



 **Nordkalk**

ANNUAL REPORT 2009



Pargas quarry, Finland

Nordkalk operates in a number of different sectors and countries. These operations are built on a stable ground - limestone - which also forms the base for the industrial society. Our welfare today depends on limestone-based products, without which we could not produce many of the necessities of every-day life.

Every single worker as well the large machines are parts of the big entity, the components of which include not only our versatile raw material but also know-how, technology and 100 years of experience.

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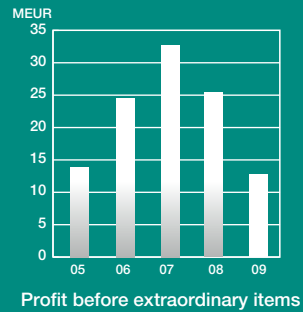
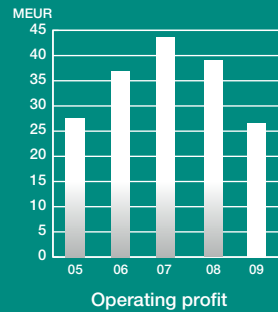
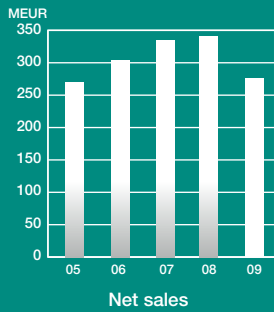
Operator Mika Viinanen, Lappeenranta, Finland

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Production Manager Marc Lindahl (left) and operator Göran Olofsson, Storugns, Sweden

NORDKALK'S ACTIVITIES STAND ON MANY CORNER STONES



Limestone is a versatile and often irreplaceable raw material with a large number of utilization areas. Nordkalk's strength lies in the heterogenic clientele that has a levelling effect on seasonal variations. Limestone products are used among other things in paper, steel and construction materials industries as well as in environmental care and agriculture. Even though the three first mentioned segments have been severely affected by the ongoing economic recession the sales of products for environmental care and soil improvement lime stayed on a normal level.

Nordkalk's largest group of customers is industry, which accounts for proximately 80 per cent of Nordkalk's sales. The paper making industry uses limestone and quicklime for filling and coating purposes. The manufacture of steel calls for lime to remove impurities at different stages of the production process. In the sugar industry lime also has a purifying function.

Building materials form one of the oldest uses for limestone products, and the building materials industry is today Nordkalk's next largest customer segment after the paper industry. Lime is also used in the manufacture of glass and paints. Dolomite is an important raw material for making fertilisers and wollastonite is used to manufacture plastics and ceramics.

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

We Use Limestone Products Every Day

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

Lime appears in all facets of our everyday lives; perhaps most obviously in the countryside, where agricultural liming reduces

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

Right Stone in Right Place

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

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

The limestone on Gotland represents the Silurian Age and was born about 400 million years ago. The stone excavated in Nordkalk's quarry in Storugns, Gotland, is fine-grained and porous. Its chemical purity is high, and it is used for quicklime for the process industries.

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

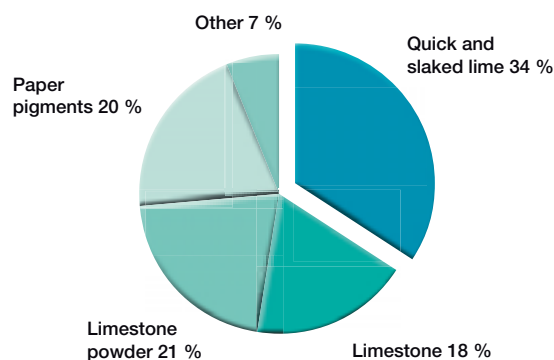
Nordkalk is the leading producer of high quality limestone-based products in Northern Europe. The company has operations at more than 30 locations in 8 countries. The deposits and production plants are concentrated around the Baltic Sea, and a large amount of both limestone and ready products are transported by sea to the customers. Nordkalk's roots are in Pargas, Finland, where systematic quarrying has continued for more than 100 years. Nordkalk employs some 1,200 people.

In Estonia Nordkalk excavates Silurian dolomite from Kurevere quarry. The chemical composition of this 400 million years old dolomite makes it good for fertiliser and other industrial applications as well as for soil improvement.

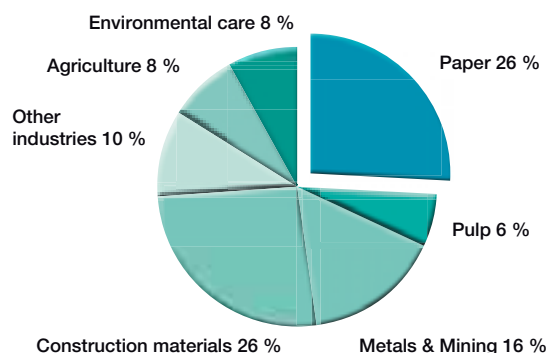
Rettig Is the Biggest Owner of Nordkalk.

In autumn 2009 Rettig increased its possession of Nordkalk and is thereby now Nordkalk's biggest owner with 49% of the shares.

Products
(as a percentage of total sales)



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





2009 - A YEAR OF LEARNING

The year 2009 gave us a magnificent opportunity to learn new things and take in new realities about business life and the company's readiness to meet a changed market and demand. With the results we achieved, we can now state that Nordkalk coped well and is today well equipped to face the continuing challenges of 2010.

From the marketing point of view, 2009 was an instructive but difficult year. The company's net sales fell heavily to the 2005 level. Most customer segments, products and market areas showed a similar trend, but there were also positive exceptions, e.g. the sales of products for soil improvement, stabilisation and environmental care. The heavy downfall had already started in November 2008, and not until the second half of 2009 could we discern a slight positive trend in some customer segments. Nordkalk has compensated for the falling net sales with adjusting capacity and resources to the prevailing market situation. The company resorted to adjusting and cost reducing measures in all countries, taking national laws, regulations and collective agreements into account. Thanks to their flexibility and positive attitude, the personnel contributed to last year's result in an exemplary way, making it possible for Nordkalk to meet the expectations of our owners and financiers.

Even in these difficult times, Nordkalk has managed to continue building its future by means of investments in research and development. The company's largest investment of all times, a new crushing plant in Miedzianka, was commissioned in Poland in the summer, and a new lime kiln was officially inaugurated in Verdal, Norway. Both of these are investments in future growth through new and environmental friendly technologies. Throughout 2009, Nordkalk continued to work on utilizing alternative fuels, improving process effectiveness and developing new product applications.

Nordkalk has continued its systematic efforts to promote health and safety at work. Our long-term work for "Zero Tolerance for Accidents" has received national recognition and visibility in Finland. The subsidiary Suomen Karbonaatti Oy achieved 1,500 days with zero accidents in 2009, and thus had the honor of being categorized as "world class" in occupational safety. In the meantime, the lime factory in Lappeenranta reached an even better milestone; 2,000 days with zero accidents. We will continue to focus on zero accidents, and the aims of this process are consistent and comprehensive. The year 2009 also was a year of learning in health and safety issues. In an international organization, not everybody works in the same manner, and the year demonstrated that there still is scope for improvement in our resources, leadership and management. Our new and unified management system will contribute.

