

Synergic industrial investments

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This brochure includes a summary of Neomarkka Plc's financial information. The Official/complete annual report has been published in a separate review and can also be seen on Neomarkka's website.

Neomarkka in Brief

Neomarkka Plc is an investment company that invests mainly in industrial companies with similar synergic benefits. The aim of investments is with active ownership to develop the purchased companies and establish additional value. Returns are sought both through dividend flow and an increase in value. The company can also invest in listed and unlisted securities and real estates. Neomarkka's B shares are listed on the OMX Nordic Exchange Helsinki main market.

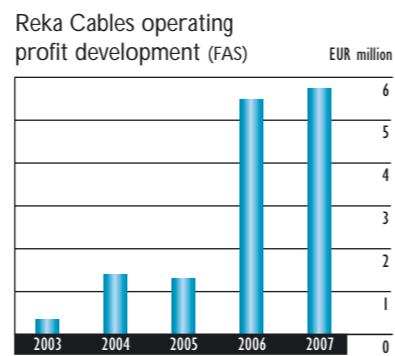
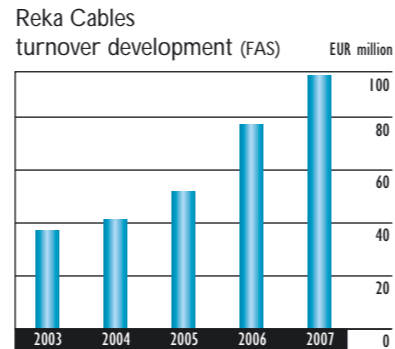
The company's first investment was concluded in May to cable industry, in which a significant increase in middle- and high voltage cables and in the Russian market is expected.

Dividend policy

The target is to use at least 30% of annual net profit for dividend payments.

- May** Neomarkka decided on a new strategy. According to the new strategy the firm is an investment company that targets long-term industrial investments.
- June** The firm started implementing the new strategy by purchasing Reka Cables Ltd.
- June -autumn** The company sold its direct hedge fund, share- and share fund investments.
- August** Further expansion of the Riihimäki production plant was decided upon.
- Autumn** Cable production began at the Russia factory.
- October** The company invested in Nestor Cables Ltd, which supplements Reka Cables Ltd's range of data cable products.

Key figures	2007	2006
Turnover, EUR million, of which	62.4	8.0
- Gains and losses from trade of financial assets	5.4	8.0
- Cable business turnover		57.1
Operating profit, EUR million, of which	4.2	6.6
- Trade of financial assets	4.1	6.6
- Cable business	0.1	
Result for the financial year, EUR million	1.2	3.9
Earnings per share, EUR	0.19	0.64



Managing Director's Review

Main emphasis on industrial investments

2007 was a year of change for Neomarkka and marked a new beginning. In May 2007 a decision was taken on a new strategy: Neomarkka would give up a major part of its investments in securities during the summer and autumn and start investing in companies engaging in industrial business.

First investment in the cables industry

The company's first industrial investment was the purchase of Reka Cables Ltd in June 2007.

Reka Cables is a major manufacturer of installation and power cables in the Nordic countries, Russia and the Baltic countries. It provides cables for industry, builders and electricity companies. It has over 40 years of experience in Finland and a strong market position. Apart from its production facilities in Hyvinkää, Keuruu and Riihimäki in Finland, the company has a production plant in Podolsk, Russia. More than half of all production in Finland is exported. The company's goal is to grow in Finland and other Nordic countries by improving operations, expanding existing production plants and by building new ones.

