



ANNUAL REPORT 2008

Inex Partners Oy

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MANAGING DIRECTOR'S REVIEW FOR 2008

2008 was a turning point for the world economy. At the beginning of the year, raw material and energy prices were record high. In Finland, inflation was high and the first half of 2008 saw rises in food product prices in particular, due to the cost pressures of the food industry. During the latter part of the year, the turbulence which originated in the U.S. financial markets spread to the real economy. This was reflected, for example, in slackening household consumption, especially in non-food products, whereas demand for groceries showed steady growth. In the grocery retail trade, world market prices for energy and raw materials took a downward turn towards the end of the year.

In 2008, Inex Partners Oy recorded an excellent sales growth of 8 per cent compared to the previous year. Sales volumes developed especially well in fruit and vegetables, where the S Group's regional co-operatives have increasingly concentrated their purchases with Inex. Inex's profit and cost efficiency were at a satisfactory level, with energy, labour and transportation costs in particular putting a strain on its overall profitability.

In June 2008, SOK Corporation subscribed for 25 per cent of the shares and votes of Coop Trading A/S in a directed issue. These ownership arrangements will further intensify co-operation between Inex Partners and Coop Trading in the field of international purchasing. The two companies have synchronised their operating models to enhance the efficiency of their co-operation.

During the financial year, Inex centralised all of its grocery related warehousing in its logistics centre in Espoo. The operations of the regional terminals in Oulu and Lempiälä were outsourced to service operators. Moreover, Inex further intensified co-operation and harmonised its operating models with the support functions of its parent company, SOK. The group structure of Inex and SOK Corporation was clarified with Inex Partners Oy selling the entire share capital of Meira Nova Oy to SOK at the end of 2008.

The economic outlook for 2009 is relatively moderate. While weakening employment is curbing demand, the VAT reduction on food products that will be implemented in the autumn is expected to increase it. Despite the difficult economic outlook, we expect our sales volumes to grow in 2009.

I would like to thank our partners for their good co-operation and our staff for their invaluable input during 2008, a year of changes.

Espoo, April 2009

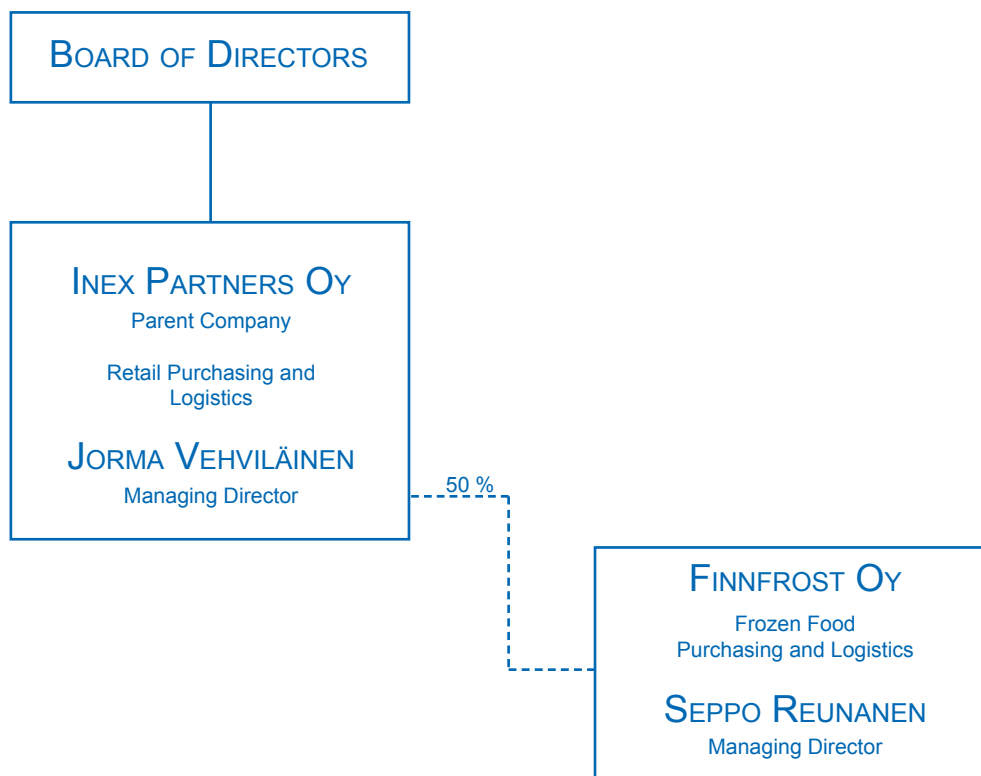
Jorma Vehviläinen
Managing Director

INEX PARTNERS OY – ORGANIZATION AND KEY FIGURES

BUSINESS IDEA

Inex Partners Oy is the S Group's sourcing and logistics company, a subsidiary of SOK. Inex purchases and distributes a large proportion of S Group stores' grocery supplies and provides logistics services for special products to the S Group. Inex Partners Oy combines purchasing power and cost-efficient operating in a long value chain.