The year 2009 was a positive one as regards important legal processes at Nordkalk. In the spring, we received final confirmation of emission allowances granted to the joint venture NorFraKalk AS in Norway. Norwegian legislation threatened to leave the kiln without an allowance for the 2008-2012 period. A strong reaction from the owners supported by the EU led to the desired result in this issue. In this respect, the company's new kiln can now compete at the market on equal terms with other producers. The company signed a multi-year contract with Omya on deliveries to Moerdijk, Holland. The permission process to open a new limestone quarry in Bunge,

Gotland, Sweden also developed in a very positive way during the year. The Environmental Court ruling in December 2008, which rejected Nordkalk's appeal, was reversed by the High Court of Justice for Environment in October 2009. Even though this ruling has been appealed to the Supreme Court of Sweden, it can, however, be seen as a major victory for Nordkalk's ambitions in this issue. The lesson learnt from this is that environmental issues and permit processes are becoming more and more central and challenging in our branch. During the year, Nordkalk has actively followed the preparation of the new mining act in Finland and contributed to it through organizations of the sector.

Last year also brought along a big change in Nordkalk's ownership structure. The structure was simplified, and the Rettig Group was clearly established as the biggest owner. From the company's point of view, this was a positive development, and the long-term ownership structure will strengthen our image as a stable and reliable company.

With a long-term owner and skilled personnel, Nordkalk looks ahead with confidence. The year 2010 is also going to be challenging. The difference is that we can now meet the challenges with the experiences and lessons that we learned last year.

Nordkalk is proud of our result in 2009. There is every chance that year 2010 will be better!

Bertel Karlstedt

With a long-term owner and skilled personnel, Nordkalk looks ahead with confidence. The year 2010 is also going to be challenging. The difference is that we can now meet the challenges with the experiences and lessons that we learned last year.

PERSONNEL

At the end of the year 2009, Nordkalk employed a total of 1,168 people (1,345 in 2008) in Finland, Sweden, Poland, Estonia, Russia, Lithuania, Germany and Ukraine. Selling of the subsidiary Inkoo Shipping Oy Ab had a significant decreasing effect on the number of personnel in Finland. Of these employees, 21% (20) were women and 79% (80) men. The share of blue-collar workers was 61% (64) and that of white-collar workers 39% (36) of the personnel. In Finland, Sweden and Poland, one half of the Group's employees have been working for the company for more than 10 years. The long term of employment indicates not only committed personnel but also the fact that the company has a valuable skills and knowledge base accumulated through experience.

Due to a strong downturn in the deliveries of limestone-based products, Nordkalk has had to adjust its actions accordingly in all of its operating countries. Temporary layoffs concerning the whole personnel in Finland lasted from 2 weeks to three months. In Sweden, the personnel in Luleå and the management of the Metals & Mining division were laid off. Personnel reductions took place at Louhi plant in Finland, Miedzianka plant in Poland, Storugns in Sweden, and at Vasalemma, Kurevere and Rakke plants in Estonia. As further cost-cutting actions, the company resorted to reductions in salaries and some benefits, and to replacing holiday pay with time off. To support the personnel during layoffs and pay cuts, Nordkalk worked in co-operation with the employment authorities and occupational health professionals.

Despite the challenging economic situation and cost-cutting actions, the company made efforts to promote the skills development and wellbeing of the personnel.

Development of Skills and Wellbeing at Work

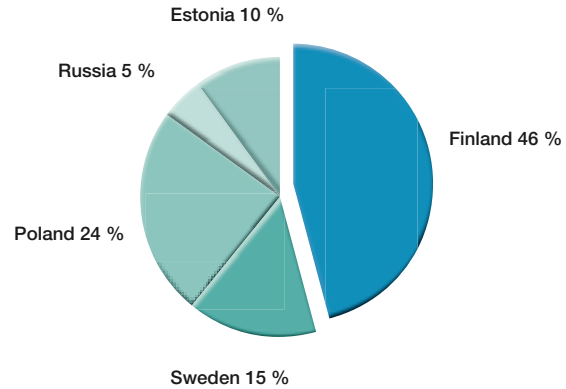
Development discussions play an important role in the management and skills development at Nordkalk. The company annually conducts development discussions with all of its employees, and the implementation of agreed development measures is monitored. The development discussion process has also got off to a good start in Estonia, where the goal is to extend the discussions to the entire personnel within two years. The needs for skills development are carefully established in a development discussion, and they are the main trigger for e.g. participating in training.

Despite the challenging economic situation and cost-cutting actions, the company made efforts to promote the skills development and wellbeing of the personnel. Communication improved in Estonia and Russia, thanks to the intranet in Estonian and improvement of the English skills of key people in Russia. In Poland, a 360-degree evaluation of the management and plant managers was completed, and further training in the excavation branch was started in order for the personnel to master skills they need in their work.

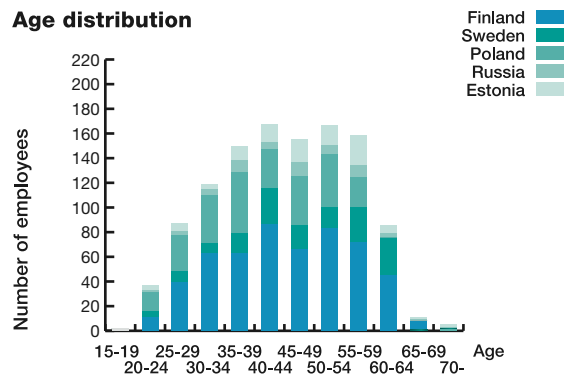
In Finland, a special age management program was used to cater for the different circumstances of people and to utilize the strengths of different age groups. This has been implemented e.g. by means of recreational services, lectures on health and coping, networking and by a better reconciliation of work and free time.

Nordkalk has a HR Network consisting of representatives from the various operating countries. This network works to harmonise and develop personnel issues in the entire Group.

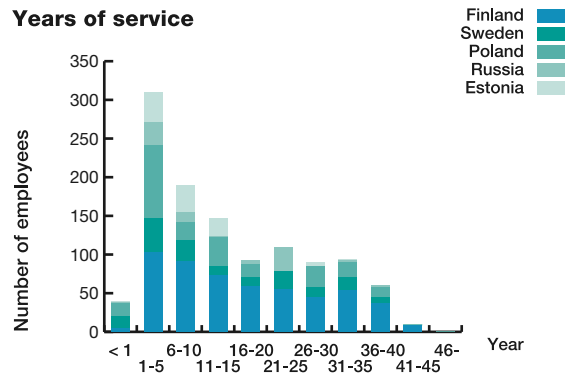
Personnel by country



Age distribution



Years of service



OCCUPATIONAL HEALTH AND SAFETY

Nordkalk's Operating Policy states that everyone working on the company's premises must have an appropriate and safe working environment. From the occupational health and safety point of view, this means that work-related risks are assessed and efficiently managed. The essential goal is the prevention of all accidents and occupational diseases.

