



Annual Report 2000

NORDIC  ALUMINIUM

Business Structure



Electrotechnical Products

Lighting Tracks
Cable Management Systems

Components

Components for the telecommunications industry
Components for the electrotechnical and electronics industries

Profiles

Customer Profiles
Building Systems

In 2001, the aim is to achieve moderate growth in net sales and to raise relative profitability to at least 1999 levels. The objective is also to make effective use of the comprehensive investments in production and productivity which took place in 2000 and will continue into 2001.

*In **Electrotechnical Products** the Group is the leading supplier of lighting tracks in Europe. It aims to strengthen its position still further in Europe and, as a first objective, to reach a significant position as an OEM-supplier on the North American market as well. The Group aims to strengthen its position as a major supplier of cable management systems for office construction both in Finland and its neighbouring countries.*

*In the **Components** business area the aim is to grow into an internationally renowned supplier of precision machined aluminium components for telecommunications, electrotechnical and electronics industries. A customer-oriented approach to design, long-term partnerships, automated mass-production of advanced telecommunications components, and solid know-how in the field of heat sinks for the electrotechnical industry are the key competitive factors of the business area.*

*The **Profiles** business area aims to consolidate its strong positions as a major supplier of customer profiles and its own building system profile brands in Finland and its neighbouring countries. It is also an important supplier of input material to the Group's other business areas and a centre of excellence for extensive know-how in aluminium metallurgy. This know-how is further enforced by investments in new production equipment and by developing production processes.*

Information for Shareholders

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Annual General Meeting

Nordic Aluminium Plc's Annual General Meeting will be held on March 28, 2001 at 1 p.m. in the auditorium of the Satakuntatalo building at Lapinrinne 1, 3rd floor, FIN-00180 Helsinki, Finland.

Shareholders who have been entered in the book-entry shareholders' register kept by the Central Securities Depository of Finland by March 16, 2001 at the latest, are entitled to attend.

Shareholders who wish to attend the AGM should notify the company of their intention to do so by 9 a.m. on March 27, 2001:

- in writing to Nordic Aluminium Plc, AGM, P.O. Box 117, FIN-02401 Kirkkonummi, Finland
- by fax to +358 9 298 2178, or
- by e-mail to pirja.sulkumaki@nordicaluminium.fi

Possible proxies on the basis of which an attorney wishes to represent a shareholder at the Meeting, should be forwarded to the company by the notification date.

Dividend

The Board proposes to the Annual General Meeting that a dividend of EUR 0.34 be paid for 2000. The record date for the dividend is April 2, 2001 and the payment will commence on April 9, 2001, assuming the Annual General Meeting approves the Board's proposal.

Financial information in 2001

Nordic Aluminium Plc will publish financial reports as follows:

Financial statements bulletin	February 12, 2001
Annual report 2000	March 15, 2001
Annual General Meeting	March 28, 2001
Interim report January – March 2001	April 25, 2001
Interim report January – June 2001	August 8, 2001
Interim report January – September 2001	October 24, 2001

The bulletins and the annual report will be published in Finnish and English. They will be available on the Internet immediately after publication (www.nordicaluminium.fi, section Financial info).

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Managing Director's Review



A good year in many ways

The year 2000 was a good one for the Nordic Aluminium Group in many ways. Net sales rose markedly (28.9 per cent), operating profit improved (14.4 per cent) and the balance sheet grew moderately (13.9 per cent). Market demand for Electrotechnical Products and Profiles was good. The efficiency in the production of profiles continued to improve and capacity utilisation generally held a high level. The high hopes placed in the Components business area that started operations as an independent business area early in the year were not yet fulfilled during 2000. Prospects are, however, very promising.

During the fiscal year, the Group continued to invest in growth and in the future. The foundry and extrusion lines at the Kirkkonummi factory underwent extensive modernisation, and the work continued on the new paint

shop, to be completed in late 2001. Automation of the production processes will continue, and in response to growing market demand, Electrotechnical Products will expand operations to larger facilities in the former paint shop. The Components business area underwent a thorough restructuring during the year, as the responsibilities between the factories were clarified and products outside the core business discontinued. The component operations were moved from Kirkkonummi to Juvanmalmi in Espoo while the Kempele factory production was transferred to Nivala. At the same time, machinery at the Nivala factory was extensively modernised. In the Components business area capacity utilisation fluctuated during the year. Demand for telecommunications components increased, however, as the end of the year approached. Efforts to make the Profiles business area more efficient continued, and its capacity utilisation rate remained high throughout the year.

Market optimism

We expect further growth in 2001. Efforts to make Nordic Aluminium operations more efficient will provide a sound basis for growth and profitability provided that there are no unexpected changes in the market situation. The launching of electrotechnical products in North America, the new bridgeheads on that continent, the strong growth in component demand that the new generation of wireless telecommunications networks is expected to generate, and brisk demand for building systems and customer profiles boosted by a booming construction industry give grounds for optimism in all business areas. The fact that the Group is able to generate profits on a sustainable basis is a solid foundation for investments in new capacity.

We did not achieve all our objectives in the year 2000 but we met the most essential requirements; We managed to build very good positions for the return of our relative profitability back to the level which we reached a year ago. I would like to extend my warmest thanks to all those who made a positive contribution to Nordic Aluminium's success in 2000.

March 2001

Jukka Koskinen
Managing Director

Financial Summary

Extent of operations

	2000	1999	1998	1997	1996
Net sales, EUR million	90.91	70.54	61.26	57.49	52.93
Change, %	28.9	15.1	6.6	8.6	-10.0
Electrotechnical Products business area, share of net sales, %	33.0	35.0			
Components business area, share of net sales, %	23.4	24.6			
Profiles business area, share of net sales, %	43.7	40.4			
Exports and international operations, share of net sales, %	31.9	32.6	33.1	29.9	32.1
R&D expenditure, EUR million	1.73	1.59	1.37	1.25	1.14
R&D expenditure, share of net sales, %	1.9	2.3	2.2	2.2	2.1
Gross capital expenditure, EUR million	8.81	15.97	3.49	2.95	1.64
Gross capital expenditure, share of net sales, %	9.7	22.6	5.7	5.1	3.1
Employees, average	516	442	383	368	370
Net sales/employee, EUR million	0.18	0.16	0.16	0.16	0.14
Order backlog, EUR million	7.42	5.98	3.57	4.51	3.56

Profitability

Operating profit, EUR million	6.87	6.01	3.89	4.19	3.67
of net sales, %	7.6	8.5	6.4	7.3	6.9
Profit before extraordinary items, EUR million	6.37	5.70	3.76	4.10	3.00
of net sales, %	7.0	8.1	6.1	7.1	5.7
Profit before taxes, EUR million	6.37	5.70	3.76	3.52	3.00
of net sales, %	7.0	8.1	6.1	6.1	5.7
Net profit, EUR million	4.55	3.85	2.70	2.50	2.28
of net sales, %	5.0	5.5	4.4	4.4	4.3
Return on equity (ROE), %	24.7	24.4	19.8	25.1	24.6
Return on capital invested (ROI), %	21.6	23.4	20.7	22.1	17.2

Financing and financial position

Liquidity (Current ratio)	1.0	1.2	1.5	1.4	1.2
Internal funding of investments, %	106	54	175	196	343
Equity ratio, %	35.9	34.4	47.6	41.0	34.3
Interest-bearing debt, EUR million	14.68	16.16	5.79	7.09	10.63
Gearing, %	51.8	61.8	6.8	17.5	51.5
Balance sheet total, EUR million	56.73	49.82	30.31	31.43	30.21

The formulae for calculation of financial indicators are given on page 28 and the share related indicators on page 27.

The 1999–2000 figures are presented according to the current Group structure.

Electrotechnical Products

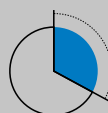
The Electrotechnical Products business area comprises two product areas: Lighting Tracks and Cable Management Systems. Nordic Aluminium is the leading supplier of lighting tracks in Europe and has also been able to gain a strong foothold on the North American market. It is also the market leader in office trunking systems in Finland and has a strong position in other Nordic countries, too. Most



of Nordic Aluminium's cable ladders are sold in Finland and in Central Europe. The business area relies heavily on advanced electro-technical design and customer partnerships as strong competitive factors.

Electrotechnical Products

<i>EUR million</i>	<i>2000</i>	<i>1999</i>	<i>Change, %</i>
<i>Net sales</i>	30.0	26.3	+13.7
<i>Operating profit</i>	5.3	4.2	+26.2
<i>Number of personnel, Dec 31</i>	89	76	+17.1



Share of consolidated net sales 33.0%

Strong growth in exports

Net sales of the Electrotechnical Products business area grew by 13.7 per cent and reached EUR 30.0 million. The growth was spurred by strong demand for lighting tracks in North America and booming sales of cable management systems in the office construction sector in Finland. Exports and international operations accounted for 46 per cent of the net sales of the business area, and the operating profit rose to EUR 5.3 million, which is 26.2 per cent more than in the previous year. Good performance was due to a higher volume and major improvements in efficiency.

Lighting tracks in a strong position

Long-term marketing efforts have helped the Lighting Tracks product area to establish partnerships with a number of leading European manufacturers of lighting fixtures. The same approach has also given Nordic Aluminium a strong foothold on the North American market. Success on that continent is based on customer partnerships and a strong presence. Development of a lighting track system in cooperation with Lithonia Lighting Company and deliveries from the Kirkkonummi factory to that company were a manifestation of a sound customer partnership while the acquisition of the lighting track operations of Kaltek, Inc. in 2000 gave Nordic Aluminium a stronger presence in North America.

Production of lighting tracks grew by about a fifth in 2000. Deliveries to Lithonia Lighting in the United States went on as planned, and Nordic Aluminium products were very favourably received by the US market. A version of the Lithonia product concept developed for other customers in the United States is marketed under the brand GLOBAL eco. The Kirkkonummi factory was able to make good use of its lighting track production capacity throughout the year. Extension of automation such as the completion of an automated three-circuit track production line by early 2001, will further boost production. Improvements in this field will continue during 2001.

