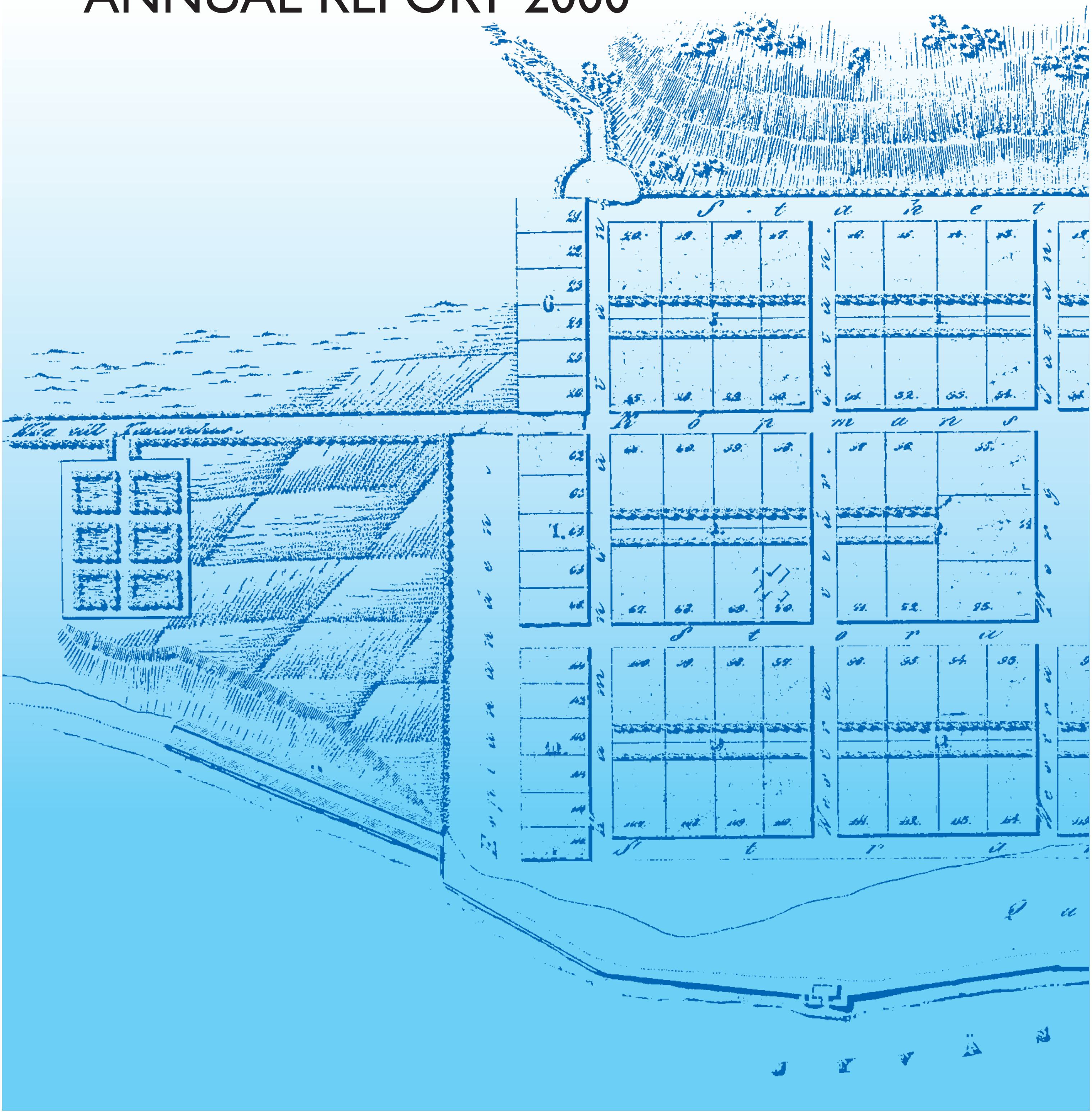
LIINOS

OYJ LIINOS ABP

LIINOS PLC

ANNUAL REPORT 2000



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Liinos' mission is in co-operation with forefront companies to develop and provide information technology solutions for the management and development of business activities as well as to market, consult and support these systems profitably and cost-efficiently to selected customer segments.

LIINOS IN BRIEF

Liinos Plc is a software house developing and marketing a modular browser and Windows-based business management software system (later ERP system) for small and mid-sized companies in selected customer segments. The Liinos ERP system can be integrated, using Internet technology and the LiinosIntra system, into a browser-based Intranet system. Liinos installs, maintains and supports its systems and arranges operators' training.

Liinos' competitiveness is based on over twenty years of experience in client business processes and technological competence. The healthy profitability is based on product competitiveness as well as on commercialisation strategy.

In 2000 Liinos had offices in Jyväskylä, Tampere, Turku and Espoo, as well as sub-offices in Kajaani and Lappeenranta. The company's domicile is Jyväskylä.

BUSINESS IDEA, OBJECTIVES AND STRATEGY

Liinos' business idea is to develop and market a browser and Windows-based ERP system for small and mid-sized companies in selected customer segments. Liinos' ERP system enables the clients to better utilise information within their company and to improve cost-efficiency.

Liinos' activities are organised according to the customer sectors. There are four Stratecic Business Areas: Industry, Contracting and Energy, Wholesale and Specialised Trade and Property Management, each of which forms a separate unit. Other organisational units are Product Development, Customer Services, International Sales and Administration.

Liinos' objectives are

1. to be the leading developer and supplier of value-added ERP and Internet systems, which generate benefits in the form of efficiency and savings for small and mid-sized companies in selected customer segments,
2. to expand into international markets in selected customer segments, and
3. to be the cost and market leader in each customer segment.

Liinos will strive to achieve these objectives with the following strategy:

1. Commercialisation

For small and mid-sized companies, maximally standardised industry-specific ERP systems are optimal. Standardised systems enable the further standardisation of sales, start-up, support and product development activities. Through standardisation Liinos will be able to avoid customising, generating an efficient installation, updating, start-up and maintenance service both for the customer and for Liinos itself.

2. Technology leadership

Technology leadership will be achieved through more efficient product development than its competitors. Efficient product development is based on general program solutions, structural code of the applications and short product family life cycles.

3. Specialising by branch

When expanding into a new customer branch Liinos will develop the special applications of that branch into an integrated part of the Liinos ERP system jointly with the pilot clients.

4. Internet

Liinos believes that as a supplier of total solution ERP systems it is essential to be able to integrate the systems with Internet technology solutions.

5. Internationalisation by customer branch

Internationalisation will take place in markets where it is possible to achieve a sufficient market share, where the market size is adequate and the operating methods match the architecture and basic infrastructure of the Liinos ERP system.

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2000 was the first whole calendar year for Liinos on Helsinki Exchanges' NM-List. In 2000 Liinos directed resources heavily towards product development, launch of the new product family and reorganisation.

MANAGING DIRECTOR'S REVIEW

In 2000 the economic conditions in the software industry turned out to be much weaker than expected. During the year under review the demand was short, because clients had prepared to meet year 2000 risks in advance, and therefore Liinos Group did not reach the aimed-for growth of net sales and operating profit. Adopting the latest technologies delayed the launch of new software from the original schedule, which was one of the reasons for the unfavourable year. The demand picked up, while the launch of new products was pursued more widely. This also boosted the number of new orders received.

Only a small number of new system deals was closed and this had a considerable impact on the performance of Liinos in 2000. This results from the fact, that the systems delivered by Liinos are based on standard software programs, and because in normal economic conditions a large part of the income is composed of licence fees paid on delivery. On the other hand, Liinos' operating expenses are mainly fixed and do not directly correlate with gained net sales. Therefore, in 2000 the operating profit remained modest compared with expectations. The equity ratio of Liinos Group was high at 83.7%, and net gearing ratio at -52.3%. The financial performance was further strengthened during the financial year, partly due to significant goodwill depreciation. The rose in demand last autumn as well as new procuct families will probably make it possible to reach the growth targets in 2001 and get nearer to the set profitability objectives in the long run.

Development of operations continues

In 2000 the company invested for the future in two sectors besides normal research and development investments. Resources were directed towards commercialisation of Liinos6 to international markets and developing the ASP business concept. Heavy investments in international operations and ASP service will continue.

In March 2000 Liinos acquired 100% ownership of Delectia Oy Tietojärjestelmät ("Delectia"). Through this acquisition Liinos became the leading organisation in Finland developing and delivering ERP systems for mid-sized bulk industry. Delectia is specialised in

ERP systems for industrial companies. In 1999 Delectia posted net sales of 4.0 million euro and the net earnings amounted to 0.3 million euro. Development of Keybox, the ERP system of Delectia, is ongoing, and the publishing of the browser-based version is planned for the second quarter of 2001. Business activities of Delectia were transferred to Liinos effective as of July 1, 2000 and the merger of Delectia and Liinos was started.

