HARTWALL

Annual Report

2000

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Hartwall Group

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The Hartwall Group in a nutshell

- Established in 1836.
- Finland's leading manufacturer of brewery and soft drink products.
- The associated company Baltic Beverages Holding AB (BBH) was set up in 1991. BBH is jointly owned by Hartwall and the Danish company Carlsberg Breweries A/S.
- Hartwall was listed on Helsinki Exchanges on 1 July 1994.
- Three factories in Finland (Helsinki, Lahti, Tornio) and one spring water bottling plant (Karijoki).
- BBH has four breweries in the Baltic countries, six in Russia and two in Ukraine.
- BBH is the market leader in the Baltic countries and Russia. In Ukraine, BBH ranks third.
- Hartwall exports Lapin Kulta beer to Scandinavia, Europe, the Baltic countries, Russia and other market areas.

Hartwall's vision and mission

Our objective

Our objective is to be Finland's best beer and soft drinks company as well as the leading brewery in the Baltic countries, Russia, Ukraine and other selected market areas in Eastern Europe through our associated company Baltic Beverages Holding. Our operations aim to produce financial value added for our stakeholders and to increase the value of our company.

Strategy

Domestic:	International:
competitiveness, innovations	growth

Our operational concept

Our operational concept is to manufacture and market high-quality beers, soft drinks, mineral waters and other beverages for various enjoyment situations.

Information for shareholders

Annual General Meeting

Hartwall Plc's Annual General Meeting will be held on Monday, 2 April 2001 at the Hartwall Areena in Helsinki, starting at 17:00. At the venue, the names of those who registered for the Annual General Meeting will be recorded starting at 16:00, and ballots will be distributed.

The actual Notice of Annual General Meeting was published as an advertisement in the Helsingin Sanomat and Hufvudstadsbladet newspapers on 28 February 2001. In addition, Hartwall Plc sent a written invitation to each shareholder who is registered in the Shareholder Register. The invitations were sent to the addresses provided by the shareholders.

Shareholders who have been registered by 28 March 2001 at the latest in the company's Shareholder Register, which is kept by Finnish Central Securities Depository Ltd, have the right to attend the Annual General Meeting.

Shareholders who wish to attend the Annual General Meeting must inform the company of their intention to do so in advance in the manner indicated in the Notice of Annual General Meeting and by the deadline specified therein.

The matters indicated in Article 11 of the Articles of Association will be dealt with at the Annual General Meeting, along with the other matters specified in the Notice of Annual General Meeting.

The documents pertaining to the annual accounts and the proposals of the Board of Directors will be made available for inspection by shareholders at the company's main office one week before the Annual General Meeting. Copies will be sent to shareholders upon request.

Dividend payout

The Board of Directors will propose to the Annual General Meeting that the dividend to be paid for the 2000 financial year be EUR 0.20 on the Series A Share and EUR 0.19 on the Series K Share. The record date is 5 April 2001 and the dividend payout date is 12 April 2001.
The dividend shall be paid to shareholders who have not transferred their shares into the book-entry system once their shares have been transferred into the system.

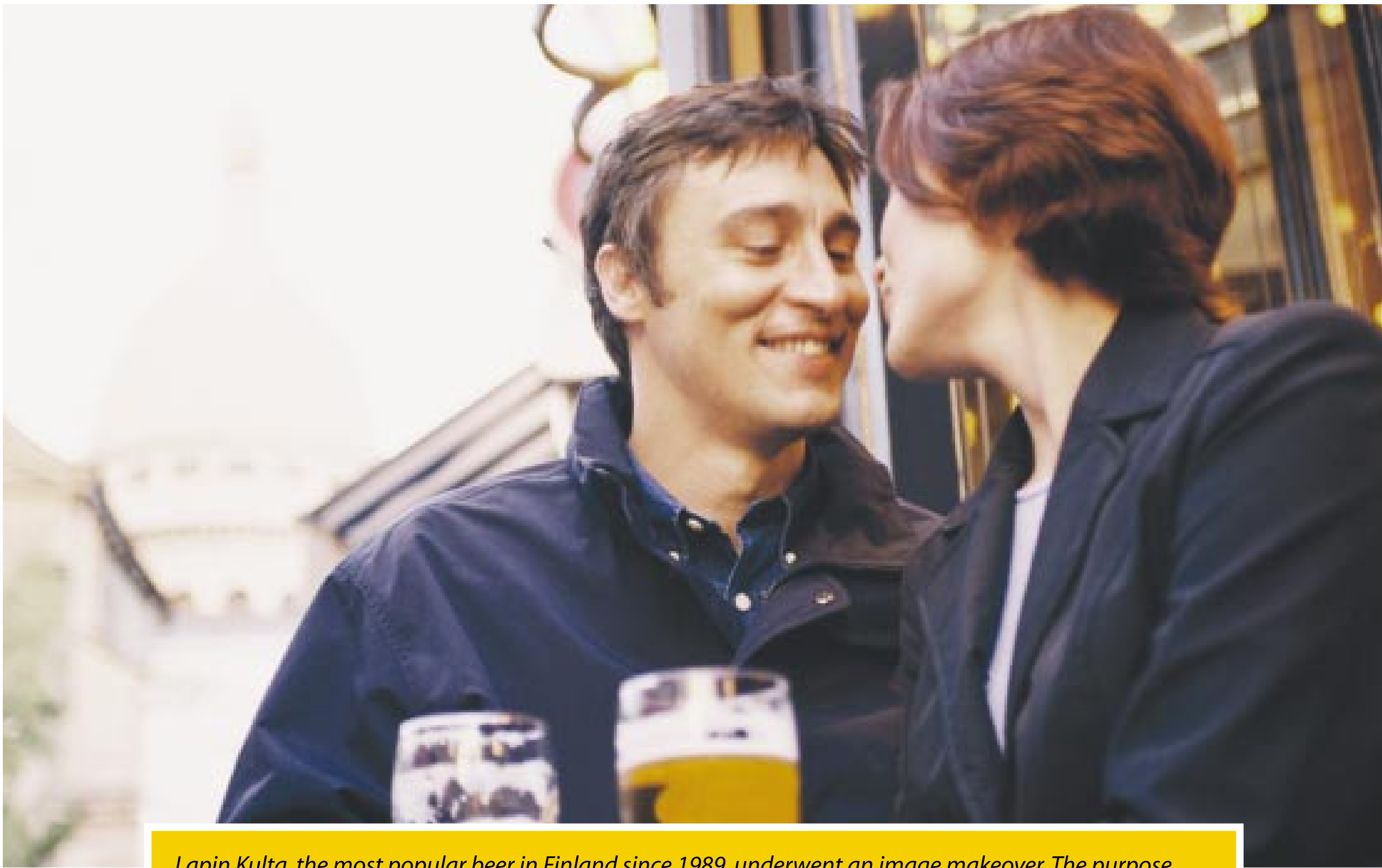
Financial reports in 2001

Financial Statement Bulletin	15 February 2001
Annual General Meeting	2 April 2001
Interim Report, January-March	10 May 2001
Interim Report, January-June	9 August 2001
Interim Report, January-September	1 November 2001

The Annual Report and Interim Reports will be published not only in Finnish, but also in Swedish and English. They may also be read on Hartwall's site at www.hartwall.fi. The Annual Report and Interim Reports are mailed to all shareholders.

Stock exchange bulletins

Stock exchange bulletins are posted on Hartwall's site, www.hartwall.fi, immediately after they have been cleared for publication.



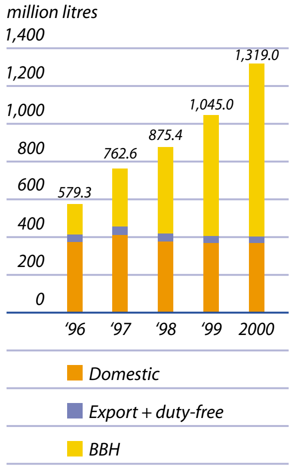
Lapin Kulta, the most popular beer in Finland since 1989, underwent an image makeover. The purpose was to make the outside appearance of Lapin Kulta beer bottles more uniform in the Finnish sales market as well as in the export and duty-free sales markets. Baltika is the only international beer brand in Russia, with Parnas 3 as its most popular product.

Summary of operations in 2000

Operations

- The Hartwall Group's aggregate sales volume rose to 1,319.0 million litres, up 26.2% on the previous year.
- BBH achieved a new sales volume record, 1,828.7 million litres, an increase of 43% compared with the previous year.
- BBH continued to strengthen its position in its most important market areas.
- Aggregate sales in Finland amounted to 368.4 million litres (371.2 million litres) and the market share was 44.9%.
- In Finland, Hartwall was the market leader in both alcoholic beverages with its market share of 45.3% and in non-alcoholic beverages with its market share of 44.3%.
- Measures to centralise the production and storage functions in Southern Finland progressed.
- In April-May, the company carried out two share issues, raising the number of shares by 5,400,700 Series A Shares to 65,950,700.
- The highest price of Hartwall's Series A Share was EUR 24.20 and the lowest was EUR 14.15.

Aggeregate sales volumes of the Hartwall Group



Key Figures

EUR million	**2000**	1999	change, %
Net sales	**612.0**	467.0	+31.0 %
Operating profit	**102.8**	76.6	+34.0 %
% of net sales	**16.8**	16.4	+0.4 % -pts.
Profit before extraordinary items and taxes	**94.9**	73.1	+29.8 %
% of net sales	**15.5**	15.7	-0.2 % -pts.
Net profit	**51.5**	46.0	+12.1 %
Earnings/share	**0.80**	0.76	+5.6 %
Total assets	**796.4**	614.4	
Return on investment, %	**19.5**	19.7	-0.2 % -pts.
Return on equity, %	**19.1**	21.4	-2.3 % -pts.
Gross capital expenditures	**162.6**	125.2	29.9 %
Personnel, average (incl. BBH 50 %)	**6,355**	5,341	
Aggregate sales volume	**1,319.0**	1,045.0	+26.2 %

Cider has found its way to the hearts of Finnish people. Consumers enjoyed the modern and fresh-tasting flavors of Hartwall Upcider at record-breaking quantities in 2000. Hartwall's sales of cider increased 73 %, with Hartwall Upcider capturing 32.7% of Finland's cider market.

Hartwall is Finland's largest beer and soft drinks company

(27 January 2000) In 1999, Oyj Hartwall Abp retained its position as Finland's leading player in the brewing industry with its 44.7% aggregate market share. The company strengthened its position particularly in soft drinks with an aggregate market share of 42.4%. In the mineral waters segment Hartwall held on to its position as market leader with a market share of 47.6%. In beers the company lost 1.2 percentage points of its market share but retained its position as Finland's largest brewer.

Sales of ciders manufactured and marketed by Hartwall grew by 69% and the company had a market share of 20.6%. Hartwall retained its position as market leader in the long drink segment with a market share of 58.3%.

Hartwall enjoys a better year than expected

(10 February 2000) Hartwall's net sales in 1999 rose to EUR 467.0 million (486.7) and was higher than expected. Operating profit was EUR 76.6 million (94.3) , or 16.4% (19.4) of net sales. Profit before extraordinary items and taxes amounted to EUR 73.1 million (80.7), representing 15.7% (16.6) of net sales. The profit for the year was EUR 46.0 million (45.7), and exceeded last year's level. Earnings per share was EUR 0.76 (EUR 0.72). The Board of Directors proposes that a dividend of EUR 0.1682 (EUR 0.1514), or FIM 1.00 (FIM 0.90) to be paid on the Series A Share and a dividend of EUR 0.1648 (EUR 0.1480), or FIM 0.98 (0.88) on the Series K Share.

Hartwall invests in growth and boosts the efficiency of its operations

(10 February 2000) Oyj Hartwall Abp's Board of Directors has decided to centralise its production and storage functions in Southern Finland at the Hartwall Lahti logistics centre. By centralising these functions, the company will ensure that it will remain competitive and have the wherewithal to operate in Finland in the future. In order to make it possible to carry out the Hartwall Lahti investment programme and to ensure the rapid growth of the associated company Baltic Beverages Holding AB (BBH), the Board of Directors is preparing a request to the Annual General Meeting for authorisation to carry out a share issue.

Proposal for authorising the Board of Directors to increase the share capital through one or several rights issues

(6 March 2000) The Board of Directors has decided to propose to the Annual General Meeting to be held on 29 March 2000 that the Annual General Meeting authorise the Board of Directors to decide on increasing the share capital through one or several rights issues such that in a rights issue a maximum of 6,000,000 new Series A shares with an accounting countervalue of EUR 0.20 can be subscribed for.
On the basis of the authorisation the share capital can be increased by a maximum of EUR 1,200,000. It will be proposed that the authorisation be in force up to 29 March 2001.

BBH to partner up with Pepsi in Ukraine

(20 March 2000) Baltic Beverages Holding (BBH) and PepsiCo have signed an agreement concerning rights to the bottling, sales and distribution of Pepsi beverages in Ukraine starting from 1 April 2000.
The new co-operation utilizes BBH's countrywide distribution network, thus strengthening the company's position in the Ukrainian beverages market.

The Board of Hartwall intends to complete a share issue during the spring, subject to today's AGM approval of the authorisation

(29 March 2000) In its meeting today the Board of Directors has taken the decision , if so authorised by the Annual General Meeting today, to aim to use the authorisation to increase the share capital by a maximum of 6, 000, 000 shares and start the preparations so that an issue could be completed during the spring. The Board of Directors has mandated Enskilda Securities to start the preparations for an issue.

The decisions at Oyj Hartwall Abp:s Annual General Meeting

(29 March 2000) Oyj Hartwall Abp's Annual General Meeting of today adopted the company's financial statements for 1999 and released the members of the Board of Directors and the managing director from liability. It was decided that for 1999 a dividend of FIM 1.00 be paid on the Series A Share and a dividend of FIM 0.98 per Series K Share. The Annual General Meeting authorised the Board of Directors to decide on raising the share capital in accordance with the proposal made at the meeting of the Board of Directors on 6 March 2000.

The Annual General Meeting decided to sell the shares on the company's grand total account for securities on behalf of the shareholders.

The Board of Hartwall has decided to start marketing a share issue

(7 April 2000) The Board of Directors of Hartwall has in its meeting today made a decision to market a share issue to a limited group of Finnish and international institutional investors beginning on 10 April 2000. The Board has also decided to call for an Extraordinary General Meeting (EGM) to decide on a directed share issue to Pripps Ringnes AB. The total number of new Series A Shares to be offered would not exceed 5,900,000.

Stock Exchange Bulletins 2000

BBH's volumes grow by 71% during the first quarter of the year

(17 April 2000) Baltic Beverages Holding AB (BBH) reports a volume growth of 71%, from 198 million litres to 339 million litres in the first quarter of the year over the same period in the previous year. Growth from acquisitions accounted for approximately 10 percentage points of the total growth.

Share price in Hartwall's directed issue 14.50 euro

(20 April 2000) The Board of Directors of Hartwall has decided to raise the share capital by a maximum of EUR 800,000 by way of a directed issue of maximum 4,000,000 Series A Shares to domestic and international institutional investors based on subscription commitments received. The subscription price of the share was set to 14.50 euro. The new funds subsequent to the the share issue will be EUR 58 million, before fees and expenses.

Decisions by Hartwall's Extraordinary General Meeting

(20 April 2000) It was decided to execute a directed share issue to Pripps Ringnes AB, so that Pripps Ringnes relative ownership of the share capital remains on the same level as prior to the directed issue. The new issue to Pripps Ringnes AB will comprise a maximum of 1,100,700 Series A Shares having a counter book value of EUR 0.20 each. The share capital will thus be increased by a maximum of EUR 220,140.

Hartwall share issue

(26 April 2000) The Board of Directors of Oyj Hartwall Abp has today approved the share subscriptions of 4,000,000 new Series A Shares made in relation to the share issue directed to international and institutional investors and the share subscriptions of 1,023,900 new Series A Shares made in relation to the share issue directed to Pripps Ringnes AB. Thus, the company's share capital has been increased by EUR 1,004,780 by issuing 5,023,900 new Series A Shares. The share capital increases have today been entered into the Trade Register. The increased share capital is EUR 13,114,780 divided into 65,573,900 shares. The counter value of one share is EUR 0.20

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Listing of shares subscribed pursuant to the directed share issues of Hartwall

(27 April 2000) 4,000,000 Series A Shares subscribed by the institutional investors and 1,023,900 Series A Shares subscribed by Pripps Ringnes AB in context with the directed share issues of Hartwall Plc, have been listed in the Helsinki Exchanges as from 27 April 2000.

Over-allotment option of 300,000 new Series A Shares exercised

(28 April 2000) Enskilda Securities AB, the manager of Hartwall's directed share issue, has decided to exercise its option to purchase an aggregate of 300,000 additional Series A Shares to cover over-allotments. The share capital of the Company will be increased by EUR 60,000. The new shares will be officially listed on the main list of the Helsinki Exchanges on about May 4, 2000.

Underwriter subscribes for optional shares

(3 May 2000) Oyj Hartwall Abp has increased its share capital by issuing 300,000 new Series A Shares, which have today been subscribed by Enskilda Securities to cover over-allotments in the company's institutional offering. The company has also approved Pripps Ringnes AB's subscription of 76,800 new Series A Shares, which still remained subject to further approval and which were included in the 1,100,700 new Series A Shares subscribed by Pripps Ringnes AB in the directed share issue to them. The company's share capital has thus been increased by a total of EUR 75,360 the total number of new Series A Shares being 376,800. The increased share capital is EUR 13,190,140 divided into 65,950,700 shares, the counter book value of each share being EUR 0.20.

Hartwall and Schweppes to continue their partnership

(16 May 2000) Oyj Hartwall Abp and Schweppes International Limited have renewed their co-operation agreement concerning the manufacture, marketing, sales and distribution of Schweppes mixers in Finland. The new agreement is valid until the end of 2004.

Hartwall Upcider is the success story of the first four-month period

(18 May 2000) Hartwall Upcider, which the company launched at the turn of the year, achieved a 30.8% market share during its first four months on the market. At the same time Hartwall's cider sales grew by 85.5% to 4.1 million litres.

Oyj Hartwall Abp's Interim Report January-April 1999

(30 May 2000) The Hartwall Group's net sales in the period from Janaury to April grew by 34.3% compared with the corresponding period of the previous year, and amounted to EUR 163.9 million. The major part of this

figure was due to the strong growth in the sales volume of Hartwall's associated company Baltic Beverages Holding AB (BBH). The operating profit in the January to April period was EUR 19.4 million (EUR 10.8 million) and the profit before extraordinary items and taxes EUR 17.7 million (EUR 9.8 million).

Orkla and Carlsberg form global beer company

(31 May 2000) Norwegian Orkla and Danish Carlsberg have decided to form a new global beer company called Carlsberg Breweries. 60% of the new company will be owned by Carlsberg and 40% by Orkla. The new company will consist of all Carlsberg's beer activities and the activities of the Swedish-Norwegian beer and soft drinks company Pripps Ringnes, owned by Orkla including Pripps Ringnes 50% stake in Baltic Beverages Holding AB (BBH). The other stake of BBH is owned by Oyj Hartwall Abp. Orkla will keep its 20.38% ownership of Hartwall shares.

This new ownership arrangement has no effect on the operations of Oyj Hartwall Abp or Baltic Beverages Holding AB.

Paul Bergqvist resigns from Hartwall's Board of Directors

(21June 2000) Mr. Paul Bergqvist, Chief Executive of Pripps Ringnes AB, has announced that he will resign his position as member of the Board of Directors of Oyj Hartwall Abp. Correspondingly, Mr. Jussi Länsiö, Managing Director and CEO of Oyj Hartwall Abp, has announced that he will resign his position as member of AB Pripps Bryggerier's Board of Directors. The changes will take effect immediately.

Cider is Hartwall's most successful product in the summer

(21 September 2000) Hartwall's position in the Finnish cider market has strengthened further. Hartwall Upcider, which the company launched at the turn of the year, had a market share of 33.7% at the end of August. In spite of the rainy summer Hartwall's cider sales amounted to 11.4 million litres by the end of August.

Oyj Hartwall Abp's Interim Report January-August 2000

(28 september 2000) Net sales in the January-August period grew to EUR 413,9 million (1-8/1999: EUR 316.6 million). From the beginning of the year the operating profit totalled EUR 77.6 million (1-8/1999: EUR 58.8 million). The profit before extraordinary items and taxes was EUR 74.9 million (1-8/1999: EUR 56.7 million).

Hartwall not submitting an offer for the Altia Group

(22 November 2000) Oyj Hartwall Abp wishes to make it clear that the company has not submitted an offer for one-third of the stocks in the Altia Group. Also, no principal decision has been made according to which Hartwall would be among the bidders should the majority of the shares in the Altia Group be on sale in the future.

CDI becomes totally owned by Hartwall

(22 November 2000) Oyj Hartwall Abp har acquired the remaining shares in Cool Drinks International Ltd. Oy (CDI). Cool Drinks International Ltd. Oy is a company owned by Hartwall och Primalco Oy on a fifty-fifty basis.

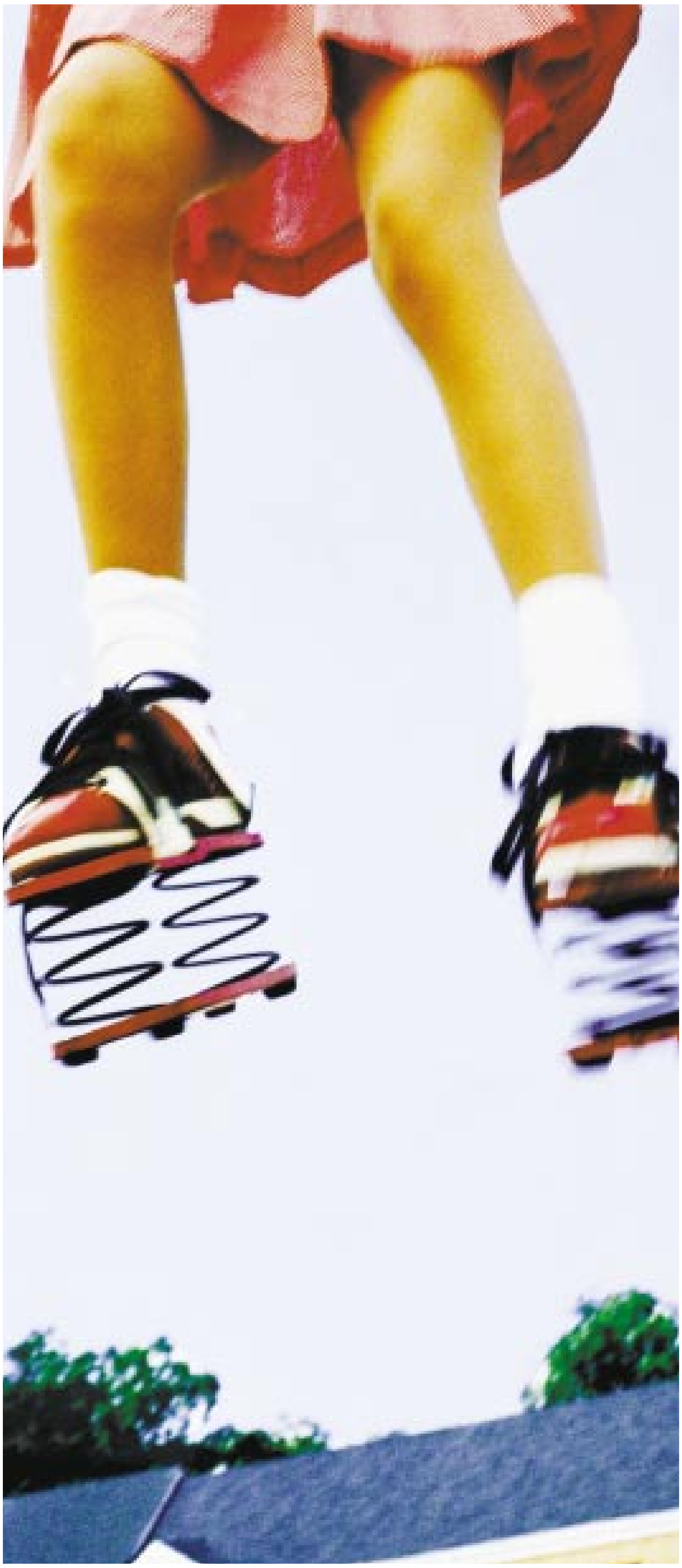
Subscribing Oyj Hartwall Abp's shares on the basis of an issue of bonds and warrants floated in 1994

(22 November 2000) Today, 125,000 new Series A Shares in Oyj Hartwall Abp have been subscribed on the basis of an issue of bonds with warrants that was floated by the company in 1994. The company has accepted payments for all the subscribed shares. The accounting countervalue of each subscribed share is 0.20 euros and the share capital will be raised by 25,000 euros as a result of the subscription. The company will take steps to register the increase in share capital and to have the additional lot of 125,000 Series A shares corresponding to the increase accepted for public trading during December 2000.

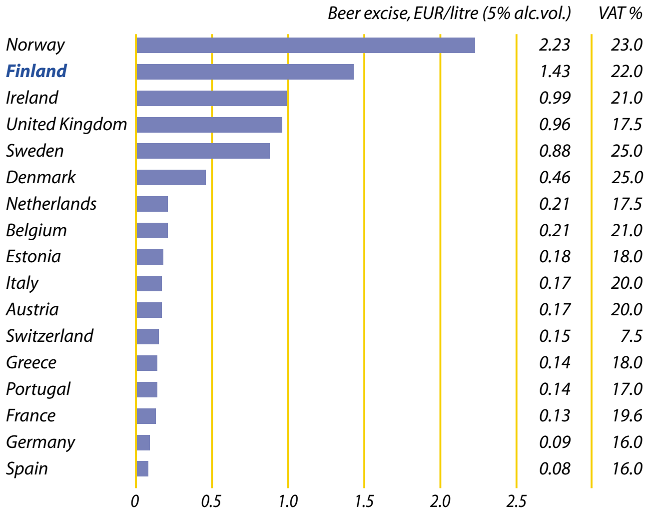
Increase in the share capital of Oyj Hartwall Abp on the basis of the issue of bonds with warrants floated in 1994

(15 December 2000) The EUR 25,000 increase in share capital based on Oyj Hartwall Abp's issue of bonds with warrants has today been entered in the Trade Register. The additional lot of 125,000 Series A Shares corresponding to the value of the increase in the share capital and having a countervalue of EUR 0.20 is estimated to be available for trading on Helsinki Exchanges as of 18 December 2000. Following the increase, the share capital of Oyj Hartwall Abp amounts to EUR 13,215,140, being divided into 66,075,700 shares each having a countervalue of EUR 0.20.