The GLOBAL trac lighting track system has gained a strong position on the European market. In order to succeed in North America, Nordic Aluminium has had to introduce product versions whose electrotechnical and mechanical features and materials differ from those used in Europe. Close cooperation with customers in product development builds competitive advantage over other lighting track producers. The prospects for the Lighting Tracks product area look very promising because it is in an excellent position to gain a stronger foothold on new markets and win over customers with new products. The chances of achieving a substantial share of the North American market are also good.

Cable Management Systems are growing

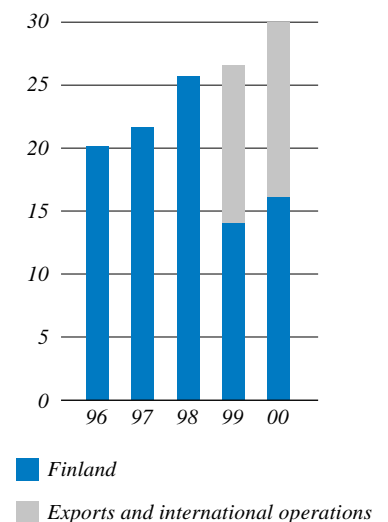
The boom in office construction was also reflected in the demand for cable management system products in 2000. This was especially true for power poles and office trunking systems. Even though imports to Finland increased, Nordic Aluminium was able to retain its share on the domestic market, which accounts for four-fifths of the company's cable management system sales. Other Nordic countries and Russia remained the most important foreign markets for Nordic Aluminium's office trunking systems, and in the latter area demand picked up towards the end of the year. Even though steel ladders have gained ground against aluminium ladders, SYSTEMAL cable ladders have helped Nordic Aluminium to increase deliveries and strengthen its market share in the field of aluminium ladders.

DUCTEL pole power poles have gained ground in office construction. They allow flexible electrification and work station arrangements and have thus become popular with builders and interior designers. Cable Management Systems intensified cooperation with contractors and electrical engineers in the field of product development during 2000. As a result, new product systems will be launched in 2001. New markets are also opening up in the UK and Central Europe in which prospects for new forms of cooperation look very promising.



The long-time General Manager of the Lighting Tracks product area Stig Winstén (right) and his successor Vesa Siitari (left) together with Matti Savolainen (center), General Manager of the Cable Management Systems.

Electrotechnical Products, external sales 1996–2000, EUR million



The 1999–2000 figures are presented according to the current Group structure.

Components

The Components business area started operations at the beginning of 2000. Megatyöstö Oy, acquired by Nordic Aluminium as a subsidiary in 1999, was incorporated in the business area during the year 2000. As a part of the restructuring, the component operations were also moved from Kirkkonummi to Juvanmalmi in Espoo, while the Kempele factory's production was transferred to Nivala. Thus, the Components business area now comprises three factories that are located in Espoo, Nivala and Hutchinson, Minnesota, USA. The business



area designs and manufactures precision machined aluminium components. Most of the products go to telecommunications, electro-technical and electronics industries. The success of the business area is based on a customer-oriented approach to design, long-term partnerships, automated serial production of advanced telecommunications components and solid know-how in the field of heat sinks for the electrotechnical industry.

Components EUR million	2000	1999	Change, %
Net sales	21.3	18.5	+15.1
Operating profit	-1.0	0.7	-242.9
Number of personnel, Dec 31	149	178	-16.3



Share of consolidated net sales 23.4%

Year of painful restructuring

During the year under review, the component operations had to undergo a thorough reassessment and it had to be transformed into a new entity in which each factory would concentrate on specific product areas but would still operate with inter-factory flexibility. The moving of component operations from Kirkkonummi to Espoo in the spring of 2000, the sharing of work between the Espoo and Nivala factories and the closure of the production facility at Kempele were strong structural moves from a corporate point of view.

Restructuring of the business area, internal operational rethinking and the fact that the changes were accompanied by major investments in the core business, made 2000 a difficult year. Nevertheless, prospects are looking good. The demand for telecommunications components especially is expected to go up sharply during the next few years, and thus it made sense to carry out the restructuring and adjustment during the business area's first year of operations. The expansion of highly sophisticated machining capacity in all three factories gave the business area added production capacity. The investment drive will continue into 2001.

Waiting for the new technology

The market demand for Nivala-manufactured telecommunications components dropped sharply in early 2000. This was mainly because customers were preparing for a change-over from second-generation wireless telecommunications applications (GSM) to next-generation technology (GPRS). As the introduction of the new equipment was very slow, the period was characterised by a drop in orders for earlier-generation components and a lack of orders for the new technology. This situation began in February 2000, and it was not until summer that the demand reached a level that made long-term delivery contracts possible.

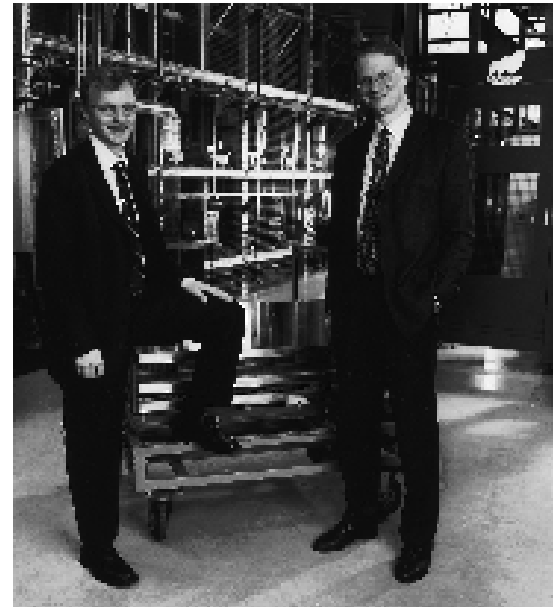
A turning point in summer

The year brought cuts in Nivala's product range and a withdrawal of some of its old machinery. However, despite of a reduction in the number of machines and personnel, net sales went up during 2000. In its first year of operations, the Components business area was able to increase its net sales to EUR 21.3 million, which is 15.1 per cent more than the pro forma amount of the previous year. More than 90 per cent of the production goes for exports, directly or indirectly. Restructuring was also reflected in the performance of the business area, and the first fiscal year ended in an operating loss of EUR 1.0 million. The transfer of Kirkkonummi's component operations to Espoo resulted in additional costs and operational overlaps that lasted for two months. The restructuring also revealed hitherto hidden shortcomings in the pricing systems, which have already been dealt with, however.

Strong growth potential

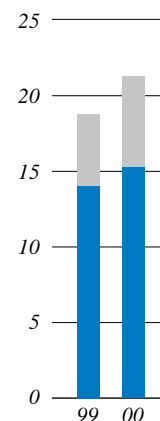
The introduction of new-generation wireless telecommunications technology is reflected in the demand for components. The market demand for certain components, such as filter bodies, may actually double in the near future, so that all producers must be able to meet the challenge of maintaining an adequate capacity. After all, this is the only way they can fulfil the needs of their customers.

As wattages increase, the electrotechnical and electronics industries will need more and more efficient cooling equipment. Consequently, new solutions are called for, and the consequent demand can only be met by producers that can master all aspects of aluminium technology, machining and cooling. The Components business area is fully prepared to meet the challenge and is therefore looking towards 2001 with optimism.



Ralf Sohlström, General Manager of the Components business area (right), together with Jukka Kontinen, Production Manager (left).

Components, external sales 1999–2000, EUR million



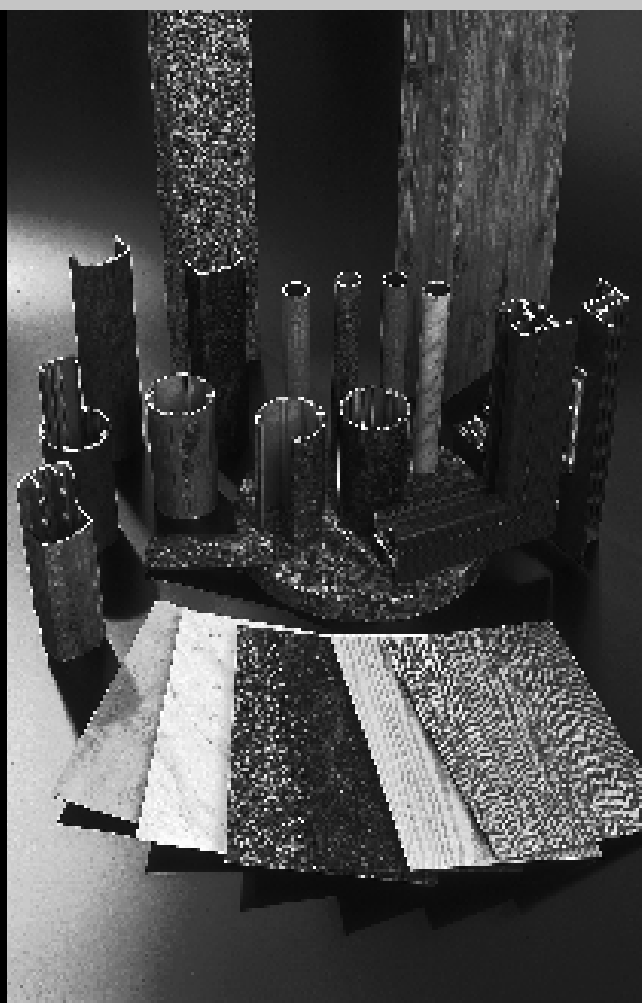
■ Finland

■ Exports and international operations

The 1999–2000 figures are presented according to the current Group structure.

Profiles

The Profiles business area designs and manufactures customised aluminium profiles and building systems. It also supplies aluminium profiles as input material for other Nordic Aluminium business areas. The production takes place at the Kirkkonummi factory near Helsinki where the raw material is put through a chain starting with extrusion billet casting and ending with the aluminium



being processed into a multitude of products as required. Overall management of this production chain is an important competitive factor for both the Profiles business area and the entire Group.