At the Group level, occupational health and safety matters are coordinated by the Health & Safety Network. The year 2009 was its first full year of activity. The most focal tasks of the H&S Network are communicating and disseminating information on occupational health and safety issues as well as best practices. In the beginning of the year, the Group published its occupational health and safety guidelines. These guidelines standardized instructions and routines for safety management, modes of operation and personal protective equipment. The manual was distributed to the personnel in all of Nordkalk's operating countries, and the members of Health & Safety Network started training sessions, during which the contents and meaning of the manual will be studied with the personnel.

The "Zero Tolerance for Accidents" process was started in all countries along with the new health and safety guidelines. The guidelines also contain criteria based on which the standard of occupational safety can be measured. Monthly reporting on safety issues to the personnel started in 2009 to ensure

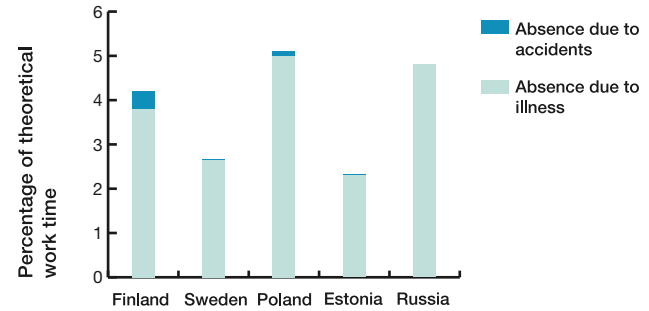
that everybody would start paying attention to the risks in the work environment and ways in which accidents could be prevented. The goal is to make safe modes of operation the foundation for all work by promoting work safety awareness and by encouraging positive attitudes towards safety issues.

In the autumn of 2009, safety audits of heavy machinery were started. The idea is to establish the level of safety management, the workers' knowledge of how to use the equipment safely and in compliance with the rules. The safety aspects of roads and loading and dumping sites will also be checked during a mine tour, which is part of the audit. Information on best practices can be disseminated in connection with the audits. All Nordkalk mines and quarries will be audited during the project.

There was a fatal accident in Poland in summer 2009. Investigation revealed that alcohol played a part in the accident. In early autumn, the company launched a zero tolerance campaign, which will disseminate information on the health impacts of alcohol and work on attitudes of the personnel and work community towards the use of intoxicants. Along with zero tolerance, the company's alcohol policy was made more stringent in parts, and new instructions were issued on such as alcohol testing at the workplace. Various information and training events have taken place in Finland, Sweden, Poland, Russia and Estonia in order to introduce the subject to the personnel, aiming at the attitude and motto "Not on my shift".

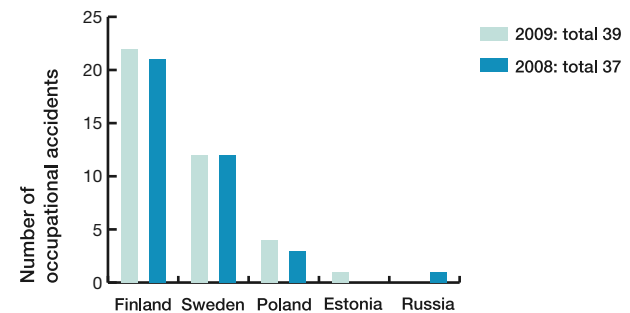
The traditional Occupational Health & Safety Cooperation Day was organized in spring in Finland. For the first time, representatives from other Nordkalk countries were also present. The background group for occupational health and safety continued its work in Finland. Its purpose is to develop and follow up issues concerning occupational diseases, safety and personal insurance. The group paid a visit to a company that has been successful in preventing accidents.

Absence due to illness and occupational accidents



The goal is to make safe modes of operation the foundation for all work by promoting work safety awareness and by encouraging positive attitudes towards safety issues.

Occupational accidents





SUSTAINABLE DEVELOPMENT IS BUILT WITH SYSTEMATIC WORK

Building of the new crushing line in Miedzianka, Poland, was started in the summer of 2008, and the plant was inaugurated in July 2009. In the planning great importance was focused on environmental aspects, and both noise and dust have successfully been reduced.

Environmental work means striving systematically towards the essential goals and maintaining cooperation between the environmental management system and line organizations. Nordkalk's products and work processes are being developed to enable us to minimize the impacts of quarrying and refining on the environment. Goal-setting for the coming years emphasizes an effective use of energy and raw materials, reduced dusting as well as intensified monitoring of emissions from the activities to both air and water. Energy efficiency will be improved by means of new investments, and product processes will be optimized in order to reduce energy consumption and emissions. These aspects will also be included in the divisions' goal-setting in future years. The Nordkalk Group's operating policy includes policies for the environment, quality and occupational safety, and it presupposes ongoing development.

The company's efforts in the field of geology aim at a long-term and effective excavation of the existing limestone deposits, taking into account the geological characteristics of various deposits. In Finland, a land lease and excavation permit were signed in April 2009 with the town of Lappeenranta for the next 60 years.

Nordkalk also has a policy for closing down quarries, which defines the principles of after-treatment. Usually, efforts are made to landscape the area, but another alternative is building on the special characteristic of a quarry. The United Nations has declared 2010 as the International Year of Biodiversity. A disused limestone quarry can offer an excellent growth environment for calciphilic plants. A range of other uses can also be considered – everything from underground museums to concert arenas.

A new management system covering the whole group was introduced in Nordkalk in the beginning of 2009. The old subsystems have been combined to form a single management system that now consists of a quality and environment system, principles of an occupational safety and health system, as well as other guidelines and routines that concern the entire group. In early 2009, Nordkalk received the new multisite certificates as planned: the quality standard (ISO 9001:2000) covers all Nordkalk's locations, the environmental standard (ISO 14001:2004) sites in Poland and Sweden as well as production plants in Finland, and the occupational safety and health management standard (OHSAS 18001:2007) sites in Sweden and Poland as well as Lappeenranta in Finland.

Environmental Impacts Will be Minimized

Nordkalk's environmental work strives to minimize the environmental impacts of the operations. Dusting from lime kilns and crushing plants can be effectively reduced by regularly replacing electric and textile filters. Diffuse dusting can also be tackled both by watering roads and yards and by asphaltting them. In the planning of a new crushing plant inaugurated last summer in Miedzianka Poland, great importance was focused on environmental aspects, and both noise and dust have successfully been reduced.

An application for an environmental permit to open a new limestone quarry requires extensive preliminary work in terms of surveying and gathering elementary information on the state of the environment by e.g. checking the ground-water flow, analyzing water samples and performing noise simulations. After this, a control program is drawn up for future excavation activities, which will be carefully followed up by Nordkalk's personnel.

