

The news of the global economy has become more and more encouraging during the summer. Companies' earnings have also been a positive surprise, and the equity market has been on the rise. By investing in index-linked bond Star Brands, you can benefit from the rise of selected companies' share prices. The nominal capital of your investment will be repaid to you even if the share price rally would lose its momentum.

Index-linked bond Star Brands Basic and Extra

Star Brands Basic

- Maturity about 4 years
- Nominal capital protected at maturity
- A basket of ten shares
- Participation rate 60%
- Sales price variable, about 100%

Star Brands Extra

- Maturity about 4 years
- Nominal capital protected at maturity
- A basket of ten shares
- Participation rate 125%
- Sales price variable, about 110%

The pieces of global economic recovery are gradually falling into place, as the economic figures and key indicators are leaning more clearly towards recovery. For example, the US housing market figures, the root of the economic crisis, have improved during the summer. This has been regarded as a prerequisite for the turn of the economy in the US. The global economy is expected to start growing in the second half of 2009.

The rising financial confidence indicators and company reports that have mainly been better than expected have also supported the share price rally in the summer. However, volatility continues in the equity market, for the challenges of the world economy are not over, and it is not yet possible to predict the long-term trends of the economy for certain. For the time being however, we are heading for better times.

Index-linked bond Elite Brands offers a capital-protected and cost-efficient way to diversify investments in major international brands in which Nordea sees long-term yield potential.

Index-linked bond Star Brands Basic and Extra

Index-linked bond Star Brands is a bond issued by Nordea Bank Finland, with a four year maturity. The return of the bond depends on the development of a basket of ten companies representing strong international brands. The index-linked bond has two alternatives: Basic and Extra. The alternative Basic is suitable for a cautious investor. Its yield at maturity is 60% of the increase in the reference asset, calculated in accordance with the issue terms. The Extra alternative suits an investor who tolerates limited risk and seeks a higher return. The yield on the investment at maturity is 125% of the rise of the reference asset in accordance with the issue terms. If the reference asset falls or remains unchanged, no yield is paid. The rise in the reference index is calculated as the difference between start and close value of the reference shares. The start value is calculated as an average of the first three months monthly observations, and the close value as an average of quarterly observations over the last two years.

Index-linked bond Star Brands is capital guaranteed to its nominal value at maturity. The investor may lose the price paid above the nominal value (the so called price above par) either partially or fully (in the Extra version about 10 %). The investment can also be sold before maturity, in which case the repurchase price may be above or below the nominal value. In the secondary market the index-linked bond can be purchased or sold on every banking day. The investment includes a risk of Nordea's repayment capacity. Nordea has been given a credit rating of Aa1 by Moody's and AA- by Standard & Poor's. The bonds are unsecured.

Product summary					
Maturity	Short	Medium		Long	
Capital guarantee	Full*	Partial**		None	
Target market	Interest rate	Credit	FX	Commodity	Equity

* Basic

** The Extra version has a limited capital risk (price paid above par ca. 10%)

Reference asset: Star Brands

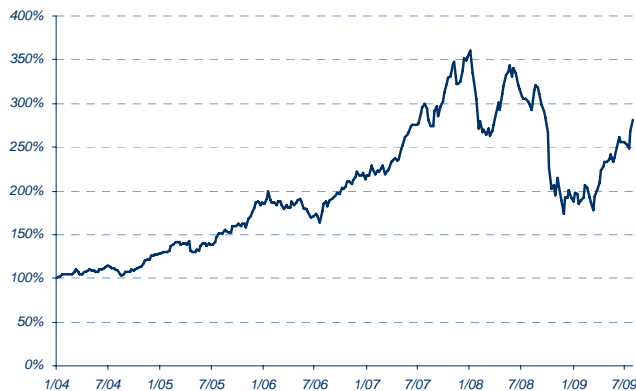
The investment's reference asset consists of a basket of ten international companies' shares with equal weights (1/10) which have a strong brand and in which Nordea sees long-term potential. Read more about the companies and the observations of Nordea Equities Finland on pages 5–7.