During 2000 the operational adjustments were made in conjunction with the acquisitions made in 1999 and the purchase of Delectia. At the beginning of 2000 some operations acquired were ceased. In 2000 our offices, located in Helsinki Metropolitan Area, Tampere and Turku, were moved into shared premises in each town. This will make operations more effective and bring cost savings.

The number of personnel employed at the end of the year was 159, up 6% from the end of 1999. Personnel was recruited especially for product development and customer services. In order to recruit and commit key personnel, the company introduced the issue of warrants. At the end of the year the main part of these warrants remained undistributed.

Liinos' success in the future will depend essentially on its ability to attract and hold on to skilled personnel. The geographic location of Liinos offices and the fact that the company has become better-known has made the recruitment of skilful and well-trained personnel easier. People seeking a job have contacted Liinos directly. Recruitment of qualified personnel presented no problem.

I wish to thank our shareholders, personnel, clients and partners for the last year.

Matti Häll
Managing Director
matti.hall@liinos.com

MANAGEMENT AND ADMINISTRATION

The Chairman of the Board of Liinos in 2000 was Juha Nikkanen. Until the Annual General Meeting held on March 8, 2000 the other Board members were Harri Hellsten, Matti Häll, Timo Häll, Tarmo Lindén, Risto Pitkänen and Tapio Sarpola. At this meeting, held on March 8, 2000, the following members were appointed to the Board: Matti Häll, Managing Director, Juha Nikkanen, Director of Research and Development, Tapio Sarpola, Director of Industry – all from Liinos – as well as from outside the company Jukka Rinnevaara, Managing Director of ABB Installaatiot Oy, and Professor Eero Peltola, Software Business Consultant. In the spring Tapio Sarpola resigned Liinos and from his membership on the Board.

The Managing Director of the company is Matti Häll.

The company's operative management is supported by the Management Group, the members of which in 2000 were Matti Häll, Managing Director, Jimmo Maikola, Business Controller, Kyösti Moisio, Administrative Director, Juha Nikkanen, Director of Research and Development, Ahti Niku, Director of International Sales, Risto Pitkänen, Director of Contracting and Energy, Arto Rintala, Director of Property Management, Tapio Sarpola until May 12, 2000, and from thereon Juha Saikkonen, Director of Industry, Juha Silvan, Director of Customer Services, Paul Sippel, Director of Wholesale and Specialised Trade, and Pekka Suikki, Business Controller.

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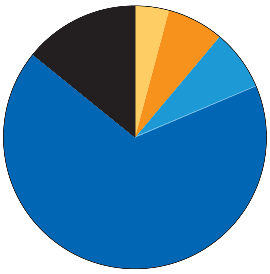
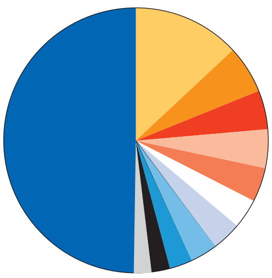
LIINOS FROM THE SHAREHOLDERS' POINT OF VIEW



SHAREHOLDERS BY SECTOR
JANUARY 9, 2001
Total number of shares 11 897 222

Enterprises	4,11%
Financial and insurance institutions	6,99%
Public sector entities	7,45%
Non-profit organisations	0,04%
Households	67,16%
Foreign	14,25%



LARGEST SHAREHOLDERS
JANUARY 9, 2001

Häll Matti	13,12%
Sarpola Tapio	5,69%
Nikkanen Juha	4,89%
Royal Skandia Life Assurance Ltd*)	4,66%
Häll Timo	4,16%
Pitkänen Risto	3,72%
Leonia Small Cap Fund	3,50%
Häll Maire	3,22%
LEL Employment Pension Fund	2,76%
Royal Skandia Life Assurance Ltd*)	2,51%
Varma-Sampo Mutual Pension Insurance Company	2,33%
Others	49,44%

Total number of owners 4 301,
shares 11 897 222.
Shares registered in the name of a nominee and foreign 15,00%.
The Board of Directors and the Managing Director own 2,142,472 shares (18.01%) of the total number of the company's shares.

*) Total ownership 13,36%.

Liinos' share has been subject to active trading. Both institutional and private investors showed interest in the company's shares. Liinos' personnel own almost half the number of shares issued.

In 2000 the investors' interest in Liinos' shares fluctuated. At the beginning of the year the trading price peaked (average price in February about 20 euro) and reached a low point at the end of the year (average price in December about 2 euro). The steep fall of the share price was prompted by the general uncertainty shown towards technology shares and the unexpectedly weak performance of Liinos Group in 2000.

Increasing the shareholder value is one of the cornerstones of Liinos' business. Consequently, raising the share valuation is considered an important goal within the company.

Since March 1, 2000 Liinos has followed the Guidelines for Insiders issued by the Helsinki Exchanges' Board on October 28,1999.

The intention of Liinos is that the dividend paid should, over the long term, reflect the development of the earnings per share.

SHAREHOLDERS BY OWNERSHIP
JANUARY 9, 2001

Number of shares owned	Number of share-holders	% of share-holders	Number of shares	% of total number of shares
1–1 000	3 786	88,03	999 940	8,40
1 001–10 000	402	9,35	1 148 428	9,65
10 001–100 000	95	2,21	2 727 683	22,93
100 001–	18	0,42	7 021 171	59,02
Total	4 301	100,00	11 897 222	100,00
Interim list			0	0,00
Total		100,00	11 897 222	100,00

The Board of Directors will propose to the Annual General Meeting on March 8, 2001, that a dividend of 0.07 euro per share be paid for 2000, which is the same amount as in previous financial year.

Expectations for Liinos' share

Although Liinos is a growing IT company, no strong future expectations for Liinos' share value are to be set considering its value at the end of 2000. What sets Liinos apart from a number of other IT companies is that Liinos performed strongly in times of high demand, and the company has a very sound capital structure base. In this respect investing in Liinos may be safer than investing in tech companies on average.

Things beyond the company's control may affect the share value, especially changes in US interest rate and the stock markets. Furthermore, economic fluctuation in Liinos' market areas affects demand and thereby also share value. As the majority of Liinos' costs are fixed, the fluctuations in sales have a significant effect on the company's profitability.

Liinos' own measures affect the share value, as well. Liinos must be able to envisage the direction of future technological developments and to make the right decisions in that area. In its global growth efforts, Liinos must exercise great care in selecting business partners and in making business acquisitions. Products must reach the markets in time and they must be of high quality. The continued strong employee motivation and commitment must be ensured.

Liinos delivered its first systems to the industrial sector in 1981. The company's customers are electrical installation, heating, plumbing and air conditioning contractors, special contractors, energy distributing and network construction companies. As the leader in this market sector Liinos continuously develops its services and products.

CONTRACTING AND ENERGY

In 2000 Liinos executed the first larger Liinos6 ERP system pilot delivery for this sector. In the course of the delivery – together with the customer – programs were developed to meet the needs of present and new contracting clients. Thus Liinos can offer an even more well developed and versatile ERP system for its clients.

The most significant deliveries in 2000 were the start-up projects and their enlargements for the largest clients in this sector. Liinos delivered an ERP system for Gasum's distribution companies to support the management of gas invoicing, contracting and sales activities, and thus launched itself into a new customer segment. Earlier experience from contracting within electrical installation, for example, made this delivery possible.

In the future Liinos will develop its services also for smaller companies in this branch. In 2000 the preparing for ASP concept started, which means that the Liinos6 ERP system equipped with ASP services will be developed for clients in the contracting sector. The first ASP deliveries in this customer sector will take place in the course of 2001.

Our target is to further strengthen the gained market share whilst sustaining profitability.

Risto Pitkänen
Director of Contracting and Energy
risto.pitkanen@liinos.com

The acquisition and development projects during 2000 helped the industry customer sector to heavily develop its range of programs and services. Liinos offers the Liinos6 product family and Keybox standard software package as well as standardised services for them.

INDUSTRY

Liinos acquired the full ownership of Delectia Oy Tietojärjestelmät (”Delectia”) at the beginning of March, 2000. Through this acquisition Liinos strengthened its know-how and increased the range of programs and market share in the selected customer sectors. The purchase also strengthened Liinos' position as a leading organisation in Finland developing and marketing ERP systems for industry.

The main customer segments, to which Liinos markets ERP systems within the industry sector are the metal and mechanical industry, the electrical and electronics industry and the rubber and plastics industry. In the selected customer segments Liinos' market share is over 15%, and in the industry sector it has over 250 clients.

In the industry sector the main stress is placed on integrated systems. Liinos offers its own solutions for all sectors in business and finance management. During the past year ERP system sales passed from Visio3 to the Liinos6 product family. Demand increased towards the end of 2000, and during the past year several Liinos6 delivery agreements were signed.

