

**Dynea Oy and Subsidiaries**  
**Consolidated condensed income statement**

(unaudited)  
(all amounts in € millions )

	12 months ended December 31, 2006	12 months ended December 31, 2005
<b>Continuing operations:</b>		
<b>Sales</b>	780,0	714,5
Other operating income	20,7	19,6
Expenses	(746,1)	(688,8)
Depreciation, amortisation and write-downs	(22,5)	(24,9)
<b>Operating profit</b>	<b>32,1</b>	<b>20,4</b>
Finance costs	(16,7)	(37,9)
Share of income in associates and joint ventures	7,2	3,5
Write-down of shares in joint ventures	8,0	(38,4)
<b>Profit/(loss) before income tax</b>	<b>30,6</b>	<b>(52,4)</b>
Income tax benefit/(expense)	8,1	(1,0)
<b>Profit/(loss) for the year from continuing operations</b>	<b>38,7</b>	<b>(53,4)</b>
<b>Discontinued operations:</b>		
<b>Profit for the year from discontinued operations</b>	<b>12,9</b>	<b>22,1</b>
<b>Profit/(loss) for the year</b>	<b>51,6</b>	<b>(31,3)</b>
<b>Attributable to:</b>		
Profit/(loss) attributable to equity holders	49,0	(32,5)
Minority interest	2,6	1,2
<b>Profit/(loss) for the year</b>	<b>51,6</b>	<b>(31,3)</b>

**Dynea Oy and Subsidiaries**  
**Consolidated condensed balance sheet**

(unaudited)  
(all amounts in € millions )

	As at December 31, 2006	As at December 31, 2005
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	243,3	380,3
Intangible assets	130,1	191,1
Investments in associates and joint ventures	23,0	24,6
Other non-current assets	4,9	2,4
Total non-current assets	401,3	598,4
<b>Current assets</b>		
Inventories	56,3	73,9
Receivables	129,2	132,2
Other current assets	9,8	9,4
Cash and cash equivalents	39,2	39,9
Total current assets	234,5	255,4
<b>Assets held for sale</b>	248,8	—
<b>Total assets</b>	<b>884,6</b>	<b>853,8</b>
<b>SHAREHOLDERS' EQUITY AND LIABILITIES</b>		
<b>Shareholders equity</b>		
Share capital	96,2	96,2
Share premium	11,4	11,4
Cumulative translation adjustment	(40,0)	(40,6)
Retained earnings	71,7	22,7
	139,3	89,7
<b>Minority interest</b>	10,5	10,8
<b>Total equity</b>	149,8	100,5
<b>Non-current liabilities</b>		
Borrowings	324,2	470,4
Other non-current liabilities	45,4	95,4
	369,6	565,8
<b>Current liabilities</b>		
Accounts payable	102,4	118,1
Borrowings and current portion of long-term debt	139,7	14,6
Other current liabilities	64,7	54,8
	306,8	187,5
<b>Liabilities related to assets classified as held for sale</b>	58,4	—
<b>Total liabilities</b>	734,8	753,3
<b>Total equity and liabilities</b>	<b>884,6</b>	<b>853,8</b>

**Dynea Oy and Subsidiaries**  
**Consolidated condensed cash flow statement**

(unaudited)  
(all amounts in € millions )

	12 months ended December 31, 2006	12 months ended December 31, 2005
<b>Cash flow from operating activities</b>		
Profit/(loss) for the year	51,6	(31,3)
Adjustments, total	41,0	124,6
Change in net working capital	(25,6)	13,4
<b>Cash provided by operations</b>	<b>67,0</b>	<b>106,7</b>
Interests received	1,6	4,0
Dividends from associates and joint ventures	6,2	0,9
Interests paid	(25,7)	(41,9)
Other financial income and expense	2,9	11,2
Income taxes paid	(6,7)	(14,2)
<b>Net cash provided by operating activities</b>	<b>45,3</b>	<b>66,7</b>
Investments in joint ventures and subsidiaries	—	(1,8)
Disposals of joint ventures and subsidiaries	10,7	—
Purchase of property, plant and equipment	(39,2)	(25,6)
Proceeds from sales of property, plant and equipment	4,3	20,9
<b>Net cash (used in) investing activities</b>	<b>(24,2)</b>	<b>(6,5)</b>
Dividends to minority shareholders	(2,7)	(1,7)
Proceeds from long-term borrowings	2,9	456,0
(Repayments) of long-term borrowings	(10,8)	(332,4)
(Repayments) of short-term borrowings, net	(1,2)	(142,9)
Other financing items	(7,0)	(31,5)
<b>Net cash (used in) / provided by financing activities</b>	<b>(18,8)</b>	<b>(52,5)</b>
<b>Movement in cash and cash equivalents</b>		
At start of the year	39,9	30,1
Increase (decrease) in cash and cash equivalents	2,3	7,7
Discontinued operations	(1,9)	—
Effect of exchange rates	(1,1)	2,1
<b>At end of the year</b>	<b>39,2</b>	<b>39,9</b>

