HARTWALL

ANNUAL REPORT **2001**

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Information for shareholders

Annual General Meeting

Oyj Hartwall Abp's Annual General Meeting will be held on Monday, 8 April 2002 at the Hartwall Areena in Helsinki, starting at 17:00. At the venue, the names of those who registered for the Annual General Meeting will be recorded starting at 16:00, and ballots will be distributed.

The actual Notice of Annual General Meeting was published as an advertisement in the Helsingin Sanomat and Hufvudstadsbladet newspapers on 4 March 2002. In addition, Oyj Hartwall Abp has sent a written invitation to each shareholder who is registered in the Shareholder Register. The invitations were sent to the addresses provided by the shareholders.

Shareholders who have been registered by 27 March 2002 at the latest in the company's Shareholder Register, which is kept by Finnish Central Securities Depository Ltd, have the right to attend the Annual General Meeting.

Shareholders who wish to attend the Annual General Meeting must inform the company of their intention to do so in advance in the manner indicated in the Notice of Annual General Meeting and by the deadline specified therein.

The matters indicated in Article 11 of the Articles of Association will be dealt with at the Annual General Meeting, along with the other matters specified in the Notice of Annual General Meeting.

The documents pertaining to the annual accounts and the proposals of the Board of Directors will be made available for inspection by shareholders at the company's main office one week before the Annual General Meeting. Copies will be sent to shareholders upon request.

Dividend payout

Provided that the Annual General Meeting approves the Board of Directors' proposal on the dividends to be paid, the dividend to be paid for the 2001 financial year will be EUR 1.11 on the Series A Share and EUR 1.10 on the Series K Share. The record date is 11 April 2002 and the dividend payout date is 18 April 2002. The dividend shall be paid to shareholders who have not transferred their shares into the book-entry system once their shares have been transferred into the system.

Financial reports in 2002

Financial Statement Bulletin	14 February 2002
Annual General Meeting	8 April 2002
Interim Report, January-March	8 May 2002
Interim Report, January-June	8 August 2002
Interim Report, January-September	7 November 2002

Financial reports are published at 9:00 on the day in question. The Financial Statement Bulletin and Interim Reports are posted on Hartwall's site, www.hartwall.fi, immediately after their release. The Annual Report and Interim Reports will be published not only in Finnish, but also in Swedish and English. They are mailed to all shareholders.

Changes of address

Shareholders are kindly requested to inform the custodian of their book-entry account of any changes in address.

HARTWALL ANNUAL REPORT 2001

Hartwall's operational concept:

Hartwall's operational concept is to manufacture and market high-quality beers, soft drinks, mineral waters and other beverages for various enjoyment situations.

Baltic Beverages Holding's (BBH) operational concept:

BBH's operations aim to produce financial value added for its stakeholders with high-quality products and operating methods as well as by engaging in financially profitable business operations.

Hartwall Group in a nutshell

- Established in 1836.
- Finland's leading beer and soft drinks company.
- The associated company Baltic Beverages Holding AB (BBH) was established in 1991. Hartwall and Carlsberg Breweries own BBH on a 50:50 basis.
- Hartwall was listed on HEX Helsinki Exchanges on 1 July 1994.
- Hartwall has three production sites in Finland, i.e. Helsinki, Lahti and Tornio, as well as one spring water bottling plant in Karijoki.
- BBH has four breweries in the Baltic countries, eight in Russia and two in the Ukraine.
- BBH is the market leader in the Baltic countries and Russia, and ranks third in the Ukraine.
- Hartwall exports Lapin Kulta beer to Scandinavia, Europe, the Baltic countries and Russia.
- In February 2002 Hartwall announced its intention to join forces with Scottish & Newcastle. The combination of Hartwall and Scottish & Newcastle will result in a group with a leading market position in Europe.

	Finland	Russia	Ukraine	Estonia	Lithuania	Latvia
Market position	1	1	3	1	1	1
Market share	45%	30%	18%	49%	45%	45%
Number of production sites	4	8	2	1	2	1
Main brands	Lapin Kulta, Hartwall Jaffa, Hartwall Novelle	Baltika, Arsenalnoye	Slavutich, Lvivske	Saku	Svyturys, Utenos Alus	Aldaris
Aggregate sales, million litres	376.3	1,907.2	259.0	48.4	108.1	60.7
Per capita consumption of beer	79	41	25	67	66	41

Business idea and objective

Objective:
Our objective is to be Finland´s best brewing and soft drinks company and, through our associated company Baltic Beverages Holding, the leading brewery in the Baltic countries, Russia, the Ukraine and other selected market areas in Eastern Europe. Our operations are generating economic value added for our shareholders and increasing our company's value.

Strategy:
Domestic: competitiveness, innovations.
International: growth.

Values:
Consumer orientation: We are proactive in meeting consumer needs thanks to our innovative product and packaging development. Our production makes sure of the high quality of our beverage brands. Our sales and distribution see to it that our products are conveniently available to consumers to the full extent of our product range.

Customer focus: We develop ways of working and forms of co-operation that increase our customers' own sales.

Good profitability: Ensuring profitability is the responsibility of each and every Hartwall employee and it underpins all our business operations. It is the task of our sales and marketing to realise the yield targets we have defined. Our production and distribution must strive for optimal cost-effectiveness.

Belief in the individual: We believe in the ability and desire of each member of the Hartwall team to achieve their own and the company's objectives. Each Hartwall employee has a job description that is tailored to the individual or group. Achievement of the goals is evaluated in regular feedback and development discussions.

Responsibility: In all our dealings, we observe good business practices and ethics, and as a company we bear our own social responsibility and honour our commitment to environmental protection.

Financial objectives:

	Hartwall	BBH	Hartwall Group
Volume growth	At least in pace with the market	Faster than the market	Strong growth
EBIT margin-%	> 10%	> 20%	> 18%
ROI			> 18%
ROE			> 18%
Equity ratio			> 50%
Gearing			~ 60%

Summary of operations in 2001

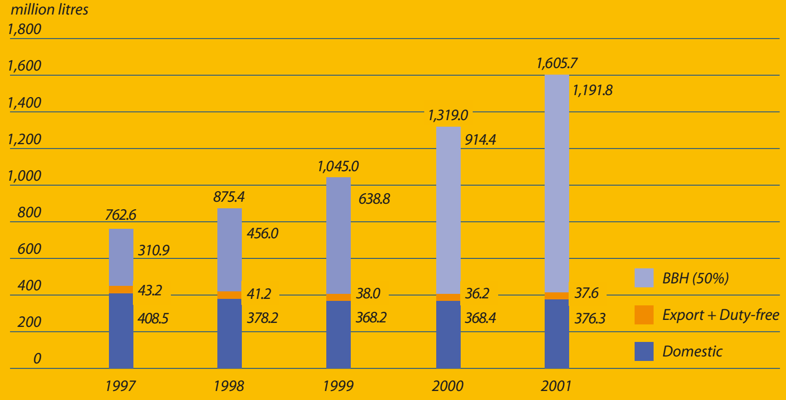
Operations

- The Hartwall Group's aggregate sales volume rose to 1,605.7 million litres (1,319.0 million litres), up 21.7% on the previous year.
- BBH achieved a new sales volume record, 2,383.5 million litres (1,828.7 million litres), an increase of 30.3% compared with the previous year. The company continued to strengthen its position in its key market areas.
- Hartwall's aggregate sales in Finland amounted to 376.3 million litres (368.1 million litres), up 2.2% on the previous year.
- In Finland, Hartwall was the market leader with its market share of 45.1% (44.9%). All product groups except beer grew.
- Measures to centralise the production and storage functions in Southern Finland progressed according to schedule.
- The highest price of Hartwall's Series A Share was EUR 24.10 and the lowest was EUR 15.00.

Key ratios

EUR million	2001	2000	Change
Net sales	807.6	612.0	+32.0%
Operating profit	162.5	102.8	+58.1%
percentage of net sales	20.1 %	16.8 %	+3.3% pts
Profit/loss before extraordinary items	151.0	94.9	+59.1%
Net profit of the year	93.0	51.5	+80.6%
Earnings per share (EPS), euro	1.40	0.80	+74.4%
Total assets	941.6	796.4	+18.2%
Return on investment (ROI),%	23.8	19.5	+4.3% pts
Return on equity (ROE), %	25.7	19.1	+6.6% pts
Gross capital expenditure on fixed assets	248.6	162.6	+52.9%
Personnel, average (BBH 50%)	6,491	6,355	+456
Total sales, litres	1,605.7	1,319.0	+21.7%

Hartwall Group aggregate sales volumes



A year of record-breaking growth and profitability

2001 was the best year in the Hartwall Group's history. Net sales grew by 32% to EUR 808 million, with operating profit up 59% compared with the previous year.

Our financial position and balance sheet remained strong in spite of the record-breaking level of investments, which were earmarked for ensuring the rapid growth of our associated company Baltic Beverages Holding (BBH) and centralising the production and logistics structure in Finland.

A year of profitable growth

The largest share of the Hartwall Group's growth and earnings improvement is attributable to BBH's business operations. In the space of ten years, this brewing company operating in Russia, the Baltic countries and the Ukraine has grown into the world's fifteenth-largest brewery in terms of volume.

The trend in the aggregate market in BBH's territories has been very positive for many years running. BBH has successfully increased its market share, especially in Russia, which is the world's sixth-largest and most rapidly growing beer market. Exchange rate fluctuations in BBH's key currencies were slight in relation to the euro.

Our field of industry's sales volume in Finland grew slightly compared with the previous year. Hartwall's growth and earnings trend have been favourable and the company retained its position as Finland's most significant manufacturer and marketer of beverages. Business operations achieved the earnings target, but fell slightly short of the growth target. We exceeded our market share targets in all product groups with the exception of beers.

Hartwa-Trade's business operations grew at a rapid clip and became profitable in the latter half of the year.

BBH's number of breweries grows to fifteen

During the report year, the trend in BBH's business operations was extremely favourable, with the sales volume hitting an all-time high of 2,384 million litres. Carlsberg's Russia-based Vena was integrated into the BBH Group during the report year, as was the Lithuanian Svyturys brewery. BBH divested itself of the Kalnapilis brewery due to the demands of the Lithuanian competition authorities.

The BBH Group now includes fourteen breweries, of which eight are located in Russia, two in the Ukraine and four in the Baltic countries. During the report year, beer consumption grew by 18% in Russia and by 16% in the Ukraine. In the Baltic countries, growth in the consumption figures was more moderate, coming in at 5%. Competition in BBH's territories tightened during the year under review, but the company held on to its market leadership in Russia and the Baltic countries in spite of hotter national and international competition. BBH ranks third in the Ukrainian market.

The goal: market leadership

Hartwall's objective is to be Finland's best beer and soft drinks company, and the leading brewing company in the Baltic countries, Russia, the Ukraine and selected market areas in Eastern Europe through BBH. In Finland, we are enlarging Hartwa-Trade into a significant alcoholic beverage company. Our operations aim to produce financial value added for our stakeholders and to increase the value of our company.

In accordance with our business strategy, we concentrate on strengthening competitiveness and cost-effectiveness in Finland. We will strengthen our position as Finland's leading brewing company and we will profitably increase our market shares in all product groups. We are seeking strong growth through BBH's business operations and growing exports of Lapin Kulta beer.

Hartwall Lahti is progressing on schedule

The project to centralise production and storage operations at Hartwall Lahti is progressing on schedule. The total price tag of this large-scale investment is EUR 225 million and it will lead to estimated annual operational savings of EUR 17 million. The project is vital for future business operations in Finland. The new production plant and logistics centre ensure the continuity of our competitiveness and cost-efficiency way into the future.

Consumers deserve a reduction in the beer tax

Finland has the highest excise tax on beer in the EU. It is understandable, then, that Finnish beer consumers import as much alcohol as the law allows from their tourist trips abroad. However, the situation will become worrying for the Finnish alcohol-producing industry, the retail sector, and licensed restaurants and bars when the import restrictions are gradually loosened over the next few years. In 2004, for example, Finnish travellers will be allowed to import 110 litres of beer from other EU countries.

In order to prevent the Finnish brewing industry from drying up due to private imports, it is essential for the beer excise tax to be lowered closer to the European average. The brewing and alcoholic beverage industry expects political decisions to be made soon to safeguard our domestic operational viability in the future as well.

Consolidation in the brewing industry

The brewing industry has now undergone consolidation for several years running and smaller players continued to merge with ever-larger companies. Ownership of our customers - the retail, hotel and restaurant/bar sectors - is also being centralised in fewer, international hands. Multinational brands are entering the Finnish market.

In the early part of 2001, the competition authorities of Finland issued their decision on the terms and conditions under which the founding of Carlsberg Breweries could be realised. Consequently, Orkla relinquished its 21.2% stake in Hartwall in November. The Series K Shares entitling their holders to voting rights were transferred to Hartwall-Yhtiöt Oy. A large group of Finnish and international institutional investors acquired the Series A Shares owned by Orkla. 37% of Hartwall's shares are owned by foreigners and share turnover increased substantially towards the end of the year.

The founding of Carlsberg Breweries has no effect on the ownership or line operations of BBH.

Hartwall joins forces with Scottish & Newcastle

In mid-February, Hartwall announced that it has made a combination agreement with Scottish & Newcastle, a leading European brewery. In future, Hartwall and S&N will form a group with substantial growth potential, a leading market position in Europe, market-leading brands that are sold all over Europe as well as experienced and expert international managers. Once established, this group will be Europe's leading brewing company in terms of its production volumes, profitability and brands alike. Its greater financial resources will bolster the new company's position as a major player in the future consolidation of the international brewing industry.

I believe that the size of the new company and the resources available to it will help us to generate added value for our consumers and customers. Both companies aim to achieve a strong market position by developing excellent brands. We are eager to start working with our new colleagues.

Outlook for the future

In Finland, the average consumption of soft drinks and mineral waters in particular is below the European level and it is expected that there will be further growth in these product groups. Our beer consumption matches the European average. However, the upcoming gradual reduction of the alcohol tax will most likely lead some of the beer consumption that presently falls outside official statistics in Finland to shift over to statistical consumption, increasing average consumption. We will focus on bolstering our brands and developing our products, packaging, production methods and sales functions in an innovative manner.

It is expected that the beer markets will continue to evolve vigorously, especially in Russia and the Ukraine. Growth in beer consumption in the Baltic countries is forecast to be more moderate. BBH's aim is to increase its market share and generate good earnings. Achieving higher distribution efficiency and developing distribution are also key elements in BBH's strategy. In addition, the acquisition of new breweries has not been shut out as an option.

2001 was the best year in Hartwall's history, both in terms of net sales and the operating result. I would like to thank our shareholders, partners, customers and consumers as well as Hartwall and BBH employees for your efforts on the job and your commitment to achieving this result. Let's make the present year as successful.

Jussi Länsiö
Managing Director

Brand strategy

Lapin Kulta adopts a new advertising strategy

Lapin Kulta has been given a new advertising policy. Ads for Finland's most popular beer are now also shown on TV: Lapin Kulta's new TV spots were first broadcast in the last months of 2001. Lapin Kulta beer will now be highlighted more frequently at different kinds of events and selected sponsorship sites, without neglecting outdoor advertising and print media, which have previously served as the brand's main advertising media.

The new advertising policy seeks to hone the image of the brand and strengthen the position of Lapin Kulta beer both in consumers' minds and as Finland's best-known beer. The new advertising policy called for careful consideration of the marketing strategy and the expression of the brand's concept. The revision of the policy has been successful and the new policy has achieved great publicity value amongst consumers.

Hartwall is Finland's leading brewery. As the domestic market is relatively mature, it is Hartwall's goal to further enhance its market position by relying on its strong brands. In addition to Hartwall's own brands, several well-known international beverages are part of the company's product line.

Portfolio strategy

Hartwall's consumer-oriented brand strategy aims at offering the appropriate beverage for every consumption situation. The company's selection of beverages consists of seven different product groups, each of which has brands focusing on different consumer groups. The seven product groups are beers, ciders, long drinks, soft drinks, waters, health drinks and sports drinks.

Hartwall owns most of the company's brands and they constitute an important part of the company's total value. Hartwall also represents a number of world-renowned, international brands locally through licence agreements. These brands are maintained in close cooperation with their respective principals. Even if Hartwall's own products are given prominence, imported beverage brands have a very important role within the company's strategy because they allow Hartwall to offer its customers a wider selection of products.

Hartwall's objective is to remain a beverage company with strong brands. The company will invest significant marketing effort and ensure that its products and packages continue to be the most innovative in the market, offering added value to both customers and consumers.

A house with strong brands

All Finnish consumers of beer are familiar with Hartwall beers. In beer marketing, the significance of image is very high. Attention is given to independent, strong brands. In addition to Lapin Kulta, the market's best selling and best known beer, the brands Karjala, Legenda, Urho (launched November 2001), Hartwall Classic, a variety of seasonal beers and imported Kilkenny and Guinness are included in the company's product line. The product family of beers marketed under the Hartwall brand name is also being developed further. In January 2002, Hartwall Dark Lager was launched. In beers, Hartwall is the market leader.

In the ciders product group, Hartwall Upcider, launched in 2000, has quickly reached second position in the market as a result of successful sales and marketing activities. During 2001, marketing of this brand was extended to events and restaurants. In the long drink product group, 50-year-old Hartwall Original Gin Long Drink is the undisputed market leader. Other products in this group include Hartwall Otto, successfully launched in January 2002, Cool Long Drinks, and the milder Long Drink Grape.

In soft drinks, Hartwall is the market leader and is building its position on two very solid supports. The Hartwall Jaffa product family is the flagship in this product group, and this brand has gained a very special place in the hearts and minds of consumers. Jaffa is the market's second-best selling soft drink, and is the most-popular orange beverage. Pepsi, Pepsi Max, 7Up and Schweppes complement Hartwall's own line of soft drink products. International comparisons show that Pepsi has achieved an exceptionally-good market share in Finland during its years as Hartwall's partner. Towards the end of 2001, Hartwall purchased the distribution rights for Pommac, an imported brand that Hartwall has been selling since 1950.

Within the waters product group, Hartwall bears long traditions. In this product group, Hartwall is the market leader and has a product line consisting of products that are very well known. Hartwall Novelle has become a favourite with consumers and is now the market's best-selling mineral water. The traditional Hartwall Vichy Original and the bottled spring water Hartwall Solina complete the company's product selection in the waters product group.

Using the results of focused research on consumer behaviour and extensive product development, Hartwall launched a new product group, Hartwall Fenix health drinks, towards the end of 2001. These beverages have been positioned very accurately and help extend Hartwall's product offering to new types of drinks and consumption contexts. In the future, demand for health drinks is expected to grow.

In energy drinks, Hartwall represents Red Bull, an international market leader which has the position of challenger in Finland. The high-quality brand and well-organised marketing are expected to result in increased market share.

Brand maintenance and brand development

Hartwall develops its brands on the basis of good long-term planning. The goal is to increase brand value and expand sales. Brand development is based on a continuous research into consumers' needs and the innovative implementation and follow-up of marketing communications. All components of marketing are employed in Hartwall's brand management. The primary marketing channels are TV, print and outdoor advertising, with added input from advertising in cinemas, on radio and on the web. Press activities are used to supplement and support current marketing activities. A new element is the use of interactive mobile applications in connection with certain promotions. The marketing channels and media employed are carefully selected to ensure that they are correct for the products and target groups concerned.

In marketing, Hartwall takes advantage of its participation in a variety of music and sports events, and the company also sponsors several athletes and sportsmen. These events make it possible to bring products closer to consumers and to focus marketing communication. The most visible form of team sports is ice hockey, in which Hartwall is partner to Finland's national team and to nine Finnish league teams. Visibility is also strong in rally driving, in which Hartwall sponsors rallies and individual rally drivers.

Hartwall also arranges its own promotional events such as the Lapin Kulta Challenge, the largest adventure sports event in Scandinavia. In Finland, the best-known target of Hartwall sponsorship is the Hartwall Areena multi-purpose hall.

In its advertising, Hartwall operates according to applicable laws and regulations. The company recognises its responsibility to society and does not seek visibility for its alcoholic beverages at events where the majority of the audience is under age. Hartwall does not sponsor under-age athletes in connection with alcoholic beverages.

Research and development in marketing

Hartwall uses continuing studies to anticipate new trends and the changing habits and future needs of customers. The company also uses its network of international partners to obtain up-to-date information about the development of trends in other countries. The health drink product family introduced at the end of 2001 is a good example of successful research and development work. A growing desire to take care of one's health was observed among consumers and the Fenix product family was developed to meet that need. Hartwall Upcider, the hit product of 2000, was also based on a careful study of consumers' needs. Research can also be used to improve product launches and success in product development, as well as to shorten the time needed for development work. The development of innovative packaging is also part of marketing development since the results can be used to make versatile alternative packages available to consumers.

Future

Hartwall intends to be Finland's largest brewery in the future and the company therefore places great emphasis on both marketing and on increasing the value of its brands. Strong brands are the response to ever-tougher challenges from both Finnish and foreign competitors.

Hartwall Jaffa - success in long-term brand development

In 2001, Hartwall Jaffa was more popular than ever. The product's market share achieved a new record, and the Hartwall Jaffa product family now accounts for 20% of the soft drinks consumed in Finland.

The foundation for this success was laid by long-term development of the brand. In 1999, Hartwall Jaffa's consumer promotion concept was renewed and in 2000, a new line of advertising using the theme "Aito, Oikea" (Genuine, The Right One) was adopted. In 2001, a compact Hartwall Jaffa product family with different flavours was launched and a uniform package design was adopted.

In 2002, Hartwall Jaffa will be further developed by the introduction of new, interesting flavours.

Brand strategy

Baltika - a European success story

Sales of Baltika beer have increased very rapidly as a result of well-planned sales and marketing efforts. In just a couple of years, Baltika has become one of Europe's best-selling beers. In Russia, it is the only beer brand which has nation-wide recognition and it is clearly the country's number-one beer. Successful exports means that the brand has also gained new friends in other parts of Europe, in the USA and in Israel.

BBH's business is based on its very strong beer brands in the company's home territory in Russia, the Ukraine and the Baltic countries. BBH runs a total of 14 breweries, each of which has its own house brand. In addition to the house brands, there are several product and brand variations.

BBH's stategy is to grow by acquiring existing breweries and beer brands, investing technology and know-how in the acquisitions and thus strengthening their business activities. Once production, quality, and distribution meet western standards, western principles of marketing and branding will be implemented.

Portfolio strategy

BBH aims at being the market leader in the territories in which it conducts business. The company will continue to emphasise the mainstream and premium segments in its product range. When certain well-known local brands, however, are included in the product selection, a portfolio strategy is pursued. According to the BBH dual-branding strategy in Russia, the national brand Baltika, a beer bottled in more than one brewery, is always part of the portfolio. Another, almost nation-wide local brand is Yarpivo. Locally-marketed beers in the product portfolio complement the main nation-wide brand Baltika.

To maintain a competitive edge, it is important to retain a local image because beer markets everywhere are ruled by locally-brewed products, and imported beer never commands a large market share. BBH has decided on specific brand and portfolio strategies in each country. Brewery product families are expanded by creating new, independent products which can be sold together with the brewery brands. Using this comprehensive portfolio strategy, the company can offer consumers more choice and reach out to new types of consumer. New product segments are constantly being explored and appropriate product variations searched for.

Strong local brands enhance competitiveness

BBH is clearly the market leader in Russia, and owned eight breweries in the country at beginning of 2002. The eight breweries are Baltika, Baltika-Don and Tula (the Baltika group), and Yarpivo, Zolotoy Ural, Vena, Pikra and Voronezh. These breweries own a total of nine main brands. Baltika, which has recently increased its exports, is Russia's leading brand and the only brand of beer which is truly nation-wide. In terms of volume, Baltika is one of Europe's best selling beers. Another very popular brand belonging to the Baltika group is Arsenalnoye, a product of the Tula brewery and BBH's second-largest brand in Russia. Other BBH breweries in Russia have similarly boosted their sales and marketing efforts, and introduced some new products such as Zolotoy Ural and Sibirskaya Legenda.

In the Ukraine, BBH's market share has grown and the company is now in third position. A new product family called Lvivske was introduced using a TV campaign, and the promotional campaign for the Slavutich brand during the summer of 2001 was also very successful. In addition to these main brands, other product launches and marketing activities were carried out. Benefiting from a stronger position towards the end of the year, Pepsi complemented the existing product line together with the international beer Tuborg. Successful marketing activity by BBH has resulted in increased brand recognition and stronger brand positions. In the future, BBH's objective is to create a strong national brand for the Ukrainian market.

In the Baltic countries (Estonia, Latvia and Lithuania), BBH maintained its leading market position. In this geographical area, BBH brands are very well known. Product portfolios are supplemented by international beverage brands. Sales of Pepsi, Guinness, Kilkenny and Carlsberg were initiated in Estonia and Latvia. In Estonia, the country's leading beer brand Saku became the main sponsor for Saku Suurhalli, the largest sports auditorium in the Baltic region. A new beer "Sorts" and the cider "Kiss" were successfully launched and the Saku product family was supplemented by new product variations.

In Latvia, several new variations joined Aldaris, BBH's most popular family of beers, and in the spring of 2001 the new brand Vanaga Strong was introduced. This beer quickly became one of the leaders in its own segment. Sales of Kiss cider were initiated.

In Lithuania, a marketing project aimed at positioning the Utenos Alus and Svyturys brands was started and a new beer "Utenos Premium" was launched. Svyturys Extra won the gold medal in an international beer contest in the Dortmunder category.

Brand management

The emphasis in BBH strategy is to make the most of existing brands and develop them in ways that ensure they are competitive. When building credibility, the fact that beer is always associated with history means it is easier to work with an existing image than attempt to create a completely new image. Recently, a more-developed system of brand structuring has appeared in east European markets. Brands are now positioned much more carefully to correspond to the needs of consumers, and products are aimed with increased accuracy at specific target groups. Competition in these markets is no longer based only on price. Other methods of marketing are gaining in importance.

BBH marketing activities are conducted locally and coordinated centrally by group management. Local breweries are responsible for marketing, brand development, and product launches. Local activity results in a more efficient response to the demands of the local market, and also makes the breweries stakeholders in the development process. BBH has the role of an internal consultant and support organisation, ready to distribute know-how and tools which breweries can use. BBH also monitors and observes both the chosen profiles for different beers and the overall appropriateness of the product line. Normal methods and advertising media are used in marketing. The most important media are TV and various promotions within the sales channels.

In eastern Europe, the process of introducing local laws to govern the advertising of alcoholic beverages is currently in progress. As a member of local associations of breweries, BBH is playing an active role in promoting ethically-mature policies.

Research and development to support marketing

In the future, BBH will continue to study the markets and create tools which enable the company to identify market segments and the appropriate positioning for its products. Models are created to help in determining consumers' needs, and to make brand management easier. Several measurement tools are used on a regular basis to monitor sales in various channels.

