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INFORMATION FOR SHAREHOLDERS

Annual General Meeting

Rakentajain Konevuokraamo Oyj's Annual General Meeting will be held on Wednesday, 25 April 2001 at 1.00 p.m. at the Group's headquarters, Kalliosolantie 2, Vantaa. Those shareholders who have been entered in the list of shareholders maintained by Finnish Central Securities Depository Ltd. by 11 April 2001 shall be entitled to participate in the Annual General Meeting. A shareholder wishing to attend the meeting should notify by 4.00 p.m. on Friday, 20 April 2001 either in writing to the address Kalliosolantie 2, 01740 Vantaa, by telephone +358 9 894 81 (Sädekari, Syvälahti or Kuosmanen), by fax +358 9 894 8287 or by e-mail rk@rakentajainkonevuokraamo.fi.

Dividend payment

At Board proposal, dividend, adopted by the Annual General Meeting, will be paid to shareholders entered in the shareholders' register maintained by the Finnish Central Securities Depository Ltd. on the record day, 30 April 2001. The dividend will be paid on 8 May 2001.

Financial information schedule for 2001

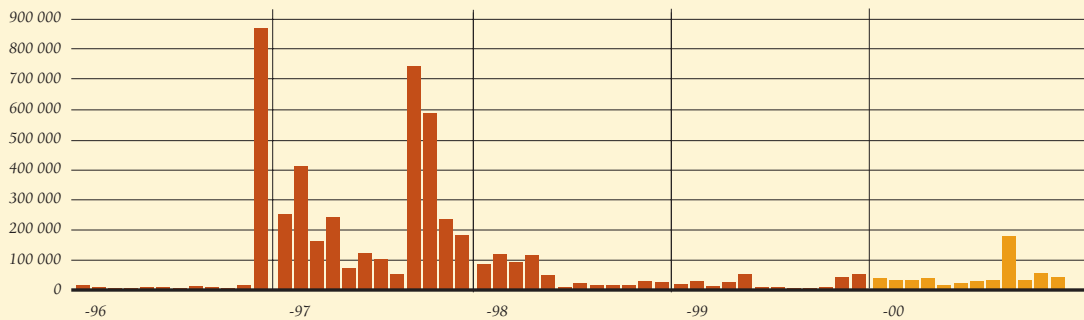
Financial statement bulletin 2000	Monday, 26 February 2001
Annual report	week 13, 2001
Three months interim report	Wednesday, 16 May 2001
Six months interim report	Wednesday, 22 August 2001
Nine months interim report	Thursday, 15 November 2001

Share performance analyses

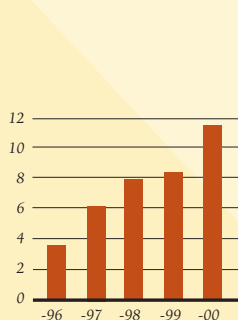
Rakentajain Konevuokraamo Oyj share performance is monitored and analysed e.g. the following analysts:

Ms Marion Ahlström	Alfred Berg – ABN Amro	tel. +44 20 76786906
Mr Tommy Ilmoni	Enskilda Securities Ab	tel. +358 9 61628700
Mr Jari Koskela	ArosMaizels Equities Oy	tel. +358 9 12340312
Mr Henri Parkkinen	Pankkiiriliike Opstock Oy	tel. +358 9 4044409
Mr Ronny Ruohomaa	Deutsche Bank AG	tel. +44 20 75453934
Mr Gorm Thomassen	Cazenove & Co	tel. +44 20 75882828
Mr Jari Westerberg	FIM Pankkiiriliike Oy	tel. +358 9 6134600

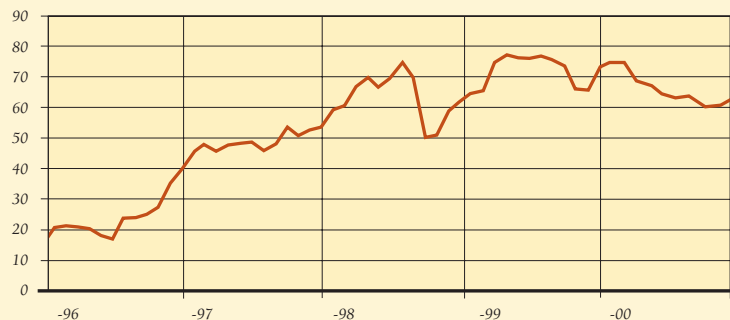
B SERIES SHARE TURNOVER, SHARES



EARNINGS PER SHARE, FIM



B SERIES SHARE PRICE, FIM



THE GROUP IN BRIEF

		2000	1999	1998	1997	change %
Turnover	FIM million / MEUR	320.8	53.96	136.8	23.01	+134.5
Operating profit	FIM million / MEUR	80.2	13.48	40.2	6.75	+99.6
% of turnover	%	25.0		29.4		-15.0
Profit before extraordinary items	FIM million / MEUR	75.3	12.67	39.4	6.63	+91.2
% turnover	%	23.5		28.8		-18.4
Balance sheet total	FIM million / MEUR	415.6	69.89	188.9	31.76	+120.0
Return on equity	%	30.1		25.5		+18.0
Return on investment	%	31.0		29.2		+6.2
Equity ratio	%	60.0		62.6		-4.2
Average number of personnel		456		248		+83.9

A and B series shares

Earnings per share	FIM / EUR	11.43	1.92	8.24	1.39	+38.7
Shareholders' equity per share	FIM / EUR	50.83	8.55	34.90	5.87	+45.6
Dividend per share	FIM / EUR	6.00 *)	1.01	5.00	0.84	+20.0
Market capitalisation	FIM million / MEUR	314.97	52.97	240.84	40.50	+30.8

B series shares

P/E ratio		5.92		8.66		-31.6
Lowest quotation	FIM / EUR	57.08	9.60	56.48	9.50	+1.1
Highest quotation	FIM / EUR	80.27	13.50	82.65	13.90	-2.9
Trading volume		457,555		233,621		+95.9

There is no public quotation for A series shares.

*) Board proposal



CEO'S REVIEW

Rakentajain Konevuokraamo Oyj's turnover soared by 134.5 per cent due to the acquisition made in early 2000 and to substantial organic growth. Turnover of Tilamarkkinat-Yhtiöt Oyj, a sub-group, grew by more than 60 per cent and that of Rakentajain Konevuokraamo Oyj, the parent company engaged in machinery and equipment rental services, drying services and diamond cutting and boring services, rose by approximately 17 per cent. Except for drying services, all other lines of business exceeded their turnover targets. The ambitious more than 27 per cent monthly growth target for drying services was achieved at the end of the year, although we failed to reach the annual growth target.

Internal migration in Finland, mould problems plaguing old houses and efforts not to tie up capital in the environment of changing needs created strong demand for Tilamarkkinat Oyj's products. Manufacturing companies Master Tilaelementit Oy, Parmaco Oy and Suomen Ykköstilat Oy were successful in responding to higher production volume by raising their capacity. The third prefabricated building module production plant acquired from a Kouvola-based bankrupt estate in February, which was reopened by Suomen Ykköstilat Oy, brought the necessary capacity increase on time.

Profitability targets were achieved in all lines of business, and the Group's profit after financial items before extraordinary items, reserves and taxes amounted to FIM 75.3 million (FIM 39.4 million). Earnings per share were FIM 11.43 (FIM 8.24). Matching the operations of two companies of almost the same size did not create a need for business streamlining and cost-cutting typical of overlapping organisations. Instead, the planned synergies with supplementary operations work well in practice. Sharpening the Group's structure is being given full consideration by weighing every option available.

Today, RK Group's service offerings successfully meet our society's service needs, which have become more acute in the fast developing and changing society. With the overall common trend in western countries, demand is expected to increase further. We aim to hold a leading market share with promising growth prospects. The current market share of about 25 per cent is expected to further rise as the annual organic growth target of 15–20 per cent for the next few years materialises. We also view company acquisitions as an interesting route to expansion.

Rakentajain Konevuokraamo Oyj has been fortunate in not having been overly active in Russia and the Baltic countries as, for the past ten years, the machinery and equipment rental services there have brought lean profits while the Finnish operations appear to show profitable growth. In line with our strategy, we have been putting more efforts into exploiting expansion potential across the Baltic region.

As a consequence of the company acquisition and other business expansion, the number of Group customers, shareholders and partners rose sharply in the financial year. Co-operation with all parties has been most pleasant, for which I would like to express my warmest appreciation. The personnel that doubled in number has shown great flexibility in successfully performing their challenging tasks of applying synergies for the customers' and Group benefit as well.



Rental business from an international perspective

A few pioneering companies embarked on providing machinery, equipment and portacabin rental services in our country in the early 1950s, and Rakentajain Konevuokraamo Oy was one of them. The business gradually spread in the 1970s as some two out of ten machines were rented in Finland at that time while in Sweden and, in particular, in Great Britain and the USA the machine rental services were a thriving and growing business.

Operating models in the Finnish construction industry, and in other industries as well, came mainly from Germany where self-dependence in machinery and equipment prevailed for a longer time than in other western countries. Machinery and equipment rental services began to boom in Germany as late as in the 1980s.

More than 70 per cent of house-construction machines are rented in the USA and the UK while in Finland the corresponding figure amounts to 50 per cent and Sweden is somewhere in between. There are several machine rental companies in the USA that turn over USD 1 billion (approx. FIM 6 billion), the largest of them turning over more than USD 3 billion (approx. FIM 18 billion). Turnover of the largest British counterpart totals about USD 3 billion and the Swedish market leader turns over almost FIM 1 billion.

In Finland, industry turnover is still less than FIM 1.5 billion and the combined turnover of the two major companies in the industry exceeds FIM 300 million. Although the range of rental machines and equipment available varies by country, an approximate comparison between economies and the number of their inhabitants shows that industry growth expectations in our country are justified. This perception is also confirmed by the ever-closer monitoring of return on capital, which has lately become a more common corporate practice. Corporate customers have become more critical about tying up their capital in operations other than their core business. By relying on rental services, the public sector is also able to respond to the rapidly changing needs for movable buildings in, say, areas with an influx of migrants without having to tie up excessive capital. This is just the foundation upon which the rental service companies base their business ideas.



Reijo Saarenoja
Managing Director
and CEO of the Group

RAKENTAJAIN KONEVUOKRAAMO OYJ

Rakentajain Konevuokraamo's mission is to offer machinery, equipment, shelters and expertise on a just-in-time basis needed in construction projects. Currently, a construction firm can rent all the necessary machinery and equipment without having to procure machines of their own. RK's expertise benefits customers by offering rental machines and equipment selected from the manufacturers' best possible product range, always serviced to prime condition and ready for use. This is how customers can free their capital for other purposes. Machinery and equipment rental also pays off economically since most construction industry machinery are imported goods of high value. In rental service operations, a machine's utilisation rate increases and the need for importing machinery lessens.

RK's operations date back forty-eight years, to when a group of influential figures in the construction industry gathered in Helsinki to discuss the prevailing problem caused by the post-war economic crisis: machinery imports were strictly licensed, whilst the need for reconstruction was huge. At the meeting, the group decided to solve the problem by joining their forces to establish a company, Rakentajain Konevuokraamo, to procure machinery for joint use.

The new company's shares were subscribed for by the Central Union of Building Engineers (Rakennusmestarien Keskusliitto), the Construction Engineers' Foundation (Rakennusmestarien Säätiö), the Alliance of Building Firms in Finland (Suomen Rakennusliikkeiden Liitto), the Association of Building Engineers in Helsinki (Helsingin Rakennusmestariyhdistys) and Louhi, an insurance company. The first two are still the major shareholders of the company whereas Louhi's shareholding was transferred to Pohjola, an insurance company, as early as the 1970s. As a consequence of public share trading, the number of the company's shareholders has swiftly increased to a total of approximately 700 at the end of 2000.

