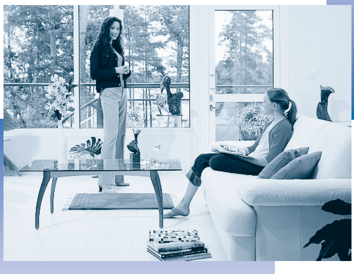
ENSTO

access to
electricity



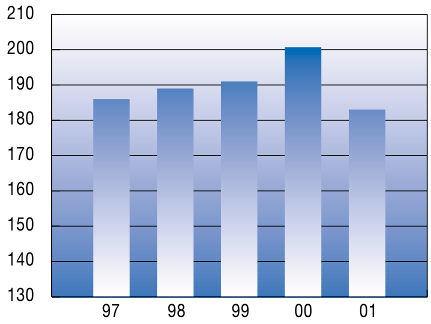

annual report
2001

Contents

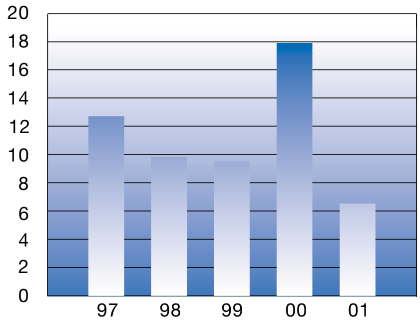
The Year 2001 in Brief

- Net sales were 182.8 million euros. In comparable figures this represents a growth of 1.7 %.
- Operating profit was 6.5 million euros or 3.6 % of net sales.
- Building Technology's units continued their dedicated investments in product development. Utility Networks started operations at the Straszyn plant in the Gdansk region of Poland, and Enclosures and Components launched the successful new terminal family Ensto Clampo.
- Industry brought some of its units together under common management. Restructuring will continue in 2002.
- In June Ensto sold Sormat Oy to the company's operating management and two industrial investors.
- Ensto Parts Oy's manufacture of stamped metal parts was sold to Meconet Oy at the beginning of September.
- Ensto Oy acquired the 48 % minority holding in TL-Coating Oy in August and the 20 % minority holding in the Estonia-based Ensto Ensek AS in November, raising its total ownership of both companies to 100 %.
- The Porvoo based Ensto Automation was acquired by the company's personnel in February 2002.

NET SALES 1997 – 2001 (M€)



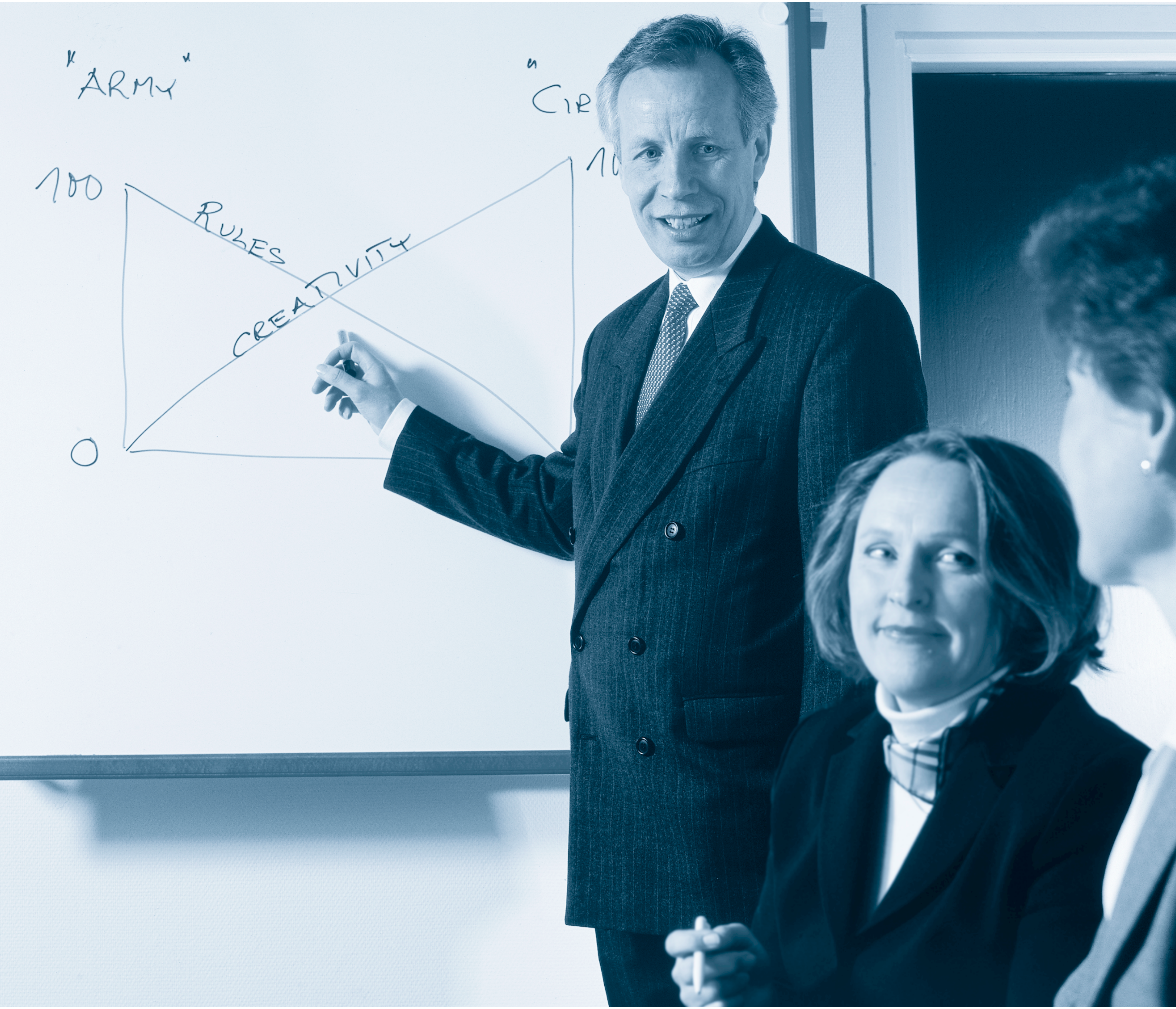
OPERATING PROFIT 1997 – 2001 (M€)



KEY FIGURES

	2001	2000
Net sales, M€	182.8	200.7
Operating profit, M€	6.5	17.9
% of net sales	3.6	8.9
Earning / share (EPS), €	0.16	0.67
Equity / share, €	2.36	3.51
Equity ratio, %	37.1	45.5
Return on investment, ROI, %	10.2	19.9
Return on equity, ROE, %	7.1	21.8
Dividend per share, €	0.06	1.30
Dividend per profit, %	34.3	31.4
Personnel December 31	1504	1649

Review by the President and CEO



The beginning of a new era at Ensto

The year 2001 saw some things come to an end and many others begin at Ensto. Ensio Miettinen, the founder of the company, transferred all the authority and responsibilities of ownership to the next generation. Many people working in our sector still associate Ensio with Ensto meaning everything that the company has accomplished under his leadership. Within the present arrangement, however, the responsibility for developing the company's operations clearly lies with the current owners and operating management and some 1 500 Ensto employees. In the established Ensto manner, we will continue to cooperate within the Group, but also increasingly with our customers and other partners. The public recognition Ensto has won for its reliability as a supplier, for the quality of its product systems and — an isolated but encouraging example — for its innovative heating cables package, can be seen as tangible results of successful cooperation projects.

How did we do

In terms of operating profit, three out of our four business units, i.e. Building Technology, Utility Networks and Enclosures and Components, experienced a moderate but well-controlled setback in 2001 compared with the previous year. Their markets either remained unchanged or contracted. At the same time, Building Technology made considerable investments, especially in product development, and Utility Networks started restructuring its production. In addition, all three business units increased their inputs in selected markets areas. Ensto stands a fair chance of improving its performance in 2002.

The Industry business unit showed losses, especially in contract manufacturing. Consequently, corrective measures were taken and operations were briskly redirected during the autumn of 2001. Thanks to these structural changes and enhanced operations, we expect a significant improvement in performance in 2002.

