Annual Report 2001

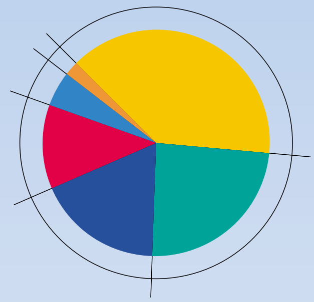
Tamro

Delivering
in

Contents

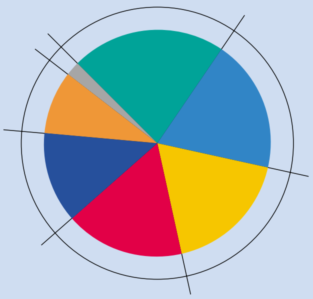
excellence healthcare

Tamro overview



Distribution of net sales

Tamro in Sweden	39%
Tamro in Denmark	24%
Tamro in Finland	18%
Tamro in Norway	12%
Tamro in the Baltics and in Russia	5%
Tamro MedLab	2%



Employees average

Tamro in Denmark	22%
Tamro in the Baltics and in Russia	19%
Tamro in Sweden	18%
Tamro in Norway	17%
Tamro in Finland	13%
Tamro MedLab	9%
Others	2%

Tamro Group is the leading pharmaceutical wholesaler in Northern Europe. We operate in the Nordic countries, in the Baltic States and in Northwestern Russia. Our average share of pharmaceutical wholesaling in this area is in the region of 50%.

In Norway, Latvia and Estonia, Tamro Group is also active in the pharmaceutical retail trade.

Our core business, the pharmaceutical distribution and retail trade, is complemented by Tamro MedLab, a provider of healthcare and laboratory products in seven countries.

Tamro Group was founded by four Finnish pharmacists in 1895, although the roots of our Danish subsidiary Nomeco date back to 1801.

Tamro's shares have been listed on the Helsinki Exchanges since 1955.

Tamro Group

	Wholesale	Retail	MedLab
Finland	Tamro Finland		Tamro MedLab Oy
Sweden	Tamro AB		Tamro MedLab AB
Denmark	Nomeco A/S[1)]		Tamro MedLab A/S
Norway	Tamro Distribution AS[2)]	Apokjeden / Apotek1[2)]	Tamro MedLab AS
Estonia	Tamro Eesti AS	Koduapteek, Mai apteek	Tamro MedLab Branch
Latvia	Tamro SIA	Hansa Pharma / Gimenes aptieka	Tamro MedLab SIA
Lithuania	UAB Tamro	Farmacios Projektai[3)]	Tamro MedLab Branch
Russia	ZAO Pharm Tamda 77		

1) Includes 100% of Hermedico (diabetics), Forex (fittings, furnishings), Unikem (raw materials), Viminco (pharmaceutical preparations and nutricial supplements) and 30% of Soft Design (IT).
2) Apokjeden Group owns 100% of Tamro Distribution AS and Apokjeden pharmacy chain Apotek1.
3) Tamro UAB owns 10% of Farmacios Projektai.

Mission

Tamro Group represents the vital link of the supply chain for healthcare services in the Nordic countries and in the Baltic States. We are committed to the success of our pharmacy customers and our partners in the pharmaceutical industry. We share with them the same principal goal: the health and well-being of consumers.

Strategy

Tamro Group is the clear market leader in the pharmaceutical distribution in Northern Europe.

In pharmaceutical **wholesale** we want to develop our market position by being the most efficient, highest quality partner for our suppliers and pharmacy customers. Our aim is to reach cost leadership in the Nordic countries and become the leader in customer orientation.

In those Northern European countries, especially Norway and the Baltic States, where deregulation of the business through liberalisation of pharmacy ownership advances, we aim at extending our operations also to **retail trade.**

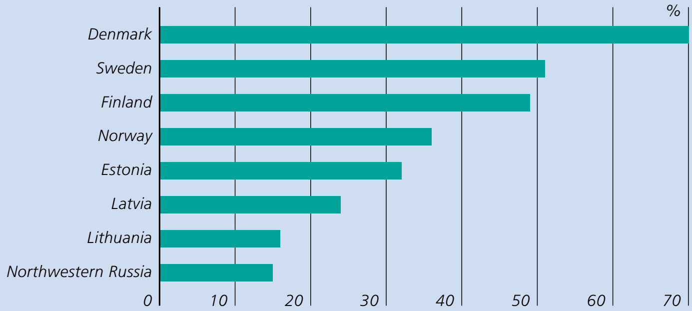
In each country we build our operations on the versatile national characteristics, the local legislative and competitive environment, and local customer needs.

Core values

- ***Commitment to customer success***
- ***Openness, trust and appreciation***
- ***Daily improvement***
- ***Strong ethics***

Our aim is that all Tamro staff in each country feels every day that our core values help us to make and implement decisions. They support us to prioritise our daily work and to concentrate on the key factor of our own success: commitment to our customers´ success.

Tamro's market share in wholesale trade in its operating countries



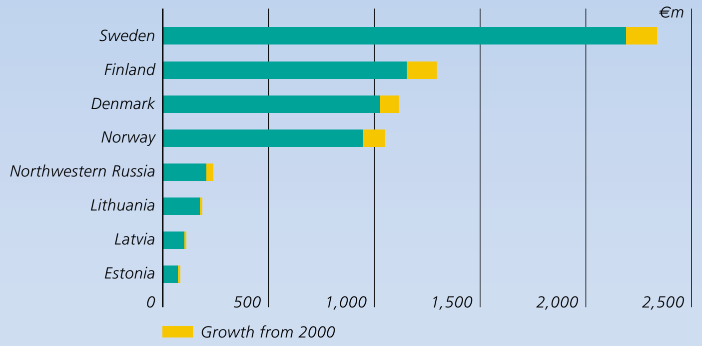
Industry trends

In the European Union, regulating the healthcare system is the responsibility of the Member States, according to Article 152 of the Treaty establishing the European Community. Despite this individual decision, the pharma markets in different European countries are moving increasingly in the same direction. European industry trends also apply to Northern Europe.

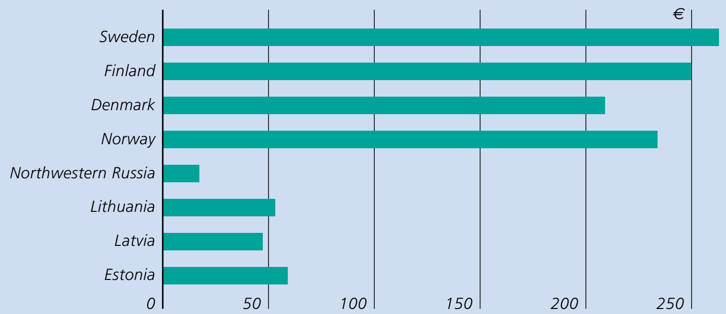
The main industry trends are

- European consolidation of pharmaceutical wholesalers (horizontal integration)
- Vertical integration of wholesalers (pre-wholesaling - wholesale - retail)
- Increasing industry dependence on the US market
- Increasing demand for new medicines, lifestyle-connected diseases
- Cost containment; governmental aim to curb rising pharmaceutical and healthcare costs.

Pharmaceutical market size in 2001
in Tamro's area of operation (in wholesale prices)



Pharmaceutical sales/capita in 2001
in Tamro's area of operation (in wholesale prices)



Market facts

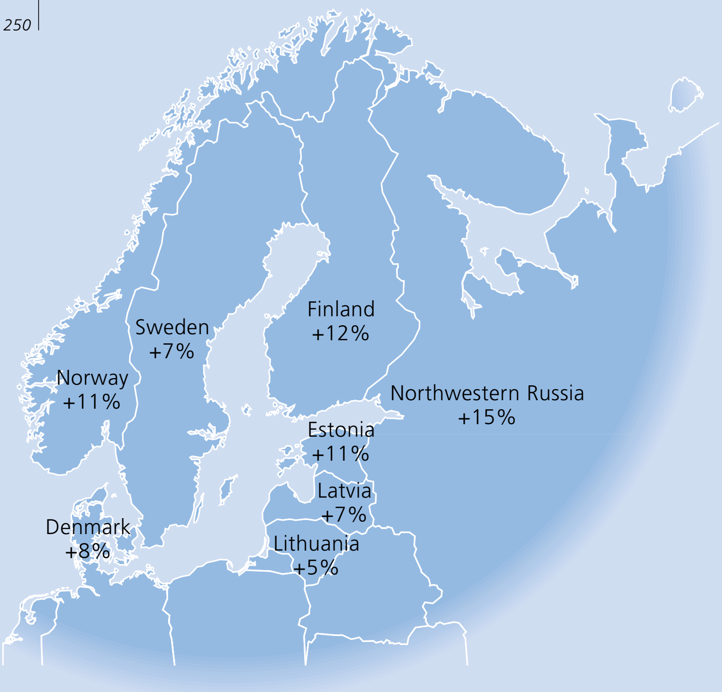
The pharmaceutical markets in Tamro's operating area in 8 countries amounted to EUR 6,400 million. Tamro´s average market share rose to 51% in the Nordic countries.

A steady long-term rise in the sales of medicines can be seen in all the Nordic countries. This is a result of new treatments, preventive care and increased use of health services. Sales are also boosted by an ageing population that uses more pharmaceuticals, as many diseases are related to age, and by the launch of new, more efficient drugs.

The per capita consumption of pharmaceuticals varies greatly in Europe: In Russia it is approximately 15 euros and in Sweden 260 euros per year (based on the sales in 2001).

In 1998-2001 the average increase in pharmaceutical sales in the Nordic countries was over 9%, compared to nearly 7% in Europe as a whole during the period.

Market growth 2001



Main events

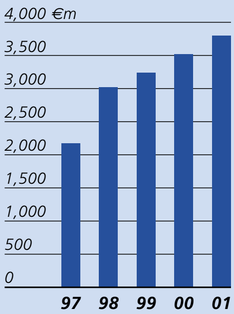
- The pharmaceutical market in Tamro Group's operating area in the Nordic countries, the Baltic States and Northwest Russia continued its steady growth averaging 9%. Tamro's market share in the Nordic countries grew to 51%.
- The deregulation of the pharmaceutical markets advanced. Major changes were seen in the operating environment in Norway and the Baltic States, where liberalisation of pharmacy ownership gained ground. In Denmark the sale of certain OTC products was allowed in supermarkets and in other retail outlets as of 1 October 2001.
- Tamro Group's net sales grew by 8% to EUR 3,796 million. The Group's operating profit was EUR 66.6 million and the ordinary net profit EUR 38.1 million. The result was strongly boosted by EUR 58.3 million in capital gains, mainly from the divestment of the shares in Mölnlycke Health Care AB. At the same time non-recurring write-offs of EUR 18.9 million were made due to goodwill amortisation from earlier acquisitions. Without these non-recurring items the Group's full-year operating profit margin was 0.8% and pre-tax profit EUR 19.0 million.
- Tamro Group took important new steps in Norway, Latvia and Estonia by entering the retail trade. In Norway co-operation with the local pharmacies that started already in 2000 led in February to the formation of Apokjeden Group, a totally integrated wholesale-retail group with over 180 pharmacies. In Latvia the acquisition of the Gimenes aptieka pharmacy chain in June brought 25 pharmacies to the Group. In Estonia the first three pharmacies were bought in October.

Financial highlights

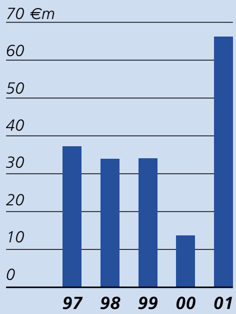
		2001	2001 Non-recurring items	2001 Pro forma**)	2000
Net sales	€m	***3,795.6***		3,795.6	3,518.4
Sales outside Finland	€m	***3,059.3***		3,059.3	2,836.6
of consolidated net sales	%	***80.6***		80.6	80.6
Other income		***58.3***	–55.5	2.8	3.3
Operating expences	€m	***3,742.5***		3,742.5	3,489.2
Depreciation	€m	***44.8***	–18.9	25.9	18.8
Operating profit	€m	***66.6***	–36.5	30.0	13.7
Operating margin	%	***1.8***		0.8	0.4
Ordinary profit before taxes	€m	***55.5***	–36.5	19.0	2.5
Income taxes on ordinary activities	€m	***21.9***	–14.8	7.1	4.4
Ordinary net profit	€m	***38.1***	–21.7	16.4	–1.9
Free cash flow	€m	***–18.7***			29.3
Return on capital employed	%	***13.1***			4.0
Return on equity	%	***10.4***			–0.6
Earnings per share	€	***0.33***			–0.02
Dividend per share	€	***0.15****)			0.05
Net gearing	%	***49.2***			46.4
Investments	€m	***96.2***			35.8
Number of employees, average		***2,854***			2,683
Market capitalisation at 31 Dec	€m	***411.0***			191.2

**) Board proposal*
***) Adjusted with non-recurring items from the 2001 financial statements, a total of EUR 36.5 million.*

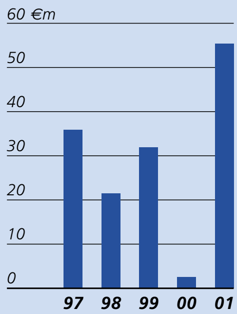
Net sales



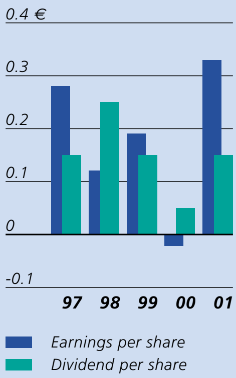
Operating profit



Ordinary profit before taxes



Earnings and dividend per share



Chairman´s and CEO´s review

Chairman of the Board,
Dr Bernd Scheifele
(on the right)
and CEO **Jo Langmoen.**

Dear shareowners,

In the past years your company's overall performance has not been satisfactory. Tamro has had difficulties in its financial results, in IT implementations and in utilising its strong market position as a platform for further growth and success. In addition, the start-up of the new Tampere service centre in Finland did not come near to meeting expectations.

At the end of 2000, the Board of Directors took the firm decision to help Tamro Group find the road back to sustainable positive development. The Board's Budget Committee was set up in order to control Tamro's day to day business monthly. The financial year 2001 was characterised by a huge effort to improve the transparency as well as the efficiency and quality of Tamro's core processes and thereby the operational profitability.

At the same time the Board of Directors changed Tamro's strategy significantly. We finally gave up the vision of the "Nordic concept", which was never realised due to the huge differences of the pharmaceutical markets in the Nordic countries. We decided to focus on cost leadership through permanent benchmarking of the core processes and to create added value through forward integration.

Change of management

With this changed strategy in mind, new Managing Directors were appointed in Sweden, Finland and Norway. A Group Logistics Director was likewise appointed. In January 2002 the leadership of the whole Tamro Group changed when the Board of Directors accepted the resignation of the former CEO and appointed Mr Jo Langmoen the new CEO. The Tamro Group management now consists of the CEO, the CFO and the Group Logistics Director supported by the Managing Directors of each country and Tamro MedLab.

Decentralisation

With the change of the management the internal Group Organisation was also restructured. We clearly stated that the Group companies in the different countries are the profit centres. They act as true entrepreneurs in their local markets and have broad responsibilities and competences. Following this strategy we simplified the total internal organisation in the Corporate Centre in Vantaa. The Baltic Management Centre was consequently dismantled.

As in all big companies, it will be an ongoing effort within Tamro to keep bureaucracy as light as possible.

Future strategy

Tamro's future strategy can be described in three concepts: cost leadership, customer orientation and forward integration.

In Tamro's core business of pharmaceutical distribution the goal is to become the clear cost leader in the Nordic and Baltic markets. In order to implement this strategy a cost cutting programme was launched in all companies. This will be an important driving force behind the successful development of Tamro's group result.

At the same time we have to increase customer orientation throughout the organisation, thus improving customer satisfaction and ultimately Tamro's market position.

Forward integration into the pharmacy retail market is a strong trend in our business in Continental Europe. In 2001 this trend also reached Tamro's operating countries, when the liberalisation of the pharmacy market started in Norway and the Baltic States.

Tamro used this opportunity decisively to reach the leading market position in Norway and start retail operations in the Baltics. In countries with more traditional structures, like Denmark, we are developing logistics and IT concepts to establish partnership links with our pharmacy customers to our mutual benefit. Further substantial investments will be required in the future, and this will provide a stable basis for long-term growth and profitability for Tamro Group.

Thanks to our employees

We would like to thank our employees in Denmark, Sweden, Finland, Norway, Estonia, Latvia, Lithuania and Russia. The commitment, loyalty and inventiveness of each individual employee are essential for Tamro's future success. A corporate policy focusing on cost leadership, customer orientation and satisfaction is not viable without committed employees.

Outlook for 2002

Tamro Group had a promising start in 2002. Sales are well above the level of 2001 and exceed our expectations. Simultaneously the cost cutting programme is progressing well. However, many difficult tasks still lie ahead and the fast changing health care markets in the Nordic and Baltic countries present a huge challenge.

In 2002 we have our sights set on a substantial growth in the ordinary pre-tax profit excluding non-recurring items. Consolidated sales are expected to grow by 7–9%.

In 2002 the decisions of the Board of Directors and the group management will be guided by the principles of profit-oriented growth, cost leadership and improved customer satisfaction.

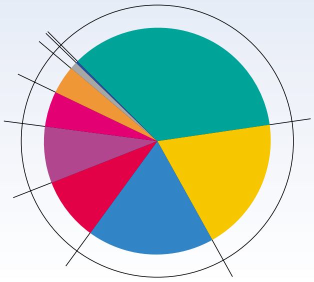
Thank you for supporting us.

Vantaa, 28 February 2002

Dr Bernd Scheifele	**Jo Langmoen**
Chairman of the Board	CEO

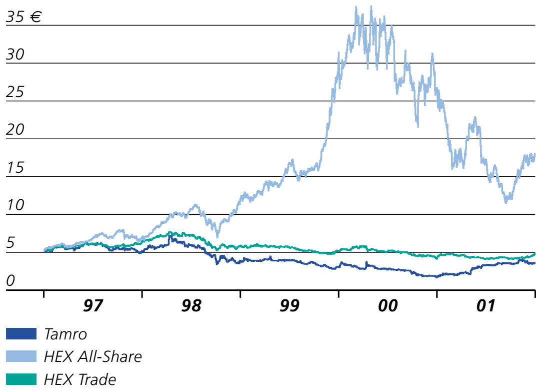
Information on Tamro´s shares

Shareholders by group at 31 Dec 2001

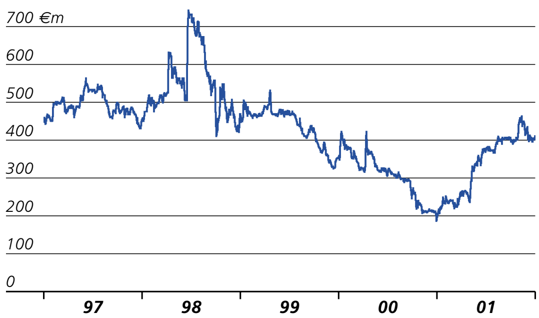


Phoenix Pharmahandel AG & Co	35%
Apoteket AB	19%
Other foreign owners (incl. nominee holdings)	18%
Finnish financial and insurance institutions	9%
Finnish individuals and others	8%
Finnish companies	5%
Finnish public institutions	4%
Finnish non-profit seeking owners	1%
Own shares	0.3%
Total foreign ownership	73%

Tamro's share price development 1997–2001



Market capitalisation 1997–2001



Share capital

The share capital of Parent Company Tamro Corporation on 31 December 2001 amounted to EUR 114,837,083 and it was divided into a total of 114,837,083 shares with a nominal value of EUR 1.