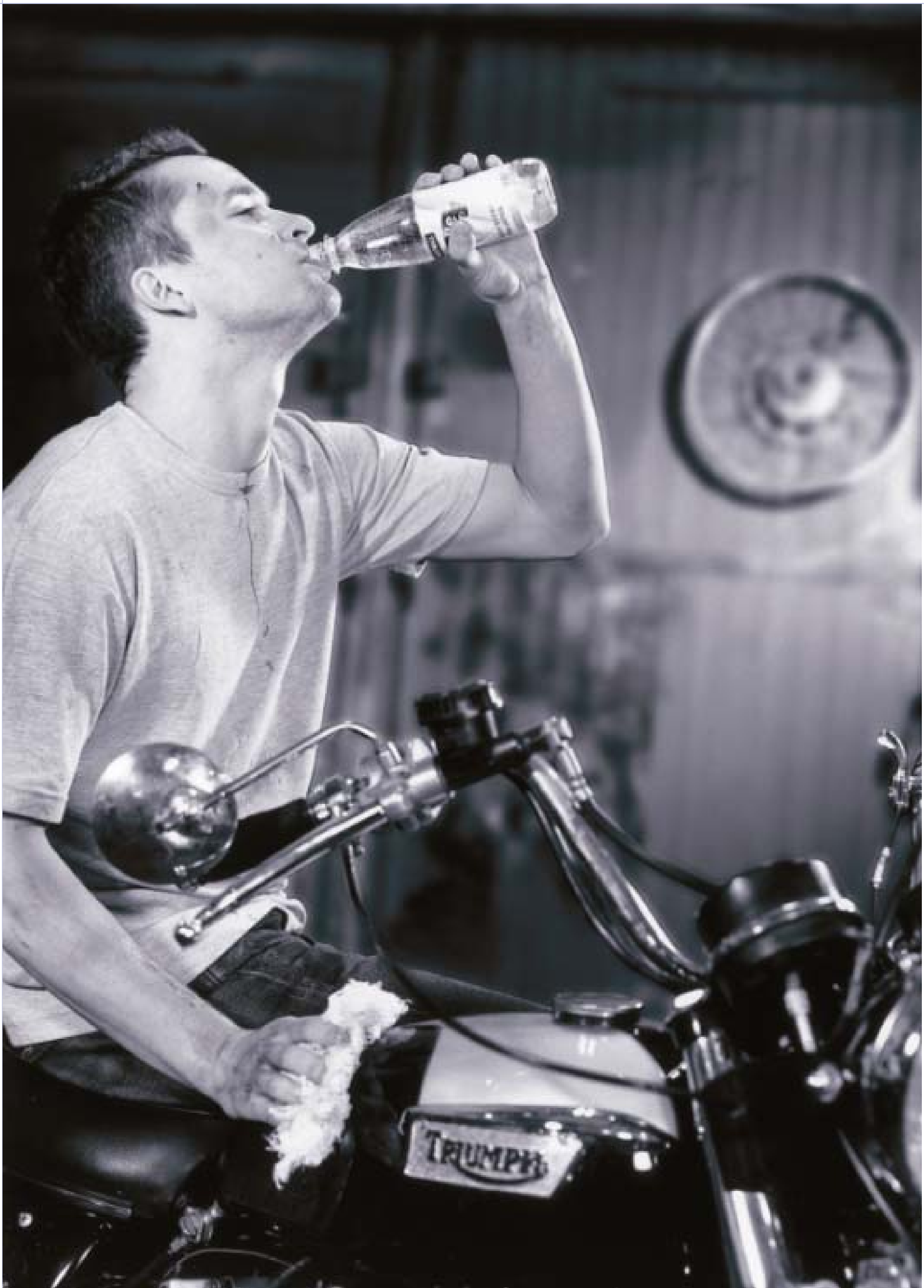
The future

The westernisation of markets and their growth means that marketing and having strong brands is of increased significance. In spite of this, marketing outlays in the eastern European beverage business are still smaller than those in most western countries. A significant feature of these markets is consumers' lack of brand loyalty. There is a constant influx of competitors and consumers appear quite willing to try out new products. Although these factors mean that the marketing situation is a challenging one, a marketing-oriented organisation such as BBH also has very good opportunities to succeed.

It is BBH's goal to increase its market leadership. BBH brands are an important success factor when the company is competing against local and international brands. One important objective is to increase brand value, because this represents a significant part of the company's total value. Strong brands will be successful in competitive situations and earn higher-than-average revenues.

Slavutich receives Beer of the Year prize

In the 2001 Beer of the Year contest, the BBH premium brand Slavutich beat all the leading Ukrainian domestic and imported beers. This victory was the result of a successful brand-development process and a good sales record. BBH is systematically restructuring Slavutich into a strong-image Ukrainian brand. Winning a contest of this type indicates that we must be doing something which is exactly right.


TRIUMPH

Personnel – a success factor

During the review period, Hartwall had a total of 6,491 people on its payroll (incl. BBH 50%), of whom an average of 1,446 people worked in Finland. Hartwall's employees comprise an important success factor for the company. The company believes in each individual's drive and ability to achieve his or her and the company's goals both as individuals and as members of a group.

The focus areas in personnel development efforts were personnel training related to the start-up of the new production plant, Hartwall Lahti, the development of organisational working models and the promotion of occupational safety. During the review period, company site-specific operating procedure projects were under way at Harwall's Finnish production sites. Events aiming at maintaining occupational fitness were organised at all of the business locations.

Training expenses:	*509,156 EUR*
Accidents at work:	*1,249 days*
Sick leave:	*13,344 days*
Sex:	*68% male*
	32% female
Average age:	*41 years*

Confidence in individuals is part of the company's values

One of Hartwall's five values is "confidence in individuals." Personnel policy and principles have been defined as part of the value process.

A job description is defined with each Hartwall employee and he or she is encouraged to work in a manner that best supports the realisation of the company's long-term objectives. Objective and development discussions are carried out annually and they comprise part of Hartwall's management system.

Personnel strategy and key competence areas

Hartwall's personnel policy defines the principles that, when followed, enable the company and its employees to succeed most effectively. The company's entire personnel policy has been published on its intranet and can be accessed by all Hartwall employees.

During the review period, the company began to systematically develop its personnel's expertise and the management of expertise. As part of the Management Group's strategy process, a project was started up to define Hartwall's personnel strategy and key competence areas. The project will be seen to completion in 2002.

Support for the start-up of Hartwall Lahti

Employees have received coaching related to the start-up of the new production plant in Lahti, especially by means of team and process training concerning the new operating procedures, occupational safety training necessary for the new working environment as well as equipment and system training. During the report year, there were 1,663 training days, in which 327 Hartwall employees participated.

The development of compensation and bonus systems that support the new operating procedures and encourage personnel was started up in June 2001 in association with personnel. It is intended that the new compensation system will be introduced stage-by-stage in Lahti during 2002.

Incentive systems

Hartwall pays competitive, agreement-based wages and salaries. A profit-sharing fund has been established for the Hartwall Group's employees in Finland.
In addition, an annual bonus hinging on the achievement of goals is used as a bonus system for key employees. The company also rewards its long-serving employees with years-of-service bonuses.

BBH's breweries have their own incentive and bonus systems.

Profit-sharing fund

Oy Hartwall Abp's profit-sharing fund went active at the beginning of 1999.
The members of the profit-sharing fund are employees of Hartwall and its domestic subsidiaries. The profit bonus paid into the profit-sharing fund for 2001 is EUR 1.1 million.

Recycling and reuse of waste occupy a key position

Materials directed to recycling and reuse from Finnish operations in 2001

Material	*Tonnes*
Glass bottles	*3,486*
Plastic bottles, crates, caps, honeycombs, etc.	*1,833*
Paper and cardboard	*400*
Metal cans, kegs and dollies	*38*

By-products of brewing	*Tonnes*
Mash	*35,344*
Yeast (dry weight)	*616*
Kieselguhr (dry weight)	*330*

Amount of unrecycled waste

Year	*Tonnes*
1999	*3,127*
2000	*2,247*
2001	***1,765***

For the first time, the statistics for 2001 are inclusive of all Finnish operations.

Hartwall's environmental policy is comprised of the environmental policy of the Finnish brewing and soft drinks industry. In addition, the company's own values include accountability for the environment. Taking care of the environment is an integral part of the brewing and soft drinks industry's way of working.

Hartwall is committed to the principle of sustainable development. This means that we are dedicated to reducing the environmental impacts of our operations and committed to the efficient use of raw materials and energy in the development of new products and production methods. Our goal is to reduce environmental impacts over life cycles insofar as we can.

Recycling and reuse

The brewing and soft drinks industry has been recycling packaging materials since the 1910s. In 2001, 90% of the containers of all products sold in Finland were reused containers. The high percentage clearly shows that the consumers are willing to return used containers. The return rate for bottles has been almost 100% for many years and the return rate for returnable cans is on the rise.

At best, a glass bottle goes through the system over 30 times, while returnable plastic bottles circulate about 20 times. Virtually all the materials that are finally withdrawn from circulation can be recycled. Glass bottles are crushed and mostly recycled into new bottles for the domestic brewing industry. The bottle caps, crates and honeycombs can be used as raw material for storage boxes, shelves and pallets.

In 2001, the total amount of energy produced from such recycled waste was 1,394 tonnes, of which 732 tonnes consisted of used bottle labels. The recent method of recycling the labels has dramatically reduced the total amount of unrecycled waste.

The load rate of vehicles has improved

The main environmental impact from transportation comes from the exhaust gases. Hartwall has been able to improve the load statistics of vehicles and pallets through more careful management of the logistics. In addition, customer-specific delivery sorting has helped reduce the parking time of the transport vehicles at customers' loading platforms. This has made the deliveries faster than before. In conclusion, all the above-mentioned procedures have reduced the total number of delivered loads, which in turn has reduced pollution.

The total number of delivery vehicles has decreased by 50% in ten years, and the total number of driven kilometres has decreased by 20%.

Focus on energy and water at Hartwall Lahti

The Hartwall Lahti project has followed the company's environmental objectives from the very start. A part of the savings derived from this project come from the reduction of emissions into the environment. The objective for the new factory is to reach a significantly lower level of emissions than that of the existing factories in Helsinki and Lahti together.

Several specific goals have been set for the consumption of water and energy. The statistical targets are set at approximately 15% below the corresponding key statistics for today's operations. It has been borne in mind, however, that Hartwall's existing production facilities are environmentally fairly safe in international comparison.

The implementation of the environmental goals has meant that the choices of machinery, equipment and processes in the new factory have been made with an emphasis on the resulting consumption of water and energy. Natural gas has been selected as the main source of energy. The bottle washing machines of the new bottling lines consume approximately 30% less water than current machines and the implementation of new technology in the boiling process will reduce the specific energy consumption by nearly 50%.

Significance of innovations increases

Research and development operations (R&D) aim to support Hartwall's operating processes in such a manner that the company can tap into the evolution of technology and techniques to improve its competitiveness. The company engages in R&D in all of its core processes. The focus is on production and especially on product and packaging development. In addition, the R&D unit provides expert assistance on quality, environmental and safety issues.

Research is guided by a technology programme

R&D operations are guided by a technology programme that is updated annually and approved by Hartwall's Management Board. The programme covers the company's entire delivery chain. Particular attention is paid to raw materials, the fermentation process and the manufacture of various fermented products. One of the major research achievements is the introduction of immobilisation technology in the storeroom fermentation of beer, which speeds up the fermentation process. In addition, the technology programme has been utilised extensively in the implementation of the Hartwall Lahti project. Hartwall does not carry out research of its own in other areas of the delivery chain; rather, the company works in co-operation with Panimolaboratio Oy, VTT and other research institutes and suppliers. Parties such as TEKES and Nordisk Industrifond have provided funding for the technology programme.

Hartwall Fenix health drinks launched
At the end of 2001 Hartwall launched Fenix health drinks, a totally new product group of non-alcoholic beverages.

Packaging included in product development

R&D activities are focused on the product development of beer, other alcoholic beverages and non-alcoholic beverages. In 2001, R&D efforts were expanded to cover packaging. In addition to the R&D unit, the sales, marketing and production departments participate in this effort. In addition, the R&D unit provides support in quality and technology issues to line operations. In 2001, strong outlays were made on the further development of cider and long drink manufacturing processes. Hartwall developed a new product group for the non-alcoholic beverages segment - health drinks, for which a distinct need had been noted amongst consumers.

Packaging development is now playing an ever-greater role in the company's competitiveness. In particular, it has turned out to be more important than ever to engage in the controlled development of new multipackaging alternatives while retaining production flexibility and productivity. Successful packaging development can foster sales. Finland's well-run bottle and can recycling system requires the company to co-operate extensively with the trade in packaging development. Such co-operative efforts are carried out in the framework of PATEVA, the brewing technology committee of the Finnish Federation of the Brewing and Soft Drinks Industry. The introduction of a honeycomb panel system for integral packages and multipacks may be considered the most significant development in recent years. Hartwall has patented the innovations generated during packaging development.

In technical development, the most important task is to lend expert support for the company's technical investments. Recently, technical development operations have concentrated fully on the implementation of the Hartwall Lahti project. The same can be said of the development of quality, environmental and security systems.

Consumer services become more important

The development of consumer services and attending to practical operations have been among the tasks of the R&D unit since 1993. The consumer services department processes feedback and channels this information onwards for use in the company's line operations. The significance of feedback has grown continuously; the HAKU information system was created to upgrade efficiency in this area, and it has turned out to be an excellent tool for the processing of feedback. One of the challenges facing Hartwall Lahti is the utilisation of information gleaned from consumer feedback in production quality assurance as well.

A record-breaking year for the brewing industry

Last year was a good one for the domestic beverage industry. Consumption of both alcoholic beverages and soft drinks increased and the industry achieved all-time record sales. Aggregate volume increased by 13.9 million litres or more than 2.5 litres per capita. The industry's largest product groups exhibited the most powerful growth.

The new record in aggregate sales was 833.6 million litres (819.5 million litres), annual growth of 1.7 per cent. After a sluggish period during the first six months of the year, sales by the brewery industry picked up vigorously in the favourable weather conditions of July and August.

The four most important product groups (medium-strength beer, soft drinks, mineral waters and medium-strength cider) gained in popularity. With the exception of the solid long drink category, the most modest growth figures were observed in the smallest product groups.

Over the past ten years, sales of beverages have increased by approximately 150 million litres - almost 30 litres for every Finnish consumer. During this period, the soft drinks sector in particular has grown by a total of 47.6%. The share of of the aggregate market taken by soft drinks and mineral waters is now 42.8%, which means that during the last ten years, growth has totalled 7.5 percentage points.

Fastest growth was in litres of beer sold

Aggregate sales of beer in 2001 totalled 408.5 million litres, with growth of 6.1 million litres or 1.5%. Although the increase in sales was not the fastest in the industry when measured in percentage terms, this category showed the industry's most powerful growth in terms of volume.

When categorised by alcohol content, medium-strength beer continues to dominate the Finnish market, taking a 90.1% share of total sales. Retail stores continued to be the most important distribution channel, accounting for 68.5% of Finnish beer sales.

In 2001, the share of sales held by retail stores grew by 1.5 percentage points, something which can probably be explained by new laws which allowed longer opening hours. As in previous years, the number-one favourite sales unit in this distribution channel was the multipacks which accounted for approximately half of total sales.

Sales of medium-strength beer in 2001 grew by 7.2 million litres or 2.0%. In terms of alcohol content, the most significant drop in demand (2.7%) was in the strong beer category. This was the result of private importation by consumers from foreign countries and purchases in tax-free outlets.

The statistic for per-capita consumption of beer was 79 litres in 2001. According to research, the share of consumption not included in the statistics was slightly more than 10 litres.

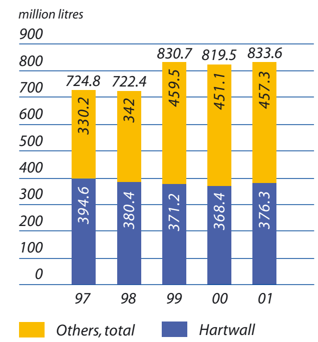
Share taken by orange-flavoured soft drinks became more important

Soft drinks, the second-largest product group after beers, continued to sell very well and the total volume in 2001 was 297.2 million litres (293.0 million litres). A mostly-good summer season resulted in growth of 4.2 million litres or 1.4%.

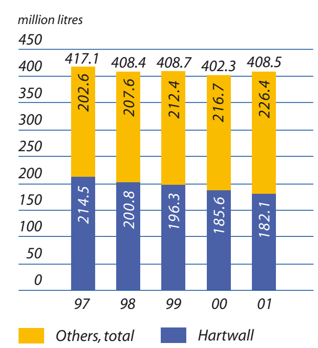
In terms of flavour, although orange was the fastest growing segment at 4.9%, cola is unmistakably the most important flavour with a market share of 45.0%. Light soft drinks continued to enjoy a steady growth in popularity. Almost 25% of all soft drinks belong in this category.

The 1.5 litre bottle was by far the most popular bottle size and now commands more than 80% of sales in retail stores. The national statistic for the aggregate consumption of soft drinks in Finland was 57 litres per capita.

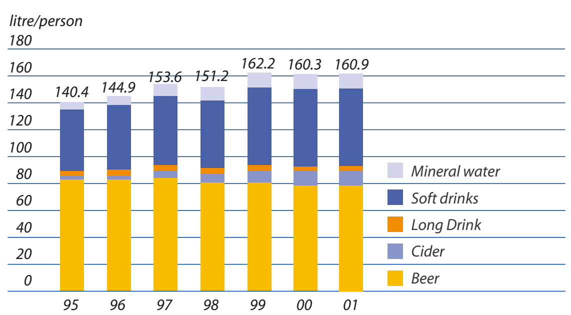
Aggregate sales volume in Finland 1997-2001



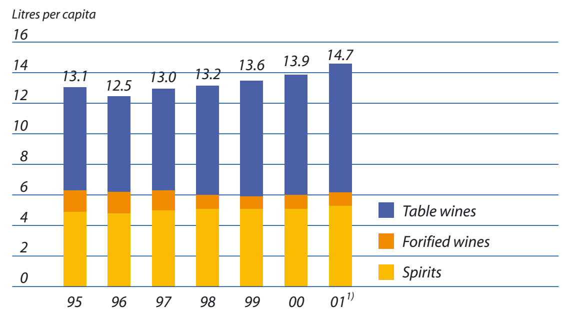
Trend in beer sales in Finland 1997-2001



Consumption of beverages



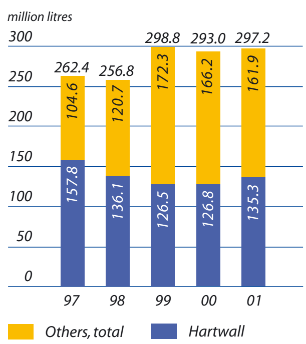
Consumption of alcoholic beverages 1995-2001



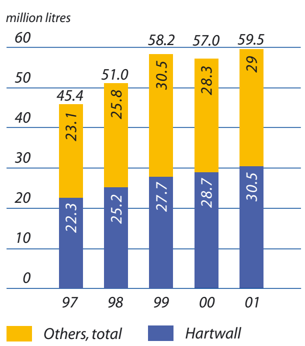
Source: STAKES National Research and Development Centre for Welfare and Health, 2002

1) Preliminary data

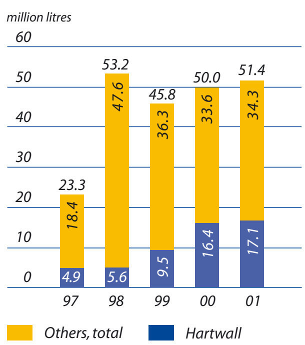
Trend in soft drink sales in Finland 1997-2001



Trend in mineral water sales in Finland 1997-2001



Trend in cider sales in Finland 1997-2001



Mineral waters register the fastest growth in percentage terms

The mineral waters product group exhibited the most powerful growth in the aggregate market in percentage terms. This group is the industry's third largest, with total sales of 59.5 million litres. The 2.4 million-litre increase in consumption in 2001 represented a growth rate of 4.3%.

Beverages in this product group are divided into three segments: unflavoured mineral waters, flavoured mineral waters, and traditional Vichy mineral waters. Demand for flavoured mineral water has grown in the last few years. Unflavoured and flavoured mineral waters have almost equal shares and represent approximately 80% of the market.

The national statistic for consumption of mineral waters was 11 litres per capita.

Cider market shows evidence of stabilisation

Growth in the cider market continued in 2001 but at a slower rate than in previous years. The aggregate sales volume reached 51.4 million litres with a growth rate of 2.8%. A period of lower growth rates was not unexpected, since the popularity of cider had increased tenfold within just a couple of years.

Today's cider market began to take shape in 1995 when the sale of this class of beverages was first allowed in retail stores. In 1996, aggregate sales of ciders and long drinks were approximately the same, but by 2001, the volume of cider sold was three times that of long drinks.

The national statistic for cider consumption in Finland in 2001 was 10.9 litres per capita. In international terms, the Finns are second after the Irish.

Long drinks are a moderate seller

Long drinks were the only product group in the beverage industry that exhibited a slight drop in sales. The aggregate sales for this product group totalled 16.9 million litres (17.2 million litres), 1.6% less than in the previous year.

A favourable trend in this product group was the increased popularity of the 0.5 litre bottle. Other positive trends were increased sales via Alko stores, and an improvement in demand for alcoholic beverages containing more than 4.7 per cent alcohol by volume.

The national statistic for the annual consumption of long drinks in Finland in 2001 was three litres.

The beer market grows, centralisation in the field continues

The trend in the business environment was favourable in all of BBH's territories in 2001. The financial and political situation continued to stabilise. Beer consumption was increased by the greater purchasing power of consumers and the shift in beer consumption habits towards Western habits. The centralisation of the brewing industry continued, as the largest breweries claimed larger shares, with smaller players losing ground.

The field is also going strongly international and over half of the beer markets in all of BBH's territories are already held by international players. A greater number of breweries have upgraded the quality of their beer to a Western level, and thus marketing, sales and distribution are emerging as the new success factors.

Retail chains have spread very rapidly in the Baltic countries and the first signs of the emergence of chain stores are also evident in the largest cities of Russia and the Ukraine. This leads to pressures for changes in how the key customers of the breweries, sales and marketing are attended to as well as in cost-efficiency. Previously, the main goal was to grow at as fast a rate as possible.

The availability of domestic ingredients and materials has improved in general and thus the risks inherent in exchange rate fluctuations have declined. There is still a shortage of malts, the most important raw material, in Russia, and the quality of the malt barley in the Ukraine only partially measures up to Western standards. Farming is in a weak state; sustained and extensive efforts will have to be undertaken to improve agricultural viability so that malt barley that meets Western quality standards will be available.

Russia

The trend in the Russian economy remained favourable, but growth was slightly more moderate than in the previous year. Inflation amounted to 18.6% during the report year and unemployment declined compared to 2000. The good trend in exports of oil and raw materials had a positive effect on the country's economy and the GNP grew by about 5.7%. Repayments of Russia's foreign debt have progressed according to plans.

The developed financial situation is visible in the improved purchasing power of consumers, especially in the cities and residential centres, but development in rural areas was slower. Conditions have stabilised during Putin's presidency, and rapidly evolving legislation has had a positive effect on business activities. The land reform instituted in 2001 is expected to improve the preconditions for the development of the economy and pave the way for additional investments. As from the beginning of 2002, the corporate tax base was lowered to 24 per cent and the entire taxation system was simplified. This is a welcome reform, although the tax breaks granted due to BBH's large-scale investments were discontinued.

The growth of the brewing industry in Russia was especially brisk, although it slowed down towards the end of the year. In 2001, the beer market grew by 18%, with the aggregate market amounting to 6,146 million litres (5,225 million litres). Imports accounted for about 1.5% of the market. Consumption per capita rose to 41 litres (35 litres). With these figures, Russia overshot the UK in aggregate consumption and is now the sixth-largest beer market in the world. The field has already centralised and large, international companies hold 52% of the market. The growth in the brewing industry's outlays on the market was conspicuous.

Sales of local premium beers saw the greatest growth, achieving a 12% share of the aggregate market, and a share of as much as 20-25% in the largest cities. There was further growth in the share of sales accounted for by beers sold in the disposable PET plastic bottles typical of the Eastern European market.
The popularity of beer in cans, which previously suffered from a poor image, is rapidly increasing, and at the end of 2001 the segment had a 5% share of the market. The popularity of alcohol-free beer was also on the rise during the report year, while the market share of strong beers (over 8%) slid slightly in the largest cities. In addition, licensed local manufacturing of foreign beers increased.

A new, rapidly-growing segment emerged on the market: high quality domestic premium beer. Lower-quality local beers are losing ground. Mainstream beer also occupies a strong position on the market, accounting for over half of sales.

It is estimated that the trend in the Russian economy and the beer markets will continue to be positive in the future, but that growth will be more moderate than in the previous year.

Ukraine

The Ukrainian economy also continued to develop favourably. The growth in GNP exceeded expectations, reaching 9.1%, and the Ukrainian hrivna strengthened slightly during the report year. Inflation was 5.8% in the year now ended and industrial production was up 14%. The standard of living in the region has continued to rise and beer consumption has also increased.

The trend in the field of business was positive in 2001 and the profitability of breweries in general has improved. The aggregate market continued to grow, rising from 1,032 million litres to 1,200 million litres, representing growth of 16%. Per capita consumption in the country is now 25 litres, which is low in international terms. The share of beer sales accounted for by beers in PET plastic bottles rose from 15 to 21 per cent. The industry is highly centralised in the Ukraine as well, and at the end of the year the three largest breweries held over 70% of the beer market. Imports account for 1% of sales. The most-sold beer segments on the market are mainstream and premium.

Aggregate sales of soft drinks developed by 21% in the Ukraine and the aggregate volume was 573 million litres in 2001.

The Ukrainian economy follows trends in Russia - albeit lagging behind significantly - and it is expected to develop favourably in the future. The brewing industry has great growth potential and the population base is substantial, close to 50 million inhabitants.

The Baltic countries

The development of the Baltic countries remained positive and they evolved strongly towards EU worthiness, which is a positive trait for business operations. The Baltic countries are by far the most developed of the Eastern European markets. The financial position of the countries is stable and the purchasing power of consumers is already quite high. The internationalisation and centralisation of the brewing industry have been very much in evidence in the Baltic countries and the markets are clearly held by large breweries owned by foreigners. Retail chains have also spread very rapidly, most extensively in Lithuania. The development of environmental taxation continued slowly to approach European practices.

The aggregate beer market in the Baltic countries totals 424 million litres, up 5% compared with the previous year. Average beer consumption in these countries is 57 litres.

Aggregate sales of soft drinks in the Baltic countries grew by 13% and the aggregate volume was 232 million litres in 2001. Sales of mineral waters developed by 22% to 181 million litres.

Economic growth continued in Estonia, but slowed down towards the end of the year. The GNP was up 4.3% and inflation was 5.8%. The country's brewing industry is highly evolved. No disposable plastic bottles are used in Estonia, unlike in the other Eastern European countries. The Estonian beer market grew by 4% to 91.8 million litres, with per capita consumption rising to 67 litres. Over 80% of the Estonian beer market is held by the two largest brewing companies, and imports represent 4% of the market.

The Lithuanian economy continued to grow favourably, primarily thanks to increased exports, and the GNP was up 4.8% with inflation amounting to 1.3%. The beer market grew by 5% during the year now ended, with the aggregate market hitting 231 million litres and per capita consumption 66 litres. Due to the centralisation of the retail sector, about half of the retail volume is controlled by various chains. The three largest breweries have a share of over 70% of the region's market, and imported beers account for 2% of sales.

The Latvian GNP was up 7% and inflation amounted to 2.5%. The beer market volume grew by 6% to 101.2 million litres (95.5 million litres). Consumption per capita increased from 37 to 41 litres. The share of the market held by disposable plastic bottles is very large. Unlike in the other Baltic countries, the market has not undergone consolidation. The largest brewery has a market share of about 45% and the rest is distributed evenly among numerous breweries. Imports account for 5% of sales.

Brewing Industry Statistics

Beer excise and VAT in various countries 2001

	Beer excise, EUR/litre (5% alc.vol.)	VAT %
Norway	2.23	24
Finland	1.43	22
Ireland	0.99	20
United Kingdom	0.96	17.5
Sweden	0.88	25
Denmark	0.46	25
Austria	0.25	20
Netherlands	0.21	17.5
Belgium	0.21	21
Estonia	0.18	18
Italy	0.17	20
Switzerland	0.15	7.6
Greece	0.14	18
Portugal	0.14	17
France	0.13	19.6
Germany	0.09	16
Spain	0.08	16

Consumption of beer 2000

	litres/person
Czech Republic	159
Ireland	128
Germany	126
Austria	108
Denmark	102
Belgium	99
United Kingdom	95
Slovakia	87
Netherlands	83
Finland	78
Spain	72
Switzerland	58
Sweden	56
Norway	52
Greece	43
France	36
Italy	28

Consumption of soft drinks 2000

	litres/person
Ireland	121
Norway	116
Czech Republic	110
Spain	98
Belgium	94
United Kingdom	90
Germany	86
Denmark	85
Netherlands	84
Austria	84
Switzerland	79
Sweden	72
Greece	64
Finland	57
Slovakia	52
Italy	50
France	39

Consumption of mineral water 2000

	litres/person
Italy	140
Belgium	124
Germany	99
Switzerland	97
France	92
Spain	87
Austria	80
Netherlands	17
Norway	17
Sweden	17
Finland	11
Denmark	8

Consumption of cider 2000

	litres/person
Ireland	17
Finland	10.9
United Kingdom	8.6
Sweden	2.3
France	2
Spain	1.8
Germany	1.1
Belgium	0.6
Denmark	0.2

Source: The Finnish Federation of the Brewing and Soft Drinks Industry

Hartwall's position as market leader strengthened

Sales by Hartwall in Finland developed more favourably than the industry's aggregate market. While the company's aggregate market share was 45.1%, its share of the aggregate growth was much higher at 57.4%. As all Hartwall's beverage product groups, with the exception of medium-strength beer, were more successful than the aggregate trend, the company retained its market leadership.

