A wide-angle photograph of a large, multi-tiered limestone quarry. The quarry is characterized by its stepped, terraced levels of light-colored rock. A winding dirt road snakes through the center of the quarry. In the background, a large, rectangular building with a flat roof is visible on a higher level of the quarry. The sky is blue with scattered white clouds. The overall scene is one of industrial-scale rock extraction.

A limestone quarry can also act as an enormous amphitheatre. In the open pit in Pargas the thunder from the rock blasting has on many summer nights been replaced by rock music. The underground mine in Tytyri offers astonishing and inspiring surroundings for artists and musicians. Who knows, perhaps our quarries and mines will be a part of many more success recipes for future events.

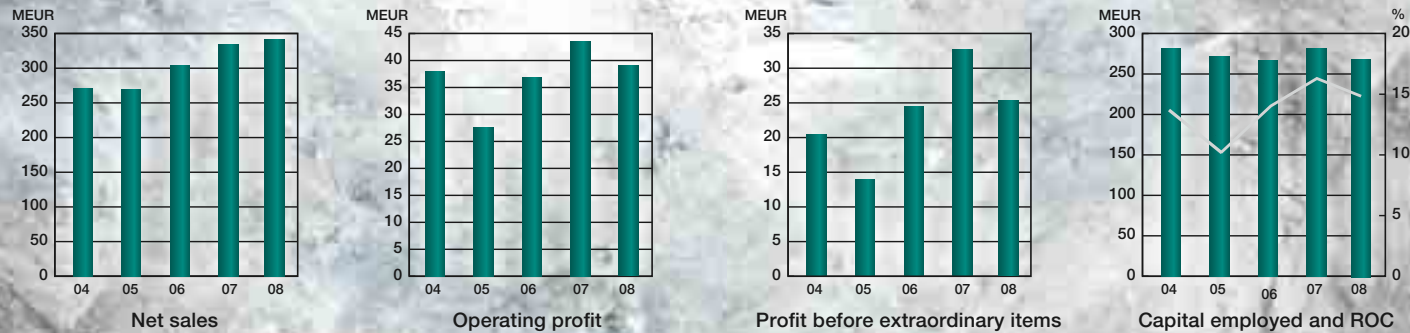


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Nordkalk publishes a separate Environmental Report that is available at the address www.nordkalk.com.

Nordkalk is Number One in Northern Europe



Nordkalk is the leading manufacturer of high quality limestone-based products in Northern Europe. Nordkalk operates in 8 countries at over 30 locations. The deposits and production plants are concentrated around the Baltic Sea and a great deal of both limestone and finished products are transported to the customers by sea. The company's roots lie in Pargas, Finland where limestone has been extracted continuously for more than a hundred years. Nordkalk employs about 1300 people.

Nordkalk products are used in the paper, steel and building materials industries and also in environmental care and agriculture. Nordkalk's largest group of customers is industry, which accounts for approximately 80 per cent of Nordkalk's sales. The paper industry uses fillers and coating pigments made of limestone and quicklime. The manufacture of steel calls for lime to remove impurities at different stages of the production process. Also in the sugar industry lime has a purifying function.

Building materials form one of the oldest uses for limestone products, and today the building materials industry is Nord-

kalk's next largest customer segment after the pulp and paper industry. Lime is also used in the manufacture of glass and paints. Dolomite is an important raw material for making fertilisers and wollastonite is used to manufacture plastics and ceramics.

In road and ground engineering lime is used for stabilising the soil. The asphalt used for surfacing roads also contains limestone powder.

Limestone Products Are a Part of Our Everyday Life

Lime is a familiar concept to most people. The word lime, however, refers to very different lime products with diverse qualities and purposes of use. Few people know, however, that limestone plays an important and often irreplaceable role in the manufacture of so many different products. Each one of us uses daily such necessities – everything from sugar to paper.

Lime appears in all facets of our everyday lives; perhaps most obviously in the countryside, where agricultural liming reduces the acidity of the fields. Lime is also used to neutral-

ise the acidity of watercourses and forests. Limestone-based products clean the flue gases from coal-fired power stations and they are also used to regulate the acidity of our drinking water and clean our waste water.

Right Stone in Right Place

Nordkalk extracts limestone at 20 locations from its own deposits and processes it into crushed and ground limestone, concentrated calcite, and quick and slaked lime. Nordkalk's range of products also includes dolomite and wollastonite. Nordkalk extracts and processes different limestone qualities based on the customers' needs and the products are tailored to the customers' processes.

The crystalline limestone excavated in Finland is as old as 2000 million years. The stone in the Nordkalk quarries in Pargas and Lappeenranta is especially white and therefore excellent for making paper pigment and the white products in building materials industry.

The limestone on Gotland represents the Silurian Age and was born over 400 million years ago. The stone excavated in Nord-

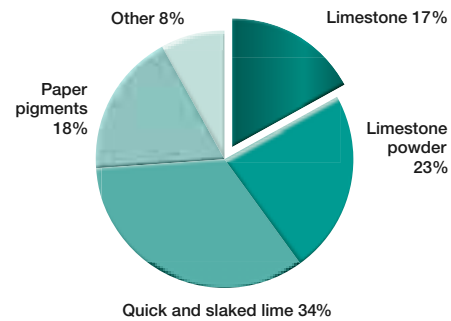


kalk's quarry in Storugns, Gotland, is fine-grained and porous. Its chemical purity is high, and it is used for quicklime for the process industries.

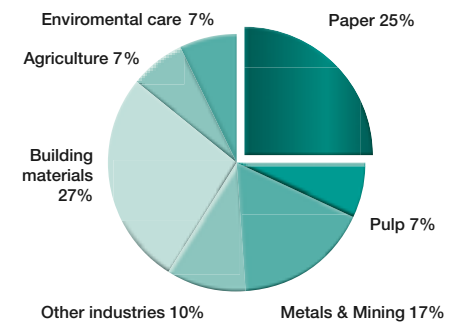
In Wolica, Poland, limestone is reactive and "only" 180 million years old. It is more porous than Gotland limestone, and it is good for grinding. The qualities of the reactive stone make it excellent for flue gas cleaning.

In Estonia Nordkalk excavates Silurian dolomite from Kurevere quarry. The chemical composition of this 430 million years old dolomite makes it good for fertiliser, industrial applications as well as for soil improvement.

Products
(as a percentage of total sales)



Sales by customer segment
(as a percentage of total sales)



A Year of Challenges



In 2008, Nordkalk faced a number of challenges and fluctuations. The demand in the first ten months of the year differed dramatically from that in the final two months, while energy costs were at a completely different level in the summer than in the first and last quarter of the year. Our growth figures remained modest in 2008, and our profitability was undermined by external circumstances.

The full force of recession only hit Nordkalk in the last two months of the year. Until the end of October, we had been making new sales records. The reduction of demand in November and December was, however, rapid in majority of our customer segments. Our delivery volumes went down by several dozen percentage points towards the end of the year. Energy prices were high at the turn of the year 2007-2008, and their increase culminated in the record-breaking figures of the summer, considerably eroding our profitability. Towards the end of the year, the global recession brought energy prices back to the expected level.

The strong increase in operations continued in Poland, compensating for reduced sales in other countries. In Miedzianka, the construction of a new crushing and washing line started in 2008. The new plant is to be commissioned in July 2009.

Two legal processes that are crucial for Nordkalk continued in 2008. The Environmental Court of Nacka District Court in Sweden heard, in October 2008, Nordkalk's application for a license to open a new quarry in Bunge, Gotland. Unfortunately, the Court rejected the application, and we have appealed this decision to the High Court of Justice for the Environment. This legal process is expected to continue until 2010. In Norway, the process of determining national emission rights continues. Our joint venture NorFraKalk AS made a forceful appeal to EU provisions and lodged in summer 2007 an appeal concerning an act that deprived the joint venture of all free emission rights. The Norwegian government passed an amendment that answers the needs of NorFraKalk. This process is expected to be finally concluded in spring 2009.

Occupational health and safety management in Nordkalk has undergone a powerful development during 2008, with the aim of harmonizing routines and making use of best practices. The statistics for 2007 were particularly grim, as two fatal accidents occurred at our sites. Year 2008 showed a clear improvement, and here the Health & Safety Network plays an essential role.

We have made further investments in our own staff through training and highlighting the significance of good management. We have organised internal courses and implemented training programmes, such as the Nordkalk Future programme directed at young employees. We have also strived to pass on in the organisation our insights and skills bearing on the special needs of our own sector and management. Through the One Nordkalk project, a uniform management system was created for the company. External audits were carried out by DNV (Det Norske Veritas).

Environmental questions play an increasingly significant role in all our operating countries, and Nordkalk is making every effort to reduce the environmental impacts of its activities.

Nordkalk intends to expand geographically to the east together with its key customers. Last year, however, several interesting projects were postponed due to both uncertainties associated with development in the target countries and the global economic situation. Nordkalk will continue to take active measures to consolidate the sector in our own market area.

In 2009, we can expect an extremely difficult year. The demand for limestone-based products is anticipated to be low, and the development trends of global economy and markets are difficult to predict. No growth can be expected, and we will need to adapt our production to a reduced demand at several sites. In 2008, codetermination negotiations were conducted in Louhi and Lappeenranta, Finland. In January 2009, these negotiations also extended to Pargas in Finland and Storugns in Gotland. Improving profitability will be a major challenge in 2009.

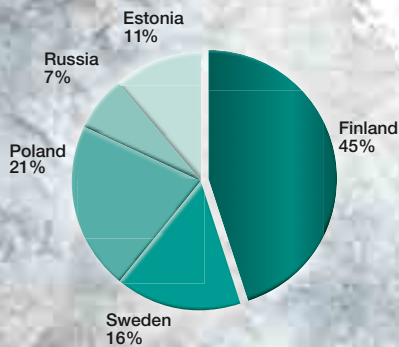
Even in the current market situation, Nordkalk will safeguard its future by investing in alternative fuels and the emission rights issue. We will also secure the future availability of raw materials by actively investigating both existing and new market areas. In research and development, we will focus on efforts aiming to develop new ways of utilizing our raw materials and competence.

We will strive to adapt to the current economic situation while not forgetting to look into the future. In addition to adaptation measures required by the situation, we will continue to plan our future growth and development in a market whose development is difficult to anticipate.

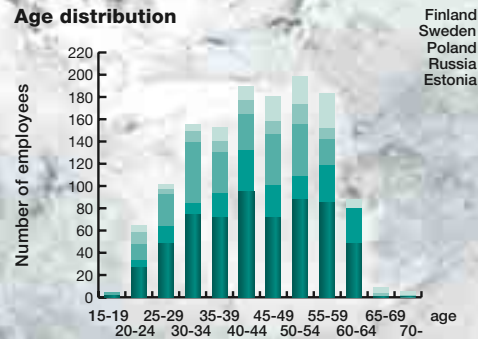
Bertel Karlstedt

Personnel

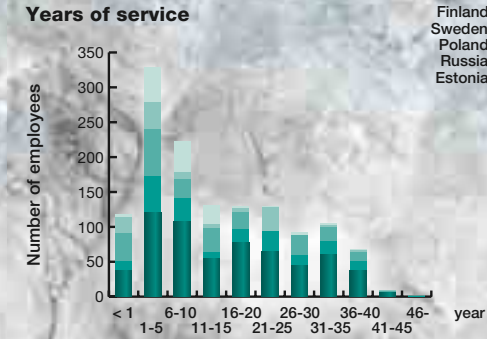
Personnel by country



Age distribution



Years of service



At the end of the year 2008, Nordkalk employed a total of 1,345 people (1,339 in 2007) in Finland, Sweden, Poland, Estonia, Russia, Lithuania and Germany. Of the employees, 20% were women and 80% men. The share of blue-collar workers was 64% and that of white-collar workers 36% of the staff. In Finland, Sweden and Poland, more than one half of the Group's employees have been working for the company for more than 10 years. The long term of employment indicates not only a committed personnel but also the fact that the company has a valuable skills and knowledge base accumulated through experience.

