CONSOLIS

Annual Report 2002

Contents

CONSOLIS
PARMA
DW BETON SYSTEME
BRESPA
VBI
SPANBETON
Spenncon
STRÄNGBETONG
DYWIDAG PREFA Lysá nad Labem
E-BETOONELEMENT
BETONIKA
ADDTEK POLSKA
PCE Engineering
CONSOLIS TECHNOLOGY

*) The name of the company will change to Consolis Polska in 2003.

Consolis in Brief

Consolis is the largest manufacturer of prefabricated concrete elements in Europe. The company has 50 factories and operates in 11 countries: Finland, Sweden, Norway, Germany, the Netherlands, Estonia, Russia, Latvia, Lithuania, the Czech Republic and Poland.

Consolis produces a wide range of prefabricated concrete products, such as floors, structures and walls. These products are used in the construction of buildings. Consolis also makes products for infrastructure, such as railway sleepers and structures for bridges and tunnels. In addition Consolis provides services ranging from planning to erection of its products.

In 2002 Consolis had a net sales of EUR 543 million (EUR 531 million in 2001) and employed on average 4,292 employees (4,204 in 2001). Orders received amounted to EUR 515 million (EUR 515 million also in 2001).

Consolis was formed in December 1997 following the merger of Partek Precast Concrete and the Swedish company Strängbetong. Consolis' major shareholders are the Swedish private equity fund Industri Kapital, the Finnish engineering company Partek and various Finnish insurance companies. Management also has a shareholding in Consolis.

Business Concept

Consolis' mission is to offer its customers the most advantageous and comprehensive solutions for various building and infrastructure projects based on prefabricated concrete systems, products and related services.

Consolis aims to improve the quality of its products and the efficiency of the construction process by continuously developing and applying state-of-the-art technologies to the benefit of the customer.

Consolis intends to expand in its existing markets and enter new markets in northern and eastern Europe, utilising its wide experience and leadership in the pre-cast concrete industry.

Through its market leadership and international presence, Consolis offers customers the benefits of

- the latest solutions and technology transfer within the Group
- unique benchmarking possibilities
- pan-European purchasing power
- extensive design and engineering resources
- production capacity sufficient to deal with the largest projects.

The negative economic trend on Consolis' main markets continued the whole year 2002, in spite of a flicker of optimism during the spring. The average GDP-growth in the Euro-countries was only 0.7%, while the market for new construction was in stagnation and in some of Consolis' main markets such as Finland, Norway, the Netherlands and Germany it was negative. Activity levels in the Baltic countries continued to grow and especially Consolis' Latvian subsidiary succeeded to grow considerably during the year.

Consolis Group presented its new name in December 2002. The main reason to change the old name, Addtek International, was the growing knowledge that Addtek gives the association of being connected to the advertisement

Review by the President and CEO

world rather than to pre-cast construction. The new name, Consolis, stands for concrete, solidity and for the consolidating role the company has adopted in the European pre-cast industry.

In connection to this role Consolis continued to pursue the strategy of profitable growth. In September, the Group acquired five pre-cast factories from the German construction company Walter Bau. Of the four German factories, three are producing railway sleepers only. This acquisition has greatly strengthened Consolis' position in the infrastructure construction segment. Consolis is now the biggest producer of concrete railway sleepers in Western Europe with annual sales of abt. 2 million pieces, enough for 1,200 kilometres of railroad, with production facilities in Germany, the Netherlands, Norway, Sweden, Finland, Estonia and Lithuania. The fourth acquired factory is specialized in custom-made pipes and manholes for sewage treatment purposes. The fifth factory, Dywidag Prefa Lysá, situated in the Czech Republic, produces a variety of pre-cast elements.

Consolis acquired the remaining 50% share of Parma (Finland's leading pre-cast company) in October from the Swedish company Euroc Beton AB, a part of the Heidelberger Group. Consolis has been the owner of 50%

since the formation of the Group. Euroc's 25% share in Consolis' Estonian subsidiary was similarly acquired. Parma and E-Betoonelement are now 100% owned by Consolis.

These acquisitions consolidated into the Group's figures for the last months of the year, enabling Consolis to achieve a growth in net sales in spite of the weak markets. Net sales amounted to EUR 543 million, an increase of 2% compared to EUR 531 million in 2001.

The operating profit of the Group was EUR 30.4 million in comparison with EUR 27.7 million the previous year. This result was influenced by the aforementioned acquisitions.

The net result was EUR 13.4 million, whereas the result in 2001 was EUR 12.4 million. The return on capital employed decreased marginally to 14.4% from the 2001 figure of 16.9%, whereas the return on equity increased to 10.8% from 10.2% in 2001.

Cash flow from operations was strong, EUR 39.7 million (EUR 15.3 million in 2001). Excluding the one-off effect of acquisitions, cash flow from operations was EUR 49.7 million. This indicates successful working capital management during 2002.

The average number of employees rose to 4,292 from 4,204 in 2001. The increase is entirely due to the acquisitions as the employee numbers in other Consolis' companies were reduced due to low capacity utilization. The number of employees at the year end was 4,941.

The earnings per share was 1.06 € compared to 0.99 € for 2001. There was no material change in the ownership structure during the year.

Consolis started its first internal management education program when the Advanced Academy for future top managers was opened in October. Consolis plans to educate some 100 – 150 young potentials from all the subsidiaries and the head office in the course of the next few years thus also creating and strengthening a Consolis-spirit and unity.

The trend from the non-residential construction segment towards residential and infrastructure segments continued also during 2002; the almost total lack of office construction projects heavily affected the product mix of the Consolis companies. Over-capacity led to fierce price competition thus reducing the profit margins.

The general economic outlook is one of uncertainty further exacerbated by the Iraq-crisis. Investment levels are low all over Europe and no swift recovery is in sight. Consolis' net sales and results are, however, estimated to grow when the acquired units are consolidated during the whole year.

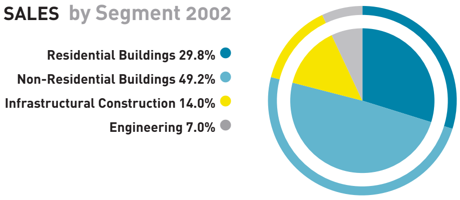
The efforts of management and all personnel have made it possible to retain Consolis' market share, renewing customer confidence in difficult economic times.

In spite of the present negative market development we believe that the increased influence of partnerships and alliances with our customers and suppliers combined with the obvious advantages of pre-cast solutions, such as quality, flexibility, short construction time and sustainability enables us to look forward to future challenges with a strong confidence.

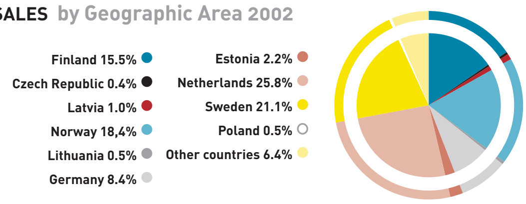
Vantaa, March 2003

Bengt Jansson
President and CEO

NET SALES by Segment 2002



NET SALES by Geographic Area 2002



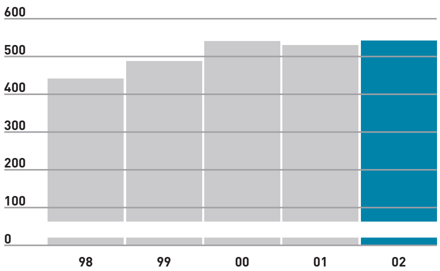
- Consolis' net sales increased to EUR 543 million.
- Net profit was EUR 13.4 million.
- Four pre-cast factories in Germany and one in the Czech Republic were acquired from the German company Walter Bau AG in August.
- In October Consolis acquired 50% of the shares in Finnish Parma Oy and 25% of the shares in the Estonian company E-Betoonelement from Swedish Euroc Beton AB.
- The new name Consolis was published in December.
- VBI bought the beam and block flooring business from the Dutch company Spaansem.
- Betonika commenced a new façade element production line.

Highlights and Key Data

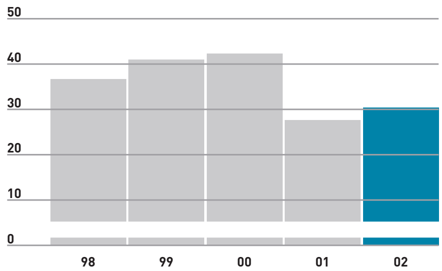
CONSOLIS GROUP Key Figures 1998 – 2002

		1998	1999	2000	2001	2002
Net sales	Million euro	442.0	489.4	541.6	531.2	543.0
Operating profit	Million euro	36.7	41.1	42.4	27.7	30.4
of Net Sales	%	8.3	8.4	7.8	5.2	5.6
Result for the period	Million euro	18.8	23.0	23.0	12.4	13.4
of Net Sales	%	4.2	4.7	4.2	2.3	2.5
Earnings per share	euro	1.5	1.8	1.8	1.0	1.1
Return on capital employed	%	21.4	25.4	25.9	16.9	14.4
Gearing (capital loan as equity)	%	85	50	36	63	113
Average personnel	Number	3765	3786	4169	4204	4292

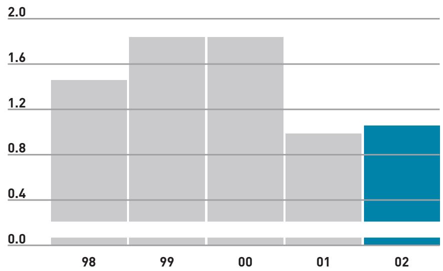
CONSOLIS GROUP Net Sales, EUR m



CONSOLIS GROUP Operating Profit, EUR m



CONSOLIS GROUP Earnings Per Share, EUR



Consolis is the largest manufacturer of prefabricated concrete elements in Europe.

Strong local companies, skilled personnel

Lasse Lappalainen Consolis Oy Ab

Human resources (HR)

Employee numbers totalled 4941 by the year's end, divided between 1437 white collar and 3504 blue collar employees. Personnel increased by approximately 800 employees due to acquisitions. Parma in Finland, Strängbetong in Sweden and VBI in the Netherlands reduced personnel due to weakening local markets.

Consolis' vision is that its companies create a strong local image and brand name whilst maintaining its leading position within its target market segments. To achieve this vision the Group must engender strong management practices and utilize skilled and committed personnel.

HR management is carried out principally by local managers who are supported by HR professionals in each company. The Group focuses on management resources, leadership development, themes to support the well-being of personnel and the training of young managers.

European Works Council

The Consolis Group wants to promote open dialogue and communication between the Group's management and employees in its respective European countries. The European dimension and the need for an exchange of opinions and information across national borders are factors that led to the establishment of the Consolis European Works Council (EWC) in 1999.