Where are we headed

When Ensio Miettinen set up the company in 1958, it was a seller's market with, if not exactly a shortage of, at least room for new manufacturers. Today there is no lack of manufacturers in Ensto's business areas. There is abundant choice. The company's success on the international market can only depend on our ability to be a genuinely interesting supplier, and this is what our entire staff are striving to achieve.

On behalf of all the new people in charge of operations, I would like to thank the founder of the company for laying the strong foundation from which we can aim ever higher.

I would also like to thank all our business partners and staff for their considerable inputs, which enable us to reach for new common goals together!

Porvoo, February 2002

Seppo Martikainen
President and CEO

Key Indicators

(12 months) M€		2001	2000	1999	1998	1997
Net sales		182.8	200.7	191.7	189.5	184.1
Change compared to last period	%	-8.9	4.7	1.2	3.0	15.1
Sales outside Finland		99	112.2	108.8	100.9	94.6
Of net sales	%	54.2	55.9	56.8	53.3	51.4
Change compared to last period	%	-11.7	3.1	7.8	6.7	9.3
Sales in Finland		83.8	88.5	82.9	88.6	89.5
Change compared to last period	%	-5.4	6.9	-6.5	-1.0	22.1
Exports from Finland		56.7	55.9	45.2	40.0	31.7
Change compared to last period	%	1.4	23.6	12.9	26.3	19.1
Profit before depreciation		16.4	28.7	21.0	19.8	22.5
Of net sales	%	9	14.3	11.0	10.5	12.2
Depreciation		8.6	10.8	11.7	10.2	10.0
Of net sales	%	4.7	5.4	6.1	5.0	5.4
Operating profit		6.5	17.9	9.5	9.8	12.6
Of net sales	%	3.6	8.9	5.0	5.2	6.8
Financial items		-2.1	-1.9	-1.8	-2.3	-1.6
Of net sales	%	-1.2	-0.9	-1.0	-1.2	-0.9
Profit before extraordinary items		4.4	16.0	7.7	7.5	11.0
Of net sales	%	2.4	8.0	4.0	4.0	6.0
Profit before income taxes		4.5	17.9	4.3	6.8	8.7
Of net sales	%	2.5	8.9	2.2	3.6	4.7
Net profit		2.4	11.0	1.9	3.5	5.9
Of net sales	%	1.3	5.5	1.0	1.9	3.2
Investment in fixed assets		7.6	8.3	10.5	20.7	19.3
Of net sales	%	4.2	4.1	5.5	10.9	10.5
Return on investment (ROI)	%	10.2	19.9	11.3	12.7	17.1
Return on equity (ROE)	%	7.1	21.8	12.0	12.6	21.2
Solvency	%	37.1	45.5	33.2	34.1	37.4
Gearing	%	78	55.6	107.9	99.9	63.9
Current ratio		1.4	1.9	1.5	1.4	1.4
Net liabilities		30.7	31.9	49.2	42.9	27.4
Of net sales	%	16.8	15.9	25.7	22.6	14.9

(12 months) M€		2001	2000	1999	1998	1997
Total assets		106.2	126.9	137.9	126.6	115.2
Research and Development costs		6.1	5.8	5.8	4.9	5.5
Of net sales	%	3.3	2.9	3.0	2.6	3.0
Order book		13.3	16.3	19.1	16.4	26.7
Earnings / share (EPS)		0.16	0.67	0.29	0.30	0.57
Equity / share		2.36	3.51	2.77	2.66	2.76
Dividend / share		0.06	0.21	0.07	0.08	0.22
Dividend / profit	%	34.3	31.4	23.8	28.4	39.4
Net sales / employee	1000 €	112	114.8	100.0	98.5	101.1
Average personnel		1 633	1 748	1 917	1 923	1 820
Personnel at the end of period		1 504	1 649	1 897	1 942	1 838
Number of shares		14 498 700	14 498 700	14 498 700	14 498 700	14 498 700

The comparative data for 1997-1998 are presented pro forma

THE YEAR IN BRIEF

For the Ensto Group, 2001 was a year of changes, both internal and external. Market trends were generally uncertain and the demand for Ensto products was significantly weaker than in 2000. All the Group's business units had to adjust their operations accordingly. The subsequent fall in capacity utilization brought results down considerably from the record high achieved the previous year. However, the Building Technology and Utility Networks business units, both representing the Group's core business operations, managed to increase their net sales and safeguard profitability despite the uncertain business situation.

GROUP STRUCTURE

Ensto continued to streamline its organization and simplify its operative structure in 2001.

In June Ensto sold Sormat Oy to the company's operating management and two industrial investors, and the company left the Group on June 30. In August Ensto bought a minority holding (48 %) in TL-Coating Oy, raising its total ownership to 100 %. Companies of Ensto Industry were brought together under common management. The manufacture of stamped metal parts was transferred from Ensto Parts Oy to Meconet Oy as of the beginning of September. In February 2002, Ensto Automation Oy was sold to the personnel. Restructuring of the Industry business unit's Finnish and Swedish operations will also continue in 2002.

In February 2001 Ensto Sekko Oy established a subsidiary company in Poland called Ensto Aspol Sp.z o.o. In the autumn, Ensto decided to stop making network construction materials at the Laitila production plant and this stopped operations in February 2002. In November, Ensto bought a minority holding (20 %) in Ensto Ensek AS in Estonia, which became Ensto's wholly owned subsidiary.

The Ensto Group completed the rearrangement of its operations in Sweden. Ensto Connector AB merged with Ensto Services AB. The business operations of Ensto Connector AB and Ensto Busch-Jaeger AB became branch offices of the Finnish companies.

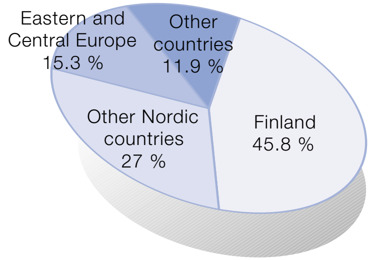
MARKET DEVELOPMENT

The reasonably satisfactory business trends prevailing at the beginning of 2001 deteriorated after the first quarter, and uncertainty on the market continued to grow towards the end of the year. Customers postponed their purchase decisions and signs of weakening in the investment demand of construction industry became stronger. The market position of Ensto Group's core operations remained strong, however, and its competitive processes enabled the Group to support customers even in the more difficult phases of the business cycle, when cost effectiveness is particularly important.

NET SALES AND OPERATING PROFIT

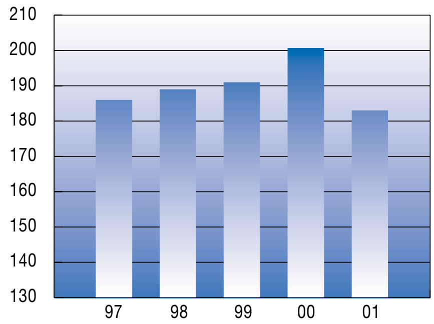
Consolidated net sales were 182.8 million euros in 2001, down 8.9 % on the previous year. The 2000 figure of 200.7 million euros includes business operations that no longer belong to the Group. The most important of these were Ensto Plastic Kft, sold in October 2000, and Sormat Oy, sold in June 2001, which were both part of the Industry business unit. Expressed in comparable figures, consolidated net sales grew by 1.7 %. Operating profit was 6.5 million euros in 2001,

NET SALES BY MARKET

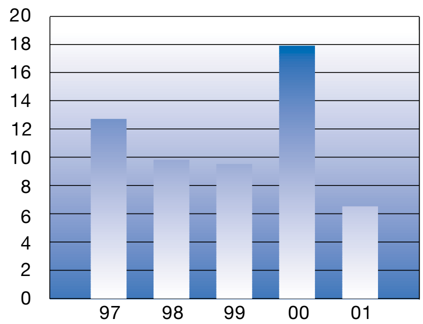


Finland: 83.78 M€
Other Nordic countries: 49.24 M€
Eastern and Central Europe: 28.02 M€
Other countries: 21.78 M€

NET SALES 1997 – 2001 (M€)



OPERATING PROFIT 1997 – 2001 (M€)



against 17.9 million euros in 2000 (15.2 million euros in comparable terms).

