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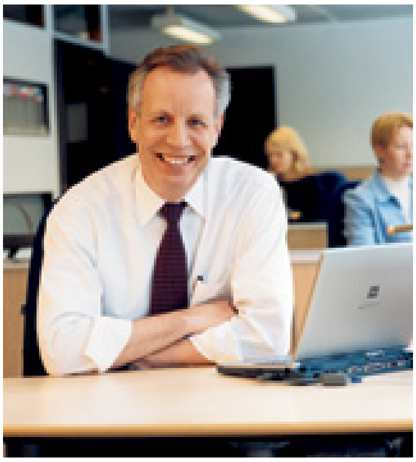
Review by the President and CEO

It is time for field work



Ensto operates internationally: our employees had offices or production sites in fourteen countries in 2002. All in all, we delivered our systems and products to dozens of countries. We are particularly delighted at our good market position in the Nordic countries as well as the steady and continuous growth of our sales in Central and Eastern Europe. Beyond these, there are other interesting opportunities for growth. We expect to see the results of our new challenges in 2003.

Operating in fourteen countries is a cultural challenge in many ways. As with many other international companies, we at Ensto have found that sensible and successful business is possible only when certain essential principles are the same for everyone, regardless of nationality and culture. In 2002 we did our homework in this respect, crystallizing the following principles as cornerstones of Ensto:

- We work for customers
- Our brand is Ensto
- We work together and manage entire processes
- We share our knowledge and experience
- Every day is for learning
- We make decisions
- We are all involved
- For us loyalty means commitment to common targets.

Ensto has undergone considerable restructuring as regards group structure, production and control of operations. I am happy to say that we succeeded, both with our engineering and psychological homework, so well that it shows in the key figures for 2002. I would like to extend my heartfelt gratitude to the entire personnel for their persistent efforts.

Customer service comes first on Ensto’s list of key principles, and not without purpose. Now that our machinery works smoothly, we are vigorously transferring the focus of operations towards field work. We will come to meet you in person to agree on orders, thirsting for knowledge to contribute towards developing our systems so that they become more user-friendly, installer-friendly and distributor-friendly. We want to be a demanding but good partner for our raw-material and component suppliers. We will come to you to offer our contribution towards enhancing co-operation in the entire delivery chain.

I would like to thank all our partners for their trust in us and for making the year 2002 a successful one.

Porvoo, February 2003

Seppo Martikainen
President and CEO

Major events in 2002

- Ensto Automation Oy based in Porvoo was sold to the company's personnel in February 2002.
- Novel packaging for floor heating cable was awarded WorldStar prize in Düsseldorf in April.
- Production capacity increased due to the opening of the factory in Poland. At the same time, the division of work between the factories in Finland, Estonia and Poland was redefined.
- The sales company Ensto Italia S.r.l, was founded in Italy. Initially the business operations will focus on sales and marketing of EnstoNet installation systems.
- A sales company Ensto Lietuva UAB was founded in Lithuania in August 2002.
- The millionth Tupa heater was manufactured in Porvoo in October.
- Sales and marketing of the Swiss Cellpack underground cable accessories was started in Finland, Poland and Estonia.

The millionth Tupa heater was manufactured in Porvoo on Ocotober 21, 2002.

The official opening of Ensto's new factory in China took place on November 11, 2002.

- Ensto Oy increased its holding in Audel Oy from 52 per cent to 80 per cent in May. In November, Ensto Oy sold its holding in Audel Oy and TL-Coating Oy to Ensto Capital Oy.

- The new manufacturing facility constructed at Tianjin in China will produce heating products for the local market. The production began in December.

- Construction of a logistics centre began in Porvoo to serve strategic business unit Building Technology. When completed, the centre will ensure reliable deliveries in response to growing volumes.

- The new automatic manufacturing line for sheet steel enclosures started operating at Mikkeli in December.

- Moulded plastic production was heavily centralised, and the major part of the moulded plastic operations at Porvoo were transferred to Salo. Metal and surface treatment operations became part of Ensto Utility Networks.

- Ensto Parts Oy and Saloplast Oy merged with Ensto Industry Oy on December 31, 2002 and the company began operating as CMS Industry Oy. Ensto Tools Oy became a subsidiary of CMS Industry Oy via exchange of shares on January 1, 2003, adopting the name of CM Tools Oy.

Key figures

	2002	**2001**
Net sales, MEUR	**175.7**	182.8
Operating profit, MEUR	**15.5**	6.5
% of net sales	**8.8**	3.6
Net profit, MEUR	**8.5**	2.4
Equity ratio, %	**47.7**	37.1
Return on investment, ROI, %	**21.0**	10.2
Return on equity, ROE, %	**24.1**	7.1
Dividend per profit, %	**26.4**	34.3
Personnel December 31	**1 340**	1 504

Board of Directors' Report

The year in brief

For Ensto, the year 2002 marked a period of organisational restructuring, internal development and operational harmonisation. All business units improved their performance, showing a profit, while in terms of net sales, they grew moderately.

The building industry market remained relatively stable in Ensto's key market areas. Construction and repair of utility networks increased in Ensto's operating areas. The OEM industry was hit by the international recession, thus slowing the growth of Ensto Enclosures and Components.

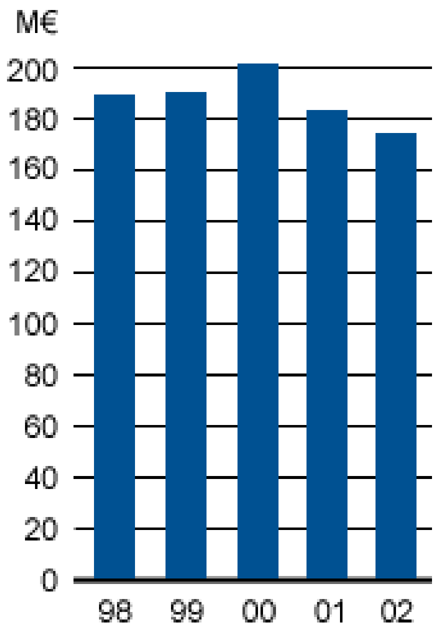
Net sales and operating profit

Ensto Group's net sales totalled EUR 175.7 million in 2002. The previous year's net sales of EUR 182.8 million include divested businesses, such as Ensto Automation Oy sold in February, and Audel Oy and TL-Coating Oy sold in November. Comparable net sales amounted to EUR 170.4 million in 2001, indicating a net sales improvement of 3.2 per cent.

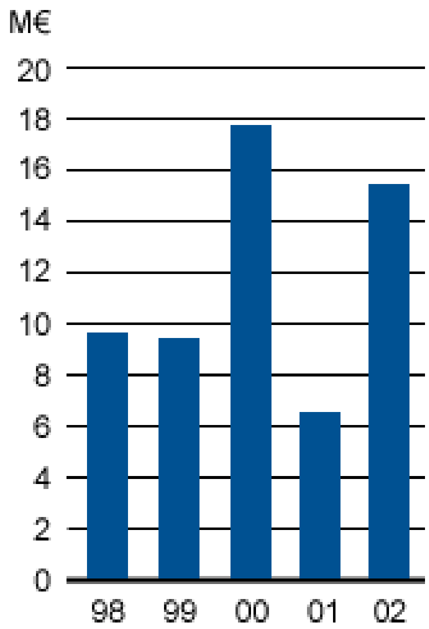
The 2002 operating profit of EUR 15.5 million equals a growth of 165.9 per cent over the previous year in comparable terms.

The Group's operations outside Finland accounted for EUR 101.9 million of net sales, or 58.0 per cent. The Nordic countries' combined share of Group's net sales was EUR 125.1 million, or 71.2 per cent. Eastern and Central European operations continued to grow, representing 18.3 per cent of Group's net sales (15.3 per cent).

