Annual Report 1999

ADDTEK

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Highlights and Key Data

Addtek's net sales grew by 11 per cent to EUR 489 million.

Operating profit grew by 12 per cent to EUR 41.1 million.

Net profit grew by 22 per cent to EUR 23.0 million.

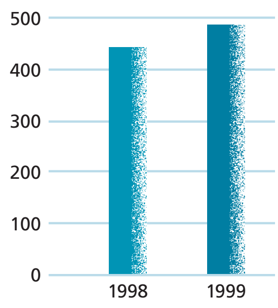
Parma Betonila opened new plant in Nastola, Finland in April.

At the end of 1999 Addtek started operations in Lithuania. The new subsidiary UAB Betonika acquired a plant in Kaunas.

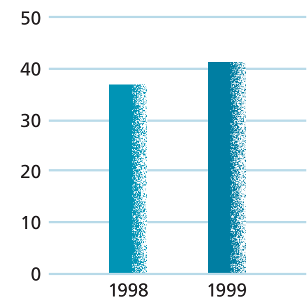
Addtek entered into a joint venture in Poland, where a precast production plant will be built. Production is scheduled to start during the summer of 2000.

PCE Engineering acquired the steel mould producer Rimera Oy in July.

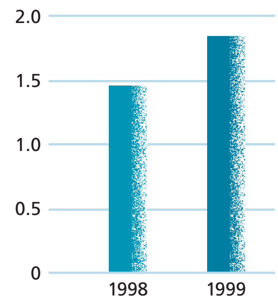
Addtek Group, Net Sales, EUR m



Addtek Group, Operating Profit, EUR m



Addtek Group, Earnings per Share, EUR



		1999	1998	Change
Net sales	EUR million	489.4	442.0	+10.7%
Operating profit	EUR million	41.1	36.7	+12.0%
per cent of Net sales	%	8.4	8.3	
Result for the period	EUR million	23.0	18.8	+22.3%
per cent of Net sales	%	4.7	4.3	
Earnings per share	EUR	1.84	1.46	+26.0%
Return on Capital (ROC)	%	25.4	21.4	
Gearing (incl. Capital Loan)	%	50	85	
Personnel (average)	%	3,786	3,765	+0.6%

Addtek is the market leader of prefabricated concrete in Europe.

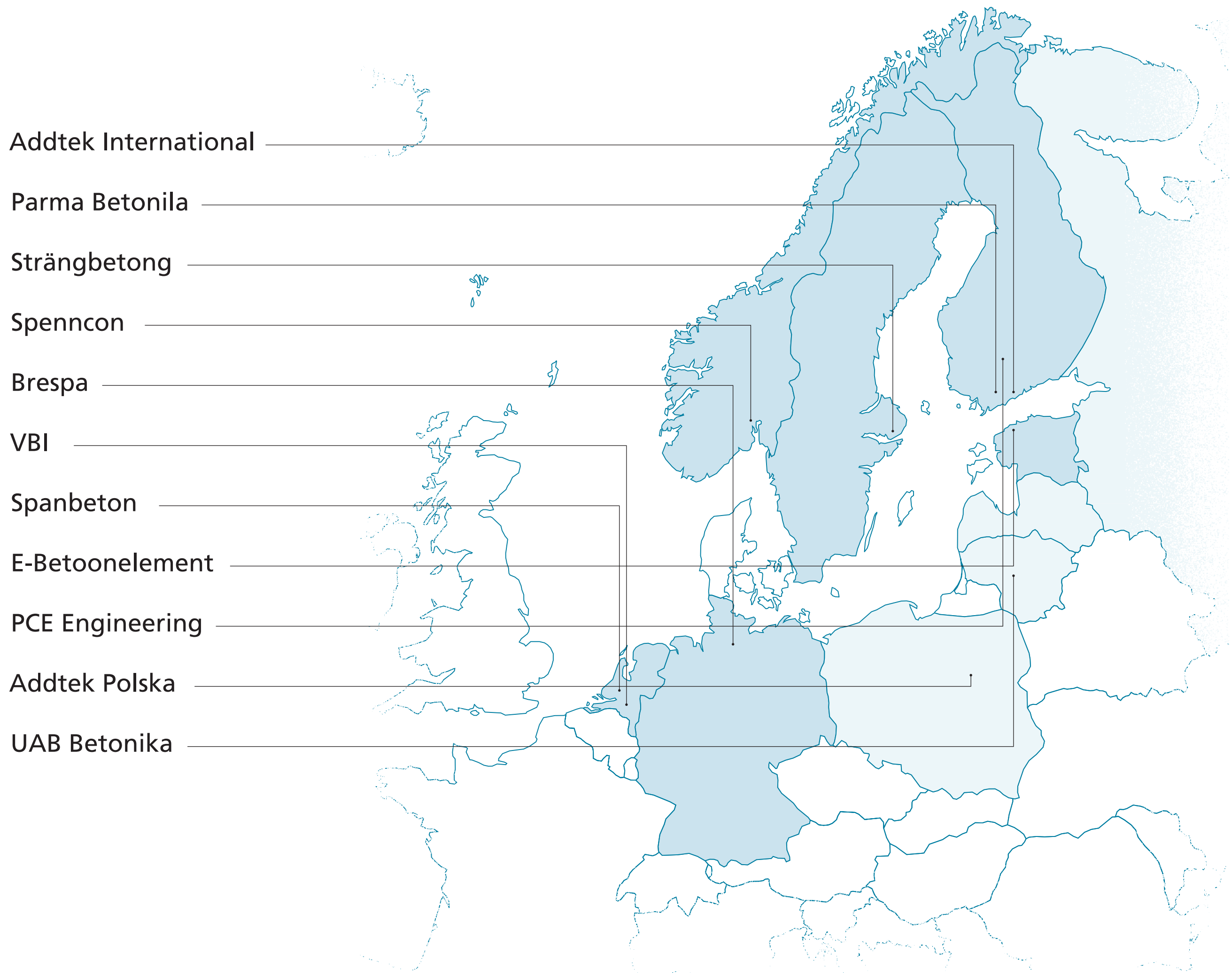
Addtek is the largest manufacturer of prefabricated concrete products in Europe. The company acquired its present form in December 1997 following the merger of Partek Precast Concrete and the Swedish company Strängbetong.

In 1999 Addtek had a net sales of EUR 489 million, an increase of 11 per cent on 1998, and employed on average 3,786 employees. Orders received amounted to EUR 493 million, an increase of 5 per cent on the previous year.

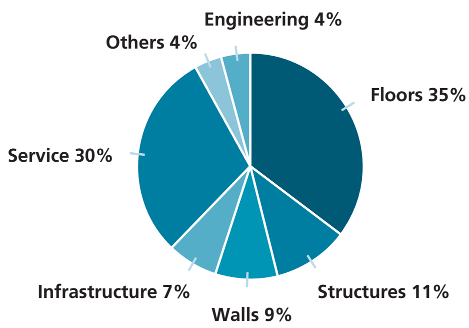
Addtek had manufacturing companies in 7 countries: Finland, Sweden, Norway, the Netherlands, Germany, Estonia and Russia. At the end of 1999 subsidiaries were established in Lithuania and Poland, where manufacturing will start during the year 2000.

Addtek produces a wide range of prefabricated concrete products. The biggest product group is floors, followed by services, structures and walls. These products are used in the construction of buildings. Addtek also makes products for infrastructure, such as railway sleepers and structures for bridges and tunnels. Addtek also provides services ranging from planning to the erection of its products.

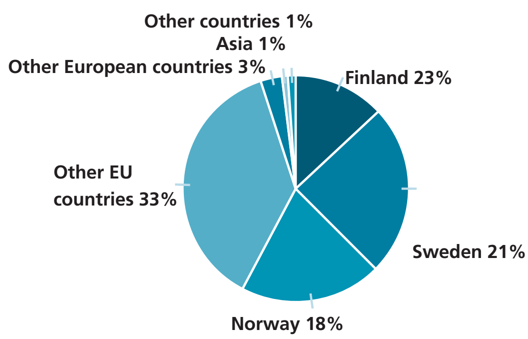
Addtek's major shareholders are the Finnish engineering company Partek and the Swedish private equity fund Industri Kapital. Management also has a shareholding in Addtek.



Net Sales by Product Group, 1999



Net Sales by Geographic Area, 1999



Parma Betonila included to 100%

Addtek International Oy Ab

Parma Betonila
Operations in Finland and Russia
Net Sales EUR 137 million
Personnel (average) 924
Addtek ownership 50 per cent

PCE Engineering
Global operations
Net Sales EUR 28 million
Personnel (average) 114

Strängbetong
Operations in Sweden and Latvia
Net Sales EUR 122 million
Personnel (average) 915

E-Betoonelement
Operations in Estonia
Net Sales EUR 9 million
Personnel (average) 338

Brespa
Operations in Germany
Net Sales EUR 24 million
Personnel (average) 125

Spenncon
Operations in Norway
Net Sales EUR 95 million
Personnel (average) 621

Spanbeton
Operations in the Netherlands
Net Sales EUR 32 million
Personnel (average) 265

VBI
Operations in The Netherlands and Germany
Net Sales EUR 129 million
Personnel (average) 911

UAB Betonika
Operations starting in Lithuania in year 2000

Addtek Polska
Operations starting in Poland in year 2000

Innovative precast solutions for the customers' needs.

ADDTEK'S MISSION is to offer customers the benefits of comprehensive packages for buildings and infrastructure projects, packages that are based on prefabricated concrete products and related services. Addtek believes that prefab technology will become the preferred solution for a growing number of customers in the construction industry.

ADDTEK INTENDS to expand in its existing markets and enter new markets in northern and Eastern Europe, utilizing its wide experience and leadership in the precast concrete industry.

THROUGH ITS MARKET LEADERSHIP and international presence, Addtek can offer customers the benefits of the latest solutions and of technology transfer within the Group.

The purpose of the Transfer of Best Practice scheme is to achieve continuous improvement in all Addtek's business processes, aiming to further enhance the company's total quality leadership in the precast concrete industry.

Addtek's R&D activities aim at providing the Group with the latest know-how, developing and promoting state-of-the-art technologies for use in the production processes. Addtek actively develops new products and construction systems for the benefit of customers.

Continued profitable growth during second operating year

Addtek's second full year of operations continued the trend of growth and also fulfilled the goal of growing with increased profitability. Net sales were EUR 489 million, an increase of 11% on 1998. This growth, which was almost entirely organic, clearly outperforms the general level of growth within the construction industry in Northern Europe. Strongest growth took place in Sweden, where the long-lasting decline in the industry is now over and a modest general increase could be seen. Operations in Finland also raised their market share. The penetration of pre-stressed hollow-core slabs, our main flooring product, increased significantly in Germany despite a weak construction market.

The Group met its profitability targets, with an operating profit of EUR 41 million, 12% up on the figure for 1998. The net result was EUR 22 million, up 22% on 1998, and the return on capital employed improved from 21.4% in 1998 to 25.4%.

The average number of employees remained unchanged from 1998 and was 3,786 during 1999.

The Group continued and expanded its main internal profitability project, the "Transfer of Best

Practice" project. This Group-wide benchmarking and technology transfer program now includes also the design, engineering and administration functions.

During 1999 the Group intensified its efforts to increase the quality of its products and services, establishing several research groups together with architects, engineers, contractors and other customers. The Group is continuing its active efforts to improve the life-cycle properties of its products.

This includes the development of design and production to make better use of available building materials, to decrease the environmental burden of production, to increase the flexibility and adaptability of buildings, and to recycle waste material. The Group published an environmental report outlining the emphasis on sustainability, which is a main target in its operations.

The Group's biggest investment, a new hollow-core factory for the Dutch subsidiary VBI in Huissen, continued according to schedule. The investment will be completed during 2000. The Group also continued its geographical expansion during 1999. It established a sales office in Riga, the capital of Latvia. At the end of the year the Group acquired UAB Betonika, with one factory in Kaunas, Lithuania, and established a joint venture, Addtek Gorzkowice, with Addtek as the majority shareholder, in Gorzkowice, Poland. These investments in new emerging markets will give the Group additional growth opportunities in the future. At the beginning of 2000 Parma Betonila, the 50% owned leading precast company in Finland, bought three factories in western and central Finland, thus increasing its abilities to serve customers in those parts of the country.

The Group's subsidiaries continued to develop new and innovative products. These included a self supporting cladding element, which gives architects new freedom in façade design, and a new hollow-core slab prepared for the installation of pipes and conduits, thus saving time and effort at the building site. The Group also developed and introduced innovative methods of cooperation with its clients, including the increased use of electronic data transfer between the different actors in the construction process. This reduces the total construction time, helps avoid mistakes and raises the total quality of the final product. This emphasis on innovation in the wider sense of the term throughout the organization will continue undiminished, as we believe that this will form the basis for further increasing the penetration of precast concrete systems.