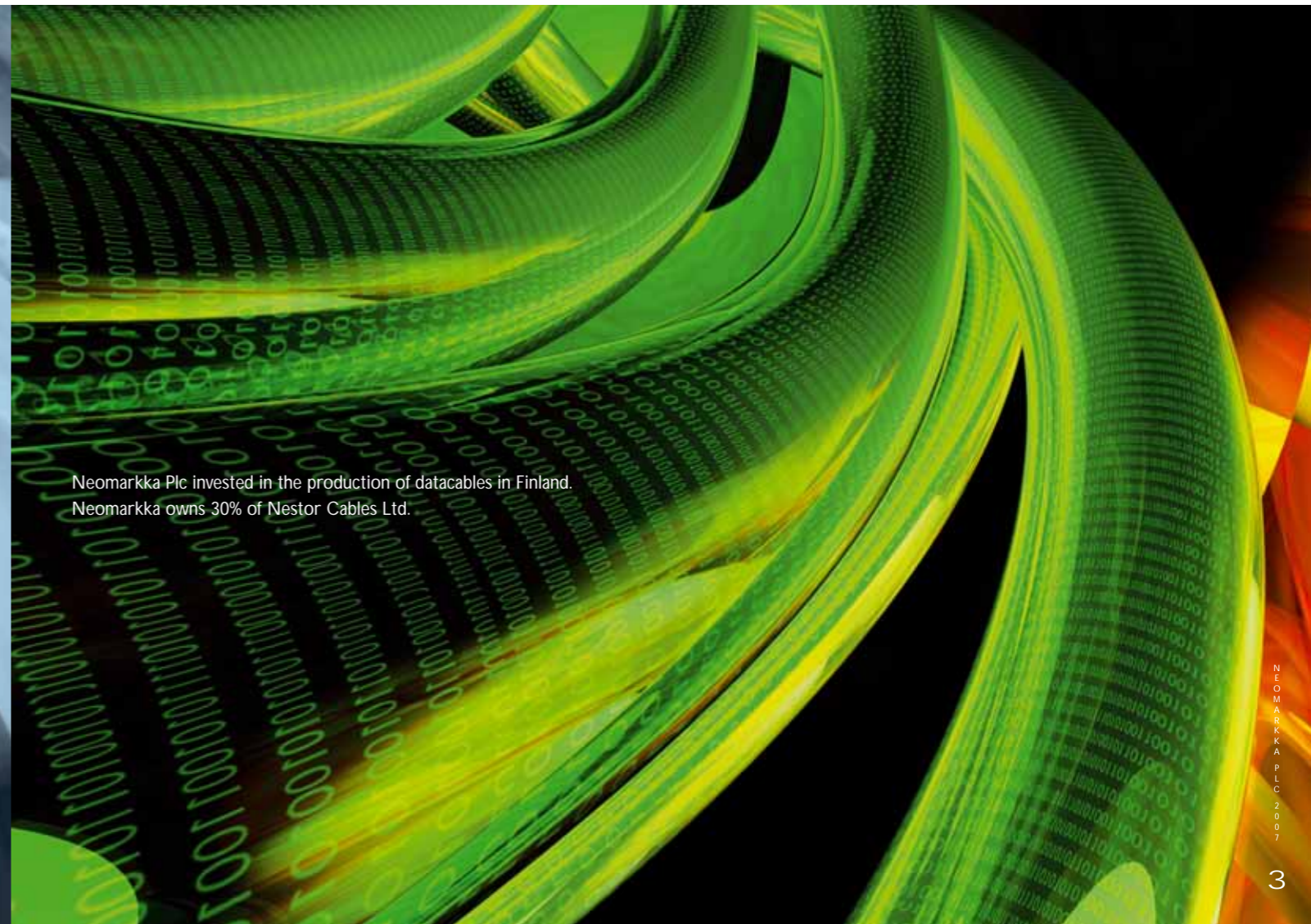
With the increasing importance of data transmission, the cables industry has become a rapidly growing sector, since the transmission of electricity and information are fundamental conditions for a competitive, smoothly functioning society. New applications and innovations are needed continuously. The growth is the most vigorous and

fastest in countries that are still developing their infrastructure, such as Russia and the Baltic countries.

The cable industry in Russia is extremely fragmented and the market is divided among dozens of manufacturers. In my opinion, Reka Cables is in a good position to gain a strong foothold on this market. The Podolsk plant went on stream in autumn 2007. The operations started extremely well and deliveries made a good start. New machinery is scheduled for installation at the beginning of 2008, which will allow the product range to be extended. The plant's strengths include its good location near Moscow, which facilitates distribution and the recruitment of skilled personnel. The plant has received all the approvals and recommendations required by the authorities for its operations. The plant is an important manufacturer of power cables in the Moscow area, and its western cost-effectiveness is unmatched compared with local manufacturers.

