



ANNUAL REPORT 2007
Inex Partners Oy

CONTENTS

Managing Director's Report for 2007	3
Business Idea	4
Group Structure 31 December 2007	4
Owner	4
Key Figures	5
Board of Directors' Report for 2007	6
Inex Group	
Consolidated Income Statement	9
Consolidated Balance Sheet	9
Consolidated Cash Flow Statement	10
Inex Partners Oy	
Income Statement	11
Balance Sheet	11
Cash Flow Statement	12
Notes to the Financial Statements	
Accounting Principles	13
Notes to the Income Statement	14
Notes to the Assets in the Balance Sheets	16
Notes to the Liabilities in the Balance Sheets	20
Notes to the Staff and Board Members	21
Secured Assets and Contingent Liabilities	22
Auditors' Report	23
Inex and its Staff	24
Inex and the Environment	25

A SUCCESSFUL YEAR OF CHANGE

S Group's stronger market position in the grocery trade boosted the positive performance of Inex Partners Oy, with sales to S Group increasing by 13 per cent.

SOK Corporation's new Corporate Management Group began work in August 2007, led by Arto Hiltunen, CEO. My predecessor, Risto Pyykönen, was invited to join the Corporate Management Group as Senior Vice President, responsible for Chain Management of the S Group's Businesses and Procurement. The parent company's organisational changes were reflected in both Inex's Board of Directors and the operational management of the company.

S Group has launched several projects concerning the Group's entire value chain, involving Inex actively in all those related to grocery chain development. The product assortment and sourcing process, which steers the operations of Inex and Market Chain control, has been revised to comply with the current structure and made more efficient by eliminating overlapping operations and specifying the division of tasks and responsibilities.

In compliance with decisions made in the autumn of 2007, Inex is fully responsible for procurements for SOK Corporation's grocery trade. Accordingly, since 1 January 2008, Inex has been responsible for domestic fresh food product sourcing for S Group. The centralisation of purchasing operations aims at the further enhancement of the efficiency of sourcing operations throughout the value chain and improving price competitiveness in S Group's grocery trade. Following operational centralisation, this work will continue through the centralisation of order and invoicing flows and the development of logistic steering models.

In early 2008, SOK's Board of Directors decided to acquire a site in Bastukärr, Sipoo, to host the S Group's new logistics centre for daily non-food product trade, due for completion in 2012.

I would like to extend my warmest thanks to our staff and partners for their contributions during the year 2007, and wish you all a good and successful 2008.

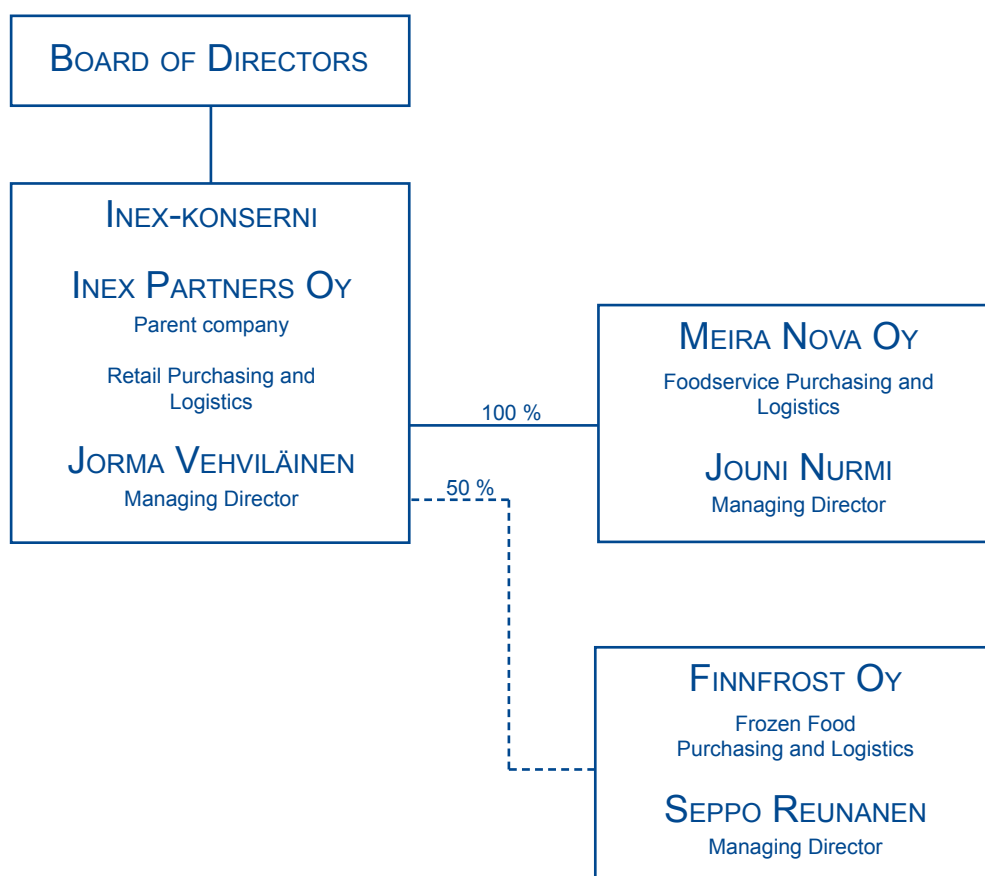
Espoo, April 2008

Jorma Vehviläinen
Managing Director

BUSINESS IDEA

Inex Group provides sourcing, assortment and logistics services that combine purchasing power and cost-efficient operating in a long value chain.

GROUP STRUCTURE 31 DECEMBER 2007



OWNER

Inex Partners Oy is a wholly-owned subsidiary of SOK Corporation.

KEY FIGURES

INEX GROUP

	EUR million	2003	2004	2005	2006	2007
Net turnover		1 784,4	1 870,1	2 027,7	2 096,7	2 047,3
Increase in net turnover, %		5,2	4,8	8,4	3,4	-2,4
Profit before extraordinary items		4,5	4,0	5,8	8,8	7,4
Profit for the financial year		3,1	2,6	4,3	6,8	1,4
Return on investment, %		9,7	8,8	12,9	17,8	14,1
Equity ratio, %		20,5	17,6	17,9	20,2	18,6
Gearing %		-185,5	-207,6	-123,1	-107,2	-110,9
Gross investments		3,2	1,9	1,5	7,8	12,7
Personnel, average		2 242	2 353	2 454	2 443	2 255

INEX PARTNERS OY

	EUR million	2003	2004	2005	2006	2007
Net turnover		1 596,6	1 679,1	1 815,5	1 863,4	1 799,4
Increase in net turnover, %		4,3	5,2	8,1	2,6	-3,4
Profit before extraordinary items		3,9	2,1	4,0	6,6	5,8
Profit for the financial year		4,4	2,3	4,8	7,0	0,5
Return on investment, %		8,5	5,3	9,4	13,8	11,5
Equity ratio, %		21,4	18,3	18,7	21,2	19,2
Gearing %		-187,0	-215,9	-126,0	-110,0	-109,5
Gross investments		2,5	1,3	0,8	0,7	1,3
Personnel, average		2 015	2 110	2 197	2 178	1 989

BOARD OF DIRECTORS' REPORT FOR 2007

At the end of 2007, Inex Group comprised the parent company Inex Partners Oy, which provides S Group's retail chains with grocery purchasing and logistics services as well as the speciality products trade with logistics services, and Meira Nova Oy, which offers grocery purchasing and logistics services for the hotel, restaurant and catering (HoReCa) sector.

Finnfrost Oy, an associated company, specialises in the purchase of frozen products, and in logistics services for retail and HoReCa units. Inex Partners Oy owns 50 per cent of this company.

