

LAROX GROUP FINANCIAL STATEMENT 2008

Highlights of 2008:

- Net sales were EUR 208.0 million (EUR 158.3 million) with increase of 31.4 %. Net sales of the fourth quarter were EUR 64.1 million (EUR 49.3 million).
- Operating profit was 27.1 % better, totaling EUR 16.6 million (EUR 13.1 million).
- Total of new orders received decreased by 11.3 % in comparison to the previous year. The total of new orders for the year 2008 was EUR 184.8 million (EUR 208.4 million). New orders received during the fourth quarter totaled EUR 25.8 million (EUR 64.9 million)
- The order backlog at the end of the year was 26.0 % lower than one year earlier totaling EUR 72.0 million (EUR 97.3 million).
- Profit before tax was 14.0 million in 2008 (EUR 11.8 million). Profit before tax for the fourth quarter totaled EUR 3.7 million (EUR 4.9 million).
- Net cash flow from operating activities was EUR 10.8 million (EUR -2.4 million).
- Earnings per share were EUR 1.07 (EUR 1.01).
 - The board of directors proposes a dividend per share EUR 0.50 (EUR 0.60).

Mr. Toivo Matti Karppanen, President & CEO of Larox Corporation:

" The 2008 fiscal year was both good and bad for Larox: we achieved our targeted growth in net sales, but not in relative profitability. Our order backlog decreased in the second half of the year. Larox's net sales increased by 31.4% over the previous year to EUR 208.0 million. Our operating profit was 8.0 percent of net sales. Return on shareholders' equity was 29.2 percent, and earnings per share amounted to EUR 1.07.

The growth in net sales was achieved by aftermarket sales and equipment sales to the mining and metallurgy industry. The investment climate in the mining and metallurgy industry has been extremely strong for the past three years. The existing plants have also been utilized to their full capacity, which has increased demand for our aftermarket products and services. Sales volumes for the chemical process industry have remained stable for several years, and 2008 was no exception. Sales to the chemical process industry increased only slightly over the previous year.

At the start of 2008 our order backlog was at an excellent level due to the strong prevailing economic trend. We continued to receive a healthy number of orders in the first half of the year, but after August demand weakened considerably. On 31 December 2008 our order backlog was EUR 25 million lower than at the corresponding time in 2007.

Larox enlarged its business according to the growth strategy by established two new subsidiaries, in China and Russia. With new subsidiaries Larox strengthens its position in important developing market areas. Larox also made a

strategically important acquisition by purchasing Turku Ceramics Oy, which manufacturers the ceramic discs. Through this acquisition we obtained more decisive expertise for Larox.

Our strength is a very extensive service and product range. We can offer to our customers all filters and aftermarket services for their processes."

BUSINESS OPERATIONS

Net sales of the review period were EUR 208.0 million (EUR 158.3 million), which is 31.4 % higher than for the year 2007. Operating profit was EUR 16.6 million (EUR 13.1 million). Profit before taxes was EUR 14.0 million (EUR 11.8 million). Earnings per share were EUR 1.07 (EUR 1.01).

Group order backlog at the end of December 2008 totaled EUR 72.0 million (EUR 97.3 million), which is 26.0% less than at the same moment in the previous year. The amount of new orders received during the review period was EUR 184.8 million (EUR 208.4 million).

Approximately 93 % of Group net sales were generated by exports and foreign operations. Net sales by geographical division were as follows:

	1-12/2008	1-12/2007
North, Central and South America	33.1%	29.0%
Asia and Australasia	22.0%	25.6%
Europe, Middle East and Africa	44.9%	45.5%

CHANGES IN GROUP STRUCTURE DURING THE YEAR OF 2008

The transaction of Turku Ceramics Oy to the ownership of Larox Corporation was realized on 1 October 2008 based on the letter of intent. Turku Ceramics, which concentrates on subcontracting, is the only manufacturer of technical ceramics in Finland. Larox uses the ceramic plates supplied by Turku Ceramics as filter elements in disc filters.

Larox established a holding company, Larox AB, to Sweden for the subsidiary in China. On 8 December Larox's subsidiary in China received its Business License. Larox Filtration Technology (Suzhou) Co. Ltd is located in the Suzhou Industrial Park (SIP) near Shanghai and it is responsible for filter sales, local assembly and after market services in China. The subsidiary should be fully operational during the spring in 2009.