Originally, the items offered for rent mainly included heavy earth-moving machines. Later on they were excluded from the product range. Since the 1960s, rental services have focused more on light-weight machinery, the major product groups being scaffolding, personnel hoists, heating appliances and various small machines and equipment. The company's service offerings were later supplemented with diamond cutting, drying services, the rental and sales of tents and shelters as well as the design, manufacture, rental and sales of movable building modules.

Since 1988, the company's shares have been listed on the stock exchange: first on the OTC list and, since 1998, on the Main List of the Helsinki Exchanges. Rakentajain Konevuokraamo Oyj's subsidiaries include Kiinteistö Oy RK-Kehä and Kiinteistö Oy Vantaan Viinikankaari 9, both real-estate companies. As a result of the private placing carried out in January 2000, Tilamarkkinat-Yhtiöt Oyj, a quoted company, became Rakentajain Konevuokraamo Oyj's sub-group. In 2000, Tilamarkkinat-Yhtiöt Oyj was withdrawn from the Helsinki Exchanges. Tilamarkkinat Oy, a subsidiary, is mainly in charge of the sub-group's product marketing and subsidiaries Master Tilaelementit Oy, Parmaco Oy and Suomen Ykköstilat Oy are in charge of production.

Rakentajain Konevuokraamo's consolidated turnover for 2000 totalled FIM 321 million and the Group had a staff of 456. At the end of the financial year, the Group had 43 service offices and 17 dealers throughout the country, two diamond and drying services units and one tent services unit. In addition, Tilamarkkinat-Yhtiöt runs four production plants.

Rakentajain Konevuokraamo Group is currently a market leader in machinery and equipment rental services as well as in the rental and sales of movable building modules.



TILAMARKKINAT-YHTIÖT OYJ

Tilamarkkinat-Yhtiöt Oyj's mission statement includes the marketing of movable building modules for companies and public service providers, the production of which is based on state-of-the-art construction technologies and on sophisticated module production and prefabrication methods.

Tilamarkkinat-Yhtiöt Group has four subsidiaries. Tilamarkkinat Oy, based in Ylöjärvi, markets and rents prefabricated building modules, and Leppävirta-based Master Tilaelementit Oy, Pyhäjoki-based Parmaco Oy and Kouvola-based Suomen Ykköstitilat Oy are all in charge of production. The Group also has two associated companies, i.e. Suomen Tähtivuokraus Oy and Suomen Projektivuokraus Oy of which the latter one is among the three largest rental companies in Finland.

With functional and practical criteria in focus, the company's business is successful in meeting the demand for movable buildings. These criteria imply the appropriateness of movable buildings, product and service performance on a full-service basis and special delivery capacity. Rapid changes in society and business set ever-greater requirements for the delivery of movable building modules. These requirements are met by the prefabricated module and element production methods as well as by the methods used in the prefabricated house industry.

Prefabricated module technology provides great opportunities for constructing buildings that are easily convertible, extendible and movable. In addition to the convertibility of premises, the feature of movability provides an alternative tool to finance building. Hence, it is possible to have the necessary premises built in a place optimum for business without having to own the building, but, instead, the movable building can be rented.

Future Prospects

Tilamarkkinat-Yhtiöt is strongly positioned in the market and competition. Besides being a market leader in prefabricated building modules, the company's expertise and experience in, say, movable schools, day-care centres, construction site facilities and other portacabins as well as industrial offices and accommodation blocks will give the company a pronounced competitive advantage. As a result of the consistent corporate strategy followed, the Group's business ranges from product development and manufacturing to financial solutions and delivery project management.

Growth prospects are promising in the rental market for movable buildings, in particular. The Swedish rental market for movable portacabins, day-care centres and schools for permanent use are thirty-fold compared to Finland. There are also signs of increasing overall demand for rental services in Finland. The prefabricated module technology and the rental business of movable buildings decrease industry exposure to business cycles typical of the construction industry.

The Finnish municipalities' new obligation to provide day care and pre-school education as well as the lively internal migration to enterprise zones will guarantee vigorous demand for movable schools and day-care centres for the next few years. Business restructurings will, for their part, add to the needs for rental services. In the midst of an internationalisation process or in the event of changes in ownership structure or of otherwise changing circumstances, a prefabricated and movable building is a cost-effective and flexible solution for procuring premises.

The average number of staff at Tilamarkkinat-Yhtiöt and its subsidiaries is 180.



RK GROUP'S SERVICE ORGANISATION

Management of the Group

Rakentajain Konevuokraamo

Maintenance

Contracting

Marketing

Financial management

Rental of construction machinery and equipment

Diamond cutting services

Drying services

Tent services

Service Offices

Espoo-Kauklahti	Lappeenranta
Espoo-Lintuvaara	Lohja
Espoo-Olarinluoma	Mikkeli
Heinola	Muurame
Helsinki-Alppila	Oulu
Helsinki-Herttoniemi	Pieksämäki
Hollola	Pietarsaari
Hämeenlinna	Pori
Imatra	Raisio
Joensuu	Rauma
Jyväskylä	Riihimäki
Kaarina	Rovaniemi
Kajaani	Savonlinna
Karhula	Seinäjoki
Kemi	Tampere
Kerava	Tornio
Kokkola	Turku
Kotka	Vaasa
Kouvola	Valkeakoski
Kuopio	Vantaa
Kuusankoski	Varkaus
Lahti	Äänekoski

Tilamarkkinat-Yhtiöt

Designing, manufacturing, rental and sales of the movable buildings

Manufacturing Plants and Service Offices

Kouvola
Leppävirta
Pyhäjoki
Ylöjärvi

TURNOVER BY CUSTOMER GROUP

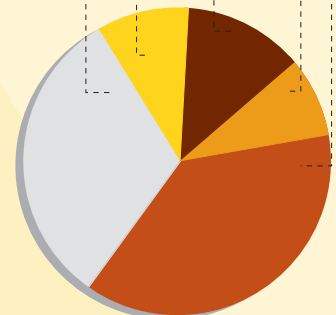
CONSTRUCTION INDUSTRY 35 %

HOUSEHOLDS AND AGRICULTURE 10 %

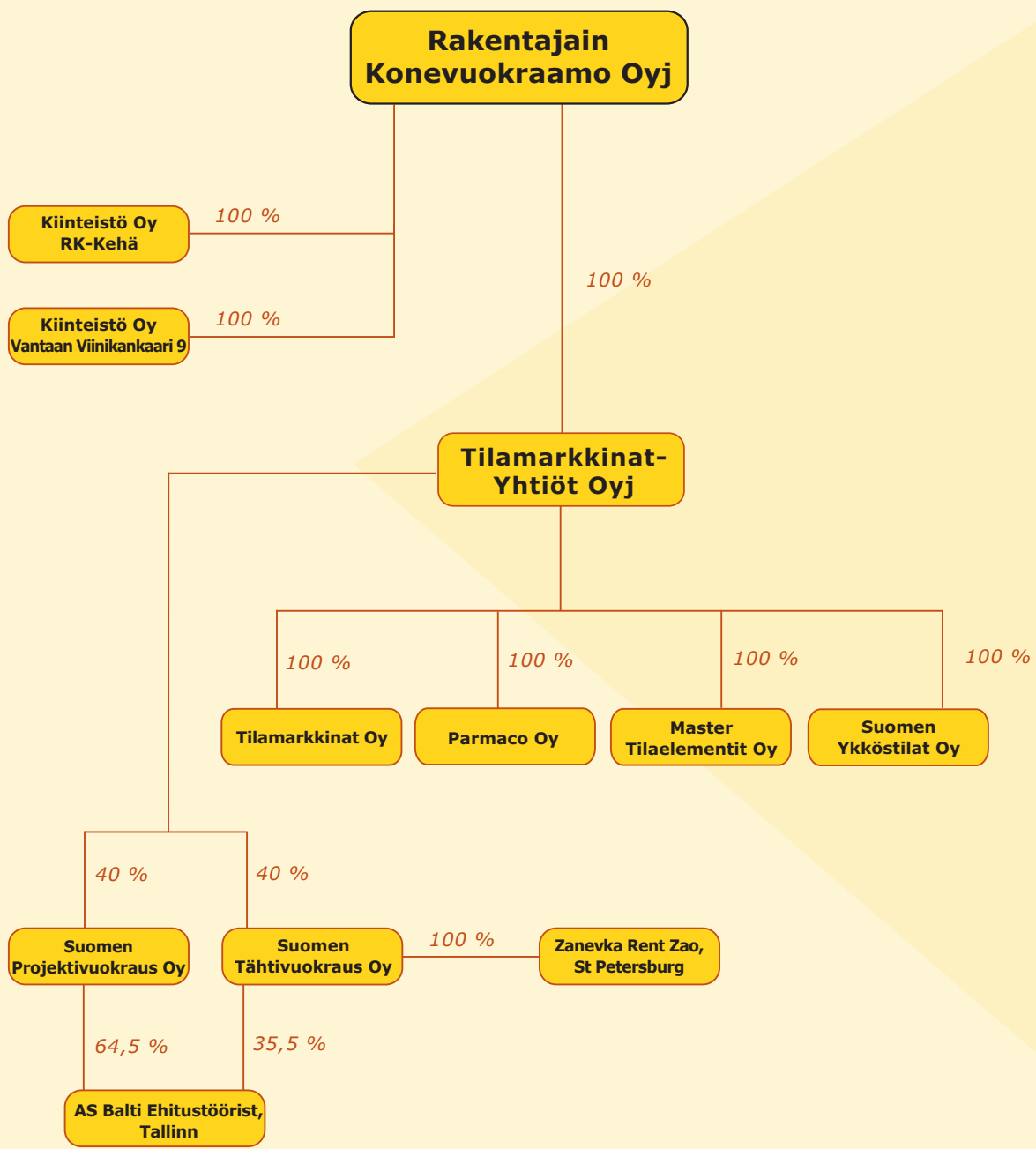
OTHER INDUSTRIES 16 %

TRADE 11 %

PUBLIC ADMINISTRATION 28 %



RK GROUP 'S ORGANISATION



Rental of construction machinery and equipment

With a shared market leadership, the Group holds a 25 per cent market share in the Finnish rental market for machinery and equipment. The machinery and equipment rental business has already been showing a pronounced expansion for several years. The 2000 turnover rose by 16.7 per cent to FIM 121.9 million on a year earlier. The equipment offered for rent includes about 55,000 machines and appliances comprising approximately 1,000 items. The most important product groups are personnel hoists, scaffolding, heating appliances and various light-weight machines. With their increasing share in business operations and wider range offered for rent, personnel hoists were one of the main investment targets during the report period.

RK's service range is broader than ever before including floor smoothing, scaffolding erection, electric and heating system installations on construction sites as well as various floor-smoothing appliances and dusters.

Only machinery and equipment meeting the latest standards of professional construction are included in the range of rental equipment. These standards are also required to comply with the rules and regulations on industrial safety and with other legislation. The customer is always provided with machinery and equipment serviced by professional personnel. In terms of power and useability, the equipment offered for rent is in condition equivalent to it being brand new. RK's customer avoids fixed costs that would be incurred if the machinery were bought.

RK Group's product range includes the right quantity of appropriate rental equipment suitable for varying needs across Finland. The Group's experts anticipate the future needs of customers and procure the appropriate equipment for local stocks all around Finland. Machines are rented to customers on a 24-hour service and replacement guarantee basis.