Business operations outside Finland accounted for 99.0 million euros, or 54.2 % of net sales. The Nordic countries accounted for 133.0 million euros, or 72.8 %, of consolidated net sales. Operations in Eastern and Central Europe continued to grow, and came to 15.3 % of consolidated net sales (13.4 %). Net sales and operating profit by business unit developed in 2001 as shown in the table.

NET SALES AND OPERATING PROFIT OF ENSTO'S BUSINESS UNITS IN 2001 M€

Jan 1 - Dec 31	Net sales			Operating profit		
	2001	2000	Change %	2001	2000	Change %
Building Technology	62.3	61.8	+0.9	6.1	8.2	-25.6
Utility Networks	56.3	53.0	+6.2	6.2	6.7	-7.7
Enclosures and Components	28.4	29.3	-3.3	0.2	0.9	-73.6
Industry	60.0	60.7	-1.1	-2.0	3.1	-165.1
Others and eliminations	-24.2	-4.1		-4.0	-1.0	
Total	182.8	200.7	-8.9	6.5	17.9	-63.6

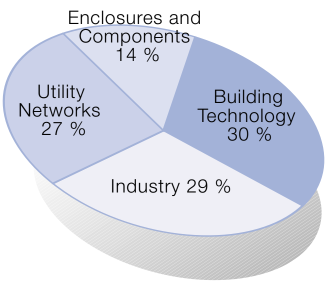
BUSINESS UNITS

Building Technology

The net sales of the Building Technology business unit were 62.3 million euros, up 0.9 % on the previous year. Operating profit dropped to 6.5 million euros from the previous year's 8.2 million euros. In 2001, Building Technology employed 347 people (294) on average, and at the end of the year its personnel numbered 318 (299).

Net sales grew less than expected in 2001 as demand slowed down towards the end of the year. The slowdown was especially marked in Finland, that still accounts for two thirds of the total net sales. There was strong growth in other countries, however: the sale of light fittings showed considerable growth in Sweden and installation materials and wiring accessories enjoyed success in Norway. Distribution boards significantly increased their market share in Finland. Building Technology continued to invest heavily in product development on light fittings, distribution boards and installation materials. The results will be visible in 2002 in the form of new product launches, which are expected to reinforce Ensto's market position.

NET SALES BY BUSINESS UNIT



Demand for Building Technology products tends to lag behind general business cycles somewhat. Consequently, expectations for 2002 are moderate. New product launches and access to new markets are expected to open up considerable international growth potential for the business unit.

Utility Networks

The net sales of the Utility Networks business unit were 56.3 million euros, up 6.2 % on the previous year. Operating profit amounted to 6.2 million euros, against 6.7 million euros in 2001. In 2001, Utility Networks employed 366 people (362) on average, and at the end of the year its personnel numbered 363 (359).

The business unit continued its successful operations in its main market areas, i.e. the Nordic countries, the Baltic states and Continental Europe. Operations in Western Europe remained settled at the previous year's level. Marketing activities in Eastern Europe were increased and expansion potential in this area remains promising. Ensto was very highly commended in a customer satisfaction survey carried out among its most important European customers. The company has aimed to increase cooperation between the owners of electricity networks and local technical experts. New partnerships with international underground cabling experts supplement Ensto's network systems and add diversity to customer service. Now that the Straszyn production plant in the Gdansk region has started operations, Utility Networks has three factories altogether, located in Finland, Estonia and Poland.

Utility Networks' prospects for 2002 are good. Its organization has been developed to be able to respond to the challenges of internationalization by reducing the hierarchy, for example, and by forming special marketing and product teams in the case of important customer projects. The business unit now has a stronger presence in important market areas with growth potential.

Enclosures and Components

The net sales of the Enclosures and Components business unit were 28.4 million euros, against 29.3 million euros the previous year. The operating profit amounted to 0.2 million euros against 0.9 million euros in 2001. Enclosures and Components employed 234 people (237) on average, and at the end of the year its personnel numbered 210 (224).

General business trends were reflected in the operations of this business unit, which started up in its present form about five years ago and had always shown very strong growth. Demand was weak in its most important market areas, i.e. Finland and Sweden. In Continental Europe, by contrast, there were positive developments despite the general state of the economy. Enclosures and Components has customers in about 40 countries all in all. Its largest single market area comprises the Nordic countries. Demand for plastic enclosures showed no change on the previous year, but the number of deliveries of metal enclosures increased considerably. Connectors recorded good growth figures, too: the new Ensto Clampo terminal family launched in 2001 was well received and the product family entered on an upward curve. Ensto's recently reorganized British subsidiary Ensto Briticent was able to increase its net sales considerably. In Finland, the capacity utilization rate remained normal at the Porvoo production plant, but the capacity of the Mikkeli plant had to be adapted to the reduced demand.

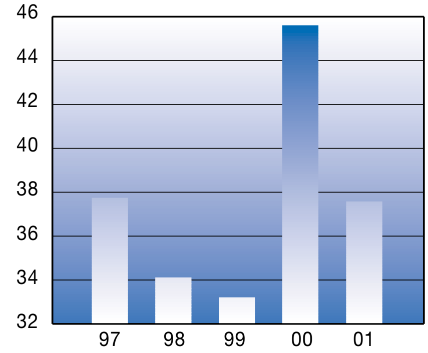
Demand for Enclosures and Components products is expected to pick up in 2002 and to boost further growth of the business unit. Its operations are OEM-oriented, which means that demand trends are ultimately decided by the investment activity of its industrial customers.

Industry

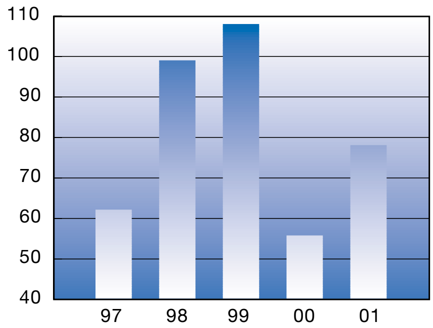
The net sales of the Industry business unit were 60.0 million euros, against 60.7 million euros the previous year. The sale of Ensto Plastic in October and Sormat Oy's withdrawal from the Group were the two factors that had the most impact on Industry's net sales and operating profit. Operating result came to -2.0 million euros, against +3.1 million euros in 2000. The Industry business unit employed 615 people (684) on average in 2001, and at the end of the year its personnel numbered 544 (700).

Restructuring continued. One of the companies covered by the business unit, Sormat, withdrew from the Group on June 30, 2001. The conversion of Ensto Saloplast's production has given good results and the company now has a stronger base for its operations. Ensto Audel continued to grow in its own special area and its financial performance was good. Industry's Porvoo units, serving Ensto`s other business units and outside customers, were brought together under common management. Ensto Automation was sold to its staff in February 2002. TL-Coating at Salo and the Swedish company Idealplast found last year difficult.

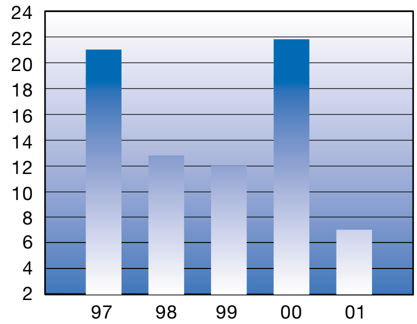
EQUITY RATIO %



GEARING %



RETURN ON EQUITY, ROE (%)



Restructuring of the Industry business unit will continue in 2002.