The council consists of eight staff delegates from five countries together with three representatives of the Group's Management. The representatives and their personal deputies, elected by the employees, will be appointed within the framework of the employee's representation system according to their respective countries laws, agreements or practices.

The full EWC membership traditionally meets annually, but a meeting may be convened on request if significantly important trans-national issues arise.

Themes of 2002

The Group concentrated on two specific special themes during 2002. The reduction of absenteeism and training programs for young managers.

Employers and employees both benefit from a low rate of absenteeism. A healthy work force reduces unnecessary bottlenecks in varying work related processes. Most of the Consolis companies have implemented comprehensive programs in order to reduce absenteeism. The programs consist of improvement of working environment, actions to improve ergonomics and special programs to develop employee fitness.

A total of 25 young managers from the Consolis companies, participated in the first international management program, "Advanced Academy". The target of the program is to develop general management and leadership skills and to increase competencies in the areas of Strategy, Leadership, Business processes and Finance. The Group's intention is that in the coming years a total of 150 managers will participate in the program.

European perspective

Historically, residential housing production has been directly influenced by the local traditions and culture of its respective districts. Availability of materials and prevailing weather conditions has impacted on building regulations, technical solutions and production technologies.

Urbanisation has been rapid in the countries where the Consolis Group has been present during the past decades. Increased living standards are due to rapid industrialisation and technical innovations. The population density in the growing population centres of both the Central European and Scandinavian countries is virtually identical. Under the circumstances there is hardly any difference in the basic conditions of the structures of the society and the

Innovations in pre-cast construction for housing

Kari Laukkanen *Parma Oy*

construction methods in the countries, in which the economic conditions are equal.

In countries such as Finland, construction industrialization has encouraged the strong penetration of pre-fabricated technology, construction of apartment houses, dominance of hollow core slabs and use of pre-cast concrete facades. Hollow core flooring penetration is highest in the Netherlands where the "low-rise and compact" terraced house is the construction preference. In Germany's corresponding environmental conditions, composite structures such as filigran virtually dominate residential housing production for the time being.

In other Scandinavian countries, small-scale residential areas have been developed using pre-fabricated and cast in-situ techniques.

Benefits of using pre-cast concrete in housing

Concrete construction is the modern adjunct to the millennia old technique of stone based construction. As a mineral product, concrete represents durability and safety but is also workable and variable according to the Designers individual wishes. Concrete offers excellent fire resistance and sound insulation. It endures mildew and does not crumble in humid conditions provided its frost resistance is secured. The basic raw materials of concrete are readily available in most countries.

Pre-cast technology lives the young and expanding phase of its life cycle. Over the last three decades it has become the most economic and rapid construction method, combining the benefits of serial production and customisability. Factories are adept at producing highly professional, crafted and entirely unique designs upon request from the customer. Pre-fabrication techniques enable safer factory and on-site working conditions. Construction companies appreciate the inherent cost efficiency of an industrialised manufacturing technology along with systematic quality control, promptly met schedules and structures with short drying times. The occupants get durable, environmentally sound-proofed and healthy apartments.

Innovations

Development of residential buildings is based on the wishes of the occupants, the requirements of the construction companies and the regulations of relevant authorities. Sound insulation, bathroom areas and energy consumption are current examples of such conditions.

The companies of the Consolis Group in the Netherlands and Finland have developed hollow core flooring solutions inclusive of VBI's experiences in Pipe flooring along with Parma's developments in sound insulation and the low bathroom step. Material recycling and ecological processes during factory production have been developed along similar principles offering superior benefits compared with cast in-situ flooring.

Spenncon (Norway) has launched corresponding solutions of which experiences in Finland have been positive. Strängbetong and Parma have been instrumental in their continued and combined development of the intermediate raised floor. The increased quality within the construction industry has been as a direct consequence of the operations in these countries.

Parma developed the use of the ventilated ParmaParaati facade as a split structure within the residential building sector which allows more architectural design freedom. Jointless façades were developed based on Strängbetong's experiences in Sweden and the requirements of Parma's Finnish clients. The supply concept includes both the pre-cast concrete façade with heat insulation and the external surface plastered on building site.

Trends, prospects

Global trends, social changes, traffic and logistics requirements have all impacted on the structures of cities and residential areas. Solutions for the international market can be achieved by the harmonic relationship of the regulatory authorities and the designers.

Buildings must be "time-resistant" both in the context of contemporary design and cultural sense along with being visually aesthetic and functional, cosy and safe. These are matters that consider quality, human scale and individuality. Designers must also be mindful of the adaptability of the structure over its life-span.

Pre-fabricated construction has attained good market penetration within several European countries. The high prices of building property along with slow productivity development are contributors to the increasing interest in pre-cast technology. This is also the case in countries which used wooden materials for the one family home construction.

The companies of the Consolis Group are key players with an active development role in the construction industry in their respective countries. The common experience gained and shared by these companies enables Consolis to expand its expertise into the residential building sector in countries where the Group's principle market up until now had been in the non-residential building area.

Partnering and network based co-operative development carried out with various players within the residential building sector, particularly the client, allows the best results within the shortest time-frame.

Pre-fabrication techniques enable safer factory and on-site working conditions.

Effective construction scheduling ensures rapid construction processes giving the greatest return on investment with the least risk.

Efficient and pleasant non-residential buildings

Arne Hellström *Strängbetong AB*

Requirements

New requirements and varying patterns of future demand are essential when erecting non-residential buildings for offices, industrial premises, schools and hospitals. Modern business practices dictate a rapidly changing environment with the subsequent need for real estate owners to constantly adapt the space of the building in sympathy with market demand. Wise real estate economy directly involves the clever management of environmental resources allowing buildings to be modifiable over several generations of tenants and activities.

Creating a cost efficient working environment is of paramount importance but designers must be mindful of avoiding Sick Building Syndrome as a consequence of undisciplined cost efficiency methods.

Good corporate architecture is of value both to the tenants and the owners. Effective construction scheduling ensures rapid construction processes giving the greatest return on investment with the least risk. Non-residential prefabricated concrete framework buildings encompass these construction criteria.

Adapting premise layouts

Long spans with a minimum of supporting columns and walls are enabled through the use of pre-stressed concrete roof and floor elements. Floor and roof elements can easily be made with spans up to 20 and 30 metres respectively. Flexibility makes adapting layouts to current demands both easier and cost effective for the owner.

The longevity of concrete and layout alternatives reduces the environmental load. Reuse and recycling are inherent features of such buildings through the occupation of different tenants and business activities.

Good architecture

A multitude of architectural possibilities can be applied when using prefabricated façade elements such as claddings or load bearing sandwichs. Outer walls can be designed with different principles and provide different architectural expressions such as separate window openings or rows of windows. Introducing pilasters can give an impression of verticality. Ground and polished concrete are examples of the wide selection of different cladding materials that can be chosen. Concrete may also be coloured or painted. Bricks, natural rock, mosaic or glazed tiles can be cast into the concrete surface.

Healthy buildings

Moisture is the most serious factor that can cause indoor environmental problems in construction. High quality, slender structured and industrially produced prefabricated concrete elements give buildings extremely good moisture resistance properties preventing Sick Building Syndrome occurrences. Floor elements made of high performance concrete with low water content are an example of such structures. Environmental conditions such as rain during the erection of the building will have negligible effect on the moisture content of the floor slabs.

The drying-out phase begins extremely early with new prefabricated concrete buildings due to the rapid erection of roofing and windows, more so considering the waterproofing properties offered by the outer concrete wall elements. Installations and fittings work can then be carried out without fear of moisture damage. Construction time and costs will decrease accordingly.

Pleasant indoor climate

Heavy concrete outer walls, roofing and flooring create excellent sound proofing conditions, providing insulation from noisy surroundings within or external to the building. The decisive factor here is the favourable combination of rigidity and mass inherent in a concrete structure. Sound insulation along with ventilation, heating and cooling are important factors in creating a comfortable indoor climate. Concrete buildings need less costly air conditioning equipment. The thermal mass of a concrete structure is a determinate factor in stabilising the indoor climate at a pleasant level. Thermal mass will reduce heating costs during winter due to the energy storage and release of surplus heat from office activities.

Development

The structural solution generally requires individual adaptation to architecture and site conditions. Consolis works with the customer to adapt solutions that are appropriate to the prefabricated elements/frameworks production conditions. This is of major importance to the economy of the building, with the building framework being a principal determinate in the overall construction cost.

New offices, industrial premises, schools and hospital frameworks are primary segments for the Consolis Group. The group has vast experience in manufacturing, design and on site erection works. Tremendous efforts are made to develop products and services to cater for the latest demands.

Sleepers for expanding European rail traffic

Thomas Krämer-Wasserka DW Beton Systeme GmbH

European perspective

European rail track requirements vary tremendously depending upon the perspective unique to each particular area whether it be Northern, Western or Eastern Europe

The main market for rail track components in Northern Europe consists of the replacement of existing wooden sleepers with long lasting concrete sleepers. In some of the Nordic countries such as Finland, new rail tracks are planned and will be constructed in the near future.

Eastern European countries such as the Baltics, Poland, the Czech Republic and Russia have enormous demand for concrete sleepers. In all these countries the existing track systems are in a state of total disrepair, with the majority of track sleepers still being wooden and more than 50 years old.

The average speed of rail-bound traffic on these tracks is extremely low making cargo and consumer transport unreliable and inefficient. Complete restructuring of the rail track systems will take place in the coming years, principally due to these countries' membership within the European community. During this unification process funds will be made available for investment in the Eastern European countries rail structures.

Western Europe rail traffic requirements involve increasing rail transport speeds on existing track systems. Replacement of considerable quantities of old sleepers has to be done to allow an average track speed of 120 km/h. A further aspect is the development of high speed links between the main cities in Western Europe. The high speed rail links demand high quality sleepers and sleeper systems. A separate cargo track development will create new markets for heavy load sleepers in countries like the Netherlands and Germany.

Development of transportation policies

A radical change in European transportation policy is taking place and will continue in the following years. Increasing cargo transportation between European countries cannot be handled solely by road transport. The construction of new highway links is politically untenable in many European countries, one viable solution is to create and extend rail-bound traffic links. A concurrent transportation policy is well underway in the Netherlands, Belgium, Germany and France. Scandinavian countries with significant cargo traffic on roads to Western Europe and Eastern European countries such as Poland, the Czech Republic and Hungary will have to adopt similar transportation policies.

Environmental issues

Rail-bound traffic is by far the most environmentally friendly traffic system. Concrete sleepers have a life cycle approaching 50 years offering a superior environmental advantage to wooden sleepers. Concrete sleepers are produced from sand, gravel and cement making the product easily recyclable particularly in comparison with wooden sleepers which must be handled as hazardous waste upon removal.

