

The logo for 'eimo' is written in a bold, lowercase, blue sans-serif font. The background of the entire page is a light blue sketch of a mechanical or structural assembly, featuring various lines, curves, and rectangular shapes that suggest a technical drawing or a 3D model of a component.

# Annual Report 2000



## Strategic Objective

Eimo is a strategic industrial supplier to the wireless communications industry. The company focuses on the automated mass production of highly engineered thermoplastic components, applying the necessary specialized technologies in their post-processing. Our objective is to be our clients' primary supplier in regards to both quality and service ability. Globally.

## Annual General Meeting

The Annual General Meeting of Eimo Oyj will be held on 15 May 2001 at 1:00 p.m. in Lahti, Finland.

## Annual and Interim Reports

The annual and interim reports are published in both Finnish and English. The publications can be read at the company website at [www.eimo.com](http://www.eimo.com). Reports can be ordered from Eimo Oyj, Corporate Communications, P.O. Box 104, FIN-15101 Lahti, Finland, tel. +358-3-85050, fax +358-3-8505410, email: [ir@eimo.com](mailto:ir@eimo.com).

Interim reports for 2001 will be published on 15 May 2001 (January-March), 15 August (January-June), and 14 November (January-September).

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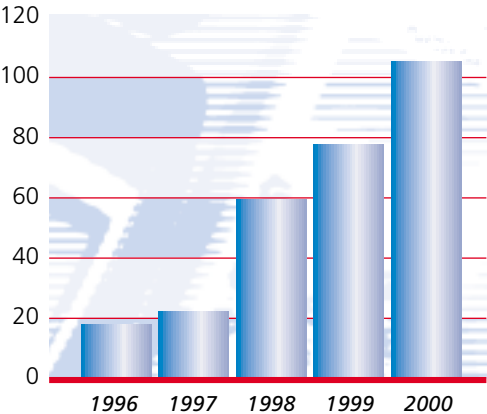
# 2000 – a Year of Rapid Internationalization

- net sales EUR 105.5 million – growth of 35%
- operating profit EUR 13.7 million
- plants in Holland and Hungary in operation, corporate acquisition in China
- new production mold manufacturing plant in Lahti, Finland, shareholding in a Hong Kong mold manufacturing plant
- Lloyd's certification for quality and environmental management systems

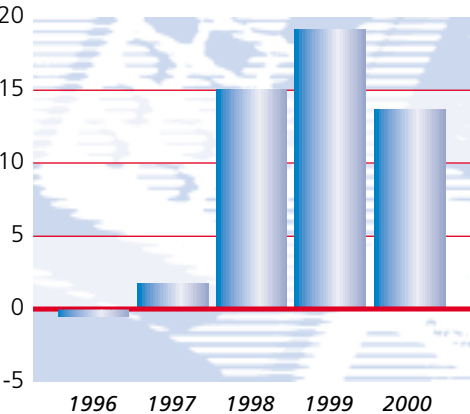
## Key Figures

	2000	1999
Net sales (EUR millions)	105.5	78.0
Operating profits (EUR millions)	13.7	19.2
Net result (EUR millions)	9.4	13.1
Gross investments (EUR millions)	28.8	15.3
Equity ratio (%)	53	80
Net gearing (%)	35	-29
Earnings/share, diluted, EUR	0.20	0.29
Return on investment (ROI), %	21	41
Return on equity (ROE), %	17	33
Number of personnel (avg.)	768	681

Net sales 1996-2000, M EUR



Operating profit 1996-2000, M EUR





# Chairman's Review

Dear Shareholder,

The field in which Eimo operates – wireless communications – is one of the fastest growing industries. Even though the annual growth percentages are anticipated to fall slightly, growth in current production volume is still considerable. This field is challenging for a manufacturer of highly engineered plastic components. Product life cycles shorten. Products become more and more technically demanding. Surface treatments and assembly automation become more complex. Achieving success in such a field requires specialized expertise and major investment in development.

In the competitive arena of wireless communications change comes quickly. A technology partner should sense the successful players in the field and join forces with them. Manufacturing takes place near the market, in countries with the best cost-efficiency. Labor costs on one side and technological expertise and automation on the other are the determining factors in locating production operations.

Eimo has responded to the demands of the field by making major investments in the development of its core processes as well as its ability to serve as a strategic partner for its clients. Through applied research and product development, Eimo can offer the customers specialized solutions, which provide them with added value. Geographically speaking, Eimo has

decided to expand to all areas in which Eimo clients are operating.

The internationalization of Eimo took place rapidly last year. In Europe, we started factories both in the Netherlands and Hungary. Operations in China started on January 1, 2001. In July, 2000 we concluded a merger agreement with an American company, Triple S Plastics, Inc. This agreement was canceled due to last-minute problems related to demand in the USA and falling share prices.

Such rapid internationalization has placed a temporary strain on our profitability. New production units need time before their operations can be fine-tuned and there is sufficient production volume. However, remaining as a European supplier would have posed a grave risk to the company, and would not have been in the best interests of the shareholders.

Eimo's objective in the coming year is to unite the operations of various units, capitalize upon and disseminate specialized expertise, and strive for cost efficiency. I believe that the young and highly motivated personnel at Eimo will achieve its challenging targets in this highly demanding industry.

  
Jalo Paananen  
Chairman of the Board







# Shares and Shareholders

Eimo Oyj A-shares have been quoted on the Helsinki Exchange Main List since their listing on 23 March 1999, following an initial public offering. Since 1 February 2000 Eimo shares have been part of the Finnish Traded Stock Index (FOX), which consists of 25 of the most actively traded stocks on the Main List.

Eimo has two series of shares, A and K shares: 39.2 million A shares and 7.2 million K shares form a total of 46.4 million shares. All shares have a book counter-value of EUR 0.25. The company's registered share capital is EUR 11.6 million.

Eimo's A shares carry 1 vote and K shares 20 votes at general meetings. All shares carry equal dividend rights.

## Board authorizations

The Eimo Board of Directors is authorized to issue no more than 1.2 million warrants to key corporate personnel. The warrants are described in 'Warrants for key personnel' below. The Board holds no other unused authorizations granted at the general meeting to raise share capital by means of a share issue. The Board has decided to propose repurchasing authorizations for 2 million own shares to the general meeting.

## Warrants for key personnel

At an extraordinary shareholders' meeting on 17 November 1999, the Eimo Board of Directors was authorized to issue 1.2 million warrants to key corporate personnel. Of these warrants, 360,000 will be labeled A warrants, 360,000 B warrants and 480,000 C warrants. A maximum of 1.2 million warrants will be issued,

each of which entitle the holder to subscribe to one Eimo Oyj A-share. On the basis of these shares, the company's share capital can be raised by no more than EUR 300,000, by issuing a maximum of 1.2 million Eimo Oyj A-shares.

The share subscription price is determined by deducting from EUR 5 the amount of dividends paid prior to the subscription period on the recording date for each dividend payment (EUR 0.32 for the period 2000-2001) as well as by deducting or adding an amount based on the relative performance of the Eimo Oyj A-share. The subscription period for the A warrants begins on 1 June 2002, for the B warrants on 1 June 2003 and for the C warrants on 1 June 2004. The subscription period for all the warrants ends on 31 May 2006.

## Board of Directors and CEO shareholdings

On 28 February 2001, the Eimo Board of Directors and CEO held a total of 2,590,148 A shares and 5,400,000 K shares. Altogether they thus held 17.2% of the company's shares and 60.4% of the voting rights.

In addition to these, board members and CEO held a total of 252,000 warrants, which entitle them to subscribe no more than 252,000 new A shares. If all issued and issuable warrants are used in share subscription, the Eimo board members and CEO would then hold 17.3% of the total number of shares.



## Major registered shareholders

As of 28 February 2001, the free float (= the number of shares held by others than Eimo management, board members or members of the Paananen family) was 67.4% of the share stock. 12.5% of share stock, i.e. 18.6% of the free float, were in the nominee register or held by foreign interests.

