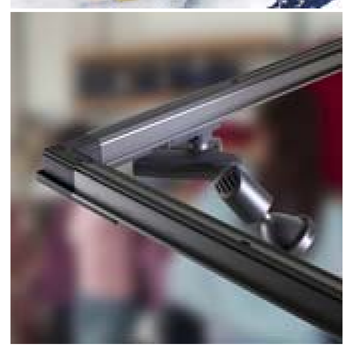
NORDIC ALUMINIUM

Annual Report 2007



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 over 40 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 2007

Nordic Aluminium's profit development continued its positive trend, and the Company made a record turnover and operative result.

The turnover increased by 10.6 per cent compared to the previous year totalling at EUR 106.84 million. High demand in aluminium products and good growth in lighting track products, one of the Company's key business areas contributed to the sales growth.

Net profit was EUR 14.81 million (EUR 8.06 million). The net profit included EUR 3.6 of non-recurring gain due to the fire in the anodizing plant. In combination with the start of a new ERP system non-recurring costs of EUR 1.2 million were booked in inventories during the last quarter.

The fire in the anodizing plant early June placed big demands on the operative processes. The subcontracting of compensating production started rapidly with the help

of co-operation partners and succeeded reasonably well although the Company's service level decreased, due to the logistical challenges and prolonged delivery cycles. The replacement investment was conducted within a tight time frame and the new plant is operative as of March 2008.

Investments in 2007 were on a high level EUR 12.80 million. Insurance coverage based on the fire in the anodizing plant amounted to EUR 6.4 million of above mentioned investments. Investments were focused on automation solutions, processing capacity improvement and capacity increase in the lighting track production.

The Company has started a considerable investment program of approximately EUR 10 million during 2008. The program includes increase of automation levels in packaging and logistics as well as investments in renewal of an extrusion line. The extrusion line is expected to increase efficiency and capacity from beginning of 2009.

Key targets for the current year are improving the service level and increasing the operative efficiency.

The market demand is expected to continue at a good level during the first half of the year, in spite of risks related to the possible uncertainty in the development of the world economy and its influence on market demand.

The Company aims at a good profit development for the whole year.

Kirkkonummi, March 2008,
Robert Paajanen, Managing Director and CEO

Corporate Governance

In July 1, 2004 Nordic Aluminium took into use Corporate Governance recommended by the OMX Helsinki Exchanges, 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

Number of Board Members

In accordance with the Company's Articles of Association the Board of Directors shall consist of at least three (3) members and maximum seven (7) members.

The Recommendation proposes a minimum of five (5) board members.

The Ordinary General Meeting of Shareholders held on March 29, 2007 re-elected the previous Board of Directors and ratified the number of Board Members to be three (3). Taking into consideration the Company's ownership structure and the range of the Company's business, it has been deemed that a Board of Directors consisting of three (3) members is sufficient and is able to effectively attend to its tasks.

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, 66,29 % of the Company's shares and votes. The Company's Managing Director Robert Paajanen is additionally a member of the Board of Directors and is thus dependent of the Company. Eric Westerlund is the Board of Directors' only independent member.

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 dating back close to 20 years. Nordic Aluminium Oyj and Oy Lival Ab adhere to the modes and practices applied in their businesses including the arms-length principle.

Fees to the Auditors

The fees paid to Ernst & Young Ltd. and other auditors during 2007 for auditing, were EUR 87 614 and fees for services unrelated to auditing were EUR 0.

Auditor's Report

To the shareholders of Nordic Aluminium plc

We have audited the accounting records, the report of the Board of Directors, the financial statements and the administration of Nordic Aluminium Plc for the financial year 2007. The Board of Directors and the Managing Director have prepared the consolidated financial statements, prepared in accordance with International Financial Reporting Standards as adopted by the EU, as well as the report of the Board of Directors and the parent company's financial statements, prepared in accordance with prevailing regulations in Finland, containing the parent company's balance sheet, income statement, cash flow statement and notes to the financial statements. Based on our audit, we express an opinion on the consolidated financial statements, as well as on the report of the Board of Directors, the parent company's financial statements and the administration.

We conducted our audit in accordance with Finnish Standards on Auditing. Those standards require that we perform the audit to obtain reasonable assurance about whether the report of the Board of Directors and the financial statements are free of material misstatement. An audit includes examining on a test basis evidence supporting the amounts and disclosures in the report and in the financial statements, assessing the accounting principles used and significant estimates made by the management, as well as evaluating the overall financial statement presentation. The purpose of our audit of the administration is to examine whether the members of the Board of Directors and the Managing Director of the parent company have complied with the rules of the Companies Act.

Consolidated financial statements

In our opinion the consolidated financial statements, prepared in accordance with International Financial Reporting Standards as adopted by the EU, give a true and fair view, as defined in those standards and in the Finnish Accounting Act, of the consolidated results of operations as well as of the financial position. The consolidated financial statements can be adopted.

Parent company's financial statements, report of the Board of Directors and administration

In our opinion the parent company's financial statements and the report of the Board of Directors have been prepared in accordance with the Finnish Accounting Act and other applicable Finnish rules and regulations. The parent company's financial statements and the report of the Board of Directors give a true and fair view of the parent company's result of operations and of the financial position. The report of the Board of Directors is consistent with the consolidated financial statements.

The parent company's financial statements can be adopted and the members of the Board of Directors and the Managing Directors of the parent company can be discharged from liability for the period audited by us. The proposal by the Board of Directors regarding the disposal of distributable funds is in compliance with the Companies Act.

Helsinki, February 27, 2008

Tomi Englund
Authorized Public Accountant

Lars Winberg
Authorized Public Accountant

Key figures

	IFRS				FAS	
Extent of operations	2007	2006	2005	2004	2004	2003
Net sales, MEUR	106,84	96,57	80,77	74,49	74,49	73,05
Change, %	10,6	19,6	8,4	2,0	2,0	-6,5
Exports and international oper., % of net sales	40,6	39,1	38,2	38,3	38,3	38,2
R&D expenditure, MEUR	0,48	0,47	0,60	0,90	0,92	1,37
% of net sales	0,5	0,5	0,7	1,2	1,2	1,9
Gross investments, MEUR	12,80	2,42	2,79	3,95	3,83	1,33
% of net sales	12,0	2,5	3,5	5,3	5,1	1,8
Personnel, average	306	311	313	367	367	407
Net sales/employee, MEUR	0,35	0,31	0,26	0,20	0,20	0,18
Order book, MEUR	7,74	7,95	5,44	4,45	4,45	4,29
Profitability						
Operating profit, MEUR	20,02	11,07	8,648	6,33	5,73	3,9
% of net sales	18,7	11,5	10,7	8,5	7,7	5,3
Profit before extraordinary items, MEUR	20,02	10,94	8,819	6,06	5,48	3,58
% of net sales	18,7	11,3	10,9	8,1	7,4	4,9
Profit before taxes, MEUR	20,07	10,94	8,819	6,06	5,48	3,58
% of net sales	18,8	11,3	10,9	8,1	7,4	4,9
Net profit, MEUR	14,81	8,06	6,65	4,68	4,12	2,6
% of net sales	13,9	8,3	8,2	6,3	5,5	3,6
Return on equity, % (ROE)	40,6	27,4	28,4	22,7	20,1	13,2
Return on capital invested, % (ROI)	53,1	33,7	32,0	23,0	21,0	13,5
Per share data						
Basic earnings per share, EUR	3,06	1,70	1,44	1,01	0,89	0,56
Diluted earnings per share, EUR	3,06	1,70	1,42	1,01	0,89	0,56