Total sales in 2001 amounted to 376.3 million litres, 8.0 million litres more than in the previous year, representing growth of 2.2%. The ratio of alcoholic to non-alcoholic beverages in the aggregate sales figures was 6:4. The fastest growth in terms of sales volume (6.6%) was exhibited within soft drinks, and the strongest improvement in market share (4.1 percentage points) as in the long drink product group.

During the year, Hartwall conducted a number of product development processes. At least one full product-development cycle was completed within each product group.

Karjala was the most successful

The company's beer sales totalled 182.1 million litres, a decrease of 1.9 per cent compared to the previous year. In spite of the drop in sales, Hartwall's market share of 44.6 per cent (46.1%) in the beer trade is the highest in the industry. The most successful brands were Karjala and Lapin Kulta.

Sales of Lapin Kulta, the company's most important brand, were at the previous year's level and Lapin Kulta retained its market leading position in this product group. As the aggregate market grew during the review period, Lapin Kulta's market share decreased. In terms of sales, Karjala achieved the best result with a growth rate four times higher than that of the aggregate market.

In accordance with the new beer strategy, Lapin Kulta was showcased on TV using the first actual brand advertisements in its history. The campaign, kicked off in October, was the year's largest in Finland, both in terms of costs and contacts.

In terms of distribution channels, sales by Hartwall in restaurants and bars were the most successful in the industry. In terms of package types, the company achieved its best aggregate results in sales of beer in 0.5 litre bottles, cans or other containers.

In beers, product development efforts were focused on new products. Urho beer (5.5% alcohol by volume) was launched in November, and Hartwall Dark Lager, a new member of the Hartwall beer family, was launched at the beginning of 2002.

The only company to achieve growth in soft drinks

Hartwall was the only company in the market that succeeded in improving sales of soft drinks. Sales totalled 135.3 million litres, an increase of 8.4 million litres in volume terms and growth of 6.6%. Hartwall's share of the aggregate market for soft drinks improved by 2.4 percentage points to 45.5 per cent (43.1%).

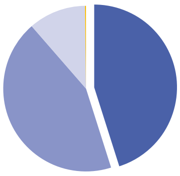
Sales in both national and international brands were very good. Hartwall Jaffa, Hartwall Limonadi and Pepsi clearly outperformed the aggregate market. There are now five Hartwall products or product families among the ten most-popular brands of soft drink.

According to the general opinion of Finns, Hartwall Jaffa is absolutely the number-one brand in soft drinks and the brand has a much higher value than any other domestic or international soft drink. This fact was confirmed in a research project carried out by Taloustutkimus Oy in cooperation with Markkinointi& Mainonta magazine.

Pepsi products entered Hartwall's product line in 1999. Since then, sales of these beverages have risen by 65 per cent.

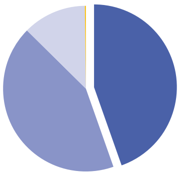
Hartwall's Digimon soft drinks for children were launched at the beginning of 2001. Towards the end of the year, the brand rights to Pommac, a soft drink that Hartwall has been producing since 1950, were purchased from Carlsberg Sverige AB.

Total market positions in Finland 2001



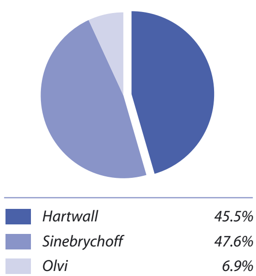
Hartwall	45.1%
Sinebrychoff	43.5%
Olvi	11.2%
PUP	0.2%

Beer market positions in Finland 2001

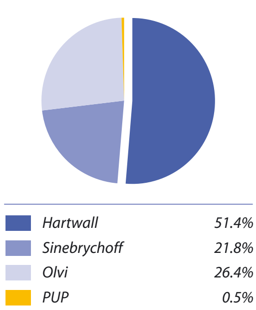


Hartwall	44.6%
Sinebrychoff	42.8%
Olvi	12.4%
PUP	0.2%

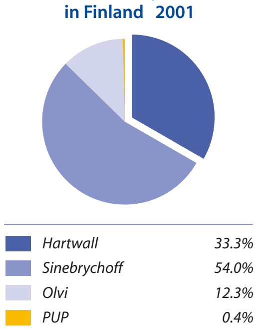
Soft drink market position in Finland in Finland 2001



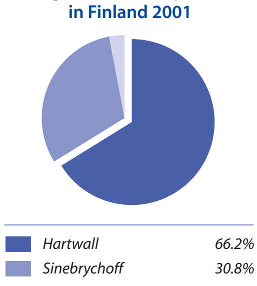
Mineral water market position in Finland 2001



Cider market position in Finland 2001



Long drink market position in Finland 2001



New product group launched

At the beginning of 2002, a new family of health drink products called Hartwall Fenix was introduced to the market. A completely-new product group, the launch was based on an extensive product development process completed in 2001. Health drinks combine health and good feeling are for use in a variety of everyday situations. In contrast to drinks intended for special circumstances, the new health drinks are designed for everyday use and contain ingredients that are beneficial to health. The ingredients have been selected according to different consumption situations.

According to recent research, almost 30% of Finns now buy health-oriented food and grocery items for their households and the new product group therefore has a solid consumer audience. Hartwall Fenix Piristävä can be drunk as a replacement for coffee, and Hartwall Fenix Palauttava is an appropriate drink to enjoy after an exercise session. Both beverages are also safe for diabetic patients as they are completely lactose- and gluten-free.

Hartwall Novelle, the pacesetter in its product group

Sales of mineral waters reached 30.5 million litres, growth of 64% compared to the previous year. Hartwall's share of the growth in what was the industry's fastest-growing product group in 2001 was three quarters. Market share rose by one percentage point to 51.4 per cent (50.4%).

Over the past ten years, the aggregate market for this product group has almost doubled. The most important single reason for the growth has been the rapid increase in demand for flavoured mineral waters.

The clear market leader in this product group continued to be the Hartwall Novelle product family, which consists of five different products - four flavoured mineral waters and one unflavoured. The newest member of this product family is Hartwall Novelle Passion Apricot.

A wide selection of cider flavours

Sales of ciders grew by 4.6% to a total of 17.1 million litres. The relatively high target sales volumes were not quite achieved because the growth forecast for the aggregate market turned out to be higher than the actual growth. Hartwall's market share rose to 33.3%, an improvement of 0.6 percentage points.

The Hartwall Upcider product family launched in 2001 included seven different all-year-round ciders and one cider variation for the Christmas season.

During the review period, two new members, Hartwall Upcider Light Raspberry and Hartwall Upcider Perry Guarana, joined the product family. In the spring of 2001, a multipack of four 0.5-litre bottles was launched for the product line.

Domestic sales of the brewing and soft drinks industry

	Industry, million litres	Change, %	Hartwall, million litres	Change, %	Hartwall market share	Change, %-pts.
Beer	408.5	1.5	182.1	-1.9	44.6	-1.5
Cider	51.4	2.8	17.1	4.6	33.3	0.6
Long drink	16.9	-1.6	11.2	4.8	66.2	4.1
Total	*476.8*	*1.5*	*210.5*	*-1.1*	*44.1*	*-1.2*
Soft drinks	297.2	1.4	135.3	6.6	45.5	2.4
Mineral water	59.5	4.3	30.5	6.4	51.4	1.0
Total	*356.7*	*1.9*	*165.9*	*6.6*	*46.5*	*2.0*
Beverages, total	*833.6*	*1.7*	*376.3*	*2.2*	*45.1*	*0.2*

Market for long drinks receives a wake-up call from Otto

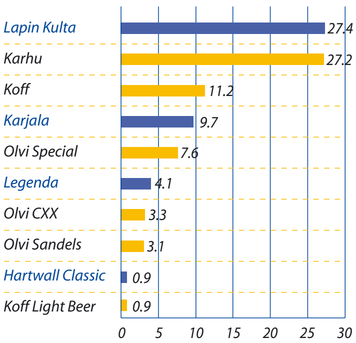
In spite of the fact that the aggregate long drink market shrank by 1.6 per cent in the review period, Hartwall was able to improve its own sales by 4.8% to 11.2 million litres. The market share increased by 4.1 percentage points to 66.2%.

Hartwall enjoys an exceptionally-good 79.9% of the market for stronger long drinks; and this is particularly visible in sales via Alko stores where market share has reached 89.8%.

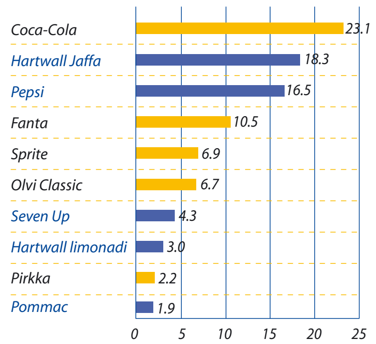
Marketing input into long drinks by the brewery industry has been comparatively modest for several years. As a result, consumers interest in this product group has declined. As a leading player in the industry, Hartwall started product development at the end of 2000 with a view to revitalising the aggregate market for this product. Otto, a new long drink was developed during 2001 and was launched at the beginning of 2002. The alcohol content of Otto is medium-to-strong, and it is available in two flavours, grapefruit and lime.

The market shares in daily convenience goods store in all Finland (vol.), 2001

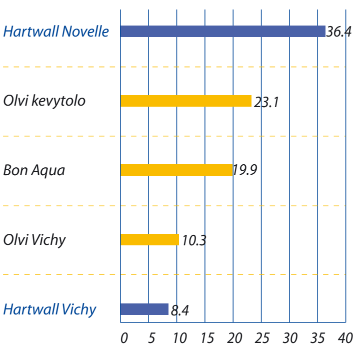
Finnish Beers Top Ten



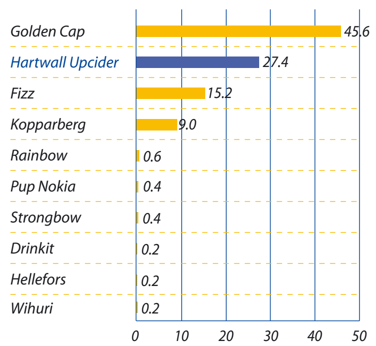
Finnish Soft Drinks Top Ten



Finnish Mineral Water Top Five



Finnish Ciders Top Ten



Source: A.C. Nielsen

Hartwall Lahti will be completed on schedule

In 1999, Hartwall's Board of Directors decided to concentrate the production and storage functions covering Southern Finland next to its current logistics centre in Lahti. The production plant that is now under construction will phase out the company's present production plants in Helsinki and Lahti.

In future, Hartwall will carry out production operations not only in Lahti, but also in Tornio, where it brews Lapin Kulta beer, and in Karijoki, where it bottles spring water. The new production plant and logistics centre will be completed in the spring of 2003.

This is Hartwall's largest investment in Finland to date. The centralisation investment is valued at EUR 225 million. The annual operational savings that will result from the project are estimated to reach EUR 17 million.

By means of this project, Hartwall is ensuring its future operational viability and competitiveness in Finland. The centralisation of production and storage functions both in terms of geographic location and logistics enables the company to achieve greater operational flexibility and better cost-efficiency. In addition, special attention will be paid to the comfort of employees and teamwork at the new production plant.

On the whole, the Hartwall Lahti project is large and challenging. Hartwall's corporate image and the requirements its image sets on the project have been taken into consideration in the design of the production plant. At this new production plant, quality assurance will be raised to an unprecedented level. Attention to environmental affairs is also a key aspect of the new plant.

The beverage factory of the future

The plot of Hartwall Lahti measures 32 hectares. In terms of its transport connections, it is ideally located, as the triangular plot is bordered by a through road leading from Helsinki to the north, the east-west highway 12 (Kouvola-Tampere) and a railroad. Hartwall acquired the plot in 1991, and the first stage of Lahti logistics centre, a production and distribution warehouse, was inaugurated in October 1993. Since then, construction has progressed systematically and has remained on schedule. Only a few more months of construction work are now left in this large-scale project.

The total floor area of the new production plant and logistics centre will be about 150,000 square metres. Different types of storage premises and related functions will be established on about half of the surface area of the entire production plant. The receiving of bottles and cans and the collection and dispatching of loads will be handled on these premises.

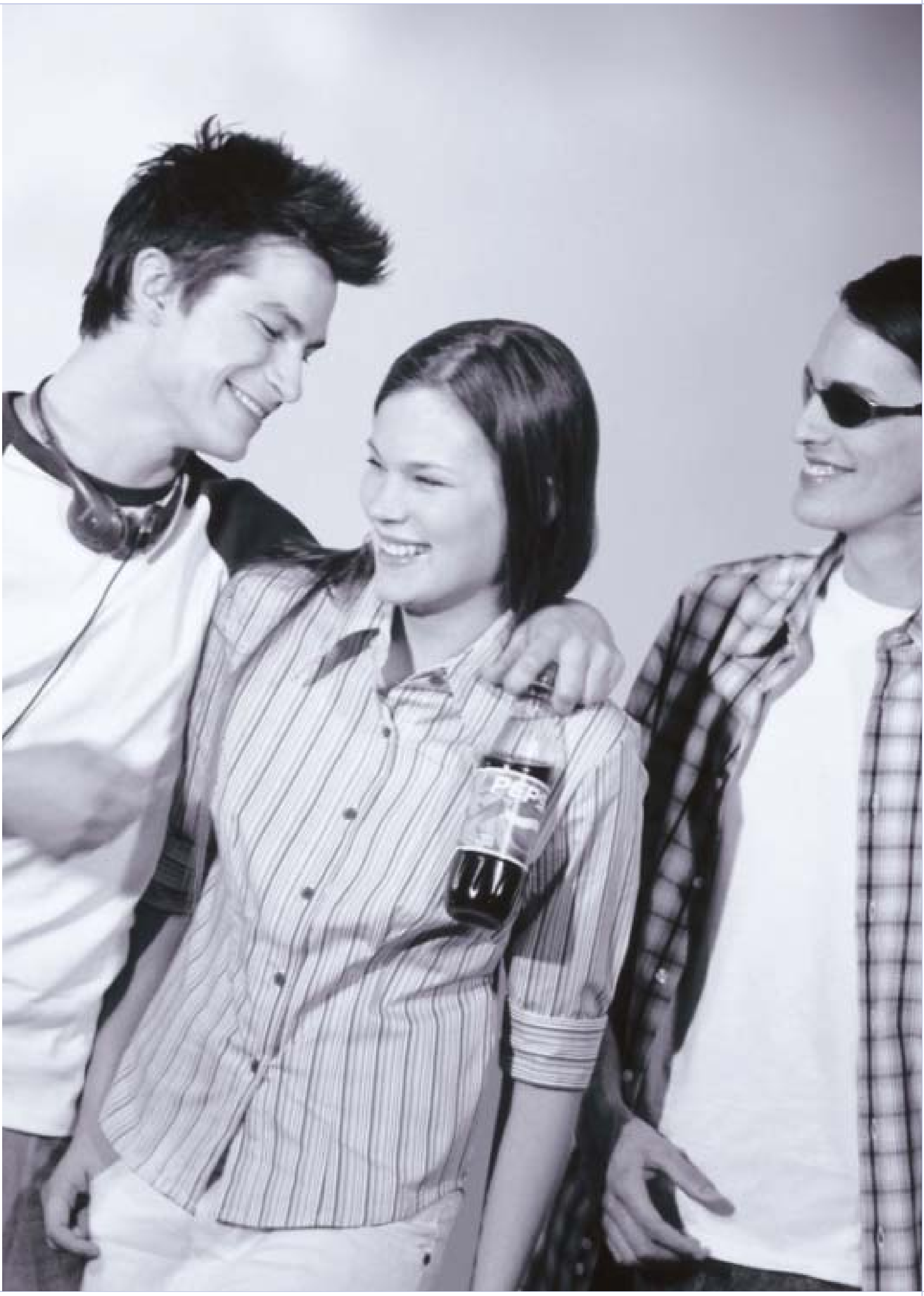
Hartwall Lahti is so large that the distance from one end of the building to the other is about half a kilometre.

The project will be completed in 2003

Collection, distribution, automated storage, office and social premises have already been built on the plot in previous years, along with technical storage facilities and light-structure halls for empty bottles and cans. To date, premises for the processing, refilling and sorting of bottles and cans have been completed in the project. Premises for the storage of products and the internal logistics of the production plant are also nearing completion. The internal material flows of a production plant of this size are large, and for this reason the design pays particular attention to internal logistics and their efficiency.

The first two bottling lines of the new production plants were installed last autumn, and the stage-by-stage transfer of the present soft drink manufacture and sorting operations in Lahti on to the new premises was started up in January 2002.

The transfer of Helsinki's production, storage and distribution functions into the new building will begin in the autumn of 2002. Plans call for the completion of this stage in the spring of 2003. Lastly, the brewing functions of the present factory in Lahti will be transferred into the new facility.



A stable year for exports

Hartwall's export products maintained their positions in their target markets in 2001. Hartwall's aggregate export volume was 18.1 million litres (17.8 million litres). The value of the exports was EUR 11.4 million (EUR 11.8 million). Sweden remains the largest export country, but the trend in the markets of Russia and Estonia has also been favourable. Hartwall's duty-free sales increased by 6.5 per cent.

Exports

Oyj Hartwall Abp's export operations primarily comprise exports of Lapin Kulta beer to countries in the Baltic area and selected European markets. In 2001, Hartwall Upcider and Aqua Fennica spring water also became export products.

Sweden is still Hartwall's most important export market by far, and the company enjoys a stable position there. In 2001, exports to Sweden amounted to 13.9 million litres (13.7 million litres). Lapin Kulta has held on to its dominant position as the most popular and highest-volume imported beer in Sweden since the mid-90s. In 2001, Lapin Kulta was already competing head-to-head with Swedish beers. The profitability of exports to Sweden was not, however, at as good a level as before due to the poor exchange rate of the Swedish krona.

Advertising of Lapin Kulta beer in Sweden is focused on outdoor advertising. The advertising policy has been honed for even greater appeal to younger adults.

Sales in Russia had declined for several years running, but began ascending slightly again in 2001, reaching 2.4 million litres (2.3 million litres). The Russian beer market has grown buoyantly, and sales of imported beers have also increased. Conditions in the country and the disposable income of its citizens evolved favourably. Export measures for Lapin Kulta beer focused on St. Petersburg and Moscow. In St. Petersburg, Lapin Kulta is one of the best-known imported beers.

The Estonian beer market grew and during the review period Hartwall achieved its highest sales volume ever, close to one million litres. Of this amount, 400,000 litres were beer. The company changed over to a new Estonian importer in April 2001. The new importer is the independent alcohol sales agency Tridens, which has exclusive rights to sell all Hartwall products in Estonia. The changeover was carried out successfully. The position of Lapin Kulta beer was unaffected and the new export products, Hartwall Upcider and Aqua Fennica spring water, were launched successfully.

In 2001, the company ventured into a new market by relaunching exports to Latvia after a hiatus of several years. Lapin Kulta beer and Aqua Fennica spring water were brought to market. Latvia is a good fit into Hartwall's export strategy, which focuses on countries in the Baltic area.

Exports to the UK, France and Germany gained strength in 2001. In the UK, the company started to co-operate with a new importer and sales in London have risen higher than ever.

The French and German markets have also stabilised, with sales remaining at their previous level. In France, Lapin Kulta beer is mainly sold in daily consumer goods stores in campaign packaging that French consumers find pleasing. In Germany, the main sales channel in 2001 was petrol stations.

The outlook for exports in 2002 is good, especially in Russia and the Baltic countries. In the beer markets of Russia and the Baltic countries, it is expected that imported beers will also grow. Lapin Kulta brand-building has been carried out systematically for many years, and sales have begun to grow. In 2002, more investments will be made in the St. Petersburg and Moscow areas than ever before; a Lapin Kulta advertising film made in Finland will be shown in cinemas in these cities. In 2002, record-breaking investments will also be made in the promisingly evolving market of Estonia.

Duty-free sales

Hartwall's duty-free sales are focused on ship traffic on the Baltic Sea. In 2001, duty-free sales were valued at EUR 12.84 million, representing growth of 6.5 per cent on the previous year. The total sales volume in duty-free sales was 19.4 million litres, up 910,000 million litres on the previous year. Duty-free sales include tax-free sales in stores on board ships as well as sales on aeroplanes and in the restaurants and bars of passenger ships.

The long-expected decline in the volume of duty-free sales has not materialised. The new products introduced into the duty-free range, Legenda beer and Solina spring water, have been well received and have increased sales. Super Fast Ferries, the new Greek-German shipping company operating on the Baltic Sea, began to sell Lapin Kulta beer in the restaurants and bars of its ships. Moreover, the decline in passenger volumes has been slight, only about one per cent. In 2001, the ships of the Baltic Sea still transported about 15 million passengers.

Hartwall's duty-free range includes all the products featured in Hartwall's regular assortment. The biggest product in duty-free sales is Lapin Kulta beer, which holds a 71 per cent share of sales.

The outlook for duty-free sales remains unchanged. Although duty-free sales within the EU have ended, passenger ships will continue to use routes on which duty-free sales are permitted.

Hartwa-Trade's year of growth

Hartwa-Trade, owned by Hartwall, is specialised in importing, distributing and marketing alcoholic drinks and wines. The company's operations strengthen Hartwall's strategy of operating as a leading beverage company. Hartwa-Trade has consolidated its position in Finland's alcohol business.

During the review year, Hartwa-Trade's net sales rose by 46%. Its sales volume rose by 59%, which was to a large extent due to an increase in wine sales.

One order, one delivery, one invoice

Hartwa-Trade's ordering and distribution systems rely on the existing functions of its parent company, Hartwall. Both brewery products and other alcoholic beverages are delivered to the customer, freight prepaid, in the same load, with a single order and one invoice. Together, Hartwall and Hartwa-Trade comprise a unique player in the Finnish beverage market, thereby improving Hartwall's customer service.

Hartwa-Trade employs 26 people, providing nationwide service to its customers.

A product range featuring world-renowned beverages

Hartwa-Trade's product range includes about 500 product titles from all the major alcohol segments. The company has close to 50 principals from around the world.

Most of its principals are well-known and are part of the world's most respected alcohol and wine companies. Hartwa-Trade is the only Finnish co-operation partner of Guinness United Distillers & Vintners (GUDV), the world's largest alcoholic beverage company. Its key products include Smirnoff vodka, Gordon's Gin, Johnnie Walker whiskeys and Baileys liqueur.

Hartwa-Trade's other major principals include the French company C.C.G International, whose best-known brands are Meukow cognac and Napoleon Courriere brandy.

The most important wine principals are the French vintner Les Grands Chais de France (GCF), the Spanish manufacturer of sparkling wines Freixenet and the French Lanson champagne house. All in all, Hartwa-Trade's product range features about 250 wines.

Operating environment

About 180 importers and wholesalers of alcoholic beverages are active in Finland, along with numerous sales agencies. In 2001, the aggregate market hit 74.5 million litres, of which 43.0 million litres were wines, 27.3 million litres were spirits, and 4.2 million litres were "intermediate" products. Alko handles over 80% of total sales. Hartwa-Trade's customers include licensed restaurants and bars and Alko's nationwide chain of stores.

Hartwa-Trade's sales develop favourably

During the review period, Hartwa-Trade became a significant beverage supplier in the restaurant sector. Sales to Alko also rose, and at present Alko has 130 products imported by Hartwa-Trade in its product range.

Consumption of almost all types of alcoholic beverages increased during the review period, with wine consumption rising by close to a fifth compared with the previous year. Consumption of red wines rose by 18% last year and that of white wines by 8%. About 55% of the products sold by Hartwa-Trade are wines.

The company continued to develop its product range vigorously. The wine selection was strengthened and the company's competitive position was improved via the acquisition of all the shares outstanding in two sales agencies, Oy Lindtrade Ab and Nahedor Oy. Thanks to these acquisitions, the company's range now includes Georges Duboeuf's Beaujolais wines and GCF's J.P. Chenet wine family; Chenet's red wine is the bestselling French red wine in Finland and the world.

Outlook for the future

Reorganisations in the Finnish alcohol business are continuing. Consequently, a few major goods suppliers are assuming control of the field of business.

Wine consumption is expected to keep growing. Hartwa-Trade's field of operations will also be affected by the State's alcohol tax policy solutions.

Hartwa-Trade will continue to develop its product range. In sales to licensed restaurants and bars, the company aims to claim a third of the market. It wishes to be a major co-operation partner for Alko and a leading supplier in the licensed restaurant sector. The company's medium-term objective is to generate 10% of Hartwall's domestic net sales.

Yet another year of excellent growth

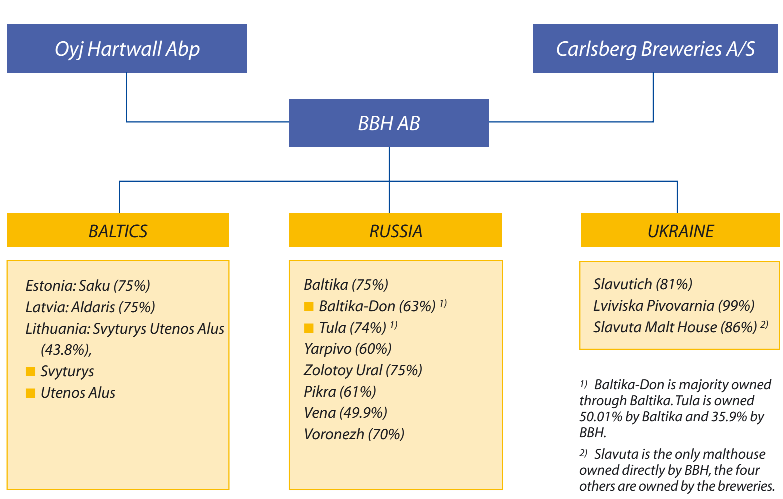
Baltic Beverages Holding AB (BBH) is a brewery company operating in the markets of Russia, Ukraine, Estonia, Latvia and Lithuania. BBH is owned jointly by Hartwall (50%) and the Danish Carlsberg Breweries A/S (50%), which in turn is owned by Carlsberg A/S and the Norwegian Orkla Group, with Carlsberg A/S owning 60% and Orkla 40%.

BBH was founded in 1991 to promote its owners' business activities in the growing beer markets of Eastern Europe. At the end of the report period, the company had 12 breweries and five malt houses and it was the leading player in the beer markets of Russia and the Baltic countries. In Ukraine, BBH is competing for the second market place. At the end of 2001, BBH's subsidiary, Baltika, took steps to buy the share majority in the leading Belorussian brewery, Krinitsa. The sale, however, had not been finalised by the end of the report year.

BBH is registered in Sweden, but its management is dispersed in Helsinki, Stockholm, Oslo and Tallinn. The company's managing director is Finnish Christian Ramm-Schmidt. BBH's owners have the right to appoint an equal number of members to the Board of Directors. The owners take turns to appoint the chairman of the Board in alternate years; the chairman's vote is not decisive if voting is tied. The members of the Board of Directors whom Hartwall appointed for 2001 were Gustav von Hertzen, Henrik Therman (Chairman of the Board) and Jussi Länsiö. Carlsberg Breweries A/S was represented by Paul Bergqvist, Finn Jebsen and Nils Andersen.

Hartwall consolidates 50% of all figures in BBH's Balance Sheet and Profit and Loss Account in its own financial statements.

BBH's ownership structure 1 Feb. 2002



1) Baltika-Don is majority owned through Baltika. Tula is owned 50.01% by Baltika and 35.9% by BBH.

2) Slavuta is the only malthouse owned directly by BBH, the four others are owned by the breweries.

Strategy and corporate mission

BBH has expanded significantly during its ten-year history. In 1991, the company acquired its first brewery, the Estonian Saku, whose production volume was 14 million litres in its first year under the ownership of BBH. In the following year BBH bought the majority stake of Latvia's leading brewery, Aldaris, and in 1993 of the Russian brewery Baltika. Since then BBH has acquired new breweries nearly every year. Each acquisition is preceded by a careful selection process; the prospective buyees are expected to have, among other things, an optimal geographical location, an impeccable history of lawful business dealings as a private company and capable local management.