The development and sales of Keybox will continue as planned, including the development of the contents, browser-base and e-business solutions. Moreover, the clients' development projects combined with them will remain important. It is expected that during the second quarter of 2001 the browser-based version of Keybox will be published.

The industry sector will further strive to strengthen its position as a leading software and service supplier with the Liinos6 product family and Keybox standard software package. In 2001 demand is expected to grow. This will be helped by the continuous development and automation of the contents of the software, intra/extra products and e-business solutions.

Good co-operation with clients and the experienced personnel of Liinos have been important in performing the successful projects.

Juha Saikkonen
Director of Industry
juha.saikkonen@liinos.com

The acquired company, Compupro Oy, was merged with Liinos in 2000 to be a fixed part of the wholesale and specialised trade customer sector. Significant synergy benefits were gained by rationalising operations.

WHOLESALE AND SPECIALISED TRADE

Liinos' wholesale and specialised trade customer sector markets ERP systems mainly for technical wholesale. Within the selected customer segments Liinos' market share is over 15% and there are more than 300 customers.

The Hansa program, which was transferred to Liinos with an acquisition, will be maintained until at least 2005, taking the customers' needs into account.

The most important elements that the Liinos6 product family offers to the wholesale customer sector are e-business solutions. The development of these solutions has been invested in heavily. It will be of essence to reduce unprofitable operations.

The target of the wholesale and specialised trade customer sector is, with the Liinos6 product family, to further strengthen its position as a leading software and service provider for wholesale and specialised trade customers.

Timo Häll
Director of Wholesale and Specialised Trade
timo.hall@liinos.com

Within the property branch a great deal of efforts was invested in product development in 2000. The acquisitions made in 1999 brought Liinos know-how and experience to this customer sector. All this has influenced today's products and customer satisfaction.

PROPERTY MANAGEMENT

Liinos' products are KIHA for Unix, KIHA for Windows and Visio3. Liinos6 deliveries to clients in property management will start at the beginning of 2001. Liinos6 will no doubt be the widest total solution system to be marketed in the property customer sector. It combines the 20 years of experience in client business processes and the possibilities provided by modern technology. This gives us a very strong, even superior, base to increase the number of our clients.

Liinos has about 400 property management clients. Our services are bought by property management firms, area service companies, cities, communes, parishes, developers, student housing foundations and large enterprises.

In 2000 the expected number of new supply contracts was not reached. The most important ten deliveries were to Suomen SKV Oy, which continued to renew the software systems in its offices.

Software system supplies made at the turn of 1999/2000 clearly affected the demand at the beginning of 2000. At the end of the year the interest recovered, as did system trade. The demand is expected to improve significantly during 2001. Taking the euro into use will increase the need for system changes, because it is not possible to make all the systems euro convertible, although they have Y2000 readiness.

Interest in intranet/extranet solutions increased especially in the technical property management module of maintenance book. Also in other respects, the intranet/extranet solution is expected to bring more competitiveness and possibilities for organising operations. A great deal of attention has been paid to our own LiinosIntra/Extra product among our clients.

Arto Rintala
Director of Property Management
arto.rintala@liinos.com

THE BOARD OF DIRECTORS' REVIEW

Liinos Group posted net sales of 11,031,008.68 euro (11,245,611.60 euro) and the parent company Liinos Plc 9,626,772.66 euro (11,245,033.55 euro).

The operating profit of Liinos Group was 52,745.86 euro (4,996,606.13 euro) and the operating loss of the parent company Liinos Plc 343,266.99 euro (operating profit 5,113,094.26 euro).

The equity ratio of the Group was 83.7% (79.7%) and net gearing ratio -52.3% (-29.8%). In spite of the modest earnings the financial performance of the Group was strengthened.

Liquid funds of Liinos at the end of the year amounted to 5.3 million euro, of which 1.5 million euro was invested in institutional interest-bearing deposits at Leonia Bank, and 2.9 million euro in time deposits.

The Group did not reach the targeted financial performance in 2000. This was because demand did not pick up as swiftly as was anticipated after the rollover into year 2000 and because the launch of new products were delayed from the original schedule. Only a small number of new system deals was closed, as the distribution of net sales indicates. Licence fees represented less than 30% of the net sales in 2000 compared to nearly 50% in the previous year. At the end of the year the demand recovered due to a more extensive launching of new products, which clearly boosted the number of new orders received. The number of orders rose significantly in the third quarter and this trend strengthened in the fourth quarter. The deliveries of the Liinos6 ERP system began in the summer and the first start-up's took place in the autumn.

The only interest-bearing debt Liinos had at the end of the year was to TEKES, and this amounted to about 156,000 euro. In December TEKES changed its loan of about 194,000 euro given for research and development to a grant, which was charged to other operating income.

The Board of Directors held eight meetings during 2000. In addition to the Annual General Meeting two Extraordinary General Meetings were held.

In the summer of 2000 the operations of the company were rationalised by moving the offices located in the Helsinki Metropolitan Area, Turku and Tampere to shared premises in each town.

Product development expenses

To maintain its technological prowess, Liinos launched its new products fully equipped with XML and ASP technologies. Adopting of new technologies will enable the Group to remain at the forefront of development in the future. More resources were invested in building for the future through product development in 2000, and all the research and development expenditure, totalling at about 2.4 million euro (1.7 million euro) or 22% (15%) of the net sales, was charged to profit.

Investments

Apart from research and development costs, no significant investments were made during the period under review.

New products were launched

The Liinos6 product family and Liinos-Intra/Extra were widely launched onto the markets in the second half of 2000. The launch was delayed from the original schedule because new technologies needed to be taken into account. The delivery of Keybox version 2.2. began in June 2000.

Changes to the structure of the Group

Tietovalli companies

The merger of Tietovalli Oy and Tukivalli Oy, the wholly-owned companies of Liinos, was finalised during 2000.

Compupro Oy

Compupro Oy, the wholly-owned company of Liinos, was liquidated in 2000.

Delectia Oy Tietojärjestelmät

(later Delectia)

At the beginning of March Liinos acquired a 100% ownership of Delectia through a directed share issue. The former owners of Delectia were offered 308,632 Liinos' shares. Founded in 1994, Delectia is a software house that develops, sells, delivers and maintains ERP systems mainly for industrial clients. Liinos leased the business activities of Delectia effective as of July 1, 2000. Delectia will be merged with Liinos in the course of 2001.

Alkilan Oy

Liinos acquired Alkilan Oy through a directed share issue at the beginning of April. In this deal the seller of Alkilan Oy's shares was offered 27,630 Liinos' shares. Alkilan Oy is a software house that possesses know-how in property management. Alkilan Oy's business activities were transferred to Liinos effective as of April 1, 2000 and the company will be liquidated in the course of 2001.

Other

Liinos still owns 50% of the share capital of Webline NWF Oy. Webline NWF Oy is not consolidated to the Group.

Changes in share capital

According to the Articles of Association the minimum share capital of the company is 1,723,260 euro and the maximum share capital 6,893,040 euro. Within these limits the share capital may be increased or reduced without amending the Articles of Association. The share capital registered and fully paid at the end of 2000 was 2,498,416.62 euro and the total number of shares 11,897,222.

At the Extraordinary General Meeting held on May 5, 1999, the shareholders authorised the Board of Directors to increase the share capital, waiving their pre-emption rights. During 2000, this authorisation was used twice to increase the share capital due to acquisitions. In directed share issues the share price was based on the commercial value and net asset value shown on the balance sheet.

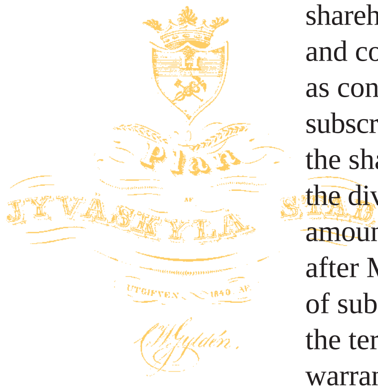
To finance the acquisition of Delectia the Board resolved under its authorisation on March 8, 2000 to increase the share capital by 64,812 euro, by offering 308,632 new shares of Liinos Plc to the shareholders of Delectia.

On April 11, 2000 the Board resolved to increase the share capital by 5,802.30 euro under the same authorisation to finance the acquisition of Alkilan Oy, and to offer 27,630 new shares of Liinos Plc for subscription to the shareholders of Alkilan Oy.

Issue of warrants

By the resolution made at the Annual General Meeting held on March 8, 2000, the issue of warrants was accepted. The maximum increase in share capital to be made pursuant to this resolution is 155,400 euro, which means 740,000 new shares to be subscribed with the warrants. There are four classes of warrants, the subscription period of those marked by ”A” commencing on March 1, 2001, of those marked by ”B” on March 1, 2002, of those marked by ”C” on March 1, 2003 and of those marked by ”D” on March 1, 2004. The warrants are exercisable until March 1, 2006.