Result and profitability

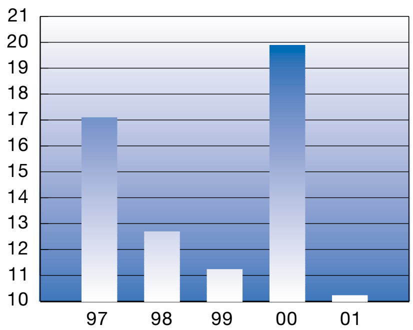
The Ensto Group's profit before extraordinary items stood at 4.4 million euros. The sale of Sormat Oy's capital stock brought in 2.6 million euros in extraordinary income and sale of the stamped metal parts business 0.5 million euros. The 0.1 million euros in extraordinary expenses comprise write-downs on assets related to the sale of Ensto Automation Oy.

The financial statements also include a provision of 3.0 million euros for expenses resulting from the restructuring of the Group. In particular, one-off expenses related to the restructuring of the Industry business unit need to be taken into account in the financial statements for 2001.

The Ensto Group's operating profit before taxes came to 4.5 million euros (2000: 17.9 million euros).

Return on equity (ROE) was 7.1 % in 2001 (21.8 % in 2000) and return on investment (ROI) 10.2 % (19.9 %). The net profit for the year after minority holdings was 2.4 million euros, against 11.0 million euros the previous year.

Return on investment, ROI (%)



Earnings per share (EPS) came to 0.16 (0.67 euros). Equity per share was 2.36 (3.51) at the end of the year.

Balance sheet and financing

At the end of 2001, the balance sheet total stood at 106.2 million euros, which is 16.3 % less than the previous year. The fall was due to the sale of various business operations.

Liabilities decreased, and at year-end the net interest bearing debt stood at 30.7 million euros (31.9 million euros). The Group's gearing was 78.0 % (55.6 %) and its equity ratio 37.1 % (45.5 %).

Investments and product development

In 2001, gross investments amounted to 7.6 million euros (8.3 million euros), mostly in machinery and equipment. Utility Networks started up production at Ensto Aspol in Poland.

Research and development expenses totalled 6.1 million euros (5.8 million euros), slightly more than the previous year. Building Technology units continued their energetic product development. Enclosures and Components successfully launched a new product family, Ensto Clampo terminals.

Quality and the environment

Ensto companies in Finland hold ISO 9001 quality system certification. The companies in the Group's core business areas in Finland have also been granted ISO 14001 certificates for their environmental systems. In addition, Enso Saloplast operations have QS 9000 certification.

The companies aim to incorporate occupational health and safety systems in accordance with the OHSAS 18001 standard into their management system.

Shareholders' meeting

Annual General Meeting

On March 26, 2001, Ensto's Annual General Meeting decided to distribute 1.30 euros per share, or a total of 18.8 million euros, in dividends for 2000. Timo Miettinen (Chairman), Heikki Mairinoja, Ensio Miettinen, Marjo Raitavuo, Matti Suutarinen and Esa Saarinen were re-elected as members of the Board of Directors.

Extraordinary General Meetings

An Extraordinary General Meeting on April 3, 2001 elected Anu Miettinen-Valsta to replace Matti Suutarinen as a member of the Board. At the Extraordinary General Meeting on December 31, 2001, Marjo Raitavuo was elected Chairman of the Board and at the same meeting Anu Miettinen-Valsta resigned from Board membership as the new arrangements related to Ensto`s ownership and financing took effect.

Auditors

The company`s auditors are Tilintarkastajien Oy - Ernst & Young, chartered auditing firm, with Risto Järvinen, Authorized Public Accountant as responsible auditor and Maj-Britt Jensen, Authorized Public Accountant, auditor.

Shares and ownership

Ensto Oy' share capital comprises 781 200 Series K shares (20 votes) and 13 717 500 Series E shares (one vote). Both share series carry equal entitlement to dividends.

On January 31, 2001 Ensio Miettinen reported transfer of his Pajatorppa Oy shareholdings, which by agreement carry a majority vote in Ensto Oy, to Timo Miettinen and Marjo Raitavuo on a 50/50 basis. Pajatorppa Oy is the parent company of Ensto Oy.

On April 3, 2001, Ensto Oy and the Sponsor Group announced a new ownership arrangement transferring 260 400 Series K shares in Sponsto's possession to Pajatorppa Oy and some of Sponsto's E shares to other Ensto shareholders.

Ensto Oy shareholders Taru Miettinen, Anu Miettinen-Valsta, Marjo Raitavuo and Timo Miettinen announced on October 31, 2001 that they intended to concentrate matters related to their holdings with Ensto Capital Oy as of January 1, 2002

At the end of 2001 Ensto Oy's ownership was as shown in the table.

Listing

In its Financial Statements Bulletin dated February 12, 2001, Ensto Oy's Board announced that the company no longer intends to seek listing on Helsinki Exchanges.

Management

Following the transfer of functions related to Ensto Oy's ownership and financing to Ensto Capital Oy, Timo Miettinen was appointed Chairman of the Board of Ensto Capital Oy and Marjo Raitavuo took the position as Chairman of the Board of Ensto Oy.

Seppo Martikainen was appointed Ensto Oy's President and CEO as of June 4, 2001. His predecessor Petteri Walldén left the Group's service.

Personnel

Ensto has increased the incentives offered by its performance-based payment policy, while also continuing its extensive personnel training programmes. The average number of personnel employed by the Group in 2001 was 1 633 (1 748), and the year-end figure was 1 504 (1 649). The decrease was mainly due to the divestment of business operations.

Outlook

Ensto's business units are facing different market situations. Growth expectations are very modest for the companies dependent on the Finnish construction activity. By contrast, innovative, internationally competitive products and systems are well equipped to find new markets. Building Technology, Utility Networks, and Enclosures and Components all have strong international competitive advantages thanks to their expertise.

Ensto chooses its areas of focus with care, ensuring that it has enough resources for customer service, market presence and after sales service. The feedback received from major customer groups in Continental Europe strengthens the Group's competitiveness on these potentially significant markets. In 2002, profitability is expected to improve compared with 2001.

Shareholder information per December 31, 2001

Shareholders	No. of shares	% of total	% of votes
Ensto Capital Oy	8 118 900 E	56.0	27.7
Sponsto Oy	4 280 057 E	29.5	14.6
Pajatorppa Oy	781 200 K	5.4	53.2
Perhetorppa Oy	625 455 E	4.3	2.1
Raitavuo, Marjo	282 936 E	2.0	1.0
Miettinen-Valsta, Anu	141 461 E	1.0	0.5
Miettinen, Taru	141 461 E	1.0	0.5
Annovest Oy	127 230 E	0.8	0.4
E shares total	13.717.500 E		
K shares total	781.200 K		
Shares total	14 498 700	100.0	100.0

Income Statements

(1000 €)	Consolidated 1.1–31.12.2001	Consolidated 1.1–31.12.2000	Parent company 1.1–31.12.2001	Parent company 1.1–31.12.2000
NET SALES	182 816	200 734	2 523	2 306
Other operating income	511	694	32	34
Other operating expenses	-166 952	-172 720	-5 681	-5 336
Depreciation and write-downs	-9 870	-10 821	-705	-4 189
OPERATING PROFIT	6 505	17 887		
OPERATING LOSS			-3 831	-7 185
Financial income and expenses	-2 115	-1 874	2 547	3 360
PROFIT BEFORE EXTRAORDINARY ITEMS	4 390	16 013		
LOSS BEFORE EXTRAORDINARY ITEMS			-1 284	-3 825
Extraordinary items	94	1 855	3 888	9 846
PROFIT BEFORE APPROPRIATIONS AND TAXES	4 484	17 868	2 604	6 021
Direct taxes	-987	-5 310	-35	-4
Minority interest	-1 106	-1 553	-389	-2 465
NET PROFIT FOR THE FINANCIAL YEAR	2 391	11 005	2 180	3 552

Balance Sheets

(1000 €)	Consolidated 31.12.2001	Consolidated 31.12.2000	Parent company 31.12.2001	Parent company 31.12.2000
ASSETS				
FIXED ASSETS				
Intangible assets	2 804	2 967	444	393
Consolidated goodwill	3 064	3 931		
Tangible assets	42 280	48 224	1 317	860
Investments	1 287	1 560		
Holdings in Group companies			26 224	30 606
Other investments			248	470
CURRENT ASSETS	26 716	31 140		
Inventories	1 797	1 844		
Long-term receivables	24 792	29 729	478	910
Short-term receivables	3 441	7 538	38 988	39 613
Cash in hand and at banks	106 181	126 933	1 143	5 776
Total assets			68 842	78 628