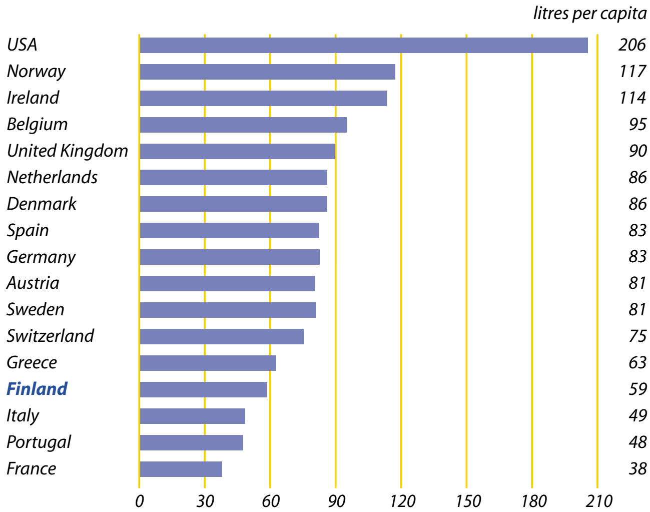
Hartwall Jaffa is Hartwall's traditional orange-flavored soft drink. It is the most popular non-alcoholic beverage in Finland and simply "the one and only" for Finnish people. With its 44.3% market share, Hartwall was the market leader in the non-alcoholic beverages segment in 2000.



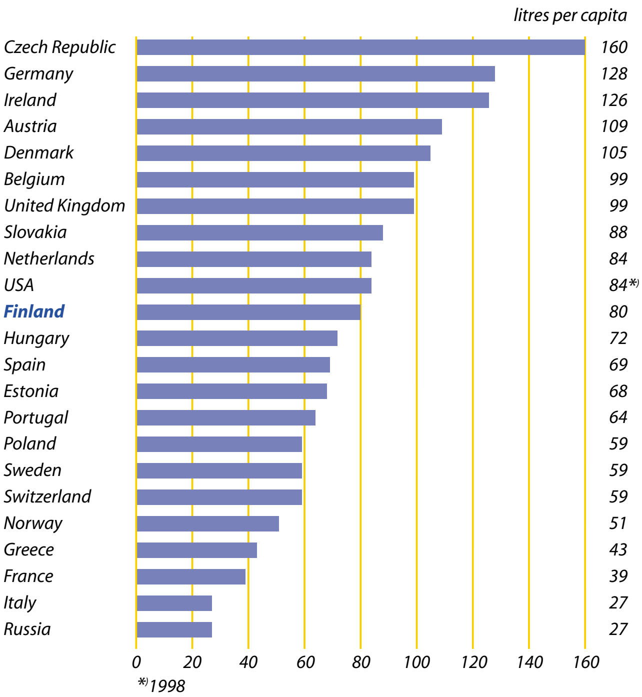
Beer excise and VAT in various countries 2000



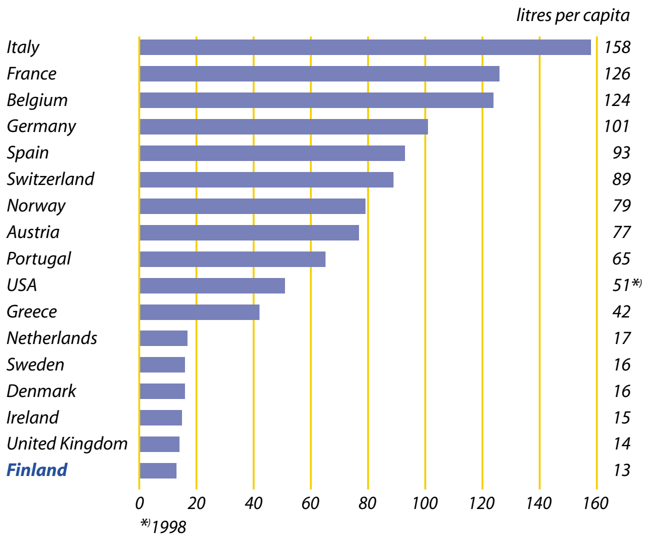
Consumption of soft drinks 1999



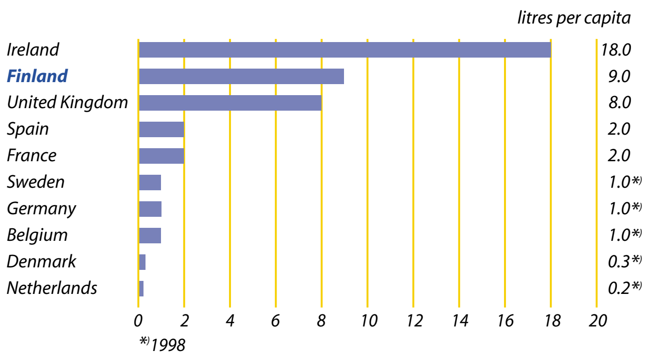
Consumption of beer 1999



Consumption of bottled water 1999



Consumtion of cider 1999



Source: The Finnish Federation of the Brewing and Soft Drinks Industry

A year of brisk growth and good results

The year 2000 turned out to be a successful one for the Hartwall Group. Our Group's net sales and operating profit grew by over 30% and our sales volume by 26%. Although the Group's investments rose to an exceptionally high level, our financial position and balance sheet remained strong thanks to the cash flow from our operations and the share issue that was carried out in the spring.

The growth of the Hartwall Group was primarily attributable to the buoyant growth in the operations of our associated company, Baltic Beverages Holding (BBH). During the report year, the company's sales volume rose by 43%. This increase primarily came from Russia and Ukraine – beer consumption per capita increased by over 20% in these countries. During the report year, the primary currencies in BBH's area of operations did not weaken significantly against the euro.

Sales by our field of industry in Finland fell one per cent short of last year due to the poor summer weather. Hartwall strengthened its aggregate market position slightly, although domestic business operations did not quite reach the targets set for net sales and operating profit.

Our Group's investments were earmarked for the implementation of our production and logistics structure in Finland – that is, Hartwall Lahti – and the development of the business operations of our associated company BBH.

Concentration in the world's brewing and soft drinks industry

During the past few years, the ownership of international brewing companies has become increasingly centralised and smaller players have been merging into ever-larger companies. The internationalisation of the ownership of the retail, hotel and restaurant sectors is also setting the pace for this trend. Multinational, well-known brands of beer are now stepping up to challenge national brands with greater frequency.

Here in the Nordic countries, our field of business is also gripped by rapid changes. At the end of May, Orkla, our Norwegian partner in the associated company BBH, announced that it intended to form a new brewing company, Carlsberg Breweries, in association with our competitor, Carlsberg. Orkla's brewing and soft drink operations, Pripps Ringnes, and 50% of BBH will be transferred into this new company. Carlsberg Breweries will also be a major player in the Nordic soft drinks and water markets.

The competition authorities of Sweden and Finland have issued their decision on the terms and conditions under which the founding of Carlsberg Breweries can be realised. The decision taken by the competition authorities has no significant impact on Hartwall's day-to-day business operations.

Vigorous growth continues in Russia and Ukraine

During the period under review, BBH achieved a new volume record: 1,829 million litres. BBH now has twelve breweries, of which six are located in Russia, two in Ukraine and four in the Baltic countries. The company is a co-partner in five malt houses, and is thus a significant producer of brewing malt.

In spite of tighter national and international competition, BBH managed to increase its market shares in both Russia and Ukraine.
The factors affecting its growth were the increased political and financial stability of the markets and BBH's consistent investments in the quality of products, brands, packaging and more efficient sales and distribution.

During the report year, BBH began to co-operate with PepsiCo Inc. in the Baltic countries and Ukraine, thereby rounding out its product range with Pepsi and Seven Up soft drinks.

BBH's investments rose to a record-breaking level in 2000: over EUR 230 million. The production and packaging capacity of all BBH breweries was augmented, and distribution systems in Russia and Ukraine were expanded.

Hartwall Upcider is the year's success story in Finland

Hartwall has been successful in a tightening competition situation. Our position as Finland's leading player in the brewing industry strengthened by 0.2 percentage points, and was 44.9%. Hartwall is the market leader in both the alcoholic (45.3%) and non-alcoholic (44.3%) beverage groups.

The aggregate consumption of beer declined in Finland and Hartwall's market share weakened. In this product group, our company did not reach its objectives; we will have room for improvement this year. Our company's main product in Finland, Lapin Kulta, retained its position as Finland's best-selling beer.

Hartwall successfully strengthened its market position in ciders, long drinks, soft drinks and mineral waters. Hartwall Upcider was the outstanding success story of the review period. This cider, which was launched in January 2000, claimed its position as the second-ranking cider on the market in no time at all with its market share of 32.7 per cent.

The traditional Hartwall Jaffa was also one of the year's winners. It became Finland's second most popular soft drink. Pepsi ranks third.

Hartwall's share of the mineral water market rose to over 50 per cent and the Hartwall Novelle series of mineral waters overtook its competitors in popularity, coming in first in the daily consumer goods trade.

Hartwa-Trade continued to develop its business operations during the report year, focusing on expanding its product range and distribution.

Strategy and financial objectives

Our objective is to be Finland's best beer and soft drinks company, and the leading brewing company in the Baltic countries, Russia, Ukraine and other selected market areas in Eastern Europe through BBH. In Finland, we are also working on Hartwa-Trade's operations as a wholesaler and marketer of wines and strong alcoholic drinks.

In accordance with our business strategy, we are concentrating on bolstering competitiveness and cost-effectiveness in Finland. We are seeking strong growth in international markets through BBH and growing exports of Lapin Kulta beer.

The Hartwall Group's operations are guided by long-term objectives. In Finland, we will grow at least at the same rate as the industry in general. We are seeking rapid growth in BBH's territory. Our operating profit objective at the Group level is at least 15% of net sales, breaking down as 10% of net sales in Finland and 20% in BBH's business area. Return on both investment and equity should be at least 18% and the equity ratio should be 50% at the Group level.

It is high time to reduce the excise tax on beer

Out of all the EU countries, Finland has the highest excise tax on beer. The brewing and alcohol industry and alcohol-selling businesses have for a long time demanded decision-makers to come up with plans for the rapid and controlled reduction of alcohol taxes so that they will be closer to the European level. The state has not as yet proposed any such plans, even though – when we account for the dynamic effects that a tax cut would usher in – its dawdling is causing it to lose a considerable amount of tax revenues. Even now, the losses of alcohol tax revenues caused by travel abroad are in the vicinity of FIM 2 billion when we consider not only private imports but also consumption abroad and large-scale smuggling.

The tax issue cannot be disregarded for long. 2004, when Finland's restrictions on imports by travellers will be loosened dramatically, is almost here, and there will soon be no time left for a gradual and controlled harmonisation of alcohol taxes. In order to safeguard Finnish production and employment rates, the alcohol taxes must be lowered without delay.

Outlook for the future

In Finland, our goal is to strengthen our position as Finland's leading brewing company. We will focus on our strong brands and develop our products, packaging, production methods and sales functions in an innovative manner. We will profitably increase our market shares in all product groups.

We will meet the ever-faster changes taking place in our business environment by boosting the efficiency of our cost structure and by offering our customers and consumers even more desirable products. As part of our effort to streamline our production and logistics functions, we will centralise our production and storage functions covering Southern Finland in the Hartwall Lahti facility, which is currently under construction. The new production plant and distribution centre will be in full operation in the spring of 2003.

BBH's objectives are to grow at a faster rate than the markets in its territories and to generate good earnings. Although operations focus on the development and gradual consolidation of its present breweries and distribution functions, increasing the number of BBH's breweries by one or two in its current area of operations has not been shut out as an option.

The year now ended has been one of the best in Hartwall's 165 years in the business. We have every reason to expect that the present year will also be successful for the Group. I would like to thank Hartwall's shareholders and co-operation partners as well as Hartwall's and BBH's personnel for making 2000 an excellent year, and I wish you luck and success in the present year.

Jussi Länsiö
Managing Director

Although total beer sales in Finland dropped, Hartwall's beer sales remained strong. Hartwall effectively maintained its leading market position through multi-packages and strategic marketing.

The industry in Finland

- Aggregate sales by the brewing industry declined by 1.2%.
- The unstable weather in the summer caused a downswing in the aggregate market for soft drinks and mineral waters, which had enjoyed a long period of growth.
- Beer sales declined by 1.6% compared with the previous year.
- Of the industry's product groups, cider achieved the highest performance figures, growing by 9.2%.

Hartwall in Finland

- The net sales of Hartwall´s Finnish functions was EUR 293.5 million (+6.1%) and operating profit EUR 24.5 million (-9,2%).
- Hartwall was market leader with its aggregate market share of 44.9%.
- The company's market share was 45.3% in alcoholic beverages and 44.3% in non-alcoholic beverages.
- Hartwall Upcider was the year's success story; in the space of a year, it achieved a market share of 32.7%.

Exports and duty-free sales

- Hartwall's exports to Sweden reached last year's level. Lapin Kulta beer strengthened its position, especially in sales in bars and restaurants and in daily consumer goods stores.
- Exports of Lapin Kulta beer to Norway rose by 40%, but the volumes remain small.
- In St. Petersburg, Lapin Kulta was one of the best-known imported beers. Lapin Kulta was prominent in popular, trendy restaurants and bars and in daily consumer goods stores.
- The ending of duty-free sales within the EU had little effect on Hartwall's duty-free sales.

Key Figures, Finland

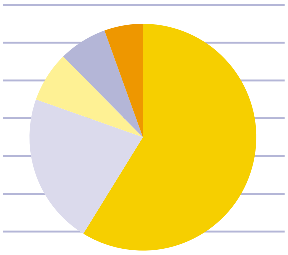
EUR million	**2000**	1999	Change,%
Net sales	**293.5**	276.4	6.1
Operating profit	**24.5**	27.0	-9.2
% of net sales	**8.4**	9.8	-1.4 % -pts.
Aggregate sales volume, million litres	**368.4**	371.2	-0.8

Aggregate sales decline slightly but are the second largest in the industry's history

In spite of the slight decline, the industry achieved the second highest aggregate sales in its history. The unstable weather in the summer caused a downswing in the aggregate market for soft drinks and mineral waters, which had enjoyed a long period of growth. Of the industry's product groups, the best performance figures were seen in cider.

Beer sales in Finland by container in 2000

Total 402.4 million litres



Bottle 0.33l	58.8%
Container	21.6%
Bottle 1.0l	7.2%
Bottle 0.5l	6.9%
Can	5.5%

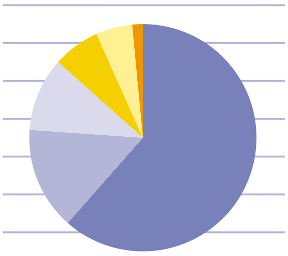
The industry's aggregate market came in at 821.1 million litres (830.7), a decline of 1.2%. Sales fell to some extent in all of the industry's product groups with the exception of cider. The beverage trade was dampened by factors such as the unstable and partially chilly weather in the summer, whose effects were most evident in sales of soft drinks and mineral waters. In the light of international comparison figures, however, these are the product groups which have the best growth potential in Finland.

The popularity of multipacks continues

The beer business racked up sales of 402.4 million litres (408.7), or 1.6% less than in the previous year. The rising popularity of multipacks continued to characterise the beer market. In 1999, their sales doubled, achieving a close to 30% share of beer sales by daily consumer goods stores. The share of sales accounted for by these packs reached almost 50% by the end of the year.

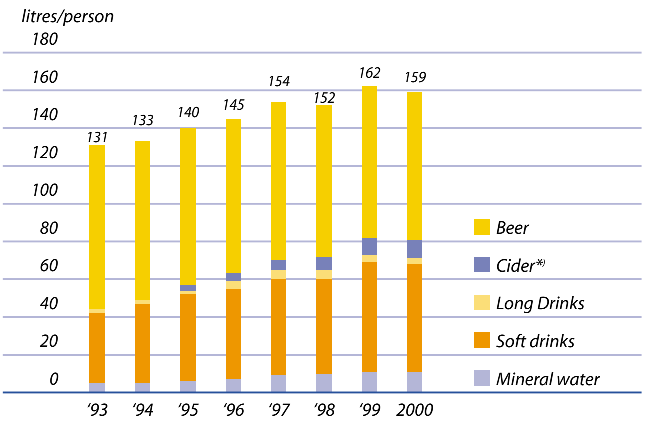
Soft drinks and mineral water sales in Finland by container in 2000

Total 351.4 million litres



Bottle 1.5l	61.5%
Bottle 0.5l	14.6%
Container	10.5%
Bottle 0.33l	6.7%
Bottle 1.0l	5.2%
Can	1.5%

Consumption of beverages



*) included in the figures for wine until 1995.

Thanks to the multipacks, traditional 0.33 litre bottles were the only size of bottle that saw sales growth in the beer market.

When examined by distribution channel, sales in restaurants and bars were a touch more successful than other types of sales, but the trend did not impact on the size classes of the various channels. Two-thirds of beer sales in Finland were made by daily consumer goods stores, slightly under one-third by restaurants and bars, and one-twentieth by Alko stores.

Medium-strength beer continued to dominate Finland's beer market. Out of every 100 bottles of beer sold in Finland, 90 contained medium-strength beer, seven strong beer and three mild beer.

Growth potential in soft drinks

In the soft drinks market, demand did not reach last year's level, when consumption shot up to a new level. The aggregate market amounted to 294.6 million litres (298.8), down 1.4%.

The performance figures seen in 2000 bespeak of the significance of the summer weather and of future growth potential.

By the end of May, the aggregate market was still 3% ahead of the peak sales figures seen in the previous year, but the two summer months led to a slump in sales, and by the end of July the performance figure for the full year was -3%. However, from the beginning of August to end of the year, the industry managed to halve this negative figure.

The positive performance figures seen in months other than the summer months, when consumption depends on the weather, clearly predict that this product group will rise in popularity in the future.

The popularity of multipacks was also evident in sales of soft drinks. At the end of the year, the share of soft drinks sales in daily consumer goods stores accounted for by multipacks containing two 1.5 litre bottles was already about 30%.

All in all, 1.5 litre bottles held the highest share, 61.5%, in sales of soft drinks and mineral waters. The fastest growing and the second most popular packaging alternative in these product groups was the 0.5 litre refillable plastic bottle, whose sales increased by over 30%.

Adding more flavour to mineral waters

Sales of mineral waters amounted to 56.9 million litres (58.2), down 2.2%. The clearest trend in the product group was the continuing growth in sales of flavoured mineral waters.

In a five-year period, the share of aggregate consumption in this product group accounted for by flavoured mineral waters has almost quadrupled. At the end of the year, almost 40% of all products sold in this product group were flavoured mineral waters.

Cider registers the best growth

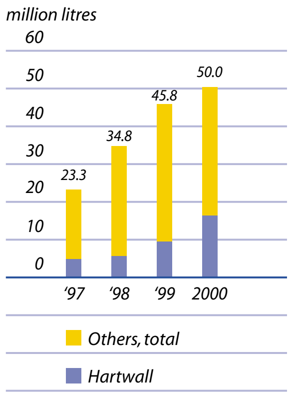
Cider sales continued to grow. Aggregate sales reached 50 million litres (45.8), representing growth of 9.2%. In the last six years, sales in this product group have risen more than tenfold. There is still some ways to go before consumption matches the world's leading cider country, Ireland, where consumption per capita is almost double that of Finland's.

Pear was the most popular flavour by a good margin. Its share of aggregate sales in this product group was almost 60%, or more than twice as much as apple, the second most popular flavour.

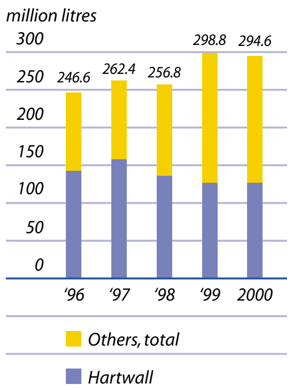
The popularity of the refillable 0.5 litre plastic bottle among consumers was highly evident in cider sales as well. Demand for cider in these bottles rose by as much as 357%!

The increasing popularity of cider was partially evident in sales of long drinks. The trend in their aggregate sales was the weakest of all the industry's product groups. Aggregate sales amounted to 17.2 million litres (19.2), or 10.2% less than in the previous year.

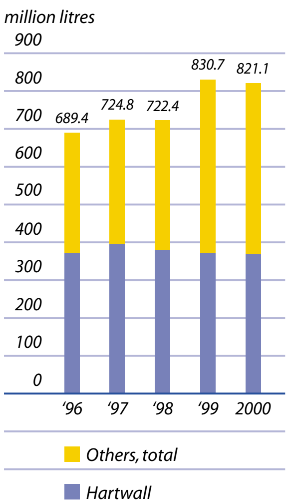
Trend in cider sales in Finland 1997-2000



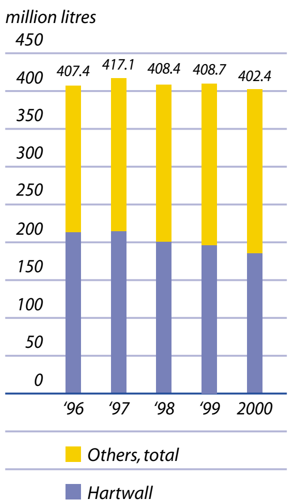
Trend in soft drink sales in Finland 1996-2000



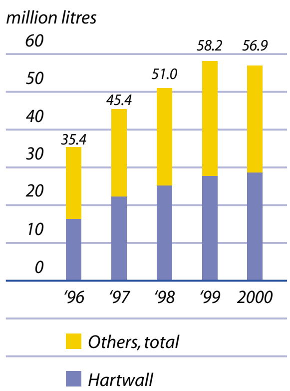
Aggregate sales volume in Finland 1996-2000



Trend in beer sales in Finland 1996-2000



Trend in mineral water sales in Finland 1996-2000



Source: The Finnish Federation of the Brewing and Soft Drinks Industry

Pepsi is one of the world's most well known soft drinks, and it's especially popular among teenagers. A trendy image and sound product concept were responsible for Pepsi's success on the Finnish soft drinks market. And when it comes to creating a successful non-alcoholic product line that sells, Hartwall has state-of-the-art expertise.

Trend in sales outperforms the industry's aggregate market

Hartwall's sales developed more favourably than the industry's aggregate market. The growth in the aggregate market for cider, the product group which saw the most buoyant evolution in the business, was wholly attributable to the Hartwall Upcider products. The company was the market leader as a supplier of both alcoholic and non-alcoholic beverages.

Hartwall increased its aggregate market share slightly because it was more successful than the rest of the industry in all product groups with the exception of beer. Its aggregate market share was 44.9%, or 0.2 percentage points better than in the previous year. Aggregate sales hit 368.4 million litres (371.2), down 0.8%.

As the previous year was a highly brisk one for soft drinks, special efforts were devoted to ciders in the report year. These activities brought results. Thanks to Hartwall Upcider, the company achieved the most significant market share growth in ciders, the product group that saw the most vigorous development in the industry.

Beer sales grow in restaurants and bars

Aggregate sales of beer amounted to 185.7 million litres (196.3), or 5.4% less than in the previous year. However, the company retained its market leadership with its 46.1% share.

The company's best performance in beer sales – growth of 3.3% – took place in the licensed sales sector. Growth was based on factors such as the good availability of the company's beer brands in bars and restaurants that were open only during the summer season and the success of its bottle packages in sales by restaurants and bars.

Having a high market share in the daily consumer goods trade has its drawbacks. As is the case with other leading products, the amount of sales space allocated to Lapin Kulta beer is rarely proportional to its market share. This situation is favourable to brands that are in lower demand; they claim more shelf space than their actual market shares would warrant, because the amount of space daily consumer goods stores set aside in their beverage departments for the low-volume products they stock cannot, in practice, be directly proportional to the market shares of these products.

Standardising the design of Lapin Kulta beer

The appearance of Lapin Kulta, which achieved the position of Finland's most popular beer in 1989, was revamped. The company set out to give the beer's design a uniform appearance in the Finnish market, exports and duty-free sales. This effort was highly successful, as studies show that 87% of consumers consider its new appearance an improvement.

In recognition of the natural affinity of Lapin Kulta and environmental awareness, SFS-Certification granted an environmental certificate in line with the ISO 14 001 standard to the Lapin Kulta brewery's environmental system.

In addition to the market leader, Lapin Kulta beer, the company's three other brands, Karjala, Legenda and Hartwall Classic, ranked among the ten most popular beers.

Soft drink sales continue to grow

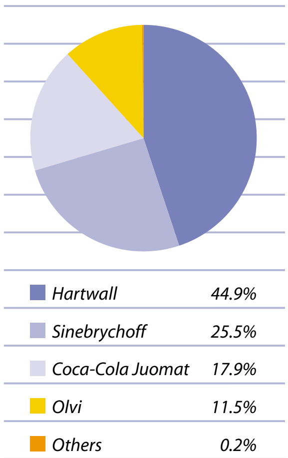
Sales of 126.9 million litres (126.5) were achieved in soft drinks, with the market share amounting to 43.1%, up 0.7 percentage points. Hartwall increased its market shares in the case of both its own and its international brands.

The soft drinks segment is divided into four flavour segments: cola, orange, lemon/lime and other flavours. The other flavours segment registered the strongest growth in the aggregate market; Hartwall boasts the highest market share, about two-thirds, in this segment.

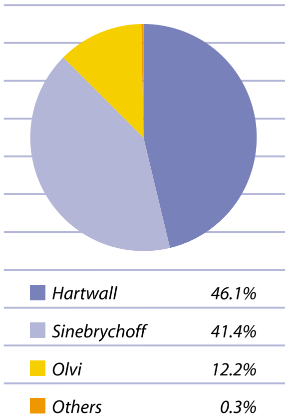
The bottle's on the table

The highly vigorous outlays on cold drink services that began in the previous year continued in the report year. A total of approximately 3,000 new cold drink machines were installed, whereas the corresponding figure was about 6,000 units in the previous year. During the last two years, a total of about EUR 16.8 million has been invested in cold drink services.

Total market positions in Finland in 2000



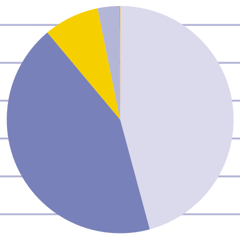
Beer market positions in Finland in 2000



Source: The Finnish Federation of the Brewing and Soft Drinks Industry

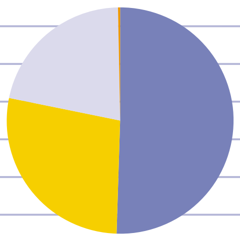
Hartwall in Finland

Soft drink market position in Finland in 2000



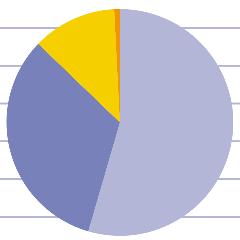
Coca-Cola Juomat	*45.8%*
Hartwall	*43.1%*
Olvi	*7.9%*
Sinebrychoff	*3.1%*
Others	*0.1%*

Mineral water market position in Finland in 2000



Hartwall	*50.5%*
Olvi	*27.7%*
Coca-Cola Juomat	*21.5%*
Others	*0.3%*

Cider market position in Finland in 2000



Sinebrychoff	*54.5%*
Hartwall	*32.7%*
Olvi	*21.0%*
PUP	*0.8%*

Source: The Finnish Federation of the Brewing and Soft Drinks Industry

Because there were no stylish bottles on the market suitable for sale in upscale restaurants and bars, Hartwall launched a new 0.3 litre high-profile glass bottle for soft drinks and mineral waters. These bottles are sold primarily in restaurants, bars, cafés, hotel minibars, cash & carry stores and warehouse outlets. The new bottle is returnable and refillable.