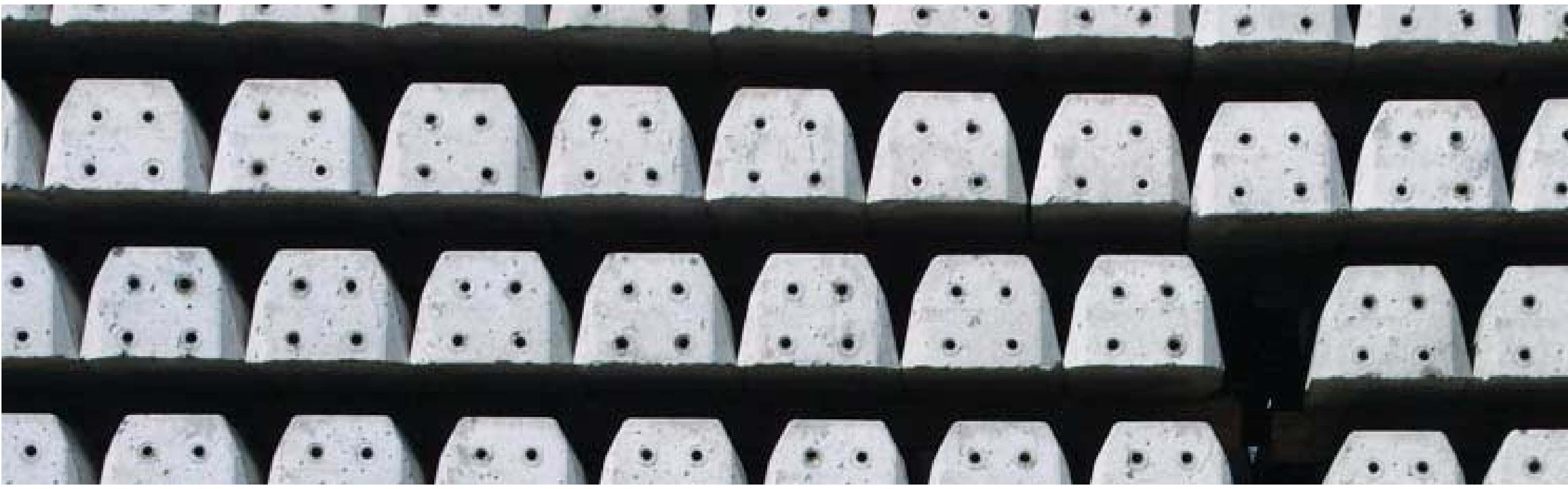
Technical aspects for sleepers

In comparison to other pre-cast elements concrete sleepers are a highly sophisticated product. Concrete sleepers are produced to the highest standards due to the stringent demands of rail owners. The Consolis Group are the pioneers in concrete sleeper production with more than 40 years experience, having developed production and quality assurance systems which have defined the standard for certification in the majority of European countries. Production methods demand a long lasting development period due to the highest standards in strength and the dimensional tolerances.

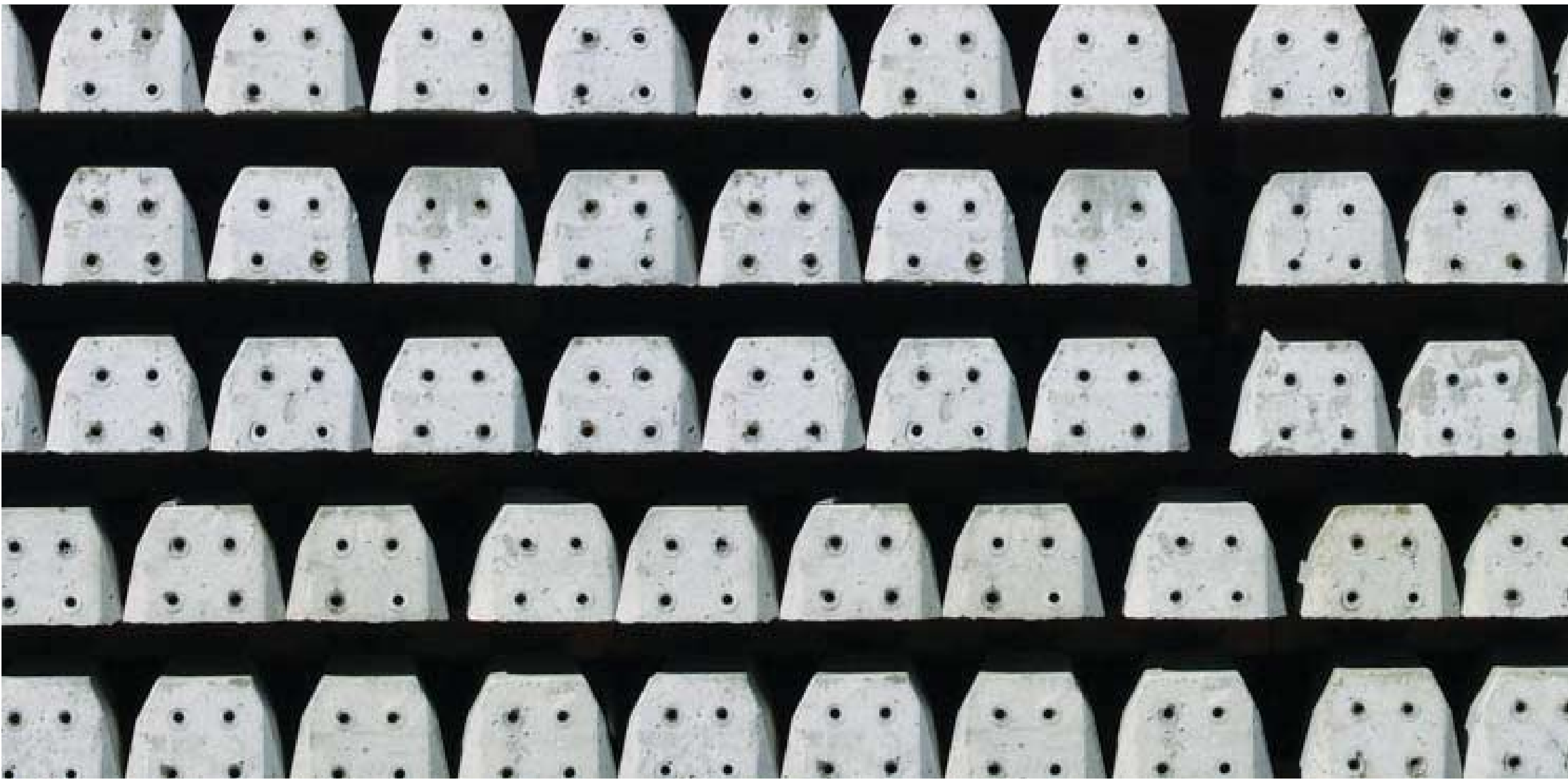
Existing quality and production aspects parallel a steady development of new sleeper types or sleeper systems. Systems such as the Slab Track, ensure the companies of the Consolis Group a secure market both for the present and the future.

General trends and prospects for sleeper business

The general market trend for concrete sleepers in Western and Northern Europe seems inherently stable with good prospects for the new high speed consumer and cargo transport lines. Eastern Europe holds enormous potential for the restoration and restructuring of existing rail networks. The companies of the Consolis Group are well positioned to participate in such future endeavours. The Consolis Group's annual production of approximately 2 million sleepers makes it the largest producer and market leader of sleepers in Europe. Consolis' activities in the sleeper market have been strengthened due to the acquisition of the DYWIDAG and WALTER BAU plants. Consolis is now able to qualify the existing production plants for both productivity and product development.



Consolis Group's annual production of approximately 2 million sleepers makes it the largest producer and market leader of sleepers in Europe.



Pre-cast bridges – savings for society

Matthijs Peters Spanbeton BV

Throughout most of Europe we see an increased emphasis on mobility within the three most important means of transportation; road, rail and air. The basic reasons for this phenomenon are quite complex but a few of them can be easily identified:

- Economic growth resulting in an increased demand for transported goods.
- Increased disposable budgets with individuals prioritising travel.
- The separation of functions (offices, shops, factories, leisure areas etc) by European city planners over the last decades has created the need for frequent mobility.
- Diversity of job fulfilment. Reduced working hours or days worked per week of individuals may necessitate two people within the family fulfilling the income deficit.
- Growth and population concentrations. Crowded areas become more congested as urban sprawl increases due to people moving from rural areas to cities and from poorer countries to richer ones. In Europe we see the movement from the East and South towards the Northwest. European Union enlargement in 2004 will reinforce this phenomenon.

These developments result in frequent bottlenecks on the roads, rail and in the air. Public transportation is promoted as a panacea for congestion, however, road transportation is still far and away the most imperative form of transport. A suitable policy should consider aspects that:

- Decrease the need for transportation. Regional planning and mixing functions on one site offer potential but are long term considerations.
- Accommodate various forms of transportation concurrently. Investment in roads, rail tracks and airport sites.

The Netherlands has over 350 inhabitants/km^2, making it one of the most crowded areas in Europe. It has a constantly increasing population with 50.000 to 100.000 new inhabitants each year. The government initiated a plan to disperse rather than centralise businesses throughout the country with some success. The East and the South have exhibited the largest economic growth during the past five years. The 'Randstad' (the areas comprising the cities of Amsterdam, The Hague, Rotterdam and Utrecht) are still, however, the principle growth areas. To accommodate the need for transportation, a number of decisions have been taken during the last decade:

- A high-speed rail-link is currently under construction in Amsterdam-Brussels.
- A rail-cargo line is under construction in the Rotterdam-Ruhr area.
- Airport Schiphol is having a 5th landing strip installed and its terminal extended.
- The existing rail-network is to be improved and extended. Construction is under way to double the Amsterdam-Utrecht rail track along with other rail track networks.
- The light rail track (Metro) facilities are to be extended in Amsterdam, Rotterdam and Utrecht.

Relatively little attention was given to roads in the above summary. Several motorways were upgraded and some shorter tracks added. Today's discussion concentrates on:

- More efficient use of existing capacity by spreading demand over 24 hours. Restrictions should then be placed on daytime usage.
- Extending capacity by adding an extra lane to existing motorways.
- Upgrading the secondary road network so as to reduce the workload on motorways by local traffic.

Spanbeton (The Netherlands), a specialist in infrastructural pre-cast concrete components, sees the aforementioned developments as a most favourable market opportunity. Competitiveness in these fields is very much related to the company's ability to actively participate in the design process. Project economy is of paramount importance, however, equal priority must be given to environmental considerations and aesthetics.

The environment is impacted during the construction process and over the life-span of the structure. Minimising traffic disturbances and being mindful of safety issues is essential during construction. As a consequence, viaducts are positioned during the less congested weekend and late night traffic hours. These technical solutions cause of minimum of disturbance to traffic conditions during more congested periods.