On 31 December 2001, the company held 341,000 repurchased own shares. During the financial period 2001 the company did not trade in its own shares.

Incentive system

The Group has adopted option schemes and policies as incentives for its key employees and personnel.

Following the cancellation decided upon by the Board of Directors, there remain 2,276,000 class A and 2,276,000 class B warrants from the 1997 warrant bond issued to the personnel. The class A warrants entitle their holders to subscribe to one Tamro Corporation share at a subscription price of EUR 6.56, less the regular dividend paid out after issuance, between 1 December 2000 and 31 January 2004. The class B warrants entitle their holders to subscribe to one Tamro Corporation share at a subscription price of EUR 6.56, less the regular dividend paid out after issuance, between 1 December 2001 and 31 January 2004.

The share option scheme for the key personnel in 2000 consists of 1,165,000 class A share option rights and 1,165,000 class B share option rights following the cancellation decided upon by the Board of Directors. Shares may be subscribed to with class A share option rights from 1 April 2002 to 30 April 2006, and with class B share option rights from 1 April 2004 to 30 April 2006. The subscription price will be EUR 4.00 for shares whose subscription period commences on 1 April 2002, and EUR 4.80 for shares whose subscription period commences on 1 April 2004, less any dividends exceeding 50% of the earnings per share for the relevant accounting period, declared after 12 April 2000 and paid out before the time of subscription. If dividends are distributed for loss-making accounting periods, the whole amount paid out is to be deducted from the subscription price. However, the subscription price must at least equal the nominal value of the share.

The subscriptions may increase the share capital of the company by a maximum of 6,882,000 shares, or EUR 6,882,000.

Repurchase and conveyance of company's own shares

The Annual General Meeting held on 23 April 2001 authorised the Board of Directors to decide on the repurchase and the conveyance of own shares (book-entry securities).

By the end of 2001 the company had not bought back or conveyed any Tamro Corporation shares. The company held 341,000 own shares, repurchased according to the decision of the 1999 Annual General Meeting. This holding corresponds to 0.3% of the year-end share capital.

Shareholders

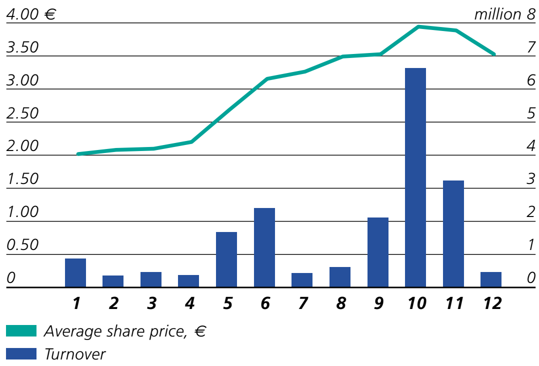
On 31 Dec 2001, 27% of Tamro Corporation's shares were in Finnish, 19.3% in Swedish and 35.3% in German ownership. In addition to that, another 18.2% of the shares were nominee holdings, and 0.2% other foreign holdings. Foreign ownership accounted thus for a total of 73% of Tamro's shares.

At year's end, the Board Members and the CEO held a total of 205,000 Tamro Corporation shares, 250,000 year 1997 warrants and 400,000 year 2000 share option rights. Share holdings include assets of dependents and significantly influenced companies, and they correspond to 0.18% of shares and voting rights. The rest of the Group management and the permanent insiders owned correspondingly a total of 9,762 shares, 200,000 year 1997 warrants and 800,000 year 2000 share option rights.

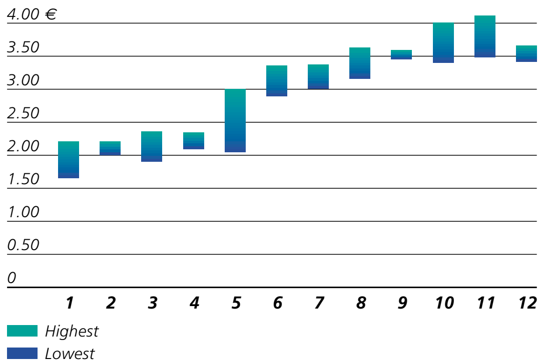
Dividend policy and distribution to owners

The aim of the Board is to ensure that Tamro's shares remain a high-performance long-term investment object. Provided that Tamro's financial development continues along healthy lines, the Board targets a dividend pay-out ratio of around 50% of the earnings per share (EPS).

Average share price and turnover by month 2001



Share price development 2001



The Board of Directors proposes to the Annual General Meeting that the 2001 dividend be set at EUR 0.15 per share including a bonus dividend.

Share listing, performance and trading volume

Tamro Corporation shares are listed on the Helsinki Exchanges.

The closing price for 2001 stood at EUR 3.59 (1.67), up 115% from the end of 2000. The year's trading high was EUR 4.10 and trading low EUR 1.65. During 2001, a total of 19.6 (22.4) million shares changed hands, equivalent to 17% of the average number of all Tamro shares; this share turnover represented a market value of EUR 67.3 (60.5) million. The share turnover decreased by 12.5% but the market value rose by 11.2%.

Tamro's market capitalisation at year-end was EUR 411.0 million compared with EUR 191.2 million at the close of 2000. The market capitalisation figure does not include own shares. Information on share price trends and share-specific data for the past five years are presented on page 56.

Shareholdings by ownership bracket on 31 December 2001

No. of shares held	No. of holders	Total no. of shares	Percentage of shares and voting rights, %
1-500	5,169	1,147,115	1.00
501-1,000	1,551	1,273,948	1.11
1,001-5,000	1,611	3,720,699	3.24
5,001-20,000	277	2,599,660	2.26
20,001-50,000	44	1,353,971	1.18
50,001-500,000	36	4,730,337	4.12
500,001-	11	99,935,868	87.02
Shares not transferred to book-entry securities system		75,485	0.07
Total	8,699	114,837,083	100.00

Major shareholders on 31 December 2001

	1,000 shares	Share of equities and votes %
1. Meco Holding A/S	34,456	30.0
2. Apoteket AB	22,114	19.3
3. Nordic Pharma Invest A/S	6,084	5.3
4. The Tapiola Insurance Group	5,703	5.0
5. Sampo Group	4,517	3.9
6. Orion	3,815	3.3
7. Varma-Sampo Mutual Pension Insurance Company	1,718	1.5
8. Kaleva Mutual Insurance Company	1,278	1.1
9. OKO Bank	284	0.2
10. Nordea Life Assurance Ltd	274	0.2
11. Toivanen Marja	222	0.2
12. Investment Fund Aktia Capital	210	0.2
13. Odin Finland	203	0.2
14. Toivanen-Koivisto Maarit Hannele	202	0.2
15. Jenny and Antti Wihuri Fund	195	0.2
16. Veritas Pension Insurance Company	192	0.2
17. Liljeström Ulf Mikael	142	0.1
18. Folkhälsans Forskningsstiftelse	134	0.1
19. OP-Tuotto Mutual Fund	118	0.1
20. Gyllenberg Small Firm Fund	112	0.1
Others	32,864	28.6
Total	114,837	100

Phoenix Pharmahandel AG & Co (Meco Holding A/S and the nominee-registered Nordic Pharma Invest A/S) total 35.3% of all shares. Total nominee holdings 23.5% of all shares, holdings of Tamro Corporation 0.3% of all shares.

Share capital changes 1995-2001

Increase method and time	Change in number of shares	Change in share capital, FIM/EUR	New share capital, FIM/EUR
Private placement 25 Aug -15 Oct 1995	40,114,333	FIM 401,143,330	FIM 881,633,700
Private placement 18 June-26 June 1998	34,456,060	FIM 344,560,600	FIM 1,226,194,300
Warrant subscription/1994 warrant bond 21 December 1998	100,000	FIM 1,000,000	FIM 1,227,194,300
Cancellation of shares/Own shares repurchased by Tamro Corporation in 1998 28 April 1999	– 2,404,000	FIM –24,404,000	FIM 1,203,154,300
Change of share par value from FIM 10 to EUR 1 28 April 1999	–	EUR –82,040,596.93	EUR 120,315,430
Warrant subscription/1994 warrant bond 13 December 1999	50,000	EUR 50,000	EUR 120,365,430
Warrant subscription/1994 warrant bond 15 May 2000	500	EUR 500	EUR 120,365,930
Cancellation of shares/Own shares repurchased by Tamro Corporation in 1999 and 2000 16 May 2000	–5,528,847	EUR –5,528,847	EUR 114,837,083

Financial risk management

The Group's financing activities, including liquidity and risk management, are managed by the Group Treasury Department, in accordance with the finance policy. The Parent Company acts as an internal bank and provides financing, trading and consulting services to the Group companies.

The principle aim of the financing activities is to ensure sufficient and cost-efficient funding to support implementation of the Group's strategy and to decrease the volatility and unpredictability in the financial performance of the Group that is caused by financial risks to the extent that it can be justified economically and competition-wise.

Liquidity risk

Liquidity management is handled with cash pools in Finland, Sweden, Norway and Denmark. Excess liquidity is concentrated in the Parent Company by using internal account overdrafts and internal credit facilities. The Parent Company has a EUR 100 million Commercial Paper program. The Parent Company's excess liquidity is invested in short-term and liquid money market instruments in accordance with the counterpart list.

The policy target is to maintain a good liquidity position under all circumstances. At year's end, the Group had, in addition to cash and cash equivalents, a portfolio of free uncommitted credit facilities and account overdrafts worth EUR 186 (158) million. In January 2002 Tamro Corporation received SEK 680 million from the divestment of the Mölnlycke Health Care AB shares.

Foreign exchange risk

The Group's customers are mainly local pharmacies, hospitals and consumers. The net sales are almost exclusively denominated in the local currency in each country. In 2001 the currency deviation of net sales was: SEK 39%, DKK 24%, EUR 19% and NOK 12% and other currencies 6%.

On the supplier side the Group's main partners are international medical companies. In the Nordic countries the suppliers carry almost exclusively existing foreign exchange risk. In Estonia, Latvia, Lithuania and Russia the foreign exchange risk is mainly carried by the distributor. Thus about 4%, or EUR 132 million, of the Group's purchases are exposed to the currency risk. The currency deviation for that amount was: USD 48%, EUR 29%, CHF 14% and other currencies 9%.

According to the principal policy, the purchases exposed to the foreign exchange risk are hedged if that can be found economically justified, at the point when the translation position opens. The transaction risk is also reduced by using currency clauses, by targeting to the purchase currency that correlates to the local currency and by active sales pricing.

The Treasury Department has started a project to examine value-adding solutions for the currency risk management of the total supply chain in the Baltic countries.

According to the main policy, the internal loans of Group Companies are denominated in the subsidiaries' local currency. The open translation position in the Parent Company is selectively hedged to the extent that these loans are not considered equity-type loans and the hedging is found to be justified economically, taking into account the expected volatility of the currency.

The Group does not hedge the foreign-currency-denominated shareholders' equity and equity-type loans of the overseas subsidiaries against currency fluctuations. The foreign-currency-denominated shareholders' equity and equity-type loans at year end 2001 were EUR 204 million. Of that amount, SEK represented 43%, DKK 40%, NOK 9% and others 8%.

The euro-value movements of the shareholders' equity and equity-type loans are reported as consolidation differences in the Group shareholders' equity.

Interest rate risk

The Group's interest rate risk is defined as an adverse change to the value of the Group caused by interest-rate fluctuations. The target interest-rate duration and currency diversification are defined by taking into consideration the interest-bearing loans, interest-bearing investments, derivative instruments and cyclicality of the operational cash flows.

Credit risk

The credit risk of the financial investments and derivative instruments is handled in accordance with the frequently updated counterpart list. The counterpart list is drawn so that the risk nominal amount and maturity of each instrument and counterpart is limited. The policy is to include only low-credit-risk instruments and names to the counterpart list.

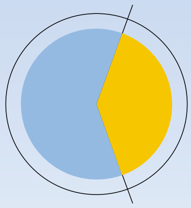
The credit risk inherent in the account receivables is handled in the business units. Historically the risk has not been relevant in the main business areas.

Derivative instruments

According to the policy, the derivative instruments are used only to hedge the underlying business within the risk limits. The derivative instruments used have to be liquid enough and effectively priced in the market. The derivative instruments are included when measuring the counterpart risk.

The Group's open and closed derivative instruments are presented in tabular form in the Notes to the Financial Statements on page 49.

Tamro Sweden



Share of consolidated net sales 39%

"Our most important task is to keep and build on the trust our customers within the industry and county councils show us when they choose Tamro as their logistics and distribution partner."

Stefan Åkesson
Managing Director

The Swedish pharmaceutical market continued to grow at 6.7% in 2001. Parallel importers' share of the aggregate sales grew by over 12% and was 9.3% of the whole market. Pharmaceutical sales in terms of pharmacy purchasing prices rose to EUR 2,335 million.

In June, the Swedish Competition Authority issued a decision stating that the plans elaborated by Apoteket AB to develop its operations do not violate competition laws. After Apoteket AB published its plan in autumn 2000, several complaints were filed with the Swedish Competition Authority. Apoteket then revised its original plans so that its branching out will not compete with the distribution operations of Tamro and other pharmaceutical companies. The Swedish Competition Authority stressed that pharmaceutical wholesalers will continue to be responsible for distribution to all pharmacies.

During autumn 2001 the Swedish government proposed that pharmacies switch from expensive products to the cheapest similar products. Thus generic substitution will be mandatory unless the prescriber actively forbids it.

Financial performance and operations

Tamro Sweden's net sales came to EUR 1,487.0 (1,573.8) million. In local currency net sales grew by 3.5%. Pharmaceutical sales accounted for 80% of the total sales. Tamro Sweden's operating profit improved, which can be explained by higher sales, compensation related to year 2000 and better cost control in operating costs. IT costs have decreased substantially compared to the previous year. Tamro Sweden employed an average of 519 (578) people in 2001.

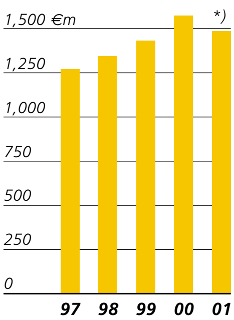
Internet-based information services both to suppliers and pharmacies were developed during the year. Tamro Web Analysis is designed for suppliers and it offers an information system for stocks and sales. The suppliers have access to sales statistics, transactions, back order information and certain key performance indicators. All information is updated on a daily basis.

Tamro Web Direct, another Internet-based application, has been developed to complement Tamro Sweden's customer service provided to pharmacies. Each pharmacy can easily and quickly find valuable real time operational information about orders, deliveries, back orders and stocks.

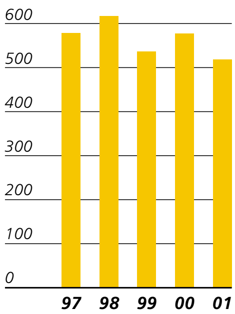
Outlook for 2002

The pharmaceutical market will continue to grow, but, according to authorities' estimates, at a slower pace, the focus being on healthcare cost containment. Internally Tamro Sweden will concentrate on efficiency of operations and the overall quality of services in order to guarantee added value for customers' operations. The development of the Tamro's highly competitive business information systems will continue at a rapid pace to provide customers with real time business information.

Net sales



Employees



**) In terms of SEK, net sales rose by 3.5%.*

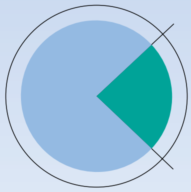
" Tamro, with its professional and customer-oriented service, is a trustworthy partner for us."

Ingela Holmqvist, Pharmacist,
Apoteket Vågen,
Västra Frölunda, Sweden

Tamro Denmark (Nomeco)

"It is Nomeco's mission to ensure that all pharmaceuticals in Denmark are available immediately when needed."

Jan Bonde
Managing Director



Share of consolidated net sales 24%

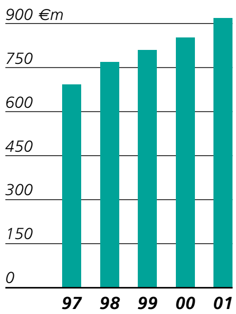
The brisk growth of pharmaceutical sales continued in Denmark. Overall pharmaceutical sales by wholesalers rose by 9.4% and amounted to EUR 900 million in pharmacy purchasing prices.

The development during the year was considerably influenced by legislative changes, which have had a great impact on the conditions of pharmaceutical distribution in Denmark.

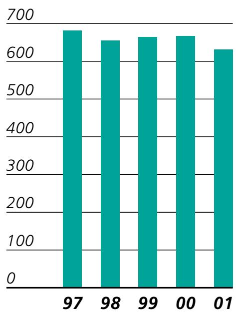
The price freeze on pharmaceuticals expired in the beginning of July. Consultations between the Ministry of Health and the manufacturers' association resulted in an adjustment of the Danish price level. The prices of pharmaceuticals are now an average of the North European prices and the reference calculations no longer include prices from low-price South European markets. By the fourth quarter the price level had been adjusted according to the new calculations. This in combination with the introduction of new and more expensive products has had as a consequence that the aggregate market increased more than expected in the beginning of 2001.

As of 1 October 2001 also the non-pharmacy retail trade has been allowed to include selected OTC products in its assortment. The entire assortment comprises approximately 400 items. No significant changes - apart from the sale of nicotine dependency treatments - have been noted in the pharmacies' net sales for the said OTC products. The risk still exists that wider patient access to pharmaceutical products will increase the total consumption, which is neither desirable nor intended.

Net sales



Employees



Financial performance and operations

In 2001 Nomeco's net sales amounted to EUR 919.8 (852.5) million, 7.9% compared to the previous year. Operating profit improved compared to 2000.

Since 1 July 2000 wholesalers have been allowed to grant cost-related discounts on pharmaceuticals to pharmacies. Danish legislators' estimates of total discount costs of approx. DKK 60 million have proved correct. The fact that pharmaceutical wholesalers have been unable to compensate for this cost fully with cost savings influenced earnings negatively in 2001.

In the beginning of the year Nomeco sold all its shares in the subsidiary Bang & Tegner A/S to Apotekernes A/S, which is owned by the Danish Pharmaceutical Association.

In 2001 the average number of full-time employees in Nomeco amounted to 632 (666), split between 489 (515) in the parent company and 143 (151) in the subsidiaries.

In spring 2001 Nomeco received its ISO certificate 9001. The process has been extremely resource-consuming at all levels of the organisation, but on the other hand, the certificate will contribute to supporting the company's image as a quality company.

