

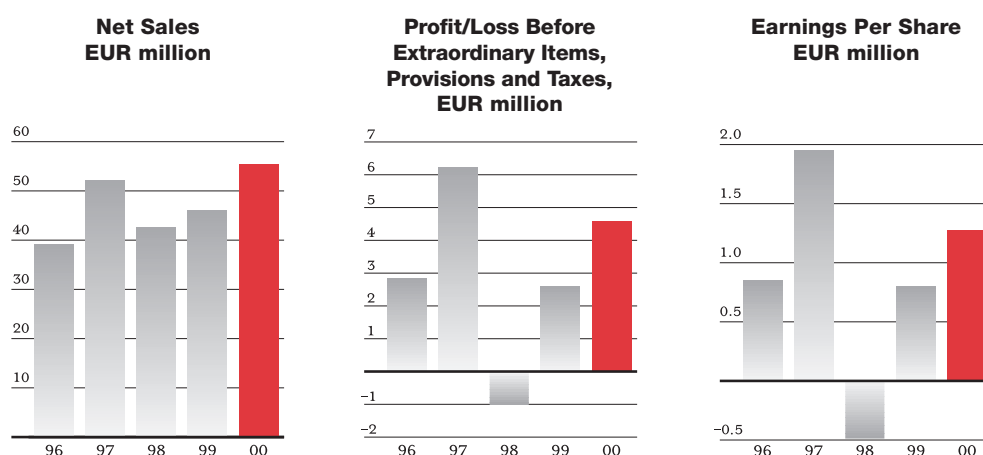
# ANNUAL REPORT 2000



**LAROX®**

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Larox® is a leader in solid/liquid separation, liquid polishing filtration and valve solutions. Larox is dedicated to serving the world's process industries by developing high-performance automatic pressure filters, polishing filters and pinch valve products. Larox solutions expand production capacities, simplify processes, reduce energy consumption and improve the quality of end products. Larox Group comprises seven subsidiaries and five sales offices in addition to the parent company, Larox Corporation, which is headquartered in Lappeenranta, Finland. The Group employs 256 personnel.



## Fiscal Year 2000

EUR 1000	2000	1999	Change
Net Sales	55,372	46,103	9,269
Operating Profit	5,555	3,530	2,025
% of Net Sales	10.0	7.7	2.3
Profit/Loss Before Extraordinary Items, Provisions and Taxes	4,603	2,592	2,011
Return on Invested Capital %	19.7	11.6	8.1
Equity Ratio %	38.0	30.4	7.6
Balance Sheet Total	35,818	35,102	716
% of Net Sales	64.7	76.1	-11.4
Earnings per Share (EUR)	1.27	0.80	0.47
Dividend per Share (EUR)	0.45	0.24	0.21
Investments	2,298	1,075	1,223
Average Number of Personnel	256	286	-30
Net Sales per Employee	216	161	55
Order Backlog 12/31/00 (EUR million)	20	16	4

## Larox Investor Relations 2000

In addition to the annual report, Larox will publish two interim reports in 2001: for the period January 1 – April 30, 2001 released on Friday, May 25, 2001 and for the period January 1 – August 31, 2001 released on Friday, September 28, 2001.

Other information for investors can be requested from Larox Corporation by phone: +358 (5) 668 811, fax: +358 (5) 668 8277 or e-mail: info@larox.com.

Larox Corporation's B-share is listed on the Helsinki Exchanges I-list. The Helsinki Exchanges provide information on the Larox share at [www.hex.fi/suomi/listayhtiot/LAR.html](http://www.hex.fi/suomi/listayhtiot/LAR.html). Information on Larox Group can also be found at [www.larox.com](http://www.larox.com).

# LAROX CORPORATE VALUES

THE LAROX VALUES REFLECT LAROX OBJECTIVES AND THEIR EFFECT ON THE BUSINESS

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## CUSTOMER ORIENTATION

We are in business to serve the customer.

## RELIABILITY

We do what we promise.

## CONTINUOUS IMPROVEMENT

We perform our work professionally and efficiently from the beginning and are open minded to enable continuous improvement.

## INNOVATION AND EXPERTISE

We develop our expertise to be the best in the business – we are open to new ideas and encourage innovation.

## FAIR PLAY

We interact with each other and customers in an open, honest manner.

# PRESIDENT'S REVIEW

The year 2000 was successful for Larox. We started out the year with a good order backlog and saw clear improvements in the essential key figures throughout the period.

We continued to optimize our equity position, as evidenced by an increase in our equity ratio to 38%. Measures taken to improve operational efficiency resulted in an increase in net sales per person.

The monthly order backlog remained stable throughout the year. Towards the end of the period the order backlog had climbed to nearly 20 million euros, creating the highest year-end backlog in Larox's history.

Thus, Larox is entering 2001 with improved prospects compared to a year ago. In addition, we began the year with a solid number of pending orders that will be booked and delivered during the current year.

Larox anticipates growth in both net sales and profitability in 2001. The existing order backlog and other positive factors, such as the product development program of the past year and a half, support this positive forecast. Any uncertainty regarding our expectations primarily involve the development of the U.S. economy and its effects on the global economy.

## **Clients and Markets**

The majority of Larox's clients are either domestic or international leaders in their fields of business. We are very pleased that continuous improvements in our product development, operations as well as customer service have resulted in stronger relationships with these clients. They have confidence in Larox's solutions and services, as evidenced by the considerable number of repeat orders we have begun to see.

Structural changes continued in the industries that we serve,

especially in the chemical process industry, which will result in fewer but larger potential clients. A similar development is expected to occur in the mining and metallurgical industries in the near future.

Our positive expectations for 2001 are supported by a solid number of quotations as well as favorable developments in the price of metals and demand for other products produced by our clients. These trends should increase client investments in areas important to Larox. We anticipate that they will seek new ways to remove production and productivity bottlenecks, focusing more on production efficiency than capacity expansion. We also expect to see an increasing amount of orders for applications that contribute to environmental protection.

In Europe, North America and Asia the majority of sales came from the chemical process industry. In these areas our sales remained at the level of previous years. In Mexico we received orders from mining industry clients who already use Larox solutions.

In South America our market position remained strong. In spring we made important deliveries to the world's newest copper mine, Antamina, and received repeat orders from clients in Chile and Peru. We also succeeded in developing a completely new application for a Brazilian iron pelletizing plant.

Our presence in CIS countries was reinforced by securing the first repeat order, and we succeeded in gaining a remarkable nickel producer as a new client. Accordingly, we increased our resources in after sales in the area.

The prospects for South Africa's platinum industry remained positive, despite a slow down in the industry's investment decisions. We also received orders from other segments of the mining industry. These favorable trends are expected to continue in 2001.



The growth of Larox's after-sales business was positive in all market areas.

### **Products and Services**

Larox concentrates on solid/liquid separation. Mining, metallurgy and chemical processing are the biggest industries in need of pressure and polishing filters. In recent years our after sales business has grown quickly.

The needs and requirements of our clients change and develop constantly. For this reason Larox maintains continuous dialogue with them to anticipate their future needs. As a result, we have developed and launched fully renewed pressure filter product families – the Larox M Series for mining and metallurgy and the Larox C Series for chemical processing.

We designed these two product families for the specific needs of their respective industries. Filters from both series have already been sold and deliveries have begun. In addition, last year we launched the Larox Automation System to further enhance the overall capabilities of Larox solutions.

A completely new Larox filter plate size of 2.5 m<sup>2</sup> is one of the key innovations of the new product lines. It provides the same filtration area as competing equipment in the same size class but with fewer components. The new size is priced competitively and, due to its simple construction, is more reliable than earlier solutions. The new filter plate size is applied in Larox M Series and Larox C Series filters.