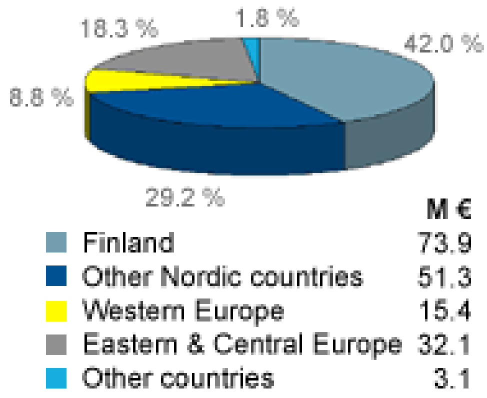
Net sales 1998-2002



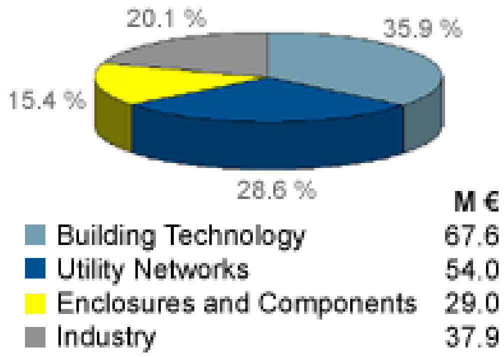
Operating profit 1998-2002



Net sales by market area



Net sales by business unit



Net sales and operating profit of Ensto's strategic business units in 2002:

1.1.—31.12.2002	**Net sales**			**Operating Profit**		
M EUR	**2002**	**2001**	**Change%**	**2002**	**2001**	**Change%**
Building Technology	67.6	65.5	3.2	7.8	6.4	21.9
Utility Networks	54.0	49.4	9.1	8.3	6.4	28.4
Enclosures and Components	29.0	27.8	4.4	0.9	-0.2	
Industry	37.9	44.2	-14.3	1.7	-3.0	
-Others and eliminations	-12.7	-4.1		-3.2	-3.1	
Total	175.7	182.8	-3.9	15.5	6.5	138.0
Comparable total	175.7	170.4	3.2	15.5	5.8	165.9

Group structure

Ensto Group continued to streamline its structure in 2002. The Group consists of four strategic business units: Ensto Building Technology, Ensto Utility Networks, Ensto Enclosures and Components, operating under the Ensto brand, and Industry, focussing on contract manufacturing.

Ensto Automation Oy based in Porvoo was sold to the company's personnel in February 2002.

Ensto (Tianjin) Electrical Accessories Ltd. was founded in Tianjin in China on March 1, 2002.

Ensto Høiness AS and Ensto Component AS were merged in Norway with Ensto Holding AS and the company began operating as Ensto Nor AS. The arrangement was completed on July 1, 2002.

The sales company Ensto Italia S.r.l was founded in Italy on July 25, 2002 and the sales company Ensto Lietuva UAB in Lithuania on August 12, 2002.

Ensto Oy increased its holding in Audel Oy from 52 per cent to 80 per cent in May. In November, Ensto Oy sold its holding in Audel Oy and TL-Coating Oy to Ensto Capital Oy.

Ensto Parts Oy and Saloplast Oy merged with Ensto Industry Oy on December 31, 2002. The company began operating as CMS Industry Oy.

Ensto Tools Oy became a subsidiary of CMS Industry Oy via exchange of shares on January 1, 2003, adopting the name of CM Tools Oy.

The metal and surface treatment operations of Ensto Parts Oy were sold to Ensto Sekko Oy on December 31, 2002.

Service operations of Ensto Services Oy were transferred to Ensto Oy as of January 1, 2003, and the entire personnel became employees of Ensto Oy. Ensto Services Oy, the company owning the premises at Ensio Miettisen katu 2 in Porvoo, will continue operating as a real estate company.

On November 5, 2002, the decision was made to divide Ensto Connector Oy into three companies: a company producing aeronautical ground lighting, a company engaged in the connector business and a real estate company.

The entire capital stock of the Swedish real estate company Ensto Fastighets AB was sold on June 18, 2002.

Restructuring of operations continued in Sweden as the capital stock of Idealplast AB was transferred to the ownership of Ensto Oy on May 2, 2002. This completed the dissolution of Group structure in Sweden.

Ensto's branch office Ensto Busch-Jaeger Oy, Finland, filial Sverige began operating on January 1, 2002 and the company's Swedish subsidiary Ensto Busch-Jaeger AB was dissolved on December 13, 2002.

Strategic business units

Ensto Building Technology

Net sales generated by Ensto Building Technology amounted to EUR 67.6 million, up by 3.2 per cent over the previous year. Operating profit grew from EUR 6.4 million in 2001 to EUR 7.8 million, up by 21.9 per cent.

At the year-end, Ensto Building Technology had a staff of 397 (354 in 2001).

Even though Ensto Building Technology's net sales grew more than the market average, it did not quite meet expectations. New products launched during the year performed well.

Factors contributing to the improved results of the business unit were cost control, harmonisation of internal operations and numerous development initiatives in logistics and sales.

The new manufacturing facility constructed at Tianjin in China will produce heating products for the local market. The plant was officially opened on November 12, 2002. Staff were trained for assembly tasks towards the end of the year and production began in December.

The sales company Ensto Italia S.r.l, was founded in Italy. Initially the business operations will focus on sales and marketing of EnstoNet installation systems.

The connector business of Ensto Connector Oy became part of the Building Technology business unit.

Construction of a logistics centre began to serve business unit Building Technology in Porvoo. When completed, the centre will ensure reliable deliveries in response to growing volumes.

Prospects for the building industry are uncertain in all market areas. However, Ensto Building Technology expects growth in 2003, based on new products, expansion into new markets, such as Russia and China, and increase in its current market shares.

Ensto Utility Networks

Net sales posted by Ensto Utility Networks rose to EUR 54.0 million, from EUR 49.4 million in the year before, up by 9.1 per cent. Operating profit grew from the previous year's EUR 6.4 million to EUR 8.3 million in 2002, up by 28.4 per cent.

Utility Networks had a staff of 325 at the end of 2002 (360 in 2001).

With a healthy growth rate, Ensto Utility Networks increased its net sales as expected in all market areas, and investments in new markets proved profitable.

Production capacity increased due to the opening of the factory in Poland. At the same time, the division of work between the factories in Finland, Estonia and Poland was redefined.

Ensto Utility Networks expanded its product development activities by launching product development in Poland, to serve the Central and Eastern European markets in particular.

Sales and marketing of the Swiss Cellpack underground cable accessories started in Finland, Poland and Estonia, to complete Ensto's own product range based on overhead cable accessories.

Investments in sales and marketing in Russia and Ukraine have shown good results. Utility Networks has strengthened its co-operation with the utilities and established training centres where electricians are trained in the practical use of Ensto's products and systems.

Prospects for 2003 are still positive for Ensto Utility Networks. New markets are anticipated to evolve, particularly in the Balkan countries.

Ensto Enclosures and Components

Net sales reported by Ensto Enclosures and Components grew by 4.4 per cent, from EUR 27.8 million in the year before to EUR 29.0 million.

Operating profit improved significantly, to EUR 0.9 million. Measures taken to enhance profitability and internal efficiency were rewarded.

The number of personnel was 256 at the year-end (211 in 2001).

As expected, net sales of Ensto Enclosures and Components grew slightly. Growth in the Nordic countries and Western Europe was modest, while that in Central and Eastern Europe was more vigorous. Non-European markets did not see any changes.

Moulded plastic production machinery and equipment were transferred in the summer 2002 from Ensto Parts Oy to Ensto Control Oy and manufacturing processes were rendered more effective. The new automatic manufacturing line for sheet steel enclosures started operating at Mikkeli in December 2002.

The business unit introduced new products to the connector range and revamped metal enclosure product families.

In 2003, the business unit will focus on developing its sales and marketing in particular. It aims to grow. The market situation depends on building industry cycles and industry investments.

Industry

Net sales totalled EUR 37.9 million in 2002, while the comparable figure for the previous year was EUR 44.2 million. Operating profit was EUR 1.7 million, while the previous year's comparable figure showed a loss of EUR 3.0 million. Profitability of the Industry business unit improved considerably in 2002, due to structural changes and the more buoyant market in certain sectors.

The business unit had a staff of 276 at the end of the year (498 in 2001).

The business unit's structure was streamlined with several arrangements. Moulded plastic production was heavily centralised, and the major part of the moulded plastic operations at Porvoo were transferred to Salo. Metal and surface treatment operations became part of Ensto Utility Networks, where they will serve Ensto's all operations and customers.

Ensto Automation Oy based at Porvoo was sold to the company's personnel in February 2002. In November, Ensto Oy sold its holding in Audel Oy and TL-Coating Oy to Ensto Capital Oy.

Prospects for the Industry's core businesses, production of moulded plastic components and tool manufacturing, are uncertain in 2003, particularly due to the fluctuating demand in the telecommunications sector.