Inex Group's parent company is Inex Partners Oy, a wholly-owned subsidiary of SOK, the resources of which are used to provide management, financial and data administration services to subsidiaries, too.

Inex Group's main goal is to pool the sourcing volume of the S Group's grocery trade and provide and create new strategic competitive advantages for the S Group's chains. Our competitiveness is based on customer-driven processes and high efficiency throughout the value chain.

ACTIVITIES

In 2007, Inex Partners Oy's sales performed as planned, remaining equal to 2006 levels despite the changes in the structure of Inex's ownership and customer base. The growth in S Group's grocery trade volumes and further concentration of grocery purchasing have contributed to ensuring the volumes of Inex Partners Oy.

In 2007, several development projects were launched involving the value chain of the entire S Group, with Inex Partners contributing to all development projects within the grocery chain.

In the grocery trade sourcing concentration project, Inex Partners Oy took on the responsibility for fresh food product purchasing from SOK's purchasing portfolio. This involved administrative organisation of the purchasing portfolio towards the end of 2007, continuing in 2008 and 2009 with the modification of the order and invoicing channels. The project aims at further enhancement of the efficiency of sourcing operations and improving price competitiveness in S Group's grocery trade.

Inex Partners participates in the S Group's daily non-food product trade development project KT-2015, developing logistics solutions to meet the S Group's future needs.

The TALO financial management development project, aimed at developing tools to support processes, is underway at Inex.

Meira Nova Oy completed the construction of a new logistics centre in Tuusula which is now in use.

TURNOVER AND FINANCIAL PERFORMANCE

Inex Group turnover came to EUR 2,047.3 million, down by 2.4 per cent year-on-year, and Inex Partners Oy's turnover was EUR 1,799.4 million, down by 3.4 per cent year-on-year, whereas Meira Nova's turnover totalled EUR 254.3, up by 6.1 per cent.

In 2006, the year of comparison, the structure of ownership and customer base of Inex Partners Oy changed as Inex's sales to Tradeka chains gradually ended during the year. In 2007, Inex Partners Oy has only been selling goods to S Group chains, and this is still reflected as a decline in turnover year-on-year. Inex's sales to S Group chains increased by 12.9 per cent.

Turnover, by business activity and company, was distributed as follows:

EUR million	Actual 2007	Index 2006
Inex Partners Oy	1 799,4	96,6
Meira Nova Oy	254,3	106,1
Group total	2 049,3	97,6

Turnover of the associated company, Finnfrost Oy, increased by 9.3 per cent, to EUR 243.7 million, and the company made a profit.

The Group made an operating profit of EUR 7.4 million, and posted a profit (after extraordinary items and taxes) of EUR 1.4 million for the financial year.

Inex Partners Oy made an operating profit of EUR 5.8 million, and posted a profit of EUR 0.5 million for the financial year. A EUR 5.5 million group contribution to SOK Corporation diminishes the parent company's profit for the financial year.

Meira Nova Oy made an operating profit of EUR 1.5 million, showing a loss of EUR 0.1 million for the financial year. The depreciation difference of EUR 1.5 million, resulting from the investments in the new logistics centre taken into use in October, burdens the result for the financial year.

The Group's liquidity was good throughout the year. Its liquid cash assets and investments in the money markets totalled EUR 61.9 million at the turn of the year and the quick ratio, a liquidity indicator, was 1.0.

Inex Group's financial income and expenses were EUR 1.6 million (up by EUR 0.8 million over the previous year). The Group's equity ratio was 18.6 per cent while return on investment came to 14.1 per cent. At the end of the year, the Group had no interest-bearing loans.

KEY FIGURES ON FINANCIAL STATUS AND PERFORMANCE

Inex Group 2004-2007 (EUR million)

	2004	2005	2006	2007
Net turnover	1 870,1	2 027,7	2 096,7	2 047,3
Increase in net turnover (%)	4,8	8,4	3,4	-2,4
Profit before extraordinary items	4,0	5,8	8,8	7,4
Profit for the financial year	2,6	4,3	6,8	1,4
Return on investment (%)	8,8	12,9	17,8	14,1
Equity ratio (%)	17,6	17,9	20,2	18,6
Gearing (%)	-207,6	-123,1	-107,2	-110,9
Gross investments	1,9	1,5	7,8	12,7
Personnel, average (all year)	2 353	2 454	2 443	2 255

RISKS AND UNCERTAINTY FACTORS

STRATEGIC RISKS

During the financial year, Inex Group charted risks threatening the achievement of strategic objectives and identified and implemented methods to manage such risks in line with the principles of SOK Corporation. A dependency risk analysis conducted during the financial year analysed the risks involved for retail co-operatives as a consequence of dependency on Inex's grocery trade.

OPERATIONAL RISKS

Inex reduced operational risks related to the information systems serving its order supply chains through, for instance, duplexed sys-

BOARD OF DIRECTORS' REPORT FOR 2007

tems, two-computer-room solutions and continuous monitoring of operations on a 24/7 basis.

According to previously completed plans, reserve power equipment has been purchased to secure the electricity supply at Inex's logistics centres in Kilo and Hakkila, alongside a spare refrigerated container for securing the refrigeration of fresh products.

FINANCIAL RISKS

Inex Group observes the SOK Corporation's financial risk management principles. SOK's Finance unit has central responsibility for managing SOK Corporation's treasury operations and financial risks.

Inex Partners Oy is exposed to currency risk with respect to goods bought in foreign currency, the sales prices of which are confirmed to customer chains before the actual purchase is carried out. The company attempts to eliminate currency risk mainly by using currency derivatives.

DAMAGE RISKS

Inex Group has charted potential damage risks affecting its operations, personnel and assets, evaluated the probability and magnitude of these risks and taken out insurance coverage against identified risks while taking account of the Group's risk-bearing capacity. Inex Partners has joined the Finnish Zero Accident Forum for workplaces.

INVESTMENTS

The Group spent a total of EUR 12.7 million on investments to be capitalised and the acquisition of fixed assets. This sum was divided between the companies as follows:

EUR million	Actual 2007	Change from 2006
Inex Partners Oy	1,3	+0,6
Meira Nova Oy	11,4	+4,3
Group total	12,7	+4,9

Major investment projects in the Group were:

- Investments related to the construction of Meira Nova Oy's new logistics centre
- Production equipment for Inex Partners Oy's logistics centre in Kilo, Espoo

PERSONNEL

On 31 December 2007, the Group employed 2,210 people while the average number of personnel during the year was 2,255.

Number of personnel employed by each company:

Average no. of personnel	2005	2006	2007
Inex Partners Oy	2 197	2 178	1 989
Meira Nova Oy	256	265	266
Group total	2 453	2 443	2 255

The total amount of salaries and remunerations paid during the financial year was EUR 65,557,779.05 by the Inex Group and EUR

57,671,833.64 by Inex Partners Oy.

The purpose of Inex's human resources strategy is to provide expert, co-operative and motivated employees who constantly develop their skills and are committed to the corporate goals. In this respect, the key task is to enhance the status of Inex Partners and Meira Nova as employers of choice which motivate their current employees and attract those of the future.

The human resources strategy emphasises strategic leadership and high-quality managerial work, in accordance with the management system. Inex's success is highly dependent on the strategy-based development of staff competences and ensuring the commitment of staff and availability of human resources. Occupational health is promoted by maintaining and improving the well-being at work of our employees.

Development of pay systems continued, with the aim of extending our performance-based salary system to cover every Inex employee. As a result of the development, Inex's clerical staff, previously not covered by the performance-based salary system, are now included in it. The long-term goal of developing the performance-based and incentive pay systems is to enhance the efficiency of work and enhance the incentives of the pay system.