*Note: the table only lists registered*

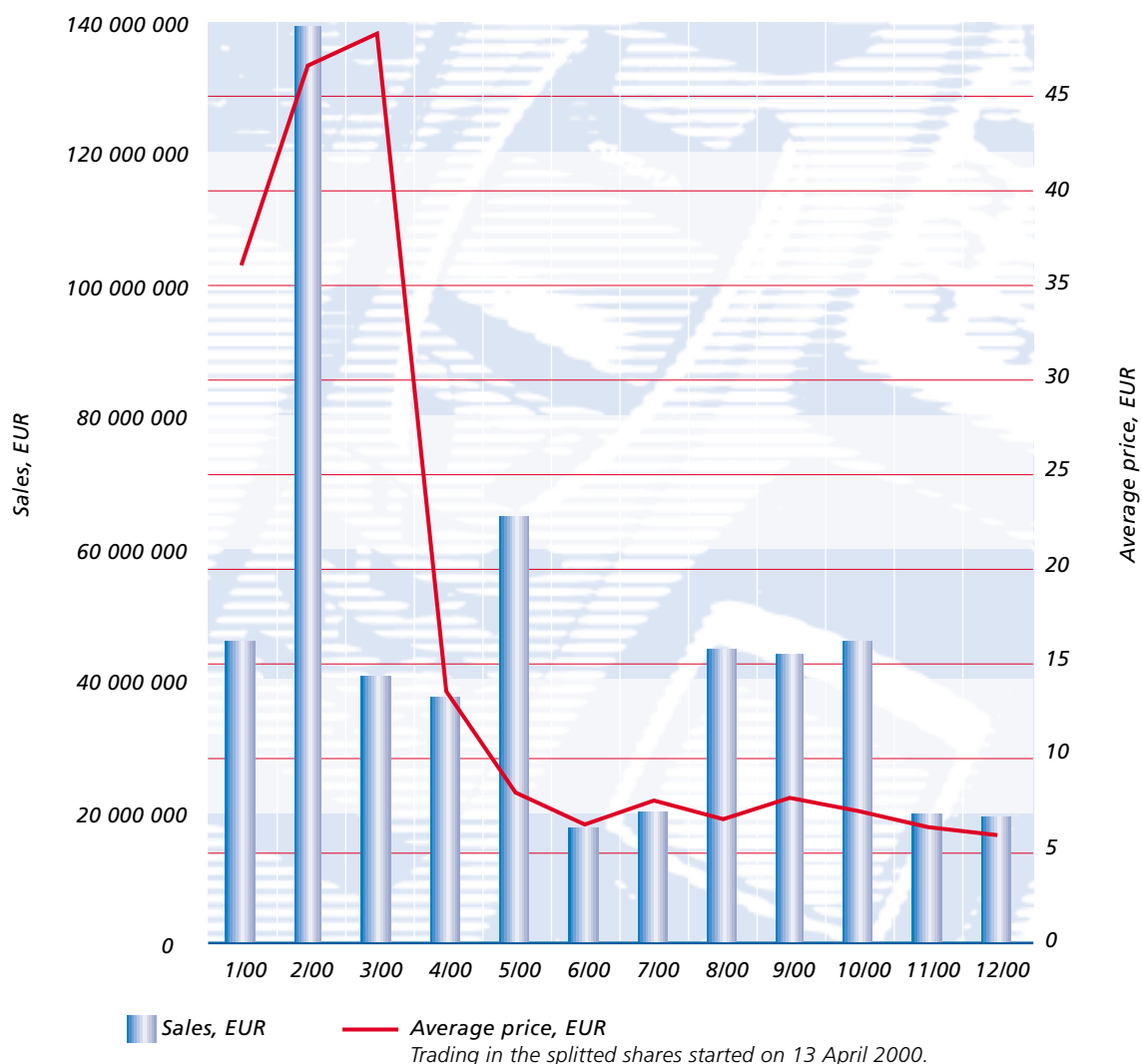
*shareholders, or those otherwise recognized by the company. Major shareholders listed in the nominee register are not shown on the table, unless they have identified themselves to Eimo.*

## Dividend policy

Eimo Oyj pays out dividends in compliance with the Finnish Companies Act. The objective of the company is to pay out dividends every

year. The amount of the dividend is dependent upon the company's result, its financial position, need for capital, future prospects and other factors. The company follows an active dividend policy, which is dependent upon the company's results, taking into consideration the financial needs for the company's growth and equity ratio target of 45-60% as set in the company's strategy.

## Price and activity of Eimo A shares 3 January-29 December 2000



## Major shareholders 28 February 2001

	K shares No.	A shares No.	Shares %	Votes %
Paananen, Jalo	4,500,000	-	9.7	49.1
Paananen, Elmar	900,000	2,583,748	7.5	11.2
Paananen, Topi	900,000	2,583,748	7.5	11.2
Jukko, Annamari	900,000	2,583,748	7.5	11.2
Ilmarinen Mutual Pension Insurance Co.		2,429,400	5.2	1.3
Leonia Osake Sijoitusrahasto (mutual fund)		1,177,775	2.5	0.6
Rannila, Esa		782,700	1.7	0.4
Leonia Teknologia Sijoitusrahasto (mutual fund)		758,200	1.6	0.4
E.A.T-Invest Oy		570,200	1.2	0.3
Sijoitusrahasto Gyllenberg Small Firm (mutual fund)		554,700	1.2	0.3
Nominee registered, total		5,815,530	12.5	3.2



# CEO's Review

2000 was a year of sweeping changes at Eimo. Our process of internationalization has provided us with new market areas and opportunities for growth. Naturally, this has required major investments in our production capacity, technologies and human resources. Large investments, corporate change and several development projects have been absolutely necessary in establishing a stronger foundation and market position for the years to come. Even though these investments have resulted in a short term reduction of profitability, our efforts will be rewarded over the mid to long term.

The field in which we operate has undergone considerable change in recent months. Many corporations have reduced the sales prognoses for their products and begun to move their production to countries with lower labor costs. The objective is to increase cost-efficiency and flexibility in production in order to stay competitive. As a technology partner for our customers, we must respond to these changes quickly and monitor the effect that geographical shifts in our primary

customers' operations have on our own production and service network. Our customer and market-oriented operation requires reliable delivery of our products, logistical speed and flexibility as well as the cost competitiveness of production in order to maintain the high standard of our customer service and quality.

Last year we reorganized the production in our European facilities. The Lahti, Hollola, Helmond and Pécs facilities concentrate on telecommunications, while the Laitila facility operates within other industries. The Kuortti facility was transferred into the ownership of its management in a transfer finalized in February 2001. Seen from a production standpoint, these arrangements have resulted in much greater efficiency and a more rational management structure.

The merger process between Eimo and Triple S Plastics was canceled in March 2001 by both parties. Eimo's strategic objective is to continue the internationalization process and development of a global customer service network on our own basis.

Our international organization is based on operational processes and teamwork; it is very horizontal in orientation, allowing for quick decision-making on a global level. Special attention has been given to the management of customer processes, the efficiency of product programs as well as research and development, and the necessary resources have been allocated to these. Greater emphasis is being placed on personnel development, continuous learning and training, cooperative skills and internationalization in the wide range of opportunities offered by the process of internationalization.

2000 has been a year of great achievements for our corporation. I would like to take this opportunity to thank our customers for the trust they have placed in us, our partners for their reliable service, and our staff for their dedication and hard work.



Heikki Marttinen  
President and CEO









# Comprehensive Service – Globally

Eimo customers operate in a field where technological innovations come one after another and wireless communication applications equipped with the latest features are brought to market faster than ever before. At the same time, product life cycles are shrinking. A new product must be brought to market as quickly as possible, and Eimo must be able to commit itself to the prescribed schedule. Our participation in the customer's product design, our concurrent engineering services and cooperation with the customer in synchronizing joint processes have all produced excellent results.

Eimo has made an ambitious increase in its mold production capacity. In

2001, the corporation has high-profile mold production facilities that take care of the customer mold needs right down the line, including everything from prototype molds to mass production molds.

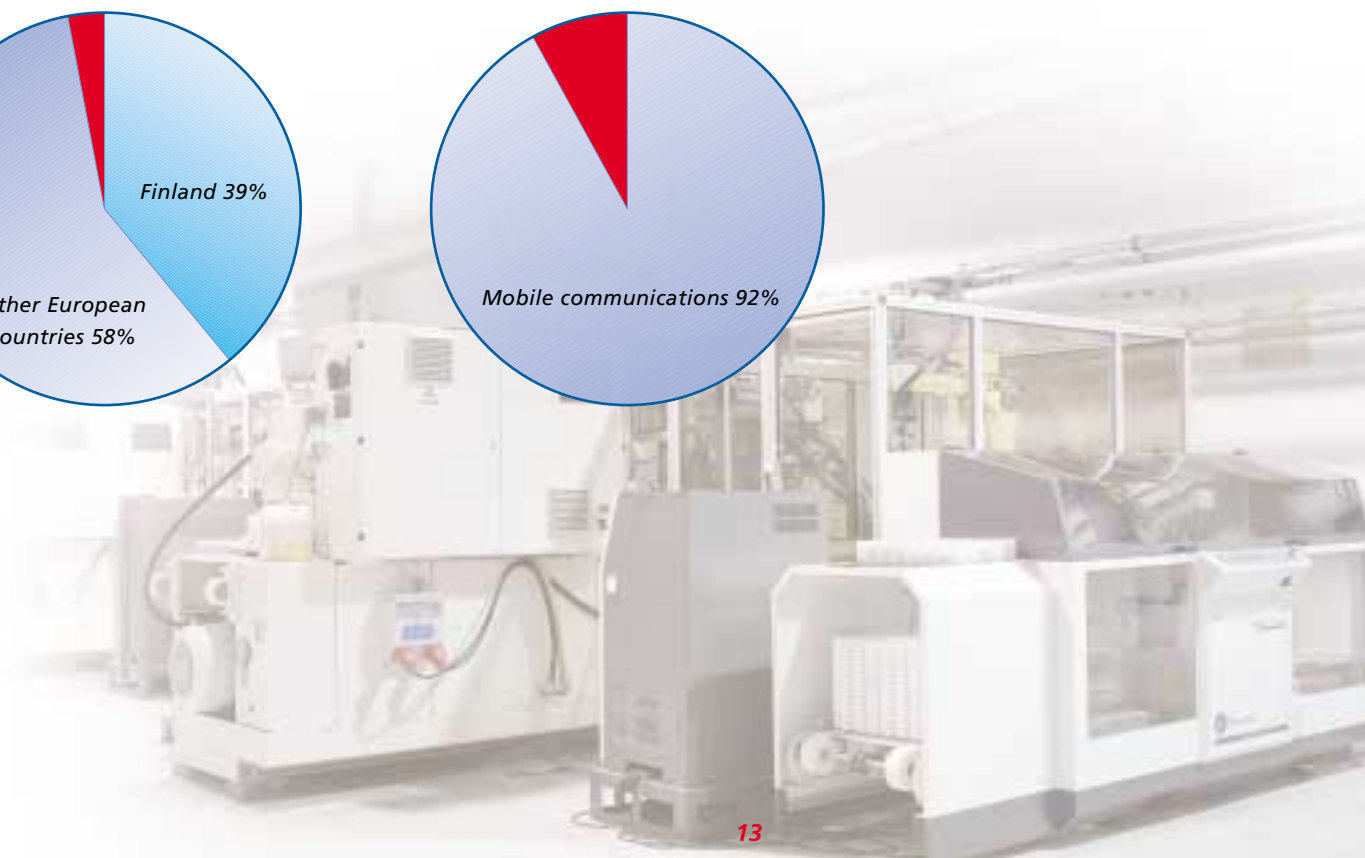
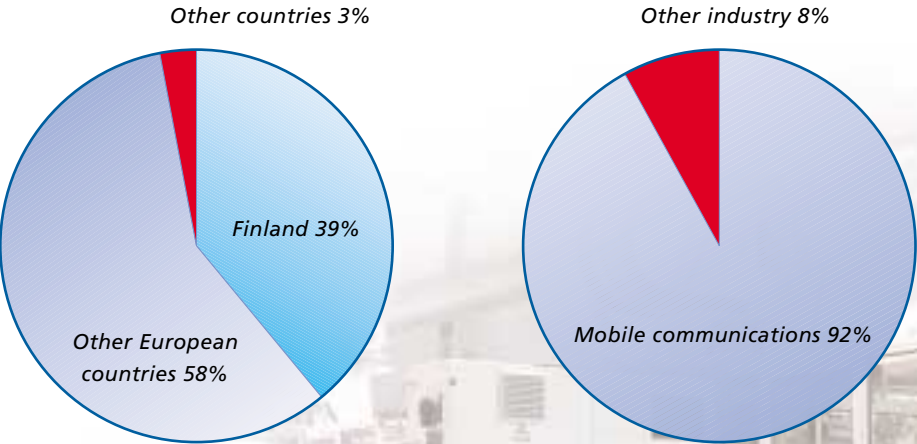
In 2000, Eimo began production at its new facilities in the Netherlands and Hungary, and acquired an injection molding plant in China. Ownership of the plant was transferred to Eimo on 1 January 2001, with plant modernization occurring during this spring.