STRUCTURE AND ORGANIZATION 31 DECEMBER 2008



OWNER

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

INEX PARTNERS OY'S KEY FIGURES 2004–2008

	2004	2005	2006	2007	2008
EUR million					
Net turnover	1 679,1	1 815,5	1 863,4	1 799,4	1981,5
Increase in net turnover, %	5,2	8,1	2,6	-3,4	10,1 %
Profit before extraordinary items	2,1	4,0	6,6	5,8	3,3
Profit for the financial year	2,3	4,8	7,0	0,5	3,5
Return on investment, %	5,3	9,4	13,8	11,5	6,7 %
Equity ratio, %	18,3	18,7	21,2	19,2	19,8 %
Gearing %	-215,9	-126,0	-110,0	-109,5	-117,6 %
Gross investments	1,3	0,8	0,7	1,3	1,3
personnel, average	2 110	2 197	2 178	1 989	2 007

BOARD OF DIRECTORS' REPORT FOR 2008

During 2008, Inex Group comprised the parent company Inex Partners Oy and subsidiary Meira Nova Oy. The Inex Group structure was dissolved in its entirety in 2008. During the financial year, Inex Partners Oy sold the entire share capital of Meira Nova Oy to SOK. The share transaction was performed on 31 December 2008.

Inex Partners Oy provides S Group's retail chains with grocery purchasing and logistics services as well as the speciality products trade with logistics services. Inex Partners Oy is a wholly-owned subsidiary of SOK.

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 Partners Oy'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 2008, Inex Partners Oy contributed to several development projects involving the whole grocery and value chain.

As of 1 January 2008, Inex also assumed responsibility for grocery purchasing with respect to Finnish fresh food and brewery products. The volumes for these are not included in Inex Partners Oy's turnover for 2008, since Inex provides the related purchasing services to SOK. A project aimed at transferring order and invoicing flows to Inex Partners Oy is at the pilot stage. The goal is to transfer all grocery suppliers' order and invoicing flows currently running through SOK's EDI invoicing system to Inex Partners Oy during 2009 and 2010.

In 2008, Inex continued to develop its logistics network. Grocery related warehousing was centralised with the Kilo logistics centre in Espoo while the terminals in Oulu and Lempäälä were outsourced to external operators in line with the other regional terminals. We rented storage space in Tuupakka, Vantaa, to be used as a buffer warehouse in grocery imports, and rented more storage space in Hakila, Vantaa, for daily non-food product handling needs. Furthermore, Inex played a key role in the planning of S Group's new logistics centre for daily non-food product trade.

Inex Partners Oy continued to focus on the core processes of purchasing and logistics. This has involved the outsourcing of business support services to the parent company, SOK, including corporate legal, property management, telephone exchange and office supply services. Furthermore, a decision has been made to outsource external accounting during the first half of 2009.

Inex Partners is also contributing to various internationalisation projects within the grocery trade. In 2008, SOK acquired 25 per cent of the shares of the pan-Nordic purchasing company, Coop Trading, with which Inex Partners Oy also has increased and intensified its cooperation. In St. Petersburg, SOK opened its first supermarkets under the Prisma concept.

TURNOVER AND FINANCIAL PERFORMANCE

Inex Partners Oy's turnover came to EUR 1,981.5 million, up by 10.1 per cent year-on-year. The turnover of the associated company, Finnfrost Oy, increased by 23.5 per cent, to EUR 301.0 million, and the company made a profit.

Inex Partners Oy made an operating profit of EUR 3.8

million, and posted a profit of EUR 3.5 million for the financial year. A EUR 3.5 million group contribution to SOK Corporation diminished Inex's profit for the financial year.

Inex Partners Oy's liquidity was good throughout the year. Its liquid cash assets and investments in the money markets totalled EUR 65.2 million at the turn of the year and the quick ratio, a liquidity indicator, was 1.0.

Inex Partners Oy's financial income and expenses were EUR 2.2 million, remaining at the previous year's level. The company's equity ratio was 19.8 per cent while return on investment came to 6.7 per cent. At the end of the year, the company had no interest-bearing loans.