In the polishing filter business we primarily concentrated on a select group of key applications for the metallurgical industry. We have not only received repeat orders for this product but have also entered areas that are synergetic with our pressure filters in the chemical process industry. In 2000 we pur-

chased the rights to the Scheibler trademark from a German company. The purchase guarantees that the trademark cannot be acquired or adopted by our competitors.

Larox products normally operate in a plant's production processes day and night, year round. This sets high requirements for the reliability and availability of Larox equipment and Larox service. To this end, we have continued to grow our after sales business, which saw positive development during the year. Among other things, the first big modernizations of Larox equipment took place. In 2000 after sales generated over a third of Larox's total net sales.

### **Targets**

The long-term targets of the company are: 20% annual growth in sales, a 40% equity ratio, and 20% return on total assets.

### **Share Price Development**

Larox's share price development and trading volume have been weak in recent years. I believe that our improved profitability and solid order backlog will strengthen investor confidence in Larox, resulting in the positive development of the share price.

I would like to thank our clients, competent and committed personnel, partners and shareholders for a rewarding year.

Toivo Matti Karppanen  
President

# DEMAND FOR LAROX PRODUCTS REMAINS STRONG



## MINING AND METALLURGY

Larox's mining and metallurgy business saw another successful year in 2000. Important repeat orders were received from a number of existing clients, reflecting Larox's success in ensuring reliable product performance and customer satisfaction. Larox also increased its market penetration by gaining new clients and securing significant orders for new applications.

### **Metal Concentrates**

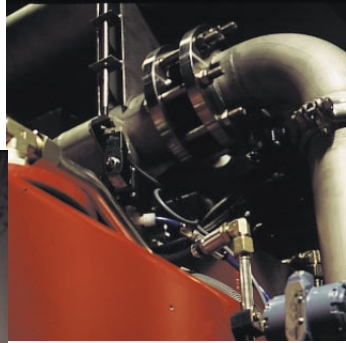
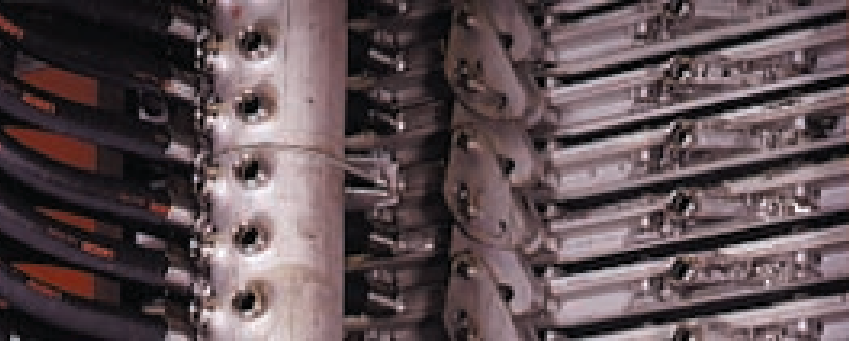
Larox maintained its position as one of the leading pressure filter suppliers for metal concentrates. New orders were received from Latin America and Russia, reinforcing Larox's strong position in these market areas. Larox also strengthened its

presence in Romania's mining industry, where it received two repeat orders.

During the year Larox worked closely with a new client to develop an application for iron pelletizing, which resulted in the sale of four of Larox's largest filters. Extensive evaluation of the new application revealed that Larox automatic pressure filters significantly improve the overall cost-efficiency of the iron pelletizing process.

### **Metal Refining**

In metal refining, Russia, China and South Africa were the company's most important markets. In addition to securing both new and repeat orders, Larox also developed a new application for treating process residue.



Larox polishing filtration continued to make gains in metal refining. In addition to securing an order for anode slime de-watering from a copper refinery in Germany, Larox became active in several projects that deploy Larox pressure filters and Larox polishing filters in the same process.

### **Filters for the Future**

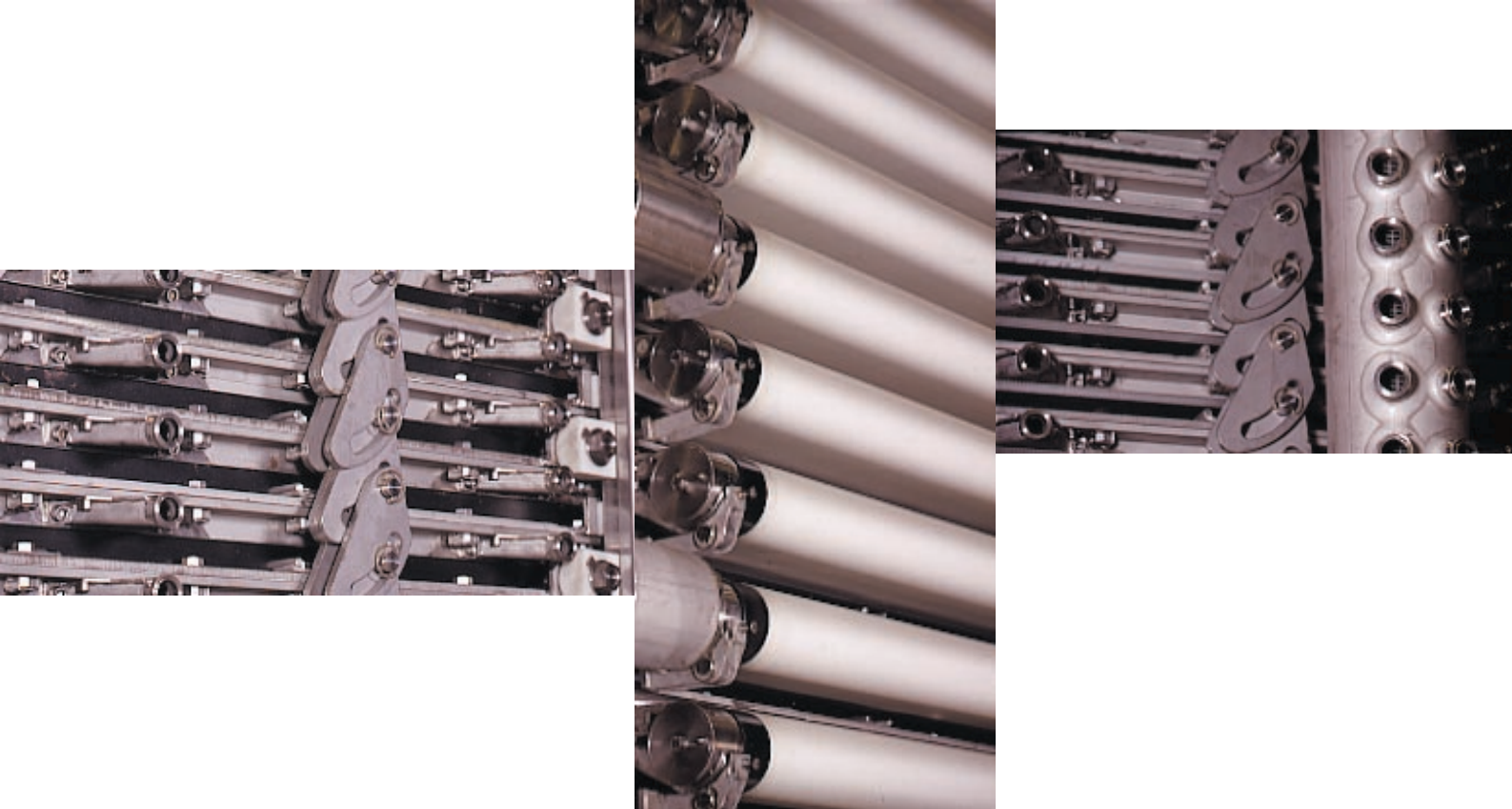
In May 2000 the company launched the Larox M Series, Larox's new automatic pressure filter range for mining and metallurgical applications. Larox's extensive experience in mining and metallurgy applications directed the development of this new product line.