(1000 €)	Consolidated 31.12.2001	Consolidated 31.12.2000	Parent company 31.12.2001	Parent company 31.12.2000
SHAREHOLDERS` EQUITY AND LIABILITIES				
SHAREHOLDERS' EQUITY				
Share capital	2 465	2 465	2 465	2 465
Appreciation fund	1 682	1 682		
Other funds	2 270	3 078	41	41
Accumulated appropriations	6 198	7 730		
Retained earnings	19 255	24 894	10 506	25 801
Net profit for the financial year	2 391	11 005	2 180	3 552
	34 261	50 854	15 192	31 859
ACCUMULATED APPROPRIATIONS			38	4
MINORITY INTEREST	5 116	6 498		
STATUTORY PROVISIONS	3 000	0		
LIABILITIES				
Long-term liabilities	24 420	32 512	19 469	25 538
Short-term liabilities			34 143	21 227
Interest-bearing liabilities	12 101	5 462		
Non-interest bearing liabilities	27 283	31 607		
Total liabilities	106 181	126 933	68 842	78 628

Cash Flow Statements For the period January 1 — December 31, 2001

(1000 €)	Consolidated 2001	2000	Parent company 2001	2000
Operating profit / loss	6 505	17 887	-3 831	-7 185
Depreciation	9 870	10 821	705	4 189
Financial items	-2 115	-1 874	2 547	3 360
Extraordinary items	3 094	1 855	3 888	9 846
Taxes	-987	-5 310	-389	-2 465
Funds generated from operations	16 367	23 379	2 920	7 745
Change in inventories	4 424	-1 757	0	0
Change in short-term receivables	4 937	2 675	625	7 590
Change in short-term non-interest-bearing liabilities	-4 324	-1 708	0	18
Change in working capital	5 037	-790	625	7 608
CASH FLOW FROM BUSINESS OPERATIONS	21 404	22 589	3 545	15 353
Investments in fixed assets	-7 616	-8 285	3 391	-343
Other decrease / increase	4 993	6 583		
CASH FLOW BEFORE FINANCING	18 781	20 887	6 936	15 010
Change in long-term receivables	47	1 847	432	405
Change in long-term liabilities	-8 092	-9 593	-6 069	-2 056
Change in short-term liabilities	6 639	-8 512	12 916	-9 578
Dividends	-19 428	-1 353	-18 848	-1 015
Change in shareholders' equity	-2 044	-2 323		
Cash flow from financing	-22 878	-19 934	-11 569	-12 244
CASH FLOW AFTER FINANCING	-4 097	953	-4 633	2 766
Liquid assets at beginning of period	7 538	6 585	5 776	3 010
Liquid assets at end of period	3 441	7 538	1 143	5 776

Accounting Principles

Ensto uses the euro as its accounting currency. The Ensto Oy financial statements and the consolidated financial statements are drawn up in euros. The accounts are based on historical acquisition costs, with the exception of certain appreciations allocated to buildings that have been included in restricted equity.

Consolidated financial statements

The consolidated financial statements include all companies in which Ensto Oy has an over 50 % direct or indirect shareholding.

The acquisition cost method is applied in the elimination of cross-ownership within the Group. Consolidation goodwill arises when the acquisition price of shares exceeds or falls below the shareholders' equity of an acquired subsidiary at the time of purchase. The result of a subsidiary sold during the financial period is included in the consolidated financial statements up to the time of the sale.

Mutual receivables and liabilities within the Group companies, internal income and expenses, and internal margins on inventories have been eliminated. Minority interest has been calculated for subsidiaries' results and shareholders' equity. It has also been separated from accumulated appropriations, which are divided between deferred tax liability and shareholders' equity in the consolidated balance sheet.

The financial statements of international subsidiaries are modified to correspond to Finnish accounting principles.

Items denominated in foreign currency

Receivables and liabilities denominated in foreign currency have been converted into euros at the average European Central Bank rate on the date of closing the accounts (concerns Finnish subsidiaries only).

In the consolidated financial statements, the balance sheets of foreign Group companies have been converted into euros at the calculated average European Central Bank rate on the date of closing the accounts and the income statements at the average rate calculated for the financial period. The translation difference arising from the elimination of foreign Group companies' acquisition costs has been included in shareholders' equity.

Derivative contracts

The Group uses derivative contracts to hedge against exchange rate risks arising from receivables and liabilities in the balance sheet and from binding and probable sales and purchase contracts. The currency derivatives used by Ensto include currency forward agreements and currency options. Exchange rate gains arising from hedging binding and probable purchase and sales contracts are entered as income and losses as costs during the hedging period. The difference between the forward rate at the time a currency forward was entered into and the spot rate is spread over the hedging period as interest income or expense.

The Group uses interest rate derivatives to hedge against interest rate risks. Interest rate derivatives used include interest rate swaps and interest rate options. Payments related to the interest rate swaps (i.e. paid or received interest) over the contract period are entered as accrual items and interest income or expenses (income and expenses are netted). Premiums paid on interest rate options purchased are booked as income or expenses during the financial period when the hedging arrangement matures.

Receivables

Receivables are entered at their probable value. The portion that is likely to remain outstanding is booked as a credit loss.

Inventories

In Group companies, inventories are valued, in compliance with the FIFO principle, at a variable acquisition cost arising from the acquisition and manufacture of the goods, or the probable selling price, whichever is the lower. An individually calculated, non-marketability deduction for stocks has been applied in Group companies. If non-marketable inventories become marketable, the non-marketability entry is revised.

Fixed assets and depreciation

Fixed assets are presented at the historical acquisition cost, with the exception of certain appreciations of buildings less planned depreciation. The planned straight-line depreciation is based on the acquisition cost and the economic life cycle of the item as follows:

- Buildings 10 – 30 years
- Machinery 5 – 8 years
- Equipment 5 years
- Computer hardware and software 4 years
- Other tangible fixed assets 10 years
- Consolidated goodwill 5 years
- Consolidated assets before 1993 10 years
- No depreciation is made on appreciations and land areas
- Shares and holdings are booked at acquisition cost in compliance with the lowest value principle.

Net sales

Net sales comprises sales revenues, adjusted with annual discounts, cash discounts and exchange rate differences arising from sales receivables denominated in foreign currency. Sales freights, credit losses and sales commissions are presented under other expenses.

Pension arrangements

Employee pension arrangements are handled through pension insurance in all Group companies.

Research and development expenses

Research and development expenses accrued during the financial period are entered as costs.

Extraordinary income and expenses

Any significant one-time income or expense item not related to regular business operations is included in extraordinary income and expenses in the income statement.

Taxes

The Group's taxes comprise the accrual-based taxes booked based on the results of the parent company and its subsidiaries.

At Group level, deferred tax liabilities are calculated on both items arising from periodization differences and optional and obligatory provisions. The change in deferred tax liabilities is entered under taxes in the income statement and under long-term liabilities in the balance sheet.