BBH's strategy is to grow by acquiring a majority stake in breweries that are local market leaders in the growing markets of Russia, the Ukraine and the Baltic countries, to invest technology and know-how in them, and strengthen their sales, marketing and distribution systems. The quality of the beer is being raised to a Western standard through product development and technological improvements. All of BBH's products are strong brands either at the regional or national level, and large-scale outlays are made to strengthen them even further. Management as well as operational decision-making remain in the hands of the locals, while BBH makes strategic decisions and offers its support in such areas as sales and marketing as well as the development of production and personnel. BBH seeks to strengthen its position as a leading player in the Eastern European markets. In spite of BBH's international ownership, its different breweries are perceived as local players.

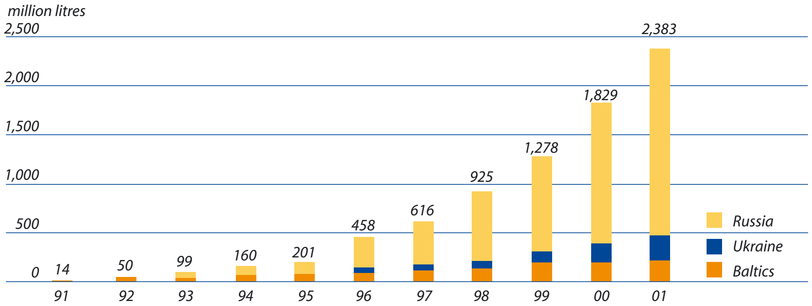
A central feature of BBH's strategy is the joint ownership of breweries with their local personnel. BBH aims to own approximately 75% of each of its breweries in order to make sure that it has the necessary authority to make decisions. Not only upper management but also members of personnel can own a part of the brewery in which they work. This increases their commitment towards the company. Local investors, too, may own shares in the breweries. BBH has an important role in the

BBH in a nutshell 2001

Country	Brewery	Aquired	BBH ownership 31 Dec. 2001	Consolidated sales volume, million litres	Growth %	Market-shares 2001 %	Personnel 31 Dec. 2001
Russia	Baltika	1993	75%	1,404	32	22%	5,503
	Yarpivo	1996	60%	354	40	6%	954
	Tula Brewing [1]	1997	74%	-	-	-	-
	Baltika-Don [1]	1997	83%	-	-	-	-
	Zolotoy Ural	1999	75%	72	13	1%	527
	Pikra	1999	61%	77	51	1%	653
Ukraine	Slavutich	1996	82%	208	20	14%	709
	Lvivska	1998	99%	51	119	4%	261
Estonia	Saku	1991	75%	55	6	49%	268
Latvia	Aldaris	1992	75%	76	15	45%	464
Lithuania	Svyturys	2001					
	Utenos Alus	1997	44%	108	16	45%	673
Internal sales				-22			
Total				**2,384**			

1) Baltika's subsidiary. Its sales figures and personnel are included in Baltika's figures.

BBH's aggregate sales volume



communities in which it operates. It is, after all, one of the biggest tax payers in the area as well as an employer that contributes to the training and well-being of its employees. Local presence is the cornerstone of BBH's strategy as the company aims to meet the needs of the consumers more effectively. A local corporate image also helps to avoid the obstacles that foreign companies so often meet in these markets.

A large part of the earnings of the BBH breweries are used on their further development and augmentation is financed mainly from their own cash flow.

The Group in 2001

2001 was a year of excellent growth for BBH. The trend in the beer industry and the economy in general was favourable. Other factors contributing to the earnings were the large increases in production capacity and sales volumes. Also, emphasis on efficiency in the organisation in general, as well as in distribution and marketing, had a positive effect on the earnings. The co-operation between different BBH breweries in areas such as distribution and production enabled several factories to take part in the manufacture and delivery of different beer brands, thus making these processes more flexible. The sales volume of the company rose by 30% to 2,383.5 million litres (1,828.7 million litres in 2000). The consolidated net sales (100%) were SEK 9,081.3 million or EUR 978.4 million (SEK 5,397.4 million in 2000) and the operating profit (100%) was SEK 2,583.1 million or EUR 278.3 million (SEK 1,326.9 million in 2000). Net sales increased by 68% and the operating profit by 78% on the previous year. This was achieved without any acquisitions.

Strong investments continued and they amounted to SEK 2,330 million (100%) in the report year (EUR 251 million). The focus was mainly on increasing production capacity, boosting the distribution system and making the company more visible in the market. In 2001 the company had an average of 10,090 employees.

At the end of the report period, BBH had six breweries in Russia, two in Ukraine and four in the Baltic countries. On 27 December 2001, the leading Lithuanian brewery, Svyturys, in which Carlsberg had a majority stake, was integrated into Utenos Alus, a BBH brewery. The new brewery was named Svyturys-Utenos-Alus. On 1 January 2002, BBH bought a 49.9% stake in Vena brewery operating in St. Petersburg from Carlsberg. BBH has management responsibility in the brewery

Beer markets 2001

	2000	2001	Market growth	BBH's growth	BBH's market share in 2000	BBH's market share in 2001
Estonia	88	92	4%	6%	47.7%	49.0%
Latvia	96	101	6%	1%	46.7%	45.0%
Lithuania	228	231	5%	2%	37.2%	45.0%
Ukraine	1,020	1,200	16%	29%	16.9%	18.0%
Russia	5,225	6,146	18%	31%	25.2%	29.8%

Source: BBH, local brewers' associations in Baltic countries and Ukraine, State Statistic Committee in Russia, Goskomstat

Beer consumption per capita, trend per country, litres

	1990	1994	1997	1998	1999	2000	**2001**
Estonia	47	33	41	47	61	61	**67**
Latvia	31	24	29	31	39	37	**41**
Lithuania	55	31	41	47	54	61	**66**
Russia	23	16	19	23	30	35	**41**
Ukraine	28	17	11	13	16	21	**25**

as well as a call option, to buy the remaining 49.9% share, which is valid from 2003. In January 2002, BBH bought the Voronezh brewery and started construction work on a new brewery in Samara. Steps were also taken to join Baltika-Don and Tula Brewing, the two breweries operating under Baltika brewery, to Baltika.

In November, Baltika announced its plan to acquire a 50% stake as well as one vote in the Belorussian brewery Krinitsa provided that the Annual General Meeting were to allow it. However, the deal had not been closed by the end of the year and negotiations continue in 2002. Several new acquisitions which were performed in the beginning of 2002 were the result of numerous negotiations that took place in 2001.

In spring 2001, BBH announced that it was going to sell the Kalnapilis brewery in Lithuania. The reason for this was the dominant market position acquired by BBH and Carlsberg's Svyturys brewery with the formation of Carlsberg Breweries A/S. The Lithuanian competition authorities stipulated that one of the breweries must be sold. Consequently, Kalnapis was sold to the Danish Bryggeriegruppen in October 2001.

Malt houses

In order to ensure the availability of its most important raw material, malt, BBH has invested in its own malt house capacity to make the company less dependent on imported malt. BBH owns shares in five malt houses, of which three are located in Russia, one in Lithuania and one in Ukraine. The total capacity of the malt houses is approximately 236,000 tonnes per year which is enough to cover about half of the raw material needs of the company. In Ukraine, BBH engages in contractual farming in order to ensure the availability of barley.

BBH's malt houses

Country	Malt house	Owner	Capacity, tonnes/year
Lithuania	Litmalt	Lahden Polttimo 50% / Utenos Alus 50%	10,000
Russia	Yarpivo	Yarpivo	15,000
	Baltika	Soufflet 70% / Baltika 30%	105,000
	Zolotoy Ural	Zolotoy Ural	16,000
Ukraine	Slavuta Malt House	BBH 86%	90,000
Total			**236,000 tonnes/year**

Distribution strategy

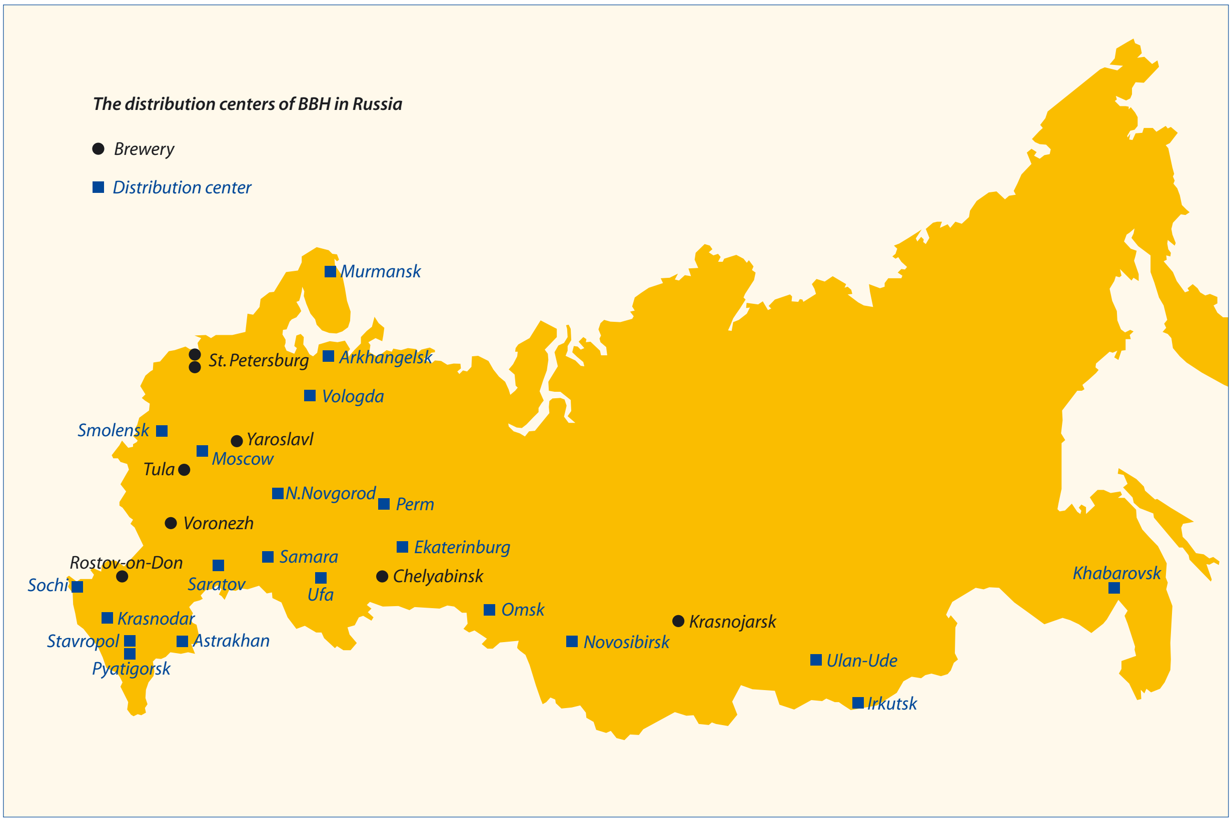
The company continued to invest in its own distribution network in 2001. In order to meet the expectations of their own regions, each country in which BBH operates has its own distribution strategy. Strong outlays on distribution will continue in all areas, an efficient and extensive distribution system being one of BBH's strengths. The objective is to control the distribution chain all the way to the points of sale.

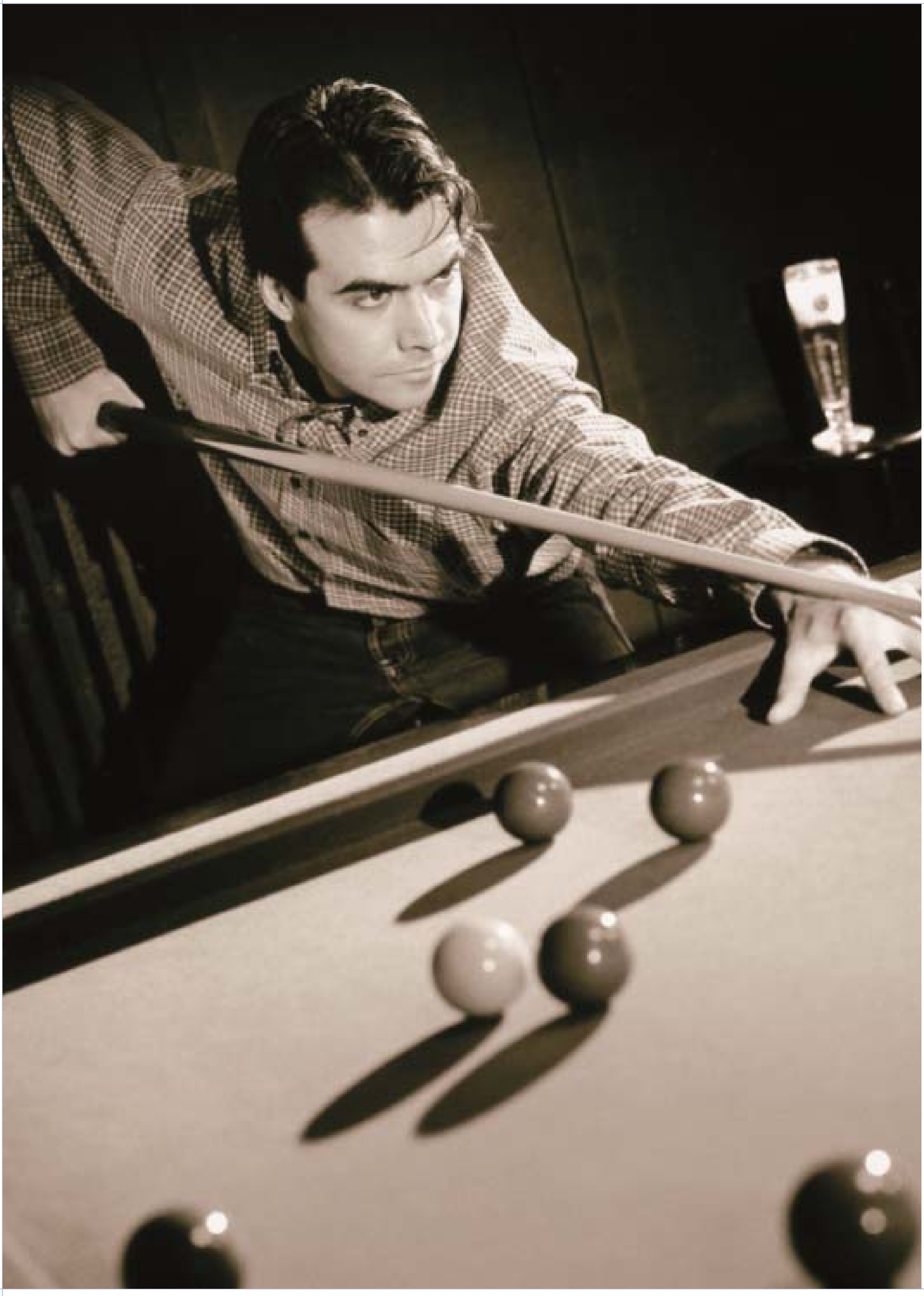
Both Russia and Ukraine have extensive distribution networks with their own sales and distribution terminals. In Russia, there are a total of 30 distribution terminals, of which 20 were established by the Baltika Group. Efficient distribution ensures the availability of Baltika beer throughout the country and also makes it possible to maintain the price level of beer in line with the brand's position in the entire country. In Ukraine, BBH has a total of seven distribution terminals.

The spread of retail chains is most advanced in the Baltic countries which also have the best developed distribution channels. The main part of the beer volume is distributed directly to the retail trade. In Russia and Ukraine, the structures of the retail sectors are still highly diverse, but some signs of consolidation are already visible, mainly in metropolitan areas.

Personnel development

As so much of BBH's business operations remain in the hands of local management and personnel, the development of personnel has an important part to play.
2001 saw the implementation of several practical seminars and training programmes for personnel as well as a long-range leadership module programme for upper management. BBH has also supported the breweries in such areas as recruitment, career planning and personnel management.





RUSSIA

BBH is clearly the market leader in Russia, Baltika being the only nationwide beer brand in the country. The company has eight breweries in Russia: Yarpivo, Zolotoy Ural and Pikra, Baltika-Don and Tula Brewing (which both operate under Baltika in St. Petersburg), as well as Vena and Voronezh which were acquired at the beginning of 2002. These breweries are located so that they easily reach the beer markets of the larger cities and population centres. BBH strengthened its position further in 2001 as its share of the aggregate market (volume) went up to 30% (27%), this was achieved without the new breweries of Vena and Voronezh. In Russia, BBH concentrates in the manufacture and sale of quality, medium-priced beer, the so-called mainstream segment, in which it has a market share of 46%. The Russian market accounts for 80% of BBH's total volume, and 79% of net sales.

BBH's sales volume in Russia is two and a half times that of the second largest player in the market, Sun Interbrew. In Russia, the total production volume of BBH breweries grew by 34% on the previous year, from 1,427 million litres to 1,907 million litres. Competition tightened as both national and international participants consolidated their positions by means of vigorous marketing efforts. At the same time the small, local breweries focusing in the weaker-quality, low-cost beer segment lost market shares.

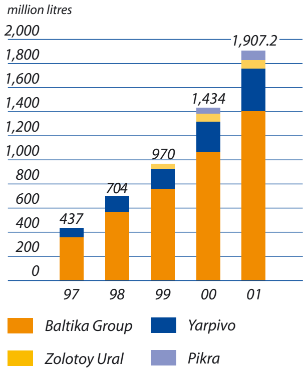
BBH's earnings trend has been excellent in Russia. Underlying the increases in the price level and the improvement in the margins were the increased benefits of scale.

The consolidation of the company structure continued in 2001. In order to increase operational control and to avoid overlapping functions, the Baltika-Don and Tula breweries were intergrated into the Baltika Group. Baltika was listed on the Moscow Exchange. BBH and the local management of the brewery remain the biggest owners of Baltika.

The intergration of Vena into BBH that took place at the beginning of 2002 also brought new brands to the BBH product family: the international brand Tuborg and the more local Nevskoye, which is positioned in the high-quality local beer segment. The Vena brands are a welcome addition to BBH's product selection in Russia, and give the company fast access to the segment in which it has previously had a fairly modest position: the local premium beer segment. Vena's market share (value) is approximately 13% in the St. Petersburg area and 6% in the Moscow area. Vena is currently implementing an investment programme which will double its production capacity by summer 2002.

BBH continues to invest in its distribution network as well as its production capacity and marketing efforts in Russia. BBH's aim is to continue to grow and to strengthen its position as the market leader.

Development of BBH's sales volume in Russia, consolidated



Market positions in Russia

Market share by volume	2001	2000	Change, % pts.
BBH	***29.8***	*26.7*	*+3.1*
Sun Interbrew	**12.7**	14.7	-2.0
Ochakova	**8.1**	7.4	+0.7
Krasny Vostok	**6.8**	4.9	+1.9
Bravo	**3.8**	2.7	+1.1
St. Razin	**2.7**	2.9	-0.2
Efes	**2.4**	2.4	-
SAB	**1.8**	1.8	-
Vena	**1.6**	1.0	+0.6
Other	**30.3**	35.5	-5.2
	100%	100%	

Source: BBH, State Statistic Committee, Goskomstat (preliminary data)

Baltika

The Baltika brewery in St. Petersburg joined BBH Group in 1993. Thanks to its investment programmes in recent years, the sales volumes have risen to 950 million litres and the brewery is now the biggest production unit in Europe.

Also Baltika-Don in Rostov and Tula Brewing in Tula, south of Moscow, are operating under the administration of Baltika brewery. In the report period, the total sales volume of the Baltika Group increased by 32% up to 1,404 million litres which equals 59% of the group's total production. Baltika Group strengthened its position as the market leader as its market share rose from 20.1% to 22.1% which can be considered a firm position. Resulting from several successful sales and marketing efforts, exports increased significantly, and constituting 2.8 % of total sales at the end of the year. Exports were directed mainly to the are of the former Soviet Union (the CIS countries) as well as the United States, Israel, Germany and other European countries.

Baltika is the only truly nationwide beer in Russia. It is manufactured in all three BBH breweries in the country and sold throughout the nation. Selling over 800 million litres in 2001, it is one of the biggest beer brands in Europe. With regard to its price, Baltika is positioned in the upper mainstream segment, and expanding it into other segments has also been considered. Baltika ranks first in the growing canned beer segment with its market share of over 60%, and it is also the market leader in the non-alcoholic beer market. In 2001, rapid growth in sales made additional investments to production lines necessary. The share of beer sold in disposable plastic bottles (PET) rose to 28.5%. The brands sold in plastic bottles comprise the honey-flavoured Medovoe beer and the Arsenalnoye brand. Baltika is not sold in PET bottles but in recyclable and reusable glass bottles and cans as well as in containers suitable for restaurant use.

Arsenalnoye, a beer manufactured by Tula in the Baltika Group, doubled its sales and is currently BBH's second best selling beer brand. Newcomers were also introduced to consumers in 2001 with the launch of the new non-alcoholic Baltic no 0 and Baltic no 8 wheat beers. The sales started well and consumers have clearly found these new products.

Tightened competition and growing demand called for sizeable investments in Baltika's distribution network and production. At the end of 2001, Baltika Group had 20 distribution terminals, and 12 more are planned for 2002. In addition to a distribution network, Baltika also has its own sales organisation. Improved efficiency in the production and distribution systems enabled rapid growth in sales. Investments in sales and marketing will also be increased in the future, and the marketing budget for the brand building of Baltika's brands will be doubled in 2002.

Yarpivo

The Yarpivo Brewery, located in Yaroslavl, north of Moscow, is the second largest BBH brewery in Russia. Its sales volume grew by 40% up to 354 million litres, about 15% of the consolidated sales. Yarpivo's market share was 5.7% in 2001 (4.8%) and it is currently competing for third place in the Russian beer markets. The brewery's namesake, the Yarpivo beer, is sold nearly throughout the nation, and has a very secure position in the market. Also the sales of the Volga brand, a beer sold in plastic bottles, increased significantly.

Outlays on capacity continued during the year under review, bringing the capacity to its present level of 400 million litres. The new canning line was completed at the end of 2001, enabling Yarpivo to react quickly to the growth in the canned beer segment.

Zolotoy Ural

The technical modernisation programme which was started two years ago was continued according to plan, and production was brought to a Western standard. The sales volume rose by 13% and profitability remained at a high level. The sales and distribution organisations were developed further, and the brewery changed its name from Chelyabinskpivo to Zolotoy Ural, The Gold of the Urals. Operating in the Ural region, Zolotoy Ural seeks to be associated strongly with the 20 million people living in the Ural region.

The two largest beer brands of the brewery are Chelyabinskoye and Zolotoy Ural. The latter brand is being marketed vigorously in order to make it the market leader of the area. The brewery's market share is 2.8% at the moment and it is growing rapidly.

Pikra

BBH's farthest brewery, the Pikra brewery in Krasnoyarsk, southern Siberia, is one of the newest members of the BBH Group. The first stage of a technical reconstruction of the brewery was completed as planned in summer 2001. The reconstruction enabled the brewing of high-quality beer. A new high-quality beer, Sibirskaya Legenda, was launched as early as June 2001. Sales commenced well and the brand is growing according to expectations. Thanks to new product launches and development of production, sales increased by 51% on the previous year, amounting to a total of 77 million litres. Sales of beer grew by 74% but the sales of soft drinks fell.

The brewery's current market share is 0.8% and the trend is upwards. Pikra has an important part to play in BBH's strategy when the company is competing for market leadership in Siberia. The next stage of the investment programme is scheduled to be completed in May 2002 and it will increase capacity significantly. At the same time, the brewery can also start producing beer that is sold in plastic (PET) bottles.

BBH's share in Pikra rose from 50% to 61% during the report period.

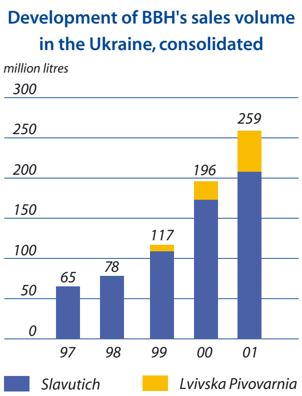
UKRAINE

BBH further strengthened its position in the Ukraine, and the company is now aiming at the second market position in the country. In spite of tighter competition, BBH increased its market share by one percentage point to 18%. The market leader of the area, Sun Interbrew, more or less retained its position, and Obolon, a company under Ukrainian ownership and BBH's main competitor for the second position in the market, lost some ground. The competition in the Ukrainian market tightens as the newest challenger, the Donetsk Group, has increased its market share rapidly through acquisitions.

The volume of the Ukrainian BBH breweries rose by 32% on the previous year and amounted to 259 million litres, of which 221 million litres were beer and 38 million litres soft drinks. In the Ukraine, BBH is well represented in all beer segments and has the strongest standing in the premium and mainstream segments. The share of the sales in Ukraine accounted for 11% of the consolidated sales.

In addition to beer brands, the company also sells and manufactures the brands of PepsiCo Inc. The co-operation which started in 2000 has developed favourably and the sales of Pepsi products have risen by 55% on the previous year.

BBH has two breweries in Ukraine: Slavutich in the east and Lvivska Pivovarnia in the west. The consolidation of the corporate structure continues, but the unified organisation created in 2000 has already enabled a more efficient coordination of functions, thus creating synergy benefits. As both breweries manufacture the same



brands they have been able to even out production peaks. Also the benefits achieved in logistics have been significant.

BBH is currently modernising the old, Russian-style beer bottle to meet the demands of the consumers as well as to establish a bottle return system based on the European model. Succeeding to do so, BBH will gain strong know-how in the glass bottle segment. Thanks to BBH's own network of contract cultivation and its breweries' malt houses, the availability of raw materials has also improved. Having a nationwide distribution network of its own makes BBH a force to be reckoned with. It also guarantees that the breweries are able to distribute their products throughout the country.

During the report year, BBH placed significant emphasis on marketing, brand building, product launches and promotional campaigns. The company seeks to increase its market share and to reach the second market position in the Ukraine.

Slavutich

The volume of the Slavutich brewery increased by 20% to 208 million litres, rendering it a market share of 14%. Thanks to its nationwide distribution network, the Slavutich brand has become well-known and widely distributed. It can truly be considered the country's leading nationwide beer.

The bottling line for plastic bottles installed in 2000 proved to be a lucrative investment. Two new beers that were developed for the growing plastic bottle segment, Khmilne Light and Khmilne Strong, reached a leading market position. The PET bottling line was also used for Pepsi products.

The Slavutich beer won the Beer of the Year Contest, a competition in which several international beer brands also took part. One of the criteria, for instance, was the positive development of the brand and the sales. Steps were also taken to gain a better market position in Kiev by means of a development programme. Slavutich also made a licence agreement with Carlsberg and started the production of Tuborg beer in January 2002.

Lvivska Pivovarnia

The technical modernisation of the Lvivska Pivovarnia brewery, founded in 1715, was completed before summer 2001, after which a new product family, Lvivske, was successfully launched in May 2001. The production volume of the brewery amounted to 51 million litres which is 119% higher than in the previous year. The brewery has a 4.2% share of the Ukrainian market.

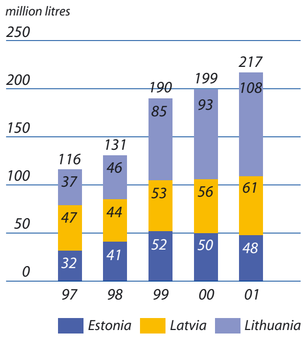
Marketing efforts to create a strong local image for Lvivske have been increased.

Market positions in the Ukraine

Market share by volume	2001	2000	Change, % pts.
Sun Interbrew	**31.2**	30.9	+0.3
Obolon	**22.0**	26.6	-4.6
BBH	***18.0***	*17.0*	*+1.0*
Donetsk	**9.4**	8.5	+0.9
Other	**19.4**	17.0	+2.4
	100%	100%	

Source: Local brewers' association (preliminary data)

Development of BBH's sales volume in the Baltic countries, consolidated



Slavuta malt house

Slavuta malt house in the Ukraine is the only malt house owned directly by BBH, whereas the other BBH malt houses are owned by individual BBH breweries. With its 90,000 tonnes production capacity, Slavuta is the country's biggest malt house. Its production is sufficient to meet the raw material needs of the BBH breweries in the Ukraine and surplus is sold to outsiders.

The greatest difficulties facing the operation have to do with the availability of barley of a sufficiently high quality. In 1999, the brewery engaged in contract cultivation with chosen farms. The co-operation has been satisfactory and the farms were able to produce most of the barley needed. The rest were imported from western countries. BBH considers the availability of high-quality malt one of the key success factors and the essential precondition for producing beer of uniform quality.