Due to a downturn in limestone deliveries, codetermination negotiations begun in November 2007 resulted in a total of 11 job losses in Storugns, Gotland.

A restructuring of the Nordic paper industry and the soaring energy costs forced Nordkalk to rearrange its quicklime production. Codetermination negotiations at Louhi facility resulted in a reduced operating model, which will be introduced from 1 April 2009. The negotiations concerned all of the 51 employees at Louhi, of whom some 20 people will be employed after a transition period.

In autumn 2008, the economic situation and demand in Nordkalk's market segments in Finland deteriorated. In order to

adapt production to the reduced demand for limestone-based products, the company has decided on temporary layoffs in Lappeenranta, Pargas and Lohja.

Development of Skills

Development discussions play an important role in the management and skills development at Nordkalk. The company annually conducts development discussions with all of its employees, and the implementation of agreed development measures is monitored. Nordkalk proceeds to annual Personnel Reviews facilitating long-term human resources planning.

During the year 2008, a Nordkalk Future training programme covering the whole Group was implemented. The program is intended for experts and supervisors who have recently joined the company and need an international network in their job. A total of 18 participants from Finland, Sweden, Poland, Germany and Estonia studied strategy, marketing, financial issues, management skills and communication for 10 days.

Nordkalk's own training programme for supervisors, which started in Finland in 2006, was completed during the year. This programme containing plenty of on-the-job training consisted of a special vocational diploma in technology, a unit on coaching management and English studies. Studies for a vocational diploma in the mining sector continued during the year, and

the planning of a new process operator training package started towards the end of the year.

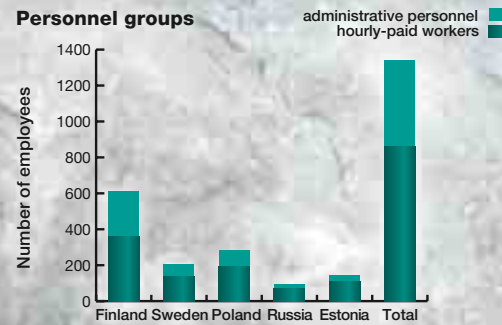
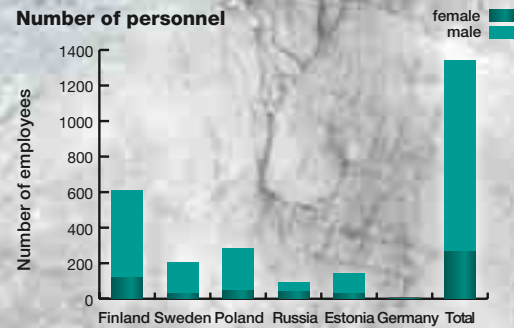
In Sweden, superiors were trained in conducting development discussions. In Poland, the development of management skills was prioritised during the year and ethic principles concerning the personnel were harmonized, whereas in Estonia, production supervisors received training, and initiative activities as well as internal information practices were developed.

Wellbeing at Work

Due to the changing age structure of the Finnish labour force, the induction training and work guidance practices for new employees have been particularly highlighted. The work guidance practices were revised during the year, and new work instructors were trained. Information needed to develop induction training practices was collected in form of a graduate thesis. The age management programme was extended during the year to younger age classes by organising training and discussion events directed at employees aged 35 or under. In Estonia, the wellbeing at work of the personnel was enhanced by introducing the company and its operations to their families.

In 2008, the company's HR activities in Sweden, Estonia and Russia were enhanced, and international co-operation was developed through HR Network forums.

Occupational Health and Safety



The objective of OHS activities is to prevent personal injuries, occupational diseases and work-related illnesses with the aim of eliminating all injuries and occupational diseases. In 2008, Nordkalk took a number of steps to improve occupational safety, and the figures for work-related accidents went down compared to the year before.

Occupational health and safety activities were integrated into a function serving the whole Group and coordinated by the Health & Safety Network. This network consists of the Group's HR manager, as well as the OHS managers from Poland, Sweden, Finland and Estonia. The team started its work in the spring, preparing joint OHS guidelines for the Nordkalk Group that were completed in winter 2009. The aim is to disseminate information to the whole personnel about working methods that have been found hazardous and the best practices to avoid risks. The H&S Network has harmonized the criteria used for monitoring occupational health and safety, and worked to develop reporting and communications. In all operating countries, efforts will be made to reinforce positive attitudes towards occupational safety.

Certification of the occupational health and safety systems in compliance with the standard OHSAS 18001 was completed last year at the Swedish sites and Lappeenranta in Finland. In Poland, Nordkalk was awarded an OHSAS 18001 certificate in 2006, and in Lappeenranta, Nordkalk's subsidiary Suomen Karbonaatti Oy has one since 2005. The long-term aim is to certify operations at all sites.

In Finland, the Zero Tolerance for Accidents process continued. The employees have been offered lectures on safety and the possibility of taking an occupational safety test. Particular attention was focused on safety around heavy machinery, for which purpose procedures were drawn up and the skills and attitudes of operators were surveyed. The background team for OHS continued its work and organised an annual theme day on co-operation, which gathered participants from all Nordkalk sites in Finland. Besides the OHS personnel, the background group includes representatives from the occupational health care service and personnel management. The occupational health care service monitors personnel wellbeing and refers employees to rehabilitation as necessary. In addition to preventive occupational health care, Nordkalk offers its employees comprehensive general practitioner level health care.

In Sweden, the personnel received training in safe hoisting and the operation of hoisting equipment. The work of some 70% of the personnel involves hoisting, and one-day training courses were organised for them at various sites. During the year, a manual on pneumatic unloading was completed, which can also be used in other countries as applicable. The reporting of safety observations was facilitated by producing a pocket-sized book that has a risk checklist and a report form. This book makes it possible to record any observation immediately, complementing reports made in the shared database of accidents at work and near misses.

Reporting of near misses was encouraged by means of a competition in Poland, which is reflected in the results: less than 300

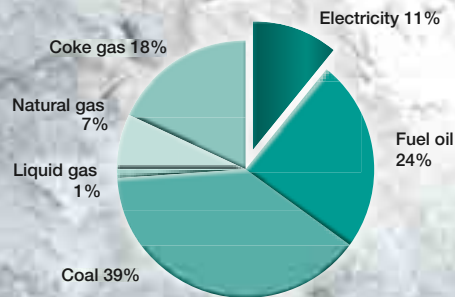
employees reported a total of 238 incidents. Training and practice in fire-fighting were organised for the whole personnel last year. In Poland, projects associated with H&S communication are under way, and attention is also focused on the training of contractors.

In 2008, no fatal accidents occurred in the Nordkalk Group. The number of accidents at work was 21 at the workplaces in Finland (27 in 2007). In Sweden, 12 accidents at work were recorded (14), in Poland 3 (4), in Estonia 0 (3) and in Russia 1 (1). These figures include all accidents at work, regardless of whether they resulted in an absence from work or not.

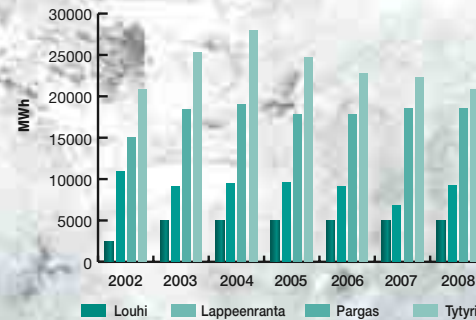
The number of absences from work due to sickness in Nordkalk was clearly lower than the average for Finnish industries. For the 320 employees paid by the hour at the Finnish sites, the rate of absences was 4.3% in 2008 (3.2% in 2007). The rate of absences due to sickness was 4.1% (3.0%) and that of absences due to accidents at work was 0.2% (0.2%). The most recent figures for Finnish industries date back to 2007: the total rate of absences was 6.7, the rate of absences due to illness 6.3% and the rate of those due to accidents at work 0.4%. In Sweden, the total rate of absences at Nordkalk was 4.6% (4.4% in 2007), of which 0.2% were due to accidents. In Poland, the rate of absences was 4.0, while 0.4% of the absences were due to an accident at work. In Estonia the equivalent numbers are 2.2% and 0.0%. The figures for Poland and Sweden include both white-collar and blue-collar workers.

Aiming at Sustainable Development

Sources of energy used within the Nordkalk Group



Recovered heat



Waste heat produced at the lime plants in Finland is used as district heat. In 2008, sales of waste heat in Tytyri were somewhat lower than in previous years due to decreased production. (In Louhi the waste heat is not sold but utilized by Nordkalk.)

Based on our environmental strategy, the aim of our efforts for the environment is to highlight important target areas for improvement. The environmental management system is maintained in cooperation with the line organisations. Nordkalk's products and working methods are being developed in order to minimise the environmental impacts of quarrying and processing. Our Environmental Strategy 2008-2012 emphasizes efficient energy and raw material use, dust reduction and effective monitoring of emissions from our operations. These are included in the environmental objectives of the divisions for the next few years. The operating principles of the Nordkalk Group comprise environmental, quality and OHS principles, and these require continuous improvement. In 2008, we signed our Mine Closure Policy to ensure that the after-care of all discontinued quarries proceeds in a uniform, acceptable manner.

Nordkalk's new management system that covers the whole Group was created last year. The old subsystems have been integrated into a single management system including quality and environmental management systems, principles of an OHS system and other procedures and routines applicable to the whole Group. As planned, Nordkalk received so-called multi-site certificates in the beginning of the year 2009: the quality certificate (ISO 9001:2000) is valid at all Nord-

kalk sites, the environmental management certificate (ISO 14001:2004) at the Polish and Swedish sites as well as Finnish production plants, and the occupational health and safety certificate (OHSAS 18001:2007) at the Swedish and Polish sites and in Lappeenranta, Finland.

In recent years, environmental efforts have focused on developing our energy efficiency, and good results have been achieved at many sites. Swedish production plants successfully reduced power consumption by replacing old equipment. In Köping, Sweden, equipment is being built that enables the use of alternative fuels in lime kilns. In Tytyri, Lohja, Finland, we have improved our control and monitoring system, resulting in more efficient operation and lower power consumption. At Pargas lime plant, the optimisation of coal grinding has reduced fuel consumption, while the new high-pressure compressor brings down power consumption. In Tytyri, we have been able to continue to increase the recovery of waste heat for use in a district heat network.

All Nordkalk sites work to ensure the continued improvement of energy efficiency. Energy efficiency is highlighted when planning new investments, and existing processes are optimised to reduce power consumption. New personnel was recruited to work with these issues. In 2008, Nordkalk joined

an energy efficiency agreement of the Finnish industries, which encourages the introduction of new energy-efficient technology and utilisation of renewable energy sources.