Hartwall and Schweppes International Limited renewed their co-operation agreement concerning the manufacture, marketing, sale and distribution of Schweppes beverages in Finland. The new agreement is valid until the end of 2004.

Four of Hartwall's brands made it into the top ten list for soft drinks (aggregate market): Hartwall Jaffa, Pepsi, Pepsi Max and 7UP.

Hartwall Novelle comes in first

In spite of the decline in the aggregate market for mineral waters, Hartwall's sales increased in this product group. Sales of 28.7 million litres (27.7) gave the company a 50.5% market share. Sales grew by 3.5% and the market share by 2.8 percentage points.

Hartwall was especially active in the fastest-growing flavour segment in this product group: flavoured mineral waters. The Hartwall Novelle product family currently includes one unflavoured and four flavoured beverage alternatives.

Hartwall Novelle was the market leader in the aggregate market for mineral waters by a good margin. In addition, Hartwall Vichy Original ranked among the best-selling mineral waters.

Hartwall Upcider – the product launch of the year

The company's market position strengthened exceptionally well in the cider product group, where Hartwall's sales increased to 6.9 million litres while sales by the entire industry grew by 4.2 million liters.

Hartwall's cider sales reached 16.4 million litres (9.5), representing growth of 72.9%. Its market share was 32.7%, an increase of 12.1 percentage points in a single year!

The unusually strong growth was based on the Hartwall Upcider product family. The launching of this beverage was clearly the most significant event in the industry, even when all the product groups are taken into consideration. Studies show that 46,000 households that had never before purchased cider bought Hartwall Upcider – and

Domestic sales of the brewing and soft drinks industry

	Industry million litres	Change %	Hartwall million litres	Change %	Market share	Change % -pts.
Beer	402.4	-1.60	185.7	-5.4	46.1%	-1.9
Cider	50.0	9.20	16.4	72.9	32.7%	12.1
Long drinks*)	17.2	-10.16	10.7	-4.5	62.1%	3.8
Total	469.6		212.8		45.3%	
Soft drinks	294.6	-1.40	126.9	0.3	43.1%	0.7
Mineral water	56.9	-2.20	28.7	3.5	50.5%	2.8
Total	351.5		155.6		44.3%	
Beverages, total	821.1	-1.2	368.4	-0.8	44.9%	0.2

*) 2000 and 1999 include 100% of Hartwall Long Drinks.

that was just during the first three months of the report year.

The basic mix of the Hartwall Upcider product family comprises six flavours and one seasonal product.

CDI is now fully owned

Like the aggregate market, sales of Hartwall's long drinks were dampened by the popularity of ciders. However, the contraction was not as large as the decline in the aggregate market, and thus the market share improved further.

With its sales of 10.7 million litres (11.2), the company achieved a 62.1% market share, 3.8 percentage points higher than in the previous year. The company enjoyed an especially solid position in the strong long drinks category – ones containing more than 4.7 alcohol by volume – with its market share of 76.0%.

Hartwall assumed full ownership of Cool Drinks International Ltd. Oy (CDI), which manufactures, markets and sells mixed beverages with low alcohol levels. The company was established in 1994 and was previously owned on a 50-50 basis by Hartwall and Primalco Oy.

Hartwa-Trade consolidates its position

2000 was the second year of operations for Oy Hartwa-Trade Ab under its present business concept. The company is fully-owned by Hartwall and focuses on importing, distributing and marketing alcoholic beverages.

In line with its concept, the company offers the restaurant and bar sector in Finland the opportunity to receive all their major beverages from one supplier under a "one order, one delivery and one invoice" principle. In its ordering and distribution routines, the company relies on Hartwall's functions.

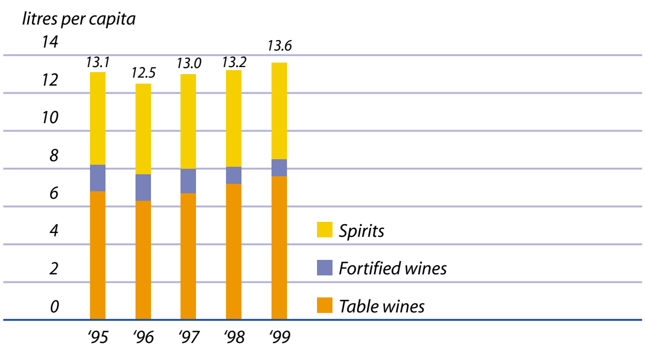
Operations were characterised by the vigorous development of the product range. In the space of a single year, the assortment was doubled from under 200 to around 400 products. The current product range is just about evenly divided between strong spirits and wines.

In order to strengthen the product range further, the company started up negotiations to acquire the shares outstanding in Oy Lindtrade Ab, an agency specialised in wines.

Almost 70% of the company's sales are performed through Alko stores and the rest via the restaurant, bar and service sector. Over 80 Hartwa-Trade products are included in Alko's product range. Sales to restaurants and bars strengthened rapidly, and by the end of the report year the clients in this sector numbered about 1,800.

The company's key products include Smirnoff Vodka, Gordon's Gin, Meukow cognacs, Johnnie Walker whiskies, Baileys liqueur and the Carta Nevada Semi Seco and Cordon Negro Brut sparkling wines.

Consumption of alcoholic beverages 1995-1999



The shares of daily convenience goods store in all Finland (vol.).

Finnish Beers Top Ten 2000

Lapin Kulta	28.5
Karhu	23.9
Koff	12.3
Karjala	9.2
Olvi Special	7.8
Legenda	5.4
Olvi CXX	3.8
Sandels	2.7
Koff Light Beer	1.0
Hartwall Classic	0.9

Finnish Soft Drinks Top Ten 2000

Coca-Cola	23.8
Hartwall Jaffa	17.3
Pepsi	15,3
Fanta	8.1
Sprite	7.2
Seven Up	4.5
Frisco	3.3
Olvi Classic Cola	3.0
Olvi Jaffa	2.8
Hartwall limonadi	2.6

Finnish Ciders Top Five 2000

Golden Cap	45.2
Hartwall Upcider	28.4
Fizz	15.4
Kopparberg	7.1
Woodpecker	1.5

Finnish Mineral waters Top Five 2000

Hartwall Novelle	32.9
Olvi Kevytolo	23.5
Aqua	19.7
Olvi Vichy	11.4
Hartwall Vichy	6.4

Source: A.C. Nielsen

Lapin Kulta, Hartwall's most important export product, is a good example of a consistently built brand image. Not only is its demand in domestic and export markets steady, but duty-free sales of Lapin Kulta have also been quite successful.

Lapin Kulta is the number one brand in exports

Hartwall's export operations mainly consist of the export of Lapin Kulta beer to close-by market areas and selected European markets. In 2000, exports totalled 17.8 million litres (18.2 million litres). The value of exports was EUR 11.8 million, that is, the same as in the previous year (EUR 11.8 million). Duty-free sales focus on sales on board passenger ships on the Baltic Sea.

Sweden

In spite of the rainy and cool summer, Hartwall's exports to Sweden reached the same level as in the previous year and amounted to 13.7 million litres (13.7 million litres). Lapin Kulta beer strengthened its position, particularly in restaurants and bars and daily consumer goods stores, where its market profile was raised with the launch of a new multipack. In the daily consumer goods trade, Lapin Kulta ranked fourth in the 3.5% alcohol by volume beer segment. During the report year, Lapin Kulta consolidated its position in Southern Sweden as well. The visibility of Lapin Kulta in the advertising landscape improved and the ad content was honed. Outdoor ads remained the primary advertising medium.

Long-term brand building efforts have brought results, and the product enjoys a strong position in the entire country.

Norway

Exports of Lapin Kulta beer to Norway grew by 40%, but the sales volumes remain low. During the report year sales promotion measures were focused on the 0.5 litre can and the high-profile bottle. The fact that the can was accepted by the Norwegian recycling system stimulated sales. In Norway, the most important sales channels for Lapin Kulta beer are daily consumer goods stores and restaurants and bars.

About 50% of Lapin Kulta's sales volume is attributable to Northern Norway, but the product's brand recognition has increased in other parts of Norway as well due to the importer's nationwide distribution.

Russia

The Russian market normalised during the report year. Local beers strengthened their position in Russian border store sales, and full-year sales litres fell short of the previous year. Export measures for Lapin Kulta beer focused on St. Petersburg and Moscow. Lapin Kulta beer's position strengthened in both areas in a situation where many foreign beers either retreated from the market or began to be manufactured locally under license.

In St. Petersburg, Lapin Kulta was one of the best-known imported beers. Lapin Kulta was prominent in popular, trendy restaurants and bars and in daily consumer goods stores. The sales organisation was strengthened in association with the importer.

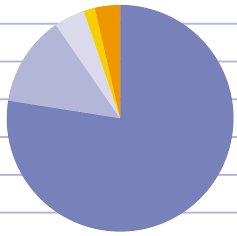
In Moscow, measures concentrated on the restaurant and bar channel; brand building is performed via this channel. During the report year, venues featuring Lapin Kulta on tap increased to about 30 and the objective set for the present year is to double the number of taps.

Estonia

The Estonian beer market contracted during the report year. In spite of the unfavourable trend in the market, Hartwall's exports to Estonia increased buoyantly. Exports of Lapin Kulta beer were up 20 per cent and the new export products, Hartwall Upcider and Aqua Fennica spring water, stimulated growth further. Exports almost doubled compared with the previous year. During the report year, Lapin Kulta was prominently displayed in Estonian daily consumer goods stores, where promotional events customised for each chain were carried out.

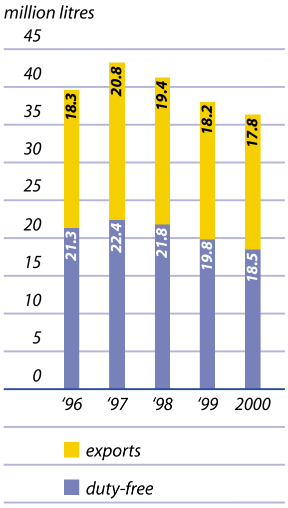
Exports and duty-free

Exports by country



Sweden	77.5%
Russia	12.9%
Estonia	4.4%
Norway	1.6%
Rest of Europe	3.6%

Exports and duty-free



The rest of Europe

Sales of Lapin Kulta beer doubled in Germany, but the set targets were not achieved.

Competition for consumers in trendy German restaurants and bars turned out to be tougher than expected; a decision was taken towards the end of the year to change the operating mode. Daily consumer goods stores were selected as the main sales channel for the product and traditional German beer lovers as the target group.

In the UK, sales of Lapin Kulta beer began to rise towards the end of the spring thanks to a new importer. Beer aficionados in London have welcomed this Finnish beer with interest and warmth. Exports of Lapin Kulta to the UK began in the early 1990s.

Lapin Kulta beer has importers in all significant European countries, such as Switzerland, France, the Netherlands and Italy. Sales volumes remain low, but sustained basic efforts are being made to increase brand awareness.

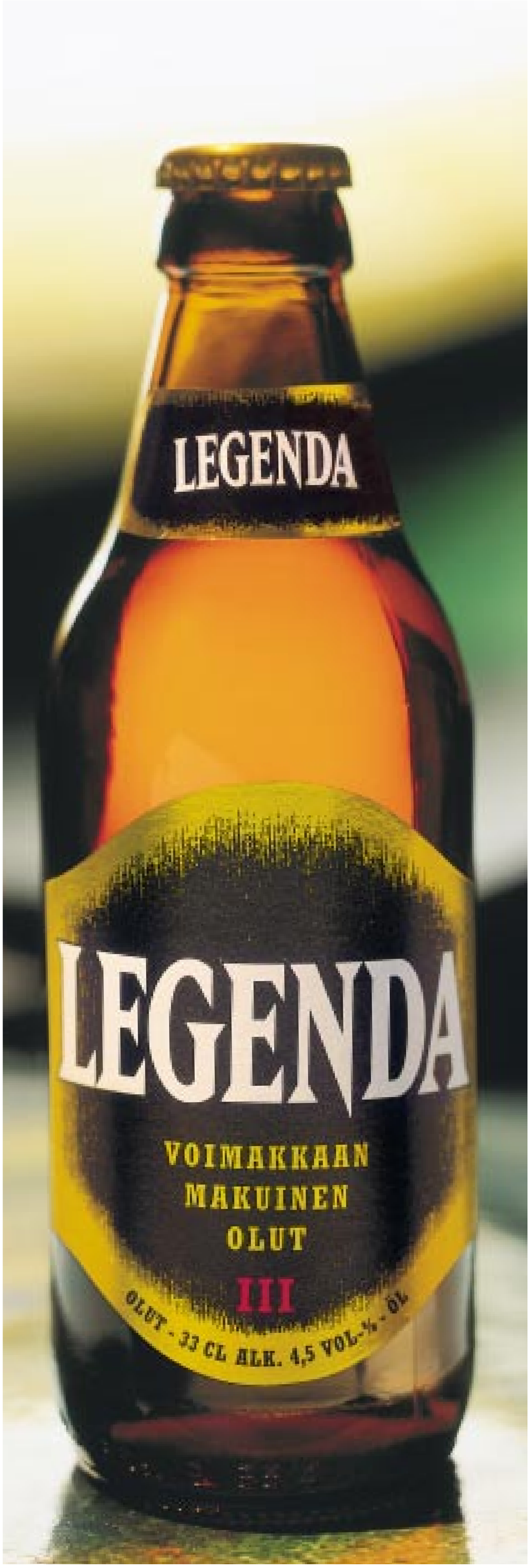
Duty-free sales

In 2000, duty-free sales were valued at EUR 12.1 million, down 3.6 per cent on the previous year. The total sales volume in duty-free sales was 18.5 million litres, or 1.3 million litres less than in the previous year. Duty-free sales include both tax-free sales in stores as well as sales on aeroplanes and in the bars and restaurants of passenger ships.

Hartwall's duty-free range includes Lapin Kulta, Karjala and Legenda beers, Hartwall Upcider and long drinks. Lapin Kulta is Hartwall's largest duty-free brand with its 80 per cent share.

The decline in duty-free sales was mainly the result of the changing customs, travel and import regulations affecting passenger ship traffic. Sales on board passenger ships accounted for 93 per cent of Hartwall's duty-free sales in 2000. The busiest route in terms of passenger volumes was Helsinki-Tallinn. This route was travelled by about six million passengers in 2000.

The abolition of duty-free sales within the EU has had only a minimal effect on Hartwall's own duty-free sales because passenger ships use routes on which duty-free sales are permitted. According to the agreement signed by Finland and the European Commission, Finland is committed to gradually increasing its 16-litre limit on beer imports from other EU countries in three stages, whereby the limit in 2001 is 32 litres, rising to 64 litres in 2003. How this will affect the trend in duty-free sales remains to be seen.



Despite intense rivalry among beer brands, Hartwall has maintained its position as a leader in the Finnish beer market by strengthening R&D, production, sales and distribution, and by investing in effective strategic marketing campaigns.

Hartwall shoulders its environmental responsibilities

Taking care of environmental compliance was a part of the brewing and soft drink industry's way of doing things even before environmental issues became established in Finnish society. When it comes to packaging, the industry is a pioneer. For years, Hartwall has taken the ecological perspective into consideration in its operations and has committed itself to the principle of sustainable development.

Hartwall's environmental policy is comprised of the environmental policy of the brewing and soft drinks industry and the company's own values, environmental responsibility among them. In its operations, Hartwall is committed to the principle of sustainable development. This means that we are dedicated to reducing the environmental impacts of our operations and committed to the efficient use of raw materials and energy in the development of new products and production methods. Our goal is to reduce environmental impacts over life cycles insofar as we can. Reducing the detrimental environmental impacts of our operations and preventing the pollution of the environment comprise an integral part of our responsibility values.

Bottles are reused efficiently

Finland has employed a bottle recycling system since the beginning of the 20th century. The beverage bottles of the brewing and soft drinks industry are recycled more efficiently in Finland than anywhere else in the world. About 290 million bottles circulate in our system. Every Finn is aware of the bottle return system – after all, it was up and running even before most of today's Finns were born. Our system works well and the deposit system encourages consumers to take an environmentally sound stance with respect to bottles. The bottle return system is a part of Finnish culture.

Hartwall has consciously made outlays on refillable packaging. Ninety per cent of Hartwall's packaging range is based on refillable packages. A returnable glass bottle circulates over 30 times through the system, while returnable plastic bottles circulate about 15 times. The return rate of bottles is 98%. The return rate of kegs, in turn, is 100%. The companies that engage in bottle co-operation with the brewing and soft drinks industry pay for the receiving and treatment of the refillable packaging themselves.

Thanks to the bottle recycling system, Finland only generates half the packaging wastes that EU countries do on average. 77% of consumers prefer to buy their beer in refillable bottles; this figure is 94% in the case of soft drinks (Source: the Finnish Federation of the Brewing and Soft Drinks Industry).

Recycling is a done deal for Hartwall

Withdrawn glass bottles are mainly delivered for use as recycled raw materials for glass wool and glass. Withdrawn plastic crates and corks returned by consumers are also recycled. Plastic bottles that have been withdrawn are delivered to the energy industry for use as fuel. The deposit return system for cans was launched in spring 1996. In 1999, the return rate of cans in the deposit return system was 82%. Stores return the cans for recycling.

The reuse of wastes from bottle labels is being tested. Hartwall has assessed its opportunities for consigning this waste for incineration or composting. New, efficient solutions are being sought, because all of Hartwall's production plants aim to minimise landfill wastes. Mash and yeast, two of the by-products of brewing, are supplied for use as cattle fodder. The use of kieselguhr as a soil conditioner has been tried out. Paper and cardboard wastes are mainly handed over for recycling.

Lapin Kulta receives an environmental certificate

At the end of 1998, we started up an environmental project aiming to set up an environmental system in line with the ISO 14001 standard. Our objective was to ensure that environmental measures are an integrated aspect of daily operations at the different levels of the organisation. In August 2000, Hartwall Lapin Kulta became the first Hartwall factory to receive an ISO 14001 certificate. The Lapin Kulta brewery is located in Tornio and it strives to conserve natural resources and decrease its environmental burden by means of the efficient use of energy and raw materials. By the summer season of 2003, Hartwall will have gradually centralised its production and logistics functions covering Southern Finland at Hartwall Lahti. An environmental permit decision concerning the manufacture and bottling of soft drinks and mineral waters and the bottling of beers and ciders was secured in 2000. The application process for an environmental permit for the brewery started up in 2000. A plan is being drafted for the implementation of an environmental compliance management system at Hartwall Lahti.

The system of recycling bottles has been used in Finland for nearly a hundred years and all Finns are quite familiar with it. The extremely high percentage of recycling reflects how the natural environment is such an important part of Finnish identity.


ПАРНАС

Trend in business operations

- BBH's consolidated net sales were SEK 5,397 million (SEK 3,347 million), up 67%.
- Operating profit was SEK 1,309 million (SEK 888 million).
- The total consolidated volume was 1,829 million litres, of which 1,749.7 million litres were accounted for by beers.
- The rapid growth of the beer market in Russia and Ukraine will continue. In the Baltic countries growth is expected to be slow.
- BBH managed to increase its markets shares in Russia and Ukraine. BBH was the market leader in Russia and in the Baltic countries. In Ukraine, the company ranks third.
- Baltika is the only nationwide beer brand in Russia.
- The distribution networks in Russia and Ukraine have been developed.
- BBH began to co-operate with PepsiCo Inc. in Ukraine and the Baltic Countries.

Key Figures, BBH

EUR million	**2000**	1999	Change, %
Net sales (50%)	**318.5**	190.6	67.1%
Operating profit (50%)	**78.3**	49.6	57.8%
% of net sales	**24.6**	26.0	-1.4% -pts.
Aggregate sales volume, million litres (100%)	**1,829.0**	1,278.0	43.0%

BBH strengthens its market position

BBH continued to grow vigorously. Production volume was up 43% to 1,829 million litres. Profit before taxes grew by 51% to SEK 1.2 billion. BBH was the market leader in beers in Russia and the Baltic countries. In Ukraine, the company ranks third.

Ownership structure

Baltic Beverages Holding AB (BBH) has been owned on a 50-50 basis by Hartwall and the Swedish-Norwegian company Pripps Ringnes AB, which in turn is owned by the Norwegian Orkla Group. In 2000, Orkla made a preliminary agreement with Carlsberg A/S to establish a joint company named Carlsberg Breweries, with Orkla owning 40% and Carlsberg 60%. Carlsberg Breweries was officially founded on 13 February 2001. Thus, BBH is now owned by Hartwall (50%) and Carlsberg Breweries (50%).

Baltic Beverages Holding AB was established in 1991 to oversee both Hartwall's and Pripps Ringnes' interests in the beer markets of Eastern Europe.

BBH now has 12 breweries and five malt houses in Russia, Ukraine, Estonia, Latvia and Lithuania. It is the leading player in the beer markets of Russia and the Baltic countries. In Ukraine, BBH is one of the three leading breweries.

Hartwall consolidates 50% of all figures in BBH's Balance Sheet and Profit and Loss Account in its own financial statements.

Administrative procedures

BBH has a Board of Directors into which each of BBH's owners has the right to appoint an equal number of members. The owners take turns to appoint the chairman of the Board in alternate years; the chairman's vote is not decisive if voting is tied. The members of BBH's Board of Directors whom Hartwall appointed for 2000 were Gustav von Hertzen, Henrik Therman and Jussi Länsiö. Orkla and Pripps Ringnes were represented by Paul Bergqvist, Mikael Hellberg and Finn Jebsen.

Oyj Hartwall Abp and Pripps Ringnes AB renewed their shareholder agreement concerning BBH in June 1999. The agreement is in effect for a fixed period lasting until 31 December 2050, after which it will be extended five years at a time with a two-year period of notice.

BBH is registered in Sweden, but its management is dispersed in Helsinki, Stockholm, Oslo and Tallinn. BBH's managing director is Christian Ramm-Schmidt.

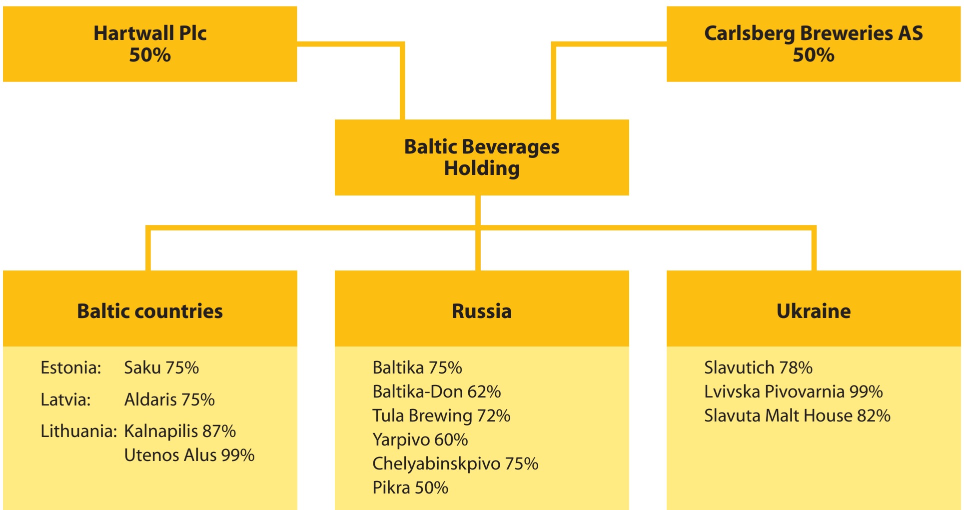
BBH's strategy

BBH's strategy is to acquire breweries in the growing markets of Russia, Ukraine and the Baltic countries, to invest technology and know-how in them, and strengthen their sales, marketing and distribution systems. Special attention is paid to the quality of the beer, which is being raised to a Western standard through product development. BBH's beers are well-known market leaders at the national and regional levels alike.

BBH's objective is to acquire a majority stake in breweries, but to maintain the management of the breweries in the hands of responsible locals, who often also own part of these companies. Although the breweries' decision-making is co-ordinated in the case of central issues, they operate quite independently in their own market areas. After their initial capital expenditures have been made, they handle their own financing needs primarily from their cash flow.

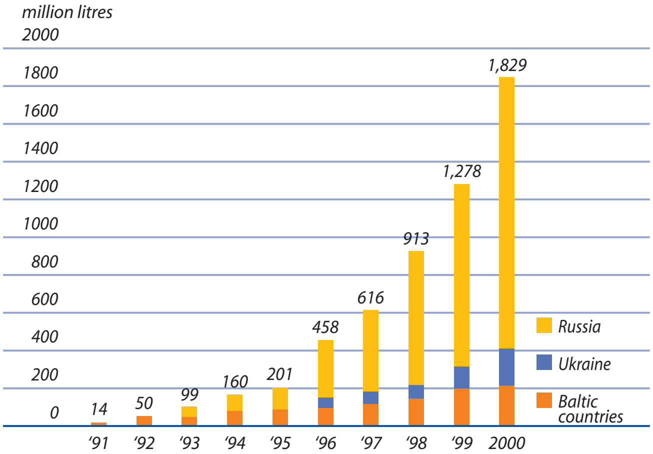
The bulk of the breweries' earnings go towards their further development. BBH strives to ensure that the shareholders receive a reasonable dividend.

Ownership structure



Map of business area

Production volumes by area



BBH in a nutshell, 2000

Country	Brewery	Acquired	Consolidated sales volume million litres	Growth in volume %	Personnel, 31. Dec. 2000
Russia	Baltika	1993	1,067	40	4,633
	Yarpivo	1996	252	53	747
	Tula Brewing [1]	1997	-	-	-
	Baltika-Don [1]	1997	-	-	-
	Chelyabinskpivo [3]	1999	64	33	575
	Pikra [2]	1999	51	-	683
Ukraine	Slavutich	1996	173	58	651
	Lvivska Pivovarnia [4]	1998	23	284	392
Estonia	Saku	1991	52	± 0	269
Latvia	Aldaris	1992	66	9	389
Lithuania	Kalnapilis	1994	46	2	172
	Utenos Alus	1997	47	9	284
	Internal sales		-12		
Total			1,829		

[1] Baltika's subsidiary. Its sales figures and personnel are included in Baltika's figures.

[2] Pikra has been consolidated on 1 April 2000.

[3] Chelyabinskpivo has been consolidated on 1 May 1999.

