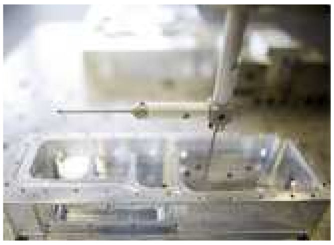
NORDIC ALUMINIUM

Annual Report 2009



The market leader and pioneer in aluminium

Nordic Aluminium designs, manufactures, and markets high quality aluminium profiles and components. The Company is the leading lighting track manufacturer in Europe and the domestic market leader in all its main product areas. The market leadership is the result of nearly 50 years of experience and determined investment in design and R&D.

Effective and precise customer service is the operational basis of Nordic Aluminium. Successful business lays its foundation on long-term partnerships in which close cooperation with clients is of key importance in each stage of the service chain. High quality standards and innovative utilization of the unique characteristics of aluminium are essential operational principles of Nordic Aluminium - be it the initial design of a product, production or refinement. That is why the company's motto is "Quality in Focus".

Managing Director's Review 2009

The year 2009 was exceptionally challenging for the industry and Nordic Aluminum. Net sales decreased approximately 38 per cent from the previous year, reaching EUR 62.24 million. Profitability, however, was improved by operational efficiency measures as well as cost-savings.

When demand fell Nordic Aluminum executed significant restructuring measures concerning the organization, covering all personnel groups. The restructuring measures support the new strategy. In the future, the company will focus more closely on its core business, the electro-technical products, as well as highly refined aluminum component manufacturing. Also initiated efficiency measures and their decisive implementation are essential factors to strengthen the Company's competitiveness and improving its profitability.

Exports and foreign operations increased to 45.2 per cent, the year 2008 was 40.7 per cent.

Investments in 2009 were EUR 6.84 million, of which approximately 5.1 million directed to the new extrusion line, which total value is approximately EUR 9.8 million. The line has as planned, began to increase productivity and improved quality during second half of the year.

The market outlook is still weak and uncertain, although according to the best view, the worst has already passed. Customers will continue to work cautiously and with short term visibility.

Net sales are expected to grow moderately from the 2009 level, but based on the new strategy and business model, operating profit is expected to increase substantially.

Kirkkonummi, March 2010,
Peter Högel, Managing Director

Corporate Governance

In July 1, 2004 Nordic Aluminium took into use Corporate Governance recommended by the OMX NASDAQ Helsinki, the Central Chamber of Commerce and the Confederation of Finnish Industry and Employers. The goal of the Recommendation is to harmonize the practices of listed companies, improve transparency of their operations, harmonize the information given to shareholders and improve the quality of disclosure. The Corporate Governance statement of Nordic Aluminium is in full view in the Internet site of Nordic Aluminium (www.nordicaluminium.fi).

Deviations from the Corporate Governance Recommendation

Independence of the members of the Board of Directors

In accordance with the Recommendation the majority of the members of the Board of Directors shall be independent of the Company. In addition, at least two of the members of the Board of Directors representing the said majority shall be independent of significant shareholders of the Company. In the case of Nordic Aluminium the requirements of the Recommendation are not met. Stig Lival-Lindström owns directly and together with a company, Oy Lival Ab, in which he has dominant influence, 66,51 % of the Company's shares and votes. Mrs Viveka Iisaho is dependent of the Company by her working relations with Oy Lival Ab. Mrs Nina Ehrnrooth and Mr Hans Jonasson are the Board of Directors' independent members.

The Board of Directors acknowledges in all its actions the fundamental principles of the Companies Act and it pays particular attention to the equal treatment of all shareholders. The Company and Oy Lival Ab have an ongoing business relationship already over 20 years. Nordic Aluminium Oyj and Oy Lival Ab adhere to the modes and practices applied in their businesses including the arms-length principle.

Audit fees

Audit fees to Ernst & Young Ltd. and other auditors during 2009 were EUR 69 938.

Auditor's Report

To the Annual General Meeting of Nordic Aluminium Plc

We have audited the accounting records, the financial statements, the report of the Board of Directors, and the administration of Nordic Aluminium Plc for the financial period 1.1.2009 - 31.12.2009. The financial statements comprise the consolidated balance sheet, statement of comprehensive income, statement of changes in equity, 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 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 and for the fair presentation of the consolidated financial statements in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU, as well as for the fair presentation of the financial statements and the report of the Board of Directors in accordance with 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 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

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 Managing Director 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 or of the report of the Board of Directors, 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 and the report of the Board of Directors 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 consolidated financial statements

In our opinion, the consolidated financial statements give a true and fair view of the financial position, financial performance, and cash flows of the group in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU.

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.

Helsinki March 4, 2010

Tomi Englund
Authorized Public Accountant

Lars Winberg
Authorized Public Accountant

Key figures

			IFRS		
Extent of operations	2009	2008	2007	2006	2005
Net sales, MEUR	62,24	100,15	106,84	96,57	80,77
Change, %	-37,9	-6,2	10,6	19,6	8,4
Exports and international oper., % of net sales	45,2	40,7	40,6	39,1	38,2

R&D expenditure, MEUR	0,22	0,33	0,48	0,47	0,60
% of net sales	0,4	0,3	0,5	0,5	0,7
Gross investments, MEUR	6,84	9,64	12,80	2,42	2,79
% of net sales	11,0	9,6	12,0	2,5	3,5
Personnel, average	207	315	306	311	313
Net sales/employee, MEUR	0,30	0,32	0,35	0,31	0,26
Order book, MEUR	4,02	5,05	7,74	7,95	5,44
Profitability					
Operating profit, MEUR	4,14	10,99	20,02	11,07	8,65
% of net sales, EUR	6,7	11,0	18,7	11,5	10,7
Profit before taxes, MEUR	4,20	11,22	20,07	10,94	8,82
% of net sales	6,7	11,2	18,8	11,3	10,9
Net profit, MEUR	3,05	8,27	14,81	8,06	6,65
% of net sales	4,9	8,3	13,9	8,3	8,2
Return on equity, % (ROE)	6,5	18,4	40,6	27,4	28,4
Return on capital invested, % (ROI)	9,1	24,1	53,1	33,7	32,0
Per share data					
Basic earnings per share, EUR	0,63	1,71	3,06	1,70	1,44
Diluted earnings per share, EUR	0,63	1,71	3,06	1,70	1,42
Dividend/share, EUR	* 1,30	0,65	1,15	0,85	0,65
Dividend to earnings ratio, %	* 206,3	38,0	37,5	50,0	45,8
Effective dividend yield, %	* 8,8	5,1	4,0	4,2	4,2
Equity/share, EUR	9,80	9,56	9,02	6,96	5,61
P/E-ratio	23,3	7,5	9,5	11,8	10,9
Share quotations					
Year's lowest, EUR	9,84	12,50	19,50	15,05	9,44
Year's highest, EUR	17,50	30,00	35,50	21,50	15,50
Year's average, EUR	13,64	21,43	27,82	18,57	12,32
Average quotation, last trading day, EUR	14,83	12,71	29,40	19,77	15,50
Market capitalization, MEUR	71,1	61,4	140,3	97,2	71,7
Other share data					
Nominal value, EUR/share	1,28	1,28	1,28	1,28	1,28
Taxation value, EUR/share	-	-	-	-	10,5
Turnover of shares, million shares	0,3	0,1	0,4	0,8	0,5
Dividend distribution, MEUR	* 6,3	3,1	5,6	4,1	3,0
Financing and financial position					
Current ratio	4,3	3,4	2,8	2,7	1,9
Internal funding ration for investments, %	128	155	194	616	488
Equity/assets ratio, %	84,4	82,4	75,6	72,0	62,3
Interest-bearing liabilities, MEUR	0,10	0,14	0,90	2,22	3,75
Gearing, %	-19,8	-15,9	-14,4	-13,5	-6,0
Balance sheet total, MEUR	56,16	56,18	57,72	45,83	42,23

*The Board's proposal to the Annual General Meeting convening on March 31, 2010.

The figures have been calculated in accordance with the Accounting Board guidelines.

Formulas for calculation of financial indicators

Profit for the financial year
Profit before taxes ./. Direct taxes in the profit and loss account

Return on equity (ROE):
Profit before taxes ./. Taxes for the financial year
Shareholders' equity + accrued appropriations
x 100

Return on capital invested (ROI):
Profit before extraordinary items + interest expenses and other financial expenses
Balance sheet total ./. non-interest-liabilities
x 100

Current ratio:
Inventories and financial assets
Current liabilities

Internal funding of investments:
Funds generated from operations from the consolidated cash flow statement
Gross investments
x 100

Equity ratio:
Shareholders' equity + accrued appropriations
Balance sheet total less advances received
x 100

Gearing:
Interest-bearing liabilities at year end less cash in hand and at banks at year end
Shareholders' equity at year end
x 100

Formulas for calculation of adjusted share-related indicators

Basic earnings per share:
Profit before taxes ./. Taxes for the financial year
Average number of shares during the year

Diluted earnings per share:
Diluted profit before taxes ./. Taxes for the financial year
Dilution-adjusted average number of shares during the year

Net profit per share:
Profit before taxes less taxes from income statement
Dilution-adjusted average number of shares during the year

Nominal dividend per share:
Dividend declared for the period per share

Dividend to earnings ratio:
Adjusted dividend per share
Earnings per share
x 100

Effective dividend yield:

$$\frac{\text{Adjusted dividend per share}}{\text{Share price on Dec 31 (Quotation on the last trading day in the fiscal year)}} \times 100$$

Equity per share:

$$\frac{\text{Shareholders' equity in the balance sheet}}{\text{Dilution-adjusted number of shares on Dec 31}}$$

P/E ratio:

$$\frac{\text{Adjusted share price on Dec 31}}{\text{Earnings per share (EPS)}}$$

Market capitalization:

Total number of shares x share price, Dec 31 (Quotation on the last day of trading in the fiscal year)

Report of the Board of Directors

Report of the Board of Directors January 1 - December 31, 2009

The year in brief

Nordic Aluminium's consolidated net sales in 2009 were EUR 62.24 million compared with EUR 100.15 million in the previous year. Consolidated operating profit was EUR 4.14 million (2008: EUR 11.00 million) and included a non-recurring gain of approximately EUR 3.3 million. Net profit was EUR 3.05 million (EUR 8.27 million). The above mentioned non-recurring gain influenced the net profit after taxes by EUR 2.5 million. Return on investment was 9.1 per cent (24.1 per cent) and return on equity 6.5 per cent (18.4 per cent). The Board proposes the payment of a dividend of 2009 1.30 EUR per share for a total payment of EUR 6.29 million (EUR 1.94 million).