Customers in the field of mobile communications require even more refined product entities from their strategic suppliers. In recent years Eimo has

grown into the world's largest manufacturer of mobile phone windows produced with IMD technology. The manufacture of telephone casings using IML technology is now standard at Eimo. Our painting capacity doubled in 2000.

Future product programs are even more wide ranging and comprehensive. These represent technologies, which can be launched in different geographical areas simultaneously. Eimo's overall project management and its large capacity further reinforce the corporation's position as a primary supplier to its customers.

## Net sales 2000





# Intensive Development

## Basis on Customer Needs

Eimo is the customer's technology partner. This relationship of mutual trust allows for close cooperation in process, technological and human resource areas. In synchronizing the processes of the customer and Eimo, efforts were made to improve process efficiency and information exchange, eliminate overlapping and shorten lead times. Technologies and techniques of the future are an important mutual developmental objective. Resources are directed to areas that need them the most. Interesting techniques are examined and verified prior to their implementation, thus ensuring that they function in mass production.

Cooperation in a relationship of mutual trust requires open exchange of infor-

mation. Compatible IT solutions serve as a strong foundation for an effective exchange of information and allow for transparency throughout the entire delivery chain. One of the challenges for 2001 will be achieving compatibility between the IT solutions of Eimo's various business locations and customer systems.

'Six Sigma' is the process development philosophy at Eimo. More than ten Eimo employees have already received their 'Black Belt' certification. The newest training program began in January of this year. In addition to Eimo employees, supplier representatives also participate in the training.

Eimo is actively involved in national cooperative ventures. The more signi-

ficant development projects in 2000 were:

- Pro Plastics, a 3-year Finnish project funded by the Technology Development Center
- Quality in the Network Economy (Technology Development Center)
- Business Concepts for Industries, UTT 2000-2004 (Technology Development Center)

In addition to its own resources, Eimo plays an active role in cooperating with both Finnish and foreign research institutes as well as in Muovipoli, a plastics industry development center. In 2000, Eimo spent EUR 2.4 million (2.3% of net sales) on its research and development. The total value of R&D projects running in 2000 was over EUR 5 million.





## Active and Enthusiastic Personnel

The progression from a supplier of plastic components to our customers' strategic partner has required a major investment in our personnel. The enthusiasm of our staff and their proactivity in customer cooperation are the capital, with which we can best serve our customers.

In 2000, Eimo has enhanced its resources in, among other things, project management, R&D and supplier management. The average number of personnel in Eimo's operations increased from 681 to 768 in 2000.

Human resources have been purposefully developed to support the company's internationalization. Over the past few years several key tasks were assigned to cross-trained personnel, whose resources can be used internationally. A prime example of the success of this strategy is the company's facility in the Netherlands, which was running at mass production level within a very short timeframe.

In the fall of 2000, Eimo initiated its Young Professionals program, which trains future experts for the company. The program introduction includes Six Sigma Black Belt training, in which new Eimo employees are trained in the fact-based management and development of processes.

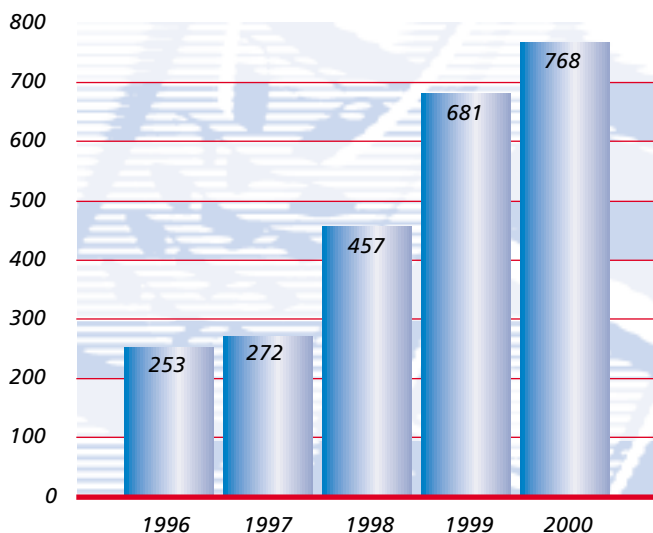
Challenges for 2001 will include the identification of expertise and synergistic benefits possessed by Eimo employees working in different countries. Common systems and tools will provide an opportunity for the further development of expertise and multiple skills existing within the corporation.

## Incomparable Supplier Network

Eimo has made a concerted effort to intensify the level of partnership with its key suppliers. Our objective is to have a high-performance and global supplier network, which represents the top level of expertise in the field and can serve each and every Eimo facility regardless of its geographic location.



## Average number of personnel 1996-2000



Supplier qualification and evaluation processes were developed in 2000 to meet the needs of a globalizing corporation. The basis for cooperation includes maintaining 100% quality and performance as well as the desire to foster cooperation according to our customer's needs. The transparency of the delivery chain was enhanced in 2000 through implementation of new ordering and forecasting methods together with our key suppliers.

New solutions that improve delivery reliability have been developed for the logistics applied between Eimo and the customer. Eimo is capable of adapting its logistics to meet the various needs of the customer.



## Quality and Environment

### **Certified quality and environmental management systems**

Eimo quality means excellence in business performance. The natural result of this is a first-class product.

Our quality management system is based on the QS 9000 standard. The objective of the system is to focus development work on continuous improvement, prevention of faults and reduction of process variation and waste throughout the delivery chain. The Lloyd's Register Quality Assurance (LRQA) QS 9000 Certificate was granted to the corporation's quality management system in December of 2000. This certification includes all Eimo production facilities in Finland as well as its headquarters. QS 9000 certification for the facilities in the Netherlands and Hungary is being applied for in 2001.

Eimo operations do not involve significant environmental risks. The injection molding process in itself does not produce any emissions, and the waste generated is sorted and recycled. We are committed to the continuous improvement of the environment. Every effort is made to minimize the environmental impact caused by new products, already during the product's and process' developmental phases. By improving yields, we can in turn minimize the amount of waste generated during production and enhance the efficiency of energy consumption. The environmental impact of our key suppliers is also an area of continuous development for us.

The Lloyd's Register Quality Assurance (LRQA) ISO 14001 Certificate was granted to the corporation's Finnish units in December of 2000. Certification of other units will continue during 2001.





# Corporate Governance



*From the left: Markku Sulonen, Anssi Soila, Elmar Paananen, Arto Kajanto, Jalo Paananen and Markku Puskala.*

## Corporate Governance

The Board of Directors of Eimo Oyj is elected by the annual general meeting on an annual basis. In accordance with the Corporate Articles of Association, the Board is comprised of 4-8 members. The corporation's CEO is elected by the Board.

The annual general meeting decides on the remuneration of the Board. The salaries and benefits of the CEO and his deputy are determined by the Board. The salaries and benefits of other executive managers are determined by the CEO according to the guidelines given by the Board.

## Board of Directors

Members of the Board of Directors in 2000:

### **Paananen, Jalo**

*Graduate of commercial institute, b. 1939, Chairman*

Jalo Paananen became an entrepreneur in 1965 and he chairs the Boards of Directors of the companies he owns. He is also a member of the administrative bodies of numerous organizations representing commerce and industry and a member of the Board of Directors of several other companies. He has been chairman of Eimo's Board since 1985.