Larox's subsidiary in Russia, OOO Larox, will start its operations early 2009 and it received a business license from Russian authorities on 22 December 2008. The unit, located south of Moscow, will be in charge of after-market services in Russia. With the help of its local spare-parts stock and customer service Larox's ability to serve its present and future customers will be improved, which is expected to have a positive effect on delivery times and development of sales volume in Russia.

Larox's new subsidiaries are supporting the growth strategy of the company as well as contributing to the global competitiveness in the growing markets of Russia and Asia.

PROFITS AND PROFITABILITY

Larox Group's result before tax for the review period totaled EUR 14.0 million (EUR 11.8 million), i.e. 6.7% (7.4%) of net sales. The total net sales were EUR 208.0 million (EUR 158.3 million). The Group showed an operating profit of EUR 16.6 million (EUR 13.1 million), i.e. 8.0% (8.3%) of net sales. Earnings per share were EUR 1.07 (EUR 1.01).

NET SALES AND RESULT DEVELOPMENT DURING THE FOURTH QUARTER

For the fourth quarter of the year the consolidated net sales totaled EUR 64.1 million (EUR 49.3 million), operating profit of EUR 4.9 million (EUR 5.2 million) and profit before taxes was EUR 3.7 million (EUR 4.9 million).

The amount of new orders received during the fourth quarter of the year totaled EUR 25.8 million (EUR 64.9 million). The earnings per share per quarter were EUR 0.30 (EUR 0.56).

BALANCE SHEET AND FINANCING

At the turn of the year 2008 the Group balance sheet totaled EUR 118.1 million (102.9 million). Net financing costs totaled EUR 2.7 million (EUR 1.3 million), i.e. 1.3% (0.8%) of net sales. Net cash flow from operating activities was EUR 10.8 million (EUR -2.4 million). The equity ratio was 32.3% (34.2%) and debt-equity ratio 1.07 (1.12). Reserve of financing limits of the Group has been increased at the end of the preview period. Furthermore pension loan has been taken as a long term financing method.

INVESTMENTS

Larox Group's investments totaled EUR 7.4 million (EUR 3.2 million). The investments include the acquisition of Turku Ceramics Oy, IT applications and replacement investments.

PERSONNEL

The average number of personnel employed by the Group during the review period was 562 (458). At the end of the review period it was 593 (469) of whom 279 (220) worked for the parent company. The growth can mainly be seen in service in Finland, Australia, South Africa, Chile and Peru and due to the acquisition of Turku Ceramics Oy (26 persons).

At the end of the year the number of Group personnel by area was as follows:

AREA	2008	2007
Finland	303	220
Other Europe	130	127
North America	35	32
South and Central America	49	36
Asia and Australasia	39	28
Middle East and Africa	37	26
Personnel total	593	469

The development of management and leadership was emphasized at every organizational level as well as the implementation of newcomers to

the global organization. Under the conditions of rapid growth also methods of performance management and R&P discussion practices were developed in order to support newcomers in getting at their tasks quickly and to implement the strategy throughout the organization.

Furthermore, new competence management tools were piloted.

Employee benefits expenses are divided as follows:

1000 EUR	1.1.-31.12.2008	1.1.-31.12.2007
Employee benefits expenses, total	-36 360	-31 526

THE BOARD OF DIRECTORS AND AUDITORS

In Larox Corporation annual general meeting of shareholders on 26 March 2008 Mr. Timo Vartiainen, Ms. Katariina Aaltonen, Mr. Teppo Taberman, Mr. Thomas Franck and Mr. Matti Ruotsala were re-elected to the Board. Mr. Timo Vartiainen was elected Chairman of the Board in the organizational meeting of the Board of Directors held immediately after the annual general meeting of shareholders.

The annual general meeting of shareholders elected the following main auditors: auditing society PricewaterhouseCoopers Oy with primary responsibility APA Kim Karhu.

ADMINISTRATION

In 2008 the main principles of corporate governance, recommended by the NASDAQ OMX Helsinki Ltd, the Central Chamber of Commerce and the Confederation of Finnish Industries (EK) were adopted in the Larox Corporation. The company's Board of Directors has confirmed the principles, and these can be found on the Larox Corporation website: www.larox.com.