Both Inex and Meira Nova invest in staff competence and target-oriented development. Inex's management defines the company's key competence areas as part of its strategic planning process. These areas are then translated into practical development measures through the annual planning process. The skills of individual employees are ensured through performance management and development discussions.

Maintaining and enhancing the physical, mental and social well-being of staff has continued, emphasising the role of supervisors in upholding well-being in their own units.

The results of the previous year's internal work climate survey were utilised in development, and the equal opportunities plan is updated annually. A work community focusing on well-being and equal opportunities motivates people to make an effort and commit to their work, which improves the work quality of the entire workplace.

INEX AND ENVIRONMENTAL LIABILITY IN 2007

Liability issues became increasingly important in the international purchasing market. Themes in the limelight included climate change and reduction of the greenhouse gas emissions causing it, energy efficiency, product traceability and the production conditions of products. Focus areas in 2007 were competence development, reducing the amount of waste, enhancing the efficiency of energy consumption, ensuring compliance with minimum requirements in selecting suppliers, and development of self-evaluation.

In order to decrease the amount of waste, Inex introduced product-specific monitoring of wastage due to discarding of fruit & vegetables, and packaging audits. Inex strives to use recyclable packaging materials and ones that can be utilised for energy production. Via Inex, a biodegradable plastic carrier bag made of renewable raw materials was introduced to the product range of S Group grocery stores.

To improve energy efficiency at Inex's logistics centre in Kilo, an energy audit in accordance with the Motiva model was implemented and internal audits, alongside hygiene and

BOARD OF DIRECTORS' REPORT FOR 2007

occupational safety audits, were conducted for the purpose of evaluating the achievement of quality and environmental targets. The operations of transport firms were audited as well.

The calculation of emissions from delivery transports was tested and developed, with the transport firms participating in the audits, and a pilot was implemented in co-operation with St1 Biofuels to test the suitability of fruit & vegetable waste for the ETANOLIX production process.

Meira Nova updated its environmental goals and measures in 2007, and prepared a waste management plan for the new logistics centre in Tuusula.

The BSCI (Business Social Compliance Initiative) operating model was described and reviewed in purchasing organisations. Inex's suppliers underwent a risk evaluation from the perspective of social responsibility, which provided the basis for setting targets to promote audits. Moreover, Inex established a Reach workgroup for the enforcement of obligations involved in the application of REACH, the new European Community Regulation on chemicals.

INEX PARTNERS OY'S CORPORATE GOVERNANCE 2007

The members of the Board of Directors of Inex Partners Oy elected at the Annual General Meeting were:

Antti Sippola, Senior Vice President, Market Chain
(Chairman until 1 August 2007)

Risto Pyykönen, Senior Vice President, Chain Management of the S Group's Businesses and Procurement
(Chairman since 1 August 2007)

Jouko Vehmas, Managing Director, Vice Chairman
Kuisma Niemelä, Managing Director
Heikki Hämäläinen, Managing Director

Kari Pistemaa and Jouni Niiranen served as staff representatives on the Board of Directors. Staff representatives are not regular members of the Board.

Risto Pyykönen, M.Sc. (Econ.) served as Managing Director of the company until 1 August 2007. From 1 August 2007, Jorma Vehviläinen, M.Sc. (Econ.) has served as the company's Managing Director, first as acting Managing Director and since 1 November 2007 as Managing Director appointed by the Inex Partners Oy Board of Directors.

Inex Partners Oy's auditors were Tomi Englund, CPA, and his deputy, Ernst & Young Oy.

The Annual General Meeting was held on 12 March 2007 and an Extraordinary General Meeting on 25 July 2007.

NUMBER OF SHARES

Inex Partners Oy has 80,000 shares, each of them granting similar voting rights and entitlement to dividend and company assets.

INFORMATION ON INNER CIRCLE LOANS

Inex Partners Oy has granted a long-term loan to its wholly-owned subsidiary, Meira Nova Oy, on commercial terms, as specified in the Notes to the Balance Sheet.

On 31 December 2007, Inex Partners Oy had a total of EUR 57.8 million in short-term, fixed-term investments in its parent company, SOK. Inex Group invests its liquidity in its parent

company's Finance unit in accordance with the SOK Corporation's financial principles.

CHANGES IN GROUP STRUCTURE DURING 2007

Canelokiinteistöt Oy was merged with the parent company Inex Partners Oy on 31 October 2007.

OUTLOOK FOR 2008

In 2008, Inex Group's net turnover is expected to grow both due to increasing value and growing volumes. The value of Finnish grocery trade is projected to continue growing as a consequence of rising raw material prices and the price increases of energy and other production factors.

Several development projects are underway at Inex Partners Oy in order to ensure the competitiveness of the S Group's grocery trade. Growth in volume in particular is considered essential for ensuring competitive ability, while key factors in increasing volumes include concentration of sourcing and development of international purchasing co-operation.

In consumer goods logistics, the focal project involves initiation of the planning of a new consumer goods logistics centre in co-operation with SOK.

Competition in the HoReCa market intensifies price pressures and the need for further improvement in cost-efficiency. For Meira Nova Oy, sales growth targets are moderate. The most significant development projects involve further development of the operations of the new logistics centre, the development of a nationwide operations network and development of the operational value chain.

BOARD OF DIRECTORS' PROPOSAL TO THE ANNUAL GENERAL MEETING

The parent company's distributable assets totalled EUR 35,006,033.63, of which the profit for the financial year came to EUR 535,681.93. The Board of Directors proposes to the Annual General Meeting that the profit for the financial year, EUR 535,681.93, be posted in retained earnings and that no dividend be distributed.

CONSOLIDATED INCOME STATEMENT

EUR 1 000	1.1.-31.12.2007		1.1.-31.12.2006	
NET TURNOVER		2 047 278		2 096 655
Share of associated companies' profits		117		222
Other operating income		549		856
Materials and services				
Materials and supplies	1 846 711		1 887 455	
External services	64 479	1 911 191	66 421	1 953 876
Personnel costs		80 305		85 149
Depreciation and value adjustments		3 211		3 521
Other operating expenses				
Rents	14 859		14 994	
Other expenses	32 585	47 444	32 104	47 098
OPERATING PROFIT		5 794		8 089
Financial income and expenses (+/-)		1 564		754
PROFIT BEFORE EXTRAORDINARY ITEMS		7 358		8 843
Extraordinary items (+/-)		-5 500		
PROFIT BEFORE TAXES		1 858		8 843
Paid taxes (+/-)		-480		-2 079
PROFIT FOR THE FINANCIAL YEAR		1 378		6 764

CONSOLIDATED BALANCE SHEET

EUR 1 000	31.12.2007		31.12.2006	
ASSETS				
FIXED AND OTHER NON CURRENT ASSETS				
Intangible assets	5 232		6 391	
Tangible assets	23 937		14 446	
Shares in associated companies	1 859		1 793	
Other financial assets	83	31 113	74	22 704
CURRENT ASSETS				
Stocks	52 586		47 685	
Short-term debtors	158 187		152 650	
Short-term investments	57 933		61 211	
Cash at bank and in hand	170	268 875	75	261 621
TOTAL ASSETS		299 987		284 325
SHAREHOLDERS' CAPITAL AND LIABILITIES				
SHAREHOLDERS' CAPITAL				
Share capital	13 455		13 455	
Fair value reserve	4		-0,2	
Retained earnings	40 975		37 212	
Profit for the financial year	1 378	55 812	6 764	57 430
PROVISIONS		80		312
CREDITORS				
Deferred tax liability	2 019		1 725	
Long-term creditors	25		25	
Short-term creditors	242 051	244 095	224 833	226 583
TOTAL LIABILITIES		299 987		284 325

