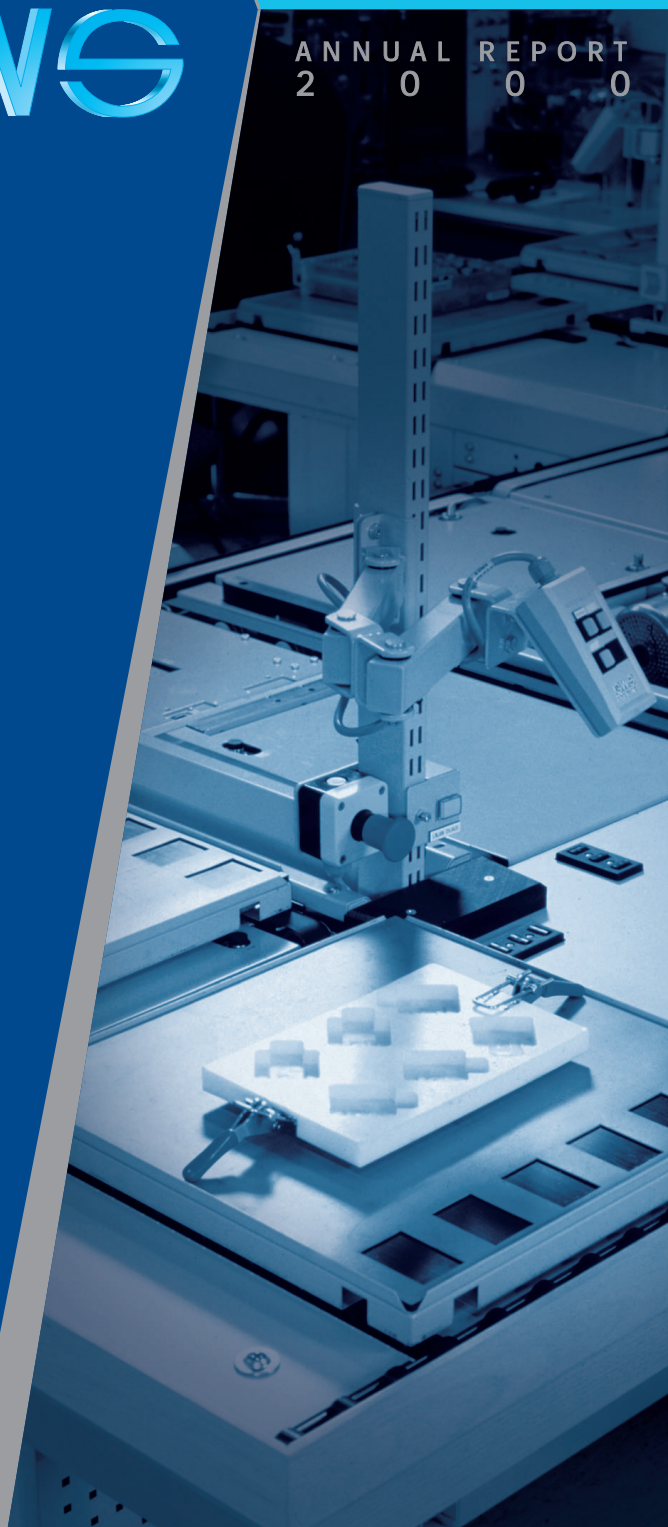


GWS

ANNUAL REPORT  
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**G.W. SOHLBERG CORPORATION**

Board of Directors  
Board of Management  
CEO Heikki Mairinoja

**GWS SYSTEMS OY**

Board: Heikki Mairinoja (Chairman),  
Ben Hasselblatt, Mika Sohlberg,  
Matti Virtaala  
Managing Director Klaus Pinomaa

GWS Industri AB, Sweden

G.W. Sohlberg GmbH, Germany

GWS Industries S.A., France

GWS Systems Oy, UK

GWS Inc., USA

**GWS PIKVAL OY**

Board: Heikki Mairinoja (Chairman),  
Aniara Larmala, Seppo Niva,  
Sara Vähäpassi  
Managing Director Juhani Markkanen

**GWS FINNCONT OY**

Board: Heikki Mairinoja (Chairman),  
Jan Hasselblatt, Sami Neuvonen,  
Pekka Ritvanen  
Managing Director Hans Johanson

Associated Company

**PERLOS OYJ**

Board: Kari O. Sohlberg (Chairman),  
Mikael Lilius (Vice Chairman), Matti Aura,  
Sten-Olof Hansén, Heikki Mairinoja,  
Jan Ståhlberg

Managing Director Timo Leinilä

Subsidiaries:

Perlos Ltd., UK

Managing Director Teemu Saloranta

Perlos Precision Plastics  
Moulding Limited Liability  
Company, Hungary

Managing Director Matti Hokka

Perlos (Texas), Inc., USA

Managing Director Keijo Riuttala

Perlos (Guangzhou) Engineering  
Plastics Company, Ltd., China

Managing Director Paavo Mujunen

**THE BOARD OF DIRECTORS**

Klaus Sohlberg, Chairman, Consul, B.Sc.(Econ.)\*  
Heikki Tulenheimo, Vice Chairman, M.Sc.(Eng.)  
Rolf Hasselblatt, Counsellor of Trade  
Kauko Pihlava, LL.Lic.\*  
Kari O. Sohlberg, Counsellor of Mining, M.Sc.(Econ.)  
Teppo Taberman, M.Econ.  
Juhani Virkkunen, B.LL.

\* term of office expiring

**THE BOARD OF MANAGEMENT**

Kari O. Sohlberg, Chairman  
Hans Johanson  
Heikki Mairinoja, from 1.9.2000  
Juhani Markkanen  
Klaus Pinomaa  
Ari Saarenmaa  
Pekka Soveri  
Risto Summa

**AUDITORS**

Jarmo Lohi, C.A.  
Arthur Andersen Oy,  
C.A.Corporation

**DEPUTY AUDITOR**

Juha Selänne, C.A.



GWS Board of Directors,  
from left to right:  
Rolf Hasselblatt,  
Teppo Taberman,  
Klaus Sohlberg (Chairman),  
Kari O. Sohlberg,  
Heikki Tulenheimo  
(Vice Chairman),  
Kauko Pihlava and  
Juhani Virkkunen.

**JUSTICE OF THE SUPREME COURT  
SAKARI SOHLBERG  
6.6.1907 - 25.11.2000**



Long serving chairman of the GWS board of directors, Justice of the Supreme Court, Sakari Sohlberg died at his home on Saturday 25 November 2000. He became a member of the company's board in 1938, at first as deputy foreman and later as foreman. He was chairman of the board from 1951 to 1983 and vice chairman from 1984-1991. Working on the board for over fifty years, Justice Sohlberg made a considerable contribution to GWS's development and growth into the leading firm in its field in Finland.

Justice Sohlberg also participated actively and in a variety of capacities in the community. He was appointed Justice of the Supreme Court and Counsellor of Law in 1957. He retired from this post in 1975.

In addition to his interest in business life, Justice Sohlberg also cast his attention to organisational activities in his profession, which is testified by his long term as chairman of the Lawyers' Association of Finland.

Sakari Sohlberg together with his wife, Päivikki, established a foundation in 1988 with the purpose of supporting and promoting medical research.

**COUNSELLOR OF MINING  
OLAVI SOHLBERG  
1.11.1908 - 11.1.2001**



The former chairman and managing director of GWS, Olavi Sohlberg, died at his home on 11.1.2001 at the age of 92 after a long illness. He transformed the family company into Finland's leading manufacturer of metal and plastic packaging and metal fittings. For over forty years he occupied an influential and prominent position in leadership roles in industry and business as well as in organisational roles in the world of culture. Demanding and wide-ranging assignments alone provided Olavi Sohlberg with a broad field of operations. Nevertheless, as a person possessing vigour and expressing candid viewpoints, his influence extended even deeper than these assignments alone required.

Jorma Olavi Sohlberg was born in Helsinki and matriculated in 1928. He obtained his Master of Laws in 1935, becoming a Justice of the Peace in 1938. He joined Oy G.W.Sohlberg Ab as senior clerk in 1938, and was appointed managing director in 1940. He received the honorary title of Counsellor of Mining from the Finnish President in 1961. In 1973 he exchanged his duties as managing director for those as chairman of the board of management. In the years 1984-92 he was chairman of the board of directors. He served on the board of the company from 1933 and was vice chairman during the years 1980-84.

National defence and supporting its activities have always been close to Olavi Sohlberg's heart. His free time was devoted to hunting, fishing and golf.

## REVIEW BY THE CHIEF EXECUTIVE

The year 2000 was successful for the Group. Operating profit rose to FIM 181m, growing by 16.4%. Turnover also developed positively, rising to FIM 484m. Growth was almost 18 percent. Comparable growth reached as much as 29.3 percent.

Group solidity calculated from the balance sheet was 70 percent. The book value in the parent company balance sheet for Perlos Oyj shares owned by GWS amounted to FIM 170.7m.

The worldwide slump in stock exchanges, which started in the second half of the year, also spread to the Helsinki Stock Exchange and could not have avoided affecting the value of Perlos shares, which at the turn of the year stood at EUR 22 (cf. 31.12.1999 EUR 35).

Turnover of the associated company, Perlos, grew by 61 percent during the year under review and profit remained at a good level. Operating profit of FIM 408.5m grew by 49.0 percent. Earnings per share came to FIM 4.70, growing by 68.0 percent. Our firm strategic aim is to still remain the largest shareholder in the associated company, Perlos, and develop its business in conjunction with its fine, competent management and with other

major shareholders.

In compliance with the GWS vision we have found a good partner for GWS Plast. The deal carried out in April with Polimoon Oy was at the same time a natural extension of the deal concerning metal packaging, which had already taken place in 1993. The sale of GWS Plast ended the company's roughly ninety year period in the manufacture and marketing of packaging.

Profitability of the three subsidiaries belonging to the parent company, GWS, was good in the year 2000. Operating profit reached a new record of FIM 40m with growth at 73.4 percent. Growth in GWS Systems' turnover and operating profit was especially vigorous with targets clearly exceeded. GWS Finncont still continued to make good profit, while GWS Pikval achieved a new record for turnover. The effects of major investments in production will be visible in terms of growing competitive capability only in the profits for 2001.

On 6 February of the present year GWS attained the venerable age of 125 years. We celebrated this significant event with almost the entire staff. GWS Veterans also graced the occasion with their pres-

ence. At 125 years GWS is in good condition. All our subsidiaries are market leaders in domestic markets, while both GWS Systems and GWS Finncont belong to the elite of Europe in their respective sectors. A strong capital structure provides good possibilities to implement a vigorous strategy for growth and our clear strategic aim is to be among the hundred largest firms in Finland by the end of the decade.

I have had the pleasure to be able to serve and work for the good of GWS as chief executive for 28 years. In brief one can describe this period with two words – continuous change. The period predominantly contains good memories, but also bitter disappointments during the years we made a loss. However, even the bad years taught me and the entire organisation a host of important things that future managing generations will also be able to make use of.