<i>Profiles</i>			
<i>EUR million</i>	<i>2000</i>	<i>1999</i>	<i>Change, %</i>
<i>Sales</i>	53.9	41.2	+30.9
<i>./. internal invoicing</i>	14.2	10.7	+32.7
<i>Net sales</i>	39.7	30.5	+30.4
<i>Operating profit</i>	2.5	1.3	+95.9
<i>Number of personnel, Dec 31</i>	235	209	+12.4

Internal invoicing comprises aluminium profiles supplied to other Nordic Aluminium business areas as input material. Internal invoicing, which accounts for about 26 per cent of total sales, is based on market prices.



Share of consolidated net sales 43.7%

High capacity utilisation

Demand for aluminium profiles grew rapidly during the early months of 2000, though the growth levelled off in the autumn. A steady inflow of orders kept the production at a high level throughout the year. The amount of aluminium extruded into profiles grew by a fifth compared to the previous year and totalled about 14,500 tonnes, a new record in the company's history. The capacity utilisation rate remained good throughout the year.

Total sales reached EUR 53.9 million which was 31 per cent more than in the previous year. Net sales grew by more than 30 per cent, totalling EUR 39.7 million. The percentage of exports and international operations was 23 per cent. A number of important investment decisions were made during the year. Operating profit almost doubled, reaching EUR 2.5 million.

The business area secured a number of large orders during the year. These included profiles for the new Nokia office building in Helsinki and for balconies on cruise liners constructed by Kvaerner Masa-Yards. Increasing popularity of glass facades also boosted the deliveries of building systems. Supplies of profiles for transport vehicles to the Finnish Railways and to lorry manufacturers, that were agreed on in 1999, continued throughout the year.

More efficient operations

Nordic Aluminium invested heavily in its Profiles business area in 2000. The focus was on productivity and maintenance of high product quality. The most important investment decisions concerned the foundry and the paint shop, which will both be modernised in a project extending well into 2001. The work on the foundry began during the year 2000.

Efforts to make Nordic Aluminium operations more efficient continued by providing the company organisation with more focus and the staff with more training. Nordic Aluminium personnel were made familiar with all aspects of company strategy and will be actively encouraged to become more involved in its implementation. During the autumn, a number of organisational improvements were introduced, including team leaders with new areas of responsibility. The Optex system for optimising and controlling production introduced in early 2000, has functioned well.

Modernisation of the product range continued alongside the operational improvements. The new R54 profile series for building systems was launched during the year, and product development will now shift to upgrading the R65 profiles. Nordic Aluminium continued to invest heavily in marketing the new Decoral decorative coating method introduced in autumn 1999.

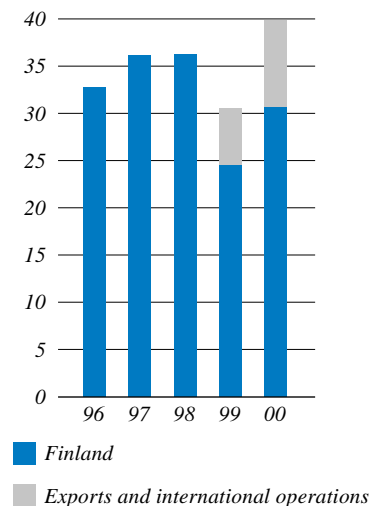
Good prospects for 2001

Demand for the products of the Profiles business area depends on the overall business cycle and the level of construction activity. Deliveries to other Nordic Aluminium business areas are also affected by the demand from telecommunications, electrotechnical and electronics industries. Demand in all these sectors remained brisk throughout 2000, and the situation is expected to remain good in 2001 even though the construction sector will probably experience a slight slowdown.



Esko Niemi, General Manager of the Profiles business area (left), Satu Vorma, Production Manager (center) and Anders Åström, Marketing Manager (right).

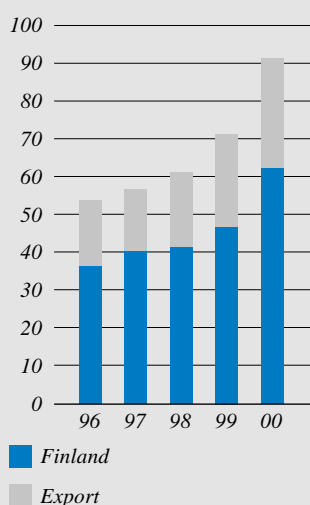
Profiles, external sales 1996–2000, EUR million



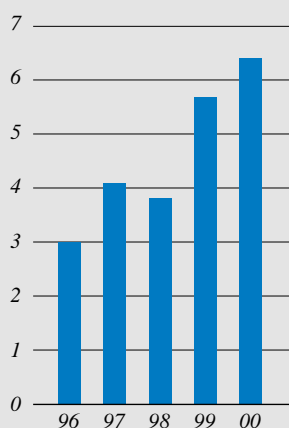
The 1999–2000 figures are presented according to the current Group structure.

Report of the Board of Directors January 1 – December 31, 2000

Net sales, EUR million



Profit before extraordinary items, EUR million



The year in brief

The net sales of Nordic Aluminium grew as planned in 2000, and both the Electrotechnical Products and Profiles business areas developed very favourably and reached or exceeded their objectives. The performance of the Components business area was not up to expectations but as a result of structural and operational streamlining carried out during the year, it is now in a good position for profitable operations.

Changes in corporate structure

Corporate structure was further developed during the year. The component operations were moved from Kirkkonummi to Juvanalmi in Espoo, while the Kempele factory operations were transferred to Nivala. Megatyöstö Oy was merged with the parent company, and the name of Mega CNC Corp. in Hutchinson, Minnesota, USA subsequently became Nordic Aluminium, Inc. The lighting track operations of the US company Kaltek, Inc. were acquired during the year and incorporated into Nordic Aluminium, Inc. The US subsidiary's head office is in Atlanta, Georgia.

Net sales and result

The net sales of the Nordic Aluminium Group reached EUR 90.91 million in 2000, which was 28.9 per cent more than the previous year (EUR 70.54 million). The 2000 figures include Megatyöstö Oy, which had been made part of the Group on June 1, 1999, and has now been integrated into the Components business area. Using comparable figures, net sales grew by 20.7 per cent in 2000. Exports and international operations accounted for 31.9 per cent (1999: 32.6%) of the Group's net sales. The largest export markets in 2000 were the Nordic area, other Western European countries and the United States.

Consolidated operating profit rose to EUR 6.87 million, which was 14.4 per cent more than the previous year (EUR 6.01 million). Operating profit for Electrotechnical Products and Profiles went up sharply, while the Components business area failed to produce a profit. Operating profit accounted for 7.6 per cent of net sales (1999: 8.5%).

Changes in net sales and operating profit by business area are shown in the following tables.

Net sales by business area, EUR million

	2000	1999	Change, %
Electrotechnical Products	29.96		
Components	21.26		
Profiles	53.86		
Internal invoicing	-14.18		
Total	90.91	70.54	28.9
		1999	
	2000 pro forma		Change, %
Electrotechnical Products	29.96	26.34	13.7
Components	21.26	18.51	14.9
Profiles	53.86	41.16	30.9
Internal invoicing	-14.18	-10.70	
Total	90.91	75.30	20.7

Operating profit by business area, EUR million

	2000	1999	Change, %
Electrotechnical Products	5.30		
Components	-0.96		
Profiles	2.53		
Total	6.87	6.01	14.4

	1999		Change, %
	2000 pro forma		
Electrotechnical Products	5.30	4.24	25.2
Components	-0.96	0.67	-242.9
Profiles	2.53	1.29	95.9
Total	6.87	6.20	10.8

Business areas

The good performance of the Electrotechnical Products business area was the result of higher output and improved operational efficiency. The Lighting Tracks product area was able to strengthen its position in North America while the office construction boom in Finland spurred the growth of the Cable Management Systems product area.

The operations of the Components business area were streamlined and the focus was shifted to the areas of core competence. Restructuring and the simultaneous major investments in core business made 2000 a difficult year for the business area.

The Profiles business area enjoyed a high capacity utilisation rate throughout the year. The amount of aluminium extruded into profiles reached 14,500 tonnes, a new record.

Order backlog

The order backlog of the Nordic Aluminium Group stood at EUR 7.42 million at the end of 2000. This is a fifth more than a year earlier but EUR 2 million less than at the end of September. The order book now stands at a level typical for the business and reflects the rapid fluctuation in customer demand.

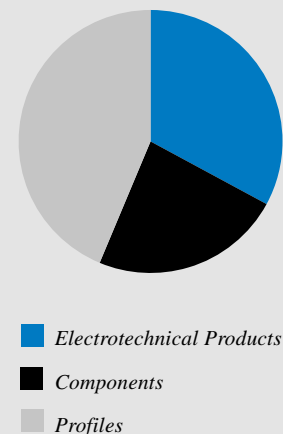
Research and development

In 2000, Nordic Aluminium spent a total of EUR 1.73 million on research and development, compared with EUR 1.59 million the previous year. The focus was on electrotechnical products and components for telecommunications, electrotechnical and electronics industries.

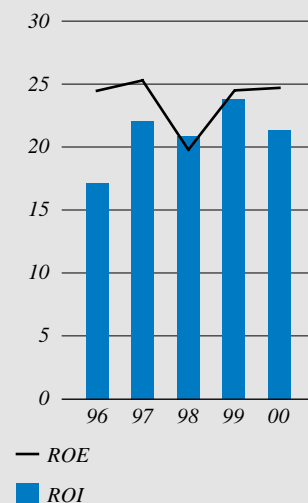
Investments

Gross capital expenditure reached EUR 8.81 million in 2000. Corporate acquisitions accounted for EUR 0.80 million of this total. During the year, the Electrotechnical Products business area invested in product automation and efficiency, while the focus in the Components business area was on higher capacity and in Profiles on foundry equipment and higher profile output. The decision was also made to modernise the profile paint shop. The work will be completed during 2001 and after that lighting track production will move into more suitable premises.