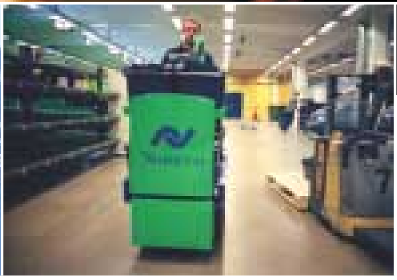
During the last 12 months the Pharmacy Division has been phasing in the VMI concept (Vendor Managed Inventory), which ensures replenishment of the pharmacies stocks without direct placing of orders. The concept has been met with considerable interest among Nomeco's customers.

Outlook for 2002

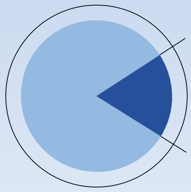
The financial performance of Nomeco is closely linked both to legislative initiatives with an impact on the pharmacies' situation in general and to the rules governing the setting of pharmaceutical prices. Furthermore, earnings will be influenced by any initiatives seeking to limit consumption, e.g., by decreasing reimbursement rates and the like. So far no signs indicate changes in these parameters. In 2002, Nomeco will concentrate on improving the efficiency of the Copenhagen branch.

" Nomeco offers pharmacies IT and logistics solutions that free valuable time for serving our own customers."

Poul Henning Due, Pharmacist, Valby Apotek, Copenhagen, Denmark



Tamro Finland



Share of consolidated net sales 18%

"We have to reach cost leadership in the Nordic countries, and maintain good quality and customer focus."

Jorma Turunen
Managing Director

The total Finnish pharmaceutical market grew by 12.1%. Overall pharmaceutical sales by wholesalers stood at EUR 1,294 million and the competitive situation remained tight. Tamro's share of drug sales by wholesalers diminished to under 50%. In spite of this, Tamro Finland remained a clear market leader.

At the end of the year the Ministry of Social Affairs and Health started preparing a national pharmaceuticals strategy. Among other issues, the Ministry will look at the costs and financing of medical treatment, the availability of pharmaceuticals, the distribution system and the benefits of IT in pharmaceuticals management.

Financial performance and operations

Tamro Finland's net sales amounted to EUR 672.2 (681.8) million, or 1.4% less than in the previous year. In the year under review six significant cooperation contracts with the pharmaceutical industry were extended, while one important partner was lost, the effects of which will be felt in 2002. Tamro Finland employed an average of 366 (440) people during the financial year.

Tamro Finland continued to undergo major changes in 2001. The information system introduced in the previous year was upgraded in March to enhance its euro readiness and improve its stability and manageability. Tamro Finland entered the euro era smoothly.

The biggest logistic change was the completion of the new Tampere regional service centre and its gradual introduction starting in June. The former distribution centre was closed in the end of August. As volumes grew at the new service centre, unexpected technical problems came up and further changes had to be rescheduled. This caused extra labour costs in other service centres which erased the cost benefit obtained as a result of staff reductions in the previous year and turned the company's profit into a loss in 3Q, and with a severe full year impact.

In summer Tamro Finland's warehouse operations were divided between Tamro House's central warehouse and the distribution warehouses of the regional service centres. This streamlining will make it easier to monitor inventory values.

The Pharmakon Unit, which belongs to Tamro Finland, markets healthcare products, hygiene products and cosmetics sold at pharmacies and natural product stores. The sales of Pharmakon remained at the previous year's level. A comprehensive cooperation agreement was concluded with the University Pharmacy concerning the sale of certain products marketed by different companies and of products represented by Pharmakon. The contract was renewed and its scope extended for 2002.

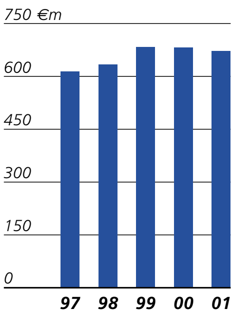
Organisation change

Mr Jorma Turunen was appointed Managing Director of both Tamro's pharmaceutical wholesale trade in Finland and the Tamro MedLab group as of 14 December 2001. Furthermore, Mr Stefan Pflug, Group Logistics Director, was appointed also Logistics Director for Tamro Finland.

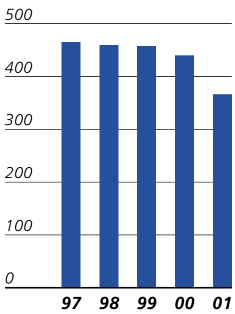
Outlook for 2002

Prospects are favourable for the pharmaceutical market also in 2002, but the present tough competitive situation in the wholesale trade is expected to continue. Tamro Finland's foremost aim in 2002 is to increase productivity, cost-efficiency and maintain service quality at a high level. Statutory negotiations due to the plans to concentrate Tamro Finland's distribution and customer service operations to Tampere and decrease the amount of employees started in January 2002.

Net sales

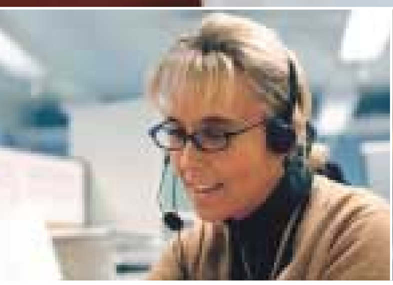


Employees

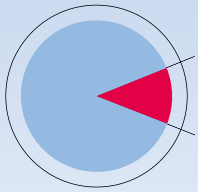


"The real value of a pharmacist to its customers is our pharmaceutical education and our competence in giving correct information about the use of medicines."

Hannu Pitkänen, Pharmacist,
Pakilan Apteekki,
Helsinki, Finland



Tamro Norway (Apokjeden Group)



Share of consolidated net sales 12%

"By being the most efficient and cost-focused, we will turn Apotek1 into the largest, most profitable, and preferred pharmacy chain in Norway."

Øyvind Winther
Managing Director

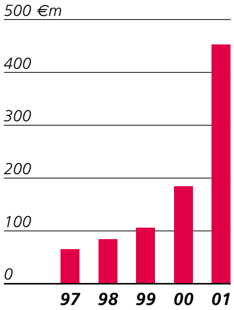
The Norwegian pharmaceutical market continued to grow at 10.7% in 2001. Pharmaceutical sales in terms of pharmacy purchasing prices rose to EUR 1,049 million. Key contributors to the good market growth were newer and costlier medicines.

The Norwegian pharmaceutical market was deregulated on a large scale in 2001. The New Pharmacy Law, effective as of 1 March 2001, in practice totally liberalised the ownership and establishment of pharmacies. At the end of the year there were 460 pharmacies in Norway, an increase of 63 pharmacies compared to the previous year. Approximately 85% of the pharmacies belong to one of three major chains, of which the Tamro Group Apokjeden chain is the biggest with an average market share of 38%. The other chains are owned by the two big European wholesalers Gehe and AllianceUnichem. Apokjeden is the only chain in the market where pharmacists are owners together with the wholesaler.

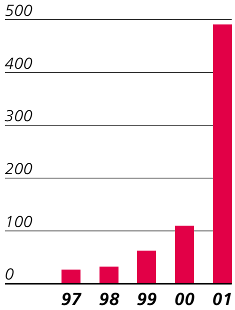
Financial performance and operations

In February, Tamro's Norwegian subsdiary Tamro Distribution AS and the Apokjeden pharmacy chain decided to merge their Norwegian operations into Apokjeden Group. Tamro subscribed to 49% of the shares in Apokjeden and Tamro Distribution AS became a fully owned subsidiary of Apokjeden Group. In the Norwegian market, Apokjeden Group represents a fully integrated, market driven wholesale and retail group.

Net sales



Employees



Apokjeden Group's consolidated net sales rose to EUR 453.3 (185.0) million. The figure includes Tamro Distribution's entire wholesale for the year 2001 as well as the retail sales of Apokjeden's pharmacies in April-December. Apokjeden's financial performance was unsatisfactory and it made a loss, mainly due to the heavy investments in pharmacies during the year 2001. Apokjeden Group employs 491 (110) people, of which 292 people work in pharmacies.

The company has concluded agreements on part or total ownership with almost 140 pharmacies. Through these powerful investments Apokjeden has gained the position and structure required for building up sustainable long-term profitability as the leading actor in the Norwegian market.

Apokjeden Group represents over 180 of the Norwegian pharmacies. Twelve new pharmacies were opened, and already over 80 of the pharmacies have been restructured according to the branded Apotek1 chain concept. All members participate in the chains' marketing and sales campaigns.

Organisation change

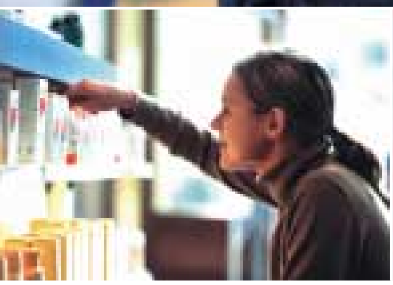
In January 2002, Mr Øyvind Winther was appointed Managing Director of Apokjeden Group, thus succeeding Mr Steinar Stokke who resigned in December.

Outlook for 2002

The establishment of pharmacies is expected to continue at a rapid pace in the market, with 40–50 new pharmacies to be opened in the entire country. Pharmacies will continue to join the three major chains. In this totally new market situation, the integration of wholesale activities with the pharmaceutical retail trade is vital for the sake of synergies, cost control and efficiency. The aim of Apokjeden Group is to maintain its leading position in Norway also in the present tightening competitive situation.

“At Apotek1 pharmacies we follow with great interest the fast-changing market situation in Norway.”

Berit Lysaker, Pharmacist,
Apoteket Nordstjernen,
Oslo, Norway



Tamro Lithuania

"Our aim is to be both the most efficient and the best in service quality. We consider customers as being part of our company."

Henrikas Petkevicius
Managing Director

The pharmaceutical market in Lithuania grew by 5% in 2001 and amounted to EUR 185 million. The market is very fragmented, with over 30 pharmaceutical wholesalers. Good distribution practice (GDP) requirements for pharmaceutical wholesalers according to EU directives will be obligatory for all wholesalers as of 2003. UAB Tamro, like all Tamro's wholesale units, is already following GDP requirements.

The imbalance between expenditures and incomes at governmental insurance institutions continued, and the debts of sick funds to pharmacies on prescribed medicines increased the financial expenditure of wholesalers.

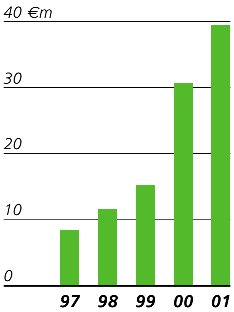
UAB Tamro's net sales grew to EUR 39.4 million, up 28.3% from the previous year. Tamro is the second biggest pharmaceutical wholesaler in Lithuania and employed 86 (149) people. UAB Tamro´s share of the group net sales was 1%.

The main focus was on increasing productivity and profitability and on saving costs, and these objectives were reached. Warehouse and call centre productivity in UAB Tamro doubled during 2001 and the company's profitability exceeded targets.

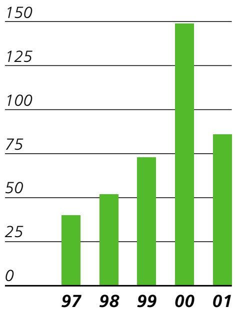
Outlook for 2002

In Lithuania the imbalances in the sick funds pose a marked financial risk and the market growth is mainly dependable of the development of the reimbursement system. UAB Tamro's target is to further improve its efficiency and to strengthen its position in the market. New technology solutions will be used in customer relation management.

Net sales



Employees



Tamro Estonia

"Through our new business in retail we can measure and maximise the value of our customer assets, and by doing so, improve the value of our business."

Tarvo Vaasa
Managing Director

Sales by pharmaceutical wholesalers in Estonia increased throughout the year, reaching EUR 80 million, 11% more than in 2000. The Estonian markets underwent significant changes during 2001, with pharmacies joining chains and transferring to the ownership of wholesalers. Tamro also made its first pharmacy acquisition when it bought the Tallinn-based Koduapteegi OÜ and its three pharmacies located in the heart of Tallinn.

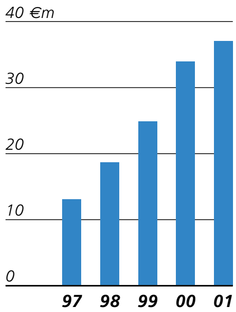
The new Estonian distribution centre, which also serves other Baltic countries, opened in February 2001. Price competition in pharmaceutical wholesale accelerated, leading Tamro Estonia to cut costs in the summer.

Tamro Estonia's net sales were EUR 37.1 million, or 9.1% higher than in the previous year. Tamro Estonia is Estonia's second biggest pharmaceutical wholesale company. The company's profitability met expectations. Tamro Estonia employed 85 (78) people, of which 6 worked in pharmacies. Tamro Estonias´s share of the group net sales was 1%.

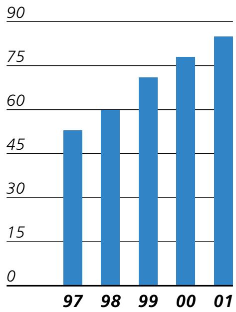
Outlook for 2002

The market in Estonia is expected to continue its growth by 10%. Pharmacy chain formation and the concentration of the retail market will continue rapidly. Customer service will enhance its technological readiness and key focus will be on efficiency-boosting methods and cost control.

Net sales



Employees



“ The first steps in the liberalisation of pharmacy ownership have been taken in Estonia. Our pharmacy is now owned by Tamro Group.”

Anne Lopato, Pharmacist,
Sikupilli Apteek,
Tallinn, Estonia

Tamro Latvia

"Teamwork is my pledge of success in business."

Juris Cilinskis
Managing Director

The pharmaceutical market in Latvia expanded by about 7% and amounted to approx. EUR 115 million in 2001. Further expansion was burdened by insufficient financing of the governmental healthcare system.

The consolidation process on both the wholesale and the retail level continued. Although there still are more than 40 licensed pharmaceutical wholesalers, the top 5 control two thirds of the market, with Tamro SIA the market leader.

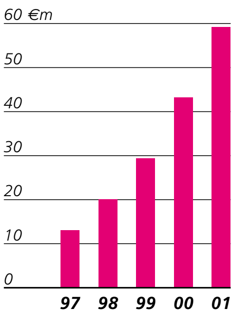
Tamro bought a leading wholesaler, Hansa Pharma Balticum and its pharmacy chain "Gimenes aptieka" with 25 outlets in June. Through this acquisition Tamro's market share in wholesale grew from 20% to 27% and Tamro signalled its entry into the retail business, where it now holds 7% of the market. Integration of its wholesale operations into Tamro SIA's operations was completed in 3Q.

Tamro Latvia's net sales of EUR 59.2 million exceeded the targets and contributed to fulfilment of the expected profit level. Net sales grew by 36.7% compared to 2001. Tamro employed an average of 189 (93) people, of which 77 worked in pharmacies. The corresponding year-end figures were 263 and 134. Tamro Latvia´s share of the group net sales was 2%.

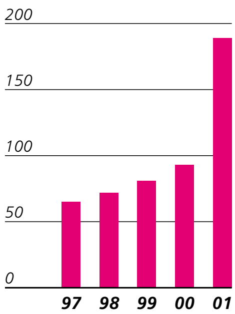
Outlook for 2002

The pharmaceutical market is expected to grow by nearly 10% due to considerable increase in financing of the governmental budget. Improvements in operational efficiency, cost control and customer service will enable Tamro SIA to augment both its sales and market share. In retail the main effort is to develop the Gimenes aptieka chain to be a clear market leader.

Net sales



Employees



Tamro Russia

"We expect continued steady growth of our markets and consolidation of distributors through mergers and acquisitions. Customers and suppliers expect wholesalers to offer better-quality services."

David Panikashvili
Managing Director

After a sluggish start, sales in Northwestern Russia reached a yearly growth rate of nearly 15% in the autumn, and overall pharmaceutical sales by wholesalers totalled EUR 240 million at year-end.

Big Russian pharmaceutical wholesalers continued to consolidate, thus strengthening their market position. Pharmacy chains and private pharmacies were established. At year-end, after a lengthy process, a 10% value-added tax was imposed on all pharmaceuticals.

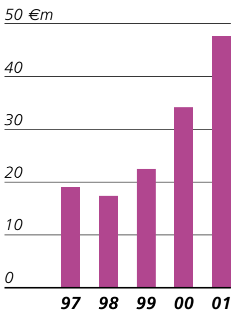
ZAO Pharm Tamda 77's net sales increased by 39% to EUR 47.7 million. The company reinforced its market position and employed an average of 185 (180) people. Its share of the group net sales was 1%. A new distribution centre was established in Vologda, and it reached its sales targets by the end of the year. In Petrozavodsk customer service was improved by developing sales office operations, which also made it possible to close the distribution centre.

The positive sales development especially in 4Q, together with more efficient operations, resulted in a significant improvement in the result.

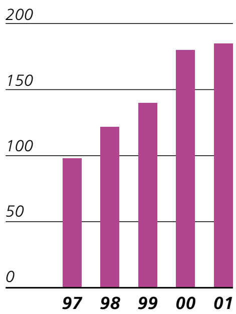
Outlook for 2002

The Russian pharmaceutical market is expected to grow by 10%. Also Tamro Russia, like Tamro's Baltic units, will strive to improve cost efficiency and strengthen its market position.

Net sales



Employees



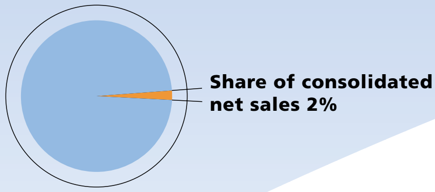
"A reliable wholesaler is really a pharmacist's dream. Accurate and quick deliveries are essential to our success."

Inára Losjaka, Pharmacist, Gimenes aptieka, Riga, Latvia

Tamro MedLab

"After improving internal quality, we need strong focus on customers again."

Jorma Turunen
Managing Director



Mergers between manufacturers of hospital supplies and laboratory products continued in 2001. Tamro MedLab maintained its strong position as a supplier of world class products, enabling it to offer its customers a wide range of quality products for a variety of needs.

Financial performance and operations

Tamro MedLab group's net sales grew by 4.0% to EUR 92.6 (89.0) million. Sales were the most upbeat in Finland and Denmark. The group was successfully restructured, and this showed in the result. The company employed en average of 257 (271) people.

On 1 March 2001 Tamro MedLab Finland rolled out the Movex information system according to plan and without glitches. The Movex system is already in use in Sweden's and Norway's MedLab companies, where it has proved its worth as a support for business operations. Tamro MedLab's electronic marketplace MedLab Market was upgraded as well. The market place has gained wide popularity and already has about one thousand registered users.

A subsidiary, Tamro MedLab SIA, was established in Latvia.

During the year, logistics focused on boosting the efficiency of Finnish operations and improving quality. The materials flow from supplier to customer was transferred from marketing to logistics. A satisfactory level was achieved in capacity and reliability of delivery. The outsourcing of warehouse operations was finalised. Finland switched to the euro without problems.

Tamro MedLab group's business is divided into two very different business units: Med and Lab. Healthcare products (medical supplies and equipment) are Med's territory and they are sold to hospitals and various healthcare facilities in all of Tamro MedLab's countries of operation, i.e., the Nordic and Baltic countries. Laboratory products are sold in Finland, Sweden and Norway to industrial, research and educational laboratories.