Environmental impact during the life-span of the structure is related to aesthetics, durability, avoiding sight obstacles and so on. Designing structures to have a 100 year life-span is a common consideration. The development of curved box beams directly supports these conditions:

- A slender bridge deck for spans up to 45 m'.
- A minimum of site work.
- Large surfaces in short periods (750 – 1000 m^2 in one night)
- Aesthetics well adapted to the surroundings.

The Netherlands constructive solutions to road traffic problems set a precedent for those countries that experience similar transport issues. These conditions will be both a challenge and an opportunity for all the companies of the Consolis Group.

Erecting pre-cast bridges causes minimum disturbance to traffic conditions.

Prefabrication of concrete elements can fulfil all the requirements necessary to reduce environmental burden and create sustainable structures.

Environment and sustainability

Jouni Punkki Parma Oy

European perspective

Environmental issues associated with the construction and real estate sectors have increased in importance during the last years. The sector is a significant user of energy and consumes huge amounts of raw materials. Up to 40% of the total energy consumption of a nation can be allocated to the construction and real estate sectors.

Many European countries' industries and authorities have taken action to reduce the environmental burden of the construction and real estate sectors. Central and Northern European countries have been pioneers in this respect. The companies of the Consolis Group are actively working with the poignant environmental issues associated with construction. The Focus varies from country to country with the Netherlands focusing on the recycling of materials whereas Finland's major concern is energy consumption and building durability.

Examples

The environmental burdens of production are extremely important considerations for a buildings materials producer. In the case of pre-cast concrete production, the most important environmental burdens are the production of cement and steel and indeed the manufacturing process of the product itself. Significant development is made in order to reduce these burdens with the concrete's cement content being minimised and renewable energy sources utilized.

In spite of its importance, the environmental burdens of the construction period cover only approximately 10% of the total burdens of the building (life cycle of 50 years). Heating, cooling and lighting make up 90% of the energy consumption and carbon dioxide emissions produced during the user occupancy.

Sustainability in the construction and real estate sectors dictate that the burdens be minimised in both the construction and user phases. However, sustainability is a complex combination of several different properties. Sustainability necessitates that buildings must be flexible so they can be adapted to future demands. Sustainable buildings must be comfortable, healthy and safe for all occupants. For a building to be truly sustainable it is vital that the building has a long service life and that the building must be recyclable. Sustainable buildings can be defined as follows:

- construction and building usage offer minimal environmental loads
- building may be converted and modified during its service life
- building is comfortable, healthy and safe for all occupants
- building has a long service life
- components of the building may be recycled.

Sustainability is not guaranteed by minimising or maximising any one factor as it is an intrinsic balance of many factors. Simplistic interpretations of these factors can lead to erroneous conclusions, for example, minimising the material use in construction may lead to a shortened service life.

Parma has been analysing the sustainability of building components using an eco-efficiency method. This method defines eco-efficiency as the relationship between functional properties and the environmental burdens of the product. Functional properties include the requirements of building sustainability; flexibility, adaptability, healthiness, longservice life etc. The method enables that the requirements of sustainability can be fully taken into consideration, which is difficult in conventional life cycle assessments (LCA). The eco-efficiency of the product can be judged based on environmental burdens or life cycle costs.

Comparison of environmental effects of pre-cast and cast on-site building

Prefabrication offers excellent opportunities for sustainable construction. Concrete has several advantages regarding sustainability. Concrete manufacturing consumes little energy. As an inorganic material concrete tolerates water, moisture and high temperatures. Massive concrete structures improve sound insulation and reduce the consumption of heating and cooling energy.

The additional advantages of prefabrication, compared to other construction methods, are related to the more effective use of materials. The amount of concrete and steel can be significantly reduced by pre-stressing. Waste material is reduced in the controlled production conditions of a factory with the additional ability to recycle wastes during production. With the adaptation of advanced production technology (hollow core slab production) cement quantities and carbon dioxide emissions are reduced.

Prefabrication can fulfil all the requirements necessary to reduce environmental burden and create sustainable structures. Pre-stressed prefabricated beams and slabs enable the use of long spans and therefore large flexible spaces can be created. The controlled production environment guarantees that health risks can be eliminated and that properties of durability can be accurately managed.

Consolis Group Companies

Key ratios 2002

PARMA
Net Sales, 137.8 m EUR
Operative Investments, 2.6 m EUR
Personnel (average) 967

DW BETON SYSTEME
Net Sales, 24.7 m EUR (4 months)
Operative Investments, 1.6 m EUR
Personnel (average) 397

BRESPA
Net Sales, 14.1 m EUR
Operative Investments, 0.1 m EUR
Personnel (average) 76

PARMA Finland

New home building construction was distinctly lower than the previous year. Industrial and warehouse buildings saw an approximate drop of 30% with commercial and office buildings projects down approximately 13%. Residential building starts remained commensurate with the previous year. The sale volume of railway sleepers decreased fractionally in comparison to 2001.

Net sales of Parma amounted to EUR 138 Million, 15% lower than the previous year. Profitability remained satisfactory. Residential buildings accounted for 34.4% of total sales, commercial and office buildings 56.9%, infrastructural building 8.7% and operations in Russia 7.6% of sales.

Parma clearly maintained its competitive market leader position in Finland.

The reduction of volume was principally due to the fall in demand for structural products and the decrease in material supplies to Russia.

Environmental aspects have lent more weight to the company's production development structure. The majority of factories were included in the ISO 14001 standard environmental management system during 2002. In addition, sustainability of construction was developed on a wider front. Particular focus was given to issues regarding heating and cooling energy consumption, flexibility, building healthiness, durability and the re-cyclability of pre-cast elements.

Increasing significance was attached to development actions for further processing of concepts based on customer-oriented partnering.

The most important issue of the residential concept is intermediate flooring and the related integration of building services engineering. The new P37 slab became the most frequently used intermediate floor slab in apartment home construction within the year. Development of the prefabricated floor element for wet rooms was completed with the product ready for production. The new integrated solutions of structures and building services engineering was boosted within non-residential buildings by two successfully executed projects.

Development of design processes and ICT are vital issues. ParmaCAD was developed further to become a comprehensive tool for business management. Focus was directed toward design, production and supply. ParmaCAD design software and project portals were developed in regard to project and customer management requirements.

Investments were directed at equipment replacement and improved profitability mechanisms. The company acquired the Uurainen and Rusko factories and sold the real estate of Veikkola at the end of 2002.

The outlook for the Finnish building industry is forecast to remain at the previous years level despite the general uncertainty in the global economy. The residential building sector forecast remains optimistic due to low interest rates, consumer confidence in the economy and migration to larger city areas.

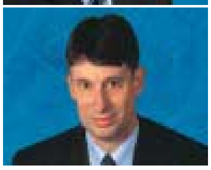
Demand for commercial buildings continues. Oversupply of office buildings has stabilized. Massive potential exists in public building construction. However, as tax income is declining many projects are being postponed.

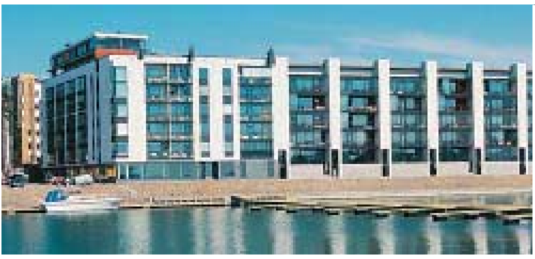
Civil engineering volume is forecast to grow by approximately 3%. Noteworthy projects are the Kerava – Lahti rail track, Vuosaari harbour, extension to the Turku motorway, Helsinki subway bridges and rail track renovations in Eastern and Northern Finland.

Demand in Russia is estimated to remain stable. The commercial building segment in the Moscow district is expected to exhibit particular growth.


01


02


03



01 *Hannu Martikainen, Parma*
02 *Heikki Haikonen, DW Beton Systeme*
03 *Thomas Krämer-Wasserka, DW Beton Systeme*

DW BETON SYSTEME Germany

Construction activity in Germany suffered due to the generally unfavourable economic climate. Economic growth in Germany came to a virtual standstill during 2002. A GNP growth rate of 0.2% positions Germany at its weakest economic development since 1993.

Construction industry order intake declined by ca. 13%. Development in the East was particularly poor declining by 17%. The West saw a decline of 12%.

Infrastructural projects in Germany were influenced by investments in the German railways. Several high speed tracks were finalised. The market for concrete sleepers was drastically affected by the catastrophic flooding in Eastern Germany. The total market for railway sleepers increased by 10%.

Infrastructural projects related to water and waste water supply remained stable in Western Germany, while concrete pipe sales in Northern and Eastern Germany significantly decreased. Germany's Southern market remained stable. DW Betonrohre's main market in Western Germany kept its volume.

Operations in 2002

Brespa's operations suffered due to a large over-capacity in hollow core production. Brespa continued to concentrate on projects with challenging technological requirements and attractive yields exemplified by the delivery for the extension of the production halls at Airbus Industries in Hamburg.

Output volume declined paralleling the general climate within the hollow core industry. Organisational downsizing continued a further two stages to correspond with the lower levels of activity. In a turbulent year, Brespa still succeeded in maintaining its position as market leader amongst hollow core producers.

The favourable market situation for sleepers assisted DW Schwellen in achieving one of its best sales results for the last five years. The market share of DW Schwellen increased.

The sales situation for concrete pipes from DW Betonrohre was below expectations for the first three quarters of 2002. DW Betonrohre's subsequent inclusion within the Consolis Group has seen a correspondingly positive effect on the company's turnover. DW Betonrohre received a significant order from the city of Mönchenglad-bach which corresponded to a full year's turnover.
Sales within the last three months of 2002 were higher than forecast.

Innovations and investments

A collaboration between DW Betonrohre and the client city of Leverkusen saw the invention and patent of a new system called the Dry Weather Channel. The system replaces the

Key ratios 2002

VBI

Net Sales, 113.6 m EUR
Operative Investments, 3.6 m EUR
Personnel (average) 799

SPANBETON

Net Sales, 37.2 m EUR
Operative Investments, 1.3 m EUR
Personnel (average) 280

in-situ cast channel in waste water pipes by a solution based on pre-cast elements. The system was successfully installed in a waste water line in the city of Leverkusen.

The online measurement system for slipformer production was installed at Brespa, providing continuous documentation and monitoring of slab height and casting speed directly at the casting machine and computer systems in the production hall and office.

The "Addheat" system was installed at Schneverdingen and Chemnitz saving energy by regulating the casting beds heating. Regulation is dependant upon slab type, concrete mix, temperature in production hall and hardening time.

Outlook for the future

The expectation for medium-term development is somewhat contradictory. Demand is likely to remain low. The consolidation process within the German construction market is expected to continue. The subsequent climate is anticipated to support additional industrialisation of the construction process.