[4] Lvivska Pivovarnia has been consolidated on 1 September 1999.

Baltic Beverages Holding

The Group in 2000

In addition to the continuation of rapid growth, last year was characterised by the strengthening of the current structure in numerous subareas. New acquisitions were not performed; rather, the companies that were acquired last year were dynamically linked to BBH's structures. Investments rose to a record level. They were primarily earmarked for the augmentation of the breweries' capacity and distribution systems.

2000 also saw significant financial and political stabilisation take place in Russia and Ukraine. The trend in the economies of the Baltic countries was also favourable. The increased purchasing power of consumers also underpinned the vigorous increase in beer consumption in Russia and Ukraine for the fourth year running.

BBH's production volume continued to soar. Growth amounted to 43%, representing an increase of 550 million litres. The total consolidated volume was 1,829 million litres (1,278 million litres in 1999).

BBH's consolidated net sales were SEK 5,397 million (SEK 3,347 million) and operating profit before translation differences was SEK 1,309 million (SEK 888 million). Profit after taxes and minority interest was SEK 575 million (SEK 442 million). Investments amounted to SEK 1,782 million (SEK 1,153 million) in 2000. At the end of the year, the company had 9,510 employees.

Business environment

Competition heated up significantly in all of BBH's market areas. Numerous new players have made strong investments in marketing and production in different markets. In spite of this, BBH managed to substantially increase its market shares in Russia and Ukraine. Baltika in particular consolidated its dominance of the Russian market.

In the Baltic countries, BBH held on to its leading position in the market although decreases were noted in market shares.

More outlays were made on quality. In 2000, both Baltika and Saku were granted quality certification in line with the ISO 9001 standard. Consumers have clearly become more quality-conscious, which has led to a shift in the focus of the beer segment from weaker-quality beers to high-quality beers. The premium beer segment has grown significantly, especially in Russia. Beer is taking over market shares from beverages which have a higher alcohol content. Consumption habits are becoming Western.

In order to achieve higher economies of scale in distribution operations, BBH made an agreement concerning the manufacture and sale of PepsiCo Inc's products in the Baltic countries and Ukraine. The company's experiences in Ukraine were positive, but the development in the Baltic countries did not meet expectations.

BBH increased its holdings in numerous breweries by acquiring shares.

In 2000, the Group paid higher taxes than in the previous year, mainly because the temporary tax breaks on investments in Russia did not recur.

Malt houses

BBH has found it essential to invest in its own malt house capacity in order to ensure the availability of its most important raw material, malt. BBH currently has five malt houses, of which three are located in Russia, one in Lithuania and one in Ukraine. Their total capacity is 236,000 tonnes per year.

In 2000, a great deal of attention was paid to safeguarding the availability of raw materials. Russia's largest malt house, a joint project of Baltika and the French company Soufflet, was inaugurated in St. Petersburg. In Ukraine, BBH successfully engaged in the contractual farming of barley – a total of 50,000 hectares' worth – to ensure raw material deliveries to Slavuta Malt House, Ukraine's largest malt house.

The comparatively small malt houses run under the Tula Brewing, Lvivska Pivovarnia and Utenos Alus breweries were shut down due to their technical deficiencies and tiny production capacities.

Distribution strategy

The distribution strategy varies from one country to another and the objective is to control the distribution chain all the way to the points of sale. No real consolidation has taken place in the retail sectors of Russia and Ukraine, and consequently the distribution structures are highly diverse.

Strong consolidation has been seen in the Baltic countries. BBH distributes the bulk of its beer directly to stores through its own distribution systems. Much use is made of private transport enterprises.

BBH is the only player in the beer market of Ukraine, with a nationwide network including seven distribution terminals. Almost half of BBH's beer volume is distributed through this network. This guarantees the unbroken availability of BBH's brands.

In Russia, distribution is handled under the same principle as in Ukraine. Baltika has set up 15 distribution centres; over and above these are the distribution centres owned by other BBH breweries. It has thus been possible to maintain the price level of Baltika in line with the brand's position in the entire country.

In the future, Baltika will be brewed elsewhere in Russia as well, closer to the consumer. BBH's setback-free success in Russia is partially due to its distribution system, which is better than its competitors'.

Russia

The Russian economy developed in a very favourable direction. This is most likely the result of the country's political stability due to the election of Vladimir Putin as president, and above all the improvement regime instituted in the country's economy after the dramatic devaluation of the rouble in August 1998.

According to Goskomstat, the key economic parameters rose in 2000 (some of the figures are preliminary):

- gross national product grew by 7.7%
- industrial output was up 9.6%

- inflation decreased and is now 20.2%
- real incomes grew by 9.6%
- the rouble was devalued by 4% against the U.S. dollar
- investments increased by 17.7%
- the trade balance showed a clear surplus (USD 59 billion), which was due to the high price of oil and small imports
- the unemployment rate fell from 11.7% to 10.2%.

In spite of the favourable trend, the structure of the Russian economy and the relevant legislation require further development and modernisation.

Beer consumption grew dramatically in Russia for the fourth year in a row (+22%). Consumption per capita rose from 30 litres to 37 litres. The beer markets have almost doubled in the space of three years. This trend has been affected by the change in consumption habits, particularly in cities and among the younger generation, and by tighter competition, larger outlays on marketing and the overall improvement in the quality of beer. At the beginning of 2000, the beer tax was increased by 25% to 0.90 roubles per litre, which may be considered quite reasonable. Taxes on strong alcoholic drinks were raised by 40%. In Russia, BBH's total volume grew to 1,433.9 million litres (969.8 million litres), of which 1,404.1 million litres were accounted for by beers (962.3 million litres). The production volume of BBH's Russian breweries was up 46%, and thus its market share rose from 21.2% to 25.2%. BBH is the leading player in the Russian beer market by a good margin. Sun Interbrew ranks second with its 13.8% market share. Baltika-Group (St. Petersburg, Baltika Don and Tula) improved its share by 2.6 percentage points to 19.0%. Baltika can be considered the country's only nationwide brand of beer – it enjoys a solid position in all parts of the country.

BBH's brand strategy is based on "dual branding", where Baltika is a strong nationwide brand positioned in the top reaches of the volume segment. Baltika is rounded out by several strong regional brands that have a more local profile.

The competition situation has undergone constant changes in Russia. Those international players which began to operate in Russia during the financial crisis of 1998 have grown rapidly. In general, they have had to set high prices on their products and have successfully created a new premium beer segment by means of vigorous marketing efforts. This segment has claimed 15% of the aggregate market, with higher shares in large cities. In addition to the international players, some Russian breweries have stood out from the pack and are also expanding their operations forcefully. Imports have remained slight, amounting to 2%. Beer sold in disposable plastic bottles (PET) became popular in 1999, but its share of the total market has now stabilised at about 15%. Beer in cans has not been popular in previous years, but its sales increased in 2000. For this reason, BBH will install efficient canning lines for the 2001 summer season.

BBH's malt houses 2000

Country	Malt house	Owner	Capacity, tonnes/year
Lithuania	Litmalt	Lahden Polttimo 50% / Kalnapilis 50%	10,000
Russia	Yarpivo	Yarpivo	15,000
	Baltika	Soufflet 70% / Baltika 30%	105,000
	Chelyabinskpivo	Chelyabinskpivo	16,000
Ukraine	Slavuta Malt House	BBH 82%	90,000
Total			236,000 tonnes/year

Macroeconomic development by country 2000

	Estonia %	Latvia %	Lithuania %	Russia %	Ukraine %
Inflation: December 1999 – December 2000	5.0	1.8	1.4	20.2	25.8
GNP	6.0	5.5	2.9	7.7	5.6

Source: Authorities compiling statistics in Estonia, Latvia and Lithuania, Bank of Finland, CAIB Securities (Ukraine) AT

Beer consumption per capita –trend by country, litres

	1990	1994	1997	1998	1999	2000
Estonia	47	33	41	47	61	**61**
Latvia	31	24	29	31	39	**39**
Lithuania	55	31	41	47	54	**61**
Russia	23	16	19	23	30	**37**
Ukraine	28	17	11	13	16	**21**

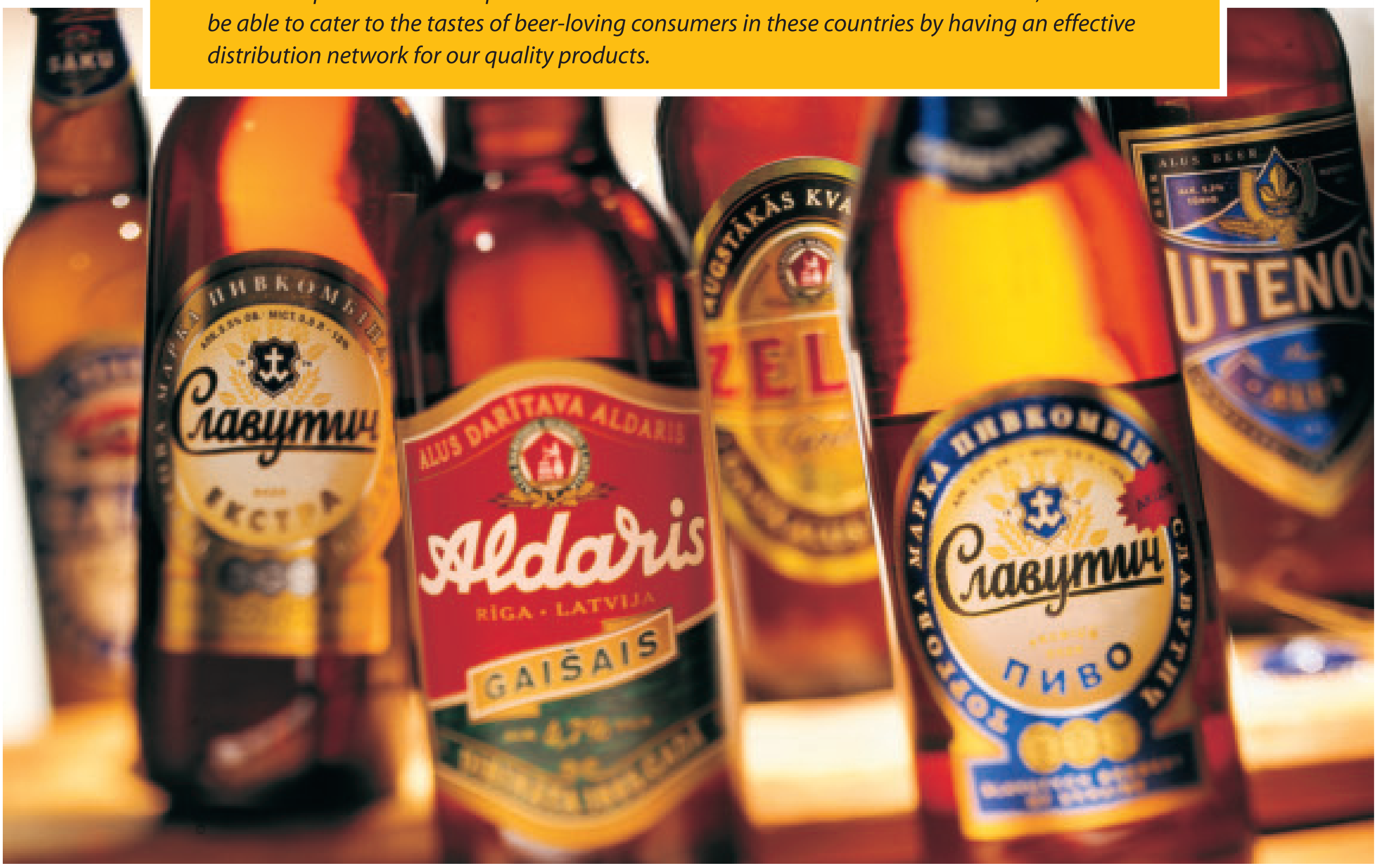
Source: BBH

Beer market 2000

Million litres	1999	2000	Market growth	BBH volume growth	BBH's market share in 1999	BBH's market share in 2000
Estonia	89	88	-1%	-5%	50.0%	47.7%
Latvia	96	96	0%	-3%	48.0%	46.7%
Lithuania	199	228	+14%	+3%	41.4%	37.2%
Russia	4,590	5,610	+22%	+46%	21.2%	25.2%
Ukraine	830	1,020	+23%	+53%	14.4%	16.9%

Source: BBH, local brewers' associations in Baltic countries and Ukraine, in Russia State Statistic Committee, Goskomstat

As consumption of beer is expected to increase in the Ukrainian and Russian markets, BBH will be able to cater to the tastes of beer-loving consumers in these countries by having an effective distribution network for our quality products.



Baltika

The Baltika Group comprises three breweries: Baltika in St. Petersburg, Baltika-Don in Rostov and Tula Brewing in Tula. This is the outcome of the continuous consolidation of BBH's corporate structure in Russia, which aims to improve the capacity to co-ordinate BBH's Russian breweries. The objective is to improve efficiency in distribution, acquisitions, brand positioning and production co-operation.

The annual capacity of the brewery in St. Petersburg has now been raised to about 900 million litres, making it one of the largest single breweries in Europe. A large-scale investment programme was carried out at Baltika-Don, thanks to which its output could be pumped up by 66% to 140 million litres in 2000. At Tula, production increased by 57% to 156 million litres.

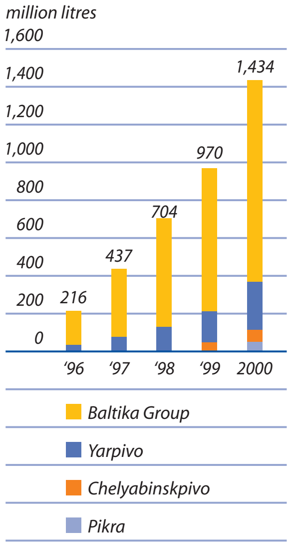
Co-operation between breweries was carried out such that Baltika-Don and Tula produced certain kinds of Baltika beer in addition to their own regional brands. This allowed for the rationalisation of both production and logistics.

The buoyant growth in sales was made possible above all by the further augmentation of the distribution network, maintaining consistency in the prices of beer in the entire country and a conservative pricing policy, under which prices were raised at a slightly higher rate than the rate of inflation. Baltika lost some ground in the largest cities, but its position strengthened significantly in other areas.

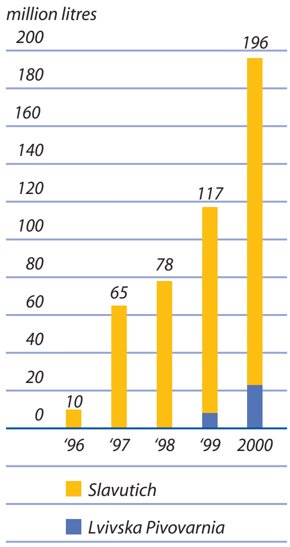
In 2000, Baltika in St. Petersburg received ISO 9001 certification, and sizeable investments on further quality assurance are planned. In August 2000, a new malt house that was constructed in co-operation with the French company Soufflet was inaugurated. Baltika's share is 30%. It is the largest malt house in Russia with its capacity of 105,000 tonnes of malt. There are still problems with the availability of domestic raw materials; in the near future, some of these needs must still be met with imported malts. In 2000, about 50% of the malt needed in all of Russia had to be imported. One of the largest challenges facing the company in the near future will be starting up the farming of barley of a sufficiently high quality.

Baltic Beverages Holding

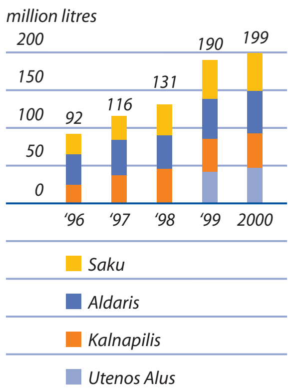
Development of BBH's sales volume in Russia, consolidated



Development of BBH's sales volume in Ukraine, consolidated



Development of BBH's sales volume in Baltic countries, consolidated



Yarpivo

The Yarpivo brewery, located about 200 km north of Moscow in Yaroslavl, stepped up its production volume and profitability well. The brewery now shares third place among Russia's largest breweries. Its production volume grew by 53%. Yarpivo has strengthened its position in Moscow. The launch of the Volga brand in disposable plastic bottles was successful. The brewery operated virtually at its full capacity throughout the year. Extensive investments geared towards increasing capacity are under way. Its price increases have outpaced inflation.

Chelyabinkspivo

The first stage of a large-scale technical modernisation programme was seen to completion in the summer of 2000, enabling the brewery to start up the production of high-quality beer. At the same time, a new brand named Zolotoy Ural (The Gold of the Urals) was launched and the popularity of this brand is growing. The brand is targeted at the approximately 20 million residents of the Ural region.

The profitability trend has been good, but the growth in volume did not fully meet expectations. The sales and distribution organisation is currently being set up, and the second stage of the investment programme has commenced.

Pikra

The Pikra brewery in Krasnoyarsk, Siberia, is the newest member of the BBH Group. 2000 was characterised by the technical reconstruction of the brewery. The first stage of the investment programme will be seen to completion in May 2001, at which point the brewery can start brewing high-quality beer.

For the most part, its volume and results developed according to plan. This brewery is an important element in BBH's strategy for Russia, which will ensure BBH's leading position in Siberia, a market area with 15 million inhabitants.

Ukraine

The Ukrainian economy has developed at a slower pace than Russia. During the report year, however, the country's national economy developed favourably (these are preliminary figures):

- industrial output rose by slightly over 17%
- the gross national product grew by 5.6-6.0%
- inflation was 25.8%
- the hrivna was devalued by 4%, whereas the devaluation percentage was 52 in the previous year.

The beer market grew by 23% and consumption per capita increased from 16 litres to 21 litres, which could be considered to be a low figure. BBH's breweries sold 53% more than in the previous year (volume) and the market share rose from 14.4% to 16.9%.

The competition situation has come to a head in Ukraine such that several large breweries have expanded while the smaller breweries have lost even more market shares. By acquiring the Rogan brewery at the end of the year, Sun Interbrew increased its market share to slightly over 30% (divided between four breweries). Obolon, the market leader in Kiev, also stepped up its market share dramatically.

In 2000, a unified BBH organisation was created in Ukraine with its headquarters in the capital, Kiev. This makes it possible to co-ordinate the functions of the two BBH breweries and the Slavuta malt house more efficiently with respect to finances, the availability of raw materials, production co-operation and particularly marketing and sales. Lvivska, a new brand, makes full use of the previously-established nationwide distribution network.

Last year, the company began to co-operate with PepsiCo Inc. in the manufacture, sales and distribution of Pepsi's cola products, making it possible to stream additional volumes into the nationwide distribution network. Co-operation developed favourably.

Slavutich

Thanks to its nationwide distribution network, the Slavutich brand has become well-known in all of Ukraine, and it can be considered the country's leading nationwide brand of beer.

Slavutich increased its market share to 14.6% and its profitability developed favourably.

In 2000, a bottling line was installed for beers and soft drinks sold in plastic bottles.

Lvivska Pivovarnia

The name of the Kolos brewery was changed to Lvivska Pivovarnia. Large-scale technical modernisation works continued throughout the report year; high-quality beer may be brewed in the spring of 2001, after which the efficient marketing of the Lvivska brand can begin. Lvivska is BBH's oldest brewery: it commemorated its 285th anniversary in October.

The Baltic countries

The economies of the Baltic countries have almost fully recovered from the effects of the Russian economic crisis. Growth was especially rapid in Estonia and Latvia.

Beer consumption was affected by the exceptionally cool summer, which brought the favourable development seen at the beginning of the year to a halt. Total consumption grew only in Lithuania (+14%). It declined in Estonia (-1%) and remained unchanged in Latvia. At the same time, competition heated up further. Nowadays, all the large breweries in the Baltic countries are under foreign ownership. The toughest price competition was seen in Lithuania, which had the lowest beer, water and soft drink prices of all the Baltic countries.

Last year, BBH began to co-operate with PepsiCo Inc. in all the Baltic countries. After the summer, the manufacture of Pepsi was started up at the Aldaris production plant, where a new bottling line was installed. The report year turned out to be tight for soft drinks because, against all expectations, the market for cola beverages contracted by as much as 25%. On the other hand, the launch of the company's own Zingo brand in the orange soft drink segment was successful. The sales volumes of Vichy Classic mineral water grew by 13%.

Saku (Estonia)

Last year was characterised by the standstill in the trend in beer consumption, the tightening of competition and the increase in marketing and sales outlays. In spite of these factors, Saku managed to hold on to its good profitability level and strong market position, even though its market share declined by 2.3 percentage points to 47.7%. The newly modernised Tartu brewery was the year's big winner. Tartu is owned by the Finnish company Olvi plc and it increased its market share by 12.8 percentage points. The polarisation of the markets gathered steam, because all the small breweries lost market shares and imports fell.

Saku celebrated its 180th anniversary in October.

Aldaris (Latvia)

Consumption habits in Latvia are different from those in other Baltic countries. Beer consumption is by far the lowest in this country – only 39 litres per capita. The low-cost price segment has claimed over 50% of the aggregate market. Consumers also favour beer that is sold in 1.5-2 litre plastic bottles (PET); such beer currently accounts for 40% of the total market.

Aldaris retained its position as market leader, even though its market share declined slightly (-1.3 percentage points) to 46.7%. In the quality segment (glass bottles), Aldaris held on to its market share, which is riding high at 74%. Beer sold in PET bottles accounts for 24% of the brewery's volume.

The recently installed PET line makes PepsiCo products, Zingo orange soft drinks, Vichy mineral water as well as Kvass for all of BBH's Baltic companies.

BBH's market position in Russia

Market share, %	**2000**	1999	Change,%-pts.
BBH	**25.2**	21.2	+4.0
SUN Interbrew	**13.8**	15.9	-2.1
Ochakova	**6.9**	6.5	+0.4
Krasny Vostok	**4.5**	4.1	+0.4
St. Razin	**2.7**	2.8	-0.1
Bravo	**2.5**	1.0	+1.5
Efes	**2.4**	0.7	+1.7
SAB Kaluga	**1.9**	0.8	+1.1
other	**49.9**	46.3	
Total	**100.0%**	100.0%	

Source: BBH, State Statistic Committee, Goskomstat

BBH's market position in Ukraine

Market share, %	**2000**	1999	Change, %-pts.
Obolon	**26.8**	20.8	+6.0
SUN Interbrew	**18.5**	22.6	-4.1
BBH	**16.9**	14.4	+2.5
Rogan	**15.1**	14.0	+1.1
Donetsk	**8.6**	8.6	0
other	**14.1**	19.6	
Total	**100.0%**	100.0%	

Source: Local brewers' association. Preliminary figures.

BBH's market position in Estonia

Market share, %	**2000**	1999	Change, %-pts.
BBH	**47.7**	50.0	-2.3
Tartu	**31.3**	18.5	+12.8
Viru	**9.0**	15.5	-6.5
Pärnu	**2.5**	3.5	-1.0
other	**2.5**	2.5	0
import	**7.0**	10.0	-3.0
Total	**100.0%**	100.0%	

Source: Local brewers' association. Preliminary figures.

BBH's market position in Latvia

Market share, %	**2000**	1999	Change, %-pts.
Aldaris	**46.7**	48.0	-1.3
Varpa	**10.8**	12.1	-1.3
Alus Avots*)	**8.7**	-	+8.7
Latgale	**7.1**	5.9	+1.2
Riga	**5.7**	5.9	+1.2
Bauska	**4.9**	3.7	+1.2
Piebalga	**2.9**	2.6	+0.3
Cesis	**2.5**	2.9	-0.4
other	**7.6**	5.5	
import*)	**3.1**	13.4	-10.3
Total	**100.0%**	100.0%	

*) In 1999 Bear Beer is included in import figures. In 2000 the beer was locally produced by Alus Avots.

Source: Local brewers' association

The beer tax that was introduced at the beginning of 2000 could not be fully transferred into prices due to the reduction in selling prices. Due to the poor summer, profitability weakened.

Utenos Alus and Kalnapilis (Lithuania)

BBH has two breweries in Lithuania: Utenos Alus and Kalnapilis. The joint company JAC (Jungtinis Alaus Centras) attends to marketing, sales, distribution and certain administrative duties.

The aim of JAC was to achieve synergy benefits, but the highly complicated and bureaucratic nature of Lithuanian legislation on the distribution of alcoholic beverages made this impossible. Cost levels remained high, and the overhaul measures that were started up did not progress far enough to lead to results in 2000.

The report year was marked by intensive price competition between the main players, which had a negative effect on profitability. Earnings were also burdened by the termination compensation paid to laid-off personnel, non-recurring depreciation of fixed assets and the costs of launching soft drinks.

The salient feature of the Lithuanian market is low brand loyalty. Both Utenos Alus and Kalnapilis, which were previously both market leaders, lost market shares – a total of 4.2 percentage points – but their combined position (37.2 per cent share of the market) remains strong. The winner was the Svyturus brewery owned by Carlsberg, which claimed the position of the country's largest brewery (25 per cent market share).

BBH's market position in Lithuania

Market share, %	**2000**	1999	Change, % -pts.
BBH	**37.2**	41.4	-4.2
Svyturus	**24.9**	19.8	+5.1
Vilniaus Tauras	**10.3**	9.4	+0.9
Ragutis	**7.1**	6.5	+0.6
Gubernija	**4.3**	5.6	-1.3
other	**13.8**	13.7	
import	**2.4**	3.6	-1.2
Total	**100.0%**	100.0%	

Source: Local brewers' association

In connection with the formation of Carlsberg Breweries A/S, BBH acquired a dominant market position in Lithuania. The competition authorities stipulated that one of the breweries must be sold. After the implementation of the sale, it is intended to merge Utenos Alus and Svyturus.

BBH and the environment

The environment and recycling have come to the fore as current issues in the countries where BBH operates. The bulk of BBH's beer bottles are both refillable and returnable. In the Baltic countries, BBH has spearheaded the effort to establish a bottle return system based on the European model, where a deposit is paid. BBH is committed to environmental protection and takes an active stance on environmental compliance in all of its market areas.

Bottled water is common in many countries around world, with increasing growth seen in Scandinavian and Eastern European countries. Aldaris Vichy is the market leader in the premium segment by a good margin.

Outlook for the future

The trend in beer consumption is expected to be favourable in BBH's markets, particularly in Russia and Ukraine. The growth of the markets is, however, expected to gradually become more moderate than in 2000. In Ukraine, especially, market growth depends on the economic situation of the country and the trend in consumers' real income. Growth is expected to be slow in the Baltic countries, as consumption in these countries has already approached Western levels.

Competition is expected to increase in BBH's markets, which are competed for by a group of active international players and a few successful domestic players. BBH's goal is to strengthen its market position further and to grow at a faster rate than the market in general. In other words, BBH seeks to increase its market share. The company's long-term strategy will remain unchanged. BBH's confidence in its capacity to implement this strategy has strengthened further after the end of the Russian economic crisis.

