according to FAS	3,793	1,562
Effects of adoption of IFRS rules:		
Change in unrealised gains from financial assets	2,330	2,201
Calculatory taxes	-1,650	-
Financial result according to IFRS	4,473	3,763

Shareholders

Neomarkka Plc's Largest Shareholders on December 31, 2004

	A-series shares	B-series shares	Shares total	Proportion of equity %	Proportion of votes %
Norvestia plc	139,400	1,816,387	1,955,787	32.49	53.09
Metsäliitto Osuuskunta		1,205,305	1,205,305	20.02	13.90
Turun Kaupungin Vahinkorahasto		79,155	79,155	1.31	0.91
Riihimäen Seudun Osuuspankki		36,070	36,070	0.60	0.42
Svenska Lantbruksproducenternas Centralförbund (SLC)		25,760	25,760	0.43	0.30
Antti Arola		18,900	18,900	0.31	0.22
Turun Kaupunki		16,500	16,500	0.27	0.19
Salaojituksen Tukisäätiö		13,280	13,280	0.22	0.15
Koillis-Savon Osuuspankki		11,000	11,000	0.18	0.13
Myllyahon Saha Oy		10,000	10,000	0.17	0.11
Uudenmaan Maataloustuottajain Säätiö		10,000	10,000	0.17	0.11
Others	200	2,638,403	2,638,603	43.83	30.47
Total	139,600	5,880,760	6,020,360	100.00	100.00

No shares were held by members of the Board or the Managing Director on December 31, 2004.

Ownership by Type of Shareholder

Type	Shareholders no.	Shareholders %	Shares total	Proportion of equity %	Proportion of votes %
Private companies	373	2.5	3,442,449	57.2	70.3
Financial institutions and insurance companies	69	0.5	102,340	1.7	1.2
Public bodies	94	0.6	147,035	2.4	1.7
Non-profit organisations	303	2.0	210,755	3.5	2.4
Households	14,135	94.4	1,972,793	32.8	22.7
Outside Finland	4	0.0	907	0.0	0.0
Nominee registered			144,081	2.4	1.7
Total	14,978	100.0	6,020,360	100.0	100.0

Ownership by number of shares held

Shares held	Shareholders no.	Shareholders %	Shares total	Proportion of equity %	Proportion of votes %
1 - 50	6,701	44.7	196,911	3.3	2.3
51 - 100	4,022	26.8	354,300	5.9	4.1
101 - 1,000	3,908	26.1	1,206,584	20.0	13.9
1,001 - 10,000	338	2.3	756,727	12.6	8.7
10,001 -	9	0.1	3,361,757	55.8	69.3
Nominee registered			144,081	2.4	1.7
Total	14,978	100.0	6,020,360	100.0	100.0

Corporate Governance

Neomarkka Plc complies with Finnish legislation and its own Articles of Association in its corporate governance and management. The company also complies with corporate governance recommendations issued by the Helsinki Stock Exchange in December 2003.

Www-pages

The company's corporate governance-description is currently maintained up-to-date on the company internet pages (www.neomarkka.fi/en). The Financial Statements and the monthly net asset value reports are available on the company internet pages.

General meeting of shareholders (AGM)

The general meeting is the company's highest decision-making body and normally convenes once a year. At the general meeting shareholders exercise their right to vote on company affairs. The general meeting deals with the matters laid down in the Companies Act and the Neomarkka Articles of Association, e.g. approves the financial statements and decides on dividend distribution and any changes in the Articles of Association. It also elects the chairman, vice chairman and other members of the Board of Directors and the auditors, and decides on their remuneration.

The Articles of Association

The Articles of Association do not include any redemption clauses or shareholder agreements.

Shares

Neomarkka Plc's B share is quoted on the Helsinki Stock Exchange. The company has two share series: A shares and B shares. The A share carries 20 votes and the B share one vote. The ownership structure is presented on page 30.

Board of Directors

According to Neomarkka's Articles of Association, the Board consists of three to seven regular members and a maximum of three deputy members. The term of a member begins after the general meeting and normally

expires at the close of the following Annual General Meeting. The duties of the company's Board of Directors are laid down in the Companies Act and other applicable legislation. The Board is responsible for proper organisation of the administration and operations of the company, and it considers and decides on all major matters concerning said operations. The Board appoints the company's Managing Director, who is not a member of the Board.

