GWS

ANNUAL REPORT 2007

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THE YEAR 2007 IN BRIEF

Consolidated turnover of EUR 9.9 million rose by about 115 per cent mainly due to changes in the Group structure.

The comparable turnover of the associated company, the Glaston Corporation, increased by 23 per cent and profitability also improved on the previous year.

The turnover of the associated company, the Perlos Corporation, fell and profitability at the beginning of the year was weak; the share of the profit of Perlos is included in the consolidated result for nine months.

The turnover of the subsidiary, Detection Technology, Inc., grew by 37 per cent and the result clearly showed a loss; the company did not meet set targets.

Consolidated profit before extraordinary items was EUR 17.2 million (previous year EUR -17.2m); the result was weakened especially by the loss-making share of the profit of Perlos and the loss-making result of the Detection Technology Group and an extra amortisation of EUR 7.2 million in Group goodwill due to acquisition.

During 2007 the Group divested its entire holding in the Perlos Corporation amounting to EUR 80.2 million: a capital gain of EUR 49.3 million was booked to the share divestment.

Group ratio of shareholders' equity to the balance sheet total improved considerably to 49.0 per cent (previous year 34.6%); interest-bearing net debt fell to EUR 33.9 million from EUR 110.8 million of the previous year.

The Group's stake in the Glaston Corporation was approximately 33.1 per cent at the close of the year.

During 2007 the Group subscribed for new shares in Detection Technology, Inc. and now holds some 80 per cent of the company's shares.

Hannu Martola started as President and CEO of Detection Technology, Inc. on 18.6.2007.

KEY FIGURES

EUR m (unless otherwise indicated)		2007	2006	2005
Turnover		**9.9**	4.6	14.2
Operating profit		**21.8**	-13.1	6.9
as % of turnover	%	**-**	-	48.9
Profit before extraordinary items		**17.2**	-17.2	4.6
as % of turnover	%	**-**	-	32.3
Shareholders’ equity		**87.8**	71.9	99.7
Equity ratio	%	**49.0**	34.6	53.7
GWS stake in Glaston Corporation market value		**72.8**	109.0	106.6
Liabilities (gross)		**91.2**	135.2	85.2
Interest-bearing net debt		**33.9**	110.8	77.1
Net investments		**0.3**	12.1	35.6
Return on equity (ROE)	%	**21.6**	-20.1	4.6
Return on investment (ROI)	%	**11.6**	-6.8	4.0
Equity per share	EUR	**32.52**	26.63	36.93
Staff (average)	persons	**167**	150	16

REVIEW BY THE CHIEF EXECUTIVE

2007 was a year of quite considerable change at GWS and marked the end of an almost half-century long relationship with the Perlos Corporation, our core holding, which was divested to Lite-On Technologies. Over the years Perlos has been a central asset in GWS´s portfolio and I am very pleased to see Perlos as part of Lite-On Technology, which can provide growth opportunities and new technologies out of reach of GWS in the highly competitive and challenging world of telecom components.

Our other listed core holding, the Glaston Corporation, developed favourably under its new management. The new name and corporate image, which were launched during the year, portray a company with a clear and focused strategy on products, services and solutions for the glass processing industry. I am very satisfied with our investment in Glaston and am committed to providing continued support to the company and its management.

During the latter months of 2006 some quite alarming news started to surface at Detection Technology. The severe condition of the company became obvious during the first quarters of 2007 and, not until the new CEO, Hannu Martola, took over, could we see substance and structure returning to its operations. His focus has been on establishing clearly defined processes and a solid foundation from which a sustainable, profitable business can emerge.
A very challenging year indeed for Detection Technology and I want to thank its many talented people and loyal customers for their continued support.

After the successful divestment of Perlos, we now have the exciting opportunity to explore different investment options for the future. GWS has over its 132 year history changed strategic course several times and I am therefore rather optimistic that we can once again identify and invest in businesses that provide our shareholders with solid returns.

Our objective is to remain a strong owner that can attract and motivate talented people. I am fortunate to have people with these qualities in our current core holdings. We will be patient in our search and I firmly believe patience is a virtue in these rather turbulent economic times.

As a result of the sale of Perlos, we can now look at acquisitions, but we are by no means a company of limitless resources. On the contrary, we will have to manage our assets wisely and leave room for flexibility.

Andreas Tallberg
Chief Executive

BOARD OF DIRECTORS, MANAGEMENT, AUDITORS

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Pekka Luoma, C.A., Chief Auditor

Arto Tenhula, C.A.

DEPUTY AUDITOR

Pekka Hietala, C.A.

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PARENT COMPANY

Andreas Tallberg, CEO
Ari Saarenmaa, CFO

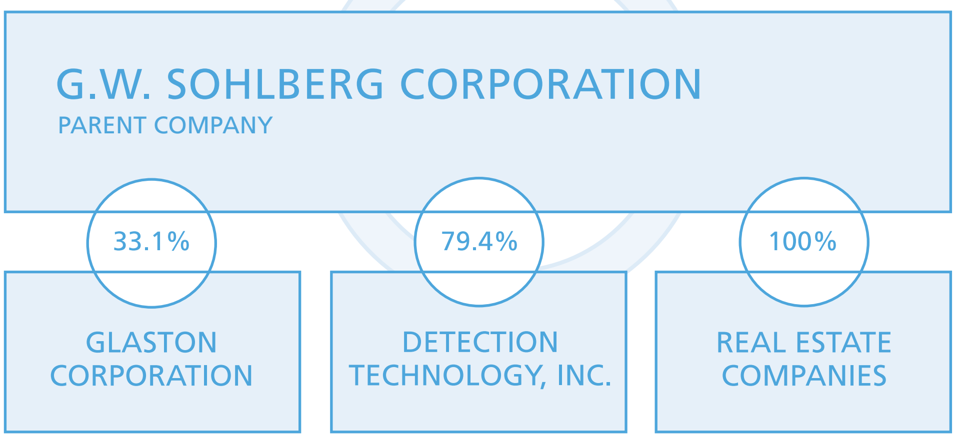
ASSOCIATED COMPANY

Glaston Corporation
Mika Seitovirta, President and CEO

SUBSIDIARY

Detection Technology, Inc.
Hannu Martola, President and CEO

GWS GROUP



GLASTON

The Glaston Corporation (formerly, Kyro) is a growing, financially solid, international glass technology company. Glaston is a global market leader in glass processing machinery and a One-Stop-Partner to its customers. The company's product range and service network are the most extensive in the industry. Glaston's well-known brands comprise Bavelloni pre-processing machinery and tools, Tamglass and Uniglass safety glass machinery and Albat+Wirsam Software software solutions for the glass industry. Glaston's own glass processing unit, Tamglass Glass Processing, is a high-quality manufacturer of safety glass products, operating in Finland.