At the Extraordinary General Meeting held on November 28, 2000 the



shareholders resolved to revise the terms and conditions of the issue of warrants as concerns the subscription price. The subscription price is now two euro. From the share subscription price shall as per the dividend record date be deducted the amount of the cash dividend distributed after March 1, 2000 but before the date of subscription for shares. According to the terms and conditions of the issue of warrants, the Board is entitled to resolve the distribution of warrants.

The Board exercised its right to distribute warrants on June 5, 2000, when the warrants were distributed to Kiint. Oy Jyväskylän Yrityspuisto Ykkönen, a fully owned subsidiary of Liinos, on formal grounds.

At the meeting held on December 11, 2000, the Board distributed warrants to the Group's employees for the first time. The amount of shares to be subscribed on the basis of this distribution totals 45,450.

The number of personnel increased

During the period under review the Group employed 177 persons (104) on average, an increase of 70% on the corresponding period the previous year. The number of personnel on December 31, 2000 was 159 (150), up 6% from the same date the previous year. The increase in the number of personnel was held back by operational adjustments made in conjunction with the acquisitions made in 1999 and 2000. In 2000 personnel was recruited especially for product development and customer services. Otherwise, the organisation was strengthened by recruiting experienced professionals for different positions.

Human resources development are geared to build on the company's core competence and to prepare for future business growth and internationalisation.

Board of Directors, Managing Director and Auditors

Juha Nikkanen acted as the Chairman of the Board of Directors in 2000. Until the Annual General Meeting held on March 8, 2000 the other members of the Board were Harri Hellsten, Matti Häll, Timo Häll, Tarmo Lindén, Risto Pitkänen and Tapio Sarpola. The Annual General Meeting held on March 8, 2000 appointed the following members to the Board: Matti Häll, Managing Director, Juha Nikkanen, Director of Research and Development, and Tapio Sarpola, Director of Industry, all from Liinos, and from outside the company Jukka Rinnevaara, Managing Director of ABB Installaatiot Oy, and Professor Eero Peltola, Software Business Consultant. Tapio Sarpola resigned from Liinos as well as from his membership on the Board in the spring. Matti Häll has been the Managing Director of Liinos since it was founded. The company's auditor was Tilintarkastajien Oy – Ernst & Young, with Johnny Forsström, authorised public accountant, acting as the chief accountant.

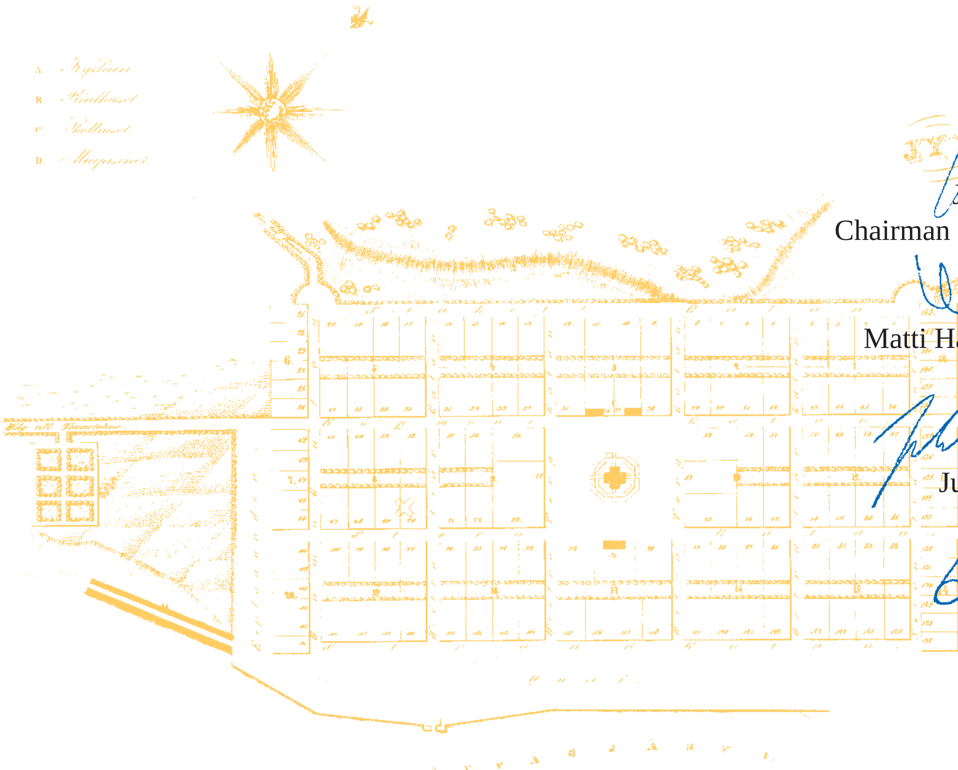
Events after the end of the financial year

Since the end of the financial year no significant events are to be reported.

Prospects for the near future are bright

We believe that the Finnish economy will develop favourably and contribute to increased demand. The demand for new products in early 2001 is in line with expectations, but this does not yet have impact on the net sales of the first quarter. In 2001 net sales are expected to grow organically by 25–30%, and the operating profit to account for 5–10% of net sales while some 2 million euro will be invested in the ASP business concept and international operations. However, the weakening of general economic conditions in the USA and its rapid widening out to Finland, are kept as a threat.

We continue to invest in preparing for and launching international operations. The basic languages of the Liinos6 product family are English and Finnish, but it is possible to add even other languages which may need to be used. The first deliveries, in which the English language will be used in foreign branch offices of Finnish companies, are expected to take place within the coming months. Readiness already exists for deliveries in the Swedish language. The inclusion of other languages will depend on the selection of distribution channels. Negotiations with potential co-operation partners are going on, and the first agreements are expected to be signed within the first half of the year.



The Board's proposal to the Annual General Meeting

Distributable earnings of the Group are 3,333,400.23 euro. Distributable earnings of the Group are 3,504,578.35 euro, after the amount due to untaxed reserves and the difference between actual and planned depreciation deferred to shareholders' equity as well as other undistributable items has been deducted from the non-restricted equity of the Group.

The Board of Directors will propose to the Annual General Meeting on March 8, 2001 that a dividend of 832,805.54 euro, i.e. 0.07 euro per share, will be paid. The record date of the dividend distribution is March, 13, 2001, and the date of payment March, 20, 2001.

The Board of Directors will propose to the Annual General Meeting that the loss for the financial year of Liinos Plc amounting to 207,515.43 euro be covered by the profit brought from the previous financial years.

In Tampere, January 30, 2001

Liinos Plc
The Board of Directors

Juha Nikkanen,
Chairman of the Board of Directors

Matti Häll, Managing Director

Jukka Rinnevaara

Eero Peltola

INCOME STATEMENT 1.1.–31.12.

EUR (1 EUR = 5,94573 FIM)

	GROUP			PARENT COMPANY		
	2000	1999	Change %	2000	1999	Change %
Net sales	11 031 008	11 245 611	-2	9 626 773	11 245 034	-14
Decrease in stocks		-20 764	-100		-20 764	-100
Other operating income	202 374	34 936	479	202 806	34 935	481
	11 233 382	11 259 783	0	9 829 578	11 259 205	-13
Materials and services:						
Raw materials and consumables						
Purchases during the period	253 388	699 898	-64	191 488	699 898	-73
External services	114 157			100 169		
Total materials and services	367 545	699 898	-48	291 657	699 898	-58
Staff costs						
Wages and salaries	5 030 260	2 445 652	106	4 394 279	2 445 652	80
Social security costs						
Pension costs	953 954	481 290	98	824 720	481 290	71
Other social security costs	403 250	180 155	124	342 003	180 155	90
	6 387 464	3 107 097	106	5 561 002	3 107 097	79
Depreciation, amortisation and write-downs						
Depreciation and amortisation according to plan	1 180 292	332 418	255	1 039 967	214 455	385
Othe operating expenses	3 245 336	2 123 764	53	3 280 219	2 124 661	54
	4 425 628	2 456 182	80	4 320 186	2 339 116	85
* Operating profit	52 746	4 996 606	-99	-343 267	5 113 094	-107
Financial income and expenses						
Income from group undertakings					29 861	-100
Income from other investments	156 464	106 667	47	153 662	77 764	98
Interest and other financial expenses	6 982	1 819	284	6 917	1 708	305
	149 482	104 848	43	146 745	105 917	39
* Profit/loss before extraordinary items, provisions and taxes	202 228	5 101 454		-196 522	5 219 011	-104
Extraordinary items						
Extraordinary income	2 271	483 351	-100	2 271	483 351	-100
Extraordinary expenses	11 791	854 888	-99	36 844	854 888	-96
	-9 520	-371 537	-97	-34 573	-371 537	-91
* Profit/loss before appropriations and taxes	192 708	4 729 917	-96	-231 095	4 847 474	-105
Appropriations						
Depreciation in exess of/less than plan				52 093	-809 179	-106
Income taxes	103 393	1 361 321	-92	28 513	1 134 751	-97
Minority interest						
** Profit/loss for the financial year	89 315	3 368 596	-97	-207 515	2 903 544	-107

BALANCE SHEET 31.12.