RISKS AND UNCERTAINTY FACTORS

Risk management is part of Larox Group's management and control system. It aims to prevent negative phenomena, support the Group strategy and ensure continuity of its operations and the wellbeing of its personnel. According to Larox risks management system risks are divided into the following four risk categories: commercial, operational, financial risks and risk of damage.

Larox operates on a global market where global economic trends affect its business development, even though it is not at the mercy of changes in some particular market area. The recent political unrest in sub-equatorial Africa has caused the most uncertainty in Larox's business. Larox established subsidiaries in both China and Russia, the global economic crisis adds challenges the new subsidiaries are facing.

The demand risk of Larox products has increased essentially because of the global economic challenges. The uncertainty in demand, which appeared at the end of 2008, is expected to continue during the year of 2009. The international crisis has decreased Larox's customers' interest in investments and their operational volumes when at the same time some customers are starting economic measurements, this all causing the increase in competition to continue. There are certain branches of industry in Larox's clientele where no effects of the economic crisis have been noticed, such as the food and pharmaceutical industries. Larox manages risks related to purchasing and manufacturing already at contract level by tying raw material costs to materials cost index. Furthermore Larox

will inspect and control its subcontractors even more than before in accordance with quality systems and by developing logistics. In addition, Larox aims to expand its cooperation networks. Along with the economic crisis the availability of supplier resources has increased.

The constant uncertainty about the financial situation of companies has increased Larox's credit loss risk, too. Larox attempts to control these risks by applying more suitable payment terms, by monitoring operations actively and by reacting to payment delays more efficiently. The euro, U.S. dollar, Australian dollar and South African rand are Larox's main invoicing currencies. Larox's principal buying currency is the euro. Larox fights off currency risks by means of various protective measures. The fluctuation of exchange rates of Larox's main currencies makes the management of currency risks more difficult.

Larox fights off the risk of damage by following various occupational health and safety schemes and by preparing other strategies and plans for business premises, and by supervising the implementation of these strategies and plans. According to Larox, traffic and other accidents and illnesses during business trips pose the greatest risk of damage. Larox attempts to prevent these risks by detailed codes of practice as well as vaccinations and other health care measures. During the review period there have not been savage personnel damages or other accidents, which could seriously risk Larox ability to do business.

Further information about risks and risk management is presented in the Group's Internet pages (www.larox.com) in the section of Corporate Governance.

ENVIRONMENTAL MATTERS

Direct environmental influence of Larox's business is minor. The Group takes care of the proper sorting and further handling of its wastes, including hazardous wastes. The environmental influence of the lifetime of the Larox filters is positive: due to efficient separation techniques the customers can decrease the environmental influence of their production processes. In the applications of mining and metallurgical as well as chemical processing industries Larox filters decrease the energy and water consumption of production processes as well as emissions.

AUTHORIZATION GIVEN TO THE BOARD OF DIRECTORS

The annual general meeting of shareholders had authorized the Board of Directors to decide on the repurchase of shares by using the company's unrestricted shareholders' equity but this authorization was not used during the fiscal year. The authorization regarded 500 000 Larox Corporation B-series shares at the maximum and expired on 30 September 2008 from the resolution of the annual general meeting of shareholders.

The annual general meeting of shareholders authorized the Board of Directors to decide on shares, stock option rights or special rights referred to in the Finnish Companies Act chapter 10, paragraph 1 in one or more lots in such a way that based on the authorization the total maximum number of Larox Corporation B-series shares is 500 000 but this authorization was not used during the fiscal year. The authorization is valid until 30 March 2012 from the resolution by the annual general meeting of shareholders.

ISSUE OF EQUITY INSTRUMENTS, SUBSCRIPTION OF B-SERIES SHARES BASED ON THE MANAGEMENT INCENTIVE SYSTEM

Based on Larox Corporation share issue to the top management in 2004, a total

Of 43 320 of the subscribed B-series shares, the restriction period of which ended on 1 December 2008, were released for trading together with other Larox Corporation B-series shares. Shares released in 2008 were the last to be released according to the share issue of 2004.