Glaston's turnover for the review period grew by 23 per cent to EUR 269.8 million (EUR 218.9m). The company's comparable operating profit, not including non-recurring items for January-December, amounted to EUR 16.6 million (EUR 10.9m), representing 6.2 per cent (5.0%) of turnover.

The operating profit of the Pre-Processing segment turned to growth during the review period, still remaining at an unsatisfactory level. Operating profit for the Heat Treatment business sector developed well during 2007. The result was, however, adversely affected by result of Tamglass Glass Processing, which clearly did not meet the set target. The reorganisation programme at Tamglass Glass Processing will be continued to greater effect during 2008. Software Solutions' result, consolidated from the third quarter, was very good.

Net profit for the year was EUR 10.6 million (EUR 8.9m). Return on investment was 12.1 per cent (8.8%). Earnings per share came to EUR 0.14 (EUR 0.11). Non-recurring items for the review period totalled EUR 4.6 million (EUR 5.2m). In the second quarter the company recognised EUR 7.3 million in project post-delivery costs and business restructuring schemes.

In the final quarter of the year the company recognised a capital gain of EUR 2.8 million from the sale of fixed assets not belonging to business operations.

The Group's financial position was good. The equity ratio at 31 December 2007 was 55.4 per cent (61.9%). Glaston's cash flow from operations for continuing operations was EUR 8.7 million (EUR -5.2m) and cash flow from investments came to EUR -27.3 million (EUR -6.9m). Cash flow from investments includes the acquisition cost of Albat+Wirsam shares amounting to EUR 17.7 million.

In May the Glaston Corporation signed an agreement to acquire the Albat+Wirsam Software Group of Germany. The deal was completed on 2 July 2007 at an acquisition price of EUR 21.3 million. The company has 247 employees. The Energy business sector, divested to the M-real Corporation in the spring, was officially separated from the Group on 1 July 2007. The value of the deal to Glaston was EUR 15.4 million.

R&D expenditure amounted to EUR 6.3 million (EUR 5.5m), representing 2.2 per cent of turnover. R&D expenditure includes the further development of products already on the market and the development of new machines and models.

At the close of the accounting period Glaston had 1,435 (1,189) employees. This figure includes the staff of Albat+Wirsam, totalling 247 employees.

Glaston is a leading firm in a globally growing industry. The share of safety glass used in construction is growing continuously. Environmental issues, such as the energy efficiency of buildings and, related to this, high-grade glass products, comprise a development trend that supports considerable growth. The solar energy market is developing rapidly and will already provide new opportunities during the present year. Increasingly stricter rules and regulations from the authorities will help boost sales of safety glass.

Glaston's prospects for 2008 are positive with the exception of North America. However, thanks to the geographical spread of the company's operations, the economic cycles of Europe, Asia and America will counterbalance one another. Demand for OSP full deliveries is estimated to show further growth on account of the increasing efficiency and productivity requirements from customers. The Glaston Group expects to clearly increase its turnover and operating profit compared to 2007.

	2007	2006	CHANGE	%
Turnover, EUR m	**269.8**	218.9	50.9	23
Operating profit, EUR m	**16.6**	10.9	5.7	52
Investments, EUR m	**11.3**	12.0	-0.7	-6
Staff, persons average	**1,350**	1,264	86	7

DETECTION TECHNOLOGY

Detection Technology is a globally operating microelectronics company, which designs, manufactures and markets X-ray detectors and ancillary control systems. The company's main customers comprise international firms, manufacturing medical imaging equipment and security screening devices. The company has operations in Finland, Hong Kong, mainland China and the USA.

The turnover of the Detection Technology Group (DT) grew by 37 per cent (-44%) on the previous year, amounting to some EUR 9.9 million (EUR 7.2m). Profitability from operations was burdened by the costs of non-recurring items as with previous accounting period. Operating loss was EUR -3.9 million (EUR -4.8m).

A growth-targeted, customer-oriented strategy was set up for the firm during the accounting period 2007. In the course of the strategic process, the firm's organisation, operational processes and mode of operations were altered to implement this chosen strategy.

The firm has focused on the design and manufacture of high-quality, silicon-based, light-sensitive X-ray detectors. Customised detector cards and modules form a large part of the firm's product range.

Business grew as compared to the previous year, but profitability was poor. Factors that especially impacted on profitability were the effects of write-downs on obsolete stock and those of other non-recurring items as well as high production quality costs. The firm has the foundations for

attaining profitable growth in the coming years due to the changes carried out and the share investment made by the owners at the end of the year.

The firm's operations are characterised by a vigorous drive for customer-focused solutions and product development. Product development capitalisations were not made during the 2007 accounting period. The remaining undepreciated balance of product development costs, capitalised during previous accounting periods, amounts to some EUR 1 million (EUR 1.4m).

At the start of the accounting period the Group's staff numbered 161 (112) employees, of which salaried staff amounted to 86 (77) and wage earners to 75 (35). The total remained at 161 employees at the end of the year.

The firm strives for maximum efficiency in all its processes, thereby minimising the generation of pollution and waste. The firm's key processes are certified to ISO 14001 environmental standards.

The company focuses, now and in the future, on offering X-ray detectors to meet the digital imaging requirements of healthcare and security equipment. Global markets in both business sectors are developing in a favourable manner.

The amount of X-ray detectors used in healthcare is increasing due to the growing prevalence of digital imaging devices and the customers' desire for imaging wider parts of the body and faster moving objects. The market for security devices is growing especially due to new federal regulations in the USA and a general increase in security awareness.