The encouraging results achieved during 1999 are a result of the confidence our customers have shown us, a confidence that has been created by the commitment of the personnel of the companies in the Addtek Group.

The volume of construction activity in Addtek's markets during 2000 are not expected to change significantly. Thanks to Addtek's strong position and a considerable backlog of orders, we believe that we shall see a modest growth and, in spite of the investments being made in new market areas, a sustained profitability during this first year of the new Millennium.

Vantaa, March 2000

Bengt Jansson
CEO

Branded products strengthen the leading position.

Business environment and market trends

The volume of construction in Finland increased by approximately 6 per cent on the previous year. The number of new building starts grew by an estimated 3 per cent. Highest growth was seen in commercial and office buildings, with about 18 per cent growth, and residential buildings, 10 per cent, whereas the level of industrial construction fell. Overall demand for precast concrete rose by 2 per cent, with slabs leading the way with an increase of some 12 per cent. Wall and structure elements stayed at the level of the previous year, and demand for railway sleepers decreased. Profitability in the concrete industry as a whole was good.

Operations in 1999

Parma Betonila increased its sales by 18 per cent to EUR 137 million, and profitability improved on last year and was good. The market share of Parma Betonila increased slightly in all types of precast elements. Supplies to commercial and office buildings accounted for approximately 41 per cent of the sales of Parma Betonila, and residential buildings for 37 per cent. Russian operations accounted for 7 per cent of sales.

Thanks to the increased volumes, capacity utilisation has improved. Positive developments in productivity have offset higher materials and labour costs, and have improved the company's competitive situation.

The company has started "HANSKA", a project to support the development of supply operations and improve logistics management.

Customized partnerships with clients are becoming increasingly important. To strengthen its position as a leader in quality, Parma Betonila is putting a strong emphasis on training its personnel in teamwork and continuous quality improvement.

Work continued on developing products and systems for one-family houses and creating the marketing network for them.

PARMA BETONILA

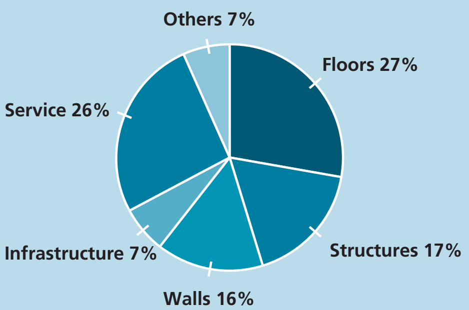
Addtek ownership 50 per cent

Market leader in all segments of prefab elements

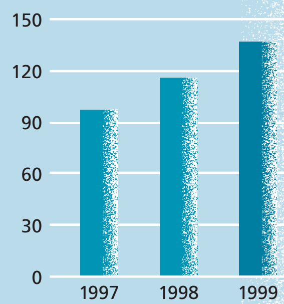
Key ratios 1999 (100%)

Net Sales, EUR m	137
Investments, EUR m	4.8
Personnel (average)	924

Net Sales by Product Group 1999



Development of Net Sales 1997–1999, EUR m



Precast construction systems provide affordable housing with high quality.

Innovations and investments

Intermediate flooring and facade elements were the particular focus for technical development. The new ParmaParel floor demonstrated clearly improved sound insulation properties and opens the way for new advanced HEPAC applications. The ventilated ParmaParaati cladding unit was used in several projects and a new, self-supporting design was also developed. This was used in the Biomedicum project at the University of Helsinki. The same project also saw the introduction of a slab produced by slipforming, with the piping mounted inside, and this can be adapted for use in shop and office buildings.

Work continued on improving the environmental and life span benefits of Parma Betonila's brand products. The company became the first precast concrete element supplier to receive the highest M1 classification for inside air for its products.

The largest investment was the start-up of the Nastola factory. The plant is designed to have very flexible operations for producing various prestressed products.

Outlook for the future

The positive market trends in Finland are expected to continue, and Parma Betonila expects to see some growth in volumes. The company will continue to place an emphasis on growth and on developing new products for its customers.

Strong growth for the leading supplier of precast solutions.

Business environment and market trends

The construction market as a whole grew by approximately 10 per cent in Sweden in 1999. Housing construction increased, though it was still at a very low level by international standards. Demand for commercial building showed a growth of around 7 per cent compared with 1998. Strängbetong has its strongest position in the commercial market, which accounts for a clear majority of the company's sales.

Demand in the market has become clearly polarised, with strong activity in the growth centres around the largest cities. In contrast, the level of activity in the northern part of the country has been very low.

Building with precast concrete elements has developed encouragingly during 1999, and the preference for precast has grown, especially in commercial and industrial construction. Strängbetong has succeeded in consolidating its position in this growing market.

Operations in 1999

Strängbetong's sales in 1999 amounted to EUR 121 million, an increase of 29 per cent on the previous year. Profitability improved considerably and was good. Overall Strängbetong was able to improve its market position as a leading supplier of precast concrete constructions. This is mainly due to the Strängbetong concept of the "Basic Building System" that the company has successfully marketed during the year. The system provides the framework and the shell for a building, and also includes design, project management and on site production skills. The high growth in sales is partly attributable to this building approach, since it includes participating in the construction work through sub-suppliers.

A special development of the Basic Building System that has been successful is the Bashallen building, which includes a highly standardised shell and framework system for industrial and commercial premises.

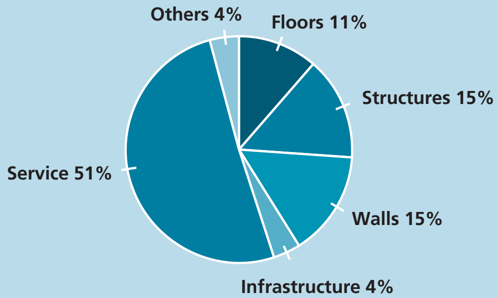
STRÄNGBETONG

Leading supplier of precast solutions

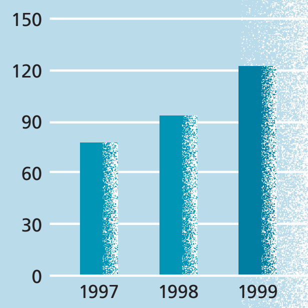
Key ratios 1999

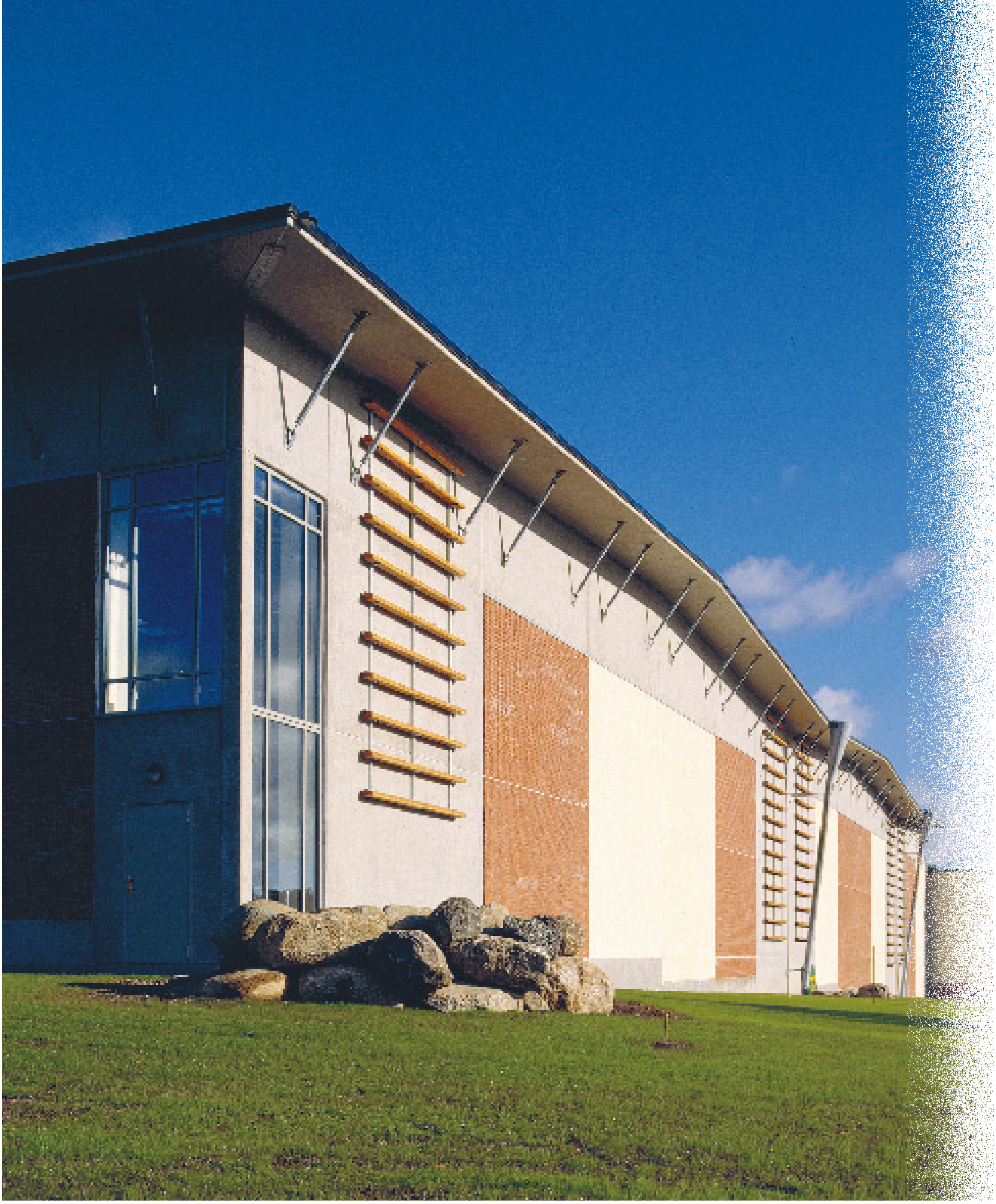
Net Sales, EUR m	122
Investments, EUR m	1.9
Personnel (average)	915

Net Sales by Product Group 1999



Development of Net Sales 1997–1999, EUR m





The basic building system provides fast and flexible solutions.

During 1999 Strängbetong was engaged in a number of major projects, including the Heron City Entertainment Centre in Kungens Kurva and the NCC office building in Solna. A large extension to Elkjöp's logistics terminal in Jönköping is currently under way.

Outlook for the future

The growth in the construction market in Sweden is estimated to slow down in the year 2000. The strongest growth will be seen in the housing market, whereas commercial and industrial construction is expected to grow compared with 1999. Taken as a whole and coupled with a strengthened market position, this indicates that Strängbetong should make encouraging progress in 2000.

Customer orientation strengthens competitive market position.

Business environment and market trends

The construction market in Norway showed a decline of 9–10 per cent in 1999 compared with the previous year. In general, competition has become tougher in Norway, especially in the Oslo region and in the southern parts of the country. Spenncon is meeting the challenge of tougher competition with an increased emphasis on customer relationships, as well as by continuing to focus on quality and productivity throughout the value chain.

The use of hollow-core slabs in combination with steel frames is constantly increasing. Spenncon has successfully made inroads into this market in alliance with the Finnish steel-producer PPTH, and managed to increase its market share of hollow-core production in 1999 compared to 1998 and 1997.

In the fragmented Norwegian market, Spenncon has benefited from being the leading producer of precast concrete with 6 plants covering the whole country.

Operations in 1999

Despite the decline in construction activity, 1999 was a successful year for Spenncon. Sales totalled EUR 96 million, a 2 per cent decline on 1998. The result was also lower but still satisfactory and in accordance with earlier expectations.

Total production of precast elements in 1999 was 322,000 tonnes, which is 7 per cent less than in the previous year. The company has raised its competitiveness by focusing efforts particularly on productivity, as well as by emphasizing product quality and enhancing project management operations.

Turn-key projects in western Norway make a major contribution to Spenncon's business. December saw the successful completion of the biggest project so far, a shopping centre with a contract value of EUR 15 million.