CONSOLIDATED CASH FLOW STATEMENT

EUR 1 000	1.1.-31.12.2007	1.1.-31.12.2006
BUSINESS OPERATIONS		
Operating profit	5 677	7 867
Value adjustments to operating profit (1)	2 808	3 474
Change in working capital (2)	6 525	-4 064
CASH FLOW FROM BUSINESS OPERATIONS BEFORE FINANCIAL ITEMS AND TAXES	15 009	7 277
Increase (-)/decrease (+) of short-term investments	-3 534	-255
Paid interests and other financial expenses	-595	-1 035
Received interest payments and other financial income	2 159	1 774
Received dividends from business operations	51	51
Paid income taxes	-1 990	-1 642
CASH FLOW BEFORE EXTRAORDINARY ITEMS	11 100	6 426
Cash flow from extraordinary items in business operations		
CASH FLOW FROM OPERATIONS	11 100	6 426
INVESTMENTS		
Investments in tangible and intangible assets	-12 733	-7 830
Investments in shares		
Capital gains on tangible and intangible assets	1 361	4
Gains on other shares sold		8
Received dividends from investments	3	2
CASH FLOW FROM INVESTMENTS	-11 369	-7 817
FINANCING		
Decrease (-) in non-current loans		-1 002
Paid dividends	-3 000	-2 020
CASH FLOW FROM FINANCING	-3 000	-3 022
INCREASE (+)/DECREASE (-) IN LIQUID FUNDS	-3 269	-4 668
Liquid funds at beginning of year	61 199	65 867
Liquid funds at end of year	57 930	61 198
	-3 269	-4 668
Adjustments to operating profit (1)		
Capital gains (-)/losses (+) on fixed assets	-171	-6
Depreciation and value adjustments	3 211	3 521
Other income and expenses not involving payments	-232	-40
	2 808	3 474
Change in working capital (2)		
Change in current receivables	-2 113	8 734
Change in stock	-4 901	1 605
Change in current non-interest bearing liabilities	13 538	-14 404
	6 525	-4 064

The reported change in liquid funds differs from that calculated from the balance sheet change in that unrealised gains and losses arising from the valuation of securities at current value have been eliminated from the change in liquid funds given in the cash flow statement.

INCOME STATEMENT

EUR 1 000	1.1.-31.12.2007		1.1.-31.12.2006	
NET TURNOVER		1 799 387		1 863 391
Other operating income		2 185		2 530
Materials and services				
Materials and supplies	1 624 709		1 678 008	
External services	56 447	1 681 156	59 551	1 737 559
Personnel costs		70 601		75 936
Depreciation and value adjustments		2 665		3 187
Other operating expenses				
Rents	15 358		15 587	
Other expenses	28 104	43 462	27 830	43 418
OPERATING PROFIT		3 686		5 822
Financial income and expenses		2 122		798
PROFIT BEFORE EXTRAORDINARY ITEMS		5 809		6 620
Extraordinary items		-5 500		1 700
PROFIT BEFORE APPROPRIATIONS AND TAXES		309		8 320
Appropriations		412		903
Direct taxes		-185		-2 209
PROFIT FOR THE FINANCIAL YEAR		536		7 014

BALANCE SHEET

EUR 1 000	31.12.2007		31.12.2006	
ASSETS				
FIXED AND OTHER NON-CURRENT ASSETS				
Intangible assets	4 700		5 801	
Tangible assets	5 313		6 120	
Financial assets	20 293	30 306	7 735	19 655
CURRENT ASSETS				
Stocks	44 906		41 102	
Short-term investments	142 391		138 159	
Securities	57 933		61 211	
Cash at bank and in hand	158	245 388	62	240 534
Total assets		275 694		260 189
SHAREHOLDERS' CAPITAL AND LIABILITIES				
SHAREHOLDERS' CAPITAL				
Share capital	13 455		13 455	
Fair value reserve	5		-0,2	
Retained earnings	34 470		30 456	
Profit for the financial year	536	48 466	7 014	50 925
Accumulated appropriations		6 169		6 582
PROVISIONS		80		150
CREDITORS				
Long-term creditors	25		25	
Short-term creditors	220 955	220 979	202 508	202 532
Total liabilities		275 694		260 189

CASH FLOW STATEMENT

EUR 1 000	1.1.-31.12.2007	1.1.-31.12.2006
BUSINESS OPERATIONS		
Operating profit	3 684	5 822
Value adjustments to operating profit (1)	2 332	3 141
Change in working capital (2)	7 033	-6 068
CASH FLOW FROM BUSINESS OPERATIONS BEFORE FINANCIAL ITEMS AND TAXES	13 050	2 895
Increase (-)/decrease (+) in current receivables	-832	-130
Paid interests and other financial expenses	-600	-1 068
Received interests and other financial income	2 115	1 779
Received dividends from business operations	51	51
Paid income taxes	-2 059	-1 411
CASH FLOW BEFORE EXTRAORDINARY ITEMS	11 725	2 115
Cash flow from extraordinary items in business operations		
CASH FLOW FROM BUSINESS OPERATIONS	11 725	2 115
INVESTMENTS		
Investments in tangible and intangible assets	-1 340	-727
Investments in shares		
Capital gains on tangible and intangible assets	918	4
Capital gains on shares		8
Change in other capital and reserves	-12 212	-3 000
Received dividends from investments	560	25
CASH FLOW FROM INVESTMENTS	-12 073	-3 690
FINANCING		
Decrease in non-current loans		-1 002
Increase (-)/decrease (+) in current liabilities	-1 619	-448
Paid dividends	-3 000	-2 020
Contributions given to/received from subsidiaries	1 700	200
CASH FLOW FROM FINANCING	-2 919	-3 270
INCREASE (+)/DECREASE (-) IN LIQUID FUNDS	-3 267	-4 845
Liquid funds at beginning of year	61 185	66 030
Liquid funds at end of year	57 918	61 185
	-3 267	-4 845
Adjustments to operating profit (1)		
Capital gains (-) and losses (+) on fixed assets	-263	-7
Depreciation and value adjustments	2 665	3 187
Other income and expenses not involving payments	-70	-40
	2 332	3 141
Change in working capital (2)		
Change in current receivables	-5 588	10 543
Change in stock	-3 804	2 031
Change in current non-interest bearing liabilities	16 426	-18 642
	7 033	-6 068

The reported change in liquid funds differs from that calculated from the balance sheet change in that unrealised gains and losses arising from the valuation of securities at current value have been eliminated from the change in liquid funds given in the cash flow statement.

NOTES TO THE FINANCIAL STATEMENTS

ACCOUNTING PRINCIPLES OF THE CONSOLIDATED FINANCIAL STATEMENTS

SCOPE

The consolidated financial statements include subsidiaries owned by the parent company, Inex Partners Oy, and the associated company, Finnfrost Oy. The subsidiary Canelokiinteistöt Oy was merged with Inex Partners Oy on 31 October 2007.

The two property management companies mentioned in the Notes were excluded from the consolidation of associated companies, since they did not have a significant effect on the Group's financial result or its distributable capital and reserves.

ACCOUNTING PRINCIPLES

Intra-Group Shareholding

Intra-group holdings were eliminated using the acquisition cost method.

Intra-Group Transactions and Margins

Intra-Group transactions and intra-Group receivables and payables were eliminated.

Associated Companies

The associated company, Finnfrost Oy, is included in the consolidated financial statements, using the equity method. The Group's share of the associated company's profit for the financial year is shown on the income statement after net turnover and before expenses, since the activities of this company are closely interwoven with the Group's supplier and customer relationships. Dividends received from the associated company were eliminated.

VALUATION OF FIXED ASSETS

Fixed assets entered in the balance sheet reflected the acquisition cost, comprising variable costs less planned depreciation. The method behind planned depreciation is explained in the Notes to the Income Statement and Balance Sheet.