Principles for calculating key figures

Invested capital = balance sheet total - non-interest-bearing debts

Return on investment (ROI) =
$$\frac{\text{Profit before extraordinary items + interest expense and other financial expence}}{\text{invested capital (average for the period)}} \times 100$$

Return on equity (ROE) =
$$\frac{\text{Profit before extraordinary items and taxes -taxes}}{\text{Shareholders' equity + minority interest + group reserve (average for the period)}} \times 100$$

Solvency =
$$\frac{\text{Shareholders' equity + minority interest + group reserve}}{\text{Balance sheet total - advances received at the end of the financial period}} \times 100$$

Net liabilities = Non-current and current liabilities - non interest bearing debts - cash in hand and at banks - shares

Gearing =
$$\frac{\text{Net liabilities}}{\text{Shareholders' equity + minority interest + group reserve}} \times 100$$

Current ratio =
$$\frac{\text{Financial assets + current assets}}{\text{short-term liabilities}}$$

Earnings / share (EPS) =
$$\frac{\text{Profit before extraordinary items and taxes - minority interest - taxes}}{\text{Issue adjusted average number of shares}}$$

Equity / share =
$$\frac{\text{Shareholders' equity + group reserve}}{\text{Issue adjusted number of shares at the end of the period}}$$

Dividend / share =
$$\frac{\text{Dividend distributed for the fiscal year}}{\text{Issue adjusted number of shares at the end of the period}}$$

Dividend / Profit =
$$\frac{\text{Dividend / share}}{\text{Earnings / share}} \times 100$$

(1000 €)	Group 1.1.-31.12.2001	Group 1.1.-31.12.2000	Parent company 1.1.-31.12.2001	Parent company 1.1.-31.12.2000
1. NET SALES BY MARKET AND BUSINESS AREA				
By market area				
Finland	83 781	88 533	1 843	1 618
Other Nordic countries	49 236	54 573	342	357
Western Europe	16 640	19 329	30	31
Eastern and Central Europe	28 024	26 822	308	300
Other countries	5 136	11 477		
Total	182 816	200 734	2 523	2 306
By business area				
Building Technology	62 298	57 020		
Utility Networks	56 332	53 040		
Enclosures and Components	28 378	29 331		
Industry	60 015	80 230		
Other and eliminations	-24 206	-18 887		
Total	182 816	200 734		
2. OTHER INCOME FROM BUSINESS OPERATIONS				
Profit from sales of fixed assets	140	424	27	29
Other	371	270	5	5
Total	511	694	32	34
3. EXPENSES FROM BUSINESS OPERATIONS MATERIALS AND SERVICES				
Materials and supplies (goods)				
Purchases during the financial year	72 224	82 555		
Change in inventories	1 813	-3 278		
Total	74 037	79 277		
External services	707	1 297		

(1000 €)	Group 1.1.-31.12.2001	Group 1.1.-31.12.2000	Parent company 1.1.-31.12.2001	Parent company 1.1.-31.12.2000
Notes on personnel and corporate governance				
Personnel expenses				
Salaries and emoluments	42 577	43 956	1 668	1 837
Pension expenses	6 221	6 689	307	357
Other employee expenses	4 911	4 934	276	141
Total	53 709	55 579	2 251	2 335
Salaries and emoluments for the Board of Directors and Managing Directors	2 193	2 034	244	234
Average number of personnel during the financial year				
Salaried	591	596	34	34
Wage-earning	1 042	1 152		
Total	1 633	1 748	34	34
Other expenses from operations				
Other variable expenses	8 734	8 661		
Other fixed expenses	30 316	29 379	3 430	3 002
Change in finished goods inventory	-551	-1 474		
Other expenses from operations, total	166 952	172 720	5 681	5 336
4. DEPRECIATION AND WRITE-DOWNS				
Intangible assets				
Intangible rights	545	581	523	4 074
Goodwill	99	101		
Consolidated goodwill	965	969		
	1 609	1 651	523	4 074

(1000 €)	Group 1.1.-31.12.2001	Group 1.1.-31.12.2000	Parent company 1.1.-31.12.2001	Parent company 1.1.-31.12.2000
Tangible assets				
Buildings and constructions	1 418	1 452	30	28
Machinery and equipment	6 068	7 279	60	79
Other tangible assets	465	439	92	8
Exceptional write-downs on current assets	310			
Depreciation and write-downs, total	9 870	10 821	705	4 189
5. OPERATING PROFIT BY BUSINESS AREA				
Building Technology	6 084	8 243		
Utility Networks	6 183	6 701		
Enclosures and Components	243	923		
Industry	-2 037	5 956		
Other and eliminations	-3 968	-3 936		
Total	6 505	17 887		
6. FINANCIAL INCOME AND EXPENSES				
Dividend income				
From Group companies			2 725	2 908
From others	6	124	2	2
Total	6	124	2 727	2 910
Other interest and financial income				
From Group companies			429	971
From others	2 786	2 302	2 521	2 411
Total	2 786	2 302	2 950	3 382

(1000 €)	Group 1.1.-31.12.2001	Group 1.1.-31.12.2000	Parent company 1.1.-31.12.2001	Parent company 1.1.-31.12.2000
Interest and financial expenses				
To Group companies			-120	-127
To others	-4 907	-4 300	-3 010	-2 805
Total	-4 907	-4 300	-3 130	-2 932
Financial income and expenses, total	-2 115	-1 874	2 547	3 360
The item 'Financial income and expenses' includes exchange rate differences (net)	-28	38	-69	-21
7. EXTRAORDINARY ITEMS				
Extraordinary income				
Group contributions			5 300	10 050
Profit on sale of subsidiary			2 393	
Others	3 149	2 124		
Extraordinary expenses				
Group contributions			-3 750	
Loss on sale of subsidiaries				-204
Others	-3 055	-268	-55	
	94	1 856	3 888	9 846
8. APPROPRIATIONS				
Difference between planned and booked depreciation for taxation			35	4
9. DIRECT TAXES				
Income taxes on extraordinary items	-27	-538	-1 128	-2 855
Income taxes on business operations	-2 696	-5 095	739	390
Change in deferred tax liability	1 736	322		
	-987	-5 311	-389	-2 465

(1000 €)	Group 31.12.2001	31.12.2000	Parent company 31.12.2001	31.12.2000
10. INTANGIBLE AND TANGIBLE ASSETS				
INTANGIBLE ASSETS				
Intangible rights				
Acquisition cost January 1	4 658	3 815	950	728
Increases	456	575	84	222
Decreases	-152	-16	-30	
Translation difference and other adjustments	-221	284		
Acquisition cost December 31	4 741	4 658	1 004	950
Accumulated depreciation as planned December 31	-2 993	-2 846	-716	-618
Book value December 31	1 748	1 812	288	332
Goodwill				
Acquisition cost January 1	1 131	807		
Acquisition cost December 31	1 805	1 131		
Decreases	-570	-998		
Accumulated depreciation as planned Dec. 31	-1 233	-840		
Book value December 31	2	100		
Other long-term expenses				
Acquisition cost January 1	2 132	2 584		
Increases	360	372		
Decreases	-341	-44		
Translation difference and other adjustments	-21	-780		
Acquisition cost December 31	2 130	2 132		
Accumulated depreciation as planned Dec. 31	-1 251	-1 160		
Book value December 31	879	972		

(1000 €)	Group 31.12.2001	Group 31.12.2000	Parent company 31.12.2001	Parent company 31.12.2000
Advance payments				
Acquisition cost January 1	83	899	61	
Increases	167	81	156	61
Decreases	-76	-897	-61	
Acquisition cost December 31	174	83	156	61
Consolidated goodwill				
Acquisition cost January 1	16 161	16 051		
Increases	1 217	123		
Decreases	-1 968	-13		
Acquisition cost December 31	15 410	16 161		
Accumulated depreciation as planned Dec. 31	-12 346	-12 230		
Book value December 31	3 064	3 931		
TANGIBLE ASSETS				
Land and water areas				
Acquisition cost January 1	3 305	3 626	153	153
Increases	60	93		
Decreases	-341	-144		
Translation difference and other adjustments	81	-270		
Acquisition cost December 31	3 105	3 305	153	153
Book value December 31	3 105	3 305	153	153
Buildings and construction				
Acquisition cost January 1	29 033	34 497	559	559
Increases	1 639	683	389	
Decreases	-1 699	-66		
Translation difference and other adjustments	613	-6 081		
Acquisition cost December 31	29 586	29 033	948	559
Accumulated depreciation as planned Dec. 31	-8 921	-6 977	-277	-248
Book value December 31	20 665	22 056	671	311