Reducing dust is another central objective of our environmental efforts. In Tytyri, electrical and textile filters have been renewed, and measurements indicate that dust produced by the lime kilns has been cut down by one half, and dust emissions from the grinding plant even more. Incidental dusting at all sites is controlled by wetting roads and yards and by asphaltting them. In Miedzianka, Poland, a new crushing line is under construction, which will reduce both dust and noise emissions.

Nordkalk is making active efforts to cut down its emissions both in the air and water. The company is involved in a number of research and development projects aiming at improving the state of the environment. The utilisation and final deposition of carbon dioxide, for example, is being studied in partnership with research institutes. Such studies yield information that helps to increase energy and material efficiency, thus reducing environmental impacts. The studies are also looking at carbon dioxide recovery methods suitable for lime burning. Nordkalk also aims at replacing fossil fuels by carbon dioxide neutral ones. Primarily, this means fuels based on clean biomass, and



secondarily sorted waste, which is fumigated into a form suitable for burning.

Nordkalk's products are also used for environmental care. The company is involved in a number of water and water system projects, such as a project aiming at more efficient waste water treatment in sparsely populated areas. Projects relevant to improving the quality of water systems are ongoing e.g. in Nokia and Kerimäki. Different types of lime-based products are also used for example for the production of drinking water, neutralisation of process waters and cleaning of flue gases at coal-fired power plants.

For a more detailed description of Nordkalk's work for the environment, please refer to our Environmental Report, which you can access at the company's website www.nordkalk.com. This report describes the impacts our operations have on the environment, as well as measures implemented and planned to reduce environmental impacts in all of our operating countries.

Legislation

The EU Directive concerning the management of waste from extractive industries, which entered into force on 1 May 2006, was implemented in a number of member states in summer and autumn 2008. The articles concerning sorting of waste

are still ambiguous, but we hope that our surplus stone will be excluded from the comprehensive assessments proposed in the Directive. In 2009, Nordkalk will draw up local plans for the processing and storage of waste rock for all of its quarries.

The new chemical regulations of the European Union, REACH, entered into force on 1 June 2007. REACH aims at improving the protection of human health and the environment and maintaining the competitiveness of the EU's chemical industries. Nordkalk has met its obligations under the first phase of REACH and completed a pre-registration of product substances that are within the scope of this regulation. The company was also involved in establishing a European consortium that discusses issues relevant to these substances and shares information on them. The actual REACH registration of substances will take place at the latest in November 2010.

An Environmental Permit Sought for a New Quarry in Gotland, Sweden

In order to ensure access to raw materials, Nordkalk has applied for a permission to quarry limestone in Bunge, Northern Gotland, in 2012-2035. The location of Bunge is favourable even in terms of the existing infrastructure; it is located at a distance of some nine kilometres from Storunges, where the

rock will be sorted, processed and shipped. One of the most significant advantages offered by Bunge is its situation further away from residential areas than the current quarry.

Under current legislation, opening a new quarry is a complex process, in which natural and economic values must be balanced. Nordkalk has extensive experience in the lime industry in various countries, and based on this experience, the company has together with consultants and authorities conducted extensive environmental impact assessment of quarrying. These studies will be helpful, as Nordkalk must in its operations take into account the unique nature of the area and maintain a balance between natural values and quarrying activities.

The Environmental Court heard the application in December 2008 and decided against Nordkalk. Nordkalk appealed the decision to a higher environmental court. In its decision, the Environmental Court highlighted national conservation perspectives and considered that alternative locations and solutions to quarrying existed which were possible and reasonable for Nordkalk. However, many of our customers depend on the quality of Gotland limestone in particular. The current quarry in Gotland will be exhausted by 2012, and our goal is to get the new quarry in operation before this time.

Board of Directors

Christoffer Taxell, Morten Ahlström, Björn Mattsson, Bjarne Mitts, Leif Lundkvist, Panu Routila



Board of Directors

Chairman of the Board

Björn Mattsson

b. 1941

Lic. Phil.

Honorary Counsellor

Member of the Board of Turku Science Park Ltd

Member of the Nordic Advisory Board of DresdnerKleinwort

Morten Ahlström

b. 1943

M.Sc. (Econ.)

Chairman of the Board, Ahlström Capital Oy

Chairman of the Boards of Quartona Ltd (Estonia) and Å&R Carton AB (Sweden)

Deputy Chairman of the Board of EOS Russia AB (Sweden)

Member of the Board of Enics AG (Switzerland)

Jan Inbarr (until 28 April 2008)

b. 1948

B.Sc. (Econ.)

Leif Lundkvist

b. 1945

M.Sc. (Econ.)

Chairman of the Board of Swedish Postgraduate Institute of Technology (STF), IFLs Resultatandelsstiftelse (Sweden), Fanna Invest AB (Sweden), Härjedalens Miljöbränsle AB (Sweden), Härjedalens Utvecklings AB (Sweden)

Member of the Boards of MalmbergGruppen AB (Sweden)

and Malmberg Water AB (Sweden)

Member of the EtikKollegiet (Sweden)

Bjarne Mitts

b. 1949

B.Sc. (Econ.)

President & CEO, Rettig Group Ltd

Chairman of the Board of Tarkala Oy

Member of the Boards of Åbo Akademi University Foundation and Technology Industries of Finland

Panu Routila (from 28 April 2008)

b. 1964

M.Sc. (Econ.)

President and CEO, Ahlström Capital Oy

Member of the Boards of Symbicon Ltd and Å&R Carton AB (Sweden)

Christoffer Taxell

b. 1948

LL.M.

Chancellor of Åbo Akademi University

Chairman of the Boards of Finnair Plc, Stockmann Plc, Föreningen Konstsamfundet and Åbo Akademi University Foundation

Member of the Boards of Sampo Plc and Luvata Ltd

Member of the Investment committee of the Svenska Litteratursällskapet i Finland r.f.

Management Team 2008

Bertel Karlstedt, b. 1962

M.Sc. (Eng.)

President and CEO

Employed by the company since 2005

Jarmo Ellmén, b.1953

M.Sc. (Econ.)

Vice President, Treasury

Employed by the company since 2003

Eelis Eskelinen, b. 1953

M.Sc. (Eng.)

Vice President, Pulp & Paper

Employed by the company since 1980

Hans Gustafsson, b. 1962 (until 1 June 2008)

M.Sc. (Eng.)

Vice President, Sweden Division *

Employed by the company since 2007

Anders Mattsson, b. 1969

M.Sc. (Econ.)

Vice President, Metals & Mining *

Employed by the company since 1997

Paavo Nikkari, b. 1947

M.Sc. (Agr.)

Vice President, Finland Division

Employed by the company since 1981

Kim Nordell, b. 1959

M.Sc. (Econ.)

Chief Financial Officer

Employed by the company since 1983

Håkan Pihl, b. 1958

M.Sc. (Geol.)

Vice President, Mineral Technology

Employed by the company since 1988

Gunilla Stenfors, b. 1956

B. Sc. (Econ.)

Vice President, Corporate Communications

Employed by the company since 1998

Marie Stenulv, b.1954

Silf Certified Executive Supply Chain Manager

Vice President, Purchasing & Logistics

Employed by the company since 1999

Esa Tikka, b. 1953

M.Sc. (Econ.)

Vice President, Central & Eastern Europe

Employed by the company since 1980

Tarmo Tuominen, b. 1962

M.Sc. (Geol.)

Vice President, Process Technology

Employed by the company since 1982

Kari Vainio, b. 1955

LL.M.

Vice President, Human Resources, Health & Safety, and Legal Affairs

Employed by the company since 1993

* The divisions Sweden and Metals & Mining were merged on 1 June 2008.

Annual Report of the Board of Directors

The Year Started Well for Nordkalk but Demand Declined in Fourth Quarter

The demand for limestone-based products was good in most of the company's customer segments during the three first quarters of 2008. The general economic recession started to show in the autumn, and the demand decreased noticeably in the last quarter.

Development within Customer Segments

Total sales to the paper industry decreased somewhat in comparison to 2007. A capacity reduction in the paper industry led to a lower demand for paper pigment GCC as well as for quicklime for the manufacture of paper pigment PCC. Sales to the pulp industry continued at the same level as the year before. The high energy costs burdened the profitability of the lime kilns heavily for the most part of the year, and kiln operations have been consequently reorganized in Finland to optimize capacity utilization.

In Norway, statutory amendments to free emission rights had a negative effect on the profitability of the new lime kiln commissioned in Verdal, Norway in December 2007. The contents of these amendments were not approved by EFTA's Surveillance Authority. A new amendment proposed by the Norwegian government and containing free emission rights for the kiln is now in circulation for comment.

Steelworks continued to operate at a high production rate in the beginning of the year. The demand went down dramatically towards the end of the year; however, total sales to the steel industry were somewhat higher than the year before. Profitability was burdened by high energy and freight costs. Deliveries to the Polish steel industry decreased towards the end of the year, but ended at a clearly higher level for the whole year in comparison to 2007.

Activities around new quarry projects in the Nordic countries slowed down; however, some projects were started in 2008. Nordkalk concluded a long term contract with the new mining company in Talvivaara, Finland to deliver limestone products.

Economic boom in the construction trade continued during the first half of 2008. A certain slowing down could already be noticed in the third quarter, and during the final months of the year, sales went down dramatically. The demand for whitestone products for the manufacturing of plaster products went down as well as the demand for limestone for cement production. Large infrastructure projects continued on the west coast of Sweden, resulting in an increased demand for products for soil stabilisation. The sales of soil stabilisation products were also good in Finland. In Poland, deliveries of products for road construction stayed at a high level throughout the year.

The sales of environmental care products were somewhat lower than in 2007. The availability of hydropower was good in the beginning of the year; as a result, demand of products for flue-gas cleaning at coal-fired power plants was low. In the fourth quarter, the demand for flue-gas cleaning products increased, especially in Finland. In Poland, the sales of products for the environmental care segment remained stable, whereas in Sweden the deliveries of limestone products for cleaning of flue-gases at incinerator plants increased. Total sales of water treatment products remained at the same level as the year before.

The sales of soil improvement lime were favoured by the high cereal prices, which made liming more attractive to farmers. High fertilizer prices also led to an increased demand of lime products. Sales to the fodder industry remained at the same level as the year before, the total sales to the agriculture segment increasing in comparison to 2007.

Financial Result for the Year 2008

Consolidated net sales totalled EUR 344.9 (334.4) million, and total sales increased slightly in most customer segments.

Consolidated operating profit decreased to EUR 39.4 (43.6) million, representing 11.4% (13.0) of consolidated net sales. During the year, emission rights were sold for EUR 3.5 (1.1) million. Profitability was burdened by high production costs as well as by production disruptions at the plant in Russia.

Depreciations according to plan totalled EUR 29.3 (27.9) million.

Net financial expenses increased by EUR 2.9 million from 2007 and totalled EUR 13.9 million. Profit before taxes and minority interest was EUR 25.5 (32.7) million, representing 7.4% (9.8%) of the net sales.

Cash flow from operating activities was positive.

Return on capital employed was 14.8% (16.6%).

Total assets were EUR 354.9 (31 Dec 2007: 366.5) million. The equity/total assets ratio increased to 23.5% (20.8%).

For full details reference is made to the Consolidated Income Statement and Balance Sheet and the parent company's financial statements together with notes, additional details and financial analyses.

Investments

Investments in 2008 amounted to a total of EUR 32.3 (32.9) million and were financed from the company's own cash flow.

Capacity increase continued in Poland. A new mill was taken into use in Wolica, and construction work of a crushing plant started in Miedzianka.