Innovations and investments

Some 50 persons at Spenncon are involved in engineering and design, and as a rule work on innovations and technical development takes place

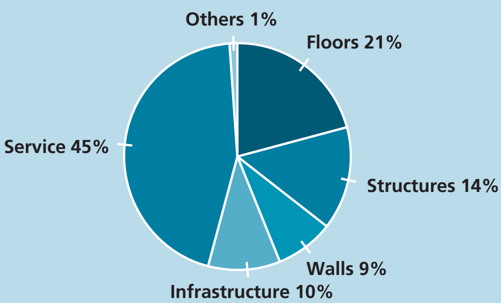
Spenncon

Customized solutions country-wide

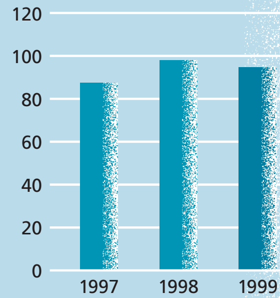
Key ratios 1999

Net Sales, EUR m	95
Investments, EUR m	2.4
Personnel (average)	621

Net Sales by Product Group 1999



Development of Net Sales 1997–1999, EUR m



Precast concrete solutions in combination with steel create new possibilities.

during the development and design of actual projects.

A project to standardize engineering details has been in progress during the year, and this will give valuable increases in productivity. In support of this, a new CAD-system is being installed.

Other major investments include a new production hall at one of the business units in Hjørungavåg, an extension to the stockyard in Bergen,

Outlook for the future

In 2000 a further decline in the non-residential market is expected. This will mean even tougher competitive pressure. The company believes, however, in a further increase in penetration by precast as a building method.

Most urban areas have a lack of housing that has accumulated over many years. The residential market will certainly grow in the coming years, and is expected to increase considerably in 2000. The residential market represents annually a total area of approximately 3 million m^2, and Spenncon will increase its market efforts in this segment in the coming years.

Prestressed hollow-core slabs strongly increase penetration.

Business environment and market trends

After declining for several years, construction activity in Germany started to pick up in 1999. This was true especially in the western part of the country, whereas the trend in the east continued to be negative. Brespa operates in both west and east and, taken as a whole, market developments can be considered to have had a slightly positive impact on Brespa's operations. This trend is expected to continue in the coming year.

Brespa has been a pioneer in promoting the use of hollow-core slabs on the German market, and this form of flooring is constantly growing in popularity. Although penetration remains fairly low compared with established methods of flooring, growth of approximately 15 per cent by the hollow-core industry is still significant. The potential market is substantial, and there are good grounds for believing that growth will continue at least at a similar rate as before.

Operations in 1999

Rapid growth was a distinguishing feature of the activities of Brespa. Sales increased by 28 per cent to EUR 28 million, and profitability improved significantly to a satisfactory level. Production volumes increased to ca. 695,000 m^2, which was 34 per cent more than a year ago. The seasonal differences in demand between winter and summer continued to be large. Capacity utilisation during the peak periods of the year was very high. The latter half of the year in particular was characterized by high volumes and very short through-put times.

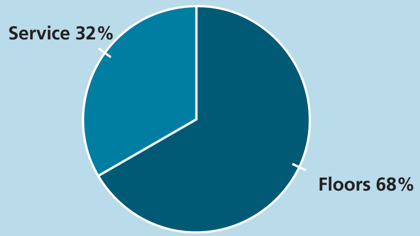
BRESPA

The leading manufacturer of prestressed hollow-core flooring

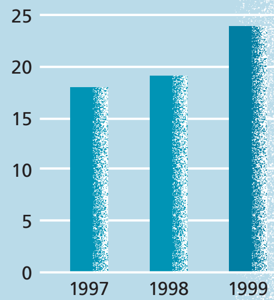
Key ratios 1999

Net Sales, EUR m	24
Investments, EUR m	0.8
Personnel (average)	125

Net Sales by Product Group 1999



Development of Net Sales 1997–1999, EUR m



Prestressed hollow-core flooring solutions provide the possibility of long spans thus increasing the flexibility of the building.

Brespa strengthened its market position in North-Germany significantly. The company placed increased emphasis on service for key customers and on medium-sized projects. Exports to Denmark developed encouragingly, and the customer base is expanding.

Innovations and investment

During 1999 Brespa broadened its product programme with new sizes of hollow-core slabs and by introducing insulated slabs.

Rising production volumes are placing increasing demands on plants. Internal logistics have been improved to achieve faster through put times. The expansion being carried out at the Schneverdingen factory will give a significant increase in capacity, and this extra capacity should come on stream before the summer of 2000.

Outlook for the future

During the last few years Brespa has seen a steady increase both in penetration and market share. These trends are expected to continue, resulting in growth that is considerably higher than the general change in the construction market in Germany. Brespa is well equipped to lead the expected rapid expansion of the hollow-core industry, after all "Brespa" stands for the synonym of hollow-core in Germany.

New solutions increase popularity of hollow-core flooring.

Business environment and market trends

In line with general developments in the Netherlands, building activity grew substantially compared to 1998. The growth was wholly attributable to growth in non-residential construction.

Developments in the flooring market were encouraging, with stable demand in the residential sector and continuing growth in the non-residential sector. In the Dutch flooring market, the beam/block floor lost ground to hollow-core solutions, mainly because it is too labour-intensive on the building site.

VBI continues to be the market leader in the Netherlands and managed to improve its market share.

Operations in 1999

VBI's sales increased in 1999 by 7% to EUR 128 million. Profitability improved on the previous year and was good. The very wet winter led to delays on construction sites. This caused the pace in deliveries to increase strongly in the later part of the year, and capacity utilisation was very high.

Sales to the non-residential sector grew substantially, resulting in a considerable change in product mix towards heavier hollow-core slabs. The decline in beam/block flooring has been compensated by the growth in insulated hollow-cores.

VBI's sales in the Ruhr area in Germany continued to grow.

New products and investments

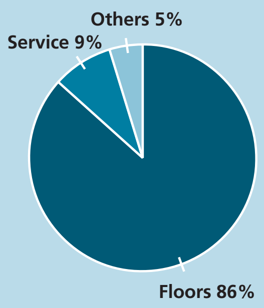
In November 1999, VBI launched a new prestressed system floor for the house-building industry, the Pipe Floor. This innovation by VBI is a concrete hollow-core slab that makes it possible to lay all the drainage pipes in the bathroom floor. And the slab also has room for the pipes for balanced ventilation in the home. The innova-

The leading manufacturer of prefab flooring systems

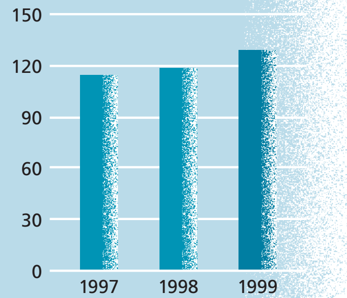
Key ratios 1999

Net Sales, EUR m	129
Investments, EUR m	8.6
Personnel (average)	911

Net Sales by Product Group 1999



Development of Net Sales 1997–1999, EUR m



Growing popularity of hollow-core slabs demands additional manufacturing capacity. The subsidiary Spanbeton provided the factory frame for the new VBI plant.

tion is expected to improve the competitiveness of hollow-cores on the housing market.

A Pipe Floor slab that is especially suitable for apartments should be introduced in 2000.

In 1999, VBI started the construction of a new hollow-core plant at Huissen. This will replace an existing old plant at the same premises but will have a significantly higher capacity. The plant is estimated to start production in the last quarter of 2000.

The plant in Weert is being expanded to increase the production capacity for insulated hollow-cores. The extra capacity should be on stream by March 2000.

Outlook for the future

The construction market is expected to continue growing in the year 2000. As in 1999, growth will come from the non-residential sector. Though a decline may take place in the residential market as a whole, VBI expects to see growth in this market through its new Pipe Floor products. Overall the company expects sales and profitability to be at a higher level than in 1999.

Short erection times and innovative solutions minimize traffic disturbances.

Innovative solutions also for infra-structure construction.

The overall economic climate in the Netherlands has been favourable, with growth in construction output of 3 per cent. For Spanbeton the important markets, civil engineering and industrial buildings, showed an even higher growth rate of 7 per cent.

Spanbeton's sales increased by 18 per cent to EUR 32 million. The result improved and was satisfactory. Capacity utilisation was at a very high level for most of the year, the main bottleneck being the availability of skilled personnel.

Spanbeton has focused in its marketing on consolidating its leading market position in pre-fabricated bridges and improving its position in industrial and commercial buildings. In both segments we have seen an increase in volumes.

During the year Spanbeton launched the saddle-TT roof slab, the result of technology co-operation within the Addtek Group. Another new product is concrete sheet piles.

The main investment project has been the extension of three prestressing beds. This reconstruction gives the company excellent facilities for the long line production of a variety of elements.

Total construction output in the Netherlands is estimated to grow slightly in the year 2000. We see a growing interest in the use of precast concrete systems, which will create new opportunities for Spanbeton. We expect to see continuing growth in 2000.

SPANBETON

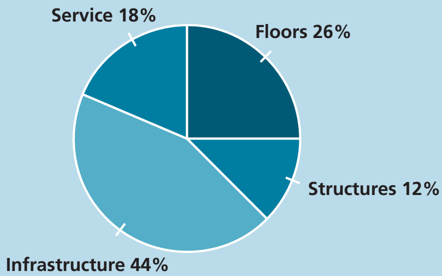
VOORGESPANNEN BOUWELEMENTEN

Leading supplier of prefab products for civil engineering

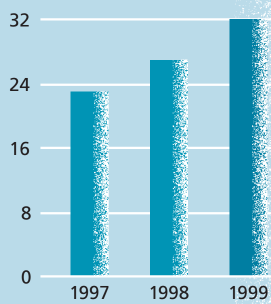
Key ratios 1999

Net Sales, EUR m	32
Investments, EUR m	0.6
Personnel (average)	265

Net Sales by Product Group 1999*



Development of Net Sales 1997–1999, EUR m



Creating the market for prefab solutions.

The recovering economy requires new premises with shortest possible delay.

E-Betoonelement

Activity in the construction market in Estonia was very low during 1999 and represented a significant decline from the previous year. Demand in Latvia increased during 1999 and is expected to continue to grow.

The drop in volume in the prefabricated concrete market in Estonia had a major impact on the operations of E-Betoonelement in 1999. Sales were 35 per cent lower than in 1998 at EUR 9 million and profitability was unsatisfactory. The market position improved through higher penetration by prefab elements. Sales in Latvia increased considerably.

The Estonian economy is quickly recovering from the crisis in Russia and is growing again. Growth of 3–5 per cent in GDP has been forecast for the year 2000. Stable growth is expected in the construction market in Estonia during 2000–2002. E-Betoonelement will further develop its new business concept of selling prefabricated concrete designs and services.

E-Betoonelement has produced sleepers since 1996 as a subcontractor to Swetrak in Estonia. The demand for sleepers is expected to increase in the Baltic countries.

Swetrak is an Estonian company owned jointly by Addtek (50 per cent) and Scancem (50 per cent). The company aims to sell and develop railway sleepers for restoring and renovating the railway network in the Baltic and CIS countries. The company utilizes the know-how of its owner companies in the design and manufacturing of the sleepers.

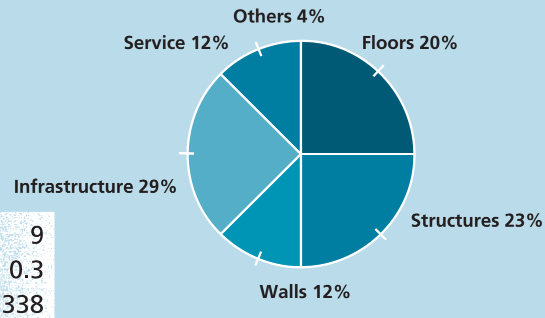
E-BETOONELEMENT

Market leader in prefab concrete solutions.

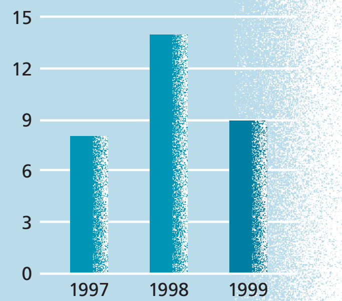
Key ratios 1999

Net Sales, EUR m	9
Investments, EUR m	0.3
Personnel (average)	338

Net Sales by Product Group 1999



Development of Net Sales 1997–1999, EUR m



The robust and reliable machinery of PCE has been awarded several prizes for industrial design.

New markets create growth opportunities for PCE Engineering.

The market for manufacturing equipment for prefabricating factories developed fairly well during 1999. Demand was strong in Western Europe, the Middle East and the USA, while the markets in South East Asia and the CIS countries remained at a very low level.