EUR (1 EUR = 5,94573 FIM)

	GROUP		PARENT COMPANY	
	2000	1999	2000	1999
Assets				
Non-current assets				
Intangible assets				
Intangible rights	296 708	484 361	285 957	462 860
Goodwill	2 667 963	3 259 270	2 600 688	3 259 270
	2 964 671	3 743 631	2 886 645	3 722 130
Tangible assets				
Land and water areas	101 039	99 005		
Membership fees	22 991	22 991		
Buildings and constructions	1 594 151	1 663 285		
Machinery and equipment	537 074	429 945	509 204	392 784
Other tangible assets	3 061		3 061	
	2 258 316	2 215 226	512 265	392 784
Investments				
Shares in group undertakings			3 096 956	3 343 934
Participating interests	281 191	281 191	281 191	281 191
Other shares and holdings	9 984	10 134	9 984	10 134
	291 175	291 325	3 388 132	3 635 259
Current assets				
Inventories				
Raw materials and consumables				
Short-term receivables				
Accounts receivable	1 778 335	2 796 156	1 778 335	2 796 156
Accouts receivable from group undertakings				970
Loan receivables		2 308		2 308
Loan receivables from group undertakings				102 595
Other receivables	36 069	89 147	36 069	72 144
Prepayments and accrued income	165 386	393 285	165 386	393 285
	1 979 790	3 280 896	1 979 790	3 367 457
Cash at bank and in hand	5 347 755	3 181 398	5 346 393	3 179 031
** TOTAL ASSETS	12 841 707	12 712 476	14 113 224	14 296 660

BALANCE SHEET 31.12.

EUR (1 EUR = 5,94573 FIM)

	GROUP 2000	GROUP 1999	PARENT COMPANY 2000	PARENT COMPANY 1999
Liabilities and shareholders' equity				
Shareholders' equity				
Share and other equivalent capital	2 498 417	2 427 802	2 498 417	2 427 802
Other shareholders' equity				
Share premium account	3 307 927	2 213 415	3 307 927	2 213 415
Profit/loss for the previous years	4 023 004	1 432 174	3 540 915	1 415 137
Profit/loss for the financial year	89 315	3 368 595	-207 515	2 903 544
	9 918 663	9 441 986	9 139 744	8 959 898
Accumulated appropriations				
Accumulated depreciation in excess of/less than plan			843 361	866 978
Liabilities				
Long-term				
Loans from financial institutions		19 971		19 971
Other long-term liabilities	156 078	346 972	156 078	346 972
	156 078	366 943	156 078	366 943
Short-term				
Advances received	996 789	863 807	996 789	863 807
Account payable	105 105	193 234	105 038	191 794
Amounts owed to group undertakings			1 491 566	1 444 315
Amounts owed to participating interests			10 328	44 219
Other short-term liabilities	501 200	656 113	474 324	611 894
Accruals and deferred income	1 163 872	1 190 392	895 996	946 812
	2 766 966	2 903 547	3 974 041	4 102 841
** TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	12 841 707	12 712 476	14 113 224	14 296 660

CASH FLOW STATEMENT

EUR (1 EUR = 5,94573 FIM)

GROUP CASH FLOW STATEMENT

	2000	1999	
Operating activities			
Operating profit	52 746	4 996 606	
Adjustment to operating profit	1 172 175	332 418	(depreciation and amortisation – income from sales of fixed assets)
Change in net working capital	1 164 525	-1 745 319	
Interest received	156 464	106 667	(interest income)
Interest paid	-6 981	-1 819	(interest expenses – guarantee commissions)
Extraordinary items	-9 520	-371 537	(extraordinary income – extraordinary expenses)
Other financial expenses			
Taxes paid	-103 393	-866 617	
Net cash flow from operating activities	**2 426 017**	**2 450 399**	
Investing activities			
Capital expenditure	-444 422	-3 303 410	
Investments	150	-313 426	
Proceeds from sales of non-current assets	8 117		
Total cash flow from investing activities	**-436 155**	**-3 616 836**	
Cash flow before financing activities	**1 989 861**	**-1 166 437**	
Financing activities			
Increase (-)/decrease (+) in long-term receivables			
Increase (+)/decrease (-) in long-term liabilities	-210 865	366 943	
Increase (+)/decrease (-) in short-term borrowings			
Group reserve			
Dividends paid	-777 766	-399 110	
Scrip issue		-1 378 222	
Directed issue, change of shares	1 165 127	2 917 956	
Total financing activities	**176 496**	**1 507 567**	
Cash flow after financing activities	**2 166 357**	**341 130**	
Change in cash and cash equivalents			
Cash and cash equivalents 1.1.2000	3 181 398	2 840 268	
Cash and cash equivalents 31.12.2000	5 347 755	3 181 398	
Change	**2 166 357**	**341 130**	
Difference	**0**	**0**	
Change in working capital			
Inventories, decrease (+), increase (-)		20 764	
Short-term trade receivables, increase (-), decrease (+)	1 301 106	-2 254 223	
Non interest-bearing short-term liabilities, increase (+), decrease (-)	-136 581	488 140	
	1 164 525	-1 745 319	

NOTES TO FINANCIAL STATEMENTS

Contents of the Group financial statements

In the Group financial statements are consolidated all the subsidiaries. The associated company Webline NWF Oy is not consolidated, because it does not have any essential impact in the shareholders' equity of the Group.

More detailed information about the companies belonging to the Group is given in the notes in item investments.

Accounting principles of the Group financial statements

Inter-group ownership

The Group financial statements are prepared under the historical cost convention. The difference between the acquisition cost and the equity-based values of the subsidiaries is charged partly to fixed assets and partly to group goodwill. The sums entered into land on 31.12.2000 amounted to 25,361 euro and into buildings 456,787 euro. Depreciation on buildings and constructions are made according to plan, and the group goodwill is written off in five years.

Accumulated appropriations

In the Group financial statements the difference between actual and planned depreciation and untaxed reserves have been stated in the shareholders' equity as separate item and deferred tax liability. The sum of the difference between actual and planned depreciation and untaxed reserves that has influence in the earnings has been explained in the notes.

Inter-group transactions and gross margins

Inter-group transactions, inter-group receivables and liabilities as well as inter-group dividends paid are eliminated.

Valuation principles

Fixed assets are recorded in the balance sheet net of their annual depreciation. The Group has used the maximum allowable depreciation in its depreciation schedule. These have been recorded on depreciation declining balance and straight-line depreciation basis over the expected useful lives of the assets.

As to Delectia depreciation declining balance included is for 6 months.

Research and development costs are expensed in the financial year during which they are incurred.

Marketable securities are valued at lower of cost or market.

Notes to Income Statement, euro

1. Net sales by customer sector

	Group		Parent company	
	2000	**1999**	**2000**	**1999**
Industry	5 076 374	3 431 832	3 672 138	3 431 832
Contracting	2 249 733	2 688 911	2 249 733	2 688 911
Energy and Network Construction	468 994	638 119	468 994	638 119
Wholesale and Specialised Trade	1 690 391	768 103	1 690 391	768 103
Property Management	1 374 395	2 275 993	1 374 395	2 275 993
Other customer sectors	7 400	312 318	7 400	312 318
Other sales	163 722	1 129 757	163 722	1 129 757
Property-related income		578		
Total	11 031 009	11 245 612	9 626 773	11 245 034

2. Net sales by market area

Finland	10 794 592	11 053 460	9 390 356	11 052 882
Others	236 417	192 151	236 417	192 151
Total	11 031 009	11 245 612	9 626 773	11 245 034

3. Other operating income

Earnings from sales of fixed assets	8 117	34 936	8 549	34 936
Other income, TEKES	194 257		194 257	
Total	202 374	34 936	202 806	34 936

4. Materials and services

Raw materials and consumables	253 388	699 898	191 488	699 898
External services	114 157		100 169	
Total materials and services	367 545	699 898	291 657	699 898

5. Staff costs and number of personnel on average

Wages and salaries	5 030 260	2 445 652	4 394 279	2 445 652
Pension costs	953 954	481 289	824 720	481 289
Other social security costs	403 250	180 155	342 003	180 155
Total	6 387 464	3 107 097	5 561 002	3 107 097