**Consolidated condensed statement of changes in equity**

	Share Capital	Share Premium	Translation Adjustment	Retained (Loss)/ Earnings	Minority Interest	Total
<b>Balance at 31 December 2004</b>	<b>96,2</b>	<b>11,4</b>	<b>(43,9)</b>	<b>52,8</b>	<b>9,2</b>	<b>125,7</b>
Capital increase	—	—	—	—	1,1	1,1
Share-based payment	—	—	—	2,4	—	2,4
(Loss) for the year	—	—	—	(32,5)	1,2	(31,3)
Translation adjustment, subsidiaries	—	—	0,1	—	1,0	1,1
Translation adjustment, associates and JV's	—	—	3,2	—	—	3,2
Dividends to minority	—	—	—	—	(1,7)	(1,7)
<b>Balance at 31 December 2005</b>	<b>96,2</b>	<b>11,4</b>	<b>(40,6)</b>	<b>22,7</b>	<b>10,8</b>	<b>100,5</b>
Profit for the year	—	—	—	49,0	2,6	51,6
Translation adjustment, subsidiaries	—	—	1,3	—	(0,2)	1,1
Translation adjustment, associates and JV's	—	—	(0,7)	—	—	(0,7)
Dividends to minority	—	—	—	—	(2,7)	(2,7)
<b>Balance at 31 December 2006</b>	<b>96,2</b>	<b>11,4</b>	<b>(40,0)</b>	<b>71,7</b>	<b>10,5</b>	<b>149,8</b>

**Dynea Oy and Subsidiaries**  
**Notes to consolidated condensed financial statements**

**1. Accounting policies**

The consolidated financial statements are prepared in accordance with and comply with International Financial Reporting Standards ("IFRS") as approved by the European Union.

**2. Segment information**

Dynea's reportable primary business segments have been changed to geographical areas, following the new business structure announced in March 2005.

(unaudited)  
(all amounts in € millions )

	12 months ended December 31, 2006	12 months ended December 31, 2005
<b>Sales</b>		
Europe	592,7	514,8
Asia Pacific	179,8	167,7
Unallocated *)	17,2	38,7
Eliminations	(9,7)	(6,7)
<b>Total sales</b>	<b>780,0</b>	<b>714,5</b>
<b>Operating profit (loss)</b>		
Europe	31,6	20,4
Asia Pacific	15,7	14,7
Unallocated *)	(15,2)	(14,7)
<b>Total operating profit</b>	<b>32,1</b>	<b>20,4</b>

\*) Unallocated includes our operations in South America and several small non-core operations such as a PVC manufacturing plant in Finland, and certain business support, corporate functions and treasury operations.

On November 20, 2006, Dynea and Dundas Capital Investments, LLC, a Delaware limited liability company, signed a stock purchase agreement according to which Dynea sold its North American operations to Dundas Capital Investments, LLC. The purchasing company is controlled by Teachers' Private Capital, which is the private investment arm of the Ontario Teachers' Pension Plan. The sale has not been finalised yet.

The discontinued North American operations were previously reported under the geographical segment "North America".

**Dynea Oy and Subsidiaries**  
**Notes to consolidated condensed financial statements**

(unaudited)  
(all amounts in € millions )

**3. Commitments and contingencies**

	12 months ended December 31, 2006	12 months ended December 31, 2005
<b>Mortgages, pledges and other guarantees given:</b>		
Chattel mortgages	100,3	100,3
Real estate mortgages	197,2	206,1
Investments in subsidiaries at historical cost	1 260,4	888,4
Other pledges given	874,3	901,9
Guarantees given	48,3	41,3
Other contingent liabilities	8,7	9,0

**Leasing commitments**

Portion falling due during the next financial year	3,8	3,9
Portion for subsequent years	19,1	23,2
<b>Total</b>	<b>22,9</b>	<b>27,1</b>

**Nominal values of derivative financial instruments**

Interest rate swaps	180,2	265,9
Foreign exchange forward contracts	230,3	46,4

**Maturity of interest rate swap contracts:**

Under 1 year	—	78,1
2-5 years	180,2	187,8

**Fair values of derivative financial instruments**

	12 months ended December 31, 2006			12 months ended December 31, 2005
	Positive Fair Values	Negative Fair Values	Net Fair Values	Net Fair Values
Interest rate swaps, caps, and futures contracts	3,3	-	3,3	2,1
Foreign exchange forward contracts	2,9	(0,7)	2,2	(0,3)
<b>Maturity of interest rate swap contracts:</b>				
Under 1 year	-	-	-	0,8
2-5 years	3,3	-	3,3	1,3

## Dynea Oy and Subsidiaries

### Notes to consolidated condensed financial statements

Fair values of the interest rate swaps and foreign exchange forward contracts are recognised in the Balance Sheet under Current Assets or Current Liabilities. Positive and negative fair values of financial instruments are shown under Receivables or Other Current Liabilities in accordance with IAS 39. The nominal amounts of derivatives summarized in the above table do not represent amounts exchanged by parties and, thus, are not a measure of Dynea's exposure from its use of derivatives. The nominal amounts for the forward exchange contracts include positions, which have been effectively closed off.

#### 4. Related Party Transactions and Balances

(unaudited)

(all amounts in € millions )

##### Related Party Transactions

	12 months ended December 31, 2006	12 months ended December 31, 2005
Sales to associated companies	9,3	3,8
Sales to other related parties	5,4	3,6
Purchases from associated companies	20,6	17,4
Purchases from other related parties	8,0	9,0
Other income from associated companies	8,6	2,7
Other income from other related parties	—	0,1
Other expenses to other related parties	0,3	0,1
Interest expenses to other related parties	2,0	1,7

##### Related Party Balances

	As at December 31, 2006	As at December 31, 2005
Other current receivables from associated companies	3,4	2,7
Trade receivables from associated companies	8,1	1,7
Trade receivables from other related parties	—	0,1
Loan payables to other related parties	20,9	27,1
Interest liabilities to other related parties	0,8	0,6
Trade payables to associated companies	0,6	1,2
Trade payables to other related parties	—	0,1
Other current liabilities to other related parties	8,0	—
Guarantees given to associates	3,8	0,2