Dividend/share, EUR	*1,15	0,85	0,65	0,50	0,5	0,60
Dividend to earnings ratio, %	*37,5	50,0	45,8	49,6	56,3	106,3
Effective dividend yield, %	*4,0	4,2	4,2	5,2	5,2	6,8
Equity/share, EUR	9,02	6,96	5,61	4,73	4,63	4,39
P/E-ratio	9,5	11,8	10,9	9,6	10,8	15,7
Share quotations						
Year's lowest, EUR	19,50	15,05	9,44	8,31	8,31	5,80
Year's highest, EUR	35,50	21,50	15,50	11,00	11,00	8,84
Year's average, EUR	27,82	18,57	12,32	9,70	9,70	8,19
Average quotation, last trading day, EUR	29,40	19,77	15,50	9,72	9,72	8,54
Market capitalization, MEUR	140,3	97,2	71,7	44,5	44,5	40,8
Other share data						
Nominal value, EUR/share	1,28	1,28	1,28	1,28	1,28	1,28
Taxation value, EUR/share	-	-	10,5	6,86	6,86	5,92
Turnover of shares, million shares	0,4	0,8	0,5	0,6	0,6	2,1
Dividend distribution, MEUR	*5,6	4,1	3,0	2,3	2,3	2,8
Financing and financial position						
Current ratio	2,8	2,7	1,9	1,6	1,7	1,5
Internal funding ration for investments, %	194	616	488	305	251	674
Equity/assets ratio, %	75,6	72,0	62,3	57,6	57,7	50,5
Interest-bearing liabilities, MEUR	0,90	2,22	3,75	6,22	5,83	6,82
Gearing, %	-14,4	-13,5	-6,0	17,4	16,0	13,9
Balance sheet total, MEUR	57,72	45,83	42,23	38,06	37,18	40,11

*The Board's proposal to the Annual General Meeting convening on April 1, 2008.

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

Formulae 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):

$$\frac{\text{Profit before taxes ./. Taxes for the financial year}}{\text{Shareholders' equity + accrued appropriations}} \times 100$$

Return on capital invested (ROI):

$$\frac{\text{Profit before extraordinary items + interest expenses and other financial expenses}}{\text{Balance sheet total ./. non-interest-liabilities}} \times 100$$

Current ratio:

$$\frac{\text{Inventories and financial assets}}{\text{Current liabilities}}$$

Internal funding of investments:

$$\frac{\text{Funds generated from operations from the consolidated cash flow statement}}{\text{Gross investments}} \times 100$$

Equity ratio:

$$\frac{\text{Shareholders' equity + accrued appropriations}}{\text{Balance sheet total less advances received}} \times 100$$

Gearing:

$$\frac{\text{Interest-bearing liabilities at year end less cash in hand and at banks at year end}}{\text{Shareholders' equity at year end}} \times 100$$

Formulae for calculation of adjusted share-related indicators

Basic earnings per share:

$$\frac{\text{Profit before taxes ./. Taxes for the financial year}}{\text{Average number of shares during the year}}$$

Diluted earnings per share:

$$\frac{\text{Diluted profit before taxes ./. Taxes for the financial year}}{\text{Dilution-adjusted average number of shares during the year}}$$

Net profit per share:

$$\frac{\text{Profit before taxes less taxes from income statement}}{\text{Dilution-adjusted average number of shares during the year}}$$

Nominal dividend per share:

Dividend declared for the period per share

Dividend to earnings ratio:

$$\frac{\text{Adjusted dividend per share}}{\text{Earnings per share}} \times 100$$

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, 2007

The year in brief

The profit development continued its positive trend, and the Company made a record turnover and result. Focusing on core operations and increasing the added value influenced the positive result.

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 2007 grew to EUR 106.84 million from EUR 96.57 million in the previous year. High demand in aluminium products and good growth in lighting track products, one of the Company's key business areas contributed to the sales growth.

The operative profit developed positively during the fiscal year. In combination with the start of a new ERP system non-recurring costs of EUR 1.2 million were booked in inventories during the last quarter.

The share of exports and international operations were 40.6 per cent of net sales as compared with 39.1 per cent the year before. The major export markets in 2007 were Western Europe, the Nordic countries, Russia and North America.

Net sales per employee was EUR 0.35 million (EUR 0.31 million).

Consolidated operating profit was EUR 20.02 million. The corresponding figure for the year before was EUR 11.07 million.

Order backlog

Nordic Aluminium's order book at the end of 2007 stood at EUR 7.74 million (EUR 7.95 million).

Research and development

Nordic Aluminium's research and development expenses in 2007 were EUR 0.50 million (EUR 0.47 million), 0.5 per cent of net sales (0.5 per cent).

Investments

Gross investments in 2007 were EUR 12.80 million (EUR 2.42 million). Insurance coverage based on the fire in the anodizing plant amounted to EUR 6.4 million of above mentioned investments.

Profitability

Return on investment (ROI) in Nordic Aluminium in 2007 was 53.1 per cent (33.7 per cent) and return on equity (ROE) was 40.6 per cent (27.4 per cent). Diluted earnings per share were 3.06 euros (1.70 euros). Equity per share was 9.02 euros (6.96 euros).

Comparable figures to previous fiscal year (2006) corrected with the effects of the fire in the anodizing plant are: Return on investment (ROI) 40.1 %, return on equity (ROE) 30.5 and diluted earnings per share 2.30.

Balance sheet and financing

The consolidated balance sheet total at the end of the 2007 fiscal year was EUR 57.72 million (EUR 45.83 million). The positive profit development clearly strengthened the balance sheet structure. Interest bearing liabilities were EUR 0.90 million (EUR 2.22 million), and gearing -14.4 per cent (-13.5 per cent). Equity ratio was 75.6 per cent (72.0 per cent). Cash flow from operations before interests and taxes was EUR 21.72 million (EUR 9.29 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.

During the second half of the year the Company has had special focus on fire security and has concentrated on schooling of personnel as well as development of extinguishing equipment.

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 it's influence on market demand.

Environmental Issues

Nordic Aluminium Plc is trying continuously to reduce environmental influences. Lloyd's Register Quality Assurance has approved our Environmental Management System to the following Environmental Management System Standards: ISO 14001:1996. The certificates are valid until December 31st, 2008. The Company does not have any substantial environmental risks.

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

Annual General Meeting

The Annual General Meeting of Nordic Aluminium Plc on March 29, 2007 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 2006 EUR 0.85 per share (EUR 0.65) or a total of EUR 4.11 million.

The Annual General Meeting elected Stig Lival-Lindström, Robert Paajanen and Eric Westerlund regular members of the Board of Directors. The board elected Stig Lival-Lindström Chairman on the same date.

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

Authorisations

The Board has no current authorisations 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 1.28 euros and the total number of shares at the end of the fiscal year 2006 was 4,836,882. The registered share capital is 6,191,208.96 euros. All shares have the same voting and dividend rights. Nordic Aluminium Plc's shares have been listed on the Helsinki Exchanges since 1997.

Turnover of shares

A total of 367,188 Nordic Aluminium Plc shares were traded on the stock market in 2007. This corresponds to 7.6 per cent (15.7 per cent) of the Company's total capital stock. The year's highest quotation was 35.50 euros (21.50 euros) and the lowest 19.50 euros (15.05 euros). The average quotation was 27.22 euros (18.57 euros). On the last trading day of the year the share traded at an average price of 29.40 euros (19.77 euros).

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 2007 Nordic Aluminium Plc's ownership was as follows:

The biggest shareholders Dec 31, 2007

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 Coompany	169 000	3,49
Lival-Lindström, Stig	118 658	2,45
Fondita Micro Cap Mutual Trust	60 000	1,24
Evli Nordic Dividend	46 706	0,97
Rausanne Oy	34 977	0,72
Paajanen, Robert	33 642	0,70
Others	637 114	13,17
Total	4 836 882	100,00

The number of nominee-registered shares at the end of 2007 was 47,221, which equals 0.89 per cent of the company's shares and votes. The total number of shareholders at the end of the year was 844.