The aim of the company is to expand in rapidly growing markets by means of price competitiveness, an understanding of customer requirements and high-quality operations.

	2007	2006	CHANGE	%
Turnover, EUR m	**9.9**	7.2	2.7	38
Operating profit, EUR m	**-3.9**	-4.8	0.9	19
Investments, EUR m	**0.3**	3.4	-3.1	-91
Staff, persons average	**161**	134	27	20

REPORT BY THE G.W. SOHLBERG CORPORATION'S BOARD OF DIRECTORS FOR 2007

2007 was the G.W. Sohlberg Corporation's 99th financial year and 132nd year of operations.

GROUP STRUCTURE

On 1 November 2007 the G.W. Sohlberg Corporation divested its entire shareholdings in its associated company, the Perlos Corporation, to the Lite-On-Technology Corporation through a public tender cash offer.

The Group's stake in the associated company, the Glaston Corporation, stayed the same throughout the year at 33.1 per cent.

GWS Invest Oy subscribed for 634,083 new shares in Detection Technology, Inc. in a share issue towards the end of the year and now holds 79.39 per cent (61.37%).

At the turn of the year the G.W. Sohlberg Corporation held 10.1 per cent of Pikval Oy's shares. The shareholding has dropped to zero through a shareholder agreement deal made after the review period.

The Group's parent company has operated as provider of central services to the Group.

TURNOVER

Consolidated turnover amounted to EUR 9.9 million (EUR 4.6m). The nine-month share in the turnover of the Detection Technology Group (DT) for 2006 has been reported as year-on-year comparable turnover. Turnover rose by EUR 5.3 million on the previous year, or 115.2 per cent (previous year, a fall of 67.6%).

Direct exports and overseas operations together accounted for EUR 9.7 million (EUR 4.4m), or 97.5 per cent (95.0%) of consolidated turnover.

FINANCIAL POSITION AND RESULT

The Group's financial result from operations fell short of set targets. The result was up on the previous year due to a capital gain on the sale of Perlos shares. Profit before extraordinary items amounted to EUR 17.2 million (EUR -17.2m). Profit was especially weakened by the loss-making share in the profit of Perlos during the early part of the year and the worse than expected performance of the Detection Technology Group.

The operating result of the Detection Technology Group, including subsidiaries, showed a loss of EUR -3.9 million (EUR -4.8m). The operating loss decreased slightly in comparison to the comparable figure for the previous year. Profitability from operations was especially strained by write-downs on old inventory and other non-recurring items as well as by high production quality costs.

The share of the profit of the Perlos Corporation for the accounting period 2007 amounted to EUR -16.0 million (EUR -7.4m). The nine-month share in the profit of Perlos has been entered in the Group's consolidated result. The share of the profit of the Glaston Corporation came to EUR 1.0 million (EUR 1.5m).

The Group's return on equity (ROE) was 21.6 per cent (-20.1%) and return on investment (ROI) 11.6 per cent (-6.8%).

INVESTMENTS

During 2007 the G.W. Sohlberg Corporation divested 15,425,000 shares in the Perlos Corporation to Lite-On Technology Corporation under the terms and conditions of a public tender cash offer. The shares were sold at EUR 5.20 per share and a sale price of EUR 80.2 million was obtained for the shares.

GWS Invest Oy, a subsidiary 100 per cent owned by the parent company, acquired 634,083 new shares in Detection Technology, Inc. in a share issue during the accounting period. The GWS Group's stake in the company at the end of the accounting period was 79.39 per cent.

A revision ion of strategy for subsidiaries and a positive cash flow target limited industrial investments to a minimum. Group investment in machinery and equipment amounted to EUR 0.2 million (EUR 2.7m), mainly focused on the Detection Technology Group. Product development costs were fully recognised in terms of their effect on profit and no longer capitalised in the balance sheet (previous year EUR 0.7m). The remaining undepreciated balance of product development costs, capitalised in previous years, amounts to EUR 1.0 million (EUR 1.4m) in the balance sheet.

Net investments by the GWS Group for 2007 amounted to EUR 0.3 million (EUR 12.1m).

EUR 0.9 million (EUR 0.7m) was invested in the R&D activities of the Group subsidiaries (the Detection Technology Group), mainly allocated to product development.

FINANCING

Consolidated liabilities amounted to EUR 91.2 million (EUR 135.2m), of which EUR 87.1 million (EUR 129.6m) was interest-bearing. At the same time the Group held liquid assets of EUR 53.2 million (EUR 18.8m), so that consolidated interest-bearing net debt was EUR 33.9 million (EUR 110.8m).

Interest-bearing net debt has decreased mainly due to the cash assets, totalling EUR 80.2 million, received on the sale of shares in the Perlos Corporation.

The Group has capital loans amounting to EUR 1.9 million (EUR 1.9m). All capital loans have been raised in the name of Detection Technology, Inc. An itemised list of lenders and terms and conditions of the loans is presented in the notes to the consolidated financial statements.

The consolidated ratio of shareholders' equity to the balance sheet total, i.e. the equity ratio, was 49.0% (34.6%). Equity ratio, adjusted by capital loans, was 50.0% (35.5%).

The value of the shares in the associated company, the Glaston Corporation, on the consolidated balance sheet is

EUR 91.4 million (EUR 92.8m), including unamortized goodwill of EUR 41.3 million (EUR 43.9m).

Detection Technology, Inc. has been included in the consolidated financial statements as a subsidiary. A non-recurring write-down of EUR 7.2 million has been made in the Group goodwill attributable to the acquisition. The consolidated balance sheet contains unamortized Group goodwill of EUR 3.8m (EUR 11.5m) in connection with the acquisition.

STAFF

Group staff numbered on average 167 (150).

ASSOCIATED COMPANIES

The associated companies, the Glaston Corporation and the Perlos Corporation, together with their subsidiaries have been entered using the equity accounting method. The share of Perlos' profits has been entered for the nine-month period preceding the share transaction. The share of the profits of the associated companies has been presented in its own row on the income statement and as shares in associated companies on the balance sheet.