Med's sales developed favourably in Finland, Norway and Denmark. The focus of Finland's equipment sales was reconsidered and this boosted sales.

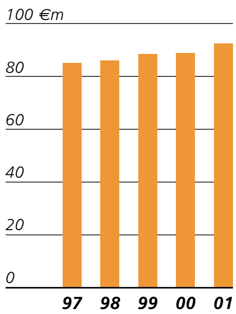
The sales of treatment equipment for diabetes patients were started in the entire market area. Diabetes treatment is one of the fastest growing healthcare sectors. Throughout the market area other product groups were included in the sales programme as well. Development of the TamroMed trademark continued and new products were added to the TamroMed family.

Lab's business operations are divided into laboratory supplies and life science products. In Finland, sales of life science and clean room products grew the fastest. In order to serve better its customers, Tamro MedLab opened its own presentation, sales and service point at Biomedicum in Helsinki. Sweden was awarded the ISO 9002 certificate. The streamlining measures taken in Norway were a success.

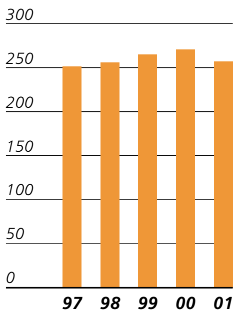
Outlook for 2002

Steady growth is expected to continue in the hospital product market. The input in life science research will continue in 2002, further boosting the sales of Lab products. The prospects for improving Tamro MedLab group's profitability are good.

Net sales

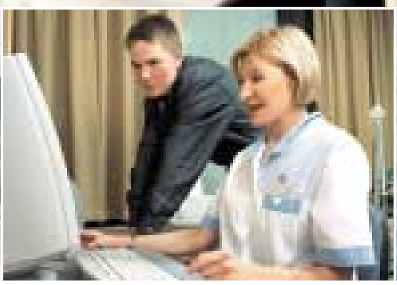


Employees



" Tamro MedLab is a versatile supplier and it is easy to order through their MedLab Market."

Susanna Huuskonen, Director of Finance,
Diacor terveyspalvelut Oy,
Espoo, Finland



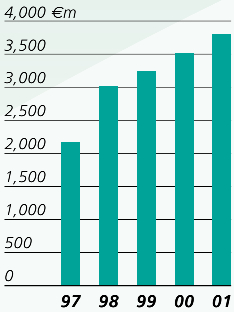
Board of Directors´ report

Year 2001 was an important transition year for Tamro Group. The Board of Directors abandoned the vision of the Nordic concept and shifted the corporate policy to cost leadership and the creation of added value through forward integration.

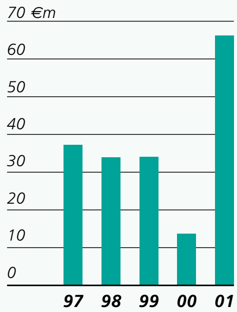
Tamro took its first steps in pharmacy ownership in Norway, Latvia and Estonia. Tamro Group's strategy to focus on the pharmaceutical distribution was finalised by the divestment of the company's stake in Mölnlycke Health Care AB.

The strong market position of over 50% in the Nordic countries gives Tamro Group a solid ground to achieve its strategy of cost leadership, customer orientation and forward integration.

Net sales



Operating profit



Markets and operating environment

Markets

The year 2001 was highlighted by solid growth in pharmaceutical sales in each of the Nordic countries. Overall growth exceeded 9%, and it has remained at this level for the past four years. The increase in sales derives mainly from medicines launched during the last five years. This increased use of medicines is due to new therapy fields, intensified efforts to prevent diseases or their recurrence, and to the increased ageing of population.

In the Baltic States the growth of pharmaceutical wholesale varied between 5% and 10% and in Northwestern Russia reached a yearly growth rate of nearly 15% after a sluggish start.

Tamro Group took 70% of the total market growth in the Nordic countries. Tamro's market share rose to 51 (49)%, mainly due to the strong growth of wholesale operations in Norway.

Tamro Group is the clear market leader in Denmark, Sweden, Finland, Latvia and Northwestern Russia and the second largest wholesaler in Norway, Estonia and Lithuania.

Operating environment

A new Pharmacy Law, effective from 1 March 2001, freed pharmacy ownership and establishment in Norway. By the end of the year, 400 years of tradition had been replaced by full liberalisation of the pharmacy market and the establishment of three major pharmacy chains, of which the market leader is the Tamro Group company Apokjeden with its approx. 40% share of the retail market. Deregulation continued also in Latvia and Estonia, where Tamro Group seized the opportunity to make its first pharmacy acquisitions.

In Denmark, the sales of certain ranges of OTC products were allowed outside pharmacies starting in October, and they are now sold to some extent in supermarkets, kiosks and gas stations. In Sweden, private entrepreneurs have demanded the liberalisation of OTC drugs. In Finland, the national medicinal strategy working group, which was established in November at the Ministry of Social Affairs and Health, will also examine the potential sales of OTC products through supermarkets.

In all the Baltic countries and also in Russia, decisions have been made to impose a VAT of 5–10% on medicines either in 2001 or in the years to come. The Baltic States also continued to implement new legislation in order to harmonise their regulatory requirements towards EU standards.

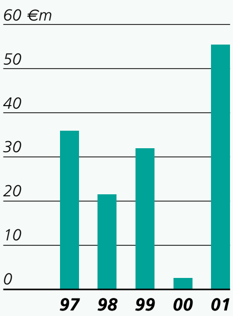
All the authorities in Tamro's operating area keep a keen watch on the pricing and reimbursement systems in order to curb the rising costs of medicines.

Q4 development

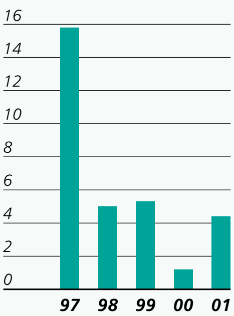
The positive growth of pharmaceutical wholesale continued during the fourth quarter. The aggregate sales of wholesalers in the Nordic countries grew by 9.6% compared to the corresponding period a year earlier. The increase was highest in Finland, over 13%, and lowest in Sweden, approximately 7%. Tamro's market share in the Nordic countries was 50.6%.

Tamro Group's net sales during the fourth quarter rose to EUR 1,002.7 (951.5) million, up 5.4% compared to the previous year. The Group operating profit was booked to

Ordinary profit before taxes



Interest cover



Net sales by unit (€m)	***2001***	*2000*	*Change, %*
Tamro Sweden	***1,487.0***	*1,573.8*	*–5.5*
Tamro Denmark	***919.8***	*852.5*	*7.9*
Tamro Finland	***672.2***	*681.8*	*–1.4*
Tamro Norway	***453.3***	*185.0*	*145.0*
Tamro Estonia	***37.1***	*34.0*	*9.1*
Tamro Latvia	***59.2***	*43.3*	*36.7*
Tamro Lithuania	***39.4***	*30.7*	*28.3*
Tamro Russia	***47.7***	*34.2*	*39.5*
Tamro MedLab	***92.6***	*89.0*	*4.0*
Other and internal	***–12.7***	*–5.9*	*–115.3*
Total	***3,795.6***	*3,518.4*	*7.9*

EUR 39.0 million including in other income EUR 54.1 million from the sale of the shares in Mölnlycke Health Care AB and EUR 1.4 million from the sale of LP Logistic Services Ltd shares, and EUR 18.9 million in non-recurring write-offs from Lääketukku and Apokjeden Group goodwill amortisations. The EUR 10.1 million consolidated goodwill from the establishment of Apokjeden Group in 2001 has been amortised totally due to change of strategy and delay in restructuring.

Net sales and financial performance

The Group's net sales for the fiscal year 2001 were EUR 3,795.6 (3,518.4) million, up 8% (EUR 278 million) on the previous year. Most of the growth was attributed to Norway, Denmark and the Baltic States. Tamro MedLab's share of the Group net sales was 2.4%.

The consolidated operating profit was booked to EUR 66.6 (13.7) million. The result was strongly boosted by EUR 58.3 million in capital gains, mainly from the divestment of the shares in Mölnlycke Health Care AB at the year-end. At the same time also non-recurring write-offs of EUR 18.9 million were made, mainly due to goodwill amortisation from earlier acquisitions. The Group's full year operating profit margin without these non-recurring items was 0.8%.

The Group's financial performance is diverse. On one hand, both Denmark and Sweden exceeded expectations and contributed positively to Group performance. Also both Lithuania and Tamro MedLab succeeded well in turning the previous year's loss into the targeted profit.

On the other hand, neither Finland nor Norway reached their targets and they both made a loss. Finland's result is pulled down by the cost of commissioning the Tampere service centre and the delay in realising related rationalisation benefits.

In Norway, Apokjeden Group's loss results from accelerated pharmacy acquisitions and the high costs of starting up pharmacy chain operations. Improvements in Apokjeden's wholesale operations were on target.

The consolidated ordinary profit before taxes was EUR 55.5 (2.5) million. The result includes a share of the affiliated company Mölnlycke Health Care AB's profit of EUR 3.1 (3.3) million, a share of the loss of the affiliated company Apokjeden AS of –1.2 EUR million during the first quarter of 2001, and the capital gains from the following sales of shares: EUR 1.5 million from Sponda, EUR 1.0 million from the Danish Bang & Tegner, EUR 1.4 million from LP Logistic Services Ltd and EUR 54.1 million from the stake of Mölnlycke Health Care AB.

The Group's ordinary net profit totalled EUR 38.1 (–1.9) million. The impact of Tamro's Norwegian operations on Tamro Group's net result after minority interests was EUR –8.0 million during the financial year. In addition, consolidated goodwill amortisation of Apokjeden Group amounted to EUR 10.1 million.

The return on capital employed was 13.1 (4.0)% and return on equity 10.4 (–0.6)%. Earnings per share were EUR 0.33 (–0.02).

The Group's total net profit for 2001 was EUR 38.1 (–12.2) million. The Group figures for 2000 include EUR 13.5 million in extraordinary costs from the manipulated accounting in Norway prior to the year 2000, and they are therefore not comparable with the figures of the financial year under review.

Financing

The free cash flow after capital investments was EUR –18.7 (29.3) million. The net working capital increased to EUR 259 (226) million.

Year-end liquid assets were EUR 60.2 (103) million. Net debt at year's end totalled EUR 171.8 (140) million. The Group's net gearing at the end of 2001 finished at 49.2 (46.4) %. Average interest-bearing net debt during 2001 was EUR 236 million.

The receivable from the Mölnlycke Health Care AB divestment at the end of 2001 was SEK 680 million. The receivable was paid on 25 January 2002.

The Group's net financial expenses were EUR 13.0 (14.5) million. Of that, exchange rate differences represented EUR 1.1 (–5.3) million, market value differences of government bonds EUR –1.3 million and other financial expenses EUR –0.4 million. The net interest expenses totalled EUR –12.5 (–9.8) million. The increase resulted from the higher portion of the financing denominated in NOK and the higher average net debt during 2001.

The translation differences from the foreign-currency-denominated shareholders' equity and equity-type loans of overseas subsidiaries were EUR -1.5 million during the financial year. This amount was booked directly to reduce Tamro Group's consolidated equity.

During 2001, Finnish government bonds with nominal value of EUR 10 million were sold, and at the end of 2001 the remaining EUR 19 million was transferred from long-term investments to short-term investments. The market value difference of EUR–1.3 million was booked to the net financial expenses.

The euro conversion in Finland was carried out at the beginning of December 2001, and from 3 December 2001 the euro has been the accounting currency in Finland.

Foreign currency

The majority of the Group's net sales comes from the Nordic countries: SEK represented 39%, DKK 24%, EUR 19% and NOK 12% of the Group's net sales. EEK, LVL, LTL and RUR represented the remaining 6% of the net sales.

The foreign-currency-denominated shareholders' equity and equity-type loans were EUR 204 million at year-end 2001. From that amount SEK represented 43%, DKK 40%, NOK 9% and others 8%.

The foreign currency and other financial risks are managed according to Tamro Group's finance policy.

Capital expenditure, acquisitions and divestments

The Group's gross investments amounted to EUR 96.2 (35.8) million. The majority of these investments were allocated to pharmacy acquisitions in Norway, Latvia and Estonia. The major investment in Finland was the new Tampere service centre with a total investment of EUR 8.3 million, of which EUR 0.9 was allocated to 2001. Other investments relate mainly to the modernisation of distribution centres.

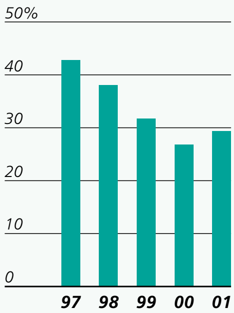
A significant capital investment was made in March in Norway, where the shareholders' equity in Apokjeden AS was increased by NOK 280 million.

The major divestment was the sell-off of shares in Mölnlycke Health Care AB in December for the price of SEK 680 million. The capital gains for the sale was booked at EUR 54.1 million. Other divestments include the sale of Bang & Tegner shares, the sale of Sponda shares, the sale of Tamro MedLab's 50% stake in SIFT AB and the sale of shares in LP Logistic Services Ltd.

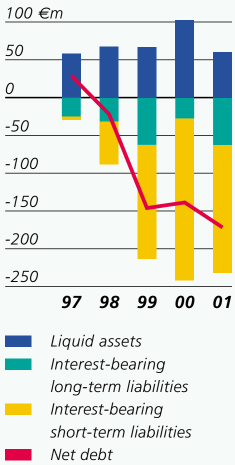
Major changes in the Group structure

In February 2001 the decision was made to merge Apokjeden AS and Tamro Distribution AS. Before the merger, Tamro's ownership in Apokjeden was 13% and in Tamro

Equity ratio



Year-end financial position



Distribution AS 51%. In the merger Tamro subscribed to 49% of the shares of the new entity Apokjeden Group, and Tamro Distribution AS became a fully-owned subsidiary of Apokjeden Group. Apokjeden Group has been consolidated into Tamro Group as of 1 April.

In June, Tamro acquired the total share capital of the Latvian wholesaler SIA Hansa Pharma Balticum and Hansa Pharma, the owner of Gimenes aptieka pharmacy chain. Both companies have been consolidated into Tamro Group as of 1 July.

Research and development

Tamro focused its research and development on IT and different Internet-based information service solutions for principals and customers.

Personnel and organisation

Tamro's payroll averaged 2,854 (2,683) employees during the financial year. Of the total staff, 23% worked in Denmark, 20% in Finland and in Sweden, 18% in Norway and 19% in the Baltic States and Russia. Of the total staff, an average of 376 employees (13%) worked in pharmacies in Norway, Latvia and Estonia. At the year-end the Group personnel amounted to 3,148, of which over 700 (23%) worked in pharmacies. The average amount of employees working in wholesale distribution decreased by 7.6% compared to the previous year.

The wages and salaries paid by the Group during 2001 totalled EUR 88 (79) million, including EUR 14 (14) million paid by the parent company Tamro Corporation. The remuneration paid to Tamro Corporation's Board of Directors and CEO amounted to EUR 0.4 (0.4) million.

Tamro's shares

Share capital

The share capital of Parent Company Tamro Corporation on 31 December 2001 amounted to EUR 114,837,083, divided into a total of 114,837,083 shares with a nominal value of EUR 1. Tamro Corporation shares are listed on the Helsinki Exchanges.

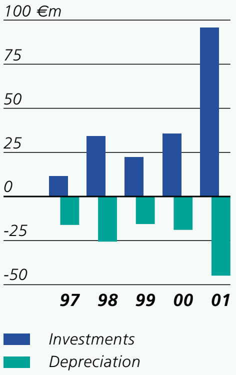
On 31 December 2001, 27% of Tamro Corporation's shares were in Finnish, 19.3% in Swedish and 35.3% in German ownership. In addition, another 18.2% of the shares were nominee holdings, and 0.2% other foreign holdings. Foreign ownership thus accounted for a total of 73% of Tamro's shares.

Share performance

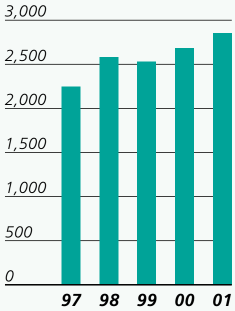
The closing price for 2001 stood at EUR 3.59, up 115% from the end of 2000 (EUR 1.67). The year's trading high was EUR 4.10 and trading low EUR 1.65. During 2001, a total of 19.6 (22.4) million shares changed hands, equivalent to 17% of the average number of all Tamro shares. This share turnover represented a market value of EUR 67.3 (60.5) million. The share turnover decreased by 12.5%, but the market value of the traded shares rose by 11.2% compared to the previous year.

Tamro's market capitalisation at year-end was EUR 411.0

Investments and depreciation



Employees average



Number of employees by unit	*2001*	*2000*	*Change, %*
Tamro Sweden	***519***	*578*	*–10.2*
Tamro Denmark	***632***	*667*	*–5.2*
Tamro Finland	***366***	*440*	*–16.8*
Tamro Norway	***491***	*110*	*346.4*
Tamro Estonia	***85***	*78*	*9.0*
Tamro Latvia	***189***	*93*	*103.2*
Tamro Lithuania	***86***	*149*	*–42.3*
Tamro Russia	***185***	*180*	*2.8*
Tamro MedLab	***257***	*271*	*–5.2*
Other	***44***	*117*	*–62.4*
Group total	***2,854***	*2,683*	*6.4*

million, compared with EUR 191.2 million at the close of 2000. The market capitalisation figure does not include own shares. Information on share price trends and share-specific data for the past five years are presented on page 56.

Own shares

The Annual General Meeting held on 23 April 2001 authorised the Board of Directors to decide on the repurchase and the transfer of own shares (book-entry securities).

By the end of 2001 the company had not bought back or transferred any Tamro Corporation shares. The company's holding of 341,000 own shares purchased according to the decision of the 1999 Annual General Meeting, corresponds to 0.3% of the year-end share capital.

Permanent insiders' shareholdings and options

At year's end, the Board Members and the CEO held a total of 205,000 Tamro Corporation shares, 250,000 year 1997 warrants and 400,000 year 2000 share option rights. Share holdings include assets of dependents and significantly influenced companies, and they correspond to 0.18% of shares and voting rights. The rest of the Group management and the permanent insiders owned correspondingly a total of 9,762 shares, 200,000 year 1997 warrants and 800,000 year 2000 share option rights.

Board of Directors

The Annual General Meeting of 23 April 2001 elected six members to Tamro's Board of Directors. Dr Bernd Scheifele (CEO, Phoenix Group) was elected Chairman. The other Board members elected were Mikael von Frenckell, Johan Horelli, Dag Johannesson, Reimund Pohl and Dr Lorenz Näger.

The Authorised Public Accountants SVH Pricewaterhouse Coopers Oy and Johan Kronberg, APA, were elected Tamro's external auditors.

Group Management

Stefan Pflug was appointed Group Logistics Director as of 1 September. Stefan Åkesson started as Tamro Sweden's Managing Director as of 1 December and Jorma Turunen as Tamro Finland's and Tamro MedLab's Managing Director as of 14 December.