### **Paananen, Elmar**

*M.Sc. (Econ.), Associate in Laws, born 1965, Vice Chairman*

Elmar Paananen is employed by Eimo Oyj and is responsible for investor relations and certain international projects. He is a member of the Board of Directors of some of the family's companies. He is also a member of the Financing Working Group of the Confederation of Finnish Industry and Employers and of its SME Financing Working Group. Elmar Paananen has been a member of Eimo's Board since 1995.



**Kajanto, Arto**

*B.Sc. (Econ.), b. 1943*

Arto Kajanto is the Managing Director of Hämeen Sanomat Oy. He has many years' experience of acting as consultant to numerous family-owned companies and on Boards of Directors. Arto Kajanto has been a member of Eimo's Board since 1992.

**Puskala, Markku**

*M.Sc. (Eng.), B.Sc. (Econ.), b. 1948*

Markku Puskala is a director of Eqvitec Partners Oy. As a representative of a venture capital association, Mr. Puskala has served on the boards of numerous growth companies. Markku Puskala has been a member of Eimo's Board since 1998.

**Soila, Anssi**

*M.Sc. (Eng.), B.Sc. (Econ.), b. 1949*

Anssi Soila is a chairman at Sponda Oyj. He was previously employed at Kone Oy in a variety of positions over a period of 25 years, the last five of which he served as Managing Director. He has served on the boards of several companies. Mr. Soila was elected to Eimo's Board in 2000.

**Sulonen, Markku**

*M.Sc. (Eng.), born 1949*

Markku Sulonen is responsible for quality management at VTI Hamlin Oy. He was previously Managing Director of Okmetic Oy. Markku Sulonen has been a member of Eimo's Board since 1998.

**Auditors**

The Annual General Meeting elected the CPA accounting company of Tilintarkastustoimisto Idman & Vilén Oy to act as auditors for Eimo Oyj, with CPA Matti Pettersson as principle auditor.

**Management****Marttinen, Heikki**

*President and CEO, b. 1946*

M.B.A., President and CEO of Eimo since 1 October 2000, previously CEO at Fortum Oyj and President and Chairman at Imatran Voima Oy.

**Jalli, Lauri**

*b. 1944, President until 30 September 2000*

**Jaakkola, Seppo**

*Sr. Vice President, CEO's Deputy, b. 1948*

B.Sc. (Eng.), Eimo's Vice President since 1997, previously Managing Director of Eimo Oy and Makron Oy, and Plant Manager at Teräspeikko Oy.

**Virtanen, Petri**

*Technical Director, b. 1971*

B.Sc. (Eng.), Eimo's Technical Director since 16 October 2000, previously Plant Manager at Eimo Oyj Hollola facility.

**Seppä, Timo**

*b. 1960, Technical Director until 15 October 2000*

**Vahtila, Pekka**

*Marketing Manager, b. 1957*

B.Sc. (Eng.), Eimo's Marketing Manager since 1991, previously Unit Manager and Sales Director at Lupoplast Oy, Product Manager at Falcon Chemicals Oy.

**Savolainen, Aarre**

*Finance Director, b. 1951*

B.Sc. (Econ.), CPA, Eimo's Finance Director since 1985.



# Addresses

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Financial Statements  
1 January - 31 December 2000

Partner in Technology

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# Board of Directors Review

1 January–31 December 2000

## General

In 2000 Eimo Oyj had two 100% owned subsidiaries: Eimo B.V. in the Netherlands and Eimo Kft. in Hungary. In November 2000 holding company Eimo (HK) Ltd. of Hong Kong (70% direct ownership and 81% indirect ownership) joined the Group. Also in November 2000, the company acquired a 35% ownership on CIM Technology Ltd., which has merged with the Group in accordance with the laws and regulations concerning affiliated companies. The consolidated financial statements concern these companies. The Group's financial year equals one calendar year.

In 2000 Eimo began operations at its new plants in the Netherlands and Hungary, and acquired an injection molding plant in China. The ownership of this plant was transferred to Eimo on 1 January 2001.

## Net sales

In 2000 the company had net sales of EUR 105.5 million (EUR 78 million in 1999 - an increase of 35.3%). The mobile communications industry accounted for 92% of the total net sales. 39% of the net sales were delivered to Finland, 58% to other European countries and 3% to other countries.

## Financial result

The operating profit was EUR 13.7 million (EUR 19.2 million), or 13% of net sales. Profit before extraordinary items was EUR 13.4 M (EUR 18.2 M) and after extraordinary items EUR 12.6 M (EUR 18.7 M). Extraordinary items consist mainly of costs related to the registration procedure of Triple S Plastics merger and, to some extent, the fees for the planning stage of Asian business operations.

Undiluted earnings per share (after split 1:4) was EUR 0.202 (EUR 0.291) and diluted earnings EUR 0.200 (EUR 0.291) per share. Return on investment was 21% and return on equity 16.9%.

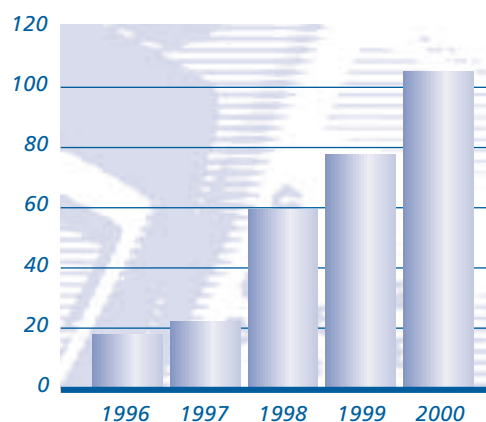
## Personnel

In 2000 the group employed an average of 768 (681) people. At the end of the year the group had 831 employees on staff.

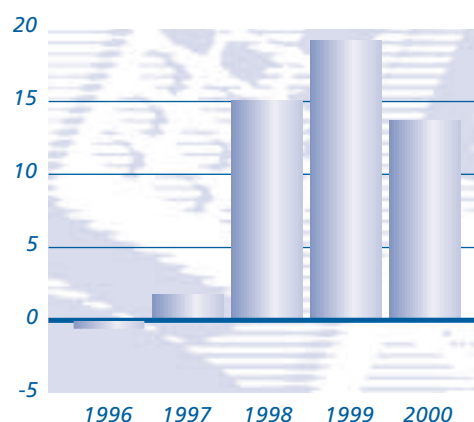
## Investments

The company's gross expenditure on fixed assets in 2000 totaled EUR 28.8 (EUR 15.3) million, which is 27.3% of the net sales. The injection molding plants in the Netherlands and Hungary as well as the new mold plant in Lahti comprised the majority of the investments. Investments were financed with cash reserves, operating income and loans from financial institutions.

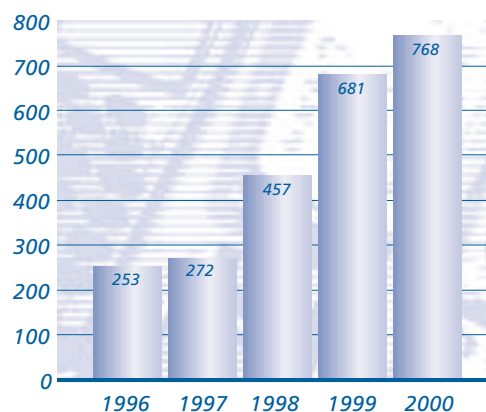
Net sales 1996-2000, M EUR



Operating profit 1996-2000, M EUR



Average number of personnel 1996-2000



## Research and development

In 2000 the company spent EUR 2.4 (EUR 1.3) million (2.3% of net sales) on research and development, which includes quality development and training, but not costs of customer product programs. Of this, 10.5% was spent on capital investments.

## Financing

The company's financial position is stable. Eimo has started to use overdraft facilities instead of cash surpluses. The group's equity ratio was 53.3%.

## Share capital and shares

At the end of 2000 the company's share capital totaled EUR 11.6 million. Of these the company held 46.4 million shares, of which 39.2 million were listed A shares and 7.2 million K shares held exclusively by the Paananen family. The accounting counter-value of the share is EUR 0.25. The free float at 31 December 2000 was 67% of all shares.

Trading in Eimo Oyj's A shares has been active: 163% in 2000. Due to this high level of activity, the share was listed on the FOX index of the Helsinki Exchanges on 1 February 2000. The FOX index consists of the 25 shares with the highest trading activity.

## Warrants

According to the warrant program of 1999, the company may issue a maximum of 1.2 million warrants, each with entitlement to subscribe to a single A share. Based on these warrants, the company's share capital can be raised by max. EUR 300,000. Of these warrants, 884,000 were outstanding on 31 December 2000.

## Company governance, auditors and insider dealing

In 2000 the company Board of Directors consisted of the following: Jalo Paananen, Chairman; Elmar Paananen Vice Chairman; and Arto Kajanto, Markku Puskala and Markku Sulonen, board members. Anssi Soila was appointed to the Board on 4 April 2000.

Company President and CEO, Heikki Marttinen assumed his duties on 1 October 2000, succeeding Lauri Jalli. In 2000 the auditors was the certified public accountant firm of Tilintarkastustoimisto Idman & Vilén Oy, with CPA Matti Pettersson as principle auditor. Eimo operates under securities exchange regulations stricter than those observed at the HEX, which came into force on 1 March 2000.

## Business prospects

The mobile communications sector will continue to grow, and many of Eimo's customers have succeeded in increasing their market share. The company expects growing demand over the next few years, although rapid structural changes in the market are also possible.

Some of the major challenges for 2001 will be to reinforce the company's international position and to develop its services in all market areas. Results in the first half-year are expected to be modest due to investments in company's internationalization.