Weight	Company	Country	S&P STARS*
1/10	Adidas AG	Germany	4
1/10	Apple Inc.	USA	4
1/10	Bayer AG	Germany	4
1/10	BMW AG	Germany	5
1/10	Carlsberg A/S	Denmark	5
1/10	Coca-Cola Co.	USA	5
1/10	IBM Corp.	USA	5
1/10	LVMH S.A.	France	4
1/10	McDonald's Corp.	USA	5
1/10	Nestlé S.A.	Switzerland	5

* Standard & Poors stock rating STARS (8/2009). Rating from 1 to 5 STARS. 1 = Strong sell -recommendation, 5 = Strong buy -recommendation.

Performance of the reference asset (share basket) Jan 2004–Aug 2009

Source: Bloomberg (Starting level indexed at 100 percent)



Historical return – Back test of Star Brands Basic and Extra

The chart below portrays the historical return if an investment would have been made according to issue terms from January 1999 – July 2005 (the investments would have matured January 2003 – July 2009).

Source: Bloomberg.



	Average value at maturity	Average annual return
Basic	132.9%	7.4%
Extra	163.3%	10.4%

The presented figures describe previous yield or value performance and no reliable assumptions on future yield or value can be made based on them.

Yield table for the index-linked bond Elite Brands Basic and Extra

Change in the reference asset according to the terms of the issue	Star Brands Basic		Star Brands Extra	
	Value at maturity	Return p.a.	Value at maturity	Return p.a.
-50%	100%	0.0%	100%	-2.4%
-25%	100%	0.0%	100%	-2.4%
0%	100%	0.0%	100%	-2.4%
25%	115%	3.6%	131%	4.5%
50%	130%	6.8%	163%	10.2%
75%	145%	9.7%	194%	15.2%
100%	160%	12.5%	225%	19.6%

Terms of issue in brief

Issuer	Nordea Bank Finland Plc. Nordea has been given a credit rating of Aa1 by Moody's and AA- by Standard & Poor's.																						
Issue date	17 August 2009																						
Maturity	25 September 2013																						
Subscription period	17 August–24 September 2009																						
Places of subscription	Nordea Bank Finland Plc and its branches in the Baltics																						
Subscription price	Basic 4292A: variable, approximately 100% Extra 4292B: variable, approximately 110%																						
Minimum subscription	EUR 1,000																						
Yield at maturity	Basic 4292A: 60% of the rise of the reference asset in accordance with the issue terms. Extra 4292B: 125% of the rise of the reference asset in accordance with the issue terms.																						
Reference asset	<table border="1"> <thead> <tr> <th>Company</th> <th>Bloomberg</th> </tr> </thead> <tbody> <tr><td>1 Adidas AG</td><td>ADS GY</td></tr> <tr><td>2 Apple Inc.</td><td>AAPL UQ</td></tr> <tr><td>3 Bayer AG</td><td>BAY GY</td></tr> <tr><td>4 BMW AG</td><td>BMW GY</td></tr> <tr><td>5 Carlsberg A/S</td><td>CARLB DC</td></tr> <tr><td>6 Coca-Cola Co.</td><td>KO UN</td></tr> <tr><td>7 IBM Corp.</td><td>IBM UN</td></tr> <tr><td>8 LVMH S.A.</td><td>MC FP</td></tr> <tr><td>9 McDonald's Corp.</td><td>MCD UN</td></tr> <tr><td>10 Nestlé S.A.</td><td>NESN VX</td></tr> </tbody> </table>	Company	Bloomberg	1 Adidas AG	ADS GY	2 Apple Inc.	AAPL UQ	3 Bayer AG	BAY GY	4 BMW AG	BMW GY	5 Carlsberg A/S	CARLB DC	6 Coca-Cola Co.	KO UN	7 IBM Corp.	IBM UN	8 LVMH S.A.	MC FP	9 McDonald's Corp.	MCD UN	10 Nestlé S.A.	NESN VX
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Starting value	The average of the monthly closing values of the reference asset starting on 29 September 2009 and ending on 29 December 2009.																						
Final value	The average of the quarterly closing values of the reference asset starting on 10 September 2011 and ending on 10 September 2013.																						
Repayment of principal	The issuer Nordea Bank Finland Plc will repay the nominal principal of the bonds in full at maturity irrespective of the performance of the reference asset. The bonds involve a risk of the issuer's repayment capacity.																						
Security	The bonds are unsecured.																						
Structuring cost	The subscription price includes a structuring cost, which is about 0.7% pa (see the terms of issue). No separate subscription or management fee is charged on the bonds.																						
Secondary market	The issuer Nordea Bank Finland Plc quotes a repurchase price for the bonds, which may be lower or higher than the nominal value.																						
Taxation	No tax is deducted at source for non-residents in Finland.																						
Custody	Free of charge with Nordea Bank Finland Plc.																						
Cancellation of issue	The issuer has the right to cancel the issue based on changes in the economic circumstances, or if the total amount of subscriptions is low, or if something should occur which the issuer considers might endanger the issue.																						
Listing	An application will be made for the bonds to be listed on the stock exchange in Helsinki.																						