Corporate structure

Nordic Aluminium Plc's parent company is Oy Lival Ab. The Nordic Aluminium Group is made up of the parent company Nordic Aluminium Plc, operating at Kirkkonummi and Nivala, and its subsidiaries Nordic Aluprofiler AB in Sweden and Nordic Aluminium Inc. in the United States.

Net sales and results

Nordic Aluminium's consolidated net sales in the fiscal year 2009 were EUR 62.24 million (EUR 100.15 million). During the fourth quarter turnover, EUR 13.76 million, dropped nearly 30 per cent of the equivalent period on the previous year (20.35).

The share of exports and international operations were 45.2 per cent of net sales as compared with 40.7 per cent the year before. The major export markets in 2009 were Southern Europe, Far East, Western Europe, the Nordic countries and North America.

Net sales per employee was EUR 0.30 million (EUR 0.32 million).

The Company's profitability increased. The operating profit was EUR 7.4 million without the non-recurring gain of approximately EUR 3.3 million. Consolidated operating profit was 11.9 per cent from net sales (11.0 per cent). Operating profit on the last quarter was weak partly due to the architectural systems reorganisation costs, EUR 0.6 million. The Company devaluated inventories with EUR 0.6 million because of principal change in stock valuation. Due to reorganisations additional personnel costs, EUR 2.1 million, reduced the profit.

Order backlog

Nordic Aluminium's order book at the end of 2009 stood at EUR 4.02 million (EUR 5.05 million).

Purchase behavior in the market has changed. Customers are not able to give reliable estimates and order only for actual needs with short delivery times.

Research and development

Nordic Aluminium's research and development expenses in 2009 were EUR 0.22 million (EUR 0.33 million 2008, EUR 0.50 million 2007), 0.4 per cent of net sales (0.3 per cent 2008, 0.5 per cent 2007).

Investments

Gross investments in 2009 were EUR 6.84 million (EUR 9.64 million). Approximately EUR 5.1 million were targeted at new extrusion line which total value is approximately EUR 9.8 million.

Profitability

Return on investment (ROI) in Nordic Aluminium in 2009 was 9.1 per cent (24.1 per cent) and return on equity (ROE) was 6.5 per cent (18.4 per cent). Diluted earnings per share were EUR 0.63 (EUR 1.71). Equity per share was EUR 9.80 (EUR 9.56).

Balance sheet and financing

The consolidated balance sheet total at the end of the 2009 fiscal year was EUR 56.17 million (EUR 56.18 million). Equity ratio was 84.4 per cent (82.4 per cent). Cash flow from operations before financial expenses and taxes was EUR 12.24 million (EUR 19.71 million).

Risk Management

The objective of Nordic Aluminium Plc's risk management is to secure business continuity in all possible situations. The CEO and the Board of Directors are responsible for risk management.

As part of the risk management the Company's insurance policies are re-evaluated annually. The factories and commercial activities are full value insured.

Main long term risks are related to the possible uncertainty in the development of the world economy and its influence on market demand.

The insurance company for the owner of the plant has stated a regression demand for Eur 7,1 millon due to the fire in the anodizing plant in June 2007. The demand is based on the total cost for the insurance company. Nordic Aluminium's view is that the demand is groundless.

Environmental Issues

Nordic Aluminium Plc is trying continuously to reduce environmental influences. Bureau Veritas Quality International (BVQI) has approved our Environmental Management System to the following Environmental Management System Standards: ISO 14001:2004. The certificates are valid until December 31st, 2011. The Company does not have any substantial environmental risks.

The Company's Environment policy can be viewed at www.nordicaluminium.fi

Corporate Governance

Nordic Aluminium complies with The Finnish Corporate Governance Code approved at October 20, 2008 by Securities Market Association. Possible deviations have been stated with reasons at appropriate recommendations. The Corporate Governance statement of Nordic Aluminium is in full view at the Internet site of Nordic Aluminium (www.nordicaluminium.fi/Financial info).

Nordic Aluminium's Corporate Governance Statement from fiscal year 2009 will be published March 4, 2010 as a separate statement, simultaneously with the Financial Statements Release 2009, at the Company's home pages.

Annual General Meeting

The Annual General Meeting of Nordic Aluminium Plc on April 1, 2009 adopted the financial statements and discharged the members of the Board and the Managing Director from liability. The Meeting also decided to approve the proposal of the Board for a dividend of 2008 EUR 0.40 per share (EUR 1.15) or a total of EUR 1.94 million.

The Annual General Meeting elected Stig Lival-Lindström, Viveka Iisaho, Nina Ehrnrooth ja Hans Jonasson members of the Board of Directors. Stig Lival-Lindström was elected as chairman of the Board on the same date.

The Annual General Meeting elected Authorized Public Accountants Tomi Englund, Authorized Public Accountant and Lars Winberg, Authorized Public Accountant, auditors, with Ernst & Young Oy, Authorized Public Accountant, deputy auditor.

Authorizations

The Board has no current authorizations for the increase of the company's share capital, the procurement of own shares or issuing of convertible bonds or option loans.

Share capital

The nominal value of Nordic Aluminium Plc's share is EUR 1.28 and the total number of shares at the end of the fiscal year 2009 was EUR 4,836,882. The registered share capital is EUR 6,191,208.96. All shares have the same voting and dividend rights. Nordic Aluminium Plc's shares have been listed on NASDAQ OMX Helsinki Ltd. since 1997.

Turnover of shares

A total of 275,510 Nordic Aluminium Plc shares were traded on the stock market in 2009. This corresponds to 5.7 per cent (1.4 per cent) of the Company's total capital stock. The year's highest quotation was EUR 17.50 (EUR 30.00) and the lowest EUR 9.84 (EUR 12.50). The average quotation was EUR 13.64 (EUR 21.43). On the last trading day of the year the share traded at an average price of EUR 14.83 (EUR 12.71).

Shares and ownership

There were no major changes in the ownership of Nordic Aluminium Plc during the year. At the end of the fiscal year 2009 Nordic Aluminium Plc's ownership was as follows:

The biggest shareholders Dec 31, 2009

Owner	Number of shares	Share of capital and votes %
Oy Lival Ab	3 087 945	63,84
Varma Mutual Pension Employment Insurance Co.	250 000	5,17
Aktia Capital Unit Trust	225 000	4,65
Evli-Select Mutual Fund	173 840	3,59
Veritas Mutual Pension Insurance Company	139 000	2,87
Lival-Lindström, Stig	129 050	2,67
Fondita Nordic Micro Cap Mutual Trust	90 000	1,86
Rausanne Oy	46 721	0,97
Mutual Fund Evli Nordic Dividend	35 111	0,73
Theman, Torolf	25 364	0,52
Others	634 851	13,13
Total	4 836 882	100,00

The number of nominee-registered shares at the end of 2009 was 14,071 which equals 0.29 per cent of the company's shares and votes. The total number of shareholders at the end of the year was 1,243.

Shareholders by sectors Dec 31, 2009

	Number of shares	Share %
Companies	3 234 022	66,86
Financial and insurance institutions	519 185	10,73
Associations	401 000	8,29
Non-profit associations	30 365	0,63
Households	625 675	12,94
Owners outside Finland	26 635	0,55
Total	4 836 882	100

Shareholders by number of shares Dec 31, 2009

Number of shares	Number of owners	%	Number of shares	%
1 - 200	752	60,50	70 440	1,46
201 - 2 000	430	34,59	251 201	5,19
2 001 - 20 000	49	3,94	262 892	5,44
20 001 - 200 000	9	0,73	689 404	14,25
200 001 - 2 000 000	2	0,16	475 000	9,82
2 000 001 - 9 999 999	1	0,08	3 087 945	63,84
Total	1243	100	4 836 882	100

Insider issues

Nordic Aluminium Plc adheres to the guidelines for insiders issued by NASDAQ OMX Helsinki Ltd. Nordic Aluminium Plc's permanent insiders are: Members of the Board of Directors, Managing Director & CEO, Secretary of the Board and the Members of the Management Group as well as named individuals within the Company's financial administration, sales and marketing and production. The appointed insider issue responsible is the Company's CFO. Up-to-date insider data is maintained in the Central Securities Depository at Euroclear Finland Ltd's premises.

The Company recommends that the permanent insiders' investments in the Company's are to be long-term investments. According to NASDAQ OMX Helsinki Ltd. guidelines for insiders and the Company's own Insider Guidelines trading in the Company's securities should be done at the times when the market has as exact information as possible of the issues and matters influencing the value of the security.

Personnel

In 2009 the Nordic Aluminium Group had an average number of 207 employees. The corresponding number the year before was 315. At the end of 2009 the Group had 125 employees as compared with the number of 294 on the previous year.

Nordic Aluminium Plc held employee negotiations in compliance with the Act on Cooperation in January. The conclusion of the negotiation was that the whole personnel were laid-off on average for three weeks.

Nordic Aluminium Plc held employee negotiations in compliance with the Act on Cooperation in April - May. The conclusion of the negotiation was that 102 employment contracts were terminated.

Nordic Aluminium Plc held employee negotiations in compliance with the Act on Cooperation in October - November. The conclusion of the negotiation was that 46 employment contracts were terminated.

Nordic Aluminium's Managing Director Robert Paajanen resigned on July 20, 2009. Peter Högel started as the new Managing Director on July 21, 2009.

Events after the reporting period

The Company has decided to end its Swedish subsidiary Nordic Aluprofiler Ab. Sales to Sweden is being handled by Finnish sales organization.

Prospects

According to the best view of the Board of Directors the worst economic situation has been passed, but the uncertainty continues with the global economy, because orders are coming in with shorter notice. This challenging fact demands flexibility and shorter reaction time from the organisation. The company is determined to implement changes demanded according to its strategy.

During this year net sales will grow moderately, but the operating profit is expected to grow significantly from the previous year EUR 4.14 million. Cash flow will also grow significantly despite of the dividends to be paid.

The new operation model and actions to adapt will improve competitiveness of the Company and secure continuity of production in Finland.

The above mentioned predictions are based on the Company's Board of Director's best view of the Company's condition and market outlook.

The Board's proposal on the allocation of profits

The book loss of the parent company for the year is EUR 189,981.82 and its distributable earnings EUR 27,069,030.40.