BBH will continue to invest actively in the further development of its current breweries and firming up their marketing and distribution. BBH may acquire one or two new breweries in its current market areas. At the same time, the company is seeking new markets. Investments in the further development of the distribution networks of Russia and Ukraine will also continue. The introduction of soft drinks to the markets of the Baltic countries and Ukraine will proceed according to plans.

The co-ordination of breweries in Russia, Ukraine and the Baltic countries is expected to continue in 2001 with the aim of achieving cost-savings and upgrading efficiency in production, marketing and distribution.

BBH's success factors

1. **Acquiring a majority stake in breweries that are local market leaders**
   - acquisitions are carried out through targeted share issues
   - the profits of the breweries are used on their further development
2. **Local presence**
   - brands
   - management
   - personnel
   - minority shareholders
   - a good taxpayer
3. **Development stages**
   - quality of the products, brands and better production technology
   - higher sales and a more extensive distribution system
   - personnel development

BHH invests heavily in the development of its breweries, strengthening its position in marketing and distribution. The goal of BBH breweries is to increase its market share in all markets in which it operates.

Traditional product design attracts both young and old Finns to the non- alcoholic beverage market. When new flavors were combined with traditional images, Hartwall created a product line that looks, tastes and feels truly Finnish. Despite stiff competition, Hartwall's soft drinks have gained a rightful place on the shelves of supermarkets.

Summary

The financial result in brief

- Net sales were EUR 612.0 million (+31%).
- Operating profit was EUR 102.8 million (+34%).
- Profit before extraordinary items and taxes was EUR 94.9 million (+29.8%).
- Net profit for the financial period: EUR 51.5 million (+12.1%).
- Earnings per share amounted to EUR 0.80 (+5.6%).
- Dividends proposed by the Board of Directors: Series A Share, EUR 0.20 (0.1682), Series K Share, EUR 0.19 (0.1648).

Hartwall Group

- Net sales and operating profit grew at a rapid clip during the entire year:
  - growth was attributable primarily to BBH's business operations,
  - the main currencies in BBH's territories remained stable.
- The Group's aggregate sales volume reached 1,319 million litres, up 26%.
- The share issue strengthened the Group's financial position and balance sheet structure.
- Investments in the development of operations continued:
  - in Finland, investments were made in the production and logistics functions of Hartwall Lahti,
  - BBH invested in increasing its capacity and building its distribution network and brands.

Outlook for 2001

- The aggregate market is expected to grow slightly in Finland:
  - the reason behind this is that the consumption figures for the report year were lower than average,
  - growth will continue in the non-alcoholic beverage groups and ciders,
  - beer consumption will remain at its current level, while wine consumption is expected to rise.
- Hartwall's sales volume is expected to increase in step with market growth on average, and its net sales at a faster rate than the volume growth.
- Market growth will continue in Russia and Ukraine, albeit at a slightly slower pace than in the report year.
- BBH's growth is expected to exceed market growth:
  - the price trend will match inflation.
- The Hartwall Group's net sales and operating profit will grow.
- Due to its weighty investment programme, the Group's financial expenses are on the rise.
- The Group's net profit and earnings per share will improve, provided that there are no significant changes in the major currencies in BBH's area of operations.

EUR million	**2000**	1999	Change, %
Consolidated net sales	**612.0**	467.0	+31.0%
Consolidated operating profit	**102.8**	76.6	+34.0%
% of net sales	**16.8%**	16.4%	+0.4% pts.
Group´s aggregate sales volume, million litres (incl. BBH 50%)	**1,319.0**	1,045.0	+26.2%

Hartwall's net sales and operating profit grew significantly

2000 confirmed that the Hartwall Group's strategic policies are guiding the Group in the right direction. The company strengthened its market leadership slightly in Finland and progress was made in the implementation of measures geared towards ensuring future competitiveness by boosting the efficiency of the production and logistics structure. The strategy of Baltic Beverages Holding (BBH) has shown itself to be functional and effective even in the post-slump business environment ushered in by the collapse of the rouble in 1998. BBH strengthened its position further in its most important market areas.

During the report period, the Hartwall Group's full-year net sales grew by 31 per cent to EUR 612.0 million (EUR 467.0 million), with growth amounting to 32% in the last four-month period of the year. Operating profit in turn rose by 34 per cent to EUR 102.8 million (EUR 76.6 million), increasing by 42% in the September-December period compared with the corresponding period of the previous year. The growth in operating profit was solely attributable to BBH, as the profitability of business functions in Finland suffered from the disproportion of costs and the sales volume which was due to the poor weather in the summer season.

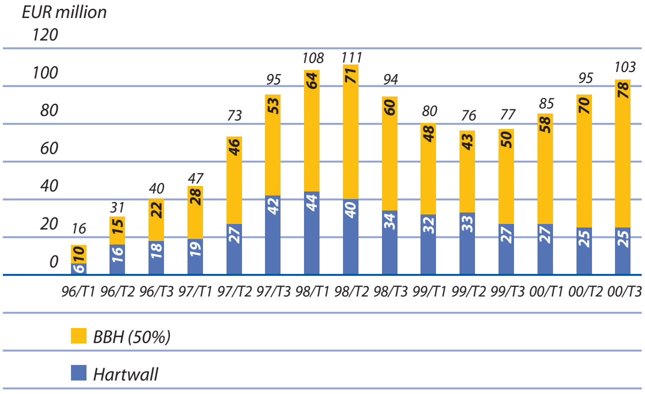
Net financial expenses grew following the increase in interest rate levels and interest-bearing liabilities, and thus profit before extraordinary items and taxes rose by 30% to EUR 94.9 million (EUR 73.1 million). Net profit after taxes and minority interest was up 12% to EUR 51.5 million (EUR 46 million). Higher taxes had an unfavourable effect on the increase in net profit, because the tax breaks granted in 1999 in Russia were non-recurring. Earnings per share, accounting for the effect of the share issues carried out in the spring, rose to EUR 0.80 (EUR 0.76), representing an increase of 5.6% on the previous year.

The share issues performed to facilitate BBH's growth and to finance the centralisation project that was started up to improve the competitiveness of the production and logistics structure in Finland strengthened the company's financial position and solvency by a total of EUR 77 million. Gross capital expenditures during the report year amounted to EUR 163 million (EUR 125 million). At the end of the financial period, the equity ratio was 54.9% (49.0) and the gearing ratio was 27.5% (47.2). Return on investment was 19.5% (19.7) and return on equity in turn was 19.1% (21.4).

The Board of Directors proposes a dividend in accordance with the Group's dividend policy: for Series A Share, EUR 0.20 (EUR 0.1682), and for Series K Share, EUR 0.19 (EUR 0.1648), i.e. 26% of annual net profit of the year.

The consolidated annual accounts include half of BBH's profit and loss account and balance sheet in line with Hartwall's 50% holding in BBH.

Rolling 12 month operating profit



Operating environment

The operating environment developed favourably in all market areas in terms of both the national economies and their political situation. However, the climate was quite unfavourable during the summer season in Finland, the Baltic countries and parts of Russia, weakening market growth in these areas.

In Finland, the trend in the consumption of the brewing and soft drinks industry's products did not match the growth in general consumption demand, whereas the consumption of mild wines grew by 4%. Consequently, sales by the brewing and soft drinks industry fell 1.2% short of the previous year. No significant changes took place in the competition situation during the last four-month period. Even though the permitted volume of beer imported by private individuals from EU countries more than doubled from 15 litres to 32 litres, the Finnish government has not yet taken measures to reduce the alcohol tax.

In BBH's area of operations, the financial situation of Russia in particular developed favourably. Its economy was bolstered by the vigorous growth in industrial production, a foreign trade surplus and the stabilisation of the political situation now that a new government has stepped in, and consequently the external value of the rouble remained relatively stable. In Russia, the beer market grew by 22% and in Ukraine by 23%, whereas average growth in the Baltic countries stalled at 7%. The competition situation has tightened in all market areas, especially in the Baltic countries.

The Group's sales volume

The Hartwall Group's aggregate sales volume was 1,319.0 million litres (1,045.0 million litres), up 26.2%.

Trend in the Group's aggregate sales volume

	million litres	Change, %
Finland	368.4	-0.8%
Export and duty-free	36.2	-4.7%
BBH (50%)	914.4	+43.1%
Total	1,319.0	+26.2%

Hartwall makes the most popular beverages in Finland

Last summer's unstable and rainy weather caused a slight downturn in the aggregate sales of the brewing industry. In 2000, the brewing and soft drinks industry sold a total of 821.1 million litres of beverages, or 9.6 million litres less than in the previous year. Hartwall's position as the leading brewing industry player in Finland strengthened by 0.2 percentage points to 44.9%. Hartwall's aggregate sales volume in Finland came in at 368.4 million litres (371.2 million litres). Hartwall was the market leader in alcoholic beverages with its aggregate market share of 45.3% (45.8%) and in non-alcoholic beverages with its market share of 44.3% (43.2%).

The trend in sales of the brewing industry's largest product group, beer, suffered from the poor climate in the summer and declined slightly by 1.6%. Aggregate sales of beer amounted to 402.4 million litres (408.7). Hartwall's sales of beer declined to 185.7 million litres (196.3 million litres), but the company retained its position as Finland's largest brewer with its market share of 46.1 per cent (48.0%).

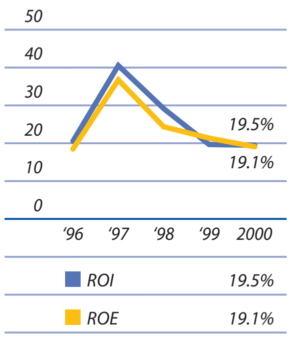
Cider consumption continued to grow in Finland, although there is evidence that growth will level off. Cider now achieved growth of 9.2% at the annual level. Last year, a total of 50 million litres of cider were sold in Finland (45.8 million litres). Hartwall Upcider was last year's success story: a recently launched product, it claimed a 32.7% market share in the space of a year. 16.4 million litres of Hartwall Upcider were sold (9.5 million litres), or 73% more than the company's previous cider product a year earlier.

Aggregate sales of the long drink product group fell by 10.2% to 17.2 million litres (19.2). Hartwall strengthened its position in this product group; the company's market share was 62.1% (58.3%).

Last year, aggregate sales of soft drinks and mineral waters contracted by 1.5 per cent to 351.4 million litres (357.0). Aggregate sales of soft drinks amounted to 294.6 million litres (298.8), of which Hartwall sold 126.9 million litres (126.5). Of this amount, 68.5 million litres was accounted for by Hartwall's soft drinks and 58.4 million litres by soft drinks sold under the PepsiCo Inc brand. Hartwall's aggregate market share in soft drinks was 43.1% (42.4%).

In the mineral waters segment, Hartwall retained its position as the market leader with its market share of 50.5 per cent (47.6%), while the product group contracted by 2.2%. Aggregate sales of mineral waters hit 56.9 million litres (58.2). Hartwall sold 28.7 million litres (27.7) of mineral waters.

Return on investment and return on equity, %



BBH's sales continue to grow

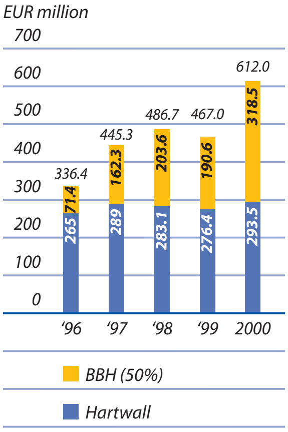
Although the summer weather was also unfavourable in BBH's territories, BBH achieved a new sales volume record in 2000: 1,828.7 million litres (1,277.6 million litres). This represented growth of 43%. Of this amount, beers accounted for 1,749.7 million litres (1,250.5 million litres) and mineral waters and soft drinks for 79.0 million litres (27.1 million litres).

Trend in BBH's aggregate sales, million litres

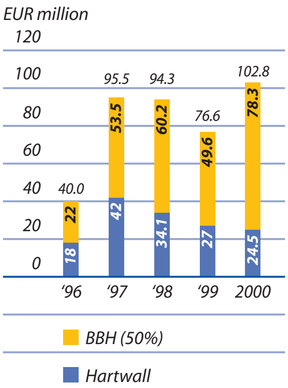
	2000	1999	Change, %
Baltic countries	**198.7**	190.3	+4.4%
Russia	**1,433.9**	969.8	+47.9%
Ukraine	**196.1**	117.4	+67.0%
Total	**1,828.7**	1,277.6	+43.1%

Board of Directors' report of operations 2000

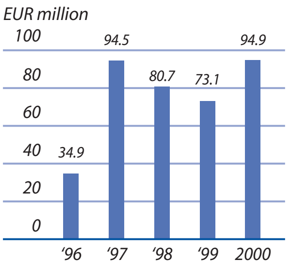
Net sales



Operating profit



Profit after financial items



The Russian beer market grew by 22% during the report year, while Ukraine's was up 23%. BBH's beer sales in Russia totalled 1,404.1 million litres (962.3 million litres), representing growth of 46 per cent. In spite of tighter competition, BBH increased its share of the Russian beer market to 25.2 per cent (21.2%) and Baltika beer was still the only brand of beer to be sold nationwide. In Russia, BBH sold a total of 29.8 million litres (7.6 million litres) of soft drinks and mineral waters.

In Ukraine, BBH's aggregate sales grew to 196.1 million litres (117.4 million litres). Of this amount, 171.6 million litres (112.5 million litres) were beer. BBH successfully strengthened its position in Ukraine; the company's share of the Ukrainian beer market rose from 14.4 per cent to 16.9 per cent. In April, BBH began to co-operate with PepsiCo in Ukraine, and sold 24.4 million litres of soft drinks and mineral waters (5 million litres) during the report year.

The rainy summer had an unfavourable effect on the development of the beer markets of the Baltic countries. Only the Lithuanian beer market grew, this year by 14 per cent. At the same time, the Estonian beer market slipped by one per cent while the Latvian market remained unchanged. BBH lost market shares in all Baltic countries, although it held on to its leading position in all these markets. BBH is the market leader in Lithuania with its market share of 37.2% (41.4%), in Latvia with a share of 46.7% (48.0%) and in Estonia with a share of 47.7% (50.0%).

In Lithuania, BBH manufactured a total of 92.8 million litres (85.0 million litres) of beverages, of which beer accounted for 84.7 million litres (82.0 million litres). In Latvia, BBH sold 45.2 million litres of beer (46.3 million litres) and 10.9 million litres of soft drinks and waters (7.5 million litres). BBH's aggregate litres sold in Estonia amounted to 49.8 million litres (51.6 million litres), of which beers accounted for 44 million litres (47.5 million litres).

Growth in net sales remained buoyant

The Hartwall Group's net sales were up 31.1% during the report year, reaching EUR 612.1 million (EUR 467.0 million). The sales volume climbed by 26.2%. Net sales for the September-December period amounted to EUR 198.1 million (EUR 150.4 million). The growth in the sales volume slowed down during the last four-month period, as expected, and was 18.3%; the growth in net sales accelerated slightly, rising to 31.7%.

Breakdown of net sales, EUR million

	2000	1999	Change, %
Hartwall	**293.5**	276.4	6.1%
BBH (50 %)	**318.5**	190.6	67.1%
Total	**612.0**	467.0	31.1 %

The net sales of Hartwall's Finnish functions were EUR 293.5 million (EUR 276.4 million), registering growth of 6.1% in spite of the mild decline in the sales volume caused by weak sales in summer. Net sales increased thanks to the price hikes implemented at the beginning of the year and the higher share of sales accounted for by cider. Correspondingly, growth in net sales was 7.8% in the September-December period, when the sales volume began to grow somewhat. Hartwa-Trade, which sells and markets wines and alcoholic drinks, accounted for 3.9% (2.4%) of the net sales of the Group's Finnish functions.

BBH's net sales continued to rise vigorously during the report year as well, growing by 67.1% to EUR 318.5 million (EUR 190.6 million). In practical terms, this growth was organic; 43.2% represented growth in volume and 16.7% was the result of price increases and changes in the structure of sales. Growth in net sales was strong in both Russia (+81.5%) and Ukraine (+48.0%), while it remained at a more modest level, 11.5%, in the Baltic countries. Soft drinks and mineral waters accounted for 79 million litres, or 4%, of the aggregate volume. During the last four-month period, net sales were up 64.2% to EUR 105.1 million (EUR 64 million), with the sales volume increasing by 29.8%.

Operating profit up 34%

The Group's operating profit climbed by 34.2% to EUR 102.8 million (EUR 76.6 million), and its share of net sales rose to 16.8% (16.4%). The growth in operating profit was attributable solely to BBH, as its operating profit increased by 57.8% to EUR 78.3 million (EUR 49.6 million). Due to the low sales volume in the summer, the operating profit of Hartwall's functions in Finland declined by 9.2% to EUR 24.5 million (EUR 27.0 million). BBH's operating profit represented 24.6% of net sales (26.0%). Behind this slight decline were increased marketing expenses and the costs of constructing a distribution system in Russia. In the Baltic countries, profitability was weakened by the poor summer season.

Breakdown of operating profit, EUR million

	2000	1999	Change, %
Hartwall	**24.5**	27.0	-9.2%
BBH	**78.3**	49.6	57.8%
Total	**102.8**	76.6	34.2%

The relative profitability of the Finnish functions fell from 9.7% to 8.4% even in spite of the improvement in the structure of sales; the reason for this was the disproportion of costs and the sales volume during the summer season.

Operating profit for the last four-month period came in at EUR 25.2 million (EUR 17.8 million), or 41.5% higher than a year earlier, and its proportion of net sales grew from 11.8% to 12.7%. The growth in operating profit during the last four-month period was also due to BBH, whose operating profit shot up by 65% to EUR 20.7 million (EUR 12.6 million). Operating profit of the Finnish functions, in turn, came in at EUR 4.7 million (EUR 5.3 million), remaining at the previous year's level.

Net financial expenses increased from EUR 3.5 million to EUR 7.9 million, or 1.3% (0.7%) of net sales, due to the rise in interest rate levels and the growth in interest-bearing liabilities. Profit before extraordinary items and taxes was up 29.8% and amounted to EUR 94.9 million (EUR 73.1 million).

The Group's taxes were EUR 24.7 million (EUR 15.4 million), or 60.5% higher than in the previous year. The reason behind the 5 percentage point increase of the average tax rate to 26.0% was that the Russian Baltika brewery had received tax breaks for its investments in the previous year.

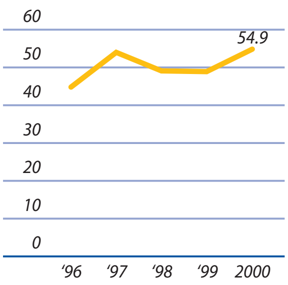
The Group's net profit after minority interest increased by 12.1% compared with the previous year and hit EUR 51.5 million (EUR 46.0 million). In per-share terms, accounting for the effect of the share issues carried out in the spring, it amounted to EUR 0.80 per share (0.76), representing an increase of 5.6% on the previous year.

More investments in ensuring competitiveness and growth

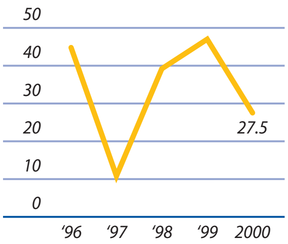
The Group's capital expenditures grew to EUR 162.6 million (EUR 125.2 million) during the report year, an increase of 29.9% on the previous year. Investments in Finland totalled EUR 46.8 million (EUR 57.9 million), and BBH accounted for EUR 115.9 million of the Group's investments (EUR 67.3 million). The major investment sites in Finland were the start-up of the centralisation of production and storage functions of Southern Finland and the modernisation and augmentation of the stock of drink dispensers and vending machines.

BBH continued to increase capacity and expand its distribution system, with operational investments rising to EUR 101 million. Investments focused on Russia, where the capacity of Baltika's unit in St. Petersburg was raised to 900 million litres. The capacities of Baltika-Don, Tula and Yarpivo were also increased substantially. The modernisation of the Pikra brewery in Krasnoyarsk is progressing according to plans. Investments were made in starting up soft drinks production in Ukraine and Latvia. The production and packaging capacity of other breweries was also stepped up.

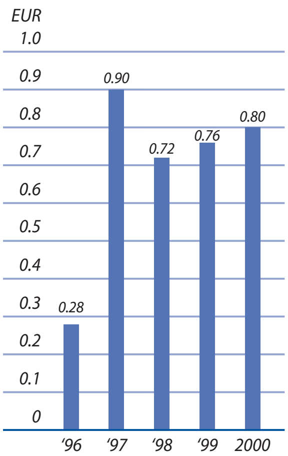
Equity ratio, %



Gearing, %

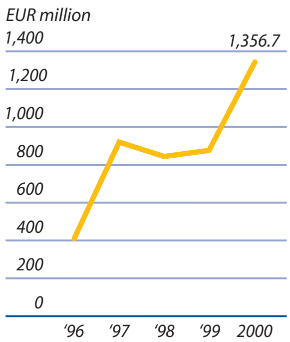


Earning/share

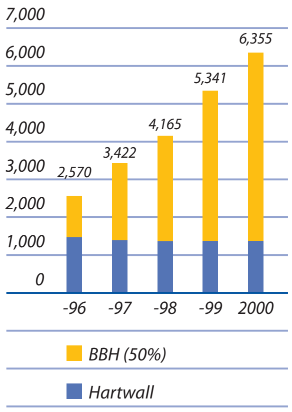


Board of Directors' report of operations 2000

Market capitasation of the shares outstanding at the end of the financial year



Personnel, average



Stronger financial position and balance sheet structure

The share issues valued at a total of EUR 77 million, which were carried out in the spring, improved liquidity and strengthened shareholders' equity significantly. The equity ratio grew to 55% (49%) at the end of the report year and the gearing ratio in turn fell to 27% (47%). Net debt amounted to EUR 119.6 million (EUR 141.9 million) at the end of the financial year, and interest-bearing liabilities to EUR 184.3 million (EUR 164.8 million). The interest cover was 14.9 times (15.7 times).

Group structure

At the end of the period under review, the parent company Oyj Hartwall Abp acquired 50% of the shares outstanding in Cool Drinks International Ltd Oy Ab, which markets long drinks; the parent company had previously owned it on a 50-50 basis with Primalco Oy, which is part of the Altia Group. At the beginning of April, the Pikra brewery in Krasnoyarsk, Russia, was merged into the BBH Group, which owns 50% of the brewery. In addition, the Group's holdings in individual BBH breweries have been raised.

Share capital, shares and owners

Oyj Hartwall Abp's Annual General Meeting, held on 29 March 2000, authorised the Board of Directors to decide on raising the share capital by means of one or more directed issues such that a maximum of 6,000,000 new Series A Shares with an accounting countervalue of EUR 0.20 may be subscribed for during the directed issue. The authorisation is valid until 29 March 2001. The Annual General Meeting also resolved to sell the shares on the grand total account on behalf of the shareholders.

After the share issues the company carried out in April-May, the number of shares rose by 5,400,700 Series A Shares to 65,950,700 shares. In the first share issue, the Board of Directors targeted, on the basis of the authorisation granted by the Annual General Meeting, 4,000,000 shares to Finnish and foreign institutional investors. The issue included an additional subscription option for 300,000 shares. In the second issue, 1,100,700 Series A Shares were targeted at Pripps Ringnes AB on the basis of the decision taken by the extraordinary meeting of shareholders held on 20 April 2000. The subscription price of shares in all issues was EUR 14.50. After these issues, the Board of Directors still holds an authorisation to increase the share capital by means of a directed issue of 1,700,000 shares.

In accordance with the subscription terms, a total of 125,000 Series A Shares were subscribed for with warrants from the issue of bonds with warrants that was floated in 1994. The subscription raised the company's share capital to EUR 13,215,140, which is divided into 66,075,700 shares, each having a countervalue of EUR 0.20. Oyj Hartwall Abp's shares are divided into 7,400,000 Series K Shares and 58,675,700 Series A Shares.

Structure of the share capital, 31 December 2000

	Shares	Votes
Series K Shares	7,400,000	148,000,000
Series A Shares	58,675,700	58,675,700
Total	66,075,700	206,675,700

Turnover of the company's Series A Shares during the review period amounted to 9,755,258 shares with a value of EUR 181.9 million, representing 16.6% of the total amount of Series A Shares. The share price hit a low of EUR 14.15 on 28 January and a high of EUR 24.20 on 1 August 2000. The average share price was EUR 18.65 and the final share price in trading on 31 December 2000 was EUR 20.50. There were 6,230 (7,608) shareholders at the end of 2000, with foreign ownership of Series A Shares being 38.6% (33.1%).

On 31 August 2000, the company's Board of Directors decided to adopt Helsinki Exchanges' Guidelines for Insiders as Hartwall's insider regulations.

Personnel

The Hartwall Group employed an average of 6,355 people (5,341) in 2000, including 50% of BBH's personnel. At year's end, the payroll was as follows:

Breakdown in the number of personnel

	31 December 2000	31 December 1999	Change
Hartwall	**1,313**	1,323	-10
BBH (100 %)	**9,510**	7,923	1,587

Oyj Hartwall Abp's profit-sharing fund, whose members are employees of Hartwall and its Finnish subsidiaries, has been operational since 1999. BBH's breweries employ their own incentive and bonus schemes.

Board of directors, managing director and auditors

All the members of the Board of Directors – Gustav v. Hertzen (Chairman), Erik Hartwall (Vice Chairman), Paul Bergqvist, L.J. Jouhki, Henrik Therman – and personnel representatives Pertti Hernesniemi and Erkki Kilpinen were re-elected for another term of office. In addition, Björn Mattsson was elected as a new Board member. Paul Bergqvist, who served as Pripps Ringnes' managing director, resigned his membership of the Board in June. The company's managing director for the entire financial period has been Jussi Länsiö. The auditors elected by the Annual General Meeting were Sixten Nyman, Authorised Public Accountant, and the firm of public accountants KPMG Wideri Oy Ab.

Events after the date of closing

At the beginning of January, Finland's Office of Free Competition issued its resolution on the terms and conditions under which the brewery functions of the Danish company Carlsberg A/S and Pripps Ringnes, which is owned by the Norwegian company Orkla, may be merged. The Office of Free Competition requires Orkla to relinquish its 20.4% holding in Oyj Hartwall Abp and to dissolve all product licensing and distribution agreements (Lapin Kulta, Pommac, Ramlösa and Tuborg) existing between the new brewing Group and the Hartwall Group. Hartwall-Yhtiöt Oy, which is owned by the Hartwall family, has a preemptive right to purchase Hartwall shares owned by Orkla. The decisions taken by the competition authorities have no significant effect on the company's business operations.

Outlook for 2001

The aggregate market in Finland is expected to grow somewhat due to the lower-than-average comparison figures for 2000 and the rise in the consumption of non-alcoholic beverages and cider. Beer consumption is forecast to remain at its present level. Due to changes in consumption habits, an increase in the consumption of wines is also foreseen. Market growth is expected to remain strong in BBH's market areas, especially Russia and Ukraine, albeit at a slightly slower rate than in the report year.

