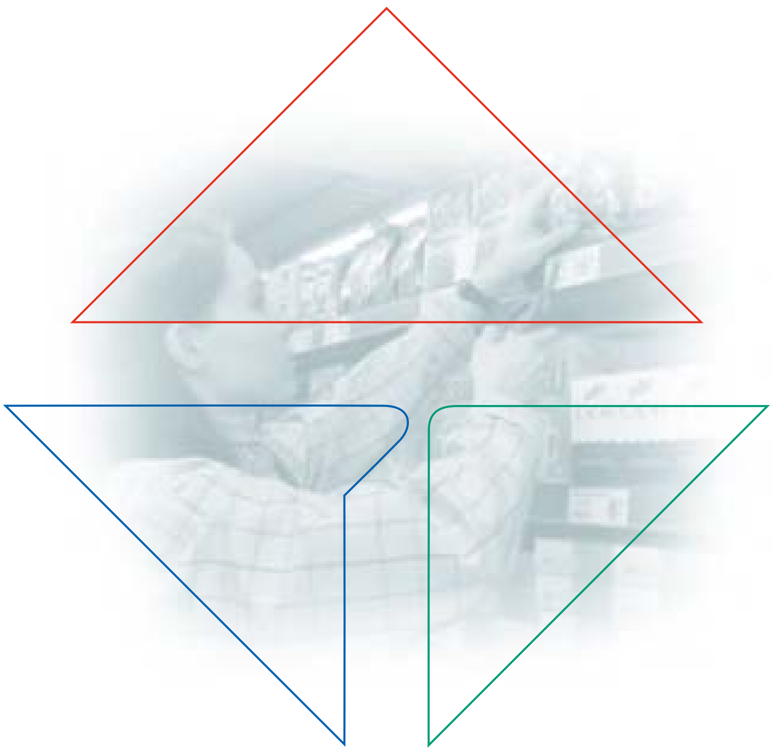
Tradeka Corporation

annual report 2001



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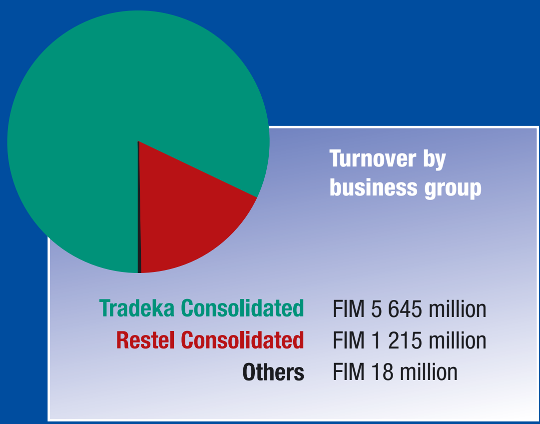
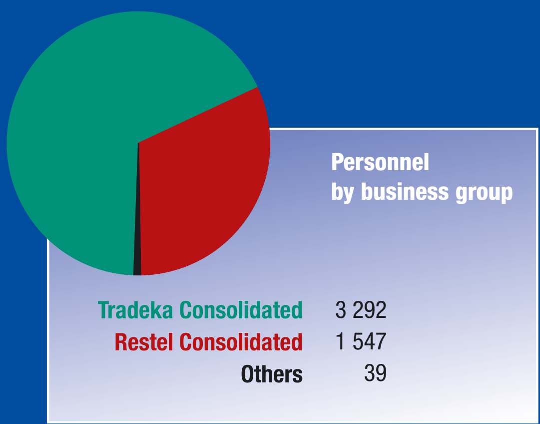
TRADEKA CORPORATION IN BRIEF

	2001		2000		Change	
	FIM million	EUR million	FIM million	EUR million	FIM million	EUR million
Net turnover	6 876	1 156	6 507	1 094	+5,7 %	
Operating profit	321	54	253	42	+69	+12
Profit before extraordinary items	184	31	226	38	-42	-7
Balance sheet total	3 086	519	2 947	496	+139	+23
Personnel, average	4 878		4 843		+35	
Outlets:						
◆ stores	505		504		+1	
◆ hotels	34		34			
◆ restaurants	236		233		+3	





PRESIDENT'S REVIEW

The year 2001 was the best ever in the history of Tradeka Corporation's business. Profit of Tradeka Consolidated, the retail arm, tripled from the previous year and that of Restel Consolidated, the hotel and restaurant business, increased to 11 per cent of turnover. Tradeka Corporation's profit before extraordinary items was FIM 184 million, burdened by the interest of FIM 131 million on the secured subordinated loan. Excluding the effect of the interest and capital gains, the corporation's profit rose by FIM 100 million over the previous year.

In February 2002, all our subsidiaries met all of the operating-margin, cashflow and investment requirements specified by the financial restructuring programme that will end in late 2003. At the end of the financial year, the remaining additional debt paybacks (partitioning debt) amounted to FIM 194 million, which will be financed through cashflow from business operations. All Group companies had – and still have – a good financial position, and there was no need for borrowing during the year. Although there are a few court proceedings still pending related to some final clarifications of the financial restructuring programme, there is, however, nothing on the horizon that could upset the completion of the programme.

Therefore, I wish to express my wholehearted thanks to all personnel for your good performance and development. Changes in employee skills required by the adoption of new operating models got off to a good start, and throughout the year employees demonstrated extraordinary improvements in their capabilities to manage larger entities. Tradeka's persistent and long-term efforts made over the years have excited admiration among the industry experts. Within the framework of ECR Europe and in co-operation with our suppliers, we have been developing one of our most important development targets, category management, as an international project. Furthermore, I wish to thank all Tradeka employees for their very good performance during the changeover to the euro.

I also wish to express my gratitude to our suppliers for their contribution to the success of our retail business. Our co-operation with them seems to improve year by year. I wish to express my special thanks to Inex Partners Oy, a sourcing and logistics service provider co-owned by Tradeka and SOK, for its performance that last year exceeded all requirements set for its efficiency and delivery reliability. Inex's success contributed considerably to the business performance of Tradeka's retail arm.

The systematic and dedicated efforts made during the past few years have also been behind the record profit of Restel Consolidated, the hotel and restaurant business. In addition to the strict control of operating expenses and the management of gross margins, restaurants are now aiming to enhance efficiency through remodelling their business concept. By the end of the current year, all Restel's restaurants will apply a consistent operating model in line with their specific brand.

Eka Real Estate Development Ltd was in the red for the first time ever, which resulted from asset-realisation losses incurred and the FIM 48 million write-down of property. On the other hand, the company managed to raise the capacity utilisation rate of its property to 7 per cent during the year, which is rather good by industry standards.

Growth in consumer spending in Finland was modest last year due to consumers' cautious confidence in the future. This year is expected to show improved figures since consumers' confidence in their personal finances has strengthened. Competition, instead, will become tougher this year. Looming international competition in the grocery business will increase the role of volume dynamics in the sector: consolidation in both the food-processing industry and the retail sector will continue. However, pan-European companies are, admittedly, already part of the region's economic integration.

Intensifying competition in the grocery business is welcome because it will ultimately benefit ordinary consumers. Consumer choice also determines which service provider survives and thrives. The grocery sector must accept and adjust to this. We at Tradeka aim to establish unprecendented and up-to-date operating models by means of our ongoing development projects in which we seek to make good use of the experience and skill of various people. Curbing costs, managing gross margins and preventing shrinkage will also remain our key words in the future. Our performance figures for the first few months of the current year provide us with a solid foundation for our business success this year as well.

Antti Remes

The store personnel were once again in their element as campaign promoters at the Maalismarkkinat (March Campaign) campaign launched by the Valintatalo chain. During the International Women's Day coinciding with the Maalismarkkinat campaign, the Valintatalo chain sold a total of 200,000 tulips.

TRADEKA CONSOLIDATED

Tradeka Consolidated recorded a turnover of FIM 5,645 million, showing a year-on-year growth of 6.8 per cent. Profit before extraordinary items reached FIM 97 million, up FIM 68 million on the previous year.
The market share of chains jointly owned by Tradeka and Elanto is now at 12.6 per cent, a rise of 0.2 per cent compared with the previous year.

President
Aarno Mäntynen

The growth in turnover was, as in the previous year, caused by the more efficient operations of the existing outlet network. The outlet network increased by one store, but the departure of two large hypermarkets shifted the operational focus to the smaller retail outlets. During the year, a total of 12 outlets were recategorised from the supermarket category to the Siwa neighbourhood shop category.

During the year, Tradeka Consolidated carried out development projects involving continuous replenishment, in-store space and floor management and outlet operations. These projects were completed at the end of the financial year and became an integral part of daily activities within the organisation. Tradeka Consolidated decided to continue its customer-data project by extending it to cover the entire customer interface.

Chain brands for all chains and the Ykkösbonus Loyal Customer Scheme were further specified and marketing strategies were remodelled. The new chain concept based on the idea of differentiation was adopted for the first time in the new Euromarket opened on the new premises in Lahti in November. The Siwa chain reshaped its advertising concept in January 2002, and the Valintatalo chain followed suit in March.

The extended opening hours based on the amended law permitting smaller outlets to trade on Sundays had an effect on competition by improving the market position of outlets with less than 400 m^2. All Siwa stores and a total of 38 Valintatalo outlets took the chance to trade on Sundays permitted by the new law.

During the year, Tradeka Consolidated took careful measures for the adoption of the euro on 1 January 2002 by replacing and upgrading technology and by providing all employees with relevant training. Store personnel performed well during the changeover to the euro. The retail chains carried out the euro conversion without revising prices as agreed, and only the price increases by manufacturers were reflected in retail prices during the transition period.

The most popular neighbourhood shop in Finland

Turnover of the Siwa chain run by Tradeka Consolidated amounted to FIM 2,273 million, which is 17.2 per cent higher than in the previous year. Average national growth in the retail sales of outlets with less than 400 m^2 was generally much lower than that, indicating that Siwa strengthened its leading market position among neighbourhood shops.

A total of 22 new outlets were opened and 8 were closed down during the year. Expansion and replacement investments were made in 17 stores, and the modernisation process in terms of exterior appearance, interior and employee presentation was completed during the year. The year-end number of Siwa stores run by Tradeka totalled 382 (+14).

Siwa's advertising received recognition both at home and abroad. The Grandfather commercial related to the *Much closer than you ever expected* advertising campaign was ranked first in the corporate category of the Golden Drum competition and obtained a distinction in the Midsummer Awards 2001 competition. The new advertising concept based on the idea of differentiation was put into practice in January carrying the Most Popular Neighbourhood Shop in Finland theme.

New times ahead for Valintatalo

The Valintatalo chain reported a turnover of FIM 1,395 million, showing a fall of 2.1 per cent from the previous year. In comparable terms, turnover rose by 9.7 per cent. During the year, twelve Valintatalo outlets joined the Siwa chain. The Kouvola outlet withdrew from the chain, while the store business of Valintatalo in Rovaniemi changed hands.

Two new outlets were set up. Six outlets were refurbished and the exterior appearance of all Valintatalo outlets was modernised during the autumn. The year-end number of Valintatalo stores run by Tradeka totalled 94 (-12).

The year was dedicated to sharpening the differentiation-based store concept. The number of chain stores decreased as a result of the re-definition of criteria for business locations. The year's development projects also involved re-defining the product range, product mix and pricing as well as highlighting the comfortable shopping experience. Marketing and communications were revamped. In March 2002, the change in the opening hours of the Valintatalo stores – advanced to 7.00 a.m. – coincided with the launch of the chain's New times commercial, which attracted public interest in opening hours in general.

Fair Guarantee provided by Euromarket

The Euromarket chain's turnover totalled FIM 1,822 million, down 0.6 per cent from the previous year, as a result of the transfer of the Iisalmi and Kerava hypermarkets to new owners in early 2001. In comparable terms, turnover increased by 6.1 per cent. The chain consisted of 19 (-2) Euromarket outlets.

The Fillarimarkkinat campaign (Bike Campaign) launched by the Euromarket chain in April 2002 was a tangible evidence of the chain's modernised operating model and the new role of consumables within the context of the overall business concept. The reshaped advertising concept was adopted by the refurbished outlets in November 2001 and extended to the rest of the chain in February 2002.

In March, the chain completed the process of revising its store concept based on differentiation. In line with this reshaped operating model, a store unit was opened at the new Euromarket centre in Lahti in November. The refurbished Euromarket outlets in Varkaus and Salo were opened in November. Scheduled to be complete in May 2002, the Euromarket store in Pori has been extended and refurbished since November last year. The Euromarket store in Forssa has been renovated and extended since December last year and is scheduled to be complete in June 2002.

In early 2002, the chain began to phase in new operating models, involving changes in the following fields: the in-store steering organisation, the reassessment of the focus in the role of product ranges and mix, in-store campaigning, in-store design, ready meals as well as health and beauty offerings. The refurbished Euromarket stores that were opened in the autumn adopted their new advertising concept in line with the remodelled brand and marketing strategy.

One of the leading advertising themes consistent with the reshaped advertising concept included the Fair Guarantee slogan.

Improved profitability in Russia

The turnover of Tradeka's subsidiary based in St Petersburg reached FIM 44 million, which is 50 per cent higher than in the previous year. Inflation accounted for approximately 20 per cent of the growth. The overall economic growth in Russia, which has increased spending power, also contributed to the improved turnover. ZAO Renlund SPb operates one Super Siwa supermarket and one Siwa neighbourhood shop in St Petersburg.

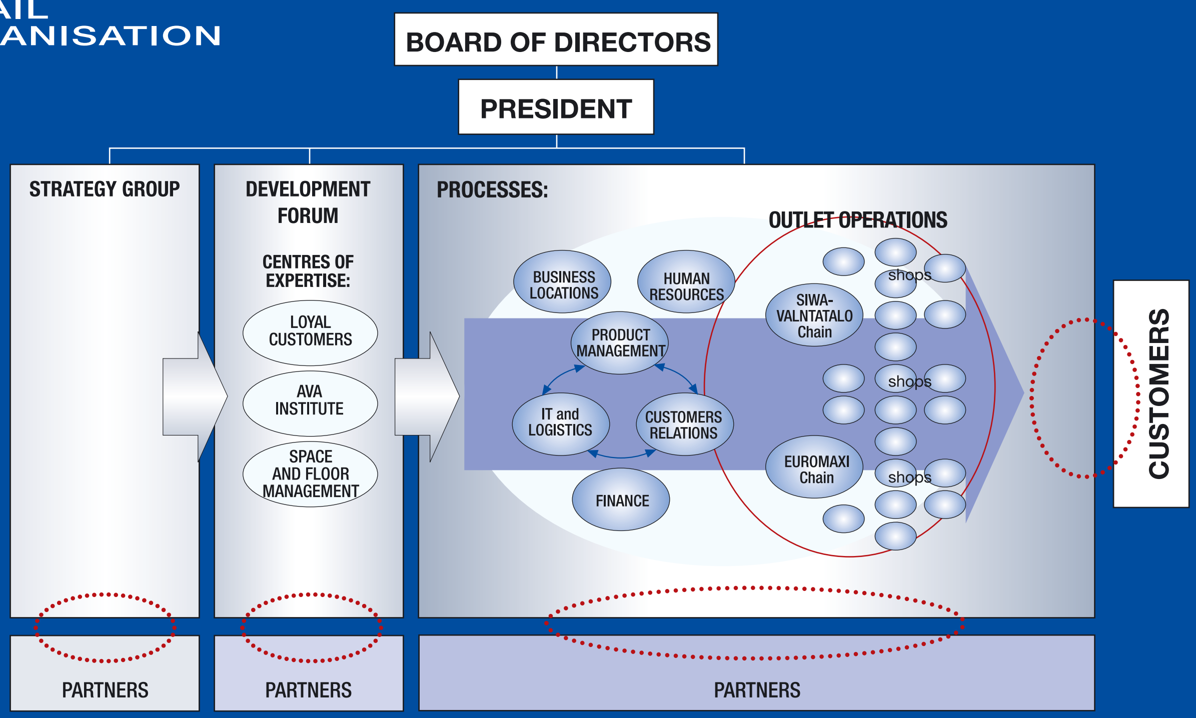
Tougher competition ahead

The good performance we achieved in 2001 will provide us with solid foundations for the current year's business. Competition in the grocery sector is becoming fiercer due to, among other things, the entry of global players. In response to intensifying international competition, Tradeka will rely on its state-of-the-art retail IT systems and the exploitation of the data they provide as well as on its skilled and motivated personnel. With a view to enhancing its competitiveness, Tradeka has specified development projects for the current year, including those related to the sales-based ordering (SBO) system, customer-data exploitation and the development of employee training.

In addition to the store extensions underway at Pori and Forssa, Tradeka's investments will focus on ensuring that the modernised Euromarket operating model permeates the current network of outlets. However, the emphasis will still be placed on in-store investments that pay for themselves within a short period of time.

Valintatalo's Mini Cooper has attracted attention throughout Finland.

RETAIL ORGANISATION



Support Functions

Tradeka's retail business is organised into four Basic Processes and three Support Processes. Only Outlet Operations within Basic Processes is part of Tradeka Ltd's organisation. Ketjuetu Ltd, a chain-management company co-owned by Tradeka Ltd and the Elanto Group on a fifty-fifty basis, deals with the management of Shop Processes and all functions of other processes on a centralised basis. Tradeka Ltd's President Aarno Mäntynen also acts as President for Ketjuetu Ltd and Elannon Vähittäiskauppa Ltd.

Customer Relationships

On a centralised basis, the Customer Relationships Process is responsible for the development of all chain brands and loyal-customer issues as well as for analysing changes in the operating environment. Loyal customer functions and customer relationship management as well as brand management and customer communications fall into this process category. In 2001, the key development in this respect included the exploitation of customer data (CRM). The Process is headed by Kari Luoto, Marketing Director.

Outlet Operations

The management of the Outlet Operations Process – chain management, and field and regional management – has been centralised on Ketjuetu Ltd. The management of outlet operations of the Siwa and Valintatalo chains was consolidated in February 2002. Regional management was organised into six territories, each of which incorporates both the Siwa and Valintatalo stores. This organisational change was based on the similar outlet processes of both grocery chains. Still separately managed, the chain brands of Siwa and Valintatalo are the responsibility of Customer Relationship Process. Leo Järvensivu, Director of the EuroMaxi chain, is in charge of the Outlet Operations Process.

IT and Logistics

The IT and Logistics Process is responsible for the development and management of retail information systems, and the management of data and product flow related to product replenishment. Development projects that were completed or launched last year included those related to the optimal shelf availability and sales-based ordering system (SBO). The Optimal Shelf Availability project is part of an international project launched by ECR Europe, in which Ketjuetu Ltd is involved with a few suppliers as the only retail-sector representative in Finland. The IT and Logistics Process is headed by Veijo Heinonen.

Category Management

The Category Management Process is responsible for the product range and mix, pricing, product display and campaigning for all retail chains. The organisation bases its operations on the concept of category management, which it has tailored to its specific practical needs. The most significant change in 2001 involved consolidating the previously separate sourcing organisations for groceries and consumables, and further developing and re-positioning the consumables business. Markku Uitto is the head of the Category Management Process.

Human Resources

The Human Resources Process is in charge of the development of human-resource and pay policies, well-organised human-resource planning and recruitment as well as ongoing employee training. The organisation also provides consulting in issues related to industrial relations, develops reward systems and employee well-being, and deals with staff services. Pirkko Virtanen is the head of Human Resources.

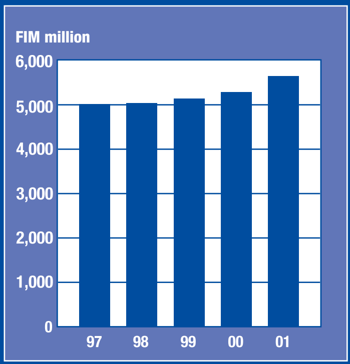
Business Locations

On a centralised basis, the Business Locations Process is responsible for business location procurement, the management of Tradeka's property and business premises leases, the planning and implementation of renovation and new building projects, store planning and design, fixtures and fittings, and environmental issues. Business Locations is headed by Reijo Kiukkonen.