Wages and salaries paid to The Board of Directors and Managing Director	100 327	136 068	100 327	136 068
Other personnel	4 996 698	2 293 871	4 360 717	587 283
Total	5 097 025	2 429 939	4 461 044	723 352

Number of personnel on average

The Board of Directors and Managing Director	4	6	4	6
Research and development	61	47	51	47
Sales and marketing	28	17	26	17
Installation, training and customer services	67	26	65	26
Administration	14	8	10	8
International sales	3		3	
Total	177	104	159	104

	Group 2000	Group 1999	Parent company 2000	Parent company 1999
6. Depreciation, amortisation and write-downs				
Depreciation on tangible assets	263 860	158 359	130 197	58 010
Amortisation on intangible assets	920 521	167 196	909 770	156 446
Amortisation on group goodwill	13 455	25 053		
Write-down on group reserve	-17 544	-18 190		
	1 180 292	332 418	1 039 967	214 455
7. Financial income and expences				
Dividend income	242		242	29 560
From other companies		301		301
Total dividend income	242	301	242	29 861
Interest income from long-term investments				
From group undertakings				970
From others	156 222	106 366	153 420	76 794
Total interest and other financial income	156 222	106 366	153 420	77 764
Interest and other financial expenses				
From group undertakings				
From others	6 982	1 819	6 917	1 708
Total interest and other financial expenses	6 982	1 819	6 917	1 708
Total financial income and expenses	149 482	104 848	146 745	105 917
8. Extraordinary items				
Extraordinary income:				
Tax credits from dividend of Tuonti-Valinta		11 496		11 496
Profit from sales of business operations		445 698		445 698
Others	2 272	26 158	2 272	26 158
	2 272	483 351	2 272	483 351
Extraordinary expenses:				
Loss on mergers	-2 696	-99 002	-27 749	-99 002
Bestowed contributions	-5 046		-5 046	
Stock market listing expenses		-269 735		-269 735
Acquisition and reorganisation costs		-482 811		-482 811
Others	-4 050	-3 340	-4 050	-3 340
	-11 791	-854 888	-36 844	-854 888
Total extraordinary items	-9 520	-371 537	-34 573	-371 537

In 1999 the loss on merger generated from merging of Tieto-Valinta Oy, Tuonti-Valinta Oy and Vibrato Oy. In 2000 the loss on merger generated from merging of Tietovalli Oy and Tukivalli Oy.

	Group 2000	Group 1999	Parent company 2000	Parent company 1999
9. Direct taxes				
Income taxes on ordinary activities in 2000	89 986	1 134 751	28 513	1 134 751
Final taxes on ordinary activities in 1999	28 513			
Change in deferred tax liabilities	-15 107	226 570		
	103 393	1 361 321	28 513	1 134 751

Notes to Balance Sheet, euro

1. Fixed assets

Intangible assets

ADP-programs

	2000	1999	2000	1999
Acquisition cost 1.1.	420 780	20 022	388 528	20 022
Increases	69 203	400 758	69 203	368 506
Decreases				
Acquisition cost 31.12.	489 983	420 780	457 731	388 528
Accumulated depreciation 1.1.	-81 504	-7 731	-70 754	-7 731
2 - 5 years' straight-line depreciation for the financial year	-165 223	-73 774	-154 473	-63 023
Accumulated depreciation 31.12.	-246 728	-81 504	-225 227	-70 754
Book value 31.12.	243 255	339 275	232 505	317 774

Other long-term expenses

	2000	1999	2000	1999
Acquisition cost 1.1.	183 266		183 266	
Increases		183 266		183 266
Decreases				
Acquisition cost 31.12.	183 266	183 266	183 266	183 266
Accumulated depreciation 1.1.	-38 181		-38 181	
2 years' straight-line depreciation for the financial year	-91 633	-38 181	-91 633	-38 181
Accumulated depreciation 31.12.	-129 814	-38 181	-129 814	-38 181
Book value 31.12.	53 453	145 086	53 453	145 086

Loss on dissolution of Compupro and Alkilan

	2000	1999	2000	1999
Acquisition cost 1.1.	3 314 512		3 314 512	
Increases	5 082	3 314 512	5 082	3 314 512
Decreases				
Acquisition cost 31.12.	3 319 594	3 314 512	3 319 594	3 314 512
Accumulated depreciation 1.1.	-55 242		-55 242	
Depreciation for the financial year	-663 665	-55 242	-663 665	-55 242
Accumulated depreciation 31.12.	-718 907	-55 242	-718 907	-55 242
Group goodwill of Delectia	67 275			
Book value 31.12.	2 667 963	3 259 270	2 600 688	3 259 270

Loss on dissolution of Compupro Oy will be written off within 5 years.

Group goodwill of Delectia

	Group 2000	Group 1999	Parent company 2000	Parent company 1999
Acquisition cost 1.1.				
Increases	80 730			
Decreases				
Acquisition cost 31.12.	80 730			
Accumulated depreciation 1.1.				
Depreciation for the financial year	-13 455			
Accumulated depreciation 31.12.	-13 455			
Book value 31.12.	67 275			

Land and water areas

	Group 2000	Group 1999	Parent company 2000	Parent company 1999
Land and water areas 1.1.	126 399	126 399		
Increases				
Group reserve	-25 361	-27 395		
Decreases				
Acquisition cost 31.12.	101 038	99 005		
Book value 31.12.	101 038	99 005		

Membership fees

	Group 2000	Group 1999	Parent company 2000	Parent company 1999
Membership fees 1.1.	22 991	22 991		
Increases				
Decreases				
Acquisition cost 31.12.	22 991	22 991		
Book value 31.12.	22 991	22 991		

Buildings

	Group 2000	Group 1999	Parent company 2000	Parent company 1999
Acquisition cost 1.1.	2 274 692	2 225 612		
Increases		49 080		
Decreases				
Group reserve	-456 787	-454 754		
Acquisition cost 31.12.	1 817 904	1 819 938		
Accumulated depreciation 1.1.	-176 451	-89 024		
Depreciation for the financial year	-83 930	-87 427		
Accumulated depreciation 31.12.	-260 381	-176 451		
Accumulated entries of reserve revenue	18 190			
Entry of reserve revenue for the financial year	17 544	18 190		
Book value 31.12.	1 593 258	1 661 677		

4 % depreciation reducing balance for the financial year.

Population shelters

	Group 2000	Group 1999	Parent company 2000	Parent company 1999
Acquisition cost 1.1.	2 859	2 859		
Increases				
Decreases				
Acquisition cost 31.12.	2 859	2 859		
Accumulated depreciation 1.1.	-1 251	-715		
Depreciation for the financial year	-715	-536		
Accumulated depreciation 31.12.	-1 966	-1 251		
Book value 31.12.	893	1 608		

25 % straight-line depreciation for the financial year.

	Group 2000	Group 1999	Parent company 2000	Parent company 1999
Machinery and equipment				
Acquisition cost 1.1.	898 140	603 039	829 066	537 952
Increases	306 652	474 128	271 289	470 142
Decreases	-24 673	-179 028	-24 673	-179 028
Acquisition cost 31.12.	1 180 120	898 140	1 075 682	829 066
Accumulated depreciation 1.1.	-471 557	-397 737	-436 282	-378 210
Depreciation for the financial year	-171 488	-70 458	-130 197	-58 071
Accumulated depreciation 31.12.	-643 045	-468 195	-566 479	-436 282
Book value 31.12.	537 074	429 945	509 204	392 784

25 % depreciation reducing balance for the financial year.

Other tangible assets:

	Group 2000	Group 1999	Parent company 2000	Parent company 1999
Work of art:				
Paintings of Krokforss	1 699		1 699	
Paintings of A. Vilkuna	1 362		1 362	
	3 061		3 061	

2. Investments

Shares and holdings

	Group 2000	Group 1999	Parent company 2000	Parent company 1999
Acquisition cost 1.1.	3 635 259	1 993 822	3 635 259	1 993 822
Increases	1 226 510	1 758 506	1 226 510	1 758 506
Decreases/eliminations	-4 570 594	-3 461 003	-1 473 638	-117 069
Acquisition cost 31.12.	291 175	291 325	3 388 132	3 635 259

Group undertakings:	**Owner-ship**	**pcs**	**Nominal value**	**Book value**
Shares in subsidiaries owned by the parent company 31.12.2000				
Delectia Oy Tietojärjestelmät	100 %	5 995	16.81	1 222 390
Kiint. Oy Jyväskylän Yrityspuisto Ykkönen	100 %	24 010	3.53	1 874 566
				3 096 956

The merger of Tietovalli Oy and Tukivalli Oy was registered on December 29, 2000.