GWS is a splendid company with a long tradition and steadfast values. The company's staff is each committed to fulfilling the strategic aim in the "GWS spirit". We have had the pleasure to be able to cooperate with the foremost companies in our country and during the past seventeen years the number of customers operating on a global scale has grown considerably. Our owners have trusted in the company and its management even during difficult times. I would to thank all our customers and other business associates for the fine cooperation and the trust placed in us.

A special thank you to the entire GWS staff for all these years.

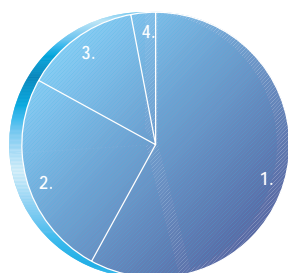
Espoo, 20 March 2001



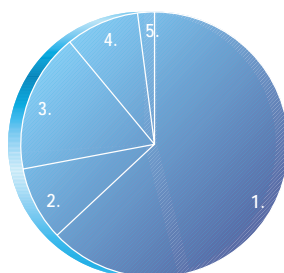


## GROUP DEVELOPMENT KEY FIGURES

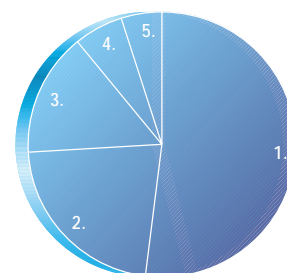
### TURNOVER BY BUSINESS SECTOR



### TURNOVER BY MARKET AREA



### STAFF BY BUSINESS SECTOR



	FIM m	%		FIM m	%		Persons	%
1. Industrial systems	279.8	58	1. Finland	306.6	63	1. Industrial systems	341	52
2. Shop and public-facility fittings	119.6	25	2. Other Nordic countries	45.7	9	2. Shop and public-facility fittings	144	22
3. Containers	68.4	14	3. Other Europe	83.1	17	3. Containers	101	15
4. Packaging	16.3	3	4. USA and Canada	41.9	9	4. Packaging	38	6
<b>Total</b>	<b>484.1</b>	<b>100</b>	5. Other countries	6.8	2	5. Other units	36	5
			<b>Total</b>	<b>484.1</b>	<b>100</b>	<b>Total</b>	<b>660</b>	<b>100</b>

### HIGHLIGHTS

	2000	1999	1998
Turnover, FIM m	484.1	411.2	404.7
Plan depreciation, FIM m	21.5	20.5	19.3
Operating profit, FIM m	181.1	155.5	124.6
as % of turnover	37.4	37.8	30.8
Profit before extraordinary items, FIM m	181.4	156.8	120.6
Profit before appropriations and taxes, FIM m	169.0	479.2	119.7
as % of turnover	34.9	116.5	29.6
Shareholders' equity	475.3	701.5	449.2
as % of balance sheet total	70.1	69.2	70.5
GWS share of Perlos Oyj's market capitalisation, FIM m	2 655.6	4 239.2	* -
Liabilities (gross), FIM m	197.3	308.2	182.7
Investments, FIM m	11.7	33.9	35.4
as % of turnover	2.4	8.3	8.7
Staff, persons	660	701	697

\* Perlos Oyj was listed on the stock exchange in 1999.

# GWS SYSTEMS OY

GWS Systems Oy is a manufacturer of industrial production systems and workstations. The company's overseas activities account for almost half the turnover. In Finland product development, manufacturing and marketing are based in the Jyväskylä and Muurame production plants. The company operates marketing organisations in the UK, Sweden, France, the USA and China.

GWS Systems Oy's operations developed positively and almost all targets were attained. Demand for products was burgeoning in all market areas, but was especially positive in the USA. The best developments were achieved in the export of workstation fittings, which grew by as much as 50% on the previous year. In exports targets were almost attained, even if demand varied depending on product lines and markets. The turnover of FIM 284.3m was the largest in the company's history, growing by 48% on the previous year. Targets for turnover and operating profit were exceeded. Operating profit was good. Marketing targets for production systems and workstation fittings were exceeded in the USA and the UK, while there was a growth in sales in other ex-

port countries. Overseas activities accounted for 47.9% of the turnover. Agreement was reached concerning the old receivables from Bercomi related to Tulip deliveries.

GWS Systems considerably reinforced its position as an international supplier of assembly production equipment and systems, as demand in export markets increased substantially. Turnover amounted to FIM 233.0m and exceeded target. Operating profit was good. Improvement of quality operations and development of production were further continued.

The best product line to develop was that of workstation fittings where demand in the telecommunications sectors in Finland, the UK and the USA was at a record level. However, investments in the work-

*GWS Systems supplied a versatile GWS Workshop workstation system to the Metso Paper plant in Jyväskylä.*

*Klaus Pinomaa*





shop industry remained at a low level, which resulted in the Workshop product line not attaining targets except for in Finland. The market position of the FPS (flexible production systems) was strengthened both in exports and in Finland, and targets were met. The Sovella product line showed a positive development in Finland, but fell short of target in some export markets.

The product development project, System 2001, was completed with products being introduced to markets in Finland and the major export countries. New products gained a most positive response in the markets. Upgrading the model improves the functioning and design of the workstations and the creation of new combinations from existing products.

Investments amounted to FIM 10.0m and were mainly targeted on production. A new operational control system, the Lean System, designed by TietoEnator, was put into operation at the FPS unit. R&D expenditure amounted to FIM 3.6m.

The FPS business moved into new premises in Muurame covering 3,950 m<sup>2</sup> at the beginning of the year, which provides an increase of about 50% in production space.

	2000	1999	CHANGE	%
Turnover, FIM m	284	192	92	47.9
as % of the Group	58	46		
Investments, FIM m	10	14	-4	-18.6
Staff, persons	341	315	26	8.3
Profitability	• Good		• Will remain good	

The new production facilities at Instrumentarium Imaging's Tuusula plant was fitted with GWS Workshop and GWS Concept workstation systems.

Assembly work at the electronics training factory 3K is boosted by new GWS Concept and FPS equipment.



## INTERNATIONAL OPERATIONS

Burgeoning demand in world markets had a positive effect on the export of GWS Systems products in all market areas during the year and virtually all targets were met.

The economy continued to develop positively in Sweden during the year 2000, but investments in industrial production systems stayed at quite a low level. The sale of industrial workstation fittings, however, developed positively and targets were almost met. Sincotron AB started as a new representative of production systems, but its operations have not yet attained the width expected. Although targets were in part not met, the profit trend markedly improved on the previous year.

The upswing in the German economy

grew stronger, but all the targets were not attained. Demand for industrial workstation fittings continued to increase in the electronics industry and others, while the MTS product line reinforced its position in the market. Sales of production systems did not attain target. At the end of the year a marketing unit for the production systems sector was established connected to the company's German office. Growth in turnover did not attain target, but the financial result showed a positive development.

In France the level of industrial investment remained at the level of the previous year, but targets in the workstation fittings market were attained. Sales of production systems stayed at a low level, even though demand in some industrial

sectors grew stronger. There was a positive demand for the MTS product line. Turnover was on target, but profit did not attain target due to the low price level in French markets.

The trend in the economic situation in the UK continued to be strong and the level of investment continued to grow. Demand for workstation fittings and the position of the MTS product line in the market continued to grow stronger and targets were exceeded. Continued growth in UK markets is expected. Investments in the mail order network and extending the market base, such as in the pharmaceuticals and automotive industries, will increase growth in business. The goal for the near future is to boost marketing activities for production systems as well.

*Suunto Oy's electronics production was renovated using MultiLine assembly systems and GWS Concept workstations.*





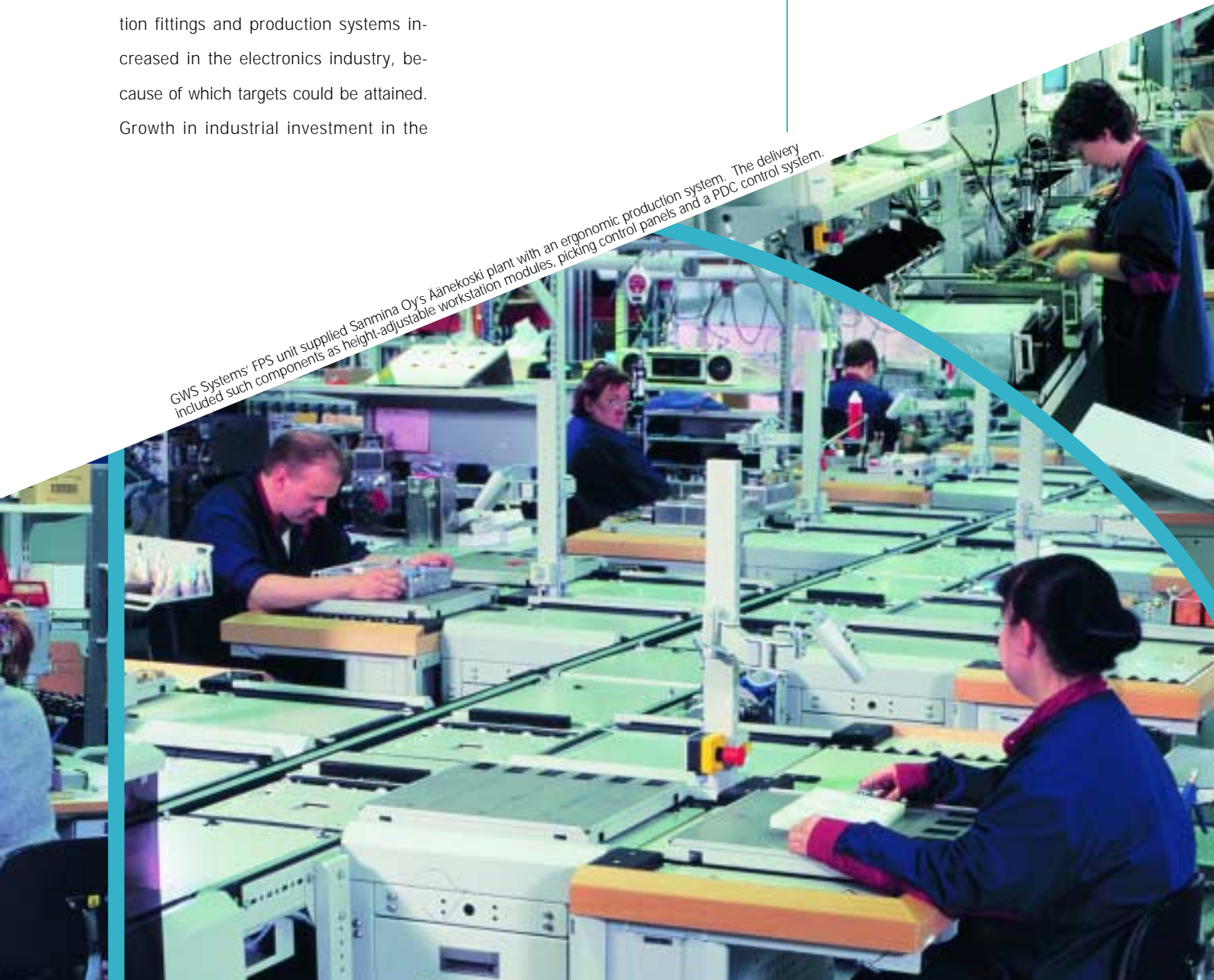
Demand in USA markets increased to record levels and targets were exceeded in all product lines. Growth in business was clearly the best ever with several large new customer relationships being established. Targets for turnover and profit were exceeded. Turnover was spread over a number of customer segments, which provides a good basis for future growth. The production systems product sector will invest in human resources to boost operations in the sector.