Infrastructural rail traffic expenses will remain at the high level of 2002. The expectations for track and turn-out sleepers for DW Schwellen in 2003 and beyond are high. Additional potential still exists in the market in addition to Deutsche Bahn. Marketing activities in Western Germany are expected to intensify.

Increased competition in the concrete piping market is anticipated within Western Germany, DW Betonrohre's principal market.

VBI **The Netherlands**

The number of newly constructed dwellings decreased to the lowest level since the Second World War during 2002. The negative economic environment, high prices for building-ground and government regulations are the principal determinators creating the construction decline. The office and industrial sectors saw the most significant decrease in building volumes.

Competition in the Dutch market remains high due to German and Belgian suppliers compounding the over-capacity problem that currently exists in the Dutch market.

VBI's sales prices decreased marginally during the second half of 2002, while prices in the market exhibited a more significant decrease.

VBI devoted significant effort to streamlining its product line during 2002, simplifying planning and production processes accordingly. Transport tariffs were similarly decreased.

New building regulations coming into force during 2003, will impact considerably on hollow core flooring due to an increase in staircase openings specifications concerning VBI pipe flooring. New technologies were successfully developed for adapting the hollow-core slabs to the residential market. Pipe flooring continued to be extremely successful during 2002.

The apartment sectors noise regulations have increased in stringency and severity. VBI has reacted accordingly and developed the AL 320 apartment floor. The new regulations are expected to push the market share of the apartment floor in a positive direction. The start-up phase of the apartment floor has taken considerably longer than expected. However, architects are increasingly utilizing the apartment floor in their designs with sales expected to increase accordingly.

The acquisition of the operations of the Spaansen insulated beam/block floors was a principal investment during 2002. The implementation of VBI's new CAD-system is nearing completion.

Continued product line streamlining throughout various factories is planned during 2003. The office sector market share is anticipated to decrease in the Netherlands with Germany realising a decrease in dwellings construction.

Prices are being heavily influenced due to production over-capacity. VBI will continue to direct emphasis at increasing efficiency and decreasing cost levels.

SPANBETON **The Netherlands**

The principal topics within the pre-cast industry involved large scale 'multi-year projects' in civil engineering, the High Speed Rail Amsterdam to Brussels and the Rail cargo line from Rotterdam to the Ruhr-area all of which came into construction phases. The market for civil engineering was exceptional, resulting in commensurately high sales figures for bridges and sleepers.

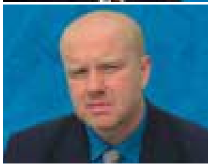
Demand for commercial buildings, offices and industrial buildings fell, resulting in a low volume of structural element sales at Spanbeton. Hollow core slab production was concentrated at Spanbeton's sister company, VBI. Sales volumes and margins in the Civil engineering sector compensated for the set-back in building sales.

A major investment in a new sleeper production-line was made during the year.

01

01 *Heerke Kuiper, VBI and Spanbeton*


01

02

03

01 *Terje Søhoel, Spenncon*
02 *Johnny Ståhl, Strängbetong*
03 *Michal Mikšovský, Dywidag Prefa Lysá*

Key ratios 2002

SPENNCON
Net Sales, 99.4 m EUR
Operative Investments, 1.5 m EUR
Personnel (average) 585

STRÄNGBETONG
Net Sales, 114.1 m EUR
Operative Investments, 1.4 m EUR
Personnel (average) 926

DYWIDAG PREFA LYSÁ
Net Sales, 2.4 m EUR (3 months)
Operative Investments, 0.1 m EUR
Personnel (average) 136

The use of self-compacting concrete has been further developed. New opportunities arose regarding box beam bridges and sheet piles. The new ERP-system, Glovia, was implemented mid-year.

The coming year sees a satisfactory order-book level. The Civil engineering market is expected to remain high, however, the Commercial buildings market is not expected to recover during 2003.

SPENNCON Norway

The volume of commercial, office and new residential buildings exhibited a significant downturn toward the year's end.

The year in total ended with a reduction in volume of 5% for commercial and office buildings and 12% for residential buildings.

Spenncon increased total production volume of concrete elements by 5.5%, superior to the level achieved by the concrete element industry as a whole.

Spenncon strengthened its market position in the residential sector and maintained its position in other sectors.

The new building market has been dominated by turn-key deliveries developed by contractors. Spenncon has been strongly involved in this process and has generated a solid backlog of tenders. Start-up activity slowed down during the second half of 2002, resulting in a decreased order volume.

Higher margins have been achieved for Spenncon's product lines due to successful monitoring of several projects aimed at improving marketing and sales, project development along with management and productivity considerations in design and production.

Spenncon's leading position within the residential market was strengthened by the delivery of a new type of flooring slab which facilitates water, sewage, heating, electricity and additional systems within the slab. Acotec wall elements, developed by the Consolis Group, were launched by the second half of the year.

Factory renovations and the replacement of redundant production equipment continued as planned.

Overall building activity is forecast to continue at a constant level. Development will vary across the construction sectors and geographic regions. A declining situation is forecast for office, business and hotel buildings in the Oslo region. A similarly negative environment seems likely for commercial buildings nationwide.

A positive forecast for growth exists in the public construction sectors of health, social and educational buildings. Spenncon's backlog is lower than the previous year. Cost reduction and market strengthening programs are being implemented.

STRÄNGBETONG Sweden

Sweden's GDP growth rate was estimated at 1.6% during 2002. New building construction decreased slightly, while infrastructure rose by 8%.

Housing construction grew during 2002 slowing somewhat during the last months as a result of the uncertainly pertaining to new subsidy regulations. The industrial and commercial sectors continued decreasing by 15%, while the public sector increased by 10%.

Reduction of personnel has been undertaken due to weakening market demand. In order to concentrate business some activities have been out-sourced. Order intake decreased slightly compared with the previous year. Strängbetong's housing system has experienced a resurgence with a significant increase in multi-family housing sales during 2002.

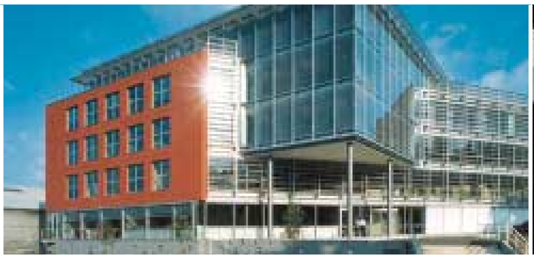
An extended plant review of Strängbetong's largest factories has been undertaken. A package of measures was instituted to improve factory productivity and product quality.

Housing and industrial buildings are forecast to grow during 2003 with the decreasing commercial sector trend continuing. The backlog at the beginning of 2003 is significantly larger than it was at the same time in 2001 and 2002. This will improve capacity usage and improve profitability when the aforementioned measures are instituted.

DYWIDAG PREFA LYSÁ The Czech Republic

Economic growth in the Czech Republic was higher than the European Union average during 2002. Growth was unaffected by the damage caused as a result of the disastrous summer flooding. Prioritisation of funding from the state budget towards flood relief happened at the expense of new developments within the housing and public buildings sectors which is the principal market for the company's product line.

The Consolis Group acquired the major shareholding of DYWIDAG Prefa Lysá nad Labem from the Walter Bau Group during 2002. The company concentrated on consolidating its market position and attaining its net sales projection. Production assortment remained unchanged with a 50% share of hollow core slabs, further Aqua-protection program



(pipes and oil separators), reinforced elements, garages and ready-mixed concrete.

The economic climate is expected to remain relatively unchanged during 2003. An inflow of foreign capital can still be expected, a stabilizing factor in the Czech Republic's building industry and a source of orders for production. For many years the company has been expecting a greater level of state aid for housing and council buildings which have been severly neglected since the beginning of the 90's. The tightening of environmental protection standards for the Czech Republic's entry into the European Union is significantly encouraging the development of the Aqua-protection production programme.

Further fundamental decisions regarding changes to the structure of the production programme will take place in order for production to correspond with the overall business plan of the Consolis Group during 2003. These structural changes will necessitate a degree of investment in the current production facilities.

E-BETOONELEMENT Estonia

The Estonian economy is particularly healthy. The annual average GDP growth was 6%, with an expected 10% increase setting a positive climate for the construction sector during 2003. Economic growth due to domestic construction has been the engine for demand principally in areas of real-estate development and retail businesses. FDI in Estonia will grow as a consequence of its anticipated EU membership and despite a problematic global economy and decrease in direct investments.

E-Betoonelement sales growth averaged 10% for the third consecutive year. A record sales result for the Latvian market was indicative of continuous high growth potential with sales of environmental products doubling. The

demanding residential housing sector is indicating an increasing requirement for professional services.

The 22 storey Maakri Maja residential project was a demonstration of innovation in action. Innovative products and design presented the Estonian construction industry with an example of E-Betoonelement's competitive position within the marketplace.

Investment during 2002 was orientated toward equipment and rehabilitation concerns. The formation of structural capital via marketing activities and process management will require continuous focus and investment during 2003.

The Estonian construction sector is experiencing consistent development in addition to serving the local market. Potential exists for increased export to Latvia and Russia. The Estonian public buildings sector remains steady while residential and office construction is evolving. Industry expectations are principally associated with the warehousing and manufacturing segments adopting EU regulations.

Key ratios 2002

E-BETOONELEMENT

Net Sales, 14.6 m EUR
Operative Investments, 0.6 m EUR
Personnel (average) 399

STRÄNGBETONG LATVIA

Net Sales, 5.2 m EUR
Operative Investments, 0.3 m EUR
Personnel (average) 8

BETONIKA

Net Sales, 4.2 m EUR
Operative Investments, 0.4 m EUR
Personnel (average) 156

STRÄNGBETONG LATVIA Latvia

Latvia's GDP has been growing steadily in recent years, reaching 7% by the third quarter of 2002. Latvia's inflation rate has been among the lowest in Central Europe. The inflation rate by December 2002 was only 1.4% creating an extremely positive climate for investment.

Construction is one of the most dynamic sectors of the Latvian economy with a yearly growth rate of 7%. Growth is estimated to continue over the coming years. The estimated value of the Latvian construction market in 2002 approached EUR 1 billion, new construction projects realising 40 – 50 percent of the total market.

Strängbetong Latvia's net sales for 2002 increased 350% to EUR 5 million. The total sales for the Consolis Group in Latvia reached EUR 7 million. The Estonian and Lithuanian sister companies E-Betoonelement and Betonika are currently suppliers for concrete elements to Strängbetong Latvia.

The demand and sales of complete frame solutions for commercial buildings, principally supermarkets and warehouses, has increased in the Riga area. An emerging positive trend began in Latvia during 2002 with increased sales to further regions of the country.