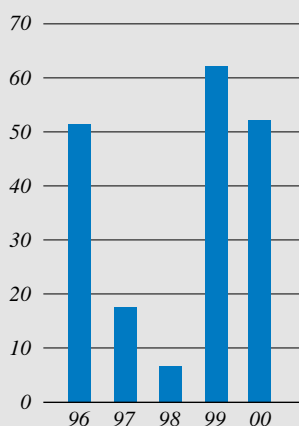
Net sales by business area, %



ROE and ROI, %



Gearing, %



Profitability

In 2000, Nordic Aluminium Group's return on capital invested (ROI) was 21.6 per cent (1999: 23.4%) while return on equity (ROE) stood at 24.7 per cent (24.4%). Earnings per share were EUR 0.98, compared with EUR 0.83 in 1999. At the end of 2000, equity per share stood at EUR 4.40, compared with EUR 3.71 a year earlier, a rise of 19 per cent.

Balance sheet and financing

The consolidated balance sheet total grew moderately during 2000, the rate of growth being substantially lower than the growth in net sales. At the end of 2000, the balance sheet total stood at EUR 56.73 million, or 13.9 per cent more than a year before (EUR 49.82 million). Cash flow from business operations was EUR 8.76 million.

At the end of the year, the equity ratio of the Nordic Aluminium Group was 35.9 per cent (1999: 34.4%), and interest-bearing liabilities stood at EUR 14.68 million (1999: EUR 16.16 million). Net gearing was 51.8 per cent (1999: 61.8%). The internal funding of investments stood at 106 per cent (1999: 54%).

Annual General Meeting

Nordic Aluminium Plc's Annual General Meeting on March 29, 2000 approved the company's financial statements and discharged the Board and the Managing Director from liability. As proposed by the Board, a dividend of 0.29 euros (FIM 1.70) per share was paid for 1999 totalling EUR 1.3 million (FIM 7.8 million).

The Annual General Meeting elected Pekka Böök, Antti Lagerroos, Pertti Laine and Stig Lival-Lindström Members of the Board. The Board chose Pekka Böök as its Chairman.

The Annual General Meeting elected Authorised Public Accountants Tilintarkastajien Oy – Ernst & Young and Authorised Public Accountant Kristian Hallbäck auditors. Authorised Public Accountant Roger Rejström was elected deputy auditor.

Authorisations

The Board of Directors holds no valid authorisations to increase share capital, redeem own shares or issue convertible bonds and/or warrant bonds.

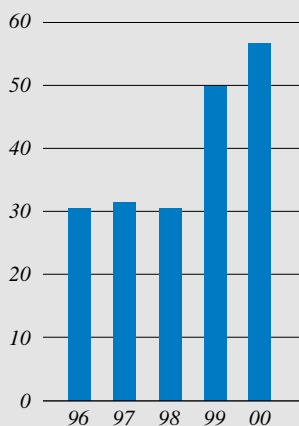
Shares and ownership

There were no significant changes in the ownership of Nordic Aluminium Plc during 2000. Prices on Helsinki Exchanges fluctuated considerably during the year. There was little trading in Nordic Aluminium shares. A total of 6.6% of shares changed ownership in total trading of EUR 3,443,074.99.

At the beginning of the year, the quotation for the share was EUR 10.55 per share against EUR 8.00 at year end. The average quotation for 2000 was EUR 11.24, and the taxation value was set at EUR 5.425. At the end of the year, the market capitalisation of the company's shares stood at EUR 36,929,056.00.

Ownership of Nordic Aluminium Plc shares at the end of 2000:

Balance sheet total, EUR million



Biggest shareholders on December 29, 2000

	Number of shares	Share of capital and votes, %
Veikko Laine Ltd	1,312,495	28.4
Oy Lival Ab	1,199,100	26.0
Tapiola Mutual Pension Insurance Company	287,500	6.2
Ilmarinen Mutual Pension Insurance Company	232,300	5.0
Tapiola General Mutual Insurance Company	141,500	3.1
Local Government Pensions Institution	120,000	2.6
Investment Fund Aktia Capital	110,400	2.4
HSS/Skandinaviska Enskilda Banken AB (publ.)	93,100	2.0
Lival-Lindström Stig	89,000	1.9
Federation of Finnish Metal, Engineering and Electrotechnical Industries (FIMET)	80,100	1.7
Others	950,637	20.6
Total	4,616,132	100.0

At the end of 2000, nominee-registered shares totalled 148,200 (3.2% of votes). There were 634 shareholders at the end of the year.

Shareholders by sector on December 29, 2000

	Number of shares	Share of capital and votes, %
Companies	2,611,881	56.6
Financial and insurance institutions	704,000	15.3
Associations	682,700	14.8
Non-profit associations	19,620	0.4
Households	590,031	12.8
Owners outside Finland	7,900	0.2
Total	4,616,132	100.0

Shareholders by size of holdings, December 29, 2000

	Shareholders	%	Number of shares	%
1–200	296	46.7	33,294	0.7
201–2,000	283	44.6	172,298	3.7
2,001–20,000	33	5.2	227,645	4.9
20,001–200,000	18	2.8	1,151,500	25.0
200,001–2,000,000	4	0.6	3,031,395	65.7
Total	634	100.0	4,616,132	100.0

Insiders

Nordic Aluminium observes the guidelines on insider trading issued by Helsinki Exchanges.

Personnel

In 2000, the average number of employees in the Nordic Aluminium Group was 516, compared with 442 the previous year (pro forma 470). The number of personnel in the Electrotechnical Products and Profiles business areas rose slightly, while there was a decrease in the Components business area. At the end of the fiscal year, the Group personnel numbered 489. The number of employees by business area is shown below:

Personnel, December 31, 2000

	2000	1999	Change
Electrotechnical Products	89	76	+13
Components	149	178	-29
Profiles	235	209	+26
Others	16	22	-6
Total	489	485	+4

Prospects

The prospects for 2001 look good, and brisk demand for the products of all three business areas is expected to continue.

Relying on the Nordic Aluminium, Inc. marketing and sales organisation, Lighting Tracks will invest in developing its market position in the US. Cable Management Systems operations are expected to continue to develop favourably and, as a result, the Electrotechnical Products business area is in a good position to continue its moderate growth and maintain its healthy profit level.

Components can look forward to brisk demand, especially in the field of telecommunications. Thus, Nordic Aluminium will continue to invest in this business area so that it can expand and meet the growing market demand. The business area is expected to show a clearly positive result for 2001.

The Profiles business area is in a good position to repeat its 2000 performance in output and profits.

The Group's net sales are expected to grow moderately and the operating profit should reach the relative level of 1999 (8.5% of net sales).

Income Statement

EUR million	Note	<i>Consolidated</i>		<i>Parent Company</i>	
		2000	1999	2000	1999
Net sales	4	90.91	70.54	83.54	62.36
Increase (+) or decrease (-) of finished goods and work in progress		1.75	1.32	1.62	1.41
Other operating income		0.60	0.16	0.45	0.14
Materials and services					
Raw materials and consumables:					
Purchases during the financial year		40.62	28.75	38.91	27.01
Increase (-) or decrease (+) in inventories		-0.81	-0.14	-0.57	-0.18
External services	5	7.06	4.38	5.78	3.61
Personnel expenses					
Wages, salaries and emoluments	6	16.05	13.11	14.27	11.10
Social security expenses	6	4.33	3.91	3.84	3.36
Depreciation and reduction in value					
Depreciation according to plan	9	5.22	4.81	4.66	3.60
Other operating expenses		13.92	11.20	12.39	9.89
Total operating expenses		86.38	66.02	79.29	58.39
Operating profit		6.87	6.01	6.32	5.51
Financial income and expenses:					
Income from other investments held as non-current assets		0.00	0.00	0.00	0.00
Other interest and financial income	7	0.39	0.25	0.36	0.24
Interest and other financial expenses	7	-0.90	-0.56	-0.73	-0.43
Total financial income and expenses		-0.51	-0.31	-0.38	-0.19
Profit before appropriations and taxes		6.37	5.70	5.94	5.33
Appropriations					
Increase (-) or decrease (+) in depreciation reserve	9			-2.14	0.25
Profit before taxes		6.37	5.70	3.80	5.57
Income taxes	8	-1.92	-1.91	-1.06	-1.71
Change in deferred tax		0.10	0.07	-0.06	0.06
NET PROFIT FOR THE PERIOD		4.55	3.85	2.68	3.91

The figures in the income statement, balance sheet and cash flow statements are presented in EUR million with two decimals. Accordingly, in certain instances, the sum of the numbers in a column may not confirm exactly to the total figure given for that column.