Business in the Chinese markets showed a positive development and targets were attained. Demand for workstation fittings and production systems increased in the electronics industry, because of which targets could be attained. Growth in industrial investment in the

Chinese market is expected to continue, which provides good prospects for growth in business.

Industrial investment is expected to remain at a relatively high level in the main export markets and Finland. An expanded customer base, upgraded products, investment in exports and developing the quality of operations together with international competences in high tech enable a positive development in the industrial group. Profitability for 2001 will remain good.

GWS Systems' FPS unit supplied Sanmina Oy's Ånnekoski plant with an ergonomic production system. The delivery included such components as height-adjustable workstation modules, picking control panels and a PDC control system.



# GWS PIKVAL OY

GWS Pikval Oy is a full-service supplier of fittings for department stores, shops and other public facilities. The company's main strengths are in project know-how and in combining different fittings materials. The main markets are Finland, Russia, Sweden, Norway and the Baltic countries.

Demand for shopfittings remained at the level of the previous year in Finland, but grew in export markets in the Nordic countries. Turnover exceeded target, which resulted from a considerable increase in the export of shopfittings and fitting public facilities in Finland. Turnover amounted to FIM 120.9m, growing by 6.0% on the previous year. The turnover achieved was the largest in the company's history. On the other hand, growth in profit was under the set target, which was affected by the relocation of metal production to new facilities, lasting over six months, and running in new investments. In addition generation of turnover was concentrated on just a few months in the autumn, which led to extra costs. It was also not possible to transfer the price rise

in steel completely on to the price of sales. Operating profit was satisfactory.

The number of supermarket and food retail store projects virtually stayed as before, but the narrow nature of market potential affected the entire year's business. Despite tightening competition there were no changes in the markets. The largest fittings projects for the year were the Anttila Kodin 1 department stores in Jyväskylä and Tampere. The absolutely biggest fittings project was on the Helsinki University Central Hospital Biomedicum laboratory. The largest of the other public-facility fittings projects was on the Vaasa Hotel. In the beginning of the year, apart from mainly small projects, fitting the Helsinki Stockmann cosmetics and jewellery departments and Prisma markets

*Anttila Kodin Ykkönen speciality department stores were one of the major fittings projects carried out by GWS Pikval. The department store in the Rural District of Jyväskylä was opened at the end of last year.*



*Juhani Markkanen*





as well as refurbishment and extension jobs on the CM chain were carried out. In addition, fitting the HÖT chain was started. Other major fittings projects included Anttila department stores in Turku and Oulu, Citymarkets in Pirkkala and Lappeenranta, the Turku Stockmann and also Prismat Sikupilli and Rocca al Mare in Tallin.

Export business to the Nordic countries developed positively with Norway as a new export target. In Sweden fitting the Claes Ohlsson interiors shopping chain continued. Exports to the Baltic countries also increased. On the other hand, exports to Russia did not meet targets due to the continued uncertain economic situation.

Investments amounted to FIM 16.0m

and were targeted on metal production. The aim of the investments is to increase price competitiveness and flexibility in customer applications. R&D expenditure amounted to FIM 2.8m.

Prospects for 2001 are positive and demand is expected to continue at the level of the previous year. The investments carried out will enable the company to meet growing competition from abroad. With regard to business development the company has focused on export markets, for example, by establishing a sales company in Poland, and on further upgrading manufacturing methods.

	2000	1999	CHANGE	%
Turnover, FIM m	121	114	7	6.1
as % of the Group	25	28		
Investments, FIM m	16	3	14	433.3
Staff, persons	144	133	11	8.3
Profitability	• Satisfactory • Will remain satisfactory			

The Biomedicum Research Centre in Helsinki was the largest and most diversified public-facility fittings project last year.

A stylish milieu was created for the Sokos Tallin cosmetics department with the new Forte counter series.

Fitting supermarkets increased. Fittings at the Tampere Pirkkala CityMarket comprise a new colourful and functional fittings package.





# GWS FINNCONT OY

GWS Finncont Oy is one of the leading manufacturers of metal and plastic IBCs (intermediate bulk containers) in Europe and the leading subcontractor for rotation-moulded plastic products in the Nordic countries.

The core competence of the IBC business is being able to find applications for the most exacting requirements from customers.

The main customer base consists of leading firms in the chemical and food industry in Europe.

The service concept of the rotation-moulding business comprises processing the customer's conceptualisation of a product into a rotation-moulding tool, manufacturing the product and the delivery logistics of the finished product.

GWS Finncont Oy's turnover amounted to FIM 68.6m, growing by 15.8% on the previous year. The growth in turnover was mainly due to positive developments in the rotation-moulding business. Targets for turnover and operating profit were attained. Operating profit was at a good level.

Demand for IBCs was weak in all market sectors for the first half year both in Finland and in exports. In addition, the large rise in the price of stainless steel had an effect on the situation, while production capacity had to be adjusted to meet demand.

In the second half year sales picked up considerably with the orderbook for the autumn at a record level. However, the target for profit was not attained due

to the great fluctuation in demand and start-up problems with large new supply projects. Australia showed the best development of the new market areas. At the beginning of the year a substantial supply contract for IBCs was signed by Nalco, the largest company in the world specialised in water treatment and water chemicals, and GWS Finncont. Exports accounted for 70.0% of the IBC business. Business development was focused on the operational control system and improving product modularisation.

Subcontracting in the rotation-moulding business grew by 30.0% during the year of operations. All customer segments, such as land and water construction, the vehicle industry and waste collection and recycling, increased.

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*IBC's have improved logistics at the Finnish Chemicals Äetsä plant.*

*Onninen Oy started manufacture of pumping wells for effluents.*



*Hans Johanson*



The large worldwide growth in the plastics industry led to a problem with obtaining raw materials and also a considerable rise in prices. Raw material prices will also stay at a high level in 2001.

During the year the company won some major new supply projects, which considerably increased human resource requirements. Building up manufacturing capacity was also started in the spring in cooperation with the Virrat town council. The new 1,500 m<sup>2</sup> plant extension including machinery will be completed by the end of February 2001.

GWS Finncont's investments amounted to FIM 5.5m and were aimed at developing production and marketing. R&D expenditure amounted to FIM 1.6m.

Demand for GWS Finncont products

and the company's market situation for 2001 are positive, which means that targeted substantial growth is possible. Growth will be found from new market areas in the IBC business, while in the rotation-moulding business the aim is to expand the subcontracting concept to other areas in Europe. Profit for 2001 is estimated to be at a good level.

	2000	1999	CHANGE	%
Turnover, FIM m	69	59	10	15.8
as % of the Group	14	14		
Investments, FIM m	6	4	2	50.0
Staff, persons	101	96	5	5.2
Profitability	• Good		• Will remain good	

Sakkivaline and GWS Finncont have collaborated in the design of a new bin for sand.



GWS Finncont and Kiihto Oy have cooperated in the development of IBC product features.





# PERLOS OYJ

## ASSOCIATED COMPANY

In many respects Perlos' first complete year as a listed company was a record for the company. The substantial growth in turnover of over 60%, and especially the 73% growth posted by the Telecommunications and Electronics Industry customer sector, were the largest in the history of Perlos. Apart from the growth in turnover, profit also showed a favourable trend. The company invested in the future at a greater level than ever before. During the year three new plants were started up, of which two are in completely new markets areas, Hungary and China. In addition, existing production facilities were expanded considerably with total production area growing by some 80%.

Turnover for the year 2000 amounted to FIM 2.7bn (cf. FIM 1.7bn for 1999). Sales showed a slight structural change from 1999. During the year 2000 a number of new product projects were in the start-up stage. This materialised in record sales of moulds and assembly lines, which rose to FIM 484m (FIM 237.8m). The sales structure will continue to change in the future with assembly work assuming greater significance. The company is using an increasing amount of bought-in parts, which thus forms an increasing component in invoicing.

The profit trend was partly affected by the above-mentioned changes in the sales structure. Greater uncertainty in the telecommunications segment and a more defined realignment of manufacturing focus to the Far East intensified price competition among component suppliers and will continue to do so in the future. The company did not meet growth targets in the pharmaceutical segment. As a result, operations had to be adjusted in the

second half year and the profit target was clearly not met. The situation has improved and profit is expected to develop to at least a satisfactory level during 2001.

The company has experienced rapid changes in markets during the year 2000. Increased uncertainty in the telecommunications business made capital markets in particular nervous during the summer, which manifested itself in a sharp drop in company stock exchange share prices, including those of Perlos. Anxiety has been caused by, among other factors, suspicions that there will be a decline in the rapid growth in telecommunications markets and that the competitive situation will change due to new generations of products. In addition, the uncertainty concerning the right technology for telecommunications networks and the considerable investments in operating licences have confused investors. On the other hand, the number of mobile-phone users is still forecast to rise to a billion during 2002 and almost a billion hand-

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*Combining plastic and metal is high-precision component assembly.*



*Timo Leinlä*



sets are forecast to be sold in 2004 throughout the world. During the year under review just over 400 million mobile phones were sold worldwide. If these forecasts materialise, growth will continue to be most vigorous in the next few years.

The disappointments experienced during the year 2000 by Perlos in its growth projections in the pharmaceuticals industry segment have not undermined the company's belief in the growth potential of the sector. The importance of inhalation as a medication dispensing mechanism is projected to grow especially in the areas of therapy which Perlos has focused on. A good example of this are the inhalants used in the treatment of diabetes that are currently being developed. This method is also at present taking its first steps in the treatment of pulmonary congestion.

The project nature of operations has become even more clearly defined in the telecommunications and pharmaceutical segments. Each product is a project to be

undertaken from the initial development stage of the product to the maturation and phasing-out stages that occur in the market. Perlos' strategy is to boost the project-based style of working. Project management and the various manufacturing technologies applied to projects are the areas which the company is constantly striving to develop.

Perlos is upgrading its operations in many ways. The enterprise resource planning scheme in operation throughout the entire concern is being redeveloped. During the year under review the financial control component progressed to the implementation stage, while the focus for 2001 will be on material control. Perlos has also decided to adopt the Six Sigma method, extensively used worldwide, as the main process development tool. During the year under review about one hundred Six Sigma experts have been trained, including the company's senior management. This figure will rise to about two hundred during 2001 when it is believed the

	2000	1999	CHANGE	%
Turnover, FIM m	2 689	1 674	1 015	61
Investments, FIM m	409	254	155	61
Staff, persons	3 503	2 378	1 125	47
Profitability	• Good • Will remain good			

Perlos constructs automated assembly lines in-house such as for the production of telecommunication components.





method will be so widely applied that positive results will start to materialise at corporate level as well. Organisation has also been boosted. During 2001 Perlos is moving to a customer-focused matrix organisation, which will develop the company's capabilities to support customers globally and enable more efficient utilisation of production machinery.