Shareholders

Nordkalk is owned by a Finnish investor group comprising Ahlström Capital Oy (30.5%), Rettig Group Ltd (21.0%), a group of mainly institutional investors (45.1%) and the company management (3.4%)

Own Shares

Nordkalk owns 600 of its own shares, each with a nominal value of 1 euro. It represents 0.06% of the entire share capital and votes. The shares were acquired in December 2005 at a price of 1 euro per share. The Board has the authority to by 28 April 2009 acquire max 10.000 shares owned by the company management, however, the total nominal value of the shares is not to exceed 5% of the equity capital after the acquisition nor are the voting rights connected to the shares to exceed 5% of the voting rights.

Personnel

The total number of employees at the end of the year was 1,345 (1,339). The average number of employees was 1,395 (1,364).

A training programme called Nordkalk Future continued in 2008. This program is aimed at young key employees in all countries where Nordkalk operates. A training programme for foremen took place in Finland, and a training programme in management was carried out in Poland.

Work on the "Zero Tolerance for Accidents" process continued. Routines for reporting accidents and near miss incidents are under constant development, similarly to follow-up procedures. An internal Health & Safety Network was founded in 2008.

Codetermination Negotiations

Codetermination negotiations with the representatives of the personnel of Louhi unit in Kerimäki, Finland were completed. The production of the

mine and lime plant will wind down from 1 April 2009 on, after which Louhi unit will continue to employ some 20 of the current 51 employees.

Codetermination negotiations were also initiated with the personnel in the lime factory in Lappeenranta, Finland.

In the beginning of 2009 codetermination negotiations were expanded to apply to the personnel in Pargas and Tytyri, Finland as well as Storugns on Gotland, Sweden.

Research and Development

Total R&D expenditure was EUR 5.0 (3.4) million, which represents 1.4% (1.0%) of net sales.

The company's R&D activities aim at raising the utilisation rate of quarried raw materials and creating new product concepts and market applications for limestone-based products. Efforts continue to develop methods for saving energy and reducing emissions from the processes.

In the field of geology, the focus is on ensuring a long-term raw material base and using Nordkalk's existing limestone reserves in the most efficient way, based on accurate information on the geological characteristics of each deposit.

Environment and Quality

Efforts to create a joint management system for the Group were completed in 2008. All the sub-systems for quality, environment and occupational health and safety were combined into a unified system which covers the whole company. Audits were completed during the year, and the new certificate was granted in January 2009.

All operations in Nordkalk are now certified in compliance with ISO 9001 quality standard. The operations in Poland and Sweden as well as the

production plants in Finland have been certified in compliance with ISO 14001 environmental standard.

Occupational safety and health management has been certified in compliance with OHSAS 18001 in Poland and Sweden, as well as in Nordkalk's Lappeenranta unit and the Finnish subsidiary Suomen Karbonaatti.

Nordkalk's general principles for environmental work and occupational safety are applied in Estonia and Russia.

Nordkalk continues its efforts to minimize the environmental impact of its operations, such as noise, vibrations and dust. In 2008, the total amount invested in environmental projects was EUR 1.2 (3.0) million.

Risk Management

The most significant factors that could have a negative impact on the company's activities and economic development are demand, access to raw materials, energy prices, environmental requirements, financial risks, damage to production facilities and the availability of a skilled work force.

The general recession has affected several of Nordkalk's customer segments, e.g. paper, steel and construction material industries, which may affect Nordkalk's net sales and result for several years to come.

The ongoing structural changes in the paper industry in Finland may affect the sales of paper pigment GCC and the raw material for paper pigment PCC.

Continuing allotment of free emission rights are of extremely great importance to the profitability of lime kilns.

If Nordkalk AB is not granted an environmental license to open a new lime quarry in Gotland, Sweden, new solutions will be required with regard to stone deliveries to the Nordic steel industry. Alternative sources of raw materials are being planned in consultation with the customers.

Board of Directors, President and Auditors

Members of the Board of Directors

Björn Mattsson	Chairman
Morten Ahlström	Member
Jan Inborr	Member up till 28 April 2008
Leif Lundkvist	Member
Bjarne Mitts	Member
Panu Routila	Member from 28 April 2008
Christoffer Taxell	Member

President of the company is Bertel Karlstedt.

The auditors were KPMG Oy Ab, Authorised Public Accountants, with Sixten Nyman, APA, as the main responsible auditor.

Board's Proposal for the Distribution of Profits

The distributable funds of Nordkalk parent company amount to EUR 55.2 (44.7) million. The Board proposes that EUR 5 (0)/share, a total of EUR 5 million, be used for dividends, and that EUR 50.2 million be left in the undivided profit funds.

Developments after the Close of Books

Nordkalk sold its 60% shareholding in Inkoo Shipping Oy Ab on 26 January 2009.

Outlook

The general economic recession in the coming years is expected to result in a reduced demand for limestone-based products, mainly in the paper,

steel and construction materials industries. Production will be adapted to the demand and measures will be taken to economize. However, the versatile usage of limestone will ensure that not all Nordkalk's customer segments will suffer as severely from the economic downturn but deliveries to steel, paper, pulp and construction materials industries are expected to continue on a low level in 2009.

To secure its operating preconditions in Gotland, Sweden and its deliveries to the Nordic steel industry, Nordkalk has applied for a license to open a new lime quarry on the island. The application was heard by the Environmental Court in the beginning of October. The court decided to turn down the application. Nordkalk has appealed to the High Court of Justice for the Environment. According to calculations the present quarry in Gotland will be able to continue till the end of 2012. The goal is to open the new quarry before this.

Nordkalk's net sales are expected to decrease in 2009 and profitability is expected to go down.

Helsinki, 11 February 2009

Björn Mattsson
Morten Ahlström
Leif Lundkvist
Bjarne Mitts
Panu Routila
Christoffer Taxell

Bertel Karlstedt, President and CEO

Consolidated Income Statement 1 Jan. - 31 Dec. 2008

	Note	2008		2007	
		1000 EUR	%	1000 EUR	%
Net sales	1	344 936	100.0	334 418	100.0
Cost of goods sold		282 291		265 638	
Gross profit		62 645	18.2	68 780	20.6
Selling, marketing and development expenses		13 104		12 101	
Administration expenses		20 472		18 601	
Other operating income	4	10 936		6 288	
Other operating expenses	4	614		749	
		23 253	6.7	25 163	7.5
Operating profit	2,3	39 392	11.4	43 617	13.0
Share of results of associated companies	5	12		75	
Financial income and expenses	7	-13 897		-10 994	
Profit before extraordinary items		25 506	7.4	32 698	9.8
Profit before taxes and minority interest		25 506	7.4	32 698	9.8
Direct taxes	8	-6 705		-8 051	
Minority interests		-2 996		-3 979	
Net profit for the period		15 805	4.6	20 668	6.2

Consolidated Balance Sheet 31 Dec. 2008

	Note	31 Dec. 2008		31 Dec. 2007	
		1000 EUR	%	1000 EUR	%
Assets					
Fixed assets and long-term investments					
	9				
Intangible assets					
- Goodwill		1 468		1 847	
- Other intangible assets		6 479		6 622	
Tangible assets					
- Mineral deposits and land		85 742		95 490	
- Buildings and constructions		32 383		33 774	
- Machinery and equipment		98 173		97 746	
- Other tangible assets		5 893		4 032	
- Advance payments and construction in progress		19 784		22 987	
Investments	10				
- Shares in associated companies		238		337	
- Other shares and participations		731		722	
Total fixed assets and long-term investments		250 892	70.7	263 556	71.9
Current assets					
Inventories	11	45 507		36 472	
Short-term receivables	8,11	48 107		47 802	
Cash and bank balances		10 438		18 709	
Total current assets		104 052	29.3	102 983	28.1
Total assets		354 943	100.0	366 538	100.0

	Note	31 Dec. 2008		31 Dec. 2007	
		1000 EUR	%	1000 EUR	%
Shareholders' equity and liabilities					
Shareholders' equity					
	12				
Share capital		1 000		1 000	
Net profit/loss for previous years		53 513		40 320	
Net profit for the period		15 805		20 668	
Total shareholders' equity		70 316	19.8	61 988	16.9
Minority interest		14 768	4.2	14 330	3.9
Provisions	14	2 138	0.6	1 956	0.5
Liabilities					
Long-term liabilities	8,13,15	186 209		213 254	
Short-term liabilities	13,16	81 511		75 011	
Total liabilities		267 720	75.4	288 265	78.6
Total shareholders' equity and liabilities		354 943	100.0	366 538	100.0

Consolidated Cash Flow Statement

	1 Jan - 31 Dec. 2008 1000 EUR	1 Jan - 31 Dec. 2007 1000 EUR
Net profit/loss for the period	15 805	20 668
Depreciation	29 296	27 904
Profit and loss on sale of fixed assets	-718	-245
Change in provisions	486	860
Share of profit/loss of associated companies	-12	-75
Minority interest	2 996	3 979
Financial items	13 897	10 994
Taxes	6 705	8 051
Adjustments total	52 651	51 468
Cash flow before change in net working capital	68 456	72 135
Change in working capital:		
Change in receivables (increase(-)/decrease(+))	6 209	-4 516
Change in inventories (increase(-)/decrease(+))	-11 056	-2 805
Change in liabilities (increase+)/decrease(-))	3 626	4 402
Change in net working capital	-1 221	-2 919
Cash flow after change in net working capital	67 235	69 216
Cash flow after change in net working capital and provisions	67 235	69 216
Interest paid	-14 436	-9 953
Interest received	297	501
Other financial items	-7 124	-256
Exchange gains/losses (finance)	6 253	-1 756
Taxes paid	-10 738	-12 394
Cash flow from operating activities	41 487	45 357

	1 Jan - 31 Dec. 2008 1000 EUR	1 Jan - 31 Dec. 2007 1000 EUR
Cash flow from investing activities		
Acquisition of group companies	-52	
Investments of external shares	-10	-102
Investments of intangible and tangible assets	-31 154	-32 338
Sale of associated companies	720	
Sale of fixed assets	469	1 969
Dividends received	113	318
Other changes in fixed assets	1 490	-348
Cash flow from investing activities	-28 423	-30 501
Cash flow after investing activities	13 063	14 857
Cash flow from financing activities		
New loans raised	20 933	6 656
Amortization of loans	-39 150	-17 634
Dividends paid	-2 550	-3 081
Change in receivables	21	22
Change in interest-bearing liabilities	4 037	7 191
Cash flow from financing activities	-16 709	-6 846
Exchange rate difference	-4 626	281
Cash flow after financing activities	-8 271	8 291
Cash and cash equivalents at the beginning of the period	18 709	10 418
Cash and cash equivalents at the end of the period	10 438	18 709

Parent Company's Income Statement 1 Jan. - 31 Dec. 2008

	Note	2008		2007	
		1000 EUR	%	1000 EUR	%
Net sales	1	147 765	100.0	146 228	100.0
Cost of goods sold		117 175		109 188	
Gross profit		30 590	20.7	37 040	25.3
Selling, marketing and development expenses		4 136		4 313	
Administration expenses		13 841		12 415	
Other operating income	4	6 431		3 677	
Other operating expenses	4	137		229	
		11 683	7.9	13 280	9.1
Operating profit	2,3	18 907	12.8	23 760	16.2
Financial income and expenses	7	-2 841		-7 153	
Profit before extraordinary items		16 066	10.9	16 607	11.4
Extraordinary items		-400	-0.3	-12	0.0
Profit before appropriations and taxes		15 666	10.6	16 595	11.3
Depreciation in excess of plan		-1 834		-2 484	
Direct taxes	8	-3 278		-2 920	
Net profit for the period		10 554	7.1	11 191	7.7