(1000 €)	Group 31.12.2001	Group 31.12.2000	Parent company 31.12.2001	Parent company 31.12.2000
Machinery and equipment				
Acquisition cost January 1	56 100	61 446	994	1 076
Increases	6 177	9 242	189	24
Decreases	-5 222	-4 401	-72	-106
Translation difference and other adjustments	920	-10 187		
Acquisition cost December 31	57 975	56 100	1 111	994
Accumulated depreciation as planned Dec. 31	-40 739	-34 149	-857	-856
Book value December 31	17 236	21 951	254	138
Other tangible assets				
Acquisition cost January 1	1 048	1 516	293	263
Increases	51	206	6	30
Decreases	-24	-132		
Translation difference and other adjustments	-93	-542		
Acquisition cost December 31	982	1 048	299	293
Accumulated depreciation as planned Dec. 31	-409	-421	-60	-52
Book value December 31	573	627	239	241
Advance payments and work in progress				
Acquisition cost January 1	284	840	18	
Increases	725	251		18
Decreases	-307	-807	-18	
Acquisition cost December 31	702	284		18
Acquisition costs include appreciations as follows:				
Land and water areas		168		
Buildings	1 682	3 196		
Book value of production machinery and equipment December 31	17 502	17 405		

(1000 €)	Group 31.12.2001	Group 31.12.2000	Parent company 31.12.2001	Parent company 31.12.2000
11. INVESTMENTS				
Group company shares				
Balance sheet value January 1			30 606	34 596
Increases			3 167	12
Decreases			-4 849	-2
Write-downs			-2 700	-4 000
Balance sheet value December 31			26 224	30 606
Other shares				
Balance sheet value January 1	699	708	470	469
Increases	13	1	1	1
Decreases	-259	-10	-223	
Balance sheet value December 31	453	699	248	470
Other receivables	834	861		
12. INVENTORIES				
Materials and supplies	14 903	17 225		
Unfinished products	2 527	3 254		
Finished products/goods	8 749	10 165		
Other inventories	537	496		
Total	26 716	31 140		
13. LONG-TERM RECEIVABLES				
From Group companies				
Loan receivables			470	902
Other long-term receivables				
Loan receivables	69	598	8	8
Deferred tax receivables	1 728	1 246		
Long-term receivables, total	1 797	1 844	478	910

(1000 €)	Group 31.12.2001	Group 31.12.2000	Parent company 31.12.2001	Parent company 31.12.2000
14. SHORT-TERM RECEIVABLES				
From Group companies				
Accounts receivable			459	243
Loan receivables			32 157	27 706
Prepayments and accrued income			5 933	11 106
			38 549	39 055
Other short-term receivables				
Accounts receivable	19 227	22 757	7	11
Loan receivables	418	1 180	33	40
Other short-term receivables	1 874	2 685	151	155
Prepayments and accrued income	3 273	3 107	248	352
	24 792	29 729	439	558
Short-term receivables, total	24 792	29 729	38 988	39 613

Accrued income includes insurance premiums, taxes and other similar items paid in advance.

	Group 31.12.2001	Group 31.12.2000	Parent company 31.12.2001	Parent company 31.12.2000
15. SHAREHOLDERS' EQUITY				
Share capital January 1	2 465	2 465	2 465	2 465
Share capital December 31	2 465	2 465	2 465	2 465

Series K shares, 781 200
(nominal value 0,17 €)

Series E shares, 13 717 500
(nominal value 0,17 €)

Series K (20 votes/share)
Series E (1 vote/share)

(1000 €)	Group 31.12.2001	31.12.2000	Parent company 31.12.2001	31.12.2000
Appreciation fund January 1	1 682	1 682		
Appreciation fund December 31	1 682	1 682		
Other funds January 1	3 078	3 985	41	41
Increase	24	19		
Transfer to retained earnings	-869	-891		
Change in exchange rate	37	-35		
Other funds December 31	2 270	3 078	41	41
Retained earnings January 1	35 899	24 325	29 354	26 816
Foreign subsidiaries' translation difference, change	223	-235		
Foreign subsidiaries' exchange rate difference, change	107	-47		
Transfer to other funds		-19		
Transfer from other funds	869			
Dividends	-19 428	-1 353	-18 848	-1 015
Other changes in shareholders' equity	1 585	2 223		
Retained earnings December 31	19 255	24 894	10 506	25 801
Net profit for the financial year	2 391	11 005	2 180	3 553
	21 646	35 899	12 686	29 354
Proportion of accumulated appropriations entered under shareholders' equity	6 198	7 730		
Total shareholders' equity December 31	34 261	50 854	15 192	31 860

(1000 €)	Group 31.12.2001	Group 31.12.2000	Parent company 31.12.2001	Parent company 31.12.2000
16. ACCUMULATED APPROPRIATIONS				
Accumulated appropriations	9 198	11 510	38	4
Minority share	-469	-442		
Deferred tax liability	-2 531	-3 338		
Portion of accumulated appropriations entered under shareholders' equity	6 198	7 730		
17. LONG-TERM LIABILITIES				
Loans from financial institutions	19 367	26 263	18 840	24 869
Pension loans	2 671	2 902	629	669
Other long-term liabilities	11	9		
Total	22 049	29 174	19 469	25 538
Debts maturing after more than five years				
Loans from financial institutions	6 142	8 963	6 142	8 963
Pension loans	729	956	171	250
Total	6 871	9 919	6 313	9 213
18. PROVISIONS				
Other provisions	3 000			
19. DEFERRED TAX LIABILITY AND RECEIVABLES				
Deferred tax receivables				
From consolidation	1 708	1 246		
From timing differentials	19			
	1 727	1 246		
Deferred tax liability for appropriations	2 369	3 338		

(1000 €)	Group 31.12.2001	Group 31.12.2000	Parent company 31.12.2001	Parent company 31.12.2000
20. SHORT-TERM LIABILITIES				
Loans from financial institutions	7 182	4 991	5 761	3 588
Pension loans	486	471	114	105
	7 668	5 462	5 875	3 693
To Group companies				
Accounts payable			25	90
Other liabilities			19 638	14 806
Accruals and deferred income			2 911	
			22 574	14 896
Other liabilities				
Advances received	110	996		
Accounts payable	9 345	11 604	490	381
Other liabilities	8 484	4 812	4 460	64
Accruals and deferred income	13 777	14 195	744	2 193
	31 716	31 607	5 694	2 638
Total	39 384	37 069	34 143	21 227

Accruals and deferred income mainly comprise cost periodization of employee benefits, annual discounts, interest, taxes and others.

21. GUARANTEES PROVIDED, CONTINGENT LIABILITIES AND OTHER COMMITMENTS	Group 31.12.2001	Group 31.12.2000	Parent company 31.12.2001	Parent company 31.12.2000
For own obligations				
Mortgages on land areas and buildings		3 773		
Mortgages on company assets	93	134		
Mortgages on chattels		1 215		
Guarantees	410	1 521		
Leasing and rent liabilities	6 019	4 995	938	872
	6 522	11 638	938	872
For Group companies				
Guarantees			6 289	7 368

(1000 €)	Group 31.12.2001	Group 31.12.2000	Parent company 31.12.2001	Parent company 31.12.2000
For others				
Guarantees	113	1 231	113	691
Total				
Mortgages	93	5 122		
Guarantees	410	1 521	7 340	8 059
Leasing and rent liabilities	6 019	4 995	938	872
	6 522	11 638	8 278	8 931
Derivative contracts				
Interest rate swaps, nominal value	572	950		235
Currency derivatives	2 303	1 141		
Interest rate option (call option)		12 000		
Debts secured by mortgages on real estate				
Pension loans		3 455		
Mortgages given		2 691		
Loans from financial institutions	65	711		
Mortgages given	93	2 297		
Mortgages given as security, total	93	4 988		
Sums to be paid on leasing agreements				
Due in 2002	2 656	1 687	224	279
Due later	3 216	2 256	254	391
Total	5 872	3 943	478	670

On March 2, 1998 a Group company, Ensto Tools Oy, entered into a long-term rental agreement with the municipality of Askola concerning its Askola production plant. The lease period is fixed for the first seven years and after this valid with a six-month notice period. Ensto Tools has the right to acquire the property during the rental period at a purchase price corresponding to the net construction cost met by the municipality. The annual rental cost of the production plant is 151 430 euros.