Wholesale implementation of the investments made during the year under review will take place in 2001. Investments for 2001 are forecast to fall to below 10% of turnover, whereas the corresponding figure for the year under review was 15.5% due to the large number of expansion projects. Growth in turnover is expected to remain strong, but not at the same level as for the year under review.

#### THE TELECOMMUNICATIONS AND ELECTRONICS INDUSTRY

The Telecommunications and Electronics Industry is Perlos' most important and most vigorously growing customer sector. In the year 2000 turnover grew by 73% to FIM 2.4bn. This customer sector accounted for 90% of the Perlos Group's

turnover for the year 2000.

The turnover of the Telecommunications and Electronics Industry customer sector has been growing most vigorously with average annual growth at over 60% over the past three years. Perlos' good competitiveness and status as a reliable supplier in its field have enabled the company to utilise growth in the markets.

Over the past few years Perlos has made heavy investments to support the growth-related needs of the Telecommunications and Electronics Industry customer sector. The major investments during the year 2000 were acquisitions related to new plant start-ups or extensions in Hungary, China, the UK, the USA and Finland. Production capacity was up-scaled especially in the manufacture of plastic components and automated assembly lines as well as in assembly and painting operations.

Through these investments Perlos is able to manufacture ever greater quantities of high-quality products close to its customers' markets throughout the world. The investments made during the year 2000 focusing on the construction of production

facilities will enable the company to increase capacity with the acquisition of machinery and equipment during 2001 as well.

Demand is forecast to remain strong in the telecommunications sector. Perlos' efficient production machinery and good competitiveness in addition to the strong position of its key customers will enable the company's turnover to continue to grow at least at the level prevalent in the telecommunications sector. However, growth in Perlos' business activities is heavily dependent on the trends in demand for products made by the company's customers.

#### THE PHARMACEUTICAL INDUSTRY

The Pharmaceutical Industry customer sector occupies a solid position in Perlos' business operations. In the year 2000 turnover for the sector amounted to FIM 215.8m, or 8% of the group's turnover.

Perlos is one of the foremost suppliers of medication dispensing devices in the world. Operations are based on long-term partnership and close cooperation, as product development may last several

*Perlos owes its edge in the manufacture of products for the pharmaceutical industry to quality assurance to meet high customer requirements and to its experience in mass production of exacting medication delivery devices.*





years, while the procurement of official permits for new products is an exacting and drawn-out process.

Perlos supplies the pharmaceutical industry with various devices for dispensing medication, such as asthma inhalers, depot capsule applicators, mainly used in the treatment of cancer, and various birth-control products.

The life cycles of products in this customer sector are typically very long. The same product may be manufactured for as long as ten years. The long life cycle of products is partly affected by official requirements and approval processes imposed on products connected to medication. FDA (Food and Drug Administration) approval is required for products sold in the United States.

Perlos invested heavily in increasing production capacity of products for the pharmaceutical industry in the year 2000. The amount of controlled environment space was doubled due to expansion of production facilities.

In order to boost efficiency, production was concentrated on one production plant in Finland during the year 2000.

There are good prospects for growth in the Pharmaceutical Industry customer sector in the next few years. Turnover is nevertheless not expected to change substantially from the previous year's figure during 2001. The investments that have been made and efficiency-boosting measures will enable growth in production volumes over the next few years without major supplementary investments.

### OTHER INDUSTRIES

The core of the Other Industries customer sector's turnover is generated by the supply of components to the automotive industry. The sector's turnover for the year 2000 amounted to FIM 63.6m, or 2% of the group's turnover.

The main products made by Perlos' Other Industries customer sector consist of various plastic parts needed in the locking mechanisms of seat belts, in power tools and in locking systems. The products are

characterised by the extremely high demands placed on precision and quality. An international production network allows the company to provide service close to customers' production facilities throughout the world. Perlos has the competence to participate in new projects with both existing and new customers. Throughout its operations the company strives to utilise the latest technology and expand into new fields.

The turnover of the Other Industries customer sector has declined by an average of 11% over the past three years with operations focusing on providing service for key customers. Perlos estimates that the relative share of the group's turnover represented by the Other Industries customer sector will further decline.

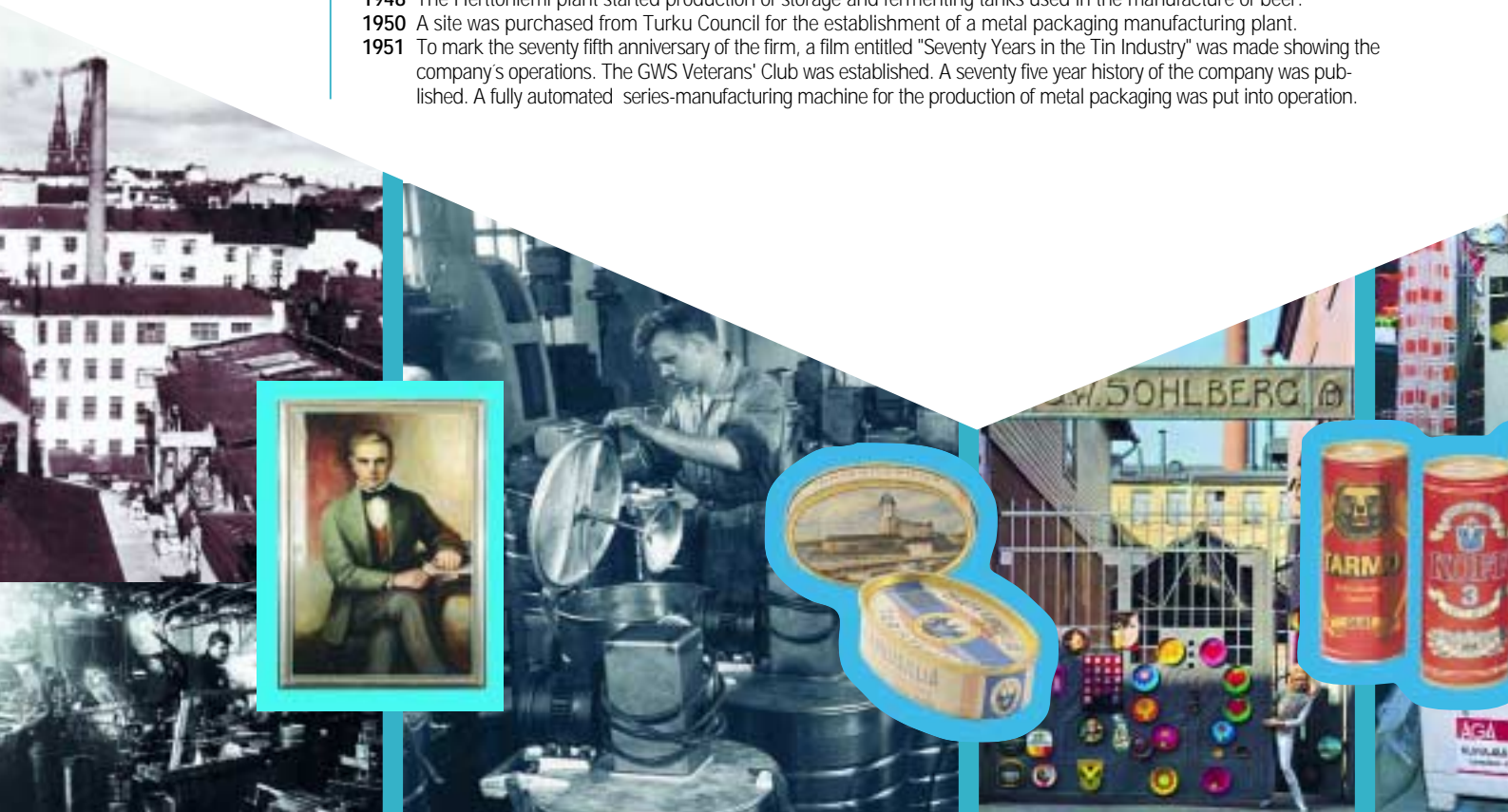
*Capacity has been boosted in such activities as in the production of components and assembly of depot capsule applicators.*

*Products for the automotive industry are tested before going into production to meet PPAP approval.*



## GWS 125 YEARS

- 1876** G.W. Sohlberg set up a tinsmith workshop in his one-room home at Korkeavuorenkatu 17 in Helsinki.
- 1881** The number of employees rose to sixteen.
- 1890** Production was augmented by copper and ironsmith branches.
- 1891** A steam engine was acquired.
- 1895** Manufacturing of milk and dairy containers was standardised.
- 1896** The neighbouring site in Vuorimiehenkatu was purchased. Toivo Sohlberg travelled to Germany to specialise in the tinsmith branch.
- 1900** Wille Sohlberg took charge of the commercial affairs of the business. G.W. Sohlberg authorised both his sons to run the factory in his name.
- 1908** The business became a joint-stock company founded by G.W. Sohlberg, Toivo Sohlberg, Wille Sohlberg, Wilhelm Ekman, Harald Herlin and Nestor L.Eskola.
- 1909** A hydraulic press was acquired as well as machines for the manufacture of metal containers and a printing machine with annealing oven.
- 1912** Sculpture casting was included in the company's programme. Spray-painting was employed for the first time in Finland.
- 1913** G.W. Sohlberg died.
- 1914** A major stake was acquired in Suomen Rautasäntky Oy.
- 1916** Toivo Sohlberg died. The company's operations grew through orders from the Russian Imperial Army, the most important of which was formed by serial production of hand grenades.
- 1917** Suomen Teräskynätehdas Oy was acquired.
- 1918** Wille Sohlberg received the title "Counsellor of Mining".
- 1923** The last major work by the sculpture casting foundry, the statue of J.V. Snellman, was completed and unveiled in front of the Bank of Finland.
- 1926** To commemorate the fiftieth anniversary of the establishment of GWS, the Economic Society of Finland's silver medal was awarded for the first time to eight of the company's staff and the bronze medal to fourteen, the oldest of whom had been in continuous service with the firm for thirty nine years. A history of the company's first fifty years was published.
- 1930** GWS's last major roof contract, the roof of the Parliament Building, was completed.
- 1933** The manufacture of bodies for pocket torches was started. New products also covered archive and storage shelving.
- 1934** Tin-roof operations were officially discontinued, whereby it was established that GWS had covered over two million square metres of roofing. The manufacture of industrial lockers was started.
- 1938** Wille Sohlberg died. Professor B.Vuolle became Acting Managing Director. Olavi Sohlberg joined GWS as Head Clerk.
- 1939** A new rotary printing machine and annealing oven were put into operation. Production concentrated on Ministry of Defence procurements. The workforce rose to six hundred. Olavi Sohlberg was appointed Assistant Managing Director with his appointment of Managing Director to take effect the following year.
- 1940** Due to a lack of raw materials containers had to be manufactured from cardboard. Gas generators for gasogene motor vehicles became new products. The manufacture of metal beverage caps was planned.
- 1941** The "Sohlberg Club" was established and joined by 75% of the staff. In-house magazine, Prässi, began publication.
- 1942** The Herttoniemi site was purchased in Helsinki. The manufacture of screw caps for bottles was started. Following a contract with the state-run liquor firm, Alko, the caps underwent phases of improvements and developed into an important mass-produced product for the company.
- 1947** With financial difficulties at their worst the first stage of the construction work was carried out at the Herttoniemi plant.
- 1948** The Herttoniemi plant started production of storage and fermenting tanks used in the manufacture of beer.
- 1950** A site was purchased from Turku Council for the establishment of a metal packaging manufacturing plant.
- 1951** To mark the seventy fifth anniversary of the firm, a film entitled "Seventy Years in the Tin Industry" was made showing the company's operations. The GWS Veterans' Club was established. A seventy five year history of the company was published. A fully automated series-manufacturing machine for the production of metal packaging was put into operation.