VALUATION OF STOCKS

Stocks entered in the balance sheet reflected the acquisition cost, consisting of variable costs in keeping with the FIFO principle, or the replacement value or probable selling price, whichever is lower.

FINANCIAL INSTRUMENTS

The SOK Corporation applies the procedure based on the clearing day in recording financial instruments in its balance sheet. Transactions denominated in foreign currencies have been entered on the clearing day, at the rate quoted by the European Central Bank. The receivables and liabilities in foreign currencies which were unsettled on the balance sheet day were translated into euros at the ECB rate on the day of closing, and translation differences were charged or credited to income.

As of 1 January 2006, financial instruments have been valued at current value in line with the alternative procedure allowed by the Finnish Accounting Act, Chapter 5, Section 2a.

PENSION SCHEMES

Statutory and voluntary pension schemes for the Group companies' personnel are managed by external pension insurance companies. Pension costs were entered as expenses during the year of accrual.

IMPUTED TAXES

Imputed tax liabilities were calculated based on the temporary differences between actual taxation and amounts shown on financial statements, using the confirmed tax rate for the following years that was valid on the day of closing. The balance sheet shows the imputed tax liability in its entirety.

NOTES TO THE FINANCIAL STATEMENTS

NOTES TO THE INCOME STATEMENTS

INEX GROUP

INEX PARTNERS OY

	EUR MILLION	2007	2006	2007	2006
1 Net turnover by line of business					
Grocery wholesale trade		1766,4	1 826,0	1 766,4	1 826,0
Materials management services		33,0	37,4	33,0	37,4
Food service wholesale trade		254,3	239,6		
Intra-Group turnover		-6,4	-6,4		
Total		2 047,3	2 096,6	1 799,4	1 863,4
2 Other operating income	EUR 1 000				
Capital gains on fixed assets		263	8	263	8
Rent income				395	384
Income from services		286	848	1 527	2 138
Total		549	856	2 185	2 530
3 Materials, supplies and consumables					
Purchases during the year		1 851 612	1 886 038	1 628 513	1 676 165
Change in stocks (+/-)		-4 901	1 417	-3 804	1 843
Total		1 846 711	1 887 455	1 624 709	1 678 008
4 Personnel costs					
Salaries and wages		65 558	69 643	57 672	62 118
Pension costs		10 714	10 889	9 353	9 698
Other social expenses		4 034	4 617	3 577	4 120
Total		80 305	85 149	70 601	75 936
See 23 for notes to the staff and members of the Board					
5 Depreciation and value adjustments					
Planned depreciation		3 211	3 521	2 665	3 187
Total		3 211	3 521	2 665	3 187

The itemised specifications of changes in depreciation and depreciation differences are included in fixed assets and accumulated appropriations in the balance sheet notes.

Planned depreciation is based on the original acquisition cost of fixed assets and their expected useful lives, which are as follows:

	Years	Years
Intangible assets		
Goodwill	10	10
Consolidated goodwill	10	10
Other capitalised expenditure	5-25	7-25
Other intangible assets	3-5	3-5
Tangible assets		
Buildings and structures	20-30	20-30
Building equipment	10	10
Factory equipment	5-10	5-10
Warehouse equipment	5-10	5-10
Office machines and equipment	7-10	7-10
Motor vehicles	5	5
Computer equipment	3-5	5

Depreciation is calculated from beginning of month the item is brought into use.

NOTES TO THE FINANCIAL STATEMENTS

NOTES TO THE INCOME STATEMENTS

INEX GROUP

INEX PARTNERS OY

	EUR 1 000	2007	2006	2007	2006
6 Financial income and expenses					
Dividend income from Group companies					
Dividend income from associated companies				51	51
Dividend income from others		3	2	3	2
Total dividend income from investments		3	2	54	53
Dividend income from other long-term investments					
From Group companies				557	24
Other interest and financial income					
From Group companies		2 119	1 291	2 131	1 337
From others		90	550	32	507
Total interest and other financial income		2 212	1 843	2 775	1 921
Impairment of long-term investments					
Interest and other financial expenses					
To Group companies		606	759	616	802
To others		42	330	36	320
Total interest and other financial expenses		648	1 089	653	1 122
Total financial income and expenses		1 564	754	2 122	798
7 Extraordinary items					
Extraordinary income					
Group contributions received					1 700
Other					
Total					1 700
Extraordinary costs					
Group contributions given		5 500		5 500	
Other					
Total		5 500		5 500	
Total extraordinary items		-5 500		-5 500	1 700
8. Appropriations					
Increase (-)/decrease (+) in depreciation difference				-412	-903
Total				-412	-903
9. Income taxes					
Direct taxes on ordinary operations for the year (+/-)		1 615	2 494	1 615	1 955
Direct taxes for the previous year (+/-)			-188		-188
Direct taxes on extraordinary items (+/-)		- 1 430		-1 430	442
Effect of accruals differences					
Change in deferred tax liability		295	-227		
Taxes according to taxable income		480	2 079	185	2 209

NOTES TO THE FINANCIAL STATEMENTS

NOTES TO THE ASSETS IN THE BALANCE SHEETS INEX GROUP INEX PARTNERS OY

	EUR 1 000	2007	2006	2007	2006
10. Intangible and tangible assets					
Intangible rights					
Acquisition cost at 1.1.		17 236	17 141	14 475	14 475
Increase 1.1.-31.12.		105			
Decrease 1.1.-31.12.					
Transfers 1.1.-31.12.		156	95		
Acquisition cost at 31.12.		17 497	17 236	14 475	14 475
Accumulated amortisation at 1.1.		15 610	14 737	13 242	12 492
Accumulated amortisation on decreases and transfers					
Amortisation for the year		825	873	667	750
Value adjustment					
Accumulated amortisation at 31.12.		16 435	15 610	13 909	13 242
Book value at 31.12.		1 062	1 626	567	1 233
Other long-term assets					
Acquisition cost at 1.1.		10 023	10 023	8 932	8 932
Increase 1.1.-31.12.					
Decrease 1.1.-31.12.		-167			
Transfers 1.1.-31.12.					
Acquisition cost at 31.12.		9 857	10 023	8 932	8 932
Accumulated amortisation at 1.1.		5 264	4 744	4 365	3 912
Accumulated amortisation on decreases and transfers					
Amortisation for the year		-75	520	434	453
Value adjustments		498			
Accumulated amortisation at 31.12.		5 687	5 264	4 799	4 365
Book value at 31.12.		4 170	4 759	4 133	4 567
Advances paid on intangible assets					
Acquisition cost at 1.1.		6	161		
Increase 1.1.-31.12.		151	6		
Decrease 1.1.-31.12.					
Transfers 1.1.-31.12.		-156	-161		
Book value at 31.12.			6		
Total intangible assets					
		5 232	6 391	4 700	5 801
Group goodwill					
Acquisition cost at 1.1.		1 655	1 655		
Increase 1.1.-31.12.					
Decrease 1.1.-31.12.					
Acquisition cost at 31.12.		1 655	1 655		
Accumulated amortisation at 1.1.		1 655	1 655		
Accumulated amortisation on decreases and transfers					
Amortisation for the year					
Accumulated amortisation at 31.12.		1 655	1 655		
Book value at 31.12.					