Shareholders by sector Dec 31, 2007

	Number of shares	Share %
Companies	3 219 191	66,55
Financial and insurance institutions	548 301	11,34
Associations	443 700	9,17
Non-profit associations	40 001	0,83
Households	584 170	12,08
Owners outside Finland	1 519	0,03
Total	4 836 882	100,00

Shareholders by size of holdings Dec 31, 2007

Number of shares	Number of owners	%	Number of shares	%
1 - 200	458	54,26	47 510	0,98
201 - 2 000	324	38,39	198 279	4,10

2 001 - 20 000	48	5,69	262 612	5,43
20 001 - 200 000	11	1,30	765 536	15,83
200 001 - 2 000 000	2	0,24	475 000	9,82
2 000 001 - 9 999 999	1	0,12	3 087 945	63,84
Total	844	100,00	4 836 882	100,00

Insider issues

Nordic Aluminium Plc adheres to the guidelines for insiders issued by OMX Helsinki Exchanges. 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 issues responsible is the Company's CFO. Up-to-date insider data is maintained in the Central Securities Depository at Central Securities Depository's premises.

The Company recommends that the permanent insiders' investments in the Company's are to be long-term investments. According to OMX Helsinki Exchanges' 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 2007 the Nordic Aluminium Group had an average number of 306 employees. The corresponding number the year before was 311. At the end of 2007 the Group had 309 employees as compared with the number of 289 on the previous year.

Prospects

The market demand is expected to continue at a good level during the first half of the year. The order backlog for the Group was EUR 7.74 million (7.95). Growth expectations for exports are good.

Key targets for the current year are improving the service level and increasing the operative efficiency. The new modern anodizing plant which will be ramped up during the first quarter will improve efficiency and increase capacity. It will also remove disturbances to delivery cycle and logistics which were caused by the outsourcing of the equivalent production due to the fire.

The Company has started a considerable investment program of approximately EUR 10 million during 2008. The program includes increase of automation levels in packaging and logistics as well as investments in renewal of an extrusion line. The extrusion line is expected to increase efficiency and capacity from beginning of 2009.

The Company aims at a good profit development for the whole year.

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

The Board's proposal on the allocation of profits

The net profit of the parent company for the year is EUR 11,922,682.67 and its distributable earnings EUR 27,060,267.45.

The Board proposes that a dividend of EUR 1.15 per share, or a total of EUR 5,562,414.30, be declared and that the remaining balance of EUR 21,497,853.15 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 2006 can be viewed at www.nordicaluminium.fi/financial info.

Helsinki, February 27, 2008

Stig Lival-Lindström
Chairman

Robert Paajanen, Eric Westerlund

CONSOLIDATED INCOME STATEMENT, IFRS

MEUR	*Note*	2007	2006
NET SALES	3	**106.84**	**96.57**
Other operating income	4	10.42	0.03
Change in inventories of finished goods and in work in progress			
		1.70	1.30
Raw materials and consumables		-58.88	-52.60
Employee benefits	7	-14.33	-15.10
Depreciation and reduction on value	6	-4.77	-3.86
Other operating expenses	5, 8	-20.98	-15.26
OPERATING PROFIT		**20.02**	**11.07**
Financial income and expenses	9	0.06	-0.13
Profit before tax		**20.07**	**10.94**
Income tax expense	10	-5.26	-2.88
PROFIT FOR THE FINANCIAL YEAR		**14.81**	**8.06**
Attributable to:			
Equity holders of the parent	11	14.81	8.06
		14.81	8.06
Earnings per share for the equity holders of the parent, calculated on the profit for the financial period			

Basic earnings per share, EUR	11	3.06	1.70
Diluted earnings per share, EUR	11	3.06	1.70

CONSOLIDATED BALANCE SHEET, IFRS

MEUR	*Note*	2007	2006
ASSETS			
Non-current assets			
Tangible assets	12	19.36	11.79
Goodwill	13	2.25	2.25
Other intangible assets	13	1.76	1.30
Available-for-sale investments	15	0.02	0.02
Receivables	16	0.00	0.00
Deferred tax assets	17	0.09	0.10
Non-current assets total		**23.48**	**15.46**
Current assets			
Inventories	18	12.69	10.24
Trade and other receivables	20	14.35	13.46
Cash in hand and at banks	21	7.21	6.67
Current assets total		**34.24**	**30.37**
TOTAL ASSETS		**57.72**	**45.83**
EQUITY AND LIABILITIES			
Equity	22		
Share capital		6.19	6.19
Share premium account		3.45	3.45
Translation differences		-0.23	-0.16
Retained earnings		34.21	23.50
Equity total		**43.63**	**32.99**
Non-current liabilities			
Deferred tax liability	17	1.60	0.62
Provisions	24	0.14	0.14
Non-current interest-bearing liabilities	25	0.14	0.75

Non-current liabilities total		**1.87**	**1.51**
Current liabilities			
Trade and other payables	26	11.37	9.77
Provisions	24	0.09	0.09
Current interest-bearing liabilities	25	0.77	1.48
Current liabilities total		**12.23**	**11.33**
Liabilities total		**14.10**	**12.84**
TOTAL EQUITY AND LIABILITIES		**57.72**	**45.83**

CONSOLIDATED CASH FLOW STATEMENT, IFRS

MEUR	2007	2006
Cash flows from operating activities		
Operating profit (loss)	14.82	8.06
Depreciation according to plan	4.77	3.86
Financial income and expenses	-0.06	0.13
Income taxes	5.26	2.88
Cash flow before change in net working capital	24.79	14.93
Change in net working capital		
Current trade receivables, increase (+)/ decrease (-)	-0.89	-2.05
Inventories, increase (+)/ decrease (-)	-2.45	-1.75
Current liabilities, increase (+)/ decrease (-)	0.28	-1.83
	-3.06	-5.64
Cash flow from operations before financial items and taxes	**21.72**	**9.29**
Interest and other financial expenses paid for operating activities	-0.21	-0.33
Interest and other financial income received from operating activities	0.26	0.20
Direct taxes paid	-2.94	-2.67
Net cash flows from operating activities (A)	**18.83**	**6.49**
Cash flows from investing activities		
Investments in tangible and intangible assets	-12.80	-2.42
Proceeds from sale of tangible and intangible assets	0.00	0.00
Repayments of outstanding loans	0.00	0.05
Net cash flows used in investing activities (B)	**-12.80**	**-2.37**
Cash flows from financing activities		
Proceeds from issue of shares	0.00	1.62
New current loans	0.00	4.30

Repayments of current loans	-0.71	-4.37
Repayments of non-current loans	-0.61	-1.33
Dividends paid and other distribution of profits	-4.11	-3.00
Net cash flows used in financing activities (C)	**-5.43**	**-2.78**
Change in cash and cash equivalents (A+B+C)	0.60	1.34
Exchange differences	-0.07	0.00
Net increase / decrease in cash and cash equivalents	**0.53**	**1.34**
Cash and cash equivalents at end of year	6.67	5.34
Cash and cash equivalents at beginning of year	7.21	6.67
Net increase / decrease in cash and cash equivalents	**0.53**	**1.34**

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Attributable to equity holders of the parent

MEUR	Share capital	Share premium	Translation differences	Retained earnings	Total equity
Equity 01/01/2006	5.92	2.11	-0.15	18.45	26.33
Translation differences			0.00		0.00
Profit for the financial year				8.06	8.06
Income and expenses for the year					8.05
Dividends paid				-3.00	-3.00
Exercise of warrants	0.27	1.35			1.62
					-1.38
Equity 31/12/2006	6.19	3.45	-0.16	23.50	32.99
Oma pääoma 01/01/2007	6.19	3.45	-0.16	23.50	32.99
Translation differences			-0.07		-0.07
Profit for the financial year				14.82	14.82

Income and expenses for the year					14.75
Dividends paid				-4.11	-4.11
Exercise of warrants	0.00	0.00			0.00
					-4.11
Equity 31/12/2007	6.19	3.45	-0.23	34.21	43.63

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 and Nordic Aluminium, Inc. in the United States. The shares of Nordic Aluminium are traded in the 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, 2007. 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.