Growth in Russia

Reka Cables aims to be among the five biggest cable manufacturers in Russia in five years' time. There is a good chance of success, since the company is profitable and operates in a growing sector with the possibility of further investments. The Russian market is growing rapidly as the country's infrastructure, industry and housing keep developing. Faced with competition, Reka Cables benefits from its expertise in logistics and customer management and its good reputation. Neo-



Neomarkka Plc invested in the production of data cables in Finland. Neomarkka owns 30% of Nestor Cables Ltd.

markka could invest and develop the existing plant but it may also invest in local expertise if the opportunity arises and the investment concerned meets its strategic criteria.

More investment decisions to support strategy

During the autumn, a few new investment decisions were made in order to achieve the growth targets. In October, Neomarkka invested in Nestor Cables Ltd, a new production plant manufacturing telecables to be established in Oulu. The plant will manufacture optic and copper cables needed for the construction of telecommunications networks and instrumentation cables needed for industrial automation. Production will start in April 2008. Neomarkka owns 30% of the new company, and the investment is in keeping with the company's new strategy. It will expand the product range of the subsidiary Reka Cables and offer synergic advantages in expertise and customer acquisition. Demand for optic and copper cables will increase by 5-8% per year in Finland, Sweden and the Baltic countries.

In August, Neomarkka decided to extend Reka Cables Ltd's production facilities in Riihimäki. This will help double the production of medium- and high-voltage cables and thus meet the increasing demand on the market.

Investments in securities support industrial operations

The year started out well in the Stock Exchange but deteriorated towards the end as economic growth in the US began to ebb as a

result of the credit crunch. This has caused increased uncertainty on the market about the continuation of global growth. This uncertainty was reflected in the returns on our investments in securities.

As a consequence of the change in strategy, we sold all our direct investments in hedge funds and listed equities and equity funds during the summer and autumn, discontinuing our own hedge fund portfolio management. The money from the sale is currently in short-term investments, fixed-income funds and hedge funds offered by banks and banking firms. The value of Neomarkka's investments in securities came to some EUR 37 million at the turn of the year, and holdings in unlisted telephone companies stood at some EUR 4 million at the end of the year. Our goal is to reduce investments in securities insofar as suitable industrial investment targets are found. We operate in two business areas, but in the future our investments in securities will consist primarily of the active management of cash and cash equivalents.

Good springboard for increasing shareholder value

We are now taking the first steps in our new strategy. Our goal is to implement it systematically, to increase Neomarkka's value and generate a return per share that exceeds the average market return. For this we must make investment decisions in the future that will bring synergies and make decisions that will create added value in the industrial companies we already own.

Our subsidiary Reka Cables is already a major manufacturer and marketer of installation and power cables in the Nordic countries,

Russia and the Baltic countries. Our goal is vigorous, profitable growth in these product lines and in these market areas. I believe that the importance of Russia is going to increase rapidly and that Russia will account for a substantial proportion of our turnover in a few years.

At Reka Cables we have developed new products and renewed production machinery. Our strengths include high quality, good service and the ability to react quickly and flexibly to customer needs.

Demand for cables required by telecommunications will grow in the future, and the purchase of the shares in Nestor Cables was our first investment in this sector. By implementing our new strategy systematically we will create the conditions for a good financial performance in the future, and Neomarkka's shares will offer shareholders substantial returns and attractive dividends.

Return to industrial investments means returning to the roots

Neomarkka's history is related to the merger of Oy Lännen Metsä Ab and Sijoitus Forestia AB into Oy Metsämarkka Ab, which in 1997 was a development and investment company investing primarily in the forest industry. It was owned by Metsäliitto Cooperative and listed on the I List of the Helsinki Stock Exchange. In 1998 Norvestia plc became its main owner. Its name was changed to Neomarkka and its investments focused on the telephone and local government sectors. The infrastructure in Finnish local government did not, however, develop according to the expectations of the investment strategy, and

the company extended its strategy to listed equities, fixed-income investments and derivative financial instruments. In 2003 investments were concentrated primarily on absolute return funds i.e. hedge funds. In September 2004 Neomarkka moved to the main market of the OMX Nordic Exchange Helsinki. Norvestia sold its shares in Neomarkka on 30 November 2005 to the family-owned Reka Ltd, which increased its holding on 23 May 2007 by purchasing most of the Neomarkka shares held by Metsäliitto. After this transaction Reka Ltd is now Neomarkka's biggest shareholder with a holding of 50.76% of the shares and 65.77% of the votes. This makes Neomarkka part of the Reka Group.