Techniques such as flow modeling and finite element analysis were used to select materials and redesign components to with-

stand the abrasive and corrosive conditions experienced in high-tonnage applications. The Larox M Series units were designed to incorporate maintenance access platforms.

The Larox M Series was also designed to support the new Larox Automation System. This SCADA-based solution optimizes the performance of pressure filters under variable process or mineralogical conditions, and is capable of controlling a complete filtration plant. The system provides complete online documentation, in addition to comprehensive reporting features that enable filtration and filter performance to be analyzed locally or via the Internet.





## CHEMICAL PROCESSING

In recent years the chemical process industry has seen considerable consolidation and restructuring. During this time most investments were mainly geared towards mergers and acquisitions rather than production capacity expansion.

As this activity begins to subside, plant modernization and expansion is expected to strengthen. Larox has positioned itself well to capitalize on this trend with the Larox C Series, the new range of Larox pressure filters tailored to the needs of chemical processing.

### **Repeat Performance**

In 2000, repeat orders accounted for almost half of the business received from the chemical process industry. This clearly showed that Larox's efforts to offer the very best in after-sales service to the client, throughout equipment life, is paying off.

As expected, North America generated the biggest contribution to Larox's CPI revenue.

### **Gaining Market Momentum**

In 2000 several important installations were successfully started up in the pharmaceutical and white pigments industries. This has created a strong foundation for repeat business within those industries in Larox's established markets.

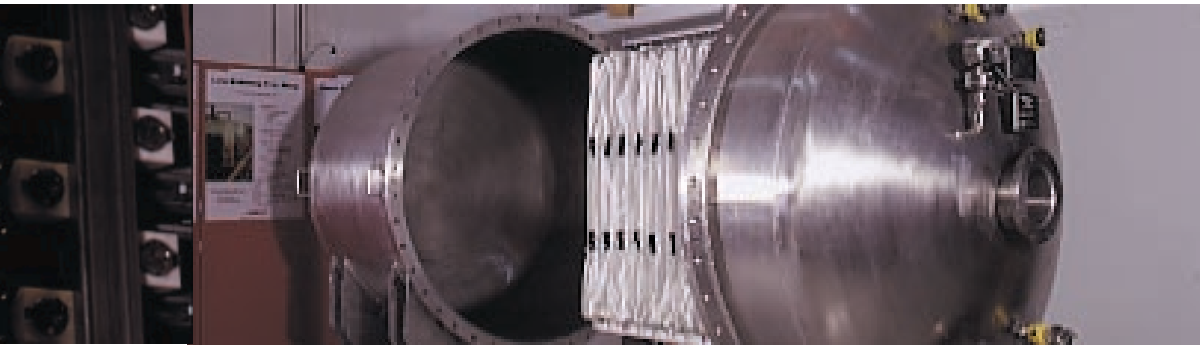
Larox expects to see big gains in the CPI business over the coming year. Larox ended 2000 with a significant stock of orders from the chemical process industry, in addition to a solid list of potential orders for 2001.

## LIQUID POLISHING

In 2000 Larox liquid polishing continued to gain market appeal by demonstrating its competitiveness in several new applications for metallurgy and chemical processing.

Since entering the liquid polishing business in 1998, Larox has successfully convinced numerous new clients that a Larox polishing filtration stage can bring significant benefit to their





processes. The result of these efforts became clear in 2000; by the end of the fiscal year a record order backlog was achieved for Larox polishing filters.

### **Metallurgy**

Metallurgical plants continued to employ Larox polishing filters for high-efficiency electrolytic refining processes that produce high-purity metals. Copper and nickel refineries continued to be the main users of Larox liquid polishing solutions.

During 2000 the first polishing filter installations for gold and zinc production were sold to producers of these metals. These and other new applications of Larox liquid polishing show solid growth potential for the coming years.

### **Chemical Processing**

The chemical process industry presents numerous application opportunities for Larox polishing filters. The increasing demand for Larox application consulting, especially filtration testing, signals a clear and growing interest in the benefits of Larox

polishing filtration. These pre-sale services have already resulted in new users of Larox polishing filters in the coating and filler industry.

The chlor-alkali industry shows particular promise for Larox liquid polishing, which delivers significant process benefits to the purification of sodium chloride brine solution. Larox's first delivery to Turkey for a borax producer in 1999 was followed by a significant repeat order, which will be delivered in 2001.

### **Industrial Waste Handling**

Worldwide, the process industry is under pressure to meet growing environmental requirements by reducing waste. The Larox polishing filter's unmatched performance in removing precipitated heavy metals from industrial waste effluent has convinced many companies in South America and Europe that Larox is the solution of choice for waste effluent cleaning.



## LAROX SERVICE

### **Adding Value from Start to Finish**

The year 2000 was another year of record activity for the after sales service organization, Larox Service. Pressure and polishing filter clients were supported by pre-start-up installations, start-ups and spare parts service as well as user training, technical consultation and other forms of customized support.

### **A Lifetime of Service**

Larox Service ensures customer satisfaction throughout the whole lifecycle of every Larox installation. This goes well beyond the proper functioning of equipment to include availability, process results and cost efficiency of the installation.

Clients with Larox installations delivered as far back as the late 1970s receive the added benefit of various upgrade and modernization services.

### **Personalized Support Globally**

In the future Larox Service will bring even more value to users of Larox pressure and polishing filters. Total productivity improvement services, filtration process optimization, operation and maintenance training and consultation, and product-upgrade services are made available to every client.

Keeping Larox clients satisfied comes down to offering easy access to skillful support services and qualified support personnel around the world. Larox after sales services are delivered on all major continents by the company's own service network and through its representatives.

By ensuring total satisfaction from start to finish – from equipment to process performance – Larox Service is building a solid foundation for the company's growing success around the world.

## FINANCIAL STATEMENTS FOR THE PERIOD JANUARY 1 – DECEMBER 31, 2000

For Larox, the result of the fiscal year January 1 – December 31, 2000 was better than predicted, and for the most part the company reached the targets it had set for the fiscal year. Net sales increased by 20.1% from the previous year and totaled EUR 55.4 million. Net sales per employee increased to EUR 216,000 (161,000 in 1999). The operating profit grew from the previous year and totaled EUR 5.555 million (3.53 million). The Group's result before extraordinary items, provisions and taxes increased to EUR 4.603 million (2.592 million). The Group's profitability improved and the return on investment increased to 19.7% (11.6%). The equity ratio rose to 38.0% (30.4%).

### **Business Operations**

During the fiscal year the launch of new products together with active sales work resulted in increased deliveries. The order backlog at the end of the fiscal year was the highest in Larox's history, totaling EUR 19.8 million (15.8 million). In particular, the order backlog of polishing filters grew.

Of total net sales, 94.3% came from exports and foreign operations. The global division of net sales was as follows: North and Central America 31.8%, South America 29.3%, Europe 20.6%, Africa 4.4%, Australasia 9.1%, and the rest of Asia 4.8%. The Group strengthened its position in North and South America.

### **Changes in Corporate Structure**

No changes took place in the corporate structure during the fiscal year.

### **Profits and Profitability**

The Group's profitability improved from the previous year because of the growth in volume and intensified use of capital.

The value of the Euro remained weak nearly until the end of the fiscal year, which improved competitiveness in the Americas.

The Group's operating profit was EUR 5.555 million (3.53 million), i.e. 10.0% (7.7%) of net sales. The Group depreciations totaled EUR 1.552 million (1.583 million) and their share of net sales was 2.8% (3.4%).

The result before extraordinary items, provisions and taxes showed a profit of EUR 4.603 million (2.592 million). Taxes totaled 1.249 million (436,000). The result of the fiscal year increased to EUR 3.4 million (2.2 million).