Nordkalk actively makes efforts to minimize its own emissions into the air and water, and consequently participates in several research and development projects that strive to improve the state of the environment. For example, the company is engaged in studies of recycling and final repository of carbon dioxide together with several research institutes. The knowledge gained from such research leads to higher energy and material effectiveness, reducing the impact on the environment. The research also covers carbon dioxide sorting methods that are suitable for the lime burning process. Nordkalk is striving to replace fossil fuels with carbon dioxide neutral alternatives. Primarily, this means fuels based on clean biomass, and secondarily sorted waste that will be gasified into an inflammable form.

Nordkalk products are also used for environmental care. The company participates in several water conservation projects, e.g. a waste water project that aims to make waste water purification more effective in sparsely populated areas. Projects to improve water quality are under way in e.g. Nokia and Kerimäki in Finland.

Nordkalk's environmental work is described in greater detail in a separate Environmental Report, which can be downloaded from the company's web page www.nordkalk.com/news & publications. The impacts of the company's activities on the environment are described in the report, together with completed and future measures to minimize the environmental impacts in all Nordkalk's operating countries.

Energy Efficiency and Alternative Fuels

In Nordkalk's environmental efforts, developing energy efficiency plays an important role, and significant improvements have been carried through in many locations. Investments in new equipment and technology have made it possible to reduce the electricity consumption and utilize alternative fuels in the burning of lime. Improved control and supervision systems have led to more effective operations and thereby to reduced electricity consumption.

Nordkalk works hard to continuously improve energy efficiency in all our production locations. Energy efficiency is stressed in new investments, and existing production processes are optimized to reduce the energy consumption. In 2009, energy efficiency became a part of the Group's management system and Operating Policy. In Finland, Nordkalk committed in 2008 to the Energy Efficiency Agreement for Industries, which supports the introduction of new energy effective technology and increased use of renewable energy sources.

Energy issues are examined in internal audits and management reviews in the entire Group. In Estonia and Russia, work is underway to build up an environmental system in compliance with the ISO 14001 standard. In these countries, energy issues will be introduced in the system right from the beginning.



2009 BOARD OF DIRECTORS

Anders Moliis-Mellberg (left), Björn Mattsson, Leif Lundkvist, Bjarne Mitts and Christoffer Taxell. Morten Ahlström is missing from the picture.

Chairman of the Board
Björn Mattsson, b. 1941
Lic. Phil.
Honorary Counsellor
Member of the Board of Turku Science Park Ltd
Member of the Nordic Advisory Board of DresdnerKleinwort

Morten Ahlström, b. 1943
M.Sc. (Econ.)
Chairman of the Board, Ahlström Capital Oy
Chairman of the Boards of Quartona Ltd (Estonia) and Å&R Carton AB (Sweden)
Deputy Chairman of the Boards of EOS Russia AB (Sweden) and Elbi Elektrik (Turkey)
Member of the Board of Enics AG (Switzerland)
President of Antti Ahlströmin Perilliset Oy

Leif Lundkvist, b. 1945
M.Sc. (Econ.)
Chairman of the Board of Swedish Postgraduate Institute of Technology (STF), IFLs Resultatandelsstiftelse, Fanna Invest AB, Härjedalens Miljöbränsle AB and Härjedalens Utvecklings AB
Member of the Boards of MalmbergGruppen AB and Malmberg Water AB, Member of the EtikKollegiet
All companies in Sweden.

Deputy Chairman of the Board
Bjarne Mitts, b. 1949
B.Sc. (Econ.)
President & CEO, Rettig Group Ltd
Chairman of the Boards of Tarkala Oy and Oy Thunship Ab
Member of the Boards of Åbo Akademi University Foundation, Technology Industries of Finland, Viktor Ek Ltd and Antti Ahlströmin Perilliset Oy

Anders Moliis-Mellberg, s. 1951 (from 27 Nov. 2009)
M. Sc. (Eng.)
Senior Vice President, Ovako Group
Member of the Board of Finnish Association of Mining and Metallurgical Engineers

Panu Routila, b. 1964 (until 29.9.2009)
M.Sc. (Econ.)
President and CEO, Ahlström Capital Oy

Christoffer Taxell, b. 1948
LL.M.
Chairman of the Boards of Finnair Plc, Stockmann Plc, Föreningen Konstsamfundet and Åbo Akademi University Foundation
Member of the Boards of Sampo Plc and Luvata Ltd
Member of the Investment committee of the Svenska litteratursällskapet i Finland rf.

MANAGEMENT TEAM

Bertel Karlstedt, b. 1962
M.Sc. (Eng.)
President and CEO
Employed by the company since 2005

Jarmo Ellmén, b.1953
M.Sc. (Econ.)
Vice President, Treasury
Employed by the company since 2003

Elis Eskelinen, b. 1953
M.Sc. (Eng.)
Vice President, Pulp & Paper
Employed by the company since 1980

Måns Fajerson, b. 1966 (from 1 May 2009)
M.Sc. (Chem. Eng.)
Vice President, Purchasing & Logistics
Employed by the company since 2009

Anders Mattsson, b. 1969
M.Sc. (Econ.)
Vice President, Metals & Mining
Employed by the company since 1997

Paavo Nikkari, b. 1947 (until 31 July 2009)
M.Sc. (Agr.)
Vice President, Finland Division
Employed by the company since 1981

Kim Nordell, b. 1959
M.Sc. (Econ.)
Chief Financial Officer
Employed by the company since 1983

Håkan Pihl, b. 1958
M.Sc. (Geol.)
Vice President, Mineral Technology
Employed by the company since 1988

Gunilla Stenfors, b. 1956
B. Sc. (Econ.)
Vice President, Corporate Communications
Employed by the company since 1998

Marie Stenulv, b.1954 (until 30 April 2009)
Silf Certified Executive Supply Chain Manager
Vice President, Purchasing & Logistics
Employed by the company since 1999

Esa Tikka, b. 1953
M.Sc. (Econ.)
Vice President, Central & Eastern Europe (until 31 July 2009)
Vice President, Business Development (from 1 August 2009)
Employed by the company since 1980

Tarmo Tuominen, b. 1962
M.Sc. (Geol.)
Vice President, Process Technology
Employed by the company since 1982

Kari Vainio, b. 1955
LL.M.
Vice President, Human Resources, Health & Safety, and Legal Affairs
Employed by the company since 1993

Hannu Venäläinen, b. 1954 (from 1 August 2009)
M.Sc. (Chem.)
Vice President, Finland Division
Employed by the company since 1984

Jan Weber, b. 1973 (from 1 August 2009)
Vice President, Central & Eastern Europe (CEE)
Employed by the company since 2000

ANNUAL REPORT OF THE BOARD OF DIRECTORS

Wide Customer Base Levels out the Changes in Demand

The economic recession decreased the demand for limestone-based products in Nordkalk's big customer segments paper, pulp, steel and construction materials. Sales to agriculture, environmental care and road construction were on the other hand relatively good. There was a strong decrease in both net sales and result in comparison to 2008 and cost reduction measures were taken in the entire group.