The Glaston Group's turnover under IFRS amounted to EUR 269.8 million (EUR 218.9m). Growth on the previous year was EUR 50.9 million, or about 23.3 per cent. Comparable consolidated operating profit, not including non-recurring items, amounted to EUR 16.6 million (EUR 10.9m), representing 6.2 per cent (5.0%) of turnover. The Glaston Group's profitability was adversely affected by outstanding costs for projects and non-recurring costs incurred in the reorganisation of operations.

The GWS Group's dividend income from the Glaston Corporation for 2007 was EUR 2.4 million (EUR 4.5m). The Perlos Corporation did not distribute dividend (previous year EUR 1.5m).

RISK AND RISK MANAGEMENT

The greatest business risks and uncertainties for the GWS Group lie in the activities of associated companies and subsidiaries. The Group's financial position and profit-making capability are more affected by the success of its associated companies and subsidiaries. The Group has aimed to hedge business risk by focusing on a limited number of business sectors with good profitability and a leading position in the market.

Glaston operates on a global scale and changes in the world's economic trends impact on the company's activities. Glaston's greatest operational risks include the management of major customer projects, the availability and price trends of raw materials and components, the management of a network of subcontractors and availability and permanence of staff.

Detection Technology as a growth company also entails high risk. Risks on DT's balance sheet have been substantially written down in the financial statements for 2006 and 2007.

The Group's business also entails financial risks, such as currency, interest and credit exposure. Group financing is centrally controlled and financial risk is managed in accordance with the financial policy adopted by the board of directors. About one third of the Group's loan portfolio has been hedged by interest rate swaps. Other loans have been tied to 3 and 6 month Euribor interest rates.

The tangible holdings of Group subsidiaries and a focus on operational activities and operational liabilities have been covered by taking out sufficient business insurance cover.

PROSPECTS FOR 2008

The prospects for Glaston in 2008 are favourable with the exception of North America. However, the economic cycles in Europe, Asia and the Americas are counterbalanced thanks to the geographical spread of the company's operations. Demand for One Stop Partner full deliveries is estimated to show continued growth due to the increasing efficiency and productivity requirements of the customers.

The Glaston Group estimates that it will clearly increase its turnover and operating profit in comparison to 2007.

Detection Technology is focused on offering digital imaging X-ray modules for healthcare and security equipment. The aim of the company is to develop favourably in growing markets by means of price competitiveness, an understanding of customer requirements and quality assurance.

The company has the prerequisites for profitable growth due to changes carried out during 2007 and capital investment made by the owners towards the end of the year. DT's turnover is expected to grow considerably and operating profitability to improve.

THE BOARD'S PROPOSAL FOR THE DISPOSAL OF EARNINGS

	EUR k
Parent company distributable unrestricted shareholders' equity	81,178
The Board proposes that the disposable assets be allocated as follows:	
Distributed as dividend to shareholders at EUR 0.57 per share	1,539
Deposited in the shareholders' equity	79,639
	81,178

Espoo, 4 March 2008

Klaus Sohlberg Chairman	Heikki Tulenheimo Vice Chairman	Jan Hasselblatt	Tua-Maria Lidman
Kari O. Sohlberg	Kari Stadigh	Tuomo Vähäpassi	Andreas Tallberg CEO

SOURCE AND APPLICATION OF FUNDS 1.1.–31.12.

EUR k	GROUP 2007	2006	PARENT COMPANY 2007	2006
Cash flow from operations				
Operating profit/loss	21 771	-13 153	57 365	-2 459
Adjustments to operating profit/loss [1]	-24 688	7 367	-58 560	61
Change in working capital	1 639	-4 533	-811	2 751
Interest and fees paid	-5 772	-4 661	-4 878	-4 004
Dividend received	-	-	1 159	3 721
Interest received	1 230	596	939	533
Tax and tax rebates	19	-3	-	-2
Net cash flow from operations	**-5 801**	**-14 387**	**-4 786**	**601**
Cash flow from investments				
Investment in tangible and intangible assets	-342	-19 173	-	-208
Income from disposal of tangible and intangible assets	49 363	244	80 327	244
Investment in other items	33 599	10 106	-	-
Loans receivable/payments	-	-	-2 020	-9 163
Net cash flow from investments	**82 620**	**-8 823**	**78 307**	**-9 127**
Cash flow from financing				
Short-term loans raised	26 406	71 484	22 573	65 613
Short-term loans repaid	-68 894	-30 679	-66 140	-30 679
Long-term loans raised	16 000	18 959	16 000	10 000
Long-term loans repaid	-15 990	-13 803	-12 156	-13 803
Dividends paid	-	-10 800	-	-10 800
Net cash flow from financing	**-42 478**	**35 161**	**-39 723**	**20 331**
Change in liquid assets	34 341	11 951	33 798	11 805
Liquid assets 1.1.	18 831	6 880	18 684	6 879
Liquid assets 31.12.	**53 172**	**18 831**	**52 482**	**18 684**
Change in working capital				
Short-term operating receivables decrease (+) / increase (-)	416	-4 276	-2 582	629
Inventories decrease (-) / increase (+)	2 669	-4 318	-	-
Short-term debt decrease (-) / increase (+)	-1 446	4 061	1 771	2 122
Change in working capital	**1 639**	**-4 533**	**-811**	**2 751**

[1] adjustments to operating profit/loss include depreciations, share of profits of associated companies and other non-liquid assets

INCOME STATEMENT 1.1.–31.12.