KEY FIGURES ON FINANCIAL STATUS AND PERFORMANCE

	2005	2006	2007	2008
Net turnover	1815,5	1 863,4	1 799,4	1981,5
Increase in net turnover (%)	8,1 %	2,6 %	-3,4 %	10,1 %
Profit before extraordinary items	4,0	6,6	5,8	3,3
Profit for the financial year	4,8	7,0	0,5	3,5
Return on investment, %	9,4 %	13,8 %	11,5 %	6,7 %
Equity ratio (%)**	18,7 %	21,4 %	19,2 %	19,8 %
Gearing (%)	-126,0 %	-110,0 %	-109,5 %	-117,6 %
Gross investments	0,8	0,7	1,3	1,3
Personnel, average (all year)	2 197	2 178	1 989	2 007

RISKS AND UNCERTAINTY FACTORS

STRATEGIC RISKS

During the financial year, Inex Partners Oy 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.

OPERATIONAL RISKS

Inex reduced operational risks related to the information systems serving its order supply chains through, for instance, duplexed systems, two-computer-room solutions and continuous monitoring of operations on a 24/7 basis. Reserve power and reserve refrigeration equipment has been implemented to secure uninterrupted and continuous business operations.

FINANCIAL RISKS

Inex Partners Oy 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 with customer chains before the actual purchase is carried out. The company attempts to eliminate currency risk, mainly by using currency derivatives.

BOARD OF DIRECTORS' REPORT FOR 2008

DAMAGE RISKS

Inex Partners has contributed to a non-life insurance tendering process at S Group level. In this connection, insurance prices and the scope of cover have been assessed.

Inex is a member of the Zero Accidents forum. The programme was launched in 2008 and the related work continues.

INVESTMENTS

Inex Partners Oy spent a total of EUR 1.3 million on investments to be capitalised and the acquisition of fixed assets. This sum was in line with the 2007 level.

PERSONNEL

On 31 December 2008, Inex Partners Oy employed 1,936 people while the average number of personnel during the year was 2,007. The total amount of salaries and remunerations paid during the financial year was EUR 61,479,913.

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. 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.

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. These activities were developed at workgroup and corporate level on the basis of a work community survey. A work community focussing 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's rehabilitation model was put into practice, emphasising the importance of preventive operations and addressing of difficult issues. The practice of addressing important issues was further developed. A rehabilitation coordinator began work, providing assistance in the analysis of various rehabilitation opportunities. Furthermore, a Kuntoremontti physical activity course was arranged for clerical employees and the whole personnel was encouraged to increase its physical activity through support provided for various club and group training activities, and distributing employer-subsidised exercise vouchers.

CORPORATE RESPONSIBILITY

Environmental and social responsibility form part of Inex's strategic focus areas. In 2008, themes in the limelight included product safety matters, product traceability, greenhouse gas emissions, energy efficiency and the production conditions of various products. In particular, the global climate change debate and consumers' interest in environmental matters are increasing in importance.

In 2008, Inex participated in the work of SOK's corporate responsibility workgroup which is, for instance, drafting corporate responsibility principles for the whole S Group. These principles, which guide Inex's corporate responsibility work, cover all aspects of corporate responsibility, including environmental, social and financial responsibility.

Moreover, Inex participated in the determination of corporate responsibility targets for S Group's Market Chain for 2009–2013. Based on these targets, Inex specified targets, activities and indicators for its own processes for 2009.

The measures implemented in 2008 focused on responsible purchasing, risk management, the quality of operations, energy efficiency and reducing the amount of waste. Personnel training events were organised on responsibility matters. The topics covered 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.

A self-evaluation plan and an application for the approval of food premises were drawn up for the Tuupakka remote warehouse. Furthermore, targets and actions were determined for increasing energy consumption efficiency in accordance with the obligations of the Energy Efficiency Agreement for the Trade Sector. Internal audits and transportation audits were performed in line with a specific annual plan. In co-operation with 2 Future Oy, Inex drew up a survey for subcontractors handling its contract transports, and a calculation method for transport emissions. In this connection, all responsibility-related indicators were also documented.

Inex's REACH workgroup realised various measures aimed at the implementation of REACH regulations. This involved the initiation of safety data sheet filing in co-operation with Intrade, as well as ensuring that products imported by Inex from outside the EU contain no substances which are subject to preliminary registration. REACH matters were documented in an internal operations model and the related agreements.

The requirements of BSCI (Business Social Compliance Initiative) were documented as part of the purchasing framework agreement, and targets were set for the related audits in 2009–2013. Inex participated in the work of the BSCI Supervisory Council and Primary Production workgroups. By the end of 2008, eleven of Inex's suppliers representing risky countries had been audited in line with the requirements of BSCI or SA 8000.