The company's return on equity rose to 28.4% (23.1%). The return on invested capital was 19.7% (11.6%). The earnings per share was EUR 1.27 (0.80).

### **Financing**

The Group's net financial position further improved as planned. The interest-bearing debts decreased by EUR 4.228 million and totaled EUR 13.926 million (18.154 million).

The equity ratio rose to 38.0% (30.4%). The debt-equity ratio decreased to 1.1 (1.8). Net financing costs totaled EUR 952,000 (938,000). The share of net financing costs of net sales was 1.7% (2.0%).

### **Investments**

The Group investments totaled EUR 2.3 million (1.1 million). The biggest individual investments were made in the new Larox M and C Series product families and test filtration equipment, reporting and customer management systems. At the end of the fiscal year the company invested in the Scheibler trademark by purchasing the rights to the trademark from a German company.

The existing production capacity is sufficient to meet the forecasted growing demand.

### **Research and Product Development**

The most important areas in research and product development were the renewed product lines of the mining and chemical process industries and automation products related to them. Larox's contribution to research, development of equipment and processes, automation products as well as test operations totaled approximately EUR 3.6 million or approximately 6.5% of net sales.

### **Personnel**

The average number of personnel in the Group was 256 (286), 185 (181) of whom worked for the parent company. The change was mainly due to the change-over of Larox Flowsys Oy to an associated company at the end of the previous fiscal year.

During the fiscal year wages, salaries and bonuses totaled EUR 10.5 million (10.0 million), of which EUR 349,000 (149,000) was commission on profit. Salaries paid to the presidents of the parent and subsidiary companies and the Board of Directors totaled EUR 0.7 million (EUR 0.6 million), of which EUR 30,000 (2,000) was commission on profit.

During the fiscal year Mr. Timo Vartiainen was President of the company until March 31, 2000, after which date he was appointed a full-time Chairman of the Board. On April 1, 2000 Mr. Toivo Matti Karppanen was appointed President of the company, and Chief Financial Officer Mr. Matti Julku was appointed Deputy to the President.

### **Share Issue Authorizations**

The Board of Directors has no existing share issue authorizations granted by the annual shareholders' meeting.

### **Future Prospects**

The Group anticipates positive fiscal development in the coming fiscal year. The positive order backlog creates a basis to develop the operation to be more efficient and profitable.

The future prospects in the chosen processes of the mining and chemical industries are fairly promising, and the customers' ability and willingness to invest is growing. Environmental investments are also increasing. The requirements for better process results create additional markets for pressure and polishing filters. The contribution to after sales has already produced good results, and the general prospects for the growth of sales are positive.

The slow-down of growth in the U.S. economy with its consequences creates the biggest uncertainty. On the other hand the demand in Europe seem to be remaining at a reasonable level. However, customers may have to consider critically the timing of their investments, which creates uncertainty in the timing of new orders.

The Group continues to follow its chosen strategy, the operation is global, customer-oriented, innovative, expert and qualified.

### **Board's Proposal for Distribution of Profits**

The Group's dividends available for the distribution in the consolidated balance sheet on December 31, 2000 totaled EUR 7,775,075.63 and the parent company's dividends available for the distribution totaled EUR 6,254,292.83. The parent company's profit for the fiscal year 2000 is EUR 3,275,386.50.

The Board of Directors proposes to the shareholders' meeting that a dividend of EUR 0.45 per share, i.e. EUR 1,188,495.00 be paid. The remaining EUR 5,065,797.83 will be retained and carried forward for the parent company.

# INCOME STATEMENTS

EUR 1000	Group 1/1-12/31/2000	Group 1/1-12/31/1999	Larox Oyj 1/1-12/31/2000	Larox Oyj 1/1-12/31/1999
<b>Net Sales</b>	55,372	46,103	45,207	34,914
Increase/decrease in stocks of finished goods	-134	-1,082	32	108
Other operating income	599	1,420	239	1,382
<b>Raw Materials and Services</b>				
Raw materials and consumables				
Purchases during the financial year	22,007	16,365	19,148	14,423
Variation in inventories	74	57	74	139
External services	1,156	861	1,150	825
<b>Raw Materials and Services</b>	23,237	17,284	20,372	15,387
<b>Staff Expenses</b>				
Wages and salaries	10,486	10,036	6,772	5,659
Social security expenses				
Pension expenses	994	1,115	852	1,017
Other social security expenses	1,036	1,151	699	709
<b>Staff Expenses</b>	12,516	12,302	8,323	7,385
<b>Depreciation and Reduction in Value</b>				
Depreciation according to plan	1,552	1,583	1,248	1,125
<b>Depreciation and Reduction in Value</b>	1,552	1,583	1,248	1,125
<b>Other Operating Charges</b>	12,976	11,742	11,445	9,862
<b>Operating Profit/Loss</b>	5,555	3,530	4,090	2,645
<b>Financial Income and Expenses</b>				
Income from group undertakings			1,138	101
Income from participating interests	5	2	5	2
Income from other investments under non-current assets			2	9
Other interest and financial income	52	114	15	59
Interest and other financial expenses	1,009	1,054	878	1,047
<b>Financial Income and Expenses</b>	-952	-938	282	-876
<b>Profit/Loss Before Extraordinary Items</b>	4,603	2,592	4,372	1,769
<b>Profit Before Appropriations and Taxes</b>	4,603	2,592	4,372	1,769
<b>Appropriations</b>				
Variation in accelerated depreciation		77	-134	29
<b>Appropriations</b>		77	-134	29
<b>Minority Share</b>		34		
<b>Direct Taxes</b>	1,249	436	963	520
<b>Profit/Loss for the Period</b>	3,354	2,199	3,275	1,278

# BALANCE SHEETS

EUR 1000	Group 12/31/2000	Group 12/31/1999	Larox Oyj 12/31/2000	Larox Oyj 12/31/1999
<b>ASSETS</b>				
<b>Non-Current Assets</b>				
Intangible Assets				
Formation expenditure	45			
Intangible rights	761	729	191	190
Other capitalised long-term expenditure	1,967	1,487	1,967	1,487
	2,773	2,216	2,158	1,677
Tangible Assets				
Land and waters	1,488	1,488	1,108	1,108
Buildings	5,980	6,077	5,928	6,051
Machinery and equipment	2,637	2,438	1,906	1,760
Other tangible assets	66	47	19	22
Advance payments	6		6	
	10,177	10,051	8,967	8,941
Investments				
Holdings in group undertakings			2,241	2,211
Receivables in group undertakings			525	525
Participating interests	752	508	332	332
Other shares and similar rights of ownership	4	4	4	4
Other receivables	35	39		
	791	551	3,102	3,072
<b>Current Assets</b>				
Inventories				
Raw materials and consumables	5,438	5,512	5,438	5,512
Work in progress	363	268	363	268
Finished products/goods	3,049	3,083	347	409
Advance payments	382	430	382	130
	9,232	9,293	6,530	6,319
Receivables				
Trade receivables	10,407	9,487	7,153	6,686
Amounts owed by group undertakings			4,288	4,480
Amounts owed by participating interest undertakings	136	241	136	89
Loan receivables	8	146	8	171
Other receivables	810	519	612	447
Deferred tax receivable	615	743		
Prepayments and accrued income	530	1,060	446	502
	12,506	12,197	12,643	12,374
Cash-in-Hand and in Bank Accounts	339	794	47	53
<b>Total Assets</b>	<b>35,818</b>	<b>35,102</b>	<b>33,447</b>	<b>32,436</b>