EUR k	Note	GROUP 2007	2006	PARENT COMPANY 2007	2006
TURNOVER	1.1.	9 913	4 589	26	50
Change in inventories of finished products and WIP		-2 016	159	-	-
Share of associated companies' profits		-14 995	-5 902	-	-
Other operating income	1.2.	51 084	1 654	60 265	1 497
Materials and services					
Materials, supplies and goods					
Purchases during accounting period		-3 278	-4 313	-	-
Change in inventories		-609	767	-	-
External services		-562	-128	-	-
Materials and services total		**-4 449**	**-3 674**	**-**	**-**
Staff expenditure					
Wages, salaries and fees		-3 590	-3 254	-882	-1 104
Staff social expenditures					
Pension costs		-677	-608	-178	-283
Other staff social expenditure		-193	-58	-47	-79
Staff expenditure total	1.3.	**-4 460**	**-3 920**	**-1 107**	**-1 466**
Depreciations and write-downs					
Depreciation according to plan		-9 601	-1 468	-59	-65
Depreciations total	1.4.	**-9 601**	**-1 468**	**-59**	**-65**
Other operating expenditure	1.5.	-3 706	-4 591	-1 760	-2 475
OPERATING PROFIT/LOSS		**21 770**	-13 153	**57 365**	-2 459
Financial income and expenditure					
Income from stake in associated companies		-	-	1 154	3 722
Long-term investment income from other companies		154	-	154	-
Other interest and financial income from Group companies		-	-	25	89
Other interest and financial income from other companies		1 076	596	764	443
Interest expenditure and other financial expenditure to Group companies		-	-	-234	-110
Interest expenditure and other financial expenditure to other companies		-5 772	-4 661	-4 643	-3 894
Financial income and expenditure total		**-4 542**	**-4 065**	**-2 780**	**250**
PROFIT/LOSS BEFORE EXTRAORDINARY ITEMS		**17 228**	-17 218	**54 585**	-2 209
Extraordinary items					
Extraordinary income		-	200	-	200
Extraordinary expenditure		-	-4	-	-4
Extraordinary items total	1.6.	**-**	**196**	**-**	**196**
PROFIT/LOSS BEFORE APPROPRIATIONS AND TAXES		**17 228**	-17 022	**54 585**	-2 013
Difference in depreciation decrease/increase		**-**	**-**	**69**	**34**
Income tax	1.7.	**19**	**6**	**-**	**-2**
NET PROFIT/LOSS FOR THE YEAR		**17 247**	-17 016	**54 654**	-1 981

BALANCE SHEET 31.12.

EUR k	Note	GROUP 2007	2006	PARENT COMPANY 2007	2006
ASSETS					
FIXED ASSETS					
Intangible assets					
Group goodwill		3 761	11 532	-	-
Other long-term expenditure		1 066	1 382	-	-
Intangible assets total	2.1.	4 827	12 914	-	-
Tangible assets					
Land and installations		8 922	8 922	-	-
Buildings and constructions		8 263	8 601	-	-
Machinery and equipment		2 775	4 623	215	353
Advances and acquisitions in progress		-	545	-	-
Tangible assets total	2.1.	19 960	22 691	215	353
Investments					
Shares in Group companies		-	-	15 735	15 735
Receivables from Group companies		-	-	74 448	72 165
Share in associated companies		91 385	139 699	35 657	57 276
Other shares and holdings		114	131	103	113
Other receivables		788	1 051	788	1 051
Investments total	2.1.	92 287	140 881	126 731	146 340
FIXED ASSETS TOTAL		117 074	176 486	126 946	146 693
INVENTORIES AND FINANCIAL ASSETS					
Inventories					
Materials and supplies		1 417	2 044	-	-
Work in progress		154	553	-	-
Other products/goods		78	1 721	-	-
Inventories total		1 649	4 318	-	-
Receivables					
Short-term					
Accounts receivable		2 226	2 164	147	166
Receivables from Group companies		-	-	3 128	742
Other receivables		1 448	478	1 173	478
Prepaid expenditure and accrued income	2.2.	4 100	5 548	3 430	3 911
Short-term receivables total		7 774	8 190	7 878	5 297
Cash and bank accounts		53 172	18 831	52 482	18 684
INVENTORIES AND FINANCIAL ASSETS TOTAL		62 595	31 339	60 360	23 981
ASSETS TOTAL		179 669	207 825	187 306	170 674

BALANCE SHEET 31.12.

EUR k	Note	GROUP 2007	2006	PARENT COMPANY 2007	2006
LIABILITIES					
SHAREHOLDERS' EQUITY					
Restricted equity					
Share capital	3.1.	18 900	18 900	18 900	18 900
Other restricted equity	3.2.	1 649	1 649	1 649	1 649
Restricted equity total		**20 549**	**20 549**	**20 549**	**20 549**
Unrestricted equity					
Accumulated profit from previous years		49 955	68 393	26 524	28 505
Net profit/loss for the year		17 247	-17 016	54 654	-1 981
Unrestricted equity total	3.3.	**67 202**	**51 377**	**81 178**	**26 524**
SHAREHOLDERS' EQUITY TOTAL		**87 751**	**71 926**	**101 727**	**47 073**
ACCUMULATED APPROPRIATIONS					
Accumulated difference in depreciation		**-**	**-**	**136**	**205**
COMPULSORY RESERVES					
Other compulsory reserves	3.4.	**680**	**680**	**679**	**679**
LIABILITIES					
Long-term					
Capital loans	5.1.	1 852	1 852	-	-
Loans from financial institutions		58 890	56 287	52 861	49 545
Debt to Group companies		-	-	15	15
Accounts payable		18	-	-	-
Deferred tax liabilities	3.5.	41	60	-	-
Other long-term liabilities	3.6.	650	365	-	-
Long-term liabilities total		**61 451**	**58 564**	**52 876**	**49 560**
Short-term liabilities					
Loans from financial institutions		26 403	71 484	22 573	65 613
Advances received		452	736	-	-
Accounts payable		1 003	2 448	37	48
Debt to Group companies		-	-	8 289	6 540
Other short-term liabilities	3.7.	418	616	51	82
Accrued liabilities and prepaid income	3.8.	1 511	1 371	938	874
Long-term liabilities total		**29 787**	**76 655**	**31 888**	**73 157**
LIABILITIES TOTAL		**91 238**	**135 219**	**84 764**	**122 717**
SHAREHOLDERS' EQUITY, APPROPRIATIONS, RESERVES AND LIABILITIES TOTAL		**179 669**	**207 825**	**187 306**	**170 674**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

PREPARATION AND VALUATION PRINCIPLES AND COMPARABILITY OF THE CONSOLIDATED FINANCIAL STATEMENTS

ACCOUNTING PRINCIPLES OF THE CONSOLIDATED FINANCIAL STATEMENTS

The consolidated financial statements include all Group and associated companies.