INEX PARTNERS OY'S CORPORATE GOVERNANCE

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

Mr. Risto Pyykönen, Senior Vice President, Chain Management of the S Group's Businesses and Procurement (Chairman)
Mr. Jouko Vehmas, Managing Director, Osuuskauppa Ympäristö (Vice Chairman)
Mr. Heikki Hämäläinen, Managing Director, Osuuskauppa Suur-Savo
Mr. Kuisma Niemelä, Managing Director, Osuuskauppa Keski-maa (until 17 March 2008)
Mr. Harri Miettinen, Senior Vice President, Development, SOK (as of 17 March 2008)

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

Mr. Jorma Vehviläinen, M.Sc. (Econ.), served as Managing Director of the company.

BOARD OF DIRECTORS' REPORT FOR 2008

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

The Annual General Meeting was held on 17 March 2008.

NUMBER OF SHARES

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

INFORMATION ON INTERCOMPANY LOANS

On 31 December 2008, Inex Partners Oy had a total of EUR 59.6 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 2008

Meira Nova Oy's shares were sold to SOK on 31 December 2008.

OUTLOOK FOR 2009

The value and volumes of S Group's grocery trade are expected to grow at a moderate rate, thereby generating organic growth in the net turnover of Inex Partners Oy. In 2009, Inex's net turnover is expected to grow in particular due to the centralisation of grocery trade order and invoicing flows.

Several development projects are underway at Inex Partners Oy in order to ensure the competitiveness of the S Group's grocery trade. In particular, a more compact value chain is considered essential to ensuring competitiveness.

Moreover, key factors in improving competitiveness include focusing on the key processes of sourcing and logistics and the development of international purchasing co-operation.

The focal project in consumer goods logistics involves continuing the planning of a new logistics centre in co-operation with SOK.

BOARD OF DIRECTORS' PROPOSAL TO THE ANNUAL GENERAL MEETING

Inex Partners Oy's distributable assets totalled EUR 38,523,875.93, of which the profit for the financial year came to EUR 3,517,842.29. The Board of Directors proposes to the Annual General Meeting that the profit for the financial year be posted in retained earnings and that no dividend be distributed.

INEX PARTNERS OY – NOTES TO THE FINANCIAL STATEMENTS

ACCOUNTING PRINCIPLES

The Inex Group was dissolved on 31 December 2008 when the shares of the subsidiary, Meira Nova Oy, were sold to SOK Corporation

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 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 personnel are managed by external pension insurance companies. Pension costs were entered as expenses during the year of accrual.

IMPUTED TAXES

Imputed tax liabilities are presented in the Notes to the Financial Statements after accumulated appropriations.

INEX PARTNERS OY – INCOME STATEMENT AND BALANCE SHEET

INCOME STATEMENT

1 000 EUR	1.1.-31.12.2008		1.1.-31.12.2007	
Net turnover		1 981 505		1 799 387
Other operating income		2 057		2 185
Materials and services				
Materials and supplies	1 785 056		1 624 709	
External services	68 142	1 853 197	56 447	1 681 156
Personnel costs		75 973		70 601
Depreciation and value adjustments		2 027		2 665
Other operating expenses				
Rents	17 368		15 358	
Other expenses	33 870	51 237	28 104	43 462
Operating profit		1 127		3 686
Financial income and expenses (+/-)		2 186		2 122
Profit before extraordinary items		3 313		5 809
Extraordinary items (+/-)		-949		-5 500
Profit before appropriations and taxes		2 365		309
Appropriations		1 420		412
Direct taxes (+/-)		-267		-185
Profit for the financial year		3 518		536

BALANCE SHEET

1 000 EUR	31.12.2008		31.12.2007	
ASSETS				
FIXED AND OTHER NON-CURRENT ASSETS				
Intangible assets	3 781		4 700	
Tangible assets	5 134		5 313	
Shares in Group companies	0		4 013	
Other financial assets	402	9 317	16 279	30 306
CURRENT ASSETS				
Stocks	53 629		44 906	
Short-term investments	157 895		142 391	
Securities	59 650		57 933	
Cash at bank and in hand	158	271 331	158	245 388
		280 648		275 694
SHAREHOLDERS' CAPITAL AND LIABILITIES				
SHAREHOLDERS' CAPITAL				
Share capital	13 455		13 455	
Fair value reserve			5	
Retained earnings	35 006		34 470	
Profit for the financial year	3 518	51 979	536	48 466
ACCUMULATED APPROPRIATIONS		4 749		6 169
PROVISIONS				80
CREDITORS				
Long-term creditors			25	
Short-term creditors	223 920	223 920	220 955	220 979
		280 648		275 694