It is anticipated that Hartwall's sales volume in Finland will, on average, rise in step with market growth, while the growth of net sales will slightly outpace that of volume. It is expected that BBH's growth will exceed market growth, with the trend in prices corresponding to inflation.

The Group's net sales and operating profit are expected to grow. BBH's investment programme, deployed to ensure rapid growth, and the capital expenditure in reorganisation of the production and logistics structure in Finland, which was carried out to ensure future competitiveness, will increase the Group's financial expenses.
Net profit and profit per share will increase. Estimates mentioned above are based on the assumption that significant changes will not take place in the key currencies in BBH's operational area.

Income statements

EUR million		Group		Parent company	
		1.1.-31.12.2000	1.1.-31.12.1999	**1.1.-31.12.2000**	1.1.-31.12.1999
1)	**Net sales**	**612.0**	467.0	**281.9**	270.0
	Change in inventories of finished goods and work in progress +/-	**5.0**	-3.1	**-3.2**	-5.5
2)	Other operating income	**4.6**	6.5	**5.8**	7.6
3)	Materials and services	**-264.3**	-190.5	**-122.3**	-115.9
4)	Personnel costs	**-82.7**	-65.7	**-49.4**	-46.2
7)	Depreciation and write-downs	**-52.5**	-39.5	**-17.2**	-15.8
	Other operating expenses	**-119.3**	-98.1	**-71.7**	-66.9
		-518.8	-393.8	**-260.6**	-244.8
	Operating profit	**102.8**	76.6	**23.9**	27.3
		16.8%	16.4%	**8.5%**	10.1%
8)	Financial income and expenses	**-7.9**	-3.5	**4.2**	5.2
	Profit before extraordinary items	**94.9**	73.1	**28.1**	32.5
		15.5%	15.7%	**10.0%**	12.0%
9)	Extraordinary items +/-	**–**	–	**-0.9**	-1.1
	Profit before appropriations and taxes	**94.9**	73.1	**27.2**	31.3
10)	Appropriations	**–**	–	**3.1**	-0.7
11)	Income taxes	**-24.7**	-15.4	**-8.1**	-6.8
	Minority interests	**-18.7**	-11.8	**–**	–
	Profit for the financial year	**51.5**	46.0	**22.1**	23.8
		8.4%	9.8%	**7.8%**	8.8%

Balance sheet

EUR million		Group		Parent company	
		1.1.-31.12.2000	1.1.-31.12.1999	**1.1.-31.12.2000**	1.1.-31.12.1999
	ASSETS				
	Non-current assets				
12)	Intangible assets	**35.3**	29.4	**16.6**	14.1
13)	Tangible assets	**455.7**	360.9	**141.2**	133.6
14.3)	Investments	**1.1**	1.4	**1.0**	1.4
14.1,14.2)	Shares in Group companies	**3.3**	1.7	**63.4**	62.1
		495.4	393.4	**222.3**	211.3
	Current assets				
18)	Inventories	**106.0**	77.5	**49.9**	45.4
19)	Long-term receivables	**1.8**	1.1	**1.3**	1.0
20,21)	Short-term receivables	**126.4**	116.9	**119.9**	114.8
22)	Deferred tax assets	**2.2**	2.5	**2.0**	1.8
	Short-term deposits	**49.8**	0.8	**49.4**	–
	Cash in hand and at the banks	**14.9**	22.2	**8.2**	14.0
		301.0	221.0	**230.6**	177.0
		796.4	614.4	**452.9**	388.3
	SHAREHOLDERS' EQUITY AND LIABILITIES				
23, 24)	**Shareholders' equity**				
	Share capital	**13.2**	12.1	**13.2**	12.1
	Share premium fund	**135.0**	58.8	**135.0**	58.8
	Other reserves	**35.4**	36.4	**–**	–
	Retained earnings	**125.5**	91.8	**50.8**	37.3
	Net profit of the year	**51.5**	46.0	**22.1**	23.8
	Shareholders' equity	**360.7**	245.1	**221.2**	132.0
	Minority interests	**74.4**	55.4	**–**	–
25)	**Appropriations**	**–**	–	**41.2**	44.2
26)	**Provisions**	**6.8**	5.9	**6.8**	5.9
	Liabilities				
27)	Deferred tax liabilities	**15.0**	16.0	**2.9**	3.0
28, 29,30)	Long-term liabilities	**104.4**	63.0	**62.5**	42.7
31. 32)	Short-term liabilities	**235.0**	229.0	**118.2**	160.5
		354.4	308.0	**183.7**	206.2
		796.4	614.4	**452.9**	388.3

Cash flow statements

EUR million	Group		Parent company	
	1.1.-31.12.2000	1.1.-31.12.1999	**1.1.-31.12.2000**	1.1.-31.12.1999
Cash flow from operating activities				
Operating profit	**102.8**	76.6	**23.9**	27.3
Adjustments to operating profit	**48.5**	30.8	**14.8**	11.0
Change in working capital	**-21.7**	-11.8	**-5.5**	-9.6
Interest paid	**-7.8**	-5.8	**-6.1**	-2.9
Dividends received	**–**	0.1	**2.9**	3.2
Interest received	**1.1**	0.7	**2.5**	0.4
Taxes paid	**-21.3**	-18.2	**-4.7**	-10.8
Cash flow from operating activities	**101.6**	72.4	**27.8**	18.6
Cash flow from investing activities				
Investments in Group companies	**-5.3**	-29.2	**-1.3**	-3.0
Capital expenditure on tangible and intangible assets	**-143.5**	-92.4	**-19.8**	-38.7
Proceeds from disposal of tangible and intangible assets	**4.6**	12.5	**3.3**	10.1
Capital expenditure on other investments	**0.0**	0.0	**0.0**	0.0
Proceeds from disposal of other investments	**1.4**	0.9	**1.4**	0.9
Loan receivables from associated companies	**-4.3**	-4.9	**-8.6**	-9.9
Interest received from investments	**–**	–	**1.7**	0.2
Cash flow from investing activities	**-147.2**	-113.2	**-23.3**	-40.4
Cash flow before financing activities	**-45.5**	-40.8	**4.5**	-21.8
Cash flow from financing activities				
Long-term loans drawn down	**56.2**	48.8	**27.8**	31.9
Long-term loans repaid	**-16.1**	-13.1	**-7.9**	-7.0
Change in long-term receivables	**-0.2**	-0.2	**-0.2**	-0.2
Change in short-term loans	**-18.5**	28.2	**-46.5**	17.1
Dividends paid	**-11.4**	-10.2	**-10.1**	-9.1
Group contributions received and paid	**–**	–	**-1.1**	-0.6
Rights issue	**77.3**	0.3	**77.3**	0.3
Other	**0.0**	0.0	**0.0**	0.0
Cash flow from financing activities	**87.3**	53.9	**39.1**	32.4
Change in cash and cash equivalents	**41.7**	13.1	**43.6**	10.6
Cash and cash equivalents 1 January	**22.9**	9.8	**14.0**	3.5
Cash and cash equivalents 31 December	**64.6**	22.9	**57.6**	14.0

Financing risks and their management

Objective

The Group has a financing policy that is approved by the Board of Directors and which defines accountability, authorisations in financing tasks and the principles to be observed in managing financial risks. In addition, the subgroup formed by BBH has a foreign exchange policy that is approved by its Board of Directors and takes into account the special features of the operating environment. The goal of financing policy is to hedge financing risks in such a way that the Group's liquidity, net profit and solvency are not jeopardised. Central objectives in this respect are:

- safeguarding the Group's liquidity
- maintaining the agreed balance sheet structure/solvency
- managing interest cover
- managing foreign exchange and interest rate risk
- maintaining a good corporate image in the financial markets

The following principles are observed in managing the most important financing risks.

Spreading risk

The principle underlying the sharing of operational responsibility for financing is the planning of operations so that the capital tied up in fixed assets and working capital is optimal from the standpoint of costs and the flexibility of operations, and the definition of the short-term financing requirement for operations or the financing surplus they generate. The task of finance is to satisfy the financing requirement of business operations via an optimal risk/cost ratio or to invest the surplus in liquid and secure instruments.

Interest rate risk

The interest rate risk position is defined on the basis of the average maturity of net debt. On this basis, risk limits are also set for the net risk positions of individual maturities. In analysing interest rate risk, financial leasing and interest rate-linked lease agreements are also considered as interest rate risks. The sought-for interval of the maturity has been set at 6 to 12 months.

Foreign exchange risk

Foreign exchange risk is examined as both a transaction risk and a translation risk. The significance of translation risks is fairly minor because the business is centred in domestic markets and Finland has joined the EMU. On the other hand, the translation risk, which is managed with the aim of hedging the Group's shareholders' equity and reserves, is more significant, since BBH operates mainly in national economies where the trend in inflation is strong and the financial markets are in their infancy. In these conditions, the use of financial risk management instruments is limited or expensive. Accordingly, BBH's translation risk is managed by applying the so-called monetary–non-monetary method in the consolidated annual accounts concerning the breweries in Russia and Ukraine and by employing operational means to bring financial assets and liabilities into balance.

Liquidity risk

To ensure liquidity in exceptional circumstances, the Group must have a sufficient liquidity reserve, consisting of cash funds, revolving credit facilities and loan commitments, to cover any liquidity requirements, including those in unexpected situations.

Credit risk

A special feature of the brewing industry is the large proportion of excise taxes in the taxable invoicing. Unlike value-added tax (VAT), the excise tax included in any credit loss must be borne by the brewery. The principle observed in sales on credit is to define customer-specific credit risks and to require security for the receivable.

Counterparty risk

Investments and derivative contracts can be made only with separately defined counterparties, within separately agreed limits.

Euro

The company will adopt the euro as a home currency for Group companies operating in Finland during February 2001. Due to the structure of the customer base, invoicing in Finland will be performed in Finnish markkaa until the end of 2001.

Foreign currency rates

In preparing the consolidated annual accounts, the following exchange rates have been used in consolidating BBH and its subsidiaries:

Official exchange rates

Foreign currency	Average exchange rate			Rate on balance sheet date		
	2000	1999	Change (%)	**31.12.00**	31.12.99	Change (%)
EUR/EEK	**15.684**	15.184	-3.2	**15.631**	15.671	0.3
EUR/LTL	**3.697**	4.139	12.0	**3.695**	4.011	8.6
EUR/LVL	**0.561**	0.606	8.0	**0.567**	0.587	3.5
EUR/RUB	**25.997**	25.340	-2.5	**26.013**	27.071	4.1
EUR/SEK	**8.472**	8.562	1.1	**8.831**	8.777	-0.6
EUR/UAH	**5.029**	4.228	-15.9	**5.020**	5.361	6.8
EUR/USD	**0.923**	1.066	15.5	**0.930**	1.005	8.1

Notes to the financial statements

EUR million

1 Net sales by market area

	Group		Parent company	
	2000	1999	**2000**	1999
Finland	**280.9**	264.7	**269.2**	258.1
Sweden	**10.0**	8.8	**10.0**	8.8
Russia, the Baltic countries, the Ukraine	**320.4**	193.0	**2.0**	2.6
Other	**0.7**	0.6	**0.7**	0.6
Total	**612.0**	467.0	**281.9**	270.0

2 Other operating income

	Group		Parent company	
	2000	1999	**2000**	1999
Gain on sales of fixed assets	**2.0**	5.0	**2.5**	4.8
Other	**2.6**	1.6	**3.3**	2.7
Total	**4.6**	6.5	**5.8**	7.6

3 Materials and services

	Group		Parent company	
	2000	1999	**2000**	1999
Materials and supplies				
Purchases during the financial year	**235.9**	147.7	**83.0**	72.4
Change in inventories	**-23.4**	-12.0	**-7.7**	-1.8
	212.5	135.7	**75.4**	70.6
External services	**51.8**	54.8	**46.9**	45.3
Total	**264.3**	190.5	**122.3**	115.9

4 Personnel costs

	Group		Parent company	
	2000	1999	**2000**	1999
Wages, salaries and bonuses	**64.4**	51.3	**39.5**	36.9
Pension costs	**7.2**	6.4	**6.5**	6.0
Other wage-related costs	**11.1**	8.0	**3.4**	3.4
Total	**82.7**	65.7	**49.4**	46.2

5 Wages and salaries paid

	Group		Parent company	
	2000	1999	**2000**	1999
Managing Director and members of the Board	**1.2**	1.1	**0.4**	0.4
Others	**63.1**	51.2	**38.9**	37.4
Total	**64.3**	52.3	**39.4**	37.8

The retirement age of managing directors of companies belonging to the Group has been set at 60-65 years. The retirement age of the managing director of the parent company is 60 years. There were no loan receivables from members of the Board of Directors or the managing director.

6 Average number of personnel

	Group		Parent company	
	2000	1999	**2000**	1999
Salaried	**597**	586	**571**	562
Hourly-paid	**780**	795	**779**	795
Finland, total	**1,377**	1,381	**1,350**	1,357
BBH (100 %)	**9,955**	7,919		

7 Depreciation and write-downs

	Group		Parent company	
	2000	1999	**2000**	1999
Goodwill	**3.1**	1.1	**–**	–
Other capitalised expenditure	**4.0**	2.4	**3.3**	1.9
Buildings and constructions	**5.2**	4.3	**2.9**	2.7
Machinery and equipment	**40.3**	31.7	**11.0**	11.2
Total	**52.5**	39.5	**17.2**	15.8

8 Financial income and expenses

	Group		Parent company	
	2000	1999	**2000**	1999
Share of the results of associated companies	**0.2**	-0.1	**–**	–
Dividend income				
From associated companies	**–**	–	**2.9**	3.1
From others	**–**	0.1	**–**	0.1
Total	**0.2**	0.0	**2.9**	3.2
Other interest and financial income				
From Group companies	**–**	–	**–**	0.1
From associated companies	**1.3**	2.3	**2.6**	4.7
From others	**13.6**	6.8	**4.8**	0.4
Total	**14.9**	9.1	**7.4**	5.1
Interest and other financial expenses				
To others	**-23.0**	-12.6	**-6.2**	-3.1
Total	**-23.0**	-12.6	**-6.2**	-3.1
Financial income and expenses, total	**-7.9**	-3.5	**4.2**	5.2
Financial income and expenses include exchange rate differencies, net	**-1.4**	2.8	**1.1**	3.2

9 Extraordinary items

	Group		Parent company	
	2000	1999	**2000**	1999
Group contributions given	**–**	–	**-0.9**	-1.1
Total	**–**	–	**-0.9**	-1.1

10 Appropriations

	Group		Parent company	
	2000	1999	**2000**	1999
Difference between depreciation according to plan and depreciation in taxation	**–**	–	**3.1**	-0.7
Total	**–**	–	**3.1**	-0.7

11 Income taxes

	Group		Parent company	
	2000	1999	**2000**	1999
Income taxes on extraordinary items	**–**	–	**0.3**	0.3
Income taxes for current and previous years	**25.5**	-14.0	**8.0**	-6.0
Change in deferred taxes	**-0.8**	-1.3	**-0.2**	-1.1
Total	**24.7**	-15.4	**8.1**	-6.8

BBH will from the beginning of 2000 account for the deferred tax liability according to Swedish Financial Accounting recommendations section RR9. Thus, BBH's tax liability related to fixed assets valued according to the monetary-non-monetary method is estimated to be approx. SEK 134 million, of which Hartwall's part would be approx. EUR 7.56 million.

Movements in fixed assets

12 Intangible assets

12.1 Other capitalised expenditure

	Group		Parent company	
	2000	1999	**2000**	1999
Opening balance, 1 January	**41.0**	34.0	**48.7**	43.4
Translation difference	**-0.1**	0.1	**–**	–
Increases	**6.0**	7.6	**5.8**	5.9
Decreases	**-0.8**	-0.6	**-0.1**	-0.6
Acquisition cost, 31 December	**46.2**	41.0	**54.3**	48.7
Accumulated depreciation, 1 January	**-25.4**	-23.4	**-34.5**	-33.1
Translation difference	**0.1**	–	**–**	–
Accumulated depreciation on decreases and transfers	**0.1**	0.5	**0.1**	0.5
Depreciation according to plan	**-4.0**	-2.4	**-3.3**	-1.9
Accumulated depreciation, 31 December	**-29.2**	-25.4	**-37.7**	-34.5
Book value, 31 December	**17.0**	15.6	**16.6**	14.1

12.2 Goodwill on consolidation

	Group		Parent company	
	2000	1999	**2000**	1999
Opening balance, 1 January	**19.6**	5.4	**–**	–
Translation difference	**-0.5**	0.6	**–**	–
Increases	**7.8**	13.6	**–**	–
Acquisition cost, 31 December	**26.8**	19.6	**–**	–
Accumulated depreciation, 1 January	**-5.8**	-4.2	-	-
Translation difference	**0.3**	-0.5	-	-
Depreciation according to plan	**-3.1**	-1.1	-	-
Accumulated depreciation, 31 December	**-8.6**	-5.8	-	-
Book value, 31 December	**18.2**	13.8	-	-

12.3 Intangible assets, total

	Group		Parent company	
	2000	1999	**2000**	1999
Opening balance, 1 January	**60.6**	39.4	**48.7**	43.4
Translation difference	**-0.6**	0.6	**–**	–
Increases	**13.8**	21.2	**5.8**	5.9
Decreases	**-0.8**	-0.6	**-0.1**	-0.6
Acquisition cost, 31 December	**73.0**	60.5	**54.3**	48.7
Accumulated depreciation, 1 January	**-31.1**	-27.6	**-34.5**	-33.1
Translation difference	**0.4**	-0.5	**–**	–
Accumulated depreciation on decreases and transfers	**0.1**	0.5	**0.1**	0.5
Depreciation according to plan	**-7.1**	-3.5	**-3.3**	-1.9
Accumulated depreciation, 31 December	**-37.7**	-31.1	**-37.7**	-34.5
Book value, 31 December	**35.3**	29.4	**16.6**	14.1

13 Tangible assets

13.1 Land and water

	Group		Parent company	
	2000	1999	**2000**	1999
Opening balance, 1 January	**23.8**	23.5	**16.4**	15.7
Increases	**0.2**	1.8	**0.1**	1.8
Decreases	**–**	-1.6	**–**	-1.1
Acquisition cost, 31 December	**24.0**	23.8	**16.5**	16.4
Accumulated depreciation, 1 January	**-7.0**	-7.0	**–**	–
Accumulated depreciation, 31 December	**-7.0**	-7.0	**–**	–
Revaluations	**2.7**	2.8	**2.7**	2.8
Book value, 31 December	**19.7**	19.6	**19.2**	19.2

Notes to the financial statements

EUR million

13.2 Buildings and constructions

	Group		Parent company	
	2000	1999	**2000**	1999
Opening balance, 1 January	**146.1**	127.0	**80.0**	82.5
Translation difference	**-1.9**	4.5	**–**	–
Increases	**16.0**	29.8	**1.0**	10.7
Decreases	**-2.0**	-16.2	**-1.4**	-14.1
Transfers	**0.8**	1.0	**0.8**	1.0
Acquisition cost, 31 December	**158.9**	146.1	**80.5**	80.0
Accumulated depreciation, 1 January	**-46.5**	-52.1	**-31.8**	-39.5
Translation difference	**0.4**	-1.0	**–**	–
Accumulated depreciation on decreases and transfers	**1.2**	11.0	**1.0**	10.5
Depreciation according to plan	**-5.2**	-4.3	**-2.9**	-2.7
Accumulated depreciation, 31 December	**-50.0**	-46.5	**-33.7**	-31.8
Revaluations	**7.5**	7.5	**7.5**	7.5
Book value, 31 December	**116.4**	107.1	**54.2**	55.7

13.3 Machinery and equipment

	Group		Parent company	
	2000	1999	**2000**	1999
Opening balance, 1 January	**397.6**	296.9	**198.3**	179.1
Translation difference	**-5.2**	10.9	**–**	–
Increases	**85.0**	92.2	**4.8**	18.6
Decreases	**-6.4**	-6.0	**-1.8**	-3.0
Transfers	**1.2**	3.6	**1.2**	3.6
Acquisition cost, 31 December	**472.2**	397.6	**202.5**	198.3
Accumulated depreciation, 1 January	**-190.8**	-159.7	**-144.8**	-135.3
Translation difference	**2.0**	-2.8	**–**	–
Accumulated depreciation on decreases and transfers	**5.8**	3.5	**1.8**	1.7
Depreciation according to plan	**-40.3**	-31.7	**-11.0**	-11.2
Accumulated depreciation, 31 December	**-223.2**	-190.8	**-154.0**	-144.8
Book value, 31 December	**249.0**	206.8	**48.5**	53.5

13.4 Advance payments and construction in progress

	Group		Parent company	
	2000	1999	**2000**	1999
Opening balance, 1 January	**27.5**	49.3	**5.2**	4.7
Translation difference	**-0.6**	4.8	**–**	–
Increases	**45.9**	-21.4	**16.1**	5.7
Decreases	**–**	-0.7	**–**	-0.7
Transfers	**-2.0**	-4.6	**-2.0**	-4.6
Acquisition cost, 31 December	**70.7**	27.4	**19.3**	5.2

13.5 Tangible assets, total

	Group		Parent company	
	2000	1999	**2000**	1999
Opening balance, 1 January	**594.9**	496.7	**300.0**	282.0
Translation difference	**-7.7**	20.2	**0.0**	0.0
Increases	**147.1**	102.5	**22.0**	36.8
Decreases	**-8.5**	-24.5	**-3.2**	-18.8
Acquisition cost, 31 December	**725.8**	594.9	**318.7**	300.0
Accumulated depreciation, 1 January	**-244.2**	-218.8	**-176.6**	-174.9
Translation difference	**2.5**	-3.8	**–**	–
Accumulated depreciation on decreases and transfers	**7.0**	14.5	**2.8**	12.2
Depreciation according to plan	**-45.4**	-36.0	**-13.9**	-13.9
Accumulated depreciation, 31 December	**-280.2**	-244.2	**-187.7**	-176.6
Revaluations	**10.2**	10.3	**10.2**	10.3
Book value, 31 December	**455.8**	361.0	**141.2**	133.6

14 Investments

14.1 Shares in subsidiaries

	Group		Parent company	
	2000	1999	**2000**	1999
Opening balance			**0.7**	1.7
Increases			**1.1**	–
Decreases			**–**	-0.5
Transfers			**0.2**	-0.5
Book value, 31 December			**2.0**	0.7

14.2 Shares in associated companies

	Group		Parent company	
	2000	1999	**2000**	1999
Opening balance, 1 January	**1.7**	2.6	**61.4**	57.9
Translation difference	**–**	0.3	**–**	–
Increases	**1.8**	1.5	**0.2**	3.0
Decreases	**-0.2**	-3.2	**–**	–
Transfers	**–**	0.5	**-0.2**	0.5
Book value, 31 December	**3.3**	1.7	**61.5**	61.4

14.3 Other shares

	Group		Parent company	
	2000	1999	**2000**	1999
Opening balance, 1 January	**1.4**	4.9	**1.4**	1.8
Translation difference	**–**	0.3	**–**	–
Increases	**0.1**	–	**–**	–
Decreases	**-0.3**	-3.8	**-0.3**	-0.4
Book value, 31 December	**1.1**	1.4	**1.0**	1.4

14.4 Investments, total

	Group 2000	Group 1999	Parent company 2000	Parent company 1999
Opening balance, 1 January	**3.1**	7.5	**63.5**	61.3
Translation difference	**–**	0.6	**–**	–
Increases	**1.8**	1.5	**1.3**	3.0
Decreases	**-0.5**	-7.0	**-0.3**	-0.9
Transfers	**–**	0.5	**–**	–
Book value, 31 December	**4.4**	3.1	**64.5**	63.5

15 Carrying value of production machinery and equipment

	Group 2000	Group 1999	Parent company 2000	Parent company 1999
	211.4	180.2	**42.8**	47.9

16 Revaluations

	Group 2000	Group 1999	Parent company 2000	Parent company 1999
Land and water, 1 January	**2.8**	3.4	**2.8**	3.4
Buildings and constructions, 1 January	**7.5**	7.5	**7.5**	7.5
Deductions of land areas	**-0.1**	-0.7	**-0.1**	-0.7
Land and water, 31 December	**2.7**	2.8	**2.7**	2.8
Buildings and constructions, 31 December	**7.5**	7.5	**7.5**	7.5

17 Shares and participations

	Number of shares	Holding, % Parent company	Holding, % Group	Par value of shares	Book value of shares
Group companies owned directly by the parent company				(1,000 FIM)	(1,000 EUR)
Cool Drinks International Ltd Oy Ab	20,000	100.00	100.00	2,000	1,279
Hartwa-Trade Oy Ab	23,807	100.00	100.00	1,190	508
Lapin Kulta Oy	100	100.00	100.00	100	17
Helepark Oy	402	100.00	100.00	40	7
Kiinteistö Oy Ristipellontie 13	1,908	100.00	100.00	10	172
Total					1,982

Associated companies

	Number of shares	Holding, % Parent company	Holding, % Group	Par value of shares	Book value of shares
Asunto Oy Ankkurisaarentie 22	750	50.00	50.00	15	522
Baltic Beverages Holding AB	500,000	50.00	50.00	50,000 SEK	57,693
Yarpivo, Russia	688	0.09	0.09	69 RUR	75
Baltika, Russia	10,532	0.70	0.70	842 RUR	3,177
Total					61,467

Baltic Beverages Holding AB's subsidiaries

	Holding, % BBH	Holding, % Group	BBH's book value
			1,000 SEK
Saku, Estonia	75.00	37.50	82,059
Aldaris, Latvia	75.00	37.50	108,271
Kalnapilis, Lithuania	86.60	43.30	76,941
Utenos Gerimai, Lithuania	98.13	49.07	133,090
Utenos Alus, Lithuania	50.00	25.00	106,532
JAC, Lithuania	100.00	50.00	155
Baltika, Russia	75.04	37.52	193,266
Yarpivo, Russia	60.00	30.00	132,965
Tula Brewing, Russia	72.02	36.01	207,486
Chelyabinskpivo, Russia	75.00	37.50	113,586
Slavutich, Ukraine	77.49	38.75	184,462
Slavuta, Ukraine	57.21	28.61	22,404
Lvivska Pivovarnia, Ukraine	99.09	49.55	160,213
Pikra, Russia	50.00	25.00	114,300
BBE, Estonia	100.00	50.00	252
Baltic Breweries Invest, Sweden	100.00	50.00	100
Baltic Beverages Holding Oy, Finland	100.00	50.00	29
Total			1,636,111

Baltic Beverages Holding AB's associated companies

	Holding, % BBH	Holding, % Group	BBH's book value 1,000 SEK	Group's book value 1,000 EUR
Saku Linnas, Estonia	100.00	50.00	1,102	62
Litmalt, Lithuania	50.00	25.00	22,930	1,298
Soufflet, Russia	30.00	15.00	17,155	971
Total			41,187	2,332

Other shares and participations

(1,000 EUR)