INTERNAL SHAREHOLDING

The consolidated financial statements have been drawn up using the acquisition accounting method.

The premium paid for the subsidiaries' shares in excess of shareholders' equity has been entered partly under fixed assets and partly under Group goodwill. The items under fixed assets are amortised according to useful life. The amortisation period for goodwill is 20 years.

INTRAGROUP BUSINESS TRANSACTIONS AND MARGINS

Intragroup business transactions, unrealised margins on intragroup deliveries, intragroup receivables and payables have been eliminated.

EXCHANGE RATE AND TRANSLATION DIFFERENCES

The income statements of Detection Technology Group companies have been translated into euros using the average exchange rate for the accounting period and the balance sheets using the average exchange rate at balance sheet date.

Translation differences due to exchange rate differences arising in the elimination of cross shareholdings have been entered under non-restricted shareholders' equity.

ITEMS DENOMINATED IN FOREIGN CURRENCIES

Group companies' receivables and payables denominated in foreign currencies have been translated into euros using the average exchange rate at balance sheet date.

CHANGES IN GROUP STRUCTURE

634,083 new shares were subscribed for in a Detection Technology, Inc. share issue during the accounting period.

The Group's stake in the Detection Technology Group has risen to 79.39 per cent through the share issue confirmed on 20.12.2007.

Otherwise the Group structure has remained the same.

ASSOCIATED COMPANIES

The associated companies have been entered using the equity accounting method.

THE GLASTON CORPORATION

The Group's stake in the Glaston Corporation has not changed during the accounting period. The value of the Group's stake of 33.10% at the share price of EUR 2.77, quoted on the stock exchange closing day of trading for the year, amounted to EUR 72.8 million.

Unamortized goodwill from acquisitions amounts to EUR 41.3 million. The amortisation period for goodwill is 20 years.

THE PERLOS CORPORATION

The Group's entire shareholding in the Perlos Corporation was divested to Lite-On Technology on 1.11.2007 under the terms and conditions of a public tender cash offer.

The share of the Perlos Corporation's profit is included in the income statement for the first three quarters of 2007.

INTANGIBLE AND TANGIBLE ASSETS

The balance sheet values of intangible and tangible assets are based on the original acquisition costs less depreciation according to plan. Depreciation according to plan has been calculated on a straight-line basis from the useful economic life of the fixed assets.

CASH AND BANK ACCOUNTS

Cash and bank accounts include cash assets, bank accounts, deposits under three months and other cash equivalent liquid assets.

DERIVATIVES

The company's derivatives comprise interest rate swaps.

In interest rate swaps the fluctuating interest rate of the company's loans from financial institutions is exchanged for a fixed interest rate. The duration of the interest rate swap has been set at one to five years and the interest rate is set at the date of contract.

Detection Technology, Inc. has hedged foreign exchange risks using cross currency swaps.

PRESENTATION PRINCIPLE

The notes to the financial statements are presented in thousands of euros unless otherwise indicated.

1. NOTES TO THE INCOME STATEMENT

1.1. Turnover by business sector and market area

Turnover by business sector

	2007	2006
X-ray detectors for security and medical imaging equipment	9 913	4 589
Total	**9 913**	**4 589**

Turnover by market area

	2007	2006
Finland	243	230
Other Nordic countries	718	326
Other Europe	1 175	918
USA and Canada	2 916	1 175
Other countries	4 861	1 940
Total	**9 913**	**4 589**

1.2. Other operating income

	2007	2006
Rental income	1 612	1 485
Capital gain on sale of fixed assets	49 284	3
Other, contributions etc.	188	166
Total	**51 084**	**1 654**

1.3. Notes on staff and other company officers

1.3.1. Average staff

	2007	2006
Wage earners	68	61
Salaried staff	99	89
Total	**167**	**150**

1.3.2. Directors' salaries and fees

	2007	2006
CEOs	567	572
Board members	129	128
Total	**696**	**700**

1.3.3. The retirement age for CEOs is 60–68

1.4. Depreciation according to plan and write-downs

	2007	2006
Group goodwill (incl. EUR 7,166k one-off write-off at DT)	7 771	485
Other long-term expenditure	483	250
Buildings and constructions	381	379
Machinery and equipment	966	354
Depreciations total	**9 601**	**1 468**

Depreciation according to plan has been calculated from the original acquisition price on a straight-line basis based on useful economic life.

The periods for depreciation according to plan are as follows:

Goodwill	20 years
Other long-term expenditure	2–10 years
Buildings	40 years
Constructions	10 years
Machinery and equipment	3–10 years

1.5. Other operating expenditure

Other operating expenditure comprises purchasing and manufacturing, sales and marketing and administration costs not including payroll costs.

1.5.1. Auditors' fees

	2007	2006
Ernst & Young C.A. Corporation		
Auditing fees	60	77
Tax advice	9	2
Other fees	10	44
Total	**79**	**123**

1.6. Extraordinary income and expenditure

Extraordinary income		
Extra price from sale of Flexlink Ab in 2005	-	158
Other	-	42
Extraordinary income total	**-**	**200**
Extraordinary expenditure		
Expenditure from earlier sales of Group companies	-	-4
Extraordinary expenditure total	**-**	**-4**
Extraordinary items total	**-**	**196**

1.7. Notes on appropriations and income tax

Break-down of difference in depreciation decrease and change in voluntary reserves		
Deferred tax liability decrease (income tax)	19	9
Profit for the year	53	25
Change in difference in depreciation total	**72**	**34**

Income tax

Income tax on normal operations	-	51
Income tax on extraordinary items	-	-51
Tax from previous accounting periods	-	-3
Change in deferred tax liability	19	9
Total	**19**	**6**

2. NOTES TO BALANCE SHEET ASSETS

2.1. Intangible and tangible assets and other long-term investments

	Goodwill	Other long-term investments	Land	Buildings and constructions	Machinery and equipment
Acquisition cost 1.1.	12 017	2 126	8 922	26 834	5 009
Increase		-	169	37	131
Decrease	-	-	-	-	-1 035
Acquisition cost 31.12.	12 017	2 295	8 922	26 871	4 105
Accumulated depreciation 1.1.	-485	-744	-	-18 228	-386
Decrease			-	-	21
Plan depreciation for accounting period	-7 771	-485	-	-380	-965
Accumulated depreciation 31.12.	-8 256	-1 229	-	-18 608	-1 330
Balance sheet value 31.12.2007	**3 761**	**1 066**	**8 922**	**8 263**	**2 775**
Balance sheet value 31.12.2006	11 532	1 382	8 922	8 601	4 623