- 1954** Work was started on the construction of a new factory building in Herttoniemi to increase production capacity of printing and finished goods. The Turku plant constructed a new warehouse building.
- 1955** The Herttoniemi metal packaging plant started operations.
- 1957** An agreement was signed with Continental Can Company (CCC) on the exchange of know-how for the manufacture of metal packaging and crown caps.
- 1958** A 2,000 m<sup>2</sup> extension with staff facilities was added to the factory building at the Herttoniemi plant. The company's first plastic product was made at the Jääkärintie factory.
- 1960** The Oy Vilén Works was acquired.
- 1961** The honorary title, Counsellor of Mining, was bestowed on Olavi Sohlberg by the President of Finland. Plastic bottle production started. An agreement was signed with the UK firm, Metal Closures Ltd, on the manufacture of various closures. The manufacture of screw tops was transferred to the Turku plant and Auri electric light fittings to the Vilén Works.
- 1965** Kari O. Sohlberg was elected to the company's Board of Directors. The manufacture of twist-off lids was started. The company received a certificate from the Finnish Trade Fair Association when it participated for the twenty fifth time in exhibitions.
- 1968** The acquisition of a majority stake in Oy Egma Ab provided adequate space in Klaukkala for the production of plastic products.
- 1969** A 2.5 hectare site next to the Herttoniemi plant was acquired. The company acquired a complete stake in Oy Egma Ab.
- 1970** The manufacture of beer cans was started. This was preceded by a vigorous protest campaign whipped up by environmentalist viewpoints to the point that implementation of the plans had to be postponed till 1 March 1971. A warehouse of over 1,000 m<sup>2</sup> was built at the Turku plant.
- 1973** The fourth generation took over the management of GWS when Olavi Sohlberg entrusted the duties of Chief Executive to Kari O. Sohlberg on 1 April 1973. At the Board's request Olavi Sohlberg stayed on as Executive Chairman of the Board of Managers. The general use of first names throughout the company was agreed upon. Pikval Oy of Jyväskylä was acquired.
- 1974** An extension was carried out at Pikval. Klaus Sohlberg was appointed GWS Deputy Chief Executive.
- 1976** The company celebrated its centenary and received a great deal of media attention. The establishment of a fittings plant in Pieksämäki marked a continuation of the development area policy.
- 1977** The Turku plant real estate was sold off. The transfer of production to Herttoniemi was started.
- 1978** A major reorganisation of production was decided upon in the fittings sector, covering the transfer of office-fittings manufacture from Helsinki to Jyväskylä.
- 1979** The market share and machinery of Oy Fiskars Ab's metal drum production was acquired. The market share and machinery of Huhtamäki Oy/Polarpak's metal packaging production was also acquired. Head Office was transferred to Haukilahti, Espoo.
- 1980** The company's long-serving Vice Chairman and Managing Director, Matti Virkkunen, died. A major extension and renovation project was completed at the Klaukkala plastic packaging plant. The company acquired Blue White Trotters Oy, which breeds, trains and races trotting horses.
- 1981** The Pieksämäki plant was extended. A new office building was completed at the Jyväskylä plant.
- 1982** The metal packaging manufacturing company, Mety Oy, was acquired. The Jyväskylä and Ylöjärvi plants were extended. New welding technology was introduced in metal packaging production.
- 1983** Subsidiaries were established in Sweden and the Federal Republic of Germany.
- 1984** The most up-to-date drum factory in Europe was set up at the Herttoniemi plant. Rautakoneistus Oy, Puhar Oy and Suomen Pikkupullo Oy were acquired. A subsidiary was established in the UK. GWS's two-component container was the first traditional metal packaging to win the prestigious World Star Award. Sakari Sohlberg, Counsellor of Justice, became Vice Chairman of the Board of Directors, having served for over forty years as Chairman of the Board. Olavi Sohlberg was elected Chairman.
- 1985** A majority stake in M.J.B.-SARL of France was acquired. A high-storage warehouse was built at Herttoniemi. Majority stakes were acquired in Canpak Oy and Halton Trade Oy. GWS's Vitaplus double bottle won a second World Star Award for the company. The Ylöjärvi plant's metal packaging production was transferred to Herttoniemi and Ylöjärvi started manufacture of fittings.
- 1986** The company acquired the shop and hospital fittings manufacturer, Mertens International Group, of Belgium.
- 1987** The shopfitting sector's internationalisation programme continued with the acquisition of the Pelly Group of Sweden.
- 1988** The GWS Group's consolidated turnover exceeded FIM 1bn for the first time. GWS raised its stake in Perlos Oy from 40% to 100%. In addition the technical plastics sector was reinforced with the acquisition of a 60% stake in Saloplast Oy. Investments reached a record level of FIM 270m.
- 1991** The deep recession affected the company's main sector with the result that operations were streamlined to consolidate development. Investments continued to be made in GWS Perlos. The stake in GWS Saloplast was sold off.
- 1992** Olavi Sohlberg retired, having served as a Member of the Board since 1933, Vice Chairman 1980-84 and Chairman 1984-92. Honorary Consul Klaus Sohlberg was elected Chairman of the Board of Directors.
- 1993** GWS and Europe's leading packaging firm, the French-English concern, CarnaudMetalBox, establish a new company, GWS Metallipakkaus Oy. GWS holds a 19.9% stake in the new company. The Industrial Group was incorporated under the name GWS Systems Oy.
- 1994** GWS Mertens N.V. was sold off. A comprehensive development programme was completed, which considerably strengthened the position of the GWS Group. The Shopfitting Group was incorporated under the name GWS Pikval Oy.
- 1995** The GWS Group continued to develop vigorously. A major investment programme provided over 20,000 m<sup>2</sup> of new production space for GWS Perlos. Perlos Inc. started production in Texas.
- 1996** GWS celebrated its one hundred and twentieth anniversary on 6 February.
- 1998** GWS Finncont builds a new 2,900 m<sup>2</sup> plastics plant.
- 2000** GWS Plast's business activities sold off to Polimoon Oy. Finnish President grants Kari O. Sohlberg honorary title of Counsellor of Mining.
- 2001** GWS celebrates its 125th jubilee on 6 February.

## REPORT BY THE G.W. SOHLBERG CORPORATION'S BOARD OF DIRECTORS FOR THE YEAR 2000

The year 2000 was the G.W. Sohlberg Corporation's 92nd financial year and 125th year of operations.

### GENERAL TRENDS

Rapid economic growth continued in Finland in the year 2000. GNP increased by over 5,7%. Consumer prices were on average 3.4% up on the previous year. Unemployment averaged 9.8% for the year 2000. Industrial output increased last year by 13.1%. The metal industry increased production by 22.7%, while that of the electronics industry increased by 35.1%.

Visible exports increased in value by 25.4% on the year before, while imports increased by just 23.0%. Surplus in the balance of trade rose to FIM 85.6bn and the current account surplus to FIM 60.1bn. Total investment increased last year by 4.8%.

### TURNOVER

Group turnover amounted to FIM 484.1m. Turnover grew by FIM 72.9m, or by 17.7% (cf previous year 1.6%). Comparable growth in turnover, taking into account structural changes, was 29.3%. The largest growth was attained by GWS Systems Oy at 51.7%. Direct exports and overseas operations accounted for a total of FIM 177.5m, which represents 36.7% of the Group turnover.

### FINANCIAL RESULT

The financial result for the Group exceeded targets, growing considerably on the previous year, and was good. Profit before extraordinary items amounted to FIM 181.4m (cf 1999 FIM 156.8m).

Profits showed a positive trend in GWS Systems Oy and the associated company, Perlos Oyj. GWS Finncont again attained a good result.

### INVESTMENTS

The Group's net investments amounted to FIM 11.7m, or 2.4% of turnover. The largest investments were carried out in improving GWS Pikval Oy's metal-based production. Refurbishment of GWS Systems Oy's 3,950 m<sup>2</sup> rented facilities on the Muurame industrial estate was completed. In addition, the Group's IT networks were developed and ADP applications and hardware were upgraded. FIM 8.0m was invested in R&D, mainly aimed at product development.

### FINANCING

Key figures for Group financing have continued to remain good. Group liabilities amounted to FIM 197.3m, of which FIM 109.6m was interest-bearing. At the same time the Group had cash assets of FIM 73.9m. The ratio of shareholders' equity to the balance sheet total was 70.1%.

### STAFF

The Group had an average staff of 660 (cf 701 in 1999) with 32 (31) in the parent company. The Group followed an incentive-based staff policy, one part of which was to pay PRP amounting to FIM 6.4m including staff social costs.

### THE YEAR 2000 AND SWITCHING TO THE EURO

The move into the year 2000 was smooth with respect to IT systems. Euro working groups operated in Group companies with the task of preparing for the switch to the euro. The Group is adopting the euro as domestic currency during 2001. A compo-

nent of switching to the euro was that the G.W. Sohlberg Corporation's share capital was translated into EUR 18,900,00 by making a EUR 735,703 increase in the share capital by transferring a corresponding amount from the share premium fund to share capital.

### GROUP STRUCTURE

GWS Plast Oy's business operations, not including real estate, were sold off in the beginning of the year. GWS-Kiinteistöt Oy was merged into the G.W. Sohlberg Corporation during the accounting period. The shareholding of Kiinteistö Oy Menotie 1, located in Ylöjärvi, was sold off at the beginning of the year.

The Group's parent company operates as a provider of central services to the Group.

### ASSOCIATED COMPANY

The G.W.Sohlberg Corporation's stake in the associated company, Perlos Oyj, was reduced from 40% of the previous year to 39.45% through implementation of the options scheme. The associated company, Perlos Oyj, including its subsidiaries, has been included in the company accounts using the equity accounting method, whereby the figures for turnover and other such items are not included in the consolidated figures except for the Group's share in the Perlos Group's profits displayed in receivables from the associated companies in the income statement and balance sheet. The share in Perlos Oyj's total profits, based on shareholding and amounting to FIM 148.6m, has been entered in the income statement of the GWS Group.