Parent Company's Balance Sheet 31 Dec. 2008

	Note	31 Dec. 2008		31 Dec. 2007	
		1000 EUR	%	1000 EUR	%
Assets					
Fixed assets and long-term investments					
	9				
Intangible assets		5 591		5 386	
Tangible assets					
- Mineral deposits and land		37 921		39 272	
- Buildings and constructions		10 131		10 323	
- Machinery and equipment		31 292		31 976	
- Other tangible assets		2 842		2 461	
- Advance payments & construction in progress		2 102		1 931	
Investments	10				
- Shares in subsidiaries		87 719		88 780	
- Long-term receivables from subsidiaries		29 792		35 282	
- Shares in joint ventures		6 933		5 820	
- Shares in associated companies		82		82	
- Other shares and participations		702		702	
Total fixed assets and long-term investments		215 107	80.2	222 015	83.2
Current assets					
Inventories	11	23 373		17 911	
Short term receivables	11	28 218		20 903	
Cash and bank balances		1 598		5 926	
Total current assets		53 189	19.8	44 740	16.8
Total assets		268 296	100.0	266 755	100.0

	Note	31 Dec. 2008		31 Dec. 2007	
		1000 EUR	%	1000 EUR	%
Shareholders' equity and liabilities					
Shareholders' equity					
	12				
Share capital		1 000		1 000	
Net profit/loss for previous years		44 655		33 464	
Net loss/profit for the period		10 554		11 192	
Total shareholders' equity		56 210	21.0	45 655	17.1
Accumulated excess depreciation					
		9 168	3.4	7 334	2.7
Provisions					
	14	101	0.0	101	0.0
Liabilities					
Long-term liabilities					
	13, 15	146 662		169 037	
Short-term liabilities					
	13, 16	56 156		44 628	
Total liabilities		202 818	75.6	213 665	80.1
Total shareholders' equity and liabilities		268 296	100.0	266 755	100.0

Parent Company's Cash Flow Statement

	1 Jan - 31 Dec. 2008 1000 EUR	1 Jan - 31 Dec. 2007 1000 EUR
Net profit/loss for the period	10 554	11 191
Depreciation	9 815	10 116
Profit and loss on sale of fixed assets	-805	-192
Financial items	2 841	7 153
Taxes	5 112	5 404
Adjustments total	16 963	22 481
Cash flow before change in net working capital	27 517	33 672
Change in net working capital:		
Change in receivables (increase(-)/decrease(+))	1 842	-1 859
Change in inventories (increase(-)/decrease(+))	-5 462	-1 687
Change in liabilities (increase(+)/decrease(-))	4 823	1 718
Change in net working capital	1 203	-1 828
Cash flow after change in net working capital	28 720	31 844
Cash flow after changes in net working capital and provisions	28 720	31 844
Interest paid	-13 205	-9 006
Interest received	2 063	1 829
Other financial items	-7 894	-289
Exchange gains/losses (finance)	6 333	-1 734
Taxes paid	-4 804	-7 241
Cash flow from operating activities	11 213	15 403

	1 Jan - 31 Dec. 2008 1000 EUR	1 Jan - 31 Dec. 2007 1000 EUR
Cash flow from investing activities		
Acquisition of group companies		-5
Acquisition of associated companies		-2 083
Investments of external shares		-102
Investments of intangible and tangible assets	-8 518	-6 287
Sale of associated companies	720	
Sale of fixed assets	132	1 356
Dividends received	2 793	3 565
Other changes in fixed assets	74	-369
Cash flow from investing activities	-4 799	-3 925
Cash flow after investing activities	6 414	11 478
Cash flow from financing activities		
New loans raised	19 000	3 000
Amortization of loans	-35 000	-13 000
Change in receivables	5 234	1 116
Change in liabilities	24	1 505
Cash flow from financing activities	-10 742	-7 379
Cash flow after financing activities	-4 328	4 100
Cash and cash equivalents at the beginning of the period	5 926	1 826
Cash and cash equivalents at the end of the period	1 598	5 926

Accounting principles

The Consolidated Financial Statements of the Nordkalk Corporation are prepared in accordance with current regulations in Finland. The year reviewed covers the months January-December and the Financial Statements are presented in euros. When preparing financial statements in conformity with applicable regulations and generally accepted accounting principles, the company's management makes estimates and assumptions that affect the valuation and allocation of the reported figures. Actual results may deviate from such estimates.

Consolidation principles

The Consolidated Financial Statements cover the parent company, Nordkalk Corporation, and all companies in which the parent company, directly or indirectly, holds more than fifty per cent of the voting rights at the end of the financial year. Companies acquired during the financial year have been included in the Consolidated Income Statement from the date of acquisition and divested companies to the date of disposal. All transactions together with and internal profits and losses between companies within the Group are eliminated as part of the consolidation process. Acquisitions of companies are recorded according to the purchase method of accounting. The difference between the acquisition cost of the shares of a subsidiary and equity at the time of acquisition is allocated to fixed assets by the amount that their current value exceeds their book value. In this calculation, untaxed reserves net of tax are included in the equity. The excess value allocated to fixed assets is written off according to the depreciation plan of the fixed asset item in question. The remaining difference is carried as goodwill on consolidation, which is written off over its expected useful life, 10-15 years. That portion of surplus value assigned to a deposit is written off linearly over a period of 30 years depending on the strategic character of the acquisitions. When calculating goodwill, untaxed reserves together with surplus depreciation after allowing for any latent tax liability are also included under equity. Deferred tax liability on allocated acquired surplus value has been taken into account in the Consolidated Balance Sheet.

Jointly owned companies are those where it has been agreed that the Group exercises common rights of decision. The Group's interests in jointly owned companies are collated proportionately row by row. The Consolidated Financial Statements included the Group's share of the jointly owned company's assets, debts, income and costs.

Associated companies are consolidated in accordance with the equity method. The Group's share of the earnings of associated companies, less depreciation on the goodwill recorded on acquisition, is presented in the Consolidated Income Statement. Dividends received from associated companies are eliminated. In the Consolidated Balance Sheet, investment in associated companies and the Group's equity are adjusted in accordance with the Group's share in associated companies' increased net worth following acquisition and goodwill less accumulated depreciation on goodwill.

Minority interests in earnings and shareholders' equity are presented separately in the Income Statement and Balance Sheet. No minority interests are calculated in the case of jointly owned companies.

Transactions in foreign currencies

Foreign currency transactions are recorded at the exchange rates prevailing at the time of transaction.

At the end of the accounting period receivables and liabilities are translated at the rates prevailing on the Balance Sheet date. Exchange rate differences relating to sales and purchases are treated as adjustments to the underlying items. Exchange rate gains and losses associated with financing are entered as net amounts under financial income and expenses.

Foreign subsidiaries and jointly owned companies

In the consolidated accounts all items in the Income Statements of foreign subsidiaries and jointly owned companies are translated into euros at the average exchange rates for the accounting period and all Balance Sheet items at the rates on the Balance Sheet date. Translation differences arising are treated as an adjustment affecting consolidated equity.

Current assets

Inventories are valued at the acquisition value or the lower of the replacement value or net realisable value. The cost of inventories includes a proportionate share of overheads arising from the purchase and production of the goods.

Fixed assets

Fixed assets are stated in the Balance Sheet at the historical cost less accumulated depreciation. The estimated useful life of assets used to calculate depreciation and amortisation is as follows:

- Goodwill 10-15 years
- Goodwill on deposits 30 years
- Other capitalised expenditure 3-10 years
- Buildings and constructions 10-40 years
- Minor machinery and equipment 3-15 years
- Major machinery, process equipment, kilns 15-25 years
- Other tangible assets 5-10 years

Depreciation for decrease of substance has been made on some deposits.

Long-term financial assets include investments that are recorded at their historical cost less depreciation of permanent decreases in value. Profits and losses on the disposal of fixed assets are included in other operating income and expenses.

Leasing

Operating and financial leasing payments are treated as rentals. Commodities are not treated as fixed assets. Annual leasing charges on the basis of existing leasing agreements are shown in the notes. For financial leasing the differences between Finnish and international accounting practice are shown in the notes together with their impact on certain key figures.

Emission rights

Emission rights are reported using the net value method. In other words, current values are not included in the Balance Sheet. Emission rights acquired to cover shortfalls and short-

falls not covered by acquisition are reported as a cost according to their value on the last day of the financial year. Gains from the sale of surplus emission rights are included under other operating income.

Revenue recognition

Sales are recorded in accordance with the invoiced value of products or performance of services, net of indirect taxes and discounts. Sales of products and services are recorded at the time each individual transaction takes place.

Research and development

Research and development costs are recorded in the financial period during which they are incurred. Research and development costs and their proportion of net sales are presented in the five-year review.

Pension liabilities

The Group companies' pension obligations are based on local regulations and practices. In the parent company and in Finnish subsidiaries pension liabilities are covered by insurance. Costs of pensions are recorded as they are earned. Changes in uncovered pension liabilities are entered in the Income Statement. Pension liabilities are included in the Balance Sheet.

Income taxes

Income taxes in the Income Statement include taxes of the Group companies for the financial period, calculated in accordance with local regulations, as well as adjustments to prior year taxes and deferred taxes. Deferred tax assets and liabilities are determined for temporary differences between the tax basis of assets and liabilities and their carrying values for financial reporting purposes. The current tax rate is used to calculate deferred tax income. Differences resulting from tax rate changes are included in the Income Statement. The Balance Sheet includes all deferred tax liabilities and the prob

Exchange rates

Country	Currency	Rates at end of period 31 December		Average rates	
		2008	2007	2008	2007
Finland	Euro	1.00000	1.00000	1.00000	1.00000
Sweden	SEK	10.87000	9.44150	9.61688	9.25214
Norway	NOK	9.75000	7.95800	8.22484	8.01828
Estonia	EEK	15.64660	15.64660	15.64660	15.64660
Poland	PLN	4.15350	3.59350	3.51511	3.78313
Russia	RUR	41.28300	35.98600	36.42310	35.01985
Ukraine	UAH	10.85530		10.85530	

Notes to the Financial Statements

Note 1 Net sales by geographical area and product groups

	1000 EUR	Group		Parent company	
		2008	2007	2008	2007
Geographical area					
Finland	195 002	196 466	143 825	141 124	
Sweden	69 261	63 890	647	1 540	
Poland	47 189	40 197	127	144	
Germany	13 177	15 117	696	612	
Estonia	7 604	7 694	14	3	
Other EU	6 315	6 083	1 389	1 742	
Other Europe	5 945	4 437	623	529	
Others	444	534	444	534	
Total	344 936	334 418	147 765	146 228	
Product groups					
Limestone	57 168	64 194			
Limestone powder	78 218	67 753			
Quick and slaked lime	116 683	105 052			
Paper pigments	61 616	65 861			
Other	31 251	31 558			
Total	344 936	334 418			