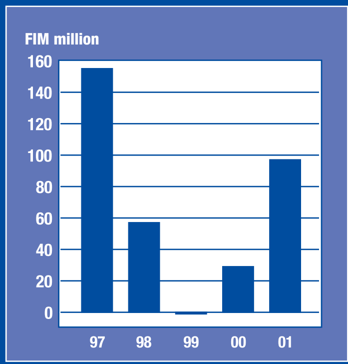
Finance

The Finance Process is in charge of financial management and planning. It also ensures the financial reporting of profit centres and co-ordinates strategic planning. The controller team in the organisation assists the profit-centre management in their supervisory duties. Tapio Lehikoinen, Finance Director, is the head of the Finance Process.

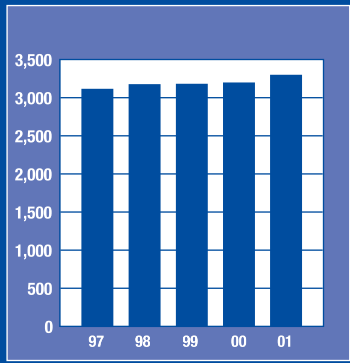
Development of turnover



Profit before extraordinary items



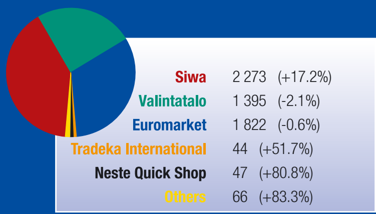
Number of employees



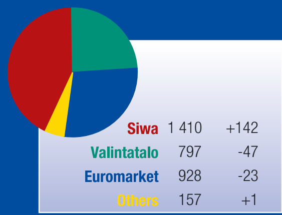
Retail outlets, 31 Dec. 2001

Siwa	382	+14
Valintatalo	94	-12
Euromarket	19	-2
Tradeka International	2	–
Neste Quick Shop	7	–
Others	1	+1
Total	**505**	**+1**

Turnover by retail chain (FIM million)



Number of employees by retail chain



Support Services

Palveluetu Ltd, co-owned by Tradeka Group Ltd and the Elanto Group, provides bookkeeping, accounting and financial services on a centralised basis. Tradeka Ltd also purchases these services from Palveluetu Ltd. Olli Suominen, who is responsible for Tradeka Corporation's strategic planning, acts as Palveluetu Ltd's President.

Siwa's advertising concept has received recognition and given rise to a lively debate. The Grandfather commercial was triumphant in the corporate category of the international Golden Drum competition in 2001.

RESTEL CONSOLIDATED

Restel Consolidated's turnover reached FIM 1,215 million, showing a year-on-year growth of 1.1 per cent. Profit before extraordinary items was FIM 134 million, up FIM 27 million on a year earlier, accounting for 11 per cent of turnover, which is the best result in Restel's history.

President
Ralf Sandström

Last year, the hotel and restaurant sector saw only a modest growth. According to preliminary data, the sales volume in the sector rose by less than 1 per cent from the previous year. There are, however, differences by region. Nevertheless, industry profitability is estimated to have almost reached the previous year's level, thanks mainly to moderate cost development.

Nominal sales at licensed restaurants rose up by 4 per cent, while the growth in volume terms stood at 1 per cent. The growth was attributable to rising meal sales, as sales of alcoholic beverages decreased by about 1 per cent. Owing to the increase in capacity, sales per seat fell slightly year-on-year. Sales of hotel accommodation in nominal terms rose by 7 per cent, with price increases accounting for 5 per cent. The amount of registered hotel accommodation rose by 1.5 per cent. Since accommodation capacity increased in tandem with demand, occupancy ratio remained at the previous year's level.

Careful management of gross margins and operating costs were behind Restel's good performance. Restel Consolidated continued to focus its investments on network maintenance and business-concept changes. The 2001 major development project involved sharpening concepts for the restaurant business, including consistent concept-specific operating policies and practices, names, facades, communications and products. Martina, Huviretki, Rax, Hemingway's, Wanha Mestari, Lyhty, Nite Train and Parnell's are the best-known Restel brands.

A new hotel under construction

Restel hotels generated a turnover of FIM 669 million, up 0.9 per cent over the previous year. Turnover from hotel accommodation rose by 4.0 per cent. Restel Consolidated comprises four hotel companies: Cumulus Oy, Rantasipi Oy, Kansainväliset Restel Hotellit Oy (International Restel Hotels) and Restel Kylpylähotellit Oy (Restel Spa Hotels). All companies made a profit and the overall financial performance in the hotel business was good.

The extension of the Rantasipi Ruka hotel was completed in February and the renovation of the Rantasipi Sveitsi was completed at the end of the year. Three hotels were targets for room and facilities rejuvenation. Ten restaurants in the Restel hotels adopted revamped concepts. At the end of the year, Restel concluded an agreement on leasing the hotel to be built adjacent to the Helsinki Railway Station. The new hotel is to be completed in 2003.

At the year-end, Restel owned 34 hotels and the 62 restaurants in these hotels. Restel also runs three Elanto-owned hotels in Helsinki as well as the Rantasipi Pohjanhovi and Cumulus hotels in Rovaniemi under business management contracts.

Branded restaurants

Restel restaurants generated a turnover of FIM 537 million, up 1.9 per cent year on year. Restel Consolidated comprises three restaurant companies: Restel Ravintolat Oy, Helsingin Restel Ravintolat Oy and Rax Ravintolat Oy. All companies showed a profit and the overall financial performance in the restaurant business was good.

A total of 20 restaurants adopted a remodelled business concept during 2001. In the course of 2002, Restel will continue to re-define business concepts so that, by the end of the year, two-thirds of its restaurants will be operating on the basis of the remodelled brand concept.

Restel expanded its operations in the niche restaurant sector when it bought the restaurant business at the Tampere Ice Stadium in June. The family restaurant business also expanded as Restel set up new Rax restaurants in Hämeenlinna and Joensuu. The Rax chain consists of 15 restaurants. A new restaurant was set up in Helsinki and Rauma. Four restaurants were sold or closed down. The year-end combined number of restaurants run by Restel's restaurant companies totalled 174.

Outlook for 2002

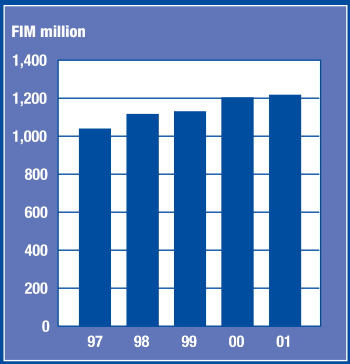
During the current year, the hotel and restaurant sector is characterised by uncertainty. The licensed restaurants' sales are likely to continue to grow at a modest pace. It is, however, more difficult to estimate hotel accommodation sales since the recovery in business travel has not yet begun. So there is a fear of markets becoming increasingly jittery.

Restel is determined to follow the defined strategy strictly. This will mean that there will be an increasing number of branded restaurants with re-defined concepts, profitable expansion, ongoing development of service processes and strict control of operating costs. In the first few months of the current year, Restel Consolidated performed as planned.

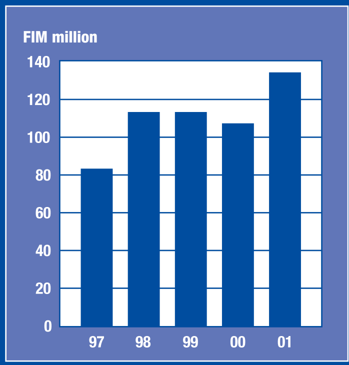
Environment

All Restel hotels and restaurants have environmental plans that are integrated with their annual plans. The most essential environmental measures include energy conservation, waste reduction, waste sorting and recycling as well as environmental co-operation with suppliers.

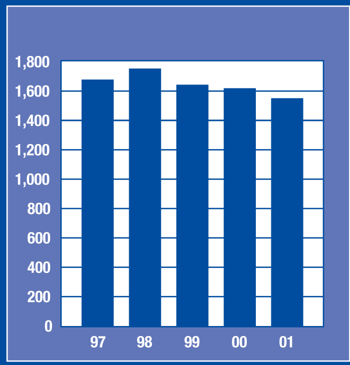
Development of turnover



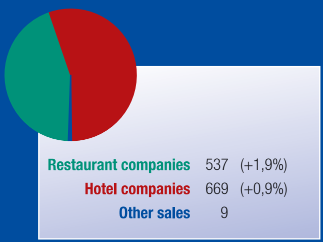
Profit before extraordinary items



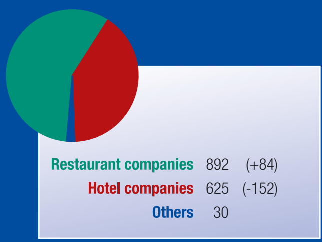
Number of employees



Turnover by business sector (FIM million)



Number of employees by business sector



Hemingway's is one of Restel branded restaurants. Targeted at quality-conscious adults, Hemingway's with its international atmosphere is a haunt for adventurers.

EKA REAL ESTATE DEVELOPMENT

Eka Real Estate Development Ltd's turnover totalled FIM 82 million, down FIM 6 million, which was due to the fall in rental income caused by property realisation. Loss before extraordinary items amounted to FIM 45 million, which was caused by capital losses on property sold and the FIM 48 million write-down entries made.

President
Heikki Venho

The property market slackened considerably during 2001. Demand ebbed away outside business zones, in particular. In business zones, demand for business and store premises remained at a moderate level, whereas that for office premises was on the wane. The Helsinki Metropolitan Area also suffered from companies postponing a number of major property projects.

Eka Real Estate Development Ltd was active in selling and leasing its property in accordance with the financial restructuring programme of Cooperative Tradeka Corporation. The value of the 33 transactions during the year totalled FIM 49 million, generating a loss of FIM 17 million. Major deals included the sale of shares in property in the centre of Kajaani and Kemijärvi, and those in KiOy Kauppakatu 47 in Varkaus and KiOy Ylä-Voima in Tampere.

During the restructuring programme, Eka Real Estate Development Ltd has sold 82 per cent of its real estates, representing 62 per cent of the total surface area and 57 per cent of the total value. Despite the capital losses made in 2001, the average sale price of deals was higher than those specified in the programme.

At the end of 2001, Eka Real Estate Development had 68 real estates with a combined surface area of 173,766 m^2. Their 2001 occupancy ratio was 82.4 per cent. Tradeka Corporation's Group companies and associated companies accounted for 57 per cent of all rental income.

Investments, which were fully cash-financed, amounted to FIM 19 million. Subsidiary investments were based on loans granted by the parent company.

The largest capital-spending targets included the premises of Käenkuja 3 A in Helsinki, the renovation of which was completed in February, and the renovation of the façade and windows of the Helsingin Hämeentie 19 location. The rationale behind the investments is to renovate the premises to meet the specific operational requirements set for them and upgrade the premises to make them more attractive to rent and lease. In particular, the upmarket property in Helsinki has been rented in full. The investments led to the considerable 7.1 per cent improvement in return on property invested.

Outlook for 2002

Demand in the industry is expected to remain sluggish in eastern and northern Finland, in particular, despite the fact that property investments have been more lucrative than other investments in recent years and that the recession seems likely to be short-lived. There will be wider differences in demand and prices by region. Only areas with bright growth prospects would seem likely to maintain demand for major property investment. Despite low interest rates, property investors still require a high level of return.

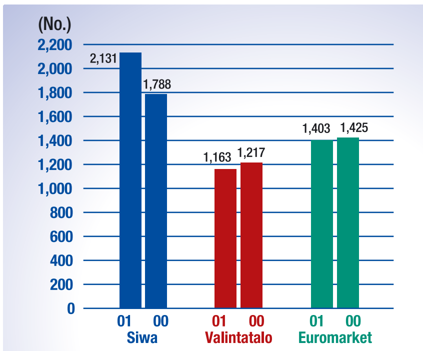
Eka Real Estate Development Ltd will specialise in realising property that is unprofitable or lies in depressed areas, while aiming to improve the yield of its property. Substantial capital gains on property realisation will not be expected in the years to come. Despite the fall in turnover, the company's cashflow will remain positive. The financial position will also be at a healthy level.

Eka Real Estate Development Ltd's most valuable property is the Head Office on Hämeentie Street. Last year, the façade and windows of the building were renovated – the first time ever in its 70-year history. One of the most important goals for 2002 includes renewing the lease with Tradeka Corporation. At the same time, the property is for sale with a view to finding an external investor.


HEMINGWAY'S

Personnel structure

Tradeka Ltd employed 4,697 staff at the end of the year. Full-time employees (37.5 hours/week) accounted for 20 per cent of the stores' sales staff. In addition to the parent company, Tradeka Consolidated had employees at the St Petersburg subsidiary. This report does not deal with the subsidiary's personnel.



Females accounted for 90 per cent of the store staff, remaining at the previous year's level. Females accounted for 10 per cent of Department Store Directors, 40 per cent of the Siwa chain's Area Managers and 29 per cent of the Valintatalo chain's Area Managers. Females accounted for 93 per cent of Siwa's Store Managers and 52 per cent of Valintatalo's Store Managers.

Tradeka Corporation has confirmed a blueprint for equal opportunities at work.

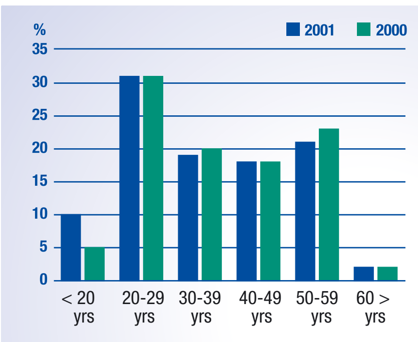
Educational background

Of the personnel employed by the retail business, 12 per cent are college graduates, 1 per cent university graduates and 87 per cent secondary-school graduates or some other form of education.

Employee turnover and recruitment

The number of employees remained at the previous year's level. During the year, a total of 1,419 of Tradeka Ltd's employees resigned, while 1,702 people were recruited. The high employee turnover was due to the great number of students who were on a fixed-term basis and would, after their graduation, seek a job relevant to their studies.

Employees by age



Ketjuetu Ltd's Human Resource function deals with the recruitment of department-store managers and area managers on a centralised basis, whereas store personnel are recruited locally on a department-store and sales territory basis.

One of the largest-scale recruitment processes related to the expansion of the Euromarket store in Lahti, involving an extensive training programme for the recruits. About half of the department stores within the EuroMaxi chain adopted the new steering organisation. Managers for these department stores were appointed using an internal selection procedure.

Employee competence development

Employee training schemes focused on further management training. With the year-on-year increase in management training programmes, their contents were also updated. Some 300 employees participated in management training. All store employees were provided with training on a regional basis related to the changeover to the euro. A total of 3,500 store employees participated in customer-service training, which was also provided on a regional basis.

Employee incentives

Tradeka Ltd's staff are involved in an employee incentive scheme. The reward system for store personnel varies from chain to chain. In addition, the chains arranged various store-specific employee-motivating competitions, and the successful stores were rewarded.

Employee well-being

According to the survey conducted in the autumn, the working climate has developed favourably. Employees perceive that information flow has improved and transparency has increased. Increasingly satisfied with the reward system, employees are now more confident about Tradeka's future success.

In 2001, Tradeka Ltd was involved in the BEST!S™ Human Resource Management Benchmarking Study.

The personnel had the opportunity to hire a holiday home at a reasonable price in Malvaniemi, Hirvensalmi. In addition, appropriations earmarked for employee recreation and leisure activities were distributed to Chief Shop Stewards, who were in charge of their spending on a local basis.

Occupational health services were provided in the Helsinki Metropolitan Area by VITA-Terveyspalvelut Oy and in the rest of Finland through its subcontractors. In cooperation with the occupational health-care section, Tradeka provided two Kuntoremontti courses and one Aslak course to maintain employee working capacity. With a view to stimulating the personnel to become more actively involved in physical exercise, Tradeka arranged the Free Style campaign, which was attended by 137 teams from department stores and other retail outlets. The most active teams were given a prize in terms of a bonus for recreational purposes.

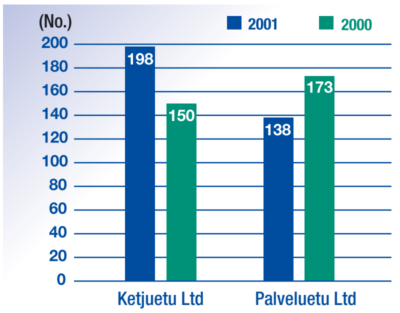
All employees in service for 15, 25, 35 and 40 years were given a special gift. A birthday present was given to employees who turned 50 and 60. The total number of employees who received a gift amounted to 282. A total of 10 employees of merit were awarded a national medal granted by the President of the Republic of Finland.

The average retirement age was 59 years. In cooperation with Pension Insurance Company Varma-Sampo, VITA-Terveyspalvelut Oy and Restel Ltd, Tradeka set up a task force, which aimed to actively find solutions for preventing premature retirement of employees, thus reducing pension costs. The task force worked to good effect and will continue its work during 2002.

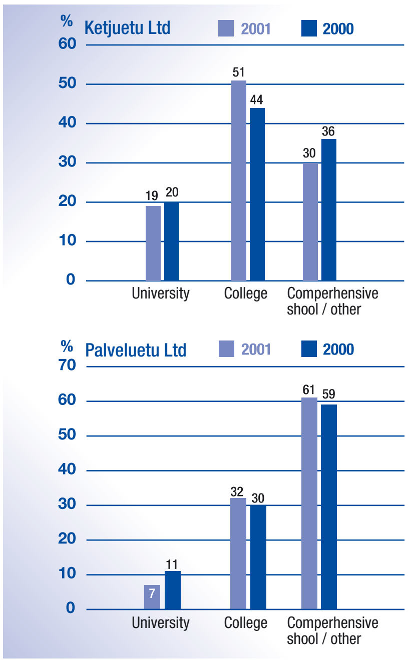
EMPLOYEES OF KETJUETU LTD AND PALVELUETU LTD

There were no major changes in Ketjuetu Ltd's and Palveluetu Ltd's personnel data during the year. At the beginning of 2001, Palveluetu Ltd's human resource

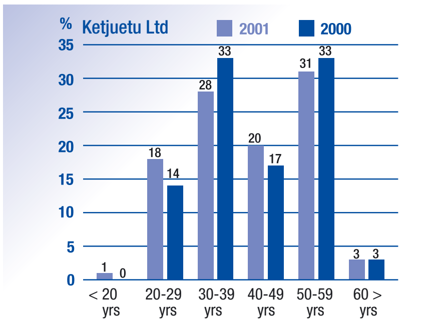
Number of employees

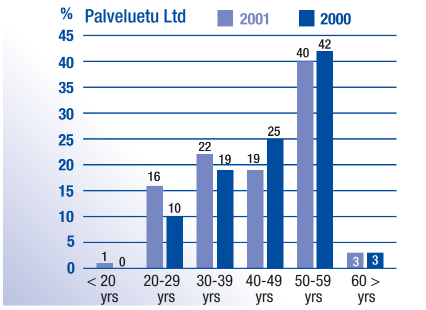


Education



Employees by age





function and part of IT and Logistics human resource functions were transferred to Ketjuetu Ltd. Female employees at Ketjuetu Ltd accounted for 63 per cent of workforce and at Palveluetu Ltd 91 per cent of workforce.

RESTEL CONSOLIDATED

At the end of the year, Restel Consolidated employed a staff of 3,040, of whom 34 per cent were full-time and 66 per cent part-time.