NOTES TO THE FINANCIAL STATEMENTS

NOTES TO THE ASSETS IN THE BALANCE SHEETS INEX GROUP INEX PARTNERS OY

	EUR 1 000	2007	2006	2007	2006
10 Intangible and tangible assets					
Tangible assets					
Acquisition cost at 1.1.		517	517		
Increase 1.1.-31.12.		620			
Transferred in fusion				517	
Decrease 1.1.-31.12.		-443		-443	
Transfers 1.1.-31.12.		1 600			
Acquisition cost at 31.12.		2 293	517	74	
Book value at 31.12.		2 293	517	74	
Buildings					
Acquisition cost at 1.1.		5 446	5 446	5 446	5 446
Increase 1.1.-31.12.		965		167	
Decrease 1.1.-31.12.		-3 002		-3 002	
Transfers 1.1.-31.12.		14 358			
Acquisition cost at 31.12.		17 768	5 446	2 612	5 446
Accumulated depreciation at 1.1.		4 470	4 389	4 470	4 389
Accumulated depreciation on decreases and transfers		-2 390		-2 390	
Depreciation for the year		214	80	56	80
Value adjustments					
Accumulated depreciation at 31.12.		2 293	4 470	2 135	4 470
Book value at 31.12.		15 474	977	476	977
Machinery and equipment					
Acquisition cost at 1.1.		30 677	29 806	27 662	26 952
Increase 1.1.-31.12.		1 788	867	1 173	727
Decrease 1.1.-31.12.		-95	-16	-95	-16
Transfers 1.1.-31.12.		553	20		
Acquisition cost at 31.12.		32 922	30 677	28 740	27 662
Accumulated depreciation at 1.1.		25 163	23 127	22 554	20 661
Accumulated depreciation on decreases and transfers		-51	-11	-51	-11
Depreciation for the year		1 674	2 047	1 508	1 904
Value adjustments					
Accumulated depreciation at 31.12.		26 786	25 163	24 010	22 554
Book value at 31.12.		6 136	5 514	4 729	5 109
Share of machinery and equipment of book value at 31.12.		726	853	726	853
Other tangible assets					
Acquisition cost at 1.1.		34	34	34	34
Increase 1.1.-31.12.					
Decrease 1.1.-31.12.					
Transfers 1.1.-31.12.					
Acquisition cost at 31.12.		34	34	34	34
Accumulated depreciation at 1.1.					
Accumulated depreciation on decreases and transfers					
Depreciation for the year					
Value adjustments					
Accumulated depreciation at 31.12.					
Book value at 31.12.		34	34	34	34

NOTES TO THE FINANCIAL STATEMENTS

NOTES TO THE ASSETS IN THE BALANCE SHEETS INEX GROUP

INEX PARTNERS OY

	EUR 1 000	2007	2006	2007	2006
10. Intangible and tangible assets					
Advances paid and construction under progress					
Acquisition cost at 1.1.		7 405	401		
Increase 1.1.-31.12.		9 105	6 958		
Decrease 1.1.-31.12.					
Transfers 1.1.-31.12.		-16 511	47		
Book value at 31.12.			7 405		
Total tangible assets		23 938	14 446	5 313	6 120
11. Financial assets					
Holdings in Group companies					
Acquisition cost at 1.1.				4 016	4 016
Increase 1.1.-31.12.					
Decrease 1.1.-31.12.				-3	
Transfers 1.1.-31.12.					
Acquisition cost at 31.12.				4 013	4 016
Book value at 31.12.				4 013	4 016
Total holdings in Group companies				4 013	4 016
Receivable from Group companies					
Amount 1.1.				3 488	488
Increase 1.1.-31.12.				12 512	3 000
Decrease 1.1.-31.12.				-300	
Transfers 1.1.-31.12.					
Amount 31.12.				15 700	4 488
Accumulated value adjustments at 1.1.					
Accumulated value adjustments on depreciation and transfers					
Value adjustments					
Accumulated value adjustments at 31.12.					
Book value at 31.12.				15 700	3 488
Holdings in associated companies					
Acquisition cost at 1.1.		1 793	1 623	168	168
Increase 1.1.-31.12.		66	171		
Transferred in fusion				330	
Decrease 1.1.-31.12.					
Transfers 1.1.-31.12.					
Acquisition cost at 31.12.		1 859	1 793	498	168
Accumulated value adjustments 1.1.					
Accumulated value adjustments on depreciation and transfers					
Value adjustments					
Accumulated value adjustments at 31.12.					
Book value at 31.12.		1 859	1 793	498	168
Subordinated loan receivables from associated companies					
Amount 1.1.		10	10		
Increase 1.1.-31.12. transferred in fusion				10	
Amount 31.12.		10	10	10	
Total holdings in associated companies		1 869	1 803	508	168

NOTES TO THE FINANCIAL STATEMENTS

NOTES TO THE ASSETS IN THE BALANCE SHEETS INEX GROUP INEX PARTNERS OY

	EUR 1 000	2007	2006	2007	2006
11 Financial assets					
Other shares and holdings					
Acquisition cost at 1.1.		74	74	63	63
Increase 1.1.-31.12.					
Transferred in fusion				9	
Decrease 1.1.-31.12.			-0,02		-0,02
Transfers 1.1.-31.12.					
Acquisition cost at 31.12.		74	74	71	63
Accumulated value adjustments 1.1.					
Accumulated value adjustments on depreciation and transfers					
Value adjustments					
Accumulated value adjustments at 31.12.					
Value adjustments 1.1.					
Increase					
Decrease					
Value adjustments at 31.12.					
Book value at 31.12.		74	74	71	63
Total financial assets		1 943	1 877	20 293	7 735

Group companies	Domicile	Group Share-holding %	Group voting-rights %	Parent Company Share-holding %	Parent Company shares and interests		
					No. of shares	Nominal value EUR 1 000	Book value EUR 1 000
Meira Nova Oy	Helsinki	100	100	100	300	2 523	4 013
Total						2 523	4 013
Associated companies							
Finnfrost Oy	Helsinki	50	50	50	3 000	505	168
Luppola Oy*	Helsinki	50	50				167
Kiinteistö Oy Vierumäen Kiilukka*	Heinolan mlk	25	25				163
Total						505	498

* not consolidated
Finnfrost Oy consolidated using the equity method

Other shares and interests in the Parent Company 71 71

13 Stocks					
Goods		52 586	47 685	44 906	41 102
Advances paid					
Total		52 586	47 685	44 906	41 102

14 Long-term debtors

Other debtors					
Accrued income and prepaid expenses					
Total long-term debtors					

NOTES TO THE FINANCIAL STATEMENTS

NOTES TO THE ASSETS IN THE BALANCE SHEETS INEX GROUP INEX PARTNERS OY

	EUR 1 000	2007	2006	2007	2006
15 Short-term debtors					
Trade debtors		17 488	19 960	9 254	8 772
Amount owed by Group companies					
Trade debtors		139 394	126 054	125 353	121 546
Loan receivables				611	860
Other debtors		3 790	256	962	1 830
Accrued income and prepaid expenses		10	35	1	33
Total		134 195	126 345	126 928	124 270
Amounts owed by associated companies					
Trade debtors		3 970	3 672	3 894	3 584
Total		3 970	3 672	3 894	3 584
Loan receivables					
Other debtors		0,7	956	0,7	137
Accrued income and prepaid expenses		2 534	1 707	2 314	1 396
Total short-term debtors		158 187	152 640	142 391	138 159
Specification of accrued income and prepaid expenses					
Personnel costs		2 018	1 042	1 944	971
Financial items		5	35	1	33
Company tax compensation		97	167		
Other		424	498	371	425
Total accrued income and prepaid expenses		2 544	1 742	2 316	1 430
16 Short-term investments					
Other shares and holdings					
Other investments in Group companies		57 933	61 211	57 933	61 211
Other investments in others					
Total		57 933	61 211	57 933	61 211