Rakentajain Konevuokraamo also imports machinery and equipment suitable for customer needs. The imported machinery and equipment are also offered for sale, but only after they have proven useful and reliable in rental operations.

Service and repair operations and logistic systems

Service and repair operations are a vital foundation of Rakentajain Konevuokraamo's business. Since rental machines must be in top condition, they are always overhauled and serviced after use to meet customer needs.

Efficient logistics are also a key factor contributing to company performance. A well-planned logistic system guarantees a high utilisation rate of the right quantity of machinery, which, in turn, is for the customer's benefit as well. The real-time computer system, used by all service offices for years, is an integral part of Group logistics. The system is under constant development, and, for instance, the current development work aims to intensify equipment maintenance operations.

The majority of Group personnel throughout Finland are involved in equipment overhaul and servicing. The technologically more sophisticated machinery and equipment and regulations imposed by the authorities also require expertise, which is maintained by further training provided for personnel on an ongoing basis. Part of the training is given by vocational schools and external training providers, and part of the training is provided by RK itself.

Rakentajain Konevuokraamo's twenty-first century operational system (ISO 9001:2000) is currently being prepared and developed. A service



sector application, introduced in December 2000, underpins RK's quality system, which is based on employee expertise and competence and their responsibility for correct performance.

Cutting and drilling with diamond-tipped precision boring machinery

With its twenty-five-year experience and independent training programmes, Rakentajain Konevuokraamo is a pioneering provider of diamond-tipped precision boring services and an industry leader in Finland. Diamond-tipped precision boring machinery is used to cut holes of the required size and shape in stone and concrete structures. The advantage of this method over other types of cutting is that neither dust nor structure-borne noise is generated. With a low level of noise and free from dust, diamond cutting and boring is apt for renovating and repairing buildings, such as offices and schools, where the daily activities can continue uninterrupted during the work.

RK has designed an in-company employee training programme on diamond cutting and boring since no external training is available in the field. Due to the Group's extensive service office network, the skills acquired at RK also spread across the country.

Turnover of the line of business in 2000 totalled FIM 14.5 million, showing a 16 per cent increase on a year earlier. The total number of contracts amounted to over 3,000. The company employs 38 diamond-cutting professionals in 25 locations.

Drying services

Rakentajain Konevuokraamo Oyj is one of the drying service companies approved by the Federation of Finnish Insurance Companies. Services include the drying of structures during construction as well as dealing with various latent or sudden water damage. Rakentajain Konevuokraamo's service ranges from moisture analyses and drying plans, the installation of drying machines to the actual drying operations. Factors contributing to the superiority of the company's drying services are the nation-wide service network and the state-of-the-art and the most diversified measuring and drying equipment in Finland.

In 2000, drying services turned over FIM 13.3 million, representing a year-on-year growth of 15.7 per cent. Drying services employ twenty technicians and seventeen mechanics. Over the course of the financial year, the company had some 1,800 sites requiring drying services from all over Finland.

Coverings

Rentals of movable construction site shelters, employee recreation rooms and steel containers increased by 22 per cent on a year earlier and turnover amounted to FIM 5.6 million. Demand for site shelters is expected to rise further. Demand for steel safety containers continues to increase due to the growing need to protect construction materials against rain and theft.

In addition, demand for the rental of large warehouses as well as for marquees and tents for leisure usage increased. The 2000 turnover of the business line amounted to FIM 4.1 million. A great number of summer events and festivals used RK's tents and marquees. RK also develops shelter solutions, specifically designed for Finnish weather conditions, to meet the requirements set by the harsh Finnish winter, for example. The sale and rental of PVC-covered steel-arch sheds used as industrial warehouses also grew in 2000.



TILAMARKKINAT-YHTIÖT'S BUSINESS

Tilamarkkinat-Yhtiöt is a market leader in the production of buildings and facilities based on prefabricated module technology with a wide variety of building applications. The production technology is applicable to permanent and long-standing facilities as well as temporary buildings requiring transportation on a frequent basis.

Schools and day-care centres

In recent years, Tilamarkkinat-Yhtiöt has provided Finnish towns and other municipalities with more schools and day-care centres than any conventional construction firm in Finland. In 2000, the municipalities of the Helsinki metropolitan area alone were provided with a total number of twenty units for the needs of schools and day care. The decisions made by the municipalities were based on whether to buy or rent buildings.

There are many reasons why the trend towards prefabricated-module schools and day-care centres is reckoned to persist. First, the new obligations of municipalities and the internal migration to enterprise zones increase the need for new premises. Second, movable buildings are also a splendid solution for municipalities with internal changes in their population structure. Third, constructing ever-smaller units is encouraged by the tendency of paying increasing attention to the situation or location of schools and day-care centres and to the overall atmosphere there.

In addition to the prefabricated module-based schools and day-care centres designed for permanent use, the company's product range includes educational facilities for temporary use. Demand for these facilities has risen due to moisture problems emerging in old school and day-care centre buildings as well as to other repair and renovation needs.

Offices and auxiliary industrial facilities

Demand for prefabricated module-based offices and recreation rooms has risen due to the rapid growth in the electronics and IT industries. Intensifying recruitment has created growing needs for new premises, and meeting the needs is not always possible by means of on-site building methods. In addition to prompt delivery, the opportunity to rent additional premises facilitates the decision-making process since there is no need for costly investments.

Other industries also use offices and other auxiliary facilities built by Tilamarkkinat-Yhtiöt. These buildings do not look as if the modules used for them were prefabricated since the customer is free to decide on their architectural appearance, including covering materials. In 2000, the company implemented the largest prefabricated module-based office building for Valmet in Rautpohja with a total surface area of 3,000 m². Tilamarkkinat supplied the 2001 Ski World Championships in Lahti with 130 ski and service cabins with a total surface area of 2,000 m².



Construction site facilities

Tilamarkkinat-Yhtiöt is engaged in the provision of portacabins for construction sites. The company rents the necessary facilities needed in construction sites on the basis of the orders placed, or can even take full responsibility for large-scale industrial building projects. In this case, Tilamarkkinat is in charge of the right quantity of appropriately equipped premises available on the site through every phase of the project.

In addition to rental operations, the company manufactures a wide range of various portacabins for the needs of its own contractors. The product range includes office buildings, locker rooms, shower rooms, canteens, recreation rooms and accommodation blocks sold with appropriate fittings. Individual prefabricated units and modules to be joined, with heating, water, ventilation and electricity engineering, are ready-made facilities. The 7 Series product line developed to meet the current dimensioning requirements is gaining currency among construction firms in the process of renewing their equipment.

Halls and warehouses

The company's production plant in Pyhäjoki manufactures large building modules in addition to movable prefabricated modules. The plant has the necessary specific capacity to meet the SME's growing demand for halls and warehouses.

The turn-key contract of halls includes both planning and erection with the aim of achieving clear cost-savings and efficiency in terms of prompt deliveries. The buildings are developed and designed on the basis of the customer's individual needs and corporate image. The special module technology can also take architectural objectives into consideration.

Tilamarkkinat-Yhtiöt's competitive position as a halls manufacturer is impressive. The Pyhäjoki plant has provided more than one thousand halls on a contract basis in Finland, the majority of them implemented for industry and commerce.



EVOLVING PERSONNEL

To successfully run its business operations and meet the set targets, Rakentajain Konevuokraamo needs highly skilled and committed employees. Consequently, the company initiated an intensive sales and customer service training programme – in addition to the standard courses and further training programmes – with a view to enhancing professional skills. This has resulted in a stronger team spirit within the Group and improved customer service. On the other hand, employee training also contributes to vigour and mental agility. The course, where employees across the country gather together, increases interaction and communication. The Group started to call the training programme, highly valued by the personnel, a course of positive thinking. During the financial year, the Group invested a lot of time and effort in this form of training.

Specialised further training

Specialised training is faced with various challenges caused by the nature of the industry in which RK operates and by the Group's strong growth. Consequently, professional skills do not only rest on vocational education provided by technical schools but RK itself provides its personnel with further training on an ongoing basis with the aim of strengthening employee expertise. This in-company training is based on the knowledge and expertise acquired over the past decades.

Due to the development of the quality system, the qualifications required from employees are increasing further. Training provided by Rakentajain Konevuokraamo aims to give adequate know-how so that each employee is able to perform their tasks as well as possible and in a manner required by each situation.

Electrical training that RK provided for its electricians in Maintenance qualifies for an S3 diploma. Managing personnel hoists requires, in turn, knowledge of hoist hydraulics and the electrical controls related to them. For this purpose, RK provides its personnel with specialised further training in co-operation with hoist importer personnel.

Training related to a particular machine and equipment is based on expertise and experience acquired over the years. Before any machine-specific training, the eligibility and skills of the fitters enrolling in the course are analysed and mapped out. For this type of training, RK has its own training centre in Central Finland. One training module may take one or several days.

Specialised training in drying

Moisture analysis training qualifying for drying tasks is provided both in-house and externally. The course has been developed in co-operation with Swedish equipment manufacturers in connection with their projects. One of the principal course leaders is a Swedish Doctor of Science in Technology, a pioneer in the field, previously employed by the Stockholm University of Technology. The Renova moisture analysis training programme implemented in co-operation with Vakuutusyhtiöiden ja Kiinteistöalan koulutussäätiö (Training Foundation of Insurance Companies and Real Estate Sector) provides qualifications for drying tasks.

Training on diamond cutting and boring

As to diamond cutting and boring, no external training is available. Consequently, RK itself provides the necessary training course for this purpose. The course has been developed in co-operation with equipment manufacturers. Due to the training provided by RK, expertise in diamond cutting and boring spreads through RK's service offices across the country.

Incentive programmes

Employee incentive programmes developed by RK Group have, for their part, motivated employees to work on a long-term basis and increased the highly skilled employees' commitment to the Group. One of such programmes includes an employee bonus system. Group employees have also been issued a bond with equity warrants entitling them to subscribe for B series shares. The subscription period of the shares will last until 31 May 2004. More than 50 per cent of employees have exercised their subscription right entitled by the bond with warrants.

Environmentally sound machinery rental services

Rakentajain Konevuokraamo Oyj operates on the basis of values that are in line with sustainable development. The Group aims to keep the utilisation rate of the equipment offered for rent as high as possible since this minimises the total number of units needed. The tested and safe equipment is rented to the customer without unnecessary packing.

Environmental aspects are taken into consideration in machinery purchases and long-term maintenance during their service life. In this way, it is possible to lengthen the machinery's life cycle. The waste and scrap originating from the equipment subject to disposal are recycled.

All in all, machinery rental services have minor negative environmental effects, however one such impact is exhaust fumes, for instance. Machinery and equipment are purchased on the basis of their lowest possible burden on the environment.

RK is fully aware of the environmental effects of its operations and is prepared for any problem situations. The storage and treatment of chemicals and hazardous waste are developed on the basis of the quality system. Thanks to the efficient recycling of long-lived and quality equipment, RK's business operations also conserve nature for future generations.

Emergency service

Rakentajain Konevuokraamo is involved in a 24-hour emergency service. In the event of water damage on weekends and holidays, an insurance inspector or Securitas Oy's emergency personnel on duty calls upon RK employees in charge of drying services. RK's drying services units are prepared for crisis situations by means of, among other things, enclosures, water pumps, searchlights, drying work and moisture measurements.

Saving one of our national treasures many years ago is a case in point. As a result of RK's drying services unit's rapid boring and drying operation, Gallen-Kallela's fresco was saved when it became wet in fire fighting at the Old Student House. Examples of emergency service operations during the financial year include drying operations after fire fighting at the Hämeenlinna Museum and at Kannelmäki's shopping centre in Helsinki.