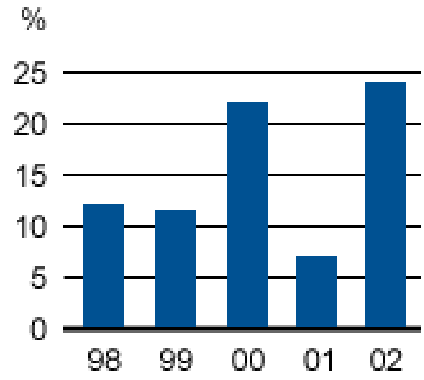
Result and profitability

Ensto Group's profit before extraordinary items was EUR 14.1 million. Extraordinary expenses derive mainly from restructuring of the Industry business unit. A total of EUR 2.5 million of provisions made for restructuring have been spent during the year 2002.

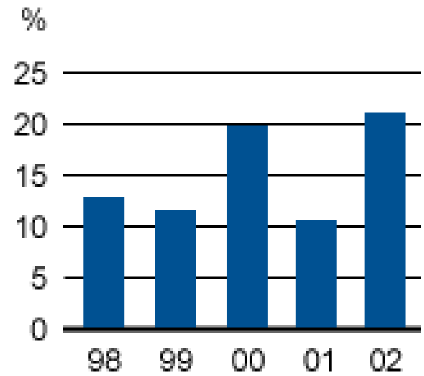
Ensto Group's profit before appropriations and taxes came to EUR 13.0 million (EUR 4.5 million).

Return on equity (ROE) was 24.1 per cent in 2002 (7.1%) and return on investment (ROI) was 21.0 per cent (10.2%). Net profit for the year after minority holdings was EUR 8.5 million, against EUR 2.4 million the previous year.

Return on equity, ROE % 1998-2002



Return on investment, ROI % 1998-2002



Balance sheet and financing

At the end of 2002, the balance sheet total was EUR 105.6 million (EUR 106.2 million).

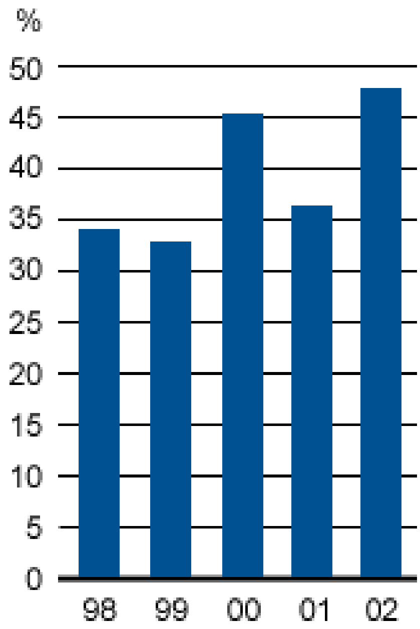
The Group's equity ratio was 47.7 per cent (37.1%).

Investments and development

In 2002, gross investments amounted to EUR 7.0 million (EUR 7.6 million), mostly in machinery and equipment. Ensto (Tianjin) Electrical Accessories Ltd's production plant was completed at Tianjin, China.

Research and development expenses totalled EUR 4.2 million (EUR 6.1 million) equalling 2.4 per cent (3.3%) of net sales. Vigorous R&D activities continued at the Building Technology units. Utility Networks also launched product development initiatives at the production plant in Poland

Equity ratio % 1998-2002



Quality and environment

Ensto companies in Finland hold ISO 9001 or ISO 9002 quality system certification and their environmental systems will have ISO 14001 certificates by the end of 2003.

Ensto companies in Finland have incorporated occupational health and safety systems in accordance with the OHSAS 18001 standard into their management systems.

Personnel

Personnel development and training focused on improving interaction and human relations skills, with the aim of creating closer relationships with customers. Sales personnel, for example, have participated in extensive training programmes.

Ensto Council is our international company council acting as a common forum for the personnel and management. The Council convenes once every year, facilitating co-operation and sharing information over national boundaries as well as promoting interaction between management and staff.

Ensto's average number of personnel was 1 476 in 2002 (1 633), while the year-end figure was 1 340. The corresponding figure a year before was 1 504. The decrease is mainly due to divestment of companies and restructuring of the Group.

Communications

Ensto will continue its open policy of communicating financial information with quarterly financial reviews. These Interim Reports will appear as press releases, house bulletins, and on Ensto's www-pages.

An electronic newsletter published every two weeks replaced Ensto's personnel magazine. The newsletter's language alternates between English and Finnish.

Annual General Meeting

Ensto's Annual General Meeting on March 6, 2002, decided to distribute 0.055 euros per share, or a total of 797 428.50 euros in dividends for 2001.

The number of Board members was confirmed as six, and the following were elected: Marjo Raitavuo (Chairman), Risto Anttonen, Heikki Mairinoja, Ensio Miettinen, Timo Miettinen and Esa Saarinen.

Auditors

The company’s auditors are the authorised public accountant firm Ernst & Young Oy. Mr. Risto Järvinen, Authorised Public Accountant, acts as responsible auditor, working with Maj-Britt Jensen, Authorised Public Accountant.

Shares and ownership

Ensto Oy’s share capital comprises 781 200 Series K shares (20 votes per share) and 13 717 500 Series E shares (one vote per share). Both share series carry equal entitlement to dividends. Pajatorppa Oy is Ensto Oy’s parent company.

Ensto Oy’s ownership at the end of 2002 was as follows:

Shareholder information December 31, 2002

Shareholder	No. of shares	% of total	% of votes
Ensto Capital Oy	8 118 900 E	56.0	27.7
Sponsto Oy	4 280 057 E	29.5	14.6
Pajatorppa Oy	781 200 K	5.4	53.2
Perhetorppa Oy	625 455 E	4.3	2.1
Raitavuo, Marjo	282 936 E	2.0	1.0
Miettinen-Valsta, Anu	141 461 E	1.0	0.5
Miettinen, Taru	141 461 E	1.0	0.5
Annovest Oy	127 230 E	0.8	0.4
Series E shares total	13 717 500 E		
Series K shares total	781 200 K		
Shares total	14 498 700	100.0	100.0

Prospects

Prospects for Ensto’s current business operations are primarily favourable for 2003. The brand business units’ profitability is expected to remain at the present level. The streamlined Group structure will provide a solid basis for customer care and continuous development of the Ensto brand.

Board's proposal for the distribution of profit

Consolidated distributable funds according to the December 31 2002 balance sheet stand at EUR 32 588 565.

The parent company’s profit for the year is EUR 3 632 464, making its distributable funds EUR 15 521 028.

The Board of Directors proposes that EUR 0.175 per share or a total of EUR 2 537 272.50 be paid out in dividends and that the remaining EUR 12 983 755.51 be retained as non-restricted equity.

Income statements

1000 EUR	Consolidated 2002	Consolidated 2001	Parent Company 2002	Parent Company 2001
Net sales	**175 726**	182 816	**2 448**	2 523
Variation in stocks of finished				
goods and in work in progress	**-356**	551		
Work performance for its own purpose and capitalised		63		
Other operating income	**1051**	511	**54**	32
Materials and services	**-66 880**	-74 806		
Personnel expenses	**-48 042**	-53 709		
Depreciation and write-downs	**-8 862**	-9 870	**-747**	-705
Other operating expenses	**-37 155**	-39 051	**-5 980**	-5681
Operating profit	**15 482**	6 505	**-4 225**	-3 831
Financial income and expenses	**-1 356**	-2 115	**4 562**	2 547
Profit before extraordinary items	**14 126**	4 390	**337**	-1 284
Extraordinary items	**-1 149**	94	**4 332**	3 888
Profit before taxes	**12 977**	4 484	**4 669**	2 604
Appropriations			**38**	-35
Direct taxes	**-3 344**	-987	**-1 075**	-389
Minority interest	**-1 179**	-1 106		
Net profit for the financial year	**8 454**	2 391	**3 632**	2 180