Perlos Oyj's turnover amounted to FIM 2.7bn. Growth was FIM 1.0bn, or approximately 61%. Operating profit before goodwill amortisation came to FIM 542.8m. Profit for the year represented 9.5% of the turnover. The G.W. Sohlberg Corporation's dividend earnings from Perlos Oyj amounted to FIM 12.2m.

### PROSPECTS FOR THE YEAR 2001

The GWS Group's target continues to be rapid growth. For the subsidiaries this will primarily mean reinforcing and establishing overseas sales companies in new target countries. GWS is continuing to carry out studies with the aim of acquiring a new sector for the Group. Despite a slowdown in the economy and investments required for growth, the positive profit trend is expected to continue and profit for the entire Group to improve on the previous year.

The present CEO, Kari O. Sohlberg, is retiring on 20.4.2001. Present deputy CEO, Heikki Mairinoja, has been selected as the new CEO, effective from that date.

### THE BOARD OF DIRECTORS' PROPOSAL FOR THE DISPOSAL OF EARNINGS

Group's disposable unrestricted shareholders' equity	FIM 327,224k
Parent company's unrestricted shareholders' equity	FIM 384,708k
The Board recommends that the disposable assets be allocated as follows:	
- distributed as dividends to shareholders at FIM 77 per share, totalling	FIM 207,900k
- deposited in shareholders' equity	FIM 176,808k
	<b>FIM 384,708k</b>

## INCOME STATEMENT 1.1.-31.12. (FIM K)

GROUP				PARENT COMPANY				
2000	%	1999	%		2000	%	1999	%
484 103	(100)	411 175	(100)	<b>TURNOVER</b>	10 867	(100)	10 624	(100)
				Changes in inventories of finished products and WIP	-		-	
13 548		1 291		Manufacture for own use	-		-	
5 041		3 787		Share in associated company's profits	-		-	
148 621		134 779		Other operating income	9 322		4 241	
19 190		21 644						
				<b>Materials and services</b>				
				<b>Materials, supplies and goods</b>				
-210 939		-155 871		Purchases during accounting period	-		-	
5 050		5 019		Change in inventories	-		-	
-14 904		-8 822		External services	-		-	
-220 793		-159 674		<b>Materials and services total</b>	-		-	
				<b>Staff expenditure</b>				
-116 959		-115 066		Wages, salaries and fees	-11 347		-9 827	
				<b>Staff social expenditure</b>				
-22 265		-19 251		Pension costs	-4 834		-1 975	
-13 098		-13 288		Other staff expenditure	-1 017		-905	
-152 322		-147 605		<b>Staff expenditure total</b>	-17 198		-12 707	
				<b>Depreciation and write-downs</b>				
-21 512		-20 473		Depreciation according to plan	-2 648		-2 184	
-21 512		-20 473		<b>Depreciation total</b>	-2 648		-2 184	
-94 809		-89 376		<b>Other operating expenditure</b>	-17 887		-13 893	
<b>181 067</b>	<b>(37.4)</b>	<b>155 548</b>	<b>(37.8)</b>	<b>OPERATING PROFIT/LOSS</b>	<b>-17 544</b>	<b>(-161.4)</b>	<b>-13 919</b>	<b>(-131.0)</b>
				<b>Financial income and expenditure</b>				
-		-		Long-term interest income from Group companies	3 125		3 934	
253		403		Income from stake in associated company	16 919		-	
-		-		Long-term interest income from other companies	345		198	
-		-		Other interest and financial income				
7 680		8 438		Write-downs on investments	3 589		2 982	
-		-		Other interest and financial income	7 318		8 068	
-		-		Interest expenditure and other financial expenditure to Group companies	-621		-365	
-7 631		-7 597		Interest expenditure and other financial expenditure to other companies	-7 098		-6 997	
302		1 244		<b>Financial income and expenditure total</b>	<b>23 577</b>		<b>7 820</b>	
<b>181 369</b>	<b>(37.5)</b>	<b>156 792</b>	<b>(38.1)</b>	<b>PROFIT/LOSS BEFORE EXTRAORDINARY ITEMS</b>	<b>6 033</b>	<b>(55.5)</b>	<b>-6 099</b>	<b>(-57.4)</b>
				<b>Extraordinary items</b>				
-		324 151		Extraordinary income	25 359		381 435	
-12 390		-1 734		Extraordinary expenditure	-10 460		-1 734	
-12 390		322 417		<b>Extraordinary items total</b>	<b>14 899</b>		<b>379 701</b>	
<b>168 979</b>	<b>(34.9)</b>	<b>479 209</b>	<b>(116.5)</b>	<b>PROFIT/LOSS BEFORE APPROPRIATIONS AND TAXES</b>	<b>20 932</b>	<b>(192.6)</b>	<b>373 602</b>	
				<b>Appropriations</b>				
-		-		Change in difference in depreciation	-563		-944	
7 530		-96 234		<b>Income tax</b>	<b>1 837</b>		<b>-89 185</b>	
<b>176 509</b>	<b>(36.5)</b>	<b>382 975</b>	<b>(93.1)</b>	<b>NET PROFIT FOR YEAR</b>	<b>22 206</b>	<b>(204.3)</b>	<b>283 473</b>	



## BALANCE SHEET 31.12. (FIM K)

GROUP				PARENT COMPANY				
2000	%	1999	%	ASSETS	2000	%	1999	%
<b>FIXED ASSETS AND OTHER LONG-TERM INVESTMENTS</b>								
<b>Intangible assets</b>								
-		700		Goodwill	-		-	
12 378		6 411		Other long-term expenditure	509		540	
871		-		Advances	198		-	
<b>13 249</b>	<b>(2.0)</b>	<b>7 111</b>	<b>(0.7)</b>	<b>Intangible assets total</b>	<b>707</b>	<b>(0.1)</b>	<b>540</b>	<b>(0.1)</b>
<b>Tangible assets</b>								
58 311		60 677		Land and installation charges	3 597		3 597	
139 394		174 417		Buildings and constructions	37 093		36 373	
62 419		67 950		Machinery and equipment	6 751		6 669	
4 043		3 332		Advances and purchases in progress	80		-	
<b>264 167</b>	<b>(39.0)</b>	<b>306 376</b>	<b>(30.2)</b>	<b>Tangible assets total</b>	<b>47 521</b>	<b>(7.3)</b>	<b>46 639</b>	<b>(4.4)</b>
<b>Investments</b>								
-		-		Shares in Group companies	232 792		168 560	
-		-		Receivables from Group companies	30 004		116 214	
147 121		72 078		Shares in associated companies	170 733		170 733	
6 946		6 946		Other shares and holdings	6 508		6 508	
<b>154 067</b>	<b>(22.7)</b>	<b>79 024</b>	<b>(7.8)</b>	<b>Investments total</b>	<b>440 037</b>	<b>(67.7)</b>	<b>462 015</b>	<b>(43.5)</b>
<b>431 483</b>	<b>(63.7)</b>	<b>392 511</b>	<b>(38.7)</b>	<b>FIXED ASSETS AND OTHER LONG-TERM INVESTMENTS TOTAL</b>	<b>488 265</b>	<b>(75.1)</b>	<b>509 194</b>	<b>(48.0)</b>
<b>INVENTORIES AND FINANCIAL ASSETS</b>								
<b>Inventories</b>								
18 500		17 897		Materials and supplies	-		-	
23 258		13 215		Work in progress	-		-	
31 240		27 760		Other products/goods	-		-	
92		155		Advances	-		-	
<b>73 090</b>	<b>(10.8)</b>	<b>59 027</b>	<b>(5.8)</b>	<b>Inventories total</b>	<b>-</b>		<b>-</b>	
<b>Receivables</b>								
<b>Long-term</b>								
150		-		Loans receivable	-		-	
217		292		Other receivables	150		208	
30		45		Prepaid expenditure and accrued income	-		-	
<b>397</b>	<b>(-)</b>	<b>337</b>	<b>(-)</b>	<b>Long-term receivables total</b>	<b>150</b>	<b>(-)</b>	<b>208</b>	<b>(-)</b>
<b>Short-term</b>								
69 233		54 288		Accounts receivable	1 153		272	
-		-		Receivables from Group companies	77 356		56 703	
8 618		2 308		Receivables from associated companies	-		-	
9 662		9 478		Loans receivable	9 021		9 020	
11 396		6 930		Others receivables	7 099		2 492	
<b>98 909</b>	<b>(14.6)</b>	<b>73 004</b>	<b>(7.2)</b>	Prepaid expenditure and accrued income	<b>94 629</b>	<b>(14.6)</b>	<b>68 487</b>	<b>(6.5)</b>
<b>99 306</b>	<b>(14.6)</b>	<b>73 341</b>	<b>(7.2)</b>	<b>Receivables total</b>	<b>94 779</b>	<b>(14.6)</b>	<b>68 695</b>	<b>(6.5)</b>
<b>73 943</b>	<b>(10.9)</b>	<b>489 596</b>	<b>(48.3)</b>	<b>Cash and bank accounts</b>	<b>66 972</b>	<b>(10.3)</b>	<b>483 209</b>	<b>(45.5)</b>
<b>246 339</b>	<b>(36.3)</b>	<b>621 964</b>	<b>(61.3)</b>	<b>INVENTORIES AND FINANCIAL ASSETS TOTAL</b>	<b>161 751</b>	<b>(24.9)</b>	<b>551 904</b>	<b>(52.0)</b>
<b>677 822</b>	<b>(100)</b>	<b>1 014 475</b>	<b>(100)</b>	<b>ASSETS TOTAL</b>	<b>650 016</b>	<b>(100)</b>	<b>1 061 098</b>	<b>(100)</b>