	Acquisitions in progress	Shares in Group companies	Other shares and holdings
Acquisition cost 1.1.	545	139 699	131
Increase	-	973	-
Decrease	-545	-49 287	-17
Acquisition cost 31.12.	-	91 385	114
Accumulated depreciation 1.1.		-	-
Decrease		-	-
Plan depreciation for accounting period		-	-
Accumulated depreciation 31.12.	-	-	-
Balance sheet value 31.12.2007	**-**	**91 385**	**114**
Balance sheet value 31.12.2006	545	139 699	131

	2007	2006
Undepreciated part of acquisition cost of machinery and equipment	2 673	

2.2. Prepaid expenses and accrued income

	2007	2006
Short-term		
Tax credit receivables	2 722	2 722
Interest receivables	371	900
VAT receivables	380	491
Insurance compensation	-	272
Contribution receivables	-	390
Social insurance accruals	197	95
Advance taxes for 2006	-	71
Other	430	607
Total	**4 100**	**5 548**

3. NOTES TO BALANCE SHEET LIABILITIES

Shareholders' equity

3.1. Restricted equity

	2007	2006
Parent company shares are divided as follows:		
Common shares 900,000 (one share one vote) 31.12.	6 300	6 300
Preference shares 1,800,000 (ten shares one vote) 31.12.	12 600	12 600
Share capital total	**18 900**	**18 900**

Shares total 2.7 million at a nominal value of EUR 7.0 per share.

Preference shares are entitled to a dividend of eight per cent from net profit for the year, after which common shares are entitled to a dividend of up to eight per cent. If there is a distribution of dividend above this amount, each share is entitled to the same amount. (Articles of Association §14)

	2007	2006
3.2. Other restricted shareholders' equity	**1 649**	**1 649**

Other restricted shareholders' equity comprises the share premium reserve.

	2007	2006
Restricted shareholders' equity total	**20 549**	**20 549**

3.3. Unrestricted shareholders' equity	2007	2006
Accumulated profit from previous years 1.1.	51 377	79 199
Distributed as dividend 2006/2005	-	-10 800
Readjustments to DT's previous accounting periods	-1 930	-
Written-back DT negative minority interest	305	372
Translation differences	203	-378
Accumulated profit from previous years 31.12.	**49 955**	**68 393**
Net profit/loss for the year	17 247	-17 016
Unrestricted shareholders' equity total	**67 202**	**51 377**
Shareholders' equity total	**87 751**	**71 926**
Portion of accumulated depreciation difference under shareholders' equity	188	203
Distributable funds from unrestricted shareholders' equity	67 014	51 174

3.4. Compulsory reserves

Environmental liability reserve	478	478
Reserve for deferred rental costs	202	202
Total	**680**	**680**

The parent company has a commitment that the real estate, owned by Hansa-Mertens N.V., at Terbekenhofdreef 51–53, Wilrijk, Belgium, does not constitute an environmental hazard. To cover the commitment, an environmental liability reserve of EUR 0.5m has been set up and entered under an extraordinary expenditure in the accounts for 1997.

The reserve for deferred rental costs has been entered under other operating expenditure for previous years.

The change in other compulsory reserves has been entered under other operating expenditure.

3.5. Accumulated appropriations

Accumulated difference in depreciation		
Deferred tax liability	41	60
Shareholders' equity	116	169
Total	**157**	**229**

Deferred tax liability

Appropriations	41	60
Total	**41**	**60**

3.6. Other long-term liabilities

Product development loans	650	365
Total	**650**	**365**

3.7. Other short-term liabilities

Factoring credit	231	413
Other	187	203
Total	**418**	**616**

3.8. Accrued liabilities and prepaid income

Unpaid wages and salaries incl. social costs	496	273
Deferred interest	882	369
Other	133	2
Total	**1 511**	**644**

4. PLEDGES AND COMMITMENTS

	2007	2006
4.1. Loans with securities as collateral		
Financial institutions	75 296	63 158
Book value of collateralised securities	97 634	65 786
4.2. Loans with pledges and mortgages as securities		
Bank accounts	695	-
Financial institutions	10 448	12 978
Firm mortgages	10 235	10 235
Factoring credit	231	412
Loans with accounts receivable as collateral	788	641
4.3. Other commitments		
Rents	1 478	1 837
Leasing maturing the following accounting period	256	322
Leasing maturing later	460	462
4.4. Commitments on behalf of Group companies		
Guarantees	467	467

5. CAPITAL LOANS

5.1. Information on Group capital loans and interests recogniseded as expenditure

Lender	Loan period	Loan amount	Accumulated interest	Interest
Nordea Pankki	1 year	76	11	Euribor 6mth + 6% margin
Tekes	3 and 4 years	776	48	3% p.a.
Finnfund	2 years	1 000	-	7.5% p.a.
		1 852	**59**	

The capital and interest of loans are paid at a lower preference than other debts in the event of the company going into receivership or bankruptcy. The interest is paid only when the amount of the company's unrestricted shareholders' equity and all capital loans at the time of payment exceed the amount of the company's unrestricted shareholders' equity from the company's last completed accounting period or the amount of unrestricted shareholders' equity according to the balance sheet from more recent financial statements.

A pledge is not given for payment of the capital or interest. If the interest cannot be paid, it is transferred to be paid on the basis of the first financial statements, on the basis of which it can be paid.

6. OPTION RIGHTS

6.1. Information on Detection Technology, Inc.'s option rights

The Annual General Meeting of Detection Technology, Inc. made a decision on 8 March 2004 concerning option rights, on the basis of which a maximum of 5,600 shares can be subscribed for, corresponding to 1.0% of the company's share capital and 1.0% of the company's voting rights and the share capital rises to a maximum of EUR 941.85. The exercise period is from 1 January 2005 to 31 December 2008.