Balance sheets

1000 EUR	Consolidated 2002	Consolidated 2001	Parent Company 2002	Parent Company 2001
Assets				
Fixed assets				
Intangible assets	**2 262**	2 804	**317**	444
Consolidated goodwill	**838**	3 064		
Tangible assets	**40 013**	42 280	**1 063**	1 317
Investments	**1 265**	1 287		
Holdings in Group companies			**25 536**	26 224
Other investments			**249**	248
Total fixed assets	**44 378**	49 435	**27 165**	28 223
Current assets				
Inventories	**24 982**	26 716		
Long-term receivables	**893**	1 797	**349**	478
Short-term receivables	**21 620**	24 792	**29 190**	38 988
Cash in hand and at banks	**13 711**	3 441	**10 805**	1 143
Total current assets	**61 206**	56 746	**40 344**	40 609
Total assets	**105 584**	106 181	**67 509**	68 842
Shareholders' equity and liabilities				
Shareholders' equity				
Share capital	**2 465**	2 465	**2 465**	2 465
Appreciation fund	**1 684**	1 682		
Other funds	**2 373**	2 270	**41**	41
Accumulated appropriations	**5 176**	6 198		
Retained earnings	**24 135**	19 255	**11 889**	10 506
Net profit for the financial year	**8 454**	2 391	**3 632**	2 180
Total shareholder's equity	**44 287**	34 261	**18 027**	15 192
Accumulated appropriations			**0**	38
Minority interest	**5 982**	5 116		
Statutory provisions	**500**	3 000		
Liabilities				
Long-term liabilities	**21 241**	24 420	**15 119**	19 469
Short-term liabilities			**34 363**	34 143
Interest-bearing liabilities	**7 309**	12 101		
Non-interest bearing liabilities	**26 265**	27 283		
Total liabilities	**54 815**	63 804	**49 482**	53 612
Total shareholder's equity and liabilities	**105 584**	106 181	**67 509**	68 842

Cash flow statements

1000 EUR	Consolidated 2002	2001	Parent Company 2002	2001
Operating profit / loss	**15 482**	6 505	**-4 225**	-3 831
Depreciation	**8 862**	9 870	**747**	705
Financial items	**-1 356**	-2 115	**4 562**	2 547
Extraordinary items	**-1 149**	3 094	**4 332**	3 888
Taxes	**-3 344**	-987	**-1 075**	-389
Funds generated from operations	**18 495**	16 367	**4 341**	2 920
Change in inventories	**1 734**	4 424	**0**	0
Change in short-term receivables	**3 172**	4 937	**9 798**	625
Change in short-term non-interest bearing liabilities	**5 762**	-4 324	**0**	0
Change in working capital	**10 668**	5 037	**9 798**	625
Cash flow from business operations	**29 163**	21 404	**14 139**	3 545
Investments in fixed assets	**-6 963**	-7 616	**321**	3 391
Other decrease / increase	**3 658**	4 993		
Cash flow before financing	**25 858**	18 781	**14 460**	6 936
Change in long-term receivables	**904**	47	**129**	432
Change in long-term liabilities	**-3 179**	-8 092	**-4 350**	-6 069
Change in short-term liabilitites	**-11 572**	6 639	**220**	12 916
Dividends	**-1 226**	-19 428	**-797**	-18 848
Change in shareholders' equity	**-515**	-2 044		
Cash flow from financing	**-15 588**	-22 878	**-4 798**	-11 569
Cash flow after financing	**10 270**	-4 097	**9 662**	-4 633
Liquid assets at beginning of period	**3 441**	7 538	**1 143**	5 776
Liquid assets at end of period	**13 711**	3 441	**10 805**	1 143

Accounting principles

Ensto uses the euro as its accounting currency. The Ensto Oy's financial statements and the consolidated financial statements are drawn up in euros. The accounts are based on historical acquisition costs, with the exception of certain appreciations allocated to buildings that have been included in restricted equity.

Consolidated financial statements

The consolidated financial statements include all companies in which Ensto Oy has an over 50% direct or indirect shareholding.

The acquisition cost method is applied in the elimination of cross-ownership within the Group. Consolidation goodwill arises when the acquisition price of shares exceeds or falls below the shareholders' equity of an acquired subsidiary at the time of purchase. The result of a subsidiary sold during the financial period is included in the consolidated financial statements up to the time of the sale.

Mutual receivables and liabilities within the Group companies, internal income and expenses, and internal margins on inventories have been eliminated. Minority interest has been calculated for subsidiaries' results and shareholders' equity. It has also been separated from accumulated appropriations, which are divided between deferred tax liability and shareholders' equity in the consolidated balance sheet.

The financial statements of foreign subsidiaries are modified to correspond to Finnish accounting principles.

Items denominated in foreign currency

Receivables and liabilities denominated in foreign currency have been converted into euros at the average European Central Bank rate on the date of closing the accounts (concerns Finnish subsidiaries only).

In the consolidated financial statements, the balance sheets of foreign Group companies have been converted into euros at the calculated average European Central Bank rate on the date of closing the accounts and the income statements at the average rate calculated for the financial period. The translation difference arising from the elimination of foreign Group companies’ acquisition costs has been included in shareholders' equity.

Derivative contracts

The Group uses derivative contracts to hedge against exchange rate risks arising from receivables and liabilities in the balance sheet and from binding and probable sales and purchase contracts. The currency derivatives used by Ensto include currency forward agreements and currency options. Exchange rate gains arising from hedging binding and probable purchase and sales contracts are entered as income and losses as costs during the hedging period. The difference between the forward rate at the time a currency forward was entered into and the spot rate is spread over the hedging period as interest income or expense.

The Group uses interest rate derivatives to hedge against interest rate risks. Interest rate derivatives used include interest rate swaps and interest rate options. Payments related to the interest rate swaps (i.e. paid or received interest) over the contract period are entered as accrual items and interest income or expenses (income and expenses are netted). Premiums paid on interest rate options purchased are booked as income or expenses during the financial period when the hedging arrangement matures. If the options are not used, the premiums are booked as finance expenses.

Receivables

Receivables are entered at their probable value. The portion that is likely to remain outstanding is booked as a credit loss.

Inventories

In Group companies, inventories are valued, in compliance with the FIFO principle, at a variable acquisition cost arising from the acquisition and manufacture of the goods, or the probable selling price, whichever is the lower. An individually calculated, non-marketability deduction for stocks has been applied in Group companies. If non-marketable inventories become marketable, the non-marketability entry is revised.

Fixed assets and depreciation

Fixed assets are presented at the historical acquisition cost, with the exception of certain appreciations of buildings less planned depreciation. The planned straight-line depreciation is based on the acquisition cost and the economic life cycle of the item as follows:

- Buildings 10—30 years
- Machinery 5—8 years
- Equipment 5 years
- Computer hardware and software 4 years
- Other tangible fixed assets 10 years
- Consolidated goodwill 5 years
- Consolidated assets before 1993 10 years
- No depreciation is made on appreciations and land areas
- Shares and holdings are booked at acquisition cost in compliance with the lowest value principle.

Net sales

Net sales comprises sales revenues, adjusted with annual discounts, cash discounts and exchange rate differences arising from sales receivables denominated in foreign currency. Sales freights, credit losses and sales commissions are presented under other expenses.

Pension arrangements

Employee pension arrangements are handled through pension insurance in all Group companies.

Research and development expenses

Research and development expenses accrued during the financial period are entered as costs.

Extraordinary income and expenses

Any significant one-time income or expense item not related to regular business operations is included in extraordinary income and expenses in the income statement.

Taxes

The Group's taxes comprise the accrual-based taxes booked based on the results of the parent company and its subsidiaries.

At Group level, deferred tax liabilities are calculated on both items arising from periodization differences and optional and obligatory provisions. The change in deferred tax liabilities is entered under taxes in the income statement and under long-term liabilities in the balance sheet.