The Board proposes that a dividend of EUR 1.30 per share, or a total of EUR 6,287,946.60, be declared and that the remaining balance of EUR 20,781,083.90 be retained in profit and loss account.

The Board has evaluated the company's future and finds that the proposal above does not risk the liquidity.

Annual summary

Nordic Aluminium Plc's annual summary of stock exchange bulletins and announcements in 2009 can be viewed at www.nordicaluminium.fi/Financial information.

Helsinki, March 4, 2010

Stig Lival-Lindström
Chairman

Viveka Iisaho, Hans Jonasson, Nina Ehrnrooth

CONSOLIDATED INCOME STATEMENT, IFRS

MEUR	Note	2009	2008
Net Sales	3	**62.24**	**100.15**
Other operating income	4	0.04	1.67
Change in inventories of finished goods and in work in progress		-1.38	-3.65
Raw materials and consumables		-30.21	-51.19
Employee benefits	7	-12.56	-14.90

Depreciation and reduction on value	6	-4.62	-3.95
Other operating expenses	5, 8	-9.37	-17.14
Operating Profit		**4.14**	**11.00**
Financial income and expenses	9	0.06	0.23
Profit before tax		**4.20**	**11.22**
Income tax expense	10	-1.15	-2.95
Profit for the financial year		**3.05**	**8.27**
Profit attributable to:			
Owners of the parent	11	3.05	8.27
Others		0.00	0.00
Other comprehensive income:			
Conversion difference		0.01	-0.05
Total comprehensive income attributable to:			
Owners of the parent		3.06	8.22
Others		0	0
Basic and diluted earnings per share, EUR	11	**0.63**	**1.71**

CONSOLIDATED BALANCE SHEET, IFRS

MEUR	Note	2009	2008
ASSETS			
Non-current assets			
Tangible assets	12	27.54	25.07
Goodwill	13	2.25	2.25
Other intangible assets	13	1.48	1.74
Available-for-sale investments	15	0.02	0.02
Deferred tax assets	16	0.09	0.09
Non-current assets total		**31.38**	**29.17**
Current assets			
Inventories	17	6.42	8.15
Accounts receivables and other receivables	18	8.87	11.51
Cash in hand and at banks	19	9.51	7.35
Current assets total		**24.79**	**27.01**

TOTAL ASSETS		**56.17**	**56.18**
EQUITY AND LIABILITIES			
Equity	20		
Share capital		6.19	6.19
Share premium account		3.45	3.45
Translation differences		-0.27	-0.28
Retained earnings		38.03	36.92
Equity total		**47.41**	**46.29**
Non-current liabilities			
Deferred tax liability	16	2.86	1.76
Provisions	21	0.27	0.07
Non-current interest-bearing liabilities	22	0.10	0.09
Non-current liabilities total		**3.23**	**1.91**
Current liabilities			
Account payables and other payables	23	5.53	7.93
Provisions	21	0.00	0.00
Current interest-bearing liabilities	22	0.03	0.05
Current liabilities total		**5.56**	**7.98**
Liabilities total		**8.76**	**9.89**
TOTAL EQUITY AND LIABILITIES		**56.17**	**56.18**

CONSOLIDATED CASH FLOW STATEMENT, IFRS

MEUR	2009	2008
Cash flows from operating activities		
Operating profit (loss)	3.05	8.27
Depreciation according to plan	4.62	3.95
Financial income and expenses	-0.06	-0.23
Income taxes	1.15	2.95
Cash flow before change in net working capital	8.77	14.94
Change in net working capital		
Current trade receivables, increase (+)/ decrease (-)	3.03	3.74
Inventories, increase (+)/ decrease (-)	1.73	4.54
Current liabilities, increase (+)/ decrease (-)	-2.20	-3.52
	2.56	4.77
Cash flow from operations before financial items and taxes	**11.33**	**19.71**

Interest and other financial expenses paid for operating activities	-0.16	-0.18
Interest and other financial income received from operating activities	0.22	0.40
Direct taxes paid	-0.43	-3.86
Net cash flows from operating activities (A)	**10.95**	**16.07**
Cash flows from investing activities		
Investments in tangible and intangible assets	-6.84	-9.64
Proceeds from sale of tangible and intangible assets	0.00	0.00
Repayments of outstanding loans	0.00	0.00
Net cash flows used in investing activities (B)	**-6.84**	**-9.64**
Cash flows from financing activities		
Repayments of current loans	-0.05	-0.72
Repayments of non-current loans	0.01	0.05
Dividends paid and other distribution of profits	-1.94	-5.56
Net cash flows used in financing activities (C)	**-1.97**	**-6.24**
Change in cash and cash equivalents (A+B+C)	2.14	0.20
Exchange differences	0.01	-0.05
Net increase / decrease in cash and cash equivalents	**2.15**	**0.15**
Cash and cash equivalents at beginning of year	7.35	7.20
Cash and cash equivalents at end of year	9.50	7.35
Net increase / decrease in cash and cash equivalents	**2.15**	**0.15**

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

MEUR	Share capital	Share premium	Translation differences	Retained earnings	Total equity
Equity 1/1/2008	6.19	3.45	-0.23	34.21	43.62
Comprehensive income			-0.05	8.27	8.22
Earnings and costs total					8.22
Dividends				-5.56	-5.56
Equity 12/31/2008	**6.19**	**3.45**	**-0.28**	**36.92**	**46.28**
Equity 1/1/2009	6.19	3.45	-0.28	36.92	46.28

Comprehensive income			0.01	3.05	3.06
Earnings and costs total					**3.06**
Dividends				-1.94	-1.94
Equity 12/31/2009	**6.19**	**3.45**	**-0.27**	**38.03**	**47.41**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS, IFRS

1 Corporate Information

Nordic Aluminium designs, manufactures, markets and provides high-end aluminium products and components for the electrotechnical, telecommunications, transportation, ship building, machine design and commercial construction industries.

The parent company of Nordic Aluminium Oyj is Oy Lival Ab. Nordic Aluminium group comprise of the parent company Nordic Aluminium Oyj, domiciled in Kirkkonummi, and its subsidiaries Nordic Aluprofiler AB in Sweden (Stockholm) and Nordic Aluminium, Inc. in the United States (Atlanta). The shares of Nordic Aluminium are traded in the NASDAQ OMX Helsinki Stock Exchange.

Copies of the consolidated financial statements are available in the head office of Nordic Aluminium Oyj, P.O. Box 117, FIN-02401 Kirkkonummi, Finland.

2 Summary of Significant Accounting Policies

Basis of presentation

The consolidated financial statements of Nordic Aluminium group are prepared in accordance with International Financial Reporting Standards (IFRS). The financial statements have been prepared in compliance with the IAS and IFRS standards as well as SIC and IFRIC interpretations effective on December 31, 2008. The term 'IFRS standards' refers to standards and interpretations of these in Finnish legislation and provisions based on this approved for applying in the EU in accordance with the procedure established in EU regulation (EY) 1606/2002.

Nordic Aluminium group has adopted International Financial Reporting Standards (IFRS) as from 1 January, 2005 and has applied the IFRS 1 First-Time Adoption standard. The transition date to IFRS Standards is 1 January, 2004.

The consolidated financial statements have been prepared under the historical cost values based on accounting principles unless it is otherwise stated below.

All figures are rounded to the nearest thousand euros if not otherwise stated.

Principles of consolidation

The consolidated financial statements comprise the parent company, Nordic Aluminium Oyj (Kirkkonummi), and both of its subsidiaries, Nordic Aluprofiler AB (Sweden) and Nordic Aluminium, Inc (USA) in which the parent company has full control over the subsidiaries.

All intra-group transactions, receivables, liabilities, profit distribution and profits and losses resulted from intra-group transactions are eliminated. Subsidiaries are consolidated from the date of acquisition using the purchase method of accounting.

According to IFRS 1- standard the acquisitions occurred prior of the IFRS transition date are not adjusted according to the IFRS-principles. These goodwill values are recorded according to FAS financial statements in the opening balance sheet of IFRS transition date.

Foreign currency translation

Transactions in foreign currency are initially recorded at the exchange rate of the date of transaction. Assets and liabilities in foreign currencies are retranslated into euro currency at the rate of exchange of the balance sheet date. Exchange rate differences related to sales and purchases are recorded to the income statement as adjustments to sales and purchases.

In the consolidated financial statements the income statements of the foreign subsidiaries are translated into euros at the weighted average exchange rate for the year. The balance sheets of subsidiaries are translated into euros at the official average rate of exchange at the balance sheet date. The translation differences arising in the elimination of the subsidiaries are taken to equity in full. On disposal of a foreign entity, the cumulative translation difference relating to that particular operation is recognized in the income statement.

The translation differences accumulated before 1 January, 2004 are taken into equity at the transition to the IFRS Standards in accordance with the exception in IFRS 1 standard. Since the transition date, the translation differences has been presented as a separate component in the equity.

Derivative financial instruments

The group did not have any derivative contracts at the end of the year 2009.

Segment reporting

In segment reporting the primary reporting format is business segments. Secondary information reported is geographically. The segment information is based on the group's internal reporting structure.

Net sales and revenue recognition

Net sales comprise the total invoicing value of products of which indirect taxes, discounts and foreign exchange differences of accounts receivable are deducted.

Revenue is recognized when the significant risks and rewards of ownership and proprietary right of the goods have been passed to the buyer.

Consolidation goodwill and other intangible assets

Consolidation goodwill

Goodwill acquired in the business combinations is at the transition date to IFRS-standards treated according to the previous accounting standards, which has been used as acquisition cost. Consolidated goodwill is allocated to cash generating unit and the fair value of goodwill is tested annually for impairment. Possible impairments are recorded as adjustments to the acquisition cost. Goodwill is not amortized according to plan.

Subsidiaries are accounted for using the purchase method of accounting.

Research and development expenses

Research costs are expensed as incurred. Customer oriented development costs are recorded to the balance sheet under the heading of "Other intangible assets" if the asset is technically feasible, it can be used commercially, and it will generate probable future economic benefits. The useful life of the completed assets is 5 years, and they are amortized straight-line over the useful life. The in-process assets, which are not ready to be used are tested annually for impairment.

Other intangible assets

Intangible assets are recognized only if the acquisition cost of the asset can be reliably measured and if it is probable that the expected future economic benefits that are attributable to the asset will flow to the entity.