# BALANCE SHEETS

EUR 1000	Group 12/31/2000	Group 12/31/1999	Larox Oyj 12/31/2000	Larox Oyj 12/31/1999
<b>LIABILITIES</b>				
<b>Capital and Reserves</b>				
Subscribed capital	4,442	4,442	4,442	4,442
Share premium account	11	11	11	11
Revaluation reserve	75	75	75	75
Other funds	139	152		
Retained earnings/loss	5,136	3,623	2,979	2,335
Profit/loss for the financial year	3,354	2,199	3,275	1,278
	13,157	10,502	10,782	8,141
<b>Minority Share</b>				
<b>Appropriations</b>				
Accelerated depreciation			1,077	943
<b>Provisions</b>				
Warranty provision	409	140	409	139
<b>Creditors</b>				
Non-current				
Loans from credit institutions	4,885	6,504	4,877	6,504
Pension loans	1,370	1,473	1,370	1,473
Deferred tax liability	312	273		
Other non-current liabilities		75	8	8
	6,567	8,326	6,255	7,986
Current				
Loans from credit institutions	7,568	9,991	7,148	8,435
Pension loans	103	111	103	111
Advances received	1,238	612	1,241	475
Trade payables	3,002	1,903	2,819	1,773
Amounts owed to group undertakings			655	1,594
Amounts owed to participating interest undertakings	154	121	121	53
Other current liabilities	578	463	562	273
Accrued liabilities and deferred income	3,042	2,932	2,275	2,514
	15,685	16,134	14,924	15,228
<b>Total Liabilities</b>	<b>35,818</b>	<b>35,102</b>	<b>33,447</b>	<b>32,436</b>

# CASH FLOW STATEMENTS

EUR 1000	Group 12/31/2000	Group 12/31/1999	Larox Oyj 12/31/2000	Larox Oyj 12/31/1999
<b>Regular Operations</b>				
Operating profit	5,555	3,530	4,090	2,646
Adjustments to sales	1,493	1,634	1,518	1,149
Change in working capital	1,998	2,837	509	3,521
Cash flow from regular operations	9,046	8,001	6,117	7,316
Interest income	57	116	184	171
Interest expenses	-1,009	-1,054	-879	-1,047
Taxes	-1,249	-436	-963	-520
<b>Net Cash Flow from Regular Operations</b>	<b>6,845</b>	<b>6,627</b>	<b>4,459</b>	<b>5,920</b>
<b>Investments</b>				
Purchase of fixed assets	-2,298	-1,290	-1,778	-880
Sales of fixed assets	62	744	23	31
Increase in other capitalized long-term expenditure	-240		-30	
Dividends received			978	
<b>Cash Flow of Investments</b>	<b>-2,476</b>	<b>-546</b>	<b>-807</b>	<b>-849</b>
<b>Cash Flow Before Financing</b>	<b>4,369</b>	<b>6,081</b>	<b>3,652</b>	<b>5,071</b>
<b>Financing</b>				
Increase in long-term loans (+)	1,409	3,524	1,018	2,013
Decrease in long-term loans (-)	-3,828	-4,265	-2,291	-2,616
Increase/decrease of short-term loans (+/-)	-1,771	-5,469	-1,751	-4,477
Dividends paid	-634		-634	
<b>Total Financing</b>	<b>-4,824</b>	<b>-6,210</b>	<b>-3,658</b>	<b>-5,080</b>
Change in liquid assets according to balance sheet	-455	-129	-6	-9
Liquid assets 1/1	794	923	53	62
<b>Liquid Assets 12/31</b>	<b>339</b>	<b>794</b>	<b>47</b>	<b>53</b>

## ACCOUNTING PRINCIPLES

### Consolidation

The consolidated financial statements include the accounts of the parent company, Larox Oyj, and all companies in Finland and abroad over which Larox Oyj has control. The acquisition cost method is used in the elimination of subsidiary shares.

The Associated companies Larox Flowsys Oy and Statech Engineering Oy have been combined using one line method.

The Group's accumulated depreciation difference is allocated to the consolidated non-restricted equity. The amount calculated from the tax rate is shown under deferred tax liability under liabilities. Calculated tax receivables due to the elimination of internal sales contribution margins and compulsory provisions have been entered in changing assets and to profit of the financial year. The transition difference from consolidation is presented under retained earnings.

### Comparability of Financial Statements

When the figures in the income statement are compared, it should be taken into consideration that Larox Flowsys Oy was still included in the income statement for 1999 due to the company's change into an associated company, which took place at the end of that year.

### Foreign Currency Transactions

Foreign currency transactions are entered in the accounts as Euros using the exchange rate in effect on the transaction date. Assets and liabilities denominated in foreign currency are translated into Euros in the financial statements using the European Central Bank's average exchange rate on the balance sheet date. Assets and liabilities in currencies of EMU countries have been translated into Euros in the financial statements using fixed conversion rates.

The income statements of foreign group companies have been converted into Euros in the consolidated financial statements using the average exchange rates for the period and balance sheets using the European Central Bank's average exchange rate on the closing day, and for EMU countries, using fixed conversion rates.

All realized and unrealized exchange rate differences from trade receivables and accounts payable, current and non-current liabilities, and receivables are charged against the result. The exchange difference of the corresponding item to be hedged has been adjusted by the exchange difference of the derivative instrument taken for hedging purposes.

### Net Sales

Sales of products and services are recognized at the time of delivery. Sales are presented net of indirect taxes and adjustments to sales. Adjustments to sales include granted discounts and exchange differences resulting from sales. Information from earlier years have been adjusted according to the new accounting act.

### Wages and Salaries

In the following notes, the wages paid for production include not only the wages paid for working hours but also wages for annual holidays, paid days off, periods of sickness as well as holiday reimbursement and bonuses paid for years of service and similar benefits.

### Research and Product Development Costs

Research and product development costs have been entered as annual costs in the year they originated. Costs that accumulate income during three or more years have been activated as long-term costs and will be depreciated in five years.

### Direct Taxes

The direct taxes recorded in the income statement are the estimated taxes for the period and adjustments to the taxes of previous periods. Tax receivables due to losses are treated according to local practice in the financial statements of the foreign subsidiaries.

### Inventories

The book values of inventories are valued at the direct acquisition cost, at a lower reacquisition price or at a lower probable alienation price.

### Fixed Assets and Depreciation

The book values of fixed assets are based on the original acquisition cost, with the exception of certain land and water areas that have been revalued.

Depreciation according to plan is made on a straight-line basis on depreciable fixed assets, based on the estimated useful economic life of those assets. The periods of depreciation are based on useful economic life as follows: buildings and other construction 40 years, machinery and equipment 4-10 years, other capitalized expenditure 3-10 years, other tangible assets 10 years and intangible rights 10 years.

## NOTES TO THE INCOME STATEMENT

EUR 1000	Group 1/1-12/31/2000	Group 1/1-12/31/1999	Larox Oyj 1/1-12/31/2000	Larox Oyj 1/1-12/31/1999
<b>1. Comparable Net Sales of the Group without Larox Flowsys Oy (1999)</b>	55,372	41,183		
<b>2. Other Operating Income</b>				
Compensation for cancellation of trade		689		624
Compensation for legal proceedings		327		327
Other	599	404	239	431
Total	599	1,420	239	1,382
<b>3. Average Number of Personnel</b>				
Office staff	182	209	111	113
Workers	74	77	74	68
Total	256	286	185	181
<b>4. Wages and Salaries</b>				
Wages and benefits	10,486	10,036	6,772	5,659
Of which salaries and benefits for managing directors and board members	697	588	338	197
Pension expenses	994	1,115	852	1,017
Other personnel expenses	1,036	1,151	699	709
Total	12,516	12,302	8,323	7,385
<b>5. Depreciation</b>				
Planned depreciation:				
Formation expenses	11			
Intangible assets	22	39	47	36
Other capitalized expenditure	557	401	557	362
Buildings	137	154	123	122
Machinery and equipment	820	985	518	601
Other tangible assets	5	4	3	4
Total	1,552	1,583	1,248	1,125
Difference between booked and planned depreciation:				
Buildings		36	68	36
Machinery and equipment		-113	65	-65
Total		-77	133	-29
Accelerated difference between booked and planned depreciation				
Other capitalized expenditure	17	17	17	17
Buildings	832	832	902	834
Machinery and equipment	182	182	157	92
Total	1,031	1,031	1,076	943
<b>6. Financial Income and Expenses from Group Companies</b>				
Group undertakings			1,138	101
Participating interests	5	2	5	2
Total	5	2	1,143	103
<b>7. Taxes</b>				
Taxes from period	1,032	620	963	520
Change in deferred taxes	217	-184		
Total	1,249	436	963	520