Principles for calculating key figures

Invested capital	=	balance sheet total - non-interest bearing debts	
Return on investment (ROI)	=	$\frac{\text{Profit before extraordinary items + interest expense and other financial expense}}{\text{Invested capital (average for the period)}}$	x100
Return on equity (ROE)	=	$\frac{\text{Profit before extraordinary items and taxes - taxes}}{\text{Shareholder's equity + minority inerest + group reserve (average for the period)}}$	x100
Solvency	=	$\frac{\text{Shareholder's equity + minority interest + group reserve (average for period)}}{\text{Balance sheet total - advances received at the end of the financial period}}$	x100
Net liabilities	=	Non-current and current liabilitites - non-interest bearing debts - cash in hand and at banks - shares	
Gearing	=	$\frac{\text{Net liabilitites}}{\text{Shareholder's equity + minority interest + group reserve}}$	x100
Current ratio	=	$\frac{\text{Financial assets + current assets}}{\text{Short-term liabilities}}$	
Earnings / share (EPS)	=	$\frac{\text{Profit before extraordinary items and taxes - minority interest - taxes}}{\text{Issue adjusted average number of shares}}$	
Equity / share	=	$\frac{\text{Shareholder's equity + group reserve}}{\text{Issue adjusted number of shares at the end of the financial period}}$	
Dividend / share	=	$\frac{\text{Dividend distributed for the fiscal year}}{\text{Issue adjusted number of shares at the end of the financial period}}$	
Dividend / Profit	=	$\frac{\text{Dividend / share}}{\text{Earnings / share}}$	x100

Notes to the financial statements

(1000 EUR)		**Group 2002**	Group 2001	**Parent company 2002**	Parent company 2001

1. NET SALES BY MARKET AND BUSINESS AREA

		Group 2002	Group 2001	**Parent company 2002**	Parent company 2001
By market area					
	Finland	**73 865**	83 781	**1 896**	1 843
	Other Nordic countries	**51 255**	49 236	**238**	342
	Western Europe	**15 387**	16 640	**30**	30
	Eastern and Central Europe	**32 093**	28 024	**284**	308
	Other countries	**3 126**	5 136		
	Total	**175 726**	182 816	**2 448**	2 523
By business area					
	Building Technology	**67 606**	65 511		
	Utility Networks	**53 951**	49 440		
	Enclosures and Components	**29 008**	27 797		
	Industry	**37 859**	44 158		
	Other and eliminations	**-12 698**	-4 090		
	Total	**175 726**	182 816		

2. OTHER INCOME FROM BUSINESS OPERATIONS

		Group 2002	Group 2001	**Parent company 2002**	Parent company 2001
	Profit from sales of fixed assets	**454**	140	**49**	27
	Other	**597**	371	**5**	5
	Total	**1 051**	511	**54**	32

3. EXPENSES FROM BUSINESS OPERATIONS

		Group 2002	Group 2001	**Parent company 2002**	Parent company 2001
MATERIALS AND SERVICES					
	Materials and supplies (goods)				
	Purchases during the financial year	**65 760**	72 224		
	Change in inventories	**114**	1 813		
	Total	**65 874**	74 037		
	External services	**1 006**	707		

NOTES ON PERSONNEL AND CORPORATE GOVERNANCE

Personnel expenses				
Salaries and other compensation	**37 352**	42 577	**1 633**	1 668
Pension expenses	**5 572**	6 221	**257**	307
Other employee expenses	**5 118**	4 911	**85**	276
Total	**48 042**	53 709	**1 975**	2 251
Salaries and other compensation for the Board of Directors and Managing Directors	**1 958**	2 193	**262**	244
Average number of personnel during the financial year				
Salaried	**562**	591	**29**	34
Wage-earning	**914**	1 042		
Total	**1 476**	1 633	**29**	34
OTHER EXPENSES FROM OPERATIONS				
Other variable expenses	**9 140**	8 734		
Other fixed expenses	**28 015**	30 316	**4 005**	3 430
Change in finished goods inventory	**356**	-551		
Other expenses from operations, total	**152 433**	166 952	**5 980**	5 681

4. DEPRECIATION AND WRITE-DOWNS

Intangible assets				
Intangible rights	**789**	545	**609**	523
Goodwill	**26**	99		
Consolidated goodwill	**753**	965		
	1 568	1 609	**609**	523
Tangible assets				
Buildings and constructions	**1 411**	1 418	**48**	30
Machinery and equipment	**5 501**	6 068	**82**	60
Other tangible assets	**382**	465	**8**	92
Exceptional write-downs on current assets		310		
Depreciations and write-downs, total	**8 862**	9 870	**747**	705

5. OPERATING PROFIT BY STRATEGIC BUSINESS UNIT

	Building Technology	**7 806**	6 406		
	Utility Networks	**8 269**	6 442		
	Enclosures and Components	**936**	-239		
	Industry	**1 691**	-3 021		
	Other and eliminations	**-3 220**	-3 083		
	Total	**15 482**	6 505		

6. FINANCIAL INCOME AND EXPENSES

Dividend income					
	From Group companies			**3 968**	2 725
	From others		6	**2**	2
	Total		6	**3 970**	2 727
Other interest and financial income					
	From Group companies			**1 179**	429
	From others	**1 020**	2 786	**1 410**	2 521
	Total	**1 020**	2 786	**2 589**	2 950
Interest and financial expenses					
	To Group companies			**-520**	-120
	To others	**-2 377**	-4 907	**-1 476**	-3 010
	Total	**-2 377**	-4 907	**-1 996**	-3 130
Financial income and expenses, total		**-1 357**	-2 115	**4 563**	2 547
The item "Financial income and expenses" includes exchange rate differences (net)		**-116**	-28	**153**	-69

7. EXTRAORDINARY ITEMS

Extraordinary income					
	Group contributions			**7 180**	5 300
	Profit on sale of subsidiaries			**68**	2 393
	Others	**76**	3 149	**5**	
Extraordinary expenses					
	Group contributions			**-230**	-3 750
	Loss on sale of subsidiary			**-2 691**	
	Others	**-1 226**	-3 055		-55
		-1 150	94	**4 332**	3 888

8. APPROPRIATIONS

Difference between planned and booked depreciation for taxation			**-38**	35

9. DIRECT TAXES

Income taxes on extraordinary items	**-22**	-27	**-1 256**	-1 128
Income taxes on business operations	**-4 201**	-2 696	**181**	739
Change in deferred tax liability	**879**	1 736		
	-3 344	-987	**-1 075**	-389

10. INTANGIBLE AND TANGIBLE ASSETS

INTANGIBLE ASSETS				
Intangible rights				
Acquisition cost January 1	**4 741**	4 658	**991**	944
Increases	**312**	456	**151**	77
Decreases	**-89**	-152		-30
Transfer to other capitalised long-term expenditure	**-103**			
Translation difference and other adjustments	**-906**	-221		
Acquisition cost December 31	**3 955**	4 741	**1 142**	991
Accumulated depreciation as planned January 1	**-2 471**	-2 993	**-716**	-615
Depreciation as planned for the financial year	**-421**		**-109**	-101
Book value December 31	**1 063**	1 748	**317**	275
Goodwill				
Acquisition cost January 1	**1 805**	1 131		
Increases	**697**			
Acquisition cost December 31	**2 502**	1 805		
Other adjustment	**-938**	-570		
Accumulated depreciation as planned January 1	**-1 367**	-1 233		

	Depreciation as planned for the financial year	**-26**			
	Book value December 31	**171**	2		
Other capitalised long-term expenditure					
	Acquisition cost January 1	**2 130**	2 132		
	Increases	**580**	360		
	Decreases	**-534**	-341		
	Transfer from intangible rights	**103**	-21		
	Translation difference and other adjustments	**1 614**			
	Acquisition cost December 31	**3 893**	2 130		
	Accumulated depreciation as planned January 1	**-2 497**	-1 251		
	Depreciation as planned for the financial year	**-368**			
	Book value December 31	**1 028**	879		
Advance payments					
	Acquisition cost January 1	**174**	83	**156**	61
	Increases	**6**	167		156
	Decreases	**-180**	-76	**-156**	-61
	Acquisition cost December 31	**0**	174	**0**	156
Consolidated goodwill					
	Acquisition cost January 1	**15 410**	16 161		
	Increases	**281**	1 217		
	Decreases	**-1 755**	-1 968		
	Acquisition cost December 31	**13 936**	15 410		
	Accumulated depreciation as planned January 1	**-12 346**	-12 346		
	Depreciation as planned for the financial year	**-752**			
	Book value December 31	**838**	3 064		
TANGIBLE ASSETS					
Land and waters					
	Acquisition cost January 1	**3 105**	3 305	**166**	166
	Increases		60		

	Decreases	**-131**	-341		
	Translation difference and other adjustments	**4**	81		
	Acquisition cost December 31	**2 978**	3 105	**166**	166
	Book value December 31	**2 978**	3 105	**166**	166
Buildings					
	Acquisition cost January 1	**29 586**	29 033	**1 086**	559
	Increases	**374**	1 639	**19**	527
	Decreases	**-6 832**	-1 699	**-326**	
	Translation difference and other adjustments	**7 889**	613	**133**	
	Acquisition cost December 31	**31 017**	29 586	**912**	1 086
	Accumulated depreciation as planned January 1	**-11 762**	-8 921	**-280**	-248
	Depreciation as planned for the financial year	**-1 411**		**-78**	-32
	Book value December 31	**17 844**	20 665	**554**	806
Machinery and equipment					
	Acquisition cost January 1	**57 975**	56 100	**974**	993
	Increases	**6 126**	6 177	**37**	52
	Decreases	**-7 581**	-5 222		-71
	Translation difference and other adjustments	**1 361**	920		
	Acquisition cost December 31	**57 881**	57 975	**1 011**	974
	Accumulated depreciation as planned January 1	**-35 272**	-40 739	**-855**	-797
	Depreciation as planned for the financial year	**-5 501**		**-52**	-58
	Book value December 31	**17 108**	17 236	**104**	119
Other tangible assets					
	Acquisition cost January 1	**982**	1 048	**300**	293
	Increases	**40**	51	**7**	7
	Decreases	**-21**	-24		
	Translation difference and other adjustments	**242**	-93		
	Acquisition cost December 31	**1 243**	982	**307**	300