Balance Sheet

EUR million	Note	<i>Consolidated</i>		<i>Parent Company</i>	
		Dec 31, 2000	Dec 31, 1999	Dec 31, 2000	Dec 31, 1999
ASSETS					
<i>Non-current assets</i>					
Intangible assets					
Intangible rights	10	1.09	0.60	1.09	0.47
Goodwill	10	0.67	0.00	3.58	0.00
Other long-term expenditure	10	0.23	0.14	0.23	0.03
Consolidated goodwill	10	3.50	3.91		
		5.49	4.65	4.91	0.51
Tangible assets					
Machinery and equipment	11	23.75	21.36	21.66	13.72
Other tangible assets	11	0.24	0.25	0.24	0.25
Construction in progress	11	0.09	0.13	0.09	0.13
		24.08	21.75	21.99	14.11
Investments					
Holdings in Group undertakings	12, 13			0.61	7.90
Other shares and holdings	12	0.02	0.02	0.02	0.01
		0.02	0.02	0.63	7.91
<i>Current assets</i>					
Inventories					
Raw materials and supplies		2.01	1.20	1.78	0.72
Work in progress		4.40	3.44	4.37	3.19
Finished products		2.98	2.20	2.97	1.65
		9.40	6.84	9.12	5.56
Receivables					
Long-term					
Receivables from Group undertakings				0.93	0.00
Other receivables		0.35	0.39	0.35	0.00
Deferred tax assets	18	0.09	0.00		
		0.44	0.39	1.28	0.00
Short-term					
Trade receivables		11.70	8.78	10.59	5.46
Receivables from Group undertakings	14			0.56	0.76
Loan receivables		0.01	0.01	0.00	0.00
Other receivables		0.07	0.99	0.07	0.99
Deferred expenses and accrued income	15	1.23	0.77	1.04	0.63
Deferred tax assets	18	0.17	0.07	0.00	0.06
		13.17	10.62	12.25	7.89
Cash in hand and at banks		4.13	5.56	3.63	5.06
TOTAL ASSETS		56.73	49.82	53.81	41.04

EUR million	Note	<i>Consolidated</i>		<i>Parent Company</i>	
		Dec 31, 2000	Dec 31, 1999	Dec 31, 2000	Dec 31, 1999
SHAREHOLDERS' EQUITY AND LIABILITIES					
<i>Shareholders' equity</i>					
Share capital	16	5.91	5.82	5.91	5.82
Share premium account	16	2.06	2.15	2.06	2.15
Retained earnings	16	7.84	5.28	4.42	1.82
Translation difference	16	0.02	0.03		
Net profit for the year	16	4.55	3.85	2.68	3.91
Total shareholders' equity		20.38	17.13	15.07	13.71
<i>Appropriations</i>					
Depreciation reserve				6.72	4.57
<i>Provisions</i>					
Other provisions		0.00	0.21	0.00	0.19
<i>Liabilities</i>					
Long-term liabilities					
Loans from financial institutions		7.70	11.71	7.26	7.75
Other long-term loans	19	0.20	0.04	0.20	0.04
Deferred tax liability	18	2.12	2.11		
		10.02	13.87	7.46	7.80
Short-term liabilities					
Loans from financial institutions		6.98	4.45	6.68	2.65
Trade payables		12.28	7.96	11.26	7.15
Debts to Group undertakings	20			0.04	0.01
Other short-term liabilities		1.27	0.83	0.96	0.38
Accrued expenses and deferred income	21	5.80	5.38	5.63	4.58
		26.34	18.62	24.57	14.77
Total liabilities		36.36	32.48	32.03	22.56
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES		56.73	49.82	53.81	41.04

Cash Flow Statements

EUR million	<i>Consolidated</i>		<i>Parent Company</i>	
	2000	1999	2000	1999
OPERATIONS				
<i>Income financing</i>				
Operating profit	6.87	6.01	6.32	5.51
Depreciation	5.22	4.81	4.66	3.60
Financial income and expenses	-0.51	-0.31	-0.38	-0.19
Taxes for the year	-1.97	-1.91	-1.06	-1.72
Other adjustments	-0.26	-0.03	-0.23	-0.01
	9.36	8.57	9.31	7.20
<i>Change in net working capital</i>				
Inventories, increase (-)/decrease (+)	-2.56	-1.47	-3.56	-1.59
Short-term trade receivables, increase (-)/decrease (+)	-2.66	-2.71	-4.93	-1.87
Short-term non-interest-bearing liabilities, increase (+)/decrease (-)	4.63	2.80	5.21	3.79
	-0.60	-1.39	-3.28	0.33
Cash flow from operations	8.76	7.18	6.03	7.53
INVESTMENTS				
Investments in fixed assets	-8.81	-10.47	-17.75	-10.29
Fixed assets disposal	0.65	0.03	8.32	0.01
	-8.16	-10.42	-9.43	-10.28
Cash flow before financing	0.60	-3.24	-3.40	-2.75
FINANCING				
Short-term receivables, increase (-)/decrease (+)	0.15	-0.11	0.15	-0.12
Short-term liabilities, increase (+)/decrease (-)	2.90	2.08	4.41	1.33
Long-term loans, increase (+)/decrease (-)	-3.79	3.16	-0.34	3.25
Long-term receivables, increase (+)/decrease (-)	0.00	0.00	-0.93	0.00
Share capital, increase (+)/decrease (-)	0.09	0.00	0.09	0.00
Share premium account, increase (+)/decrease (-)	-0.09	0.00	-0.09	0.00
Dividend	-1.32	-1.17	-1.32	-1.17
	-2.05	3.96	1.97	3.30
Change in liquid funds according to statement, increase (+)/decrease (-)	-1.45	0.72	-1.43	0.55
Adjustment items (translation difference)	0.02	0.03	0.00	0.00
Change in liquid funds according to the balance sheet, increase (+)/decrease (-)	-1.44	0.75	-1.43	0.55

Notes to the Financial Statements

1. CORPORATE STRUCTURE

The Nordic Aluminium Group comprises the parent company Nordic Aluminium Plc (Helsinki), and the subsidiaries Nordic Aluprofiler AB (Sweden) and Nordic Aluminium, Inc. (USA).

Copies of the Nordic Aluminium Group's financial statements are available from Nordic Aluminium Plc's head office, P.O. Box 117, FIN-02401 Kirkkonummi, Finland.

2. ACCOUNTING PRINCIPLES

"Other long-term receivables" and "Other receivables" under non-current assets in the 1999 balance sheet, and "Pension expenses" and "Other social-security expenses" in the income statement have been adjusted to reflect the definitions for the 2000 fiscal year.

Receivables and liabilities in foreign currency have been converted into euros applying the official exchange rates valid on the closing date.

The company concludes currency derivative contracts in order to hedge currency risks in connection with receivables and liabilities in the balance sheet and likely purchase and sales orders and contracts. Nordic Aluminium uses mainly currency futures as derivatives. The company concludes metal derivative contracts (mainly aluminium futures) in order to hedge price risks in sales and raw material purchases based on the world-market price of aluminium.

The interest rate differentials between currency futures in forward contracts are based on the contract duration, and the percentage concerned is entered in interest expenses or income. Other realised and unrealised gains and losses are entered against the expenses and income from the position hedged. When the future cash flow from the order backlog and binding or likely purchases and

sales is hedged, any valuation gain from the hedge instrument is not included in the financial statements but is charged against the future income or expenses item hedged when realised.

Investments in fixed assets are carried in direct acquisition cost. A predetermined plan is used in carrying out depreciation of depreciable fixed assets. The depreciation periods in the consolidated accounts are uniform.

Inventories are valued at the lower acquisition cost or replacement or probable sales value, according to the average price principle. Inventory values include an appropriate portion of the fixed expenses of their acquisition and manufacture.

3. CONSOLIDATION PRINCIPLES

Nordic Aluminium Plc's financial statements for 2000 are in euros. The Group uses the euro as its reporting currency as of 2001, and the parent company will introduce the euro as its operating currency during 2001.

Consolidation is based on the acquisition cost method.

The balance sheets of the foreign subsidiaries have been translated into euros at the official average rate of the balance sheet date. Income statements have been translated into euros at the means of the official Bank of Finland average rate on the last day of the month. The translation difference in the elimination of the subsidiaries' equity has been entered in full under non-restricted equity.

Consolidated goodwill created in connection with the purchase of Megatyöstö Oy's shares is entered as depreciation over a period of ten years. This strategic acquisition will provide the Group with more synergy, enable it to increase its market share and give it a cost-effective structure.

EUR 1,000	Group		Parent Company	
	2000	1999	2000	1999

4. NET SALES BY MARKET AREA (countries of delivery)

Finland	61,878	47,569	58,099	42,002
Other Nordic countries	8,942	8,214	8,288	7,760
European Union (excl. Nordic countries)	10,874	8,713	10,725	8,517
Other Europe (excl. EU and Nordic countries)	2,603	2,031	2,603	2,031
Other market areas	6,611	4,010	3,828	2,047
Total	90,908	70,536	83,544	62,357

Net sales by business area

Electrotechnical Products	29,963		30,364	
Components	21,261		13,596	
Profiles	53,861		53,217	
Internal invoicing	-14,177		-13,633	
Total	90,908	70,536	83,544	62,357

EUR 1,000	Group		Parent Company	
	2000	1999	2000	1999
5. EXTERNAL SERVICES				
Subcontractor expenses	4,343	2,004	3,068	1,241
Maintenance expenses	2,717	2,374	2,717	2,374
Total	7,059	4,378	5,785	3,615
6. PERSONNEL EXPENSES				
Wages and salaries	16,050	13,110	14,271	11,104
Pension costs	2,583	2,010	2,340	2,054
Other social security expenses	1,746	1,896	1,504	1,307
Total	20,380	17,016	18,115	14,465
Salaries and emoluments paid to Board Members and the Managing Directors	207	321	171	277
Employees, average	516	442	430	353
7. FINANCIAL INCOME AND EXPENSES				
Other interest income				
From Group undertakings	0	0	21	13
Others	338	234	336	226
Total interest income	338	234	356	239
Other financial income				
From Group undertakings	0	0	0	0
Others	55	16	0	0
Total other financial income	55	16	0	0
Interest expenses				
To Group undertakings	0	0	0	0
Others	837	526	701	398
Total interest expenses	837	526	701	398
Other financial expenses				
To Group undertakings	0	0	0	0
Others	61	32	34	30
Total other financial expenses	61	32	34	30
8. INCOME TAXES				
Direct taxes				
For the fiscal year	1,822	1,833	1,120	1,635
From previous fiscal years	-3	80	-3	80
Total	1,819	1,913	1,117	1,715

9. DEPRECIATION

Depreciation is based on the economical life-span of various assets as follows:

Intangible rights	5 years	Extrusions dies are expensed in the year of acquisition. However, the inventory of extrusion dies, amounting to EUR 6.73 million (FIM 40.0 million), purchased as part of the acquisition of March 20, 1995, was capitalised and has been fully depreciated over a five-year period in March 2000.
Consolidated goodwill	10 years	
Other long-term expenditure	5 years	
Factory machinery	5–20 years	
Factory equipment and tools	5 years	
Office machines and other equipment	3–10 years	
Other tangible assets	20 years	