As a company, Neomarkka has undergone many changes and has also changed hands frequently since 1997. Now the company has

returned to its roots as a company that invests in industry and is making a fresh start. There are no other investment companies with a similar strategy on the OMX Nordic Exchange Helsinki main market. I believe we can offer both long-standing and new owners an interesting investment alternative as a company investing in industrial production.

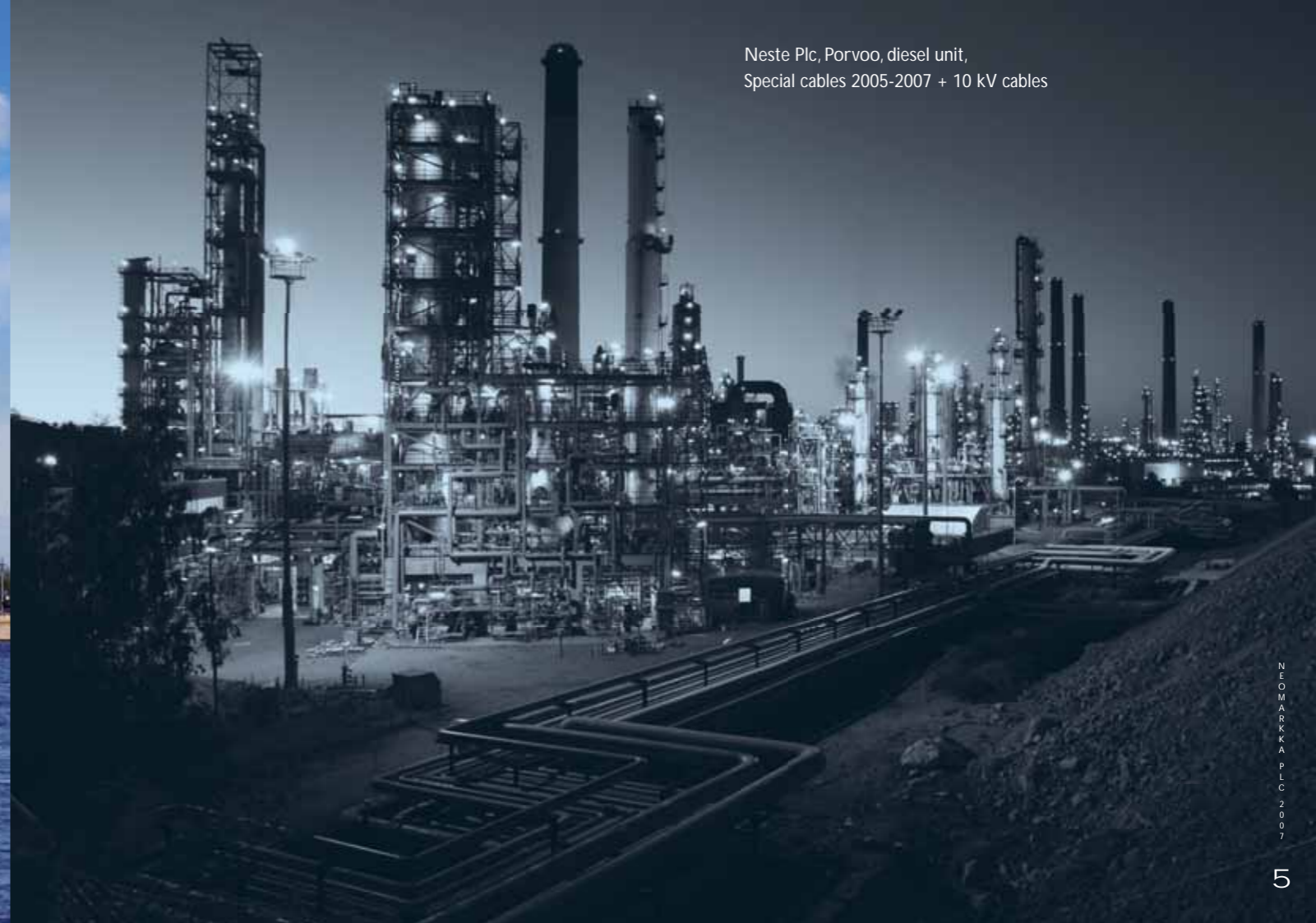


Markku E. Rentto
Managing Director

Reka Cables aims to be among the five biggest cable manufacturers in Russia in five years' time.



Neste Plc, Porvoo, diesel unit, Special cables 2005-2007 + 10 kV cables



Strategy of Industrial Growth

Neomarkka decided on a new strategy of growth in May 2007. Under this new strategy, the company gave up a major part of its investments in securities during the summer and autumn and started investing in companies engaging in industrial business. The goal is to grow into a major Finnish investment company. The target is to develop and raise the value of the companies purchased through active ownership; financing, professional administration and making change. The return on the investments is sought through dividend and increase in value.

The aim is to invest in the next few years in two to three industrial companies which have functional similarities. The investment targets must further have a good market position or distinct potential for strengthening their existing position, and also a good reputation and potential for diversifying their product range or for expanding their operations geographically.

Investments will be concentrated in the Nordic countries, Russia