INEX PARTNERS OY – CASH FLOW STATEMENT

CASH FLOW STATEMENT

1 000 EUR	1.1.-31.12.2008	1.1.-31.12.2007
BUSINESS OPERATIONS		
Operating profit	1 127	3 684
Value adjustments to operating profit (1)	1 865	2 332
Change in working capital (2)	-14 504	7 033
Cash flow from business operations before	-11 512	13 050
Increase (-) / decrease (+) in current receivables	-4 477	-832
Paid interests and other financial expenses	-301	-600
Received interests and other financial income	1 741	2 115
Received dividends from business operations	51	51
Paid income taxes	-421	-2 059
Cash flow before extraordinary items	-14 919	11 725
Cash flow from extraordinary items in business	2 551	
Cash flow from business operations	-12 368	11 725
INVESTMENTS		
Investments in tangible and intangible assets	-1 295	-1 340
Investments in shares		
Capital gains on tangible and intangible assets	420	918
Capital gains on shares	4 209	
Change in other capital and reserves	15 710	-12 212
Received dividends from investments	713	560
Cash flow from investments	19 757	-12 073
FINANCING		
Decrease in non-current loans		
Increase (+) / decrease (-) in current liabilities		-1 619
Paid dividends		-3 000
Contributions given to / received from subsidiaries	-5 500	1 700
Cash flow from financing	-5 500	-2 919
Increase (+) / decrease (-) in current liabilities	1 889	-3 267
Liquid funds at beginning of year	57 918	61 185
Liquid funds at end of year	59 808	57 918
	1 889	-3 267
Adjustments to operating profit (1)		
Capital gains (-) and losses (+) on fixed assets	-82	-263
Depreciation and value adjustments	2 027	2 665
Other income and expenses not involving payments	-80	-70
	1 865	2 332
Change in working capital (2)		
Change in current receivables	-10 777	-5 588
Change in stock	-8 722	-3 804
Change in current non-interest bearing liabilities	4 995	16 426
	-14 504	7 033

NOTES TO THE INCOME STATEMENTS

	EUR MILLION	2008	2007
1a. Net turnover by line of business			
Grocery wholesale trade		1 943,5	1 766,4
Materials management services		38,0	33,0
Total		1 981,5	1 799,4
2. Other operating income	1 000 EUR		
Capital gains on fixed assets		82	263
Rent income		326	395
Income from services		1 649	1 527
Total		2 057	2 185
3. Materials, supplies and consumables			
Purchases during the year		1 793 778	1 628 513
Change in stocks (+/-)		-8 722	-3 804
Total		1 785 056	1 624 709
4. Personnel costs			
Salaries and wages		61 480	57 672
Pension costs		10 949	9 353
Other social expenses		3 544	3 577
Total		75 973	70 601
See 24 for notes to the staff and members of the Board.			
5. Depreciation and value adjustments			
Planned depreciation		2 027	2 665
Total		2 027	2 665

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:

	2008	2007
Intangible assets	10	
Goodwill	5-25	
Other capitalised expenditure	3-5	
Other intangible assets		
Tangible assets	20-30	
Buildings and structures	10	
Building equipment	5-10	
Factory equipment	5-10	
Warehouse equipment	7-10	
Office machines and equipment	5	
Motor vehicles	3-5	
Computer equipment		

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

NOTES TO THE FINANCIAL STATEMENTS

1 000 EUR	2008	2007
6. Financial income and expenses		
Dividend income from Group companies		
Dividend income from associated companies	51	51
Dividend income from others	1,6	3
Total dividend income from long-term investments	52,6	54
Interest income from other long-term investments		
From Group companies	711	557
Other interest and financial income		
From Group companies	1 764	2 131
From others	60	32
Total interest and other financial income	2 587	2 775
Impairment of long-term investments		
Interest and other financial expenses		
To Group companies	341	616
To others	60	36
Total interest and other financial expenses	401	653
Total financial income and expenses	2 186	2 122
7. Extraordinary items		
Extraordinary income		
Group contributions received		
Other	2 551	
Total	2 551	
Extraordinary costs		
Group contributions given	3 500	5 500
Other		
Total	3 500	5 500
Total extraordinary items	-949	-5 500
8. Appropriations		
Increase (-) / decrease (+) in depreciation difference	1 420	-412
Total	1 420	-412
9. Income taxes		
Direct taxes on ordinary operations for the year (+/-)	1 222	1 615
Direct taxes for the previous year (+/-)	236	
Direct taxes on extraordinary items (+/-)	-910	-1 430
Effect of accruals differences	-281	
Change in deferred tax liability		
Taxes according to taxable income	267	185