EUR 1,000	Group		Parent Company	
	2000	1999	2000	1999
Depreciation according to plan:				
Intangible assets				
Intangible rights	219	117	198	84
Goodwill	134	0	862	0
Other long-term expenditure	57	25	41	2
Consolidated goodwill	416	242	0	0
Tangible assets				
Machinery and equipment	4,040	3,065	3,205	2,152
Extrusion dies	336	1,346	336	1,346
Other tangible assets	16	15	16	15
Total	5,218	4,810	4,658	3,599

Change in depreciation reserve:

Intangible assets				
Intangible rights			107	88
Goodwill			134	0
Other long-term expenditure			54	30
Tangible assets				
Machinery and equipment			1,832	-381
Other tangible assets			16	17
Total			2,143	-245

10. INTANGIBLE ASSETS

Intangible rights				
Acquisition cost, Jan 1	1,285	764	1,126	764
Additions	711	522	818	362
Disposals	0	0	0	0
Accumulated depreciation according to plan, Dec 31	-903	-684	-849	-651
Book value, Dec 31	1,094	602	1,094	475

Goodwill

Acquisition cost, Jan 1	0	0	0	0
Additions	804	0	4,443	0
Disposals	0	0	0	0
Accumulated depreciation according to plan, Dec 31	-134	0	-862	0
Book value, Dec 31	670	0	3,581	0

Other long-term expenditure

Acquisition cost, Jan 1	374	212	244	212
Additions	152	162	243	32
Disposals	0	0	0	0
Accumulated depreciation according to plan, Dec 31	-293	-236	-254	-213
Book value, Dec 31	233	138	233	31

Consolidated goodwill

Acquisition cost, Jan 1	4,156	0	0	0
Additions	0	4,156	0	0
Accumulated depreciation according to plan, Dec 31	-658	-242	0	0
Book value, Dec 31	3,498	3,913	0	0

EUR 1,000	Group		Parent Company	
	2000	1999	2000	1999
11. TANGIBLE ASSETS				
Machinery and equipment				
Acquisition cost, Jan 1	30,488	18,458	21,901	18,439
Additions	7,097	12,030	11,822	3,462
Translation difference	132	41	0	0
Disposals	-417	0	-344	0
Accumulated depreciation according to plan, Dec 31	-13,547	-9,507	-11,724	-8,519
Book value, Dec 31	23,752	21,022	21,655	13,382
Extrusion dies				
Acquisition cost, Jan 1	6,728	6,728	6,728	6,728
Additions	0	0	0	0
Disposals	0	0	0	0
Accumulated depreciation according to plan, Dec 31	-6,728	-6,391	-6,728	-6,391
Book value, Dec 31	0	336	0	336
Other tangible assets				
Acquisition cost, Jan 1	322	294	322	294
Additions	0	28	0	28
Disposals	0	0	0	0
Accumulated depreciation according to plan, Dec 31	-84	-68	-84	-68
Book value, Dec 31	238	254	238	254
Construction in progress				
Acquisition cost, Jan 1	135	1,473	135	1,473
Additions	93	135	93	135
Disposals	-135	-1,473	-135	-1,473
Book value, Dec 31	93	135	93	135
Net book value of machinery and equipment	23,440	21,181	21,339	13,772
12. INVESTMENTS				
Holdings in Group undertakings				
Acquisition cost, Jan 1			7,896	149
Additions			463	7,747
Disposals			-7,747	0
Book value, Dec 31			612	7,896
Other shares and holdings				
Acquisition cost, Jan 1	20	13	13	13
Additions	1	7	6	0
Disposals	-1	0	0	0
Book value, Dec 31	20	20	20	13

	Group holding 2000	Group holding 1999	Parent Company holding 2000	Parent Company holding 1999
13. SPECIFICATION OF SHARES OWNED BY THE COMPANY				
Nordic Aluprofiler AB, Sweden	100%	100%	100%	100%
Megatyöstö Oy, Finland		100%		100%
Nordic Aluminium, Inc., USA	100%	100%	100%	0%
EUR 1,000	2000	Group 1999	Parent Company 2000	Parent Company 1999
14. RECEIVABLES FROM GROUP UNDERTAKINGS				
Trade receivables			560	758
15. DEFERRED EXPENSES AND ACCRUED INCOME				
Accrued income tax	696	0	616	0
16. SHAREHOLDERS' EQUITY				
Share capital, Jan 1	5,823	5,823	5,823	5,823
Increase in share capital	86	0	86	0
Share capital, Dec 31	5,909	5,823	5,909	5,823
Share premium account, Jan 1	2,147	2,147	2,147	2,147
Change	-86	0	-86	0
Share premium account, Dec 31	2,061	2,147	2,061	2,147
Retained earnings, Jan 1	9,163	6,444	5,738	2,989
Dividend	-1,320	-1,165	-1,320	-1,165
Net profit for the year	4,547	3,854	2,683	3,913
Translation difference	18	30	0	0
Total profits, Dec 31	12,408	9,163	7,101	5,738
17. DISTRIBUTABLE RETAINED EARNINGS				
Retained earnings	7,843	5,279	4,419	1,825
Net profit for the year	4,547	3,854	2,683	3,913
Translation/exchange rate differences	18	30	0	0
Non-restricted shareholders' equity	12,408	9,163	7,101	5,738
Amount of accumulated appropriations shown under capital	-4,822	-3,304	0	0
Distributable earnings	7,586	5,859	7,101	5,738
18. DEFERRED TAX LIABILITIES AND ASSETS				
Deferred tax assets				
On consolidation procedures	77	8	0	0
On timing differences	87	60	0	56
Deferred tax liabilities				
On appropriations	1,970	2,024	0	0
On timing differences	149	88	0	0

**19. CONVERTIBLE BOND AND OTHER
LONG-TERM LOANS**

The 1998 Annual General Meeting decided to issue a FIM 300,000 (EUR 50,456.38) warrant bond targeted at the personnel of Nordic Aluminium Plc and its subsidiary Nordic Aluprofiler AB. The outstanding amount is FIM 230,200 (EUR 38,716.86). The warrant certificates entitle their holders to subscribe a total of 300,000 shares as of May 1, 1999, May 1, 2000, May 1, 2001 and May 1, 2002. A total of 79,050 of the warrant certificates are held by the company.

Subscriptions with the warrants can increase share capital by a maximum of EUR 0.38 million, which is 6.1 per cent of the company's voting rights. The period for subscription for all warrants ends on May 30, 2006.

The subscription price for one share is EUR 10.93. The price will be lowered by the amount of dividend paid out after May 1, 1998 and before the subscription on the record date of each dividend distribution. The subscription price on December 31, 2000 was EUR 10.39. However, the nominal value of the share remains the minimum subscription price.

EUR 1,000	Group		Parent Company	
	2000	1999	2000	1999
20. LIABILITIES TO GROUP UNDERTAKINGS				
Trade payables			37	7
21. ACCRUED LIABILITIES AND DEFERRED INCOME				
Accrued income tax	936	862	864	800
22. CONTINGENT LIABILITIES				
Pledged assets				
Liabilities secured with corporate mortgages				
Loans from financial institutions	13,239	11,034	11,738	10,401
Corporate mortgages given	16,819	18,417	16,819	16,819
Liabilities secured with moveable assets				
Loans from financial institutions	2,199	3,102	2,199	0
Chattel mortgages	2,199	3,102	2,199	0
Security provided for other company liabilities				
Financial assets pledged	355	388	355	2
Security provided for Group undertakings				
Guarantees	0	0	1,501	1,388
Off-balance sheet contingent liabilities				
Guarantees	161	0	161	0
Rental and leasing liabilities				
Due in the next financial year	3,282	2,996	3,239	2,603
Due later	7,645	9,769	7,510	9,768
Total	10,927	12,765	10,749	12,371
Consignation liability	3,816	4,289	3,816	4,289

EUR 1,000	Group		Parent Company	
	2000	1999	2000	1999
23. DERIVATIVE CONTRACTS				
Value of underlying instruments				
Currency futures	17,534	9,112	17,534	9,112
Metal futures	4,257	1,997	4,257	1,997
Market values				
Currency futures	-322	110	-322	110
Metal futures	-40	217	-40	217

The market values of all derivative contracts are based on market quotations on the closing date, and gains and losses in foreign currency have been translated into euros at the official rate of exchange on the closing date.

At the end of 2000, a total of EUR 0.06 million in gains on currency futures and EUR 0.04 in losses on metal futures remained unentered. Both items apply to delivery contracts and budgeted sales for 2001.

24. RISK MANAGEMENT

The purpose of risk management is to soften the impact of fluctuating aluminium price, exchange rates and changes in interest rates on the company's profits. The risks are softened by various kinds of derivative contracts in accordance with the company's financial principles. Derivatives are used for hedging and are not intended to increase business-related risks.

In hedging, the emphasis is on balance sheet items, order backlog, and sales, purchasing and financing contracts. Budgeted and estimated items and binding tenders are hedged on a case-by-case basis in accordance with the company's financial principles.

Managing the aluminium price risk

Nordic Aluminium bases the sales of its aluminium products and purchases of its aluminium supplies on world market prices. The purpose of the price risk management is to keep the purchases and sales in balance so that world market prices do not affect performance. This is done using aluminium derivatives, mainly aluminium futures, but also aluminium options, usually with a duration of less than a year.

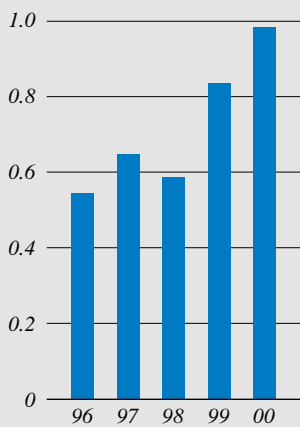
Managing exchange rate risks

About 15 per cent of the company's sales and around a third of its purchases are currency-based. Introduction of the euro has decreased the sales-related currency risk. Currency surpluses and deficits arising from income and expenses in foreign currency are balanced using, for example, currency derivatives, usually currency futures and, if necessary, currency options. Most of the currency derivatives have a duration of less than a year.