Basis 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

The functional and operational currency of the group is euro. The items included in the financial statements of each entity are measured using the currency determined its own functional currency.

The consolidated financial statements are presented in thousands of euros unless otherwise disclosed.

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 2006, and did not sign any new derivative contracts during the year 2007.

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 1998 Annual General Meeting decided to issue a warrant bond as a part of the employee incentive program, targeted at the personnel of Nordic Aluminium Oyj and its completely owned subsidiary Nordic Aluprofiler AB. The warrant certificates entitle their holders to subscribe a total of 300,000 shares. The company holds 77 850 warrant certificates. Subscriptions with the warrants can increase share capital by EUR 0,38 million, which corresponds 6.1% of the company's voting rights. The period for subscription for all warrants ends on May 30, 2006. The warrant bond has been paid back as a whole.

When the warrants were used, the payments from the subscription of the shares less the transaction costs were recorded to the share capital and share premium account.

In the income statement, there are no expenses recorded due to the stock option program.

While the warrant bond of Nordic Aluminium was granted before 7.11.2002, it was treated according the transition provision of IFRS 2. Therefore, no expenses are recorded due to the warrants.

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 eventu*037e it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation*u037e 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.

Adoption of new and changed IFRS Standards and IFRIC Interpretation

In the Year 2007 Nordic Aluminium group adopted following new and changed standards published by IASB:

IFRS 7, Financial Instruments: Disclosures
IAS 1, Amendment- Capital disclosures
IFRIC 10, Interim Financial Reporting and Impairment
IFRIC 11, IFRS 2 -Group and Treasury Share Transactions

According to the Group's evaluation had the adaption no significant effect on the consolidated Income Statement, Balance Sheet,
Statement of Changes In Equity or Cash Fow Statement but increased the volume of Notes.

The following standards and interpretations are mandatory during year 2008, but they are not relevant for the Group's operations

IFRIC 12, Service Concession Arrangements
IFRIC 13, Customer Loyalty Programmes
IFRIC 14, IAS19 - The limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction

The following published standards are effective in january 1, 2009. They are not applied by the Group in 2008.

IFRS 8, Operating Segments
IAS 1, Presentation of Financial Statements - revised
IAS 23, Borrowing Costs - Revised

The Group anticipates that IFRS 8 and IAS 1 will have slight effect on presentation of the Group's financial statements and the adaption of thew revised IAS 23 will not create any material effect on the financial statements.

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.

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

			2007
MEUR	Finland	Other countries	Total
Net sales	63.43	43.41	106.84
Segment assets	56.40	1.33	57.72
Investments	12.78	0.02	12.80

MEUR	Finland	Other countries	2006 Total
Net sales	58.80	37.76	96.57
Segment assets	44.27	1.56	45.83
Investments	2.42	0.00	2.42

4 Other Operating Income

MEUR	2007	2006
Gains on the sale of tangible assets	0.00	0.01
Insurance compensation, costs	4.03	0.00
Insurance compensation, investment in anodizing plant	6.39	0.00
Other revenue	0.01	0.02
Total	**10.42**	**0.03**

5 Other Operating Expenses

MEUR	2007	2006
External services	12.79	8.18
Rental expenses	2.57	2.31
Properties	0.98	0.83
Other expenses	4.64	3.96
Total	**20.98**	**15.26**

6 Depreciation and Amortization

Depreciation by asset category

MEUR	2007	2006
Intangible assets		
Intangible rights	0.31	0.23
Other recorded non-current expenditure	0.08	0.07
Research and development costs	0.02	0.02
Total	**0.41**	**0.32**
Tangible assets		
Buildings	0.04	0.06
Machinery and equipment	2.98	3.46
Other tangible assets	0.02	0.02

Total	**3.04**	**3.54**
Reduction of value		
Machinery and equipment, anodizing plant	**1.32**	**0.00**
	1.32	0.00
Depreciation total	**4.77**	**3.86**

7 Employee Benefits

MEUR	2007	2006
Wages and salaries	11.23	11.98
Pension costs, defined contribution plans	1.96	1.85
Other social security expenses	1.14	1.27
Total	**14.33**	**15.10**

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.

	2007	2006
Fringe benefit	0.14	0.11
Warrants	0.00	0.15
Total	**0.14**	**0.26**

The group employed on the average during the fiscal year

	2007	2006
White collars	83	78
Blue collars	223	233
Total	**306**	**311**

8 Research and Development Expenses

The income statement of the financial year 2007 includes research and development expenses of tEUR 500 (474).

9 Financial Income and Expenses

MEUR	2007	2006
Interest income from others	0.23	0.13
Interest expenses to group undertakings	0.00	0.00
Interest expenses to others	-0.07	-0.15
Foreign exchange rate difference expenses	-0.10	-0.10
Interest expenses from financial lease contracts	0.00	0.00
Total	**0.06**	**-0.13**

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 241 tEUR was recorded as an exchange rate loss.

10 Income Tax

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

MEUR

Consolidated income statement	2007	2006
Current income tax		
Current income tax expense	4.27	2.96
Adjustments in respect of current income tax of previous years	0.00	0.00
Deferred income tax		
Relating to origination and reversal of temporary differences	0.98	-0.07
Income tax expense reported in consolidated income statement	**5.26**	**2.88**

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:

	2007	2006
Operating profit before tax from continuing operations	20.07	10.94
Taxes at Finland statutory income tax rate (26%)	5.22	2.84
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	0.04	0.04
Other tax-deductible items	0.00	0.00
The income tax in the profit and loss account at effective income tax rate	**5.26**	**2.88**

(effective tax rate 26,2% 2007 and 26,3% 2006)

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.

	2007	2006
Net profit attributable to equity holders of the parent	14.82	8.06
Weighted average number of shares during the financial year	4.84	4.74
Undiluted earnings per share (EUR/share)	3.06	1.70

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.

	2007	2006
Net profit attributable to equity holders of the parent	14.82	8.06
Net profit for calculating diluted earnings per share	14.82	8.06
Weighted average number of shares during the financial year	4.84	4.74
Effect of warrants	0.00	0.00
Diluted weighted average number of shares for diluted earnings per share	4.84	4.74
Diluted earnings per share (EUR/share)	3.06	1.70

12 Tangible Assets

Financial year 2007							2007
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	52.48	1.28	0.32	0.64	**55.26**
Additions	0.00	0.00	4.02	0.18	0.00	8.40	12.60
Exchange differences	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Disposals	0.00	0.00	0.00	-0.01	0.00	-0.64	-0.65
Acquisition cost 31.12	0.40	0.15	56.50	1.44	0.32	8.40	67.22
Accumulated depreciations and impairment 1.1.	-0.22	-0.15	-41.68	-1.23	-0.20	0.00	-43.48
Depreciation	-0.04	0.00	-4.29	-0.03	-0.01	0.00	-4.37
Accumulated depreciations and impairment 31.12.	-0.26	-0.15	-45.97	-1.26	-0.21	0.00	-47.85
Net carrying amount 31.12.	0.14	0.32	10.54	0.18	0.11	8.40	**19.36**

Financial year 2006							2006
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	50.90	1.27	0.32	0.13	**53.17**
Additions	0.00	0.00	1.58	0.01	0.00	0.64	2.22
Exchange differences	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Disposals	0.00	0.00	0.00	0.00	0.00	-0.13	-0.13
Acquisition cost 31.12	0.40	0.15	52.48	1.28	0.32	0.64	55.26
Accumulated depreciations and impairment 1.1.	-0.18	-0.15	-38.29	-1.14	-0.18	0.00	-39.94
Depreciation	-0.04	0.00	-3.39	-0.09	-0.01	0.00	-3.54

Accumulated depreciations and impairment 31.12.	-0.22	-0.15	-41.68	-1.23	-0.20	0.00	-43.48
Net carrying amount 31.12.	0.18	0.00	10.80	0.05	0.12	0.64	**11.79**

13 Intangible Assets

Goodwill

	2007	2006
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 carrying amount 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 13,35 % for the year 2007 (2006 12,85 %). 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. This has been tested by sensitivity analysis.