SHARE-BASED INCENTIVE PLAN FOR KEY PERSONNEL

Larox Corporation Board of Directors decided on 29 May 2007 on a share-based incentive plan for Larox Group key personnel. The maximum number of shares to be granted under the share-based award program is in total 150 000 and in cash such an amount that is needed to cover the taxes and tax-related payments at the grant date, however the amount can not exceed the value of shares at the grant date. The vesting period started on 1 January 2007 and ends on 31 December 2010. This was informed in a company announcement on 30 May 2007 and on 10 August 2007.

SHARES AND SHAREHOLDERS

The trading with Larox shares 1 January - 31 December 2008 totaled 2 228 321, which is 23.8 % of the total number of shares. The value of the trading totaled EUR 20.7 million. The lowest price of the period was EUR 4.60 and the highest EUR 12.40 per share. The closing trading price of the share was EUR 4.60 per share and the market value of the total capital stock EUR 43.2 million. At the end of 2008 the number of shareholders was 1 913.

FUTURE PROSPECT

During the last quarter the accumulation of new orders decreased essentially. The order backlog at the end of the year was EUR 72.0 million (EUR 97.3 million) and expected deliveries during 2009 are EUR 58.5 million.

Unstable global economic situation increases uncertainty in demand. Due to this future prospects are difficult to predict and estimations include more uncertainty than usually. Net sales of the Group for 2009 are expected to clearly decrease in comparison to the previous year. It is Larox's objective to reconcile the cost structure so that profitability will remain on a satisfactory level at the minimum.

DISTRIBUTION OF PROFIT

Parent company's dividends available for the distribution totaled EUR 15.6 million, of which the profit for the fiscal year is EUR 2.5 million. The Board proposes to the annual general meeting of shareholders a dividend of EUR 0.50 per share be distributed, i.e. a total of EUR 4.7 million. Proposed dividend to be distributed does not endanger the solvency of the company.

Lappeenranta on 13 February 2009

For further information please contact
Mr Toivo Matti Karppanen
President & CEO

Tel +358 (0) 20 7687 210
Fax +358 (0) 20 7687 277
E-mail topi.karppanen@larox.com
Internet www.larox.com

Financial publications on 2009

The Larox Corporation annual report will be published in week 11

Altogether three interim reports will be published during the year 2009:

The interim report for 1.1.-31.3.2009 on 23 April 2009

The interim report for 1.1.-30.6.2009 on 6 August 2009

The interim report for 1.1.-30.9.2009 on 23 October 2009.

Distribution: NASDAQ OMX Helsinki Ltd, central media
www.larox.com

NOTES TO THE ANNUAL REPORT

Larox has applied the same accounting principles in this Annual Report as in Annual Report 2007. The contents of the changes in standards and interpretations are presented more detailed in Annual Report 2008.

The review is prepared in accordance with all the requirements of IAS 34 Interim Financial Reporting -standard and in accordance with IFRS recognition and measurement principles.

The preparation of the financial statements in accordance with IFRS requires the use of estimates and assumptions that affect the reported amounts of assets and liabilities and the reported amounts of income and expenses during the reporting period. The estimates are based on management's best knowledge of current events and actions but actual results may differ from these estimates.

All below figures in the financial statements have been adjusted and therefore the added sum of individual figures may differ from the presented added figure. Annual reporting information included in this release is audited.

INCOME STATEMENTS, IFRS

1000 EUR	10-12/2008	10-12/2007	1-12/2008	1-12/2007
Sales	64 079	49 298	207 995	158 270
Other operating income	2 325	1 038	4 230	2 240
Materials	-33 261	-24 890	-107 971	-76 672
External services	-4 737	-4 380	-11 146	-10 186
Employee benefits expense	-10 870	-8 536	-36 360	-31 526
Depreciation, amortization & impairment losses	-958	-942	-3 808	-3 504
Other operating expenses	-11 668	-6 423	-36 322	-25 551
OPERATING PROFIT	4 908	5 164	16 618	13 070
Financial income	185	407	655	946
Financial expenses	-1 328	-706	-3 778	-2 622
Share of profit/loss in associates	-39	43	462	361
PROFIT/LOSS BEFORE TAX	3 726	4 908	13 957	11 755
Income tax expense	-898	342	-3 935	-2 259
PROFIT/LOSS FOR THE PERIOD	2 828	5 250	10 022	9 496