In 1999 PCE achieved slightly higher net sales than in 1998, and profitability improved considerably and was satisfactory. The most important projects were commissioned in Spain and in the USA, where among the projects we supplied were two factories for 2.4 metre wide hollow core façades. As a whole, projects were implemented successfully. The capacity utilisation rate was high during all the year and prices were fairly stable.

The operations of PCE Elematic Inc. (USA), established in the spring of 1998, developed well during the review year. In the summer of 1999 PCE acquired the business of Rimera Oy – makers of steel moulds – and this has improved PCE's competitive position considerably.

In the year 2000 the level of demand in most of PCE's markets is expected to be slightly higher than in 1999. The main focus for activity will be in Europe and in the USA but new possibilities are also seen in South America. The depression in Asia's precast concrete industry is still continuing, but demand will probably pick up in the second half of 2000. The orders received during 1999 indicate further growth in PCE's activities, and the outlook for this year is positive.

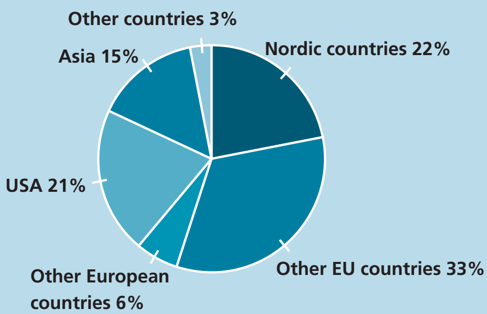
PCE Engineering

Production technology and know-how to the prefab industry world-wide

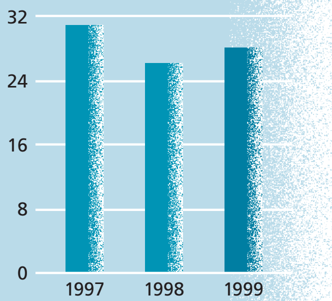
Key ratios 1999

Net Sales, EUR m	28
Investments, EUR m	1.2
Personnel (average)	114

Net Sales by Geographic Area 1999



Development of Net Sales 1997–1999, EUR m



Prestressed hollow-core slabs is the main product of the Group. During 1999 the total production of this product amounted to 7.2 million m^2.

New products and processes to cross-fertilization.

Addtek Research & Development (ARD) co-ordinates R&D efforts in the group. ARD also plays a central role in the Group's Transfer of Best Practice projects. This work covers a whole range of individual projects that aim at increasing standardization and continuous improvement, utilizing the know-how and experience of all the Group's operating units.

Transfer of Best Practice

The review year has seen an increased focus on TOB activities. TOB groups have been active in all core product areas; floors, structures, walls and railway sleepers, developing methods to improve total productivity. This has resulted in improved work methods and plant and product design, standardization of products, and improvements in materials for different applications.

Development projects in 1999

A new version of a design program for hollow core slabs was completed. The new program has added features and includes the latest theory and test results for hollow-core slabs and plank flooring. Design calculations can be made according to several international and national standards.

One important target is to discover methods to save costs for materials and to improve the quality of our products. Projects in this field have included the development of a system to control and adjust workability in dry and semi-dry concrete.

ARD is working on the use of new concrete technologies e.g. especially on admixtures that could reduce concrete shrinkage. Reduced shrinkage is desirable since it reduces the risks of cracks.

Development work has also been carried out on self-compacting concrete in several applications. This work has centred around technical properties as well as on production economy in full scale factory conditions.

The main activities in the ARD laboratory were to assist in testing relating to ARD development projects and in TOB projects. The laboratory also carried out work related to product development by Addtek companies; this included extensive testing of a new large size (3.6m by 24m) double-T element developed by Parma Betonila. As in previous years the laboratory also did testing work for external customers.

One of the most interesting development projects was a study of productivity and quality improvement possibilities through new production technologies of hollow-core slabs.

As part of Addtek's efforts to establish operations in Lithuania and Poland, major design work was done for the new plants.

Environmental awareness during the whole life-cycle.

Today great awareness exists of the importance and necessity of guaranteeing the needs of future generations without compromising or sacrificing the needs of the present. A basic need, both today and in the future, is for adequate housing. However, construction also places burdens on the environment, through the resources it uses, pollution and waste.

Addtek believes that one way to reduce the negative impact of construction lies in the use of precast concrete structures. These can give significant savings in the use of materials, in energy consumption and in the volume of waste. Compared with cast in situ construction, precast structures can reduce:
- the amount of materials used by up to 45%
- energy consumption by up to 30%
- the volume of waste at demolition by up to 40%.

Materials

Precast structures are economic with materials, so they reduce the use of nature's resources. One reason for this is the use of fairly high grades of concrete and steel, so that products use less material for the same load-bearing capacity as structures cast in situ. Designing products that can only be made in a controlled production environment also promotes the same objective. Pre-stressed hollow-core slabs have a particularly efficient load-bearing capacity, resulting in the use of 40 per cent less concrete and 50 per cent less reinforcing steel compared with plain reinforced slabs.

Waste

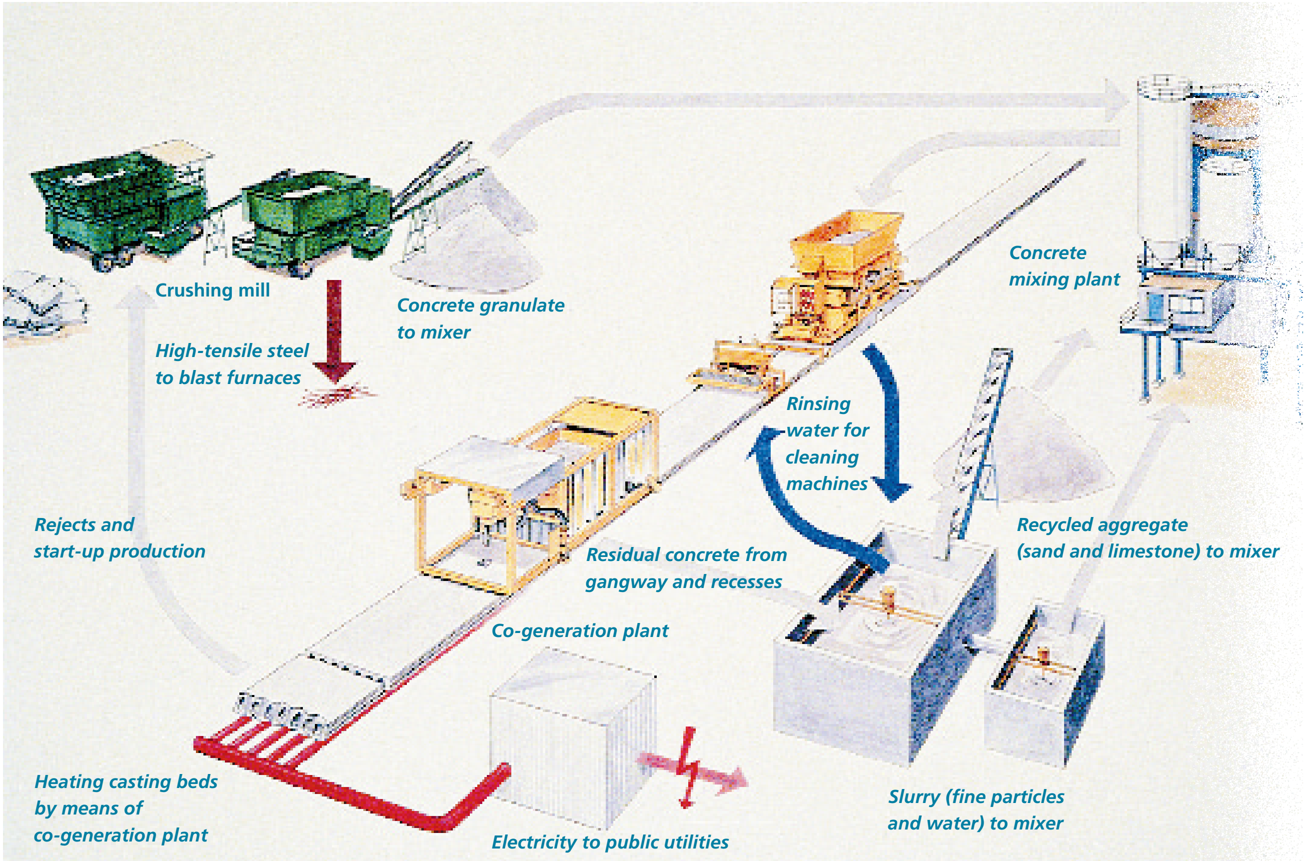
In a controlled precast production environment it is possible to use a high content of recycled material from outside, such as demolition waste. Internal recycling in the production process is another benefit, since it increases the efficient use of raw materials and minimizes actual waste from production. The lower weight of precast elements leads to reduced waste at the end of the product's life at demolition.

Life-cycle Assessment

Life-cycle assessments of buildings have favoured precast concrete. Savings in the use of raw materials, minimum consumption of energy during construction and occupancy, adaptability, lower levels of noise and dust during construction and demolition are all important aspects in determining environmental burden.

Environmental Policy

Addtek makes a significant effort to improve the environment, and this constitutes a key element of the company's policy towards society, clients and suppliers. In its environmental policy Addtek commits itself to the following tasks:
- to recruit and train employees for meaningful environmental activities with a focus on results.
- to save energy and raw materials in production, and eliminate or reduce to a minimum emission of harmful substances in its activities.



Closed production system for precast hollow-core floors.

- to plan and develop production processes that create less waste, and encourage recycling of materials and components.
- to ensure that our suppliers and subcontractors comply with Addtek's policy on environmental issues.
- to comply with the ISO-14000 international environmental management standards.
- to make all employees aware of their personal responsibility for the environment, and to encourage them to take initiatives for improvements.
- to respond earnestly and actively to all laws and directives regarding the environment.

Report of the Board of Directors

General
The year 1999 was the second financial period for the Group. On the whole it was a good year for the Group, which succeeded in strengthening its market position and boosting sales in its main market areas. The Group decided to expand its activities in accordance with the Group's strategy of growth in the Baltic countries and Poland.

Since the beginning of 1999 the euro, the common European currency, has been the Group's reporting currency and the annual accounts are also presented in euros.

Net sales, orders received and order book
Compared with the previous year the Group's net sales rose by 11% to EUR 489 million. Sales increased particularly in Sweden, Germany, Finland and the Netherlands. Net sales in Norway remained at the same level as in the previous year, while demand in Estonia declined significantly. In Sweden deliveries of basic building systems increased, while sales of structural and wall elements performed best in other countries.

Orders received increased by 5% to EUR 493 million. At the end of the year the order book stood at EUR 173 million, which is 19% higher than the previous year and gives a good start for business in 2000.

Result and profitability
The result before extraordinary items, taxes and minority interests increased by 21% to EUR 33.5 million (EUR 27.8 million in 1998). The biggest improvements took place in Sweden and Finland, whereas the result in Estonia fell substantially. The result includes other income from operations of EUR 1.5 million, mainly from the sale of fixed assets. Taxes totalled EUR 9.9 million, which corresponds to a tax rate of 29.4%.

Return on capital employed rose by almost four percentage points to 25.4% (21.4% year 1998). Return on equity was 23.8 % compared with 25.0% in the previous year. Both rates of return on investment were in accordance with the Group's long-term plans. Earnings per share improved to EUR 1.84 from EUR 1.46 in 1998.

Liquidity and capital adequacy
Liquidity was good during the year. Interest-bearing net debt decreased during the year from EUR 74.1 million to EUR 56.2 million. Gearing fell to 50% from the 1998 figure of 85%. Shareholders' equity, which included a capital loan of EUR 45.5 million and minority interests of EUR 3.8 million, was EUR 111.5 million at year-end. The equity ratio stood at 37.0% at year-end.

Research and development
Addtek Research & Development Oy Ab continued its strong engagement in Transfer of Best Practice operations, which extend from materials development to the planning of factory investments. The knowledge accumulated through this can be well exploited in planning the modernization of the acquired plants in Poland and Lithuania.

One of the major development projects was a comprehensive feasibility study of new technologies for hollow-core slab production aiming at increased flexibility in the production process and improved product quality.

Investments
The Group's investments totalled EUR 20.0 million. Their breakdown was as follows:

	EUR million
Land	0.2
Buildings and constructions	2.2
Machinery and equipment	9.4
Investments under construction	5.8
Other	2.4

At the end of 1998, the Dutch subsidiary VBI started to build a new factory for hollow-core slabs. The work on this investment has progressed according to plan and test runs will be made at the factory at the end of 2000. The total cost of this factory investment is expected to be about EUR 16 million. The Dutch subsidiary Spanbeton started a new production line for structural elements based on flexible production technology. In Finland Parma Betonila Oy started production of structural elements at its new and renovated factory in Nastola. The factory in Forssa completed its project to raise the efficiency of the production line for façade elements. Other investments were for the replacement of machinery and equipment and for enhancing productivity.