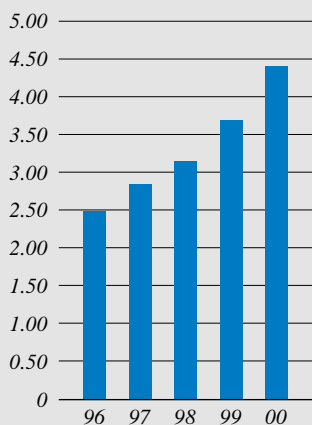
The Group introduced euro as its reporting currency in 2001. The parent company will start using the euro as its operating currency during the 2001 fiscal year. The most important export currencies outside the euro zone are the Swedish krona and US dollar.

Shares and Share Capital

Earnings/share, EUR



Equity/share, EUR



Share capital

Nordic Aluminium Plc has one share series, all shares carrying equal voting and dividend rights. The nominal value of the share is EUR 1.28, and the total number of shares at the end of 2000 was 4,616,132. The registered share capital at the end of the year was EUR 5,908,648.96. The possible effect of the warrant bond for personnel on the share capital is discussed in item 19 of the Notes to the Financial Statements.

Nordic Aluminium Plc is registered in Helsinki, Finland. Its trade register number is 505.052 and corporate code 0855490-5.

Listing of shares

The listing of Nordic Aluminium Plc's shares on Helsinki Exchanges started on April 24, 1997. The trading identifier for the shares is NOA1V, and the trading lot is 100 shares. The ISIN code used in international securities trading is FI0009006415.

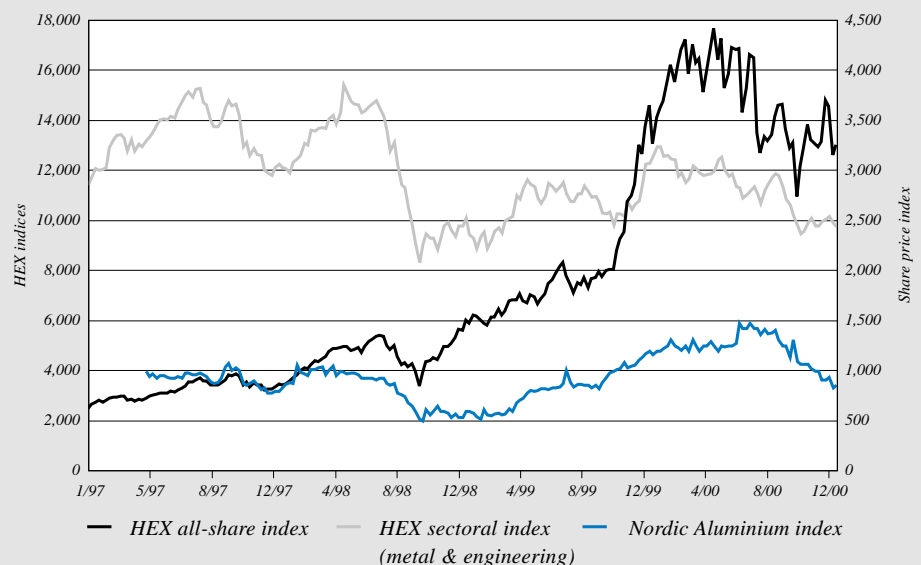
Authorisations

The Nordic Aluminium Board of Directors holds no valid authorisations to increase the company's share capital, redeem own shares, and/or issue warrant or convertible bonds.

Share price trends and turnover

There was considerable fluctuation in the Nordic Aluminium share price quoted on Helsinki Exchanges during 2000, and trading in Nordic Aluminium shares remained low. During the year, 6.6 per cent of the shares changed ownership, and total trading amounted to EUR 3,443,074.99.

HEX indices and share price index, Jan 2, 1997 - Dec 28, 2000



At the beginning of the year, the quotation for the Nordic Aluminium share was EUR 10.55 per share, against EUR 8.00 at year end. The average quotation for 2000 was EUR 11.24, and the taxation value was set at EUR 5.425. At the end of the year, the market capitalisation of the company's shares stood at EUR 36,929,056.00.

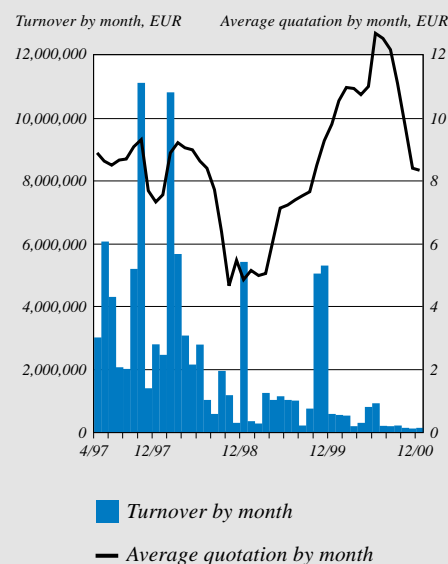
Share price and turnover trends in 1997–2000 are shown in the adjacent charts.

Shareholding

At the end of 2000, the company had a total of 634 shareholders. Nominee-registered owners accounted for 3.2 per cent of share capital and votes. The ten biggest shareholders held a total of 79.4 per cent of the Nordic Aluminium Plc share capital, and the largest individual owner category was companies (56.6%).

The Managing Director and the members of the Board of Directors controlled or owned a total of 2,667,895 Nordic Aluminium Plc shares. This was 57.8 per cent of share capital and votes.

Trading in Nordic Aluminium Plc shares and average quotation of the share, April 23, 1997 – December 29, 2000



Share related indicators

	2000	1999	1998	1997	1996
Earnings/share, EUR	0.98	0.83	0.59	0.64	0.54
Net profit/share, EUR	0.98	0.83	0.59	0.55	0.54
Dividend/share, EUR	0.34	0.29	0.25	0.25	0.20
Dividend to earnings ratio, %	34.6	34.2	43.1	39.1	40.0
Effective dividend yield, %	4.3	2.7	5.4	3.5	–
Turnover of shares (million shares)	0.3	2.2	4.9	4.3	–
Turnover of shares, EUR million	3.4	17.3	36.8	37.5	–
Turnover ratio, %	6.6	48.4	106.3	94.8	–
Equity/share, EUR	4.40	3.71	3.12	2.79	2.47
P/E ratio	8.2	12.6	8.0	11.2	–
Market capitalisation, EUR million	36.9	48.5	21.7	33.4	–
Total dividend, EUR million	1.6	1.3	1.2	1.2	0.9
Number of shares (million)	4.6	4.6	4.6	4.6	4.2
Number of shares, adjusted with the dilution effect, (million)	4.6	4.6	4.6	4.5	–
Quotation, EUR					
year's lowest	7.32	4.50	4.37	6.90	–
year's highest	13.00	10.55	9.75	10.01	–
year's average	11.24	7.75	7.49	8.73	–
average quotation on the last trading day of the year	8.00	10.37	4.59	7.08	–
Nominal value, EUR/share	1.28	1.26	1.26	1.26	1.26
Taxation value, EUR/share	5.425	7.350	3.364	4.877	1.682

Profit distribution indicators for the fiscal year are based on the Board of Directors' proposal to the Annual General Meeting on March 28, 2001.

The dividend to earnings ratio for 1996 is calculated on the basis of the number of shares entitled to dividends. That year they totalled 4,581,052.

The formulae for calculation of share related indicators are given on page 28.

Calculation of Key Ratios

FORMULAE FOR CALCULATION OF FINANCIAL INDICATORS

Income before extraordinary items:
derived directly from the income statement

Taxes for the fiscal year:
Taxes from the income statement
+- tax effect of the extraordinary items

Net profit:
Profit before taxes
less taxes from income statement

Return on equity (ROE):

$$\frac{\text{Profit before extraordinary items} - \text{less taxes for the fiscal year}}{\text{Shareholders' equity} + \text{accrued appropriations}} \times 100$$
 (based on the average at the end of each month)

Return on capital invested (ROI):

$$\frac{\text{Profit before extraordinary items} + \text{interest expenses and other financial expenses}}{\text{Balance sheet total less non-interest-bearing liabilities}} \times 100$$
 (based on the average at the end of each month)

Current ratio:

$$\frac{\text{Inventories and financial assets}}{\text{Short-term liabilities}}$$

Internal funding of investments:

$$\frac{\text{Funds generated from operations from the consolidated cash flow statement}}{\text{Gross investments}} \times 100$$

Equity ratio:

$$\frac{\text{Shareholders' equity} + \text{accrued appropriations}}{\text{Balance sheet total less advances received}} \times 100$$

Gearing:

$$\frac{\text{Interest-bearing liabilities at year end} - \text{less cash in hand and at banks at year end}}{\text{Shareholders' equity at year end}} \times 100$$

FORMULAE FOR CALCULATION OF ADJUSTED SHARE RELATED INDICATORS

Earnings per share (EPS):

$$\frac{\text{Profit before extraordinary items} - \text{less taxes for the fiscal year}}{\text{Dilution-adjusted average number of shares during the year}}$$

Net profit per share:

$$\frac{\text{Profit before taxes} - \text{less taxes from income statement}}{\text{Dilution-adjusted average number of shares during the year}}$$

Nominal dividend per share:
Dividend declared for the period per share

Dividend to earnings ratio:

$$\frac{\text{Adjusted dividend per share}}{\text{Earnings per share}} \times 100$$

Effective dividend yield:

$$\frac{\text{Adjusted dividend per share}}{\text{Share price on Dec 31}} \times 100$$
 (Quotation for the last day of trading in the fiscal year)

Equity per share:

$$\frac{\text{Shareholders' equity in the balance sheet}}{\text{Dilution-adjusted number of shares on Dec 31}}$$

P/E ratio:

$$\frac{\text{Adjusted share price on Dec 31}}{\text{Earnings per share (EPS)}}$$

Market capitalisation:
Total number of shares x share price, Dec 31
(Quotation for the last day of trading in the fiscal year)

The Board's Proposal on the Allocation of Profits

Consolidated profits according to the consolidated balance sheet per Dec 31, 2000, are total EUR 12,408,117.41 and distributable earnings EUR 7,586,239.22.