Associated companies:	Ownership	pcs	Nominal value	Book value
Owned by parent company				
Webline NWF Oy	50 %	100	168.19	281 191
Other shares and holdings:				
Shares and holdings of the parent company 31.12.2000				
Network investment		1	84.09	84
Kurk Golf Oy's share no. 1000076		1	4 036.51	4 037
Jyväskylän Teknologiakeskus Oy		1	1 681.88	1 682
KH-Tietopalvelut Oy		1	170.88	171
OS/2 Systems		1	25.23	25
HPY securities		750	4.64	3 481
Telephone shares:				
Tampereen Puhelinosuuskunta		250	1.68	505
				9 985
Total shares and holdings of the parent company 31.12.				**3 388 132**

	Group 2000	Group 1999	Parent company 2000	Parent company 1999
3. Financial assets				
Short-term receivables				
Accounts receivable	1 778 335	2 796 156	1 778 335	2 796 156
Amounts owed by group undertakings				
Accounts receivable				970
Short-term loan receivables				102 595
				103 564
Amounts owed by participating interests				
Other receivables				
Prepayments and accrued income				
Loan receivables		2 308		2 308
Prepayments and accrued income	165 386	393 285	165 386	393 285
Other receivables	36 069	89 147	36 069	72 144
	201 454	484 740	201 454	467 737
Total short-term receivables	1 979 790	3 280 896	1 979 790	3 367 457

Substantial items included in prepayments and accrued income:

Amount of business operation sales owed by Webline NWF Oy			80 898	
Interest receivable on time deposits			31 057	
Allocated receivables			53 430	
			165 386	

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	Group		Parent company	
	2000	1999	2000	1999
4. Shareholders' equity				
Share capital	2 498 417	2 427 802	2 498 417	2 427 802
Share premium account	3 307 927	2 213 415	3 307 927	2 213 415
	5 806 343	4 641 216	5 806 343	4 641 216
Profit from previous financial years 1.1.	4 800 770	3 512 654	4 318 681	3 089 959
Increases				
Entry of group reserve	17 544	-482 148		
Earnings from accumulated differences between actual and planned depreciation	-36 986	76 490		
Amortisation on group goodwill	-13 455			
Difference in merger costs, Valli companies	25 053			
Dividend distribution	-777 766	-399 110	-777 766	-399 110
Scrip issue, registered 28.04.1999		-1 275 712		-1 275 712
Profit for the financial year	89 315	3 368 596	-207 515	2 903 544
	4 112 319	4 800 770	3 333 400	4 318 681
Total shareholders' equity	9 918 663	9 441 986	9 139 744	8 959 898

5. Difference between actual and planned depreciation and change in untaxed reserves divided into shareholders' equity and deferred tax liabilities

Amount due to difference between actual and planned depreciation charged to profit for the financial year	-36 986	582 609
Amount due to difference between actual and planned depreciation charged to shareholders' equity 1.1.	624 224	34 130
Delectia/Compupro	20 502	7 486
Amount due to difference between actual and planned depreciation charged to shareholders' equity 31.12.	607 741	624 224
Deferred tax liabilities	235 620	242 754
Accumulated difference between actual and planned depreciation from the balance sheet	843 361	866 978

Statement of distributable funds 31.12.

Profit from previous financial years	4 023 004	1 432 174	3 540 916	1 415 137
Profit for the financial year	89 315	3 368 596	-207 515	2 903 544
Amount due to accumulated difference between actual and planned depreciation charged to shareholders' equity	-607 741	-624 224		
	3 504 578	4 176 545	3 333 400	4 318 681

The share capital of the parent company includes 11,897,222 shares (1 vote/share). The book value of the share is 0.21 euro.

Accumulated appropriations

The accumulated appropriations of the parent company consist of accumulated difference between actual and planned depreciation.

5. Vieras pääoma

	Group 2000	Group 1999	Parent company 2000	Parent company 1999

6. Liabilities

	Group 2000	Group 1999	Parent company 2000	Parent company 1999
Long-term liabilities:				
Pension loans		19 971		19 971
Other long-term liabilities	156 078	346 972	156 078	346 972
	156 078	366 943	156 078	366 943
Short-term:				
Amounts owed outside the company:				
Advances received	996 789	863 807	996 789	863 807
Accounts payable	105 105	193 234	105 038	191 794
Other short-term liabilities	501 200	656 113	1 976 218	2 100 428
Accruals and deferred income	1 163 872	1 190 392	895 996	946 812
	2 766 966	2 903 547	3 974 041	4 102 841

Invoiced maintenance fees are allocated over a period of time. A sum for the coming year is charged to liabilities. Allocation for 2001, amounting to 993,417.21 euro is charged to advances received.

	Group 2000	Group 1999	Parent company 2000	Parent company 1999
Amounts owed to group undertakings:				
Other liabilities			1 491 566	1 444 314
			1 491 566	1 444 314

7. Substantial items included in accruals and deferred income

The accruals and deferred income of the Group 31.12. includes the holiday bonuses with social security costs amounting to 723,383.53 euro as well as deferred tax liabilities.

	Group 2000	Group 1999	Parent company 2000	Parent company 1999
Deferred tax liabilities:				
From appropriations	235 620	242 754		
From allocation differences	40 138	340 011		
	275 758	582 765		

8. Contingent liabilities

	Group 2000	Group 1999	Parent company 2000	Parent company 1999
Securities				
Pledged deposits	26 600	54 960	26 600	54 960
Leasing liabilities VAT 0 %	302 411	418 731	302 411	418 731

The sum to be paid in 2001 for leasing liabilities amounts to 203,744.11 euro.

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INFORMATION ON KEY FIGURES

1. Changes in share capital 1988 - 2000

Type of issue	Date	Number of shares before change	Change	Number of shares after change	Change in share capital	New share capital
Foundation of the company	24.8.1988	0	+150	150	2 523	2 523
Right issue	9.8.1989	150	+14 270	14 420	240 004	242 527
Right issue Change in nominal value	22.11.1989	14 420	+190 730	205 150	102 511	345 038
Scrip issue	28.4.1999	205 150	+8 000 850	8 206 000	1 378 222	1 723 260
Directed issue, change of shares (Acquisition of Tietovalli companies)	8.9.1999	8 206 000	+3 191 222	11 397 222	670 157	2 393 417
Directed issue, change of shares (Acquisition of Compupro Oy)	9.12.1999	11 397 222	+163 738	11 560 960	34 385	2 427 802
Directed issue, change of shares (Acquisition of Delectia Oy)	16.3.2000	11 560 960	+308 632	11 869 592	64 812	2 492 614
Directed issue, change of shares (Acquisition of Alkilan Oy)	26.4.2000	11 869 592	+27 630	11 897 222	5 802	2 498 416

2. Key figures and economic indicators

2. Key figures and economic indicators	1996	1997	1998	1999	2000
Net sales, euro	2 601 623	3 726 387	7 231 238	11 245 612	11 031 009
Operating profit (loss), euro	354 131	1 087 230	3 187 567	4 996 606	52 746
Operating profit (loss), % of net sales	13,6	29,2	44,1	44,4	0,5
Profit before extraordinary items, provisions and taxes	330 235	1 083 032	3 226 165	5 101 454	202 228
Profit before extraordinary items, provisions and taxes, % of net sales	12,7	29,1	44,6	45,4	1,8
Profit before provisions and taxes, euro	172 268	1 109 608	3 238 374	4 729 917	192 708
Profit before provisions and taxes, % of net sales	6,6	29,8	44,8	42,1	1,7
Return on equity, % (ROE)	18,6	78,2	86,1	54,2	1,0
Return on investment, % (ROI)	35,5	90,4	119,9	74,1	2,1
Interest-bearing net liabilities, euro	160 814	-553 609	-2 840 269	-2 814 455	-5 191 676
Net gearing ratio, %	24,0	-39,4	-71,7	-29,8	-52,3
Equity ratio, %	43,4	66,8	69,8	79,7	83,7
Gross investments in fixed assets, euro	311 641	155 549	199 968	928 133	429 366
Gross investments in fixed assets, % of net sales	12,0	4,2	2,8	8,3	3,9
Research and development expenses, euro	447 644	473 336	661 245	1 727 656	2 376 109
Research and development expenses, % of net sales	17,2	12,7	9,1	15,4	21,5
Personnel on average	50	54	59	104	177

3. Key figures per share

3. Key figures per share	1996	1997	1998	1999	2000
Earnings/share, euro	0.01626	0.09889	0.28131	0.34907	0.00812
Shareholders' equity/share, euro	0.08159	0.17120	0.48260	0.81671	0.83370
Dividend/share, euro	0.01261	0.01934	0.04864	0.06728	0.07 *)
Dividend/earnings, %	77,6	19,6	17,3	19,2	861,6
Effective dividend yield, %				0,49	3,89
Price/earnings ratio (P/E)				39,5	221,7
Share price development					
- Low in financial year, euro				8.15	1.75
- High in financial year, euro				15.20	32.00
- At the date of financial statement, euro				13.80	1.80
- Average in financial year, euro				10.36	10.60
Market capitalisation, million euro				159.54	21.42
Share turnover, pcs				1 958 837	11 728 215
Share turnover, % of total number of shares				16,9	98,6
Average adjusted number of shares in period	8 206 000	8 206 000	8 206 000	10 398 086	11 825 145
Adjusted number of shares at the end of period	8 206 000	8 206 000	8 206 000	11 560 960	11 897 222

*) The Board of Directors' proposal.