Note 2 Personnel expenses

	1000 EUR	Group		Parent company	
		2008	2007	2008	2007
Wages and salaries					
Salaries and payments to Board Members and Managing Directors	1 476	1 273	414	381	
To others	41 020	38 135	23 371	21 058	
Bonus to Managing Directors	301	314	84	99	
Total	42 797	39 722	23 869	21 538	
Other personnel expenses					
Pensions and pension premiums	5 556	5 821	4 091	3 527	
Other payroll costs	6 689	6 367	1 665	1 282	
Total	12 244	12 188	5 756	4 809	
Personnel expenses	55 042	51 911	29 625	26 347	
Personnel					
As an average during the year	1 395	1 364	579	563	
At year end	1 345	1 339	535	550	

Note 3 Depreciation

	1000 EUR	Group		Parent company	
		2008	2007	2008	2007
Depreciation by function					
Production	27 263	26 275	8 810	9 180	
Sales, marketing and development	345	246	197	134	
Administration	1 135	777	550	545	
Other operating expenses, goodwill	553	605	258	257	
Total	29 296	27 904	9 815	10 116	
Depreciation according to category of assets					
Goodwill	294	348			
Intangible assets	1 640	1 546	1 347	1 274	
Mineral deposits and land	4 985	4 651	1 351	1 351	
Buildings and constructions	3 019	2 899	1 398	1 364	
Machinery and equipment	18 189	17 866	5 263	5 734	
Other tangible assets	1 170	593	456	393	
Total	29 296	27 904	9 815	10 116	

Note 4 Other operating income and expenses

	1000 EUR	Group		Parent company	
		2008	2007	2008	2007
Income					
Rents	997	956	591	559	
Profit on sale of fixed assets	755	339	805	240	
Services sold	2 013	1 651	1 827	1 714	
Materials sold	613	673	339	434	
Emission rights	3 523	1 062	2 243	608	
Other income	3 035	1 607	626	122	
Total	10 936	6 288	6 431	3 677	
Expenses					
Depreciation on goodwill	294	348			
Loss on sale of fixed assets		94		48	
Taxes on real estate	226	215	137	142	
Other expenses	93	92		39	
Total	614	749	137	229	

The President of Nordkalk Corporation is entitled to retire at the age of 62.

Notes to the Financial Statements

Note 5 Share of result and equity in associated companies

	Country	Share-holding %	Share of result		Share of equity	
			1000 EUR	2008	2007	2008
Lohjan Energiahuolto Oy Loher	Finland	23.1		66		110
Pargas Hyreshus Ab	Finland	34.1	0	0	52	57
Saimaan seutujen Opisto-osakeyhtiö	Finland	20.0	4	1	186	169
Eliminations			8	8		
Total			12	75	238	337

Note 6 Investment in joint ventures

	1000 EUR	2008	2007
		Country	Share-holding %
NorFraKalk AS		Norway	50.0
The amounts representing the Group's share of the assets and liabilities and sales and results of the joint ventures.			
Assets and liabilities			
Non-current assets		11 184	10 182
Current assets		723	1 459
Non-current liabilities		5 157	3 770
Current liabilities		1 904	2 517
Net assets		4 845	5 353
Income and expenses			
Sales		1 953	0
Expenses		2 483	257
Net profit		-530	-257
The average number of employees in the joint ventures		4	2

Note 7 Financial income and expenses

	1000 EUR	Group		Parent company	
		2008	2007	2008	2007
Dividends from Nordkalk companies				2 700	3 244
Other dividends	113	318		93	321
Interest income from Nordkalk companies				1 951	1 568
Other interest income	296	463		111	223
Other interest expenses	14 695	12 151		13 511	11 239
Exchange rate differences	153	-106		6 333	-1 734
Other financial income, external	1 074	1 056			913
Other financial expenses, external	838	574		518	449
Total	-13 897	-10 994		-2 841	-7 153

Note 8 Direct taxes

	1000 EUR	Group		Parent company	
		2008	2007	2008	2007
Taxes in income statement					
Direct taxes for the year	8 162	8 329		3 278	2 920
Direct taxes from previous years			1		1
Change in deferred tax asset/liability	-1 457	-278			
Total	6 705	8 051		3 278	2 921
Deferred tax assets					
From valuation and matching differences	868	620			
Deferred tax assets	868	620			
Deferred tax liabilities					
From untaxed reserves	10 009	10 362			
From consolidation entries	13 995	15 737			
From valuation and matching differences	461	325			
Deferred tax liabilities	24 465	26 424			

Notes to the Financial Statements

Note 9 Fixed assets

1000 EUR

2008

Group

	Goodwill	Intangible assets	Mineral deposits and land	Buildings and constructions	Machinery and equipment	Other tangible assets	Construction in progress
Acquisition cost 1 Jan. 2008	5 180	15 387	124 598	73 790	297 441	11 279	22 987
Exchange rate differences	-590	-126	-8 204	-3 147	-13 667	-203	-3 112
+ Investments		1 324	107	1 032	11 764	1 186	16 847
+ Other increases	116	260	132	2 158	10 867	1 497	
- Decreases					-1 084		-16 528
Acquisition cost 31 Dec. 2008	4 705	16 846	116 632	73 833	305 320	13 759	20 194
- Accumulated depreciation 1 Jan. 2008	-3 333	-8 765	-29 109	-40 016	-199 695	-7 248	
Exchange rate differences	371	14	2 847	1 476	8 597	122	
- Depreciation during the year	-276	-1 618	-4 629	-2 910	-17 074	-741	-410
- Accumulated depreciation for decreases		3		-1	1 025		
Accumulated depreciation 31 Dec. 2008	-3 238	-10 368	-30 891	-41 451	-207 147	-7 866	-410
Residual value 31 Dec. 2008	1 468	6 479	85 742	32 383	98 173	5 893	19 784

Parent company

	Intangible assets	Mineral deposits and land	Buildings and constructions	Machinery and equipment	Other tangible assets	Construction in progress
Acquisition cost 1 Jan. 2008	12 967	44 692	28 833	114 915	6 334	1 931
+ Investments	1 313		770	4 000	739	1 696
+ Other increases	239		437	626	98	
- Decreases				-380		-1 525
Acquisition cost 31 Dec. 2008	14 519	44 692	30 040	119 161	7 171	2 102
- Accumulated depreciation 1 Jan. 2008	-7 581	-5 420	-18 510	-82 939	-3 873	
- Depreciation during the year	-1 347	-1 351	-1 398	-5 263	-456	
+ Accumulated depreciation / disposal, sales and transfers				333		
+/- Other changes			-1			
Accumulated depreciation 31 Dec. 2008	-8 928	-6 771	-19 909	-87 869	-4 329	
Residual value 31 Dec. 2008	5 591	37 921	10 131	31 292	2 842	2 102

Notes to the Financial Statements

Note 9 Fixed assets

	1000 EUR						2008
Shares and participations	Group		Parent company				
	Shares and participations associated companies	Shares and participations, others	Shares and participations, subsidiaries	Shares and participations, joint ventures and associated companies	Shares and participations, others	Long-term receivable from subsidiaries	
Acquisition cost 1 Jan. 2008	82	724	88 780	5 902	703	35 282	
Exchange rate differences		-1					
+ Investments		10		1 113			
- Decreases			-1 061			-5 490	
Acquisition cost 31 Dec. 2008	82	732	87 719	7 015	703	29 792	
- Accumulated depreciation 1 Jan. 2008	254	-1			-1		
+/- Other changes	-98						
Accumulated depreciation 31 Dec. 2008	156	-1			-1		
Residual value 31 Dec. 2008	238	731	87 719	7 015	702	29 792	

Notes to the Financial Statements

Note 10 Shares and participations 31 Dec. 2008

2008

	Group holding		Currency	Nominal value	Book value, EUR	
	Number of shares	%			Parent company	Group
Subsidiaries						
OAo Alekseevsky Limestone Mill, Alekseevsky, Russia	77 296	98.1	RUR	2 318 880		2 309 536
Inkoo Shipping Oy Ab, Ingå, Finland	3 000	60.0	EUR	504 564	506 582	506 582
Kalkproduktion Storugns AB, Lärbro, Sweden	30 000	66.7	SEK	300 000		303 956
NK-East Oy, Pargas, Finland	800	100.0	EUR	8 000	8 000	8 000
OOO Nordkalk, Moscow, Russia		100.0	RUR			330 796
Nordkalk AB, Lärbro, Sweden	250 000	100.0	SEK	25 000 000	34 238 288	34 238 288
Nordkalk AS, Vasalemma, Estonia	15 000	100.0	EEK	15 000 000	4 849 832	4 849 832
Nordkalk GmbH, Lübeck, Germany	1	100.0	EUR	50 000	50 000	50 000
Nordkalk i Köping AB, Stockholm, Sweden	100 000	100.0	SEK	10 000 000		1 379 945
Nordkalk i Luleå AB, Stockholm, Sweden	2 500	100.0	SEK	250 000		23 183
Nordkalk Sp. z o.o., Krakow, Poland	74 000	100.0	PLN	54 465 410	44 482 296	44 482 296
Nordkalk Ukraine TOV, Pidgaytsi, Ukraine		51.0	EUR	25 500		25 500
Norfrachem Oy Ab, Helsinki, Finland	100	100.0	EUR	2 500	4 763	4 763
Suomen Karbonaatti Oy, Lappeenranta, Finland	12 495	51.0	EUR	2 101 508	3 578 740	3 578 740
Total subsidiaries					87 718 501	92 091 417
Joint Ventures						
NorFraKalk AS, Verdal, Norway	55 000	50.0	NOK	55 000 000	6 932 550	6 932 550
Total Joint Ventures					6 932 550	6 932 550
Associated companies						
Pargas Hyreshus Ab, Pargas, Finland	1 022	34.1	EUR	1 719	82 010	52 369
Saimaan seutujen Opisto-osakeyhtiö, Lappeenranta, Finland	2 000	20.0	EUR	336	1	185 426
Total associated companies					82 011	237 795

Notes to the Financial Statements

Not 10 Placeringar 31 Dec. 2008

2008

	Group holding		Currency	Nominal value	Book value, EUR	
	Number of shares	%			Parent company	Group
Other companies						
Archipelagia Golf Ab Oy, Pargas, Finland	10		EUR	1 682	20 523	20 523
Future Printing Center Oy, Raisio, Finland	7 500	7.5	EUR	75 000	1	1
Kiinteistö Oy Katinkullan Hiekkaniemi, Sotkamo, Finland	7		EUR	70 000	71 120	71 120
Kiinteistö Oy Katinkultaniemi, Sotkamo, Finland	3		EUR	30 000	30 480	30 480
Köpings Företagarforum AB, Köping, Sweden	1	0.1	SEK	5 000		460
Lappeenrannan Kerho Oy, Lappeenranta, Finland	15		EUR		138	138
Lappeenrannan Urheilutalo Oy, Lappeenranta, Finland	34		EUR		0	0
Lohjan Puhelin Oy, Lohja, Finland	5		EUR	84		135
Movab AB, Malmö, Sweden	975	19.5	SEK	97 500		8 970
Pargas Idrotts- och ungdomsgård Ab, Pargas, Finland	1 500	0.9	EUR	12 614	12 816	12 816
Päijät-Hämeen Puhelinyhdistys, Lahti, Finland	17		EUR		1 293	1 293
AS Rocca al Mare Suurhall, Tallinn, Estonia	4	0.1	EEK	40		9 587
Savonlinnan Puhelinosuuskunta SPY, Savonlinna, Finland	9		EUR	3 027	3 252	3 252
Suomen EIfi Oy, Helsinki, Finland	1	5.6	EUR	2 000	2 000	2 000
Suur-Savon Sähkö Oy, Mikkeli, Finland	250	0.3	EUR	500	86	86
Vakka-Suomen Puhelin Oy, Uusikaupunki, Finland	9		EUR	151	1 170	1 170
Verdalskalk AS, Verdal, Norway	30	10.0	NOK	3 000 000	456 983	456 983
Viljavuuspalvelu Oy, Mikkeli, Finland	6 490	13.0	EUR	109 154	101 779	101 779
Willimiehen Golf Oy, Lappeenranta, Finland	1		EUR	300		10 000
Total other companies					701 641	730 793