Events after the financial year

The Extraordinary General Meeting of Apokjeden AS approved in December the proposal of the Board of Directors of Apokjeden AS to increase Apokjeden´s share capital by NOK 40,982,500 through a rights issue to current shareholders in January 2002. Tamro's total capital investment into Apokjeden's shareholders' equity was NOK 121 million. After the share issue Tamro's ownership in Apokjeden AS increased to 56.15%.

The Board of Directors appointed Øyvind Winther the new Managing Director of Apokjeden Group as of 15 January 2002.

The Board of Tamro Corporation appointed Mr Jo Langmoen the new CEO of Tamro Group as of 23 January 2002.

Outlook for the near future

The steady 7–9% underlying growth of pharmaceutical markets in the Nordic countries is estimated to continue. Tamro's consolidated sales are expected to grow accordingly.

The concentration of our markets in the Baltic States is expected to gain more ground due to the deregulation process advancing in these countries. Tamro will continue to play an active role in this consolidation process.

According to Tamro Group's strategy to achieve the cost leadership in the Nordic countries, our main target in 2002 is to increase efficiency and overall profitability within the whole Group. Special attention will be focused on Tamro Finland and Apokjeden Group, both of which are targeting to reach break-even. For the whole Tamro Group in 2002 we have our sights set on a substantial growth in the ordinary pre-tax profit excluding non-recurring items.

Consolidated income statement

Note	*1 Jan – 31 Dec (in EUR thousands)*	2001	%	2000	%
1	**NET SALES**	***3,795,622***	***100.0***	*3,518,374*	*100.0*
2	**OTHER INCOME**	***58,286***		*3,282*	
3	*Raw materials and services*	***3,564,238***		*3,317,485*	
4	*Personnel expenses*	***108,271***		*96,432*	
5	*Depreciation and value adjustments*	***44,777***		*18,825*	
	Other operating expenses	***70,032***		*75,229*	
	Total operating expenses	***3,787,318***		*3,507,971*	
	OPERATING PROFIT	***66,590***	***1.8***	*13,685*	*0.4*
6	*Financial income and expenses*	***–12,948***		*–14,516*	
11	*Share of affiliated companies' net income*	***1,893***		*3,281*	
	ORDINARY PROFIT BEFORE TAXES	***55,535***	***1.5***	*2,450*	*0.1*
8	*Income taxes on ordinary activities*	***–21,857***		*–4,437*	
	Minority interest	***4,454***		*51*	
	ORDINARY NET PROFIT	***38,132***	***1.0***	*–1,936*	*-0.1*
7	*Extraordinary income and expenses, net of taxes*	***0***		*–10,304*	
	NET PROFIT FOR THE PERIOD	***38,132***	***1.0***	*–12,240*	*-0.3*

Consolidated balance sheet

Note	**31 Dec** *(in EUR thousands)*	**2001**	**%**	2000	%
	FIXED ASSETS				
9	**INTANGIBLE ASSETS**				
	Intangible rights	***3,229***		*4,390*	
	Goodwill	***60,881***		*731*	
	Consolidated goodwill	***8,443***		*19,285*	
	Other capitalised expenditure	***1,617***		*1,051*	
		74,170		*25,457*	
9	**TANGIBLE ASSETS**				
	Land areas	***11,985***		*12,186*	
	Buildings and structures	***114,886***		*113,771*	
	Machinery and equipment	***37,899***		*26,583*	
	Other tangible assets	***890***		*476*	
	Advance payments and construction in progress	***267***		*3,259*	
		165,927		*156,275*	
	FINANCIAL ASSETS				
	Shares in subsidiaries	***120***		*221*	
11	*Shares in affiliated companies*	***13,513***		*22,885*	
	Other shares and participations	***982***		*10,903*	
10	*Other financial assets*	***748***		*32,929*	
32	*Own shares*	***975***		*569*	
17	*Deferred income tax asset*	***9,854***		*3,814*	
		26,192		*71,321*	
	TOTAL FIXED ASSETS	***266,289***	***22.5***	*253,053*	*22.5*
	CURRENT ASSETS				
	INVENTORIES				
	Materials and supplies	***772***		*823*	
	Work in progress	***236***		*280*	
	Goods	***286,479***		*307,172*	
		287,487		*308,275*	
	RECEIVABLES				
	Accounts receivable	***483,514***		*462,180*	
	Loan receivable	***1,439***		*212*	
12	*Prepaid expenses and accrued income*	***80,950***		*22,160*	
	Other receivables	***5,222***		*9,467*	
		571,125		*494,019*	
	SHORT-TERM INVESTMENTS	***23,016***		*21,594*	
	CASH AND BANK	***37,138***		*47,704*	
	TOTAL CURRENT ASSETS	***918,766***	***77.5***	*871,592*	*77.5*
	TOTAL ASSETS	***1,185,055***	***100.0***	*1,124,645*	*100.0*

Note	31 Dec (in EUR thousands)	2001	%	2000	%
14	**SHAREHOLDERS' EQUITY**				
13	*Share capital*	**114,837**		114,837	
	Share premium account	**5,640**		5,640	
	Revaluation reserve	**1,135**		1,136	
	Other reserves	**322**		465	
	Fund for own shares	**975**		569	
	Retained earnings	**209,751**		178,258	
		332,660	**28.1**	300,905	26.8
	MINORITY INTEREST	**17,219**		1,850	
15	**OBLIGATORY RESERVES**	**3,720**	**0.3**	4,327	0.4
	LIABILITIES				
	LONG-TERM LIABILITIES				
16	*Loans from financial institutions*	**39,523**		5,915	
16	*Pension fund loans*	**23,521**		10,216	
16	*Other long-term liabilities*	**81**		85	
		63,125		16,216	
	SHORT-TERM LIABILITIES				
	Loans from financial institutions and other interest-bearing loans	**163,353**		225,502	
	Pension fund loans	**5,553**		0	
	Advances received	**116**		76	
	Accounts payable	**555,321**		543,751	
18	*Accrued expenses and deferred income*	**23,311**		21,630	
	Other current liabilities	**20,677**		10,388	
		768,331		801,347	
	TOTAL LIABILITIES	**831,456**	**70.2**	817,563	72.7
	TOTAL EQUITY AND LIABILITIES	**1,185,055**	**100.0**	1,124,645	100.0

Consolidated cash flow statement

1 Jan – 31 Dec *(in EUR millions)*	***2001***	*2000*
Operating profit	***66.6***	*13.7*
Depreciation, value adjustments and other adjustments	***–14.3***	*38.4*
Financial income and expenses	***–14.1***	*–14.5*
Other income and expenses	***–0.3***	*0.1*
Taxes	***–17.0***	*–6.2*
	21.0	*31.5*
CHANGE IN NET WORKING CAPITAL		
Inventories, increase (–), decrease (+)	***20.9***	*–2.8*
Current receivables, increase (–), decrease (+)	***–69.8***	*–48.3*
Non-interest bearing debts, increase (+), decrease (–)	***18.5***	*83.8*
CASH FLOW BEFORE INVESTMENTS	***–9.4***	*64.1*
INVESTMENTS		
Investments in fixed assets	***–96.2***	*–35.8*
Sale of fixed assets and other changes	***86.9***	*0.9*
FREE CASH FLOW	***–18.7***	*29.3*
FINANCING		
Long-term debt, increase (+), decrease (–)	***25.2***	*–17.2*
Short-term debt, increase (+), decrease (–)	***–44.3***	*45.8*
Long-term bonds, increase (–), decrease (+)	***32.2***	*–*
Dividends	***–5.7***	*–17.2*
Repurchase of own shares	*–*	*–4.7*
Translation differences and other changes	***2.2***	*–1.2*
CHANGE IN LIQUID ASSETS, INCREASE (+), DECREASE (–)	***–9.1***	*34.8*

The change in net working capital includes the receivable of sales of Mölnlycke Health Care shares.
Accordingly, the receivable has been recorded in line Sale of fixed assets. The sales price was received on 25 January 2002.

Income statement of the parent company

	1 Jan – 31 Dec *(in EUR thousands)*	**2001**	**%**	2000	%
21	**NET SALES**	**668,886**	**100.0**	679,594	100.0
22	**OTHER INCOME**	**53,831**		2,886	
23	*Raw materials and services*	**646,515**		650,184	
24	*Personnel expenses*	**16,943**		17,718	
25	*Depreciation according to plan*	**15,674**		5,478	
	Other expenses	**12,911**		20,053	
	Total operating expenses	**692,043**		693,433	
	OPERATING PROFIT	**30,674**	**4.6**	–10,952	–1.6
26	*Financial income and expenses*	**13,051**		24,130	
	ORDINARY PROFIT BEFORE TAXES	**43,725**	**6.5**	13,178	1.9
27	*Extraordinary income and expenses*	**–164**		–22,372	
	PROFIT BEFORE TAXES	**43,561**	**6.5**	–9,194	-1.4
28	*Appropriations*	**12,113**		2,858	
29	*Income taxes*	**–5,868**		–2,319	
	NET PROFIT FOR THE PERIOD	**49,806**	**7.4**	–8,655	–1.3

Balance sheet of the parent company

	31 Dec *(in EUR thousands)*	**2001**	**%**	2000	%
	FIXED ASSETS				
30	**INTANGIBLE ASSETS**				
	Intangible rights	**1,874**		2,164	
	Goodwill	**3,904**		14,460	
	Other capitalised expenditure	**80**		3	
		5,858		16,627	
30	**TANGIBLE ASSETS**				
	Land areas	**1,348**		1,348	
	Buildings and structures	**43,221**		46,804	
	Machinery and equipment	**5,541**		4,674	
	Other tangible assets	**240**		240	
		50,350		53,066	
	FINANCIAL ASSETS				
31	*Shares in subsidiaries*	**297,625**		254,407	
33	*Loan receivables from group companies*	**122,960**		127,949	
32	*Other shares and participations*	**409**		47,070	
10	*Other financial assets*	**0**		32,205	
32	*Own shares*	**975**		569	
		421,969		462,201	
	TOTAL FIXED ASSETS	**478,177**	**54.5**	531,894	60.6
	CURRENT ASSETS				
	INVENTORIES				
	Materials and supplies	**88,188**		94,629	
	LONG-TERM RECEIVABLES				
33	*Receivables from group companies*	**72,691**		72,141	
	SHORT-TERM RECEIVABLES				
	Accounts receivable	**34,013**		40,521	
33	*Receivables from group companies*	**75,252**		60,122	
	Loan receivables	**87**		84	
34	*Prepaid expenses and accrued income*	**77,834**		19,529	
		187,186		120,256	
	SHORT-TERM INVESTMENTS	**22,865**		16,227	
	CASH AND BANK	**28,531**		42,339	
	TOTAL CURRENT ASSETS	**399,461**	**45.5**	345,592	39.4
	TOTAL ASSETS	**877,638**	**100.0**	877,486	100.0

	***31 Dec** (in EUR thousands)*	***2001***	***%***	*2000*	*%*
35	**SHAREHOLDERS' EQUITY**				
13	*Share capital*	***114,837***		*114,837*	
	Share premium account	***5,640***		*5,640*	
	Revaluation reserve	***1,093***		*1,093*	
	Fund for own shares	***975***		*569*	
	Retained earnings	***390,949***		*346,867*	
		513,494	***58.5***	*469,006*	*53.4*
	APPROPRIATIONS				
36	*Accumulated depreciation difference*	***32,924***	***3.8***	*45,037*	*5.1*
37	**OBLIGATORY RESERVES**	***2,880***	***0.3***	*2,758*	*0.3*
	LIABILITIES				
38	**LONG-TERM LIABILITIES**				
	Loans from financial institutions	***13,560***		*0*	
		13,560		*0*	
	SHORT-TERM LIABILITIES				
	Loans from financial institutions and other interest-bearing loans	***115,864***		*184,176*	
	Accounts payable	***121,851***		*120,609*	
33	*Liabilities to group companies*	***67,767***		*48,188*	
39	*Accrued expenses and deferred income*	***7,723***		*4,832*	
	Other current liabilities	***1,575***		*2,880*	
		314,780		*360,685*	
	TOTAL LIABILITIES	***328,340***	***37.4***	*360,685*	*41.1*
	TOTAL EQUITY AND LIABILITIES	***877,638***	***100.0***	*877,486*	*100.0*

Cash flow statement of the parent company

1 Jan – 31 Dec *(in EUR millions)*	***2001***	*2000*
Operating profit	***30.7***	*–10.9*
Depreciation, value adjustments and other adjustments	***–36.0***	*13.4*
Financial income and expenses	***15.9***	*24.7*
Other income and expenses	***0.5***	*0.0*
Taxes	***–6.2***	*–0.2*
	4.8	*26.9*
CHANGE IN NET WORKING CAPITAL		
Inventories, increase (–), decrease (+)	***6.4***	*1.1*
Current receivables, increase (–), decrease (+)	***–68.0***	*–0.6*
Non-interest bearing debts, increase (+), decrease (–)	***1.6***	*–20.6*
CASH FLOW BEFORE INVESTMENTS	***–55.1***	*6.8*
INVESTMENTS		
Investments in fixed assets	***–2.3***	*–10.2*
Investment in subsidiary shares	***–30.7***	*–18.9*
Investment in other shares	***0.0***	*–0.9*
Sale of fixed assets and other changes	***84.5***	*5.6*
FREE CASH FLOW	***–3.5***	*–17.7*
FINANCING		
Long-term receivables, increase (–), decrease (+)	***14.3***	*–7.0*
Short-term receivables, increase (–), decrease (+)	***–46.6***	*7.0*
Long-term debt, increase (+), decrease (–)	***33.2***	*–12.5*
Short-term debt, increase (+), decrease (–)	***1.6***	*86.1*
Group contribution	***–0.2***	*0.2*
Repurchase of own shares	***0.0***	*–4.7*
Other changes	***–0.3***	*–*
Dividends	***–5.7***	*–17.2*
CHANGE IN LIQUID ASSETS, INCREASE (+), DECREASE (–)	***–7.2***	*34.1*

The change in net working capital includes the receivable of sales of Mölnlycke Health Care shares.
Accordingly, the receivable has been recorded in line Sale of fixed assets. The sales price was received on 25 January 2002.

Tamro Corporation's financial statements and consolidated financial statements have been prepared in accordance with Finnish legislation, which in all material respects is based on the provisions of EU Directives 4 and 7.

Scope of the consolidated financial statements

The financial statements include the parent company as well as those Finnish and overseas subsidiaries in which the parent company holds, directly or indirectly, more than 50 per cent of the voting rights. The subsidiaries acquired during the financial year are included in the consolidated financial statements from the date of acquisition. If a subsidiary is divested before the close of the financial year, its figures are included in the consolidated financial statements until the time of sale.

The consolidated financial statements do not include certain smaller non-operating companies. The companies excluded from the consolidated financial statements have no significant effect on the consolidated non-restricted equity.

The financial statement data on affiliated companies have been consolidated using the equity method. Affiliates are defined as companies in which the Group holds 20 to 50 per cent of the voting rights. Certain small affiliates have not been included in the consolidated financial statements. The effect of these companies on the consolidated non-restricted equity is insignificant.

Consolidation principles

Both the purchase method and the pooling-of-interests method have been used when preparing the consolidated financial statements.

Pooling method

Tamro AB and Nomeco A/S are consolidated using the pooling-of-interests method. The acquisition cost of the subsidiaries' shares is first eliminated from the subsidiary's restricted equity at the beginning of the financial year of acquisition, then from the premium fund created in connection with Tamro Corporation's private placement, and, lastly, from the Group's other non-restricted equity available for dividends. Thus the acquisitions do not create consolidated goodwill.

Purchase method

The acquisition cost method is used in the elimination of inter-subsidiary shareholdings. The difference between the acquisition cost of subsidiary shares and the shareholders' equity is allocated to the fixed assets of the subsidiaries. The consolidated goodwill remaining after the allocations is posted in the balance sheet as a separate item that will be amortised over a period of 10 years. However, goodwill from certain strategic and significant acquisitions may be amortised over a period of up to 20 years.

Foreign subsidiaries and translation differences

The financial statements of foreign subsidiaries have been converted and restated to correspond to the Finnish Accounting Act.

The income statements have been converted into euros at the weighted average rate of the financial year and the balance sheets at the foreign exchange mid-rate quoted by the European Central Bank on the balance sheet date. Translation differences have been recorded directly into equity. Exchange rate differences from the parent company's long-term intra-group loan receivables from the Swedish and Russian subsidiaries have been posted directly under translation differences in the consolidated accounts. These loans are considered as equity by nature.

Transaction costs associated with hedging the parent company's above-mentioned long-term intra-group loan receivables are posted under translation differences in the consolidated accounts. In the consolidated accounts the exchange rate differences attributable to equity type of transactions are netted against the period's translation difference in the Group's equity, net of any significant tax effects.

Minority interest

The minority interest is calculated as a portion of the subsidiaries' equity and net income unless otherwise agreed in shareholders' agreement etc.

Duration of the financial year

The financial year of the Group companies coincides with the calendar year.

Intra-group transactions

The following intra-group transactions have been eliminated: sales and purchases, dividend payments, receivables and liabilities as well as the gross margin included in the value of inventories and fixed assets acquired from other Group companies. Internal profits between the Group and affiliated companies are eliminated in proportion to the ownership share and deducted from the consolidated retained earnings and non-current assets. The eliminated profit is recognised in revenue at the rate of depreciation.

Fixed assets

Fixed assets are posted to the balance sheet at their direct acquisition costs, allowing for depreciation according to plan. Some real-estate holdings include revaluation, as specified in the Notes to the balance sheets. The revaluation surplus is not subject to depreciation.

The depreciation according to plan on fixed assets is based on the original acquisition cost and the expected economic life of the item. For the most part, the straight-line method is used applying the following useful lives:

Intangible rights	5–10 years
Goodwill	5–10 years
Consolidated goodwill	5–20 years
Other intangible assets	5–7 years
Buildings and structures	10–40 years
Machinery and equipment	3–10 years
Other tangible assets	5–10 years

Capitalised interest in Tamro House

Interest expenses incurred during the construction of the parent company's office building and warehouse have been capitalised in year 1991 and included in the acquisition cost of buildings. The capitalised interest has been amortised over a period of 10 years.

Leasing

Leasing payments are charged to rental expense. The Group has no significant capital lease contracts. Leasing commitments are disclosed in the Notes to the financial statements.

Accounting for IT costs

Software purchase costs are mainly capitalised and posted in the balance sheet as intangible rights. Software is depreciated over a maximum period of 5 years. Minor software purchases are charged directly to income. In-house and outsourced IT development costs are charged to revenue.

Research and development

The Group R&D expenses, which represent only small amounts, are charged directly to income.

Financial investments and debt securities

Financial investments and debt securities are included in short-term investments under current assets. Debt securities are valued at the lower of adjusted acquisition cost or market value. There are no material long-term financial investments at year-end.

Derivative financial instruments

Received and paid premiums related to currency options are posted as a prepayment in the balance sheet. Premium income and expenses are recorded to the income statement as the option matures.