Changes in Group structure

In July the Group established Addtek Polska Sp. z o.o. for its business activities in Poland. In November a co-operation agreement was signed with the Polish company Gofabet, with the goal of establishing a new joint venture company. The new company is building a factory to produce concrete elements for the Polish market. Addtek Holding Oy Ab has a majority holding in the company and it is estimated that the new factory will be ready during the summer of 2000. In July PCE Engineering Oy Ab bought the company Rimera Oy in Riihimäki. Rimera has an annual turnover of EUR 3.5 million and has specialised in the production of moulds for making concrete elements. In December Addtek International Oy Ab acquired from AB Kausta in Kaunas a Lithuanian company that produces concrete elements. The company UAB Betonika started operations at the beginning of 2000.

Board of Directors, company management and auditors

At the end of the operating year, the Board of Directors consisted of the following persons: Olof Ljunggren, Chairman, Kari Heinistö, Vice Chairman, Jan Segerberg, Vice Chairman, Heikki Allonen, Andrejs Cakste, Stig Gustavson, Stefan Linder, Michael Rosenlew and Olav Uppgård.

The President and CEO of the company was Jan Segerberg until 22 March 1999 and Bengt Jansson from 23 March 1999. The Authorised Public Accountants KPMG Wideri Oy Ab and SVH PriceWaterhouseCoopers Oy have been the auditors of the company.

Shares and shareholders

The share capital of Addtek International Oy Ab stands at EUR 21,090,766. The major shareholders of the parent company are Partek Corporation, investors in Industri Kapital's 1994 Fund, and the company management. The remaining shares are held by private and institutional investors. During the year the company share was split from one old share into ten new shares. The total number of shares after the split is 12,540,000 shares and the book value per share is EUR 1.68.

Events since the close of the financial year

On 27 January 2000 Parma Betonila Oy bought the business activities of three factories belonging to the Betonimestarit Group.

Outlook for 2000

The orders received and order book at year-end create conditions for continuing good development. The trade outlook is on the whole positive and demand for the Group's products is strong. Although investments in new countries will diminish the Group's result, an improvement in the result is expected in 2000.

Income Statement

1 January–31 December

In million euro	Note	Group 1999	%	Group 1998	%	Parent Company 1999	Parent Company 1998
NET SALES	1, 2	489.4	100	442.0	100	3.3	2.6
Cost of goods sold		–391.8	–80	–355.9	–81	0.0	0.0
GROSS PROFIT		97.6	20	86.1	19	3.3	2.6
Selling and marketing costs		–27.1		–25.8		0.0	0.0
Administration costs		–31.3		–24.9		–6.5	–2.7
Other operating income	5	2.0		2.2		0.0	0.0
Other operating expenses	5	–0.5		–0.8		0.0	0.0
Earnings of associated companies		0.4		–0.1		0.0	0.0
		–56.5	–12	–49.4	–11	–6.5	–2.7
OPERATING PROFIT	3, 4, 5	41.1	8	36.7	8	–3.2	–0.1
Financial income and expenses	6	–7.6	–1	–9.3	–2	2.3	–1.9
RESULT BEFORE EXTRAORDINARY ITEMS, TAXATION AND MINORITY INTEREST		33.5	7	27.4	6	–0.9	–2.0
Extraordinary items	7	0.0	0	0.4	0	0.8	0.0
RESULT BEFORE TAXATION AND MINORITY INTEREST		33.5	7	27.8	6	–0.1	–2.0
Taxes	8	–9.9	–2	–8.1	–2	0.0	0.0
Minority interest		–0.6	0	–0.9	0	0.0	0.0
RESULT FOR THE PERIOD		23.0	5	18.8	4	–0.1	–2.0

Cash Flow Statement

1 January–31 December

In million euro	Group 1999	Group 1998	Parent company 1999	Parent company 1998
OPERATING ACTIVITIES				
Operating profit/loss	41.1	36.7	–3.2	–0.1
Depreciation	14.6	12.6	0.1	0.1
Other adjustments	0.1	–0.7	0.0	–0.1
Cash flow before changes in working capital	55.8	48.6	–3.1	–0.1
Change in working capital				
Short-term trade receivables, increase (–), decrease (+)	0.2	–8.9	1.2	–2.9
Inventories, increase (–), decrease (+)	0.9	–2.2	0.0	0.0
Interest free short-term liabilities, increase (+), decrease (–)	–1.9	–8.8	1.7	–5.1
Cash generated from operations before financial items and taxes	55.0	28.7	–0.2	–8.1
Interest paid and other financial expenses	–7.4	–9.1	–2.5	–2.8
Dividends received	0.0	0.0	5.2	1.4
Interest received and other financial income	2.8	3.2	2.8	2.8
Income taxes	–8.4	–6.6	0.0	0.0
CASH FLOW FROM OPERATING ACTIVITIES	42.0	16.2	5.3	–6.7
INVESTING ACTIVITIES				
Investments in fixed assets	–20.0	–20.9	–1.8	–28.9
Proceeds from sale of fixed assets	1.6	1.7	0.0	0.0
Change in loan receivables	0.9	0.4	–6.8	19.0
CASH FLOW FROM INVESTING ACTIVITIES	–17.5	–18.8	–8.6	–9.9
FINANCING ACTIVITIES				
Change in short-term debt	–2.7	5.1	0.9	3.4
Change in long-term debt	–24.7	–31.1	0.4	5.5
CASH FLOW FROM FINANCING ACTIVITIES	–27.4	–26.0	1.3	8.9
CHANGE IN CASH AND CASH EQUIVALENTS	–2.9	–28.6	–2.0	–7.7
Cash and cash equivalents at the beginning of the period	8.5	37.5	3.5	11.4
Adjustment due to change in exchange rates	0.5	–0.4	0.2	–0.2
	9.0	37.1	3.7	11.2
Cash and cash equivalents at the end of the period	6.1	8.5	1.7	3.5
Change in cash and cash equivalents	–2.9	–28.6	–2.0	–7.7

The figures above can not directly be found in the balance sheet because of the exchange rate differences occurred upon consolidation.

Balance Sheet

31 December

ASSETS In million euro	Note	Group 1999	%	Group 1998	%	Parent company 1999	Parent company 1998
FIXED ASSETS	9, 10						
Intangible assets		4.6	1	4.2	1	0.1	0.1
Tangible assets		203.7	64	192.0	63	0.0	0.0
Investments		2.6	1	2.5	1	50.9	49.2
FIXED ASSETS, TOTAL		210.9	66	198.7	65	51.0	49.3
CURRENT ASSETS AND LONG-TERM RECEIVABLES							
Long-term loan receivables	11	0.8	0	1.6	1	60.6	53.7
Deferred tax receivable	17	1.7	1	1.4	0	0.0	0.0
Inventories	12	29.3	9	29.3	10	0.0	0.0
Short-term receivables	11	69.7	22	64.5	21	4.6	5.4
Cash and bank		6.3	2	8.5	3	1.7	3.5
CURRENT ASSETS AND LONG-TERM RECEIVABLES, TOTAL		107.8	34	105.3	35	66.9	62.6
ASSETS, TOTAL		318.7	100	304.0	100	117.9	111.9

EQUITY AND LIABILITIES In million euro	Note	Group 1999	%	Group 1998	%	Parent company 1999	Parent company 1998
SHAREHOLDERS' EQUITY	13, 14						
Share capital		21.1	7	21.1	7	21.1	21.1
Retained earnings		17.2	6	–0.8	0	–2.8	–0.8
Result for the period		23.0	7	18.8	6	–0.1	–2.0
Exchange difference		0.9	0	–0.8	0	0.0	0.0
Capital loan	14	45.5	14	45.5	15	45.5	45.5
SHAREHOLDERS' EQUITY TOTAL		107.7	34	83.8	28	63.7	63.8
MINORITY INTEREST		3.8	1	3.3	1	0.0	0.0
PROVISIONS	15	6.9	2	6.2	2	0.0	0.0
LIABILITIES							
Long-term liabilities	16	60.3	19	75.1	25	43.9	40.3
Deferred tax liability	17	35.5	11	31.3	10	0.0	0.0
Short-term liabilities	18	104.5	33	104.3	34	10.3	7.8
LIABILITIES, TOTAL		200.3	63	210.7	69	54.2	48.1
EQUITY AND LIABILITIES, TOTAL		318.7	100	304.0	100	117.9	111.9

Accounting Principles

Basis of the financial statements

The consolidated financial statements, the financial statements of the parent company and the financial statements of the Finnish subsidiaries have been prepared in accordance with the legislation and current regulations in force in Finland. The financial statements of the foreign subsidiaries have been adjusted to conform to accounting practice in Finland.

Consolidation principles

The consolidated financial statements cover the parent company Addtek International Oy Ab and all the companies in Finland and abroad in which the parent company directly or indirectly controls more than 50% of the voting rights. One dormant company in Norway has been excluded.

The associated companies have been consolidated in accordance with the equity method. The associated company Parma Betonila Oy, of which the Group holds 50%, has, however, been consolidated on a row by row basis according to the ownership share. In the notes Parma Betonila has been consolidated in the same way. Of the subsidiaries of the Parma Betonila Group, two real estate companies have not been consolidated.

The consolidated balance sheet has been prepared in accordance with the so-called direct acquisition method. Companies acquired during the year have been included in the consolidated income statement from the time they were acquired. In preparation of the consolidated financial statements internal transactions have been eliminated.

At the time of acquisition on 1.12.1997, the Group assets have been valued by taken into account the deferred tax. In accordance with the recommendation of the Accounting Board, the purchase price for shares in subsidiaries has been allocated to the acquired assets and liabilities. The allocation has been made on the basis of a valuation at market value according to the acquisition analysis and it covers the Group's share of the acquired assets and liabilities.

The value of the acquired assets and assumed liabilities is based on independent external valuations and well documented internal analyses. Deferred tax has been calculated for those balance sheet items for which the value in the Group deviates from the tax base values of the individual companies.

Possible untaxed reserves in the acquired companies at the time of acquisition have been divided into equity and a deferred tax liability at applicable tax rates.

Valuation of long-term assets

Shares included in fixed assets in the individual companies are entered at their acquisition value. The parent company's values of shares in subsidiaries are entered at their acquisition value.

Foreign currency

GROUP COMPANIES

Transactions in foreign currency are translated to the reporting currency at the rate applicable at the transaction date. In the financial statements the monetary assets and liabilities in foreign currencies are translated to the reporting currency at the central bank rates applicable at 31.12.1999.

GROUP

Foreign subsidiaries are considered to have independent operations and they are therefore not an integral part of the operations of the parent company. Foreign subsidiary assets and liabilities are therefore translated at central bank rates applicable at the year end, while income and expenditure are translated at the average rate during the accounting period. Translation differences are transferred to equity.

RATES OF EXCHANGE

The following exchange rates have been used compared to euro:

EMU countries	Currency	Fixed rates
Finland	FIM	5.94573
Germany	DEM	1.95583
The Netherlands	NLG	2.20371

Other countries	Currency	Year end rates 31 Dec 1999	Average rates 1999
Sweden	SEK	8.56250	8.80951
Norway	NOK	8.07650	8.30653
Estonia	EEK	15.64666	15.64666
Latvia	LVL	0.58840	0.62563
Lithuania	LTL	4.01940	4.26604
Poland	PLN	4.15870	4.22648
USA	USD	1.00460	1.06466

Taxes

Tax costs are calculated on the result before tax after taking into account permanent differences between taxable and recorded profit. Tax on differences due to the fact that items are recorded and taxed during different periods is included in the balance sheet as a deferred tax liability or receivable.

Deferred tax receivables and liabilities are calculated on the periodisation differences between the accounting and taxation with the tax rates applicable during the following year, or if these are not known, with the tax rates of the period.

The credit on corporation tax in connection with internal dividend payments has been eliminated in the Group from direct taxes.

Inventory

Inventory has been valued either at the direct acquisition value or net realisable value, whichever is lowest. The FIFO-principle has been applied in the valuation. The value of finished and semi-finished goods includes in addition to the acquisition cost a reasonable proportion of indirect production costs and depreciation.

Advance payments received from customers equivalent to completed work are deducted from the sales income calculated in accordance with the percentage of completion of ongoing projects. The difference is included in inventories.