## Board proposal for the distribution of profits

Consolidated distributable funds total EUR 16.1 million, and annual profits EUR 8.8 million. The parent company has distributable funds of EUR 16.8 million, of which EUR 7.4 million are profits from the review period.

At the Annual General Meeting the Board proposed that a dividend of EUR 0.07 per share be paid from financial year 1 January–31 December 2000, for a total of EUR 3.2-5.4 million, depending on the number of shares on the distribution day. The remainder is to be left in shareholders' equity. The number of shares on the distribution day depends on whether the merger between Eimo Oyj and Triple S Plastics, Inc. takes place before the matching date of dividend distribution.

## Events after the date of closing

Eimo is planning to sell its Kuortti Plant operations. The merger between Eimo Oyj and Triple S Plastics, Inc. is subject to approval by the extraordinary shareholders' meetings on March 8 and March 9, 2001.

Lahti, 15 February 2001

Board of Directors

## Events after issuance of Board of Directors' Review

Eimo sold its Kuortti operations to plant management on 20 February 2001.

The merger with Triple S Plastics, Inc. was canceled.



# Consolidated profit and loss account, FAS

(EUR 1,000)	Note	1 Jan-31 Dec 2000	1 Jan-31 Dec 1999
<b>NET SALES</b>	<b>2.1</b>	<b>105 530</b>	<b>78 011</b>
Change in stocks of finished goods and work in progress		3 986	-98
Share of results of associated companies		-27	0
Other operating income	2.2	327	728
Raw materials and services			
Raw materials and consumables			
Purchases during the financial year		-54 245	-25 650
Change in stock		3 812	439
External services		-6 783	-4 479
Personnel expenses	2.3		
Wages and salaries		-17 583	-14 205
Social security expenses			
Pension expenses		-2 417	-1 786
Other social security expenses		-1 790	-1 388
Depreciation and write-downs			
Planned depreciation	2.4	-6 245	-4 629
Amortization of goodwill		-74	0
Other operating costs		-10 822	-7 728
<b>OPERATING PROFIT</b>		<b>13 669</b>	<b>19 215</b>
Financial income and expenses	2.5		
Dividend income		1	0
Interest income		170	320
Interest expenses		-442	-139
Other financial items		29	-1 197
<b>PROFIT BEFORE EXTRAORDINARY ITEMS</b>		<b>13 427</b>	<b>18 199</b>
Extraordinary items			
Extraordinary income	2.6	0	528
Extraordinary expenses	2.7	-857	0
<b>PROFIT BEFORE APPROPRIATIONS AND TAXES</b>		<b>12 570</b>	<b>18 727</b>
Income taxes	2.9		
For financial period and previous years		-3 183	-4 708
Change in deferred tax liability		-601	-421
<b>PROFIT FOR THE FINANCIAL YEAR</b>		<b>8 786</b>	<b>13 598</b>
Minority interests		-7	0
<b>CONSOLIDATED NET PROFIT</b>		<b>8 779</b>	<b>13 598</b>

## Consolidated balance sheet, FAS

(EUR 1,000)	Note	31 Dec 2000	31 Dec 1999
<b>A S S E T S</b>			
<b>NON-CURRENT ASSETS</b>			
Intangible assets	3.1		
Intangible rights		588	381
Goodwill		735	0
Tangible assets	3.2		
Land and water		637	347
Buildings and structures		16 639	10 012
Machinery and equipment		34 831	19 679
Other tangible assets		895	752
Advance payments and construction in progress		2 386	3 478
Investments	3.3		
Holdings in associated companies	3.8	2 086	0
Other shares and holdings		72	62
<b>CURRENT ASSETS</b>			
Inventories			
Materials and supplies		9 314	5 016
Work in progress		2 219	1 197
Finished products/goods		3 789	1 309
Advance payments		1 100	330
Long-term receivables			
Short-term receivables	3.10		
Trade receivables		20 057	10 670
Loan receivables		252	4
Other receivables		2 382	40
Prepaid expenses and accrued income		2 418	1 151
Marketable securities		0	0
Cash and bank accounts		1 665	16 718
<b>TOTAL ASSETS</b>		<b>102 065</b>	<b>71 146</b>

	Note	31 Dec 2000	31 Dec 1999
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>			
<b>SHAREHOLDERS' EQUITY</b>	3.11		
Share capital		11 600	11 600
Share premium account		18 124	18 124
Retained earnings		14 566	13 020
Profit for financial year		8 779	13 598
<b>APPROPRIATIONS</b>		0	0
<b>MINORITY INTERESTS</b>		1 664	0
<b>PROVISIONS</b>		0	0
<b>LIABILITIES</b>			
Deferred tax liability	3.13	2 980	2 232
Non-current liabilities	3.14		
Loans from financial institutions		16 107	157
Current liabilities			
Loans from financial institutions		3 982	118
Other interest bearing liabilities		77	0
Advances received		2 563	629
Accounts payable		17 330	5 682
Other non-interest bearing liabilities		719	1 046
Accruals and deferred income	3.15	3 574	4 940
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>		<b>102 065</b>	<b>71 146</b>

## Source and application of funds, FAS

(EUR 1,000)	1 Jan-31 Dec 2000	1 Jan-31 Dec 1999
Cash flow from operating activities		
Operating profit	13 669	19 215
Adjustments to operating profit	6 318	4 624
Change in net working capital	-7 436	-1 188
Interest received	171	320
Interest paid and other financial expenses	-413	-1 336
Dividends received	1	0
Income taxes paid	-4 969	-3 251
Extraordinary income and expenses	-857	0
Net cash flow from operating activities	6 484	18 384
Cash flow from investing activities		
Acquisition of group companies	-2 316	0
Investments in associated companies	-2 225	0
Other investments	-9	0
Investments in tangible and intangible assets	-24 235	-15 281
Proceeds from sale of other investments	1	98
Net cash flow used in investing activities	-28 784	-15 183
Cash flow from financing activities		
Long-term receivables, increase /decrease	13 634	-10 131
Short-term loans, increase /decrease	3 826	-1 553
Dividends paid	-11 600	-1 598
Share issue	1 388	22 324
Net cash flow from financing activities	7 248	9 042
Change in liquid assets	-15 052	12 243
Liquid assets on 1 Jan.	16 717	4 474
Liquid assets on 31 Dec	1 665	16 717
Supplemental cash flow information		
Adjustments include		
Depreciation and amortization	6 319	4 629
Profits and losses on sale of fixed assets	-1	-5
	6 318	4 624
Change in working capital consists of:		
Change in interest-free receivables	-8 567	-1 380
Change in inventories	-12 461	-672
Change in short-term interest-free liabilities	13 592	864
	-7 436	-1 188



# Key financial ratios for fiscal year 2000 & 1999 and Pro forma figures for 1998-1996

	2000	1999	1998	1997	1996
Net Sales (EUR 1,000)	105 530	78 011	59 630	22 353	18 129
Operating profit/loss (EUR 1,000)	13 669	19 215	15 144	1 810	-131
% of net sales	13,0	24,6	25,4	8,1	-0,7
Profit/loss before extraordinary items and taxes (EUR 1,000)	13 427	18 199	14 544	1 440	-732
% of net sales	12,7	23,3	24,4	6,4	-4,0
Profit/loss before taxes (EUR 1,000)	12 570	18 728	14 541	535	-833
% of net sales	11,9	24,0	24,4	2,4	-4,6
Profit/loss for the financial year (EUR 1,000)	8 779	13 598	10 409	387	2
% of net sales	8,3	17,4	17,5	1,7	0,0
Net profit (EUR 1,000)	9 394	13 070	10 411	1 178	-982
% of net sales	8,9	16,8	17,5	5,3	-5,4
Return on equity (ROE), %	16,9	33,4	66,0	12,3	
Return on investment (ROI), %	21,0	43,2	53,8	8,7	
Equity ratio, %	53,3	79,9	48,9	37,6	
Net gearing, %	34,7	-29,2	34,0	64,7	
Current Ratio	1,53	2,93	1,87	1,44	
Gross investments in fixed assets	28 785	15 281	16 541	1 145	1 788
% of net sales	27,3	19,6	27,7	5,1	9,9
R & D expenditure of which capitalized	2 400	1 295	942	437	
% of net sales	2,3	1,7	1,6	2,0	
Average number of personnel	768	681	457	272	253
Dividends paid *)	3 248 - 5 402	11 600	1 598	0	0
<b>Per share ratios</b>					
Earnings per share (EPS), EUR (issue adjusted)	0,20	0,29	0,27	0,03	
Shareholders' equity per share, EUR (issue adjusted)	1,14	1,21	0,55	0,26	
Dividend per share, EUR *)		0,07	0,25	0,04	
Payout ratio, %	35,0	86,0	15,3		
Effective dividend yield %	1,3	3,3			
P/E multiple	26,92	25,81			
Share performance:					
Average price, EUR	8,42	4,47			
Lowest price, EUR	4,80	3,00			
Highest price, EUR	13,75	7,50			
On 31 December, EUR	5,39	7,50			
Market capitalization on 31 December, EUR	250 096	348 000			
Trading volume, qty	63 781 516	48 113 932			
Trading volume, %	162,7	122,7			
Issue adjusted average number of shares	46 923 040	44 977 778	37 797 200		
Issue adjusted number of shares	46 400 000	46 400 000	40 000 000		

\*) Proposal by the Board of Directors for 2000

# Calculation of key financial ratios

The ratios have been calculated in accordance with instructions by the Central Accounting Board.