Loans 4292A and 4292B under the MTN programme (a medium term note programme reported to the Finnish Financial Supervisory Authority from Sweden in accordance with the Prospectus Directive) of Nordea Bank AB (publ) and Nordea Bank Finland Plc, dated 29 May 2009. The loan-specific terms are available at the places of subscription.

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Positively surprised by companies' earnings power – strong contribution from cost savings

In the international perspective, the Q2 earnings of companies were a positive surprise. Many companies' earnings have exceeded expectations and share prices have reacted accordingly.

In absolute terms, the Q2 earnings have been mediocre, as the operating profit has decreased in most companies year-on-year. The comforting factor is, however, that this was expected. Analysts cut their forecasts radically before the start of the Q2 period, and compared to the reduced forecasts, the figures do not look so bad because most results have been better than feared.

The most important reason for the better-than-expected earnings has been the companies' successful cost cuts. Few companies have exceeded expectations concerning net sales. Consequently, there has been no major turn for the better in demand. On the positive side, costs have now been cut. Once the net sales growth starts, operating profits will grow fast.

Nevertheless, even the positive earnings reports have had one thing in common: the companies' guidances have remained rather conservative. There have been some rays of light, of course, for example, when company management has announced that the bottom has probably already been reached. In general, the forecasts have, however, not been very detailed because there is still a lot of uncertainty in the air.

We find it positive that the market has embraced the good results even if they are based "only" on cost cuts rather than net sales growth. That is why we are quite optimistic about the future. Yet, there are still risks on the market, and the risk of earnings disappointments, especially with regard to companies' guidances, still exists.

Source: Nordea Equities Finland

Reference asset of index-linked bond Elite Brands

The reference asset of index-linked bond Elite Brands is a basket of ten shares. Read more about Nordea Equities Finland's view on the companies in the basket and on their future prospects. *Source for share data: Bloomberg. Starting level indexed at 100 percent.*

Adidas AG

Adidas is the world's second largest sportswear manufacturer behind Nike. The company has three business units of which the Adidas brand is by far the largest, contributing for more than 70% of the company's total net sales. Reebok, acquired in 2006, is the company's second largest unit and the smallest unit is TaylorMade, which manufactures golf equipment. Reebok was the leading manufacturer of ladies' sportswear in the 1990s. However, it has struggled to regain its popularity. It is Adidas's goal to relaunch Reebok in the market as the leading sportswear brand. Adidas is the market leader in many emerging markets, bringing in about a third of the group's net sales. We believe that the market will start to give more weight to the potential of Reebok, bumping the share valuation up closer to the competitor Nike.