Tangible fixed assets

Land, factory buildings, machines and other equipment are recorded according to their historic acquisition cost less depreciation according to plan in the individual companies. The Group assets have been valued at the date of acquisition taking into account the deferred tax. The valuation is based on the current values and the depreciation in the Group is based on the remaining economic life of the assets, which has been estimated as 20 to 25 years for buildings and constructions and 5 to 15 years for machinery and equipment.

The depreciation rates in the individual companies are based on the following economic life times:

Intangibles	10 years
Other capitalised expenditure	3–17 years
Buildings and constructions	15–40 years
Machinery and equipment	3–25 years
Other tangible assets	5–10 years

Leasing

There are no material leasing contracts on fixed assets. Leased assets are not included in the balance sheet and the lease fees are charged to income.

Income recognition

Net sales for product deliveries include invoiced amounts after the deduction of indirect taxes and discounts given. Project deliveries are recognised on the basis of the percentage of completion.

Research and development

Research and development costs are charged to income during the year they arise. Investments related to research and development are activated and deducted according to their economic life.

Pension arrangements

In the parent company and in the Finnish subsidiaries the pension responsibility is covered by means of pension insurance and the pension costs are charged to income at the same rate as pension rights are earned. The pension costs in other countries are recorded according to the practice of the country in question.

Minority interest

The minority share of the result after taxes is shown separately in the consolidated income statement. The minority share of equity is shown separately in the balance sheet.

Provisions

Costs, which are based on agreements or other liabilities and have not yet been realised, are shown as provisions in the balance sheet. The change of the provisions during the year is included in the income statement as a correction of the corresponding expense item.

Notes to Financial Statements

1. Net sales

In million euro	Group 1999	Group 1998
By geographic area		
Finland	64.3	59.4
Sweden	118.6	81.1
Norway	99.6	109.1
Other EU countries	182.1	164.1
Other European countries	15.6	20.9
Asia	3.5	4.5
Other countries	5.7	2.9
	489.4	442.0

2. Income from projects according to percentage of completion

In million euro	Group 1999	Group 1998
Included income	190.8	121.5
Not included income	78.9	86.7
Included subsidies	30.5	24.2

3. Wages and salaries

In million euro	Group 1999	Group 1998	Parent company 1999	Parent company 1998
Salaries				
Salaries and fees				
To Board members and Managing Directors	1.5	1.4	0.4	0.3
To others	103.5	94.4	1.2	0.3
Bonus to Managing Directors	0.1	0.1	0.0	0.1
	105.1	95.9	1.6	0.7
Other salary-related costs				
Pensions and pension premiums	8.5	6.8	0.6	0.3
Other salary-related costs	28.5	26.4	0.1	0.0
	37.0	33.2	0.7	0.3
Total	142.1	129.1	2.3	1.0
Managing Directors' pension age, years	60–65	60–65	60	60

In million euro	Group 1999	Group 1998	Parent company 1999	Parent company 1998
Workers	2,620	2,595	0	0
Clerical	1,166	1,170	9	6
Total	3,786	3,765	9	6

Salaries and fees of the Board of Directors and CEO

The fees of the Board of Directors are defined by the Annual General Meeting and the salary and other benefits of the CEO by the Board. The CEOs of the parent company have during the year received a salary including fringe benefits totalling 260,132 euro and a bonus of 9,068 euro. The fees to the Board during the year were 124,375 euro. The employees of Addtek International who also are Board members of Group companies have received no separate fees.

Pension terms

The retirement age of the CEO of the parent company is 60 years. The full old-age pension is 60% of the salary on which the pension is determined. The pension liabilities are covered in full by pension insurances, which have been taken out with pension insurance companies.

Dismissal

The dismissal time is both for the company and the CEO six months. If the company dismisses the CEO, he will be paid compensation for the dismissal, which will correspond to 18 months of the fixed salary including fringe benefits in addition to the salary for the dismissal period.

4. Depreciation

In million euro	Group 1999	Group 1998	Parent company 1999	Parent company 1998
Depreciation per function				
Production	12.8	10.7	0.0	0.0
Sales and marketing	0.7	0.6	0.0	0.0
Administration	1.0	1.2	0.0	0.0
Other operating expenses				
Goodwill	0.1	0.1	0.0	0.0
Total	14.6	12.6	0.0	0.0
Depreciation according to plan per type of asset				
Goodwill	0.1	0.1	0.0	0.0
Intangible rights	0.4	0.4	0.0	0.0
Other capitalized expenditure	0.1	0.1	0.0	0.0
Land	0.2	0.3	0.0	0.0
Buildings and constructions	4.5	4.5	0.0	0.0
Machinery and equipment	8.7	6.9	0.0	0.0
Other tangible assets	0.6	0.3	0.0	0.0
Total	14.6	12.6	0.0	0.0

5. Other operating income and expenses

In million euro	Group 1999	Group 1998	Parent company 1999	Parent company 1998
Income				
Profit on sale of fixed assets	1.1	1.4	0.0	0.0
Notice on a lease	0.0	0.4	0.0	0.0
Public regional development subsidy	0.2	0.2	0.0	0.0
Other income	0.7	0.2	0.0	0.0
	2.0	2.2	0.0	0.0
Costs				
Loss on sale of fixed assets	0.0	0.1	0.0	0.0
Scrap value of machines	0.0	0.3	0.0	0.0
Depreciation of goodwill	0.1	0.1	0.0	0.0
Other expenses	0.4	0.3	0.0	0.0
	0.5	0.8	0.0	0.0

6. Financial income and expenses

In million euro	Group 1999	Group 1998	Parent company 1999	Parent company 1998
Dividend income from associated companies	0.0	0.0	3.7	1.0
Dividend income from others	0.0	0.0	0.0	0.0
Credit on corporate tax	0.0	0.0	1.4	0.4
Interest income from Group companies	–	–	2.4	3.1
Interest income from others	0.5	1.0	0.3	0.2
Interest expenses to Group companies	–	–	–1.0	–1.6
Interest expenses to others	–4.9	–6.5	–1.2	–1.3
Interest expenses on capital loan	–3.2	–3.5	–3.2	–3.5
Other financial items to others	0.0	–0.3	–0.1	–0.2
Total	–7.6	–9.3	2.3	–1.9
Other financial items				
Other financial income				
Exchange rate differences	1.7	2.2	1.6	1.7
Other income	0.5	0.0	0.0	0.0
	2.2	2.2	1.6	1.7
Other financial expenses				
Exchange rate differences	2.0	2.4	1.7	1.9
Other expenses	0.2	0.1	0.0	0.0
	2.2	2.5	1.7	1.9
Total	0.0	–0.3	–0.1	–0.2

7. Extraordinary items

In million euro	Group 1999	Group 1998	Parent company 1999	Parent company 1998
Income				
Deferred taxes from previous years	0.0	0.4	0.0	0.0
Group contribution from PCE Engineering Oy Ab	0.0	0.0	0.8	0.0
	0.0	0.4	0.8	0.0

8. Taxes

In million euro	Group 1999	Group 1998	Parent company 1999	Parent company 1998
Taxes paid	–5.9	–6.5	0.0	0.0
Change in deferred taxes during the year	–4.0	–1.6	0.0	0.0
	–9.9	–8.1	0.0	0.0

9. Fixed assets

In million euro	Group 1999	Group 1998	Parent company 1999	Parent company 1998
Intangible assets				
Goodwill				
Acquisition value 1 Jan	0.9	0.0	0.0	0.0
+ Increase during the year	0.7	0.9	0.0	0.0
Acquisition value 31 Dec	1.6	0.9	0.0	0.0
– Accumulated depreciation	–0.2	–0.1	0.0	0.0
Residual value 31 Dec	1.4	0.8	0.0	0.0
Intangible rights				
Acquisition value 1 Jan	3.6	3.6	0.0	0.0
+ Increase during the year	0.2	0.1	0.0	0.0
– Decrease during the year	0.0	–0.1	0.0	0.0
Acquisition value 31 Dec	3.8	3.6	0.0	0.0
– Accumulated depreciation	–0.9	–0.5	0.0	0.0
Residual value 31 Dec	2.9	3.1	0.0	0.0
Other capitalized expenditure				
Acquisition value 1 Jan	1.0	1.2	0.2	0.1
+ Increase during the year	0.1	0.1	0.0	0.1
– Decrease during the year	0.0	–0.3	0.0	0.0
Acquisition value 31 Dec	1.1	1.0	0.2	0.2
– Accumulated depreciation	–0.8	–0.7	–0.1	–0.1
Residual value 31 Dec	0.3	0.3	0.1	0.1
Intangible assets, total	4.6	4.2	0.1	0.1
Tangible assets				
Land				
Acquisition value 1 Jan	27.3	26.9	0.0	0.0
+ Valuation	15.6	15.6	0.0	0.0
+ Investments	0.2	0.5	0.0	0.0
– Decrease during the year	–0.1	–0.1	0.0	0.0
Acquisition value 31 Dec	43.0	42.9	0.0	0.0
– Accumulated depreciation	–4.4	–4.9	0.0	0.0
Residual value 31 Dec	38.6	38.0	0.0	0.0

In million euro	Group 1999	Group 1998	Parent company 1999	Parent company 1998
Buildings and constructions				
Acquisition value 1 Jan	74.2	70.4	0.0	0.0
+ Valuation	46.8	42.5	0.0	0.0
+ Investments	1.2	2.2	0.0	0.0
+ Other increase	0.0	2.2	0.0	0.0
– Decrease during the year	–0.3	–0.6	0.0	0.0
Acquisition value 31 Dec	121.9	116.7	0.0	0.0
– Accumulated depreciation	–33.8	–31.5	0.0	0.0
Residual value 31 Dec	88.1	85.2	0.0	0.0
Machinery and equipment				
Acquisition value 1 Jan	113.9	103.6	0.1	0.0
+ Valuation	18.8	18.8	0.0	0.0
+ Investments	9.1	10.9	0.0	0.1
+ Other increase	1.6	1.7	0.0	0.0
– Decrease during the year	–1.9	–2.3	0.0	0.0
Acquisition value 31 Dec	141.5	132.7	0.1	0.1
– Accumulated depreciation	–78.9	–72.4	–0.1	–0.1
Residual value 31 Dec	62.6	60.3	0.0	0.0
Other tangible assets				
Acquisition value 1 Jan	21.7	18.8	0.0	0.0
+ Investments	0.9	2.3	0.0	0.0
+ Other increase	0.2	0.6	0.0	0.0
– Decrease during the year	–0.2	0.0	0.0	0.0
Acquisition value 31 Dec	22.6	21.7	0.0	0.0
– Accumulated depreciation	–15.9	–15.3	0.0	0.0
Residual value 31 Dec	6.7	6.4	0.0	0.0
Construction in progress				
Acquisition value 1 Jan	2.1	1.0	0.0	0.0
+ Investments	6.0	2.5	0.0	0.0
– Decrease during the year	–0.4	–1.4	0.0	0.0
Acquisition value 31 Dec	7.7	2.1	0.0	0.0
Tangible assets, total	203.7	192.0	0.0	0.0
Investments				
Shares and participations in subsidiaries				
Acquisition value 1 Jan	–	–	35.8	8.7
+ Increase during the year	–	–	1.8	27.1
– Decrease during the year	–	–	0.0	0.0
Acquisition value 31 Dec	–	–	37.6	35.8

In million euro	Group 1999	Group 1998	Parent company 1999	Parent company 1998
Shares and participations in associated companies				
Acquisition value 1 Jan	1.6	0.9	13.3	11.7
+ Increase during the year	0.0	0.0	0.0	1.6
+ Other increase	0.4	0.7	0.0	0.0
– Decrease during the year	–0.2	0.0	0.0	0.0
Acquisition value 31 Dec	1.8	1.6	13.3	13.3
Shares and participations, external				
Acquisition value 1 Jan	0.9	0.9	0.0	0.0
+ Increase during the year	0.0	0.1	0.0	0.0
– Decrease during the year	–0.1	–0.1	0.0	0.0
Acquisition value 31 Dec	0.8	0.9	0.0	0.0
Investments, total	2.6	2.5	50.9	49.1

10. Shares and participations as per 31 Dec 1999

In million euro	Group holding, %	Parent company holding, %	Book value Parent company
Group and associated companies			
Addtek Holding Oy Ab, Helsinki Finland	100.0	100.0	0.0
Addtek Polska S.p. z o.o., Poland	100.0		
UAB Betonika, Lithuania	100.0	100.0	1.8
PCE Engineering Oy Ab, Toijala Finland	100.0	100.0	5.6
PCE International Oy Ab, Toijala Finland	95.0		
Rimera Oy, Riihimäki Finland	100.0		
PCE Roth GmbH, Germany	100.0		
PCE Elematic Inc., USA	100.0		
Addtek Research & Development Oy Ab, Nummela Finland	100.0	100.0	0.7
Addtek International AB, Sweden	100.0	100.0	29.5
Strängbetong AB, Sweden	100.0		
A/S E-Betoonelement, Estonia	75.0	30.9	1.5
Swetrak A/S, Estonia*	50.0		
Strangbetong Latvija SIA, Latvia	100.0		
Addtek International B.V., The Netherlands	90.0		
Spanbeton B.V., The Netherlands	90.0		
VBI Verenigde Bouwprodukten Industrie B.V., The Netherlands	90.0		
Waalwijk Elementen Betonindustri B.V., The Netherlands	100.0		
Brespa Spannbeton GmbH & Co. KG, Germany	100.0		
Addtek AS, Norway	100.0		
Spenncon AS, Norway	100.0		
Parma Betonila Oy, Forssa Finland* [1]	50.0	50.0	11.8
Parastek Holding Oy Ab, Parainen Finland*	50.0		
A/O Parastek, Russia*	50.0		
A/O Parastek Beton, Russia*	50.0		
ZAO Mospart, Russia*	25.5		
ZAO Extruder, Russia*	25.0		
Parent company's total holding in Group and associated companies			50,9

A complete list of the Group and associated companies is included in the statutory accounts.