Development within Customer Segments

Sales to the paper industry decreased heavily, above all in Finland. Paper mills have pulled down the capacity utilization and many mills have had occasional standstills. Sales to the pulp industry were also on a low level; several pulp factories have closed down and others have had several production stops. Towards the end of the year a slight increase could be detected in the demand for limestone-based products in paper and pulp industries. Planned standstills have been postponed and mills have been re-started earlier than expected.

Sales to the steel industry have been low in the beginning of the year, and in summer most of the steelworks had standstills up to the middle of August. During the third quarter several steelworks reached a normal production pace and deliveries of limestone-based products increased during the end of the year. However, the production pace of some steelworks remained slow throughout the year. Deliveries to the mining industry increased noticeably as mining projects in both Finland and Sweden took off to a new speed during the end of the year.

Deliveries to the construction materials industry remained on a low level throughout the whole year 2009. There were, however, many ongoing big infrastructure projects, which had a positive effect on the sales of products for soil stabilization and road construction.

Total sales of environmental care products increased somewhat in comparison to the year before. This is the case especially in the sales of products for flue-gas cleaning; because of the low prices of emission rights, coal-fired power plants have run almost the whole year. Also the cold weather in the end of the year increased the use of coal-fired power. Sales of water treatment products were on the same level as in 2008.

Sales of soil improvement lime were good throughout the year, thanks to a combination of good liming conditions and a pent-up need for liming. This despite low cereal prices and uncertain prospects for farming in general.

Financial Result for the Year 2009

Consolidated net sales totalled EUR 277.3 (344.9) million and the total sales in the big customer segments paper, steel and construction materials decreased heavily.

Consolidated operating profit decreased to EUR 27.1 (39.4) million, representing 9.8 (11.4) per cent of consolidated net sales.

Depreciations according to plan totalled EUR 27.2 (29.3) million.

Net financial expenses increased by EUR 0.2 million from 2008 and totalled EUR 14.1 million. Profit before taxes and minority interest was EUR 12.9 (25.5) million, representing 4.7 (7.4) per cent of the net sales.

Despite the difficult market situation Nordkalk managed to keep the cash flow on a relatively good level during 2009. This was

made possible with the help of careful investment planning, focus on working capital and selling of emission rights as a consequence of the decreased production.

Return on capital employed was 10.2 (14.8) per cent.

Total assets were EUR 341.5 (31.12.2008: 354.9) million. The equity/total assets ratio increased to 26.4 (24.0) per cent.

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

Investments

Total investments during 2009 amounted to EUR 23.9 (32.3) million and were financed from the company's own cash flow.

A new crushing plant in Miedzianka, Poland, was taken into use in July 2009. This is Nordkalk's all time biggest investment and it produces products for the steel industry in both Poland and Germany and for the building of infrastructure in Poland. The new plant remarkably reduces strain on the environment, improves utilization of raw material and brings increased effectiveness and bigger product flexibility.

The joint venture NorFraKalk's new kiln in Verdal, Norway was inaugurated officially in October 2009. The kiln produces high reactivity lime for manufacture of the paper pigment PCC. It represents the latest technology, which enables an environmentally friendly and cost effective production. The technology also supports the use of alternative fuels, and emissions from the kiln are particularly low.

Disinvestments

Nordkalk sold its share of 60 per cent in Inkoo Shipping Oy Ab on 26 January 2009.

Changes in the Owner Structure

On 19 September 2009 a sales contract was signed according to which private owners and Nordkalk's management sold 100%, Ahlström Capital two thirds and the institutional investors one third of their shares of Nordkalk. Rettig increased its possession of Nordkalk from 21% to 49% and is thereby now Nordkalk's biggest owner.

Financing

In connection with the changes in the owner structure Nordkalk paid off a debenture loan of EUR 31.85 million together with interest and supplementary interests. In order to strengthen Nordkalk's solidity, Rettig signed a capital loan of EUR 22 million.

Own Shares

Nordkalk owns 600 of its own shares, each with a nominal value of 1 euro. It represents 0.06 per cent of the entire share capital and votes. The shares were acquired in December 2005 at a price of 1 euro per share.

Personnel

Capacity and the personnel resources have been adjusted to the demand in all Nordkalk countries. The number of employees has decreased with 177 people. Furthermore temporary lay offs have been used, holiday pays have been changed for free time, salary cuts have been made and pay rises have not taken place.

Total number of employees at the end of the year was 1168 (1345). The average number of employees was 1232 (1395).

During the past year occupational health and safety issues have been in the focus. The program "Zero Tolerance for Accidents" has now been implemented in all Nordkalk countries. In parallel with the work to prevent accidents, a new zero tolerance program has been started to prevent the use of intoxicants at the work place. In connection with the implementation of the new management system, the routines for reporting accidents and near miss incidents have been updated.

Research and Development

Total R&D expenditure was EUR 4.7 (5.0) million, which represents 1.7 (1.4) per cent of net sales.

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

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

Nordkalk invests also heavily in active developing of products and methods to reduce the diffuse strain on watercourses.

Environment and Quality

Nordkalk's new management system was introduced in the whole group in the beginning of 2009. All operations are certified in compliance with ISO 9001:2000 quality standard, the operations in Poland and Sweden as well as the production plants in Finland have been certified in compliance with ISO 14001:2004 environmental standard. Occupational safety and health management has been certified in compliance with OHSAS 18001:2007 in Sweden and Poland as well as in Lappeenranta in Finland. The work to include the whole Nordkalk in the environmental and occupational safety and health standard will be completed during 2011.

The work continues to minimize the environmental impact of the operations, such as noise, vibrations and dust. Nordkalk pays also great attention to after care of the quarries that no longer are in use.

The total amount invested in environmental projects in 2009 was EUR 3.0 (1.2) million.

The High Court of Justice for Environment has given Nordkalk a permit to open a new limestone quarry in Bunge on Northern Gotland, Sweden. Nordkalk AB's application appeared earlier before the Environmental Court in Nacka, Sweden, which ruled against Nordkalk's application. Nordkalk appealed to The High Court of Justice for Environment which ruled in favor of the application on 9 October 2009. The present quarrying is expected to be able to continue until the end of 2012. The goal is to open the new quarry before this. Appeals have been made about the ruling to the Supreme Court, which has not yet informed whether there will be a hearing.

In December 2009 Nordkalk applied for an environmental permit to re-open the closed-down limestone quarry in Kolari, Finland. The application is expected to be handled during the first half of 2010, and quarrying would start earliest towards the end of the year.

Nordkalk publishes a separate Environmental Report online at www.nordkalk.com.

Risks Management

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

The general recession has affected several of Nordkalk's customer segments, above all paper, steel and construction materials industries, which may affect Nordkalk's net sales and result for several years to come. The ongoing structural changes in the paper industry in Finland may affect the sales to this segment.

Continuing allotment of free emission rights is of extremely great importance for the profitability of lime kilns.

Board of Directors, President and Auditors

Members of the Board of Directors

Björn Mattsson	Chairman
Morten Ahlström	Member
Leif Lundkvist	Member
Bjarne Mitts	Member
Anders Moliis-Mellberg	Member from 27 November 2009
Panu Routila	Member until 29 September 2009
Christoffer Taxell	Member

President of the company is Bertel Karlstedt.