Industrial safety

Rakentajain Konevuokraamo Group puts particular emphasis on industrial safety, which is highlighted in training courses provided by the Group.

Government regulation on machinery and equipment requires scheduled maintenance and inspection of personnel hoists, which can only be carried out by a certified person. Many of RK's technical personnel are certified to perform these tasks. This is important since there is lack of external capacity in Finland to deal with the scheduled maintenance and inspection duties.

As to personnel hoist rental services, RK is a pioneer in industrial safety. RK was the first machinery rental company with safety harness fixing points in its personnel hoists. Later on, this became common practice in the field of personnel hoists.

All RK's electricians have received an S3 diploma in electric safety pursuant to the Electricity Act.

RK's Repair and Service Manager is a member of RK Group management and management team.

Group personnel at the end of 2000

At the end of 2000, the number of Rakentajain Konevuokraamo Oyj's employees amounted to 263. RK has always laid special emphasis on the maintenance of machinery and equipment. Therefore, as many as 150 employees are also qualified for performing maintenance and repair tasks. Tilamarkkinat-Yhtiöt Oyj had a staff of 180 at year-end.



BOARD REVIEW

General

The Finnish economic growth continued at a steady pace. The sustainable development in the company's business environment was reinforced by the moderate 10–11 per cent construction investment level of GDP.

Tilamarkkinat-Yhtiöt Oyj, which became a wholly-owned subsidiary during the report period, came up to our expectations as a leading designer, manufacturer, renter and seller of movable buildings. The subsidiary's high profitability and the low costs incurred due to the co-ordination of the acquired company's business guaranteed the Group's sustained profitability.

Organisation

The parent company's service network comprises 60 service offices providing rental services, of which 43 are run by the company and 17 operate on a dealership basis. In September, Rauman Vuokrakone Oy's business, which was integrated into the company's profit centre in Rauma, was acquired to strengthen the company's presence in the Rauma business district. The above-mentioned service offices provide drying services and diamond cutting services nationwide in 25 locations.

In addition to company central administration, Tilamarkkinat-Yhtiöt Oyj operates three production plants, one of which was acquired from Ykköstilat Oy's bankrupt estate in Kouvola.

Turnover

Consolidated turnover soared by 134.5 per cent (9.4 per cent in the previous year) from FIM 136.8 million to FIM 320.8 million. Parent Company turnover grew from FIM 136.8 million to FIM 159.4 million, or 16.5 per cent (9.4).

Profit

Consolidated operating profit amounted to FIM 80.2 million (FIM 40.2 million), showing a year-on-year growth of FIM 40.0 million (FIM 2.2). Parent Company operating profit totalled FIM 41.4 million (FIM 37.8 million), representing an increase of FIM 3.6 million (FIM 2.0 million) over the previous year.

The Group's net financial expenses were FIM 4.8 million (FIM 0.8 million). The Parent Company's net financial income totalled FIM 1.0 million (FIM 0.5 million).

The Group's profit after financial items and before extraordinary items totalled FIM 75.3 million (FIM 39.4 million), showing an improvement of FIM 35.9 million (FIM 2.0 million) on a year earlier. The Parent Company's profit after financial items and before extraordinary items amounted to FIM 42.4 million (FIM 38.2 million), representing a year-on-year growth of FIM 4.2 million (FIM 1.9 million). The extraordinary items of FIM –1.1 million (FIM +4.3 million) include expenses incurred due to the share swap, redemption offer and redemption claim related to the purchase of Tilamarkkinat-Yhtiöt Oyj shares.

The Group's and Parent Company's profit after extraordinary items, appropriations and direct taxes totalled FIM 52.4 million (FIM 32.2 million) and FIM 23.1 million (FIM 21.7 million), respectively.



Capital Expenditure and Financing

The Group's capital expenditure accounted for 24.7 per cent (53.5) of turnover, totalling FIM 79.2 million (FIM 73.2 million), which was mainly spent on rental machinery and equipment, the purchase of business and production plant from Ykköstillat Oy's bankrupt estate, the purchase of Parmaco Oy's factory site, the purchase of site in Jyväskylä for Parent Company needs and the purchase of Rauman Vuokrakone Oy's business.

The FIM 7.3 million sale price of Suomen Helasto Oyj shares sold by Tilamarkkinat-Yhtiöt Oyj generated capital gain of FIM 3.2 million after taxes.

The Group's purchases of FIM 11.3 million (FIM 9.6 million) related to rental equipment maintenance were charged as expenses.

Pension loans and loans from financial institutions increased by FIM 57.2 million, totalling FIM 109.3 million at year-end.

Increase of Share Capital and Purchase of Tilamarkkinat-Yhtiöt Oyj Shares

On 28 December 1999, an agreement was concluded with Tilamarkkinat-Yhtiöt Oyj's twenty-nine majority shareholders on buying their 57.97 per cent holding, or 3,710,064 shares, in consideration of a total number of 1,297,226 Rakentajain Konevuokraamo Oyj's new B series shares to be issued by means of a share swap in accordance with section 52 f in the Business Income Tax Act.

On the grounds of the Board proposal, the Extraordinary General Meeting of 27 January 2000 decided, as distinct from the shareholders' subscription privilege, on a private placing with the above-mentioned twenty-nine shareholders. As a consequence of the private placing, Rakentajain Konevuokraamo Oyj's share capital was increased by FIM 12,972,260 by transferring a total of 1,297,226 new B series shares to the twenty-nine shareholders as subscription in kind against a total of 3,710,064 Tilamarkkinat-Yhtiöt Oyj shares that were transferred. The new shares' subscription price, based on the share price of the company's shares at the end of 1999, was FIM 65.07 per share, totalling FIM 84,410,495.82. The new shares entitle to a full dividend for the financial year starting as of 1 January 2000.



The new shares were subscribed and paid up on 27 January 2000. The increase of share capital was registered with the Trade Register on 2 February 2000. The number of shares amounts to 4,683,706 and share capital totals FIM 46,837,060.00.

After the increase of share capital, the twenty-nine subscribers held 27.7 per cent of the company's share capital and 8.3 per cent of voting rights.

Since Rakentajain Konevuokraamo Oyj's shareholding in Tilamarkkinat-Yhtiöt Oyj increased to approximately 95 per cent, the Group made a redemption offer in compliance with Section 6, Chapter 6 in the Securities Market Act. According to the terms of the offer, the redemption period was from 7 March to 7 April 2000 at the redemption price of EUR 3.83, or FIM 22.75 per share. After the implementation of the redemption offer, Rakentajain Konevuokraamo Oyj's shareholding in Tilamarkkinat-Yhtiöt Oyj rose to 97.8 per cent by the end of April.

On 24 February 2000, Rakentajain Konevuokraamo Oyj informed its subsidiary of the redemption right pursuant to Section 14, Chapter 19 in the Companies Act and announced its claim on redeeming other shareholders' shares at EUR 3.83 per share, i.e. at the price equivalent to that presented in the redemption offer in compliance with the Securities Market Act. Consequently, Tilamarkkinat-Yhtiöt Oyj requested that the Tampere Court of First Instance should assign a trustee to attend to the interest of absent shareholders in the redemption procedure. On 1 March 2000, the Tampere Court of First Instance assigned Markku Lehtola, a lawyer from Tampere, to act as a trustee.

Since Rakentajain Konevuokraamo Oyj failed to redeem all Tilamarkkinat-Yhtiöt Oyj shares in the voluntary proceeding, it submitted an application on 13 April 2000 to the Arbitration Board of the Central Chamber of Commerce for appointing a Court of Arbitration in the matter concerning Tilamarkkinat-Yhtiöt Oyj's share redemption. Owing to the company's application, the Arbitration Board of the Central Chamber of Commerce appointed Juhani Erma (LL.Lic.) as the sole arbitrator on 2 May 2000.

At the session of the Court of Arbitration on 9 June 2000, the arbitrator found the redemption right of Rakentajain Konevuokraamo Oyj undisputed and issued an order on the security to be given as guarantee for payment of the redemption price. On 12 June 2000, Rakentajain Konevuokraamo Oyj gave the security as guarantee approved by the Court of Arbitration, as a consequence of which the ownership of Tilamarkkinat-Yhtiöt Oyj shares held by Tilamarkkinat-Yhtiöt Oyj's minority shareholders transferred to Rakentajain Konevuokraamo Oyj.

Rakentajain Konevuokraamo Oyj's shareholding in Tilamarkkinat-Yhtiöt Oyj rose to 100 per cent and all Tilamarkkinat-Yhtiöt Oyj shares were transferred to Rakentajain Konevuokraamo Oyj on 16 June 2000. Due to this, Tilamarkkinat-Yhtiöt Oyj submitted an application on 12 June 2000 to the Helsinki Exchanges for delisting its shares from the I list. Trading in Tilamarkkinat-Yhtiöt Oyj shares discontinued on 12 June 2000 and the shares were delisted from the Helsinki Exchanges' I list on 22 June 2000.

The arbitration award was delivered on 6 July 2000. The Court of Arbitration rendered an award in the issue, setting the redemption price of Tilamarkkinat-Yhtiöt Oyj shares at EUR 3.83 per share as demanded by Rakentajain Konevuokraamo Oyj. Moreover, the Court ordered Rakentajain Konevuokraamo Oyj to pay an annual interest of 4.5 per cent on the redemption price from the date the security was given until the final confirmation of the redemption price, i.e. until the matter has become legally valid.

According to the announcement given by the Vantaa Court of First Instance on 13 September 2000, no action was brought that would challenge the arbitration award regarding the share redemption right and price of Tilamarkkinat-Yhtiöt Oyj rendered on 6 July 2000. The cum-interest redemption price was paid immediately to the former minority shareholders of Tilamarkkinat-Yhtiöt Oyj.

Share Capital and Shareholders' Equity

Share capital of FIM 46,837,060.00 as of 31 December 2000 was divided into 4,683,706 shares with their nominal value of FIM 10.00.

Parent Company shareholders' equity totals FIM 183,724,159.17 and the Group's shareholders' equity amounts to FIM 238,079,187.57.

Bond with Warrants

In accordance with the decision made by the Annual General Meeting on 14 May 1998, the bond with warrants valued at FIM 165,000 entitles Group employees and the wholly-owned subsidiary's employees, decided by the Board, to subscribe for a total of 165,000 B shares as of 1 May 2000 and 165,000 B shares as of 1 May 2002. The subscription period will expire on 31 May 2004. No shares have yet been subscribed. In accordance with the Board resolution on 7 April 2000, the option rights have been entered in the book-entry securities register.

Kiinteistö Oy RK-Kehä holds FIM 31,300 of the warrants.

Business Prospects

As a whole, the Finnish economy is expected to show a favourable growth. This will contribute to demand for Group services. The existing resources coupled with the budgeted investments in machinery and equipment will provide an organic growth potential of 10–15 per cent, which may be further enhanced by company acquisitions. As a result of the acquisition of Hollolan Konevuokraamo Oy on 2 January 2001, the Group became the market leader in the Lahti-Hollola business district.

Profitability is expected to remain good.

Dividend Distribution Policy

Rakentajain Konevuokraamo Oyj aims to distribute a dividend accounting for approximately 40 per cent of consolidated profit after financial items, before extraordinary items, appropriations and taxes, while maintaining equity ratio at a good level.



Board from the left: Matti Koskenkorva, Asko Järvinen, Eero Ilkka, Paavo Ruusuvuori, Jari Lainio, Hannu Siniharju. Maunu Vähälä is not included in the picture.

Board and Managing Director

Group Board held twelve meetings during the financial year.