Other intangible assets include mainly software and other long-term expenditure. Other intangible assets are valued at historical cost and amortized using the straight-line method over the estimated useful lives of 3-10 years.

Buildings, machinery and equipment and other tangible assets

Tangible assets consist mainly of factory machinery and equipment. Investments in tangible assets are stated in the balance sheet at cost less accumulated depreciation and impairment in value.

Depreciations according to plan are based on the estimated useful lives of assets as follows:

Buildings	10 - 20 years
Factory machinery	5 - 20 years
Factory equipment and tools	3 - 5 years
Office machines and other equipment	3 - 10 years
Other tangible assets	20 years

The assets held under financial lease are depreciated over 4-5 years.

All the group companies apply the same group depreciation principles.

The maintenance and repair costs are recorded to the income statement when incurred.

Profit on the sale of assets is included in other operating income and losses on the sale of assets in other operating expenses.

Leases

The group has contracts which are classified as financial lease contracts according to IAS 17 Leases - standard, and transfer to the group substantially all the risks and rewards incidental to ownership.

Leased property is recorded at the fair value or, if lower, at present value of minimum lease payments less accumulated depreciation. Leased assets are depreciated over their useful lives or, if shorter, over their lease terms.

The financial lease liability is presented in the interest-bearing liabilities. The lease payments are divided into financial expenses in the income statement and deduction of the lease liability in the balance sheet.

Lease payments of other lease agreements are treated as rental expenses in the income statement over the lease term.

Inventories

Inventory items are valued at the lower of cost or net realizable value. The cost of the inventories is the average purchase price. The net realizable value is the sales price of an asset less the cost of completion and sales expenses. In addition to variable costs, inventory value include a proportion of the production overheads.

Impairment of assets

The group assesses at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, the group makes an estimate of the asset's or a cash generating unit's recoverable amount. The recoverable amount of goodwill is tested annually.

The recoverable amount of an asset or a cash generating unit is the fair value less the cost to sell, or its value in use if higher than the fair value. In assessing value in use the estimated cash flow of the asset, or of the cash generating unit, are discounted to their present value.

The impairment losses are recognized in the income statement, if the carrying amount of the asset exceeds its recoverable amount. If there has been changes in the circumstances, which have led to a change in the recoverable amount since the last impairment loss was recognized, the recognized impairment loss is reversed. The increased carrying amount of an asset shall not exceed the carrying value that would have been determined, net of depreciation, had no impairment loss been recognized for the asset in prior years. The impairment loss recognized of goodwill is not reversed. If the impairment loss is recognized related to a cash generating unit, it will first be allocated to reduce the carrying amount of goodwill and then to the other assets of the unit, pro rata on the basis of carrying amount of each asset in the unit.

Goodwill was tested for impairment in accordance with IAS 36 at the date of transition to IFRS standards 1 January, 2004.

Pension benefits

The Nordic Aluminium group has pension plans in various countries , which are in accordance with local regulation and practice. The group categorizes its retirement and disability pension plans as defined contribution plans and the costs are accrued in the fiscal year they relate to. The unemployment pension is categorized as a defined benefit plan and the liability is recorded to the balance sheet.

Share based payments

The company has no open sharebased compensation systems

Income tax

Taxes in the consolidated profit and loss account consist of the income taxes of the group companies. Income taxes are recognized based on the local income tax rate in each country. The subsequent income taxes from the previous financial year, if any, are recorded to the income statement.

The deferred tax assets and liabilities are recognized for all taxable temporary differences with the tax rates at the financial year end. The major temporary differences consist of depreciation differences and intra-group margins.

The deferred tax assets are recognized only to the extent that it is probable that they can be utilized against taxable profit in the future.

Environmental expenses

The environmental expenses are booked on accrual basis in the period when incurred.

Provisions

A provision is recognized when the group has a present legal or constructive obligation as a result of a past event; it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation; and a reliable estimate can be made of the amount of the obligation. Where some of the expenditure required to settle a provision is expected to be reimbursed by another party, the reimbursement shall be recognized as a separate asset when it is virtually certain that reimbursement will be received. The provisions are measured to the present value of the expenditures expected to be required to settle the obligation.

The unemployment pension is categorized as a defined benefit plan and the liability is recorded to the balance sheet.

Financial assets and liabilities
Financial assets

The financial assets of the group are classified as loans and receivables as well as available for sales assets. Financial assets are classified based on the nature of the asset and are recorded on the trade date. Transaction costs are included when asset is initially recognized.

The loans and other receivables include financial assets, which are generated by transferring cash or goods to the debtor. They are recognized at the fair value, which is equivalent to the original acquisition cost. After the initial recognition, the loans and other receivables are measured at amortized cost.

The available-for-sale investments are mainly investments in shares, and they are measured at fair value. The changes in the fair value of the available-for-sale investments are recorded to the fair value reserve in the equity. If the asset is sold or impaired, the changes in the fair value are recorded to the income statement.

Cash and bank consists of cash in hand and bank deposits available on demand and other liquid current investments.

The financial assets are derecognized from the balance sheet only when contractual right to the cash flow of financial asset expires or the group has transferred the major risks and rewards of ownership of the financial asset to another party outside the group.

Financial liabilities

Financial liabilities are classified as other financial liabilities. They are initially recognized at fair value, which is equivalent to the original acquisition cost. The transaction cost are included in the initial recognition of the financial liabilities. After the initial recognition other financial liabilities are measured at amortized cost. Financial liabilities can be current or non-current and they can be interest bearing or non interest bearing liabilities. Expenses related to the liabilities are recorded during the period which they relate to.

The financial liabilities will be removed from the balance sheet only when the obligation specified in contracts is discharged or cancelled or expired. If the conditions of the liability will change, it will be treated as an extinguishment of the original liability and a new financial liability is recognized to the balance sheet.

The accounting policies requiring the assessment of the management and the major uncertainties relating to these assumptions

During the compilation of the consolidated financial statements some estimates and assumptions were made, the final realization of which might differ from these estimates and assumptions.

The assumptions relate mainly to obsolescence of inventories and the valuation of assets.

The possible impairment of goodwill is tested annually and the indications of possible impairment of assets are analyzed according to the accounting policies presented above. The use of these estimates is necessary in the preparation of these calculations.

Application of new and amended IFRS standards and IFRIC interpretations

The following standards and interpretations are mandatory during year 2009:

IFRS 2, Share-based payment - Vesting Conditions and Cancellations (Amendment)
IFRS 7, Financial Instruments: Disclosures
IFRS 8, Operating Segments
IAS 1, Presentation of Financial Statements - Revised
IAS 23, Borrowing Costs - Revised
IAS 32, Financial Instruments: Presentation and IAS 1 Presentation of Financial Statement
IFRIC 9, Reassessment of Embedded Derivates
IFRIC 13, Customer Loyalty, Programmes
Improvements to IFRS Standards, issued 2008

IAS 1 change will impact primarily to the presentation of the statement of income and the statement of changes in equity.

IFRS 8 replaces the IAS 14 Segment Reporting standard. In accordance with IFRS 8, the identification of operating segments is based on management reporting. The new standard did not substantially change the present segment reporting.

The other standards or interpretations of year 2009 did not have impact on financial statements.

The following published standards and interpretations are effective in year 2010:

IFRS 2, Group Cash settled Share-based Payment Arrangements
IFRS 3, Business Combinations (Revised)
IAS 27, Consolidated and Separate Financial Statements (Amendment)
IAS 39, Financial instruments: Recognition and Measurement - Eligible hedged items (Amendment)
IFRIC 12, Service Concessions Arrangements
IFRIC 15, Agreements for Constructions of Real Estate
IFRIC 16, Hedges of a Net Investment in a Foreign Operation
IFRIC 17, Distributions of Non-cash Assets to Owners
IFRIC 18 Transfers of Assets from Customers
Improvements to IFRS Standards, issued 2009

Standard changes are not expected to have substantial impact on the Group.

3 Segment Information

In segment reporting the primary reporting format is business segments. The group has determined the only business segment to be "Aluminium products", which is based on the synergetic nature of products, similar production process and homogeneity of the customers and distribution methods.

While the group has only one primary business segment, "Aluminium products", which is equal to the official consolidated income statement and profit and loss account, the notes do not include separate information over the group's primary business segment. Product-specification of income is not presented because the information is not available.

The secondary, geographically reported segments of the group are 1. Finland and 2. Other countries, the assets and liabilities of which are determined based on their actual location. The segment reporting reflects the internal reporting of Nordic Aluminium group.

Transfer prices between business segments are set on arm's length basis in a manner similar to transactions with third parties.

Geographical segments

			2009
MEUR	Finland	Other countries	Total
Net sales	34.13	28.11	62.24
Segment assets	31.37	0.01	31.38
Investments	6.84	0.00	6.84

			2008
MEUR	Finland	Other countries	Total
Net sales	59.42	40.73	100.15
Segment assets	29.15	0.02	29.17
Investments	9.63	0.00	9.63

4 Other Operating Income

MEUR	*2009*	*2008*
Insurance compensations, Anodizing plant	0.00	1.55
Other revenue	0.04	0.12
Total	**0.04**	**1.67**

5 Other Operating Expenses

MEUR	*2009*	*2008*
External services	2.55	9.21
Rental expenses	2.74	2.80
Properties	0.78	0.74
Other expenses	3.30	4.39
Total	**9.37**	**17.14**

6 Depreciations and Amortization

Depreciation by asset category

MEUR	*2009*	*2008*
Intangible assets		
Intangible rights	0.40	0.46
Other recorded non-current expenditure	0.12	0.09
Research and development costs	0.01	0.02
Total	**0.53**	**0.57**
Tangible assets		
Buildings	0.11	0.04
Machinery and equipment	3.95	3.32
Other tangible assets	0.03	0.02
Total	**4.10**	**3.38**
Reduction of value		
Machinery and equipment, anodizing plant	0.00	0.00
	0.00	**0.00**
Depreciations and Amortization total	**4.62**	**3.95**

7 Employee Benefits

MEUR	*2009*	*2008*
Wages and salaries	9.71	11.90
Pension costs, defined contribution plans	2.05	1.96
Other social security expenses	0.80	1.05
Total	**12.56**	**14.91**

The group categorizes its retirement and disability pension plans as defined payment plans and the expenses are accrued in the fiscal year they relate to. The unemployment pension is categorized as a defined benefit plan and the respective liability is recorded in the balance sheet.