Employee competence development

Restel's basic management training programme offers a shift-management diploma. Three training groups, comprising a total of 70 shift managers, earned the diploma in 2001. During the year, two groups, consisting of 40 employees, earned the Manager diploma (former Service-Director diploma). One group of 9 participants earned the diploma in Meal Production Management (Restel Chef). A total of 11 employees earned the diploma in Master of Induction.

All personnel were provided with training in the changeover to the euro.

Managers were provided with IT training programmes, including hands-on training in e-mail, Restel Online and Meira Nova's online ordering software.

Employee well-being

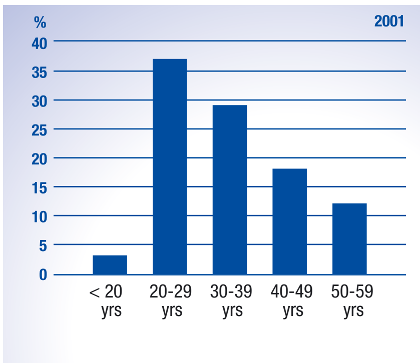
VITA-Terveyspalvelut Oy provides the employees with occupational health services. With a view to maintaining the employees' working capacity, two Aslak training courses, paid for by KELA (the Social Insurance Institution of Finland), and one in-house Kuntoremontti course were arranged during the year. A total of 30 employees took part in these courses. Based on more than a hundred decisions made by Restel's Co-operation Advisory Working Committee, a total of FIM 300,000 was allocated for hobbies related to physical exercise.

The Free Style keep-fit campaign was arranged for all the personnel of the retail business. A total of 137 teams returned their fitness score cards.

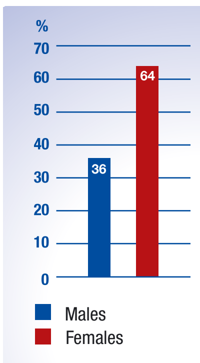
Other relevant issues

Restel has a blueprint for equal opportunities at work. Top management and middle managers are involved in the incentive scheme.

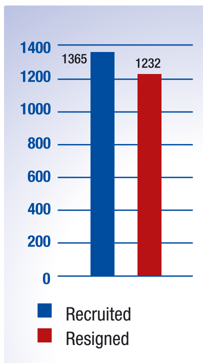
Employees by age



Employees by gender



Employee turnover



ENVIRONMENTAL REPORT

The Environmental Report describes environmental issues related to the operations of Tradeka Group, Cooperative Tradeka Corporation and Tradeka Consolidated - which are part of Tradeka Corporation – as well as Palveluetu Ltd and Ketjuetu Ltd, ranging from environmental impacts and goals to environmental measures.

Environmental impacts

The retail sector with its support functions affect, directly or indirectly, climate change, acidification, eutrophication, ozone loss and chemicalisation, among other things.

The location of retail outlets affects community planning and the use of land. Constructing, repairing, maintaining and demolishing buildings requires materials and energy and generates waste. The most significant direct environmental impacts of retail outlets are concerned with the energy and materials they use and the waste they generate. Offices with high paper consumption also affect the environment. Environmental risks deriving from business operations include the pollution of soil, air and ground water caused by fuel distribution stations, subterranean oil tanks of buildings and fire.

Inex Partners Oy is in charge of sourcing and logistics for retail outlets within Tradeka. Through its decisions on product range and logistics, Tradeka has an indirect impact on transport-based environmental emissions. The manufacture and use of products and the manufacture and disposal of packages also cause an indirect environmental hazard.

There has been an overall improvement in the way the corporate sector deals with environmental issues, which is, among other things, reflected in a survey conducted in December 2000 by Taloustutkimus Oy, a market research firm, dealing with the environmental attitudes of the grocery chain-store customers. The survey revealed some improvements in the customers' perception of the Tradeka chain-stores' environmental image. Tradeka has been successful in reducing its environmental impact in relation to the growth in its turnover.

Environmental management, goals and risks

The Environmental Policy booklet, based on Tradeka's environmental policy adopted since 25 March 1998, is available at the company's Corporate Communication and Ketjuetu Ltd's Business Locations unit. It is also available on Tradeka's website. Ketjuetu Ltd's Business Locations unit is responsible for the development of environmental issues at Tradeka.

Environmental management is part of the company's day-to-day decision-making and management system. Tradeka has evaluated the environmental aspects, environmental impacts and their significance for the retail business. The company has been drawing up environmental programmes for each business process with a view to managing or reducing the most significant impact on the environment.

Tradeka is well on the way to developing an environmental management system, but due to the company's extensive organisation, the process will take longer than expected.

The primary goals of the company's environmental management include reducing the amount of landfill and packaging materials, increasing waste recycling and reuse, and using energy more efficiently. These goals imply providing personnel with environmental training and managing environmental risks. Environmental goals related to sourcing, and products and packages are made on a longer-term basis.

During the year, Tradeka carried out an analysis of potential environmental risks involved in fuel distribution stations and the manufacturing industry, the operations which the company was previously engaged in. Old fuel distribution stations and the operations of the manufacturing industry may involve great environmental risks, which will be analysed in more detail. Consequently, Tradeka will have to prepare for any remediation and depollution measures.

Tradeka has expressed its opinion on environmental issues in the joint statements issued by the Environmental Task Force of the Federation of Finnish Commerce and Trade, while being involved in research activities with the aim of finding out how to use the information provided by the life-cycle analyses. Environmental accounting or book-keeping is not in use.

Energy consumption

In the retail business, electricity is mainly used for cooling, ventilation, lighting, and machinery and equipment. Inex Partners Oy is responsible for the transport of goods to Tradeka's retail outlets. Carbon, sulphur and nitrogen dioxides deriving from energy production have an essential impact on climate change, acidification and eutrophication. Particle emissions are hazardous to health.

Oil consumption and related emissions

The total consumption of light oil on Tradeka's 114 oil-heated premises amounted to 1,480 m^3. The resultant carbon dioxide emissions totalled approximately 3,937 tonnes. The main trend has been towards district heating, which has reduced oil consumption during the past three years. Tradeka's emissions from oil consumption accounted for well below 1 per cent of the total emissions in Finland.

Electricity and related emissions

All of the electricity used by Tradeka is procured from one supplier. Electricity consumption figures also include the electricity used by companies that lease outlet and other business premises in buildings owned or occupied by Tradeka. Data for 2001 include figures of Tradeka's 387 outlets (18 Euromarket outlets, 77 Valintatalo outlets, 292 Siwa outlets), with their measured total electricity consumption amounting to 114.96 million kWh. Year-on-year figures are not comparable since there have been changes in the structure of the outlet network. Some data are based on estimates.

With its peak level past, electricity consumption is on the wane. The comparable Euromarket outlets (17) managed to reduce their electricity consumption by 0.29 per cent, whereas outlets within the Valintatalo chain (58) saw only a 0.4 per cent growth in their electricity consumption. The comparable Siwa outlets (80) increased their electricity consumption by 5 per cent due to store extensions and in-store baking units. The increase may also be affected by measuring errors.

The energy supplier generated 75 per cent of electricity mainly through combined production using natural gas and coal. The remainder was nuclear, hydroelectric, wind power or imported energy. Based on the environmental report by the energy supplier, the amount of emissions originating from the measured and estimated electricity consumption of Tradeka was as follows:

Sulphur dioxide	28.7 tonnes
Nitrogen oxide	39.1 tonnes
Carbon dioxide (CO_2)	31,039.9 tonnes
Particles	2.6 tonnes

Tradeka's emissions accounted for less than 0.3 per cent of the total emissions in Finland. Heat recovery systems will be installed in new outlets and outlets subject to refurbishment with a view to reducing energy consumption. These systems considerably reduce the need for heating energy.

District heating

No statistical data are available on the stores' consumption of district heating and the emissions related to its production. In the autumn, before the heating season began, Tradeka provided all outlets with a set of instructions on adjusting heating equipment and saving energy.

Waste and recycling

Landfill produces methane, which accelerates changes in climate. Tradeka's stores aim to reduce landfill by sorting and picking over various types of waste, e.g. cardboard, for reuse. Waste that can be reused for energy production and biodegradable waste are collected when required by waste-management regulations. In addition, certain stores voluntarily collect waste that can be reused for energy production.

The amount of waste generated by 13 Euromarket outlets was approximately 3,110 tonnes in 2001. Landfill and cardboard accounted for about 80 per cent of the total amount of waste, their share divided on a fifty-fifty basis. Biodegradable waste and waste for energy production, which are collected only in some of the chain's stores, accounted for about 10 per cent and 5 per cent, respectively. Utilisation rate amounted to 60.1 per cent. Statistical methods are currently being developed for other chains.

Recycling points

Seven Euromarket stores provide their customers with "Ecopark" recycling points or an equivalent. Valintatalo and Siwa stores have adjacent recycling points for one or more types of waste (paper, glass, liquid packaging board).

Logistics and auxiliary transport equipment

In co-operation with Inex, Tradeka has been able to considerably reduce the amount of disposable transport packages by making more efficient use of circulating transport equipment (pallets, trolley pallets, cases) with a deposit. Circulating boxes (Transbox, Chep, etc.) for fruit and vegetables, meat products and tobacco products replaced cardboard boxes approximately 4.5 million times during the year. The amount of corrugated board waste plunged by 2,705 tonnes. Circulating plastic boxes accounted for about 21 per cent of all Inex's delivery volumes. The so-called continuous replenishment of goods and combined transport system have been in use for three years, which has reduced the need for frequent store deliveries and the related emissions. There have been improvements in the load factor of transport vehicles and the optimisation of transport routes. There is, however, no documented benchmark data on the environmental impact of continuous replenishment and the combined transport system.

Head office

The collection of waste at Tradeka Corporation's head office covers biodegradable waste, cardboard, office paper and so-called "recyclable household paper". In addition, head office collects hazardous waste, reuses ink cartridges and recycles office furniture, machinery and supplies.

The report year saw new users subject to waste disposal. A total of more than 90 tonnes of paper and 12 tonnes of cardboard were collected, of which Tradeka is estimated to account for a third. Biodegradable waste that amounted to 10 tonnes was mainly generated by the restaurants in the building. The amount of mixed waste totalled approximately 39 tonnes.

Electricity consumption rose by 3.5 per cent. Head office made more efficient use of its premises by leasing idle space for office use.

Pro-environmental products

Tradeka aims to take the pro-environmental life-style objectives set by its customers into consideration according to demand. Tradeka's chains offer both organic foods and eco-labelled products (the Nordic Swan environmental label and ÖkoTex) which are less harmful to the environment than conventional products.

Since there were several changes to the product ranges during the year, the figures fail to reveal exact information. Sales of a product within the product group are a better indicator of demand and overall sales volume. The number of organic foods and Fair Trade products available ranges from 170 to 180. Some products serve as substitutes and some are offered on a seasonal basis. The range of organic foods varies by chain, outlet size, extent of overall product ranges of the store, and locality, with the Siwa, Valintatalo and Euromarket chains' number of organic foods ranging from 2 to 10, 20–40, and 60–140, respectively.

Organic eggs sold within the product group accounted for more than 10 per cent of all eggs sold, the largest share within all product groups. Sales of organic luncheon meat, honey, fruit juice, vegetable oil and crispbread accounted for 3–10 per cent of all sales within the respective product groups. Bread, grain products, dairy products, vegetables, fruit and tinned food accounted for less than 3 per cent of all sales within the respective product groups.

The largest stores offer Fair Trade products such as bananas, honey, coffee, cane sugar, tea and crispbread. The introduction of Fair Trade bananas on to the market in March achieved greater success than expected, accounting for more than 5 per cent of all bananas sold. Honey also accounted for more than 4 per cent of sales in the product group.

Eco-labelled tissue paper products accounted for 85–94 per cent of all sales within the product category, depending on the chain.

Eco-labelled washing powders and detergents accounted for 6–14 per cent of total sales in the product category. Three of Inex Partners Oy's own Cleani laundry detergent brands and one Cleani household cleaner carry an eco-label. Depending on the chain, eco-labelled household cleaners and dishwashing detergents accounted for 44–50 per cent and 12–19 per cent of the product categories' sales, respectively.

Sales of eco-labelled batteries accounted for 85–94 per cent of total sales in the product category, the Siwa chain showing the highest rate and the Euromarket chain the lowest. Most traditional stationery (booklets and pads) carries an eco-label. Three of Tradeka's suppliers (suppliers of lingerie and ladieswear, among others) use the ÖkoTex label in their products. Eco-labelled products accounted for as much as 30 per cent of sales in some product categories.

In addition to plastic bags, paper bags are also available. The plastic bags of some stores contain recycled plastic. A few outlets offer biodegradable plastic bags for fruit and vegetables, but currently they are not in great demand.

The Latokartano Siwa

In February, the Siwa chain opened a pilot store in Latokartano, Helsinki, a pilot area for ecological development. The store's product range, including some 150 ecological products, is based on the pro-environmental approach in view of the expected customer base. These products accounted for 6 per cent of total store sales. The store was ranked first among small grocery outlets in the Organic Groceries competition organised by Finfood.

Energy preservation, waste sorting and recycling points for customers also included the aspects that were taken into consideration when developing and designing the store. In-store freezers are equipped with sliding covers. The personnel were also given training in environmental issues.

Ethical principles

The purchase co-operation through the international InterGroup is based on the principle that purchasing adheres to the ethical principles of the organisation, as evidenced by the ban on using child labour, for example. The offices and experts of InterGroup Far East Limited (IGFEL) in the Far East supervise the compliance with the principles and carry out audits before any agreement on cooperation is made.

In the autumn, Ketjuetu Ltd also signed the Charter of Ethical Principles for Import issued by the Central Chamber of Commerce. The contents of the principles and related requirements are consistent with those of InterGroup.

Use of materials

Use of various materials affects the environment not only in terms of emissions and waste but also scenically. When evaluating environmental impacts, the following issues should be considered: purchase of raw materials; transport; manufacture; need, use and management of energy; recycling if possible, and final disposal and related environmental impacts.

Packaging materials

In order to fulfil the requirements for the recycling of the packaging materials used for self-imported and in-store packaged products, Ketjuetu Ltd is a member of the Environmental Register of Packaging Oy (PYR) and its producer associations.

During the financial year, the amount of packaging material used by Tradeka's outlets totalled 1,078 tonnes, showing a year-on-year increase of 7 per cent, stemming mainly from carrier bags and other smaller bags. Tradeka accounted for less than 0.3 per cent of all packaging materials used in Finland. The amount of the packaging materials of imported goods totalled 466.3 tonnes.

Publications

Tradeka publishes a customer and a personnel magazine as well as bulletins on a regular basis, in addition to Loyal Customer Bulletins and store-specific marketing materials. The amount of paper and board used in publications and marketing materials published by Tradeka reached 3,387 tonnes, – of which Tradeka's *Me* customer magazine accounted for 975 tonnes – showing a total increase of 740 tonnes (27 per cent) on the previous year. This was mainly due to the more exact statistical methods, higher magazine circulation and the adoption of new materials required by the business-concept changes of the chains. In-house communications and invoicing increasingly rely on wired networks.

Office paper

A total of 26.3 tonnes of paper was used for copying and printing purposes through the company's Office Service, up by less than 1 tonne. The increase was partly caused by the set of instructions prepared for the chains' new business concepts.

Training in environmental issues

The AVA Institute provides the company's personnel with relevant training in environmental issues. Two training courses qualifying for a diploma in sales included particular periods of training in environmental issues. In order to be able to prepare environmental programmes, the personnel of Ketjuetu Ltd were provided with environmental training at business-process level and team meetings (incl. 120 people).

Fuel distribution stations

At the end of the year, Tradeka operated fuel distribution stations adjacent to seven store outlets, four of them run by Neste. The soil of ten Tradeka-owned fuel distribution stations that were closed down was analysed. Seven of them were subject to soil remediation.

Other activities

– The Environment Working Group of EuroCoop
– The Environmental Committee of the Federation of Finnish Commerce and Trade
– The Nordic Environmental Labelling Board
– Involvement in the environmental student projects of the AVA Institute and other schools.

Business in 2001

Tradeka Corporation's business consists of three subgroups: Tradeka Consolidated (retail business), Restel Consolidated (hotel and restaurant business) and Eka Real Estate Development (property business). In addition to Cooperative Tradeka Corporation, the Corporation consists of 65 active subsidiaries, of which 46 are engaged in the property business. The number of associated companies totals 57. During the financial year 2001, Tradeka Corporation sold the share capital of its six property subsidiaries and bought a majority holding in two subsidiaries. The number of associated companies fell by two during the report year.

Cooperative Tradeka Corporation is subject to financial restructuring due to end on 31 December 2003. At the end of the year, Cooperative Tradeka Corporation sold its 87 per cent holding in Restel Ltd to its wholly owned Tradeka Group Ltd. As a result, the Corporation's ownership structure meets the requirements set by the financial restructuring programme.

The financial restructuring programme progressed as required by regulations. Court proceedings were also initiated pertaining to matters of interpretation in the scheme of composition. Court proceedings are pending pertaining to claims by creditors, related to additional debt paybacks based on Section 63 of the Financial Restructuring Act. Cooperative Tradeka Corporation's aim is that all pending issues can be agreed on or will be resolved by the end of the scheme of composition on 31 December 2003.

Restructuring debts of FIM 237 million were amortised during the year. During the entire scheme, debts of FIM 2,164 million have been amortised. The additional debt paybacks (partitioning debts) amount to FIM 194 million, which Cooperative Tradeka Corporation repays using income from business operations. The remaining restructuring debt paybacks, i.e. non-interest-bearing subordinated loan, subordinated loan including interest and any cum-interest secured loans outstanding at the end of the restructuring programme allocated to the assets of Eka Real Estate Development Ltd, will be repaid at the end of the programme using a set-off procedure required by the financial restructuring programme. This means that Cooperative Tradeka will transfer shares in and receivables from Eka Real Estate Development to the creditors including the remaining cash balance exceeding FIM 5 million left after the final paybacks in accordance with the payback scheme. Within five years after the restructuring programme, Cooperative Tradeka Corporation must settle its contingent liabilities of almost FIM 700 million. Tradeka Group Ltd owes the creditors a total of FIM 300 million of these liabilities of secured loans and the remainder is associated with the pension liabilities in accordance with the financial restructuring programme.

During the year, Tradeka closely followed the progress of the Coop Norden project launched by Nordic co-operative retail societies (FDP, KF, NKL). Together with S-Group, Tradeka continued to analyse the development of the jointly owned Inex Partners and how its operations could be developed further and also considering possible Nordic-wide co-operation. The committee, set up jointly by Elanto Cooperative and Tradeka, continued to analyse their co-operation and its future development from the owners' perspective. As agreed, Tradeka Corporation and the Elanto Group continued their co-operation with Ketjuetu Ltd T & E and Palveluetu Ltd T & E.

The YkkösBonus Loyal Customer Scheme was extended, when Info chain (a book shop chain) and Autokeskus (a car dealer) became new partners in early 2002, followed by Teesi (a home improvement chain) on 1 April 2002. Spies (a travel agency), Veho (a car dealer) and Ellos (a mail-order company) withdrew from the scheme. In addition to Tradeka Consolidated, Elanto and Restel Consolidated, 13 partner companies are involved in the Loyal Customer Scheme. At the end of the financial year, a total of 928,894 loyal customer accounts and some 1.6 million loyal customer cards were in active use. YkkösBonus generated sales of FIM 8,990 million (+11 per cent). Tradeka Consolidated's loyal customer sales totalled FIM 4,882 million (+6 per cent) and those of Restel Consolidated FIM 395 million (–6 per cent). The amount of the bonus in terms of customer refund totalled FIM 170 million (FIM +25 million).