## Net profit, EUR

Profit/loss before extraordinary items, reserves and taxes – taxes +/- tax impact of extraordinary items +/- change in deferred tax liability +/- minority interest

## Return on equity (ROE), %

Profit/loss before extraordinary items, reserves and taxes – income taxes +/- tax effects of extraordinary items +/- change in deferred tax liability x 100  
Shareholders' equity + minority interest + voluntary reserves and accumulated depreciation difference less deferred tax liability (average)

## Return on investments (ROI), %

Profit/loss before extraordinary items, reserves and taxes + interest and other financing costs x 100  
Balance sheet total – non-interest bearing liabilities (average)

## Equity ratio, %

Shareholders' equity + minority interest + voluntary reserves and accumulated depreciation difference less deferred tax liability x 100  
Balance sheet total – advances received

## Net gearing, %

Interest bearing liabilities – cash, bank receivables and marketable securities x 100  
Shareholders' equity + minority interest + voluntary reserves and accumulated depreciation difference less deferred tax liability

## Current Ratio

Inventories + receivables + liquid assets  
Short-term liabilities

## Earnings per share, EUR

Net profit  
Issue adjusted average number of shares

## Shareholders' equity per share, EUR

Shareholders' equity + voluntary reserves and accumulated depreciation difference less deferred tax liability and minority interest  
Issue adjusted number of shares on closing date

## Dividend per share, EUR

Issue adjusted dividend per share is calculated by dividing the dividend per share for the period under review with the share adjustment ratios

## Payout ratio, %

Dividend per share x 100  
Earnings per share

## Effective dividend yield, %

Dividend per share x 100  
Issue adjusted closing price on 31 December

## P/E multiple

Issue adjusted closing price on 31 December  
Earnings per share

## Market capitalization, EUR

Number of shares on 31 December x issue adjusted closing price on 31 December

## Trading activity as a percentage

Number of shares traded during the year x 100  
Average number of A shares during the year

# Profit and loss account, FAS

(EUR 1,000)	Note	1 Jan-31 Dec 2000	1 Jan-31 Dec 1999
<b>NET SALES</b>	<b>2.1</b>	<b>91 155</b>	<b>78 011</b>
Change in stocks of finished goods and work in progress		1 938	-98
Other operating income	2.2	326	728
Raw materials and services			
Raw materials and consumables			
Purchases during the financial year		-41 064	-25 650
Change in stock		990	439
External services		-5 226	-4 479
Personnel expenses	2.3		
Wages and salaries		-16 345	-14 196
Social security expenses			
Pension expenses		-2 388	-1 786
Other social security expenses		-1 610	-1 387
Depreciation and write-downs			
Planned depreciation	2.4	-5 546	-4 629
Other operating costs		-8 818	-7 656
<b>OPERATING PROFIT</b>		<b>13 412</b>	<b>19 298</b>
Financial income and expenses	2.5		
Dividend income		1	0
Interest income		663	327
Interest expenses		-454	-139
Other financial items		30	-1 198
<b>PROFIT BEFORE EXTRAORDINARY ITEMS</b>		<b>13 652</b>	<b>18 288</b>
Extraordinary items			
Extraordinary income	2.6	0	528
Extraordinary expenses	2.7	-857	0
<b>PROFIT BEFORE APPROPRIATIONS AND TAXES</b>		<b>12 795</b>	<b>18 817</b>
Appropriations	2.8		
Change in depreciation difference		-2 303	-1 504
Income taxes	2.9		
For financial period and previous years		-3 054	-4 708
<b>PROFIT FOR THE FINANCIAL YEAR</b>		<b>7 438</b>	<b>12 605</b>

## Balance sheet, FAS

(EUR 1,000)	Note	31 Dec 2000	31 Dec 1999
<b>A S S E T S</b>			
<b>NON-CURRENT ASSETS</b>			
Intangible assets	3.4		
Intangible rights		554	381
Tangible assets	3.5		
Land and water		232	200
Buildings and structures		11 155	10 012
Machinery and equipment		27 098	19 651
Other tangible assets		523	752
Advance payments and construction in progress		1 637	362
Investments	3.6		
Holdings in group companies	3.7	8 022	1 000
Holdings in associated companies	3.8	2 252	0
Other shares and holdings		72	62
<b>CURRENT ASSETS</b>			
Inventories			
Materials and supplies		6 492	5 016
Work in progress		1 962	1 197
Finished products/goods		1 997	1 309
Advance payments		1 100	330
Long-term receivables	3.9		
Loan receivables		13 217	2 000
Short-term receivables	3.10		
Trade receivables		18 332	10 670
Loan receivables		173	3
Other receivables		2 013	4
Prepaid expenses and accrued income		2 407	1 143
Marketable securities		0	0
Cash and bank accounts		857	16 505
<b>TOTAL ASSETS</b>		<b>100 095</b>	<b>70 598</b>



	Note	31 Dec 2000	31 Dec 1999
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>			
<b>SHAREHOLDERS' EQUITY</b>	3.11		
Share capital		11 600	11 600
Share premium account		18 124	18 124
Retained earnings		9 368	8 363
Profit for financial year		7 438	12 605
<b>APPROPRIATIONS</b>	3.12	10 275	7 972
<b>PROVISIONS</b>		0	0
<b>LIABILITIES</b>			
Non-current liabilities	3.14		
Loans from financial institutions		15 631	157
Current liabilities			
Loans from financial institutions		3 824	118
Other interest bearing liabilities		3 727	0
Advances received		3 761	629
Accounts payable		12 451	5 132
Other non-interest bearing liabilities		608	1 043
Accruals and deferred income	3.15	3 288	4 856
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>		<b>100 095</b>	<b>70 598</b>

## Source and application of funds, FAS

(EUR 1,000)	1 Jan-31 Dec 2000	1 Jan-31 Dec 1999
Cash flow from operating activities		
Operating profit	13 413	19 298
Adjustments to operating profit	5 546	4 624
Change in net working capital	-7 386	-1 781
Interest received	663	327
Interest paid and other financial expenses	-424	-1 336
Dividends received	1	0
Income taxes paid	-4 840	-3 251
Extraordinary income and expenses	-857	0
Net cash flow from operating activities	6 116	17 881
Cash flow from investing activities		
Acquisition of group companies	-5 824	-1 000
Investments in associated companies	-2 252	0
Other investments	-9	0
Investments in tangible and intangible assets	-13 769	-11 990
Proceeds from sale of other investments	0	98
Loans granted	-11 217	-2 000
Net cash flow used in investing activities	-33 071	-14 892
Cash flow from financing activities		
Long-term receivables, increase /decrease	15 474	-10 131
Short-term loans, increase /decrease	7 433	-1 553
Dividends paid	-11 600	-1 598
Share issue	0	22 324
Net cash flow from financing activities	11 307	9 042
Change in liquid assets	-15 648	12 031
Liquid assets on 1 January	16 505	4 474
Liquid assets on 31 December	857	16 505
Supplemental cash flow information		
Adjustments include:		
Depreciation and amortization	5 546	4 629
Profits and losses on sale of fixed assets	0	-5
	5 546	4 624
Change in working capital consists of:		
Change in interest-free receivables	-11 107	-1 335
Change in inventories	-3 698	-672
Change in short-term interest-free liabilities	7 419	226
	-7 386	-1 781

# Notes to the financial statements

## 1. ACCOUNTING PRINCIPLES

### VALUATION AND TIMING

#### Valuation of fixed assets

Fixed assets are listed on the balance sheet under acquisition costs deducted by planned depreciations. Planned depreciation is calculated as a straight-line depreciation based on the financial lifetime of the fixed assets.

#### Planned depreciation periods

	Years
Intangible rights	5
Goodwill	5
Buildings	25 or 40
Buildings: movable property	10
Machinery and equipment	3 - 10
Other tangible assets	2 - 10

Intangible rights include accession fees of approx. EUR 170,000, for which no depreciation is made. Other tangible assets consist of improvement expenses for rented premises, with a depreciation period of 10 years straight-line depreciation, and product-specific investments in equipment, which are depreciated on average over 2 years.

#### Valuation of inventories

Inventories are shown in accordance with the FIFO principle, at cost of acquisition or (if lower) at replacement price or at probable selling price. Only variable expenses are included in the value of inventories.

#### Research and development expenses

Research and development costs are expensed in the financial period during which they are incurred. Machinery and equipment relating to research and development activity are capitalised and depreciated over the period of their active use.

#### Income recognition principle

When calculating net sales, sales proceeds are reduced by indirect taxes, discounts and sales-related foreign exchange losses. Sales of goods or services produced are recognised as income in connection with their assignment.

#### Maintenance and repairs

Maintenance and repair costs are expensed in the financial period.

#### Leasing

The group has no significant leasing agreements. Leasing payments are treated as rental costs.

#### Accrual of pensions expenses

The staff retirement plan is managed by an external pension insurance company.

#### Items denoted in foreign currency

Receivables and debts denoted in foreign currency are translated into euros at the rate quoted by the Bank of Finland on the date of the financial statements.

#### Appropriations

In Eimo Oyj appropriations consist of taxation depreciations, which exceed planned depreciations. In the group financial statements the appropriations are shared between Shareholders' Equity and Deferred Tax Liability in the balance sheet, while their change is included in the profit of the financial period.

## PRINCIPLES OF CONSOLIDATION

### Scope of consolidated financial statements

The consolidated financial statements link the parent company Eimo Oyj and its 100% owned subsidiary Eimo B.V. Holland, Eimo Kft. Hungary and the 70% owned Eimo (HK) Ltd Hongkong (indirect ownership, 81%). In addition, they incorporate the (35%) associated company CIM Technology Ltd. The indirect ownership via Eimo HK is noted in the consolidated financial statements of the associated company.