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

Board's Proposal for the Distribution of Profits

The distributable funds of Nordkalk parent company amount to EUR 54.8 (55.2) million. The Board proposes that no dividend be paid and that the annual profit be left in the undivided profit funds.

Outlook

The slowly developing economy is expected to affect the demand for limestone-based products also in 2010. Production is continuously adjusted to demand, and cost reducing actions are ongoing. However, the versatile use of limestone means that not all Nordkalk's customer segments are equally stricken by the economic downfall. Deliveries to construction materials industry are expected to continue on a low level during the whole of 2010. However, a slight increase is expected in the deliveries to the paper, pulp and steel industries. Demand for environmental care and road construction products is expected to continue on a good level in 2010. The low cereal prices give a cause for uncertainty when it comes to the sales of soil improvement products.

Nordkalk's net sales are expected to increase slightly in 2010 and profitability is expected to improve somewhat.

Pargas, 28 January 2010

Björn Mattsson
Morten Ahlström
Leif Lundkvist
Bjarne Mitts
Anders Moliis-Mellberg
Christoffer Taxell

Bertel Karlstedt, President and CEO

Consolidated Income Statement

1 Jan. - 31 Dec. 2009

	2009		2008	
	1000 EUR	%	1000 EUR	%
Net sales	277 317	100.0	344 936	100.0
Cost of goods sold	232 417		282 291	
Gross profit	44 900	16.2	62 645	18.2
Selling, marketing and development expenses	10 101		13 104	
Administration expenses	19 229		20 472	
Other operating income	12 268		10 936	
Other operating expenses	739		614	
	17 801	6.4	23 253	6.7
Operating profit	27 100	9.8	39 392	11.4
Share of results of associated companies	-60		12	
Financial income and expenses	-14 093		-13 897	
Profit before extraordinary items	12 946	4.7	25 506	7.4
Profit before taxes and minority interest	12 946	4.7	25 506	7.4
Direct taxes	-4 297		-6 705	
Minority interests	-1 560		-2 996	
Net profit for the period	7 089	2.6	15 805	4.6

Consolidated Balance Sheet

31 Dec. 2009

	31 Dec. 2009		31 Dec. 2008	
	1000 EUR	%	1000 EUR	%
Assets				
Fixed assets and long-term investments				
Intangible assets				
- Goodwill	1 271		1 468	
- Other intangible assets	6 239		6 479	
Tangible assets				
- Mineral deposits and land	84 236		85 742	
- Buildings and constructions	39 953		32 383	
- Machinery and equipment	98 357		98 173	
- Other tangible assets	4 979		5 893	
- Advance payments and construction in progress	8 178		19 784	
Investments				
- Shares in associated companies	647		238	
- Other shares and participations	731		731	
Total fixed assets and long-term investments	244 592	71.6	250 892	70.7
Current assets				
Inventories	38 719		45 507	
Short-term receivables	42 016		48 107	
Cash and bank balances	16 141		10 438	
Total current assets	96 876	28.4	104 052	29.3
Total assets	341 466	100.0	354 943	100.0

Shareholders' equity and liabilities

Shareholders' equity				
Share capital	1 000		1 000	
Net profit/loss for previous years	67 214		53 513	
Net profit for the period	7 089		15 805	
Total shareholders' equity	75 303	22.1	70 316	19.8
Minority interest	13 757	4.0	14 768	4.2
Provisions	2 626	0.8	2 138	0.6
Liabilities				
Long-term liabilities	180 695		186 209	
Short-term liabilities	69 085		81 511	
Total liabilities	249 781	73.1	267 720	75.4
Total shareholders' equity and liabilities	341 466	100.0	354 943	100.0

Consolidated Cash Flow Statement

	1 Jan. - 31 Dec. 2009 1000 EUR	1 Jan. - 31 Dec. 2008 1000 EUR
Net profit for the period	7 089	15 805
Depreciation	27 151	29 296
Profit and loss on sale of fixed assets	-1 869	-718
Change in provisions	434	486
Share of profit/loss of associated companies	60	-12
Minority interest	1 560	2 996
Financial items	14 093	13 897
Taxes	4 297	6 705
Adjustments total	45 726	52 651
Cash flow before change in net working capital	52 815	68 456
Change in net working capital:		
Change in receivables (increase(-)/decrease(+))	-2 752	6 209
Change in inventories (increase(-)/decrease(+))	7 506	-11 056
Change in liabilities (increase(+)/decrease(-))	-3 780	3 626
Change in net working capital	975	-1 221
Cash flow after change in net working capital	53 790	67 235
Cash flow after change in net working capital and provisions	53 790	67 235
Interest paid	-18 823	-14 436
Interest received	199	297
Other financial items	9 594	-7 124
Exchange gains/losses (finance)	-582	6 253
Taxes paid	-2 253	-10 738
Cash flow from operating activities	41 925	41 487
Cash flow from investing activities:		
Acquisition of group companies		-52
Acquisition of associated companies	-305	
Investments of external shares		-10
Investments of intangible and tangible assets	-25 402	-31 154
Sale of associated companies		720
Sale of fixed assets	1 777	469
Dividends received	51	113
Other changes in fixed assets	5 768	1 490
Cash flow from investing activities	-18 111	-28 423
Cash flow after investing activities	23 814	13 063
Cash flow from financing activities:		
New loans raised	51 428	20 933
Capital loan	22 000	
Amortization of loans	-80 584	-39 150
Dividends paid	-5 977	-2 550
Change in receivables		21
Change in interest-bearing liabilities	-5 985	4 037
Cash flow from financing activities	-19 118	-16 709
Exchange rate difference	1 007	-4 626
Cash flow after financing activities	5 703	-8 271
Cash and cash equivalents at the beginning of the period	10 438	18 709
Cash and cash equivalents at the end of the period	16 141	10 438

Parent Company's Income Statement

1 Jan. - 31 Dec. 2009

	2009		2008	
	1000 EUR	%	1000 EUR	%
Net sales	129 135	100.0	147 765	100.0
Cost of goods sold	103 064		117 175	
Gross profit	26 071	20.2	30 590	20.7
Selling, marketing and development expenses	4 125		4 136	
Administration expenses	13 656		13 841	
Other operating income	10 406		6 431	
Other operating expenses	341		137	
	7 716	6.0	11 683	7.9
Operating profit	18 355	14.2	18 907	12.8
Financial income and expenses	-11 517		-2 841	
Profit before extraordinary items	6 838	5.3	16 066	10.9
Extraordinary items	-59		-400	
Profit before appropriations and taxes	6 779	5.2	15 666	10.6
Depreciation in excess of plan	-455		-1 834	
Direct taxes	-1 773		-3 278	
Net profit for the period	4 551	3.5	10 554	7.1