Board members for the entire year were as follows:

Paavo Ruusuvuori, Chairman

Honorary Real-Estate Counsellor

Board member since 1975
Chairman of the Board since 1997
Retired, Chairman of the Board of
Rakennusmestariien Säätiö (The Construction
Engineers' Foundation)

Hannu Siniharju, Vice-Chairman

Director

Board member since 1994
Vice-Chairman of the Board since 7 April 2000
Director, Pohjola Insurance Service Ltd.

Eero Ilkka

Real-Estate Director

Board member since 1996
Vice-Chairman of the Board since 1997 until
7 April 2000
Real-Estate Director, Pohjola Group Insurance
Corporation

Asko Järvinen

Construction Engineer

Board member since 1995
Project Manager, Fundia Betoniteräkset Oy

Maunu Vähälä

Senior Construction Engineer

Board member since 1996
Retired, Vice-Chairman of the Board of
Rakennusmestariien Säätiö (The Construction
Engineers' Foundation)

Jari Lainio

Managing Director

Board member since 1998
Managing Director, Rakennusliike Lainio &
Laivoranta Oy

Board member since the AGM of 7 April 2000:

Matti Koskenkorva

Managing Director

Board member since 2000
Managing Director, Panostaja Oyj

Board member until the AGM of 7 April 2000:

Juhani Nurminen

Managing Director

Board member from 1989 to 1995 and since
1999 until 7 April 2000
Managing Director, Rakennus-Bettene Oy

Managing Director since 1981 and CEO of the
Group since 2000:

Reijo Saarenoja

Construction Engineer

Employed by the Group since 1970.

Auditors

The Group's auditors were **Risto Laitinen, Authorised Public Accountant**, and **SVH Pricewaterhouse Coopers Oy**, Authorised Public Accountants, with **Henrik Sormunen**, Authorised Public Accountant, as the principal auditor and **Jukka Havaste**, Authorised Public Accountant, as the deputy.

PROFIT AND LOSS ACCOUNT

FIM 1,000	Notes	Group		Parent company	
		2000	1999	2000	1999
Turnover	1	320,811	136,782	159,398	136,782
Increase / decrease in finished goods inventory and work in progress		18,286	0	0	0
Production for own use		17,252	0	0	0
Share of associated companies' profit		5,408	0	0	0
Other operating income	2	1,835	1,158	1,068	1,055
Materials and services	3	120,812	10,371	13,205	10,371
Personnel expenses	4	83,962	41,184	46,949	41,184
Depreciation and write downs	5	27,711	10,949	13,123	9,332
Other operating expenses	6	50,949	35,275	45,810	39,174
Total		283,436	97,780	119,088	100,062
Operating profit	7	80,158	40,160	41,378	37,775
Financial income and expenses	8	-4,821	-768	+1,043	+452
Profit before extraordinary items		75,337	39,392	42,422	38,227
Extraordinary income and expenses	9	-1,121	+4,337	-1,121	0
Profit after extraordinary items		74,215	43,729	41,301	38,227
Appropriations	5	-	-	-8,794	-8,595
Direct taxes	10	-21,787	-11,495	-9,408	-7,945
Profit for the period		52,428	32,233	23,097	21,686

BALANCE SHEET

FIM 1,000	Notes	Group		Parent company	
		2000	1999	2000	1999
ASSETS					
Fixed assets					
Intangible assets	11	2,293	1,318	620	635
Group goodwill		89,749	0	-	-
Tangible assets		226,263	127,030	110,826	81,481
Long-term investments					
Holdings in Group companies	12	-	-	149,004	13,613
Holdings in associated companies	13	16,434	42,384	0	42,384
Other shares and holdings		1,214	1,046	1,041	1,041
Total fixed assets		335,954	171,780	261,493	139,157
Current assets					
Inventories		31,987	2,593	2,514	2,593
Long-term receivables	14	0	0	23,778	26,389
Short-term receivables	15	29,029	13,082	14,934	12,978
Cash and bank		18,588	1,395	1,307	1,337
Total current assets		79,605	17,071	42,535	43,300
		415,560	188,852	304,029	182,457
LIABILITIES AND SHAREHOLDERS' EQUITY					
Shareholders' equity					
Share capital	16	46,837	33,864	46,837	33,864
Issue premium fund		89,813	18,374	89,813	18,374
Retained earnings		49,000	33,699	23,976	19,222
Profit for the period		52,428	32,233	23,097	21,686
Total equity		238,079	118,172	183,724	93,148
Accumulated appropriations	17	-	-	31,203	22,408
Liabilities					
Deferred tax liability	18	8,150	3,752	0	0
Long-term liabilities		57,173	33,285	24,929	33,300
Short-term liabilities		112,157	33,642	64,173	33,599
Total liabilities		177,480	70,679	89,102	66,900
Total liabilities and shareholders' equity		415,560	188,852	304,029	182,457

FUNDS STATEMENT

FIM 1,000	Group		Parent company	
	2000	1999	2000	1999
Cash flow from business operations				
Operating profit	80,159	40,160	41,379	37,775
Adjustments:				
Depreciation	+27,712	+10,949	+13,123	+9,333
Share of associated companies' profit	-5,408	0	0	0
Dividends from associated companies	+1,178	0	0	0
Change in working capital 1)	-27,674	-2,186	-1,877	-2,158
Financial income and expenses	-4,821	-768	+1,043	+452
Taxes	-20,708	-8,082	-9,409	-7,945
Net cash flow from operations	50,438	40,073	44,259	37,457
Cash flow from investments				
Capital spending	-79,190	-30,814	-43,683	-30,814
Purchase of subsidiary shares	-8,445	0	-8,596	0
Sale (+) / purchase (-) of other shares	+7,298	-42,384	0	-42,384
Sale of fixed assets	+3,816	+1,114	+1,229	+1,108
Net cash flow from investments	-76,521	-72,084	-51,050	-72,090
Cash flow before financing	-26,083	-32,011	-6,791	-34,633
Cash flow from financing				
Increase (+) / decrease (-) in long-term liabilities	-4,927	+31,701	-8,371	+31,694
Decrease in long-term receivables (+)	0	0	+2,611	+2,462
Increase (+) / decrease (-) in short-term liabilities	+54,045	+15,542	+30,574	+15,654
Dividends paid	-16,932	-14,900	-16,932	-14,900
Extraordinary expenses	-1,121	0	-1,121	0
Net cash flow from financing	+31,065	+32,343	+6,761	+34,910
Change in liquid assets	+4,982	+332	-30	+277
Liquid assets on 1 January	13,606	1,063	1,337	1,060
Liquid assets on 31 December	18,588	1,395	1,307	1,337
1) Change in working capital				
Increase (-) / decrease (+) in inventories	-20,557	-839	+79	-839
Increase in short-term receivables	-7,117	-1,347	-1,956	-1,319
	-27,674	-2,186	-1,877	-2,158

NOTES TO THE FINANCIAL STATEMENTS

FINANCIAL STATEMENT PREPARATION PRINCIPLES

Consolidated financial statements

Extent of consolidated financial statements

The consolidated financial statements include the accounts of the Parent Company, Rakentajain Konevuokraamo Oyj, and each of those companies in which the Parent Company holds, directly or indirectly through subsidiaries, over 50 per cent of the voting rights. The companies, in which Group companies hold voting rights of at least 20 per cent and not more than 50 per cent, are consolidated as associated companies. The accounts of the companies in which Rakentajain Konevuokraamo Oyj has management control are also consolidated. Subsidiary accounts are primarily consolidated as of the date of acquisition. The accounts of associated companies are consolidated as of the date the company becomes an associated company.

Accounting principles

The consolidated financial statements of Rakentajain Konevuokraamo Group are prepared in accordance with Finnish Accounting Standards (FAS).

Intra-Group shareholdings

The consolidated financial statements are prepared according to the acquisition cost method. The subsidiaries' shareholders' equity on the acquisition date is deducted from the acquisition cost. The excess of the subsidiaries' acquisition cost over shareholders' equity (consolidation difference), not allocated to the subsidiary's fixed assets, is shown as Group goodwill. Goodwill is amortised over its expected useful life according to plan. The consolidation difference allocated to fixed and other non-current assets is amortised in accordance with the relevant amortisation period. The consolidation difference allocated to land areas is deducted in conjunction with their disposal.

The FIM 7.3 million sale price of Suomen Helasto Oyj shares sold by Tilamarkkinat-Yhtiöt Oyj generated capital gain of FIM 3.2 million after taxes, which is deducted from Group goodwill in connection with the purchase of Tilamarkkinat-Yhtiöt Oyj shares.

The Group has no minority interests.

Associated companies

Associated companies are consolidated according to the equity method. In proportion to Group holdings in the associated companies, the Group's proportion of the associated companies' profits and losses for the latest financial period, less goodwill amortisation in connection with the purchase, is shown as a separate item in the profit and loss account. The profits and losses of associated

companies contributing to operating profit are shown before other operating income and those of other companies under financial items.

Inter-Group transactions

All inter-Group transactions, receivables and liabilities are eliminated. Profit margins due to inter-Group transactions are eliminated provided they are material in nature.

Comparability of consolidated financial statements

The preparation principles of the Parent Company's financial statements have not been subject to changes that would affect the comparability of financial statements for the previous financial period. It is important to note that Tilamarkkinat-Yhtiöt Oyj has been included in the consolidated financial statements as of 1 January 2000. Tilamarkkinat-Yhtiöt Oyj's Group companies' fourteen-month accounting period was from 1 November 1999 to 31 December 2000, and the twelve-month period of 1 January–31 December 2000 is included in the consolidated financial statements.

Fixed assets and depreciation

Fixed assets are recorded at cost and valued at cost less planned depreciation. Land areas include revaluation made before 1989. The Group estimates that the market value of land areas is higher than their book value. Maintenance, repairs and renewals are charged as expenses as incurred.

Planned depreciation is calculated on the basis of uniform Group-wide principles and recorded on a straight-line basis over the expected useful lives of the assets as follows:

	Years
Buildings and structures	15–50
For rent:	
- Movable buildings	10–20
- Machinery and equipment	6–10
- Tents and shelters	6
Machinery and equipment for drying services	10
Machinery and equipment for diamond cutting services	6
Machinery and equipment for own use	3–6
Other long-term assets	3–10
Other tangible assets	3–10
Group goodwill	5, 15 and 20

Group goodwill amortisation periods correspond to the expected periods during which income is generated. Tilamarkkinat-Yhtiöt Oyj's Group goodwill amortisation period is 15 years. Land and water areas as well as revaluations are not depreciated.

Inventories

Inventories are stated at the lower of acquisition cost or replacement cost or likely net realisable value. Cost is determined on a first-in-first-out (FIFO) basis. Direct acquisition costs are included in the inventory values. Variable costs caused by manufacturing operations are included in the inventory values.

Items denominated in foreign currencies

Receivables and liabilities denominated in foreign currencies are translated into FIM at the average rate on the date of closing the accounts, and at the fixed rate for currencies of euro-area countries. Exchange rate differences are recorded with an impact on company result.

Appropriations

The accumulated difference between planned and book depreciation is shown under Parent Company appropriations. Appropriations are not shown in the consolidated balance sheet and profit and loss account, and, consequently, the said difference is allocated to unrestricted equity and deferred tax liabilities in the consolidated balance sheet. Appropriations are eliminated in the consolidated profit and loss account taking account of the effect of deferred tax liabilities.