Turnover and other income from business operations

Tradeka Corporation's turnover reached FIM 6,876 million (+5.7 per cent). Other income from business operations amounted to FIM 110 million (FIM –4 million), of which rental income and capital gains on fixed assets accounted for FIM 79 million (FIM +9 million) and FIM 31 million, respectively. Capital losses on fixed assets (FIM 7 million) are included in other operating expenses. Consequently, the net effect of shares and holdings sold, which were included in fixed assets and investments, on Corporation's results amounted to FIM +24 million, or FIM 9 million less than in the previous year.

Turnover of Tradeka Consolidated totalled FIM 5,645 million, up 6.8 per cent. As in the previous years, the growth was based on more efficient operations of the existing outlet network, with store set-ups and closures having a minor effect.

Turnover of Restel Consolidated reached FIM 1,215 million (+1.1 per cent).

Turnover of Eka Real Estate Development totalled FIM 84 million (–6.7 per cent), mainly consisting of rental income and income from maintenance charges as well as capital gains on the sales of shares under current assets, and is included in other income from business operations in the consolidated financial statements.

Cooperative Tradeka Corporation's turnover of FIM 10 million consisted of management-service sales.

Profit

Tradeka Corporation made an operating profit of FIM 321 million, which is FIM 68 million more than in the previous year. Profit before extraordinary items came to FIM 184 million. Due to the interest (FIM –131 million) on subordinated loans included in financial expenses, both Tradeka Corporation's and parent cooperative profits before extraordinary items are not comparable with the key figures of the year 2000.

In addition to the non-interest-bearing subordinated loan included in the so-called secured loans related to the financial restructuring programme, Cooperative Tradeka Corporation had an interest-bearing subordinated loan of FIM 233 million. In previous years, interest accrued on the subordinated loan was shown as interest liability in the Notes to the Financial Statements since Tradeka Corporation's distributable funds have been negative. The Corporation's 2001 profit made it possible to enter FIM 131 million of the interest accrued on the subordinated loan as interest expenses in the Cooperative's financial statements. A total of FIM 50 million interest on the subordinated loan accrued by the end of 2001 is still shown as interest liability in the Notes to the Financial Statements.

Tradeka Consolidated's operating profit before depreciation amounted to FIM 247 million, showing a year-on-year increase of FIM 61 million. Tradeka Consolidated also exceeded the operating-margin target specified for the financial year by the financial restructuring programme. The group also exceeded the cumulative cashflow, investment and operating-margin targets that were to be met during the financial restructuring programme. Tradeka Consolidated's profit before extraordinary items came to FIM 97 million (FIM +68 million).

Restel Consolidated's operating profit before depreciation of FIM 191 million (FIM +10 million) also exceeded the target specified by the financial restructuring programme. In February 2002, the group also exceeded the cumulative operating-margin target specified by the financial restructuring programme. In addition to the operating-margin target, the financial restructuring programme does not require any other targets to be met by the group. Restel Consolidated's profit before extraordinary items amounted to FIM 134 million (FIM +27 million).

Eka Real Estate Development's operating profit before depreciation totalled FIM 20 million (FIM –31 million). The decline was caused by the sales effect of fixed assets and investments. Net capital losses for 2001 totalled FIM 16 million, whereas capital gains of last year amounted to FIM 17 million. The financial restructuring programme does not require any other targets to be met by Eka Real Estate Development.

At the closing of the accounts, Eka Real Estate Development and some of its subsidiaries made depreciation and write-down entries, the amount of which exceeded the planned depreciation, with the effect of FIM –48 million on Eka Real Estate Development Consolidated's results and that of FIM –63 million on Eka Real Estate Ltd's results. These write-down entries had no effect on Tradeka Corporation's results since the consolidated book values in the Corporation's accounts were already lower than the values entered by Eka Real Estate Development Consolidated. Eka Real Estate Development's loss before extraordinary items came to FIM 82 million, showing a year-on-year fall of FIM 95 million.

Tradeka Corporation's profit before extraordinary items totalled FIM 184 million. Extraordinary items of FIM 57 million included the FIM 54 million (FIM 66 million in 2000) deferred tax income recognition based on the previous years' losses confirmed in the parent-company taxation. Direct taxes amounted to FIM 59 million, of which deferred taxes accounted for FIM 56 million (FIM 66 million in 2000). Net profit for the period totalled FIM 181 million.

Cooperative Tradeka Corporation's loss before extraordinary items came to FIM 122 million. Extraordinary income of FIM 231 million included received Group contributions of FIM 228 million (FIM 108 million in 2000). Extraordinary expenses included mainly Group contributions of FIM 17 million granted to Eka Real Estate Development Ltd. Net extraordinary items totalled FIM 214 million (FIM 133 million).

Surplus and the Board's proposal for the disposal of surplus

The Board proposes that the surplus of FIM 91,984,931.23 for 2001 be entered in the contingency fund in accordance with the Cooperative's rules and regulations.

Capital expenditure

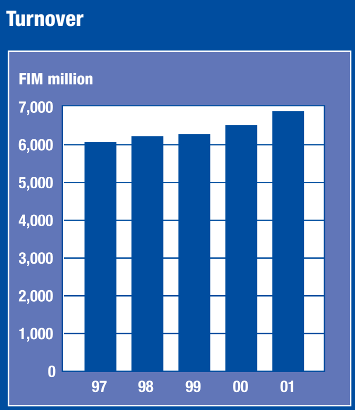
Tradeka Corporation's gross capital expenditure for 2001 totalled FIM 139 million, representing a year-on-year fall of FIM 17 million. With a tough line in the investment policy, Tradeka Corporation continued to focus on refurbishing existing outlets and setting up new ones as well as on information systems. Gross capital expenditure of Tradeka Consolidated, Restel Consolidated and Eka Real Estate Development reached FIM 49 million (FIM 70 million), FIM 79 million (FIM 52 million) and FIM 9 million (FIM 33 million), respectively. In addition to investments in fixed assets, capital of FIM 7 million (FIM 28 million) was allocated to other long-term investments in fixed assets. Almost fully financed by cashflow from business operations, net capital expenditure of FIM 96 million was at the previous year's level.

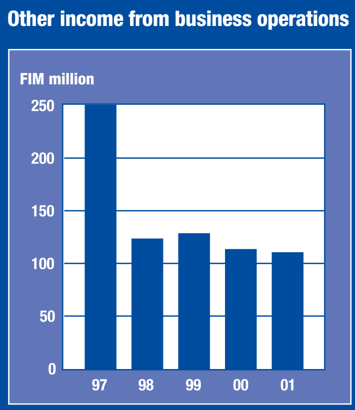
Financing

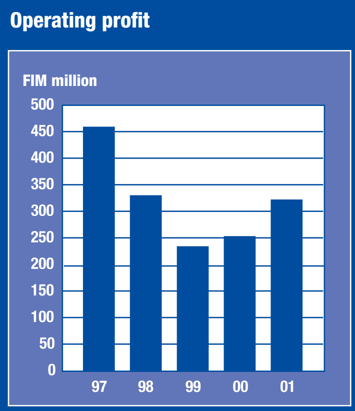
Tradeka Corporation's interest and other financial expenses totalled FIM 35 million (FIM –15 million), while interest and dividend received came to FIM 43 million (FIM +8 million). The year-on-year decrease in expenses was due to the repayment of secured loans for the Cooperative (FIM –18 million) and lower interest rates caused by the decelerated inflation. Loans raised by Tradeka Consolidated in 2000 added to financial and interest expenses (FIM +6 million). Otherwise, interest payments remained at the previous year's levels. Increase in marketable securities and cash and cash equivalents held by Tradeka Consolidated and Restel Consolidated mainly contributed to the amount of interest received.

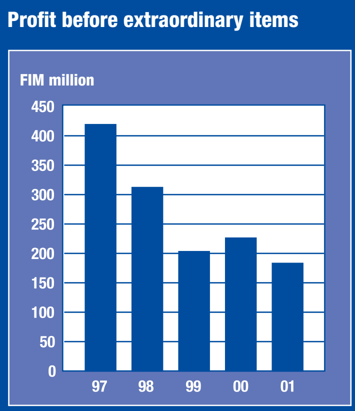
Of Tradeka Corporation's companies, Tradeka Ltd raised loans from financial institutions, the amount increasing by FIM 1.3 million during the financial year. External financing accounted for FIM 270 million, which was considerably lower than expected in the Cooperative's financial restructuring programme.

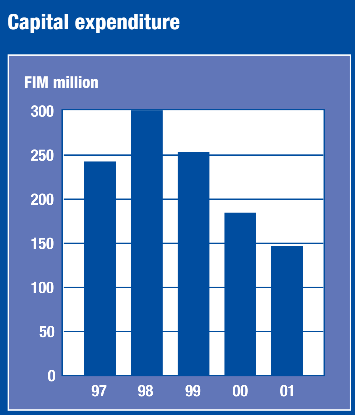
The amount of loan repayment totalled FIM 266 million. The Cooperative repaid FIM 207 million of its restructuring debts. In addition, Cooperative Tradeka Corporation transferred FIM 30 million of its subsidiaries' convertible bonds to the creditors of secured debts. In addition to Cooperative Tradeka Corporation, Tradeka Ltd and Restel Consolidated in the main repaid the loan raised by the Group from financial institutions.

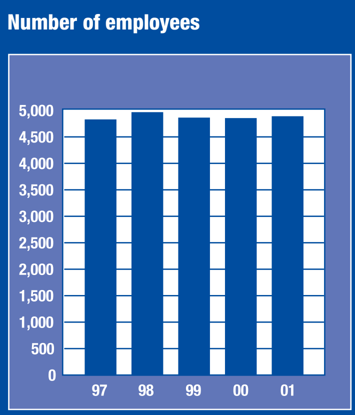












The companies' cash position and liquidity for the entire financial year were according to plan.

Balance sheet structure

Consolidated balance sheet total amounted to FIM 3,086 million, showing a growth of FIM 139 million over the previous year. Marketable securities and cash and bank receivables totalled FIM 905 million (FIM +182 million).

The Corporation's total shareholders' equity (Cooperative capital) totalled FIM 201 million (FIM +181 million) on the closing date of the accounts. The unrestricted shareholders' equity of FIM 67 million (FIM –114 million in the previous year) turned positive for the first time since the beginning of the financial restructuring programme. When reckoning with the share entered from appropriations in shareholders' equity, consolidated distributable profit came to FIM 0.

Tradeka Corporation's liabilities amounted to FIM 2,858 million at the end of the year. During the year, liabilities fell by almost FIM 48 million. The Corporation's secured debts fell by FIM 20 million and the restructuring debts regarding only Cooperative Tradeka declined by FIM 106 million. Other liabilities rose by FIM 80 million, of which the subsidiaries' convertible bonds transferred to the creditors of secured loans accounted for FIM 30 million. Deferred tax liability came to FIM 27 million (FIM 29 million).

During the year, the Cooperative's restructuring debt was amortised by FIM 237 million, consisting of a total of FIM 131 million of accrued interest on the subordinated loan entered as accruals and a total of FIM 106 million of net decrease of other restructuring debts in the balance sheet. The Cooperative's restructuring debts totalled FIM 1,547 million and other liabilities amounted to FIM 216 million. Cooperative Tradeka Corporation's shareholders' equity was FIM 580 million, with the surplus raising it by FIM 92 million.

Cooperative Tradeka Corporation's balance sheet total amounted to FIM 2,344 million (FIM 2,329 million in 2000). As a result of the divestment of Restel Ltd shares, holdings in Group companies fell by FIM 91 million. The deal was financed by providing Tradeka Group Ltd with a subordinated loan that equalled the sale price of shares. During the year, Tradeka Ltd and Restel Ltd were also granted a subordinated loan of FIM 30 million and FIM 63 million, respectively. After the above figures, the subordinated loan receivables from subsidiaries including other long-term investments came to FIM 757 million, which also includes the FIM 284 million subordinated loans previously granted to Eka Real Estate Development Ltd in connection with the company's spin-off. Receivables (FIM 268 million) included in Cooperative Tradeka Corporation's current assets and their increase (FIM 101 million) are mainly due to Group contributions receivable.

Personnel

The number of Corporation employees, expressed as full-time employees, averaged 4,878 (+35). Tradeka Consolidated employed 3,292 (+101), Restel Consolidated 1,547 (–68), with other personnel amounting to 39 (+2). The increase in the number of retail business employees, expressed as full-time employees, was caused by the new legislation permitting Sunday trading.

Members

During the year, a total of 1,029 new members joined the Cooperative, and 2,457 memberships were terminated, of which 996 were resignations. The year-end membership totalled 353,247. Cooperative capital was FIM 50.5 million and the membership fees of resigned members amounted to FIM 3.9 million.

Council of Representatives

The Meeting of the Council of Representatives on 23 May 2001 adopted the financial statements for 2000, discharged those accountable from liability and considered other statutory issues pertaining to the Cooperative. The Council of Representatives is made up of 110 members.

Supervisory Board

The Supervisory Board, which is made up of 25 members and two members elected by employees, convened five times during the financial year.

Board of Directors and Management

In 2001, the Cooperative Board of Directors was comprised of the following: Olavi Syrjänen as Chairman, Doctor of Law, Senior Lawyer; Maunu Ihalainen as Vice-Chairman, Chancellery Counsellor; and members Markku Alhava, M.Sc. (Econ. & Bus.Adm.); Margit Eteläniemi, Head of Training; Tuire Mannila, Director of Finance and Jukka Simula, Solicitor. The employee representatives of the Board included Ritva Vartia, Chief Shop Steward, as a regular member and Martti Kesseli, Chief Shop Steward, as a deputy member. Board memberships for 2002 remained unchanged.

Antti Remes acts as the Cooperative's President and the Supervisory Board appointed Juha Laisaari, Director of Administration and Legal Affairs, to act as his deputy as of 1 January 2002.

Auditors

The meeting of the Council of Representatives on 23 May 2001 elected Mauri Palvi, Authorised Public Accountant, and Veijo Riistama, Authorised Public Accountant, as regular auditors and KPMG Wideri Oy Ab, Authorised Public Accountants, and Kari Lydman, Authorised Public Accountant as deputy auditors.

Supervisor

Supervisor of the mandatory restructuring programme appointed by the Helsinki District Court is Jyrki Tähtinen, Attorney.

Business in 2002

The euro has been legal tender since 1 January 2002. All business groups performed well during the changeover to the euro.

In response to the intensifying competition in the grocery sector – including that caused by the entry of a foreign retail chain – Tradeka will make more efficient use of its existing retail IT systems and train its personnel in making better use of the increasing amount of data the systems produce. The Euromarket stores will adopt the new hypermarket concept as investments in store extensions and renovations proceed. In other respects, the emphasis will still be placed on store investments that pay for themselves within a short period of time.

In 2002, demand in the hotel and restaurant sector is characterised by uncertainty. The licensed restaurants' sales are likely to continue to grow at a modest pace. It is, however, more difficult to estimate hotel accommodation sales since the recovery in business travel has not yet begun. So there is a fear of markets becoming increasingly jittery. Restel is determined to follow the defined strategy strictly. This will mean that there will be an increasing number of branded restaurants with re-defined concepts, profitable expansion, well-organised management of service processes and strict control of operating costs.

Eka Real Estate Development Ltd will remain active in realising its property in accordance with the financial restructuring programme. The company will specialise in realising property that is unprofitable or lies in depressed areas, while aiming to improve the yield of its upmarket property. In particular, the properties in the municipalities of eastern and northern Finland are problematic. Even though many of the real estates are centrally located and occupied, the municipalities lack demand for property investments. Therefore, even after the write-down of property carried out, the development of the value of certain real estates is characterised by uncertainty.

The financial restructuring programme of Cooperative Tradeka Corporation will continue until the end of the programme on 31 December 2003.

CONSOLIDATED INCOME STATEMENT, 1 JAN. – 31 DEC. 2001

	FIM million			% of Net turnover	
	2001	2000	01/00	2001	2000
Net turnover	**6 876**	**6 507**	**369**	**100.0**	**100.0**
Other income from business operations	110	114	–4	1.60	1.75
Operating costs:					
Goods	–4 674	–4 473	–201	–67.98	–68.74
Personnel costs	–884	–832	–52	–12.86	–12.79
Depreciation and write downs	–162	–187	25	–2.36	–2.87
Other operating costs	–945	–876	–69	–13.74	–13.46
Total	–6 665	–6 368	–297	–96.93	–97.86
Operating profit	**321**	**253**	**68**	**4.67**	**3.89**
Interest on subordinated loan	–131	–	–131	–1.91	–
Other financial income and expenses	–6	–27	21	–0.09	–0.41
Profit before extraordinary items	**184**	**226**	**–42**	**2.67**	**3.47**
Extraordinary items	57	72	–15	0.83	1.11
Profit after extraordinary items	**241**	**298**	**–57**	**3.50**	**4.58**
Direct taxes	–59	–70	11	–0.86	–1.08
Minority interest	–1	0	–1	–0.01	0.00
Profit for the financial period	**181**	**228**	**–47**	**2.63**	**3.50**

TRADEKA CORPORATION

CONSOLIDATED BALANCE SHEET AS OF 31 DECEMBER 2001

Assets	FIM million			% of Balance Sheet	
	2001	2000	01/00	2001	2000
Fixed and other non-current assets:					
Intangible assets	194	215	–21	6.3	7.3
Consolidated goodwill	6	9	–3	0.2	0.3
Tangible assets	1 010	1 027	–17	32.7	34.8
Investments:					
Shares in associated companies	215	200	15	7.0	6.8
Other investments	159	157	2	5.2	5.3
Fixed and other non-current assets, total	**1 584**	**1 608**	**–24**	**51.3**	**54.6**
Current Assets:					
Stocks	319	329	–10	10.3	11.2
Receivables	201	207	–6	6.5	7.0
Deferred tax receivables	77	80	–3	2.5	2.7
Securities held in current assets	510	252	258	16.5	8.6
Cash and bank	395	471	–76	12.8	16.0
Current assets, total	**1 502**	**1 339**	**163**	**48.7**	**45.4**
Assets, total	**3 086**	**2 947**	**139**	**100.0**	**100.0**

Liabilities and shareholders' equity	FIM million			% of Balance Sheet	
	2001	2000	01/00	2001	2000
Shareholders' equity (Co-operative equity):					
Share capital (Co-operative capital)	50	50	0	1.6	1.7
Resigned members' fees	4	4	0	0.1	0.1
Revaluation reserve	0	0	0	0.0	0.0
Reserve fund	80	80	0	2.6	2.7
Contingency fund	327	179	148	10.6	6.1
Retained loss	–441	–521	80	–14.3	–17.7
Profit for the financial period	181	228	–47	5.9	7.7
Shareholders' equity (Co-operative equity), total	**201**	**20**	**181**	**6.5**	**0.7**
Minority interest	**27**	**21**	**6**	**0.9**	**0.7**
Statutory reserves	**0**	**0**	**0**	**0.0**	**0.0**
Liabilities:					
Deferred tax liability	27	29	–2	0.9	1.0
Secured debt	980	1 000	–20	31.8	33.9
Other restructuring debt	573	679	–106	18.6	23.0
Other liabilities	1 278	1 198	80	41.4	40.7
Liabilities, total	**2 858**	**2 906**	**–48**	**92.6**	**98.6**
Liabilities and shareholders' equity, total	**3 086**	**2 947**	**139**	**100.0**	**100.0**

TRADEKA CORPORATION

CONSOLIDATED STATEMENT OF SOURCES AND APPLICATIONS OF FUNDS, 1 JAN. – 31 DEC. 2001

FIM million	2001	2000
CASH FLOW FROM OPERATIONS:		
Profit before extraordinary items	184	226
Adjustments:		
Depreciation and write-down	162	187
Other income and expenses not connected with payments	–10	–8
Financial income and expenses	137	26
Other adjustments (– profits / + losses from trade)	–24	–33
Cash flow before change in working capital	449	398
Change in working capital:		
Increase (–) / decrease (+) in current business receivables	21	–42
Increase (–) / decrease (+) in stocks	10	15
Increase (–) / decrease (+) in current liabilities	56	33
Cash flow from operations before financial items and taxes	536	404
Interest paid and financial expenses	–35	–51
Dividends received	5	6
Interest received	38	30
Direct taxes paid	–4	0
Cash flow before extraordinary items	540	389
Net cash flow from operations due to extraordinary items	3	10
Cash flow from operations	**543**	**399**
CASH FLOW FROM INVESTMENTS:		
Investments in tangible and intangible assets	–139	–156
Capital gains on tangible in intangible assets	40	54
Investments in other financial assets	–7	–28
Capital gains on other investments	10	28
Repayment of loan receivables	0	6
Cash flow from investments	**–96**	**–96**
CASH FLOW FROM FINANCING:		
Cooperative contributions during the year	0	0
Withdrawals of long-term liabilities	1	102
Repayments of long-term liabilities	–59	–8
Repayments of restructuring debt	–207	–341
Cash flow from financing	**–265**	**–247**
INCREASE/DECREASE IN LIQUID ASSETS	**182**	**56**
LIQUID ASSETS 1 Jan.	723	667
LIQUID ASSETS 31 Dec.	905	723

TRADEKA CORPORATION

NOTES TO THE FINANCIAL STATEMENTS 31 DEC. 2001

Cooperative Tradeka Corporation is the parent company of Tradeka Corporation. Cooperative Tradeka Corporation is domiciled in Helsinki, Finland. Copies of the consolidated financial statements are available at Cooperative Tradeka Corporation, Hämeentie 19, FIN-00500 Helsinki, Finland.