The RIMI Hypermarket project Olympia in Riga, highlighted the advantages of the short construction timeframes inherent with pre-cast solutions. The delivery of the three-storey prefabricated frame structure with a floor area of 35000 m^2 started in June. Construction was completed by mid December, opening to Christmas trade as scheduled.

A further large scale project was the RIMI Distribution Centre with a storage area of 27000 m^2 and a frame structure for a 7-storey office building.

Construction market growth is forecast to continue, both in the non-residential and housing construction sectors. The expanding middle class is creating a market for additional apartment housing.

Possible establishment of production facilities in Latvia will substantially increase sales opportunities, plus lower the costs associated with transportation.

BETONIKA Lithuania

The construction sector resurgence was realized during 2002. Construction companies carried out works worth more than EUR 750 million, 25% more than the previous year. However, Lithuania's construction contribution to GDP remains behind that of other European countries.

The construction market concentrated principally on the commercial building sector; hypermarkets, office buildings and warehouses.

The rapid development within the construction sector has positively influenced Lithuanian's economic and social indexes. An increase in construction activity has seen a commensurate increase in employment opportunities, construction wages, production and sales of building materials.

Net sales of Betonika amounted to EUR 4.2 million, which is 7.7% higher than the previous year.

Betonika's principal market during 2002 remained the non-residential construction segment which took 88% of the total net sales while residential and civil engineering took 6% each. Additionally, sales to the Latvian market in 2002 amounted to 30% of all Betonika's sales (principally to Consolis' Latvian company).

Stable factory loading was achieved for the latter part of 2002 due to a suitable inflow of orders along with a sufficient back-log for 2003.

Betonika began implementation of an integrated management system according to ISO 9001:2000 and ISO 14001 requirements, the certification process will be finalized by the beginning of 2003.

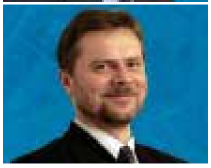
New tilting tables for wall production were installed, mixing plant automation works were finalized and reconstruction of the structural elements production hall was completed.

A new typed roof beams (HI-beams) were introduced to the market during 2002. The initial beams were delivered to the construction site of a meat processing factory at the end of the year.

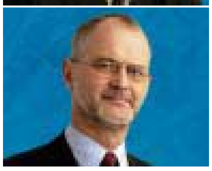
The outlook for the near future continues to be promising. The government's decision to lower support in the apartment construction sector will be offset by the country's beneficial macroeconomic situation and flexible commercial banking lending policies. A projected 5% GDP growth will stimulate the construction of commercial and office buildings along with a positive add-on effect on maintenance and reconstruction.


01


02


03

01 *Jaan Valbet, E-Betoonelement*
02 *Juris Mors, Srängbetong Latvia*
03 *Kornelijus Valaitis, Betonika*

01 
02 
03 

01 *Piotr Biskup, Addtek Polska*
02 *Leo Sandqvist, PCE Engineering*
03 *Petri Janhunen, Consolis Technology*

ADDTEK POLSKA Poland

The economic situation in Poland during 2002 has been characterized by development stagnation with only a 0.6% GDP increase. Low domestic demand was the principal factor in slowing economic activity. The construction sector has been in recession for its second consecutive year, down 8% from the previous year. This economic stagnation has resulted in low pricing levels creating poor financial situations for many building companies.

Addtek Polska has been implementing a strategy of safe growth as a consequence of these unfavourable market conditions. The scale of operations increased significantly. Net sales for 2002 year were 90% higher than in the previous year.

Hollow core slabs amounted to 35% of net sales with considerable product mix changes during 2002. TT slabs and other structural elements including pre-stressed beams and columns together amounted to 33% of annual net sales.

Addtek Polska was involved in large scale projects during 2002. New areas of activity resulted in a relatively large proportion of sold services, 18% of annual net sales.

The company started production of its first certified TT slabs during 2002. Hollow core slab fire standards tests were completed and passed. This is the first and so far the only such certificate awarded in Poland. Addtek Polska bridge beams production was also certificated.

The multipurpose moulding system for beams was successfully launched. The lifting capacity in production and the stockyard has been increased by additional cranes. Preparation works to utilize the capacity of the second existing production hall begun. Self compacting concrete has been utilized as required.

Building sector forecasts for 2003 are more optimistic than those for 2002. Overall construction output is estimated to increase by 3% with the new construction market expected to grow by almost 4%. 2003 is forecast to realize the recovery of the construction sector after two years of recession.

Addtek Polska closed 2002 with a backlog value 2.5 times greater than the previous year.

Addtek Polska plans to start operations within the civil engineering sector with infrastructural elements and acoustic solutions.

In spring 2003 the company will change its name to Consolis Polska.

PCE ENGINEERING Finland

Profitability during the year developed favourably while orders received and sales taken were below expectations making 2002 financially contradictory. The positive forecasts for demand in the USA and in the Middle East were realised, however, market demand in Western Europe proved disappointing. Demand in Russia exceeded forecasts making it the largest individual market area for PCE. The company received a remarkable order at the year end from Japan.

Projects were completed successfully and profitably during 2002. The most significant export projects were in the USA, the Middle East, Italy, Denmark and Russia.

Customer service sales as a whole exceeded the projected budget. Magnet sales were higher than forecast, however, spare and wear parts sales were behind expectations.

The Acotec-product group failed to reach target forecasts, although one Acotec-product line was successfully delivered to Finland. The experience gained from this project bodes well for Acotec-product lines during 2003.

A renewal project for the technical department's IT-systems was realised successfully during 2002.

The global markets in 2002 were characterized by a lack of orientation. Sales were derived principally from minor machine and device sales with there being few factory generated projects. The situation remains unchanged at the beginning of 2003. The demand in the USA, the Middle East and Russia is expected to remain at least at the same level as 2002. A positive market environment is forecast for Europe, the Baltic countries and the Far East as a result of an increase in demand.

CONSOLIS TECHNOLOGY Finland

Consolis Technology Oy Ab (formerly Addtek Research and Development) co-ordinates R&D efforts in the Group. Consolis Technology is also vital in the Group's Transfer of Best Practice activities. This work encompasses a broad range of individual projects aimed at increasing standardization and continuous improvement, utilizing the entirety of the Group's know-how and experience.

TOB-groups continued their activities in all core areas: floors, structures, walls and railway sleepers. Separate teams coordinate engineering, IT, marketing and procurement activities. A specialist team executed a number of plant reviews studying production process flows and factory lay-outs thus supporting factory management in finding ways to improve productivity. A second team carried out material reviews helping the laboratory personnel at the factories.

Personnel training and additional support activities continued with increased resources being allocated to the Baltic countries, Poland and the Czech Republic.

The AddCAD development project continued energetically. Several product applications of this 3-D modeling program were developed with testing ongoing. Parma, Spanbeton, Strängbetong and Spenncon continued their involvement in the project, plus adding their expertise to the working groups steering the programming of the common part as their work with the national applications.

An EU funded project aimed at analysing the interactional effects of shear and torsional forces in pre-stressed hollow core slabs and developing a calculation model verified by experimental results began in co-operation with the principal partners; Chalmers University of Technology in Sweden and VTT.

A project aimed at optimising the cross-sections of hollow core slabs whilst taking updated requirements into consideration was finalized. The project data is utilized in the design of new cross-sections.

The Consolis Technology laboratory continued its research into the material properties of concrete with the aim of attaining improved quality consistency. Emphasis was directed at cement properties and control of workability of fresh concrete mix. A pre-study that trialed the use of microwave heating in hollow core slab production was carried out. Testing continued into several features specific to self-compacting concrete.

Industrial rights were acquired for a new system of grinding circular pre-cast concrete columns. Ten new patent applications were approved.

Key ratios 2002

ADDTEK POLSKA

Net Sales, 2.8 m EUR
Operative Investments, 0.7 m EUR
Personnel (average) 104

PCE ENGINEERING

Net Sales, 37.7 m EUR
Operative Investments, 0.5 m EUR
Personnel (average) 143

CONSOLIS TECHNOLOGY

Net Sales, 2.4 m EUR
Operative Investments, 1.2 m EUR
Personnel (average) 26

Board of Directors

Standing from left:
Andrejs Cakste
Gerard De Geer
Olav Uppgård
Sitting from left:
Bengt Jansson
Stefan Linder
Olof Ljunggren
Kari Heinistö

Olof Ljunggren
Born 1933.
Chairman.
Chairman of the Board of Intentia AB and AMF Pension.
Vice Chairman of the Board of Liber AB.
Member of the Board of Försäkringsbolaget Pensionsgaranti (FGP).
Shareholding:
5,843 shares.
Share of capital loan:
EUR 8,560

Kari Heinistö
Born 1958.
Vice Chairman.
Senior Executive Vice President of KONE Materials Handling.
Chairman of the Board of Oy Sisu Auto Ab.
Member of the Board of Polar Kiinteistöt Oyj, Partek Cargotec Oy, Partek Forest AB, Kalmar Industries AB, Valtra Oy Ab and the Scout Foundation of Finland.
Shareholding:
2,811 shares
Share of capital loan:
EUR 5,702

Andrejs Cakste
Born 1952. Member.
Member of the Board of PartnerTech AB.
Shareholding:
111,572 shares.
Share of capital loan:
EUR 226,339.

Gerard De Geer
Born 1949. Member.
Director of Operations and Business Control of Industri Kapital AB.
Chairman of Citylink AB.
Deputy Chairman of Lindex AB.
Member of the Board of Elektrokoppar Holding AB, Nobia AB, MacGREGOR International AB and Carema Vård och Omsorg AB.

Bengt Jansson
Born 1946. Member.
President and CEO of Consolis Oy Ab.
Chairman of the Board of major Group Companies.
Shareholding:
80,000 shares.

Stefan Linder
Born 1968. Member.
Director of Industri Kapital AB.
Member of the Board of Oriflame Cosmetics S.A. and Sydsvenska Kemi AB.
Alternate member of the Board of Intrum Justitia AB and Dynea Oy.

Olav Uppgård
Born 1955. Member.
Senior Vice President, External Financing and Trade Finance, of KONE Corporation.

Lennart Simonsen
Born 1960. Secretary.
Managing Partner of Roschier Holmberg, Attorneys Ltd.