THE BALTIC COUNTRIES

BBH strengthened its position as a market leader in the Baltic countries, reaching a market share of 45% at the end of the year. All the large breweries in these countries are under foreign ownership, which made competition even tighter than before. At the end of 2001, the total production volume of BBH in the Baltic countries grew slightly and came to 217 million litres, of which beer accounted for 87% and soft drinks and mineral waters for 13%.

BBH has four breweries in the Baltic countries: Saku in Estonia, Aldaris in Latvia, Svyturys and Utenos Alus in Lithuania. All of them also co-operate with PepsiCo Inc whose products are manufactured in the Aldaris brewery in Riga and sold by BBH. BBH's own Zingo brand was a success in the orange soft drink segment. The sales volumes of Vichy Classic mineral water continued to grow and the company also entered into sales agreements with Carlsberg, Guinness and Kilkenny in the Baltic countries. The sales of cider started well in Estonia and Latvia, and they soon gained a significant market share in spite of the competitive situation already evident in these markets.

BBH has taken an active stance in the development of the environmental tax legislation especially in Latvia where the sales of drinks in disposable plastic bottles have been particularly high. The company has also introduced the glass bottle return system based on the Scandinavian model in these countries. Using glass bottles is also one of BBH's strengths as they enhance the taste of the beer and maintain its good quality during storage.

The company aims to retain the strong market position it has attained in the Baltic markets and to improve its market share in a sustainable and well-planned manner.

Saku (Estonia)

A market share of 49% makes BBH the market leader in Estonia. The aggregate beer market grew by four per cent, and BBH increased its market share by one percentage point on the previous year. The Saku brewery's volume amounted to 48 million litres, of which beer claimed 87% and mineral waters and soft drinks the remaining 13%. After the standstill in the trend of beer consumption in the previous year, the sales figures of beer have begun to show signs of improvement. Due to tightened competition, more outlays have been made on sales and marketing.

Saku is the best known brand and the most popular beer in the Estonian market. A new, lighter version of Saku joined the product family, thus offering the consumers a lighter and milder option. A new strong beer named Sorts was launched to replace the old Sarvik beer. The sales of Guinness, Kilkenny and Carlsberg, which started in 2000, had a promising start, although the premium market segment is still small.

The Kiss cider, which is being sold in all Baltic countries, claimed a good position soon after it was launched.

Aldaris (Latvia)

The Aldaris brewery has a 45% market share in Latvia with a sales volume of 61 million litres of which beer accounted for 49 million litres and soft drinks and mineral waters for 12 million litres.

Aldaris is especially strong in the quality segment, that is beer sold in glass bottles, in which it has a significant market share of about 70%. Special attention is paid to maintaining the high-quality image of the beer.

In 2001, the brewery launched three new products in the one-litre plastic bottle segment, Aldaris Light, Aldaris Dark and Aldaris Strong, as well a new Vanaga Strong beer which is to be sold in two-litre bottles. Vanaga Strong quickly became one of the best-selling products of the brewery. Also, another new beer in the same product group, Vanaga Light, was introduced to the consumers. Aldaris strengthened its position in the plastic bottle segment. Its best-selling beer remained the market leader Aldaris Zelta.

Aldaris also added to its beer selection by starting the sale and distribution of Guinness, Kilkenny and Carlsberg at the end of 2001.

Utenos Alus and Kalnapilis (Lithuania)

Several uncleared matters complicated BBH's position in the Lithuanian market throughout the report year. The sale of the Kalnapis brewery had not been finalised yet and the company was not able to merge the Svyturys brewery, owned by Carlsberg, into the BBH Group. The uncertain situation was reflected also in the three breweries and their joint marketing organisation, JAC (Jungtinis Alaus Centras), as well as in the market share figures which were on a gradual decline. After these matters were finally solved at the end of 2001, BBH was once again free to focus on the development of its business operations and market share in Lithuania.

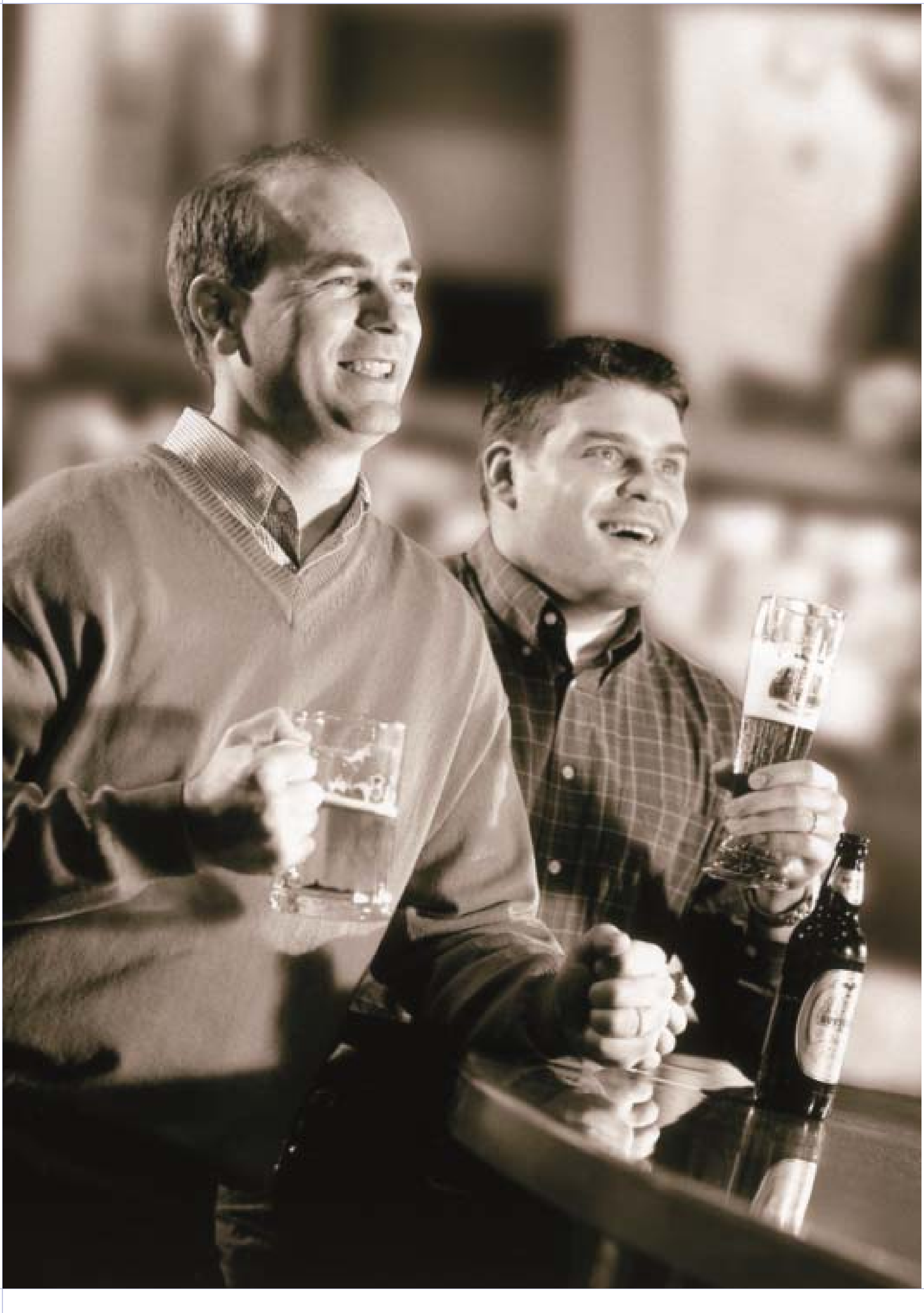
BBH has two breweries in Lithuania, Svyturys and Utenos Alus, and a market share of 45%. The total volume of the breweries is 108 million litres.

BBH's new corporate structure will further strengthen its position in the Lithuanian market. The Svyturys brewery is the market leader of the area with its high-quality image and its strong position in the restaurant segment. The second largest brewery in the market, Utenos Alus, adds to BBH's product selection in a successful way.

Market positions in Estonia

Market share by volume	2001	2000	Change, % pts.
BBH	***49***	*48*	*+1*
Tartu	**34**	31	+3
Viru	**7**	9	-2
Pärnu	**3**	3	-
V-Nigula	**2**	2	-
Other	**1**	1	-
Import	**4**	6	-2
	100%	100%	

Source: Local brewers' association



Outlook for the future

In the eastern European markets, the consumers' consumption habits are becoming more western, and their purchasing power is increasing. Except for the Baltic countries, consumption is still at a fairly low level. The economic and political situation in the area has stabilised significantly, and the current trend is expected to continue. Brand loyalty remains low in the area, but BBH has the advantage of having been the first to enter the market.

BBH is operating in all segments but one, namely the low-cost - and low-quality -segment. It targets especially young, urban consumers. BBH's own extensive production and distribution networks give the company a competitive edge. The strategy of dynamic growth continues and it is financed mainly through the company's own cash flow. In the future, the company will continue to focus on marketing, sales and distribution as well as making full use of the synergy benefits made possible by the co-operation between the breweries.

Market positions in Lithuania

Market share by volume	2001	2000	Change, % pts.
Svyturys	**28**	26	+2
Utenos Alus	**17**	20	-3
BBH total	***45***		
Kalnapilis	**16**	18	-2
Vilniaus Tauras	**12**	11	+1
Ragutis	**7**	7	-
Gubenija	**8**	4	+4
Other	**10**	11	-1
Import	**2**	3	-1
	100%	100%	

Source: Local brewers' association

Market positions in Latvia

Market share by volume	2001	2000	Change, % pts.
BBH	***45***	*47*	*-2*
Alus Avots	**8**	11	-3
Liepaja	**6**	2	+4
Latgale	**6**	7	-1
Varpa	**6**	9	-3
Riga	**5**	6	-1
Bauska	**5**	5	-
Cesis	**4**	3	+1
Lacplesis	**4**	3	+1
Other	**6**	4	+2
Import	**5**	3	+1
	100%	100%	

Source: Local brewers' association

Financial statement, summary

The financial result in brief

- Net sales EUR 807.6 million (612.0)
- Operating profit EUR 162.5 million (102.8)
- Profit before extraordinary items and taxes EUR 151.0 million (94.9)
- Earnings per share EUR 1.40 (0.80)
- Proposed dividends: Series A Share, EUR 1.11 (0.20), Series K Share, EUR 1.10 (0.19)

Hartwall Group

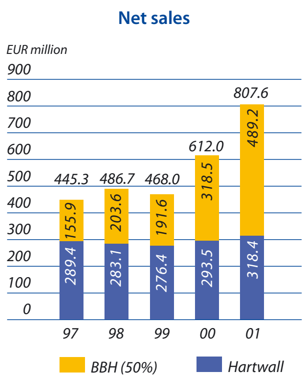
- The Group continued to operate in line with its strategy
  - consolidate the position as Finland's leading beverage company
  - expansion and growth in the Baltics, Russia, and the Ukraine
- Hartwall remained Finland's biggest brewing and soft drinks company (market share 45.1%)
  - aggregate sales by the brewing industry rose 1.7% to 833,4 million litres
  - volume growth in all product groups except beer
  - Hartwa-Trade's net sales up with 46%
- BBH's volume (100%) grew with 30% to 2,383.5 million litres
  - volume growth (organic) in Russia 33%, Ukraine 32%, Baltic states 9%
  - BBH was market leader in all markets except the Ukraine where the company ranks number three
  - Lithuanian Kalnapilis was sold in October, Utenos Alus and Svyturys merged at the turn of the year
- investments were EUR 248.6 million (Finland EUR 123.1 million, BBH EUR 125.5 million).

Outlook for 2002

- It is expected that the Group's net sales and operating profit will grow
- in Finland
  - no significant market growth is anticipated in beer and cider
  - the market for mineral waters and soft drinks is forecast to grow slightly
  - Hartwall's aggregate sales in Finland are expected to grow in step with market growth, with net sales growing at a slightly faster rate
- market growth in Russia and the Ukraine is anticipated to remain strong albeit slower than in the report year
  - BBH's objective is to consolidate its market position, at which point its sales volume will most likely exceed market growth
  - it has been assessed that prices can be raised in accordance with inflation
- investments will still remain at a high level
  - increasing net debt and financial expenses
  - the company has decided to float a bond loan in the spring to strengthen its financial position
- The above estimates are based on the assumption that no significant changes will take place in the main currencies of BBH's territories.

EUR million	**2001**	2000	Change
Consolidated net sales	**807.6**	612.0	+32.0%
Consolidated operating profit	**162.5**	102.8	+58.1%
% of net sales	**20.1%**	16.8%	+3.6 % pts
Group's aggregate sales volume, million litres (incl. BBH 50%)	**1,605.7**	1,319.0	+21.7%

Hartwall's strong growth and earnings continued



Summary

The Hartwall Group's long-term and goal-directed implementation of its strategy generated record-breaking earnings in the report year. The business environment was characterised by the rapid weakening of global economic growth. In spite of this, economic growth remained favourable in part of the Hartwall Group's business territories, laying a stable foundation for business operations.

During the report year, the Hartwall Group's operating profit grew by 58% to EUR 162.5 million (102.8), while the share of net sales representing operating profit rose to 20.1% (16.8%). Exclusive of non-recurring items, the Hartwall Group racked up the best operating profit in its history, both in euro and relative terms. One of the factors underlying the improvement of profitability was that net sales growth remained at a high level, 32%, with net sales ascending to EUR 807.6 million (612.0).

Net profit increased by 81% to EUR 93.0 million (51.5), partially due to the fact that, in relative terms, taxes remained lower than in the previous year. Earnings per share grew from EUR 0.80 to EUR 1.40, up 74% on the previous year.

Investments rose significantly, climbing to EUR 248.6 million (162.6). Of this amount, half were made in Finland, where the production and logistics centralisation investment in Lahti has progressed according to plans. In the case of Baltic Beverages Holding AB (BBH), investments focused on raising the production and distribution capacity.

Although investments were riding high, the equity ratio strengthened to 58% (55%), while the gearing ratio rose moderately to 34% (27%).

The Board of Directors will propose that the dividends to be paid for 2001 be EUR 1.11 on the Series A Share and EUR 1.10 on the Series K Share. The proposed dividends represent 78.9% of earnings for the financial year.

During the last quarter, a significant change took place in the Group's ownership structure, when the Norwegian company Orkla sold its 21.2% holding in Hartwall. Consequently, the proportion of shares in free float rose from 32% to 56%, increasing share turnover substantially. At the same time, the number of foreign investors also grew.

It is expected that the Hartwall Group's net sales and operating profit will grow in 2002, too, in spite of the uncertainty holding sway in the general economic outlook. No significant market growth is anticipated in the beer and cider product groups in Finland. On the other hand, the market for mineral waters and soft drinks is forecast to grow slightly. Hartwall's aggregate sales in Finland are expected to grow in step with market growth, with net sales growing at a slightly faster rate.

Market growth is anticipated to remain strong in BBH's market areas, particularly Russia and Ukraine, albeit slower than in the report year. BBH's objective is to consolidate its market position, at which point its sales volume will most likely exceed market growth.

It has been assessed that prices can be raised in accordance with inflation.

Investments will still remain at a high level in 2002, increasing net debt and financial expenses. The company has decided to float a bond loan in the spring to strengthen its financial position.

The above estimates are based on the assumption that no significant changes will take place in the main currencies of BBH's territories.

The consolidated financial statements include half of BBH's income statement, balance sheet and cash flow corresponding to the Group's 50% holding.

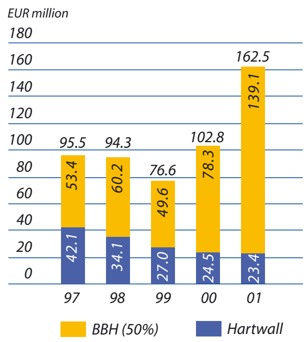
Business environment stable, aggregate market growing

Global economic trends weakened rapidly during the report year, but this did not affect the Hartwall Group's business viability; rather, economic growth in its largest market areas remained favourable. The growth in the Russian GNP is estimated to amount to 5%. Inflation has fallen below 20% and the exchange rate of the Russian rouble against the US dollar has remained quite stable. Political developments in Russia have also been positive.

No significant changes took place in alcohol taxation during the report year. Taxes remained unaltered in Finland. In Russia, the beer tax was raised from RUB 0.90 per litre to RUB 1.00, while vodka taxation was increased substantially more.

The Finnish aggregate market grew by slightly under 2% in 2001, with last-quarter growth exceeding this figure slightly. In spite of the excellent weather in the July-August period, the growth figure for the full year is burdened by weak trends in the first half of the year. In Russia, the aggregate beer market grew by 18%, with per-capita consumption rising to 41 litres. In the fourth quarter, growth slowed down to 12%. In Ukraine, market growth climbed to 16% per capita, with consumption rising to 25 litres of beer. In the October-December period, the market was at the same level as in the corresponding period of the previous year. Average market growth in the Baltic countries was reported to be 5% per person, with statistical beer consumption amounting to 57 litres.

Operating profit



Net sales rise by 32%

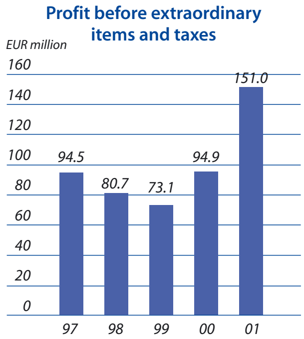
During the report year, the Hartwall Group's net sales grew by 32% to EUR 807.6 million (612.0). Last-quarter net sales amounted to EUR 190.4 million (152.2) and were 25% higher than a year earlier.

Breakdown of net sales, EUR million

	2001	2000	Change, %
Hartwall	**318.4**	293.5	8:5
BBH (50%)	**489.2**	318.5	53.6
Total	**807.6**	612.0	32.0

In the January-December period, Hartwall's net sales in Finland grew by 8.5% compared with the figure a year earlier to EUR 318.4 million (293.5). The company's sales volume was up 4% and the average price was 4.3% higher than in the previous year due to the price hikes carried out during the first half of the year. Hartwa-Trade's net sales grew by 46%, increasing domestic net sales by slightly under 2% while its share of domestic sales rose to 5.2% (3.9%). In the October-December period, net sales in Finland increased by 8.9% to EUR 78.4 million (71.9). Volume growth amounted to 2%, whereas the average price level increased by 6.8%, which was in part the result of the price hikes made at the beginning of November. Hartwa-Trade's share of net sales during the period was 7.7%.

BBH's net sales (50%) also continued to grow vigorously during the report year, increasing to EUR 489.2 million (318.5), up 54% on the corresponding period of the previous year. The sales volume rose by 30% and BBH surpassed the growth figures for the brewing industry in all its market areas by a good margin. Its breweries in Russia and Ukraine operated at full capacity during the peak season, the period from July to August, and not all of the demand could be satisfied. The average price per litre grew by 18%, which was due



not only to the raising of prices denominated in local currencies but also to changes in the structure of sales and exchange rate differences arising from consolidation. The weakening of the euro increased net sales by about 7%. In Russia, net sales were up 77%, representing 79% of BBH's total net sales. In Ukraine, net sales grew by 82%, with its share rising to 11%. Aggregate net sales in the Baltic countries were 19% higher than a year earlier, representing 9% of BBH's net sales.

During the last quarter, growth in BBH's net sales slowed down, as expected. Net sales rose by 40% and were EUR 112.0 million (80.3). The sales volume increased by 30%. In Russia, volume growth remained at its strong level of 34%. In Ukraine it rose to 18%, while the aggregate market remained at the previous year's level. Volume growth in the Baltic countries was reported to be 10%. The sale of the Kalnapilis brewery in October and the fact that BBH assumed responsibility for the sale of the Svyturys brewery contributed to this trend. In the October-December period, the euro strengthened by about 9% compared with the corresponding period of the previous year, and thus the average increase in the price level was only 7% in euro terms.

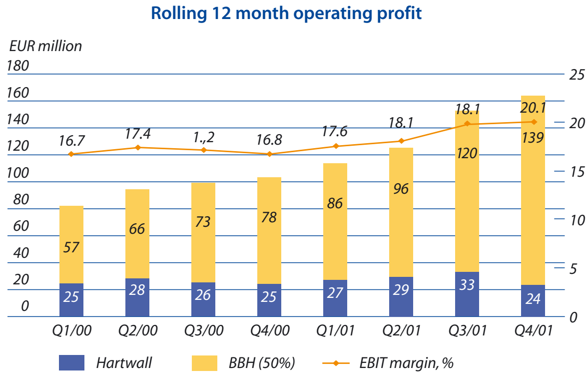
Operating profit up 58%, rising to over 20% of net sales

In the January-December period, the Hartwall Group's operating profit increased to EUR 162.5 million (102.8), 58% higher than a year earlier. The operating profit contains on one hand non-recurring expenses allocated to domestic operations and on the other hand on one time income posted by BBH and their net effect at the Group level is to burden earnings slightly. The share of net sales representing operating profit rose from last year's figure of 16.8% to 20.1%. The operating profit racked up by the company in the report year, exclusive of non-recurring items, was the best in its history, both in euro and relative terms, with the calculated operating profit margin rising to over 20% for the first time. Underlying the good earnings trend were the benefits of scale imparted by volume growth, price hikes and the more profitable structure of sales. Profitability exclusive of non-recurring items improved significantly both in Finland and in BBH's territories.

During the last quarter of the report year, operating profit came in at EUR 27.6 million (17.8), up 55% on the corresponding period of the previous year. The operating profit margin in turn rose to 14.5% from last year's figure of 11.6%. The non-recurring items affecting full-year earnings were recorded in the last quarter and their net effect burdens the operating profit margin by 0.6 percentage points. The operating profit of the company's Finnish functions before non-recurring items was at the previous year's level, but the rate of growth in BBH's operating profit continued to gain speed during the last quarter as well.

Breakdown of operating profit, EUR million

	2001	2000	Change, %
Hartwall	**23.4**	24.5	-4.5
BBH (50%)	**139.1**	78.3	77.7
Total	**162.5**	102.8	58.1



In Finland, operating profit after non-recurring items was EUR 23.4 million in the January-December period, slightly under last year's figure (24.5), with the operating profit margin amounting to 7.3% (8.3%). Cost provisions totalling EUR 8.9 million related to the Lahti centralisation project were recorded in the last quarter. The provisions include the write-down of the current brewery in Lahti, the accelerated depreciation of the Konala high-rise warehouse over three years and provision for unemployment insurance liability. Operating profit before cost provisions thus rose to EUR 32.3 million, or 10.1% of net sales. The same factors that increased net sales affected the improvement of operational profitability.

Although net sales growth in Finland during the last quarter exceeded average growth for the entire year, operating profit before cost provisions remained on the same level as in the corresponding period of the previous year, amounting to EUR 3.3 million (3.5). The reasons behind this trend were that sales and marketing expenses focused more on the latter part of the year than in the previous year as well as the transitional costs incurred from the partial start-up of production operations at the new factory in Lahti, where cost savings will start to accumulate only in 2003. The non-recurring items recorded in the last quarter pushed the reported operating result EUR 5.7 million into the red.

Operating profit reported for BBH in the report year (50%) rose by 78% to EUR 139.1 million (78.3), including capital gains of EUR 7.7 million on the sale of the Kalnapilis brewery. Exclusive of the capital gains, operating profit grew by 68%, with its share of net sales increasing by 2.3 percentage points to 26.9% (24.6%). Profitability was improved by the benefits of scale that growth imparted in production and distribution. Exchange rate differences had no significant effect on operating profit.

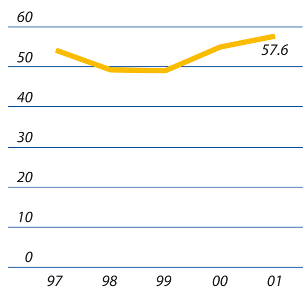
In the October-December period, BBH's operating result, EUR 25.7 million (14.3), increased by 80% compared with the corresponding quarter of the previous year in spite of the strengthening of the euro. The operating profit margin rose by 5.1 percentage points to 22.9% (17.8%). In the October-December period, when the operating capacity was lower than average, strong growth also emphasised the benefits of scale in this volume-sensitive business. Capital gains from the sale of the Kalnapilis brewery increase reported operating profit to EUR 33.3 million, or 29.7% of net sales.

The Group's net financial expenses rose to EUR 11.5 million (7.9), representing 1.4% (1.3%) of net sales, as net debt had increased as a result of the strong investment programme. Profit before extraordinary items and taxes and after non-recurring items came in at EUR 151.0 million (94.9), 59% higher than a year earlier.

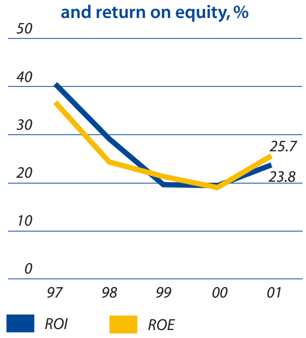
Taxes recorded for the review period amounted to EUR 25.4 million (24.6), with the tax rate calculated from pre-tax earnings declining to 16.8% from last year's figure of 25.9%. BBH's tax rate is lowered by the booking of capital gains from the sale of the Kalnapilis brewery against accumulated losses in taxation, by the tax breaks the Baltika Group received in the last quarter of the year on the basis of its investments and by the decline in the deferred tax liability. The aforementioned tax-related entries are allocated to the last quarter.

In 2001, net profit after the deduction of minority interest grew by 81% compared with the previous year, rising to EUR 93.0 million (51.5) and its share of net sales to 11.5% (8.4%). Earnings per share increased to EUR 1.40 (0.80), 74% higher than a year earlier.

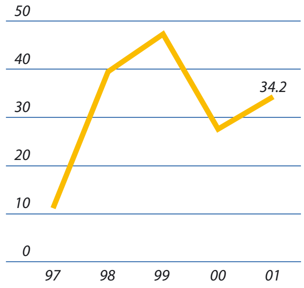
Equity ratio, %



Return on investment and return on equity, %



Gearing, %



Investments riding high, balance sheet structure strong

The Group's total investments rose to EUR 248.6 million (162.6) during the report year. Of this amount, EUR 123.1 million (46.8) was earmarked for Finland and the rest, EUR 125.5 million (115.9), for BBH. The most significant investment site in Finland is the Lahti centralisation investment, which accounts for slightly over 75% of investments in Finland. Other investments worth mentioning are the acquisition of rights to the Pommac brand and drinks dispensers and vending machines. BBH's investments continue to focus on establishing growth potential by stepping up production and distribution capacity in Russia and Ukraine. The most significant investment in the Baltic countries comprised the acquisition of the Svyturys brewery and its merger into the Utenos Alus brewery.

Due to the heavy investment programme, the cash flow before financing remained negative during the report year as well, coming in at EUR -47.1 million (-45.4). Interest-bearing liabilities grew by EUR 27.5 million to EUR 211.8 million. The primary sources of funding were leasing and lines of credit. Net debt in turn grew by EUR 65.3 million to EUR 185.0 million, with liquid assets declining by EUR 37.9 million to EUR 26.8 million.

The balance sheet structure strengthened, with the equity ratio rising to 58% from last year's figure of 55%. The gearing ratio in turn rose slightly to 34% due to the growth in net debt, while it had been 27% a year earlier.

Group structure

The company's fully-owned subsidiary Cool Drinks International Ltd. Oy was merged into its parent company on 31 July 2001.

The associated company BBH sold its holding in the Lithuanian Kalnapilis brewery on 8 October 2001 so that it could merge its Utenos Alus brewery with the Svyturys brewery, which is owned by Carlsberg Breweries A/S, and thereby avoid the emergence of a dominant market position. The merger was carried out in January 2002 and BBH's share of the new company is 44%. In November, the St Petersburg-based Baltika brewery made an agreement to purchase 50% + one of the shares in the Krinitsa brewery, located in Minsk, Belorussia; the agreement negotiations are still ongoing. Likewise in November, BBH acquired half of Carlsberg Breweries A/S's 99.9% holding in the Vena brewery in St Petersburg. BBH holds an option to purchase the rest of the shares owned by Carlsberg Breweries A/S starting on 1 October 2003. In addition, BBH has increased its holding in the Russian Pikra brewery to 61%. BBH increased its stake in the Ukrainian Slavuta malt house from 82% to 86%.

After the closing date, BBH has announced that it has agreed to acquire a 70% holding in Voronezh Brewery, located in the town of Voronezh in Southern Russia, by means of a directed issue. BBH Baltika has also announced that it has started up the construction of a brewery in Samara, Russia.