	Accumulated depreciation as planned January 1	**-330**	-409	**-60**	-52
	Depreciation as planned for the financial year	**-382**		**-8**	-8
	Book value December 31	**531**	573	**239**	240
Advance payments and construction in progress					
	Acquisition cost January 1	**702**	284		18
	Increases	**2 213**	725		
	Decreases	**-1 363**	-307		-18
	Acquisition cost December 31	**1 552**	702		0
	Acquisition costs include appreciations as follows:				
	Buildings	**1 682**	1 682		

11. INVESTMENTS

Group company shares					
	Balance sheet value January 1			**26 224**	30 606
	Increases			**4 933**	3 167
	Decreases			**-5 620**	-4 849
	Write-downs				-2 700
	Balance sheet value December 31			**25 537**	26 224
Other shares					
	Balance sheet value January 1	**453**	699	**248**	470
	Increases	**1**	13	**1**	1
	Decreases	**-71**	-259		-223
	Balance sheet value December 31	**383**	453	**249**	248
Other receivables		**882**	834		

12. INVENTORIES

	Materials and supplies	**14 201**	14 903		
	Unfinished products	**2 320**	2 527		
	Finished products/goods	**8 444**	8 749		
	Other inventories	**17**	537		
	Total	**24 982**	26 716		

13. LONG-TERM RECEIVABLES

From Group companies					
	Loan receivables			**349**	470
Other long-term receivables					
	Accounts receivables	**27**			
	Loan receivables	**46**	69		8
	Prepayments and accrued income	**6**			
	Deferred tax receivables	**814**	1 728		
Long-term receivables, total		**893**	1 797	**349**	478

14. SHORT-TERM RECEIVABLES

From Group companies					
	Accounts receivables			**226**	459
	Loan receivables			**19 400**	32 157
	Prepayments and accrued income			**9 043**	5 933
				28 669	38 549
Other short-term receivables					
	Accounts receivables	**17 592**	19 227	**30**	7
	Loan receivables	**154**	418	**28**	33
	Other short-term receivables	**1 361**	1 874	**276**	151
	Prepayments and accrued income	**2 512**	3 273	**187**	248
		21 619	24 792	**521**	439
Short-term receivables, total		**21 619**	24 792	**29 190**	38 988

Accrued income includes in advance paid insurance premiums, taxes and other similar items.

15. SHAREHOLDERS' EQUITY

Share capital January 1	**2 465**	2 465	**2 465**	2 465
Share capital December 31	**2 465**	2 465	**2 465**	2 465
Series K shares , 781 200 (nominal value 0,17 EUR)				
Series E shares, 13 717 500 (nominal value 0,17 EUR)				
Series K (20 votes/share)				
Series E (1 vote/share)				
Appreciation fund January 1	**1 682**	1 682		
Increase	**2**			
Appreciation fund December 31	**1 684**	1 682		
Other funds January 1	**2 270**	3 078	**41**	41
Increase	**5**	24		
Transfer to retained earnings		-869		
Change in exchange rate	**98**	37		

Other funds December 31	**2 373**	2 270	**41**	41
Portion of accumulated appropriations entered under shareholders' equity January 1	**6 198**	7 730		
Decrease	**-1 022**	-1 532		
Accumulated appropriations December 31	**5 176**	6 198		
Retained earnings January 1	**21 646**	35 899	**12 686**	29 354
Foreign subsidiaries' translation difference, change	**768**	330		
Transfer to other funds	**-7**			
Transfer from other funds		869		
Dividends	**-1 226**	-19 428	**-797**	-18 848
Change in minority interest	**-866**	1 382		
Change in accumulated appropriations	**1 022**	1 532		
Other changes in shareholders' equity	**2 798**	-1 329		
Retained earnings December 31	**24 135**	19 255	**11 889**	10 506
Net profit for the financial year	**8 454**	2 391	**3 632**	2 180
	32 589	21 646	**15 521**	12 686
Total shareholder's equity December 31	**44 287**	34 261	**18 027**	15 192

16. ACCUMULATED APPROPRIATIONS

Accumulated appropriations	**7 748**	9 198		38
Minority share	**-458**	-469		
Deferred tax liability	**-2 114**	-2 531		
Portion of accumulated appropriations entered under shareholders' equity	**5 176**	6 198		

17. LONG-TERM LIABILITIES

Loans from financial institutions	**16 808**	19 367	**14 605**	18 840
Pension loans	**2 143**	2 671	**514**	629
Other long-term liabilities	**2 290**	2 382		
Total	**21 241**	24 420	**15 119**	19 469
Debts maturing after more than five years				
Loans from financial institutions	**3 321**	6 142	**3 321**	6 142
Pension loans	**229**	729	**57**	171
Total	**3 550**	6 871	**3 378**	6 313

18. PROVISIONS

	Other provisions	**500**	3 000		

19. DEFERRED TAX LIABILITY AND RECEIVABLES

	Deferred tax receivables				
	From consolidation	**811**	1 708		
	From timing differentials	**3**	19		
		814	1 727		
	Deferred tax liability				
	for appropriations	**2 102**	2 369		

20. SHORT-TERM LIABILITIES

	Loans from financial institutions	**6 409**	7 182	**5 241**	5 761
	Pension loans	**371**	486	**114**	114
		6 780	7 668	**5 355**	5 875
To Group companies					
	Accounts payable			**24**	25
	Other liabilities			**27 201**	19 638
	Accruals and deferred income			**258**	2 911
				27 483	22 574
Other liabilities					
	Advances received	**176**	110		
	Accounts payable	**8 533**	9 345	**360**	490
	Other liabilities	**3 805**	8 484	**68**	4 460
	Accruals and deferred income	**14 280**	13 777	**1 097**	744
		26 794	31 716	**1 525**	5 694
	Total	**33 574**	39 384	**34 363**	34 143

Accruals and deferred income are mainly comprised of cost periodizations of employee benefits, annual discounts, interests, taxes and other cost periodizations.

21. GUARANTEES PROVIDED, CONTINGENT LIABILITIES AND OTHER COMMITMENTS

	From own obligations				
	Mortgages on company assets		93		
	Guarantees	**356**	410		

	Leasing and rent liabilities	**5 774**	6 019	**610**	938
		6 130	6 429	**610**	938
	For Group companies				
	Guarantees			**6 452**	6 289
	For others				
	Guarantees	**42**	113	**42**	113
Total					
	Mortgages		93		
	Guarantees	**356**	410	**6 494**	6 401
	Leasing and rent liabilities	**5 774**	6 019	**610**	938
		6 130	6 522	**7 104**	7 339
Derivative contracts					
	Interest rate swaps, nominal value	**5 475**	572		
	Currency derivatives	**12 000**	2 303		
Debts secured by mortgages on real estate					
	Loans from financial institutions		65		
	Mortgages given		93		
	Mortgages given as security, total		93		
Sums to be paid on leasing agreements					
	Due in 2003	**2 801**	2 656	**374**	224
	Due later	**2 827**	3 216	**344**	254
	Total	**5 628**	5 872	**718**	478

On March 2, 1998, a Group company, CM Tools Oy (former Ensto Tools Oy), entered into a long-term rental agreement with the municipality of Askola concerning its Askola Production plant. The lease period is fixed for the first seven years and after this valid with a six-month notice period. CM Tools has the right to acquire the property during the rental period at a purchase price corresponding to the net construction cost met by the municipality. The annual rental cost of the production plant is 151 430 euros.