Goodwill	2007	2006
Acquisition cost 1.1.	**2.25**	**2.25**
Additions	0.00	0.00
Disposals	0.00	0.00
Impairment	0.00	0.00
Net carrying amount 31.12.	**2.25**	**2.25**

Other intangible assets

Financial year 2007					2007
MEUR	Development expenditure	Intangible rights	Other recorded non-current expenditure	Advance payments	**Total**
Acquisition cost 1.1.	0.10	3.44	1.39	0.05	**4.98**
Additions	0.00	0.77	0.15	0.00	0.92
Disposals	0.00	0.00	0.00	-0.06	-0.06
Acquisition cost 31.12	0.10	4.21	1.54	0.00	5.84
Accumulated depreciations	-0.04	-2.55	-1.09	0.00	-3.68

and impairment 1.1.					
Depreciation	-0.02	-0.31	-0.08	0.00	-0.41
Accumulated depreciations and impairment 31.12.	-0.06	-2.86	-1.17	0.00	-4.09
Net carrying amount 31.12.	0.04	1.35	0.37	0.00	**1.76**

Financial year 2006 MEUR	Development expenditure	Intangible rights	Other recorded non-current expenditure	Advance payments	2006 **Total**
Acquisition cost 1.1.	0.09	2.43	1.39	0.74	**4.65**
Additions	0.01	1.00	0.01	0.06	1.08
Disposals	0.00	0.00	-0.01	-0.74	-0.75
Acquisition cost 31.12	0.10	3.44	1.39	0.05	4.98
Accumulated depreciations and impairment 1.1.	-0.02	-2.32	-1.02	0.00	-3.36
Depreciation	-0.02	-0.23	-0.07	0.00	-0.32
Accumulated depreciations and impairment 31.12.	-0.04	-2.55	-1.09	0.00	-3.68
Net carrying amount 31.12.	0.06	0.89	0.30	0.05	**1.30**

14 Book values of financial assets and liabilities by measurement categories

2007 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							
Trade and other receivables		14.35			14.35	14.35	**20**
Book value by category		14.35	0.02		14.37	14.37	
Non-current financial liabilities							
Interest bearing liabilities				0.13	0.13	0.13	**25**
Current financial liabilities							
Interest				0.77	0.77	0.77	**25**

bearing liabilities							
Current tax liabilities				1.33	1.33	1.33	**26**
Trade and other payables				10.04	10.04	10.04	**26**
Book value by category				12.27	12.27	12.27	

2006 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							
Trade and other receivables		13.46			13.46	13.46	**20**
Book value by category		13.46	0.02		13.48	13.48	
Non-current financial liabilities							
Interest bearing liabilities				0.75	0.75	0.75	**25**
Current financial liabilities							
Interest bearing liabilities				1.48	1.48	1.48	**25**
Current tax liabilities				0.29	0.29	0.29	**26**
Trade and other payables				9.48	9.48	9.48	**26**
Book value by category				11.99	11.99	11.99	

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	2007	2006

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 Non-current Receivables

MEUR	Fair value		Book value	
Non-current receivables	2007	2006	2007	2006
Security deposit (for rental commitments)	0.00	0.00	0.00	0.00
Other non-current assets	0.00	0.00	0.00	0.00
Non-current receivables total	**0.00**	**0.00**	**0.00**	**0.00**

17 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	2006	P & L	Equity	2007
Intra-group margin on inventories	0.08	-0.02	0.00	**0.07**
The amortization of intangible assets	0.01	0.01	0.00	**0.02**
Other temporary differences	0.00	0.00	0.00	**0.00**
Deferred income tax asset	**0.10**	**-0.01**	**0.00**	**0.09**
Deferred income tax liability				
Accelerated depreciation for tax purposes	-0.57	-0.97	0.00	**-1.54**
Intangible assets recognized	-0.04	0.00	0.00	**-0.04**
Other temporary differences	-0.02	0.00	0.00	**-0.02**
Deferred income tax liability	**-0.62**	**-0.97**	**0.00**	**-1.60**
Deferred income tax change		**-0.98**		
Deferred income tax receivable	**0.10**			**0.09**
Deferred income tax liability	**-0.62**			**-1.60**

18 Inventories

MEUR		
Inventories	2007	2006
Raw materials and consumables	1.90	1.10
Work in progress	4.23	3.37
Finished goods	6.56	5.77
Inventories total	**12.69**	**10.24**

The inventories are stated at cost or the probable net realizable value. The income statement does not include any significant impairment related to the inventories.

19 Valuation items

MEUR

Allowance for inventory obsolescence	2007	2006
1.1.	0.28	0.30
Net change x)	-0.28	-0.03
31.12.	0.00	0.28

x) Net change includes both new provisions and use of earlier ones.

20 Trade and Other Receivables (Current)

MEUR	Fair value		Book value	
Trade and other receivables	2007	2006	2007	2006
Trade debtors	13.26	11.75	13.26	11.75
Trade debtors from the parent company	0.03	1.06	0.03	1.06
Other receivables	1.06	0.66	1.06	0.66
Trade and other debtors total	**14.35**	**13.46**	**14.35**	**13.46**

Other receivables consist of following items:

Other receivables	2007	2006
Employee health care compensation	0.10	0.07
Social security expenses	0.02	0.29
VAT receivable, Sweden	0.12	0.14
Insurance receivable	0.65	0.00
Other	0.16	0.15
Other receivables total	**1.06**	**0.66**

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.

21 Cash in Hand and at Banks

	Fair value		Book value	
MEUR	2007	2006	2007	2006
Cash in hand and at banks	0.61	6.67	0.61	6.67
Short term bank deposits	6.60	0.00	6.60	0.00
	7.21	6.67	7.21	6.67

22 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 31.12.2007 the total number of shares was 4 836 882 and the nominal value of a share was 1,28 EUR.

Shares and issued 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
01/01/2007	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
31/12/2007	4,836,882	6,191,208.96	3,454,375.43	9,645,584.39

EUR

Issued capital	Number of shares	Issued capital	Share premium account	Total
01/01/2006	4,622,932	5,917,352.96	2,107,979.93	8,025,332.89
Financial year change	213,950	273,856.00	1,346,395.50	1,620,251.50
31/12/2006	4,836,882	6,191,208.96	3,454,375.43	9,645,584.39

Financial year change: Warrants exercised				
31/12/2006	213,950	273,856.00	1,346,395.50	1,620,251.50

Paid and proposed dividends

Approved and paid during the year
The Annual General Meeting of Nordic Aluminium Oyj on 29 March, 2007 decided to approve the proposal of the Board to distribute dividends of EUR 0.85 per share corresponding to a total of EUR 4.111.349,70 .

Proposed for approval of annual general meeting
The Board proposes that a dividend of EUR 1.15 per share, or a total of EUR 5.562.414,30 are distributed and that the remaining balance is recorded in the retained earnings of the balance sheet.

23 Share based payments

The 1998 Annual General Meeting decided to issue a FIM 300,000 (EUR 50,456.38) warrant bond targeted at the personnel of Nordic Aluminium Oyj and its completely owned subsidiary Nordic Aluprofiler AB. The bond with warrants has been paid back as a whole. The warrant certificates entitle their holders to subscribe a total of 300,000 shares. A total of 77,850 of the warrant certificates were held by the company.