ACCOUNTING PRINCIPLES

The financial statements have been prepared in accordance with the Finnish Accounting Act and the Cooperatives Act in force since 28 May 1954. The consolidated financial statements have been prepared using the Finnish markka.

Principles of Valuation and Accruals

Fixed assets are recorded at cost and valued at cost less planned depreciation, including necessary revaluation in the Balance Sheet. Planned depreciation is calculated on a straight-line basis over the expected useful lives of the assets as follows:

Group goodwill	10 years
Goodwill	5–10 years
Other long-term assets	5–10 years
Buildings and structures	10–40 years
Machinery and equipment	5–10 years
Other tangible assets	5–10 years

Goodwill is amortised over its expected useful life. In general, the amortisation period is 10 years. The depreciation period for repair costs of rental property (included in other long-term assets) is 10 years in general. Property book values as stated in the Consolidated Balance Sheet correspond to the original acquisition costs or acquisition cost residuals according to plan or likely net realisable values, when lower.

Stocks are stated at the lower of acquisition cost or likely net realisable value. Consolidated stocks mainly consist of groceries and consumables. Accounts receivable are partly made up of credit-card receivables. Other receivables mostly include cost compensations and rebates. Receivables are valued at par or at likely lower realisable value.

Marketable securities consist of commercial papers subject to public trading and are valued at acquisition cost.

Pension schemes

The employee retirement plan of the Group companies is insured by external pension insurance companies. Pension costs are expensed as incurred. In addition, Cooperative Tradeka Corporation and certain of its subsidiaries are shareholders in Eläkekassa Tuki. Liabilities related to this shareholding are shown as contingent liabilities for both Tradeka Consolidated and Cooperative Tradeka Corporation.

Financial expenses allocated to previous financial years

In addition to the non-interest bearing subordinated loan included in secured loans, Cooperative Tradeka Corporation has a FIM 233 million interest-bearing subordinated loan related to the financial restructuring programme. The subordinated loan and the related accrued interest carry an annual interest in accordance with the loan terms. The loan and interest terms are dealt with in connection with the parent company balance sheet on page 45.

In previous financial years, the accrued interest on the subordinated loan was shown as interest liability in the Notes to the Financial Statements since Tradeka Corporation's distributable funds were negative. The 2001 financial performance enabled Tradeka to enter FIM 131 million of accrued interest on the subordinated loan as interest expense and liability in the Cooperative's financial statements. The said interest accrued from the date of the confirmation of the financial restructuring programme to 31 December 1999. The FIM 50 million interest for 2000 and 2001 is still shown as interest liability in the Notes to the Financial Statements.

Comparability of data

Due to the said entry of interest on the subordinated loan in the books, the parent Cooperative's and the Corporation's results after operating profit are not as such comparable with the previous year's performance figures.

Deferred taxes

Deferred tax liabilities and tax assets in the consolidated financial statements are based on the differences between the date of taxation and the date of closing the accounts, and they are calculated by using the tax rate of 29 per cent. The consolidated balance sheet includes the deferred tax liabilities in their entirety, and deferred tax assets for a sum estimated exercising extreme prudence. Deferred tax assets are mostly based on the confirmed loss of Cooperative Tradeka Corporation from previous years and on depreciation and write-down not yet deducted from taxation. Consolidated deferred tax assets for 2001 have been accrued by recognising FIM 54 million of the above-mentioned confirmed losses and depreciation from previous years as extraordinary income. As, on the other hand, FIM 56 million of deferred tax assets were used for deferred direct taxes for 2001, the amount of deferred tax receivables decreased to FIM 77 million.

The recognised deferred tax assets included in extraordinary items in the consolidated financial statements are based on the confirmed losses from the years 1993–1995 as well as on the income recognition of depreciation and write-down not deducted from tax which were entered in the respective years. This income recognition is conducted in accordance with the recognition method to be applied during the transition period described in the Finnish Accounting Standards Board's general instructions of 11 January 1999 regarding deferred tax liabilities and assets. Since during the transition period only a fraction of deferred tax assets was recognised as income using extreme prudence, and because the income recognition is a method deviating from normal practice in that it is singular, material and based on previous accounting periods, the financial statements were prepared in accordance with the regulations on extraordinary items.

ACCOUNTING PRINCIPLES OF CONSOLIDATED FINANCIAL STATEMENTS

Scope of Consolidated Financial Statements

The consolidated financial statements include the financial statements of sub-Groups (Tradeka Consolidated, Restel Consolidated and Eka Real Estate Development) as well as those of the subsidiaries listed on pages 34–35 and the financial statements of the associated companies listed on page 36. Those pages also show individual companies that have not been consolidated including company-specific explanations.

Those subsidiaries not included in the consolidated financial statements are non-operational. Those companies not consolidated have no material effect on consolidated profit or on consolidated non-restricted equity.

Changes in corporate structure

At the end of the year, Cooperative Tradeka Corporation sold its holding in Restel Ltd to Tradeka Group Ltd. As a result, Tradeka Group Ltd holds the entire share capital of both Tradeka Ltd and Restel Ltd. Cooperative Tradeka Corporation has hold Tradeka Group Ltd's share capital since its establishment.

At the end of 2001, the ownership structures adhered to the financial restructuring programme of Cooperative Tradeka Corporation. During the report period, Tradeka Ltd bought a majority holding in Kiinteistö Oy Haukiputaan Ykkönen and the entire share capital of Kiinteistö Oy Salon Hämeentie 35 and sold its holding in Kiinteistö Oy Säästötähkä, an associated company.

During the financial year, Eka Real Estate Development Ltd divested the shareholdings of the following wholly owned subsidiaries: Kiinteistö Oy Hämeenlinnan Hämeensaarentie 5, Kiinteistö Oy Jokitammi, Kiinteistö Oy Varkauden Kauppakatu 47, Porokoan Lomakylä Oy and Kiinteistö Oy Parkanon Tavaratalo. In addition, the company sold its holding in Kantava Oy, an associated company, and the entire share capital of Oy Ylä-Voima, a subsidiary that was acquired at the end of the previous year and entered in current assets.

Restel Consolidated completed the dissolution of 11 Rax companies, which was registered on 25 September 2001. The companies' business had already transferred to Rax-Ravintolat Oy as of 1 June 2000.

Internal shareholding

The consolidated financial statements are prepared in accordance with the acquisition method. Major subsidiaries have been established by the Corporation itself. The difference between the purchased subsidiaries' acquisition cost and their shareholders' equity is primarily allocated to fixed assets; otherwise it is stated as Group goodwill.

Intra-company transactions and profits

Intra-company transactions, receivables and payables as well as non-realised capital gains on fixed assets are eliminated. In the 2001 consolidated financial statements, intra-company profits of FIM 549 million (FIM 690 million in the previous year) were eliminated, of which FIM 76 million (FIM 85 million) originated from the spin-off of Restel Ltd at the end of 1990 and FIM 217 million (FIM 245 million) from the spin-off of Tradeka Ltd in 1999 as well as from subsequent sales of fixed assets. Of the intra-company profits from the transfer of the real estate business to Eka Real Estate Development Ltd, most of which was conducted in 1999, FIM 182 million (FIM 240 million) were eliminated in the consolidated financial statements.

Other profits to be eliminated, related to the Cooperative's intra-company property sales, totalled FIM 74 million (FIM 120 million). During 2001, intra-company profits decreased by FIM 141 million, of which FIM 40 million net were realised as capital gains entered in the Corporation's profit. The remaining more than FIM 100 million are mainly allocated to the depreciation and write-down exceeding the amount planned carried out by Group companies, especially Eka Real Estate Development.

Minority interest

Minority interests are separated from the Cooperative's shareholders' equity (Cooperative Capital) and results and treated as a separate item.

Currency translation differences

Financial-statement figures of foreign subsidiaries are translated into Finnish markka applying the 'monetary-non-monetary' method. Exchange rate differences are recorded in financial items with an impact on the company's results.

Associated companies

Associated companies are consolidated according to the equity method. In proportion to Group holdings in the associated companies, the Group's proportion of the associated companies' profits and losses for the latest financial period is entered as an adjusting item as to Inex Partners Oy, as other operating expenses as to Ketjuetu Ltd T & E and Palveluetu Ltd T & E, and as financial items as to associated property companies.

TRADEKA CORPORATION

NOTES TO THE CONSOLIDATED INCOME STATEMENT

NET TURNOVER

FIM million	2001	2000	01/00
Net turnover by business sector:			
Tradeka Consolidated	5 646	5 287	359
Restel Consolidated	1 215	1 202	13
Other	15	18	-3
Total	**6 876**	**6 507**	**369**

Net turnover comes mainly from domestic sales.

OPERATING PROFIT BEFORE DEPRECIATION

FIM million	2001	2000	01/00
Operating profit (incl. depreciation)	**483**	**440**	**43**

OTHER INCOME FROM BUSINESS OPERATIONS

FIM million	2001	2000	01/00
Rental income	79	70	9
Capital gains on fixed assets	31	44	-13
Total	**110**	**114**	**-4**

OPERATING COSTS

Goods

FIM million	2001	2000	01/00
Purchases	-4 662	-4 469	-193
Change in inventories	-12	-4	-8
Total	**-4 674**	**-4 473**	**-201**

Personnel costs

FIM million	2001	2000	01/00
Salaries and wages	-661	-634	-27
Pensions	-147	-127	-20
Other social expenses	-76	-71	-5
Total	**-884**	**-832**	**-52**

Other wages and salaries subject to withholding tax, incl. fringe benefits

FIM million	2001	2000	01/00
Paid to Presidents and administrative bodies	5	5	0
Other wages and salaries	632	622	10
Total	**637**	**627**	**10**

The retirement age for Presidents of Cooperative Tradeka Corporation, Tradeka Ltd, Restel Ltd and Eka Real Estate Development Ltd has been set at 60.

Average number of employees

	2001	2000	01/00
Tradeka Consolidated	3 292	3 191	+101
Restel Consolidated	1 547	1 615	-68
Other personnel	39	37	+2
Total	**4 878**	**4 843**	**+35**

Depreciation and write downs

FIM million	2001	2000	01/00
Amortisation on goodwill	-7	-23	16
Amortisation on other long-term assets	-54	-52	-2
Depreciation on buildings	-24	-38	14
Depreciation on machinery and equipment	-72	-72	0
Depreciation on other tangible assets	-2	-1	-1
Amortisation on consolidated goodwill/ income recognition of consolidation difference	0	-1	1
Depreciation total	-159	-187	28
Write downs	-3	0	-3
Total	**-162**	**-187**	**25**

Other operating costs

FIM million	2001	2000	01/00
Total costs deriving from sales	-23	-22	-1
Marketing costs	-39	-39	0
Share of associated companies' results	0	0	0
Rental costs	-313	-288	-25
Real estate costs	-92	-82	-10
Administrative costs	-83	-83	0
Other usage and maintenance costs	-388	-351	-37
Capital losses on fixed assets	-7	-11	4
Total	**-945**	**-876**	**-69**

FINANCIAL INCOME AND EXPENSES

Interest on subordinated loan that was entered in interest expenses and accruals amounts to FIM 131.4 million, which is the amount permitted by the distributable profit in the consolidated balance sheet. (Also see Accounting Principles on page 24 and Parent Company Balance Sheet on page 38. The calculation of Tradeka Corporation's distributable profit is shown in the Notes to the Balance Sheet on page 30.

OTHER FINANCIAL INCOME AND EXPENSES

FIM million	2001	2000	01/00
Income from other investments:			
Income from holdings in other companies	2	2	0
Interest income from investments	1	1	0
Other interest and financial income:			
Interest income from current assets	38	31	7
Other financial income from current assets:			
- from associated companies	0	0	0
- from external parties	0	0	0
- exchange-rate gains	0	0	0
Total	41	34	7
Share of associated real-estate companies' results	2	0	2
Interest expenses:			
To external parties	-48	-59	11
Other financial expenses:			
Conversion differences and exchange rate	0	-1	1
Other financial expenses	-1	-1	0
Other financial expenses, total	-1	-2	1
Interest expenses and other financial expenses, total	-49	-61	12
Net financial income and expenses	**-6**	**-27**	**21**
Interest income from external parties, total	39	32	7

EXTRAORDINARY ITEMS

FIM million	2001	2000	01/00
Extraordinary income:			
Proportional shares received	3	22	-19
Deferred tax assets	54	67	-13
Other extraordinary income	0	0	0
Total	57	89	-32
Extraordinary expenses:			
Parent Cooperative's financial restructuring expenses	0	-4	4
*) Capital gains tax	0	0	0
Other extraordinary expenses	0	-13	13
Total	0	-17	17
Net extraordinary items	**57**	**72**	**-15**

The proportional shares were received from subsidiary companies declared bankrupt in connection with the restructuring of the parent Cooperative. The deferred tax assets recognised as income account for half of the amount recognised in the previous year.

*) Capital gains tax due to internal transfer of real-estate business.

TAXES BASED ON THE INCOME STATEMENT

FIM million	2001	2000	01/00
Taxes for the period	-4	-1	-3
Change in deferred tax liability	1	-3	4
Application of deferred tax assets	-56	-66	10
Direct taxes, total	**-59**	**-70**	**11**

NOTES TO THE CONSOLIDATED BALANCE SHEET

FIXED AND OTHER NON-CURRENT ASSETS

Intangible Assets 31 Dec.

FIM million	2001	2000	01/00
Intangible rights	8	8	0
Goodwill	11	18	-7
Other long-term assets	175	185	-10
Advances paid	0	4	-4
Total	**194**	**215**	**-21**

Intangible rights

FIM million	2001	2000
Acquisition cost 1 Jan.	8	8
Increase	1	1
Decrease; sales	-1	-1
Book value 31 Dec.	**8**	**8**

Intangible rights include property-related initiation fees.

Goodwill

FIM million	2001	2000
Acquisition cost 1 Jan.	110	261
Increase	0	9
Decrease; fully amortised	-13	-160
Acquisition cost 31 Dec.	97	110
Accumulated amortisation 1 Jan.	-92	-229
Amortisation for the accounting period	-7	-23
Decrease; fully amortised 31 Dec.	13	160
Accumulated depreciation 31 Dec.	-86	-92
Book value 31 Dec.	**11**	**18**

Other long-term assets

FIM million	2001	2000
Acquisition cost 1 Jan.	411	382
Increase	47	30
Decrease; sales	-3	-1
Acquisition cost 31 Dec.	455	411
Accumulated amortisation 1 Jan.	-226	-174
Depreciation for the accounting period	-54	-52
Accumulated depreciation 31 Dec.	-280	-226
Book value 31 Dec.	**175**	**185**

Advances paid

FIM million	2001	2000
Acquisition cost 1 Jan.	4	0
Increase	0	13
Introduced	-4	-9
Book value 31 Dec.	**0**	**4**

Consolidated goodwill

FIM million	2001	2000	01/00
Acquisition cost 1 Jan.	13	13	
Decrease	-3	0	
Acquisition cost 31 Dec.	10	13	
Accumulated amortisation 1 Jan.	-4	-3	
Amortisation for the accounting period	-1	-1	
Recognition of consolidation difference as income	1	0	
Accumulated amortisation 31 Dec.	-4	-4	
Book value 31 Dec.	**6**	**9**	**-3**

Tangible Assets 31 Dec.

FIM million	2001	2000	01/00
Land and water	60	60	0
Buildings and structures	679	673	6
Machinery and equipment	240	249	-9
Other tangible assets	17	6	11
Advances paid and work in progress	14	39	-25
Total	**1 010**	**1 027**	**-17**

Land and water

FIM million	2001	2000
Acquisition cost *) 1 Jan.	61	71
Increase	6	6
Decrease; sales	-6	-15
Realised and reverted value adjustment	0	-1
Acquisition cost 31 Dec.	61	61
Accumulated depreciation 1 Jan.	-1	-2
Accumulated value adjustment of sold property	0	1
Accumulated depreciation and value adjustment 31 Dec.	-1	-1
Book value 31 Dec.	**60**	**60**

Buildings and structures

FIM million	2001	2000
Acquisition cost *) 1 Jan.	854	846
Increase	47	25
Decrease; sales	-15	-17
Accumulated depreciation of property sold	-3	-
Acquisition cost *) 31 Dec.	883	854
Accumulated depreciation and value adjustment 1 Jan.	-181	-143
Depreciation for the accounting period	-24	-38
Value adjustment for the period	-2	0
Accumulated depreciation of property sold	3	-
Accumulated depreciation and value adjustment 31 Dec.	-204	-181
Book value 31 Dec.	**679**	**673**

Building acquisition cost include:		
Revaluation 1 Jan.	0	1
Cancellations	0	-1
*) Revaluation 31 Dec.	0	0

Machinery and equipment

FIM million	2001	2000
Acquisition cost 1 Jan.	697	673
Increase	69	49
Decrease; sales	-6	-25
Decrease; fully depreciated	0	0
Acquisition cost 31 Dec.	760	697
Accumulated depreciation 1 Jan.	-448	-376
Depreciation for the accounting period	-72	-72
Decrease; fully depreciated	0	0
Accumulated depreciation 31 Dec.	-520	-448
Book value 31 Dec.	**240**	**249**

Other tangible assets

FIM million	2001	2000
Acquisition cost 1 Jan.	11	13
Increase	13	1
Decrease	0	-3
Acquisition cost 31 Dec.	24	11
Accumulated depreciation 1 Jan.	-5	-4
Depreciation for the accounting period	-2	-1
Accumulated depreciation 31 Dec.	-7	-5
Book value 31 Dec.	**17**	**6**

Advances paid and work in progress

FIM million	2001	2000
Acquisition cost 1 Jan.	39	9
Increase	29	67
Introduced	-54	-37
Book value 31 Dec.	**14**	**39**

Investments 31 Dec.