Deferred taxes

Deferred tax liabilities and tax assets in the consolidated financial statements are based on the temporary differences between the date of taxation and the date of closing the accounts, and they are calculated by using the enacted tax rate on the date of closing the accounts. Deferred tax liabilities and tax assets are shown net in the balance sheet. Deferred tax liabilities and tax assets unlikely to materialise are not entered in the balance sheet. Deferred tax liabilities and tax assets are not entered in Parent Company balance sheet. Deferred tax liabilities and tax assets are itemised in the Notes to the Financial Statements.

Turnover and income recognition

Based on the term of rental, income from rental operations is recognised on an accrual basis. Income from drying and diamond cutting services is recognised upon performance of a service or part thereof and customer acceptance. Revenues from movable buildings are recognised upon the final performance of services.

In calculating turnover, sales are recorded net of indirect taxes, discounts and rebates.

Other operating income

Other operating income includes, among other things, rental income and contributions received.

Pension schemes

Pensions are charged as expenses as incurred. The Group has no uncovered pension liabilities. The pension scheme is based on pension insurance in compliance with the Employees' Pensions Act and the Employment Pensions Fund. The contractual retirement age of the Parent Company's Managing Director is 62 years.

Research and development

Research and development costs are expensed as incurred.

Extraordinary items

Extraordinary items include income and expenses based on non-recurring and essential transactions as distinct from usual business operations or on changes in accounting principles. Parent company extraordinary income and expenses also include group contributions received and paid. Extraordinary items are presented net of taxes.

Direct taxes

Taxes for the financial year are presented in the profit and loss account on an accrual basis. Taxes for the previous financial years as well as changes in deferred taxes are entered in direct taxes in the profit and loss account.



NOTES TO THE PROFIT AND LOSS ACCOUNT

FIM 1,000	2000	Group 1999	Parent company 2000	1999
1. Turnover by business area				
Rental of construction machinery and equipment	131,567	112,771	131,567	112,771
Diamond cutting and drying services incl. equipment rental	27,831	24,011	27,831	24,011
Sales and rental of movable buildings	166,159	0	0	0
Sales within business areas	-4,746	0	0	0
	320,811	136,782	159,398	136,782
Value of outstanding orders for the sale and rental of movable buildings amounts to FIM 80,655,170. Value of outstanding orders for the rental of construction machinery and equipment is not substantial.				
2. Other operating income				
Rental of premises	1,697	873	930	770
Other	138	284	138	284
	1,835	1,158	1,068	1,055
3. Materials and services				
Materials and supplies				
Purchases	72,509	5,402	6,498	5,402
Change in inventory	-9,603	-839	+79	-839
	62,905	4,562	6,577	4,562
External services	57,906	5,808	6,628	5,808
	120,812	10,371	13,205	10,371
4. Number of personnel, wages of the Boards and the Managing Directors, personnel expenses				
Average number of personnel	456	248	272	248
Compensation paid to Managing Directors	1,317			
Board compensation and emoluments	578	322	397	322
Salaries and wages of other personnel	62,338	31,817	36,555	31,817
Pensions	10,367	5,202	5,724	5,202
Other social expenses	9,359	3,841	4,272	3,841
	83,962	41,184	46,949	41,184
5. Depreciation and write downs				
Goodwill amortisation	0	185	-	-
Group goodwill amortisation	6,533	0	-	-
Amortisation on intangible assets	482	203	199	203
Depreciation on tangible assets	20,696	10,560	12,923	9,129
	27,711	10,949	13,123	9,332
Appropriations				
Increase (-) / decrease (+) in depreciation difference:				
Buildings and structures	-	-	-144	-193
Machinery and equipment	-	-	-8,650	-8,402
	-	-	-8,794	-8,595
6. Other operating expenses				
Premises and equipment rentals	6,604	5,550	10,397	9,534
Marketing	9,429	6,289	7,259	6,289
Transport and vehicles	8,499	6,591	8,157	6,591
Maintenance and accessories	6,406	5,735	6,406	5,735
Factory overheads and maintenance	3,195	0	0	0
Other expenses	16,814	11,109	13,588	11,024
	50,949	35,275	45,810	39,174
7. Operating profit by business area				
Rental of construction machinery and equipment	39,339	35,941		
Diamond cutting and drying services	4,913	4,220		
Sale and rental of movable buildings	35,907	0		
	80,159	40,161		
Operating profit of the sale and rental of movable building business is reduced by the Group goodwill amortisation of FIM 6,278,000 due to the purchase of Tilamarkkinat-Yhtiöt Oyj shares.				

FIM 1,000	Group		Parent company	
	2000	1999	2000	1999
8. Financial income and expenses				
Dividend income				
from Group companies	—	—	3,228	0
from others	871	23	32	23
Interest income from long-term investments				
Group companies	—	—	1,306	1,221
Other interest and financial income				
from others	80	154	43	153
Total financial income	951	177	4,611	1,397
Interest expenses and other financial expenses				
to others	-5,772	-945	-3,567	-945
Total financial income and expenses	-4,821	-768	+1,043	+452
9. Extraordinary items				
Extraordinary income	0	+4,337	0	0
Extraordinary expenses	-1,579	0	-1,579	0
Taxes on extraordinary items	+458	0	+458	0
	-1,121	+4,337	-1,121	0

Parent Company extraordinary expenses include net-of-tax expenses incurred due to the share swap, redemption offer and redemption claim related to the purchase of Tilamarkkinat-Yhtiöt Oyj shares.

In 1999, extraordinary income includes deferred tax assets due to the yet-to-be-taxed merger loss and depreciation on fixed assets.

10. Direct taxes				
Current tax	-19,411	-8,082	-9,413	-7,945
Of previous financial years	+5		+4	
Change in deferred tax liability	-3,633	-2,977	—	—
Change in deferred tax asset	+1,252	-435	—	—
	-21,787	-11,495	-9,408	-7,945

NOTES TO THE BALANCE SHEET

11. Fixed assets

The figures include fixed assets whose acquisition costs have not yet been expensed in full as planned depreciation. The acquisition cost of fixed assets written off in full during the financial year is shown under the decrease of acquisition cost in addition to assets sold.

Group	Acquisition cost 1 Jan. 2000	Acquisition cost, TM *	Increase	Decrease	Acquisition cost 31 Dec. 2000	Accrued depreciation 1 Jan. 2000	Accrued depreciation, TM* 1 Jan. 2000	Accrued depreciation on decreases	Depreciation for the financial year 31 Dec. 2000	Book value 31. Dec. 2000
FIM 1,000										
Intangible assets										
Intangible rights	816	85	0	0	901	0	0	0	0	901
Group goodwill	0	5,499	94,172	0	99,672	0	-3,389	0	-6,533	89,749
Other long-term assets	743	1,847	413	-17	2,985	-241	-889	17	-482	1,391
Intangible assets total	1,560	7,432	94,585	-17	103,559	-241	-4,278	17	-7,015	92,042
Tangible assets										
Land	6,431	1,496	2,912	0	10,839	0	0	0	0	10,839
Revaluations	4,430	0	0	0	4,430	0	0	0	0	4,430
Land total	10,861	1,496	2,912	0	15,269	0	0	0	0	15,269
Buildings and structures	68,162	18,722	16,701	0	103,585	-16,922	-1,288	0	-2,833	82,541
Movable buildings	0	37,718	15,683	-3,333	50,068	0	-12,852	640	-4,642	33,213
Machinery and equipment	83,990	4,105	43,184	-2,076	129,204	-21,409	-2,798	2,047	-12,955	94,089
Other tangible assets	2,194	0	294	-189	2,300	-1,076	0	189	-264	1,148
Tangible assets total	165,209	62,042	78,777	-5,599	300,428	-39,408	-16,939	2,877	-20,696	226,263
Long-term investments										
Holdings in associated companies	42,384	12,188	4,246	-42,384	16,434	0	0	0	0	16,434
Other shares and holdings	1,046	3,633	0	-3,465	1,214	0	0	0	0	1,214
Long-term investments total	43,431	15,821	4,246	-45,849	17,648	0	0	0	0	17,648
Fixed assets total	210,200	85,295	177,608	-51,467	421,637	-39,649	-21,217	2,895	-27,711	335,954

* TM = Tilamarkkinat-Yhtiöt Oyj

Balance sheet value of production machinery and equipment as of 31 December 2000

124,177



Parent company

FIM 1,000	Acquisition cost 1 Jan. 2000	Increase	Decrease	Acquisition cost 31 Dec. 2000	Accrued depreciation 1 Jan. 2000	Accrued depreciation on decreases	Depreciation for the financial year 31 Dec. 2000	Book value 31 Dec. 2000
Intangible assets								
Intangible rights	133	0	0	133	0	0	0	133
Other long-term assets	743	185	-17	910	-241	17	-199	487
Intangible assets total	876	185	-17	1,043	-241	17	-199	620
Tangible assets								
Land	2,219	2,600	0	4,819	0	0	0	4,819
Revaluations	3,430	0	0	3,430	0	0	0	3,430
Land total	5,649	2,600	0	8,249	0	0	0	8,249
Buildings and structures	16,745	247	0	16,993	-5,673	0	-613	10,706
Machinery and equipment	81,532	40,354	-1,744	120,142	-18,972	1,744	-12,116	90,798
Other tangible assets	1,396	294	-162	1,529	-425	162	-194	1,071
Tangible assets total	105,324	43,497	-1,906	146,915	-25,072	1,906	-12,923	110,826
Long-term investments								
Holdings in Group companies	13,613	135,390	0	149,004	0	0	0	149,004
Holdings in associated companies	42,384	0	-42,384	0	0	0	0	0
Other shares and holdings	1,041	0	0	1,041	0	0	0	1,041
Long-term investments total	57,040	135,390	-42,384	150,046	0	0	0	150,046
Fixed assets total	163,241	179,073	-44,309	298,005	-25,313	1,924	-13,123	261,493

Balance sheet value of production machinery and equipment as of 31 December 2000

87,673

Buildings and structures

Difference of total and planned depreciation on 1 January	2,425
Increase in depreciation difference from 1 January to 31 December	+144
Difference of total and planned depreciation on 31 December	<u>2,570</u>

Machinery and equipment

Difference of total and planned depreciation on 1 January	19,983
Increase in depreciation difference from 1 January to 31 December	+8,650
Difference of total and planned depreciation on 31 December	<u>28,633</u>



12. Group companies

	Group holding and voting rights %	Parent company holding and voting rights %
Tilamarkkinat-Yhtiöt Oyj, Ylöjärvi	100	100
Kiinteistö Oy RK-Kehä, Vantaa	100	100
Kiinteistö Oy Vantaan Viinikankaari 9, Vantaa	100	100
Asikainen, Koskenkorva, Kotakorpi Oy, Ylöjärvi	100	0
Kiinteistö Oy Vikkiniitty, Lempäälä	100	0
Tilamarkkinat Oy, Ylöjärvi	100	0
Suomen Ykköstitilat Oy, Kouvola	100	0
Parmaco Oy, Pyhäjoki	100	0
Master Tilaelementit Oy, Leppävirta	100	0

13. Associated companies

Suomen Projektivuokraus Oy, Tuusula	40	0
Suomen Tähtivuokraus Oy, Tuusula	40	0

Non-amortised Group goodwill is not included in associated companies.