* Associated company

[1] The Parma Betonila Group is consolidated according to the row by row method in accordance with the holding of the Addtek Group

11. Long and short-term receivables

In million euro	Group 1999	Group 1998	Parent company 1999	Parent company 1998
Other personnel				
Long-term loans	0.1	0.1	0.0	0.0
Subsidiaries				
Long-term loan receivables	–	–	60.5	53.7
Accounts receivables	–	–	0.0	0.6
Accrued income and prepaid expenses	–	–	1.4	1.6
Other short-term receivables	–	–	0.9	1.0
	–	–	62.8	56.9

In million euro	Group 1999	Group 1998	Parent company 1999	Parent company 1998
Associated companies				
Long-term loan receivables	0.0	0.0	0.0	0.0
Accounts receivables	0.0	0.1	0.0	0.0
	0.0	0.1	0.0	0.0
External				
Long-term loan receivables	2.5	1.5	0.0	0.0
Short-term interest-bearing receivables	0.0	0.0	0.0	0.0
Accounts receivables	60.0	55.7	0.0	0.0
Accrued income and prepaid expenses	6.3	6.6	2.0	1.9
Other short-term receivables	1.6	2.1	0.4	0.3
	70.4	65.9	2.4	2.2
Total	70.5	66.1	65.2	59.1
Long-term receivables				
Interest-bearing				
Subsidiaries	–	–	60.6	53.7
Associated companies	0.0	0.0	0.0	0.0
External	0.3	0.4	0.0	0.0
	0.3	0.4	60.6	53.7
Interest free				
Subsidiaries	–	–	0.0	0.0
Associated companies	0.0	0.0	0.0	0.0
External	0.5	1.2	0.0	0.0
	0.5	1.2	0.0	0.0
Long-term receivables total	0.8	1.6	60.6	53.7
Short-term receivables				
Interest-bearing				
Subsidiaries	–	–	0.0	0.0
Associated companies	0.0	0.0	0.0	0.0
External	0.0	0.0	0.0	0.0
	0.0	0.0	0.0	0.0
Interest free				
Subsidiaries	–	–	2.2	3.2
Associated companies	0.1	1.0	0.0	0.0
External	69.6	64.4	2.4	2.2
	69.7	64.5	4.6	5.4
Short-term receivables total	69.7	64.5	4.6	5.4
Total	70.5	66.1	65.2	59.1

The most important of the Group's accrued income and prepaid expensed are related to the periodisation of sales income of 2.7 million euro and taxes of 2.1 million euro.

12. Inventories

In million euro	Group 1999	Group 1998	Parent company 1999	Parent company 1998
Materials and supplies	14.0	12.8	0.0	0.0
Finished and semi-finished goods	15.2	16.4	0.0	0.0
Advance payments	0.1	0.1	0.0	0.0
	29.3	29.3	0.0	0.0

13. Shareholders' equity

In million euro	Group 1999	Group 1998	Parent company 1999	Parent company 1998
Share capital 1 Jan	21.1	21.1	21.1	21.1
Share capital 31 Dec	21.1	21.1	21.1	21.1
of which				
– series A, 4 votes per share, dividends	15.2	15.2	15.2	15.2
– series B, 4 votes per share, no dividend	3.2	3.2	3.2	3.2
– series C, 1 vote per share, no dividend	2.7	2.7	2.7	2.7
Retained earnings	17.2	–0.8	–2.8	–0.8
Result for the year	23.0	18.8	–0.1	–2.0
Translation differences	0.9	–0.8	0.0	0.0
Capital loan 1 Jan	45.5	45.5	45.5	45.5
Capital loan 31 Dec	45.5	45.5	45.5	45.5
Shareholders' equity 31 Dec	107.7	83.8	63.7	63.8
Distributable funds 31 Dec				
Retained earnings	17.2	–0.8	–2.8	–0.8
Result for the year	23.0	18.8	–0.1	–2.0
Translation differences	0.9	–0.8	0.0	0.0
The equity share deducted from untaxed reserves	–7.2	–0.6	0.0	0.0
Total	33.9	16.6	–2.9	–2.8

14. Capital loan

The parent company Addtek International Oy Ab has a capital loan in the amount of 45.5 million euro from the following investors:

In million euro	1999	1998
Partek Oyj Abp	20.5	20.5
Industri Kapital 1994 investors	18.9	18.9
Investors represented by Industri Kapital 1994 Ltd.	6.1	6.1
	45.5	45.5

The booked but unpaid interest at 31 December 1999 was 6,6 million euro and it has been booked in the parent company as a long-term interest free liability.

Principle loan terms:

- The principle amount of the loan and the interest can in case of bankruptcy, reconstruction or liquidation only be repaid if other liabilities have been repaid.
- The loan and the interest can be repaid at any time assuming that the company's restricted equity is covered.
- The loan can be converted to equity assuming that the company's non-restricted equity is retained at an allowed level.
- The company is not allowed to reduce its share capital, merge with another company or demerge without permission from 2/3 of the lenders.
- The loan carries an interest charge of 7%. The payment of the interest and repayment of the loan has priority over the payment of dividends. After 31 December 2002 no interest will be charged.
- The loan has to be repaid when the shareholders' agreement ceases to apply or on 31 December 2007 at the latest. If the loan and the interest can not be repaid at that point of time, the lenders can convert the loan in whole or in part to shares of series B for 10 mk per share, resulting in a maximum of 27 060 000 new shares in series B.

15. Provisions

	Group		Parent company	
In million euro	1999	1998	1999	1998
Pension liabilities	3.4	2.9	0.0	0.0
Guarantees	1.1	1.2	0.0	0.0
Restructuring costs	0.9	1.0	0.0	0.0
Other provisions	1.5	1.1	0.0	0.0
	6.9	6.2	0.0	0.0

16. Long-term liabilities

	Group		Parent company	
In million euro	1999	1998	1999	1998
Loans from financial institutions	42.8	60.6	5.0	0.0
Other interest-bearing liabilities, external	10.6	10.9	8.4	8.4
Other interest-bearing liabilities, internal	–	–	23.9	28.4
Other interest free liabilities, external	6.9	3.6	6.6	3.5
	60.3	75.1	43.9	40.3

Of the long-term liabilities the following will fall due in 2004 or later:

	Group 1999	Parent company 1999
Loans from financial institutions	2.3	0.0
Other interest-bearing liabilities, external	8.4	8.4
Other interest-bearing liabilities, internal	–	23.9
Other interest free liabilities, external	6.9	0.0
	17.6	32.3

17. Deferred taxes

	Group	
In million euro	1999	1998
Deferred tax receivable		
From joining measures	0.2	0.2
From periodisation differences	1.5	1.2
	1.7	1.4
Deferred tax liability		
From joining measures	18.9	18.2
From periodisation differences	16.6	13.1
	35.5	31.3

18. Short-term liabilities

	Group		Parent company	
In million euro	1999	1998	1999	1998
Interest-bearing				
Subsidiaries				
Other interest-bearing liabilities	–	–	7.6	6.9
Other				
Amortisation on long-term loans	9.1	8.7	0.0	0.0
Other interest-bearing liabilities	0.3	2.8	0.2	0.0
	9.4	11.5	0.2	0.0
Interest-bearing, total	9.4	11.5	7.8	6.9

In million euro	Group 1999	Group 1998	Parent company 1999	Parent company 1998
Interest free				
Subsidiaries				
Trade creditors	–	–	0.0	0.0
Accrued expenses and deferred income	–	–	0.0	0.1
	–	–	0.0	0.1
Others				
Advances received	17.3	20.9	0.0	0.0
Trade creditors	37.7	33.2	0.9	0.4
Accrued expenses and deferred income	23.1	19.3	1.5	0.3
Other interest free liabilities	17.0	19.4	0.1	0.1
	95.1	92.8	2.5	0.8
Interest free, total	95.1	92.8	2.5	0.9
Total	104.5	104.3	10.3	7.8

The most important of the Group's accrued expenses and deferred income items are related to the periodisation of personnel costs of 10.9 million euro, taxes of 1.9 million euro, purchase costs of 1.1 million euro and financial items of 0.3 million euro.

19. Pledged assets and contingent liabilites

In million euro	Group 1999	Group 1998	Parent company 1999	Parent company 1998
Pledged assets				
As security for own debt				
Real estate mortgages	113.8	116.4	0.0	0.0
Other mortgages	45.2	41.6	0.0	0.0
Shares	115.8	108.2	33.2	26.9
As security for group companies				
Shares	–	–	2.6	8.9
	274.8	266.2	35.8	35.8
Credit and guarantee lines for which collateral is pledged	131.1	133.7	33.2	26.9
of which booked as loans on the balance sheet	52.0	69.7	5.1	0.0

Shares owned by the parent company have been pledged as security for both own and Group company debt.

In million euro	Group 1999	Group 1998	Parent company 1999	Parent company 1998
Guarantees given				
For group companies	–	–	160.8	125.5
For associated companies	0.0	0.1	0.0	0.1
For commercial obligations	49.6	33.1	0.0	0.0
	49.6	33.2	160.8	125.6
Leasing agreements				
Payments due during year 2000	2.5	1.7	0.0	0.0
Payments due thereafter	3.9	4.0	0.1	0.1
	6.4	5.7	0.1	0.1

20. Derivative instruments

In million euro	Group 1999	Group 1998	Parent company 1999	Parent company 1998
Foreign exchange forward contracts				
Market value	–0.3	1.2	–0.1	1.2
Nominal amount	39.3	51.9	32.7	47.7

At the end of the financial period, the forward contracts were used for hedging loans between the parent company and subsidiaries and the sales in foreign currencies of some Group companies.

The forward contracts have been valued at the rate on the closing date, and the result has been booked among other financial income or expenses at the same pace as the bookings regarding the hedged items.