NOTES TO THE LIABILITIES IN THE BALANCE SHEETS

17 Shareholders' capital					
Share capital at 1.1.		13 455	13 455	13 455	13 455
Share capital at 31.12.		13 455	13 455	13 455	13 455
Fair value reserve at 1.1.		-0,2		-0,2	
Increase 1.1.-31.12.		5		5	
Decrease 1.1.-31.12.			0,2		0,2
Fair value reserve at 31.12.		5	-0,2	5	-0,2
Retained earnings at 1.1.		43 975	39 232	37 470	32 476
Translation difference			-0,001		-0,001
Payment of dividend		-3 000	-2 020	-3 000	-2 020
Retained earnings at 31.12.		40 975	37 212	34 470	30 456
Profit for the financial year		1 378	6 764	536	7 014
Total shareholders' capital		55 812	57 430	48 466	50 925
Distribute funds at 31.12.					
Retained earnings				34 470	30 456
Profit for the financial year				536	7 014
Total				35 006	37 470

NOTES TO THE FINANCIAL STATEMENTS

NOTES TO THE LIABILITIES IN THE BALANCE SHEETS

INEX GROUP

INEX PARTNERS OY

	EUR 1 000	2007	2006	2007	2006
18 Accumulated appropriations					
Depreciation difference					
Intangible rights				693	927
Other capitalised long-term expenses				3 832	4 081
Buildings and structures				103	295
Machinery and equipment				1 541	1 279
Total				6 169	6 582
19 Deferred tax liability					
From appropriations		2 019	1 725	1 604	1 711
20 Provisions					
Exise tax provision			162		
Other provisions		80	150	80	150
21 Long-term creditors					
Pension loans					
Other long-term creditors					
Accruals and deferred income		25	25	25	25
Total long-term creditors		25	25	25	25
22 Short-term creditors					
Pension loans					
Trade creditors		181 447	172 962	165 737	153 901
Amounts owed to Group companies					
Trade creditors		6 484	4 253	6 471	4 240
Other short-term creditors		5 500		5 500	1 619
Accruals and deferred income		13 261	12 078	13 302	12 118
Total		25 246	16 331	25 273	17 977
Amounts owed to associated companies					
Trade creditors		11 738	10 662	8 553	7 656
Total		11 738	10 662	8 553	7 656
Other short-term creditors		9 880	8 822	9 331	8 653
Accruals and deferred income		13 740	16 057	12 060	14 320
Total short-term creditors		242 051	224 833	220 954	202 508
Specification of accruals and deferred income					
Personnel costs		12 870	13 101	11 313	11 424
Financial items		113	60	113	60
Customer bonuses		13 150	12 307	13 190	12 347
Other		893	2 692	770	2 632
Total accruals and deferred income		27 026	28 159	25 386	26 463

NOTES TO THE STAFF AND BOARD MEMBERS

23 a. Personnel, average					
Permanent		1 975	2 126	1747	1 910
Temporary		280	317	242	268
Total		2 255	2 443	1989	2 178
23 b. Salaries and wages					
Salaries and wages					
Managing director and his deputy		590	606	297	322
Members and deputy members of the Board of Directors			12		10

Pension liabilities of members of the Board of Directors and the Managing Director

The retirement age of 60 years has been agreed for the Group's Managing Directors.

NOTES TO THE FINANCIAL STATEMENTS

SECURED ASSETS AND CONTINGENT LIABILITIES

	INEX GROUP		INEX PARTNERS OY	
EUR 1 000	2007	2006	2007	2006
24 Contingent liabilities				
Pledges and contingent liabilities				
Securities given on behalf of others' liabilities				
Guarantees		2 239		2 239
Total		2 239		2 239
Other contingent liabilities				
Leasing liabilities				
- Leasing payments falling due next year	702	829	628	724
- Leasing payments falling due after next year	1 611	1 790	1 492	1 732
Total	2 313	2 619	2 120	2 456
Rent liabilities				
- Exchange Hire rental agreements	1 102	1 117	1 102	1 117
Rent liabilities for business premises				
- Rent payments falling due next year	14 343	14 491	14 131	13 558
- Rent payments falling due after next year	72 205	79 699	72 205	79 699
Total	86 548	94 190	86 336	93 257
Agreement on redemption liability for a computer device (Siemens Oy/Meira Nova)				
- Payments falling due next year		33 846-500 EUR		
- Payments falling due after next year				

Inex Group / Inex Partners Oy Liability under derivative contracts

EUR 1 000	Value of underlying assets 31.12.2007	Of which value of underlying instruments of open agreements 31.12.2007	Value of underlying assets 31.12.2006	Of which value of underlying instruments of open agreements 31.12.2006
Liability under derivative contracts, value of underlying assets (EUR 1 000)				
Currency derivatives				
Forward contracts	4 896	4 896	6 554	6 554
Liability under derivative contracts, fair value (EUR 1 000)				
Currency derivatives				
Forward contracts	Fair value 31.12.2007 -111	Fair value of open agreements 31.12.2007 -111	Fair value 31.12.2006 -15	Fair value of open agreements 31.12.2006 -15

In examining the overall risk position, the position of the balance sheet items that are to be hedged must be taken into account in addition to derivatives. The derivative contracts that were open at the end of the financial year have been used primarily to manage the Group's foreign exchange, interest rate and price risks. Open currency derivative contracts are under a year in length. The fair values of derivatives are based on market values or the present values of future cash flows. Changes in the value of derivatives have been treated with an impact on the result since hedging calculation is not applied.

NOTES ON A GROUP COMPANY

Inex Partners Oy is part of the SOK Corporation. The Group's parent company is Suomen Osuuskauppojen Keskuskunta whose domicile is Helsinki. Inex Partners Oy's accounts have been incorporated in SOK Corporation's consolidated accounts as subsidiary accounts. A copy of the consolidated accounts is available from SOK Corporation's head office, visiting address Fleminginkatu 34, Helsinki.

AUDITORS' REPORT

To the Shareholders of Inex Partners Oy

I have examined the financial statements, accounting records, Board of Directors' report and administration of Inex Partners Oy for the period 1 January–31 December 2007. The Board of Directors and the Managing Director have drawn up the Board of Directors' report and the financial statements that contain the income statements, balance sheets, cash flow statements and notes for both the Group and the parent company. I offer my opinion on the financial statements, the Board of Directors' report and the administration of the parent company on the basis of this audit.

I have conducted my audit in accordance with the Finnish Generally Accepted Auditing Standards. These standards require that I examine the accounting record and principles adopted in preparing the accounts, as well as the contents and presentation of the financial statements, to an extent sufficient to obtain reasonable assurance that the financial statements are free of material misstatement or deficiencies. The purpose of my audit of the company administration has been to ensure that the Board of Directors and Managing Director have complied with the rules of the Companies Act.

In my opinion, the financial statements and the Board of Directors' report have been prepared in accordance with the Accounting Act and other rules and regulations governing the preparation of financial statements in Finland. The financial statements and the Board of Directors' report give a true and fair view, as defined in the Accounting Act, of the Group's and parent company's operational results, as well as their financial position. The Board of Directors' report is consistent with the financial statements. The financial statements, including the consolidated financial statement, may be approved, and the members of the parent company's Board of Directors, the Managing Director, and the Deputy Managing Director discharged from liability for the period audited by me. The proposal by the Board of Directors on the distribution of profits is in compliance with the Companies Act.

Tuusula, 25 February 2008

Tomi Englund
Certified Public Accountant

The purpose of Inex's human resources strategy is to provide expert, co-operative and motivated employees who constantly develop their skills and are committed to the corporate goals. In this respect, the key task is to enhance the status of Inex Partners and Meira Nova as employers of choice which motivate their current employees and attract those of the future.

The human resources strategy emphasises strategic leadership and high-quality managerial work, in accordance with the management system. Inex's success is highly dependent on the strategy-based development of staff competences and ensuring the commitment of staff and availability of human resources. Occupational health is promoted by maintaining and improving the well-being at work of our employees.

In 2007, the Inex Group employed 2 255 people on average, 1 989 of whom were employed by Inex Partners Oy. The average number of personnel of the Inex Group decreased by 8 per cent.