Shares and holdings

	Domicile	Holding %	Number of shares	Nominal value (1000 currency)		Book value (1000 EUR)
Parent company's holdings in subsidiaries						
CMS Industry Oy (former Ensto Industry Oy)	Porvoo	100,00	200	EUR	169	3 889
CM Tools Oy (former Ensto Tools Oy)	Askola	100,00	2 000	EUR	85	168
Ensto Briticent Ltd.	Dorset	100,00	650 000	GBP	1	0
Ensto Busch-Jaeger Oy	Porvoo	79,00	1 366	EUR	1 346	3 276
Ensto China Oy	Porvoo	100,00	10	EUR	1 000	10
Ensto Connector Oy	Porvoo	100,00	17 200	EUR	169	1 009
Ensto Czech s.r.o.	Prague	100,00	1 000	CZK	5 000	138
Ensto Electric Oy	Porvoo	86,90	5 389	EUR	169	1 239
AS Ensto Elekter	Tallinn	100,00	6 350	EEK	100	46
Ensto Ensek AS	Keila	100,00	4 500	EEK	1 000	737
Ensto GmbH Germany	Kelkheim	100,00		DEM	300	0
Ensto Italia S.r.l.	Milan	100,00		EUR		99
AS Ensto Latvija	Riga	100,00	100	LVL	300	42
Ensto Lietuva UAB	Vilnius	100,00	70	LTL	1 000	20
Ensto Nor AS	Oslo	100,00	175 000	NOK	200	4 266
Ensto Sekko Oy	Porvoo	100,00	123	EUR	337	3 443
Ensto Services AB	Stockholm	100,00	1 000	SEK	100	1 779
Ensto Trade Oy	Porvoo	100,00	50	EUR	300	15
Idealplast AB	Borås	100,00	2 000	SEK	1 000	4 502
Koy Ensio Miettisen katu 2 (former Ensto Services Oy)	Porvoo	100,00	11 560	EUR	169	857
						25 535
Subsidiaries' holdings in Group companies						
Ensto Aspol Sp.z o.o.	Straszyn	100,00	1 000	PLN	1 500	409
Ensto Busch-Jaeger AS	Oslo	100,00	1 100	NOK	1 000	126
Ensto Control Oy	Porvoo	100,00	3 704	EUR	169	623
Ensto Electric Oy	Porvoo	13,10	812	EUR	169	137
OOO Ensto Elektro	St. Petersburg	99,00		RUR	90	3
Ensto Elsto Kft.	Budapest	75,93	205	HUF	100 000	318
Ensto Pol Sp.z o.o	Gdansk	100,00	200	PLN	500	312
Ensto (Tianjin) Electrical Accessories Ltd	Tianjin	100,00		RMB		1 147
Koy Mikkelin Insinöörinkatu 1	Porvoo	100,00	25 000	EUR	168	4 205
						7 280

Other shares and holdings

	Domicile	Number of shares	Nominal value	Book value (1000 EUR)
Other shares and holdings held by the parent company				

Baltic Investment Fund	Jersey		202
Porvoon A-Asunnot Oy	Porvoo	137	26
Posintra Oy	Porvoo	25	8
Suomen Arvopaperikeskus Oy	Helsinki		3
Other shares and holdings			9
			248
Other shares and holdings held by group companies			
As Oy Rukantykky	Kuusamo	120	104
Other shares and holdings			31
			135
Foreign branch offices			
Ensto Busch-Jaeger Oy, Finland, filial Sverige			
Ensto Control Oy, Finland, filial Sverige			
Ensto Electric Oy, Finland, filial Sverige			
Ensto Sekko Oy, Finland, filial Sverige			

Key indicators

12 months	M EUR	2002	2001	2000	1999	1998
Turnover		**175.7**	182.8	200.7	191.7	189.5
Change compared to last period	%	**-3.9**	-8.9	4.7	1.2	3.0
Sales outside Finland		**101.9**	99.0	112.2	108.8	100.9
Of turnover	%	**58.0**	54.2	55.9	56.8	53.3
Change compared to last period	%	**2.9**	-11.7	3.1	7.8	6.7
Sales in Finland		**73.9**	83.8	88.5	82.9	88.6
Change compared to last period	%	**-11.8**	-5.4	6.9	-6.5	-1.0
Exports from Finland		**60.2**	56.7	55.9	45.2	40.0
Change compared to last period	%	**6.2**	1.4	23.6	12.9	26.3
Profit before depreciation		**24.3**	16.4	28.7	21.0	19.8
Of turnover	%	**13.9**	9.0	14.3	11.0	10.5
Depreciation		**8.9**	8.6	10.8	11.7	10.2
Of turnover	%	**5.0**	4.7	5.4	6.1	5.4
Operating profit		**15.5**	6.5	17.9	9.5	9.8
Of turnover	%	**8.8**	3.6	8.9	4.9	5.2
Financial items		**-1.4**	-2.1	-1.9	-1.8	-2.3
Of turnover	%	**-0.8**	-1.2	-0.9	-1.0	-1.2
Profit before extraordinary items		**14.1**	4.4	16.0	7.7	7.5
Of turnover	%	**8.0**	2.4	8.0	4.0	4.0
Profit before income taxes		**13.0**	4.5	17.9	4.3	6.8
Of turnover	%	**7.4**	2.5	8.9	2.2	3.6
Net profit		**8.5**	2.4	11.0	1.9	3.5
Of turnover	%	**4.5**	1.3	5.5	1.0	1.9
Investment in fixed assets		**7.0**	7.6	8.3	10.5	20.7
Of turnover	%	**4.0**	4.2	4.1	5.5	10.9
Return on investment (ROI)	%	**21.0**	10.2	19.9	11.3	12.7
Return on equity (ROE)	%	**24.1**	7.1	21.8	12.0	12.6
Solvency	%	**47.7**	37.1	45.5	33.2	34.1
Gearing	%	**25.3**	78.0	55.6	107.9	99.9
Current ratio		**1.8**	1.4	1.9	1.5	1.4
Net liabilities		**12.7**	30.7	31.9	49.2	42.9
Of turnover	%	**7.2**	16.8	15.9	25.7	22.6
Total assets		**105.6**	106.2	126.9	137.9	126.6
Research and Development costs		**4.2**	6.1	5.8	5.8	4.9
Of turnover	%	**2.4**	3.3	2.9	3.0	2.6
Undelivered orders		**10.8**	12.4	16.3	19.1	16.4
Profit / share (EPS)	EUR	**0.66**	0.16	0.67	0.29	0.30
Equity / share	EUR	**3.05**	2.36	3.51	2.77	2.66

Dividend / share	EUR	**0.17**	0.06	1.30	0.07	0.08
Dividend / profit	%	**26.4**	34.3	194.6	23.8	28.4
Turnover / employee	K EUR	**119.1**	112.0	114.8	100.0	98.5
Average personnel		**1 476**	1 633	1 748	1 917	1 923
Personnel at the end of period		**1 340**	1504	1 649	1 897	1 942
Number of shares		**14 498 700**	14 498 700	14 498 700	14 498 700	14 498 700
Average number of shares		**14 498 700**	14 498 700	14 498 700	14 498 700	14 498 700
The comparative data 1998 is presented pro forma						

Ensto companies

	Domicile	Turnover 1.1—31.12.2002	Personnel 31.12.2002
In Finland:			
Saloplast Oy 1)	Salo	7.8	87
Ensto Sekko Oy	Porvoo	28.8	136
Ensto Control Oy	Porvoo	21.9	208
Ensto Electric Oy	Porvoo	35.0	201
Ensto Connector Oy	Porvoo	4.9	25
Ensto Parts Oy 2)	Porvoo	11.1	60
CM Tools Oy	Askola	2.4	39
Ensto Oy	Porvoo	0.0	30
Ensto Busch-Jaeger Oy	Porvoo	26.6	124
Audel Oy 3)	Oulunsalo	5.6	0
TL-Coating Oy 4)	Salo	3.7	0
Ensto Trade Oy	Porvoo	2.6	3
Ensto Services Oy	Porvoo	0.0	24
CMS Industry Oy	Porvoo	0.0	0
Kiinteistö Oy Mikkelin Insinöörinkatu 1	Mikkeli	0.0	0
Ensto China Oy	Porvoo	0.0	0
In Norway:			
Ensto Nor AS	Oslo	19.2	40
Ensto Busch-Jaeger AS	Oslo	3.1	6
In Sweden:			
Idealplast AB	Borås	7.4	90
Ensto Fastighets AB 5)	Stockholm	0.0	0
Ensto Services AB	Stockholm	0.0	3
In Estonia:			
AS Ensto Elekter	Tallinn	4.4	16
Ensto Ensek AS	Keila	5.9	102
In Latvia:			
AS Ensto Latvija	Riga	1.8	5
In Lithuania:			
Ensto Lietuva UAB 6)	Vilnius	0.1	3
In Russia:			
OOO Ensto Elektro	St. Petersburg	1.2	13
In Poland:			
Ensto Pol Sp. z o.o.	Gdansk	7.2	31
Ensto Aspol Sp. z o.o.	Straszyn	6.0	34
In Hungary:			
Ensto Elsto Kft.	Budapest	6.8	16
In Great Britain:			
Ensto Briticent Ltd.	Dorset	5.2	19
In Germany:			
Ensto GmbH Germany	Kelkheim	0.4	1
In Italy:			
Ensto Italia S.r.l. 7)	Milan	0.2	3
In the Czech Republic:			
Ensto Czech s.r.o.	Prague	3.3	9
In the Republic of China:			