	2009	*2008*
Fringe benefit	0.16	0.16
Warrants	0.00	0.00
Total	**0.16**	**0.16**

The average number of employees during the fiscal year

	2009	2008
White collars	54	87
Blue collars	153	228
Total	**207**	**315**

8 Research and Development Expenses

The income statement of the financial year 2009 includes research and development expenses of tEUR 220 (330).

9 Financial Income and Expenses

MEUR	*2009*	*2008*
Interest income from others	0.24	0.25
Interest expenses to group undertakings	-0.02	-0.04
Interest expenses to others	-0.16	-0.17
Foreign exchange rate difference expenses	0.00	0.19
Interest expenses from financial lease contracts	0.00	0.01
Total	**0.06**	**0.23**

Exchange rate differences related to sales and purchases are included in the operating profit as an adjustment to sales and purchases. For these items a total of 158 tEUR was recorded as an exchange rate loss.

10 Income Tax

Major components of income tax expense for the fiscal year ended December 31 are:

MEUR		
Consolidated income statement	*2009*	*2008*
Current income tax		
Current income tax expense	0.04	2.79
Adjustments in respect of current income tax of previous years		
Deferred income tax		
Relating to origination and reversal of temporary differences	1.11	0.16
Income tax expense reported in consolidated income statement	**1.15**	**2.95**

The reconciliation of income tax expense in the income statement to income tax expense at the group's effective income tax rate are as follows:

	2009	*2008*
Operating profit before tax from continuing operations	4.20	11.22
Taxes at Finland statutory income tax rate (26%)	1.09	2.92
Adjustments in respect of current income tax of previous years	0.00	0.00
Tax losses	0.00	0.00
Expenditure not allowable for income tax purposes and impact of foreign tax rate	0.02	0.03
Other tax-deductible items	0.00	0.00

The income tax in the profit and loss account at effective income tax rate (effective tax rate 26,5% 2009 and 26,3% 2008)	**1.11**	**2.95**

11 Earnings per Share

Basic earnings per share amount is calculated by dividing net profit for the year attributable to ordinary equity holders of the parent by the weighted average number of ordinary shares outstanding during the year.

	2009	*2008*
Net profit attributable to equity holders of the parent	3.05	8.27
Weighted average number of shares during the financial year	4.84	4.84
Undiluted earnings per share (EUR/share)	0.63	1.71

In the following table the diluted earnings per share amounts are calculated by dividing the net profit attributable to ordinary equity holders of the parent by the weighted average number of ordinary shares outstanding during the year plus the weighted average number of ordinary shares that would be issued on the conversion of all the dilutive potential ordinary shares into ordinary shares. Nordic Aluminium has no convertible bonds, so the profit for the financial year used to calculate the diluted earnings per share equals the net profit attributable to equity holders of the parent.

	2009	*2008*
Net profit attributable to equity holders of the parent	3.05	8.27
Net profit for calculating diluted earnings per share	3.05	8.27
Weighted average number of shares during the financial year	4.84	4.84
Effect of warrants	0.00	0.00
Diluted weighted average number of shares for diluted earnings per share	4.84	4.84
Diluted earnings per share (EUR/share)	0.63	1.71

12 Tangible Assests

Financial year 2009							2009
MEUR	Buildings	Buildings (financial lease)	Machinery and equipment	Machinery and equipment (financial lease)	Other tangible assets	Construction in progress	**Total**
Acquisition cost 1.1.	1.58	0.15	67.42	1.44	0.32	5.43	**76.34**
Additions	0.51		10.47	0.00	0.35	0.51	11.85
Exchange differences	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Disposals			0.00	0.00		-5.28	-5.28
Acquisition cost 31.12	2.10	0.15	77.89	1.44	0.67	0.67	82.91
Accumulated depreciations and impairment 1.1.	-0.30	-0.15	-49.29	-1.31	-0.23	0.00	-51.28
Depreciation	-0.11		-3.91	-0.05	-0.03	0.00	-4.10
Accumulated depreciations and impairment 31.12.	-0.41	-0.15	-53.19	-1.36	-0.26	0.00	-55.37
Net value 31.12.	**1.68**	**0.00**	**24.69**	**0.08**	**0.42**	**0.67**	**27.54**

Financial year 2008							2008
MEUR	Buildings	Buildings (financial lease)	Machinery and equipment	Machinery and equipment (financial lease)	Other tangible assets	Construction in progress	**Total**
Acquisition cost 1.1.	0.40	0.15	56.50	1.44	0.32	8.40	**67.22**
Additions	1.18	0.00	10.93	0.00	0.00	5.43	17.54
Exchange differences	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Disposals	0.00	0.00	-0.01	0.00	0.00	-8.40	-8.42
Acquisition cost 31.12	1.58	0.15	67.42	1.44	0.32	5.43	76.34
Accumulated depreciations and impairment 1.1.	-0.26	-0.15	-45.97	-1.26	-0.21	0.00	-47.85
Depreciation	-0.04	0.00	-3.32	-0.05	-0.01	0.00	-3.42
Accumulated depreciations and impairment 31.12.	-0.30	-0.15	-49.28	-1.31	-0.23	0.00	51.27
Net value 31.12.	1.27	0.00	18.13	0.13	0.09	5.43	**25.07**

13 Intangible Assets

Goodwill

	2009	*2008*
Acquisition cost 1.1.	**2.25**	**2.25**
Additions	0.00	0.00
Disposals	0.00	0.00
Acquisition cost 31.12	2.25	2.25
Impairment	0.00	0.00
Net value 31.12.	**2.25**	**2.25**

Consolidation goodwill is fully allocated to the group's cash generating unit in Finland.

Goodwill is not amortized but tested for impairment at least annually. The consolidation goodwill is allocated in total to the aluminium products business segment and to Finland in geographical segments.

Impairment testing

The goodwill is allocated to one cash generating unit (production activities in Nivala). The cash generated from business is based on value in use. The future cash flows used in impairment testing are based on 5-year financial forecasts approved by the management. The cash flows for the following years are forecasted cautiously assuming that the growth rate is zero. Discount rate determined for these calculations is 8.22 % for the year 2009 (2008 11.92 %). The future cash flows used in impairment calculation are based on plans approved by group management. According to the management no reasonable change in the key assumptions would cause need to record an impairment. If the operating margin before depreciation dropped 78 per cent from forecasted, it would result in write-downs.

Goodwill	*2009*	*2008*
Acquisition cost 1.1.	**2.25**	**2.25**
Additions	0.00	0.00
Disposals	0.00	0.00
Impairment	0.00	0.00
Net value 31.12.	**2.25**	**2.25**

Other intangible assets

Financial year *2009*					*2009*
MEUR	Development expenditure	Intangible rights	Other recorded non-current expenditure	Advance payments	**Total**
Acquisition cost 1.1.	0.10	4.48	1.78	0.00	**6.35**
Additions		0.11	0.16		0.28
Disposals					0.00
Acquisition cost 31.12	0.10	4.59	1.94	0.00	6.63
Accumulated depreciations and impairment 1.1.	-0.08	-3.27	-1.27	0.00	-4.62
Depreciation	-0.01	-0.40	-0.12		-0.53
Accumulated depreciations and impairment 31.12.	-0.10	-3.67	-1.38	0.00	-5.15
Net value 31.12.	0.00	0.92	0.56	0.00	**1.48**

Financial year *2008*					*2008*
MEUR	Development expenditure	Intangible rights	Other recorded non-current expenditure	Advance payments	**Total**
Acquisition cost 1.1.	0.10	4.21	1.54	0.00	**5.84**
Additions		0.27	0.24		0.51
Disposals					0.00
Acquisition cost 31.12	0.10	4.48	1.78	0.00	6.35
Accumulated depreciations and impairment 1.1.	-0.06	-2.86	-1.17	0.00	-4.09
Depreciation	-0.02	-0.41	-0.09		-0.52
Accumulated depreciations and impairment 31.12.	-0.08	-3.27	-1.27	0.00	-4.61
Net value 31.12.	0.02	1.21	0.51	0.00	**1.74**

14 Book values of financial assets and liabilities by measurement categories

2009 Balance sheet item	Financial assets/liabilities at fair value through income statement	Loans and receivables	Available--for-sale financial assets	Financial liabilities measured at amortized cost	Book values by balance sheet item	Fair value	Note
Non-current financial assets		0.00	0.02		0.02	0.02	**15-16**
Current financial assets							
Account receivables and other receivables		8.81			8.81	8.81	**18**
Book value by category		8.81	0.02		8.83	8.83	
Non-current financial liabilities							

Interest bearing liabilities				0.10	0.10	0.10	**22**
Current financial liabilities							
Interest bearing liabilities				0.03	0.03	0.03	**22**
Current tax liabilities				0.00	0.00	0.00	**23**
Trade and other payables				5.43	5.43	5.43	**23**
Book value by category				5.53	5.53	5.53	

2008 Balance sheet item	Financial assets/liabilities at fair value through income statement	Loans and receivables	Available--for-sale financial assets	Financial liabilities measured at amortized cost	Book values by balance sheet item	Fair value	Note
Non-current financial assets		0.00	0.02		0.02	0.02	**15-16**
Current financial assets							
Account receivables and other receivables		11.51			11.51	11.51	**18**
Book value by category		11.51	0.02		11.53	11.53	
Non-current financial liabilities							
Interest bearing liabilities				0.09	0.09	0.09	**22**
Current financial liabilities							
Interest bearing liabilities				0.05	0.05	0.05	**22**
Current tax liabilities				0.00	0.00	0.00	**23**
Trade and other payables				7.93	7.93	7.93	**23**
Book value by category				8.07	8.07	8.07	

The fair values of each class of financial assets and financial liabilities are presented in the detailed note for each balance sheet item referred to in the table above.

15 Available-for-sale Investments

MEUR	*2009*	*2008*
Available-for-sale investments	0.02	0.02

Available-for-sale financial investments consist mainly of investments in unquoted shares. The investments are recognized at cost, as the fair value cannot be determined reliably or is not available for determining the fair value.