and the Baltic countries, which offer interesting opportunities for investing in industrial operations and for increasing value. Active efforts to find suitable investment targets are already under way in cooperation with various experts. Decisions will be made on a case-by-case basis. The investments are long-term, and exits will not be made until Neomarkka can no longer add value to the company concerned.

Risks materialize in business operations

The new strategy means new types of risk. In the future, Neomarkka's risks will primarily be related to expertise in industrial operations and development of operations. There will be risks relating to the business of the companies owned, such as international economic growth, foreign exchange fluctuation, prices of raw materials and energy, and country-specific risks. The company's

Board of Directors guides and supervises the proper arrangement of risk management.

Structure of the company and its ownership

Neomarkka has two business areas: industrial investments and investments in securities. The primary purpose of the investments made in securities is management of the company's liquid assets. Neomarkka

is a group that through its subsidiaries Alnus Ltd and Novalis Plc owns and manages Reka Cables Ltd and provincial telephone companies.

Neomarkka has some 13,000 shareholders. Its biggest owner is Reka Ltd, which owns 50.76% of the shares and 65.77% of the votes. Neomarkka is part of the Reka Group.

Corporate governance

Neomarkka's governance is based on Finnish law and its own Articles of Association. It complies with the Corporate Governance recommendation for listed companies that came into force on 1 July 2004, the rules and regulations issued by Financial Supervision and the rules and regulations of OMX Nordic Exchange. Neomarkka also complies with the OMX Nordic Exchange Helsinki insider regulations.

Neomarkka does not have a separate internal audit department. An Audit Committee has been set up under the supervision of the Board of Directors for purposes of internal auditing.