INEX PARTNERS OY – NOTES TO THE FINANCIAL STATEMENTS

NOTES TO THE ASSETS IN THE BALANCE SHEETS

1 000 EUR	2008	2007
10. Intangible and tangible assets		
Intangible rights		
Acquisition cost at 1.1.	14 475	14 475
Increase 1.1.-31.12.		
Decrease 1.1.-31.12.		
Transfers 1.1.-31.12.		
Acquisition cost at 31.12.	14 475	14 475
Accumulated amortisation at 1.1.	13 909	13 242
Accumulated amortisation on decreases and transfers		
Amortisation for the year	567	667
Value adjustments		
Accumulated amortisation at 31.12.	14 475	13 909
Book value at 31.12.		567
Other long-term expenditure		
Acquisition cost at 1.1.	8 932	8 932
Increase 1.1.-31.12.		
Decrease 1.1.-31.12.		
Transfers 1.1.-31.12.		
Acquisition cost at 31.12.	8 932	8 932
Accumulated amortisation at 1.1.	4 799	4 365
Accumulated amortisation on decreases and transfers		
Amortisation for the year	353	434
Accumulated amortisation at 31.12.	5 152	4 799
Book value at 31.12.	3 781	4 133
Advances paid on intangible assets		
Acquisition cost at 1.1.		
Increase 1.1.-31.12.		
Decrease 1.1.-31.12.		
Transfers 1.1.-31.12.		
Book value at 31.12.		
Total intangible assets	3 781	4 700
Tangible assets		
Land and water areas		
Acquisition cost at 1.1.	74	
Increase 1.1.-31.12.		
Transferred in merger		517
Decrease 1.1.-31.12.	-74	-443
Transfers 1.1.-31.12.		
Acquisition cost at 31.12.		74
Book value at 31.12.		74
Buildings		
Acquisition cost at 1.1.	2 612	5 446
Increase 1.1.-31.12.		167
Decrease 1.1.-31.12.	-2 426	-3 002
Transfers 1.1.-31.12.		
Acquisition cost at 31.12.	186	2 612
Accumulated depreciation 1.1.	2 135	4 470
Accumulated depreciation on decreases and transfers	-2 132	-2 390
Depreciation for the year	25	56
Value adjustments		
Accumulated depreciation at 31.12.	29	2 135
Book value at 31.12.	158	476

INEX PARTNERS OY – NOTES TO THE FINANCIAL STATEMENTS

1 000 EUR	2008	2007
Machinery and equipment		
Acquisition cost at 1.1.	28 740	27 662
Increase 1.1.-31.12.	1 118	1 173
Decrease 1.1.-31.12.		-95
Transfers 1.1.-31.12.	-147	
Acquisition cost at 31.12.	29 711	28 740
Accumulated depreciation at 1.1.	24 010	22 554
Accumulated depreciation on decreases and transfers	-147	-51
Depreciation for the year	1 082	1 508
Accumulated depreciation at 31.12.	24 946	24 010
Book value 31.12.	4 765	4 729
Share of machinery and equipment 31.12. on book value at 31.12.	1 088	726
Other tangible assets		
Acquisition cost at 1.1.	34	34
Increase 1.1.-31.12.		
Decrease 1.1.-31.12.		
Transfers 1.1.-31.12.		
Acquisition cost at 31.12.	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
Advances paid and construction under progress		
Acquisition cost at 1.1.		
Increase 1.1.-31.12.	177	
Decrease 1.1.-31.12.		
Transfers 1.1.-31.12.		
Book value at 31.12.	177	
Total tangible assets	5 134	5 313
11. Financial assets		
Holdings in Group companies		
Acquisition cost at 1.1.	4 013	4 016
Increase 1.1.-31.12.		
Decrease 1.1.-31.12.	-4 013	-3
Transfers 1.1.-31.12.		
Acquisition cost at 31.12.		4 013
Book value 31.12.		4 013
Total holdings in Group companies		4 013
Receivables from Group companies		
Amount at 1.1.	15 700	3 488
Increase 1.1.-31.12.		12 512
Decrease 1.1.-31.12.	-15 700	-300
Transfers 1.1.-31.12.		
Amount at 31.12.		15 700
Accumulated value adjustments at 1.1.		
Accumulated value adjustments on decreases and transfers		
Value adjustments		
Accumulated value adjustments at 31.12.		
Book value at 31.12.		15 700