## NOTES TO THE BALANCE SHEET

EUR 1000	Group 2000	Group 1999	Larox Oyj 2000	Larox Oyj 1999
<b>8. Change in Fixed Assets</b>				
Formation expenditures				
Acquisition expense 1/1	0			
Increase/decrease	56			
Acquisition expense 12/31	56			
Accumulated planned depreciation 12/31	11			
Planned depreciation 1/1-12/31	11			
Book value 12/31	45			
Intangible rights				
Acquisition expense 1/1	1,748	1,711	1,194	1,061
Increase/decrease	53	37	48	133
Acquisition expense 12/31	1,801	1,748	1,242	1,194
Accumulated planned depreciation 12/31	1,042	1,019	1,051	1,004
Planned depreciation 1/1-12/31	22	39	47	37
Book value 12/31	760	729	191	190
Other capitalized expenditure				
Acquisition expense 1/1	5,446	4,137	5,053	3,698
Increase/decrease	1,037	1,308	1,037	1,355
Acquisition expense 12/31	6,483	5,445	6,090	5,053
Accumulated planned depreciation 12/31	4,515	3,958	4,123	3,566
Planned depreciation 1/1-12/31	557	401	557	362
Book value 12/31	1,968	1,487	1,967	1,487
Land areas				
Acquisition expense 1/1	1,488	1,830	1,108	1,108
Increase/decrease		-342		
Acquisition expense 12/31	1,488	1,488	1,108	1,108
Revaluations on land areas				
	563	563	563	563
Buildings				
Acquisition expense 1/1	8,243	8,583	8,102	8,060
Increase/decrease	40	-339		42
Acquisition expense 12/31	8,283	8,244	8,102	8,102
Accumulated planned depreciation 12/31	2,303	2,167	2,174	2,051
Planned depreciation 1/1-12/31	137	154	123	122
Book value 12/31	5,980	6,077	5,928	6,051
Revaluations on buildings				
	2,787	2,787	2,787	2,787
Machinery and equipment				
Acquisition expense 1/1	11,421	11,322	8,052	7,893
Increase/decrease	1,018	99	663	159
Acquisition expense 12/31	12,445	11,421	8,714	8,052
Accumulated planned depreciation 12/31	9,802	8,983	6,809	6,292
Planned depreciation 1/1-12/31	819	985	518	600
Book value 12/31	2,637	2,438	1,905	1,760

EUR 1000	Group 2000	Group 1999	Larox Oyj 2000	Larox Oyj 1999
Other tangible assets				
Acquisition expense 1/1	134	161	104	104
Increase/decrease	25	-28		
Acquisition expense 12/31	159	133	104	104
Accumulated planned depreciation 12/31	92	86	85	82
Planned depreciation 1/1- 12/31	5	4	3	4
Book value 12/31	67	47	19	22

Revaluations are directed to the parent company's land areas and buildings. Revaluations were made in 1990 or earlier based on outside evaluation. Revaluations include deferred taxes EUR 971.5 thousand, which have not been booked, because it is not obvious that deferred taxes will be realized in the immediate future.

#### 9. Receivables from Group Undertakings

Trade receivables			1,605	2,529
Loan receivables			2,627	1,947
Other receivables			56	4
Total			4,288	4,480

#### 10. Receivables from Participating Interests

Trade receivables	14	175	14	22
Loan receivables	122	66	122	67
Total	136	241	136	89

#### 11. Capital Invested in Mining Production (EUR million)

Loan receivables			0.5	0.5
Fixed assets	1.0	1.0		
Shares			0.5	0.5
Total	1.0	1.0	1.0	1.0

#### 12. Shares and Shareholdings

	Country	Number	Share (%)	Currency	Nominal	Book Value
Subsidiary Shares						
Larox Inc	USA	50	100	USD	1,000,000	686,964
Larox Europe GmbH	Germany	500	100	DEM	250,000	120,860
Larox Pty Ltd	Australia	400	100	AUD	400	770,071
Larox Chile S. A.	Chile	1 500	100	CLP	15,000,000	34,122
Larox Poland Ltd	Poland	335	100	PLN	335,000	103,661
Konstruktioinsinöörity Oy	Finland	50	100	FIM	30,000	5,046
Cia Minera Trinidad S.A.	Peru	52 991	98	PEI	6,459,642	490,229
Filtros Larox Mexico S.A. de C.V.	Mexico	5	100	USD	5,000	5,194
Larox Central Africa Limited	Zambia	25	100	USD	25,000	25,115
Total Subsidiary Shares						2,241,262

\*) A complete specification of share holdings in the Group and other companies is included in the official consolidated financial statements.



	Share (%)	Nominal Value	Book Value
Associated Company Shares			
Larox Flowsys Oy	49	247,236	247,236
Statech Engineering Oy	20	83,011	84,339
Total Associated Company Shares			331,575
Other Shares			4,263
Total Shares and Shareholdings			2,577,100

EUR 1000	Group 2000	Group 1999	Larox Oyj 2000	Larox Oyj 1999
<b>13. Shareholder Equity</b>				
Subscribed capital at beginning of period	4,442	4,442	4,442	4,442
Subscribed capital at end of period	4,442	4,442	4,442	4,442
Share premium account at beginning of period	11	11	11	11
Share premium account at end of period	11	11	11	11
Revaluation reserve at beginning of period	75	75	75	75
Revaluation reserve at end of period	75	75	75	75
Other reservers	139	152		
Retained earnings at beginning of period	5,822	3,191	3,613	2,335
Dividend	-634		-634	
Retained earnings at end of period	5,188	3,191	2,979	2,335
Other increase/decrease	-52	432		
Profit/loss for period	3,354	2,199	3,275	1,278
Total capital and reserves	13,157	10,502	10,782	8,141

#### 13 b. Calculation of Dividends Available for Distribution

Retained earnings	5,136	3,623	2,979	2,335
Profit for the period:	3,354	2,199	3,275	1,278
- Formation expenditure	-45			-101
- Capitalized research expenditure		-101		
- Closing entries	-670	-649		
Total	7,775	5,072	6,254	3,512

#### 14. Provisions

Obligatory provisions				
Guarantee provision at beginning of period	140	115	139	115
Change	269	25	270	24
Guarantee provision at end of period	409	140	409	139

Guarantee provisions have been done on project basis concerning some new applications.