Received and paid premiums related to interest options are posted as a prepayment in the balance sheet and recognised in income or expensed over the period from purchase until maturity.

Open option agreements are valued at market price.

Inventories

Inventories are valued at the lowest of their acquisition cost, replacement value or probable selling price. Materials and supplies use is recorded under the FIFO principle.

Foreign-currency denominated receivables and liabilities

All the foreign currency receivables and liabilities of the parent company and its Finnish subsidiaries have been converted into euros at the mid-rate quoted by the European Central Bank on the balance sheet date. Foreign subsidiaries' foreign-currency-denominated receivables and liabilities are converted at their appropriate exchange rates on the balance sheet date. Open positions on foreign-exchange forward contracts are valued at their market price on the balance sheet date and the exchange rate differences are posted under financial items on the income statement.

Pension liabilities

Pension expenses are calculated in accordance with the national legislation of each country. The pension plans of the Group companies have, as a general rule, been arranged with external pension insurance companies. Certain pension obligations based on collective bargaining agreements are included under long-term pension loans in the balance sheet. These pension benefits are determined by the labour market and cannot be influenced by the company.

Year-end tax appropriations and untaxed reserves

Appropriations include allocations to untaxed reserves, mainly in the form of accelerated depreciation.

In the income statement of the parent company, the difference between depreciation according to plan and accelerated cost recovery is transferred to untaxed reserves. The accumulated temporary depreciation difference is shown as an item under untaxed reserves in the balance sheet.

The consolidated balance sheet and the income statement are presented without any untaxed reserves and appropriations. The untaxed reserves of the Group companies break down into deferred income tax liability, shown as a long-term liability, and non-restricted equity. The appropriations made by Group companies, adjusted for the change in the deferred income tax liability, have correspondingly been eliminated from the consolidated income statement.

The untaxed reserves, net of deferred income tax liability, may not be distributed to shareholders as dividend.

Obligatory reserves

The obligatory reserves in the balance sheet are defined as commitments related to the current or prior financial years which on the balance sheet date are certain or likely to materialise but where there is uncertainty as to the amount or the timing of the obligation.

The estimated reserves are based on information available on the balance sheet date. Any income-impacting changes of obligatory reserves are included in the income statement item(s) to which they relate by their nature.

Net sales

The net sales consist of sales revenue from ordinary operations, rentals and leases as well as minor gains from the sale of fixed assets. The net sales are stated net of indirect taxes, sale discounts and credits (refunds).

Other income

Other income consists of capital gains on the divested long-term investments.

Extraordinary income and expense

Extraordinary income and expense items consist of significant, unusual business transactions incidental to the Group's normal operations. These also include correction items from prior years. In the parent company, group contributions paid and/or received have also been recorded under extraordinary items.

Taxes payable on extraordinary items are presented separately from income taxes on normal operations and included under extraordinary items.

Income taxes

The consolidated income tax charges of the Group companies' normal operations have been calculated in accordance with local tax laws of the relevant country of operation. The taxes include income taxes incurred for the financial year as well as taxes to be paid or received for prior periods on accrual basis. Moreover, any change in the deferred tax liability is included in the taxes. The change in the deferred income tax includes tax effects of timing differences, confirmed tax losses, changes in untaxed reserves and consolidation adjustments to net income.

Accounting for income taxes related to extraordinary items, see the chapter Extraordinary income and expense above.

The consolidated cash flow statement

Capital Investments in the consolidated cash flow statement include significant acquisitions and divestitures of companies valued at the sale price of the shares. Accordingly, the assets and liabilities of the acquired or divested company are not included in the change of net working capital, net investments or financing. Share transactions paid partly in kind (share swaps) are included in the cash flow statement only up to cash amount paid or received.

Differences between annual report and official financial statements

This annual report deviates from the official accounts in that financial data is partly presented in EUR millions.

Chapter Financial risk management is presented on page 13 and the 5-year review on page 56.

Notes to the consolidated financial statements

Figures are in EUR thousands unless otherwise stated		***2001***	*2000*

1. **NET SALES BY MARKET AREA AND UNIT,** *EUR million*

By market area:			
	Sweden	***1,496.1***	*1,578.5*
	Denmark	***899.1***	*836.1*
	Finland	***736.3***	*748.2*
	Norway	***465.1***	*199.4*
	Baltic States	***132.1***	*109.2*
	Russia	***47.5***	*34.2*
	Others	***19.4***	*12.8*
		3,795.6	*3,518.4*
By unit:			
	Tamro Sweden	***1,487.0***	*1,573.8*
	Tamro Denmark	***919.8***	*852.5*
	Tamro Finland	***672.2***	*681.8*
	Tamro Norway	***453.3***	*185.0*
	Tamro Baltics	***135.7***	*105.7*
	Tamro Russia	***47.7***	*34.2*
	Tamro MedLab	***92.6***	*89.0*
	Others	***–12.7***	*–3.6*
		3,795.6	*3,518.4*

2. **OTHER INCOME**

	Gain on sale of fixed assets	***58,286***	*3,282*

3. **RAW MATERIALS AND SERVICES**

Raw materials and consumables			
	Purchases during the financial period	***3,516,827***	*3,290,693*
	Inventories, incr. (–), decr. (+)	***20,788***	*–1,156*
External services		***26,623***	*27,948*
Raw materials and services total		***3,564,238***	*3,317,485*

4. **PERSONNEL EXPENSES**

Average personnel by unit:			
	Tamro Sweden	***519***	*578*
	Tamro Denmark	***632***	*667*
	Tamro Finland	***366***	*440*
	Tamro Norway	***491***	*110*
	Tamro Baltics	***360***	*325*
	Tamro Russia	***185***	*180*
	Tamro MedLab	***257***	*271*
	Others	***44***	*112*
		2,854	*2,683*
Personnel expenses:			
	Wages and salaries during the financial year	***88,482***	*78,932*
	Payroll related social costs		
	Pension costs	***8,058***	*8,042*
	Other payroll related social costs	***11,731***	*9,458*
		108,271	*96,432*
Wages and salaries paid to:			
	Boards of Directors, CEO and Managing Directors	***2,027***	*1,954*

Pension commitments for Board Members, CEO and Managing Directors:

The parent company has no pension liabilities for Board Members. The pensionable age of the CEO and some Managing Directors has been stipulated at 60 years.

Other pension commitments:

The Group has made pension commitments for the management of a certain subsidiary. This liability is not significant enough to be incorporated into the Group's financial statements.

5. **DEPRECIATION AND VALUE ADJUSTMENTS**

Depreciation/amortisation according to plan			
	Intangible rights	***1,204***	*1,438*
	Goodwill	***2,280***	*561*
	Consolidated goodwill	***22,132***	*3,692*
	Other capitalised expenditure	***1,126***	*420*
	Buildings	***6,185***	*4,579*
	Machinery and equipment	***11,737***	*8,105*
	Other tangible assets	***113***	*30*
		44,777	*18,825*

Depreciations for year 2001 include additional write-off of consolidated goodwill amounting to EUR 18.9 million of which EUR 10.1 million is assigned to Apokjeden and EUR 8.8 million to Lääketukku.

Figures are in EUR thousands unless otherwise stated

6. **FINANCIAL INCOME AND EXPENSES**

	2001	2000
Income from non-current financial assets	***1,271***	*2,512*
Other interest and financial income		
Interest income	***2,805***	*2,639*
Other financial income	***84***	*85*
Other interest and financial expenses		
Interest expenses	***–16,506***	*–13,939*
Other financial expenses	***–1,733***	*–542*
Exchange rate differences, net	***1,131***	*–5,271*
	–12,948	*–14,516*

7. **EXTRAORDINARY INCOME AND EXPENSES**

	2001	2000
Income		
Change in deferred tax liabilities	**–**	*3,107*
Sundry income	**–**	*104*
	–	*3,211*
Expenses		
Correction to Norway's result relating to prior years	**–**	*–13,475*
Sundry expenses	**–**	*–40*
	–	*–13,515*
Extraordinary income and expenses, total	**–**	*–10,304*

8. **INCOME TAXES ON ORDINARY ACTIVITIES**

	2001	2000
Current income taxes		
Finnish Group companies	***–7,253***	*–169*
Foreign Group companies	***–9,094***	*–6,104*
	–16,347	*–6,273*
Income taxes from previous years:	***–290***	*–2,039*
Change in deferred tax liability specified in note 17	***–5,220***	*3,875*
Income tax on ordinary activities	***–21,857***	*–4,437*

9. ***FIXED ASSETS***

	Intangible assets				***Tangible assets***				
	Intangible rights	*Goodwill*	*Consolidated goodwill*	*Other capitalised expenditure*	*Land areas*	*Buildings*	*Machinery and equipment*	*Other tangible assets*	*Advance payments and construction in progress*
Acquisition value 1 Jan	*11,838*	*1,562*	*49,080*	*3,638*	*11,765*	*139,346*	*89,855*	*533*	*3,259*
Increase	*613*	*62,752*	*11,290*	*2,281*	*52*	*7,396*	*21,685*	*945*	*823*
Decrease	*–1*	*–118*			*–19*	*–956*	*–1,935*	*–230*	*–617*
Other changes	*–952*					*1,035*	*2,949*	*14*	*–3,196*
Acquisition value 31 Dec	*11,499*	*64,195*	*60,370*	*5,919*	*11,799*	*146,820*	*112,554*	*1,262*	*269*
Accumulated depr. 1 Jan	*–7,448*	*–831*	*–29,795*	*–2,587*		*–27,930*	*–63,272*	*–57*	*0*
Increase	*–1,204*	*–2,280*	*–22,132*	*–1,126*		*–6,185*	*–11,737*	*–113*	
Decrease	*1*	*118*				*834*	*1,337*	*162*	
Other changes	*417*	*–336*		*–594*		*–114*	*–881*	*–361*	
Accumulated depr. 31 Dec	*–8,234*	*–3,328*	*–51,927*	*–4,307*	*0*	*–33,395*	*–74,553*	*–369*	*0*
Value adjustments 1 Jan & 31 Dec					*420*	*2,355*			
Translation difference	*–35*	*13*		*5*	*–234*	*–894*	*–102*	*–3*	*–2*
Bookvalue 31 Dec 2001	*3,229*	*60,881*	*8,443*	*1,617*	*11,985*	*114,886*	*37,899*	*890*	*267*
Bookvalue 31 Dec 2000	*4,390*	*731*	*19,285*	*1,051*	*12,186*	*113,771*	*26,583*	*476*	*3,259*

Value adjustments relate to the parent company only (from 1988). Deferred tax liability (EUR 805,000) has not been accounted for. Value adjutments related to fixed assets are not considered as a normal accounting practice of the Group.

	2001	2000
Machinery and equipment in production use, book value	***1,175***	*1,337*

Figures are in EUR thousands unless otherwise stated		2001	2000
10.	**OTHER FINANCIAL ASSETS**		
	Government bonds	–	32,205
	Other receivables	**748**	724
		748	32,929

EUR 10 million portion of the government bonds was sold in 2001
and the remaining portfolio was transferred to the short-term investments

		2001	2000
11.	**AFFILIATED COMPANIES**		
	Opening balance	**22,885**	14,090
	New affiliated companies	**12,723**	5,810
	Omitted affiliated companies	**–19,265**	–
	Share of net results	**1,893**	3,281
	Translation differences	**–83**	–873
	Other changes	**–4,640**	577
	Closing balance	**13,513**	22,885

		2001	2000
12.	**PREPAID EXPENSES AND ACCRUED INCOME**		
	Receivable from sales of shares	**73,109**	–
	Income tax receivable	**123**	14,384
	Financial income	**2,297**	2,605
	Prepaid expenses	**1,957**	2,579
	Other income	**3,164**	1,487
	Other prepaid expenses and accrued income	**300**	1,105
	Total	**80,950**	22,160

13. SHARE CAPITAL AND SUBSCRIPTION TERMS AND CONDITIONS

The company's share capital as at 31 Dec 2001 totalled 114,837,083 euros, divided into 114,837,083 shares, each of which carries one vote. The total of 341,000 shares are owned by the company.

At the end of the year the company had also issued the following subscription warrants and share option rights which entitle their holders to the following share subscriptions:

	Number of shares	Holding
Issue of bonds with warrants 1997	4,552,000	3.74%
Share option rights 2000	2,330,000	1.91%
Total no of shares incl. warrants and share option rights	121,719,083	100.00%

Terms of subscription

Issue of bond with warrants 1997

Number of warrants	2,276,000	A
	2,276,000	B
Subscription period	A: 1 Dec 2000 to 31 Jan 2004	
	B: 1 Dec 2001 to 31 Jan 2004	
Subscription terms and conditions	One warrant entitles its holder to subscribe to one Tamro Corporation share with a nominal value of EUR 1 at a subscription price of EUR 6.56 per share less ordinary dividends paid after loan issuance.	

Share option rights 2000

Number of share option rights	1,165,000	A
	1,165,000	B
Subscription period	A: 1 Apr 2002 to 30 Apr 2006	
	B: 1 Apr 2004 to 30 Apr 2006	
Subscription terms and conditions	One class A share option right entitles its holder to subscribe to one Tamro Corporation share with a nominal value of EUR 1 at a subscription price of EUR 4.00 and one class B share option right entitles its holder to subscribe to one Tamro Corporation share with a nominal value of EUR 1 at a subcription price of EUR 4.80, less any dividends exceeding 50% of the earnings per share for the relevant accounting period, declared after 12 April 2000 and paid out before the time of subcription. If dividends are distributed for loss-making accounting periods, the whole amount paid out is to be deducted from the subscription price. However, the subscription price must be at least the nominal value of the share.	

The Group owns a total of 390,000 year 1997 warrants.

Figures are in EUR thousands unless otherwise stated **2001** 2000

14. CHANGES IN SHAREHOLDERS' EQUITY

	Share capital	Share premium account	Revaluation reserve	Fund for own shares	Other reserves	Retained earnings	Total equity
Equity 1 Jan 2000	120,365	143	1,137	13,608	449	215,512	351,214
Subscription of new shares	1	1					2
Decrease	–5,529	5,495				34	0
Cancelled own shares				–17,372			–17,372
Pooling adjustment							0
Dividend						–17,174	–17,174
Net profit for the year						–12,240	–12,240
Translation differences						–3,714	–3,714
Fund for own shares				4,739		–4,739	0
Write-down of own shares				–406			–406
Adjustment of share in affiliated company						594	594
Transfers within equity		1	–1		16	–16	0
Other change							0
Equity 31 Dec 2000	114,837	5,640	1,136	569	465	178,258	300,905
Subscription of new shares							0
Decrease							0
Cancelled own shares							0
Dividend						–5,725	–5,725
Net income for the year						38,132	38,132
Translation differences						–1,368	–1,368
Fund for own shares							0
Write-down of own shares				406			406
Adjustment of share in affiliated company						311	311
Transfers within equity					–143	143	0
Other change			–1				–1
Equity 31 Dec 2001	114,837	5,640	1,135	975	322	209,751	332,660

Distributable equity	
Retained earnings	209,751
Accumulated appropriations, net of tax	–25,616
Distributable equity 31 Dec 2001	184,135

15. OBLIGATORY RESERVES

	2001	2000
Pension commitments	**840**	1,031
Reserve for taxes	**2,588**	2,758
Other reserves	**292**	538
	3,720	4,327
Changes in the obligatory reserves in the income statement		
Expenses	**–1,014**	–1,588
Extraordinary items	**–**	–2,155
	–1,014	–3,743

16. LONG-TERM LIABILITIES

	2001	2000
Long-term liabilities fall due as follows:		
2003	**18,512**	55
2004-2006	**34,168**	5,432
2007-	**402**	428
On special conditions	**10,043**	10,301
	63,125	16,216
Foreign currency breakdown of long-term loans:		
NOK	**33,641**	–
EUR	**13,561**	–
SEK	**9,961**	10,216
DKK	**5,881**	5,915
Others	**81**	85
	63,125	16,216

Of the above pension loans EUR 9,961,000 (10,216,000) equals the pension provision of the Swedish subsidiary Tamro AB, which according to local practise can be booked as a liability. The pension provision has a parent company guarantee.

Figures are in EUR thousands unless otherwise stated | **2001** | 2000

17. DEFERRED INCOME TAXES

	1 Jan 2000	Charged/ (credited) to P/L income tax	Charged/ (credited) to P/L extraord	Other changes	31 Dec 2000
DEFERRED INCOME TAX LIABILITIES					
Untaxed reserves and acc depr	18,399	–317	–96	–126	17,860
	18,399	–317	–96	–126	17,860
DEFERRED INCOME TAX ASSETS					
Tax loss carry forwards	6,773	–3,504	0	34	10,243
Other temporary timing differences	8,407	–54	–3,011	41	11,431
	15,180	–3,558	–3,011	75	21,674
Net deferred income tax liability(+) / receivable(–)	3,219	–3,875	–3,107	–51	–3,814

	1 Jan 2001	Charged/ (credited) to P/L income tax	Charged/ (credited) to P/L extraord	Other changes	31 Dec 2001
DEFERRED INCOME TAX LIABILITIES					
Untaxed reserves and acc depr	17,860	–1,369		–156	16,335
	17,860	–1,369	0	–156	16,335
DEFERRED INCOME TAX ASSETS					
Tax loss carry forwards	10,243	–1,782		–9,208	21,233
Other temporary differences	11,431	8,371		–1,896	4,956
	21,674	6,589	0	–11,104	26,189
Net deferred income tax liability(+) / receivable(–)	–3,814	5,220	0	–11,260	–9,854

Deferred tax liability (EUR 805,000) related to the value adjustments has not been accounted for.

18. ACCRUED EXPENSES AND DEFERRED INCOME

	2001	2000
Personnel expenses	**11,700**	10,419
Cost of goods	**397**	2,830
Income tax liability	**5,528**	1,890
Financial expenses	**1,011**	809
IT-expenses	**99**	160
Other accrued expenses and deferred income	**4,576**	5,522
Total	**23,311**	21,630

19. CONTINGENT LIABILITIES

	2001	2000
Mortgages		
For own debts (1)	**23,600**	4,201
Pledges	**44,180**	–
Guarantees		
For debts of the group companies' management	**752**	–
For debts of others	**11,229**	1,659
	11,981	1,659
Other commitments		
Leasing commitments		
Next year	**2,135**	2,661
Over one year	**1,248**	1,661
Rent commitments	**9,620**	1,589
Repurchase commitments	**28**	37
Other commitments	**181**	81
	13,212	6,029
Group liabilities, secured by mortgages, pledges and other commitments:		
Mortgages (1)	**19,541**	24,314
Pledges	**41,502**	–
	61,043	24,314

Figures are in EUR thousands unless otherwise stated	***2001***	*2000*
20. DERIVATIVE FINANCIAL INSTRUMENTS		
Derivatives - notional amounts		
Currency instruments		
Currency forward contracts	***141,561***	*99,474*
Currency options - purchased	***–***	*21,494*
Currency options - sold	***–***	*21,494*
Interest rate instruments		
Interest rate forward contracts and futures	***–***	*0*
Interest rate option contracts	***–***	*53,598*
Interest rate swaps	***10,000***	*–*
Derivatives - market value		
Currency instruments		
Currency forward contracts	***616***	*777*
Currency options	***0***	*0*
Interest rate instruments		
Interest rate forward contracts and futures	***–***	*0*
Interest rate option contracts	***–***	*–1*
Interest rate swaps	***29***	*–*

The notional amounts of derivatives summarised here do not represent amounts exchanged by the parties and are thus not a measure of Tamro's derivatives-related exposure. According to the Finance Policy derivatives are used only to hedge the underlying business.