INEX PARTNERS OY – NOTES TO THE FINANCIAL STATEMENTS

1 000 EUR	2008	2007
Holdings in associated companies		
Acquisition cost at 1.1.	498	168
Increase 1.1.-31.12.		
Transferred in merger		330
Decrease 1.1.-31.12.	-167	
Transfers 1.1.-31.12.		
Acquisition cost at 31.12.	331	498
Accumulated value adjustments at 1.1.		
Accumulated value adjustments on decreases and transfers		
Value adjustments		
Accumulated value adjustments at 31.12.		
Book value at 31.12.	331	498
Subordinated loan receivables from associated companies		
Amount at 1.1.	10	
Increase 1.1.-31.12. transferred in merger		10
Decrease 1.1.-31.12.	-10	
Amount at 31.12.		10
Total holdings in associated companies		
	331	508
Other shares and holdings		
Acquisition cost at 1.1.	71	63
Increase 1.1.-31.12.		
Transferred in merger		9
Decrease 1.1.-31.12.		
Transfers 1.1.-31.12.		
Acquisition cost at 31.12.	71	71
Accumulated value adjustments at 1.1.		
Accumulated value adjustments on decreases and transfers		
Value adjustments		
Accumulated value adjustments at 31.12.		
Value adjustments at 1.1.		
Increase		
Decrease		
Value adjustments at 31.12.		
Book value at 31.12.	71	71
Total financial assets		
	402	20 293
13. Stocks		
Goods	53 629	44 906
Advances paid		
Total	53 629	44 906
14. Long-term debtors		
Other debtors		
Accrued income and prepaid expenses		
Total long-term debtors		
15. Short-term debtors		
Trade debtors		
	11 691	9 254
Amounts owed by Group companies		
Trade debtors	133 998	125 353
Loan receivables		611
Other debtors	5 440	962
Accrued income and prepaid expenses	251	1
Total	139 690	126 928

INEX PARTNERS – NOTES TO THE FINANCIAL STATEMENTS

1 000 EUR	2008	2007
Amounts owed by associated companies		
Trade debtors	3 116	3 894
Total	3 116	3 894
Loan receivables		
Other debtors		0,7
Accrued income and prepaid expenses	3 398	2 314
Total short-term debtors	157 895	142 391
Specification of accrued income and prepaid expenses		
Personnel costs	1 171	1 944
Financial items	251	1
Company tax compensation		
Other	2 228	371
Total accrued income and prepaid expenses	3 649	2 316
16. Short-term investments		
Other shares and holdings		
Other investments in Group companies	59 650	57 933
Other investments in others		
Total	59 650	57 933
NOTES TO THE LIABILITIES IN THE BALANCE SHEETS		
17. Shareholders' capital		
Share capital at 1.1.	13 455	13 455
Share capital at 31.12.	13 455	13 455
Fair value reserve at 1.1.	5	-0,2
Increase 1.1.-31.12.		5
Decrease 1.1.-31.12.	-5	
Fair value reserve at 31.12.		5
Retained earnings at 1.1.	35 006	37 470
Translation difference		
payment of dividend		-3 000
Retained earnings at 31.12.	35 006	34 470
Profit for the financial year	3 518	536
Total shareholders' capital	51 979	48 466
Distributable funds at 31.12.		
Retained earnings	35 006	34 470
Profit for the financial year	3 518	536
Total	38 524	35 006
18. Accumulated appropriations		
Depreciation difference		
Intangible rights		693
Other capitalised long-term expenses	3 567	3 832
Buildings and structures	63	103
Machinery and equipment	1 119	1 541
Total	4 749	6 169
19. Deferred tax liability		
From appropriations	1 235	1 604
20. Provisions		
Other provisions		80
21. Long-term creditors		
Pension loans		

INEX PARTNERS OY – NOTES TO THE FINANCIAL STATEMENTS

1 000 EUR	2008	2007
Other long-term creditors		
Accruals and deferred income		25
Total long-term creditors		25
22. Short-term creditors		
Pension loans		
Trade creditors	178 262	165 737
Amounts owed to Group companies		
Trade creditors	7 167	6 471
Other short-term creditors	3 500	5 500
Accruals and deferred income	4 715	13 302
Total	15 383	25 273
Amounts owed to associated companies		
Trade creditors	8 261	8 553
Total	8 261	8 553
Other short-term creditors	9 829	9 331
Accruals and deferred income	12 186	12 060
Total short-term creditors	223 920	220 954
Specification on accruals and deferred income		
Personnel costs	11 743	11 313
Financial items	213	113
Customer bonuses	4 503	13 190
Other	441	770
Total accruals and deferred income	16 901	25 386
23. Auditors' fees		
Audit	55	58

NOTES TO THE STAFF AND BOARD MEMBERS

24 a. Personnel, average		
Permanent	1 793	1 747
Temporary	214	242
Total	2007	1989
24 b Salaries and wages	EUR	
Managing director and his deputy	311 505	296 625
Members and deputy members of the Board of Directors		