Parent Company's Balance Sheet

31 Dec. 2009

	31 Dec. 2009		31 Dec. 2008	
	1000 EUR	%	1000 EUR	%
Assets				
Fixed assets and long-term investments				
Intangible assets	5 352		5 591	
Tangible assets				
- Mineral deposits and land	36 761		37 921	
- Buildings and constructions	9 209		10 131	
- Machinery and equipment	28 010		31 292	
- Other tangible assets	2 875		2 842	
- Advance payments & construction in progress	2 253		2 102	
Investments				
- Shares in subsidiaries	87 212		87 719	
- Long-term receivables from subsidiaries	35 459		29 792	
- Shares in joint ventures	6 933		6 933	
- Shares in associated companies	387		82	
- Other shares and participations	702		702	
Total fixed assets and long-term investments	215 153	82.7	215 107	80.2
Current assets				
Inventories	17 371		23 373	
Short term receivables	20 603		28 218	
Cash and bank balances	7 073		1 598	
Total current assets	45 047	17.3	53 189	19.8
Total assets	260 200	100.0	268 296	100.0
Shareholders' equity and liabilities				
Shareholders' equity				
Share capital	1 000		1 000	
Net profit/loss for previous years	50 213		44 655	
Net profit for the period	4 551		10 554	
Total shareholders' equity	55 765	21.4	56 210	21.0
Accumulated excess depreciation	9 623	3.7	9 168	3.4
Provisions	101	0.0	101	0.0
Liabilities				
Long-term liabilities	147 537		146 662	
Short-term liabilities	47 175		56 156	
Total liabilities	194 712	74.8	202 818	75.6
Total shareholders' equity and liabilities	260 200	100.0	268 296	100.0

Parent Company's Cash Flow Statement

	1 Jan. - 31 Dec. 2009 1000 EUR	1 Jan. - 31 Dec. 2008 1000 EUR
Net profit for the period	4 551	10 554
Depreciation	9 614	9 815
Profit and loss on sale of fixed assets	-3 850	-805
Financial items	11 517	2 841
Taxes	2 228	5 112
Adjustments total	19 509	16 963
Cash flow before change in net working capital	24 060	27 517
Change in net working capital:		
Change in receivables (increase(-)/decrease(+))	-1 867	1 842
Change in inventories (increase(-)/decrease(+))	6 002	-5 462
Change in liabilities (increase+)/decrease(-))	-2 275	4 823
Change in net working capital	1 860	1 203
Cash flow after change in net working capital	25 920	28 720
Cash flow after changes in net working capital and provisions	25 920	28 720
Interest paid	-18 063	-13 205
Interest received	1 765	2 063
Other financial items	9 407	-7 894
Exchange gains/losses (finance)	-541	6 333
Taxes paid	383	-4 804
Cash flow from operating activities	18 871	11 213
Cash flow from investing activities:		
Acquisition of associated companies	-305	
Investments of intangible and tangible assets	-4 058	-8 518
Sale of associated companies		720
Sale of fixed assets	3 586	132
Dividends received	1 071	2 793
Other changes in fixed assets	634	74
Cash flow from investing activities	928	-4 799
Cash flow after investing activities	19 799	6 414
Cash flow from financing activities:		
New loans raised	51 000	19 000
Capital loan	22 000	
Amortization of loans	-77 126	-35 000
Dividends paid	-4 997	
Change in receivables	-5 953	5 234
Change in liabilities	752	24
Cash flow from financing activities	-14 324	-10 742
Cash flow after financing activities	5 475	-4 328
Cash and cash equivalents at the beginning of the period	1 598	5 926
Cash and cash equivalents at the end of the period	7 073	1 598

Accounting Principles

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

Consolidation Principles

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

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

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

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

Transactions in Foreign Currencies

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

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

Foreign Subsidiaries and Jointly Owned Companies

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

Current Assets

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

Fixed Assets

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

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

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

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

Leasing

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

Emission Rights

Emission rights are reported using the net value method. In other words, current values are not included in the Balance Sheet. Emission rights acquired to cover shortfalls and shortfalls not covered by acquisition are reported as a cost according to their value on the last day of the financial year. Gains from the sale of surplus emission rights are included under other operating income.

Revenue Recognition

Sales are recorded in accordance with the invoiced value of products or performance of services, net of indirect taxes and

discounts. Sales of products and services are recorded at the time each individual transaction takes place.

Research and Development

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

Pension Liabilities

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

Income Taxes

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

tax rate changes are included in the Income Statement. The Balance Sheet includes all deferred tax liabilities and the probable realisable amount of deferred tax assets. No deferred tax liability is recognised for the undistributed earnings of subsidiaries. Deferred tax liability on allocated goodwill has been included in the Consolidated Balance Sheet.

Exchange Rates

		Rates at end of period		Average rates	
		31 Dec 2009	31 Dec 2008	1-12/2009	1-12/2008
Finland	Euro	1.00000	1.00000	1.00000	1.00000
Sweden	SEK	10.25200	10.87000	10.61996	9.61688
Norway	NOK	8.30000	9.75000	8.72878	8.22484
Estonia	EEK	15.64660	15.64660	15.64660	15.64660
Poland	PLN	4.10450	4.15350	4.32984	3.51511
Russia	RUR	43.15400	41.28300	44.13914	36.42310
Ukraine	UAH	11.47040	10.85530	11.19406	10.85530

Calculation of Financial Ratios

Return on capital employed (ROC), %

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

Return on equity (ROE), %

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

Interest coverage

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

Valued added

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

Gearing, %

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

Solvency ratio, %

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

Earnings per share (EPS)

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

Five-year Review

		2009	2008	2007	2006	2005
From income statement						
Net sales	MEUR	277.3	344.9	334.4	303.8	269.6
change	%	-19.6	3.1	10.1	12.7	-0.4
foreign sales	%	41.0	43.5	41.3	38.8	37.9
Operating profit	MEUR	27.1	39.4	43.6	36.8	27.5
% of net sales	%	9.8	11.4	13.0	12.1	10.2
Profit before extraordinary items	MEUR	12.9	25.5	32.7	24.5	13.9
% of net sales	%	4.7	7.4	9.8	8.1	5.2
Profit before taxes and minority interest	MEUR	12.9	25.5	32.7	24.5	13.9
% of net sales	%	4.7	7.4	9.8	8.1	5.2
Net profit for the period	MEUR	7.1	15.8	20.7	13.7	6.7
From balance sheet						
Fixed assets	MEUR	245.3	250.9	263.6	259.0	248.3
Inventories	MEUR	38.7	45.5	36.5	34.0	34.5
Other current assets	MEUR	57.4	58.5	66.5	52.8	48.1
Minority interest	MEUR	13.8	14.8	14.3	13.5	12.8
Equity, excl. capital loan	MEUR	75.3	70.3	62.0	39.1	24.5
Equity, incl. capital loan	MEUR	97.3				73.6
Interest-bearing liabilities	MEUR	179.7	186.3	204.8	213.9	185.0
Non interest-bearing liabilities	MEUR	72.7	83.5	85.5	79.3	59.5
Balance sheet total	MEUR	341.5	354.9	366.5	345.8	330.9
Financial ratios						
Gross capital expenditure	MEUR	23.9	32.3	32.9	22.0	14.1
% of net sales	%	8.6	9.4	9.8	7.2	5.2
Depreciation	MEUR	27.2	29.3	27.9	25.8	26.9
Research and Development costs	MEUR	4.7	5.0	3.4	3.3	3.2
% of net sales	%	1.7	1.4	1.0	1.1	1.2
Capital employed CB	MEUR	268.8	271.4	281.1	266.5	271.4
Return on capital employed	%	10.2	14.8	16.6	13.8	10.2
Return on equity (ROE), excl. capital loan	%	9.9	23.3	38.2	24.3	10.9
Return on equity (ROE), incl. capital loan	%	8.8				8.5
Gearing, excl. capital loan	%	182.9	206.7	243.8	386.9	283.6
Gearing, incl. capital loan	%	146.6				203.2
Interest coverage	times	2.0	2.8	3.7	3.0	2.0
Solvency ratio, excl. capital loan	%	26.4	24.0	20.8	15.2	11.3
Solvency ratio, incl. capital loan	%	32.9				26.1
Earnings per share (EPS)	EUR	7.1	15.8	20.7	13.7	6.7
Per employee						
Net sales	1000 EUR	225	247	245	225	205
Value added		81	89	90	82	76
Wages and salaries		37	39	38	35	35
Profit before extraordinary items		11	18	24	18	11
Personnel on average		1 232	1 395	1 364	1 353	1 316
Personnel at year-end		1 168	1 345	1 339	1 304	1 347