Group Management

From left:
Lasse Lappalainen
Timo Linna
Bengt Jansson
Seppo Rajamäki
Pertti Nupponen

Bengt Jansson
President and CEO

Lasse Lappalainen
Vice President,
Development Projects

Timo Linna
Legal Counsel

Pertti Nupponen
Chief Financial Officer

Seppo Rajamäki
Vice President,
Technical Director

Management Group

Bengt Jansson
President and CEO,
Consolis

Lasse Lappalainen
Vice President,
Development Projects,
Consolis

Timo Linna
Legal Counsel,
Consolis

Pertti Nupponen
Chief Financial Officer,
Consolis

Seppo Rajamäki
Vice President,
Technical Director,
Consolis

Piotr Biskup
Managing Director,
Addtek Polska

Vladimirs Chamans
Managing Director,
Strängbetong Latvia

Heikki Haikonen
Managing Director,
DW Beton Systeme

Petri Janhunen
Managing Director,
Consolis Technology

Ove Johansson
Chairman,
E-Betoonelement
Managing Director,
Swetrak

Thomas Krämer-Wasserka
Managing Director,
DW Beton Systeme

Heerke Kuiper
Managing Director,
VBI and Spanbeton

Hannu Martikainen
Managing Director,
Parma

Michal Mikšovský
Managing Director,
Dywidag Prefa Lysá

Leo Sandqvist
Managing Director,
PCE Engineering

Johnny Ståhl
Managing Director,
Strängbetong

Terje Søhoel
Managing Director,
Spenncon

Kornelijus Valaitis
Managing Director,
Betonika

Jaan Valbet
Managing Director,
E-Betoonelement

Business risk management

Pertti Nupponen Consolis Oy Ab
Janne Kumpulainen Consolis Oy Ab

Business environment
Consolis' residential and non-residential building sales are directly affected by general economic trends and business cycles in the building and construction market. However, approximately 20% of the Consolis Group's sales are derived from infrastructural products consisting principally of railway sleepers along with railway and road bridges, tunnels and pipes.

Consolis' infrastructural sales remain stable and relatively unaffected by economic fluctuations or business construction cycles. The stability of Consolis' operations is further supported by its subsidiaries operating in a number of different countries, offsetting local market fluctuations as a result.

Operational Risks
Consolis takes a proactive approach to business risk control. The company seeks to identify any risks that might threaten its business operations, to anticipate these risks, and to minimise any damage and costs that may arise as a result. The Group institutes global indemnity insurance programmes.

Financial Risks
Consolis' policy is to provide sufficient funding for its operational needs at competitive costs and to minimise the impact of foreign exchange, interest rate, credit and liquidity risks on the Group and its subsidiaries. Consolis' finance policy outlines finance and risk management responsibilities covering the use of financial instruments used to circumvent risk exposure.

Foreign Exchange Risk
Consolis is a multinational group with its principal business market based in Europe. The Group companies' sales and purchases are predominantly in their local currency, with the major foreign exchange risk exposure being with the parent company.

Consolis' policy is to minimise the effects of foreign exchange fluctuations on profitability by circumventing net contracted and forecasted transaction exposure.

Interest Rate Risk
Interest rate risk exposure represents the effect on earnings by the changes in market interest rates. Consolis' interest rate exposure policy aims at correlating the interest rate on debt and the growth rate of the construction business in general.

The policy outlines that the weighted average remaining interest period of debt to be less than two years. The portion of fixed rate loans of the total interest-bearing debt was 35% by the end of 2002. At the time, interest-bearing loan capital carried an average interest rate of 5.7% with the average interest period being 9.5 months.

Liquidity Risk
Cash and bank amounted to EUR 10.2 million by the years end. Committed non-utilised credit facilities totalled approximately EUR 78 million over a period of 4.5 years.

Credit Risk
Management of credit risk associated with ordinary commercial activities is the responsibility of the individual Group companies. Consolis' Counter-party risk policy, with respect to financial transactions, is to minimise risk by selecting counter-parties with high credit worthiness and using instruments with high liquidity.

Consolis Group Addresses

FINLAND

Consolis Oy Ab
Äyritie 12 b
FIN-01510 Vantaa
Tel: +358 20 577 577
Fax: +358 20 577 5110
Email: info@consolis.com
www.consolis.com
President and CEO: Bengt Jansson

Consolis Technology Oy Ab
Äyritie 12 b
FIN-01510 Vantaa
Tel: +358 20 577 577
Fax: +358 20 577 5152
Managing Director: Petri Janhunen

Rimera Oy
Tehtaankatu 3 a
FIN-11710 Riihimäki
Tel: +358 19 720 318
Fax: +358 19 720 636
E-mail: antti.lahti@rimera.fi
Managing Director: Antti Lahti

THE CZECH REPUBLIC

Dywidag Prefa Lysá nad Labem a.s.
Jedličkova 1190 / 1
CZ-289 22 Lysá nad Labem
Tel: +420 325 510 010
Fax: +420 325 551 326
Email: info@dywidag-prefa.cz
www.dywidag-prefa.cz
Managing Director: Michal Mikšovský

Parma Oy
P.O. Box 76
FIN-03101 Nummela
Tel: +358 20 577 5500
Fax: +358 20 577 5699
E-mail: info@parma.fi
www.parma.fi
Managing Director: Hannu Martikainen

Parastek Oy
P.O. Box 76
FIN-03101 Nummela
Tel: +358 20 577 5500
Fax: +358 20 577 5625
Managing Director: Aapo Rahkjärvi

PCE Engineering Oy Ab
P.O. Box 33
FIN-37801 Toijala
Tel: +358 3 549 511
Fax: +358 3 549 5300
Email: info@elematic.com
www.elematic.com
Managing Director: Leo Sandqvist

ESTONIA

AS E-Betoonelement
Tammi tee 51
EE-76902 Harku
Harju maakond
Tel: +372 6 712 500
Fax: +372 6 712 555
E-mail: ebe@betoonelement.ee
www. betoonelement.ee
Managing Director: Jaan Valbet

AS Swetrak
P.O. Box 16
EE-76902 Harku
Harju maakond
Tel: +372 6 712 500
Fax: +372 6 712 555
E-mail: taimi@betoonelement.ee
Managing Director: Ove Johansson

GERMANY

BRESPA GmbH
Stockholmer Strasse 1
D-29640 Schneverdingen
Tel: +49 519 3850
Fax: +49 5193 8549
E-mail: info@brespa.de
www.brespa.de
Managing Director: Heikki Haikonen

DW Beton Systeme GmbH
Klausenburger Strasse 9
D-81677 München
Tel: +49 89 930 030
Fax: +49 89 9300 3605
Email: info@dw-beton.de
www.dw-beton.de
Managing Directors: Heikki Haikonen, Thomas Krämer-Wasserka

DW Betonrohre GmbH
Zinkhüttenweg 16
D-41542 Dormagen
Tel: +49 2133 2773
Fax: +49 2133 277 545
Email: info@ dw-betonrohre.de
www.dw-betonrohre.de
Managing Director: Heinz-Toni Dolfen

LATVIA
SIA Strängbetong Latvia
Hospitalu iela 18
LV-1013 Riga
Tel: +371 7 501 800
Tel: +371 7 501 801
Fax: +371 7 501 803
E-mail: juris@strangbetong.lv
Managing Director: Juris Mors (From 5.2.2003 Vladimirs Chamans)

LITHUANIA
UAB Betonika
Naglio 4 A
LT-3014 Kaunas
Tel: +370 37 400 100
Fax: +370 37 400 111
E-mail: info@betonika.lt
www. betonika.lt
Managing Director: Kornelijus Valaitis (From 1.4.2003 Vytautas Niedvaras)

NORWAY
Spenncon AS
Industriveien 2
N-1337 Sandvika
Tel: +47 67 573 900
Fax: +47 67 573 901
Email: post@spenncon.no
www.spenncon.no
Managing Director: Terje Søhoel

POLAND
Addtek Polska Sp. z o.o.
ul. Przemyslowa 40
PL-97-350 Gorzkowice
Tel: +48 44 732 7300
Fax: +48 44 732 7301
E-mail: office@addtek.pl
www.addtek.pl
Managing Director: Piotr Biskup

DW Schwellen GmbH
Pareyer Strasse 4a
D-39317 Güsen
Tel: +49 3934 4920
Fax: +49 3934 492 215
Email: info@ dw-schwellen.de
www.dw-schwellen.de
Managing Director:
Heinz-Hermann Schulte-Loh

VERBIN Baufertigteile GmbH
P.O. Box 170341
D-47183 Duisburg
Tel: 0800 181 5939*
Fax: 0800 181 5938*
*(In Germany only. From abroad please call VBI BV.)
E-mail: verbin@verbin.de
www.verbin.de
Managing Director: Heerke Kuiper

PCE Roth GmbH
Kleebergstrasse 1
D-63667 Nidda
Tel: +49 6043 961 80
Fax: +49 6043 6218
E-mail: pce.roth@t-online.de
Managing Director: Simo Lääperi

THE NETHERLANDS
Spanbeton BV
P.O. Box 5
NL-2396 ZG
KOUDEKERK AAN DEN RIJN
Tel: +31 71 341 9115
Fax: +31 71 341 2101 (office)
E-mail: info@spanbeton.nl
www. spanbeton.nl
Managing Director: Heerke Kuiper

VBI Verenigde Bouwprodukten Industrie BV
P.O. Box 31
NL-6850 AA Huissen
Tel: +31 26 379 7979
Fax: +31 26 379 7950
E-mail: vbi@vbi.nl
www.vbi.nl
Managing Director: Heerke Kuiper

Leenstra Machine- en Staalbouw BV
P.O. Box 9
NL-9200 AA Drachten
Tel: +31 512 589 700
Fax: +31 512 510 708
E-mail: info@leenstra.nl
www.leenstra.nl
Managing Director: Paul Schut

RUSSIA
ZAO Parastek Beton
3, Silikatny proezd, 10
123308 Moscow, Russia
Tel: +7 095 742 5911
Tel: +7 095 742 5912
Fax: +7 095 946 2680
Managing Director: Olli Ruutikainen

SWEDEN
Strängbetong AB
P.O. Box 858
S-131 25 Nacka
Tel: +46 8 615 8200
Fax: +46 8 615 8260
www.strangbetong.se
Managing Director: Johnny Ståhl

USA
PCE Elematic Inc.
21795 Doral road
USA, Waukesha, WI 53186
Tel: +1 262 798 9777
Fax: +1 262 798 9776
E-mail: pceinfo@execpc.com
Local Manager: Matt Cherba

for a solid future.

CONSOLIS OY AB Äyritie 12 b, FIN-01510 Vantaa **Tel** +358 (0) 20 577 577 **Fax** +358 (0) 20 577 5110 **E-mail** info@consolis.com **Internet** www.consolis.com

Annual Accounts 2002

Concrete solutions

Contents

Report of the Board of Directors

General

The principal companies of the Consolis Group operated throughout an economically challenging environment during 2002. The GDP increase in the Euro zone was 0.7% with a total change in the Western European building sector of 0.3%.

Consolis acquired four pre-cast factories in Germany and one in the Czech Republic from the German company Walter Bau AG during 2002. The German factories continued their operations in the newly formed DW Group.

The Group acquired 50% shareholdings in the Finnish Parma Oy and 25% in the Estonian company E-Betoon-element from the Swedish Euroc Beton AB. The Consolis Group now maintains full ownership of both companies.