16 Deferred Tax Asset and Liability

Deferred income tax at 31 December relates to the following:

MEUR	31.12.		Shareholder's	**31.12.**
Deferred income tax asset	***2008***	P & L	Equity	***2009***
Intra-group margin on inventories	0.07	0.00	0.00	**0.07**
The amortization of intangible assets	0.02	0.00	0.00	**0.02**
Other temporary differences	0.00		0.00	**0.00**
Deferred income tax asset	**0.09**	**0.00**	**0.00**	**0.09**
Deferred income tax liability				
Accelerated depreciation for tax purposes	-1.70	-1.11	0.00	**-2.82**
Intangible assets recognized	-0.04		0.00	**-0.04**
Other temporary differences	-0.02	0.00	0.00	**-0.02**
Deferred income tax liability	**-1.76**	**-1.11**	**0.00**	**-2.86**
Deferred income tax change		**-1.10**		
Deferred income tax receivable	**0.09**			**0.10**
Deferred income tax liability	**-1.76**			**-2.86**

17 Inventories

MEUR **Inventories**	*2009*	*2008*
Raw materials and consumables	0.97	1.27
Work in progress	2.96	2.58
Finished goods	2.49	4.30
Inventories total	**6.42**	**8.15**

The inventories include a write-down of EUR 0,6 million. The accounting value of the inventories will state the probable net realizable value.

18 Account receivables and Other Receivables (Current)

MEUR	**Fair value**		**Book value**	
Trade and other receivables	*2009*	*2008*	*2009*	*2008*
Account receivables debtors	7.14	10.16	7.14	10.16
Account receivables debtors from the parent company	0.01	0.01	0.02	0.01
Other receivables	1.66	1.34	1.66	1.34

Account receivables and other debtors total	**8.81**	**11.51**	**8.81**	**11.51**

Other receivables consist of following items:

Other receivables	*2009*	*2008*
Employee health care compensation	0.06	0.05
Social security expenses	0.05	0.05
VAT receivable, Sweden	0.07	0.06
Insurance compensation	0.00	0.00
Tax receivable	1.30	0.95
Other	0.18	0.25
Other receivables total	**1.66**	**1.35**

The initial balance sheet amount of trade and other debtors corresponds their fair value, as the effect of the discounting is insignificant considering the maturity of the receivables.

The maximum exposure to credit risk at the reporting date is the book value of the trade and other receivables.

19 Cash in Hand and at Banks

	Fair value		**Book value**	
MEUR	*2009*	*2008*	*2009*	*2008*
Cash in hand and at banks	9.51	7.35	9.51	7.35
	9.51	**7.35**	**9.51**	**7.35**

Cash and cash equivalents are presented at face value, which corresponds to their fair values.

20 Equity Related Notes

Equity consists of share capital, share premium account, translation differences and retained earnings. When share capital is increased, the excess of the nominal value is recorded to the share premium account. Translation differences consist of the exchange rate differences of net investment into foreign subsidiaries. At the end of the financial year 31.12.2009 the total number of shares was 4 836 882 and the nominal value of a share was 1,28 EUR.

Share capital

Issued capital is EUR 6 191 208,96. Company's minimum share capital is EUR 3.520.000 and maximum share capital is EUR 14.080.000, the share capital may be increased or reduced within these limits without amending the articles of association. The maximum number of the shares is 11 000 000. All shares have the same voting and dividend rights and all issued shares are fully paid.

EUR

Issued capital	Number of shares	Issued capital	Share premium account	Total
1/1/2009	4,836,882	6,191,208.96	3,454,375.43	9,645,584.39
Financial year change	0	0.00	0.00	0.00
12/31/2009	4,836,882	6,191,208.96	3,454,375.43	9,645,584.39

Issued capital	Number of shares	Issued capital	Share premium account	Total
1/1/2008	4,836,882	6,191,208.96	3,454,375.43	9,645,584.39
Financial year change	0	0.00	0.00	0.00

12/31/2008	4,836,882	6,191,208.96	3,454,375.43	9,645,584.39

Dividends paid and proposed

Approved and paid during the year

The Annual General Meeting of Nordic Aluminium Oyj on April 1:st, 2009 decided to approve the proposal of the Board to distribute dividends of EUR 0,40 per share corresponding to a total of EUR 1.934.752,80.

Proposed for approval of annual general meeting

The Board proposes that a dividend of EUR 1,30 per share, or a total of EUR 6.287.946,60 are distributed and that the remaining balance is recorded in the retained earnings of the balance sheet.

21 Appropriations

MEUR	*2009*	*2008*
1.1.	72	225
Increase	274	0
Appropriations used	0	0
Reversal of appropriations	-72	-152
31.12.	274	73

The unemployment pension is categorized as a defined benefit plan and the respective liabilities are recorded to the balance sheet. Nordic Aluminium has given notice to 148 persons during the years 2004 - 2009. Unemployment pensions are termination benefits, (IAS 19:132) and they are categorized as defined benefit plans. The liability of the unemployment pensions is recorded to the balance sheet for EUR 274 t (2007: EUR 72 t).

MEUR	12/31/2009	12/31/2008
Non-current	0.27	0.07
Current	0.00	0.00
Total	**0.27**	**0.07**

22 Interest Bearing Loans and Borrowings

	Effective	**Fair value**		**Book value**	
MEUR	interest rate %	*2009*	*2008*	*2009*	*2008*
Non-current					
Bank loan	6-month euribor + 0,45	0.00	0.00	0.00	0.00
Obligations under finance leases	3,20 % - 6,75 %	0.07	0.09	0.07	0.09
Total		**0.07**	**0.09**	**0.07**	**0.09**

MEUR					
Current					
Repayments of the bank loan	6-month euribor + 0,45	0.00	0.00	0.00	0.00
Obligations under finance leases	3,20 % - 6,75 %	0.03	0.05	0.03	0.05
Total		**0.03**	**0.05**	**0.03**	**0.05**

	2009	2008
Interest bearing loans and borrowings total	**0.10**	**0.14**

The non-current loans mature as follows:

MEUR	*2009*	*2008*
During the following financial period	0.03	0.05
Until the year 2011	0.07	0.09
Total	**0.10**	**0.14**

The fair values of interest bearing loans do not substantially differ from the balance sheet values. The fair value is calculated by discounting the future cash flows. The interest rate used is equal to a rate, which would be granted to the group at the annual closing date. The interest rate consists of risk free interest and undertaking specific risk premium.

The obligations under finance leases mature as follows:

Finance lease - minimum payments	***2009***	***2008***
Within one year	0.03	0.05
After one year but not more than five years	0.07	0.10
After five years		
Total	**0.10**	**0.15**

Finance lease - present value of payments	*2009*	*2008*
Within one year	0.03	0.05
After one year but not more than five years	0.06	0.09
After five years		
Total	**0.09**	**0.14**
Amounts representing finance charges	**0.01**	**0.01**

The fair values of financial lease commitments is calculated by discounting the future cash flows by an interest, which is equivalent to interest rate of similar leasing agreements.

23 Account payables and Other Payables (Current)

MEUR	**Fair value**		**Book value**	
Trade and other payables (current)	2009	2008	2009	2008
Trade payables	1.76	3.85	1.76	3.85
Trade payables, parent company	0.04	0.00	0.04	0.00
Accrued liabilities and deferred income	3.30	3.25	3.30	3.25
Other payables	0.04	0.84	0.44	0.84
Account payables and other payables (current) total	**5.53**	**7.94**	**5.53**	**7.94**

The accrued liabilities and deferred income consist of following items:

	Fair value	**Book value**

Accrued liabilities and deferred income	2009	2008	2009	2008
Accrued income tax	0.00	0.02	0.00	0.03
Salaries	1.34	1.81	1.34	1.81
Other	1.96	1.42	1.96	1.42
Accrued liabilities and deferred income total	**3.30**	**3.25**	**3.30**	**3.25**

The initial book value of trade and other payables corresponds to their fair value, as the effect of the discounting is not significant considering the maturity of the receivables.

24 Other lease contracts

Future minimum lease payments under non-cancellable operating leases as follows:
MEUR

Operating lease commitments	*2009*	*2008*
Within one year	1.86	2.41
After one year but not more than five years	4.91	7.18
After five years	0.04	0.10
Total	**6.82**	**9.67**

The consolidated income statement includes operating lease expenses of MEUR 2,79 (2008: 2,56).

Nordic Aluminium has several rental agreements with diverse terms. The most important agreements relate to industrial properties located in Pikkala and Nivala. The rental terms of these agreements vary from fixed-term to temporary. Other rental agreements concern office premises with three to six months periods of notice. The rents of some of the agreements are revised annually or every other year.

25 Related Party Disclosures

The related parties of Nordic Aluminium consists of the Board Members, CEO, their controlled corporations and subsidiaries of Nordic Aluminium.

Nordic Aluminium group consist of parent company Nordic Aluminium Oyj, Helsinki and its subsidiaries Nordic Aluprofiler AB (Sweden) and Nordic Aluminium, Inc. (USA).

Nordic Aluprofiler AB, Sweden	100%
Nordic Aluminium, Inc. USA	100%

Transactions with related parties:

Transfer prices between related parties are set on arm's length basis in a manner similar to transactions with third parties.

Trade consists of aluminium profiles, components, electrotechnical products and lighting tracks. Net sales was EUR 7,50 million in 2009 (2008: 9,09), purchases EUR 0,05 million (0,02), trade receivables EUR 0,02 million (0,01) and loans EUR 0,00 million (0,00).

Guarantees and other securities given to the related parties

The group has not given other guarantees or securities to the related parties.

Employee benefits of key management

The salary of the Managing Director Robert Paajanen consisted of a base salary and of a profit based bonus, which is yearly decided by the board and the maximum amount of which corresponds four months salary. The base salary of the Managing Director including the benefits was EUR 336 000 in the year 2009 (EUR 198 409). The managing director Peter Högel's base salary was EUR 49 000 from the year 2009

(EUR 0).

Salaries and remuneration paid to Board Members and Managing Directors in the year 2009

	2009	*2008*
Robert Paajanen, Managing Director until July 20, 2009	0.34	0.20
Peter Högel, Managing Director from July 21, 2009	0.05	0.00
Stig Lival-Lindström, Chairman of the Board	0.02	0.02
Erik Westerlund, Member of the Board until March 31, 2009	0.01	0.01
Viveka Iisaho, Member of the Board from April 1, 2009	0.01	0.00
Nina Ehrnrooth, Member of the Board from April 1, 2009	0.01	0.00
Hans Jonasson, Member of the Board from April 1, 2009	0.01	0.00
	0.45	0.23

The Managing Directors' retirement age and amount are determined in accordance with Employees Pension Act. The contract's period of notice is 6 months and the severance pay equals to 6 month's salary.