FIM 1,000	Group		Parent company	
	2000	1999	2000	1999
14. Long-term receivables				
Receivables from Group companies				
Loan receivables	—	—	23,778	26,389
15. Short-term receivables				
From others				
Accounts receivable	25,319	12,523	14,483	12,523
Loan receivables	172	131	131	131
Other receivables	2,879	0	0	0
Accrued income and prepaid expenses	566	427	319	323
	28,938	13,082	14,934	12,978
From associated companies				
Accounts receivable	91	0	0	0
Short-term receivables total	29,029	13,082	14,934	12,978
Receivables total	29,029	13,082	38,713	39,368
16. Shareholders' equity				
Share capital on 1 January	33,864	33,864	33,864	33,864
Rights issue	12,972	0	12,972	0
Share capital on 31 December	46,837	33,864	46,837	33,864
Issue premium fund on 1 January	18,374	18,374	18,374	18,374
Share premium	71,438	0	71,438	0
Issue premium fund on 31 December	89,813	18,374	89,813	18,374
Retained earnings from the previous financial years on 1 January	33,699	21,936	19,222	14,934
Retained earnings from the previous financial year	32,233	26,663	21,686	19,187
Dividend distribution	-16,932	-14,900	-16,932	-14,900
Retained earnings from the previous financial years on 31 December	49,000	33,699	23,976	19,222
Profit for the financial year	52,428	32,233	23,097	21,686
Total shareholders' equity	238,079	118,172	183,724	93,148

FIM 1,000	2000	Group 1999	2000	Parent company 1999
Distributable funds				
Retained earnings	49,000	33,699	23,976	19,222
Profit for the financial year	52,428	32,233	23,097	21,686
Share of depreciation difference included in shareholders' equity	-27,437	-18,737	-	-
	73,991	47,194	47,073	40,908
17. Appropriations				
Appropriations consist of depreciation difference	-	-	31,203	22,408
18. Liabilities				
Deferred tax liabilities				
Deferred tax liabilities of appropriations	13,303	7,653	-	-
Deferred tax assets of periodisation differences	-3,464	-3,901	-	-
Deferred tax assets due to consolidation	-1,688	0	-	-
	8,150	3,752	-	-
Long-term liabilities				
Bond with warrants	0	149	0	165
Loans from financial institutions	52,800	32,000	24,000	32,000
Pension loans	929	1,135	929	1,135
Advances received	3,069	0	0	0
Other payables	375	0	0	0
	57,173	33,285	24,929	33,300
Short-term liabilities				
Payable to others				
Bond with warrants	133	0	165	0
Loans from financial institutions	55,322	18,758	48,122	18,758
Pension loans	206	206	206	206
Advances received	15,712	0	0	0
Accounts payable	10,896	3,361	4,929	3,361
Accruals	21,610	6,543	6,410	6,500
Other short-term liabilities	8,272	4,772	4,339	4,772
	112,155	33,642	64,173	33,599
Payable to associated companies				
Accounts payable	2	0	0	0
Total short-term liabilities	112,157	33,642	64,173	33,599
Total liabilities	177,480	70,679	89,102	66,900
Non-interest bearing and interest bearing liabilities				
Long-term				
Non-interest bearing	375	149	0	165
Interest bearing	56,798	33,135	24,929	33,135
	57,173	33,285	24,929	33,300
Short-term				
Non-interest bearing	54,664	14,677	15,844	14,634
Interest bearing	57,493	18,964	48,328	18,964
	112,157	33,642	64,173	33,599
Accruals				
The majority of accruals consists of holiday pay reserve including social expenses and periodised taxes.				
Loans with five-year maturity				
Pension loans	103	309	103	309

OTHER NOTES

FIM 1,000 mk	2000	Group 1999	2000	Parent company 1999
Commitments and contingent liabilities				
Guarantees on own behalf				
Guarantees for loans				
Loans from financial institutions	108,122	50,758	72,122	50,758
Pension loans	1,135	1,342	1,135	1,342
Deposits received	5,033	0	0	0
Securities given				
Mortgages on real estates	49,869	33,669	4,400	4,400
Mortgages on companies	65,150	34,650	34,650	34,650
Pledges	135,400	0	135,400	0
Other contingent liabilities				
Leasing liabilities in the following year	58	157	58	157
Subsequent leasing liabilities		59		59
Contingent liabilities on behalf of Group companies				
Guarantees for loans				
Repurchase commitments	13,081	0	0	0
Contingent liabilities related to guarantee and service period	4,502	0	0	0
Securities given				
Guarantees	—	—	13,081	0

Parent company's bond with warrants in 1998

Principal	FIM 165,000
Lender	personnel
Loan term	30 June 1998–5 June 2001
Shares subject to subscription	330,000 B series shares
Subscription period for 165,000 B shares	1 May 2000–31 May 2004
Subscription period for 165,000 B shares	1 May 2002–31 May 2004
Increase in share capital	FIM 3,300,000
Increase in number of votes	330,000 votes

The share subscription price is FIM 79.00 mk, which will be lowered after 13 May 1998 by the amount of dividends to be distributed prior to share subscription on the record date of each dividend distribution. The subscription price may not be less than the nominal value of one share. The subscription price was FIM 66.60 on 31 December 2000.

Board authorisations

Share issue authorisation

The Board has no authorisation to increase share capital.

Other authorisations

The Board has no valid authorisation to issue option rights, to take out convertible bonds, or to buy back or transfer shares.

Announcements referred to in Section 9, Chapter 2 of the Securities Market Act during the financial year and prior to signing the financial statements

Mikko Koskinen announced on 28 January 2000 that his shareholding in the Group's share capital exceeded one-twentieth (1/20).

Shares and shareholders

Parent company share capital on 31 December

	2000		1999	
	No.	FIM 1,000	No.	FIM 1,000
A series share	576,000	5,760	576,000	5,760
B series share	4,107,706	41,077	2,810,480	28,104

The A and B series have equal terms, with the exception of voting rights included in them: each A share entitles the holder to 20 votes at the Annual General Meeting; each B share entitles the holder to one vote.

Shareholders

The Group had 660 shareholders in the share register on 31 December 2000.

Major shareholders 31 December 2000	A		B		Total %	Voting rights	
	shares	shares	No.	shares		No.	%
Rakennusmestarien Säätiö	264,972	564,246	829,218	17.70	5,863,686	37.52	
Keskinäinen Henkivakuutusyhtiö Suomi	115,200	373,120	488,320	10.43	2,677,120	17.13	
Vahinkovakuutusosakeyhtiö Pohjola	115,200	250,000	365,200	7.80	2,554,000	16.34	
Koskinen Mikko	0	291,386	291,386	6.22	291,386	1.86	
Kotakorpi Jukka	0	182,244	182,244	3.89	182,244	1.17	
Rakennusmestarien Keskusliitto RKL	59,184	84,122	143,306	3.06	1,267,802	8.11	
Eläke-Fennia Keskinäinen vakuutusyhtiö	0	123,300	123,300	2.63	123,300	0.79	
Sijoitusrahasto Gyllenberg Small Firm	0	79,700	79,700	1.70	79,700	0.51	
Koskenkorva Maija	0	79,279	79,279	1.69	79,279	0.51	
Optiomi Oy	0	77,900	77,900	1.66	77,900	0.50	
Koskinen Arja Tuulikki	0	69,666	69,666	1.49	69,666	0.45	
Sijoitusrahasto Alfred Berg Finland	0	67,800	67,800	1.45	67,800	0.43	
Sijoitusrahasto Alfred Berg Optimal	0	67,600	67,600	1.44	67,600	0.43	
Asikainen Visa Taneli	0	52,985	52,985	1.13	52,985	0.34	
Helsingin Rakennusmestariyhdistys ry.	14,400	32,131	46,531	0.99	320,131	2.05	
Sijoitusrahasto Alfred Berg Portfolio	0	39,100	39,100	0.83	39,100	0.25	
Sijoitusrahasto Conventum Finland Value	0	35,000	35,000	0.75	35,000	0.22	
Alastalo Ossi Tapio	0	31,243	31,243	0.67	31,243	0.20	
RIL-Säätiö	0	30,000	30,000	0.64	30,000	0.19	
Leinonen Tiina	0	29,805	29,805	0.64	29,805	0.19	
Desatex Oy-Desatex Ltd	0	27,800	27,800	0.59	27,800	0.18	
Laakkonen Reino	0	27,400	27,400	0.59	27,400	0.18	
Placeringsfonden Aktia Capital	0	26,000	26,000	0.56	26,000	0.17	
Räikkönen Hellevi	0	21,956	21,956	0.47	21,956	0.14	
Others transferred to book-entry securities system	6,757	710,582	717,339	15.31	845,722	5.41	
Total according to shareholders' register	575,713	3,374,365	3,950,078	84.33	14,888,625	95.27	
In administrative registration	0	728,555	728,555	15.56	728,555	4.66	
Transferred to book-entry securities system total	575,713	4,102,920	4,678,633	99.89	15,617,180	99.93	
Not transferred to book-entry securities system total	287	4,786	5,073	0.11	10,526	0.07	
Total	576,000	4,107,706	4,683,706	100.00	15,627,706	100.00	

Distribution of shareholding by size range

Number of shares	B shares				A shares			
	Number of shareholders	Percentage of all shareholders	Number of shares	Percentage of all shares	Number of shareholders	Percentage of all shareholders	Number of shares	Percentage of all shares
1-100	141	21.40	9,698	0.24	9	37.50	157	0.03
101-500	277	42.03	87,108	2.12	7	29.16	1,992	0.34
501-1,000	83	12.60	66,066	1.61	2	8.33	1,440	0.25
1,001-5,000	105	15.93	254,981	6.21	1	4.17	3,168	0.55
5,001-10,000	19	2.88	142,648	3.47	0	0	0	0
10,001-50,000	19	2.88	450,516	10.97	1	4.17	14,400	2.50
> 50,000	15	2.28	3,091,903	75.26	4	16.67	554,556	96.28
Transferred to book-entry securities system total	659	100.00	4,102,920	99.88	24	100.00	575,713	99.95
Not transferred to book-entry securities system total			4,786	0.12			287	0.05
Total			4,107,706	100.00			576,000	100.00



Distribution of shareholding by sector

Shareholding by sector	Number of shareholders	Percentage of all shareholders	Number of shares	Percentage of all shares	Voting rights	Percentage of all voting rights
Private companies	91	13.83	295,139	6.30	312,030	2.00
Public companies	—	0	0	0	0	0
Financial institutions, insurance companies	8	1.22	1,168,720	24.95	5,546,320	35.49
Public corporations	1	0.15	123,300	2.63	123,300	0.79
Non-profit organisations	27	4.10	1,086,712	23.20	7,630,768	48.83
Households	526	79.94	1,270,807	27.13	1,270,807	8.13
Foreign shareholders	5	0.76	5,400	0.12	5,400	0.03
In administrative registration			728,555	15.56	728,555	4.66
Transferred to book-entry securities system total	658	100.00	4,678,633	99.89	15,617,180	99.93
Not transferred to book-entry securities system total			5,073	0.11	10,526	0.07
Total			4,683,706	100.00	15,627,706	100.00

Shareholding of Board members and CEO of the Group

On 31 December 2000, Board members and CEO of the Group hold, personally and through corporations where they have authority, a total of 46,357 B shares (0.99 per cent of share capital) with 46,357 votes (0.30 per cent of voting rights) at the shareholders' meeting. The warrants held by CEO of the Group and Board members account for 12.12 per cent of total number of warrants. These warrants entitle to subscribe for a maximum of 40,000 B shares, representing on 31 December 2000 0.90 per cent of the total number of B shares and 0.80 per cent of all shares, and representing 0.90 per cent of the voting rights entitled by B shares and 0.25 per cent of the voting rights entitled by all shares.

Shareholders' agreements

To the Group's knowledge, no shareholders' agreements exist regarding Group shares.

Insider guidelines

Thus far the Group has not adopted the recommendation for insider guidelines issued by the Helsinki Exchanges on 28 October 1999.