EPS basic (EUR)	0.30	0.56	1.07	1.01
EPS diluted (EUR)	0.30	0.56	1.07	1.01

BALANCE SHEET, IFRS

1000 EUR 31.12.2008 31.12.2007

ASSETS

NON-CURRENT ASSETS

Intangible assets	18 998	18 795
Goodwill	2 843	2 926
Property, plant and equipment	11 382	9 257
Investments in associates	1 723	1 393
Available-for-sale investments	23	23
Deferred tax asset	5 063	5 238
TOTAL NON-CURRENT ASSETS	40 031	37 633

CURRENT ASSET

Inventories	28 191	26 592
Trade receivables and other receivables	46 555	36 651
Current tax assets	1 701	165
Cash and bank	1 661	1 812
TOTAL CURRENT ASSET	78 108	65 220
TOTAL ASSET	118 139	102 853

EQUITY AND LIABILITIES

Share capital	5 629	5 629
Share premium account	5 777	5 777
Other reserves	-208	0
Translation differences	-205	-127
Retained earnings	24 777	21 566
SHAREHOLDERS' EQUITY	35 770	32 845

NON-CURRENT LIABILITIES

Deferred tax liability	4 111	1 804
Long term financial liabilities	13 124	12 751
Employee benefit obligations	594	554
Non-current provisions	1 843	826
TOTAL NON-CURRENT LIABILITIES	19 672	15 936

CURRENT LIABILITIES

Short term financial liabilities	25 144	24 133
Trade payables and other payables	35 893	26 684
Current tax liabilities	550	1 935
Current provisions	1 110	1 321
TOTAL CURRENT LIABILITIES	62 697	54 072
TOTAL EQUITY AND LIABILITIES	118 139	102 853

CASH FLOW STATEMENTS, IFRS

1000 EUR 1-12/2008 1-12/2007

Net profit/loss	10 022	9 496
Adjustments to the net profit/loss of the period	10 400	6 986
Change in working capital	-2 999	-13 817
Interest paid	-1 848	-1 819
Interest income received	78	53
Other financing items	253	-50
Income taxes paid	-5 058	-3 217
Net cash from operating activities	10 848	-2 368
Net cash used in investment activities	-6 228	-3 038
Increase in loans	27 356	23 197
Decrease in loans	-26 129	-15 024
Repayment of finance lease liabilities	-88	-93
Dividends paid	-5 629	-2 814
Net cash used in financing activities	-4 490	5 265
Change in cash and cash equivalents	131	-141
Operating balance of cash and cash equivalents	1 812	1 952
Effect of the foreign exchange rates	-282	1
Closing balance of cash and cash equivalents	1 661	1 812

CHANGE IN SHAREHOLDERS' EQUITY							
1-12/2007	Equity belonging to parent company's shareholders						
1000 EUR	Share capital	Share issue premium	Fair value res.	Hedging res.	Translation diff.	Retained earnings	Total
SHAREHOLDERS' EQUITY 1.JAN 2007	5 629	5 777	105	-44	-69	15 271	26 668
Cash flow hedging recognized in equity, net of tax				44			44
Investment available to sale, at fair value, net of tax			-105				-105
Change in translation					-58	-487	-545
Net profits and losses recognized directly in shareholders equity			-105	44	-58	-487	-606
Profit for the period							
Total profits and losses						9 496	9 496
Dividend distribution			-105	44	-58	9 009	8 890
Share-based payments						-2 814	-2 814
Osakeperusteiset						101	101

maksut							
SHAREHOLDERS' EQUITY							
31 DEC 2008	5 629	5 777	0	0	-127	21 566	32 845
CHANGE IN SHAREHOLDERS' EQUITY							
1-12/2008	Equity belonging to parent company's shareholders						
1000 EUR	Share capital	Share issue premium	Fair value res.	Hedging res.	Translation diff.	Retained earnings	Total
SHAREHOLDERS' EQUITY							
1.JAN 2008	5 629	5 777	0	0	-127	21 566	32 845
Cash flow hedging recognized in equity, net of tax				-208			-208
Investment available to sale, at fair value, net of tax							0
Change in translation							0
Net profits and losses recognized directly in shareholders equity				-208	-78	-1 191	-1 269
Profit for the period						10 022	10 022
Total profits and losses				-208	-78	8 831	8 545
Dividend distribution						-5 629	-5 629
Share-based payments						9	9
SHAREHOLDERS' EQUITY							
31 DEC 2008	5 629	5 777	0	-208	-205	24 777	35 770