Shares and Holdings DECEMBER 31, 2001

	Domicile	Holding %	Number of shares	Nominal value		Book value (1000 €)
Parent company's holdings in subsidiaries						
Ensto Audel Oy	Oulunsalo	52.00	88	EUR	7	849
Ensto Automation Oy	Porvoo	100.00	87 500	EUR	1	80
Ensto Briticent Ltd.	Dorset	100.00	650 000	GBP	650	0
Ensto Busch-Jaeger Oy	Porvoo	79.00	1 366	EUR	1 839	3 276
Ensto China Oy	Porvoo	100.00	10	EUR	1	10
Ensto Connector Oy	Porvoo	100.00	17 200	EUR	2 898	1 009
Ensto Czech s.r.o.	Praha	100.00		CZK	5 000	138
Ensto Electric Oy	Porvoo	86.90	5 389	EUR	911	1 239
Ensto Elekter AS	Tallinna	100.00	6 350	EEK	635	46
Ensto Ensek AS	Keila	100.00	4 500	EEK	3 600	737
Ensto Fastighets AB	Stockholm	100.00	1 000	SEK	100	12
Ensto GmbH Germany	Kelkheim	100.00		DEM	300	0
Ensto Holding AS	Oslo	100.00	35 000	NOK	35 000	4 266
Ensto Industry Oy	Porvoo	100.00	200	EUR	34	3 234
Ensto Latvija AS	Riga	100.00	100	LVL	30	42
Ensto Parts Oy	Porvoo	100.00	3 894	EUR	658	655
Ensto Sekko Oy	Porvoo	100.00	123	EUR	41	3 443
Ensto Services AB	Stockholm	100.00	66 700	SEK	6 670	1 779
Ensto Services Oy	Porvoo	100.00	11 560	EUR	1 948	857
Ensto Tools Oy	Askola	100.00	2 000	EUR	170	168
Ensto Trade Oy	Porvoo	100.00	50	EUR	8	8
TL-Coating Oy	Salo	100.00	140	EUR	24	4 374
						26 222
Subsidiaries' holdings in Group companies						
Ensto Busch-Jaeger AB	Borås	100.00	20 000	SEK	100	235
Ensto Busch-Jaeger AS	Oslo	100.00	1 100	NOK	1 000	126
Ensto Component AS	Oslo	100.00	600	NOK	1 000	75
Ensto Control Oy	Porvoo	100.00	3 704	EUR	626	623

	Domicile	Holding %	Number of shares		Nominal value	Book value (1000 €)
Ensto Electric Oy	Porvoo	13.10	812	EUR	137	137
Ensto Elektro OOO	Pietari	99.00		RUR	90	3
Ensto Elsto Kft.	Budapest	75.93	205	HUF	20 500	318
Ensto Høiness AS	Oslo	100.00	14 000	NOK	500	3 773
Ensto Idealplast AB	Borås	100.00	2 000	SEK	2 000	3 225
Ensto Aspol Sp.zo.o.	Straszyn	100.00	1 000	PLN	1 500	409
Ensto Pol Sp.zo.o	Gdansk	100.00	940	PLN	94	312
Ensto Saloplast Oy	Salo	100.00	500	EUR	1 346	5 046
KOy Mikkelin Insinöörinkatu 1	Porvoo	100.00	25 000	EUR	4 205	4 205
						18 487
OTHER SHARES AND HOLDINGS						
Other shares and holdings held by the parent company						
Baltic Investment Fund	Jersey					202
Porvoon A-Asunnot Oy	Porvoo		137			25
Posintra Oy	Porvoo		25			8
Finnish Financial Securities Depositary	Helsinki					3
Other shares and holdings						9
						247
Other shares and holdings held by Group companies						
As Oy Rukantykky	Kuusamo		120			104
As Oy Salon Miilunpohja	Salo		46			31
Other shares and holdings						60
Foreign branch offices						195
Ensto Control Oy, Finland, Sweden Branch						
Ensto Electric Oy, Finland, Sweden Branch						
Ensto Sekko Oy, Finland, Sweden Branch						

Ensto Companies

	Domicile	Net sales M€ 1.1-31.12.2001	Personnel 31.12.2001
In Finland:			
Ensto Saloplast Oy	Salo	11,0	80
Ensto Sekko Oy	Porvoo	25,0	143
Ensto Control Oy	Porvoo	20,2	181
Ensto Electric Oy	Porvoo	34,0	185
Ensto Connector Oy	Porvoo	4,9	22
Ensto Parts Oy	Porvoo	14,1	128
Ensto Tools Oy	Askola	3,3	51
Ensto Oy	Porvoo	0,0	31
Ensto Automation Oy	Porvoo	3,4	31
Sormat Oy [1)]	Rusko	7,8	0
Ensto Busch-Jaeger Oy	Porvoo	24,4	116
Ensto Audel Oy	Oulunsalo	7,7	83
TL-Coating Oy	Salo	2,9	55
Ensto Trade Oy	Porvoo	2,2	6
Ensto Services Oy	Porvoo	0,0	21
In Norway:			
Ensto Høiness AS	Oslo	14,4	35
Ensto Component AS	Oslo	3,5	7
Ensto Busch-Jaeger AS	Oslo	2,5	7
In Sweden:			
Ensto Idealplast AB	Borås	7,6	94
Ensto Connector AB [2)]	Fristad	0,7	0
Ensto Busch-Jaeger AB	Stockholm	5,1	10
Ensto Services AB	Stockholm	0,0	4
In Estonia:			
Ensto Elekter AS	Tallinna	8,1	74
Ensto Ensek AS	Keila	1,7	43

	Domicile	Net sales M€ 1.1-31.12.2001	Personnel 31.12.2001
In Latvia:			
Ensto Latvija AS	Riga	1,6	4
In Russia:			
Ensto Elektro OOO	Pietari	0,8	7
In Poland:			
Ensto Pol Sp. z o.o.	Gdansk	7,4	27
Ensto Aspol Sp. z o.o.	Straszyn	1,0	16
In Hungary:			
Ensto Elsto Kft.	Budapest	6,4	15
In Great Britain:			
Ensto Briticent Ltd.	Dorset	5,8	20
In Germany:			
Ensto GmbH Germany	Kelkheim	0,4	2
In the Czech Republic:			
Ensto Czech s.r.o.	Praha	2,2	6

1) 1.1.- 29.6.2001
2) 1.1.- 30.6.2001

Board's Proposal for the Distribution of Profit

Consolidated distributable funds according to the December 31, 2001 balance sheet stand at 21 646 921 euros.

The parent company's profit for the year is 2 180 295 euros, making its distributable funds 12 685 992 euros.

The Board of Directors proposes that 0.055 euros per share or a total of 797 428.50 euros, be paid out in dividends, and that the remaining 11 888 563.50 euros be retained as non-restricted equity.

Porvoo February 14, 2002

Marjo Raitavuo
Chairman

Heikki Mairinoja

Ensio Miettinen

Timo Miettinen

Esa Saarinen

Auditors' Report

TO THE SHAREHOLDERS OF ENSTO OY

We have audited the accounting, the financial statements and the corporate governance of Ensto Oy for the period 1.1.2001 - 31.12.2001. The financial statements, which include the report of the Board of Directors and the 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 our 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 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, which show a consolidated profit of 2 391 thousand 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 the consolidated and parent company's results of operations and financial position. The financial statements and 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 result is in compliance with the Companies Act.

Porvoo, February 15, 2002

TILINTARKASTAJIEN OY - ERNST & YOUNG
Authorised Public Accounting Firm

Risto Järvinen
Authorised Public Accountant

Maj-Britt Jensen
Authorised Public Accountant

Board of Directors

HEIKKI MAIRINOJA
M.Sc. (Eng.)
Member

ENSIO MIETTINEN
Dr. h.c
Member

TIMO MIETTINEN
M.Sc. (Eng.)
Member

MARJO RAITAVUO
B.A.
Chairman of the Board as of January 1, 2002

ESA SAARINEN
Prof
Member

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