### Internal equity ownership

The group financial statements are drawn up by the "acquisition cost" method.

### Internal business transactions and margins

The group's internal business transactions, margins related to internal transactions, internal receivables and debts and also internal profit distribution have been eliminated in the group financial statements.

### Taxes

The group financial statements include taxes which are based on the profits from the financial period of the group companies and are calculated according to local tax rules. Also deferred taxes stemming from appropriations and the elimination of the Group's internal margin, using the tax rate confirmed at the time of the financial statements, are included.

### Translation differences

The translation differences are generated by exchange rate differences of the time of acquisition of Eimo (HK) Ltd. and the associated company CIM Technology Ltd and the time of the financial statements.

## Notes to profit and loss account

(1 000 EUR)

	Group		Parent Co.	
	2000	1999	2000	1999
<b>2.1 NET SALES BY MARKET AREA</b>				
Finland	41 531	49 147	41 515	49 147
Rest of Europe	61 090	25 744	46 731	25 744
Other countries	2 909	3 120	2 909	3 120
	105 530	78 011	91 155	78 011
<b>2.2 OTHER OPERATING INCOME</b>				
Labour market and product development subsidies	261	391	261	391
Rental revenues	63	206	63	206
Stakes in pension funds generated by mergers	-	90	-	90
Profit on sales of tangible assets	5	0	5	0
Other revenues	-2	41	-3	41
	327	728	326	728

	Group		Parent Co.	
	2000	1999	2000	1999
<b>2.3 REMUNERATION OF THE BOARD OF DIRECTORS AND AVERAGE NUMBER OF PERSONNEL</b>				
Remuneration of the Board of Directors	16	10	16	10
	16	10	16	10
Average number of personnel employed by group and by parent company during financial period				
Workers in production	624	586	131	586
Executive and administrative staff	144	95	582	94
	768	681	713	680
<b>2.4 PLANNED DEPRECIATION</b>				
Intangible assets	86	41	77	41
Group goodwill	74	-	-	-
Buildings and structures	656	402	528	402
Machinery and equipment	5 228	3 759	4 697	3 759
Other tangible assets	275	427	244	427
	6 319	4 629	5 546	4 629
<b>2.5 FINANCIAL INCOME AND EXPENSES</b>				
Dividend returns				
From non-group companies	1	-	1	-
	1	-	1	-
Interest income from short-term investments				
From non-group companies	170	320	153	313
	170	320	153	313
Interest income from long-term investments				
From group companies	-	-	510	14
	-	-	510	14
Interest expenses from short-term debts				
To group companies	-	-	-12	-
To non-group companies	-3	-1	-3	-1
	-3	-1	-15	-1
Interest expenses from long-term debts				
To non-group companies	-439	-138	-439	-138
	-439	-138	-439	-138
Other financial items	29	-1 197	30	-1 198
<b>Financial income and expenses, total</b>	<b>-242</b>	<b>-1 016</b>	<b>240</b>	<b>-1 010</b>
Other financing items include listing costs	-	1 162	-	1 162
<b>2.6 EXTRAORDINARY INCOME</b>				
Merger with real estate company	-	528	-	528
	-	528	-	528



	Group		Parent Co.	
	2000	1999	2000	1999
<b>2.7 EXTRAORDINARY EXPENSES</b>				
Fees relating to drafting of Triple-S Plastics' registration document and setting-up of Asian business operations	857	-	857	-
	857	-	857	-
<b>2.8. APPROPRIATIONS</b>				
Differences between planned depreciations and taxation depreciations	-	-	2 303	1 504
<b>2.9 INCOME TAX</b>				
Income tax on extraordinary items	-249	-	-249	-
Income tax on ordinary activities	3 432	4 708	3 303	4 708
Change in deferred tax debt	601	421	-	-
	3 784	5 129	3 054	4 708

## Notes to balance sheet

(1 000 EUR)

### FIXED ASSETS

#### GROUP

##### 3.1 INTANGIBLE ASSETS

	Intangible rights	Goodwill	Total
Acquisition cost 1 Jan 2000	701	-	701
Additions	351	809	1 160
Disposals	-	-	-
Acquisition cost 31 Dec 2000	1 052	809	1 861
Accrued depreciation 1 Jan 2000	378	-	378
Depreciation for this financial period	86	74	160
Accrued depreciation on disposals	-	-	-
Accrued depreciation 31 Dec 2000	464	74	538
<b>Book value 31 Dec 2000</b>	<b>588</b>	<b>735</b>	<b>1 323</b>

**3.2 TANGIBLE ASSETS**

	Land and water	Buildings and structures	Machinery and equipment	Other tangible assets	Adv. payment and construction in progress	Total
Acquisition cost 1 Jan 2000	347	12 028	33 725	1 635	3 478	51 213
Additions	290	7 458	20 722	437	-	28 907
Disposals	-	-	-	-	1 092	-
Acquisition cost 31 Dec 2000	637	19 486	54 447	2 072	2 386	79 028
Accrued depreciation 1 Jan 2000	-	2 191	14 389	901	-	17 481
Depreciation for this financial period	-	656	5 227	276	-	6 159
Accrued depreciation on disposals	-	-	-	-	-	-
Accrued depreciation 31 Dec 2000	-	2 847	19 616	1 177	-	23 640
<b>Book value 31.12.2000</b>	<b>637</b>	<b>16 639</b>	<b>34 831</b>	<b>895</b>	<b>2 386</b>	<b>55 388</b>

Book value of production machinery and equipment 31 Dec 2000 32 673

**3.3 INVESTMENTS**

	Shares, associated companies	Shares, other companies	Total
Acquisition cost 1 Jan 2000	-	62	62
Additions	2 253	10	2 263
Disposals	-	-	-
Translation difference	-140	-	-140
Share of earnings	-10	-	-10
Acquisition cost 31 Dec 2000	2 103	72	2 175
Accrued depreciation 1 Jan 2000	-	-	-
Depreciation for this financial period	17	-	17
Accrued depreciation on disposals	-	-	-
Accrued depreciation 31 Dec 2000	17	-	17
<b>Book value 31 Dec 2000</b>	<b>2 086</b>	<b>72</b>	<b>2 158</b>

**FIXED ASSETS****PARENT COMPANY****3.4 INTANGIBLE ASSETS**

	Intangible rights	Total
Acquisition cost 1 Jan 2000	701	701
Additions	250	250
Disposals	-	-
Acquisition cost 31 Dec 2000	951	951
Accrued depreciation 1 Jan 2000	320	320
Depreciation for this financial period	77	77
Accrued depreciation on disposals	-	-
Accrued depreciation 31 Dec 2000	397	397
<b>Book value 31 Dec 2000</b>	<b>554</b>	<b>554</b>

## 3.5 TANGIBLE ASSETS

	Land and water	Buildings and structures	Machinery and equipment	Other tangible assets	Adv. payment and construction in progress	Total
Acquisition cost 1 Jan 2000	200	12 028	33 725	1 635	362	47 950
Additions	32	1 670	12 143	15	1 275	15 135
Disposals	-	-	-	-	-	-
Acquisition cost 31 Dec 2000	232	13 698	45 868	1 650	1 637	63 085
Accrued depreciation 1 Jan 2000	-	2 016	14 073	883	-	16 972
Depreciation for this financial period	-	528	4 697	244	-	5 469
Accrued depreciation on disposals	-	-	-	-	-	-
Accrued depreciation 31 Dec 2000	-	2 544	18 770	1 127	-	22 441
<b>Book value 31 Dec 2000</b>	<b>232</b>	<b>11 154</b>	<b>27 098</b>	<b>523</b>	<b>1 637</b>	<b>40 644</b>

Book value of production machinery and equipment 31 Dec 2000 25 091

## 3.6 INVESTMENTS

	Shares, group companies	Shares, associated companies	Shares, other companies	Total
Acquisition cost 1 Jan 2000	1 000	-	62	62
Additions	7 022	2 252	9	7 031
Disposals	-	-	-	-
<b>Book value 31 Dec 2000</b>	<b>8 022</b>	<b>2 252</b>	<b>71</b>	<b>10 345</b>

## 3.7 GROUP COMPANIES

	Group ownership share		Parent ownership share	
	2000	1999	2000	1999
Eimo B.V.	100 %	100 %	100 %	100 %
Eimo Kft.	100 %	-	100 %	-
Eimo (HK) Ltd	70 %	-	70 %	-

## 3.8 ASSOCIATED COMPANIES

	Group		Parent	
	2000	1999	2000	1999
CIM Technology Ltd	35 %	-	35 %	-

## 3.9 LONG-TERM RECEIVABLES

	Group		Parent	
	2000	1999	2000	1999
Receivables from group companies	-	-	13 217	2 000
Loan receivables	-	-	13 217	2 000