The chairman of the Board convenes a Board meeting whenever the affairs of the company so require. The Board of Directors constitutes a quorum when more than half of all its members are present. The opinion supported by more than half of the members present or, if the votes fall even, the opinion supported by the chairman, will be the Board's decision.

The charter of the Board is normally formulated at the constituting meeting of the Board. The following decisions are included in the current charter:

- The Board complies with the Corporate Governance Recommendation by the Helsinki Stock Exchange.
- The Board is responsible for publishing monthly net asset value reports as soon as possible after the end of each month, and for submitting quarterly interim reports and the annual report. The auditors are given an opportunity to comment on the reports before the Board takes its decision and the reports are published.
- The Board decides on questions that concern the level of risk-taking in the company.
- The Board appoints an audit committee and decides on its charter. The committee has no autonomous authority. Responsibility for the functions allotted to the committee remains with the Board.
- The Board can establish other committees made up of Board members or give members of the Board special commissions. Such decisions must be entered in the minutes. Neither a Board committee nor a member of the Board with a special commission has autonomous authority. Responsibility for the functions allotted remains with the Board.

Corporate Governance

The Board of Directors consists of four regular members and no deputy members since 2 September, 2004. The number of directors is smaller than the recommendation. There is a proposal to the Annual General Meeting in 2005 to add a new member to the Board. Information on the Board members is presented on pages 34-35, and information on the Board meetings on page 10.

The Board has postponed the evaluation of the independence of its members to the Board meeting following the Annual General Meeting in 2005.

Audit Committee

The Board annually appoints the chairman and members of the audit committee. The functions of the audit committee include monitoring the company's financial position, supervising the financial reporting, evaluating the adequacy and appropriateness of internal supervision and risk management, evaluating compliance with laws and regulations and maintaining contact with the auditor, examining the auditor's reports and evaluating any advisory services supplied by the auditor. The audit committee prepares the Board's proposal to the Annual General Meeting concerning appointment of the external auditor(s). The audit committee reports to the Board. The audit committee consists of two members since September 2, 2004. The number of members is smaller than the recommendation. The Board considers the number of members to be sufficient due to the relatively small size of the company. Information about the members of the audit committee and its meetings is presented on page 10.

The Board has postponed the evaluation of the independence of the members to the Board meeting following the Annual General Meeting in 2005.

Managing Director

The Managing Director elected by the Board of Directors is responsible for the day-to-day management of the company according to instructions and orders issued by the Board. The Managing Director must ensure that the company's bookkeeping complies with the law and that financial matters are handled in a reliable manner. The Managing Director is in charge of the company's investment activities.

Organisation of the management

The Managing Director of the company is Samuel von Martens. The company has no regular management group. Kristiina Vuorimies is the Financial Manager and Roger Lönnberg the Investment Manager.

Remuneration

The AGM annually approves the fees paid to Board members, and the Board decides on the salaries and other benefits of the Managing Director. The Board decides on any bonuses paid to the Managing Director and the personnel. The Board members are remunerated only by virtue of their Board membership.

In accordance with the decision of the Annual General Meeting on March 10, 2004, the Board members are remunerated as follows:

The chairman of the Board is paid an annual fee of EUR 10,650, the vice chairman EUR 8,900 and other regular members EUR 8,000. In addition, a meeting fee of EUR 350 is paid for work on Board committees. Board members are compensated for their travel and accommodation expenses.

The pension benefits of the Managing Director are based on the Finnish Employees' Pensions Act (TEL). The term of notice is one month, and the compensation for notice corresponds to a salary of six months. The remuneration to the Managing Director is presented on page 17.

Supervision

• Internal supervision and risk management

The aim of the internal supervision and risk management system is to ensure that the company operates in the most efficient and successful manner, that information is reliable, and that regulations and operating principles are followed. The Board carries the ultimate responsibility for supervision of the bookkeeping and financial management, and the Managing Director is in charge of practical organisation of the supervision system. The company's financial situation and progress are monitored on a monthly basis, and the information is published in the annual report, interim reports and monthly net asset value reports.

• Internal audit

The Board has established an audit committee subordinate to the Board to carry out the company's internal audit.