#### 15. Payables to Group Undertakings

Trade payables		631	548
Deferred liabilities		6	
Other liabilities		18	1,046
Total		655	1,594

EUR 1000	Group 2000	Group 1999	Larox Oyj 2000	Larox Oyj 1999
<b>16. Payables to Participating Interests</b>				
Trade payables	154	121	121	53
<b>17. Deferred Tax Liabilities and Receivables</b>				
Deferred tax receivables				
Consolidation	298	297		
Periodization differences	317	446		
Total	615	743		
Deferred tax liabilities:				
Closing entries	312	273		
Consolidation				
Periodization differences				
Total	312	273		
<b>18. Fire Insurance Value of Fixed Assets</b>				
Fire insurance value of fixed assets	18,631	18,017	16,981	16,547
<b>19. Securities Give</b>				
Pension loans	1,473	1,584	1,473	1,584
Secured by real estate mortgage	168	168	168	168
Loans from financial institutions	12,445	16,495	12,025	14,938
Secured by real estate mortgage*)	6,426	6,426	6,426	6,426
Secured by mortgage on company assets*)	3,936	3,936	3,936	3,936
Total secured by mortgages	10,530	10,530	10,530	10,530
General pledging *)				
Other Liabilities Secured by Mortgages				
Secured by real estate mortgage	135	135	135	135
Secured by mortgage on company assets	1,991	2,847		
Total	2,126	2,982	135	135
Guarantees for Other Companies				
For group companies	3,006	3,315	3,006	3,315
For participating interest companies	1,706	1,824	1,706	1,824
Total	4,712	5,139	4,712	5,139
<b>20. Other Liabilities</b>				
Leasing liabilities				
During year after reporting year	419	302	345	217
After more than one year	453	442	348	310
Other liabilities	1,774		1,774	
Pension liabilities	40	40	40	40
Total	2,686	784	2,507	567
<b>21. Non-Current Liabilities Falling Due After Five Years or Later</b>				
Loans from financial institutions	76	674	76	674
Pension loans	1,025	668	1,025	668
Total	1,101	1,342	1,101	1,342

## OTHER NOTES TO THE FINANCIAL STATEMENTS

### 22. Derivate Instruments 12/31/2000

<b>(EUR 1000) Foreign currency derivatives</b>	<b>Market value</b>	<b>Value of Underlying Instrument</b>
Forward foreign exchange contracts	537	557
Currency option contracts		
Purchased	6,448	6,789
Written *)	12,896	12,797

The total market value of forward foreign contracts and currency option contracts is calculated from the European Central Bank's average exchange rate on the balance sheet date. The values of the underlying instruments are recorded in full according to the Euro value of the currency bought or sold on the date of the balance sheet.

\*) Written options have been used in connection with purchased currency put options.

### 23. Hedging Against Currency and Interest Risks

The Group objective is to minimize the impact of currency and interest risks on the Group's cash reserves, profits and shareholders' equity.

In accordance with the approved foreign currency policy, the task of the Group's financing operations is to hedge against all major currency risks. The Group's foreign currency exposure consists primarily of accounts receivable, order backlog, liabilities in foreign currencies and some of the outstanding offers.

Exchange rate profits and losses relating to actual business operations, as well as premiums paid and received, are treated as adjustments to sales and purchase items. Exchange rate profits and losses from financial operations are recorded under financial income and expenses. The most important invoicing currencies for Larox are USD, AUD and EUR. The Group's main purchasing currency is EUR. To hedge currency positions, the company uses forward contracts, currency options and currency loans. The Group also protects the shareholders' capital of foreign subsidiaries with currency loans.

To control interest risks, the Group disperses its loans and short-term investments in fixed and floating rate instruments. At the end of the fiscal year the Group had no open forward rate agreements or interest rate swaps.

### 24. Loans with Warrants

The bonds subscribed in 1997 total 8,241.20 EUR. The subscription period is February 19, 2001 – March 4, 2001. The subscription price is 10.04 EUR/share. Based on the loans and warrants 49,000 B-shares can be subscribed, the total nominal value of which is 82,412.08 EUR.

### 25. Options

All 50,000 option rights for the management issued in 1999 were subscribed. The subscription period is February 18 to March 15, 2002 and the subscription price is EUR 15.22/share. Based on the option rights 50,000 B-shares can be subscribed, the total nominal value of which is EUR 84,093.96.

Lappeenranta, Finland

February 21, 2001

Timo Vartiainen

Katariina Aaltonen

Jouko Jaakkola

Teppo Taberman

Nuutti Vartiainen

## AUDITORS' REPORT

To the shareholders of Larox Oyj

We have audited the accounting, the financial statements and corporate governance of Larox Oyj for the period 1 January – 31 December 2000. The financial statements, which have been prepared by the Board of Directors and the Chief Executive Officer, include the report of the Board of Directors, and the consolidated and parent company income statements, balance sheets and notes to the accounts. Based on our audit we express an opinion on these financial statements and on corporate governance.

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

In our opinion the financial statements have been prepared in accordance with the Finnish 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, including the consolidated statements, can be adopted and the members of the Board of Directors of the parent company and the Chief Executive Officers can be discharged from liability for the financial period audited by us. The proposal by the Board of Directors regarding the distributable assets is in compliance with the Companies' Act.

Lappeenranta, Finland

February 21, 2001

Petteri Valkonen

CPA

Pasi Waris

CPA

# SHARES AND SHAREHOLDERS

## Share-Related Data

	2000	1999	1998	1997	1996
Earnings per share, EUR	1.27	0.80	-0.49	1.95	0.85
Shareholder equity per share, EUR	4.98	3.98	2.92	4.22	2.68
Dividend per share, EUR	0.45	0.24	0.00	0.67	0.32
Dividend per earnings ratio, %	35.4	29.9	0.0	34.5	37.6
Dividend yield, %	8.8	3.8	0.0	6.1	5.0
Price per earnings ratio (P/E)	4.0	7.9	-12.9	5.7	7.5
Development of share price					
Average trading price, EUR	6.36	5.70	12.66	9.99	5.92
Lowest trading price, EUR	4.45	4.40	5.05	6.48	4.20
Highest trading price, EUR	7.80	8.01	16.15	12.45	7.06
Trading price at end of period, EUR	5.12	6.35	6.31	11.27	6.32
Market capitalization at end of period					
A-shares, m.EUR*	3.6	4.5	4.4	7.9	4.5
B-shares, m.EUR	9.1	12.3	12.1	21.4	12.3
Total	12.7	16.8	16.6	29.3	16.8
Trading volume					
B-shares, 1000 pcs	167.7	236.5	717	822.5	552.8
In relation to average number of B-shares, %	8.7	12.2	37.1	42.6	28.6
Average number of shares at end of period, 1000 pcs	1933.1	1933.1	1933.1	1933.1	1933.1
Number of shares at end of period					
A-shares, 1000 pcs	708	708	708	708	708
B-shares, 1000 pcs	1933.1	1933.1	1933.1	1933.1	1933.1
Total, 1000 pcs	2641.1	2641.1	2641.1	2641.1	2641.1

The figures per share are share-issue adjusted.

\*) A-share data is based on the B-share's last trading rate of the fiscal year.

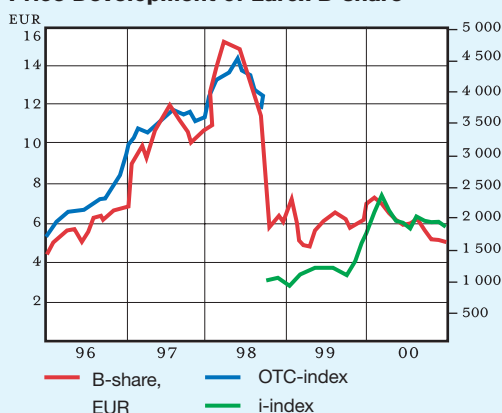
## Distribution of Share Capital Sectors on December 31, 2000

	Number of shareholders	% of shareholders	Total shares, pcs	% of share capital
Private enterprises	54	8.5	291,331	11.0
Financial institutions and insurance companies	3	0.5	55,644	2.1
Public corporations	4	0.6	181,212	6.9
Non-profit institutions	9	1.4	73,870	2.8
Households	562	88.2	2,021,727	76.5
Foreign owners	5	0.8	9,686	0.4
Total			2,633,470	
On joint account			7,630	0.3
Total issued			2,641,100	100.0