Notes to the parent company financial statements

Figures are in EUR thousands unless otherwise stated		***2001***	*2000*
21.	**NET SALES BY MARKET AREA AND UNIT**		
	By market area:		
	Finland	***666,539***	*674,642*
	Sweden	***6***	*103*
	Baltic countries	***2,341***	*4,849*
	Russia	***0***	*0*
		668,886	*679,594*
	By unit:		
	Tamro Finland	***668,886***	*679,397*
	Others	***0***	*197*
		668,886	*679,594*
22.	**OTHER INCOME**		
	Gain on sale of fixed assets	***50,576***	*390*
	Rental and other income	***3,255***	*2,496*
		53,831	*2,886*
23.	**RAW MATERIALS AND SERVICES**		
	Raw materials and consumables		
	Purchases during the financial period	***636,185***	*644,492*
	Inventories, incr. (–), decr. (+)	***6,441***	*1,051*
	External services	***3,889***	*4,641*
		646,515	*650,184*
24.	**PERSONNEL EXPENSES**		
	Personnel expenses:		
	Wages and salaries during the financial year	***13,500***	*14,100*
	Payroll related social costs		
	Pension costs	***2,658***	*2,660*
	Other payroll related social costs	***785***	*958*
		16,943	*17,718*
	Wages and salaries paid to:		
	Board of Directors and CEO	***406***	*449*
25.	**DEPRECIATION ACCORDING TO PLAN**		
	Intangible rights	***581***	*500*
	Goodwill	***10,556***	*1,806*
	Other capitalised expenditure	***4***	*13*
	Buildings	***1,713***	*1,669*
	Machinery and equipment	***2,820***	*1,489*
		15,674	*5,478*
26.	**FINANCIAL INCOME AND EXPENSES**		
	Income from non-current financial assets		
	Dividend income	***11,507***	*26,575*
	Interest income	***7,399***	*7,623*
	Other interest and financial income		
	Interest income	***10,823***	*10,318*
	Other financial income	***38***	*8*
	Other interest and financial expenses		
	Interest expenses	***–11,517***	*–10,803*
	Other financial expenses	***–6,289***	*–4,553*
	Exchange rate differences, net	***1,090***	*–5,039*
		13,051	*24,130*
	From Group companies:		
	Income from non-current financial assets		
	Dividend income	***11,445***	*25,377*
	Interest income	***6,368***	*6,329*
	Other interest and financial income		
	Interest income	***9,404***	*9,079*
	Other financial income	***38***	*8*
	Other interest and financial expenses		
	Interest expenses	***–512***	*–396*
		26,743	*40,397*
27.	**EXTRAORDINARY INCOME AND EXPENSES**		
	Income		
	Sale of shares	***–***	*395*
	Liquidation of a subsidiary	***–***	*84*
	Other extraordinary income	***–***	*27*
		–	*506*

Figures are in EUR thousands unless otherwise stated	***2001***	*2000*
Group contribution	***–164***	*218*
Expenses		
*Write-off of loan receivables from Group and shares in subsidiaries *)*	**–**	*–20,550*
Sale of shares	**–**	*–2,490*
Sundry expenses	**–**	*–56*
	–	*–23,096*
Extraordinary income and expenses, total	***–164***	*–22,372*

**) Year 2000 write-off of the shares in Tamro Distribution AS*

28. APPROPRIATIONS

Accelerated depreciation in the income statement		
Intangible rights	***–20***	*–52*
Goodwill	***10,556***	*1,806*
Other capitalised expenditure	***–1***	*1*
Buildings	***814***	*1,065*
Machinery and equipment	***764***	*39*
	12,113	*2,858*

29. INCOME TAXES

Current income taxes	***–5,517***	*–166*
Income taxes from previous years	***–351***	*–2,153*
	–5,868	*–2,319*

30. FIXED ASSETS

	Intangible assets			***Tangible assets***			
	Intangible rights	*Goodwill*	*Other capitalised expenditure*	*Land areas*	*Buildings*	*Machinery and equipment*	*Other tangible assets*
Acquisition value 1 Jan	*8,242*	*39,595*	*1,661*	*929*	*62,802*	*27,347*	*240*
Increase	*291*		*80*		*243*	*1,637*	
Decrease						*-76*	
Other changes					*–2,113*	*2,066*	
Acquisition value 31 Dec	*8,533*	*39,595*	*1,741*	*929*	*60,932*	*30,974*	*240*
Accumulated depr. 1 Jan	*–6,078*	*–25,135*	*–1,657*		*–18,353*	*–22,673*	
Increase	*–581*	*–10,556*	*–4*		*–1,713*	*–2,820*	
Decrease						*60*	
Accumulated depr. 31 Dec	*–6,659*	*–35,691*	*–1,661*	*0*	*–20,066*	*–25,433*	*0*
Value adjustments 1 Jan & 31 Dec				*420*	*2,355*		
Bookvalue 31 Dec 2001	*1,874*	*3,904*	*80*	*1,348*	*43,221*	*5,541*	*240*
Bookvalue 31 Dec 2000	*2,164*	*14,460*	*4*	*1,348*	*46,804*	*4,674*	*240*

31. GROUP COMPANIES

Company	*Registered office*	*Group share of holding and votes %*	*Group share of shareholders' equity*	*Parent company share of holding %*	*Shares owned by the parent company: Number of shares*	*Nominal value*	*Book value*
Nomeco A/S	*Copenhagen, Denmark*	*100*	*82,019*	*100*	*7,200,000*	*19,364*	*197,155*
Tamro AB	*Gothenburg, Sweden*	*100*	*85,950*	*–*	*–*	*–*	*–*
Tamro Health Care AB	*Gothenburg, Sweden*	*100*	*14*	*–*	*–*	*–*	*–*
Tamro Sweden AB	*Stockholm, Sweden*	*100*	*15,174*	*100*	*1,000*	*11*	*34,418*
Tamro SIA	*Riga, Latvia*	*100*	*4,369*	*100*	*215*	*2,358*	*1,376*
Hansa Pharma Balticum SIA	*Riga, Latvia*	*100*	*1,159*	*–*	*–*	*–*	*–*
Hansa Pharma SIA	*Riga, Latvia*	*100*	*2,135*	*–*	*–*	*–*	*–*
Tamro MedLab AB	*Gothenburg, Sweden*	*100*	*1,172*	*–*	*–*	*–*	*–*
Kemistien Oy	*Vantaa, Finland*	*100*	*1,750*	*100*	*1,000,000*	*1,682*	*3,560*
Tamro UAB	*Kaunas,Lithuania*	*100*	*5,269*	*100*	*51,809*	*7,352*	*5,920*
Apokjeden AS	*Skårer, Norway*	*49*	*16,912*	*49*	*80,330*	*1,010*	*47,116*
Tamro Eesti AS	*Tallinn, Estonia*	*100*	*3,062*	*100*	*5,500*	*352*	*530*
Medinord OÜ	*Tallinn, Estonia*	*100*	*0*	*–*	*–*	*–*	*–*
Koduapteek OÜ	*Tallinn, Estonia*	*100*	*0*	*–*	*–*	*–*	*–*
Tamro MedLab A/S	*Roskilde, Denmark*	*100*	*486*	*–*	*–*	*–*	*–*
Tamro MedLab AS	*Skårer, Norway*	*100*	*429*	*–*	*–*	*–*	*–*
Tamro MedLab Oy	*Vantaa, Finland*	*100*	*2,304*	*100*	*5,000*	*5,000*	*5,000*
Medinord Oy	*Vantaa, Finland*	*100*	*435*	*100*	*12*	*163*	*895*
Tam-Drug Oy	*Vantaa, Finland*	*100*	*31*	*100*	*2,000*	*49*	*49*
Tamro Russia Oy	*Vantaa, Finland*	*100*	*153*	*100*	*96,318*	*100*	*170*
Pharm Tamda 77	*S:t Petersburg, Russia*	*85*	*–2*	*85*	*2,805*	*20*	*0*
							296,189
Other subsidiaries, incl. non-operational							*1,435*
							297,625

Figures are in EUR thousands unless otherwise stated	**2001**	2000

32. OTHER SHARES AND PARTICIPATIONS

Company	Shares owned by the parent company	
	Number of shares	Nominal value
Finnish Central Securities Depository Ltd.	8	27
Helsinki Stock Exchange Ltd	24,400	27
Telephone company shares etc.		8
Housing corporations		114
Real estate and other shares		233
		409
Own shares acquired by the company	341,000	975

Own shares are valued at the acquisition cost. The share price at year-end was EUR 3.59.

33. RECEIVABLES AND LIABILITIES

	2001	2000
Intra-group items		
Financial assets		
Loan receivables	**122,960**	127,949
Long-term receivables		
Loan receivables	**72,691**	72,141
Short-term receivables from Group companies		
Accounts receivable	**10,485**	2,660
Prepaid expenses and accrued income	**18,642**	9,203
Loan receivables	**46,125**	48,259
	75,252	60,122
Liabilities to Group companies		
Accounts payable	**134**	1,747
Accrued liabilities	**235**	81
Other short-term liabilities	**67,398**	46,360
	67,767	48,188

34. PREPAID EXPENSES AND ACCRUED INCOME

	2001	2000
Sale of shares	**73,109**	–
Income tax receivable	**–**	12,981
Financial income	**2,068**	2,584
Prepaid expenses	**417**	2,074
Other income	**2,240**	1,890
Total	**77,834**	19,529

35. CHANGES IN SHAREHOLDERS' EQUITY

	Share capital	Share premium account	Revaluation reserve	Fund for own shares	Other reserves	Retained earnings	Total equity
Equity 31 Dec 1999	120,365	143	1,093	13,608	0	377,402	512,612
Subscription of new shares	1	1					2
Decrease	–5,529	5,495				34	0
Cancelled own shares				–17,372			–17,372
Dividend						–17,174	–17,174
Net profit for the year						–8,655	–8,655
Fund for own shares				4,739		–4,739	0
Write-down of own shares				–406			–406
Donations						–1	–1
Equity 31 Dec 2000	114,837	5,640	1,093	569	0	346,867	469,006
Subscription of new shares							0
Decrease							0
Cancelled own shares							0
Dividend						–5,725	–5,725
Net profit for the year						49,806	49,806
Fund for own shares							0
Write-down of own shares				406			406
Donations							0
Other change						1	1
Equity 31 Dec 2001	114,837	5,640	1,093	975	0	390,949	513,494

36. ACCUMULATED DEPRECIATION DIFFERENCE

	2001	2000
Accelerated depreciation		
Intangible rights	**422**	402
Goodwill	**3,904**	14,460
Other capitalised expenditure	**4**	2
Buildings	**29,024**	29,838
Machinery and equipment	**–430**	335
	32,924	45,037

Figures are in EUR thousands unless otherwise stated		**2001**	2000

37.	**OBLIGATORY RESERVES**		
	Reserve for taxes	***2,588***	*2,758*
	Other obligatory reserves	***292***	*–*
		2,880	*2,758*
38.	**LONG-TERM LIABILITIES**		
	Long-term liabilities fall due as follows:		
	2003	***5,424***	*–*
	2004-2006	***8,136***	*–*
		13,560	*–*
	Foreign currency breakdown of long-term liabilities:		
	EUR	***13,560***	*–*
39.	**ACCRUED EXPENSES AND DEFERRED INCOME**		
	Personnel expenses	***2,172***	*1,806*
	Financial expenses	***742***	*803*
	IT expenses	***99***	*160*
	Income tax liability	***3,933***	*116*
	Other accrued expenses and deferred income	***777***	*1,947*
	Total	***7,723***	*4,832*
40.	**CONTINGENT LIABILITIES**		
	Mortgages (1)		
	For own debts	***23,010***	*2,943*
	Guarantees		
	For subsidiaries	***35,714***	*26,840*
	For debts of others	***11,008***	*38*
		46,722	*26,878*
	Other commitments		
	Leasing commitments		
	Next year	***1,177***	*1,807*
	Over one year	***536***	*1,148*
	Rent commitments	***497***	*1,095*
	Repurchase commitments	***28***	*37*
	Other commitments	***–***	*74*
		2,238	*4,161*
	(1) Parent company's liabilities, secured by mortgages	***18,984***	*23,583*
41.	**DERIVATIVE FINANCIAL INSTRUMENTS**		
	Derivatives - notional amounts		
	Currency instruments		
	Currency forward contracts	***144,436***	*99,739*
	Currency options - purchased	***–***	*21,494*
	Currency options - sold	***–***	*21,494*
	Interest rate instruments		
	Interest rate forward contracts and futures	***–***	*0*
	Interest rate option contracts	***–***	*53,598*
	Interest rate swaps	***10,000***	*–*
	Derivatives - market value		
	Currency instruments		
	Currency forward contracts	***643***	*818*
	Currency options	***0***	*0*
	Interest rate instruments		
	Interest rate forward contracts and futures	***–***	*0*
	Interest rate option contracts	***–***	*–1*
	Interest rate swaps	***29***	*–*

The notional amounts of derivatives summarised here do not represent amounts actually exchanged between the parties and are thus not a measure of the parent company's derivatives-related exposure. According to the Finance Policy derivatives are used only to hedge the underlying business.

Proposal for profit distribution

The net profit of Tamro Corporation for the financial year is	EUR	49,806,100.80
Total retained earnings amount to	EUR	390,948,842.00
- of which the distributable portion is	EUR	390,948,842.00
The retained earnings shown in the Consolidated Balance Sheet as at 31 December 2001 is	EUR	209,751,000.00
- of which the distributable portion is	EUR	184,135,000.00
The Board of Directors proposes that		
- the dividend of EUR 0.15 per share, including a bonus dividend, be paid on 114,496,083 shares entitled to a dividend	EUR	17,174,412.45
- the remainder be posted to the retained earnings account	EUR	373,774,429.55

Vantaa, 28 February 2002

Dr Bernd Scheifele
Chairman

Mikael von Frenckell

Johan Horelli

Dag Johannesson

Dr Lorenz Näger

Reimund Pohl

Jo Langmoen
Corporate President

Auditors´ report

To the shareholders of Tamro Corporation

We have audited the accounting, the financial statements and corporate governance of Tamro Corporation for the period 1 January - 31 December 2001. The financial statements, which include the report of the Board of Directors, consolidated and parent company income statements, balance sheets and notes to the financial statements, have been prepared by the Board of Directors and the Managing Director. Based on our audit we express an opinion on these financial statements and on corporate governance.

We have conducted the audit in accordance with Finnish Standards on Auditing. Those standards require that we perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining on a test basis evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by the management as well as evaluating the overall financial statements presentation.

The purpose of our audit of corporate governance is to examine that the members of the Board of Directors and the Managing Director of the parent company have legally complied with the rules of the Companies' Act.

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

Vantaa, 28 February 2002

SVH Pricewaterhouse Coopers Oy
Authorised public accountants

Johan Kronberg
APA

Jukka Ala-Mello
APA

Key financial indicators 1997–2001

FROM THE INCOME STATEMENT, EUR millions	2001	2000	1999	1998	1997
Net sales	**3,795.6**	3,518.4	3,235.8	3,019.8	2,168.4
Other income	**58.3**	3.3	7.6	19.6	0.0
Operating expenses	**–3,742.5**	–3,489.1	–3,193.6	–2,979.8	–2,114.9
Depreciation	**–44.8**	–18.8	–15.5	–25.5	–16.0
Operating profit	**66.6**	13.7	34.2	34.1	37.5
Financial income and expenses	**–13.0**	–14.5	–4.7	–5.8	–2.3
Share of affiliated companies' net income	**1.9**	3.3	2.4	–6.9	0.7
Ordinary profit before taxes	**55.5**	2.4	31.9	21.4	35.9
Minority and income taxes on ordinary activities	**–17.4**	–4.4	–9.3	–7.3	–11.3
Ordinary net profit	**38.1**	–1.9	22.6	14.2	24.6
Extraordinary income and expenses, net of taxes	**0.0**	–10.3	0.9	1.5	0.6
Net profit for the period	**38.1**	–12.2	23.5	15.7	25.2
FROM THE BALANCE SHEET, EUR millions					
Tangible and intangible assets	**240.1**	181.7	177.3	169.8	172.0
Financial assets	**26.2**	71.3	85.0	41.2	23.6
Inventories	**287.5**	308.3	307.1	259.0	193.4
Receivables	**571.1**	494.0	457.5	391.9	237.4
Liquid assets and short-term investments	**60.2**	69.3	34.0	67.3	57.5
Equity	**332.7**	300.9	351.2	353.7	292.5
Minority	**17.2**	1.9	0.0	0.0	0.5
Obligatory reserves	**3.7**	4.3	0.6	0.9	0.3
Long-term liabilities	**63.1**	16.2	36.6	40.7	37.0
Short-term liabilities	**768.4**	801.3	672.5	534.0	353.7
Balance sheet total	**1,185.1**	1,124.6	1,060.9	929.2	684.0
KEY FIGURES					
Sales change, %	**7.9**	8.7	7.1	39.3	–2.5
Operating margin, %	**1.8**	0.4	1.1	1.1	1.7
Profit margin, %	**1.5**	0.1	1.0	0.7	1.7
Return on capital employed, %	**13.1**	4.0	8.2	8.4	12.7
Return on equity, %	**10.4**	–0.6	6.5	4.4	8.6
Free cash flow, EUR millions	**–18.7**	29.3	–86.7	42.6	16.0
Capital employed, EUR millions	**581.8**	544.4	564.3	441.7	321.9
Net debt, EUR millions	**171.8**	140.1	146.3	20.6	–28.6
Net gearing, %	**49.2**	46.4	43.5	5.9	–9.8
Interest cover	**4.4**	1.2	5.3	5.0	15.8
Equity ratio, %	**29.4**	26.9	31.8	38.1	42.9
PER SHARE DATA [1]					
Number of shares - at end, millions	**114.5**	114.5	116.0	120.3	88.2
Number of shares - average, millions	**114.5**	114.7	119.3	121.8	88.2
Earnings per share, EUR	**0.33**	–0.02	0.19	0.12	0.28
Dividend per share, old/new shares, EUR	**0.15** [2]	0.05	0.15	0.25/0.10	0.15
Dividend per earnings, %	**45**	neg.	79	180	54
Effective dividend yield, %	**4.2**	3.0	4.9	5.7	3.0
Equity per share, EUR	**2.90**	2.62	2.90	2.86	3.31
P/E multiple	**11**	neg.	16	32	18
TAMRO SHARE INFORMATION					
Average trading price, EUR	**3.44**	2.65	3.47	5.11	5.53
Lowest trading price, EUR	**1.65**	1.62	2.75	3.36	4.79
Highest trading price, EUR	**4.10**	3.80	4.50	7.40	6.39
Price at 31 December, EUR	**3.59**	1.67	3.04	3.70	5.03
Trading volume, million shares	**19.6**	22.4	53.2	48.3	40.4
Trading volume, %	**17**	20	45	46	46
Market capitalisation at 31 December, EUR millions	**411.0**	191.2	352.3	445.2	441.3
OTHER					
Investments, EUR millions	**96.2**	35.8	22.6	34.5	11.9
as % of sales	**2.5**	1.0	0.7	1.1	0.6
Number of employees, average	**2,854**	2,683	2,532	2,578	2,249