4. Shareholders by sector January 9, 2001

	Number of shares	%
Private enterprises	489 500	4,11
Public enterprises		
Financial and insurance institutions	831 816	6,99
Public sector entities	886 000	7,45
Non-profit organisations	4 400	0,04
Households	7 990 396	67,16
Foreign	1 695 110	14,25
Total	11 897 222	100,00

5. Shareholders by ownership January 9, 2001

Number of shares owned	Number of shareholders	% of share-holders	Number of shares	% of total number of shares
1 - 1 000	3 786	88,03	999 940	8,40
1 001 - 10 000	402	9,35	1 148 428	9,65
10 001 - 100 000	95	2,21	2 727 683	22,93
100 001 -	18	0,42	7 021 171	59,02
Total	4 301	100,00	11 897 222	100,00
Interim list			0	0,00
Total	4 301	100,00	11 897 222	100,00

6. Largest shareholders January 9, 2001

Shareholder	Number of shares	%
Häll Matti	1 560 409	13,12
Sarpola Tapio	677 016	5,69
Nikkanen Juha	582 063	4,89
Royal Skandia Life Assurance Ltd *)	553 941	4,66
Häll Timo	495 291	4,16
Pitkänen Risto	443 104	3,72
Leonia Small Cap Fund	415 900	3,50
Häll Maire	382 948	3,22
LEL Employment Pension Fund	328 750	2,76
Royal Skandia Life Assurance Ltd *)	298 393	2,51
Varma-Sampo Mutual Pension Insurance Company	277 050	2,33
Others	5 882 357	49,44
Total	**11 897 222**	**100,00**
Shareholders	4 301	
*) Total ownership	1 589 952	13,36
Shares registered in the name of a nominee and foreign	1 784 026	15,00

The Board of Directors and the Managing Director own 2,142,472 shares (18.01%) of the total number of the company's shares.

Key figures are calculated according to the guidelines of the Finnish Accounting Standards Board:

Return on Equity (ROE) %

Profit/loss before extraordinary items, provisions and taxes - Taxes +/- Tax impact of extraordinary items x 100
Shareholders' equity + Minority interest + Untaxed reserves and difference between actual and planned depreciation less deferred tax liabilities (average over the year)

Return on Investment (ROI) %

Profit/loss before extraordinary items, provisions and taxes + Interest and other financial costs x 100
Total balance sheet - Non interest-bearing liabilities (average)

Equity ratio %

Shareholders' equity + Minority interest +
Untaxed reserves and difference between actual and planned depreciation less deferred tax liabilities x 100
Total balance sheet - Advances received

Earnings/share, euro

Profit before extraordinary items, provisions and taxes - Taxes +/- Tax impact of extraordinary items +/- Minority interest
Adjusted number of shares on average during the year

Shareholders' equity/share, euro

Shareholders' equity + Untaxed reserves and difference between actual and planned depreciation less deferred tax liabilities and minority interest
Adjusted number of shares at the date of financial statements

Dividend/share:

The adjusted dividend per share is calculated by dividing the dividend per share for the financial year with the share issue adjustment ratios (share issue occurred after the financial year end).

Dividend/earnings:

Dividend per share x 100
Earnings per share

Calculation of other key figures:

Interest-bearing net liabilities:

Interest-bearing liabilities - Cash at bank and in hand and other marketable securities

Net Gearing ratio, %

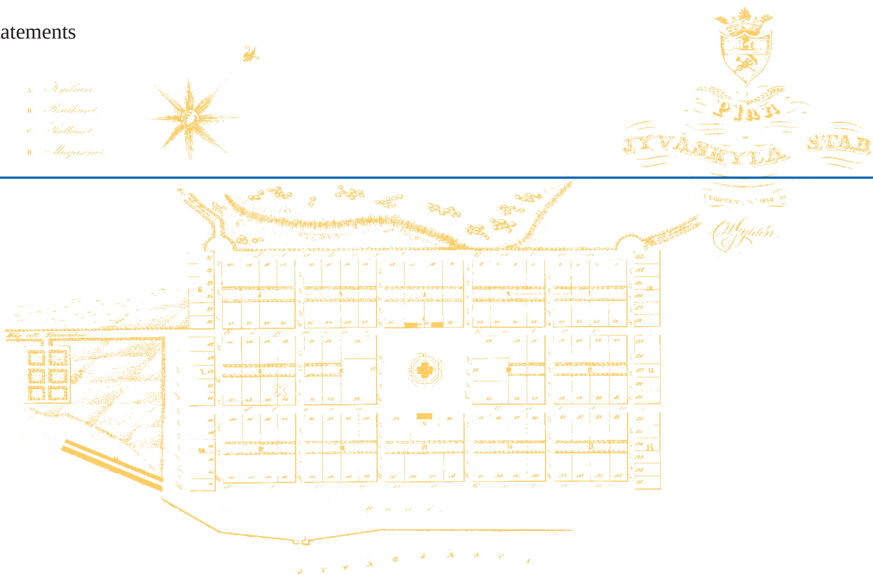
Interest-bearing liabilities - Cash at bank and in hand and other marketable securities x 100
Shareholders' equity + Minority interest + Untaxed reserves and accumulated difference between actual and planned depreciation less deferred tax liabilities

Effective dividend yield:

Adjusted dividend/share x 100
Adjusted share price at the date of financial statements

P/E ratio:

Adjusted share price 29.12.
Earnings/share



AUDITORS' REPORT

To the shareholders of Liinos Plc

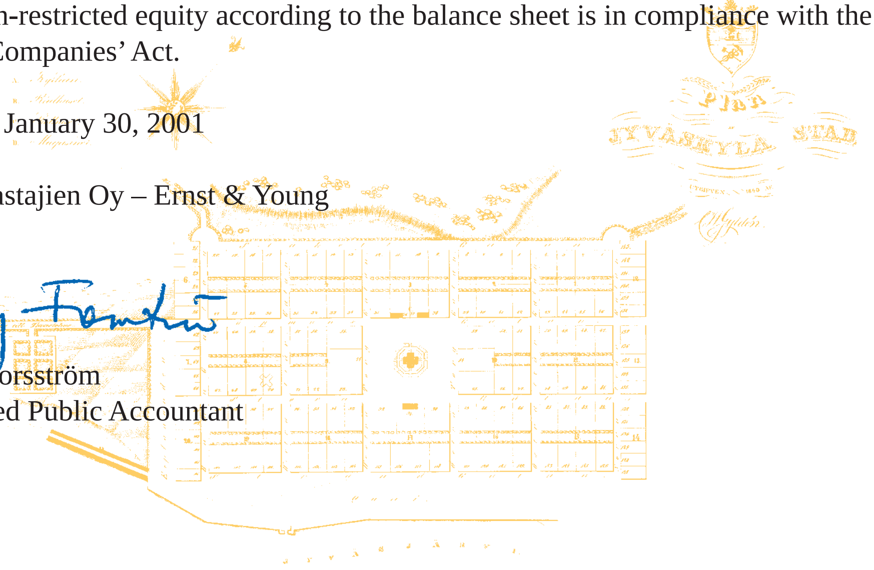
We have audited the accounting records, the financial statements and the administration of **Liinos Plc** for the period 1.1. – 31.12.2000. The financial statements prepared by the Board of Directors and the Managing Director include the report of the Board of Directors as well as income statement, balance sheet and notes to the financial statements of the Group and the parent company. Based on our audit we express an opinion on the financial statements and administration.

We conducted our audit in accordance with Finnish Generally Accepted Auditing Standards. Those standards require that we plan and perform our audit in order 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 has been to examine that the members of the Board of Directors and the Managing Director have 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 presentation of financial statements in Finland. The financial statements give a true and fair view, as defined in the Finnish Accounting Act, of the group's and parent company's result of operations, as well as the financial position. The group and parent company financial statements can be adopted and the members of the Board of Directors and the Managing Director of the parent company can be discharged from liability for the period audited by us. The proposal by the Board of Directors concerning the disposition of the non-restricted equity according to the balance sheet is in compliance with the Finnish Companies' Act.

Helsinki, January 30, 2001

Tilintarkastajien Oy – Ernst & Young
Auditors



Johnny Forsström
Authorised Public Accountant