Purchasing operations were centralised within Inex, and S Group level cooperation was tightened. Shared development projects were initiated with SOK's chain management.

Development of pay systems continued, with the aim of extending our performance-based salary system to cover every Inex employee. As a result of the development, Inex's clerical staff, previously not covered by the performance-based salary system, are now included in it. The long-term goal of developing the performance-based and incentive pay systems is to enhance the efficiency of work and enhance the incentives of the pay system.

Inex works actively to fulfil the obligations specified in the Occupational Safety and Health Act, and has set the goal of zero accidents at work.

DEVELOPING EXPERTISE

Both Inex and Meira Nova invest in staff competence and target-oriented development. Inex's management defines the company's key competence areas as part of its strategic planning process. These areas are then translated into practical development measures through the annual

planning process. The skills of individual employees are ensured through performance management and development discussions.

Managerial and leadership skills were developed through the participation of Inex's supervisors in managerial skills coaching, which focussed on the topics of interactive managerial work and providing constructive feedback, performance steering and conducting of high-quality development discussions. The support material for development discussions was revised and a group development discussion model was introduced.

Purchasing is one of Inex's core competencies. Therefore, a model of purchasing competence was prepared and the work will continue with purchasing competence analyses, which will provide the basis for training objectives within purchasing operations.

The TALO project, aimed at improving cost-efficiency and the fine-tuning of pricing, progressed according to plan. Training sessions introducing new operating methods took place towards the end of 2007.

All Inex employees have the opportunity to develop their professional skills and competencies. With respect to logistics workers, Inex supports on-the-job learning and training leading to a qualification in logistics. The aim is that 12–15 employees each year will achieve this qualification.

Foreign language skills were improved in group training sessions.

Meira Nova moved into new premises. The focus of the year was on management of change, with the aim of ensuring the fluent launch of operations in the new premises.

WELL-BEING AT WORK

Maintaining and enhancing the physical, mental and social well-being of staff has continued, emphasising the role of supervisors in upholding well-being in their own units.

The results of the previous year's internal work climate survey were utilised in development, and the equal opportunities plan is updated annually. A work community focussing on well-being and equal oppor-

tunities motivates people to make an effort and commit to their work, which improves the work quality of the entire workplace.

Inex's rehabilitation model was put into practice, emphasising the importance of preventive operations and addressing of difficult issues. The roles and responsibilities of supervisors, occupational health care and HR services were specified in terms of helping employees to cope at work. In order to promote the practical implementation of the rehabilitation model and the related model for addressing issues, supervisors received training in how to bring up difficult issues. A total of four sessions were held last year.

Moreover, ASLAK rehabilitation was organised and Liikuntaseteli vouchers for purchasing exercise services were introduced in order to facilitate equal opportunities for staff to keep fit. Employees' well-being at work was also enhanced by sponsoring extracurricular activities and promoting interest in group exercise.

CO-OPERATION

Employee representatives of Inex's various staff groups actively participated in consultative meetings between employees and management, and in a number of development projects. The aim of this continuous co-operation, which has been both constructive and fruitful, is the ongoing development of the working community and the company's operational basis.

Staff representatives and the Group's management convened twice during the year to discuss current affairs in a participative seminar.

Inex Partners Oy's Board of Directors has two staff representatives.

Environmental and social responsibility as well as product safety emerged as Inex's strategic focus areas, as responsibility issues became increasingly important in the international purchasing market. Themes in the limelight included climate change and reduction of the greenhouse gas emissions causing it, energy efficiency, product traceability and the production conditions of products.

Responsible environmental work has been underway at Inex for several years, in line with the principles of the environmental policy approved by the Board of Directors in 1999. In addition to its own actions, Inex has the opportunity to influence the environmental impacts of the entire life cycle of products, in co-operation with suppliers.

QUALITY AND ENVIRONMENTAL SYSTEMS

The quality and environmental co-ordination workgroup, established in 2007 to implement and follow up operational quality and environmental and social responsibility goals and measures, met five times. The workgroup defined quality and environmental goals for Inex's processes for the years 2008–2010, and indicators and targets for 2008.

Focus areas in 2007 were competence development, reducing the amount of waste, enhancing the efficiency of energy consumption, ensuring compliance with minimum requirements in selecting suppliers, and development of self-evaluation.

MEASURES IMPLEMENTED

In 2007, the quality and environmental systems team arranged 26 training events, with 363 Inex employees attending. Training topics included the minimum requirements set for suppliers and the quality standards of the quality appendix, the auditing model of suppliers' social responsibility, quality management standards, self-evaluation, waste management and recycling.

The self-evaluation plan and related operating instructions applicable to all of Inex's operations were updated. To improve the efficiency of energy consump-

tion at Inex's logistics centre in Kilo, an energy audit in accordance with the Motiva model was implemented and twenty internal audits, alongside hygiene and occupational safety audits, were conducted for the purpose of evaluating the achievement of quality and environmental targets. The operations of transport firms were audited as well. The calculation of emissions from delivery transports was tested and developed, with the transport firms participating in the audits, and a pilot was implemented in co-operation with St1 Biofuels to test the suitability of fruit & vegetable waste for the ETANOLIX production process. Project results were good and co-operation will continue in 2008 for the purpose of utilising waste produced by Inex in ethanol production. The Kilo and Hakkila logistics centres achieved an average 94 per cent sorting efficiency. In order to decrease the amount of waste, Inex introduced product-specific monitoring of wastage due to discarding of fruit & vegetables, and packaging audits.

Inex strives to use recyclable packaging materials and ones that can be utilised for energy production. Via Inex, a biodegradable plastic carrier bag made of renewable raw materials was introduced to the product range of S Group grocery stores.

Meira Nova updated its environmental goals and measures in 2007, and prepared a waste management plan for the new logistics centre in Tuusula. Moreover, Inex established a Reach workgroup for the enforcement of obligations involved in the application of REACH, the new European Community Regulation on chemicals.

The BSCI (Business Social Compliance Initiative) operating model was described and reviewed in purchasing organisations. Inex's suppliers underwent a risk evaluation from the perspective of social responsibility, which provided the basis for setting targets to promote audits. Inex's suppliers participated in information events arranged for suppliers in South Africa and Almeria, Spain. At the end of 2007, Inex had seven suppliers with SA 8000 certification, and one was BSCI audited. Moreover, five suppliers signed BSCI's Code of Conduct agreement

COMMUNICATIONS AND INTEREST GROUPS

Inex participated in the activities of the S Group's environmental coordination workgroup, the Environmental Committee of the Federation of Finnish Commerce and Trade, and the Finnish Grocery Trade Association's workgroups concerning product legislation and by-product regulation. In addition, Inex participated actively in the activities of the BSCI Primary Production workgroup in order to promote the practical implementation of food product sector requirements and an audit model.

As concerns Inex's stakeholders, a thesis titled 'Stakeholder Engagement and Corporate Responsibility' was produced at the Helsinki School of Economics for civic organisations. Inex will utilise the results of this thesis in future when determining responsibility aspects and planning measures.

Environmental communications targeted at stakeholder groups were implemented using the external Internet site and Inex Group's personnel and customer magazines.

KEY GOALS FOR 2008

Inex's focus areas for 2008 include responsible purchasing, risk management, ensuring the quality of operations, enhancing the efficiency of energy consumption and reducing the amount of waste. As concerns environmental and social responsibility, indicators and reporting will be developed in compliance with the GRI (Global Reporting Initiative) guidelines. Inex promotes suppliers' social responsibility audits in compliance with the BSCI model. Audits of transport firms will continue and information will be collected from transport firms on their greenhouse gas emissions. In terms of packaging, the introduction of biodegradable packaging materials will be promoted in co-operation with suppliers.