Share based payments of the key management

The management has no share based payments.

Auditor fees		*2009*	*2008*
The auditor has been paid based on invoices	Annual audit	0.07	0.06
	Other services	0.00	0.00
		0.07	0.06

26 Commitments and Contingencies

	2009	*2008*
Security provided for other company liabilities		
Financial assets pledged	0.02	0.02
Collaterals given to Bankers	0.00	0.56
	0.02	0.58
Consignation liability	0.33	0.19

27 Financial risk management

The objective of Nordic Aluminium Plc's risk management is to secure business continuity in all possible situations. The CEO and the Board of Directors are responsible for risk management.

Risks are managed in different parts of the Group. Generally, risks are managed at their source within the company.
The Group's business activities involve financial risks in the form of market, credit and liquidity risks. The companys objective is to increase the short term stability of the financial environment for the business operations by reducing the negative effects caused by price fluctuations and other uncertainties in the financial markets. The management of currency, interest and liquidity risks is centralized to Nordic Aluminiums financial direction. Though currency risk is at the moment not considered significant, no hedging transactions are made with currency derivatives. The aluminium price risk arising from fluctuations in its world market price is covered by agreements with aluminium suppliers.

Credit and counterparty risks:
Credit risk arises from the potential failure of a commercial counterparty to meet its commercial payment obligations. The risk level depends therefore on the creditability of the counterparty. Counterparty risk is also involved in cash investments. The management of credit and counterparty risk aims to minimize the losses which are caused by a counterparty who does not meet its obligations.

The Group's trade receivables are shared with large clientele, and therefore they do not have any significant credit risk. The company reduces credit risk by active credit control. The Group does not posses liquid pledged assets.

No significant credit losses were recorded in 2009 or 2008.

Analysis of trade receivables by age	*2009*	*2008*
Undue trade receivables	1.07	7.81
Trade receivables 1-30 days overdue	2.39	2.03
Trade receivables 31-60 days overdue	2.36	0.14
Trade receivables more than 60 days overdue	1.33	0.19
	7.15	10.17

Liquidity risks:

Liquidity risks concern the availability of liquid assets or funding. Lack of funding might jeopardize normal business operations and eventually might endanger the ability to fulfil daily payment obligations. The main source of funding for Nordic Aluminium is cash flow from business operations.
The Group's liquidity is good and has no difficulties in meeting its obligations relating to financial instruments.
Investments of cash in hand and at banks are in liquids and in low risk financial market instruments.

Cash and cash equivalents and committed unutilized credit facilities	*2009*	*2008*
Cash and cash equivalents	9.51	7.35
Cheque account with overdraft facility	0.50	0.50
	10.00	7.85

As of 31 December 2009, the contractual maturity of interest-bearing liabilities was as follows:

	2010	2011	Total
Loans from financial institutions			0
- finance charges			0
Finance lease liabilities	0.03	0.07	0.10
- finance charges	0.00	0.00	0.00
Repayments of loans from financial institutions			0.00

As of 31 December 2008, the contractual maturity of interest-bearing liabilities was as follows:

	2009	2010	2011	2012-	Total
Loans from financial institutions					0.00
- finance charges					0.00
Finance lease liabilities	0.05	0.04	0.02	0.02	0.13
- finance charges	0.01	0.00	0.00	0.00	0.01
Repayments of loans from financial institutions					0.00

Market risk management:

There are three risks concerning the Goup's market risk: interest, currency and aluminium price risk.

Interest rate risk

The Group's interest rate risk relates mainly to funding. When the capital intensity of the business operations and the net gearing level are
under normal circumtances relatively low has the interest rate risk no significance.

Currency risk

Due the companys risk policy is currency risk not considered significant and therefore no hedging transactions with currency derivatives are made. Purchase and sales quotations are regularly made in euros. The most important export currencies outside the euro zone are the Swedish krona and US dollar. Transactions in foreign subcidiaries are made in their local currency i.e. these units have their sales & costs as well as funding in their local home currency. The risk involved in commercial bids in foreign currency is usually covered by using currency clauses.

Aluminium price risk

Aluminium price risk appears when the need of aluminium, based on sales commitments, does not match the amount purchased at agreed prices. The objective of price risk management is to protect aluminium price and currencies from losses, and therefore secure profit. In order to balance the amounts of purchased and sold aluminium, long-term agreements with aluminium suppliers are concluded. Hedging principles used in contracts are fixed-price sales agreements, obtained prices as well as price and currency clauses. The Company does not use derivatives concerning price risk management.

One part of the sales is based on pricelists and the other part is based on fixed prices. Pricelist sales are hedged by fixed prices with aluminium suppliers, on the other hand the fixed price sales agreements are hedged by pricing equivalent tons with aluminium suppliers. Fixed price quotations are hedged by price and currency clauses. Price list sales are hedged quarterly for the whole validity period.

The Company follows actively the development in aluminium and currency markets.The aluminium price risk is monitored regularly by calculating aluminium positions.

Sensitivities to market risks

Due the nature of its business operations is the company especially sensitive to aluminium price risk.

The following table details the approximate impact that movements in aluminium price would have on its operating profit for 2010 (2009). The calculation is based on assumptions regarding the Group's reference market and operating conditions, but excluding the impact of hedge transactions.

Approximate impact on operating profit

	2010	2009
10 % change in aluminium world market price	+ - 2,4	+ - 4,1

Capital risk management:
The primary objective of the Group's capital management is to ensure that it maintains a good credit risk status and healthy capital ratio to support its business operations. At the same time the Group also aims to maximize shareholders value by effective use of capital. The Group manages its capital structure and fine-tunes it to adjust to probable changes in economic conditions. These actions may include i.e. adjusting the dividend payment to shareholders.

Environment risk:
The Company does not have any substancial environmental risks.

28 Conditional debt
The insurance company for the owner of the plant has stated a regression demand for Eur 7,1 millon due to the fire in the anodizing plant in June 2007. The demand is based on the total cost for the insurance company. Nordic Aluminium's view is that the demand is groundless.

29 Key financial figures are presented under Key figures at the Annual Report.

30 Distribution of Shareholders and Information of Shareholders

There were no major changes in the ownership of Nordic Aluminium Plc During the year. At the end of the fiscal year 2009 Nordic Aluminium Plc's ownership was as follows:

Largest shareholders 31.12.2009	**Number of shares**	**% of all the shares and voting rights**
Shareholder		
Oy Lival Ab	3 087 945	63.84
Varma Mutual Pension Insurance Company	250 000	5.17
Aktia Capital Unit Trust	225 000	4.65
Evli-Select Mutual Fund	173 840	3.59
Veritas Mutual Pension Insurance Company	139 000	2.87
Lival-Lindström, Stig	129 050	2.67
Fondita Nordic Micro Cap	90 000	1.86
Rausanne Oy	46 721	0.97
Evli Nordic Dividend	35 111	0.73
Theman, Torolf	25 364	0.52
Other Shareholders	634,851	13.13
Total	**4,836,882**	**100.00**

The amount of administrative registrated shares was 14 071 at the end of 2009, which is 0,29 per cent of the shares and the voting rights of the company. The total amount of the share owners was 1,243 at the end of the year 2009.

By shareholder category 31.12.2009

	Number of shares	**% of all shares**
Corporations	3,234,022	66.86
Financial and insurance institutions	519,185	10.73
Public corporations	401,000	8.29
Non-profit organizations	30,365	0.63
Households	625,675	12.94
Owners outside Finland	26,635	0.55
Total	**4,836,882**	**100.00**

By number of shares owned 31.12.2009

By number of shares owned	**Number of shareholders**	**%**	**Total number of shares**	**%**
1 - 200	752	60.50	70,440	1.46
201 - 2 000	430	34.59	251,201	5.19
2 001 - 20 000	49	3.94	262,892	5.44
20 001 - 200 000	9	0.72	689,404	14.25
200 001 - 2 000 000	2	0.16	475,000	9.82
2 000 001 - 9 999 999	1	0.08	3,087,945	63.84

Total	1243	100	4,836,882	100.0

Ownership by the management

The total amount of the shares owned by the members of the board and the managing director directly or indirecly trough their corpotrations was 3,216,995 at the end of the year 2009 (3,186,995), which constitutes 66,51 (65,89) per cent of the shares and number of votes of the company.

		Number of shares	%
Stig Lival-Lindström	Chairman of the Board	3,216,995	66.51
Total		**3,216,995**	**66.51**

PARENT COMPANY INCOME STATEMENT, FAS

MEUR	Note	2009	2008
NET SALES	1	61.50	99.23
Increase (+) or decrease (-) of			
finished goods and work in progress		-1.39	-3.67
Other operating income	1	0.04	1.69
Materials and services			
Raw materials and consumables:			
Purchases during the financial year		29.76	50.03
Increase (+) or decrease (-) in inventories		0.29	0.90
External services	2	2.15	8.49
Personnel expenses			
Wages, salaries and emoluments	3	9.52	11.66
Social security expenses	3	2.80	2.94
Depreciation and reduction on value			
Depreciation according to plan	6	4.56	3.87
Other operating expenses		7.07	8.57
Total operating expenses		56.15	86.45
OPERATING PROFIT		4.00	10.80
Financial income and expenses:			
Other interest and financial income	4	0.24	0.44
Interest and other financial expenses	4	-0.16	-0.17
Total financial income and expenses		0.08	0.27
PROFIT BEFORE EXTRAORDINARY ITEMS		4.08	11.07
PROFIT BEFORE APPROPRIATIONS AND TAXES		4.08	11.07

Appropriations			
Increase (+) or decrease (-) in depreciation reserve	6	-4.27	-0.65
PROFIT BEFORE TAXES		-0.19	10.42
Income taxes	5	0.00	-2.72
NET PROFIT FOR THE PERIOD		-0.19	7.70

PARENT COMPANY BALANCE SHEET, FAS

MEUR	Note	2009	2008
ASSETS			
Non-current assets			
Intangible assets			
Intangibles	7	0.92	1.21
Other long-term expenditure	7	0.56	0.51
		1.48	1.72
Tangible assets			
Buildings	8	1.68	1.27
Machinery and equipment	8	24.67	18.12
Other tangible assets	8	0.41	0.09
Construction in progress	8	0.67	5.43
		27.43	24.92
Investments			
Holdings in Group undertakings	9.10	0.61	0.61
Other shares and holdings	9	0.02	0.02
		0.63	0.63
CURRENT ASSETS			
Inventories			
Raw materials and supplies		0.97	1.26
Work in progress		2.96	2.58
Finished products		1.77	3.61
		5.70	7.46
Receivables			
Long-term			
Receivables from other group companies			
Other receivables	11	0.71	0.85
		0.00	0.00
		0.71	0.85
Short-term			
Trade receivables		6.90	9.90
Receivables from parent company	11	0.02	0.01
Receivables from other group companies	11	0.04	0.01
Deferred expenses and accrued income		1.64	1.18