The Annual General Meeting of Detection Technology, Inc. made a decision on 16 September 2004 concerning option rights, on the basis of which a maximum of 5,600 shares can be subscribed for, corresponding to 1.0% of the company's share capital and 1.0% of the company's voting rights and the share capital rises to a maximum of EUR 941.85. The exercise period is from 1 January 2007 to 31 December 2009.

The Annual General Meeting of Detection Technology, Inc. made a decision on 7 March 2006 concerning option rights, on the basis of which a maximum of 37,000 shares can be subscribed for, corresponding to 9.0% of the company's share capital and 9.0% of the company's voting rights and the share capital rises to a maximum of EUR 6,223.00. The exercise period is from 1 September 2007 to 31 December 2012.

7. SHAREHOLDING IN OTHER COMPANIES

7.1. Shares and holdings

Group companies included in consolidated financial statements	Group stake %	Group voting rights %	Group stake in equity capital EUR k
GWS Trade Oy, Helsinki	100	100	2 700
GWS Invest Oy, Helsinki	100	100	-162
GWS Assets Oy, Helsinki	100	100	7
Kiinteistö Oy Työnjohtajankatu 1, Helsinki	100	100	18 131
Kiinteistö Oy Punamullantie 2, Nurmijärvi	100	100	84
As. Oy Hgin Ehrensvärdintie 25, Helsinki	100	100	3 735
Pakopaikka Oy, Helsinki	100	100	126
Detection Technology, Inc., Espoo	79.39	79.39	-8 122

7.2. Other shares and holdings with significant Group stake

				Shares/stake held by the Group			
	Group stake %	Group voting rights %	Group stake in equity capital EUR k	Stake %	No.	Nom. value EUR k	Book value EUR k
Associated companies							
Glaston Corporation	33.10	33.10	46 208	33.10	26 266 100	2 051	91 385
Associated companies total							**91 385**
Other shares and holdings (over EUR 17k)							
Pikval Oy	10.10	10.10			2 828		71
Other shares							43
Other shares and holdings total							**114**
Investments total							**91 499**

AUDITORS' REPORT

TO THE SHAREHOLDERS OF THE G.W. SOHLBERG CORPORATION

We have audited the accounting records, the financial statements, the Report by the Board of Directors and the governance of the G.W. Sohlberg Corporation for the accounting period 1.1.–31.12.2007. The Board of Directors and the Chief Executive have prepared the Report by the Board of Directors and the financial statements, which contain the balance sheet, the income statement, source and application of funds and notes to the financial statements concerning both the Group and Parent Company. On the basis of our audit we submit our report on the financial statements, the Report by the Board of Directors and the governance of the Parent Company.

The audit has been conducted in accordance with good auditing practice. The accounting records and the principles, contents and method of presentation employed in drawing up the financial statements and the Report by the Board of Directors have thus been audited to a sufficient extent to determine that the financial statements do not contain any material errors or shortcomings. The audit of governance has established that members of the Board of Directors and the Chief Executive have acted in compliance with the law as stated in the Companies Act.

We hereby submit that the financial statements and Report by the Board of Directors have been prepared in accordance with the Accounting Act and other rules and regulations governing their preparation. The financial statements and Report by the Board of Directors give a true and fair view of the operations and financial position of the Group and the Parent Company in compliance with the Accounting Act. The Report by the Board of Directors is in conformity with the financial statements. The financial statements including consolidated financial statements can be adopted and the members of the Board of Directors and the Chief Executive discharged from liability for the accounting period under review. The proposal by the Board of Directors for the disposal of earnings is in accordance with the Companies Act.

Helsinki, 14 March 2008

Ernst & Young
C.A. Corporation

Pekka Luoma
C.A.

Arto Tenhula
C.A.

CALCULATION FORMULAS FOR KEY FIGURES

Interest-bearing net debt = interest-bearing debt – interest-bearing receivables – cash and other liquid financial assets

$$\text{Equity ratio \%} = \frac{\text{shareholders' equity}}{\text{balance sheet total – advances received}} \times 100$$

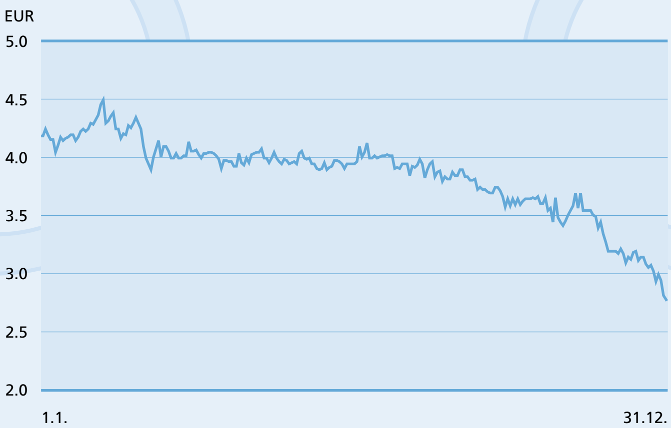
$$\text{Return on equity \% (ROE)} = \frac{\text{profit before extraordinary items – taxes}}{\text{shareholders' equity (average)}} \times 100$$

$$\text{Return on investment \% (ROI)} = \frac{\text{profit before extraordinary items + interest expenditure and other financial expenditure}}{\text{balance sheet total – non-interest-bearing liabilities (average)}} \times 100$$

$$\text{Equity per share, EUR} = \frac{\text{shareholders' equity}}{\text{yearend number of shares}}$$

SHARE PRICE TRENDS

GLASTON SHARE PRICE TREND IN 2007



Source: OMX Helsinki

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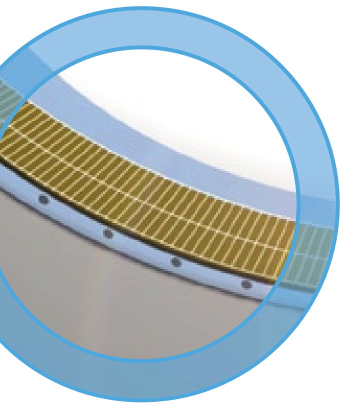

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