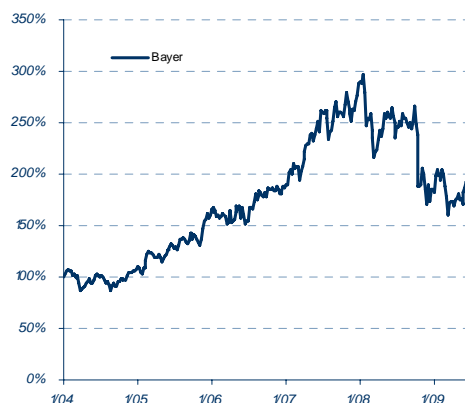
Apple Inc

The technology company Apple is best known for the iPod players (28% of net sales), iPhone mobile phones (6%), iMac computers (44%) and iTunes media player application (10%). The Apple products have been praised for their high-quality design, functionality and user-friendliness. One of the company's strengths is innovativeness, and many features of its products are ahead of the competitors. iPod's popularity has boosted the company's computer sales, which contribute most to the group's net sales. Two years ago, Apple started the touch screen boom in the mobile phone market with its iPhone, and now the company holds a market share of more than 10% in smartphones. The valuation of the Apple share is high in comparison with other companies in the sector, but it is justified, given that the company's growth is faster than its competitors' and the company has a strong financial position.



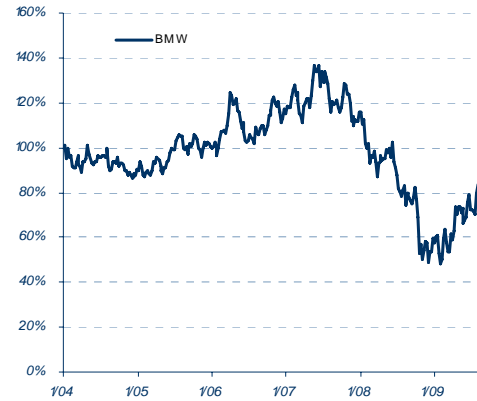
Bayer AG

The chemical and pharmaceutical company Bayer is organised into three units: HealthCare (pharmaceuticals), CropScience (plant protection and agricultural products) and MaterialScience (plastic, synthetic rubber and polyurethane). In 2006 Bayer reinforced its HealthCare unit significantly by acquiring Schering AG. In the recent years, Bayer has transformed from a chemical and raw material company to a primarily pharmaceutical company. After the Schering acquisition, the operating profit of Bayer HealthCare has often been a positive surprise. The unit's share of the group's earnings keeps growing, which should raise Bayer's valuation to a par with other pharmaceutical companies. The outlook of the HealthCare unit is promising. The MaterialScience unit is, on the other hand, more cyclical. It manufactures products to car companies and has suffered from the recession.



BMW AG

BMW is the world's leading premium car manufacturer. Its brands include BMW, Mini and Rolls-Royce. The group's sales are concentrated in the European and US markets. BMW's car range will be renewed profoundly in the coming years, which will probably reinforce the company's competitive situation. With new models, BMW is well-positioned to increase its market share and prices. In the car market, the trend has shifted from large cars to smaller and more economical models. Although BMW is known as the world's leading premium car manufacturer, small cars already generate more than 35% of its net sales. The BMW share has for a long time traded at a 30–50 per cent premium compared to the rest of the car sector. The valuation is justified, taking into account the company's strong financial position, environmentally-friendly and renewed range and the good growth outlook of the premium segment.



Carlsberg A/S

Carlsberg is the world's fourth largest brewery company. In addition to beer, the company manufactures soft drinks and bottled water. Carlsberg has shown in the recent years that it is among the winners in the brewery sector. Thanks to the defensive business of the company, the economic downturn does not especially affect Carlsberg, as the beer sales are relatively stable. Carlsberg has two main market areas: Northern and Western Europe and Russia. There has also been promising growth in the Asian market. The slow growth of beer sales is typical of the European markets, whereas the Russian growth outlook is promising, despite the risks. Carlsberg's Russian operations account for about 30% of its net sales and their profitability is better than the profitability of the European operations. In Q4 2008, Carlsberg succeeded in raising its Russian market share to over 38%.