Each warrant certificate entitled to the subscription of one share of Nordic Aluminium Oyj in stages during the period from 1 May, 1999 to 30 May, 2006. The period for subscription for all warrants ended on 30 May, 2006.

All the warrants 1-4 of the warrant bond 1998 of Nordic Aluminium Oyj were traded on the OMX Exchanges Main list. Subscriptions with the warrants could increase share capital by a maximum of EUR 378.422,83, which is 6.1% of the company's voting rights. During the year 2006 the rights were used to subscribe for 213 950 shares.

While the warrant bond of Nordic Aluminium is granted before 7.11.2002, it will be treated according the transition provision of IFRS 2. Therefore, no expenses are recorded due to the warrants.

The subscription price for one share was lowered by the amount of dividend paid out between 1 May, 1998 and subscription on the record date of each dividend distribution. The adjusted subscription price in accordance with the terms of the stock option program after the dividends paid for the fiscal year 2006 is EUR 7.92. The right to subscribe for share was conditional requiring that the holder of the warrant was employed by the group till the end of the period when the right to subscribe commences.

The stock option program was a part of the Nordic Aluminium group's incentive system for key personnel. The Managing Director did not hold warrants. The Management Group members had 800 warrants.

During the fiscal year 2006 the weighed average of the share price of the exercise dates was EUR 18,31.

After the year 1998 has no new option program been established.

The following table illustrates the number (No.) and weighted average exercise prices (WAEP) of, and movements in warrants.

		2007		2006
	WAEP	No.	WAEP	No.
Outstanding at the beginning of the year	0	0	8.22	293,200
Exercised during the year	0	0	7.57	213,950
Left unused, held by the company		0		77,850
Left unused, held by others		0		1,400
Outstanding at the end of the year	0	0	0	0
Exercisable at the end of the year		0		0

24 Provisions

MEUR	2007	2006
Provision for unemployment pension 1.1.2006	0.22	0.09
Additions	0.00	0.14
Used provisions	0.00	0.00
Cancellations of unused provisions	0.00	0.00
Provision for unemployment pension 31.12.2006	0.22	0.22

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 ten persons during the years 2004 - 2006. 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 224 500,00 (2006: EUR 224 500,00). This figure includes provision of EUR 137 200 for 38 employees, whose employment were (was) terminated trough negotiations during 2006.

MEUR	31/12/2007	31/12/2006
Non-current	0.14	0.14
Current	0.09	0.09

Total	**0.22**	**0.22**

25 Interest Bearing Loans and Borrowings

MEUR	Effective interest rate %	Fair value 2007	Fair value 2006	Book value 2007	Book value 2006
Non-current					
Bank loan	6-month euribor + 0,45	0.00	0.73	0.00	0.73
Obligations under finance leases	3,20 % - 6,75 %	0.14	0.02	0.14	0.02
Total		**0.14**	**0.75**	**0.14**	**0.75**

MEUR					
Current					
Repayments of the bank loan	6-month euribor + 0,45	0.73	1.45	0.73	1.45
Obligations under finance leases	3,20 % - 6,75 %	0.04	0.03	0.04	0.03
Total		**0.77**	**1.48**	**0.77**	**1.48**

Interest bearing loans and borrowings total	**0.90**	**2.22**

The non-current loans mature as follows:

MEUR	2007	2006
During the following financial period	0.77	1.48
Until the year 2010	0.14	0.75
Total	**0.90**	**2.22**

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 bank loan of EUR 725 000 is secured by a corporate mortgage of EUR 8 409 000. The loan is repayable twice a year in installments of EUR 725 000, the last of which is repayable on 30 April 2008. All the interest bearing loans are denominated in euros.

The obligations under finance leases mature as follows:

Finance lease - minimum payments	2007	2006
Within one year	0.05	0.03
After one year but not more than five years	0.15	0.03
After five years	0.00	0.00
Total	**0.20**	**0.06**

Finance lease - present value of payments	2007	2006
Within one year	0.05	0.03
After one year but not more than five years	0.13	0.03
After five years	0.00	0.00
Total	**0.18**	**0.05**
Amounts representing finance charges	0.02	0.00

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.

26 Trade and Other Payables (Current)

MEUR	Fair value		Book value	
Trade and other payables (current)	2007	2006	2007	2006
Trade payables	5.60	4.50	5.60	4.50
Trade payables, parent company	0.02		0.02	
Accrued liabilities and deferred income	4.86	3.96	4.86	3.96
Other payables	0.89	1.30	0.89	1.30
Trade and other payables (current) total	**11.37**	**9.77**	**11.37**	**9.77**

The accrued liabilities and deferred income consist of following items:

	Fair value		Book value	
Accrued liabilities and deferred income	2007	2006	2007	2006
Accrued income tax	1.33	0.29	1.33	0.29
Salaries	2.09	2.26	2.09	2.26
Other	1.44	1.42	1.44	1.42
Accrued liabilities and deferred income total	**4.86**	**3.96**	**4.86**	**3.96**

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.

27 Commitments and Contingencies

Future minimum lease payments under non-cancellable operating leases as at 31 December are as follows:

MEUR		
Operating lease commitments	2007	2006
Within one year	2.19	2.01
After one year but not more than five years	7.15	6.61
After five years	2.12	2.95
Total	**11.47**	**11.57**

The consolidated income statement includes operating lease expenses of MEUR 2,57 (2006: 2,31).

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.

28 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 8,79 million in 2007 (2006: 9,03), purchases EUR 0,02 million (0,08), trade receivables EUR 0,03 million (1,05) 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 consists 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 189 503 in the year 2007 (EUR 166 351). The managing director has also an accrued bonus of EUR 37 351 from the year 2007 (46 800).

Salaries and remuneration paid to Board Members and Managing Directors in the year 2007

	2007	2006
Robert Paajanen, Managing Director	0.23	0.22
Stig Lival-Lindström, Chairman of the Board	0.02	0.02
Eric Westerlund, Board Member	0.01	0.01
	0.26	0.24

Managing Director & CEO Robert Paajanen's retirement age and the amount of the pension is defined in accordance with the Employees' Pensions Act (TEL).
The termination benefits of key management
According to the Managing Director's agreement, the period of notice is six months and the termination compensation corresponds to the salary of six months.
Share based payments of the key management
The management has no share based payments.

29 Commitments and Contingencies

	2007	2006

Pledged assets		
Liabilities secured with corporate mortgages		
Loans from financial institutions	0.73	2.18
Corporate mortgages given	8.41	8.41
Security provided for other liabilities of the company		
Financial assets pledged	0.02	0.00
Consignation liability	1.86	2.25
Financial liabilities		
Repayment liability in compliance with §33 of the Value Added Tax Act	0.00	0.00

30 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 centrlized 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 i 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 2007 or 2006.

Analysis of trade receivables by age	2007	2006
Undue trade receivables	10.18	10.61
Trade receivables 1-30 days overdue	2.51	1.88
Trade receivables 31-60 days overdue	0.40	0.18
Trade receivables more than 60 days overdue	0.20	0.14

	13.29	12.80

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.
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	2007	2006
Cash and cash equivalents	7.21	6.67
Cheque account with overdraft facility	0.50	1.00
	7.71	7.67

As of 31 December 2007, the contractual maturity of interest-bearing liabilities was as follows:

	2008	2009	2010	2011-	total
Loans from financial institutions	0.73				
- finance charges	0.01				0.01
Finance lease liabilities	0.04	0.05	0.04	0.05	0.18
- finance charges	0.01	0.01	0.00	0.00	0.02
Repayments of loans from financial institutions	0.73				0.73

As of 31 December 2006, the contractual maturity of interest-bearing liabilities was as follows:

	2007	2008	2009	2010 -	total
Loans from financial institutions	1.45	0.73			2.18
- finance charges	0.08	0.01			0.09
Finance lease liabilities	0.03	0.02	0.01	0.00	0.05
- finance charges	0.00	0.00			0.00
Repayments of loans from financial institutions	1.45	0.73			2.18

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. The Group's loans from financial institutions are fixed in six months Euribor. When all loans from financial institutions will be amortized in 2008 has change in interest rate only litlle importance.