Notes to the Financial Statements

Note 11 Currents assets

	Group		Parent company		
	1000 EUR	31 Dec. 2008	31 Dec. 2007	31 Dec. 2008	31 Dec. 2007
Inventories					
Materials and supplies		27 514	21 942	14 935	10 781
Finished goods and work in progress		17 922	14 422	8 438	7 130
Advance payments		71	108		
Total		45 507	36 472	23 373	17 911
Short-term receivables					
Accounts receivable					
Nordkalk group				1 382	2 177
Associated companies			49		49
Others		31 940	39 027	13 275	14 816
Total		31 940	39 076	14 657	17 042
Loan receivable					
Joint ventures				256	
Total				256	
Prepaid expenses and accrued income					
Nordkalk group				720	157
Associated companies		2		2	
Others		13 661	4 817	11 952	3 483
Total		13 663	4 817	12 674	3 640
Other receivables					
Nordkalk group				603	184
Others		1 635	3 290	28	37
Total		1 635	3 290	631	221
Deferred tax assets					
Others		868	620		
Total		868	620		
Summary					
Nordkalk group				2 705	2 518
Joint ventures				256	
Associated companies		2	49	2	49
Others		48 105	47 753	25 255	18 336
Total		48 107	47 802	28 218	20 903
Specification of prepaid expenses and accrued income, external					
Financial items		7 672	313	7 631	256
Tax receivables		3 762	1 929	3 115	1 589
Others		2 229	2 574	1 208	1 638
Total		13 663	4 817	11 954	3 483

Note 12 Change in shareholders' equity

	Group		Parent company		
	1000 EUR	2008	2007	2008	2007
Share capital 1 Jan.		1 000	1 000	1 000	1 000
Share capital 31 Dec.		1 000	1 000	1 000	1 000
Net profit/loss for previous years 1 Jan.		60 988	38 099	44 655	31 927
Translation differences		-7 476	648		
Other changes					
- the period			36		
- previous years *)			1 537		1 537
Net profit/loss for previous years 31 Dec.		53 513	40 320	44 655	33 464
Net profit for the period		15 805	20 668	10 554	11 191
Total shareholders' equity		70 316	61 988	56 209	45 656
Distributable equity					
Net profit for previous years				44 656	33 464
Net profit for the period				10 554	11 191
Total distributable equity				55 209	44 656

*) Tax refund related to dividends received.

Notes to the Financial Statements

SHAREHOLDERS OF NORDKALK CORPORATION

31 Dec. 2008	Ownership %	Quantity
Ahlström Capital Oy	30.5	305 000
Rettig Group Ltd	21.0	210 000
Åbo Akademi University Foundation	8.7	87 397
The Alandia Group	7.7	77 398
Furuvik Invest Ab	7.5	75 723
Svenska litteratursällskapet i Finland r.f.	7.0	69 899
Veritas Pension Insurance Company Ltd	5.7	57 384
Aktia Life Insurance	1.9	19 129
Stiftelsen Eschnerska Frilasarettet	1.9	19 129
Sundström Christer	1.2	12 000
Stiftelsen Brita Maria Renlunds minne	1.0	9 564
William Thuring's stiftelse	1.0	9 564
K.H. Renlunds stiftelse	1.0	9 564
Petter och Margit Forsströms stiftelse till Karl och Olivia Forsströms minne	0.5	4 782
Nordkalk's management	3.3	32 867
Nordkalk Corporation	0.1	600
Total	100.0%	1 000 000 shares.

Note 13 Financing

Nordkalk had a strong cash flow during the first half of 2008. The continuing recession had a negative impact on the cash flow of Nordkalk during the second half of 2008, especially in the last quarter. In spite of this only a part of the agreed credit limits were in use. The balance sheet is financed through equity, a debenture loan of EUR 42 million including 2 million euros of capitalized interest, one amortizing bank loan of EUR 108 million, two committed credit limits to an aggregate amount of EUR 70 million and a committed investment limit of EUR 80 million. At the end of the year 2007 there was an unused reserve in the credit limits of EUR 40 million. The investment limit is completely unutilized. The financing package runs to years 2010-2013 with current financing agreements.

Note 14 Provisions

	Group		Parent company	
	1000 EUR	31 Dec. 2008	31 Dec. 2007	31 Dec. 2008
Provision for pension liabilities	106	26		
Provision for restructuring	1 747	1779		
Provision made for future environmental responsibilities	285	150	101	101
Total	2 138	1 956	101	101

Note 15 Long-term liabilities

	Group		Parent company	
	1000 EUR	31 Dec. 2008	31 Dec. 2007	31 Dec. 2008
Loans from financial institutions	122 107	140 961	113 000	129 000
Pension fund loans	1 816	2 092		
Deferred tax liabilities (Note 8)	24 465	26 424		
Other interest-bearing liabilities	33 601	40 000	33 601	40 000
Other non interest-bearing liabilities	4 220	3 777	61	37
Total	186 209	213 254	146 662	169 037
Long-term interest-bearing liabilities	157 525	183 053	146 601	169 000
Repayments of long-term liabilities	Year 2-5	Over 5	Year 2-5	Over 5
Loans from financial institutions	117 792	4 314	113 000	
Pension fund loans		1 816		
Deferred tax liabilities (Note 8)	81	24 384		
Other interest-bearing liabilities	33 601		33 601	
Other non interest-bearing liabilities	6	4 214		61
Total	151 481	34 728	146 601	61

Notes to the Financial Statements

Note 16 Short-term liabilities

	Group		Parent company	
	1000 EUR	31 Dec. 2008	31 Dec. 2007	31 Dec. 2007
Short-term non interest-bearing liabilities				
Accounts payable				
Nordkalk group			1 491	876
Others	29 677	29 311	15 448	13 556
Total	29 677	29 311	16 939	14 432
Advances received				
Others	25	43		
Total	25	43		
Accrued expenses and deferred income				
Others	13 216	13 526	11 529	10 910
Total	13 216	13 526	11 529	10 910
Other non interest-bearing liabilities				
Nordkalk group			400	12
Others	9 787	10 414	2 887	3 273
Total	9 787	10 414	3 287	3 285
Summary				
Nordkalk group			1 891	888
Others	52 704	53 294	29 864	27 739
Total short-term non interest-bearing liabilities	52 704	53 294	31 756	28 628

	Group		Parent company	
	1000 EUR	31 Dec. 2008	31 Dec. 2007	31 Dec. 2007
Short-term interest-bearing liabilities				
Repayment of long-term liabilities				
Others	27 650	19 711	24 400	16 000
Overdrafts	889	1 775		
Other short-term interest-bearing liabilities				
Others	268	230		
Total short-term interest-bearing liabilities	28 807	21 717	24 400	16 000
Total short-term liabilities	81 511	75 011	56 156	44 628
Specification of accrued expenses and deferred income, external				
Sales related items	105	111	105	106
Personnel costs	5 533	5 302	4 471	4 257
Taxes	9	42		
Financial items	6 307	6 039	6 230	5 924
Others	1 262	2 032	723	623
Total	13 216	13 526	11 529	10 910

Notes to the Financial Statements

Note 17 Pledged assets, contingent liabilities and leasing contracts

	Group		Parent company		
	1000 EUR	31 Dec. 2008	31 Dec. 2007	31 Dec. 2008	31 Dec. 2007
Pledged assets					
Real estate mortgages as security for own debts					
Loans from financial institutions	133 231	148 770	129 000	145 000	
Mortgages	376 988	375 041	364 500	364 659	
Other mortgages					
Mortgages	460	530			
Total mortgages	377 448	375 571	364 500	364 659	
Other pledged assets					
Other pledges	90 295	90 344	88 725	88 725	
Total other pledged assets	90 295	90 344	88 725	88 725	
Pledged assets for other own liabilities than debts					
Real estate mortgages	395	716			
Total	468 138	466 631	453 225	453 384	

	Group		Parent company		
	1000 EUR	31 Dec. 2008	31 Dec. 2007	31 Dec. 2008	31 Dec. 2007
Contingent liabilities					
Guarantees:					
For subsidiaries				8 120	8 320
For joint ventures	3 590	4 398	7 179	8 796	8 796
For others	4 657	5 565	269	269	269
Pension fund liability	36	42			
Total	8 283	10 004	15 569	17 385	
Leasing contracts					
In accordance with current leasing contracts leasing fees during the next years will amount to:					
Next 12 months	8 748	8 841	5 667	6 069	6 069
Later	30 785	34 165	20 349	24 096	24 096
Total	39 533	43 007	26 016	30 165	

Notes to the Financial Statements

Note 18 Adjustment for financial leasing in Nordkalk Group

The effects of recording financial leasing contracts in the balance sheet as assets and liabilities and the leasing charges as depreciation, repayments and interest expenses.

MEUR	Operating profit		Financial items		Profit before extraordinary items	
	2008	2007	2008	2007	2008	2007
Income statement						
As shown in the Income Statement	39.4	43.6	-13.9	-11.0	25.5	32.6
Adjustment for interest expenses included in leasing charges	1.9	1.8	-1.9	-1.8	0.0	0.0
Adjusted profit	41.3	45.4	-15.8	-12.8	25.5	32.6
	Fixed assets		Liabilities		Balance sheet total	
	2008	2007	2008	2007	2008	2007
Balance sheet						
Balance Sheet values as shown	250.9	263.7	267.7	288.3	354.9	366.5
Residual value of leased assets	35.0	36.2	25.5	27.9	35.0	36.2
Adjusted Balance Sheet	285.9	299.7	293.2	316.1	390.0	402.7
Solvency (%)						
According to the Financial Statement	24.0	20.8				
After adjustments in the Income Statement and in the Balance Sheet	21.8	19.0				

Note 19 Values of derivative instruments

	1000 EUR	31 Dec. 2008	31 Dec. 2007
Nominal value			
Foreign exchange forward contracts		73 907	83 017
Forward contracts of electricity		21 596	11 704
Interest rate swap		73 000	125 000
Market value			
Foreign exchange forward contracts		81 744	83 349
Forward contracts of electricity		16 944	14 539
Interest rate swap		72 601	126 370
Difference between nominal value and market value			
Foreign exchange forward contracts		7 837	332
Forward contracts of electricity		-4 652	2 835
Interest rate swap		-399	1 370

The principle observed in calculating market value:

Foreign exchange forward contracts, forward contract of electricity and interest rate swap are valued at market values on the balance sheet date.
Derivative instruments are used to reduce currency, purchase and interest risk of the Group.