The net profit of the parent company for the year is EUR 2,682,679.26, and its distributable earnings EUR 7,101,161.49.

The Board proposes that a dividend of EUR 0.34 per share, or a total of EUR 1,569,484.88, be declared and that the remaining balance of EUR 5,531,676.61 be retained in profit and loss account.

Helsinki, February 12, 2001

Pekka Böök
Chairman

Antti Lagerroos

Pertti Laine

Stig Lival-Lindström

Auditors' Report

To the shareholders of Nordic Aluminium Plc

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

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

In our opinion, the financial statements, which show a profit of 2,682,679.26 euros, have been prepared in accordance with the Accounting Act and other rules and regulations governing the preparation of financial statements. The financial statements give a true and fair view, as defined in the Accounting Act, of both the consolidated and parent company's result of operations as well as of the financial position. The financial statements with the consolidated financial statements can be adopted and the members of the Board of Directors and the Managing Director of the parent company can be discharged from liability for the period audited by us. The proposal by the Board of Directors regarding the distribution of retained earnings is in compliance with the Finnish Companies Act.

Helsinki February 12, 2001

Tilintarkastajien Oy – Ernst & Young
Authorised Public Accounting Firm

Harri Pärssinen
Authorised Public Accountant

Kristian Hallböök
Authorised Public Accountant

Board of Directors and Management



From left, the Chairman of the Board Pekka Böök and Board Members Stig Lival-Lindström, Antti Lagerroos and Pertti Laine.

BOARD OF DIRECTORS

Chairman

Pekka Böök

(b. 1937)

M.Pol.Sc

President, Telecommunication Business Group,

NKF Holding N.V., Delft, 1996–1998

President, NK Cables Ltd, 1997–1998

President, Nokia Cables Ltd, 1996–1997

General Manager, Nokia Cables Ltd,

Telecommunication Cables, 1991–1997

President, Nokia Data Systems Oy, 1990–1991

Other key positions:

Board Member, Europacable, Bryssel, 1996–1998

Board Member, Eurotelcab, Köln, 1992–1998

Chairman of the Board, Nokia Japan Co Ltd, 1989–1992

Board Member, Shanghai Nokia Optical Cables Ltd,
1994–1998

Owns personally 47,300 of Nordic Aluminium Plc shares.

Members

Antti Lagerroos

(b. 1945)

LL.Lic.

President & CEO, Finnlines Plc

Other key positions:

Board Member, Finnlines Plc

Member of Supervisory Board,

Ilmarinen Mutual Pension Insurance Company

Board Member, Finnish Maritime Administration

Chairman of the Board, Finnish Shipowners' Association

Board Member, WM-data AB (publ.), Stockholm

No personal shareholding of Nordic Aluminium Plc shares.

Pertti Laine

(b. 1941)

B.Sc. (Econ.)

Managing Director, Veikko Laine Ltd

Other key positions:

Board Member, Conventum Plc

Board Member, Finnlines Plc

Chairman of the Board, Länsi-Auto Ltd

Owns personally 20,000 of Nordic Aluminium Plc shares.

Stig Lival-Lindström

(b. 1937)

M.Sc. (Econ.)

Managing Director, Oy Lival Ab

Other key positions:

Chairman of the Board, Oy Livalux Ab

Chairman of the Board, Oy Nibel Ab

Board Member, Eurolys AS

Owns personally 89,000 of Nordic Aluminium Plc shares.

MANAGEMENT TEAM

Jukka Koskinen, Managing Director

Matti Savolainen, Cable Management Systems product area

Stig Winstén, Lighting Tracks product area

Ralf Sohlström, Components business area

Esko Niemi, Profiles business area

Folke Jansson, Development and Quality

Torolf Theman, Economy

Aluminium – a Material with Potential

The production process at Nordic Aluminium starts with aluminium ingots. Extensive special know-how involving design and processing technology are needed when they are worked into advanced products. Nordic Aluminium's position in the aluminium processing chain is shown in the adjacent chart. Aluminium is produced from aluminium oxide which comes from bauxite, its primary raw material. Bauxite is found in nature, and as a result of soil erosion its annual supply exceeds consumption fifty times over. The leading producers of primary aluminium are the USA, Australia, Russia, China and Norway.

Light, sustainable and easy to work

Aluminium has unique properties such as lightness, durability, good electrical and thermal conductivity, ductility and corrosion resistance. Its surface can be treated with a multitude of methods, and even an untreated aluminium surface is of excellent quality and durability. Moreover, aluminium is up to 100 per cent recyclable, and the process is both easy and economical. Thus, aluminium is a material with both potential and a future.

Nordic Aluminium is actively involved in information campaigns aimed at making aluminium a more widely used material. In Finland, the work is the responsibility of the aluminium industry sector of the Federation of Finnish Metal, Engineering and Electrotechnical Industries (FIMET), in the Nordic area it is carried out by the cooperative body of Skanaluminium, while at pan-European level the responsibility lies with the European Aluminium Association. Even though the properties of aluminium were discovered more than one hundred years ago, its large-scale commercial utilisation did not start until the Second World War when aircraft factories needed large quantities of the lightweight material. There are more than one hundred producers of aluminium profiles in Europe, and in Finland, about 70,000 tonnes of aluminium are used in different shapes (profiles, cast aluminium products, wires, foil, sheets, etc.).

ISO 14001 – environment

The Nordic Aluminium Group has to observe the environmental laws and regulations in the countries in which it operates. The Board of Directors approved the company's first environmental policy in 1996 after which it has been updated on a regular basis during management reviews. Nordic Aluminium's environmental management system complies with the ISO 14001 standard. The preliminary assessment for certification was carried out at the Kirkkonummi factory in autumn 2000, and the certification itself will take place in early 2001. The aim is to certify all Finnish units before the end of 2001.

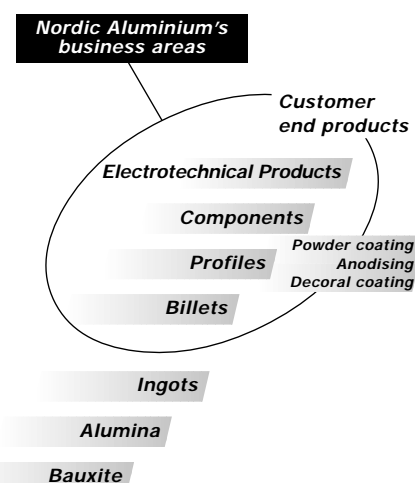
There is an environmental information sheet on every Nordic Aluminium product. The information sheets which give customers information about the products' environmental, energy and life-cycle aspects have been prepared in cooperation with FIMET, the Technical Research Centre of Finland and the Finnish Building Centre.

ISO 9001 – quality

Nordic Aluminium's quality management system complies with the ISO 9001 standard. The quality certificate issued by LRQA, which has to be renewed every three years, was granted in 1994 and was last renewed in 1999. The Nivala factory will be certified in early 2001, whereby it will become a part of the Nordic Aluminium quality certificate system. The quality certificate covers all operations in Finland and Nordic Aluminium, Inc. will apply for certification by the end of the current year. The quality system includes four management reviews every year.

Nordic Aluminium designs and manufactures advanced aluminium products and components, and markets and supplies them to the telecommunications, electro-technical, electronics, heavy engineering, vehicle and construction industries. Contractors in the building and electrical sectors install the products selected by architects, electrical engineers and lighting designers on behalf of the end users. The products and systems are delivered to the customers either directly or through the retail sector and international agents.

Nordic Aluminium in the aluminium processing chain.



The Quality Management System of Nordic Aluminium Plc has been approved by Lloyd's Register Quality Assurance Limited to the following Quality Management Standards: ISO 9001: 1994, SFS-EN ISO 9001: 1994.

Contact Details

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Product Systems and Trademarks

All of Nordic Aluminium's product systems are based on advanced design and special know-how. New generations are developed in close cooperation with end users.

DUCTEL® DUCTEL®

The DUCTEL office trunking systems and power pole products form stylish and well-functioning solutions including specially designed outlets and accessories.

DUCTEL is a registered trademark of Nordic Aluminium.

JOKA

The JOKA office trunking system is an economic solution for basic office trunking applications.

JOKA is a Nordic Aluminium brand.

SYSTEMAL®

The SYSTEMAL cable ladder system offers the optimum solution from a wide range for demanding industrial and business applications.

SYSTEMAL is a registered trademark of Nordic Aluminium.



The SYSTEMAL cable ladder system has been type approved by Det Norske Veritas for extremely demanding corrosion resistant offshore installations.

GLOBAL

The GLOBAL trac lighting track system allows for versatile solutions in demanding and elegant power supply applications. Light sources and power take off points can freely be positioned exactly where required.

GLOBAL trac is a registered trademark of Nordic Aluminium.

MULTI-adapter™

The MULTI-adapter is designed for fixing of spotlights to the most widely used types of 3-circuit lighting tracks.

MULTI-adapter is a trademark of Nordic Aluminium.

FIX-point™

The FIX-point is used for surface and recessed mounting of spotlights in ceilings and on walls.

FIX-point is a trademark of Nordic Aluminium.

Decoral®

Decoral is a surface treatment method which makes it possible to reproduce any image that can be photographed, such as wood, mineral, leather or drawing, on all surfaces that can be powder coated.

Decoral is a trademark registered in Italy for which Nordic Aluminium has the exclusive sales and manufacturing rights in Finland.

NORDIC ALUMINIUM

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