		8.60	11.11
Cash in hand and at banks		9.39	7.19
TOTAL ASSETS		53.92	53.87

MEUR

SHAREHOLDERS' EQUITY AND LIABILITIES

Shareholders' equity			
Share capital	12	6.19	6.19
Share premium account	12	3.45	3.45
Retained earnings	13	27.26	21.50
Net profit for the year	13	-0.19	7.70
Total shareholders' equity		36.71	38.84
Appropriations			
Depreciation reserve		10.88	6.61
Short-term liabilities			
Loans from financial institutions		0.00	0.00
Trade payables		1.76	3.85
Debts to parent company		0.04	0.00
Debts to other group companies	14	0.62	0.54
Other short-term liabilities		0.42	0.83
Accrued expenses and deferred income	15	3.49	3.20
		6.33	8.42
Total liabilities		6.33	8.42
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES		53.92	53.87

PARENT COMPANY CASH FLOW STATEMENT, FAS

MEUR	2009	2008
Cash flows from operating activities		
Operating profit (loss)	-0.19	7.70
Depreciation according to plan	4.56	3.87
Financial income and expenses	-0.08	-0.27
Income taxes	0.00	2.72
Other "corrections"	4.27	0.65
Cash flow before change in net working capital	8.56	14.67
Change in net working capital		
Current trade receivables, increase (+)/ decrease (-)	2.53	4.11

Inventories, increase (+)/ decrease (-)	1.76	4.44
Current liabilities, increase (+)/ decrease (-)	-2.10	-3.73
	2.19	4.83
Cash flow from operations before financial items and taxes	**10.75**	**19.50**
Interest and other financial expenses paid for operating activities	-0.16	-0.17
Interest and other financial income received from operating activities	0.24	0.44
Direct taxes paid	0.00	-3.64
Net cash flows from operating activities (A)	**10.83**	**16.14**
Cash flows from investing activities		
Investments in tangible and intangible assets	-6.84	-9.63
Proceeds from sale of tangible and intangible assets	0.00	0.00
Repayments of outstanding loans	0.14	-0.05
Net cash flows used in investing activities (B)	**-6.70**	**-9.68**
Cash flows from financing activities		
Repayments of current loans	0.00	-0.73
Repayments of non-current loans	0.00	0.00
Dividends paid and other distribution of profits	-1.93	-5.56
Net cash flows used in financing activities (C)	**-1.93**	**-6.29**
Net increase / decrease in cash and cash equivalents(A+B+C)	**2.20**	**0.17**
Cash and cash equivalents at end of year	7.19	7.02
Cash and cash equivalents at beginning of year	9.39	7.19
Net increase / decrease in cash and cash equivalents	**2.20**	**0.17**

NOTES TO THE FINANCIAL STATEMENTS, PARENT COMPANY, FAS

Parent Company Financial Statements has been prepaired in accordance with the Finnish accounting legislation.

MEUR	2009	2008
1. NET SALES BY GEOGRAPHICAL SEGMENTS		
Finland	34.13	59.42
Other countries	27.37	39.81
Total	61.50	99.23
OTHER OPERATING INCOME		
Insurance compensation, costs	0.00	1.63
Other revenue	0.04	0.06
Total	0.04	1.69

2. EXTERNAL SERVICES

Subcontractor expenses	1.63	7.49
Maintenance expenses	0.52	1.00
Total	2.15	8.49

3. PERSONNEL

Wages and salaries	9.52	11.66
Pension costs	2.04	1.91
Other social security expenses	0.76	1.03
Total	12.32	14.60

Fringe benefit	0.16	0.16
Total	0.16	0.16

Salaries and emoluments paid to Board Members and Managing Directors	0.45	0.28

Employees, average	207	308

4. FINANCIAL INCOME AND COSTS

Other interest income		
From Group companies	0.02	0.04
Others	0.09	0.21
Total interest income	0.11	0.25

MEUR	2009	2008
Other financial income		
Others	0.12	0.19
Total other financial income	0.12	0.19
Interest expenses		
Others	0.01	0.02
Total interest expenses	0.01	0.02
Other financial expenses		
Others	0.15	0.15
Total financial expenses	0.15	0.15

5. INCOME TAX

Direct taxes		
From the fiscal year	0.00	2.72
Total	0.00	2.72

6. DEPRECIATION

Depreciation is based on the economic life-span of various assets as follows:

Intangible rights	3 - 5 years
Other long-term expenditure	3 - 10 years
Buildings	10 - 20 years
Factory machinery	5 - 20 years
Factory equipment and tools	3 - 5 years
Office machines and other equipment	3 - 10 years
Other tangible assets	20 years

MEUR	2009	2008
Depreciation according to plan:		
Intangible assets		
Intangible rights	0.40	0.41
Goodwill	0.12	0.00
Other long-term expenditure	0.11	0.09
Consolidated goodwill		
Tangible assets		
Buildings	3.90	0.04
Machinery and equipment	0.03	3.31
Other tangible assets	0.00	0.01
Total	4.56	3.87

Change in depreciation reserve:		
Intangible assets		
Intangible rights	0.01	0.01
Other long-term expenditure	0.01	0.02
Tangible assets		
Buildings	0.02	0.06
Machinery and equipment	4.24	0.58
Other tangible assets	-0.01	-0.01
Total	4.27	0.65

7. INTANGIBLE ASSETS

Intangible rights		
Acquisition cost, Jan 1	4.48	4.15
Additions	0.11	0.27
Disposals	0.00	0.00
Accumulated depreciation according to plan, Dec 31	-3.67	-3.22
Book value, Dec 31	0.92	1.21
Goodwill		
Acquisition cost, Jan 1	4.60	4.60
Additions	0.00	0.00
Disposals	0.00	0.00
Accumulated depreciation according to plan, Dec 31	-4.60	-4.60
Book value, Dec 31	0.00	0.00

MEUR	2009	2008
Other long-term expenditure		
Acquisition cost, Jan 1	1.78	1.50
Additions	0.16	0.24
Disposals	0.00	0.00
Accumulated depreciation according to plan, Dec 31	-1.38	-1.23
Book value, Dec 31	0.56	0.51
Advance payments		
Acquisition cost, Jan 1	5.43	0.80
Additions	0.51	0.00
Disposals	-5.94	-0.80
Book value, Dec 31	0.00	0.00

8. TANGIBLE ASSETS

Buildings		
Acquisition cost, Jan 1	1.58	0.40
Additions	0.51	1.18
Disposals	0.00	0.00
Accumulated depreciation according to plan, Dec 31	-0.41	-0.30
Book value, Dec 31	1.68	1.27
Machinery and equipment		
Acquisition cost, Jan 1	64.08	53.15
Additions	10.47	10.93
Translation difference	0.00	0.00
Disposals	0.00	-0.01
Accumulated depreciation according to plan, Dec 31		

	-49.88	-45.95
Book value, Dec 31	24.67	18.12

Other tangible assets		
Acquisition cost, Jan 1	0.32	0.32
Additions	0.35	0.00
Disposals	0.00	0.00
Accumulated depreciation according to plan, Dec 31	-0.26	-0.23
Book value, Dec 31	0.41	0.09

Construction in progress		
Acquisition cost, Jan 1	8.40	8.40
Additions	0.67	5.43
Disposals	-8.40	-8.40
Book value, Dec 31	0.67	5.43

MEUR	2009	2008
9. INVESTMENTS		
Holdings in Group companies		
Acquisition cost, Jan 1	0.61	0.61
Additions	0.00	0.00
Disposals	0.00	0.00
Book value, Dec 31	0.61	0.61
Other shares and holdings		
Acquisition cost, Jan 1	0.02	0.02
Additions	0.00	0.00
Disposals	0.00	0.00
Book value, Dec 31	0.02	0.02

10. SPECIFICATION OF SHARES OWNED BY THE COMPANY

Nordic Aluprofiler AB, Sweden	100%	100%
Nordic Aluminium, Inc., USA	100%	100%

11. RECEIVABLES FROM GROUP COMPANIES

From parent company		
Trade receivables	0.01	0.01
From others		
Trade receivables	0.04	0.01
Loan receivables		

	0.72	0.85
	0.77	0.86

12. SHAREHOLDERS' EQUITY

Share capital, Jan 1	6.19	6.19
Increase in share capital	0.00	0.00
Share capital, Dec 31	6.19	6.19
Share premium account, Jan 1	3.45	3.45
Change	0.00	0.00
Share premium account, Dec 31	3.45	3.45

MEUR	2009	2008
Retained earnings, Jan 1	29.19	27.06
Dividend	-1.94	-5.56
Net profit for the year	-0.19	7.70
Total profits, Dec 31	27.06	29.19

13. DISTRIBUTABLE RETAINED EARNINGS

Retained earnings	27.26	21.50
Net profit for the year	-0.19	7.70
Non-restricted shareholders' equity	27.07	29.19
Distributable earnings	27.07	29.19

14. LIABILITIES TO GROUP COMPANIES

To parent company		
Trade payables	0.03	0.00
To others		
Trade payables	0.62	0.54
	0.65	0.54

15. ACCRUED LIABILITIES

Accrued income tax	0.00	0.00
Salaries and related	1.34	1.81
Others	2.15	1.40
	3.49	3.20

16. CONTINGENT LIABILITIES

Security provided for other company liabilities
Financial assets pledged

	0.02	0.02
Collaterals given to Bankers	0	0.56
	0.02	0.58

MEUR	2009	2008
Commitments and contingencies		
Rental and leasing liabilities		
Due in the next financial year	2.20	2.42
Due later	5.25	7.31
Total	7.45	9.73
Consignation liability	0.33	0.19

17. CONDITIONAL DEPT

The insurance company for the owner of the plant has stated a regression demand for Eur 7,1 millon due to the fire in the anodizing plant in June 2007. The demand is based on the total cost for the insurance company. Nordic Aluminium's view is that the demand is groundless.