The Coca-Cola Co

The Coca-Cola Co is the world's largest manufacturer of soft drinks, juices and related products. In addition to Coca-Cola, the group's product range covers nearly 500 other well-known brands. In its long-term growth strategy, the group utilises its strong brands, efficient transportation organisation and stable financial position. Acquisitions are part of the company's strategy. A good example of this is the acquisition of the Finnish Hyvää Päivää brand in 2008. The Coca-Cola Co is well-positioned for future. The company benefits from the growing demand of non-carbonated drinks, as it is able to utilise its efficient retail and distribution network globally. In addition, the weakened US dollar increases the company's earnings. Taking the company's outlook and historical performance into account, the valuation of the Coca-Cola share is on an attractive level.



IBM Corp

IBM is one of the world's leading IT service and software suppliers. Its largest unit, Global IT Services, offers corporate customers business, maintenance and consulting services. The Systems and Technology unit sells servers and storage solutions. The Software unit sells, for example, operating systems and database software. Software has become one of IBM's most important business areas, and the company has acquired several companies in the sector in the last few years. The strategy has raised the company's profit margins because software is more profitable than IBM's other business operations. IBM also concentrates on IT service contracts, as many businesses are outsourcing their IT operations during the economic downturn in order to cut costs. Global IT Services, the unit that offers services to corporate customers, will consequently be one of the key drivers of IBM's future growth. The company's outlook is promising and the profitability is still expected to increase.



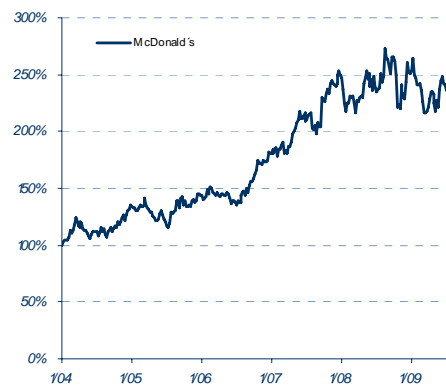
LVMH - Moët Hennessy Louis Vuitton SA

LVMH is the leading luxury product group. The company has more than 50 well-recognised brands, some of the best known being Louis Vuitton, Hennessy, Moët & Chandon and Tag Heuer. The group operates globally and the sales are spread evenly across all continents. The majority of the earnings are generated by the Fashion & Leather Goods unit, which accounted for 53% of the group's operating profit in 2008. The share of the Wines & Spirits unit was 29%. The rest of the group's earnings is generated by Perfumes & Cosmetics and Watches & Jewelry. It is the company's strategy to grow by focusing on key brands. Sales and profitability growth is sought from product development, expansion of sales network and significant marketing investments and price raises.



McDonald's Corp

McDonald's is the world's best known fast food chain, serving every day more than 58 million customers in 31,000 restaurants in 118 countries. The group's operations are strongly based on entrepreneurship, as more than 75% of McDonald's restaurants are privately owned. It is McDonald's' strategy to grow by product development and investments in existing restaurants instead of expanding and lowering prices. The recession has reinforced the relative position of the McDonald's chain, since consumers tend to shift from expensive restaurants to cheaper fast food restaurants in times of financial uncertainty.



Nestlé S.A.

Nestlé is the world's leading food industry company. Its well-known brands include NESCAFÉ, Nespresso and KitKat. The company's key product areas are dairy and ice cream products and drinks. Nestlé aims at an organic annual growth of 5–6%. So far, the company has been able to reach its ambitious target, and it looks likely to succeed also this year. Nestlé has reacted to the quickly rising raw material prices and cut costs. Thanks to its strong brands and diverse product range, Nestlé has been able to raise prices without endangering sales. Raw material prices seem to have peaked already during this cycle, so Nestlé will probably be able to improve its profitability. The geographical division of Nestlé's operations is favourable. It operates widely in the Western world and has a significant foothold in the emerging markets where the wealth increases quickly.