FIM million	2001	2000	01/00
Holdings in associated companies	215	200	15
Other investments:			
Receivables from associated companies	1	1	0
Other shares and holdings	77	76	1
Other receivables	81	80	1
Other investments, total	159	157	2
Investments, total	**374**	**357**	**17**

Holdings in associated companies

FIM million	2001	2000
Acquisition cost 1 Jan.	200	170
Increase	21	30
Decrease; sales	0	0
Decrease	-5	-
Acquisition cost 31 Dec.	216	200
Value adjustment for the period	-1	0
Book value 31 Dec.	**215**	**200**

Other shares and holdings

FIM million	2001	2000
Acquisition cost 1 Jan.	76	93
Increase	3	8
Decrease; sales	-2	-25
Acquisition cost 31 Dec.	77	76
Accumulated value adjustment 1 Jan.	0	0
Value adjustment for the period	0	0
Accumulated value adjustment 31 Dec.	0	0
Book value 31 Dec.	**77**	**76**

Total shares and holdings

FIM million	2001	2000
Acquisition cost 1 Jan.	276	263
Increase	24	38
Decrease; sales	-2	-25
Acquisition cost 31 Dec.	298	276
Accumulated value adjustment 1 Jan.	0	0
Value adjustment for the period	-1	0
Accumulated value adjustment 31 Dec.	-1	0
Book value 31 Dec.	**297**	**276**

Receivables from associated companies

FIM million	2001	2000
Receivables at nominal value 1 Jan.	1	1
Increase	0	0
Amortisations	0	0
Receivables at nominal value 31 Dec.	1	1
Book value 31 Dec.	**1**	**1**

Other receivables

FIM million	2001	2000
Receivables at nominal value 1 Jan.	80	49
Increase	12	37
Amortisations	-11	-6
Book value 31 Dec.	**81**	**80**

CURRENT ASSETS

Stocks 31 Dec.

FIM million	2001	2000	01/00
Goods	**319**	**329**	**-10**

Receivables 31 Dec.

FIM million	2001	2000	01/00
Long-term receivables:			
Accrued liabilities and prepaid income	2	1	1
Short-term receivables:			
Accounts receivable	102	85	17
Receivables from associated companies	3	17	-14
Loan receivables	0	0	0
Other receivables	68	72	-4
Accrued liabilities and prepaid income	26	32	-6
Total	199	206	-7
Receivables, total	**201**	**207**	**-6**

Long-term accrued income and prepaid expenses include the Social Insurance Institution's compensation for employee health-care costs.

Short-term accrued income and prepaid expenses include:		
Unreceived annual compensations	0	3
Other unreceived expense compensations	8	4
Prepaid social security expenses	0	0
Other prepaid business expenses	9	17
Withheld tax to be refunded	0	0
Unreceived financial income	9	8
Total	26	32

Receivables from associated companies 31 Dec.

FIM million	2001	2000	01/00
Short-term receivables			
Accounts receivable	0	0	0
Other receivables	2	5	-3
Accrued income and prepaid expenses	1	12	-11
Total	3	17	-14

Short-term accrued income and prepaid expenses include:		
Unreceived annual compensations	0	12
Other unreceived expense compensations	1	0
Total	1	12

Marketable Securities 31 Dec.

FIM million	2001	2000	01/00
Other securities	**510**	**252**	**258**

Marketable securities include commercial papers subject to public trading.

SHAREHOLDERS' EQUITY (CO-OPERATIVE CAPITAL)

Restricted Equity

FIM million	2001	2000
Share capital 1 Jan.	50	50
Share fees	0	0
- Fees of members resigned during the year	0	0
Share capital 31 Dec.	50	50
Resigned members' fees 1 Jan.	4	4
+ Fees of members resigned during the year	0	0
Resigned members' fees 31 Dec.	4	4
Reserve fund 1 Jan. and 31 Dec.	80	80
Revaluation fund 1 Jan.	0	1
- cancelled as regards sold property	0	-1
Revaluation fund 31 Dec.	0	0
Restricted equity 31 Dec.	**134**	**134**
Uncalled share capital 31 Dec.	51	51

Non-restricted Equity

FIM million	2001	2000
Contingency fund 1 Jan.	179	0
Retained surplus from the previous year	148	179
Contingency fund 31 Dec.	327	179
Retained losses 1 Jan.	-521	-521
Retained consolidated loss from previous years	80	0
Accumulated losses 31 Dec.	-441	-521
Profit for the period:		
Parent Cooperative's surplus for the period	92	148
Other consolidated profit for the period	89	80
Consolidated profit for the period	181	228
Non-restricted equity 31 Dec.	**67**	**-114**

Calculation of distributable profit

FIM million	2001	2000
Non-restricted equity	67	-114
- Portion entered in shareholders' equity from accumulated appropriation	-67	-70
- Capitalised items with limited profit distribution	0	0
According to Consolidated Financial Statements	0	-184

STATUTORY RESERVES

FIM million	2001	2000	01/00
Reserves for security payments	**0**	**0**	**0**

LIABILITIES

Total Liabilities 31 Dec.

FIM million	2001	2000	01/00
Total	**2 858**	**2 906**	**-48**

Deferred Tax Liability 31 Dec.

FIM million	2001	2000	01/00
Total	**27**	**29**	**-2**

Secured Loans 31 Dec.

FIM million	2001	2000	01/00
Stabilised pension loans	134	148	-14
Subordinated loan	233	233	0
Non-interest bearing subordinated loan	607	607	0
Other subordinated loan	6	12	-6
Total	**980**	**1 000**	**-20**

Other Financial Restructuring Debt 31 Dec.

FIM million	2001	2000	01/00
Long-term:			
Secured loans	248	283	-35
Long-term partitioning debt	96	191	-95
*) Accruals	131	0	131
Total	475	474	1
Short-term:			
Secured loan	0	77	-77
Long-term partitioning debt	95	95	0
Short-term partitioning debt	3	3	0
Other financial restructuring debt	0	30	-30
Total	98	205	-107
Total	**573**	**679**	**-106**

*) Long-term accruals include the amount of accumulated interest on subordinated loan entered during the period.

Other Liabilities 31 Dec.

FIM million	2001	2000	01/00
Long-term:			
Convertible bond	30	0	30
Loans from financial institutions	237	225	12
Pension loans	94	96	-2
Other liabilities	140	127	13
Total	501	448	53
Short-term:			
Loans from financial institutions	47	96	-49
Pension loans	6	6	0
Advances received	9	8	1
Accounts payable	299	265	34
Payables to associated companies	49	70	-21
Other payables	97	68	29
Accruals	270	237	33
Total	777	750	27
Total	**1 278**	**1 198**	**80**

FIM million	2001	2000	01/00
Short-term accruals include:			
Unpaid refund of Loyal Customer Scheme bonuses	100	87	
Unpaid personnel costs	106	121	
Other unpaid business expenses	58	28	
Unpaid financial expenses	6	1	
Total	270	237	
Payables to associated companies:			
Short-term accounts payable	49	70	-21

Secured Loans 31 Dec.

Stabilised Pension Loans

FIM million	2001	2000	01/00
Total	**134**	**148**	**-14**

Stabilised pension of equity, which relate to Cooperative Tradeka Corporation, are described in the Notes to the Parent Company's Balance Sheet.

Subordinated loans:

FIM million	2001	2000	01/00
Subordinated loan	233	233	0
Non-interest bearing subordinated loan	607	607	0
Total	840	840	0

Subordinated loans, which relate to Cooperative Tradeka Corporation, are described in the Notes to the Parent Company's Balance Sheet.

Other subordinated loan:

FIM million	2001	2000	01/00
Total	6	12	-6

The recipient of the other subordinated loan is Rantasipi Oy, a subsidiary of Restel Ltd. The loan's terms and conditions correspond to a subordinated loan as referred to in the Companies Act, but Cooperative Corporation treats it in the same manner as other secured loans in liabilities. In Restel Consolidated, the loan is included in shareholders' equity.

Other Financial Restructuring Debt by due date 31 Dec.

FIM million	2001	2000
Total restructuring debt	573	679
- In short-term liabilities	-98	-205
= In long-term liabilities	475	474
- Amortisation in the next 2-5 years	-475	-474
Due in over 5 years	0	0

For comments on other financial restructuring debts, see the Notes to the Balance Sheet of the parent cooperative.

Other long-term liabilities

Convertible bonds:
Cooperative Tradeka Corporation has subscribed and paid the FIM 10 million convertible bonds issued by Tradeka Ltd, Restel Ltd and Eka Real Estate Development Ltd. In accordance with the financial restructuring programme, the convertible bonds were transferred to Tradeka Corporation's creditors of secured loans in 2001 in payment of the FIM 30 million restructuring debt.
If the targets for profitability, cash flow and investment agreed in the terms of the financial restructuring programme are not met, the said creditors are entitled to convert Tradeka Ltd's and Restel Ltd's convertible bonds into the shares of the respective companies.The right of exchange of Eka Real Estate Development Ltd's convertible bonds is not restricted during the financial restructuring programme.
If the convertible bonds are converted into shares, this will lead to an approximately 75 per cent holding and voting rights in these companies.

Other long-term liabilities by due date 31 Dec.

FIM million	2001	2000
Loans from financial institutions:		
Total liabilities	284	321
- In short-term liabilities	-47	-96
= In long-term liabilities	237	225
- Amortisation in the next 2-5 years	-225	-221
Due in over 5 years	12	4
Pension loans:		
Total liabilities	100	103
- Pension liabilities (not stabilised)	-16	-13
- Pension loans in short-term liabilities	-6	-6
- Pension loans in long-term liabilities	78	84
- Amortisation in the next 2-5 years	-20	-22
Due in over 5 years	58	62
Other liabilities:		
Total liabilities	140	127
- In short-term liabilities	0	0
- In long-term liabilities	140	127
- Amortisation in the next 2-5 years	-140	-127
Due in over 5 years	0	0

Other liabilities include the debt to the guarantor of the parent's pension scheme.

TRADEKA CORPORATION
OTHER NOTES

COMMITMENTS AND CONTINGENCIES 31 DEC.

Mortgages on Real Estate and Business Mortgages, Pledged as Security for Debts

FIM million	2001	2000	01/00
Loans from financial institutions:	*270*	*311*	*-41*
Pledged real estate mortgages	343	114	229
Pledged business mortgages	170	163	7
Pension loans:	*49*	*84*	*-35*
Pledged real estate mortgages	18	62	-44
Pledged business mortgages	39	39	0
Secured debt:	*248*	*359*	*-111*
Pledged real estate mortgages	519	561	-42
Pledged business mortgages	623	709	-86
Total mortgages pledged as security for debt	**1 712**	**1 648**	**64**

Shares Pledged as Security for Debt

FIM million	2001	2000	01/00
Loans from financial institutions:	*270*	*311*	*-41*
Book value of pledged shares	88	62	26
Pension loans:	*49*	*84*	*-35*
Book value of pledged shares	111	112	-1
Secured debt:	*248*	*359*	*-111*
Book value of pledged shares	514	539	-25
Pledged shares, total	**713**	**713**	**0**

Other Pledges

FIM million	2001	2000	01/00
Pledged receivables	**853**	**853**	**0**

The receivable is pledged in security for the parent Co-operative's secured debts. The pledged receivable from Tradeka Ltd is presented in the amount of its nominal value, which is in accordance with the promissory note value, while the book value after loan amortisation amounts to FIM 210.7 million, or FIM 641.8 million less than the above figure.

Pledges Made on behalf of Others

FIM million	2001	2000	01/00
Mortgaged promissory notes secured by a pledge	107	118	-11
Pledged deposits	0	1	-1
Total	**107**	**119**	**-12**

Pension Liabilities not entered as Expenses and Debt

Based on its shareholder and guarantee commitments, Co-operative Tradeka Corporation's Group companies have, together with other shareholders, joint liability for all of Eläke-kassa Tuki's non-covered pension liability of FIM 150 million (31 December 2001).

Amounts due for Leasings Contracts

FIM million	2001	2000	01/00
To be paid the following year	24	12	12
To be paid later	29	21	8
Total	**53**	**33**	**20**

Leasing contracts are mainly concluded on a 5– year basis with no redemption clauses.

Contingent Liabilities on behalf of Group companies

FIM million	2001	2000	01/00
Guarantees given	**21**	**19**	**2**

Other Contingent Liabilities

FIM million	2001	2000	01/00
Guarantees on behalf of others	16	17	-1
On behalf of Group company's debt	12	19	-7
Interest liabilities for secured subordinated loan	51	156	-105
Total	**79**	**192**	**-113**

Interest liabilities, which relate to Cooperative Tradeka Corporation, are described in subordinated loans in the Notes to the Balance Sheet of the Cooperative. On 31 December 2001, the subordinated loan that accumulates interest liabilities, interest entered as expenses and liabilities and the portion presented as interest liabilities totalled FIM 415 million.

TRADEKA CORPORATION
SUBSIDIARIES AS OF DECEMBER 2001

	Domicile	Corporation´s share s.e.**) %	no. of FIM 1,000	Cooperative Tradeka Corporation Shareholding %	Shares	Book value FIM 1,000	Corporation´s Inc./Dec. 2001 FIM 1,000
Tradeka Group Ltd	Helsinki	100	102 688	100	10 000	10 000	
Tradeka Ltd	Helsinki	100	487 306				
- ZAO Renlund SPb	Pietari	100	3 375				
- Amurin Liikekeskus Ki Oy	Tampere	7	1 587				
- Haukiputaan Ykkönen Ki Oy	Haukipudas	54	3 047				1 414
- Kolmenkeikka Ki Oy	Lieksa	55	134				20
- Kotkan Kirkkokatu Ki Oy	Kotka	100	7 230				
- Kurunportti Ki Oy	Kuru	100	712				
- Kuussalon Liikekeskus Ki Oy	Kangasala	60	1 725				
- Muotialantie As Oy	Tampere	58	108				
- Mäntyharjun Torinkulma Oy	Mäntyharju	71	1 255				
- Mäntän Seppälänpuistotie 7 Ki Oy	Mänttä	100	4 699				
- Oulun Eka Ki Oy	Oulu	100	5 498				
- Peimarin Puoti Oy	Paimio	84	10				
- Peltosaaren Liikekeskus	Riihimäki	86	347				
- Pihlavan Palvelukeskus Ki Oy	Pori	87	525				
- Piispankylän Mestaritie Ki Oy	Vantaa	100	38				
- Pykälikkö Ki Oy	Jyväskylä	56	1 640				
- Sallan Kauppakeskus Oy	Salla	60	1 328				
- Salon Hämeentie Ki Oy	Salo	100	5 876				5 588
- Salon Vanamopolku Ki Oy	Salo	100	2 018				
- Siekkilän Kauppatalo Ki Oy	Mikkeli	59	800				
- Sodankylän Sompiontie 6 Ki Oy	Helsinki	64	3 546				
- Tampereen Eka Ki Oy	Tampere	100	14 276				
- Vesalankeskus Ki Oy	Hollola	52	527				
- Ylöjärven Virastokeskus Ki Oy	Ylöjärvi	50	4 834				
- Tenavan Ostoskeskus Oy	Lahti	92	280				
- Tesomankeskus Ki Oy	Tampere	57	73				
- Mukkulan Ostoskeskus Oy	Lahti	52	1 277				
- Neste 7 Service Stations	Helsinki	5	245				
Restel Ltd	Helsinki	100	332 506				
- Restel Ravintolat Oy	Helsinki	100	1 114				
- Cumulus Oy	Helsinki	100	414				
- Rantasipi Oy	Helsinki	100	13 384				
- Helsingin Restel Ravintolat Oy	Helsinki	100	2 797				
- Kansainväliset Restel Hotellit Oy	Helsinki	100	294				
- Restel Kylpylähotellit Oy	Helsinki	100	177				
- Rax Ravintolat Oy, former Rantasipi Airport Expo Oy	Helsinki	100	2 991				
- Ki Oy Koppelokuja 9 A	Kuopio	100	1 958				
- Ki Oy Keskusväylä Oy	Pori	55	4 155				
- Nastolan Liikekeskus Oy	Nastola	58	312				
Merihaan Rantakuja Ki Oy	Helsinki	100	-91	100	2 000	3	
Eka Real Estate Development Ltd	Helsinki	100	378 862	100	3 334	135 430	

	Domicile	Corporation´s share s.e.**) %	no. of FIM 1,000	Cooperative Tradeka Corporation Shareholding %	Shares	Book value FIM 1,000	Corporation´s Inc./Dec. 2001 FIM 1,000
- 16 property subsidiaries							
Haminan Kiinteistö Oy	Hamina	100	50				
Helsingin Hämeentie 19 Ki Oy	Helsinki	100	29 237				1 237
Hyvinkään Hämeenkatu 2-4 Ki Oy	Hyvinkää	100	495				
Huoltotammi Oy	Forssa	98	137				
Karkkilan Koulukatu 10	Karkkila	88	718				
Kemin Keskuspuistok.	Kemi	100	4 654				
Kenraalintie 6 Ki Oy	Anjalankoski	100	1 079				
Keuruun Pihlajavedentie 2	Keuruu	100	1 083				
Lappeenrannan Liike- ja Hotelli Ki Oy	Lappeenranta	100	1 900				
Lintulahdenkallio Ki Oy	Helsinki	100	7 499				207
Luukkaantori 5 Ki Oy	Lappeenranta	100	626				
Skutnäsinkatu 18 Ki Oy	Pietarsaari	53	77				
Suurlohjankatu 4-8 Ki Oy	Lohja	100	1 011				
Turun Kärsämäentie 8 Ki Oy	Turku	100	3 369				
Valkeakosken Apiankatu 2 Ki Oy	Valkeakoski	100	1 577				
Varkauden Kauppakatu 42-44	Varkaus	100	1 656				
Sold in 2001:							
H:linnan Hämeensaarentie 5 Ki Oy	Hämeenlinna						
Jokitammi Ki Oy	Jokioinen						
Parkanon Tavaratalo Ki Oy	Parkano						
Porokoan Lomakylä Oy	Kolari						
Varkauden Kauppakatu 47	Varkaus						
Ylä-Voima Ki Oy	Tampere						
- Savonjuoma Oy	Mikkeli	100	12				
- Other companies, non-operational:							
*) E-myymälät ja tavaratalot Oy	Helsinki	67	0				
*) Paraisten Centrum	Parainen	100	0				
*) Vähittäiskauppaketjut Oy	Helsinki	100	15				
*) Yhteistukku Oy	Helsinki	67	0				
						145 434	8 466

*) Not included in the Consolidated Financial Statements

**) s.e = shareholders´ equity (including suborddinated loans)

TRADEKA CORPORATION

ASSOCIATED COMPANIES AS OF 31 DECEMBER 2001

	Domicile	Corporation's share		Cooperative Tradeka Corporation's holding		
			of s.e**)		No. of	Book value
		%	FIM 1,000	%	shares	FIM 1,000
Inex-Partners Oy	Helsinki	50	131 007	50	40 000	67 000
Tradeka Group Ltd						
Palveluetu Ltd T & E	Helsinki	50	1 205			
Tradeka Ltd						
Ketjuetu Ltd T & E	Helsinki	50	7 326			
38 associated property companies						
Restel Ltd						
12 associated property companies						
Eka Real Estate Development Ltd						
4 associated property companies						
Associated companies total						67 000

**) s.e. = shareholders' equity

COOPERATIVE TRADEKA CORPORATION

INCOME STATEMENT, 1 JAN. – 31 DEC. 2001

FIM million	2001	2000	01/00
Net turnover	**10**	**10**	**0**
Other income from business operations	0	0	0
Operating costs:			
Personnel costs	–33	–19	–15
Other operating costs	–11	–9	–1
Total	–44	–28	–16
Operating profit/loss	**–34**	**–18**	**–16**
Interest on subordinated loan	–131		–131
Other financial income and expenses	44	33	10
Profit/loss before extraordinary items	**–122**	**15**	**–137**
Extraordinary items	214	133	81
Profit/loss before appropriations and taxes	**92**	**148**	**–56**
Direct taxes	0	0	0
Surplus for the financial year	**92**	**148**	**–56**