The Group's sales volume

The Hartwall Group's sales volume was 1,605.7 million litres (1,319.0 million litres), up 21.7%. The favourable climate in the summer season raised the Group's full-year sales volume to a new record level in both Finland and in BBH's territories.

Trend in the Group's aggregate sales, 2001

	million litres	change, %
Finland	376.3	2.2
Exports and duty-free	37.6	3.6
BBH (50%)	1,191.8	30.3
Total	**1,605.7**	**21.7**

Summer heat stimulates thirst in Finland

The sunny summer was a boon to the brewing and soft drinks industry, whose sales volume grew by 1.7%, or by close to about 14 million litres, compared with the previous year. The industry sold a total of 833.6 million litres of products (819.5 million litres). Consumption increased in all product groups with the exception of long drinks. The largest growth was once again seen in mineral waters and ciders.

Hartwall retained its position as Finland's largest beverage manufacturer. The company's aggregate market share strengthened slightly, hitting 45.1% (44.9%). During the report year, the company made strong outlays on the development of all its product groups, in terms of product development, packaging development and marketing alike. Hartwall strengthened its position in all product groups with the exception of beers.

Beer sales in Finland were up 1.5% to 408.5 million litres (402.3 million litres). In spite of the favourable trend in this product group, Hartwall did not achieve its set goals and the company's market share declined to 44.6% (46.1%). During the report year, the company launched a new beer, Urho IV, and devoted considerable effort to the product development, marketing and sales of its beers.

Cider consumption continued to grow, although at a considerably slower rate than in previous years. The share of the field's aggregate sales accounted for by ciders remains at its former level of 6.2%. Sales of ciders totalled 51.4 million litres (50.0 million litres). Hartwall's market share in this product group strengthened somewhat, coming in at 33.3% (32.8%). The Hartwall Upcider product family, which was launched in 2000, was rounded out with new flavours and multi-bottle packaging alternatives.

Sales of long drinks came in at 16.9 million litres (17.2 million litres). Hartwall strengthened its market share to 66.2% (61.6%). As the report year was drawing to a close, Hartwall launched a new long drink, Otto, with which the company seeks to turn the declining long drink market back into growth.

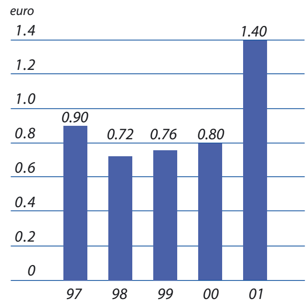
Last year, mineral water consumption registered the highest growth of all the beverage groups. Sales by the industry rose by 4.3% to 59.5 million litres (57.0 million litres). Hartwall's market share strengthened to 51.4% (50.4%). The company's most popular mineral water is still Hartwall Novelle, whose product family was rounded out with new flavoured waters. The packaging of Hartwall Solina was redesigned to be closer to consumers' ideas of what a spring water bottle should look like.

The industry's sales of soft drinks grew by slightly under 1.5% to 297.2 million litres (293.0 million litres). Hartwall's market share strengthened to 45.5% (43.3%). The company sold 73.8 million litres (68.5 million litres) of Hartwall products and 61.5 million litres (58.5 million litres) of Pepsi products. The look of the Hartwall Jaffa family - hands down the company's most popular soft drink family - was revamped and standardised. Towards the end of the year, Hartwall launched a new product group, health drinks. There are now two types of Hartwall Fenix beverages: enlivening and restorative.

BBH's sales volume sets a new record

Market growth remained strong in BBH's territories. The beer market grew by 18% in Russia, 16% in Ukraine and 5% in the Baltic countries. BBH's growth outpaced that of the market in all of its territories and the company's aggregate sales volume (100%) was 2,383.5 million litres (1,828.7 million litres). Of this amount, 2,281.4 million litres (1,749.7 million litres) were beer and 102.1 million litres (79.0 million litres) were soft drinks and mineral waters.

Earnings/share



Trend in BBH's aggregate sales, million litres

	2001	2000	Change, %
The Baltic countries	**217.2**	198.7	9.3
Russia	**1,907.2**	1,433.9	33.0
Ukraine	**259.0**	196.1	32.1
Total	**2,383.5**	1,828.7	30.3

In BBH's largest market area, Russia, the beer market amounted to 6,146 million litres during the review period. BBH's aggregate sales volume in Russia was 1,907.2 million litres (1,433.9 million litres), representing growth of 33%. Beers accounted for 1,871.8 million litres (1,404.2 million litres) of this figure. BBH's share of the Russian beer market strengthened from 26.7% to 29.8%, and the company is the undisputed market leader.

In Ukraine, BBH's sales grew by 32% to 259 million litres (196 million litres), of which 221.1 million litres were beer (171.6 million litres) and 37.9 million litres were soft drinks (24.4 million litres). The Ukrainian beer market developed by 16% and amounted to 1,200 million litres. BBH's breweries strengthened their positions, raising their share of the beer market to 18.0% (17.0%). BBH bottles Pepsi in Ukraine.

During the review period, the beer markets of the Baltic countries amounted to a total of 424 million litres. The Lithuanian beer market evolved 5%, the Latvian market 6% and the Estonian market 4%. The combined sales volume of BBH's breweries was 217.2 million litres (198.7 million litres), of which 188.6 million litres (173.9 million litres) were beer and 28.6 million litres (24.8 million litres) were soft drinks.

In Estonia, the Saku brewery's share of the beer market was 49.0% (48.0%). In Latvia, the low quality beer segment - which is sold in plastic bottles - has cut into sales of Aldaris beers, and the brewery's share of the beer market declined to 45.0% (47.0%). In Lithuania, the situation of BBH's breweries cleared up, and the combined share of the beer market held by the Utenos Alus and Svyturys breweries was 45%.

Share capital, shares and shareholders

On the basis of the warrants attached to the issue of bonds with warrants floated in 1994, a total of 125,000 Series A Shares were subscribed for in September in accordance with the subscription terms. After the increase, the company's share capital rose to EUR 13,240,140 which is divided into 66,200,700 shares, each having a countervalue of EUR 0.20. Oyj Hartwall Abp's shares are divided into 7,400,000 Series K Shares and 58,800,700 Series A Shares.

Structure of the share capital, 31 December 2001

	No. of shares	Votes
Series K Shares	7,400,000	148,000,000
Series A Shares	58,800,700	58,800,700
Total	**66,200,700**	**206,800,700**

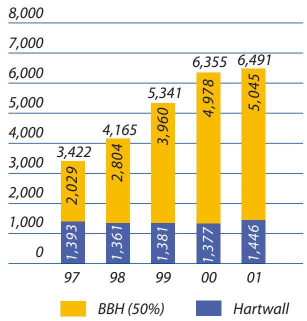
In November, Orkla ASA divested itself of its 21.2% holding in Hartwall, as required by Finland's Office of Free Competition. Hartwall-Yhtiöt acquired the 1,500,000 Series K Shares owned by Orkla. After this deal, Hartwall-Yhtiöt Oy's share of the share capital rose to 11.8% and its share of the voting rights to 71.8%. Hartwall-Yhtiöt is fully under the control of the Hartwall family. The 12,535,700 Series A Shares owned by Orkla were sold a day later to a large group of Finnish and foreign investors through Helsinki Exchanges.

Share turnover accelerated following the increase in the free float. During the report year, 32.6 million of the company's Series A Shares were traded. The value of share turnover was slightly under EUR 670 million. The traded shares represented 55.4% (16.7%) of all the Series A Shares.

The share price hit a low of EUR 15.0 on 1 March and 2 March, and a high of EUR 24.1 on 3 December. The average price during the financial year was EUR 20.57. The final share price in trading on 28 December 2001 was EUR 22.9. At the end of the review period, there were 6,323 (6,230) shareholders, with foreign ownership of Series A Shares being 34.9% (38.6%).

On 17 December 2001, the company sold the Series A Shares on the company's joint book-entry account on behalf of the shareholders in accordance with the decision taken by the Annual General Meeting held on 29 March 2000. There were 16,290 shares in all that were sold at a price of EUR 23.12. The company has deposited the monies from the sale, minus the costs incurred, with the Provincial Government of Uusimaa.

Peronnel, average



Annual General Meeting 2002

The Board of Directors resolved that shareholders will be invited to the Annual General Meeting, to be held at 17:00 on Monday, 8 April 2002, at the Hartwall Areena in Helsinki. The matters specified in Article 11 of the Articles of Association will be dealt with at the meeting.

Personnel

In 2001, the Hartwall Group employed an average of 6,491 people (6,355), including 50% of BBH's personnel. At year's end, the payroll was as follows:

Breakdown in the number of personnel

	31.12.2001	31.12.2000	change
Hartwall	**1,435**	1,313	+122
BBH (100%)	**10,443**	9,510	+933

Oyj Hartwall Abp's profit-sharing fund, whose members are employees of Hartwall and its Finnish subsidiaries, has been operational since the beginning of 1999. The profit bonus to be paid for 2001 is EUR 1,1 million. BBH's breweries employ their own incentive and bonus schemes.

Board of Directors, Managing Director and Auditors

The number of Board members was reduced from eight to seven, and the following members of the former Board of Directors were re-elected for another term of office: Gustav v. Hertzen (chairman), Erik Hartwall (vice chairman), L.J. Jouhki, Henrik Therman and Björn Mattsson, with Pertti Hernesniemi and Erkki Kilpinen as personnel representatives. L.J. Jouhki resigned from the Board of Directors in June. The company's managing director for the entire financial period was Jussi Länsiö and the auditors elected by the Annual General Meeting were Sixten Nyman, Authorised Public Accountant, and KPMG Wideri Oy Ab.

Outlook for 2002

It is expected that the Hartwall Group's net sales and operating profit will grow in 2002, too, in spite of the uncertainty holding sway in the general economic outlook. No significant market growth is anticipated in the beer and cider product groups in Finland. On the other hand, the market for mineral waters and soft drinks is forecast to grow slightly. Hartwall's aggregate sales in Finland are expected to grow in step with market growth, with net sales growing at a slightly faster rate.

Market growth is anticipated to remain strong in BBH's market areas, particularly Russia and Ukraine, albeit slower than in the report year. BBH's objective is to consolidate its market position, at which point its sales volume will most likely exceed market growth. It has been assessed that prices can be raised in accordance with inflation.

Investments will still remain at a high level in 2002, increasing net debt and financial expenses. The company has decided to float a bond loan in the spring to strengthen its financial position.

The above estimates are based on the assumption that no significant changes will take place in the main currencies of BBH's territories.

Income statements

EUR million		Group		Parent company	
		1.1.-31.12.2001	1.1.-31.12.2000	**1.1.-31.12.2001**	1.1.-31.12.2000
1)	Net sales	**807.6**	612.0	**301.8**	281.9
	Change in inventories of finished goods and work in progress +/-	**22.2**	5.0	**2.2**	-3.2
2)	Other operating income	**8.8**	4.6	**1.7**	5.8
3)	Materials and services	**-366.5**	-264.3	**-129.6**	-122.3
4)	Personnel costs	**-105.3**	-82.7	**-55.8**	-49.4
7)	Depreciation and write-downs	**-62.6**	-52.5	**-18.7**	-17.2
	Other operating expenses	**-141.7**	-119.3	**-79.9**	-71.7
		-676.1	-518.8	**-284.0**	-260.6
	Operating profit	**162.5**	102.8	**21.7**	23.9
		20.1%	16.8%	**7.2%**	8.5%
8)	Financial income and expenses	**-11.5**	-7.9	**3.0**	4.2
	Profit before extraordinary items	**151.0**	94.9	**24.7**	28.1
		18.7%	15.5%	**8.2%**	10.0%
9)	Extraordinary items			**-1.2**	-0.9
	Profit before appropriations and taxes	**151.0**	94.9	**23.5**	27.2
10)	Appropriations			**-1.7**	3.1
11)	Income taxes	**-25.5**	-24.7	**-5.9**	-8.1
	Minority interests	**-32.6**	-18.7		
	Profit for the financial year	**93.0**	51.5	**15.9**	22.1
		11.5%	8.4%	**5.3%**	7.8%

Balance sheet

EUR million		Group		Parent company	
	Assets	**1.1.-31.12.2001**	1.1.-31.12.2000	**1.1.-31.12.2001**	1.1.-31.12.2000
	Non-current assets				
12)	Intangible assets	**52.2**	35.3	**32.2**	16.6
13)	Tangible assets	**595.9**	455.7	**179.9**	141.2
14.3)	Investments	**2.0**	1.1	**1.0**	1.0
14.1,14.2)	Shares in Group companies	**5.9**	3.3	**64.6**	63.4
		656.0	495.4	**277.7**	222.3
	Current assets				
18)	Inventories	**114.1**	106.0	**48.2**	49.9
19)	Receivables (long-term)	**1.7**	1.8	**1.0**	1.3
20,21)	Receivables (short-term)	**139.8**	126.4	**112.1**	119.9
22)	Deferred tax assets	**3.1**	2.2	**3.1**	2.0
	Deposits (short-term)	**8.0**	49.8		49.4
	Cash in hand and at the banks	**18.8**	14.9	**5.9**	8.2
		285.6	301.0	**170.5**	230.6
		941.6	796.4	**448.2**	452.9
	Shareholders' equity and liabilities				
23,24)	Shareholders' equity				
	Share capital	**13.2**	13.2	**13.2**	13.2
	Share premium fund	**135.3**	135.0	**135.3**	135.0
	Other reserves	**34.4**	35.4		
	Retained earnings	**155.4**	125.5	**59.8**	50.8
	Net profit of the year	**93.0**	51.5	**15.9**	22.1
	Shareholders' equity	**431.4**	360.7	**224.3**	221.2
	Minority interests	**109.7**	74.4		
25)	Appropriations			**42.9**	41.2
26)	Provisions	**10.8**	6.8	**10.8**	6.8
	Liabilities				
27)	Deferred tax liabilities	**20.3**	15.0	**2.9**	2.9
28,29)	Non-current creditors (long-term)	**130.4**	104.4	**47.9**	62.5
30,31)	Current creditors (short-term)	**239.0**	235.0	**119.2**	118.2
		389.7	354.4	**170.1**	183.7
		941.6	796.4	**448.2**	452.9

Cash flow statements

EUR million	Group		Parent company	
	1.1.-31.12.2001	1.1.-31.12.2000	**1.1.-31.12.2001**	1.1.-31.12.2000
Cash flow from operating activities				
Operating profit	**162.5**	102.8	**21.7**	23.9
Adjustments to operating profit	**52.8**	48.7	**18.3**	14.8
Change in working capital	**-4.8**	-21.7	**10.9**	-5.5
Interest paid	**-9.7**	-8.7	**-4.0**	-6.1
Dividends received	**0.0**	0.0	**2.7**	2.9
Interest received	**3.5**	1.1	**1.6**	2.5
Taxes paid	**-34.8**	-21.3	**-7.3**	-4.7
Cash flow from operating activities	**169.6**	101.0	**43.8**	27.8
Cash flow from investing activities				
Investments in Group companies	**-8.0**	-5.3	**-2.5**	-1.3
Capital expenditure on tangible and intangible assets	**-237.4**	-143.5	**-81.2**	-19.8
Proceeds from disposal of tangible and intangible assets	**4.3**	4.6	**0.6**	3.3
Sold Group companies	**18.1**	–	–	–
Capital expenditure on other investments	–	0.0	–	0.0
Proceeds from disposal of other investments	**0.0**	1.4	**0.0**	1.4
Loan receivables from associated companies	**2.8**	-4.3	**7.9**	-8.6
Interest received from investments	**3.5**	0.8	**2.1**	1.7
Cash flow from investing activities	**-216.7**	-146.3	**-73.1**	-23.3
Cash flow before financing activities	**-47.1**	-45.3	**-29.3**	4.5
Cash flow from financing activities				
Long-term loans drawn down	**52.9**	56.2	**0.1**	27.8
Long-term loans repaid	**-36.5**	-16.1	**-9.5**	-7.9
Change in long-term receivables	**0.2**	-0.2	**0.2**	-0.2
Change in short-term loans	**11.0**	-18.5	**0.5**	-46.5
Dividends paid	**-17.4**	-11.4	**-13.1**	-10.1
Group contributions received and paid			**-0.9**	-1.1
Rights issue	**0.3**	77.3	**0.3**	77.3
Other	**0.0**	0.0	**0.0**	0.0
Cash flow from financing	**10.5**	87.2	**-22.4**	39.1
Change in cash and cash equivalents	**-36.6**	41.9	**-51.7**	43.6
Cash and cash equivalents 1 January	**64.6**	22.9	**57.6**	14.0
Exchange rate differences in cash and cash equivalents	**-1.2**	-0.2		
Cash and cash equivalents 31 December	**26.8**	64.6	**5.9**	57.6

Financing risks and their management

Objective

The Group has a financing policy that is approved by the Board of Directors and which defines accountability, authorisations in financing tasks and the principles to be observed in managing financial risks. In addition, the subgroup formed by BBH has a foreign exchange policy that is approved by its Board of Directors and takes into account the special features of the operating environment. The goal of financing policy is to hedge financing risks in such a way that the Group's liquidity, net profit and solvency are not jeopardised. Central objectives in this respect are:

- safeguarding the Group's liquidity
- maintaining the agreed balance sheet structure/solvency
- managing interest cover
- managing foreign exchange and interest rate risk
- maintaining a good corporate image in the financial markets.

The following principles are observed in managing the most important financing risks.

Spreading risk

The principle underlying the sharing of operational responsibility for financing is the planning of operations so that the capital tied up in fixed assets and working capital is optimal from the standpoint of costs and the flexibility of operations, and the definition of the short-term financing requirement for operations or the financing surplus they generate. The task of finance is to satisfy the financing requirement of business operations via an optimal risk/cost ratio or to invest the surplus in liquid and secure instruments.

Interest rate risk

The interest rate risk position is defined on the basis of the average maturity of net debt. On this basis, risk limits are also set for the net risk positions of individual maturities. In analysing interest rate risk, financial leasing and interest rate-linked lease agreements are also considered as interest rate risks. The sought-for interval of the maturity has been set at 6 to 12 months.

Foreign exchange risk

Foreign exchange risk is examined as both a transaction risk and a translation risk. The significance of translation risks is fairly minor because the business is centred in domestic markets and Finland has joined the EMU. On the other hand, the translation risk, which is managed with the aim of hedging the Group's shareholders' equity and reserves, is more significant, since BBH operates mainly in national economies where the trend in inflation is strong and the financial markets are in their infancy. In these conditions, the use of financial risk management instruments is limited or expensive. Accordingly, BBH's translation risk is managed by applying the so-called monetary-non-monetary method in the consolidated annual accounts concerning the breweries in Russia and Ukraine and by employing operational means to bring financial assets and liabilities into balance.

Liquidity risk

To ensure liquidity in exceptional circumstances, the Group must have a sufficient liquidity reserve, consisting of cash funds, revolving credit facilities and loan commitments, to cover any liquidity requirements, including those in unexpected situations.

Credit risk

A special feature of the brewing industry is the large proportion of excise taxes in the taxable invoicing. Unlike value-added tax (VAT), the excise tax included in any credit loss must be borne by the brewery. The principle observed in sales on credit is to define customer-specific credit risks and to require security for the receivable.

Counterparty risk

Investments and derivative contracts can be made only with separately defined counterparties, within separately agreed limits.

Euro

The Group adopted the euro as a home currency during February 2001. Due to the structure of the customer base, invoicing in Finland was performed in Finnish markka until the end of 2001.

Foreign currency rates

In preparing the consolidated annual accounts, the following exchange rates have been used in consolidating BBH and its subsidiaries:

Official exchange rates

Foreign currency	Average exchange rate			Exchange rate on balance sheet date		
	2001	2000	change (%)	**31 Dec. 2001**	31 Dec. 2000	change (%)
EUR/EEK	**15.758**	15.684	0.5	**15.648**	15.631	0.1
EUR/LTL	**3.593**	3.697	-2.8	**3.493**	3.695	-5.5
EUR/LVL	**0.566**	0.561	0.9	**0.549**	0.567	-3.2
EUR/RUB	**26.204**	25.997	0.8	**26.260**	26.013	0.9
EUR/SEK	**9.281**	8.472	9.5	**9.301**	8.831	5.3
EUR/UAH	**4.824**	5.029	-4.1	**4.626**	5.020	-7.8
EUR/USD	**0.896**	0.923	-3.0	**0.881**	0.930	-5.3

Notes to the financial statements

1 Net sales by market area

	Group		Parent company	
	2001	2000	**2001**	2000
Finland	**307.1**	280.9	**290.4**	269.2
Sweden	**8.4**	10.0	**8.4**	10.0
Russia, the Baltic countries, the Ukraine	**491.5**	320.4	**2.3**	2.0
Other	**0.7**	0.7	**0.7**	0.7
Total	**807.6**	612.0	**301.8**	281.9

2 Other operating income

	Group		Parent company	
	2001	2000	**2001**	2000
Gain on sales of fixed assets	**8.5**	2.0	**0.4**	2.5
Other	**0.3**	2.6	**1.3**	3.3
Total	**8.8**	4.6	**1.7**	5.8

3 Materials and services

	Group		Parent company	
	2001	2000	**2001**	2000
Materials and supplies				
Purchases during the financial year	**272.4**	235.9	**76.2**	83.0
Change in inventories	**14.0**	-23.4	**3.9**	-7.7
	286.4	212.5	**80.1**	75.4
External services	**80.1**	51.8	**49.5**	46.9
Total	**366.6**	264.3	**129.6**	122.3

4 Personnel costs

	Group		Parent company	
	2001	2000	**2001**	2000
Wages, salaries and bonuses	**78.2**	64.4	**42.9**	39.5
Pension costs	**9.2**	7.2	**8.3**	6.5
Other wage-related costs	**17.9**	11.1	**4.6**	3.4
Total	**105.3**	82.7	**55.8**	49.4

5 Wages and salaries paid

	Group		Parent Company	
	2001	2000	**2001**	2000
Managing Director and members of the Board	**1.8**	1.2	**0.4**	0.4
Others	**75.1**	63.1	**42.0**	38.9
Total	**76.9**	64.3	**42.4**	39.4

The retirement age of managing directors of companies belonging to the Group has been set at 60-65 years. The retirement age of the managing director of the parent company is 60 years. There were no loan receivables from members of the Board of Directors or the managing director.

6 Average number of personnel

	Group		Parent company	
	2001	2000	**2001**	2000
Salaried	**611**	597	**586**	571
Hourly-paid	**835**	780	**835**	779
Finland, total	**1,446**	1,377	**1, 421**	1,350
BBH (100%)	**10,090**	9,955		

7 Depreciation and write-downs

	Group		Parent company	
	2001	2000	**2001**	2000
Goodwill	**3.6**	3.1	–	–
Other capitalised expenditure	**4.2**	4.0	**3.5**	3.3
Buildings and constructions	**7.6**	5.2	**5.3**	2.9
Machinery and equipment	**47.2**	40.3	**9.9**	11.0
Total	**62.6**	52.5	**18.7**	17.2

8 Financial income and expenses

	Group		Parent company	
	2001	2000	**2001**	2000
Share of the results of associated companies	**0.8**	0.2	–	–
Dividend income				
From associated companies	**0.0**		**2.6**	2.9
From others	**0.1**		**0.1**	
Total	**0.9**	0.2	**2.7**	2.9
Other interest and financial income				
From Group companies	–	–	–	–
From associated companies	**1.6**	1.3	**3.0**	2.6
From others	**15.1**	13.6	**1.1**	4.8
Total	**16.6**	14.9	**4.1**	7.4
Interest and other financial expenses				
To Group companies	–	–	–	–
To others	**-29.1**	-23.0	**-3.8**	-6.2
Total	**-29.1**	-23.0	**-3.8**	-6.2
Financial income and expenses, total	**-11.5**	-7.9	**3.0**	4.2
Financial income and expenses including exchange rate differences, net	**-4.6**	-1.4	**-0.1**	1.1

Notes to the financial statements

9 Extraordinary items

	Group 2001	Group 2000	Parent company 2001	Parent company 2000
Losses from mergers	–	–	**-0.4**	–
Group contributions given	–	–	**-0.8**	-0.9
Total	–	–	**-1.2**	-0.9

10 Appropriations

	Parent company 2001	Parent company 2000
Difference between depreciation according to plan and depreciation in taxation	**-1.7**	3.1
Total	**-1.7**	3.1

11 Income taxes

	Group 2001	Group 2000	Parent company 2001	Parent company 2000
Income taxes on extraordinary items			**0.2**	0.3
Income taxes for current and previous years	**-29.1**	-25.5	**-7.2**	-8.6
Change in deferred taxes	**3.7**	0.8	**1.2**	0.2
Total	**-25.4**	-24.7	**-5.8**	-8.1

BBH has from the beginning of 2001 accounted for the deferred tax liability according to Swedish Financial Accounting recommendations section RR9. Thus, BBH's tax liability related to fixed assets valued according to the monetary-non-monetary method is from the year 2000 and the years before registered as a decrease of retained earnings.