CALCULATION OF KEY FIGURES AND RATIOS

Per-share ratios

Earnings per share =

$$\frac{\text{Profit before extraordinary items +/- minority interest - taxes}}{\text{Average number of issue-adjusted shares for the financial year}}$$

Shareholders' equity per share =

$$\frac{\text{Shareholders' equity}}{\text{Number of issue-adjusted shares on the date of the closing of the accounts}}$$

Dividend per share =

$$\frac{\text{Dividend distribution for the financial year}}{\text{Number of issue-adjusted shares on the date of the closing of the accounts}}$$

Dividend per earnings, % =

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

Effective dividend yield, % =

$$\frac{100 \times \text{dividend per share}}{\text{Issue-adjusted closing price for a B share at the end of the financial year}}$$

Price / earnings ratio (P/E) =

$$\frac{\text{Issue-adjusted closing price for a B share at the end of the financial year}}{\text{Earnings per share}}$$

Market capitalisation =

Number of A shares on the final day of the financial year x average share price for a B share + Number of B shares on the final day of the financial year x closing price for a B share at the end of the financial year

Key figures on financial performance

Return on equity, % =

$$\frac{100 \times (\text{profit before extraordinary items - taxes})}{\text{Shareholders' equity} + \text{minority interest}}$$

(mean calculated by the values of the balance sheet of the financial year and the previous financial year)

Return on investment, % =

$$\frac{100 \times (\text{profit before extraordinary items} + \text{interest expenses and other financial expenses})}{\text{Balance sheet total} - \text{non-interest bearing liabilities}}$$

(mean calculated by the values of the balance sheet of the financial year and the previous financial year)

Equity ratio, % =

$$\frac{100 \times (\text{shareholders' equity} + \text{minority interest})}{\text{Balance sheet total} - \text{advance payments received}}$$

Personnel on average =

Mean of the number of personnel at the end of the month, adjusted with the number of part-time employees

The key figures and ratios are calculated in accordance with the general instructions issued by the Finnish Accounting Standards Board on 17 December 1999.

KEY FIGURES

Key figures on financial performance

		2000	1999	1998	1997	1996
Turnover	FIM mill.	320.8	136.8	125.0	104.5	85.1
change	%	+134.5	+9.4	+19.6	+22.7	+10.9
Operating profit	FIM mill.	80.2	40.2	38.0	26.6	15.3
% of turnover	%	25.0	29.4	30.4	25.5	18.0
Profit before extraordinary items	FIM mill.	75.3	39.4	37.4	25.5	12.7
% of turnover	%	23.5	28.8	29.9	24.4	14.9
Profit after extraordinary items	FIM mill.	74.2	43.7	36.9	25.5	12.7
% of turnover	%	23.1	32.0	29.5	24.4	14.9
Return on equity	%	30.1	25.5	29.2	26.6	20.3
Return on investment	%	31.0	29.2	38.9	29.6	16.7
Equity ratio	%	60.0	62.6	80.5	76.6	68.2
Gross capital expenditure	FIM mill.	79.2	73.2	30.7	12.8	9.7
% of turnover	%	24.7	53.5	24.6	12.3	11.4
Accessories and maintenance of rental machinery, charged as expenses	FIM mill.	11.3	9.6	10.1	10.6	7.5
Average number of personnel		456	248	217	189	172

Per-share ratios

		2000	1999	1998	1997	1996
A Series and B Series shares						
Earnings per share	FIM	11.43	8.24	7.97	6.01	3.49
Earnings per share *)	FIM	11.43	8.24	7.68	—	—
Shareholders' equity per share	FIM	50.83	34.90	29.78	24.90	20.35
Dividend per earnings	%	52.49	60.68	55.21	49.92	42.98
Dividend per share	FIM	6.00 **)	5.00	4.40	3.00	1.50
Market capitalisation of A/B Series share capital	FIM mill.	314.97	240.84	226.56	168.47	125.20
Trading volume of A Series shares	number	0	0	0	0	0
% of total number	%	0.00	0.00	0.00	0.00	0.00
Trading volume of B Series shares	number	457,555	233,621	585,609	3,188,658	931,580
% of total number	%	11.14	8.31	20.84	113.46	33.16
Issue-adjusted average number of A Series shares	number	576,000	576,000	576,000	576,000	576,000
Issue-adjusted average number of B Series shares	number	4,107,706	2,810,480	2,810,480	2,810,480	2,809,520
Issue-adjusted average number of A Series shares at financial year end	number	576,000	576,000	576,000	576,000	576,000
Issue-adjusted average number of B Series shares at financial year end	number	4,107,706	2,810,480	2,810,480	2,810,480	2,809,520
B Series shares						
P/E ratio		5.92	8.66	8.53	8.32	10.74
Effective dividend yield	%	8.87	7.01	6.47	6.00	4.00
Market capitalisation of share capital	FIM mill.	277.93	200.53	191.11	140.52	105.36
Average price	FIM	64.31	69.98	61.54	48.51	34.45
Closing price at year end	FIM	67.66	71.35	68.00	50.00	37.50
Lowest quotation	FIM	57.08	56.48	46.00	37.50	12.00
Highest quotation	FIM	80.27	82.65	84.00	55.00	37.50

A Series shares are not subject to public quotation.

*) Adjusted by the dilution effect of shares entitled by warrants.

***) Board proposal



TO THE ANNUAL GENERAL MEETING

Rakentajain Konevuokraamo Oyj's net profit for the financial year totalled FIM 23,097,699.43.

The Parent Company's distributable funds at the Annual General Meeting's disposal amount to FIM 47,073,976.20.


The Group's distributable funds amount to FIM 73,991,584.57.

The Board proposes that a total of 4,683,706 shares entitle to a per-share dividend of FIM 6.00 to be paid on 31 December 2000, i.e. a total of FIM 28,102,236.00.

Vantaa, 26 February 2001



Paavo Ruusuvuori



Hannu Siniharju



Eero Ilkka



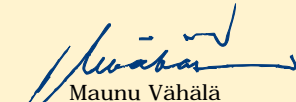
Asko Järvinen




Matti Koskenkorva



Jari Lainio



Maunu Vähälä



Reijo Saarenoja
Managing Director
and CEO of the Group

AUDITORS' REPORT

To the shareholders of Rakentajain Konevuokraamo Oyj

We have audited the accounting, the financial statements and the corporate governance of Rakentajain Konevuokraamo Oyj for the period from January 1 to 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 Companies Act.

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

Vantaa, March 2, 2001

SVH Pricewaterhouse Coopers Oy
Authorised Public Accountants



Risto Laitinen
Authorised Public Accountant



Henrik Sormunen
Authorised Public Accountant

COUNTRY-WIDE SERVICE NETWORK

- ▲ Rakentajain Konevuokraamo Oyj Service Office
- Rakentajain Konevuokraamo Oyj Dealer
- Rakentajain Konevuokraamo Oyj Service Office and Dealer at the same location
- ⊞ Tilamarkkinat-Yhtiöt Oyj Service Office



Espoo-Kauklahti	Jyväskylä	Kuopio	Pietarsaari	Tornio
Espoo-Lintuvaara	Kaarina	Kuusankoski	Pori	Turku
Espoo-Olarinluoma	Kajaani	Lahti	Raisio	Vaasa
Heinola	Karhula	Lappeenranta	Rauma	Valkeakoski
Helsinki-Alppila	Kemi	Lohja	Riihimäki	Vantaa
Helsinki-Herttoniemi	Kerava	Mikkeli	Rovaniemi	Varkaus
Hollola *)	Kokkola	Muurame	Savonlinna	Äänekoski
Hämeenlinna	Kotka	Oulu	Seinäjoki	
Imatra	Kouvola	Pieksämäki	Tampere	*) since 2.1.2001



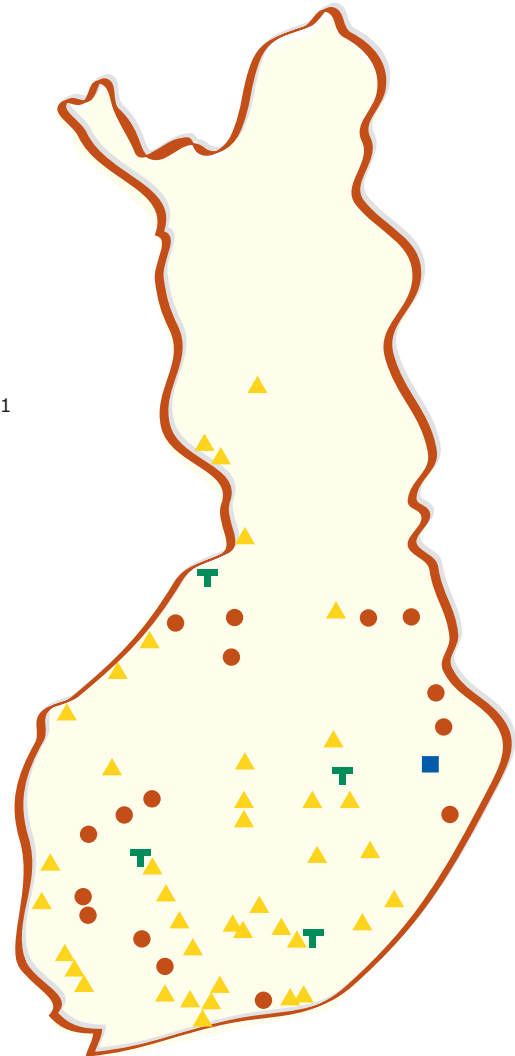
Forssa	Kokemäki	Uimaharju
Haapajärvi	Kuhmo	Virrat
Haapavesi	Liekka	
Kankaanpää	Loviisa	
Kannus	Parkano	
Karkkila	Sotkamo	
Kitee	Säkylä	



Kouvola
Leppävirta
Pyhäjoki
Ylöjärvi



Joensuu



Rakentajain Konevuokraamo Oyj

Managing Director and CEO of the Group Reijo Saarenoja

Financial Director Pirkko Suikkari

Director Olli Heire
Rental and sales services

Technical Manager Pauli Niskanen
Drying services and diamond cutting contracting

Service and Repair Manager Mauri Toivanen

Personnel Officers Reijo Arovaara
Pirkko Riekkinen
Ismo Suvela

Quality project Liisa Leinikka

Internal Auditor Matti Rintaluoma
Pasi Pitkonen

Storage halls and tents Kim Väliaho

Electrical and technical safety Vesa Karlsson

Environmental issues Kari Kovalainen

LPG issues Antti Kiviranta

Regional Managers

Suur-Helsinki	Jani Asunmaa	Jyväskylä	Petri Häkkinen
Hämeenlinna	Jorma Salminen	Pori	Kai Aalto
Kotka	Seppo Ariluoto	Rauma	Ilkka Saarikko
Kouvola	Erkki Tulokas	Tampere	Jorma Aalto
Lahti	Arto Savinainen	Vaasa	Sakari Perkkiö
Lappeenranta	Pekka Löfman	Varkaus	Henrik Kosonen
Lohja	Juha Tenhoviirta	Kajaani	Eero Juntunen
Mikkeli	Kari Ollikainen	Kemi	Antti Hulikko
Savonlinna	Heimo Löytönen	Kuopio	Reijo Arovaara
Turku	Seppo Inkinen	Oulu	Kari Huotari
Joensuu	Klaus Sahlman	Rovaniemi	Seppo Sipola

Tilamarkkinat-Yhtiöt Oyj

Managing Director Mikko Koskinen

Managing Director,
Production units Jukka Kotakorpi

Deputy Managing Director Ossi Alastalo

Financial Manager Tiina Leinonen

Production Managers Heikki Pitkänen
Vesa Pirhonen
Seppo Luostarinen

Sales and rental services Harri Salminen
Timo Myllynen
Antero Vartiainen





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