COOPERATIVE TRADEKA CORPORATION

BALANCE SHEET 31 DECEMBER 2001

Assets	FIM million			% of Balance Sheet	
	2001	2000	01/00	2001	2000
Fixed and other long-term assets:					
Investments:					
Holdings in Group companies	145	237	–92	6.2	10.2
Other investments	1 834	1 892	–58	78.2	81.2
Fixed and other long-term assets, total	**1 979**	**2 129**	**–150**	**84.4**	**91.4**
Current assets:					
Receivables	268	167	102	11.4	7.2
Marketable securities	34	0	34	1.4	0.0
Cash and bank	63	33	30	2.7	1.4
Current assets, total	**365**	**200**	**165**	**15.6**	**8.6**
Assets, total	**2 344**	**2 329**	**16**	**100.0**	**100.0**

Liabilities and Shareholders' equity	FIM million			% of Balance Sheet	
	2001	2000	01/00	2001	2000
Shareholders' equity					
Share capital (Cooperative capital)	51	50	0	2.2	2.2
Resigned members' fees	4	4	0	0.2	0.2
Revaluation reserve	27	27	0	1.2	1.2
Reserve fund	80	80	0	3.4	3.4
Contingency fund	328	179	148	14.0	7.7
Surplus for the year	92	148	–56	3.9	6.4
Shareholders' equity (Cooperative equity), total	**580**	**488**	**92**	**24.8**	**21.0**
Statutory reserves	**0**	**0**	**0**	**0.0**	**0.0**
Liabilities:					
Secured restructuring debt	974	989	–15	41.5	42.5
Other restructuring debt	573	679	–106	24.5	29.1
Other liabilities	216	173	43	9.2	7.4
Liabilities, total	**1 764**	**1 841**	**–76**	**75.2**	**79.0**
Liabilities and shareholders' equity, total	**2 344**	**2 329**	**16**	**100.0**	**100.0**

COOPERATIVE TRADEKA CORPORATION

STATEMENT OF SOURCES AND APPLICATIONS OF FUNDS, 1 JAN. – 31 DEC. 2001

FIM million	2001	2000
CASH FLOW FROM OPERATIONS		
Profit/loss before extraordinary items	–122	15
Adjustments:		
Other income and expenses not connected with payments	14	10
Financial income and expenses	88	–33
Other adjustments (–profits / + losses from trade)	0	0
Cash flow before change in working capital	–20	–8
Change in working capital:		
Increase (–)/decrease (+) in current interest-free business receivables	–2	2
Increase (–)/decrease (+) in current non-interest bearing liabilities	1	0
Cash flow from operations before financial items and taxes	–21	–6
Interest paid and financial expenses from operations	–10	–28
Dividends received	3	3
Interest received	64	72
Cash flow before extraordinary items	36	41
Net cash flow from operations due to extraordinary items	21	22
Cash flow from operations	**57**	**63**
CASH FLOW FROM INVESTMENTS:		
Capital gains on tangible and intangible assets	0	0
Capital gains on other investments	0	15
Loans granted	0	–15
Repayment of loan receivables	214	175
Cash flow from investments	**214**	**175**
CASH FLOW FROM FINANCING:		
Cooperative contributions during the year	0	0
Repayments of restructuring debt	–207	–341
Cash flow from financing	**–207**	**–341**
INCREASE/DECREASE IN LIQUID ASSETS	**64**	**–103**
LIQUID ASSETS 1 Jan.	33	136
LIQUID ASSETS 31 Dec.	97	33

COOPERATIVE TRADEKA CORPORATION

NOTES TO THE INCOME STATEMENT

NET TURNOVER

Net turnover originates only from sales of management services.

OTHER INCOME FROM BUSINESS OPERATIONS

FIM million	2001	2000	01/00
Rental income	0.0	0.0	0.0
Capital gains on fixed assets	0.1	0.0	0.1
Other income	0.0	0.0	0.0
Total	**0.1**	**0.0**	**0.1**

OPERATING COSTS

Personnel costs

FIM million	2001	2000	01/00
Salaries and wages	-6.2	-5.2	-1.0
Pension costs	-26.7	-11.9	-14.8
Other social expenses	-0.5	-1.6	1.1
Total	**-33.4**	**-18.7**	**-14.7**

Salaries and wages subject to withholding tax incl. fringe benefits:

FIM million	2001	2000	01/00
Paid to administrative bodies and President	2.8	2.6	0.2
Other salaries and wages	2.9	2.6	0.3
Total	**5.7**	**5.2**	**0.5**

The retirement age for the President has been set at 60.

Average number of corporate employees
Corporate administration and management consisted of 6 employees on average during the financial period.

Other operating costs

FIM million	2001	2000	01/00
Total credit losses deriving from sales	0.4	0.5	-0.1
Rental costs	-1.2	-1.3	0.1
Real estate costs	-0.1	0.1	-0.2
Administrative costs	-7.7	-6.6	-1.1
Other usage and maintenance costs	-2.0	-1.9	-0.1
Capital losses on fixed assets	0.0	0.0	0.0
Total	**-10.6**	**-9.2**	**-1.4**

FINANCIAL INCOME AND EXPENSES

Interest on subordinated loans has been entered as interest expenses and accruals by the amount of FIM 131.4 million permitted by distributable profits (also see Accounting Principles on page 24 and Notes to the Parent Company Balance Sheet on page 45).

Other financial income and expenses

FIM million	2001	2000	01/00
Income from shares in associated companies	3.2	3.2	0.0
Income from other long-term investments:			
Interest income from investments:			
From Group companies	60.3	65.5	-5.2
From external parties	1.0	0.9	0.1
Other interest and financial income			
Interest income from current assets:			
From external parties	2.8	6.0	-3.2
Other financial income from current assets:			
From Group companies	0.1	0.1	0.0
From associated companies	0.2	0.2	0.0
Financial income total	67.6	75.9	-8.3
Interest expenses			
To Group companies	-4.0	-5.4	1.4
*) To external parties	-19.8	-37.1	17.3
Interest expenses total	-23.8	-42.5	18.7
Net financial income and expenses	**43.8**	**33.4**	**10.4**
Interest income from Group companies	60.3	65.5	-5.2
Interest income from others	3.8	6.9	-3.1
Interest income total	64.1	72.4	-8.3
Other financial income total	0.3	0.3	0.0
*) Interest on secured debt for restructuring programme	-10.1	-28.3	18.2
Annual interest rate	3.0%	5.0%	

EXTRAORDINARY ITEMS

FIM million	2001	2000	01/00
Extraordinary income:			
Group contributions received	228.2	107.8	120.4
Proportional shares received	3.2	22.4	-19.2
Intra-Group capital gains	0.0	14.3	-14.3
Other extraordinary income	0.1	0.2	-0.1
Total	231.5	144.7	86.8
Extraordinary costs:			
Reversal of the reduction in restructuring debt	-0.2	0.0	-0.2
Other restructuring expenses	0.0	-3.6	3.6
Capital gains tax on intra-Group transfers	0.0	-0.2	0.2
Group contributions paid	-17.4		-17.4
Conciliation agreement regarding environmental liabilities	0.0	-7.1	7.1
Other extraordinary costs	0.0	-0.5	0.5
Total	-17.6	-11.4	-6.2
Net extraordinary items	**213.9**	**133.3**	**80.6**

Group contributions received from Tradeka Ltd and Restel Ltd amounted to FIM 101 million and FIM 127 million, respectively.
Group contribution was given to Eka Real Estate Development Ltd.
The proportional shares came from subsidiary companies declared bankrupt.

COOPERATIVE TRADEKA CORPORATION

NOTES TO THE BALANCE SHEET

FIXED AND OTHER LONG-TERM ASSETS

Tangible Assets 31 Dec.

Other tangible assets:

FIM million	2001	2000
Acquisition cost 1 Jan.	0.0	0.3
Increase	0.0	0.0
Decrease; sales	0.0	-0.3
Book value 31 Dec.	**0.0**	**0.0**

Investments 31 Dec.

FIM million	2001	2000	01/00
Holdings in Group companies	145.3	236.8	-91.5
Other investments:			
Receivables from Group companies	1 729.2	1 788.5	-59.3
Holdings in associated companies	67.0	67.0	0.0
Other shares and holdings	0.0	0.0	0.0
Other receivables	37.5	36.4	1.1
Other investments total	1 833.7	1 891.9	-58.2
Total	**1 979.0**	**2 128.7**	**-149.7**

Holdings in Group companies

FIM million	2001	2000
Acquisition cost 1 Jan.	289.0	289.3
Decrease	-91.3	-0.3
Realised and reverted value adjustment	-52.2	0.0
Acquisition cost 31 Dec.	145.5	289.0
Accumulated value adjustment 1 Jan. and 31 Dec.	-52.2	-52.2
Accumulated value adjustment of sold property	52.2	0.0
Accumulated value adjustment 31 Dec.	0.0	-52.2
Book value 31 Dec.	**145.4**	**236.8**

Holdings in associated companies

FIM million	2001	2000
Acquisition cost 1 Jan.	40.0	40.0
Decrease; sales	0.0	0.0
Acquisition cost 31 Dec.	40.0	40.0
Revaluation 1 Jan. and 31 Dec.	27.0	27.0
Book value 31 Dec.	**67.0**	**67.0**

Other shares and holdings

FIM million	2001	2000
Acquisition cost 1 Jan.	0.0	0.0
Decrease; sales	0.0	0.0
Book value 31 Dec.	**0.0**	**0.0**

Total shares and holdings

FIM million	2001	2000
Acquisition cost 1 Jan.	329.0	329.3
Decrease	-91.3	-0.3
Realised and reverted value adjustment	-52.2	0.0
Acquisition cost 31 Dec.	185.5	329.0
Accumulated value adjustment 1 Jan. and 31 Dec.	-52.2	-52.2
Accumulated value adjustment of sold property	52.2	0.0
Accumulated value adjustment 31 Dec.	0.0	-52.2
Revaluation 1 Jan. and 31 Dec.	27.0	27.0
Book value 31 Dec.	**212.5**	**303.8**

Receivables from Group companies

FIM million	2001	2000
Receivables at nominal value 1 Jan.	1 878.5	1 961.2
Increase	184.4	117.6
Repayments	-243.7	-200.3
Realised and reverted value adjustment	0.0	0.0
Receivables at nominal value 31 Dec.	1 819.2	1 878.5
Accumulated value adjustment 1 Jan. and 31 Dec.	-90.0	90.0
Accumulated value adjustment of sold property	0.0	0.0
Accumulated value adjustment 31 Dec.	-90.0	-90.0
Book value 31 Dec.	**1 729.2**	**1 788.5**

Other receivables

FIM million	2001	2000
Receivables at nominal value 1 Jan.	36.4	35.6
Increase	1.1	0.8
Book value 31 Dec.	**37.5**	**36.4**

CURRENT ASSETS

Receivables 31 Dec.

FIM million	2001	2000	01/00
Long-term receivables:			
Receivables from Group companies	17.8	29.0	-11.2
Short-term receivables:			
Receivables from Group companies	243.7	131.4	112.3
Receivables from associated companies	0.0	0.0	0.0
Loans receivable	0.0	0.0	0.0
Other receivables	0.3	0.3	0.0
Accrued income and prepaid expenses	6.6	6.2	0.4
Short-term receivables total	250.6	137.9	112.7
Receivables total	**268.4**	**166.9**	**101.5**

Short-term accrued income and prepaid expenses:		
Unreceived expense compensations	0.3	0.2
Other prepaid expenses	0.3	0.0
Unreceived financial income	6.0	6.0
Total	6.6	6.2

Receivables from Group companies

FIM million	2001	2000	01/00
Long-term receivables:			
Other receivables	17.8	29.0	-11.2
Short-term receivables:			
Other receivables	243.7	131.4	112.3
Total	**261.5**	**160.4**	**101.1**

Receivables from associated companies

FIM million	2001	2000	01/00
Other receivables	0.0	0.0	0.0

Marketable Securities

FIM million	2001	2000	01/00
Other securities	**33.9**	**0.0**	**33.9**

Marketable securities consist of commercial papers subject to public trading.

SHAREHOLDERS' EQUITY (CO-OPERATIVE CAPITAL)

Restricted shareholders' equity

FIM million	2001	2000
Share capital 1 Jan.	50.4	50.3
Cooperative contributions	0.2	0.2
- Fees of members resigned during the year	-0.1	-0.1
Share capital 31 Dec.	50.5	50.4

All shares in the cooperative capital entitle to equal votes.

Resigned members' fees (cooperative contributions) 1 Jan.	3.8	3.7
+ Fees of members resigned during the year	0.1	0.1
Resigned members' fees 31 Dec.	3.9	3.8
Reserve fund 1 Jan. and 31 Dec.	79.5	79.5
Revaluation fund 1 Jan. and 31 Dec.	27.00	27.00
Restricted shareholders' equity 31 Dec.	**160.9**	**160.7**
Uncalled share capital	50.6	50.8

Non-restricted shareholders' equity

FIM million	2001	2000
Contingency fund 1 Jan.	179.1	0.0
Retained surplus	148.4	179.1
Contingency fund 31 Dec.	327.5	179.1
Retained losses 1 Jan.	0.0	-198.3
Retained surplus	0.0	198.3
Accumulated surplus from previous years 31 Dec.	0.0	0.0
Surplus for the year	92.0	148.4
Non-restricted shareholders' equity 31 Dec.	**419.5**	**327.5**

Statutory Reserves 31 Dec.

FIM million	2001	2000	01/00
Guarantee reserve	**0.4**	**0.4**	**0.0**

Statutory reserves consist of potential guarantee payments based on agreement.

LIABILITIES

Liabilities Total 31 Dec.

FIM million	2001	2000	01/00
Total	**1 763.5**	**1 839.9**	**-76.4**

Secured loans 31 Dec.

FIM million	2001	2000	01/00
Stabilised pension loans	133.5	148.1	-14.6
Subordinated loan	233.2	233.2	0.0
Non-interest bearing subordinated loan	607.2	607.3	-0.1
Total	**973.9**	**988.6**	**-14.7**

Other Restructuring Debt 31 Dec.

FIM million	2001	2000	01/00
Long-term:			
Secured debt	248.3	282.8	-34.5
Long-term partitioning debt	95.4	190.9	-95.5
*) Accruals	131.4	-	131.4
Total	475.1	473.7	1.4
Short-term:			
Secured debt	0.0	76.6	-76.6
Long-term partitioning debt	95.5	95.5	0.0
Short-term partitioning debt	2.6	2.6	0.0
Other restructuring debt	0.0	30.0	-30.0
Total	98.1	204.7	-106.6
Total	**573.2**	**678.4**	**-105.2**

*) Long-term accruals are the amounts entered due to the accumulated interest on subordinated loan (interest accumulated from 21 October 1994 to 31 December 1999).

Other Liabilities 31 Dec.

FIM million	2001	2000	01/00
Long-term:			
Pension loans (pension liabilities)	14.3	10.4	3.9
Payables to Group companies	53.8	43.3	10.5
Other payables	139.8	112.4	27.4
Total	207.9	166.1	41.8
Short-term:			
Accounts payable	1.2	0.9	0.3
Payables to Group companies	4.5	4.0	0.5
Payables to associated companies	0.0	0.1	-0.1
Other payables	0.3	0.3	0.0
Accruals	2.5	1.5	1.0
Total	8.5	6.8	1.7
Total	**216.4**	**172.9**	**43.5**

Short-term accruals include:		
Unpaid personnel costs	1.4	0.6
Other unpaid business expenses	1.1	0.9
Total	2.5	1.5

Payables to Group companies

FIM million	2001	2000	01/00
Other long-term payables	53.8	43.3	10.5
Short-term:			
Accounts payable	0.3	0.1	0.2
Other payables	4.2	3.9	0.3
Accruals	0.0	0.0	0.0
Total	4.5	4.0	0.5
Total	58.3	47.3	11.0

Accruals are unpaid business expenses.

Payables to associated companies

FIM million	2001	2000	01/00
Short-term accounts payable	0.0	0.1	-0.1

SECURED LOANS

Stabilised Pension Liabilities 31 Dec.

FIM million	2001	2000
Stabilised debt to Eläkekassa Tuki	133.5	148.1

In accordance with the promissory note signed in 1994, Eläkekassa Tuki granted a loan of FIM 181.9 million to Cooperative Tradeka Corporation on the condition that the loan be repaid and related interest be paid on the basis of the Cooperative's adopted financial statements and adopted consolidated financial statements, and within the framework of the unrestricted shareholders' equity indicated by them. Loan repayment must not jeopardise other payments under the payment scheme. In addition, other terms of the loan specify that other secured loans take precedence over this one.

The liabilities based on the guarantees and counter-security agreements for Restel Ltd and Tradeka Ltd by the State of Finland and certain creditor banks connected with the loan granted by Eläkekassa Tuki cover the compliance with the conditional repayment plan included in the secured loan during the time of the debtor's restructuring programme. The maximum liability has been set at FIM 194.2 million and the guarantees are valid only during the debtor's restructuring programme, not in the event of the debtor's bankruptcy. Pursuant to the guarantee, the guarantors receive, on the basis of their payments, a right of recourse, which is postponed until 2004. Interest on the claim of recourse is calculated, as per the loan agreement, at 8 per cent. The maximum amount of liabilities of the providers of the counter-security agreement is limited to the total amount of the guarantor banks, FIM 53,945 million. In other respects, obligations and rights that apply to the guarantors also apply to the providers of the counter-security agreement.

In accordance with the arrangements regarding the restructuring debt related to the financial restructuring programme of Cooperative Tradeka Corporation, the amount of debt in the said promissory note after the repayments to be made during 1994-2003 is FIM 105.9 million. The restructuring programme does not specify how guarantors' remittances to Eläkekassa Tuki annually reduce Cooperative Tradeka Corporation's secured debt from FIM 181.9 million to FIM 105.9 million. In the 1999 financial statements, the share of Cooperative Tradeka Corporation in Eläkekassa Tuki's uncovered pension liabilities was entered in its entirety in secured pension liabilities. Since 2000, the above-mentioned liability deficit has been allocated to the part of the liability according to the restructuring programme (FIM 133.5 million on 31 December 2001) and to other accumulated pension liability deficit (FIM 14.3 million on 31 December 2001). The latter was entered as stabilised pension debt in long-term pension loans under other liabilities in the 2001 financial statements.

Subordinated loans 31 Dec.

FIM million	2001	2000	01/00
Subordinated loan	233.2	233.2	0.0
Non-interest bearing subordinated loan	607.2	607.3	-0.1
Total	840.4	840.5	-0.1

As part of the arrangement connected with Cooperative Tradeka Corporation's financial restructuring programme, the security creditors had the opportunity to convert part of the receivables, which would otherwise be cut during the restructuring, into a subordinated loan in terms of equity. The loans have not been subject to separate promissory notes due, among other things, to the fact that the agreed action for recovery and especially the payments in lieu of performance based on the guarantees have changed the debt-creditor base. Drafts of promissory notes for subordinated loans are included in the financial restructuring programme agreement. Subordinated loans were neither raised nor paid back during the financial restructuring programme.

Subordinated loan:
In accordance with the terms of the subordinated loan, if the borrower goes bankrupt or Cooperative is dissolved, the loan receivables have a lower priority than the non-interest bearing subordinated loans in the restructuring programme, and than the borrower's other commitments, except for subordinated loans raised at a later date. Otherwise the loan principal can be repaid only if Cooperative receives full cover on the restricted shareholders' equity on the basis of the adopted balance sheet and consolidated balance sheet for the previous accounting period, or if otherwise permitted by law.
In accordance with the financial restructuring programme, the loan carries an annual interest rate (five years' market rate +2 per cent) until due date.
The principal shall be paid before the interest.
Since the Bank of Finland does not quote a five-year reference rate any longer, interest on subordinated loans is tied to the five-year TEL reference rate as of 2000. In 2001, interest was based on a 6.70 per cent annual interest rate for both the principal and the previous years' interest. Interest payment for 2001 amounted to FIM 26.1 million and the total accumulated interest was FIM 181.7 million as of 31 December 2001.