	Group		Parent	
	2000	1999	2000	1999
<b>3.10 SHORT-TERM RECEIVABLES</b>				
Receivables from non-group companies				
Trade receivables	20 057	10 669	17 959	10 669
Loan receivables	252	4	173	3
Other receivables	2 382	40	2 013	4
Prepaid expenses and accrued income	2 418	1 151	2 406	1 143
	25 109	11 864	22 551	11 819
Receivables from group companies				
Trade receivables	-	-	373	-
Prepaid expensed and accrued income	-	-	2	-
	-	-	375	-
<b>Short-term receivables, total</b>	<b>25 109</b>	<b>11 864</b>	<b>22 926</b>	<b>11 819</b>
<b>3.11 SHAREHOLDERS' EQUITY</b>				
Equity capital 1.1.	11 600	1 682	11 600	1 682
Rights issue	-	269	-	269
Bonus issue	-	9 649	-	9 649
Equity capital 31.12.	11 600	11 600	11 600	11 600
Above-par-capital reserve 1.1.	18 124	5 718	18 124	5 718
Rights issue	-	22 055	-	22 055
Bonus issue	-	-9 649	-	-9 649
Above-par-capital reserve 31.12.	18 124	18 124	18 124	18 124
Profit from previous financial periods 1.1.	20 879	9 960	20 967	9 960
Translation difference	-373	-	-	-
Depreciation difference from prev. financial periods	5 660	4 657	-	-
Dividend distribution	-11 600	-1 597	-11 600	-1 597
Profit from previous financial periods 31.12.	14 566	13 020	9 367	8 363
Profit of this financial period	8 779	13 598	7 438	12 605
<b>Shareholders' equity, total</b>	<b>53 069</b>	<b>56 342</b>	<b>46 529</b>	<b>50 692</b>
<b>Calculation of distributable reserves 31.12.</b>				
Profit from previous financial periods	14 566	13 020	9 367	8 363
Profit of this financial period	8 779	13 598	7 438	12 605
Share of appropriations written to shareholders' equity	-7 295	-5 740	-	-
	16 050	20 878	16 805	20 968
<b>Distribution of equity capital of parent company by share type</b>				
	<b>(No.)</b>	<b>1,000 EUR</b>	<b>(No.)</b>	<b>1,000 EUR</b>
A-series (1 vote per share)	39 200 000	9 800	9 800 000	9 800
K-series (20 votes per share)	7 200 000	1 800	1 800 000	1 800
	46 400 000	11 600	11 600 000	11 600

**3.12 APPROPRIATIONS**

Appropriations comprise accrued depreciation differences in the parent company.

	<b>Group</b>		<b>Parent</b>	
	<b>2000</b>	<b>1999</b>	<b>2000</b>	<b>1999</b>
<b>3.13 DEFERRED TAX LIABILITY</b>				
From depreciation difference	2 980	2 232	-	-
<b>3.14 NON-CURRENT LIABILITIES</b>				
Debts with a maturity date of over 5 years	66	-	66	18
<b>3.15 ACCRUALS AND DEFERRED INCOME</b>				
Debts to non-group companies				
Debts for personnel expenses	2 828	2 420	2 727	2 418
Operating expense accruals	350	632	252	80
Tax debt according to tax calculation	396	2 357	289	2 357
	<u>3 574</u>	<u>5 409</u>	<u>3 268</u>	<u>4 855</u>
Debts to group companies				
Operating expense accruals	-	-	20	-
	<u>-</u>	<u>-</u>	<u>20</u>	<u>-</u>
<b>Accruals and deferred income, total</b>	<b>3 574</b>	<b>5 409</b>	<b>3 288</b>	<b>4 855</b>

## Other notes (1 000 EUR)

	<b>Group</b>		<b>Parent</b>	
	<b>2000</b>	<b>1999</b>	<b>2000</b>	<b>1999</b>
<b>4.1 SECURITY COLLATERALS, LIABILITY ENGAGEMENTS AND SIMILAR LIABILITIES</b>				
Liens given as security and other pledges for debt/liability				
Mortgaged promissory notes	8 081	7 703	8 081	7 703
Pledged liens on company assets	16 819	8 097	16 819	8 097
Total amount of other pledges	85	204	85	204
Machinery as security for finance company investment funding loans at loan amount at date of financial statements	<u>24 985</u>	<u>16 004</u>	<u>24 985</u>	<u>16 004</u>
Total debts and guarantees for which liens and pledges are issued				
Loans from financial institutions	19 296	204	19 296	204
Guarantees and liabilities	<u>336</u>	<u>336</u>	<u>336</u>	<u>336</u>
	19 632	540	19 632	540
Other liabilities				
Social security payment liability stemming from option plan.	37	-	37	-
<b>4.2 LIABILITY ENGAGEMENTS ON BEHALF OF OTHER GROUP COMPANIES</b>				
Guarantees on behalf of subsidiaries			634	-



### 4.3 DERIVATIVE CONTRACTS

The group has no "off balance sheet" derivative contracts open at the time of the financial statements.

### 4.4 MANAGEMENT OF FINANCIAL RISKS

#### Foreign exchange risk

As far as sales are concerned the Group's foreign exchange risk is very minor, since invoicing is primarily Euro-based. Purchase of raw materials and certain production equipment takes place outside the Eurozone, and a time-limited foreign exchange risk is included in these items. Foreign exchange risk is monitored on a monthly basis. During the financial year, foreign exchange risks have been hedged by forward currency trading.

#### Interest rate risk

The assessed interest risk on loans is minor.

#### Credit risk

Our customers are mainly large companies whose credit risk is assessed as being minor.

#### Liquidity risk

Group liquidity is good. The cash reserve at the start of the financial period (EUR 17 million) has been used for investments.

### 4.5 SHARE OWNERSHIP 29 Dec 2000

	K-shares	A-shares	Total
Companies	-	9,5%	8,0%
Financial and insurance institutions	-	38,6%	32,6%
Public corporations	-	11,3%	9,5%
Non-profit organizations	-	3,3%	2,8%
Households	100,0%	36,9%	46,7%
Foreign shareholders	-	0,4%	0,4%
	100,0%	100,0%	100,0%

#### By size of holding

##### A-series

Shares	Number of shareholders (No.)	Proportion of shareholders %	Total shares (No.)	Proportion of shares %
1 - 1 000	5 876	79,1 %	2 378 191	6,1 %
1 001 - 10 000	1 370	18,4 %	3 847 074	9,8 %
10 001 - 100 000	134	1,8 %	4 000 290	10,2 %
over 100 000	46	0,6 %	28 974 445	73,9 %
	7 426	100,0 %	39 200 000	100,0 %

##### K-series

over 100 000	4	100,0 %	7 200 000	100,0 %
	4	100,0 %	7 200 000	100,0 %

**4.6 LARGEST REGISTERED SHAREHOLDERS**

	<b>K-shares No.</b>	<b>A-shares No.</b>	<b>Shares, %</b>	<b>Votes, %</b>
Paananen Jalo	4 500 000	-	9,7 %	49,1 %
Paananen Elmar	900 000	2 583 748	7,5 %	11,2 %
Paananen Topi	900 000	2 583 748	7,5 %	11,2 %
Jukka Annamari	900 000	2 583 748	7,5 %	11,2 %
Imarinen Mutual Pension Insurance Company	-	2 419 400	5,2 %	1,3 %
Leonia Osakesijoitusrahasto	-	1 310 075	2,8 %	0,7 %
Rannila Esa	-	782 700	1,7 %	0,4 %
Leonia Teknologia Sijoitusrahasto (mutual fund)	-	708 200	1,5 %	0,4 %
E.A.T - Invest Oy	-	570 200	1,2 %	0,3 %
Sijoitusrahasto Gyllenberg Small Firm (mutual fund)	-	569 000	1,2 %	0,3 %
The Local Government Pensions Institution	-	496 400	1,1 %	0,3 %
Finnish National Fund for Research and Development	-	494 600	1,1 %	0,3 %
Mutual Insurance Company Pension Fennia	-	480 000	1,0 %	0,3 %
Placeringsfonden Aktia Capital (mutual fund)	-	382 000	0,8 %	0,2 %
Leonia Kasvuosake sijoitusrahasto (mutual fund)	-	364 800	0,8 %	0,2 %
Nominee register, total	-	6 948 118	15,0 %	3,8 %

**4.7 BOARD MEMBER HOLDINGS**

The Members of the Board of Directors of the company and the CEO together owned a total of 2,595,348 A-shares and 5,400,000 K-shares. Consequently, together they owned a total of 17.2% of the company's share capital and 60.4% of the voting rights. In addition, as of 31 December 2000, the Members of the Board and CEO had a total of 252,000 warrants. On the basis of these, they could subscribe a maximum of 252,000 new A-shares, which would represent 0.5% of the share capital after conversion and 0.1% of the votes. In total, after a full subscription, the Members of the Board and CEO would own 17.3% of the share capital and 60.1% of the votes.

## Auditor notation

This financial statement has been drafted in accordance with proper accounting procedures. A report on the completed audit has been given on this day.

Lahti, February 28, 2001

Certified Public Accountants Idman & Vilén Oy  
Central Accounting Board

Matti Petterson, CPA

# Auditor's report

To the shareholders of Eimo Oyj

We have audited the accounting, the financial statements and the corporate governance of Eimo Oyj for the period 1.1.2000 - 31.12.2000.

The financial statements, which include the report of the Board of Directors, consolidated and parent company income statements, balance sheets and notes to the financial statements have been prepared by the Board of Directors and the Managing Director. Based on our audit we express an opinion on these financial statements and on corporate governance.

We have conducted the audit in accordance with Finnish Standards on Auditing. Those standards require that we perform the audit 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 corporate governance is to examine that the members of the Board of Directors and the Managing Director have legally complied with the rules of the Companies' Act.

In our opinion the financial statements have been prepared in accordance with the Accounting Act and other rules and regulations governing the preparation of financial statements. The financial statements give a true and fair view, as defined in the Accounting Act, of both the consolidated and parent company's result of operations as well as of the financial position. The financial statements with the consolidated 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 period audited by us.

The proposal by the Board of Directors regarding the distribution of retained earnings is in compliance with the Companies Act.

Lahti, February 28, 2001

Auditing firm Idman & Vilén Oy  
Authorized public accountants

Matti Pettersson  
Authorized public accountant







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