KEY RATIOS OF LAROX GROUP

1000 EUR	1-12/2008	1-12/2007	1-12/2006
New orders	184 799	208 421	137 971
Group order backlog, end of the period	72 006	97 330	44 911
Net sales	207 995	158 270	122 809
Operating profit	16 618	13 070	8 931
% of net sales	8.0	8.3	7.3
Net financing costs	2 661	1 315	1 887
% of net sales	1.3	0.8	1.5
Result before taxes	13 957	11 755	7 044
Result for the period	10 022	9 496	5 004
EPS basic and diluted (EUR)	1.07	1.01	0.53
Investments	7 402	3 284	2 285
Shareholders' equity per share at the end of the period (EUR)	3.81	3.50	2.84
Equity ration %	32.3	34.2	33.9

Contingent liabilities (EUR million)	44.2	30.3	27.8
Trading price at the end of period, (EUR)	4.60	12.00	9.00
Market capitalization at the end of period, EUR million *)	43.2	112.6	84.4
Personnel, average	562	458	450
Personnel at the end of the period	593	469	446
Net sales/employer	370	346	273

*) The price of the A share is based on the B share's last trading rate of the reporting period (weighted average).

KEY FIGURES BY QUARTERS

	2008 10-12	2008 7-9	2008 4-6	2008 1-3	2007 10-12
1000 EUR					
New orders	25 817	53 759	51 906	53 317	64 912
Group order backlog	72 006	110 087	115 675	109 183	97 330
Net sales	64 079	58 804	47 548	37 563	49 298
Operating profit	4 908	5 254	3 460	2 726	5 164
% of net sales	7.7	9.4	7.3	7.3	10.5
Net financing costs	1 182	732	233	514	256
% of net sales	1.8	1.2	0.5	1.4	0.5
Result before taxes	3 726	4 792	3 227	2 212	4 908
Result for the quarter	2 828	3 317	2 548	1 329	5 250
EPS basic and diluted	0.30	0.35	0.27	0.14	0.56

DIVIDEND PAID

Based on the resolution of the annual general meeting of shareholders held on 26 March 2008 a dividend of EUR 0.60 per share was paid; a total of EUR 5.628.960. The dividends were paid on 7 April 2008.

INVESTMENTS

Property, plant and equipment

	31.12.2008	31.12.2007
Aquisition cost	29 520	28 589
Translation differences	-349	-120
Additions	1 226	1 144
Acquisition of subsidiary	2 938	0
Disposals	-33	-93
Acquisition cost	32 762	29 520
Cumulative depreciations	-20 263	-19 023
Translation differences	279	163
Depreciation for the period	-1 394	-1 403
Cumul depr, end of period	-21 380	-20 263
Carrying value, end of period	11 382	9 257

Intangible assets (exluding goodwill)

	31.12.2008	31.12.2007
Acquisition cost	29 858	27 772
Translation differences	18	-55
Additions	1 763	2 151
Acquisition of subsidiary	850	0
Disposals	0	0
Acquisit. cost, end of period	32 488	29 858
Cumulative depreciations	-11 062	-8 901
Translation differences	-14	-61
Depreciation for the period	-2 414	-2 101
Cumul depr, end of period	-13 490	-11 063
Carrying value, end of period	18 998	18 795

BUSINESS COMBINATIONS

On 1 October 2008 Larox Group acquired the total share capital of Turku Ceramics Oy and obtained the control in the company. Turku Ceramics concentrates mainly on subcontract manufacturing of highly tailored parts and components designed by the customers. Durable high tech ceramics are used more and more to replace conventional materials in challenging conditions of machine and chemical process industries. The acquired business contributed revenues of EUR 0.3 million and net profit of EUR 0.03 million for the last quarter of 2008.