**BALANCE SHEET 31.12. (FIM K)**

GROUP				PARENT COMPANY				
2000	%	1999	%		2000	%	1999	%
				<b>LIABILITIES</b>				
				<b>SHAREHOLDERS' EQUITY</b>				
				<b>Restricted equity</b>				
112 374		108 000		Share capital	112 374		108 000	
1 000		4 000		Revaluation reserve	1 000		1 000	
10 138		14 515		Other restricted equity	9 801		14 175	
<b>123 512</b>	<b>(18.2)</b>	<b>126 515</b>	<b>(12.5)</b>	<b>Restricted equity total</b>	<b>123 175</b>	<b>(18.9)</b>	<b>123 175</b>	<b>(11.6)</b>
				<b>Unrestricted equity</b>				
175 311		192 046		Accumulated profit from previous years	362 502		403 029	
176 509		382 975		Net profit for the year	22 206		283 473	
<b>351 820</b>	<b>(51.9)</b>	<b>575 021</b>	<b>(56.7)</b>	<b>Unrestricted equity total</b>	<b>384 708</b>	<b>(59.2)</b>	<b>686 502</b>	<b>(64.7)</b>
<b>475 332</b>	<b>(70.1)</b>	<b>701 536</b>	<b>(69.2)</b>	<b>SHAREHOLDERS' EQUITY TOTAL</b>	<b>507 883</b>	<b>(78.1)</b>	<b>809 677</b>	<b>(76.3)</b>
				<b>ACCUMULATED APPROPRIATIONS</b>				
-		-		Accumulated difference in depreciation	7 333	(1.2)	6 770	(0.6)
				<b>COMPULSORY RESERVES</b>				
5 168	(0.8)	4 768	(0.4)	Other compulsory reserves	4 029	(0.6)	4 029	(0.4)
				<b>LIABILITIES</b>				
				<b>Long-term liabilities</b>				
40 006		62 000		Loans from financial institutions	40 000		62 000	
13 160		17 743		Loans from pension institutions	13 160		17 743	
14 512		11 058		Deferred tax liability	-		-	
-		-		Debt to Group companies	70		225	
1 021		185		Other long-term loans	950		88	
<b>68 699</b>	<b>(10.1)</b>	<b>90 986</b>	<b>(9.0)</b>	<b>Long-term liabilities total</b>	<b>54 180</b>	<b>(8.3)</b>	<b>80 056</b>	<b>(7.5)</b>
				<b>Short-term liabilities</b>				
51 929		38 053		Loans from financial institutions	51 729		37 049	
4 583		4 583		Loans from pension institutions	4 583		4 583	
4 441		6 487		Advances	2 848		-	
23 054		22 097		Accounts payable	1 174		904	
-		-		Debt to Group companies	11 505		7 631	
6 173		30		Debt to associated company	-		-	
11 705		11 314		Other short-term liabilities	781		1 654	
26 738		134 621		Accrued liabilities and prepaid income	3 971		108 745	
<b>128 623</b>	<b>(19.0)</b>	<b>217 185</b>	<b>(21.4)</b>	<b>Short-term liabilities total</b>	<b>76 591</b>	<b>(11.8)</b>	<b>160 566</b>	<b>(15.2)</b>
<b>197 322</b>	<b>(29.1)</b>	<b>308 171</b>	<b>(30.4)</b>	<b>LIABILITIES TOTAL</b>	<b>130 771</b>	<b>(20.1)</b>	<b>240 622</b>	<b>(22.7)</b>
<b>677 822</b>	<b>(100)</b>	<b>1 014 475</b>	<b>(100)</b>	<b>SHAREHOLDERS' EQUITY, RESERVES AND LIABILITIES TOTAL</b>	<b>650 016</b>	<b>(100)</b>	<b>1 061 098</b>	<b>(100)</b>

## SOURCE AND APPLICATION OF FUNDS (FIM M)

GROUP			PARENT COMPANY	
2000	1999		2000	1999
<b>SOURCE OF FUNDS</b>				
<b>Income financing</b>				
176.5	383.0	Net profit	22.2	283.5
21.5	20.5	Depreciation	3.2	3.1
<b>198.0</b>	<b>403.5</b>	<b>Income financing total</b>	<b>25.4</b>	<b>286.6</b>
<b>APPLICATION OF FUNDS</b>				
139.1	69.8	Change in fixed assets and investments	-18.3	-35.3
-0.4	0.7	Change in compulsory reserves	-	-0.5
324.0	58.1	Distribution of dividend	324.0	58.1
22.3	-7.4	Change in long-term liabilities	25.8	-5.9
-287.0	282.3	Change in net working capital	-306.1	270.2
<b>198.0</b>	<b>403.5</b>	<b>Application of funds total</b>	<b>25.4</b>	<b>286.6</b>
<b>CHANGE IN NET WORKING CAPITAL</b>				
73.1	59.0	Inventories	-	-
99.3	73.3	Receivables	94.8	68.7
73.9	489.6	Cash and bank accounts	67.0	483.2
-128.6	-217.2	Short-term liabilities	-76.6	-160.6
<b>117.7</b>	<b>404.7</b>	<b>Total</b>	<b>85.2</b>	<b>391.3</b>
404.7	122.4	Net working capital 1.1.	391.3	121.1
117.7	404.7	Net working capital 31.12.	85.2	391.3
<b>-287.0</b>	<b>282.3</b>	<b>CHANGE</b>	<b>-306.1</b>	<b>270.2</b>

Espoo, 13 March 2001



Klaus Sohlberg  
Chairman



Heikki Tulenheimo  
Vice Chairman



Rolf Hasselblatt



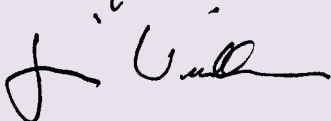
Kauko Pihlava



Kari O. Sohlberg  
CEO



Teppo Taberman



Juhani Virkkunen

## Principles for the preparation of the consolidated accounts, valuation methods and comparability

### CALCULATION PRINCIPLES FOR THE CONSOLIDATED ACCOUNTS

1. The consolidated accounts have been drawn up using the acquisition accounting method.
2. The price paid for shares in subsidiaries in excess of shareholders' equity is partly presented under fixed assets and partly under Group goodwill. The items entered under fixed assets are depreciated according to useful life. Goodwill has been fully depreciated.

### INTRAGROUP TRANSACTIONS AND MARGINS

1. Intragroup transactions, unrealized margins on intragroup deliveries, intragroup receivables and debts have been eliminated.

### EXCHANGE RATE AND TRANSLATION DIFFERENCES

1. The income statements of Group companies have been translated into Finnish marks using the average rate of exchange for the last date of the 12 months presented. Balance sheets have been translated using the average exchange rate at the balance sheet date. Exchange rate differences have been entered under financial expenditure. The translation differences related to the acquisition costs of overseas subsidiaries have been entered in the balance sheet under unrestricted shareholders' equity.

### ITEMS DENOMINATED IN FOREIGN CURRENCY

1. Accounts receivable and payable denominated in foreign currency for Group companies have been translated into Finnish marks using the average rates of exchange for the euro quoted at balance sheet date.

### CHANGES IN GROUP STRUCTURE

1. GWS-Kiinteistöt Oy has been merged into the Group during the accounting period. The Group company, Kiintiestö Oy Menotie 1, has been sold off during the accounting period. Profit on the sale has been entered under Other operating income. The business operations of the Group company, GWS Plast Oy, not including ownership of real estate and debts, were sold off during the accounting period. The loss on the sale has been entered under extraordinary expenditure.

### ASSOCIATED COMPANY PERLOS OYJ

1. The associated company, Perlos Oyj, together with its subsidiaries has been entered using the equity accounting method. The internal margin arising from business transactions between the associated company and Group companies has been eliminated from the share in the associated company's profit.

The goodwill, transferred to Perlos Oy in 1996, contained an internal margin of FIM 389.9m, from which FIM 212.5m was eliminated in 1996 against the acquisition cost of the shares in Perlos Oy. The remainder of the internal margin, totalling FIM 186.4m, is being eliminated from the Perlos Group's accumulated profits for future years. On 1.1.2000 FIM 61.4m remained of the internal margin and has been eliminated from the group's accumulated profits from previous years in the accumulated profits in 2000. The internal margin from 1996 has thus been fully eliminated.

The value of the GWS Group's shareholding at the share price of EUR 22 quoted on the final stock exchange trading day for the year amounted to FIM 2.68bn.

### FIXED ASSETS

Fixed assets have been capitalized at direct acquisition cost. Depreciation has been calculated on a straight-line basis based on the useful economic life of the fixed assets. The items, Land and Buildings and constructions, also include revaluations from previous years amounting to FIM 15.4m. Revaluations of FIM 10.7m on real estate in Klaukkala have been written off during the accounting period.

### INVENTORIES

Inventories are presented according to FIFO principles at acquisition cost or at the lower of replacement cost or probable market price.

Purchasing and manufacturing variable costs have been capitalized under inventories.

### CASH AND BANK ACCOUNTS

Cash and bank accounts include cash assets, bank accounts, deposits of under three months and other assets comparable to cash.

### ITEMS FROM PREVIOUS ACCOUNTING PERIODS

	(Figures FIM k)	
	2000	1999
<i>Income tax</i>		
Rebates b/f from previous accounting periods	1886	15244

### SUPPLEMENTARY INFORMATION TO INCOME STATEMENT

#### 1. Turnover by business sector and market area

<i>Turnover by business sector</i>		
Industrial systems	279839	190785
Shop and public-facility fittings	119609	112365
Containers	68371	58933
Packaging	16284	49092
<b>Total</b>	<b>484103</b>	<b>411175</b>

#### *Turnover by market area*

Finland	306607	275240
Other Nordic countries	45710	45873
Other Europe	83038	62088
USA and Canada	41913	20039
Other countries	6835	7935
<b>Total</b>	<b>484103</b>	<b>411175</b>

#### 2. Other operating income

Rental income	14092	15600
Profit on sales of fixed assets, grants etc.	5098	6044
<b>Total</b>	<b>19190</b>	<b>21644</b>

#### 3. Depreciation according to plan

Goodwill	33	253
Other long-term expenditure	2967	1923
Buildings and constructions	5012	5228
Machinery and equipment	13500	13069
<b>Total</b>	<b>21512</b>	<b>20473</b>

Depreciation according to plan has been calculated on a straight-line basis based on useful economic life at acquisition cost.

*The periods for depreciation according to plan are as follows:*

Goodwill	10 years
Other long-term expenditure	3-10 years
Buildings	40 years
Constructions	10 years
Machinery and equipment	3-10 years

#### 4. Other operating expenditure

Other operating expenditure comprises purchasing and manufacturing, sales and marketing and administration costs, not including payroll costs.

<b>5. Financial income and expenditure</b>	<b>2000</b>	<b>1999</b>
<i>Long-term interest income from other companies</i>		
<i>from other companies</i>	253	403
<i>Other income and financial income</i>		
<i>from other companies</i>	7680	8438
<i>Interest expenditure and other financial</i>		
<i>expenditure to other companies</i>	7631	7597
<b>Total</b>	<b>-302</b>	<b>-1244</b>

<b>6. Extraordinary income and expenditure</b>		
<i>Extraordinary income</i>		
Income from listing associated company	0	324151
<i>Extraordinary expenditure</i>		
Expenditure on Group company disposals	12390	1734

<b>7. Appropriations</b>		
<i>Distribution of decrease/increase in depreciation</i>		
<i>difference and in change in voluntary reserves</i>		
Decrease/increase in deferred taxation	-1004	1515
In profit for the year	-2458	3710
<b>Depreciation difference total</b>	<b>-3462</b>	<b>5225</b>

## SUPPLEMENTARY INFORMATION ON BALANCE SHEET ASSETS

### 1. Revaluations

Fixed assets include the following revaluations made during previous accounting periods

Land	1400	3100
Buildings	14000	26000
<b>Total</b>	<b>15400</b>	<b>29100</b>

In making the revaluations the going value of the assets has been found to be fundamentally higher than the original value at acquisition. In compliance with the principles of conservatism, therefore, the revaluation has been entered as the mean between the going value and the book value. Going values have been assessed by external assessors.

Revaluations of FIM 10.7m on the Nurmijärvi Klaukkala real estate have been written off during the accounting period using unrestricted shareholders' equity. The revaluation on the Group company, Kiinteistö Oy Menotie 1, which has been sold off, has been realized transferring from the revaluation reserve to net profit for the year.