Notes to the Financial Statements, Calculation of Financial Ratios

Note 20 Financial instruments

It is Nordkalk Corporation's policy to hedge a large part of its equity in foreign currencies. Hedges are used for material exposures. Such exist in Swedish crowns and Polish zlotys. Both currencies may be hedged up to 75% of the exposure. Forward trading of the different currencies is used for hedging. Hedging is based on Board of Directors' resolutions. Hedge ratios vary according to what future prospects for the currency rates in question are judged to be. Nordkalk hedges even smaller exposures in such cases when it is deemed that there is an imminent threat of loss of value. Estonian krone is judged to be under such a threat. Nordkalk has hedged its whole equity in EEK. The main principle in currency hedging is to avoid risk and act on a long-term basis. Translation differences are entered against equity.

Forward trading is also used to hedge part of the operating net currency exposure. Nordkalk hedges half of its 6 months net currency exposure.

Forward trading is also used to hedge the price of budgeted electricity consumption. Hedging is built on minimum and maximum hedge ratios. The maximum hedge ratio is lower for longer periods. For the nearest 52-week period the maximum hedge ratio is 80%.

Interest-rate swaps are used to manage the interest-rate risk. It is Nordkalk's policy to hedge at least 50% of its financing costs for at least 3 years by exchanging variable rates for fixed rates.

Market rates for forward trading, forward market prices for electricity and interest-rate swaps are calculated at the time of interim and annual accounts. The result is shown in the notes to interim and annual accounts.

Note 21 Emission rights

In the beginning of 2008 emission rights were allocated to Nordkalk for the period 2008 - 2012. In 2008 emission rights were sold for a total value of EUR 3.5 million. The revenue is posted to other operating income.

In Norway the local authorities approved the allocation of emission rights to NorFraKalk for the period 2008-2012.

Note 22 Audit fees

	1000 EUR	Group		Parent company	
		2008	2007	2008	2007
KPMG					
Audit fees		118	112	40	39
Advisory opinions		4			
Tax assignments		27	19	15	11
Other		160	69	58	31
Others					
Audit fees		13	12		

Calculation of Financial Ratios

Return on capital employed (ROC), %

$$\frac{\text{Profit before extraordinary items + financial expenses}}{\text{Balance sheet total - non interest-bearing liabilities, average over the year}} \times 100$$

Return on equity (ROE), %

$$\frac{\text{Profit before extraordinary items - taxes in the income statement}}{\text{Shareholders' equity + minority interest, average over the year}} \times 100$$

Interest coverage

$$\frac{\text{Operating profit + financial income}}{\text{Interest expenses}}$$

Valued added

$$\frac{\text{Operating profit + personnel costs + depreciation}}{\text{Personnel on average}}$$

Gearing, %

$$\frac{\text{Interest bearing liabilities - cash and bank balances - other interest-bearing receivables}}{\text{Shareholders' equity + minority interest}} \times 100$$

Solvency ratio, %

$$\frac{\text{Shareholders' equity + minority interest}}{\text{Balance sheet total - advances received}} \times 100$$

Earnings per share (EPS)

$$\frac{\text{Profit before extraordinary items - income taxes - minority interests}}{\text{Adjusted number of shares over the financial year}}$$

Five-year Review

		2008	2007	2006	2005	2004
From income statement						
Net sales	MEUR	344.9	334.4	303.8	269.6	270.6
change	%	3.1	10.1	12.7	-0.4	4.1
foreign sales	%	43.5	41.3	38.8	37.9	34.4
Operating profit	MEUR	39.4	43.6	36.8	27.5	37.9
% of net sales	%	11.4	13.0	12.1	10.2	14.0
Profit before extraordinary items	MEUR	25.5	32.7	24.5	13.9	20.4
% of net sales	%	7.4	9.8	8.1	5.2	7.6
Profit before taxes and minority interest	MEUR	25.5	32.7	24.5	13.9	20.4
% of net sales	%	7.4	9.8	8.1	5.2	7.6
Net profit/loss for the period	MEUR	15.8	20.7	13.7	6.7	12.5
From balance sheet						
Fixed assets	MEUR	250.9	263.6	259.0	248.3	258.8
Inventories	MEUR	45.5	36.5	34.0	34.5	36.8
Other current assets	MEUR	58.5	66.5	52.8	48.1	48.6
Minority interest	MEUR	14.8	14.3	13.5	12.8	13.2
Equity	MEUR	70.3	62.0	39.1	73.6*)	72.6 *)
Interest-bearing liabilities	MEUR	186.3	204.8	213.9	185.0	195.2
Non interest-bearing liabilities	MEUR	83.5	85.5	79.3	59.5	63.2
Balance sheet total	MEUR	354.9	366.5	345.8	330.9	344.2
Financial ratios						
Gross capital expenditure	MEUR	32.3	32.9	22.0	14.1	22.3
% of net sales	%	9.4	9.8	7.2	5.2	8.2
Depreciation	MEUR	29.3	27.9	25.8	26.9	24.5
Research and Development costs	MEUR	5.0	3.4	3.3	3.2	3.5
% of net sales	%	1.4	1.0	1.1	1.2	1.3
Capital employed CB	MEUR	271.4	281.1	266.5	271.4	281.0
Return on capital employed	%	14.8	16.6	13.8	10.2	13.7
Return on equity	%	23.3	38.2	24.3	10.9*)	22.0 *)
Gearing	%	206.7	243.8	386.9	203.2**)	216.3 **)
Interest coverage	times	2.8	3.7	3.0	2.0	2.3
Solvency ratio	%	24.0	20.8	15.2	11.3	9.0
Earnings per share (EPS)	EUR	15.8	20.7	13.7	6.7	
Per employee						
Net sales	EUR 1000	247	245	225	205	205
Value added		89	90	82	76	81
Wages and salaries		39	38	35	35	34
Profit before extraordinary items		18	24	18	11	16
Personnel on average		1 395	1 364	1 353	1 316	1 317
Personnel at year-end		1 345	1 339	1 304	1 347	1 288

*) Incl. capital loan

***) Capital loan included in equity

Auditors' Report

To the Annual General Meeting of Nordkalk Corporation

We have audited the accounting records, the financial statements, the report of the Board of Directors, and the administration of Nordkalk Corporation for the year ended on 31 December, 2008. The financial statements comprise the consolidated balance sheet, income statement, cash flow statement and notes to the consolidated financial statements, as well as the parent company's balance sheet, income statement, cash flow statement and notes to the financial statements.

The responsibility of the Board of Directors and the President and CEO

The Board of Directors and the President and CEO are responsible for the preparation and fair presentation of the financial statements and the report of the Board of Directors 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 Board of Directors is responsible for the appropriate arrangement of the control of the company's accounts and finances, and the President and CEO 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

Our responsibility is to perform an audit in accordance with good auditing practice in Finland, and to express an opinion on the parent company's financial statements, on the consolidated financial statements and on the report of the Board of Directors based on our audit. Good auditing practice requires that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements and the report of the Board of Directors are free from material misstatement and whether the members of the Board of Directors of the parent company and the President and CEO have complied with the Limited Liability Companies Act.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements and the report of the Board of Directors. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the

financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of 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. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion on the Company's Financial Statements and the Report of the Board of Directors

In our opinion, the financial statements and the report of the Board of Directors give a true and fair view of both the consolidated and the parent company's financial performance and financial position 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 report of the Board of Directors is consistent with the information in the financial statements.

Opinion on discharge from liability and distribution of profit

We recommend that the parent company's financial statements and the consolidated financial statements should be adopted. The proposal by the Board of Directors regarding the use of the profit shown at the balance sheet is in compliance with the Limited Liability Companies Act. We recommend that the Members of the Board of Directors of the parent company and the President and CEO should be discharged from liability for the financial period audited by us.

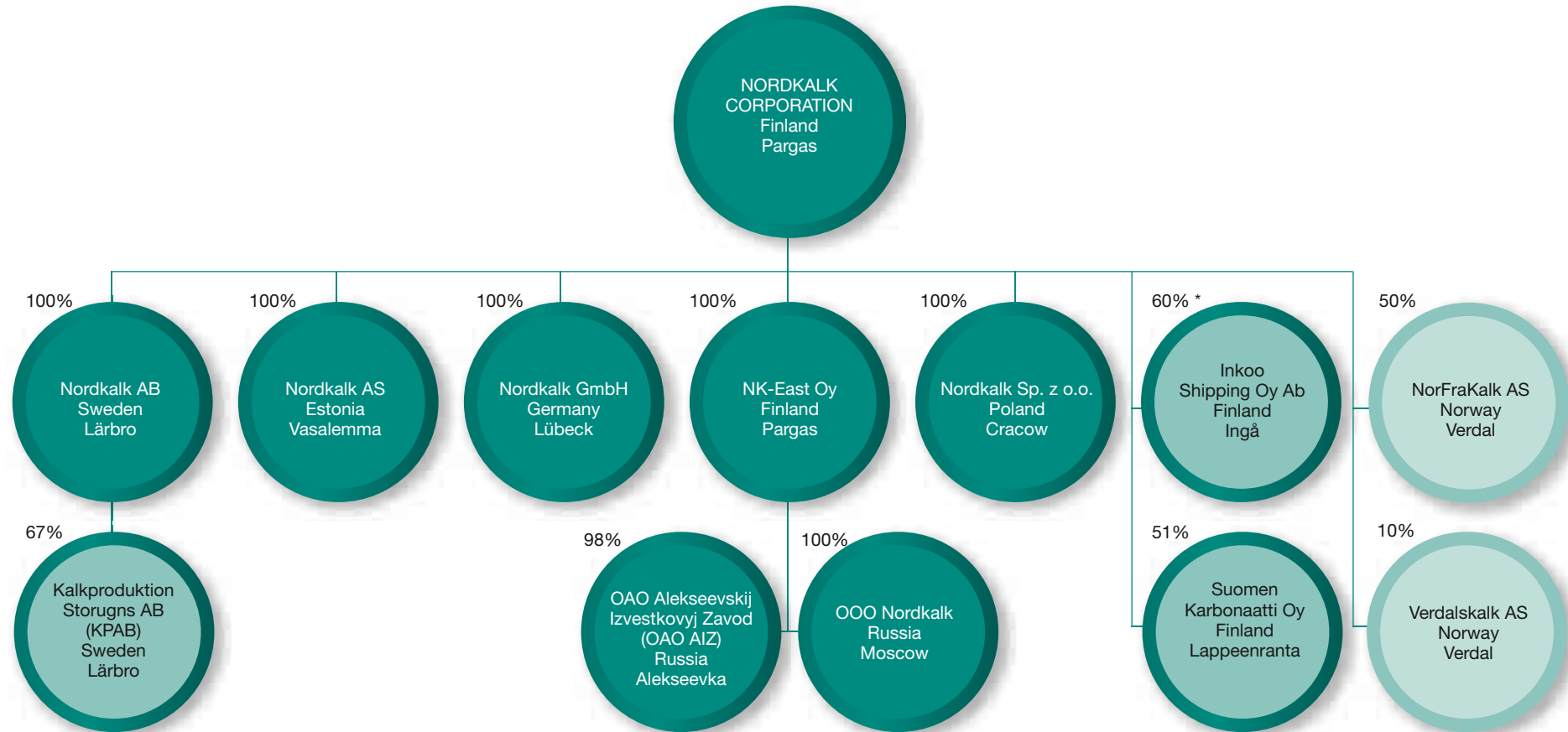
Helsinki, 11 February 2009

KPMG Oy Ab

Sixten Nyman
Authorized Public Accountant

This document is an English translation of the Auditor's Report in Swedish. Only the Swedish version of the report is legally binding.

Group Structure



* Nordkalk sold its share of Inkoo Shipping on 26 January 2009



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