21. Personnel at 31 Dec by geographic area

	Group 1999	Group 1998
Finland	601	548
Sweden	915	875
Norway	624	645
Germany	140	148
The Netherlands	1,176	1,111
Estonia	356	303
Other countries	11	8
	3,823	3,638

The Addtek Share

Distribution of shares by shareholder category 31 December 1999

	Series of shares			Shares	%
	A	B	C	total	
Private companies	5,404,360	91,330	0	5,495,690	43.9
Financial and insurance institutions	912,510	532,720	0	1,445,230	11.5
Investment companies and funds	2,208,580	1,278,550	0	3,487,130	27.8
Private persons	531,950	0	1,580,000	2,111,950	16.8
Total	9,057,400	1,902,600	1,580,000	12,540,000	100.0

Distribution of shares by shareholding 31 December 1999

Number of shares	Shareholders	%	Shares	%
1 – 5,000	57	37.2	233,810	1.9
5,001 – 10,000	19	12.4	174,190	1.4
10,001 – 50,000	50	32.7	1,492,120	11.9
50,001 – 100,000	11	7.2	913,960	7.3
100,001 – 500,000	14	9.2	4,107,510	32.7
500,001 –	2	1.3	5,618,410	44.8
Total	153	100.0	12,540,000	100.0

Key Ratios

Key Ratios		1999	1998
INCOME STATEMENT			
Net Sales	Million euro	489.4	442.0
Gross Profit	Million euro	97.6	86.1
% of Net Sales	%	19.6	19.5
Operating profit	Million euro	41.1	36.7
% of Net Sales	%	8.4	8.3
Result before Extraordinary Items, Taxation and Minority Interest	Million euro	33.5	27.4
% of Net Sales	%	6.9	6.2
Result for the Period	Million euro	23.0	18.8
% of Net Sales	%	4.7	4.2
BALANCE SHEET AND KEY RATIOS			
Total Assets	Million euro	318.7	304.0
Return on Capital Employed	%	25.4	21.4
Return on Equity (incl. Capital Loan)	%	23.8	25.0
Return on Equity (excl. Capital Loan)	%	44.0	61.2
Equity Ratio (incl. Capital Loan)	%	37.0	30.7
Equity Ratio (excl. Capital Loan)	%	21.9	14.7
Gearing (incl. Capital Loan)	%	50	85
Gearing (excl. Capital Loan)	%	154	288
Earnings per Share	Euro	1.84	1.46
Equity per Share (excl. Capital Loan)	Euro	4.96	3.06
Gross Investments	Million euro	20.0	18.7
% of Net Sales	%	4.1	4.2
Net Debt	Million euro	56.2	74.1
Order book	Million euro	172.6	145.3
Average Number of Personnel	Number	3,786	3,765
of which in Finland	Number	598	562
of which outside Finland	Number	3,188	3,203

Definitions to Key Ratios

RETURN ON CAPITAL EMPLOYED (ROC), %

$$\frac{\text{Profit after financial items + financial expenses}}{\text{Total assets – interest-free liabilities, year average}} \times 100$$

RETURN ON EQUITY (ROE), %

$$\frac{\text{Profit after financial items – taxes}}{\text{Equity + minority share, year average}} \times 100$$

EQUITY RATIO, %

$$\frac{\text{Equity + minority share}}{\text{Total assets – advances received}} \times 100$$

GEARING, %

$$\frac{\text{Interest bearing liabilities – cash – other interest bearing receivables}}{\text{Equity + minority share}} \times 100$$

EARNINGS PER SHARE (EPS), EURO

$$\frac{\text{Profit after financial items – taxes – minority share}}{\text{Number of shares, average}}$$

EQUITY PER SHARE, EURO

$$\frac{\text{Equity}}{\text{Number of shares, closing balance}}$$

AVERAGE NUMBER OF PERSONNEL

Calculated as average of the monthly averages

Board's Proposal to Annual General Meeting

The net profit of the Group during the year was EUR 23.0 million and the distributable funds amounted to EUR 33.9 million on 31 December 1999.

The parent company has no distributable funds.

The Board of Directors proposes to the Annual General Meeting that the loss of the parent company of EUR 87,730.77 for the financial period will be transferred to the profit and loss account and that no dividend will be paid.

Vantaa, 6 March 2000

Olof Ljunggren, Chairman

Kari Heinistö, Vice Chairman

Jan Segerberg, Vice Chairman

Heikki Allonen

Andrejs Cakste

Stig Gustavson

Stefan Linder

Michael Rosenlew

Olav Uppgård

Bengt Jansson, President and CEO

Auditors’ Report

**To the shareholders of
Addtek International Oy Ab**

We have audited the accounting records and the financial statements, as well as the administration by the Board of Directors and the Managing Director of Addtek International Oy Ab for the year ended 31 December 1999. The financial statements prepared by the Board of Directors and the Managing Director include the report of the Board of Directors, consolidated and parent company income statements, balance sheets, cash flow statements and notes to the financial statements. Based on our audit we express an opinion on these financial statements and the company’s administration.

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

In our opinion, the financial statements, showing a profit of 23,036,000 euro in the consolidated income statement and a loss of 87,730.77 euro in the parent company income statement, have been prepared in accordance with the Finnish Accounting Act and other rules and regulations governing the preparation of financial statements in Finland. The financial statements give a true and fair view, as defined in the Finnish Accounting Act, of both the consolidated and parent company result of operations, as well as the financial position. The financial statements can be adopted and the members of the Board of Directors and the Managing Director of the parent company can be discharged from liability for the financial year audited by us. The proposal made by the Board of Directors on how to deal with the result is in compliance with the Finnish Companies Act.

Vantaa, 6 March 2000

KPMG WIDERI OY AB

Solveig Törnroos-Huhtamäki
Authorized Public Accountant

SVH PricewaterhouseCoopers Oy

Kim Karhu
Authorized Public Accountant

Board of Directors

Standing from left:
Andrejs Cakste, Stefan Linder, Olav Uppgård, Stig Gustavson, Michael Rosenlew and Heikki Allonen.
Sitting from left:
Olof Ljunggren, Kari Heinistö and Jan Segerberg.

Olof Ljunggren
Born 1933. Chairman.
Chairman of the Board of Intentia AB, Addum AB, AMF Försäkring and AMF Pension.
Vice Chairman of the Board of Liber AB.
Member of the Board of Försäkringsbolaget Pensionsgaranti (FGP) and Catella Kapital-förvaltning AB.
Shareholding: 1,580 shares.
Share of capital loan: EUR 6,576.

Kari Heinistö
Born 1958. Vice Chairman.
CFO of Partek Corporation.
Member of the Board of Polar Kiinteistöt Oyj, Paroc Group Oy Ab, Partek Nordkalk Oyj Abp, Partek Cargotec Oy, Partek Forest AB and Valtra Oy Ab.
Chairman of the Board of Oy Sisu Auto Ab, RS Hansa Auto Oy and the Scout Foundation of Finland.

Jan Segerberg
Born 1947. Vice Chairman.
Partner, Merchant Venture Investments (MVI)
Chairman of the Board of Brendmoe and Kirkestuen Holding AS, Nordic Painting Group AB and Plymovent AB.
Member of the Board of PEAB AB (publ.), Bosvik AS, Arcono AB, DynaMed AB and Deutsch-Schwedische Handelskammer.
Shareholding: 350,000 shares.

Heikki Allonen
Born 1954. Member.
Member of the Board of Management, Metra Corporation.
Member of the Board of Polar Kiinteistöt Oyj, Sato-Yhtymä Oyj, Imatra Steel Oy, Metra Real Estate, Evac International Oy and Uunisepät Oy.
Member of the Supervisory Board of N.V. Koninklijke Sphinx Gustavsberg.

Andrejs Cakste
Born 1952. Member.
CEO and Managing Director of Addum AB.
Member of the Board of Cramo AB and PartnerTech AB.
Shareholding: 108,430 shares.
Share of capital loan: EUR 452,678.

Stig Gustavson
Born 1945. Member.
President and CEO of KCI Konecranes International Oyj Abp.
Chairman of the Board of Hackman Oyj Abp and Federation of Finnish Metal Engineering and Electrotechnical Industries, MET.
Member of the Board of Oy Helvar Merca Group Ab, KCI Konecranes International Oyj Abp, Enskilda Securities AB and Confederation of Finnish Industry and Employers TT.

Stefan Linder
Born 1968. Member.
Associate Director of Industri Kapital AB.

Michael Rosenlew
Born 1959. Member.
Director of Industri Kapital Ltd.
Member of the Board of KCI Konecranes International Oyj Abp, MSC Metsa Speciality Chemicals Oy, Elektrokoppar Holding AB, Paroc Group AB, Enermet Group Oy and Nordkemi Oy.
Alternate Director of MacGregor Group AB.

Olav Uppgård
Born 1955. Member.
Senior Vice President and Group Treasurer of Partek Corporation.
Chairman of the Board of Green Arrow Insurance Ltd.
Member of the Board of Partek Finance N.V.

Group Management

Standing from left: Lasse Lappalainen, Filip Frankenhaeuser and Seppo Rajamäki. In chair: Bengt Jansson .

Bengt Jansson
President and CEO, Addtek International
Shareholding: 100,000 shares

Filip Frankenhaeuser
Executive Vice President, Addtek International
Shareholding: 40,500 shares

Lasse Lappalainen
Finance Director, Addtek International
Shareholding: 50,000 shares

Seppo Rajamäki
Technical Director,
Addtek International
Shareholding: 50,000 shares

Management Group

Standing from left: Seppo Rajamäki, Hannu Martikainen, Jaan Valbet, Ove Johansson, Heikki Haikonen, Leo Sandqvist and Lasse Lappalainen.
Sitting from left: Petri Janhunen, Gert Carlsson, Bengt Jansson, Filip Frankenhaeuser, Heerke Kuiper and Terje Søhoel.

Bengt Jansson
President and CEO,
Addtek International

Filip Frankenhaeuser
Executive Vice President,
Addtek International

Lasse Lappalainen
Finance Director,
Addtek International

Seppo Rajamäki
Technical Director,
Addtek International

Gert Carlsson
Managing Director,
Strängbetong

Heikki Haikonen
Managing Director,
Brespa

Petri Janhunen
Managing Director,
Addtek Research &
Development

Ove Johansson
Chairman,
E-Betoonelement
Managing Director,
Swetrak

Heerke Kuiper
Managing Director,
VBI and Spanbeton

Hannu Martikainen
Managing Director,
Parma Betonila

Leo Sandqvist
Managing Director,
PCE Engineering

Terje Søhoel
Managing Director,
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Jaan Valbet
Managing Director,
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Precast concrete industry
The industry producing prefabricated concrete components.

Building market
Share of the total construction market accounted for by buildings.

Infrastructure
Structures used mainly in built environment such as bridges, tunnels, railways, roads etc.

Residential building
A building for housing.

Non-residential building
A building for other purposes than housing (offices, hospital, school etc.).

Turn key project
A building or factory delivery in which the supplier takes on responsibility for the entire project.

Services
Work in addition to a normal delivery of elements, to complete the structural system e.g. design, erection, joint casting, topping, delivery of windows etc.

Prestressing
A method for producing precast components in which tendons are first elongated and anchored while the concrete member is being cast, and then released when the concrete is strong enough to receive the stresses from the tendon through bond.

Prefabricated concrete element
A reinforced or prestressed concrete unit cast in other than its final position in the structure; mainly in a factory.

Hollow-core element
Prestressed slabs varying in thickness from 120 to 500 mm having hollow interior cores to reduce weight.

Sheet pile
A prefabricated concrete member driven into the ground to support a load and form a retaining wall.

Noise barrier
A wall construction to reduce traffic noise in populated areas.

Railway sleeper
A prefabricated concrete or wooden member to support the rails.

Sandwich façade
A wall panel consisting of two layers of concrete fully or partly separated by a layer of insulation; metal shear connectors are usually used to tie the two layers of concrete together.

Double T-element
A structural roof or floor member consisting normally of two stems and a thin flange.

Shuttering slab/floor plan
A prefabricated unit used as a form for cast in-situ concrete. The slab includes all or part of the required reinforcement.

Roof element
Horizontal load bearing element used as the roof of a building.

Façade element
Face or front elevation of a building.

Bridge element
A load bearing girder or slab used in bridge structures.

Tunnel element
An element used in tunnel linings.

Ventilated sandwich façade
A sandwich facade in which the outer skin is separated from the insulation by an air gap.

Decorative elements
Prefabricated elements that are used as part of the building's architecture.

Mould
The cavity or surface on which fresh concrete is cast to obtain the desired shape.

Span
The horizontal distance between supports of a member such as a beam, girder, slab or joist.

Reinforcement bar
Rebar embedded in concrete and located in such a way that the metal and the concrete act together to withstand loads.

Strand
Tendon usually composed of three or seven wire assemblies used as reinforcement in prestressed concrete.

Mesh
Reinforcing material composed of cold drawn steel wires fabricated into sheets. These consist of longitudinal and transverse wires arranged at right angles and welded together.

Structure
The portion of a building that extends above the foundation.

Beam-block flooring
A flooring system consisting of prestressed load bearing joists and a block (polystyrene or concrete) between the joists. Concrete is cast on site on the structure.

Structural system
A composition of different components to create the load bearing frame for a building.

Aggregate
Naturally occurring, processed or manufactured, inorganic particles (sand and gravel) that are mixed with cement and water to produce concrete, normally accounting for 60% to 80% of the total volume.

Flooring technology
A technology to produce different components used in horizontal flooring structures.

Batching and mixing plant
A production unit in a precast plant that produces concrete for the plant.

Extruder
A casting machine for hollow-core slabs that forms the shape of the slab with a compacting nozzle unit and uses no side moulds.

Slipformer
A casting machine for hollow-core slabs that forms the shape of the slabs with moving pipes and compaction units.

Curing
The process of hardening the concrete while maintaining the humidity and temperature of freshly placed concrete for a specified period of time following casting.

Concrete
A mixture of cement, fine aggregate, coarse aggregate and water.

In situ construction
Construction method in which structural members are cast on the building site in their final position.

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