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 2008 (2007).
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

		2008	2007
10 % change in aluminium world market price	million euro	+ - 4,1	+ - 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.

31 Distribution of Shareholders and Information of Shareholders

There were no major changes in the ownership of Nordic Aluminium Oyj during the year. At the end of the fiscal year 2007 Nordic Aluminium Oyj's ownership was as follows:

Largest shareholders 31.12.2007

Shareholder	Number of shares	% of all the shares and voting rights

Oy Lival Ab	3,087,945	63.84
Varma Mutual Pension Employment Insurance Company	250,000	5.17
Aktia Capital Unit Trust	225,000	4.65
Evli-Select Mutual Fund	173,840	3.59
Eläkevakuutusyhtiö Veritas	169,000	3.49
Lival-Lindström, Stig	118,658	2.45
Fondita Micro Cap Placeringsfond	60,000	1.24
Evli Nordic Dividend	46,706	0.97
Rausanne Oy	34,977	0.72
Paajanen Robert	33,642	0.70
Others	637,114	13.17
Total	**4,836,882**	**100.00**

The amount of administrative registrated shares was 47 221 at the end of 2007, which is 0,98 per cent of the shares and the voting rights of the company. The total amount of the share owners was 844 at the end of the year 2007.

By shareholder category 31.12.2007

	Number of shares	% of all shares
Corporations	3,219,191	66.56
Financial and insurance institutions	548,301	11.34
Public corporations	443,700	9.17
Non-profit organizations	40,001	0.83
Households	584,170	12.08
Owners outside Finland	1,519	0.03
Total	**4,836,882**	**100.00**

By number of shares owned 31.12.2007

By number of shares owned	Number of shareholders	%	Total number of shares	%
1 - 200	458	54.26	47,510	0.98
201 - 2 000	324	38.39	198,279	4.10
2 001 - 20 000	48	5.69	262,612	5.43
20 001 - 200 000	11	1.30	765,536	15.83
200 001 - 2 000 000	2	0.24	475,000	9.82
2 000 001 - 9 999 999	1	0.12	3,087,945	63.84
Total	**844**	**100**	**4,836,882**	**100.00**

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 3 240 345 at the end of the year 2007 (3 253 345), which constitutes 66,99 (67,26) per cent of the shares and number of votes of the company.

	Number of	%

		shares	
Stig Lival-Lindström	Chairman of the Board	3,206,603	66.29
Eric Westerlund	Member of the Board	100	0.00
Robert Paajanen	Managing Director, Member of the Board	33,642	0.70
Total		**3,240,345**	**66.99**

PARENT COMPANY INCOME STATEMENT, FAS

MEUR	Note	2007	2006
NET SALES	1	105.74	95.85
Increase (+) or decrease (-) of			
finished goods and work in progress		1.88	0.82
Other operating income	1	4.06	0.05
Materials and services			
Raw materials and consumables:			
Purchases during the financial year		59.51	52.95
Increase (+) or decrease (-) in inventories		-0.74	-0.49
External services	2	12.10	7.53
Personnel expenses			
Wages, salaries and emoluments	3	10.98	11.74
Social security expenses	3	3.01	3.03
Depreciation and reduction on value			
Depreciation according to plan	6	4.71	3.75
Other operating expenses		8.64	7.58
Total operating expenses		98.21	86.10
OPERATING PROFIT		13.47	10.63
Financial income and expenses:			
Other interest and financial income	4	0.32	0.25
Interest and other financial expenses	4	-0.21	-0.33
Total financial income and expenses		0.11	-0.08
PROFIT BEFORE EXTRAORDINARY ITEMS		13.59	10.55
Extraordinary items	7	6.29	0.00
PROFIT BEFORE APPROPRIATIONS AND TAXES		19.87	10.55
Appropriations			

Increase (+) or decrease (-) in depreciation reserve	6	-3.74	0.45
PROFIT BEFORE TAXES		16.13	11.00
Income taxes	5	-4.21	-2.88
NET PROFIT FOR THE PERIOD		11.92	8.13

PARENT COMPANY BALANCE SHEET, FAS

MEUR	Note	2007	2006
ASSETS			
Non-current assets			
Intangible assets			
Intangibles	8	1.35	0.89
Other long-term expenditure	8	0.37	0.30
Advance payments	8	0.00	0.06
		1.72	1.24
Tangible assets			
Buildings	9	0.14	0.18
Machinery and equipment	9	10.51	10.79
Other tangible assets	9	0.11	0.12
Construction in progress	9	8.40	0.64
		19.16	11.72
Investments			
Holdings in Group undertakings	10,11	0.61	0.61
Other shares and holdings	10	0.02	0.02
		0.63	0.63
CURRENT ASSETS			
Inventories			
Raw materials and supplies		2.16	1.42
Work in progress		4.23	3.37
Finished products		5.51	4.49
		11.90	9.28
Receivables			
Long-term			
Receivables from other group companies			
Other receivables	12	0.80	0.95
		0.00	0.00
		0.80	0.95
Short-term			

Trade receivables		12.98	11.39
Receivables from parent company	12	0.03	1.05
Receivables from other group companies	12	0.29	0.50
Deferred expenses and accrued income		1.01	0.58
		14.31	13.52
Cash in hand and at banks		7.02	6.41
TOTAL ASSETS		55.54	43.76

MEUR	Note	2007	2006
SHAREHOLDERS' EQUITY AND LIABILITIES			
Shareholders' equity			
Share capital	13	6.19	6.19
Share premium account	13	3.45	3.45
Retained earnings	13	15.14	11.12
Net profit for the year	13	11.92	8.13
Total shareholders' equity		36.71	28.89
Appropriations			
Depreciation reserve		5.96	2.22
Liabilities			
Long-term liabilities			
Loans from financial institutions	15	0.00	0.73
		0.00	0.73
Short-term liabilities			
Loans from financial institutions		0.73	1.45
Trade payables		5.56	4.43
Debts to parent company		0.02	0.00
Debts to other group companies	16	0.67	0.62
Other short-term liabilities		0.90	1.31
Accrued expenses and deferred income	17	5.00	4.12
		12.88	11.92
Total liabilities		12.88	12.65
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES		55.54	43.76

PARENT COMPANY CASH FLOW STATEMENT, FAS

MEUR	2007	2006
Cash flows from operating activities		
Operating profit (loss)	11.92	8.13
Depreciation according to plan	4.71	3.75
Financial income and expenses	-0.11	0.08
Income taxes	4.21	2.88
Other "corrections"	3.74	-0.45
Cash flow before change in net working capital	24.47	14.38
Change in net working capital		
Current trade receivables, increase (+)/ decrease (-)	-0.80	-2.24
Inventories, increase (+)/ decrease (-)	-2.62	-1.32
Current liabilities, increase (+)/ decrease (-)	0.35	-1.81
	-3.07	-5.37
Cash flow from operations before financial items and taxes	**21.40**	**9.01**
Interest and other financial expenses paid for operating activities	-0.21	-0.33
Interest and other financial income received from operating activities	0.32	0.25
Direct taxes paid	-2.88	-2.59
Net cash flows from operating activities (A)	**18.64**	**6.34**
Cash flows from investing activities		
Investments in tangible and intangible assets	-12.62	-2.40
Proceeds from sale of tangible and intangible assets	0.00	0.00
Repayments of outstanding loans	0.15	0.20
Net cash flows used in investing activities (B)	**-12.47**	**-2.21**
Cash flows from financing activities		
Proceeds from issue of shares	0.00	1.62
New current loans	0.00	4.30
Repayments of current loans	-0.73	-4.30
Repayments of non-current loans	-0.73	-1.45
Dividends paid and other distribution of profits	-4.11	-3.00
Net cash flows used in financing activities (C)	**-5.56**	**-2.83**
Net increase / decrease in cash and cash equivalents(A+B+C)	**0.61**	**1.30**
Cash and cash equivalents at end of year	6.41	5.11
Cash and cash equivalents at beginning of year	7.02	6.41
Net increase / decrease in cash and cash equivalents	**0.61**	**1.30**