Details of net assets acquired and goodwill are as follows:

Purchase consideration:

Cash paid	4 333
Direct costs relating to the acquisition	81
Total purchase consideration	4 414

The assets and liabilities as of 1 October 2008 are as follows:

	Fair value	Acquiree's carrying ammount
Cash and cash equivalents	949	949
Property, plant and equipment	2 397	1 359
Contractual supplier relationship (included in intangible assets)	850	2
Inventories	553	333
Trade and other receivables	337	337
Trade and other payables	-278	-278
Deferred tax liabilities	-653	-106
Fair value of net assets	4 155	2 596
Goodwill	259	
Total purchase consideration	4 414	
Purchase consideration settled in cash		4 333
Cash and equivalents in subsidiary acquired		-949
Cash outflow on acquisition		3 384

In business combination mentioned above acquired tangible assets were valued with fair values based on the market prices of similar tangible assets. In evaluating the market values wholesale price index and remaining economical operating life were used. In business combination the Group has acquired contractual supplier relations. These relations were valued using cost based method, because market price method and methods based on cash flows would not have given as reliable results. Subcontractor and suppliers have a great consequence in acquired business, because components need to fulfill high quality requirements. A new supplier can be accepted only after test series have been produced. The fair value of contractual supplier relations has been evaluated based on costs of required test series. Goodwill is formed of capable personnel, technological know-how and going concern - principle.

GEOGRAPHICAL SEGMENTS

Net sales 1000 EUR	1-12/2008	1-12/2007
North, Central and South America	68 846	45 881
Asia and Australasia	45 759	40 479
Europe, Middle East and Africa	93 390	71 910
Total net sales	207 995	158 270

Assets 1000 EUR	1-12/2008	1-12/2007
North, Central and South America	13 636	11 647
Asia and Australasia	9 434	8 133
Europe, Middle East and Africa	123 297	114 904
Internal items	-28 228	-31 831
Total assets	118 139	102 853

Investments 1000 EUR	1-12/2008	1-12/2007
North, Central and South America	144	148
Asia and Australasia	80	332
Europe, Middle East and Africa	7 178	2 804
Total investments	7 402	3 284

COMMITMENTS AND CONTINGENCIES

Loans secured by real estate and corporate mortgages

1000 EUR	31.12.2008	31.12.2007
Pension loans		
Loans from financial institutions	38 049	36 577
Other loans		
Total	38 049	36 577

Real estate mortgages	6 560	6 560
Corporate mortgages, general pledging	3 936	3 936
Corporate mortgages, specific pledging	9 062	9 062
Total	19 558	19 558

Guarantees for others		
Pledged securities *)	13 511	9 097
Others	161	124
Total	13 672	9 221

*) Book value of secured shares

Other liabilities		
Operating lease liabilities 1000 EUR	1 094	857
Lease liabilities 1000 EUR	9 889	639

Fair and nominal values of derivative instruments

1000 EUR	31.12.2008	31.12.2007
Currency derivatives:	0	3 155
Currency options	7 033	18 313
Forward contracts		
Fair value	-402	225
Nominal value	7 033	21 468

RELATED PARTY TRANSACTIONS

1000 EUR	1.1.-31.12.2008	1.1.-31.12.2007
Transactions with associated Companies		
Sales of goods and services	15	3
Purchases of goods and services	2 736	2 829
Other transactions with related Parties		
Purchases of services	20	22
Balances with associated companies		
Trade receivables	16	1
Trade payables	236	783

CALCULATION OF KEY FIGURES

Equity ratio, % =

Shareholders' equity
----- x 100
Total assets - advances received

Earnings per share =

Net profit

Adjusted average number of shares
during the period

Market capitalization at the end of the period =

Number of shares at the end of the period x trading price at the end of the
period weighted by the number of shares traded

Larox develops, designs and manufactures industrial filters and is a

leading technology company in its field. Larox is a full service solution provider in filtration for separating solids from liquids. It supplies comprehensive aftermarket services throughout the lifespan of the Larox solution. Companies world-wide in mining and metallurgy, chemical processing and related industries benefit from the Larox technologies. Larox operates in over 40 countries and has over 590 employees. Larox Group is headquartered in Lappeenranta, Finland where the Group also has production facilities. Net sales in 2008 totaled 208.0 million euros, of which more than 93 % were generated by exports and the company's foreign operations.