AUDITOR'S REPORT

To the Annual General Meeting of Nordkalk Corporation

We have audited the accounting records, the financial statements, the report of the Board of Directors, and the administration of Nordkalk Corporation for the year ended on 31 December, 2009. The financial statements comprise the consolidated balance sheet, income statement, cash flow statement and notes to the consolidated financial statements, as well as the parent company's balance sheet, income statement, cash flow statement and notes to the financial statements.

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

The Board of Directors and the President and CEO are responsible for the preparation and fair presentation of the financial statements and the report of the Board of Directors in accordance with the laws and regulations governing the preparation of the financial statements and the report of the Board of Directors in Finland. The Board of Directors is responsible for the appropriate arrangement of the control of the company's accounts and finances, and the President and CEO shall see to it that the accounts of the company are in compliance with the law and that its financial affairs have been arranged in a reliable manner.

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements and the report of the Board of Directors. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements or of the report of the Board of Directors, whether due to fraud or error. In making those risk assessments,

the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements and the report of the Board of Directors in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements and the report of the Board of Directors.

The audit was performed in accordance with good auditing practice in Finland. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

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

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

Opinion on discharge from liability and distribution of profit

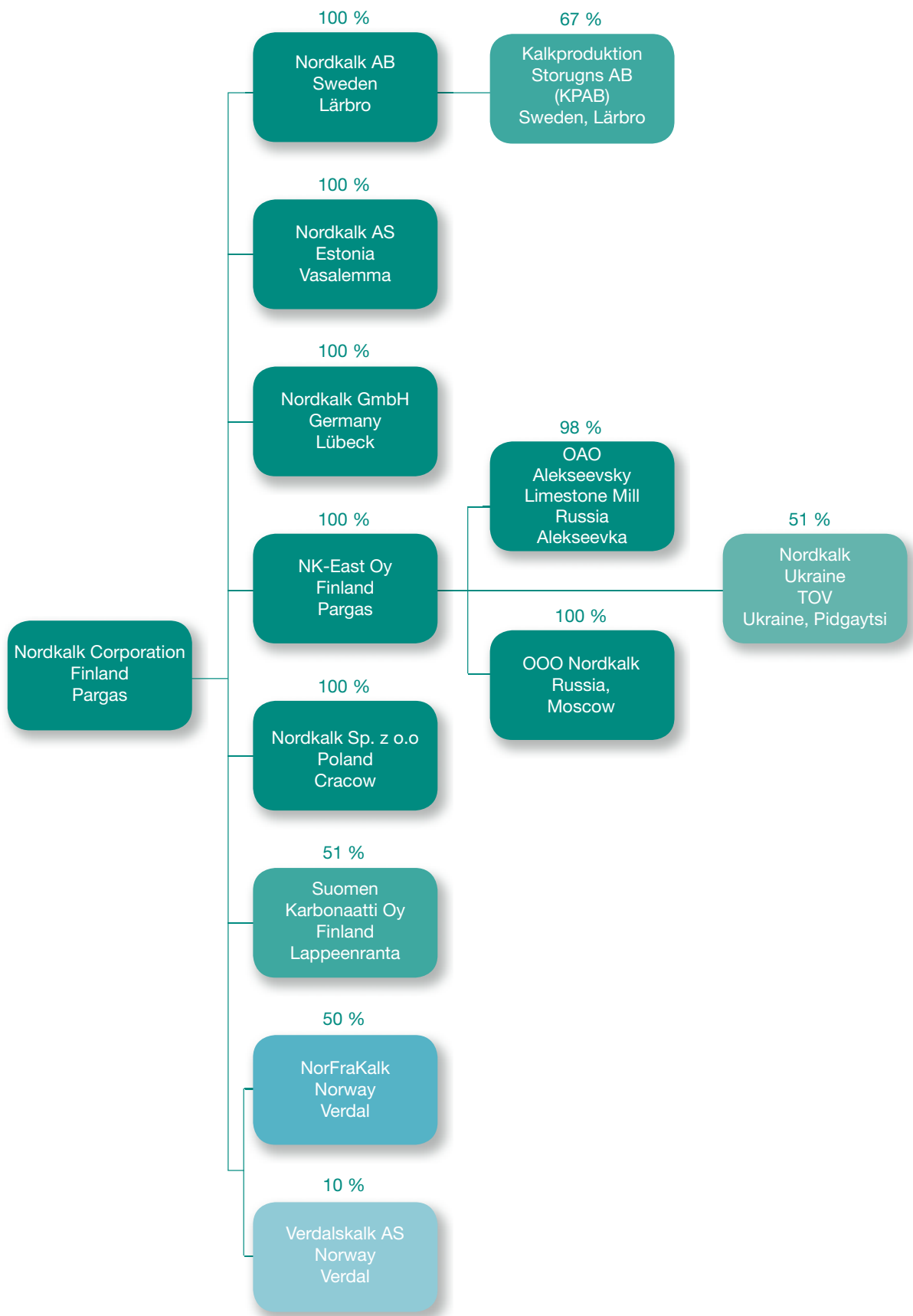
We recommend that the parent company's financial statements and the consolidated financial statements should be adopted. The proposal by the Board of Directors regarding the use of the profit shown at the balance sheet is in compliance with the Limited Liability Companies Act. We recommend that the Members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

Pargas, 28 January 2010

KPMG OY AB

SIXTEN NYMAN
Authorized Public Accountant

GROUP STRUCTURE





Miner Mika Hopponen, Tytyri, Finland



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