NOTES TO THE FINANCIAL STATEMENTS, PARENT COMPANY, FAS

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

MEUR	2007	2006
1. NET SALES BY GEOGRAPHICAL SEGMENTS		
Finland	63.43	58.80
Other countries	42.32	37.05
Total	105.75	95.85
OTHER OPERATING INCOME		
Insurance compensation, costs	4.03	0.00
Other revenue	0.01	0.02
Total	4.06	0
2. EXTERNAL SERVICES		
Subcontractor expenses	6.52	3.75
Maintenance expenses	1.01	1.19
Total	7.53	4.94
3. PERSONNEL		
Wages and salaries	10.98	11.74
Pension costs	1.94	2.02
Other social security expenses	1.07	1.01
Total	13.98	14.78
Fringe benefit	0.14	0.11
Option benefit	0.00	0.15
Total	0.14	0.26
Salaries and emoluments paid to Board Members and Managing Directors	0.26	0.24
Employees, average	302	305

MEUR

4. FINANCIAL INCOME AND COSTS

Other interest income		
From Group companies	0.06	0.07
Others	0.23	0.13
Total interest income	0.29	0.19

MEUR	2007	2006
Other financial income		
From Group companies	0.00	0.00
Others	0.03	0.06
Total other financial income	0.03	0.06

Interest expenses		
To Group companies	0.00	0.00
Others	0.07	0.15
Total interest expenses	0.07	0.15
Other financial expenses		
To Group companies	0.00	0.00
Others	0.14	0.18
Total financial expenses	0.14	0.18

5. INCOME TAX

Direct taxes		
From the fiscal year	4.21	2.88
From previous fiscal years	0.00	0.00
Total	4.21	2.88

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	2007	2006
Depreciation according to plan:		
Intangible assets		
Intangible rights	0.31	0.23
Goodwill	0.00	0.00
Other long-term expenditure	0.08	0.07
Tangible assets		
Buildings	0.04	0.04
Machinery and equipment	4.26	3.39
Other tangible assets	0.01	0.01
Total	4.71	3.75
Change in depreciation reserve:		
Intangible assets		
Intangible rights	0.07	0.01
Goodwill	0.00	0.00
Other long-term expenditure	0.03	0.02
Tangible assets		
Buildings	-0.02	-0.02
Machinery and equipment	3.68	-0.45
Other tangible assets	-0.01	-0.01
Total	3.74	-0.45

7. EXTRAORDINARY ITEMS

Insurance compensation, investment in anodizing plant	6.39	0.00
Customer's responsibility	-0.10	0.00
Total	6.29	0.00

8. INTANGIBLE ASSETS

Intangible rights		
Acquisition cost, Jan 1	3.39	2.38
Additions	0.77	1.01
Disposals	0.00	0.00
Accumulated depreciation according to plan, Dec 31	-2.81	-2.50

Book value, Dec 31	1.35	0.89

Goodwill		
Acquisition cost, Jan 1	4.59	4.59
Additions	0.00	0.00
Disposals	0.00	0.00
Accumulated depreciation according to plan, Dec 31	-4.59	-4.59
Book value, Dec 31	0.00	0.00

MEUR	2007	2006
Other long-term expenditure		
Acquisition cost, Jan 1	1.35	1.35
Additions	0.15	0.00
Disposals	0.00	0.00
Accumulated depreciation according to plan, Dec 31	-1.13	-1.05
Book value, Dec 31	0.37	0.30

Advance payments		
Acquisition cost, Jan 1	0.79	0.74
Additions	0.00	0.06
Disposals	-0.79	-0.74
Book value, Dec 31	0.00	0.06

9. TANGIBLE ASSETS

Buildings		
Acquisition cost, Jan 1	0.40	0.40
Additions	0.00	0.00
Disposals	0.00	0.00
Accumulated depreciation according to plan, Dec 31	-0.26	-0.22
Book value, Dec 31	0.14	0.18

Machinery and equipment		
Acquisition cost, Jan 1	49.15	47.57
Additions	4.00	1.58
Translation difference	0.00	0.00
Disposals	0.00	0.00
Accumulated depreciation according to plan, Dec 31	-42.64	-38.36
Book value, Dec 31	10.51	10.79

Other tangible assets		
Acquisition cost, Jan 1	0.32	0.32
Additions	0.00	0.00
Disposals	0.00	0.00
Accumulated depreciation according to plan, Dec 31	-0.21	-0.20
Book value, Dec 31	0.11	0.12
Construction in progress		
Acquisition cost, Jan 1	0.64	0.13
Additions	8.40	0.64
Disposals	-0.64	-0.13
Book value, Dec 31	8.40	0.64

MEUR	2007	2006
10. INVESTMENTS		
Holdings in Group companies		
Acquisition cost, Jan 1	0.61	0.62
Additions	0.00	0.00
Disposals	0.00	-0.01
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

11. SPECIFICATION OF SHARES OWNED BY THE COMPANY

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

12. RECEIVABLES FROM GROUP COMPANIES

From parent company		
Trade receivables	0.03	1.05
From others		
Trade receivables	0.29	0.50
Loan receivables	0.80	0.95

	1.12	2.50

13. SHAREHOLDERS' EQUITY

Share capital, Jan 1	6.19	5.92
Increase in share capital	0.00	0.27
Share capital, Dec 31	6.19	6.19
Share premium account, Jan 1	3.45	2.11
Change	0.00	1.35
Share premium account, Dec 31	3.45	3.45

MEUR	2007	2006
Retained earnings, Jan 1	19.25	14.14
Dividend	-4.11	-3.00
Changes, previous periods	0.00	0
Net profit for the year	11.92	8.13
Total profits, Dec 31	27.06	19.25

14. DISTRIBUTABLE RETAINED EARNINGS

Retained earnings	15.14	11.12
Net profit for the year	11.92	8.13
Non-restricted shareholders' equity	27.06	19.25
Distributable earnings	27.06	19.25

15. LONG-TERM LIABILITIES

Loans from financial institutions	0.00	0.73
due more than five years ahead	0.00	0.00

16. LIABILITIES TO GROUP COMPANIES

To parent company		
Trade payables	0.02	0.00
To others		
Trade payables	0.67	0.62
	0.69	0.62

17. ACCRUED LIABILITIES

Accrued income tax	1.33	0.29
Salaries	2.02	2.23
Others	1.65	1.60
	5.00	4.12

18. CONTINGENT LIABILITIES

Pledged assets		
Liabilities secured with corporate mortgages		
Loans from financial institutions	0.73	2.18
Corporate mortgages given	8.41	8.41
Security provided for other company liabilities		
Financial assets pledged	0.02	0.00

MEUR	2007	2006
Commitments and contingencies		
Rental and leasing liabilities		
Due in the next financial year	2.25	2.01
Due later	9.45	9.55
Total	11.69	11.56
Consignation liability	1.86	2.25
Financial liabilities		
Repayment liability in compliance		
with §33 of the Value Added Tax Act	0.00	0.00