Book value	Number of shares	Par value of shares	Parent company's direct ownership	Indirect ownership
Helsinki-Halli Oy, Series A	24	240	404	
Jokerit HC Oy	101,000	1,010	336	
Hex Oy, Helsinki Exchanges	24,400	244	50	
Suomen Palautuspakkaus Oy	200	200	34	
Other shares and participations			209	92
Total			1,034	92

Notes to the financial statements

EUR million

18 Inventories

	Group		Parent company	
	2000	1999	**2000**	1999
Raw materials and consumables	**72.0**	48.6	**30.2**	22.5
Semi-finished goods	**5.0**	3.8	**1.4**	1.4
Finished goods	**28.9**	25.1	**18.3**	21.4
Total	**106.0**	77.5	**49.9**	45.4

19 Receivables, long-term

	Group		Parent company	
	2000	1999	**2000**	1999
Loan receivables	**1.8**	1.1	**1.2**	1.0

20 Receivables, short-term

	Group		Parent company	
	2000	1999	**2000**	1999
Accounts receivable	**73.3**	76.3	**65.1**	68.7
Receivables from Group companies				
Accounts receivables			**2.3**	0.1
Other receivables			**0.1**	0.1
Prepaid expenses and accrued income			**2.4**	0.1
			4.8	0.3
Receivables from associated companies				
Accounts receivable	**0.8**	2.9	**1.5**	5.9
Loan receivables	**21.5**	16.0	**43.0**	32.0
Prepaid expenses and accrued income	**0.2**	–	**0.4**	–
	22.4	19.0	**44.9**	37.9
Other receivables	**19.2**	5.0	**1.0**	1.6
Prepaid expenses and accrued income	**11.6**	16.7	**4.0**	6.2
	30.7	21.6	**5.0**	7.8
Short-term receivables, total	**126.4**	116.9	**119.9**	114.8

21 Prepaid expenses and accrued income

	Group		Parent company	
	2000	1999	**2000**	1999
Advance payments to suppliers	**5.1**	1.1	**–**	–
VAT and customs receivables	**–**	2.3	**–**	–
Tax receivables	**2.7**	5.4	**1.1**	4.7
Other prepaid expenses and accrued income	**3.9**	7.9	**5.7**	**1.5**
Total	**11.7**	16.7	**6.8**	6.3

22 Deferred tax assets

	Group		Parent company	
	2000	1999	**2000**	1999
Deferred tax assets due to timing differencies	**2.2**	2.5	**2.0**	1.8

23 Shareholders' equity

	Group		Parent company	
	2000	1999	**2000**	1999
Share capital, 1 January	**12.1**	10.2	**12.1**	10.2
Redenomination of the share capital to euro	**–**	1.9	**–**	1.9
Rights issue	**1.1**	–	**1.1**	–
Share capital, 31 December	**13.2**	12.1	**13.2**	12.1
Share Premium funds, 1 January	**58.8**	60.4	**58.8**	60.4
Transfer redenomination	**–**	-1.9	**–**	-1.9
Transfer from retained earnings	**76.2**	0.3	**76.2**	0.3
Share premium funds, 31 December	**135.0**	58.8	**135.0**	58.8
Other reserves, 1 January	**36.4**	**28.2**		
Translation difference	**-1.0**	–		
Transfer from retained earnings	**–**	8.3		
Other reserves, 31 December	**35.4**	36.4		
Retained earnings, 1 January	**137.8**	98.0	**61.1**	47.1
Dividend paid	**-10.1**	-9.1	**-10.1**	-9.1
Revaluations	**-0.1**	-0.7	**-0.1**	-0.7
Translation difference	**-2.0**	11.9	**–**	–
Transfer to other funds	**0.0**	-8.3	**–**	–
Retained earnings, 31 December	**125.5**	91.8	**50.8**	37.3
Net profit for the financial period	**51.5**	46.0	**22.1**	23.8

24 Distributable shareholders' equity, 31 December

	Group		Parent company	
	2000	1999	**2000**	1999
Retained earnings	**125.5**	91.8	**50.8**	37.3
Net profit for the financial period	**51.5**	46.0	**22.1**	23.8
Equity part of accumulated depreciation difference	**-29.3**	-31.5	**–**	–
Other change	**-1.4**	–	**-1.3**	–
Distributable shareholders' equity, 31 December	**146.4**	106.3	**71.6**	61.1

25 Accumulated appropriations

	Group		Parent company	
	2000	1999	**2000**	1999
Accumulated depreciation difference, 1 January			**44.3**	43.5
Change in depreciation difference 2000			**-3.1**	0.7
Accumulated depreciation difference, 31 December			**41.2**	44.3

26 Provision

	Group		Parent company	
	2000	1999	**2000**	1999
Product, can and bottle costs	**4.4**	5.2	**4.4**	5.2
Personnel expenses	**2.5**	–	**2.5**	–
Other	**–**	0.7	**–**	0.7
Total	**6.8**	5.9	**6.8**	5.9

27 Deferred tax liabilities

	Group		Parent company	
	2000	1999	**2000**	1999
Deferred taxes on depreciation difference and voluntary reserves	**12.0**	12.8	**–**	–
Deferred taxes on revaluations	**2.9**	3.0	**2.9**	3.0
Deferred taxes from timing differencies	**–**	0.2	**–**	–
Deferred taxes from consolidation entries	**0.1**	0.1	**–**	–
Total	**15.0**	16.0	**2.9**	3.0

28 Long-term liabilities

	Group		Parent company	
	2000	1999	**2000**	1999
Loans from financial institutions	**39.6**	15.9	**39.6**	15.9
Pension loans	**12.6**	14.3	**12.6**	14.3
Other long-term liabilities	**30.2**	18.8	**10.3**	12.5
Leasing loans	**22.1**	13.9	**–**	–
Total	**104.4**	62.9	**62.5**	42.7

29 Liabilities falling due after five years

	Group		Parent company	
	2000	1999	**2000**	1999
Loans from financial institutions	**8.4**	14.2	**8.4**	14.2
Other long-term liabilities	**7.5**	9.3	**7.5**	9.3
Total	**15.9**	23.5	**15.9**	23.5

30 Issue of bonds with warrants

MEUR 4.2 remains to be paid on the 1994 issue of bonds with warrants.
The subscription periods of the warrants are as follows:
Litt.D 4* 31,250 Series A shares 1.9.2001-31.1.2002
The subscription price is EUR 2.76 per share.

31 Short-term liabilities

	Group		Parent company	
	2000	1999	**2000**	1999
Loans from financial institutions	**4.7**	4.7	**4.7**	4.7
Pension loans	**1.7**	1.7	**1.7**	1.7
Advances received	**3.8**	1.1	**–**	–
Accounts payable	**56.4**	34.5	**27.8**	19.6
Next year's lesing payments	**9.6**	6.7	**–**	–
	76.2	48.7	**34.1**	26.0
Liabilities to the Group companies				
Accounts payable			**0.1**	–
Other liabilities			**12.3**	1.1
Accrued liabilities and prepaid income			**–**	6.1
			12.4	7.2
Liabilities to Associated companies				
Accounts payable				
Other liabilities		1.4		2.8
Accrued liabilities and prepaid income		0.1		0.1
		1.5		2.8
Liabilities to others				
Other liabilities	**79.5**	90.3	**7.3**	52.9
Accrued liabilities and prepaid income	**79.4**	88.5	**64.3**	71.5
	158.8	178.7	**71.6**	124.4
Short-term liabilities	**235.0**	229.0	**118.2**	160.5

EUR million

32 Accrued liabilities and prepaid income

	Group 2000	Group 1999	Parent company 2000	Parent company 1999
VAT liabilities	**14.7**	14.7	**13.0**	13.1
Excise tax liabilities	**29.2**	31.3	**25.8**	28.5
Tax liabilities	**2.1**	2.4	**–**	–
Wages, salaries and social expenses	**9.0**	8.6	**8.7**	8.2
Other accrued liabilities	**24.4**	31.6	**16.8**	28.0
Total	**79.3**	88.6	**64.3**	77.7

33 Contingent liabilities

	Group 31.12. 2000	Group 31.12. 1999	Parent company 31.12. 2000	Parent company 31.12. 1999
Mortgages as collateral for own commitments				
Mortgages on real-estate	**67.8**	53.7	**67.8**	51.0
Rental rights	**2.4**	2.4	**2.4**	2.4
Machinery	**52.2**	45.8	**–**	–
Inventories	**5.1**	0.9	**–**	–
Deposits	**0.6**	0.5	**–**	–
Corporate mortgages	**25.2**	25.2	**25.2**	25.2
Total	**153.3**	128.5	**95.4**	78.6
Guarantees as collateral for other commitments				
Guarantees				
On behalf of management	**–**	–	**–**	–
On behalf of shareholders	**–**	–	**–**	–
On behalf of Group companies	**–**	–	**2.2**	2.2
On behalf of associated companies	**3.8**	6.4	**–**	–
Other	**2.0**	2.0	**2.0**	2.0
Repurchase commitments	**1.1**	1.9	**1.1**	1.9
Total	**6.9**	10.3	**5.3**	6.1

	Group 31.12. 2000	Group 31.12. 1999	Parent company 31.12. 2000	Parent company 31.12. 1999
Leasing commitments				
Real-estate leasing commitments				
Leasing rents to be paid in 2001	**2.0**	1.6	**2.0**	1.6
Leasing rents to be paid after 2001	**3.9**	4.3	**3.9**	4.3
Other leasing commitments *)				
Leasing rents to be paid in 2001	**11.1**	7.6	**11.1**	7.5
Leasing rents to be paid after 2001	**25.5**	16.5	**25.5**	16.4
Repurchase commitments	**1.7**	1.3	**1.7**	1.3
	44.1	31.3	**44.1**	31.0
Total	**204.4**	170.0	**144.9**	115.8

*) Other leasing commitments are included in liabilities in the consolidated balance sheet.

Derivative agreements 31 December 2000.

Receivables denominated in foreign currency, totalling EUR 5.66 million, have been hedged with financial futures contracts.
The exchange rate and interest differencies of the financial futures contracts have been periodised in the financial statements.

	Group 31.12. 2000	Group 31.12. 1999	Parent company 31.12. 2000	Parent company 31.12. 1999
Loans with guarantees				
Loans with mortgages as collateral				
Loans from financial institutions	**74.8**	42.7	**58.6**	36.4
Other short-term loans	**–**	1.7	**–**	–
Credir limits	**45.5**	41.0	**37.8**	37.8
of which used on 31 December	**5.1**	35.9	**–**	33.6
Loans, total	**79.9**	80.4	**58.6**	70.0
Mortgages as collateral, total	**153.3**	128.5	**95.4**	78.6
Loans with guarantees as collateral				
Accounts payable	**–**	3.2	**–**	–

Accounting principles

The Hartwall Group's financial statements have been prepared in accordance with the Finnish accounting regulations that came into force on 31 December 1997. The annual accounts that will be submitted to the Trade Register have been drawn up in Finnish markkaa.

Principles of consolidation

The consolidated financial statements comprise the parent company together with all the subsidiaries of Oyj Hartwall Abp (voting rights > 50%) as well as all the associated companies of Oyj Hartwall Abp (voting rights 20-50%). The acquired subsidiaries and associated companies are included in the consolidated financial statements as from the date of acquisition. The consolidated financial statements have been prepared in accordance with the purchase method of accounting. In eliminating intra-Group shareholding, the shareholders' equity of subsidiaries is considered to be the shareholders' equity and untaxed provisions on the acquisition date less deferred tax liability. The difference arising on elimination is allocated to fixed assets to the extent that the fair value of a subsidiary's fixed assets exceeds the book value on the acquisition date. In the consolidated balance sheet the remainder of the acquisition cost of the shares is allocated to goodwill. The portion allocated to fixed assets has been amortised according to the depreciation plan for the underlying asset. The goodwill arising from acquisitions is depreciated on a straigt-line basis in the consolidated accounts over its expected life, but nevertheless for a maximum of ten years.

Internal transactions and unrealised profits as well as internal distributions of profits have been eliminated.

Minority interests have been disclosed from the Group's shareholders' equity and net profit, and are stated as a separate item.

The associated company, Baltic Beverages Holding AB, which is half-owned, has been consolidated using the proportionate method, whereby the consolidation has involved the inclusion of 50% on all the lines of the income statement and the balance sheet of the companies in question. The portion of intra-Group transactions corresponding to the shareholding has been eliminated. The financial result of Cool Drinks International Ltd. Oy in the period from 1 January to 30 November 2000 has been treated using this same method. Cool Drinks International Ltd. Oy has been treated as a subsidiary as from the beginning of December 2000.

The other associated companies have been consolidated according to the equity method, whereby the proportional share of the owned company's net profit and equity is included in the consolidated financial statements also taking into account the profits on internal transactions.

The income statement of the associated company BBH has been translated into Finnish markka amounts using the average exchange rate during the financial period, whereas the balance sheet items, with the exception of the net profit, have been translated using the exchange rate on the closing day of the financial period. Changes due to exchange rate fluctuations have been booked directly to shareholders' equity.

The associated company BBH has used the so-called monetary-non-monetary method in consolidating its subsidiaries in Russia and Ukraine because they operate in countries where high inflation prevails and where the financial markets are in an early state of development. According to this method, the stocks, current assets and creditors in the balance sheet are translated at the exchange rates prevailing at the balance sheet date, or at a lower exchange rate on the preparation date of the financial statements, while the other items in the balance sheet are translated at the exchange rate ruling at the date of the transaction. Items in the profit and loss account are translated at the average exchange rate during
the financial period, except for depreciation and the change in stocks, which are translated at the exchange rates ruling at the date of the transaction. Translation differences are credited or charged to income for the financial period. In addition, retained earnings reported by BBH's subsidiaries have been translated using the exchange rates in the aforementioned annual accounts, and the difference has been transferred from retained earnings to non-distributable funds.

Net sales

Indirect taxes, discounts granted and exchange rate differences have been subtracted from invoiced amounts when calculating net sales.

Receivables and liabilities denominated in foreign currency

Receivables and liabilities denominated in foreign currency are valued in the balance sheet at the exchange rate on the balance sheet date. Exchange rate differences are credited or charged to the income for the period.

R&D expenditure

R&D expenditure has been expensed in the financial year when incurred.

Inventories

Inventories are stated at the lower of cost or net realisable value, whichever is lower. The acquisition cost of manufactured inventories includes not only direct costs but also a portion of the indirect costs of acquisition and production.

Fixed assets

Fixed assets are valued in the balance sheet at the direct acquisition cost less depreciation according to plan. In addition, the balance sheet value includes revaluations - which are itemised in the Notes to the annual accounts - on certain land areas and buildings. Revaluations reversed are subtracted directly from shareholders' equity in the balance sheet. Revaluations are based on the values prevailing at the time of revaluation.

Fixed assets are depreciated according to plan using straight-line method over their estimated useful lives. The Group's guidelines regarding typical useful lives are:

Goodwill on consolidation	5-10 years
Other capitalised expenditure	2-20 years
Buildings	20-50 years
Constructions	5-20 years
Machinery and equipment	3-15 years

Leasing

Commodities leased under financial leasing agreements are presented as fixed assets in the consolidated annual accounts, and related obligations as interest-bearing liabilities. Leasing obligations on real-estate are presented in the notes to the annual accounts, and the rents paid are presented in rent costs.

Pension expenses

The statutory pension liability and related benefits of the parent company and subsidiaries are handled through outside pension insurance companies. The pension insurance payments are accrued to correspond to the amount of wages and salaries.

Extraordinary income and expenses

The impacts of the changes in accounting principles on previous financial years and other significant items not related to normal business operations are presented as extraordinary income or expenses.

Appropriations

Appropriations include changes in the difference between financial and fiscal depreciation. In the consolidated balance sheet, the amount of accumulated appropriations has been divided between shareholders' equity and deferred tax liability. The changes in appropriations over the financial period have, correspondingly, been divided between the net profit for the year and the change in the deferred tax liability in the profit and loss account.

Provisions

Provisions are balance sheet items representing contractual or other commitments that have not yet been realised. Changes in obligatory provisions are included on the relevant lines of the profit and loss account.

Direct taxes

In the income statement income taxes include taxes which have been calculated on the basis of local tax legislation from the results of the Group companies during the financial year, corrections of prior years' taxes and changes in deferred taxes.

The deferred tax liability or asset is calculated for the timing differences between taxation and the annual accounts, using the tax base confirmed for the following years at the date of closing. The balance sheet includes the deferred tax liability in full, and the deferred tax asset is recognised only to the extent it is considered to realise a future tax savings.

Dividends

The dividend proposed by the Board of Directors is not recorded as a liability in the financial statements. The dividends are taken into account on the basis of a decision taken by the Annual General Meeting.

Key figures for the Group

Income statement		1996	1997	1998	1999	**2000**
Net sales	EUR million	336.4	445.3	486.7	467.0	**612.0**
Change, %	%	16.1	32.4	9.3	-4.0	**31.1**
Operating profit	EUR million	40.0	95.5	94.3	76.6	**102.8**
percentage of net sales	%	11.9	21.4	19.4	16.4	**16.8**
Profit/loos before extraordinary items	EUR million	34.9	94.5	80.7	73.1	**94.9**
percentage of net sales	%	10.4	21.2	16.6	15.7	**15.5**
Profit before taxes	EUR million	34.9	92.7	82.4	73.1	**94.9**
percentage of net sales	%	10.4	20.8	16.9	15.7	**15.5**
Net profit of the year	EUR million	16.0	52.7	45.7	46.0	**51.5**
percentage of net sales	%	4.8	11.8	9.4	9.8	**8.4**
Balance sheet						
Non-current assets	EUR million	192.4	229.7	308.0	393.4	**495.4**
Inventories	EUR million	64.7	65.9	68.6	77.5	**106.0**
Receivables	EUR million	60.6	77.3	100.2	120.5	**130.4**
Short-term deposits	EUR million		9.8		0.8	**49.8**
Cash in hand and at the bank	EUR million	10.9	12.9	9.7	22.2	**14.9**
Shareholders' equity	EUR million	121.9	171.7	196.7	245.1	**360.7**
Minority interest	EUR million	25.3	39.5	42.2	55.4	**74.4**
Provisions	EUR million	4.3	7.7	10.5	5.9	**6.8**
Deferred tax liabilities	EUR million	14.8	13.9	15.8	16.0	**15.0**
Long-term liabilities	EUR million	31.1	28.6	31.1	63.0	**104.4**
Short-term liabilities	EUR million	131.2	134.3	190.2	229.0	**235.0**
Total assets	EUR million	328.6	395.7	486.6	614.4	**796.4**
Interest-bearing liabilities	EUR million	77.2	46.2	104.0	164.8	**184.3**
Non-interest bearing liabilities	EUR million	100.0	130.6	133.2	143.2	**170.1**
Key ratios						
Return on equity (ROE)	%	18.5	36.8	24.4	21.4	**19.1**
Return on investment (ROI)	%	20.6	40.6	29.2	19.7	**19.5**
Interest cover	times	9.9	38.0	24.8	15.7	**14.9**
Equity ratio	%	44.9	54.1	49.2	49.0	**54.9**
Gearing ratio	%	45.0	11.1	39.4	47.2	**27.5**
Gross capital expenditure on fixed assets	EUR million	48.6	68.7	102.8	125.2	**162.6**
percentage of net sales	%	14.4	15.4	21.1	26.8	**26.6**
R&D expenditure	EUR million	1.1	1.4	1.4	1.8	**2.0**
percentage of net sales	%	0.3	0.3	0.3	0.4	**0.3**
Personnel, average		2,570	3,422	4,165	5,341	**6,355**
Hartwall		1,469	1,393	1,361	1,381	**1,377**
BBH (100%)		2,202	4,057	5,608	7,919	**9,955**

Formulas for the indicators

Return on equity, ROE

$$\frac{\text{profit/loss after finacial items less taxes}}{\text{shareholders' equity + minority interest, average for the accounting period}}$$

Return on investment, ROI

$$\frac{\text{profit/loss after financial items + interest and other financing expenses}}{\text{balance sheet total less non-interest-bearing liabiliti less obligatory provisions, average for accounting period}}$$

Interest cover

$$\frac{\text{profit/loss after financial items + depreciations + interest and other financial expenses}}{\text{interests and other financial expenses}}$$

Equity ratio

$$\frac{\text{shareholders' equity + minority interest}}{\text{balance sheet total less prepayments}}$$

Gearing

$$\frac{\text{interest-bearing liabilities less cash and bank}}{\text{shareholders' equity + minority interest}}$$

Personnel, average the average end-of-month number of personnel

Share-issue adjusted indicators

		1996	1997	1998	1999	2000	
Earnings per share (EPS)	euro	0.28	0.90	0.72	0.76	**0.80**	
Equity per share	euro	2.01	2.83	3.24	4.03	**5.45**	
Dividend per share							
Series A	euro	0.0673	0.1346	0.1514	0.1682	**0.20**	*)
Series K	euro	0.0639	0.1312	0.1480	0.1648	**0.19**	*)
Dividend pay-out ratio	%	25.2	14.8	20.7	22.1	**25.5**	
Series A							
Effective dividend yield	%	1.0	0.9	1.1	1.2	**1.0**	
P/E ratio		23.91	16.85	19.16	19.03	**25.66**	
Adjusted share price							
Average	euro	4.35	10.46	18.31	12.39	**18.65**	
Low	euro	2.69	6.69	7.67	10.00	**14.15**	
High	euro	6.79	16.31	35.20	15.95	**24.20**	
Year-end price	euro	6.79	15.14	13.88	14.40	**20.50**	
Trading volume	1,000 shares	17,650	13,805	17,332	10,967	**9,755**	
Series A, total	%	35.9	26.1	32.7	20.7	**16.7**	
Market capitalisation at year-end							
Series A	EUR million	360.7	806.3	740.2	768.2	**1,205.0**	
Series K	EUR million	50.3	112.0	102.7	106.6	**151.7**	
Total	EUR million	411.0	918.3	842.8	874.7	**1,356.7**	
Adjusted average number of shares							
Series A	1,000 shares	48,903	53,268	53,344	53,344	**57,127**	
Total	1,000 shares	56,303	60,668	60,744	60,744	**64,527**	
Adjusted average number of shares at year-end							
Series A	1,000 shares	53,083	53,268	53,344	53,344	**58 782**	
Total	1,000 sharesl	60,483	60,668	60,744	60,744	**66 182**	

*) Proposal of the Board of Directors

Formulas for the indicators

Earnings per share (EPS)

$$\frac{\text{profit/loss after financial items less taxes less minority interest}}{\text{adjusted average number of shares for the year}}$$

Equity per share

$$\frac{\text{adjusted shareholders' equity}}{\text{adjusted number of shares at year-end}}$$

Dividend per share

$$\frac{\text{dividend paid}}{\text{adjusted number of shares at year-end}}$$

Dividend pay-out ratio

$$\frac{\text{dividend paid}}{\text{profit/loss after financial items less taxes less minority interest}}$$

Effective dividend yield

$$\frac{\text{dividend per share}}{\text{adjusted share price at year-end}}$$

P/E ratio

$$\frac{\text{adjusted share price at year-end}}{\text{EPS}}$$

Market capitalisation number of shares at year-end times the share price on the same date

Proposal for the distribution of profit

On 31 December 2000, the Group's non-restricted shareholders' equity according to the consolidated balance sheet amounts to EUR 177,058,380.86 of which distributable funds amount to EUR 146,429,842.31.

The parent company's non-restricted shareholders' equity according to the balance sheet as at 31 December 2000 is as follows:

	EUR 71,620,968.44

The number of shares entitled to a dividend is 66,075,700 shares.

The Board of Directors proposes that the distributable shareholders' equity be disposed of in the following manner:

payment to shareholders of a dividend for 2000 of:		
EUR 0.20	on the Series A share	EUR 11,735,140.00
EUR 0.19	on the Series K share	EUR 1,406,000.00
		EUR 13,141,140.00
to be set aside for benevolent purposes at the discretion of the Board of Directors		EUR 33, 600.00
remainder transferred to retained earnings		EUR 58,446,228.44

Helsinki, 14 February 2001

Gustav von Hertzen	Björn Mattsson	L. J. Jouhki	Pertti Hernesniemi
Erik Hartwall	Jussi Länsiö Managing Director	Henrik Therman	Erkki Kilpinen

Auditors' report

To the shareholders of Hartwall Plc

We have audited the accounting, the financial statements and the administration of Hartwall Plc for the year ended 31 December 2000. The financial statements, which include the report of the Board of Directors, consolidated and parent company income statements, balance sheets, cash flow statements and notes to the financial statements, 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 administration.

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

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

Helsinki, 28 February 2001

KPMG WIDERI OY AB

Sixten Nyman
Authorized Public Accountant

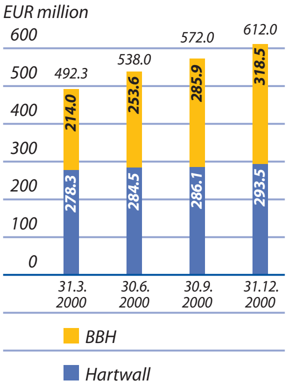
Lasse Holopainen
Authorized Public Accountant

Year 2000 reported in four-month periods

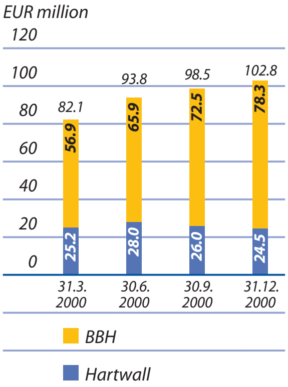
As from the beginning of 2001, Oyj Hartwall Abp will change to quarterly reporting.

Income statements EUR million	**2000 Jan.-Mar.**	**%**	**2000 Apr.-Jun.**	**%**	**2000 Jul.-Sep.**	**%**	**2000 Oct.-Dec.**	**%**	**2000 Jan.-Dec.**	**%**
Net sales										
Hartwall	58.6		85.3		77.6		71.9		293.5	
BBH	52.3		89.2		96.8		80.3		318.5	
Total	110.9		174.5		174.4		152.2		612.0	
Operating profit										
Hartwall	-1.1	-1.9%	12.7	14.9%	9.4	12.1%	3.5	4.9%	24.5	8.3%
BBH	8.1	15.5%	28.3	31.7%	27.6	28.5%	14.3	17.8%	78.3	24.6%
Total	7.0	6.3%	41.0	23.5%	37.0	21.2%	17.8	11.7%	102.8	16.8%
Profit before extraordinary items	5.1	4.6%	40.5	23.2%	36.7	21.0%	12.6	8.3%	94.9	15.5%
Profit before taxes	5.1	4.6%	40.5	23.2%	36.7	21.0%	12.6	8.3%	94.9	15.5%
Profit	1.6	1.4%	24.7	14.2%	20.7	11.9%	4.5	3.0%	51.5	8.4%
Profit per share	0.03		0.39		0.32		0.07		0.80	
Volume										
Finland	76.3		105.6		97.4		89.1		368.4	
Export and duty-free	7.1		11.1		8.8		9.2		36.2	
BBH (50%)	169.7		270.6		266.7		207.4		914.4	
Total	253.1		387.3		372.9		305.7		1 319.0	

Rolling 12 month net sales



Rolling 12 month operating profit



Profit-sharing fund

Oyj Hartwall Abp's profit-sharing fund was established in September 1998 and it went active at the beginning of 1999. The profit-sharing fund is owned by its members and is administered by the council and board that have been appointed for it.