1) excluding own shares
2) Board proposal

Quarterly development

NET SALES, *EUR millions*	*10-12 2001*	*7-9 2001*	*4-6 2001*	*1-3 2001*	*1-12 2001*	*1-12 2000*	*Change %*
Tamro Sweden	*364.4*	*343.3*	*389.6*	*389.7*	*1,487.0*	*1 573.8*	*–5.5*
Tamro Denmark	*242.0*	*224.7*	*223.8*	*229.3*	*919.8*	*852.5*	*7.9*
Tamro Finland	*181.7*	*160.5*	*166.7*	*163.3*	*672.2*	*681.8*	*–1.4*
Tamro Norway	*134.5*	*109.5*	*117.3*	*92.0*	*453.3*	*185.0*	*145.0*
Tamro Estonia	*10.9*	*8.3*	*9.1*	*8.8*	*37.1*	*34.0*	*9.1*
Tamro Latvia	*16.9*	*14.9*	*14.4*	*13.0*	*59.2*	*43.3*	*36.7*
Tamro Lithuania	*12.5*	*8.3*	*10.0*	*8.6*	*39.4*	*30.7*	*28.3*
Tamro Russia	*18.8*	*10.8*	*9.5*	*8.6*	*47.7*	*34.2*	*39.5*
Tamro MedLab	*24.2*	*22.2*	*22.9*	*23.3*	*92.6*	*89.0*	*4.0*
Other and internal	*–3.2*	*–1.2*	*–5.4*	*–2.9*	*–12.7*	*–5.9*	*–115.3*
Group total	*1,002.7*	*901.3*	*957.9*	*933.7*	*3,795.6*	*3,518.4*	*7.9*

NUMBER OF EMPLOYEES, *average*							
Tamro Sweden	*516*	*470*	*544*	*546*	*519*	*578*	*–10.2*
Tamro Denmark	*622*	*637*	*635*	*632*	*632*	*667*	*–5.2*
Tamro Finland	*360*	*377*	*366*	*361*	*366*	*440*	*–16.8*
Tamro Norway	*680*	*582*	*497*	*206*	*491*	*110*	*346.4*
Tamro Estonia	*101*	*77*	*78*	*83*	*85*	*78*	*9.0*
Tamro Latvia	*262*	*303*	*95*	*97*	*189*	*93*	*103.2*
Tamro Lithuania	*84*	*83*	*86*	*90*	*86*	*149*	*–42.3*
Tamro Russia	*179*	*176*	*190*	*194*	*185*	*180*	*2.8*
Tamro MedLab	*255*	*258*	*256*	*259*	*257*	*271*	*–5.2*
Others	*27*	*29*	*56*	*61*	*44*	*117*	*–62.4*
Group total	*3,086*	*2,992*	*2,803*	*2,529*	*2,854*	*2,683*	*6.4*

CONSOLIDATED INCOME STATEMENT, *EUR millions*							
Net Sales	*1,002.7*	*901.3*	*957.9*	*933.7*	*3,795.6*	*3,518.4*	*7.9*
Other income	*55.4*	*0.4*	*0.0*	*2.5*	*58.3*	*3.3*	*1,675.9*
Operating expenses	*–992.5*	*–888.9*	*–941.4*	*–919.7*	*–3,742.5*	*–3,489.2*	*7.3*
Depreciation	*–26.6*	*–7.6*	*–6.2*	*–4.4*	*–44.8*	*–18.8*	*137.9*
Operating profit	*39.0*	*5.2*	*10.3*	*12.1*	*66.6*	*13.7*	*386.6*
Financial income and expenses	*–3.5*	*–3.9*	*–3.4*	*–2.2*	*–13.0*	*–14.5*	*–10.8*
Share of affiliated companies' net income	*0.0*	*0.3*	*1.6*	*0.0*	*1.9*	*3.3*	*–42.3*
Ordinary profit before taxes	*35.5*	*1.6*	*8.5*	*9.9*	*55.5*	*2.5*	*2,166.7*
Income taxes on ordinary activities	*–15.5*	*–0.5*	*–2.7*	*–3.2*	*–21.9*	*–4.4*	*392.6*
Minority interest	*1.1*	*2.2*	*0.6*	*0.6*	*4.5*	*0.0*	
Ordinary net profit	*21.1*	*3.3*	*6.4*	*7.3*	*38.1*	*–1.9*	*2,069.6*
Extraordinary income and expenses, net of taxes	*–*	*–*	*–*	*–*	*0.0*	*–10.3*	*–100.0*
Net profit for the period	*21.1*	*3.3*	*6.4*	*7.3*	*38.1*	*–12.2*	*411.5*

CONSOLIDATED BALANCE SHEET *EUR millions*	*31.12. 2001*	*30.9. 2001*	*30.6. 2001*	*31.3. 2001*	*31.12. 2001*	*31.12. 2000*	*Change %*
Assets							
Intangible and tangible assets	*240.1*	*247.5*	*244.0*	*179.3*	*240.1*	*181.7*	*32.1*
Financial assets	*26.2*	*64.3*	*65.8*	*95.6*	*26.2*	*71.3*	*–63.3*
Inventories	*287.5*	*279.9*	*280.4*	*302.5*	*287.5*	*308.3*	*–6.7*
Receivables	*571.1*	*485.4*	*510.4*	*504.5*	*571.1*	*494.0*	*15.6*
Liquid assets and short-term investments	*60.2*	*30.7*	*26.9*	*22.9*	*60.2*	*69.3*	*–13.1*
	1,185.1	*1,107.8*	*1,127.5*	*1,104.8*	*1,185.1*	*1,124.6*	*5.4*
Equity & liabilities							
Equity & minority	*349.9*	*322.7*	*325.7*	*306.9*	*349.9*	*302.8*	*15.6*
Obligatory reserves	*3.7*	*2.4*	*2.5*	*4.8*	*3.7*	*4.3*	*–14.0*
Long-term liabilities	*63.1*	*75.0*	*69.1*	*37.5*	*63.1*	*16.2*	*289.5*
Short-term liabilities	*768.4*	*707.7*	*730.2*	*755.6*	*768.4*	*801.3*	*–4.1*
Balance sheet total	*1,185.1*	*1,107.8*	*1,127.5*	*1,104.8*	*1,185.1*	*1,124.6*	*5.4*

OTHER CONSOLIDATED KEY FIGURES	*10-12 2001*	*7-9 2001*	*4-6 2001*	*1-3 2001*	*1-12 2001*	*1-12 2000*	*Change %*
Operating margin, %	*3.9*	*0.6*	*1.1*	*1.3*	*1.8*	*0.4*	
Profit margin, %	*3.5*	*0.2*	*0.9*	*1.1*	*1.5*	*0.1*	
Return on capital employed, %	*29.1*	*4.7*	*9.6*	*9.6*	*13.1*	*4.0*	
Return on equity, %	*24.7*	*1.4*	*7.4*	*8.8*	*10.4*	*–0.6*	
Gross investments, EUR millions	*25.4*	*18.7*	*14.9*	*37.2*	*96.2*	*35.8*	*169.1*
Free cash flow, EUR millions	*–41.2*	*32.9*	*40.5*	*–50.9*	*–18.7*	*29.3*	*–163.8*
Capital employed, EUR millions	*581.8*	*514.3*	*552.4*	*555.3*	*581.8*	*544.4*	*6.9*
Net debt, EUR millions	*171.8*	*140.2*	*179.0*	*193.3*	*171.8*	*140.1*	*22.6*
Net gearing, %	*49.2*	*43.5*	*55.1*	*63.1*	*49.2*	*46.4*	*6.0*
Equity Ratio, %	*29.4*	*29.1*	*28.8*	*27.7*	*29.4*	*26.9*	*9.4*
*Number of shares - at end, millions**	*114.5*	*114.5*	*114.5*	*114.5*	*114.5*	*114.5*	*0.0*
*Number of shares - average, millions**	*114.5*	*114.5*	*114.5*	*114.5*	*114.5*	*114.7*	*–0.2*
*Earnings per share, EUR**	*0.18*	*0.03*	*0.06*	*0.06*	*0.33*	*–0.02*	*1,750.0*
*Equity per share, EUR**	*2.90*	*2.66*	*2.68*	*2.66*	*2.90*	*2.62*	*10.7*
Number of employees, average	*3,086*	*2,992*	*2,803*	*2,529*	*2,854*	*2,683*	*6.4*

**excluding own shares*

Calculation of financial ratios

PROFIT MARGIN	*Ordinary profit before taxes* / *Net sales*
CAPITAL EMPLOYED	*Total assets - non-interest bearing liabilities*
RETURN ON CAPITAL EMPLOYED	*Ordinary profit before taxes + interest expenses + other financial expenses* / *Average capital employed*
RETURN ON EQUITY 1)	*Ordinary net profit - minority interests* / *Average shareholders' equity and minority*
FREE CASH FLOW	*See Cash Flow Statement*
NET DEBT	*Interest bearing debt - cash and bank - short-term investments - bonds*
NET GEARING 1)	*Net debt* / *Shareholders' equity + minority interest*
INTEREST COVER	*Ordinary profit before taxes + interest expenses* / *Interest expenses*
EQUITY RATIO 1)	*Shareholders' equity + minority interest* / *Total assets - advances received*
AVERAGE TRADING PRICE	*Value of trading volume* / *Volume traded*
TRADING VOLUME IN %	*Number of shares traded during the period* / *Average number of outstanding shares*
MARKET CAPITALISATION 1)	*Number of shares x market share price at 31 Dec*
EARNINGS PER SHARE 1)	*Ordinary net profit - minority interest* / *Average number of shares*
DIVIDEND PER EARNINGS 2)	*Dividend per share* / *Earnings per share*
EFFECTIVE DIVIDEND YIELD	*Dividend per share* / *Market share price at 31 Dec*
EQUITY PER SHARE 1)	*Shareholders' equity* / *Number of shares at 31 Dec*
P/E MULTIPLE	*Market share price at 31 Dec* / *Earnings per share*
AVERAGE NUMBER OF EMPLOYEES	*Calculated from month-end figures and adjusted for part-time employees*
INVESTMENTS	*Includes corporate acquisitions*
SHARE ISSUE ADJUSTMENTS	*The numbers of shares are fully comparable for the whole five-year period*

1) Effect of own shares eliminated from the date of repurchase.
2) Dividend is weighted with respect to old and new shares.

Tamro Corporation's governing bodies and management practices comply for the most part with the February 1997 Guidelines on the Corporate Governance of Publicly Traded Companies issued by the Central Chamber of Commerce in Finland and the Confederation of Finnish Industry and Employers (TT). The Auditors' statement on Tamro's corporate governance is included in the Auditors' Report on page 55.

Board of Directors and CEO

Tamro Corporation's Board of Directors comprises a minimum of three and a maximum of ten members elected at the Annual General Meeting. The term of a Board member expires at the close of the following year's Annual Meeting. The Board has appointed a Budget Committee consisting of the Chairman of the Board of Directors, three Board members and the Group Management of Tamro Corporation. The Committee is set to assist the Board of Directors and to prepare important issues for processing and decision-making.

The Articles of Association of Tamro Corporation specify no other tasks for the Board of Directors than those prescribed under the Finnish Companies Act.

In addition to the provisions of the Finnish Companies Act, it is the duty of the CEO to

- direct the company's business activities according to the guidelines and regulations issued by the Board of Directors,
- monitor economic trends in Finland and other countries of operation and to adjust corporate activities as required by the changing business environment,
- manage the company's strategic planning and monitor the development of the Group's operational organisation and efficiency,
- direct and supervise the charting and implementation of development opportunities offered by inter-company cooperation within the Group's core business areas, and
- present the items on the agenda at different meetings to the Board of Directors.

According to Group policy, no Group employee is nominated to the Parent Company's Board of Directors. Correspondingly, no Director of the corporate Board serves on the Boards of Group subsidiaries with the exception of Apokjeden, where two of the corporate Board Directors have been elected as Board members by the shareholders. The members of the Board of Directors are presented on page 60.

The CEO is nominated by the Board of Directors. The terms and conditions of his post are stipulated in a written executive employment contract.

Organisation of business activities and areas of responsibility

The Group's core business, pharmaceutical distribution and retail trade, is organised under eight country-specific business units. The sales and marketing of healthcare and laboratory supplies are grouped under the Tamro MedLab organisation.

All units, including Tamro MedLab, are headed by Managing Directors reporting to the CEO of Tamro Corporation.

The Group Management comprises the CEO, the Group's Chief Financial Officer and the Group's Logistics Director.

Insider issues

Tamro has applied the Helsinki Exchanges Guidelines for Insiders by introducing as of 1 March 2000 Insider Regulations ratified by Tamro Board of Directors.

Auditing

The auditors elected by the Annual General Meeting are Authorised Public Accountants SVH Pricewaterhouse Coopers Oy and auditor Johan Kronberg. In addition to the tasks specified in the currently valid rules and regulations, these auditors report their audit findings to the Board of Directors when necessary and take part in the meetings of Tamro's Board of Directors at least twice a year.

Risk management

The objective of Tamro Group's risk management practices is to identify and minimise risks associated with personnel, assets and operations. The responsibility for risk management is decentralised among units, which must see to it that sufficient insurance coverage is taken out and that all deductibles are in accordance with the terms of insurance policies contracted and that any loss or damage is reported to the appropriate insurance company. Insurance-related matters are decided by Group Administration.

Financial risk management is dealt with on page 13.

Board of Directors and Auditors

Board of Directors as from 23 April 2001

Dr Bernd Scheifele
Chairman of the Board of Directors
Born 1958
Elected 2000, as Chairman 2001
LLM
CEO, Phoenix Group
Holdings and options:
no Tamro shares or options

Mikael von Frenckell
Born 1947
Elected 1995
MPolSc
Chairman of the Board of
Sponsor Capital Oy
Holdings and options:
100,000 and 105,000* Tamro shares

Johan Horelli
Born 1939
Elected 1999
MSc (Eng)
Holdings and options:
no Tamro shares or options

Dag Johannesson
Born 1945
Elected 1995
LLM, MBA
Director, Apoteket AB
Holdings and options:
no Tamro shares or options

Dr Lorenz Näger
Born 1960
Elected 2000
PhD, MBA
Director, Phoenix Pharmahandel AG & Co
Holdings and options:
no Tamro shares or options

Reimund Pohl
Born 1952
Elected 2000
MBA
Director, Phoenix Pharmahandel AG & Co
Holdings and options:
no Tamro shares or options

Auditors

SVH Pricewaterhouse Coopers Oy,
Authorised Public Accountants

Johan Kronberg,
Authorised Public Accountant
(no Tamro shares or options)

* Holding through persons in custody or controlled organisations

All information concerning share ownership as per 31 December 2001

Management in Tamro Group
from 1 February 2002

Group Management

Jo Langmoen (52)
MSc (Eng)
Chief Executive Officer
Tamro Group
Holdings and options:
no Tamro shares or
options

Pekka Laitasalo (46)
MSc (Econ)
Chief Financial Officer
Tamro Group
Holdings and options:
no Tamro shares,
150,000 options (2000)

Stefan Pflug (34)
Logistics Director
Tamro Group
Holdings and options:
no Tamro shares or
options

Managing Directors in business units

Jan Bonde (51)
Graduate in Pharmacology
Managing Director
Nomeco A/S, Denmark
Holdings and options:
no Tamro shares,
150,000 options (2000)

Juris Cilinskis (64)
MSc (Pharm)
Managing Director
Tamro SIA, Latvia
Holdings and options:
no Tamro shares,
1,000 options (1997)

David Panikashvili (51)
MSc (Pharm)
Managing Director
ZAO Pharm Tamda 77,
Russia
Holdings and options:
no Tamro shares or
options

Henrikas Petkevicius (46)
PhD (Pharm)
Managing Director
UAB Tamro, Lithuania
Holdings and options:
no Tamro shares,
10,000 options (1997)
and 21,000 options
(2000)

Jorma Turunen (55)
BSc (Eng)
Managing Director
Tamro Finland and
Tamro MedLab Oy
Holdings and options:
no Tamro shares,
60,000 options (1997)

Tarvo Vaasa (46)
MSc (Pharm), MBA
Managing Director
Tamro Eesti AS, Estonia
Holdings and options:
no Tamro shares,
21,000 options (2000)

Øyvind Winther (37)
BSc (Econ), MBA
Managing Director
Apokjeden Group,
Norway
Holdings and options:
no Tamro shares or
options

Stefan Åkesson (48)
Managing Director
Tamro AB, Sweden
Holdings and options:
no Tamro shares or
options

Corporate Centre staff functions

Olli-Pekka Myllynen (39)
LLM
Director of Legal Affairs
Tamro Group
Holdings and options:
no Tamro shares,
80,000 options (2000)

Marjatta Virtanen (51)
MSc (Econ)
Director,
Corporate Communications
and Investor Relations
Tamro Group
Holdings and options:
no Tamro shares,
150,000 options (2000)

Information to the shareholders

Annual General Meeting

The Annual General Meeting of Tamro Corporation will be held at Tamro House, Rajatorpantie 41 B, Vantaa, Finland, on 10 April 2002 at 3 p.m. Shareholders who wish to attend must give notification by 16 p.m. on Monday, 8 April 2002 either by mail to Tamro Corporation, P.O. Box 11, FIN-01641 Vantaa, by e-mail to tuula.lonnstrom@tamro.com or by calling +358 204 45 4004/Tuula Lönnström. Please mention any proxies in the notification.

Those shareholders whose shares were transferred to the share register maintained by the Finnish Central Securities Depository Ltd. by 27 March 2002, and those who were entered in the company's shareholders' register before 28 October 1994, are entitled to attend the meeting. In the latter case, the shareholders must present their share certificates or other documents showing that the holding has not yet been recorded in a book-entry securities account.

Payment of dividend

If the Annual General Meeting passes the Board's proposal for dividend, EUR 0.15 per share including a bonus dividend will be paid to the shareholders in the shareholders' register kept by the Finnish Central Securities Depository Ltd. on the record date, 15 April 2002. The dividend will be paid out on 23 April 2002.

Publishing schedule

Tamro Corporation will publish the following interim reports for 2002 in Finnish and English:

- For January-March on 7 May 2002
- For January-June on 8 August 2002
- For January-September on 1 November 2002.

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Director,
Corporate Communications and Investor Relations
Contact information, please see above.

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Email corporate.communication@tamro.com

Tamro's releases can also be found at websites
www.tamro.com,
www.huginonline.com and
www.pressi.com

Home page http://www.tamro.com

Change of address

Shareholders are asked to notify the keeper of their book-entry account of any changes of address.

Analysts

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