Due to the small number of employees in the Neomarkka Group, the current system of internal audit in the Group is conducted in cooperation with its parent company Norvestia plc. Internal Group eliminations are checked and the items on the consolidated balance sheets are reconciled in connection with monthly Group and net asset value reporting, with the main focus on current assets, money-market investments and their market value.

Insider administration

Neomarkka Plc complies with the Guidelines for Insiders issued by the Helsinki Stock Exchange.

According to the law, the members of the Board, the Managing Director and the auditors are considered the company's permanent insiders. The company has also defined certain other persons as insiders. All employees of Neomarkka and its parent company Norvestia plc are listed as permanent insiders. The company maintains its insider register in the SIRE system at the Finnish Central Securities Depository Ltd.

External audit

According to the Articles of Association, the company has one or two regular auditors who must be auditors or auditing bodies authorised by the Central Chamber of Commerce. The general meeting of shareholders elects the auditors, and their term ends at the close of the following AGM. In connection with the annual financial statements, the auditors make their auditors' report to the company's shareholders.

The purpose of the statutory external audit is to verify that the financial statements give a true and fair view of the result and financial situation of the company. The audit constitutes an independent statement to the shareholders concerning management of the bookkeeping, financial statements and administration of the company.

The Neomarkka Group is audited continuously. The auditors normally go through the administration, bookkeeping, payroll administration, current asset bookkeeping and other areas of Group companies 3-4 times per year. In addition, the consolidated financial statements, the financial statements of the parent company and the statutory inspections are audited at year-end on the scale required by good auditing practice.

The auditors invoice for their expenses. The company's auditor is presented on page 10 and fees paid to the auditor is presented on page 17.

Board of Directors

■ Board of Directors

Chairman

Sigurður Einarsson

London, England
Born 1960
Master of Science (Econ.)

Executive Chairman of Kaupthing Bunadarbanki hf.

Chairman of the Board of the following companies:

Kaupthing Bunadarbanki hf.
Arion Custody Services
Kaupthing Bank A/S
Kaupthing Bank Luxembourg S.A.
Kaupthing Föroyar Virðisbrevamæklarafelag
Kaupthing Ltd.
Kaupthing New York
Kaupthing Securities
Kaupthing Bank Plc
Kirna hf.
Norvestia plc

Member of the Board of:

FIH
Kaupthing Bank Sverige
Kaupthing Norge

Main working experience:

Kaupthing Bank hf., Managing Director and CEO
Kaupthing hf., Deputy Managing Director
Kaupthing hf., Capital Markets, Executive Director
Íslandsbanki hf., Treasury
Den Danske Bank, International Division
University of Iceland, Associate Professor

Chairman of the Board of Neomarkka since
October 20, 2003
Shareholding in Neomarkka: 0

Members

CEO

Hannu Anttila

Espoo
Born 1955
Master of Science (Econ.)

President & Chief Executive Officer, M-real Corporation

Member of the Board of:

Oy Metsä-Botnia Ab
Metsä Group Financial Services Oy
Metsä Tissue Oyj
Myllykoski Paper Oy
Pellervo Economic Research Institute PTT

Main working experience:

Metsäliitto Group, Senior Vice President,
Chief Financial Officer
Metsä Tissue Oyj, Managing Director
Oy Metsä-Botnia Ab, Deputy Managing Director and
other management posts
Metsä-Serla Oy, management posts
Suomen Kuitulevy Oy (Enso Group), Financial and
Administrative Manager, Deputy Managing Director

Member of the Board of Neomarkka Plc

since October 20, 2003

Shareholding in Neomarkka: 0

PhD (Economics)

Stig-Erik Bergström

Espoo
Born 1941

Chairman of the Board of Citycon Oyj
Vice Chairman of the Board of Svenska Handelsbanken,
Region Bank Finland

Member of the Board of:

European Renaissance Fund Ltd
Norvestia plc
The Finnish Association of Professional Board Members
Foundation of the Swedish School of Economics and
Business Administration
Swedish School of Economics and
Business Administration

Main working experience:

Stockmann Oyj, Deputy Managing Director
Midland Montagu Aktiebank, Managing Director
Rauma Repola Oy, Deputy Managing Director

Member of the Board of Neomarkka Plc since 2001

Shareholding in Neomarkka: 0

Sigurdur Einarsson
Stig-Erik Bergström
Samuel von Martens
Kristiina Vuorimies

Hannu Anttila
Hreidar Már Sigurdsson
Roger Lönnberg
Joanna Gädda
Eerika Lehtilä-Vuorio

CEO

Hreidar Már Sigurdsson

Reykjavík, Iceland
Born 1970
Master of Science (Econ.)