SECURED ASSETS AND CONTINGENT LIABILITIES

1 000 EUR	2008	2007
25. Contingent liabilities		
Other contingent liabilities		
Leasing liabilities		
- Leasing payments falling due next year	620	628
- Leasing payments falling due after next year	1 195	1 492
Total	1 815	2 120
Rent liabilities		
- Exchange Hire rental agreements	773	1 102
Rent liabilities for business premises		
- Rent payments fallin due next year	17 622	14 131
- Rent payments fallin due after next year	72 844	72 205
Total	90 466	86 336

AUDITOR'S REPORT

To the Annual General Meeting of Inex Partners Oy

I have audited the accounting records, financial statements, Board of Directors' report and administration of Inex Partners Oy for the financial period 1 January–31 December 2008. The financial statements comprise the balance sheet, income statement, cash flow statement and notes.

Responsibility of the Board of Directors and the Managing Director

The Board of Directors and the Managing Director are responsible for the preparation of the financial statements and the report of the Board of Directors, as well as for ensuring that these provide a true and fair view in accordance with the laws and regulations governing the preparation of such statements and reports in Finland. The Board of Directors is responsible for the appropriate arrangement of the control of the company's accounts and finances, and the Managing Director shall see to it that the accounts of the company are in compliance with the law and that its financial affairs have been arranged in a reliable manner.

Auditor's Responsibility

The auditor is responsible for performing an audit in accordance with good auditing practice in Finland, and expressing an opinion on the company's financial statements and the report of the Board of Directors based on said audit. Good auditing practice requires that the auditor complies with ethical requirements and plans, and performs the audit in such a way as to obtain reasonable assurance as to whether the financial statements and the report of the Board of Directors are free of material misstatement and whether the members of the Board of Directors and the Managing Director have complied with the Limited Liability Companies Act.

An audit involves performing procedures in order to obtain audit evidence on the amounts and disclosures in the financial statements and the report of the Board of Directors. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement in the financial statements, whether due to fraud or error. Furthermore, the auditor considers internal control relevant to the company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate under the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements and the report of the Board of Directors.

The audit was performed in accordance with good auditing practice in Finland. I believe that the audit evidence I have obtained is sufficient and appropriate to providing a basis for my audit opinion.

Opinion

In my opinion, the financial statements and the Board of Directors' report give a true and fair view of the financial performance and financial position of the company in accordance with the laws and regulations governing the preparation of the financial statements and the report of the Board of Directors in Finland. The information in the Board of Directors' report is consistent with the information in the financial statements.

Helsinki, 3 March 2009

Tomi Englund, Certified Public Accountant

INEX AND ITS STAFF

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 2008, Inex Partners and Meira Nova employed 2,258 people on average, 2,007 of whom were employed by Inex Partners Oy and 251 by Meira Nova.

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

Inex works actively to fulfil the obligations specified in the Occupational Safety and Health Act. The company launched an internal Zero Accidents at Work campaign, with the purpose of encouraging a positive attitude towards occupational safety matters among its staff and achieving a significant decline in the number of occupational accidents.

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.

The development of managerial and leadership skills continued through the participation of Inex's supervisors in managerial skills coaching. Initiated in 2007, the themes of this coaching included interactive skills and providing constructive feedback, performance steering and development discussion skills. In 2008, the

coaching was continued by providing supervisors with tools and competences for change management.

Purchasing is one of Inex's core competencies. In 2008, purchasing managers' and assistants' competence maps were created, after which these maps were used to evaluate their current competences. The development focus was on on-the-job learning. The functionality of Inex's competence development model was evaluated in the autumn of 2008, and will be further developed on the basis of the feedback obtained.

With respect to logistics workers, Inex supports on-the-job learning and training leading to a qualification in logistics.

Foreign language skills were improved in group training sessions. Language training provision was further expanded by introducing two new basic courses in Russian.

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 community survey were utilised in personnel development, and the equal opportunities plan is updated annually. Moreover, the results of this survey were discussed in workgroups and management groups and activities were developed at workgroup and corporate level on the basis of said results. A work community focussing 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's rehabilitation model was put into practice, emphasising the importance of preventive operations and addressing of difficult issues. The practice of addressing important issues was further developed. A rehabilitation coordinator began work, providing assistance in the analysis of various rehabilitation opportunities.

Furthermore, a Kuntoremontti physical activity course was arranged for clerical employees and the entire personnel was encouraged to increase its physical activity. Inex provides its staff with Liikuntaseteli vouchers for purchasing exercise services 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.