Since the Group's distributable profit has been negative, the interest on the subordinated loan is treated as off-balance sheet interest liability. In the financial statements on 31 December 2001, a total of FIM 131.4 million of the subordinated loan's interest liabilities were entered in Cooperative Tradeka Corporation's interest expenses and accruals, resulting in no distributable profit in the consolidated financial statements. Interest liabilities include FIM 50.3 million of the subordinated loan's accumulated interest.

Non-interest bearing subordinated loan:
The terms and conditions of a non-interst bearing subordinated loan equal those applied to subordinated loans in general, except for the priority and interest conditions (the loan carries no interest).

Other Restructuring Debt by Due Date

Secured Debts 31 Dec.

FIM million	2001	2000
Total liabilities	248.3	359.4
In short-term liabilities	0.0	-76.6
= In long-term liabilities	248.3	282.8
- Amortisation in the next 2-5 years	-248.3	-282.8
Due in over five years	0.0	0.0

Secured debts consist of debts that are to be paid back when realising real estates. In accordance with the restructuring programme, the debts to be amortised on an annual instalment basis between 1996 and 2003 were paid back during 2001.

The annual consumer-price indexed interest rate for 2001 in accordance with the financial restructuring programme was 3 per cent (5 per cent in the previous year).

Long-term partitioning debt 31 Dec.

FIM million	2001	2000
Total liabilities	190.9	286.4
- In short-term liabilities	-95.5	-95.5
= In long-term liabilities	95.4	190.9
- Amortisation in the next 2-5 years	-95.4	-190.9
Due in over five years	0.0	0.0

The long-term partitioning debt will be amortised on annual instalment basis between 1998 and 2003. The debt carries no interest.

Short-term partitioning debts
The balance of the short-term partitioning debt amounts to FIM 3 million (FIM 3 million in the previous year) because of the missing payment information. According to the programme, the debt was to be amortised on an annual instalment basis between 1994 and 1997. The debt carries no interest.

Other restructuring debt:
Convertible bonds of subsidiaries:
Cooperative Tradeka Corporation has subscribed and paid for the FIM 10 million worth of convertible bonds issued by Tradeka Ltd, Restel Ltd and Eka Real Estate Development Ltd. In accordance with the financial restructuring programme, the convertible bonds were transferred to Tradeka Corporation's creditors of secured loans in 2001 in payment of the FIM 30 million restructuring debt. The convertible bonds have been handed over to the Supervisor of the mandatory restructuring programme appointed by the Helsinki District Court.
If the targets for profitability, cash flow and investment agreed in the terms of the financial restructuring programme are not met, the said creditors are entitled to convert Tradeka Ltd's and Restel Ltd's convertible bonds into the shares of the respective companies.The right of exchange of Eka Real Estate Development Ltd's convertible bonds is not restricted during the financial restructuring programme. If the convertible bonds are converted into shares, this will lead to an approximately 75 per cent holding and voting rights in these companies.

Other Long-Term Liabilities by Due Date

Long-term payables to Group companies 31 Dec.
Debt to the provider of the counter-security based on the pension scheme

FIM million	2001	2000
Guarantor's payments	41.7	34.9
Capitalised interests	12.1	8.4
Total liabilities	53.8	43.3
- In short-term liabilities	0.0	0.0
= In long-term liabilities	53.8	43.3
- Amortisation in the next 2-5 years	-53.8	-43.3
Due in over five years	0.0	0.0

Right of recourse will begin on 1 Jan. 2004

Other long-term liabilities 31 Dec.
Debt to the guarantor of the pension scheme

FIM million	2001	2000
Guarantor's payments	108.3	90.6
Capitalised interests	31.5	21.8
Total liabilities	139.8	112.4
- In short-term liabilities	0.0	0.0
= In long-term liabilities	139.8	112.4
- Amortisation in the next 2-5 years	-139.8	-112.4
Due in over five years	0.0	0.0

Right of recourse will begin on 1 Jan. 2004.

OTHER NOTES

COMMITMENTS AND CONTINGENCIES 31 DEC.

Mortgages on Real Estate and Business Mortgages, Pledged as Security for Debts

FIM million	2001	2000	01/00
*) Secured debts	248.3	359.4	-111.1
Pledged business mortgages	**578.0**	**598.0**	**-20.0**

Shares Pledged as Security for Debt

FIM million	2001	2000	01/00
Book value of pledged shares	67.0	158.3	-91.3

*) Shares are pledged as security for secured debts.

Other Pledges

FIM million	2001	2000	01/00
Pledged receivables	**852.6**	**852.6**	**0.0**

*) Receivables are pledged as security for secured debts. The pledged receivable from Tradeka Ltd is presented in the nominal value in accordance with the promissory note, while the book value after loan repayments amounts to FIM 210.7 million, or FIM 641.8 million lower than stated above.

Pledges on Behalf of Others

FIM million	2001	2000	01/00
Pledged securities	**0.5**	**0.5**	**0.0**

Pension Liabilities not Entered as Costs and Debt

The Cooperative Tradeka Corporation's share of the non-covered pension liability of Eläkekassa Tuki has been entered in its entirety as costs and pension liabilities (totalling FIM 148 million).

Based on its shareholder and surety obligations, Cooperative Tradeka Corporation has, together with the other shareholders, joint and several liability for all of Eläkekassa Tuki's non-covered pension liability of FIM 150 million, i.e. the portion of joint and several liability being approximately FIM 2 million.

Amounts due for Leasings Contracts

FIM 1,000	2001	2000	01/00
To be paid the following year	144.00	69.00	75.00
To be paid later	57.00	48.00	9.00
Total	**201.00**	**117.00**	**84.00**

Contingent Liabilities on Behalf of Group Companies

FIM million	2001	2000	01/00
Guarantees given	**306.9**	**6.9**	**300.0**

Other contingent liabilities

FIM million	2001	2000	01/00
Guarantees on behalf of others	16.1	16.7	-0.6
Interest liabilities for stabilised subordinated loan	50.3	155.7	-105.4
Total	**66.4**	**172.4**	**-106.0**

THE BOARD'S PROPOSAL FOR THE DISPOSAL OF SURPLUS

The Board proposes that the surplus of FIM 91,984,931.23 for the 2001 accounting period be entered in the contingency fund in accordance with Article 10:2 of the rules and regulations since the reserve fund has reached the full amount specified in Section 9 of the rules.

Helsinki, 27 March 2002

Olavi Syrjänen Chairman	Maunu Ihalainen Vice-Chairman
Markku Alhava	Margit Eteläniemi
Tuire Mannila	Jukka Simula
Ritva Vartia	Antti Remes President

AUDITORS' REPORT

To the Council of Representatives of Cooperative Tradeka Corporation

We have audited the financial statements, the accounting records and the corporate governance of Cooperative Tradeka Corporation for the financial year 2001. The financial statements prepared by the Board of Directors and the President include the Report by the Board of Directors and both the consolidated and the Cooperative's income statements, balance sheets and notes to the financial statements. Based on our audit, we express our opinion on the financial statements and the corporate governance.

We have performed the audit in accordance with generally accepted auditing standards in Finland. Those standards require that we perform the audit in order to obtain reasonable assurance as to whether the financial statements are free of material misstatements. The purpose of our audit of corporate governance is to ensure that the Supervisory Board and the Board of Directors and the President have complied with the regulations of the Cooperatives Act.

The financial statements have been prepared in accordance with the Accounting Act and other rules and regulations governing the preparation of financial statements. They give a true and fair view of both the consolidated and the Cooperative's result of operations and financial position.

The financial statements, including the consolidated financial statements, can be adopted, and the members of the Cooperative's Supervisory Board and the Board of Directors, as well as the President, can be discharged from liability. The Board's proposal for the use of the surplus is in compliance with the Cooperatives Act.

Helsinki, 4 April 2002

Mauri Palvi
Authorised Public Accountant

Veijo Riistama
Authorised Public Accountant

SUPERVISORY BOARD'S STATEMENT

The Supervisory Board has examined Cooperative Tradeka Corporation's financial statements and consolidated financial statements and reviewed the Report by the Board of Directors and the Board's proposal for the disposal of surplus, and submits them together with the Auditors' Report to the meeting of the Council of Representatives. The Supervisory Board proposes that the financial statements and consolidated financial statements be adopted.

As its opinion in accordance with Article 21:1 of the Cooperative's rules and regulations, the Supervisory Board states that the Board's proposal for the disposal of surplus is in compliance with Article 10 of the rules.

Helsinki, 17 April 2002

Markku Pohjola

Juha Laisaari

COOPERATIVE TRADEKA CORPORATION'S COUNCIL OF REPRESENTATIVES

The district of Uusimaa:

Hilkka Ahde, Helsinki
Timo Ahola, Mäntsälä
Eila Asikanius, Järvenpää
Maija Jakka, Vihti
Pentti Järvinen, Lohja
Minna Karhunen, Hyvinkää
Jouko Launonen, Hyvinkää
Toini Nieminen, Lohja
Veijo Nyman, Nummi-Pusula
Raija Rönkä-Nieminen, Lohja
Matti Saarinen, Lohja
Reijo Varalahti, Karkkila

The district of South Häme:

Maija Auvinen, Riihimäki
Raimo Hyytiäinen, Lahti
Liisa Kajander, Turenki
Matti Kauppila, Lahti
Aarne Kauranen, Hämeenlinna
Vuokko Kautto, Lahti
Merja Leppänen, Forssa
Minna Lintonen, Forssa
Anna-Maija Martikainen, Lahti
Marja-Leena Taavila, Lahti

The district of Tampere:

Pirkko Behm, Tampere
Inna Ilivitzky, Valkeakoski
Anneli Kivistö, Tampere
Sirpa Koivisto, Tampere
Arja Keskisaari, Ikaalinen
Arja Ojala, Tampere
Heikki A. Ollila, Kangasala
Hannele Pekala, Valkeakoski
Seppo Salminen, Tampere
Matti Salo, Parkano
Eila Terävä, Tampere
Pertti Turtiainen, Kangasala
Auli Välimäki, Mänttä

The district of Turku:

Heikki Aaltonen, Uusikaupunki
Mikko Immonen, Mynämäki
Anna-Liisa Jokinen, Turku
Matti Kankaanpää, Salo
Ulla Kauppinen, Turku
Helena Keto-oja, Salo
Annika Lapintie, Turku
Pertti Paasio, Turku
Virpa Puisto, Turku
Jukka Roos, Perniö
Sauli Saarinen, Turku

The district of Pori:

Raila Aho, Pori
Annikki Järvinen, Pori
Reijo Kallio, Rauma
Timo Laaksonen, Pori
Mirjam Lepistö, Pori
Leila Mäkelä, Kankaanpää
Veikko Nurmi, Kauttua
Timo Roos, Karkku
Leila Rostedt, Rauma

The district of Jyväskylä:

Eero Hakonen, Äänekoski
Seija Janhonen, Jyväskylä
Raimo Rajanen, Jyväskylä
Emmi Rossi, Viitasaari
Marja-Leena Viljamaa, Jyväskylä
Teuvo Vuorenpää, Jämsänkoski
Leena Yksjärvi, Jyväskylän rural municipality

The district of Seinäjoki:

Markus Aaltonen, Seinäjoki
Taina Lehto, Vaasa
Riitta Lehtola, Seinäjoki
Jaana Pikkarainen-Haapasaari, Kokkola
Raimo Rauhala, Vaasa
Taina Tulima, Pietarsaari

The district of Kuopio:

Olavi Huttunen, Suonenjoki
Marita Juuti, Varkaus
Leo Kukkonen, Pielavesi
Asta Kyyriäinen, Iisalmi
Marja-Leena Kärkkäinen, Kiuruvesi
Matti Mänttäri, Kuopio
Kari Rajamäki, Varkaus
Marja-Liisa Tykkyläinen, Kuopio

The district of Kymi:

Tauno Hellsten, Voikkaa
Ellen Helo, Imatra
Juha Koivula, Kouvola
Pekka Koskimies, Imatra
Jouko Kotola, Kotka
Jukka Kärnä, Imatra
Kari Soininen, Kouvola
Pentti Tiusanen, Kotka
Matti Vähänäkki, Hamina

The district of Mikkeli:

Valto Aholainen, Mikkeli
Juha Bilund, Savonlinna
Virpi Kaksonen, Punkaharju
Kaija Karvinen, Savonlinna
Raimo Mähönen, Pieksämäki

The district of Joensuu:

Ossi Haatainen, Joensuu
Reijo Jeskanen, Joensuu
Esa Lahtela, Kitee
Kerttu Törnqvist, Lieksa (until 26 January 2002)
Sinikka Väyrynen, Juuka (since 26 January 2002)

The district of Oulu:

Aarno von Bell, Kajaani
Paula Grekelä, Oulu
Anne Huotari, Kajaani
Anneli Kiiskinen, Oulu
Alpo Löytynoja, Ylivieska
Leena Mustonen, Kuusamo
Osmo Polvinen, Sotkamo
Asser Siuvatti, Lumijoki
Martti Turkka, Oulu
Unto Valpas, Raahe

The district of Lapland:

Sisko Akujärvi, Inari
Pentti Haimakainen, Rovaniemi
Jukka Ikäläinen, Kemi
Juha Pikkarainen, Kemijärvi
Helena Tiuraniemi, Rovaniemi
Reijo Viitala, Kemi

THE SUPERVISORY BOARD OF TRADEKA CORPORATION

Markku Pohjola
Circuit judge, Vihti
Chairman

Seppo Grönqvist
Project secretary, Eräjärvi
Vice Chairman

Ritva Kitinoja
Area manager, Oulu
Vice Chairman

Jukka Gustafsson
MP, Tampere

Iiris Hacklin
Master, Jämsä

Jorma Hacklin
Administrative director, Jokioinen

Raimo Järvenpää
Regional secretary, Oulu

Anna-Liisa Kasurinen
Nurse, Kotka

Marjo Kiukkonen
Lawyer, Hyvinkää

Matti Kivikoski
Business unit manager, Kemiö

Marketta Korrensalo
Master, Kemi

Leila Koski
Director of work with senior citizens, Rauma

Jorma Kukkonen
Vicar, Rautalampi

Pekka Leppänen
Suolahti

Antti Leskinen
Managing Director, Savonlinna

Tapio Luttinen
Head of planning, Lahti

Maija Martikainen
Practical nurse, Joensuu

Turkka Merisaari
Inspector, Turku

Hannu Myyryläinen
Municipal counsellor, Lappeenranta

Matti Pajuoja
Chief shop steward, Lohja

Iivo Polvi
MP, Iisalmi

Marketta Semi
Benefits officer (unemployment fund), Vaasa

Ilkka Sepponen
House manager, Turku

Marjatta Vehkaoja
MP, Vaasa

Kirsti Willberg
Children's private day care instructor, Söörmarkku

Employee representatives:

Eeva-Liisa Kilpeläinen
Chief shop steward, Kemi

Erja Backman
Chief shop steward, Perniö

Deputy employee representatives:

Kari Pöyhönen
Chief shop steward, Jyväskylä

Christer Paasila
Chief shop steward, Helsinki

BOARD OF DIRECTORS

Olavi Syrjänen
LL.D, Senior Lawyer
Chairman of the Board

Maunu Ihalainen
Chancellery Counsellor
Vice Chairman

Markku Alhava
M.Sc. (Econ. & Bus. Adm.)

Margit Eteläniemi
Head of Training

Tuire Mannila
Director of Finance

Jukka Simula
Solicitor

Employee representatives:
Ritva Vartia
Chief shop steward, Mikkeli
Regular member

Martti Kesseli
Chief shop steward, Mikkeli
Deputy member

President
Antti Remes

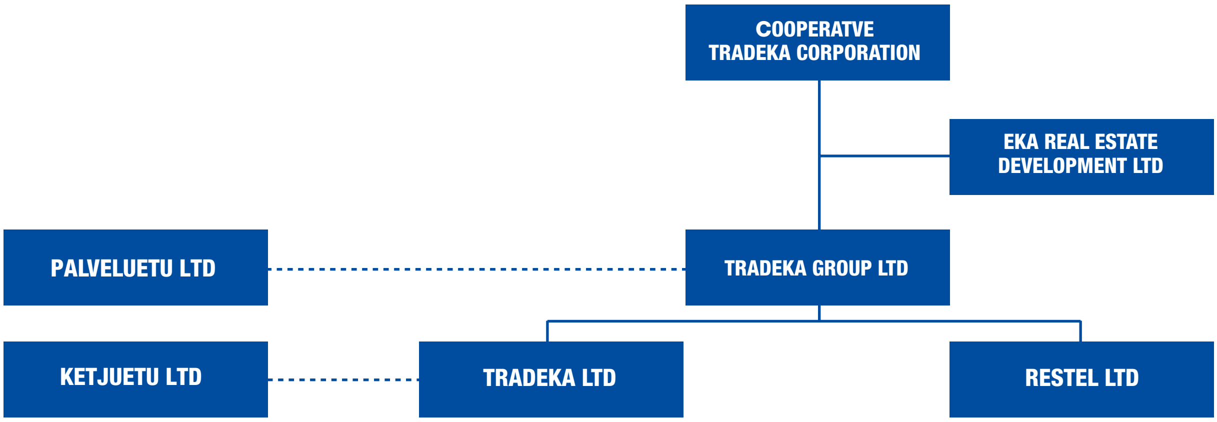
AUDITORS

Regular auditors:
Mauri Palvi, Authorised Public Accountant
Veijo Riistama, Authorised Public Accountant

Deputy auditors:
KPMG Wideri Oy Ab
Kari Lydman, Authorised Public Accountant

Supervisor of the mandatory restructuring programme appointed by the Helsinki District Court:
Jyrki Tähtinen, Attorney

BUSINESS ORGANISATION



COOPERATIVE TRADEKA CORPORATION

President
Antti Remes

Administrative and Legal Affairs
Vice-President
Juha Laisaari

Corporate Communications
Riitta Raasakka

EKA REAL ESTATE DEVELOPMENT LTD

President
Heikki Venho

TRADEKA GROUP LTD

President
Antti Remes

Internal Audit
Harri Uusitalo

RESTEL LTD

President
Ralf Sandström

Finance
Mats Rosengård

Administration
Kari Lalu

Hotel Division
Jari Laine

Restaurant Division
Björn Pahlberg

TRADEKA LTD
KETJUETU LTD

President
Aarno Mäntynen

Siwa-Valintatalo Chain
Chain Director
Harri Finér

EuroMaxi Chain
Chain Director
Leo Järvensivu

Directors of retail trade processes:

Customer Relations
Kari Luoto

Category Management
Markku Uitto

IT and Logistics
Veijo Heinonen

Finance
Tapio Lehikoinen

Human Resources
Pirkko Virtanen

Business Outlets
Reijo Kiukkonen

PALVELUETU LTD

President
Olli Suominen

Accounts and Taxation
Uolevi Lahti

Operational Accounting
Mikko Harjunen

Financial Administration
Ossi Hynninen

TRADEKA CORPORATION'S KEY FIGURES 1997-2001

FIM million	1997	1998	1999	2000	**2001**
Net Turnover	6 061	6 206	6 268	6 507	**6 876**
Other Income from Business Operations	250	123	128	113	**110**
Variable Costs	5 853	6 000	6 163	6 368	**6 665**
- % Net Turnover	96.6	9.7	98.3	97.9	**96.9**
Operating Profit	458	329	233	252	**321**
- % Net Turnover	7.6	5.3	3.7	3.9	**4.7**
Profit Before Extraordinary Items	419	312	203	226	**184**
- % Net Turnover	6.9	5.0	3.2	3.5	**2.7**
Capital Expenditure	242	300	253	184	**146**
Balance Sheet Total	3 006	2 996	2 918	2 947	**3 086**
Average personnel	4 818	4 955	4 852	4 843	**4 878**

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