### 2. Prepaid expenses and accrued income

<i>Long-term</i>		
Prepaid leasing costs and rents	30	45
<i>Short-term</i>		
Tax receivables	7880	1062
R&D receivables	0	2128
Other (items under FIM 1m)	3516	3740
<b>Total</b>	<b>11396</b>	<b>6930</b>

### 3. Fixed assets and other long-term investments

	Land	Buildings and constructons	Machinery and equipment	Acquisition in progress	Holding in associated company	Shares and holdings	Goodwill	Other long-term expenditure
Acquisition cost 1.1.	57577	272015	152107	3332	72078	6946	4214	16490
Increase	56	2729	25725	4304	75043	0	0	9390
Decrease	-722	-26614	-56391	-3593	0	0	0	-611
Acquisition cost 31.12.	56911	248130	121441	4043	147121	6946	4214	25269
Accumulated depreciation 1.1.	0	-123598	-84159	0	0	0	-3514	-10079
Less accumulated depreciation	0	5874	38637	0	0	0	0	155
Plan depreciation for period	0	-5012	-13500	0	0	0	-700	-2967
Revaluations	0	0	0	0	0	0	0	0
Accumulated depreciation 31.12.	0	-122736	-59022	0	0	0	-4214	-12891
Revaluations	1400	14000	0	0	0	0	0	0
<b>Balance sheet value 31.12.</b>	<b>58311</b>	<b>139394</b>	<b>62419</b>	<b>4043</b>	<b>147121</b>	<b>6946</b>	<b>0</b>	<b>12378</b>

<b>4. Undepreciated portion of acquisition cost of machinery and equipment</b>	<b>2000</b>	<b>1999</b>
	<b>33604</b>	<b>43002</b>

<b>5. Receivables from associated company</b>		
<i>Short-term</i>		
Accounts receivable	8618	2308

## SUPPLEMENTARY INFORMATION ON BALANCE SHEET LIABILITIES

### 1. Shareholders' equity

#### 1.1. Restricted

##### Share capital

Parent company's shares are divided as follows:

Common 900000 (one share/one vote) 1.1	36000	36000
Share capital increase, bonus issue in 2000	1458	0
31.12.2000	37458	36000
Preferred 1800000 (ten share/one vote) 1.1	72000	72000
Share capital increase, bonus issue in 2000	2916	0
31.12.2000	74916	72000

<b>Share capital total</b>	<b>112374</b>	<b>108000</b>
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Total number of shares 2.7m at nominal value of EUR 7/share. Preferred shares are entitled to a dividend of eight percent on net profit for the year, after which common shares are entitled to a dividend of up to eight percent. If there is a distribution of dividend above this figure, each share is entitled to the same amount. (Articles of Association §15).

<b>Revaluation reserve 1.1.</b>	4000	4000
Decrease, realized sales profit	-3000	0

<b>Revaluation reserve 31.12.</b>	<b>1000</b>	<b>4000</b>
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Other restricted shareholders' equity 1.1.	14515	14506
Transferred to share capital	-4374	0
Decrease/increase	-3	9

<b>Other restricted shareholders' equity 31.12.</b>	<b>10138</b>	<b>14515</b>
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<b>Restricted total</b>	<b>123512</b>	<b>126515</b>
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#### 1.2. Unrestricted shareholders' equity

Accumulated profit from previous years 1.1.	575021	322658
Distributed dividends	-324000	-58050
Revaluation write-off	-10700	0
Eliminations* and adjustments	-65010	-72562

<b>Accumulated profit from previous years 31.12.</b>	<b>175311</b>	<b>192046</b>
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Net profit for the year	176509	382975
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<b>Unrestricted total</b>	<b>351820</b>	<b>575021</b>
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<b>Shareholders' equity total</b>	<b>475332</b>	<b>701536</b>
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Book part of depreciation difference	24596	27072
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Distributable reserves from unrestricted shareholders' equity	327224	547949
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\* See section on associated company in principles for preparation of consolidated accounts.



<b>2. Compulsory reserves</b>	<b>2000</b>	<b>1999</b>
Guarantee reserves	900	500
Environment liability reserve	2829	2829
Reserve for rental costs	1200	1200
Other compulsory reserves	239	239
<b>Total</b>	<b>5168</b>	<b>4768</b>

*Change in guarantee reserve entered in income statement*

External services (expenditure)	200	50
Other expenditure (expenditure)	200	50
<b>Total</b>	<b>400</b>	<b>100</b>

<b>Accounts receivable written off from guarantee reserve</b>	<b>0</b>	<b>1529</b>
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The parent company holds a commitment that the real estate at Terbekehoofdreef 51-53, Wilrijk, Belgium, owned by Hansa-Mertens N.V., does not constitute a hazard to the environment. Belgian law and regulations are observed. To cover the commitment an environmental liability reserve of FIM 2.8m has been made and has been entered in the income statement for 1997 under extraordinary expenditure.

The reserve for rental costs has been entered under other operating expenditure for previous accounting periods. Other compulsory reserves have been entered under other operating expenditure for previous accounting periods.

<b>3. Liabilities maturing in over five years</b>	<b>0</b>	<b>1571</b>
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**4. Accrued liabilities and prepaid income**

Accrued wages and salaries incl. social costs	23727	22023
Deferred taxes	0	108519
Accrued interest	701	1205
Other (items less than FIM 1m)	2310	2874
<b>Total</b>	<b>26738</b>	<b>134621</b>

**5. Accumulated appropriations**

*Accumulated depreciation difference divided into*

Deferred tax liability	10046	11058
Shareholders' equity	24596	27072
<b>Total</b>	<b>34642</b>	<b>38130</b>

**6. Itemisation of deferred tax liabilities and their changes**

Based on Group firms' balance sheets 1.1	11058	9240
Due to change in tax collection	0	70
Based on appropriations	-1004	1515
Based on consolidation	-8	233
<b>Total</b>	<b>10046</b>	<b>11058</b>

Deferred tax from revaluations	4466	8439
<b>Total</b>	<b>14512</b>	<b>19497</b>

**7. Debt to associated company**

*Short term*

Prepaid advances	6173	0
Accounts payable	0	30
<b>Total</b>	<b>6173</b>	<b>30</b>

**SUPPLEMENTARY INFORMATION ON INCOME TAX**

Income tax on normal operations	-1047	3683
Income tax on extraordinary items	-3593	106316
Tax rebates from previous accounting periods	-1886	-15244
Taxes b/f from previous accounting periods	0	-36
Change in deferred tax liability	-1004	1515
<b>Total</b>	<b>-7530</b>	<b>96234</b>

**SECURITIES AND COMMITMENTS**      **2000**      **1999**

Pledges and commitments

*A. Own debt*

Mortgages on land and buildings	144537	138467
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<b>Total</b>	<b>144537</b>	<b>138467</b>
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Pledged deposits and creditors	1200	21600
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*B. On behalf of others*

Company mortgages on behalf of others	0	5000
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*C. Leasing and instalment commitments*

Instalment commitments	0	116
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<b>Total</b>	<b>0</b>	<b>116</b>
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*D. Other commitments*

Tied up deposits for own commitments	9020	9020
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*E. Totals*

Mortgages	144537	143467
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Tied up deposits	9020	9020
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Pledged deposits and creditors	1200	21600
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Leasing and instalment commitments	0	116
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<b>Total</b>	<b>154757</b>	<b>174203</b>
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**SUPPLEMENTARY INFORMATION ON STAFF AND BOARD MEMBERS**

**1. Average staff**

Wage earners	384	419
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Salaried staff	276	282
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<b>Total</b>	<b>660</b>	<b>701</b>
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**2. Management salaries and fees**

Parent company chairman and managing directors

	5053	5248
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Board members	503	515
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<b>Total</b>	<b>5556</b>	<b>5763</b>
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**3. The retirement age for the Chairman of the Parent Company Board and for domestic Group company managing directors is 60.**

Shareholdings in other companies

Shareholdings in other companies

**SHARES AND HOLDINGS**

Group companies in consolidated accounts

	Group stake %	Group voting rights %	Group share in equity capital FIM k
GWS Systems Oy, Jyväskylä	100	100	59612
GWS Industri AB, Sweden	100	100	2773
G.W. Sohlberg GmbH, Germany	100	100	3010
GWS Industries SARL., France	100	100	3347
GWS Inc., USA	100	100	13259
GWS Pikval Oy, Jyväskylä	100	100	13235
GWS Finncont Oy, Virrat	100	100	16993
GWS Plast Oy, Nurmijärvi	100	100	9708
Kiint. Oy Työnjohtajank. 1, Helsinki	100	100	66362
Kiint. Oy Punamullant. 2, Nurmijärvi	100	100	14647
As Oy Hgin Ehrensverdint. 25, Helsinki	100	100	22073
As Oy Niittysaarentie 7, Espoo	100	100	2169
Pakopaikka Oy, Helsinki	100	100	536

## OTHER SHARES AND HOLDINGS WITH SIGNIFICANT GROUP STAKE

	Group stake %	Group voting rights %	Group share in equity capital FIM k	Shares/stakes owned by the Group			
				stake %	No.	Nom. value FIM k	Book value FIM k
<b>Associated companies</b>							
Perlos Oyj, Nurmijärvi	39.45	39.45	354 419	39.45	20 488 000	73 086	147 121
<b>Other shares and holdings</b>							
ADR-Haanpää, EQT Finland C.VJ							4 255
Elisa Communications					8 550		107
Keski-Suomen Puhelin Oy					3 000		144
Kohdematkat Oy					50		250
Oy Nordgolf Ab					3		101
Asunto Oy Pattistenrinne					1		1 473
Other shares							616
<b>Other shares and holdings total</b>							<b>6 946</b>

## AUDITORS' REPORT

### TO THE SHAREHOLDERS OF THE G.W. SOHLBERG CORPORATION

We have examined the accounting records, the financial statements and administration of the G.W. Sohlberg Corporation for the accounting period 1.1.-31.12.2000. The financial statements presented by the Board of Directors and the Chief Executive comprise an account of the operations, the income statement and balance sheet of both the Group and the Parent Company and supplementary information. On the basis of our examination we submit our report on the financial statements and administration.

The audit has been conducted in accordance with good auditing practice. The accounting records and principles employed in drawing up the financial statements do not contain any essential errors or shortcomings. Examination of the administration shows that members of the Board of Directors and the Chief

Executive have acted in accordance with the law as stipulated by the Joint Stock Company Act.

We hereby submit that the financial statements have been prepared in accordance with the Accounting Act and other rules and regulations governing their preparation. The financial statements give a true and fair view of the result of the operations and the financial position of the Group and Parent Company in conformity with the Accounting Act. The financial statements and consolidated accounts can be adopted and the members of the Board of Directors and the Chief Executive discharged from liability for the accounting period under review. The proposal by the Board of Directors for the disposal of earnings is in accordance with the Joint Stock Companies Act.

Helsinki, 23 March 2001

Arthur Andersen Oy  
C.A. Corporation



Jarmo Lohi  
C.A.



Teppo Rantanen  
C.A.

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