Communications

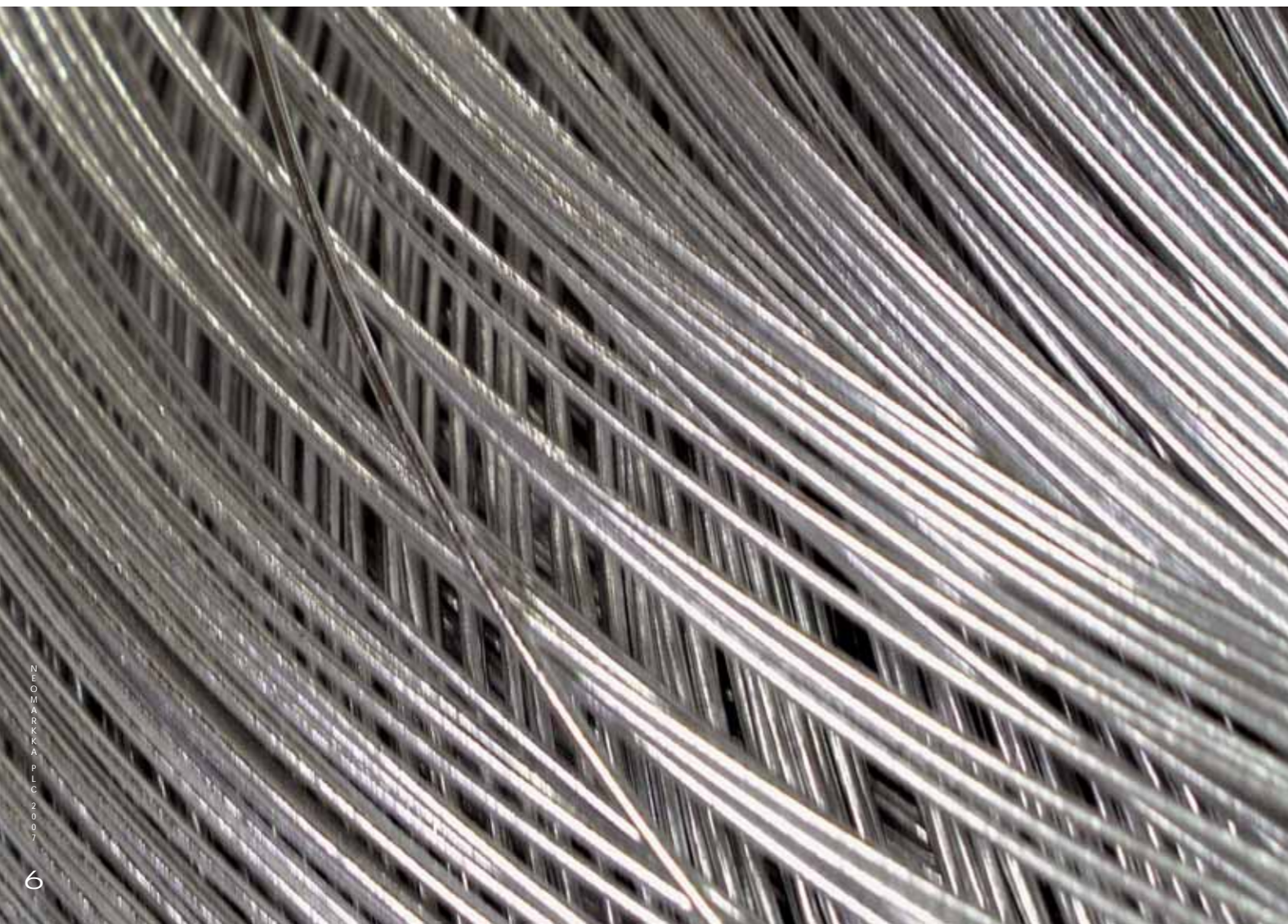
Essential information on the Neomarkka management and governance system is published on the company website at www.neomarkka.fi. Stock exchange and media releases are published on the website as soon as they are released. Releases can be ordered via the website. In 2007, the company published 28 releases. The website also contains a release archive starting from 1999.

Investment strategy objectives

- to improve Neomarkka's profitability through successful investment
- to increase share value and turnover on the OMX Nordic Exchange Helsinki.

According to the strategic principles investments are made in

- companies that produce end products or semi-finished products
- companies whose operating logic has similarities with previous investments and allows for synergic benefits in sales, marketing and distribution with companies already purchased
- companies with significant growth potential.



Posiva Oy, the nuclear waste repository at Olkiluoto 2005-2007.
1 kV FRHF (fireproof) and 20 kV HF cables

Investor Relations Calendar

The Annual General Meeting

The Annual General Meeting will be held on 11 June 2008 at 12.00.
The address is Niinistökatu 8-12, 05800 Hyvinkää.

Interim reports

Neomarkka will publish its interim reports in 2008 on its website.
Interim reports can also be ordered from the company offices.

Publication dates:

January – March	8 May 2008
January – June	5 August 2008
January- September	10 November 2008



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