Ensto (Tianjin) Electrical Accessories Ltd. 8)	Tianjin	0.0	12
1) Merged into CMS Industry Oy 31.12.2002			
2) Merged into CMS Industry Oy 31.12.2002			
3) 1.1.— 7.11.2002			
4) 1.1.— 7.11.2002			
5) 1.1.—18.6.2002			
6) 12.8.—			
7) 25.7.—			
8) 1.3.—			

Auditor's report

to the shareholders of Ensto Oy

We have audited the accounting, the financial statements and the corporate governance of Ensto Oy for the period 1.1.2002—31.12.2002. The financial statements, which include the report of the Board of Directors and the 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 our 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 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, which show a consolidated profit of 8.454 tEUR, 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 the consolidated and parent company's results of operations and financial position. The financial statements and 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 result is in compliance with the Companies Act.

Porvoo, February 12, 2003

ERNST & YOUNG OY
Authorised Public Accounting Firm

Risto Järvinen
Authorised Public Accountant

Maj-Britt Jensen
Authorised Public Accountant

Company introduction

In this e-Annual Report you will find a short company presentation including a description of our values, the presentation of our Board of Directors and the group management and our contact information.

A more detailed company presentation can be found at our homepage

http://www.ensto.com

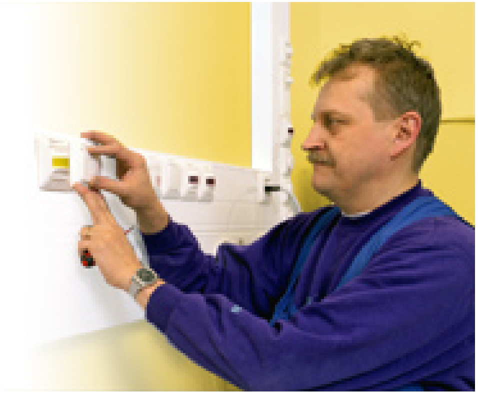
Ensto in brief

Ensto in brief

Ensto is an international industrial Group and a family business that specialises in the development, manufacturing and marketing of electrical systems and accessories. Ensto was founded in 1958. Ensto has operations in 13 countries and about 1400 employees.

Ensto's products have a key role in the transmission and daily use of electricity. They can be found in electrical installations, lighting solutions and various high-tech control and monitoring systems in homes as well as in public and business premises. The business operations are grouped into four strategic business units.

Ensto Building Technology business unit offers electrical accessories and control systems for residential and business constructions.



Ensto Utility Networks business unit offers network construction materials and systems for the transmission and distribution of electricity.

Ensto Enclosures and Components business unit offers thermoplastic and sheet steel enclosures as well as related components for the OEM industry.

Industry business unit is a contract manufacturer of customised products. It is specialised in production of moulded plastic components and tool manufacturing.

Values

Ensto's atmosphere and way of action illustrate the values which the employees themselves have crystallised: Trust Capital, Excellent Performance, Partnership and Encouraging Creativity.

Trust Capital

Confidence is one of the central success factors in business. Trust raises trust capital, which grows only from constant and consistent honesty of each and everyone toward oneself, fellow employees as well as the customers and interest groups of the company. The nature of trust capital is that it is difficult to earn but tremendously easy to lose.

At Ensto, trust capital has an equal value to economic and human capital. When trust capital has been earned, it will help us to direct and use our economic and human capital in the best possible way. At Ensto, confidence forms the basis for all action: without trust capital there can be no success.

Excellent performance

In order to be able to promote welfare, we will have to encourage the creativity of the personnel and the opportunity for everyone to implement their ideas. A company must constantly develop its working environment, in order to make excellent performance possible. Personnel will also have to develop: each individual and working group should constantly review and improve their actions. Excellent performance is also based on cost consciousness. A company must not forget economic realities under any circumstances.

At Ensto it is up to everyone to make sure that the prerequisites for excellent performance do exist at all times.

Partnership

Partnership in business life means respect for the customer as well as the personnel. Externally our partner is the customer and internally the personnel. The aim of interaction is to help the partner to succeed and at the same time to promote our own success.

Internal partnership is a prerequisite for external partnership. Employees working in close cooperation, supporting each other, are creating trust capital necessary for customer partnership. A real partnership requires constant human interaction between the company, the customer and the personnel.

At Ensto partnership means that the welfare of a customer, both external and internal, guarantees the future of our company. Without customers there will be no future.

Encouraging creativity

Creativity helps us to see things from different perspectives and to choose the one that can help us to find the right solution to the situation. A prerequisite for creativity is an innovative working environment, the basic elements of which include encouragement, confidence and learning from previous mistakes.

In order to bring out creativity in people, Ensto aims at encouraging its employees by all possible means. Creativity and innovation have been Ensto’s success factors throughout our history. They will remain our success factors in the future as well.

Board of Directors

Marjo Raitavuo,
b. 1957
BA

Board Member since 1999, Chairman since 2002

Chairman of the Family Business Network Finland since 2003

Member of the Board of Directors of Federation of Finnish Electrical and Electronics Industry since 2002

Member of the Board of Directors of Itä-Uusimaa Chamber of Commerce since 2000

Ensio Miettinen,
b. 1929
M.Sc. (Eng.), Dr.hc of Helsinki University of Technology

Founder of Ensto

Ensio Miettinen is successful entrepreneur, visionary leader and unprejudiced observer of society.

Timo Miettinen,
b. 1955
M.Sc. (Eng.)

Board Member since 1979

Chairman of the Board of Directors of Ensto Capital Oy since 2002

Member of the Board of Directors of Federation of Finnish Metal, Engineering and Electrotechnical Industries since 1997

Esa Saarinen,
b. 1953
Ph.D.

Board Member since 1990

Professor at the Helsinki University of Technology

Member of the Board of Directors of QPR Software since 2001

Heikki Mairinoja,
b. 1947
M.Sc. (Eng.),
M.Sc. (Econ.)

Board Member since 1998

President and CEO of G.W. Sohlberg Corporation

Member of the Board of Directors of Perlos Group since 2001

Member of the Board of Directors of Suominen Corporation since 2001

Risto Anttonen,
b. 1949
M.Sc. (Econ.)

Board Member since 2002

Division President of Ahlstrom Corporation

Vice Chairman of Itä-Uusimaa Chamber of Commerce since 1988

Member of the Porvoo City Council since 1992

Member of the Board of Directors of Uusimaa Oy since 1991

Member of the Board of Directors of Paperinkeräys Oy since 1996, Chairman since 2002

Management group

Starting from the left: Seppo Martikainen, Jacek Ratajczak, Sami Tulus, Kai Qvist, Mikko Salmela, Karita Mikkola and Pirkko Schildt

Seppo Martikainen, b.1948
M.Sc. (Eng.)
President and CEO of Ensto Oy
with Ensto since 1987

Pirkko Schildt, b. 1954
M.Sc. (Econ.)
Director, Corporate Planning and Development
with Ensto since 1997

Kai Qvist, b. 1952
B.Sc. (Eng.)
President, Ensto Enclosures and Components
with Ensto since 1983

Karita Mikkola, b. 1953
M.Sc. (Econ.), APA
CFO
since 1990

Sami Tulus, b. 1959
M.Sc. (Econ.)
President, Ensto Building Technology
with Ensto since 1988

Jacek Ratajczak, b. 1960
M.Sc. (Eng.)
President, Ensto Utility Networks
with Ensto since 1993

Mikko Salmela, b.1952
B.Sc. (Eng.)
Managing Director of CMS Industry Oy
with Ensto since 1994

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