CEO, Kaupthing Bunadabanki hf.

Chairman of the Board of The Bankers' and Securities Dealers' Association of Iceland

Vice chairman of Lýsing hf.

Member of the Board of:

Arion Custody Service
Eik fasteignafélag hf.
FIH
Kaupthing Advisory Company
Kaupthing Bank Luxembourg S.A.
Kaupthing Bank Sverige
Kaupthing New York
Kaupthing Securities
Meiður ehf.
Norvestia plc

Main working experience:

Kaupthing New York, Managing Director
Kaupthing Bank hf., Dep. CEO
Kaupthing hf., Dep. CEO

Member of the Board of Neomarkka Plc

since October 20, 2003

Shareholding in Neomarkka: 0

■ Managing Director

Samuel von Martens

Espoo
Born 1965
Master of Science (Engineering)

Managing Director of Neomarkka Plc and of Neomarkka's wholly-owned subsidiaries Novalis Plc and Alnus Oy.

Member of the Board of Oulun Puhelin Oyj

Main working experience:

Managing Director of Neomarkka since November 1, 2000. Before moving to Neomarkka Samuel von Martens held management posts in investment operations in the Norvestia Group for two years. Prior to that, he worked in consulting and leading positions in technical and corporate planning for nine years in the Jaakko Pöyry Group.

Shareholding in Neomarkka: 0

■ Personnel

Roger Lönnberg, Investment Manager

Kristiina Vuorimies, Financial Manager

Joanna Gädda, IR-Assistant (part-time)

Eerika Lehtilä-Vuorio, Assistant (part-time)



Information to Shareholders

Annual General Meeting

Neomarkka Plc's Annual General Meeting will be held at

13.00 p.m. on Wednesday March 9, 2005 in
the Diana Auditorium,
Erottajankatu 5, Helsinki.

A shareholder wishing to attend the AGM and to receive a ballot must be entered in the shareholders' register kept by Finnish Central Securities Depository Ltd. on the record date of February 25, 2005 and must so inform the company,

by 16.00 p.m. on March 4, 2005 at the latest,
by telephone +358 9 6844 6514,
telefax +358 9 6844 6531 or
letter to the address Neomarkka Plc,
Pohjoisesplanadi 27 C, FI-00100 Helsinki, Finland.

Any proxies under which a specified person wishes to represent a shareholder and exercise the shareholder's voting right at the AGM should be forwarded to the above address before the end of registration period.

The Board of Directors proposes a dividend of EUR 0.30 per share from the year 2004, to be paid on March 21, 2005 to shareholders registered on March 14, 2005 in the list of shareholders maintained by the Finnish Central Securities Depository Ltd.

The trading code for Neomarkka's B share

The trading code for Neomarkka's B share on the Helsinki Stock Exchange is NEMBV.

Share register

Please inform your book-entry registrar of any changes in your personal, address or ownership data.

Dividends can no longer be paid or subscription rights exercised on share certificates that have not been exchanged for book-entry securities. An Oy Metsämarkka Ab shareholder can transfer any non-exchanged share into the book-entry system as a late entry through Okobank Oyj and branches of OKO banks dealing with securities.

Non-exchanged Metsä-Pohja Oy shares will be exchanged for Metsämarkka Oyj certificates of registration at the company offices, after which shareholders can transfer them through their banks to the book-entry system as Neomarkka Plc securities.

Oy Sijoitus Forestia Ab and Oy Lännen Metsä Ab have merged with Neomarkka Plc, and their share certificates can be exchanged for Neomarkka securities at Okobank Oyj and branches of OKO banks dealing with securities.

Interim reports

In 2005, Neomarkka will be publishing its interim reports only on its website at www.neomarkka.fi/en. Interim reports can also be ordered from the company offices.

Publication dates:

January - March	April 20, 2005
January - June	August 9, 2005
January - September	October 19, 2005

and further, preliminary data on the
January - June interim report July 27, 2005

Contact information

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Neomarkka is a part of Norvestia Group,
which in turn is a part of Kaupthing Group.
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