MOVEMENTS IN FIXED ASSETS

12 Intangible assets

12.1 Other capitalised expenditure

	Group 2001	Group 2000	Parent company 2001	Parent company 2000
Opening balance, 1 January	**46.2**	41.0	**54.3**	48.7
Translation difference	**0.2**	-0.1	–	–
Increases	**20.7**	6.0	**19.2**	5.8
Decreases	**-0.4**	-0.8	**-0.1**	-0.1
Acquisition cost, 31 December	**66.7**	46.2	**73.4**	54.3
Accumulated depreciation, 1 January	**-29.2**	-25.4	**-37.7**	-34.5
Translation difference	**-0.2**	0.1	–	–
Accumulated depreciation on decreases and transfers	–	0.1	–	0.1
Depreciation according to plan	**-4.2**	-4.0	**-3.5**	-3.3
Accumulated depreciation, 31 December	**-33.5**	-29.2	**-41.2**	-37.7
Book value, 31 December	**33.2**	17.0	**32.2**	16.6

12.2 Goodwill on consolidation

	Group 2001	Group 2000
Opening balance, 1 January	**26.8**	19.6
Translation difference	**-1.1**	-0.5
Increases	**5.5**	7.8
Decreases	**-0.3**	–
Acquisition cost, 31 December	**30.9**	26.8
Accumulated depreciation, 1 January	**-8.6**	-5.8
Translation difference	**0.3**	0.3
Depreciation according to plan	**-3.6**	-3.1
Accumulated depreciation, 31 December	**-11.9**	-8.6
Book value, 31 December	**19.0**	18.2

12.3 Intangible assets, total

	Group 2001	Group 2000	Parent company 2001	Parent company 2000
Opening balance, 1 January	**73.0**	60.6	**54.3**	48.7
Translation difference	**-0.9**	-0.6	–	–
Increases	**26.2**	13.8	**19.2**	5.8
Decreases	**-0.7**	-0.8	**-0.1**	-0.1
Acquisition cost, 31 December	**97.6**	73.0	**73.4**	54.3
Accumulated depreciation, 1 January	**-37.8**	-31.1	**-37.7**	-34.5
Translation difference	**0.2**	0.4	–	–
Accumulated depreciation on decreases and transfers	–	0.1	–	0.1
Depreciation according to plan	**-7.8**	-7.1	**-3.5**	-3.3
Accumulated depreciation, 31 December	**-45.4**	-37.8	**-41.2**	-37.7
Book value, 31 December	**52.2**	35.2	**32.2**	16.6

13 Tangible assets

13.1 Land and water

	Group 2001	Group 2000	Parent company 2001	Parent company 2000
Opening balance, 1 January	**24.0**	23.8	**16.5**	16.4
Translation difference	**0.1**	–	–	–
Increases	**2.4**	0.2	**2.4**	0.1
Decreases	–	0.0	–	–
Transfers	**3.1**	0.0	**3.1**	–
Acquisition cost, 31 December	**29.6**	24.0	**22.0**	16.5
Accumulated depreciation, 1 January	**-7.0**	-7.0	–	–
Accumulated depreciation, 31 December	**-7.0**	-7.0	–	–
Revaluations	**2.7**	2.7	**2.7**	2.7
Book value, 31 December	**25.3**	19.7	**24.7**	19.2

Notes to the financial statements

13.2 Buildings and constructions

	Group 2001	Group 2000	Parent company 2001	Parent company 2000
Opening balance, 1 January	**159.1**	146.3	**80.7**	80.2
Translation difference	**-3.2**	-1.9	–	–
Increases	**56.8**	16.0	**43.1**	1.0
Decreases	**-4.6**	-2.0	**-0.6**	-1.4
Transfers	**8.9**	0.8	**6.4**	0.8
Acquisition cost, 31 December	**217.0**	159.1	**129.6**	80.7
Accumulated depreciation, 1 January	**-50.2**	-46.7	**-33.9**	-32.0
Translation difference	**0.4**	0.4	–	–
Accumulated depreciation on decreases and transfers	**0.5**	1.2	**0.5**	1.0
Depreciation according to plan	**-7.6**	-5.2	**-5.3**	-2.9
Accumulated depreciation, 31 December	**-56.8**	-50.2	**-38.7**	-33.9
Revaluations	**7.5**	7.5	**7.5**	7.5
Book value, 31 December	**167.7**	116.4	**98.4**	54.2

13.3 Machinery and equipment

	Group 2001	Group 2000	Parent company 2001	Parent company 2000
Opening balance, 1 January	**472.2**	397.,6	**202.5**	198.3
Translation difference	**-9.1**	-5.2	–	–
Increases	**132.4**	85.0	**3.6**	4.8
Decreases	**-8.6**	-6.4	**0.1**	-1.8
Transfers	**1.5**	1.2	**1.5**	1.2
Acquisition cost, 31 December	**588.4**	472.2	**207.7**	202.5
Accumulated depreciation, 1 January	**-223.2**	-190.8	**-154.0**	-144.8
Translation difference	**2.,7**	2.0	–	–
Accumulated depreciation on decreases and transfers	–	5.8	–	1.8
Depreciation according to plan	**-47.2**	-40.3	**-9.9**	-11.0
Accumulated depreciation, 31 December	**-267.7**	-223.2	**-163.9**	-154.0
Book value, 31 December	**320.7**	249.0	**43.8**	48.5

13.4 Advance payments and construction in progress

	Group 2001	Group 2000	Parent company 2001	Parent company 2000
Opening balance, 1 January	**70,7**	27,5	**19,3**	5,2
Translation difference	**-2,3**	-0,6	–	–
Increases	**28,0**	45,9	**4,8**	16,1
Decreases	**-0,7**	–	–	–
Transfers	**-13,6**	-2,0	**-11,1**	-2,0
Acquisition cost, 31 December	**82,1**	70,7	**13,0**	19,3

13.5 Tangible assets, total

	Group 2001	Group 2000	Parent company 2001	Parent company 2000
Opening balance, 1 January	**726.1**	595.2	**319.0**	300.1
Translation difference	**-14.5**	-7.7	–	–
Increases	**219.6**	147.1	**53.9**	22.0
Decreases	**-13.9**	-8.4	**-0.5**	-3.2
Transfers	**-0.1**	–	**-0.1**	–
Acquisition cost, 31 December	**917.2**	726.1	**372.3**	319.0
Accumulated depreciation, 1 January	**-280.4**	-244.5	**-187.9**	-176.8
Translation difference	**3.1**	2.5	–	–
Accumulated depreciation on decreases and transfers	**0.5**	7.0	**0.5**	2.8
Depreciation according to plan	**-54.8**	-45.4	**-15.2**	-13.9
Accumulated depreciation, 31 December	**-331.6**	-280.4	**-202.6**	-187.9
Revaluations	**10.2**	10.2	**10.2**	10.2
Book value, 31 December	**595.9**	455.8	**179.9**	141.2

14 INVESTMENTS

14.1 Shares in subsidiaries

	Group 2001	Group 2000	Parent company 2001	Parent company 2000
Opening balance			**2.0**	0.7
Increases			–	1.1
Decreases			**-1.3**	–
Transfers			–	0.2
Book value, 31 December			**0.7**	2.0

14.2 Shares in associated companies

	Group 2001	Group 2000	Parent company 2001	Parent company 2000
Opening balance, 1 January	**3.3**	1.7	**61.5**	61.4
Translation difference	**0.4**	0.0	–	–
Increases	**2.2**	1.8	**2.5**	0.2
Decreases	–	-0.2	–	–
Transfers	–	–	–	-0.2
Book value, 31 December	**5.9**	3.3	**64.0**	61.5

14.3 Other shares

Opening balance, 1 January	**1.1**	1.4	**1.0**	1.4
Translation difference	**0.0**	–	–	–
Increases	**0.9**	0.1	–	–
Decreases	–	-0.3	–	-0.3
Book value, 31 December	**2.0**	1.1	**1.0**	1.0

14.4 Investments, total

	Group 2001	Group 2000	Parent company 2001	Parent company 2000
Opening balance, 1 January	**4.4**	3.1	**64.5**	63.5
Translation difference	**0.4**	0.0	–	–
Increases	**3.0**	1.8	**2.5**	1.3
Decreases	–	-0.5	**-1.3**	-0.3
Book value, 31 December	**7.9**	4.4	**65.7**	64.5

15 Carrying value of production machinery and equipment

	270.8	211.4	**38.8**	42.8

Notes to the financial statements

16 Revaluations

	Group 2001	Group 2000	Parent company 2001	Parent company 2000
Land and water, 1 January	**2.7**	2.8	**2.7**	2.8
Buildings and constructions, 1 January	**7.5**	7.5	**7.5**	7.5
Deductions of land areas	–	-0.1	–	-0.1
Land and water, 31 December	**2.7**	2.7	**2.7**	2.7
Buildings and constructions, 31 December	**7.5**	7.5	**7.5**	7.5

17 Shares and participations

	Number of shares	Holding % Parent company	Holding % Group	Par value of shares	Book value of shares
Group companies owned directly by the parent company				1,000 FIM	1,000 EUR
Hartwa-Trade Oy Ab	23,807	100.00	100.00	200	508
Lapin Kulta Oy	100	100.00	100.00	17	17
Helepark Oy	402	100.00	100.00	7	7
Kiinteistö Oy Ristipellontie 13	1,908	100.00	100.00	2	172
					703
Associated companies					
Asunto Oy Ankkurisaarentie 22	750	50.00	50.00	3	522
Baltic Beverages Holding AB	500,000	50.00	50.00	50,000 SEK	57,693
Baltika-Don, Russia	2,345				928
OAO Yarpivo, Russia	2,700	0.35	0.35	69 RUB	362
OAO Baltika Brewery, Russia	13,595	0.90	0.90	842 RUB	4,442
					63,947

Hartwa-Trade Oy Ab´s subsidiaries

	Number of shares	Holding, %	Par value of shares	Book value of shares
Lindtrade Oy Ab	10,000	100.0	8	581
Nahedor Oy	130	100.0	11	581
				1,162

Baltic Beverages Holding AB's subsidiaries

	Holding, % BBH	Holding, % Group	BBH's book value 1,000 SEK
Saku Õlletehase AS, Estonia	75.00	37.50	82,059
A/S Aldaris, Latvia	75.00	37.50	108,271
AB Utenos Gerimai, Lithuania	99.00	49.50	98,364
AB Svyturys-Utenos Alus, Lithuania	43.81	21.91	161,437
OAO Baltika Brewery, Russia	75.51	37.76	222,949
OAO Yarpivo, Russia	60.00	30.00	132,965
OAO Tula Brewing, Russia	73.62	36.81	218,823
OAO Zolotoy Ural (former Chelyabinskpivo), Russia	75.00	37.50	120,678
OAO Slavutich Brewery, Ukraine	81.45	40.73	192,375
OAO Slavuta Malt House, Ukraine	59.89	29.95	23,556
OAO L'vivska Pivovarnya, Ukraine	99.65	49.83	229,684
OAO Pikra, Russia	60.60	30.30	224,136
Baltic Beverages Eesti, Estonia	100.00	50.00	252
Baltic Breweries Invest AB, Sweden	100.00	50.00	100
Baltic Bewerages Holding Oy, Finland	100.00	50.00	29
			1,815,678

Baltic Beverages Holding AB's associated companies

	Holding, % BBH	Holding, % Group	BBH's book value 1,000 SEK	Group's book value 1,000 EUR
Saku Linnas, Estonia	100.00	50.00	2,322	125
Litmalt, Lithuania	50.00	25.00	28,924	1,555
Soufflet, Russia	30.00	15.00	38,535	2,072
			69,781	3,751

Other shares and participations

	Number of shares	Par value of shares	Book value (1, 000 EUR) Parent company's direct ownership	Indirect ownership
Helsinki-Halli Oy, Series A	24	40	404	
Jokerit HC Oy	101,000	170	336	
Hex Oy, Helsinki Exchanges	24,400	41	34	
Suomen Palautuspakkaus Oy	200	34	34	
Other shares and participations			221	92
Total			1,029	92

18 Inventories

	Group 2001	Group 2000	Parent Company 2001	Parent Company 2000
Raw materials and consumables	**58.0**	72.0	**26.3**	30.2
Semi-finished goods	**7.1**	5.0	**1.6**	1.4
Finished goods	**49.0**	28.9	**20.3**	18.3
	114.1	106.0	**48.2**	49.9

19 Receivables, long-term

	Group 2001	Group 2000	Parent Company 2001	Parent Company 2000
Loan receivables	**1.7**	1.8	**1.0**	1.2

20 Receivables, short-term

	Group 2001	Group 2000	Parent Company 2001	Parent Company 2000
Accounts receivable	**88.2**	73.3	**72.8**	65.1
Receivables from Group companies				
Trade receivables			**0.1**	2.3
Other receivables			**0.2**	0.1
Prepaid expenses and accrued income			–	2.4
			0.3	4.8
Receivables from associated companies				
Accounts recevable	**0.2**	0.8	**0.2**	1.5
Loan receivables	**17.5**	21.5	**35.1**	43.0
Other receivables	**0.0**	–	–	–
Prepaid expenses and accrued income	**0.0**	0.2	**0.1**	0.4
	17.8	22.4	**35.4**	44.9
Other receivables	**16.6**	19.2	**0.2**	1.0
Prepaid expenses and accrued income	**17.3**	11.6	**3.4**	4.0
	33.9	30.7	**3.6**	5.0
Long-term receivables, total	**139.9**	126.4	**112.1**	119.9

Notes to the financial statements

21 Prepaid expenses and accrued income

	Group 2001	Group 2000	Parent Company 2001	Parent Company 2000
Advance payments to suppliers	**7.4**	5.1	–	–
Tax receivables	**6.5**	2.7	**1.4**	1.1
Other prepaid expenses and accrued income	**3.4**	3.9	**2.1**	5.7
Total at the end of the period	**17.3**	11.7	**3.5**	6.8

22 Deferred tax assets

	Group 2001	Group 2000	Parent Company 2001	Parent Company 2000
Deferred tax assets due to timing differencies	**3.1**	2.2	**3.1**	2.0

23 Shareholders' equity

	Group 2001	Group 2000	Parent Company 2001	Parent Company 2000
Share capital, 1 January	**13.2**	12.1	**13.2**	12.1
Rights issue		1.1		1.1
Share capital, 31 December	**13.2**	13.2	**13.2**	13.2
Share premium fund, 1 January	**135.0**	58.8	**135.0**	58.8
Issue premium	**0.3**	76.2	**0.3**	76.2
Share premium fund, 31 December	**135.4**	135.0	**135.4**	135.0
Other funds, 1 January	**35.4**	36.4		
Translation difference	**-1.0**	-1.0		
Other funds, 31 December	**34.4**	35.4		
Retained earnings, 1 January	**177.1**	137.8	**73.0**	61.1
Dividend paid	**-13.1**	-10.1	**-13.1**	-10.1
Donations	**0.0**	0.0	**0.0**	0.0
Revaluations		-0.1	–	-0.1
Translation difference	**-3.8**	-2.0	–	0.0
Change in BBH's deferred tax liability	**-4.7**	–	–	–
Retained earnings, 31 December	**155.4**	125.5	**59.8**	50.8
Net profit for the financial period	**93.0**	51.5	**15.9**	22.1

24 Distributable shareholders' equity, 31 December

	Group 2001	Group 2000	Parent Company 2001	Parent Company 2000
Retained earnings	**155.4**	125.5	**59.8**	50.8
Net profit for the financial period	**93.0**	51.5	**15.9**	22.1
Equity part of accumulated difference	**-30.5**	-29.3	–	–
Other change	**-1.4**	-1.4	**-1.4**	-1.3
Distributable shareholders' equity, 31 December	**216.6**	146.4	**74.4**	71.6

25 Accumulated appropriations

	Parent Company 2001	Parent Company 2000
Accumulated depreciation difference, 1 January	**41.2**	44.3
Change in depreciation difference 2000	**1.7**	-3.1
Accumulated depreciation difference, 31 December	**42.9**	41.2

26 Provisions

	Group 2001	Group 2000	Parent Company 2001	Parent Company 2000
Product, can and bottle costs	**2.7**	4.4	**2.7**	4.4
Personnel expenses	**3.6**	2.5	**3.6**	2.5
Other	**4.5**	–	**4.5**	–
Total	**10.8**	6.8	**10.8**	6.8

27 Deferred tax liabilities

	Group 2001	Group 2000	Parent Company 2001	Parent Company 2000
Deferred taxes on depreciation difference and voluntary reserves	**12.5**	12.0	–	–
Deferred taxes on revaluations	**2.9**	2.9	**2.9**	2.9
Deferred taxes from timing differencies	**4.8**	–	–	–
Deferred taxes from consolidation entries	**0.1**	0.1	–	–
Total	**20.3**	15.0	**2.9**	2.9

28 Long-term liabilities

	Group 2001	Group 2000	Parent Company 2001	Parent Company 2000
Loans from financial institutions	**30.1**	39.6	**30.1**	39.6
Pension loans	**10.9**	12.6	**10.9**	12.6
Other long-term liabilities	**34.1**	30.2	**6.9**	10.3
Leasing loans	**55.3**	22.1	–	–
Total	**130.4**	104.4	**47.9**	62.5

29 Liabilities falling due after five years

	Group 2001	Group 2000	Parent Company 2001	Parent Company 2000
Loans from financial institutions	**10.9**	8.4	**1.7**	8.4
Pension loans	**4.2**	5.9	**4.2**	5.9
Other non-current loans	**0.0**	0.0	**0.0**	0.0
Leasing loans	**17.6**	1.6	–	–
Total	**32.7**	15.9	**5.9**	14.3

Notes to the financial statements

30 Short-term liabilities

	Group 2001	Group 2000	Parent Company 2001	Parent Company 2000
Loans from financial institutions	**13.1**	4.7	**13.1**	4.7
Pension loans	**1.7**	1.7	**1.7**	1.7
Advances received	**2.6**	3.8	–	–
Accounts payable	**48.7**	56.4	**21.9**	27.8
Next year's leasing payments	**11.8**	9.6	–	–
	77.8	76.2	**36.7**	34.1
Liabilities to the Group companies				
Accounts payable	–	–	–	0.1
Other liabilities	–	–	**9.4**	12.3
Accrued liabilities and prepaid income	–	–	–	–
	0.0	0.0	**9.4**	12.4
Liablities to others				
Other liabilities	**76.3**	79.5	**6.8**	7.3
Accrued liabilities and prepaid income	**84.9**	79.4	**66.3**	64.3
	161.1	158.8	**73.1**	71.6
Short-term liabilities	**239.0**	235.0	**119.2**	118.2

31 Accrued liabilities and prepaid income

	Group 2001	Group 2000	Parent Company 2001	Parent Company 2000
VAT liabilities	**14.0**	14.7	**11.7**	13.0
Excise tax liabilities	**29.5**	29.2	**25.2**	25.8
Tax liabilities	**0.6**	2.1	–	–
Wages, salaries and social expenses	**10.5**	9.0	**10.2**	8.7
Other accrued liabilities	**30.2**	24.4	**19.2**	16.8
Total	**84.9**	79.3	**66.3**	64.3

32 Contingent liabilities

	Group 31.12.2001	Group 31.12.2000	Parent Company 31.12.2001	Parent Company 31.12.2000
Mortgages as collateral for own commitments				
Mortgages on real-estate	**68.6**	67.8	**68.6**	67.8
Rental rights	**2.3**	2.4	**2.3**	2.4
Machinery	**51.5**	52.2	–	–
Inventories	**3.6**	5.1	–	–
Deposits	–	0.6	–	–
Corporate mortgages	**25.2**	25.2	**25.2**	25.2
Total	**151.2**	153.3	**96.1**	95.4

Guarantees as collateral for other commitments

	Group 2001	Group 2000	Parent Company 2001	Parent Company 2000
Guarantees				
On behalf of management	–	–	–	–
On behalf of shareholders	**0.0**	0.0	**0.0**	0.0
On behalf of Group companies	–	–	**3.0**	2.2
On behalf of associated companies	**4.2**	3.8		
Other	**2.0**	2.0	**1.9**	2.0
Repurchase commitments	**0.7**	1.1	**0.7**	1.1
Total	**6.9**	6.9	**5.6**	5.3

Leasing commitments

	Group 2001	Group 2000	Parent Company 2001	Parent Company 2000
Real-estate leasing commitments				
Leasing rents to be paid in next year	**1.6**	2.0	**1.6**	2.0
Leasing rents to be paid thereafter	**1.4**	3.9	**1.4**	3.9
Other leasing commitments *)				
Leasing rents to be paid in next year	**13.8**	11.1	**13.4**	11.1
Leasing rents to be paid thereafter	**56.8**	25.5	**56.7**	25.5
Repurchase commitments	**4.2**	1.7	**4.1**	1.7
Total	**77.8**	44.1	**77.2**	44.1
Total, all	**235.8**	204.4	**178.9**	144.9

*) Other leasing commitments are included in liabilities in the consolidated balance sheet.

Derivative agreements 31 December 2001

	par value	current value	Balance sheet value
Interest rate swap	10.0	0.20	-
Interest rate futures	30.0	0.03	-
Interest rate option			
purchased	30.0	0.01	-
sold	30.0	0.01	-

Loans with guarantees

	Group 31.12.2001	Group 31.12.2000	Parent Company 31.12.2001	Parent Company 31.12.2000
Loans with mortgages as collateral				
Loans from financial institutions	**79.4**	74.8	**52.2**	58.6
Other short-term loans				
Credir limits,	**63.5**	45.5	**57.2**	37.8
of which used on 31 December	**10.7**	5.1	**1.8**	–
Loans, total	**90.1**	79.9	**54.0**	58.6
Mortgages as collateral, total	**151.2**	153.3	**96.1**	95.4

Accounting principles

The Hartwall Group's financial statements have been prepared in accordance with the Finnish accounting regulations that came into force on 31 December 1997.

Principles of consolidation

The consolidated financial statements comprise the parent company together with all the subsidiaries of Oyj Hartwall Abp (voting rights > 50%) as well as all the associated companies of Oyj Hartwall Abp (voting rights 20-50%). The acquired subsidiaries and associated companies are included in the consolidated financial statements as from the date of acquisition. The consolidated financial statements have been prepared in accordance with the purchase method of accounting. In eliminating intra-Group shareholding, the shareholders' equity of subsidiaries is considered to be the shareholders' equity and untaxed provisions on the acquisition date less liability deferred tax. The difference arising on elimination is allocated to fixed assets to the extent that the fair value of a subsidiary's fixed assets exceeds the book value on the acquisition date. In the consolidated balance sheet the remainder of the acquisition cost of the shares is allocated to goodwill. The portion allocated to fixed assets has been amortised according to the depreciation plan for the underlying asset. The goodwill arising from acquisitions is depreciated on a strait-line basis in the consolidated accounts over its expected life, but nevertheless for a maximum of ten years.

Internal transactions and unrealised profits as well as internal distributions of profits have been eliminated.

Minority interests have been disclosed from the Group's shareholders' equity and net profit, and are stated as a separate item.

Of the associated companies, Baltic Beverages Holding AB, which is half-owned, has been consolidated using the proportionate method, whereby the consolidation has involved the inclusion of 50% on all the lines of the profit and loss account and the balance sheet of the companies in question. The other associated companies have been consolidated according to the equity method, whereby the proportional from the owned company's net profit and equity is included in the consolidated financial statements also taking into account the profits on internal transactions.

The income statement of the associated company BBH has been translated into Finnish markka amounts using the average exchange rate during the financial period, whereas the balance sheet items, with the exception of the net profit, have been translated using the exchange rate on the closing day of the financial period. Changes due to exchange rate fluctuations have been booked directly to shareholders' equity.

The associated company BBH has used the so-called monetary-non-monetary method in consolidating its subsidiaries in Russia and the Ukraine because they operate in countries where high inflation prevails and where the financial markets are in an early state of development. According to this method, the stocks, current assets and creditors in the balance sheet are translated at the exchange rates prevailing at the balance sheet date, or at a lower exchange rate on the preparation date of the financial statements, while the other items in the balance sheet are translated at the exchange rate ruling at the date of the transaction. Items in the profit and loss account are translated at the average exchange rate during the financial period, except for depreciation and the change in stocks, which are translated at the exchange rates ruling at the date of the transaction. Translation differences are credited or charged to income for the financial period. In addition, retained earnings reported by BBH's subsidiaries have been translated using the exchange rates in the aforementioned annual accounts, and the difference has been transferred from retained earnings to non-distributable funds.

Net sales

Indirect taxes, discounts granted and exchange rate differences have been subtracted from invoiced amounts when calculating net sales.

Receivables and liabilities denominated in foreign currency

Receivables and liabilities denominated in foreign currency are valued in the balance sheet at the exchange rate on the balance sheet date. Exchange rate differences are credited or charged to the income for the period.

R&D expenditure

R&D expenditure has been expensed in the financial year when incurred.

Inventories

Inventories are stated at the lower of cost or net realisable value, whichever is lower. The acquisition cost of manufactured inventories includes not only direct costs but also a portion of the indirect costs of acquisition and production.

Fixed assets

Fixed assets are valued in the balance sheet at the direct acquisition cost less depreciation according to plan. In addition, the balance sheet value includes revaluations - which are itemised in the Notes to the annual accounts - on certain land areas and buildings. Revaluations reversed are subtracted directly from shareholders' equity in the balance sheet. Revaluations are based on the values prevailing at the time of revaluation.

Fixed assets are depreciated according to plan using straight-line method over their estimated useful lives. The Group's guidelines regarding typical useful lives are:

Goodwill on consolidation	5–10 years
Other capitalised expenditure	2–20 years
Buildings	20–50 years
Constructions	5–20 years
Machinery and equipment	3–15 years

Leasing

Commodities leased under financial leasing agreements are presented as fixed assets in the consolidated annual accounts, and related obligations as interest-bearing liabilities. Leasing obligations on real-estate are presented in the notes to the annual accounts, and the rents paid are presented in rent costs.

Pension expenses

The statutory pension liability and related benefits of the parent company and subsidiaries are handled through outside pension insurance companies. The pension insurance payments are accrued to correspond to the amount of wages and salaries.

Extraordinary income and expenses

The impacts of the changes in accounting principles on previous financial years and other significant items not related to normal business operations are presented as extraordinary income or expenses.

Appropriations

Appropriations include changes in the difference between financial and fiscal depreciation. In the consolidated balance sheet, the amount of accumulated appropriations has been divided between shareholders' equity and deferred tax liability. The changes in appropriations over the financial period have, correspondingly, been divided between the net profit for the year and the change in the deferred tax liability in the profit and loss account.

Provisions

Provisions are balance sheet items representing contractual or other commitments that have not yet been realised. Changes in obligatory provisions are included on the relevant lines of the profit and loss account.

Direct taxes

In the income statement income taxes include taxes which have been calculated, on the basis of local tax legislation, from the results of the Group companies during the financial year, corrections of prior years' taxes and changes in deferred taxes.

The deferred tax liability or asset is calculated for the timing differences between taxation and the annual accounts, using the tax base confirmed for the following years at the date of closing. The balance sheet includes the deferred tax liability in full, and the deferred tax asset is recognised only to the extent it is considered to realise a future tax savings.

Dividends

The dividend proposed by the Board of Directors is not recorded as a liability in the financial statements. The dividends are taken into account on the basis of a decision taken by the Annual General Meeting.

Key indicators for the Group

Income statement		1997	1998	1999	2000	**2001**
Net sales	EUR million	445.3	486.7	467.0	612.0	**807.6**
Change, %	%	32.4	9.3	-4.0	31.1	**32.0**
Operating profit	EUR million	95.5	94.3	76.6	102.8	**162.5**
percentage of net sales	%	21.4	19.4	16.4	16.8	**20.1**
Profit/loss before extraordinary items	EUR million	94.5	80.7	73.1	94.9	**151.0**
percentage of net sales	%	21.2	16.6	15.7	15.5	**18.7**
Profit before taxes	EUR million	92.7	82.4	73.1	94.9	**151.0**
percentage of net sales	%	20.8	16.9	15.7	15.5	**18.7**
Net profit of the year	EUR million	52.7	45.7	46.0	51.5	**93.0**
percentage of net sales	%	11.8	9.4	9.8	8.4	**11.5**
Balance sheet						
Non-current assets	EUR million	229.7	308.0	393.4	495.4	**656.0**
Inventories	EUR million	65.9	68.6	77.5	106.0	**114.1**
Receivables	EUR million	77.3	100.2	120.5	130.4	**144.7**
Short-term deposits	EUR million	9.8	0.0	0.8	49.8	**8.0**
Cash in hand and at the bank	EUR million	12.9	9.7	22.2	14.9	**18.8**
Shareholders' equity	EUR million	171.7	196.7	245.1	360.7	**431.4**
Minority interest	EUR million	39.5	42.2	55.4	74.4	**109.7**
Provisions	EUR million	7.7	10.5	5.9	6.8	**10.8**
Deferred tax liabilities	EUR million	13.9	15.8	16.0	15.0	**20.3**
Long-term liabilities	EUR million	28.6	31.1	63.0	104.4	**130.4**
Short-term liabilities	EUR million	134.3	190,2	229.0	235.0	**239.0**
Total assets	EUR million	395.7	486.6	614.4	796.4	**941.6**
Interest-bearing liabilities	EUR million	46.2	104.0	164.8	184.3	**211.8**
Non-interest bearing liabilities	EUR million	130.6	133.2	143.2	170.1	**177.9**
Key ratios						
Return on equity (ROE)	%	36.8	24.4	21.4	19.1	**25.7**
Return on investment (ROI)	%	40.6	29.2	19.7	19.5	**23.8**
Interest cover		38.0	24.8	15.7	14.9	**18.4**
Equity ratio	%	54.1	49.2	49.0	54.9	**57.6**
Gearing ratio	%	11.1	39.4	47.2	27.5	**34.2**
Gross capital expenditure on fixed assets	EUR million	68.7	102.8	125.2	162.6	**248.6**
percentage of net sales	%	15.4	21.1	26.8	26.6	**30.8**
R&D expenditure	EUR million	1.4	1.4	1.8	2.0	**2.0**
percentage of net sales	%	0.3	0.3	0.4	0.3	**0.2**
Personnel, average (BBH 50%)		3,422	4,165	5,341	6,355	**6,491**
Hartwall		1,393	1,361	1,381	1,377	**1,446**
BBH (100%)		4,057	5,608	7,919	9,955	**10,090**

Formulas for the indicators

Return on equity, ROE

$$\frac{\text{profit/loss after financial items less taxes}}{\text{shareholders' equity + minority interest, average for the accounting period}}$$

Return on investment, ROI

$$\frac{\text{profit/loss after financial items + interest and other financing expenses}}{\text{balance sheet total less non-interest-bearing liabilities less obligatory provisions, average for accounting period}}$$

Interest cover

$$\frac{\text{profit/loss after financial items + depreciations + interest and other financial expenses}}{\text{interest and other expenses}}$$

Equity ratio

$$\frac{\text{shareholders' equity + minority interest}}{\text{balance sheet total less prepayments}}$$

Gearing ratio

$$\frac{\text{interest-bearing liabilities less cash and bank}}{\text{shareholders' equity + minority interest}}$$

Personnel, average the average end-of-month number of personnel

Share-issue adjusted indicators

		1997	1998	1999	2000	**2001**
Earnings per share (EPS)	euro	0.90	0.72	0.76	0.80	**1.40**
Equity per share	euro	2.83	3.24	4.03	5.45	**6.52**
Dividend per share						
Series A Share	euro	0.1346	0.1514	0.1682	0.20	**1.11*)**
Series K Share	euro	0.1312	0.1480	0.1648	0.19	**1.10*)**
Dividend pay-out ratio	%	14.8	20.7	22.1	25.5	**78.9**
Series A Share						
Effective dividend yield	%	0.9	1.1	1.2	1.0	**4.8**
P/E ratio		16.85	19.16	19.03	25.66	**16.30**
Adjusted share price						
Average	euro	10.46	18.31	12.39	18.65	**20.57**
Low	euro	6.69	7.67	10.00	14.15	**15.00**
High	euro	16.31	35.20	15.95	24.20	**24.10**
Year-end price	euro	15.14	13.88	14.40	20.50	**22.90**
Trading volume	1,000 shares	13,805	17,332	10,967	9,755	**32,567**
Series A Shares, total	%	26.1	32.7	20.7	16.7	**55.4**
Market capitalisation at year-end						
Series A Shares	EUR million	806.3	740.2	768.2	1,205.0	**1,346.5**
Series K Shares	EUR million	112.0	102.7	106.6	151.7	**169.5**
Total	EUR million	918.3	842.8	874.7	1,356.7	**1,516.0**
Adjusted average number of shares						
Series A Share	1,000 shares	53,268	53,344	53,344	57,127	**58,801**
Total	1,000 shares	60,668	60,744	60,744	64,527	**66,201**
Adjusted average number of shares at year end						
Series A Shares	1,000 shares	53,268	53,344	53,344	58,782	**58,801**
Total	1,000 shares	60,668	60,744	60,744	66,182	**66,201**

* Proposal of the Board of Directors

Formulas for the indicators

Earnings per share (EPS)

$$\frac{\text{profit/loss after financial items less taxes less minority interest}}{\text{adjusted average number of shares for the year}}$$

Equity per share

$$\frac{\text{adjusted shareholders' equity}}{\text{adjusted number of shares at year-end}}$$

Dividend per share

$$\frac{\text{dividend paid}}{\text{adjusted number of shares at year-end}}$$

Dividend pay-out ratio

$$\frac{\text{dividend paid}}{\text{profit/loss after financial items less taxes less minority interest}}$$

Effective dividend yield

$$\frac{\text{dividend per share}}{\text{adjusted share price at year-end}}$$

P/E ratio

$$\frac{\text{adjusted share price at year-end}}{\text{EPS}}$$

Market capitalisation

number of shares at year-end times the share price on the same date

Proposal for the distribution of profit

On 31 December 2001, the Group's non-restricted equity according to the consolidated balance sheet amounts to EUR 248,400,401.69 of which distributable funds amount to EUR 216,568,482.51.