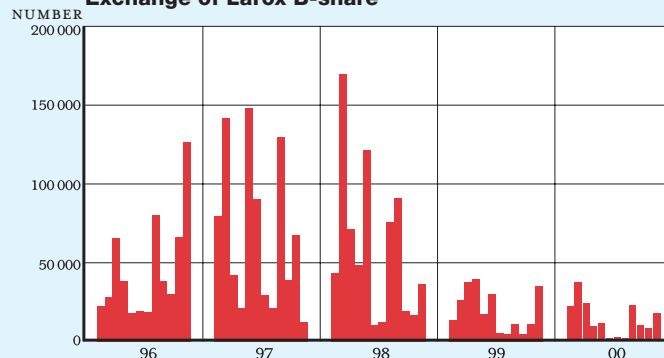
## Distribution of Share Capital in Order of Magnitude on December 31, 2000

	Number of shareholders	% of shareholders	Total shares, pcs	% of share capital
1-100	121	19.0	6,041	0.2
101-500	273	42.8	77,300	2.9
501-1000	112	17.5	90,635	3.4
1001-5000	86	13.5	193,810	7.3
5001-10000	13	2.0	98,565	3.7
10001-50000	24	3.8	571,426	21.7
50001-100000	4	0.6	291,463	11.1
Over 100000	5	0.8	1,304,230	49.4
On joint account			7,630	0.3
Total issued			2,641,100	100.0

**Price Development of Larox B-share**



**Exchange of Larox B-share**



**Principal Shareholders on December 31, 2000**

	% of share capital	% of voiting rights
Aaltonen Terhi-Katariina	12.0	23.2
Kupias Karoliina	11.7	23.1
Vartiainen Timo	11.5	23.1
Vartiainen Nuutti	9.6	16.2
Keskinäinen Eläkevakuutusyhtiö Ilmarinen	4.5	0.7
Capillary Oy	3.8	0.6
Vartiainen Tyne	3.3	4.3
Thomeko Oy	2.1	0.3
LEL Työeläkekassa	1.9	0.3
Kirkon Keskusrahasto	1.8	0.3

The total number of shares owned and possessed by Board members and President is 1,131,342, which equals 68.8 % of voting rights.

**Development of the Group 1996-2000**

EUR 1000	2000	1999	1998	1997	1996
<b>Scope of Activity</b>					
Net sales	55,372	46,103	44,309	53,752	41,135
Change in net sales %	20.1	4.0	-17.6	30.7	29.1
Share of exports and foreign operations %	94	93	89	88	91
Number of personnel	256	286	303	281	268
Net sales per person	216	161	146	191	153
Total liabilities	22,661	24,600	32,861	28,739	22,001
Current liabilities	15,685	16,135	24,116	19,911	12,777
Shareholders' equity	13,157	10,502	7,719	11,150	7,075
Capital invested	27,815	29,120	33,526	29,354	24,219
Balance sheet, total	35,818	35,102	41,009	40,297	29,463
Investments	2,298	1,075	2,699	2,629	2,066
Investments share of net sales %	0.4	0.2	6.1	4.9	5.0
Order backlog	19.8	15.8	9.1	9.9	9.6
<b>Profit and Profitability</b>					
Depreciation	1,552	1,583	1,868	2,081	1,958
Operating profit	5,555	3,530	386	7,258	4,106
Financial income and expenses	-952	-938	-1,408	-1,023	-1,249
Profit before extraordinary items and taxes	4,603	2,592	-1,022	6,235	2,857
Net profit	3,354	2,156	-1,263	5,176	2,257
Operating profit %	10.0	7.7	0.9	13.5	10.0
Net financial expenses %	1.7	2.0	3.2	1.9	3
Profit before extraordinary items and taxes %	8.3	5.6	-2.3	11.6	6.9
Net income %	6.1	4.7	-2.9	9.6	5.5
Return on shareholders equity %	28.4	23.1	-12.8	54.4	31.9
Return on invested capital %	19.7	11.6	1.4	27.4	15.8
<b>Financing</b>					
Quick ratio	0.9	0.8	0.7	0.9	0.7
Current ratio	1.4	1.4	1.1	1.3	1.2
Equity ratio %	38.0	30.4	20.6	29.1	26.1
Relative indebtedness %	38.7	52.0	71.0	52.3	51.4



# CALCULATION OF KEY RATIOS

Return on shareholders' equity % =	$\frac{\text{Profit before extraordinary items - taxes}}{(\text{Invested capital - interest-bearing debts at the beginning of fiscal year}) + (\text{Invested capital - interest-bearing debts at the end of fiscal year})/2}$	x 100
Return on invested capital % =	$\frac{\text{Profit before extraordinary items + interest and other financial expenses}}{(\text{Invested capital at the beginning of fiscal year} + \text{Invested capital at the end of fiscal year})/2}$	x 100
Equity ratio % =	$\frac{\text{Shareholders' equity + voluntary provisions + accelerated depreciation + valuation items + minority share}}{\text{Total assets - advances received}}$	x 100
Relative indebtedness =	$\frac{\text{Current and non-current liabilities + obligatory provisions - advances received}}{\text{Net Sales}}$	x 100
Invested capital =	Shareholders' equity + voluntary provisions + accelerated depreciation + valuation items + minority share + non-current liabilities + short-term loans from financial institutions + short-term pension loans + notes payable + other current liabilities - deferred taxes	
Quick ratio =	$\frac{\text{Account receivable + cash in hand and bank accounts}}{\text{Current liabilities - advances received}}$	
Current ratio =	$\frac{\text{Current assets}}{\text{Current liabilities}}$	
Earnings per share =	$\frac{\text{Profit before extraordinary items, provisions and taxes - taxes +/- minority share}}{\text{Adjusted average number of shares at the end of the period}}$	
Shareholders' equity per share =	$\frac{\text{Shareholders' equity + voluntary provisions and accelerated depreciation - deferred tax liabilities}}{\text{Adjusted average number of shares at the end of the period}}$	
Dividend per share =	$\frac{\text{Dividend distributed for the fiscal year}}{\text{Adjusted average number of shares at the end of the period}}$	
Dividend per earnings ratio =	$\frac{\text{Dividend per share}}{\text{Earnings per share}}$	x 100
Dividend yield % =	$\frac{\text{Dividend per share}}{\text{Adjusted trading price at the end of the period}}$	x 100
Price per earnings ratio (P/E) =	$\frac{\text{Adjusted trading price at the end of the period}}{\text{Earnings per share}}$	
Average trading price =	$\frac{\text{EUR amount traded during the period}}{\text{Number of shares traded during the period}}$	
Market capitalization at the end of the period =	Number of shares at the end of period x trading price at the end of period weighted by the number of the shares traded	
Trading volume =	Number of shares traded during the period and in relation to the weighted average number of shares during the period	

# BOARD OF DIRECTORS AND MANAGEMENT



## BOARD OF DIRECTORS

From left:

Timo Vartiainen, b. 1955  
Chairman of the Board from April 1, 2000

Teppo Taberman, b. 1944  
Member of the Board

Katariina Aaltonen, b. 1959  
Member of the Board,  
Director, Corporate Development

Jouko Jaakkola, b. 1944  
Member of the Board

Nuutti Vartiainen, b. 1925  
Member of the Board from April 1, 2000



## MANAGEMENT

From left:

Toivo Matti Karppanen  
President from April 1, 2000

Kari Suninen  
Vice President, Larox Service

Mikko Tykkyläinen  
Operative Business Development Manager

Juhana Ylikojola  
Vice President, Projects and Engineering

Pentti Puhakka  
Vice President, Production

Matti Julku  
Chief Financial Officer  
Deputy to President from April 1, 2000

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The page features two thin, red, curved lines that sweep across the upper and middle portions of the white background, creating a dynamic, abstract design.

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