The members of the profit-sharing fund are employees of Hartwall and its domestic subsidiaries whose employment contracts are in force until further notice and employees with fixed-term employment contracts whose stint of employment has lasted at least one financial period. All members of the executive committee who are employed by the company, with the exception of the managing director, are also part of the profit-sharing fund. New employees become members of the fund as from the beginning of Hartwall's next financial period following the start of their employment relationship.

Hartwall's Board of Directors confirms the profit bonus to be paid into the fund each year. The profit bonus is a share of the difference between operating profit and the annually specified profit threshold. The profit bonus amounts to 20% of the portion exceeding the profit threshold.

Oyj Hartwall Abp paid a profit bonus into the profit-sharing fund for the first time on the basis of earnings in 1999.

Analyst contacts

According to the information received by us, the banking companies and investment analysis firms listed below keep track of Oyj Hartwall Abp's financial performance of their own accord. The list might be incomplete. Updates to the list will be posted on our site at www.hartwall.fi. Oyj Hartwall Abp is not responsible for any opinions these companies put forth concerning the company.

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Information on Hartwall Plc´s shares

Share capital

After the share issues the company carried out in April-May, the number of shares rose by 5,400,700 Series A Shares to 65,950,700 shares. In the first share issue, the Board of Directors targeted, on the basis of the authorisation granted by the Annual General Meeting, 4,000,000 shares to Finnish and foreign institutional investors. The issue included an additional subscription option for 300,000 shares. In the second issue, 1,100,700 Series A Shares were targeted at Pripps Ringnes AB on the basis of the decision taken by the extraordinary meeting of shareholders held on 20 April 2000. After these issues, the Board of Directors still holds an authorisation to increase the share capital by means of a bonus issue of 1,700,000 shares.

The increase of the share capital by EUR 25,000 on the basis of the issue of bonds with warrants floated in 1994 was recorded in the Trade Register on 15 December 2000. After the increase, the company's share capital rose to EUR 13,215,140, which is divided into 66,075,700 shares, each having an accounting countervalue of EUR 0.20.

Oyj Hartwall Abp's shares are divided into 7,400,000 Series K Shares and 58,675,700 Series A Shares. The company's Series A Share has been quoted on Helsinki Exchanges since 1 July 1994. At a general meeting, Series A Shares carry one vote and Series K Shares 20 votes. The dividend paid of Series A Shares shall be at least two (2) percentage points higher than the dividend on Series K Shares.

Share turnover in 2000

The turnover of the company's Series A Shares in 2000 amounted to EUR 181,9 million, representing 16.7% (20.7%) of the total amount of Series A Shares. There were 6,230 (7,608) shareholders at the end of 2000. The foreign ownership of Series A Shares was 38.6% (33.1%) at the end of the year. The turnover and prices of Series A Shares were as follows:

Turnover and prices of Series A Shares, 1 Jan.-31 Dec.2000

	EUR	Number of shares
Turnover	181,932,226.08	9,755,258
Lowest price (28 Jan. 2000)	14.15	
Highest price (1 Aug. 2000)	24.20	
Average price	18.65	
Closing quotation on 29 Dec. 2000	20.50	

Structure of the share capital, 31 December 2000

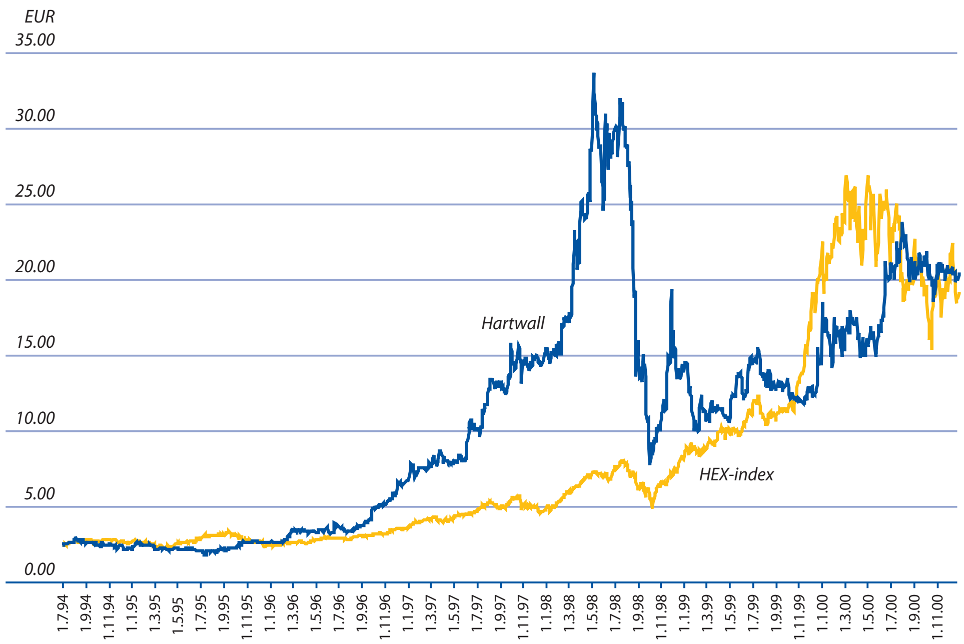
	31 Aug. 2000 Number of shares	Votes	31 Dec. 2000 *) Number of shares	Votes
Series K Shares	7,400,000	148,000,000	7,400,000	148,000,000
Series A Shares	58,550,700	58,550,700	58,675,700	58,675,700
Total	65,950,700	206,550,700	66,075,700	206,675,700

*) Issue of bonds with warrants 1994/after the litt. C subscription on 15 December 2000

Ownership structure, 31 Dec. 2000

	Number of owners	Number of shares	Voting rights
Households and private individuals	5,708	27,265,509	27,265,509
Companies	351	8,371,202	120,471,202
Financial institutions and insurance companies	37	2,333,924	2,333,924
Public sector entities	29	3,672,870	3,672,870
Non-profit bodies	50	268,885	268,885
	6,175	41,912 390	154,012,390
Foreigners, total *)	55	24,146,865	52,646,865
All, total	6,230	66,059,255	206,659,255
*) includes nominee-registered shares	8	9,973,870	9,973,870

Hartwall's share monitor 1July 1994 to 31 December 2000



Breakdown of ownership, 31 Dec. 2000

Number of shares/shareholder	Shareholders	Percentage	Number of shares	Percentage of holding
1-99	1,170	18.8	43,777	0.07
100-999	4,209	67.6	1,211,316	1.80
1,000-9,999	715	11.5	1,464,102	2.20
10,000-99,999	82	1.3	2,760,351	4.20
100,000-999,999	43	0.7	15,573,662	23.60
over 1,000,000	11	0.2	45,006,047	68.10
	6,230	100	66,059,255	99.98
On the grand total account			16,445	0.02
Number outstanding			66,075,700	100.00

Management's shareholding, 31 Dec. 2000

(Board of Directors, Managing Director, Deputy Managing Director)

- percentage of shares	4.0 %
- percentage of warrants	100.0 %
- percentage of voting rights	1.3 %
- voting rights which management can obtain on the basis of warrants	0.1 %

Insider regulations

On 28 October 1999, Helsinki Exchanges approved its new Guidelines for Insiders for listed companies. On 31 August 2000, Hartwall's Board of Directors resolved to adopt the stock exchange's Guidelines for Insiders as the company's insider regulations.

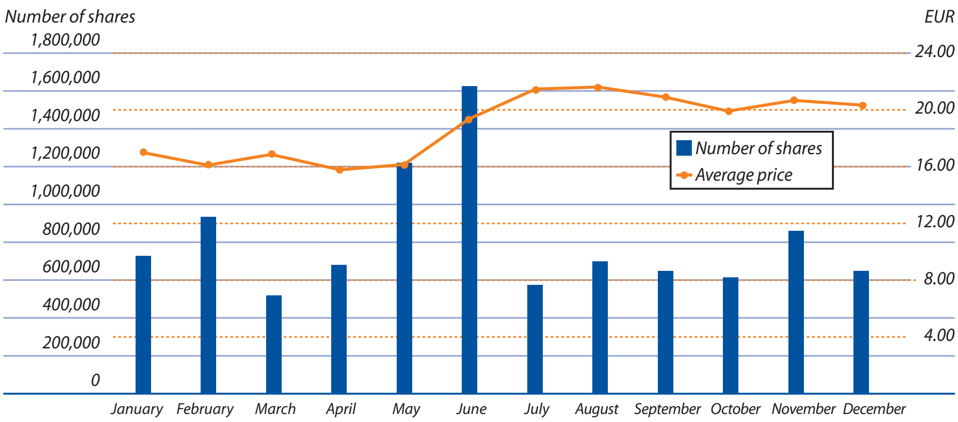
Dividend policy

Oyj Hartwall Abp´s objective is to pay steady dividends - while taking earnings for the financial year into consideration - that amount to about 25% of long-term net profit.

20 largest shareholders, 31 Dec. 2000

	Number of shares	Percentage of holding	Percentage of voting rights
Hartwall-Yhtiöt Oy			
- Series K Shares	5,900,000	8.9	57.1
- Series A Shares	413,100	0.6	0.2
Total	6,313,100	9.5	57.3
Pripps Ringnes AB			
- Series K Shares	1,500,000	2.3	14.5
- Series A Shares	11,943,200	18.1	5.8
Total	13,443,200	20.4	20.3
Hartwall P.G. estate	5,306,000	8.0	2.5
Local Government Pensions Institution	2,092,165	3.2	1.0
Hartwall Gösta, estate	1,677,600	2.5	0.8
K.Hartwall Invest Oy Ab	1,557,075	2.3	0.7
Therman Robert	1,500,140	2.3	0.7
Therman Mattias	1,325,000	2.0	0.6
Hartwall Erik	1,258,050	1.9	0.6
Hartwall John	1,208,800	1.8	0.6
Therman Henrik	970,590	1.5	0.5
Ilmarinen Mutual Pension Insurance Company	955,050	1.4	0.5
Tallqvist Gustav	900,635	1.4	0.4
Therman Anna	719,400	1.1	0.3
Hartwall Helmi, estate	651,600	1.0	0.3
Hartwall Peter	628,150	0.9	0.3
Orkla ASA	592,500	0.9	0.3
Roos Catharina	539,900	0.8	0.3
Hartwall Victor	521,500	0.8	0.2
20 largest, total	42,160,455	63.7	88.2

Average share price and number of shares traded by month,2000



Hartwall Plc´s Articles of Association

■ **Article 1** The company's business name is Oyj Hartwall Abp and it is domiciled in Helsinki. The company's business name in English is Hartwall Plc.

■ **Article 2** The company's field of business is to engage in the manufacture and sale of mineral waters, juices, malt beverages and soft drinks as well as related activities, and also in the manufacture and sale of other food industry related products. The company also rents real-estate and apartments or office suites, and carries out other types of leasing activities. The company may also engage in these activities through subsidiaries and/or associated companies. The company provides these companies with the Group's joint financing, administration and planning services as well as guides the Group's joint planning.

■ **Article 3** The minimum share capital of the company shall be twelve million eighty-five thousand euros (EUR 12,085,000) and the maximum share capital forty-eight million three hundred and forty thousand euros (EUR 48,340,000), within which limits the share capital may be raised or lowered without amending these Articles of Association.

The company's shares belong to the book-entry system.

■ **Article 4** The company shall have two series of shares: one series of K-shares and one series of A-shares; in all, a minimum of 60,425,000 shares and a maximum of 241,700,000 shares. The number of Series K shares can be a maximum of 29,600,000 and the number of Series A shares a maximum of 241,700,000.

At a General Meeting each Series K share shall carry twenty (20) votes and each Series A share one (1) vote.

When an Annual General Meeting resolves to pay a dividend, the dividend paid on Series A shares shall be at least two (2) percentage points higher than the dividend on Series K shares.

After the registration date, the right to obtain funds distributed by the company as well as a subscription right in connection with an increase in the share capital shall be limited to:

1) a shareholder registered in the Shareholder Register on the record date;

2) a holder of the right to payment who is registered, on the record date, in the book-entry account of a registered shareholder and in the Shareholder Register; or,

3) if a share has been nominee-registered, a shareholder in whose book-entry account the share is registered on the record date and whose custodian is registered as the administrator of the share in the Shareholder Register on the record date.

After an offer by the Board of Directors, an owner of Series K shares shall have the right to demand that the Series K shares he owns be converted to Series A shares in the proportion 1:1. The demand for conversion must be made in writing to the company's Board of Directors. The demand must contain information on the shares that the shareholder wants to be converted. The Board of Directors must, after the expiry of the offer date, implement without delay the changes in the demand for conversion. The conversion must thereafter be filed without delay with the Trade Register for registration. When the registration has been carried out, the conversion shall enter into effect.

■ **Article 5** The company shall have a Board of Directors consisting of a minimum of three (3) and a maximum of ten (10) members, who shall be elected at the Annual General Meeting to a term of office that shall expire at the end of the next Annual General Meeting following their election.The Annual General Meeting shall also elect the Chairman and Vice Chairman of the Board of Directors

The Board of Directors shall convene at the call of its Chairman. Each member of the Board of Directors and the Managing Director have the right to request that a meeting be called. The Board of Directors shall have a quorum when more than half of its members are present. A simple majority shall determine the outcome of voting. If voting ends in a tie, the Chairman shall have the casting vote.

Each member of the Board of Directors shall have the right to have his dissenting opinion recorded in the minutes.

The notice of meeting must be delivered to each member of the Board of Directors.

At the proposal of the Chairman, the Board of Directors can take decisions in writing without convening if the members of the Board of Directors are unanimous on the decision and sign it.

■ **Article 6** The Board of Directors shall attend to the administration of the company and the appropriate organisation of its activities.

The Board of Directors shall appoint a Managing Director for the company.

The Managing Director shall attend to the day-to-day administration of the company in accordance with the instructions and orders issued by the Board of Directors.

■ **Article 7** The company's business name shall be signed by the Chairman of the Board of Directors and the Managing Director, both alone.

The Board of Directors can grant one or more persons the right to sign the company's business name either alone or jointly with another person authorised to sign for the company.

The Board of Directors shall also decide on the granting of rights of procuration.

■ **Article 8** The financial year of the company shall be the calendar year. The annual accounts and related documents must be submitted to the company's auditors for auditing by 31 March at the latest. The auditors must submit their auditors' report within a month.

■ **Article 9** The company shall have two to four auditors, at least one of whom shall be a firm of independent public accountants authorised by the Central Chamber of Commerce. The auditors shall be elected annually at the Annual General Meeting and their term of office shall expire at the end of the next Annual General Meeting following their election.

■ **Article 10** The Annual General Meeting shall be held each year before the end of June in Helsinki, Espoo or Vantaa.

The Board of Directors shall convene a meeting of shareholders by publishing a notice of meeting in at least one of the daily newspapers which comes out in Helsinki, as specified by the Board, or by sending a notice of meeting by registered mail to each shareholder who is entered in the Shareholder Register, at the address given, no less than twelve (12) days and no more than two months before the day designated for the meeting of shareholders. A shareholder who wishes to participate in a meeting of shareholders must register in advance no later than at the place and day specified in the notice of meeting, which can be five days before the meeting at the earliest.

A shareholder who wishes that a certain matter be dealt with at a General Meeting must inform the Board of Directors of this matter in writing early enough to allow the matter to be included in the notice of meeting.

■ **Article 11** The business of the Annual General Meeting shall include:

Presentation of:

1. the annual accounts for the past financial year, comprising the Profit and Loss Account, Balance Sheet and the Report of Operations,
2. the Auditors' Report,

Decision on:

3. approval of the Profit and Loss Account and Balance Sheet,
4. any measures which may be occasioned by the profit or loss shown in the approved Balance Sheet,
5. granting of release from liability to the members of the Board of Directors and the Managing Director,
6. any measures which may be occasioned by the reports of the Board of Directors and the auditors,
7. the payment of a dividend,
8. the number of members of the Board of Directors and the number of auditors,
9. the remunerations of the Board of Directors and the auditors,

Election of:

10. the members of the Board of Directors, and the Chairman and Vice Chairman of the Board,
11. the auditors

and dealing with:

12. any other matters mentioned in the notice of meeting.

Corporate Governance

Corporate Governance is defined as an administration system, including among other things, an allocation of work between administration bodies, internal control and information flow, as well as supervision of shareholders and external interest groups. The basis for the Corporate Governance is the Companies Act and the Articles of Association. The requirement to give notifications is furthermore governed by the Securities Markets Act.

The Board of Directors of Hartwall Plc is responsible for the appropriate administration and organisation in the Hartwall Group. The Board of Directors consists of 3-10 members, two of which belong to the personnel. The General Meeting of Shareholders elects the Board of Directors including the Chairman and the Vice Chairman, for a term of office that ends at the expiry of the subsequent Annual General Meeting of Shareholders. None of the Board members is employed on a full time basis.

The Board of Directors meets, as a main rule, six times a year. Every meeting has a given keynote to be discussed: annual strategy accounts, interim report, strategic plans or annual business plans. The Board decides matters on acquisitions, significant investments and divestments, acquisitions of capital, long-term contracts and operational policies. The minutes are drawn up in Finnish and Swedish.

The Board of Directors appoints the Managing Director and other executive offices. These together constitute the Management Group. The Management Group, headed by the Managing Director, is responsible for the drafting of the strategic plan and its implementation. The Managing Director is not a member of the Board of Directors but he is present at the meetings.

The Company has at least two auditors, one of which is approved by the Central Chamber of Commerce. The auditors report to the Board of Directors when the closing of the annual accounts/interim report is being handled. Additionally the auditors participate, when invited, in the Board Meetings and are present at the General Meetings of Shareholders. The Board of Directors is monthly, in due form, informed on the development of the market, profit and financial situation as well as other significant issues relating to the business.

A significant part of the Hartwall Group consists of its affiliate company Baltic Beverages Holding AB, which is, in equal shares, jointly owned by Hartwall Plc and the Danish Carlsberg Breweries AS. A shareholder agreement exists between the owners, which, among other things, governs the decision-making process in the administration.

The remuneration paid to the members of the Board is annually decided at the General Meeting of Shareholders. The Board of Directors decides the terms of employment for the Managing Director. The remuneration to key persons includes an annual bonus, which is based on targets achieved. The Managing Director also participates in an issue of bonds with warrants programme ending in 2001. A profit sharing fund has also been established for the Hartwall Group's personnel in Finland.

Notifications to shareholders and to stock markets are published in accordance with the Companies Act and the Securities Markets Act and they cover, among other things, the annual reports, interim reports, as well as events which might have an effect on the value of the shares in the Company.

Board of Directors

The Board of Directors from left Erik Hartwall, Pertti Hernesniemi, Henrik Therman, Erkki Kilpinen, Björn Mattsson, Gustav von Hertzen, L.J. Jouhki and Jussi Länsiö (Managing Director, not a member of the Board).

Gustav von Hertzen, *born 1944, Honorary Counsellor (a Finnish title), is Hartwall Plc's Chairman of the Board since 1982. Mr. von Hertzen is Chairman of the Board of Hartwall-Yhtiöt Oy and deputy Chairman of Baltic Beverages Holding AB. He is a member of the Board of Baltika Brewery (Russia) and Stiftelsen för Företagsadministrativ Forskning (Sweden) and Finnish Foundation of Cardiovascular Research as well as Chariman of Supervisory Board of Clinical Research Institute Helsinki University Central hospital. Mr. Von Hertzen holds a Master of Science degree in Engineering.*

Erik Hartwall, *born 1941, is the Managing Director of Hartwall-Yhtiöt Oy and deputy Chairman of the Board of Hartwall Plc since 1989. He is Chairman of the Board of K. Hartwall Oy Ab and a member of the Board of the Finnish Fair Corporation and Stiftelsen Svenska Handelshög-skolan. He is also a member of Supervisory Board of Merita Bank Plc. Mr. Hartwall holds a Bachelor of Science degree in Economics.*

Henrik Therman, *born 1937, is Hartwall Plc's member of the Board since 1997. He is Chairman of the Board of Baltika Brewery (Russia) and a member of the Board of Hartwall-Yhtiöt Oy, Baltic Beverages Holding AB and Yarpivo Ltd (Russia). Mr. Therman holds a Master of Science degree in Engineering.*

Björn Mattsson, *born 1941, Honorary Counsellor (a Finnish title) is member of the Board of Hartwall Plc since 2000. Mr. Mattsson is Chairman of the Boards of Partek Corporations and Finvest Plc. He is a member of the Board of Stiftelsen för Åbo Akademi. He is also a Chairman of the Supervisory Board of Alma Media Corporation and member of Supervisory Boards of Merita Bank Plc and Varma-Sampo Mutual Pension Insurance Company. Mr. Mattsson holds a Licentiate degree in Philosophy.*

L.J.Jouhki, *born 1944, is Chairman of the Board of Thominvest Oy and member of the Board of Hartwall Plc since 1997. He is Chairman of the Board of Finnlines Plc and National Disarmstraining Association and deputy Chairman of Fortum Corporation. He is a member of Board of Directors of Sanoma-WSOY Corporation and UPM-Kymmene Corporation. He is also a member of Supervisory Board of Merita Bank Plc. Mr. Jouhki is Chairman of Maanpuolustuskou-lutus ry. Mr. Jouhki holds a Master of Science degree in Economics.*

Pertti Hernesniemi, *born 1956, is general trustee at Hartwall's Helsinki factory. He is member of Hartwall Plc's Board and employee representative since 1995.*

Erkki Kilpinen, *born 1948, is project planner at Hartwall Lahti brewery. He is Hartwall Plc's mem-ber of the Board and employee rep-resentative since 1995. He is also Chairman of the Advisory Commit-tee of The Union of Technical Employees.*

Paul Bergqvist, *born 1946, is President and Chief Executive Officer for Pripps Ringnes AB. He was Hartwall Plc's member of the Board between 20 April 1993 and 21 July 2000.*

Auditors
Sixten Nyman, Authorised Public Accountant
KPMG Wideri Oy Ab

Executive Committee of Hartwall Plc

Jussi Länsiö, *born 1952, is the Managing Director of Hartwall Plc. Prior to joining Hartwall in 1994, Mr. Länsiö worked as the General Marketing Manager of Langnese-Iglo GmbH/Unilever Germany from 1992 to 1994, as the Managing Director of Jalostaja Oy Huhtamäki from 1983 to 1992 and as the Director of Sales & Marketing at Huhtamäki Oy from 1978 to 1983. Jussi Länsiö is a member of the Board of Sonera Oyj, Metsä-Tissue Oyj and Jokerit HC Oy. Mr. Länsiö holds a Bachelor of Science degree in Economics.*

Ralf Hollmén, *born 1948, is the Sales and Logistics Director and Deputy Managing Director of Hartwall Plc. Prior to joining Hartwall in 1985, Mr. Hollmén worked as the Deputy Managing Director from 1983 to 1985 and as the Chief Financial Officer from 1981 to 1983 of Oy Tillmann Ab. From 1978 to 1981, Mr. Hollmén worked as the Deputy Managing Director and as acting Managing Director of Oy Aractor Ab. Mr. Hollmén holds a Bachelor of Science degree in Economics.*

Esa Rautalinko, *born 1962, is the Marketing Director of Hartwall Plc. Prior to joining Hartwall in 1996, Mr. Rautalinko worked at Nokia Electronics as the Managing Director from 1995 to 1996 and as the Sales Director from 1993 to 1995. Mr. Rautalinko holds a Master of Science degree in Economics.*

Rolf Therman, *born 1943, is the Technical Director of Hartwall Plc. Prior to joining Hartwall in 1992, Mr. Therman worked as the Managing Director of Oy Ekström Ab from 1986 to 1992, and as the Head of Divisions at Oy Partek Ab from 1981 to 1986 and at Oy Hackman Ab from 1975 to 1981. Mr. Therman holds a Bachelor of Science degree in Economics and Master of Science degree in Engineering.*

Markku Sirén, *born 1948, is Hartwall Plc's Finance Director and also acts as the Secretary of the Board of Directors. Before his transfer to Hartwall in 1994, Markku Sirén worked as Suomen Unilever Oy's Director of finance and financial administration from 1992 to 1994. From 1972 to 1992, Mr. Sirén worked in numerous financial administration positions in the Huhtamäki Group, with his last post being the Polarcup unit's director of finance and administration. Mr. Sirén holds a Bachelor of Science degree in Economics.*

Parent company, subsidiaries and associated companies and their management

Hartwall-Yhtiöt Oy is a holding company that was established in 1988 and is the parent company of Hartwall Plc. The owners of Hartwall-Yhtiöt Oy are all direct descendants of the founder, Victor Hartwall. **Erik Hartwall** is the Managing Director of Hartwall-Yhtiöt Oy.

Christian Ramm-Schmidt, *born 1946, is the President of Baltic Beverages Holding AB (BBH). Prior to joining BBH in 1997, Mr. Ramm-Schmidt worked as the President of Fazer Confectionery, Fazer Chocolates Ltd and Fazer Biscuits Ltd from 1984 to 1997. He worked as the Marketing Director at ServiSystems Oy from 1979 to 1984, as the Marketing Manager at Oy Valitut Palat – Reader's Digest Ab, Finland from 1977 to 1978, as the Product Group Manager at Oy Rank Xerox from 1973 to 1976 and as the Sales Manager at Oy Victor Ek Ab from 1970 to 1972. Mr. Ramm-Schmidt holds a Bachelor of Science degree in Economics.*

Baltic Beverages Holding AB (BBH) was established in 1991. It is an associated company that is owned half by Hartwall and half by the Danish Carlsberg Breweries. BBH is engaged in brewing operations in the Baltic countries, Russia and Ukraine.

Markku Tolonen, *born 1943, is the Managing Director of Hartwa-Trade Oy Ab. Prior to joining Hartwa-Trade in 1998, Mr. Tolonen worked as the Director and the Commercial Director of Oy Hartwall Ab from 1994 to 1998, as the Managing Director at Hartwall Juomat Oy from 1992 to 1994, as the Marketing Director and Director at Chymos Oy preservation factory from 1981 to 1992, as the Sales Director and the Sales Manager of Oy Sinebrychoff Ab from 1971 to 1981. Mr. Tolonen held various positions, primarily in sales, at Kesko Oy from 1966 to 1969. Mr. Tolonen is a graduate from commercial college*

Hartwa-Trade Oy Ab
is an importer and wholesaler of wines and alcoholic beverages in Finland.

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