The parent company's non-restricted equity according to the balance sheet as at 31 December 2001 was as follows:

	74,371,029.51

The number of shares entitled to a dividend is 66,200,700 shares.

The Board of Directors proposes that the distributable funds be disposed of in the following manner:

payment to shareholders of a dividend for 2001 of:

EUR 1.11	on the Series A Share	EUR 65,268,777.00
EUR 1.10	on the Series K Share	EUR 8,140,000.00
		EUR 73,408,777.00
to be set aside for benevolent purposes at the discretion of the Board of Directors		EUR 35,000.00
remainder transferred to retained earnings		EUR 927,252.51

Helsinki, 13 February 2002

Gustav von Hertzen Erik Hartwall Pertti Hernesniemi

Erkki Kilpinen Björn Mattsson Henrik Therman

Jussi Länsiö
Managing Director

Auditors' report

To the shareholders of Hartwall Plc

We have audited the accounting, the financial statements and the administration of Hartwall Plc for the year ended 31 December 2001. The financial statements, which include the report of the Board of Directors, consolidated and parent company income statements, balance sheets, cash flow statements 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 administration.

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 administration is to examine that the Board of Directors and the Managing Director have 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 made by the Board of Directors on how to deal with the distributable funds is in compliance with the Companies Act.

Helsinki, 27 February 2002

Sixten Nyman
Authorized Public Accountant

KPMG WIDERI OY AB
Lasse Holopainen
Authorized Public Accountant

Information concerning shares in Oyj Hartwall Abp

Share capital

Oyj Hartwall Abp's share capital totalled EUR 13,240,140 at the end of 2001. In accordance with the subscription terms, 125,000 Series A Shares were subscribed on the basis of warrants from the issue of bonds with warrants floated in 1994. The increase of EUR 25,000 in the share capital was recorded in the Trade Register on 4 September 2001.

In November, as requested by Finnish competition authorities, the Norwegian company Orkla relinquished its 21.2% share in Hartwall. The 1,500,000 Series K Shares owned by Orkla were purchased by Hartwall-Yhtiöt. As a result of this transaction, the share of Oyj Hartwall Abp held by Hartwall-Yhtiöt rose to 11.8% and Hartwall-Yhtiöt's share of voting rights rose to 71.8%. On the day following this transaction, 12,535,700 of the Series A Shares owned by Orkla were sold to a large number of Finnish and foreign investors.

Oyj Hartwall Abp's share capital at the end of 2001 consists of 66,200,700 shares (7,400,000 Series K Shares and 58,800,700 Series A Shares), each of which has a counter value of EUR 0.20. The company's Series A Share has been quoted on the Helsinki Exchanges since 1 July 1994.

At the general meeting of shareholders, Series A Shares carry one vote and Series K Shares 20 votes. The dividend paid on Series A Shares is at least two percentage points higher than the dividend on Series K Shares.

Structure of share capital, 31 December 2001

	Number of shares	Votes
Series K Shares	7,400,000	148,000,000
Series A Shares	58,800,700	58,800,700
Total	66,200,700	206,800,700

Share turnover

The increase of the company's shares on the market from 32% to some 56% speeded up the trading of shares. Turnover of Series A Shares in 2001 totalled EUR 669.8 million, and represented 55.4% (16.7%) of the total number of Series A Shares. At the end of the year there were 6,323 shareholders (6,230 in the previous year). Foreign ownership was 34.9% (38.6%).
The turnover and prices for Series A Shares were as follows:

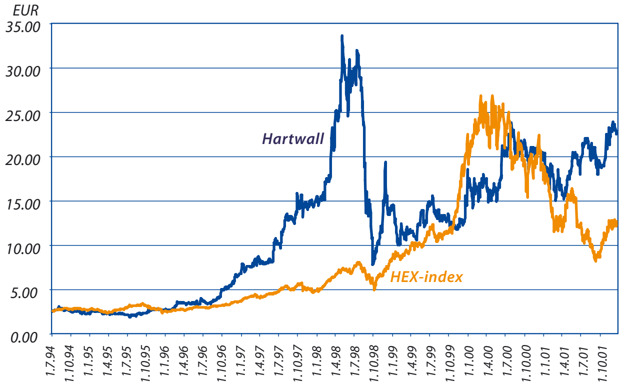
Turnover and prices for Series A Shares 1 Jan. - 31 Dec. 2001

	EUR	number of shares
Turnover	669,845,366	32,566,943
Low (1 and 2 March 2001)	15.00	
High (3 Dec)	24.10	
Average	20.57	
Closing quotation 28 Dec 2001	22.90	

Shareholder categories, 31 December 2001

	Number of owners	Number of shares	Voting rights
Households and private individuals	5,655	26,996,361	26,996,361
Companies	414	9,977,525	150,577,525
Financial institutions and insurance companies	48	2,353,470	2,353,470
Public sector entities	54	4,886,032	4,886,032
Non-profit bodies	87	379,493	379,493
Foreigners, total *)	50	21,607,819	21,607,819
Grand total		**66,200,700**	**206,800,700**
*)includes nominee-registered shares	8	21,375,894	21,375,894

Hartwall's share monitor 1 July 1994 to 31 december 2001.



Information concerning shares in Oyj Hartwall Abp

Breakdown of ownership 31 Dec. 2001

Number of shares / shareholder	Shareholders	Percentage	Number of shares	Percentage of holding
1-99	1,256	19.9	46,613	0.07
100-999	4,178	66.1	1,215,462	1.84
1 000-9 999	725	11.5	1,490,683	2.25
10 000-99 999	110	1.7	3,744,371	5.66
100 000-999 999	42	0.7	14,655,992	22.14
more than 1 000 000	13	0.2	45,047,579	68.05
Number outstanding			66,200,700	100.00

Management's shareholding 31 December 2001

(Board of Directors, Managing Director, Deputy Managing Director)

- percentage of shares	4.0%
- percentage of voting rights	1.3%

Insider regulations

On 28 August 2000, Oyj Hartwall Abp resolved to adopt the Helsinki Exchanges' Guidelines for Insiders as the company's insider regulations.

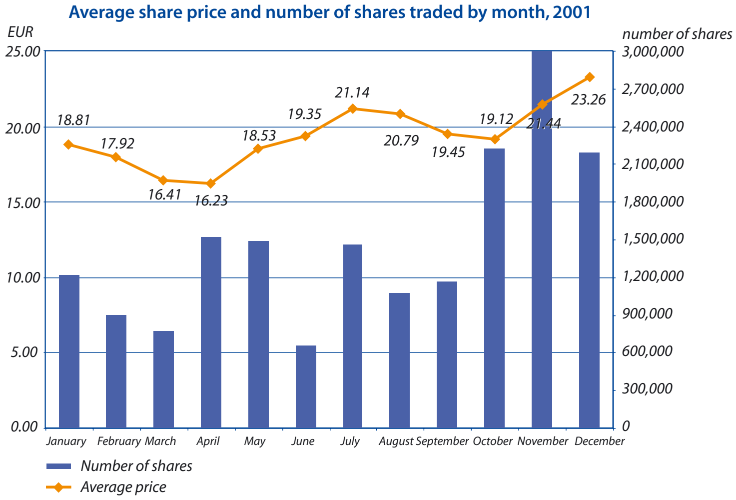
Dividend policy

Oyj Hartwall Abp's objective is - while taking earnings for the year into consideration - to pay steady regular dividends that amount to approximately 25% of long-term net profit.

20 largest shareholders, 31 December 2001

	Number of shares	Percentage of holding	Percentage of voting rights
Hartwall-Yhtiöt Oy			
- Series K Shares	7,400,000	11.2	71.6
- Series A Shares	413,100	0.6	0.2
Total	7,813,100	11.8	71.8
Hartwall P.G., estate	5,306,000	8.0	2.5
Local Government Pensions Institution	2,168,465	3.3	1.0
Hartwall Gösta, estate	1,677,600	2.5	0.8
K.Hartwall Invest Oy Ab	1,557,075	2.4	0.7
Therman Robert	1,500,140	2.3	0.7
Ilmarinen Mutual Insurance Company	1,336,050	2.0	0.6
Therman Mattias	1,325,000	2.0	0.6
Hartwall Erik	1,258,050	1.9	0.6
Hartwall John	1,186,300	1.8	0.6
Therman Henrik	970,590	1.5	0.5
Tallqvist Gustav	902,335	1.4	0.4
Therman Anna	719,400	1.1	0.3
Hartwall Helmi, estate	651,600	1.0	0.3
Hartwall Peter	628,150	0.9	0.3
Roos Catharina	525,900	0.8	0.3
Hartwall Victor	520,050	0.8	0.2
Hartwall Kaj-Erik	515,366	0.8	0.2
Tallqvist Nicklas	485,500	0.7	0.2
Alsi Pia	474,000	0.7	0.2
20 largest, total	31,520,671	47.7	82.8

Average share price and number of shares traded by month, 2001



Investor relations

Principles of investor communications

Oyj Hartwall Abp's investor relations activities are systematic, continuous and active. By means of long-term activities, investor relations aim to generate financial information to help the market to define the value of the share and maintain share prices at a level that reflects the company's position and outlook as accurately as possible. The goal of operations is to ensure that there is always sufficient information available on the market to allow the company's real value to be ascertained.

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Analyst contacts

According to the information received by us, the banking companies and investment analysis firms listed below keep track of Oyj Hartwall Abp's financial performance of their own accord. The list might be incomplete. Updates to the list will be posted on our site at www.hartwall.fi. Oyj Hartwall Abp is not responsible for any opinions these companies put forth concerning the company.

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UBS Warburg
Fredrik Liljewall, phone +46 8 4537 313

Oyj Hartwall Abp Articles of Association

1 § The company's business name is Oyj Hartwall Abp and it is domiciled in Helsinki. The company's business name in English is Hartwall Plc.

2 § The company's field of business is to engage in the manufacture and sale of mineral waters, juices, malt beverages and soft drinks as well as related activities, and also in the manufacture and sale of other food industry related products. The company also rents real-estate and apartments or office suites, and carries out other types of leasing activities. The company may also engage in these activities through subsidiaries and/or associated companies. The company provides these companies with the Group's joint financing, administration and planning services as well as guides the Group's joint planning.

3 § The minimum share capital of the company shall be twelve million eighty-five thousand euros (EUR 12,085,000) and the maximum share capital forty-eight million three hundred and forty thousand euros (EUR 48,340,000), within which limits the share capital may be raised or lowered without amending these Articles of Association.

The company's shares belong to the book-entry system.

4 § The company shall have two series of shares: one Series K Shares and one Series A Shares; in all, a minimum of 60,425,000 shares and a maximum of 241,700,000 shares. The number of Series K Shares can be a maximum of 29,600,000 and the number of Series A Shares a maximum of 241,700,000.

At a General Meeting each Series K Share shall carry twenty (20) votes and each Series A Share one (1) vote.

When an Annual General Meeting resolves to pay a dividend, the dividend paid on Series A Shares shall be at least two (2) percentage points higher than the dividend on Series K Shares.

After the registration date, the right to obtain funds distributed by the company as well as a subscription right in connection with an increase in the share capital shall be limited to:

1) a shareholder registered in the Shareholder Register on the record date;
2) a holder of the right to payment who is registered, on the record date, in the book-entry account of a registered shareholder and in the Shareholder Register; or,
3) if a share has been nominee-registered, a shareholder in whose book-entry account the share is registered on the record date and whose custodian is registered as the administrator of the share in the Shareholder Register on the record date.

After an offer by the Board of Directors, an owner of Series K Shares shall have the right to demand that the Series K Shares he owns be converted to Series A Shares in the proportion 1:1. The demand for conversion must be made in writing to the company's Board of Directors. The demand must contain information on the shares that the shareholder wants to be converted. The Board of Directors must, after the expiry of the offer date, implement without delay the changes in the demand for conversion. The conversion must thereafter be filed without delay with the Trade Register for registration. When the registration has been carried out, the conversion shall enter into effect.

5 § The company shall have a Board of Directors consisting of a minimum of three (3) and a maximum of ten (10) members, who shall be elected at the Annual General Meeting to a term of office that shall expire at the end of the next Annual General Meeting following their election.

The Annual General Meeting shall also elect the Chairman and Vice Chairman of the Board of Directors.

The Board of Directors shall convene at the call of its Chairman. Each member of the Board of Directors and the Managing Director have the right to request that a meeting be called. The Board of Directors shall have a quorum when more than half of its members are present. A simple majority shall determine the outcome of voting. If voting ends in a tie, the Chairman shall have the casting vote.

Each member of the Board of Directors shall have the right to have his dissenting opinion recorded in the minutes.

The notice of meeting must be delivered to each member of the Board of Directors.

At the proposal of the Chairman, the Board of Directors can take decisions in writing without convening if the members of the Board of Directors are unanimous on the decision and sign it.

6 § The Board of Directors shall attend to the administration of the company and the appropriate organisation of its activities.

The Board of Directors shall appoint a Managing Director for the company.

The Managing Director shall attend to the day-to-day administration of the company in accordance with the instructions and orders issued by the Board of Directors.

7 § The company's business name shall be signed by the Chairman of the Board of Directors and the Managing Director, both alone.

The Board of Directors can grant one or more persons the right to sign the company's business name either alone or jointly with another person authorised to sign for the company.

The Board of Directors shall also decide on the granting of rights of procuration.

8 § The financial year of the company shall be the calendar year. The annual accounts and related documents must be submitted to the company's auditors for auditing by 31 March at the latest. The auditors must submit their auditors' report within a month.

9 § The company shall have two to four auditors, at least one of whom shall be a firm of independent public accountants authorised by the Central Chamber of Commerce. The auditors shall be elected annually at the Annual General Meeting and their term of office shall expire at the end of the next Annual General Meeting following their election.

10 § The Annual General Meeting shall be held each year before the end of June in Helsinki, Espoo or Vantaa.

The notice of meeting shall be published in at least two newspapers that are published in Helsinki and which are selected by the Board of Directors. Shareholders who wish to attend the Annual General Meeting must register at the location specified in the Notice of Meeting by the deadline specified therein, which shall be ten (10) days before the meeting at the earliest.

A shareholder who wishes the Annual General Meeting to deliberate on a certain matter must notify the Board of Directors of this in writing well in advance so that it can be included in the Notice of Meeting.

11 § The business of the Annual General Meeting shall include:

Presentation of:

1. the annual accounts for the past financial year, comprising the Profit and Loss Account, Balance Sheet and the Report of Operations,
2. the Auditors' Report.

Decision on:

3. approval of the Profit and Loss Account and Balance Sheet,
4. any measures which may be occasioned by the profit or loss shown in the approved Balance Sheet,
5. granting of release from liability to the members of the Board of Directors and the Managing Director,
6. any measures which may be occasioned by the reports of the Board of Directors and the auditors,
7. the payment of a dividend,
8. the number of members of the Board of Directors and the number of auditors,
9. the remunerations of the Board of Directors and the auditors.

Election of:

10. the members of the Board of Directors, and the Chairman and Vice Chairman of the Board,
11. the auditors.

And dealing with:

12. any other matters mentioned in the notice of meeting.

Corporate governance

Corporate Governance is defined as an administration system, including among other things, an allocation of work between administration bodies, internal control and information flow, as well as supervision of shareholders and external interest groups. The basis for the Corporate Governance is the Companies Act and the Articles of Association. The requirement to give notifications is furthermore governed by the Securities Markets Act.

The Board of Directors of Hartwall Plc is responsible for the appropriate administration and organisation in the Hartwall Group. The Board of Directors consists of 3-10 members, two of which employee representatives. The Annual General Meeting of Shareholders elects the Board of Directors including the Chairman and the Vice Chairman, for a term of office that ends at the expiry of the subsequent Annual General Meeting of Shareholders. None of the Board members is employed on a full time basis.

The Board of Directors meets, as a main rule, six times a year. Every meeting has a given keynote to be discussed: annual accounts, interim report, strategic plans or annual business plans. The Board decides matters on acquisitions, significant investments and divestments, acquisitions of capital, long-term contracts and operational policies. The minutes are drawn up in Finnish and Swedish.

The Board of Directors appoints the Managing Director and other executive offices. These together constitute the Management Group. The Management Group, headed by the Managing Director, is responsible for the drafting of the strategic plan and its implementation. The Managing Director is not a member of the Board of Directors but he is present at the meetings.

The Company has at least two auditors, one of which is approved by the Central Chamber of Commerce. The auditors report to the Board of Directors when the closing of the annual accounts/interim report is being handled. Additionally the auditors participate, when invited, in the Board Meetings and are present at the General Meetings of Shareholders. The Board of Directors is monthly, in due form, informed on the development of the market, profit and financial situation as well as other significant issues relating to the business.

A significant part of the Hartwall Group consists of its affiliate company Baltic Beverages Holding AB, which is, in equal shares, jointly owned by Hartwall Plc and the Danish Carlsberg Breweries A/S. A shareholder agreement exists between the owners, which, among other things, governs the decision-making process in the administration.

The remuneration paid to the members of the Board is annually decided at the General Meeting of Shareholders. The Board of Directors decides the terms of employment for the Managing Director. The remuneration to key persons includes an annual bonus, which is based on targets achieved. The Managing Director also participates in an issue of bonds with warrants programme ending in 2001. A profit sharing fund has also been established for the Hartwall Group's personnel in Finland.

Notifications to shareholders and to stock markets are published in accordance with the Companies Act and the Securities Markets Act and they cover, among other things, the annual reports, interim reports, as well as events which might have an effect on the value of the shares in the Company.

Board of Directors

Board of Directors, from left: Henrik Therman, Jussi Länsiö (Managing Director, not a member of the Board), Erik Hartwall, Björn Mattsson, Gustav von Hertzen, Pertti Hernesniemi, Erkki Kilpinen.

Gustav von Hertzen, born 1930, Honorary Counsellor (a Finnish title), has served as Oyj Hartwall Abp's chairman of the Board since 1982.
He is also the chairman of the Board of Hartwall-Yhtiöt Oy and a member of the Board of Baltic Beverages Holding AB. Gustav von Hertzen holds an Master of Science in Engineering.

Erik Hartwall, born 1941, is the managing director of Hartwall-Yhtiöt Oy and has served as the deputy chairman of Oyj Hartwall Abp since 1989. Erik Hartwall is also the chairman of the Board of K. Hartwall Oy Ab. In addition, he is a member of the Board of the Finnish Fair Corporation and Stiftelsen Svenska Handelshögskolan. Erik Hartwall is the chairman of the Board of Suomen Jobs & Society and the chairman of the Valamo Foundation's council. Erik Hartwall holds a Bachelor of Science in Economics.

Björn Mattsson, born 1941, Honorary Counsellor (a Finnish title), has been a member of the Board of Oyj Hartwall Abp since 2000. Björn Mattsson is the chairman of the Boards of Partek Oyj Abp, Finvest plc, Patria Industries Oyj and Biotie Therapies Oyj. He is a member of the Board of Stiftelsen för Åbo Akademi. He is also the chairman of the Supervisory Board of Alma Media Oyj. Björn Mattsson holds a Licentiate in Philosophy.

Henrik Therman, born 1937, has been a member of the Board of Oyj Hartwall Abp since 1997. Henrik Therman is the chairman of the Board of Baltic Beverages Holding AB. He is also a member of the Boards of Hartwall-Yhtiöt Oy, Baltika Brewery Ltd (Russia), Yarpivo Ltd (Russia) and Hlebnij Dom OAO (Russia). Henrik Therman holds a Master of Science in Engineering.

Pertti Hernesniemi, born 1956, is general trustee at Oyj Hartwall Abp's Helsinki factory. He is a member of Oyj Hartwall Abp's Board of Directors and has served as an employee representative since 1995.

Erkki Kilpinen, born 1948, is project planner at Oyj Hartwall Abp's factory in Lahti. He has been a member of the Board and an employee representative since 1995. He is also the chairman of the Food Branch of the Union of Technical Employees.

L.J. Jouhki, born 1944, member of the Board from 22 April 1997 to 29 June 2001.

Auditors
Sixten Nyman,
Authorised Public Accountant
KPMG Wideri Oy Ab

Executive committee of Oyj Hartwall Abp

Jussi Länsiö

Ralf Hollmén and Esa Rautalinko

Rolf Therman and Markku Sirén

Jussi Länsiö, born 1952, is Oyj Hartwall Abp's managing director. Prior to joining Hartwall in 1994, Jussi Länsiö worked as the general marketing manager of Langnese-Iglo GmbH/ Unilever Germany from 1992 to 1994, as the managing director of Jalostaja Oy Huhtamäki from 1983 to 1992 and as director of sales & marketing at Huhtamäki Oy from 1978 to 1983. He is the deputy chairman of Sonera Oyj and a member of the Boards of Metsä-Tissue Oyj and Jokerit HC Oy. Jussi Länsiö is the chairman of the Board of the Finnish Federation of the Brewing and Soft Drinks Industry and deputy chairman of the Board of Finnish Food and Drink Industries and CBMC Brewers of Europe. Jussi Länsiö holds a Bachelor of Science in Economics.

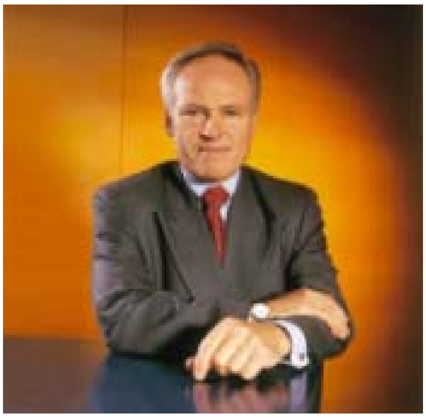
Ralf Hollmén, born 1948, is the sales and logistics director and deputy managing director of Oyj Hartwall Abp. Prior to joining Hartwall in 1985, Ralf Hollmén worked as the deputy managing director of Oy Tilgmann Ab from 1983 to 1985 and as that company's chief financial officer from 1981 to 1983. From 1978 to 1981, Ralf Hollmén was the deputy managing director and acting managing director of Oy Aerator Ab. Ralf Hollmén holds a Bachelor of Science in Economics.

Markku Sirén, born 1948, is Oyj Hartwall Abp's finance director and also acts as the secretary of the Board of Directors. Prior to joining Hartwall in 1994, Markku Sirén worked as Suomen Unilever Oy's deputy director of finance and financial administration from 1992 to 1994. From 1972 to 1992, Markku Sirén worked in numerous financial administration positions in the Huhtamäki Group, with his last post being the Polarcup unit's director of finance and administration. Markku Sirén holds a Bachelor of Science in Economics.

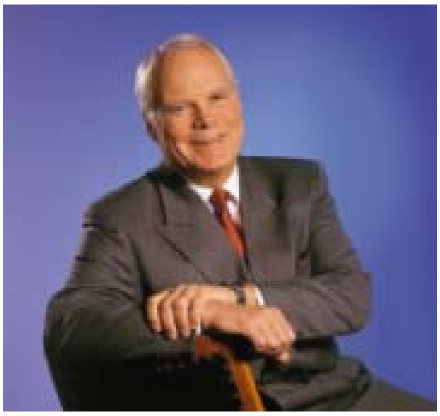
Rolf Therman, born 1943, is the technical director of Oyj Hartwall Abp. Prior to joining Hartwall in 1992, Rolf Therman was the managing director of Oy Ekström Ab from 1986 to 1992. He worked as a head of divisions at Oy Partek Ab from 1981 to 1986 and at Oy Hackman Ab from 1975 to 1981. Rolf Therman holds a Bachelor of Science in Economics and a Master of Science in Engineering.

Esa Rautalinko, born 1962, is the marketing and export director of Oyj Hartwall Abp. Prior to joining Hartwall in 1996, Rautalinko worked as the managing director and regional director of Nokia Home Electronics Ltd from 1995 to 1996 and as that company's sales director from 1993 to 1995. From 1988 to 1993, Esa Rautalinko worked in numerous marketing and sales positions in the Huhtamäki Group and Suomen Unilever Oy, with his last post being the marketing director of Van den Bergh Foods. Esa Rautalinko is a member of the Boards of FIM Rahastoyhtiö Oy and Contineo Oy. He holds a Master of Science in Economics.

Parent company, subsidiaries and associated companies and their management



Christian Ramm-Schmidt



Erik Hartwall

Markku Tolonen

Christian Ramm-Schmidt, born 1946, is the managing director of Baltic Beverages Holding AB. Prior to joining BBH, Christian Ramm-Schmidt worked as the managing director of Fazer Confectionery, Fazer Chocolates Ltd and Fazer Biscuits Ltd from 1984 to 1997. He worked as the marketing director of ServiSystems Oy from 1979 to 1984, as the marketing manager of Oy Valitut Palat - Reader's Digest Ab, Finland, from 1977 to 1978, the product group manager of Oy Rank Xerox from 1973 to 1976 and the sales manager of Oy Victor Ek Ab from 1970 to 1972. Christian Ramm-Schmidt holds a Bachelor of Science in Economics.

Baltic Beverages Holding AB (BBH) was established in 1991. This associated company is owned on a 50-50 basis by Hartwall and the Danish company Carlsberg Breweries. BBH is engaged in brewing operations in the Baltic countries, Russia and Ukraine.

Erik Hartwall is the managing director of Hartwall-Yhtiöt Oy, which is a holding company established in 1988 that is the parent company of Oyj Hartwall Abp. All of the owners of Hartwall-Yhtiöt Oy are the descendants of Victor Hartwall, the founder of Oyj Hartwall Abp. Erik Hartwall joined Oy Hartwall Ab in 1971 and served as its managing director from 1976 to 1988.

Markku Tolonen, born 1943, is the managing director of Hartwa-Trade Oy Ab. Prior to joining Hartwa-Trade, Markku Tolonen was the director and commercial director of Oy Hartwall Ab from 1994 to 1998. He was the managing director of Hartwall Juomat Oy from 1992 to 1994, the marketing director and director of Orion Corporation Chymos' preserves factory from 1981 to 1992 and the sales director and sales manager of Oy Sinebrychoff Ab from 1971 to 1981. From 1966 to 1971, Markku Tolonen worked as a warehouse outlet manager and sales director at Kesko Oy. Markku Tolonen is a graduate from a commercial college.

Hartwa-Trade Oy Ab is owned by Hartwall and is an importer and wholesaler of wines and alcoholic beverages in Finland.

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