As a step in the process to make the Group wider known, Addtek International Oy Ab introduced its new name Consolis Oy Ab in December. The Group's name is the Consolis Group.

Changes in Group structure

The new German DW Group, including a holding company and two operative companies, has been consolidated as of the 31.8.2002. The operations of the Group company Brespa were transferred to the DW Group on the 31.12.2002.

As from 1.9.2002 the Czech company Dywidag Prefa Lysá nad Labem, with a group owning of 86.4%, has been a part of Consolis Group. The Parma Group and the Estonian company E-Betoonelement are 100% consolidated as of the 1.10.2002.

The structure of the Swedish Strängbetong Group has been simplified and many of its subsidiaries have merged with their parent company. Strängbetong liquidated six of its companies during January 2003.

Net sales, orders received and order backlog

The Group's net sales increased to EUR 543 million compared with EUR 531 in 2001. The increase is a result of acquisitions and increased turnover in the Baltic countries and Poland.

The turnover in the largest markets of the Group decreased as a result of weakened building activity and sharpening price competitiveness due to over-capacity.

Orders received totalled EUR 515 million compared with EUR 515 million in 2001 with an order backlog of EUR 190 million by the year's end compared with EUR 169 million in 2001.

Result and profitability

The result before taxes and minority shares totalled EUR 21.6 million compared with EUR 20.2 million in 2001. Other operating items with a net amount of EUR +3.1 million are included in the result (EUR -1.3 million in 2001).

Total taxes amounted to EUR 7.4 million producing an effective tax rate of 34.3% compared with 33.9% in 2001.

Return on capital employed and equity was 14.4% and 10.8% respectively compared with 16.9% and 10.2% in 2001. Earnings per share was EUR 1.06 compared with EUR 0.99 in 2001.

Liquidity and capital

Consolis secured a new financing agreement for a five-year revolving credit facility of EUR 190 million by the year's end. This new agreement replaces all earlier agreements and includes the financing of acquisitions realised during 2002. Liquidity during the year was good.

The interest bearing net debt, excluding the capital loan, increased from EUR 79.4 million to EUR 153.3 million.

Equity, including the capital loan of EUR 22.8 million and the minority share of EUR 3.3 million, was EUR 136.2 million by the year's end achieving an equity ratio of 30.4%. The distributable funds in the Group amounted to EUR 68.8 million by the year's end compared with EUR 64.4 million in 2001. The distributable funds of the parent company were EUR 46.3 million compared with EUR 35.9 million in 2001.

Research and development activities
Consolis Technology Oy Ab co-ordinates the research and development activities in the Group. The know-how of the company has been continually utilised in different areas and projects. The "Transfer of Best Practice" activities are important and cover all principal product groups including design, marketing and information technology.

Capital expenditure
The Group's annual capital expenditure amounted to EUR 105.9 million compared with EUR 22.8 million in 2001. Operational investments amounted to EUR 14.9 million.

In addition to the year's large acquisitions, the Dutch Group company VBI bought the beam and block flooring business from Spaansem in the Netherlands. In Lithuania Betonika commenced a new façade element production line with the existing structural elements production line being renovated.

The Group's principal replacement investments were new railway sleeper production lines at Spanbeton and Strängbetong and improvements in hollow core slab production machinery and equipment in most of the Group's respective countries.

Board of Directors, company management and auditors
The Board of Directors consisted of Olof Ljunggren, Chairman, Kari Heinistö, Vice Chairman, Andrejs Cakste, Gerard De Geer, Bengt Jansson, Stefan Linder and Olav Uppgård by the year's end.

Bengt Jansson was acting President and CEO of the company. The Authorised Public Accountants KPMG Wideri Oy Ab and PricewaterhouseCoopers Oy served as auditors.

Shares and shareholders
During the year one new share was issued. Share capital was EUR 21.090.767,66 by the year's end. The largest shareholders of Consolis Oy Ab are the investors in Industri Kapital's 1994 Fund, Partek Corporation, Sampo Life Insurance Company Ltd, Veritas Pension Insurance Company Ltd and Veritas Life Insurance Company Ltd. The remaining shares are owned by private and institutional investors. The management of the company has approximately a 10% share holding.

Outlook for year 2003
Although a number of national economic indicators show that economic development will improve, growth in Europe will be at the similarly low levels experienced during 2002. The Consolis Group expects a positive development regarding orders received and result during 2003, principally due to the Group's acquisitions from 2002 although the first quarter of the year is expected to be weak.

Income Statement 1 January – 31 December

In million euro	Note	Group 2002	%	Group 2001	%	Parent company 2002	Parent company 2001
Net sales	1, 2	543.0	100	531.2	100	2.8	2.4
Cost of goods sold		-452.6	-83	-440.3	-83	0.0	0.0
Gross profit		90.4	17	90.9	17	2.8	2.4
Selling and marketing costs		-28.9		-29.8		0.0	0.0
Administration costs		-34.1		-32.3		-4.4	-3.8
Other operating income	6	5.2		0.5		0.3	0.0
Other operating expenses	6	-2.1		-1.8		0.0	0.0
Earnings of associated companies		-0.1		0.2		0.0	0.0
		-60.0	-11	-63.2	-12	-4.1	-3.8
Operating profit	3, 5, 6	30.4	6	27.7	5	-1.3	-1.4
Financial income and expenses	7	-8.8	-2	-7.4	-1	19.8	17.8
Result before extraordinary items, taxation and minority interest		21.6	4	20.3	4	18.5	16.4
Extraordinary income	8	0.0		0.0		3.6	2.9
Result before taxation and minority interest		21.6		20.3		22.1	19.3
Taxes	9	-7.4	-2	-6.9	-2	-4.4	-2.1
Minority interest		-0.8		-1.0		0.0	0.0
Result for the period		13.4	2	12.4	2	17.7	17.2

Cash Flow Statement 1 January – 31 December

In million euro	Group 2002	Group 2001	Parent company 2002	Parent company 2001
Operating activities				
Operating profit/loss	30.4	27.7	-1.3	-1.4
Depreciation	23.1	18.3	0.1	0.1
Other adjustments	1.3	-0.9	0.0	0.0
Cash flow before changes in working capital	54.8	45.1	-1.2	-1.3
Change in working capital				
Interest free short-term receivables				
Increase (-), decrease (+)	-1.0	-6.5	-1.2	1.3
Inventories, increase (-), decrease (+)	-13.4	2.3	0.0	0.0
Interest free short-term liabilities				
Increase (+), decrease (-)	7.6	-0.3	0.2	-0.3
Cash generated from operations before financial items and taxes	48.0	40.6	-2.2	-0.3
Interest paid and other financial expenses	-6.5	-17.6	-5.7	-16.0
Dividends received	0.0	0.0	17.4	17.3
Interest received and other financial income	0.7	2.0	6.1	6.1
Income taxes	-2.5	-9.7	0.0	0.0
Cash flow from operating activities	39.7	15.3	15.6	7.1
Investing activities				
Investments in fixed assets	-105.9	-22.2	-44.2	-2.5
Proceeds from sale of fixed assets	1.1	0.9	0.0	0.0
Change in loan receivables	-1.3	0.0	-34.8	-27.8
Cash flow from investing activities	-106.1	-21.3	-79.0	-30.3
Financing activities				
Change in minority	-1.7	-2.0	0.0	0.0
Translation differences	-2.0	0.4	0.0	0.0
Change in short-term debt	7.6	-3.2	-3.0	0.7
Change in long-term debt	55.0	43.1	59.1	47.7
Change in capital loans	0.0	-22.8	0.0	-22.8
Group contribution	0.0	0.0	2.9	2.7
Cash flow from financing activities	58.9	15.5	59.0	28.3
Change in cash and cash equivalents	-7.5	9.5	-4.4	5.1
Cash and cash equivalents at the beginning of the period	17.6	8.1	5.2	0.1
Adjustment due to change in exchange rates	0.1	0.0	0.0	0.0
	17.7	8.1	5.2	0.1
Cash and cash equivalents at the end of the period	10.2	17.6	0.8	5.2
Change in cash and cash equivalents	-7.5	9.5	-4.4	5.1

The cash flows of the separate group companies have been consolidated by using the average currency exchange rates.
The figures above can not directly be found in the balance sheet because of the currency exchange rate differences occurred upon consolidation.

Balance Sheet 31 December

In million euro	Note	Group 2002	%	Group 2001	%	Parent company 2002	Parent company 2001
Assets							
Fixed assets	10, 11						
Intangible assets		**28.5**	**6**	6.5	2	**0.1**	0.1
Tangible assets		**285.5**	**61**	222.2	60	**0.1**	0.1
Investments		**2.7**	**1**	2.6	1	**97.3**	53.2
Fixed assets, total		**316.7**	**68**	231.3	63	**97.5**	53.4
Current assets and long-term receivables							
Long-term loan receivables	12	**1.6**	**0**	0.3	0	**140.8**	107.1
Deferred tax receivable	18	**1.1**	**0**	2.0	1	**0.0**	0.0
Inventories	13	**44.2**	**10**	30.7	8	**0.0**	0.0
Short-term receivables	12	**89.2**	**20**	86.1	23	**12.7**	10.1
Cash and bank		**10.2**	**2**	17.6	5	**0.8**	5.2
Current assets and long-term receivables, total		**146.3**	**32**	136.7	37	**154.3**	122.4
Assets, total		**463.0**	**100**	368.0	100	**251.8**	175.8

In million euro	Note	Group 2002	%	Group 2001	%	Parent company 2002	Parent company 2001
Equity and liabilities							
Shareholders' equity	14, 15						
Share capital		**21.1**	**5**	21.1	6	**21.1**	21.1
Share premium account		**7.2**	**1**	0.0		**7.2**	0.0
Retained earnings		**70.3**	**15**	64.4	18	**28.6**	18.7
Result for the period		**13.4**	**3**	12.4	3	**17.7**	17.2
Translation difference		**-1.9**	**0**	0.7	0	**0.0**	0.0
Capital loan	15	**22.8**	**5**	22.8	6	**22.8**	22.8
Shareholders' equity total		**132.9**	**29**	121.4	33	**97.4**	79.8
Minority interest		**3.3**	**1**	4.1	1	**0.0**	0.0
Provisions	16	**5.2**	**1**	3.8	1	**0.0**	0.0
Liabilities							
Long-term liabilities	17	**149.6**	**32**	89.0	24	**143.8**	83.1
Deferred tax liability	18	**40.8**	**9**	37.7	10	**0.0**	0.0
Short-term liabilities	19	**131.2**	**28**	112.0	31	**10.6**	12.9
Liabilities, total		**321.6**	**69**	238.7	65	**154.4**	96.0
Equity and liabilities, total		**463.0**	**100**	368.0	100	**251.8**	175.8

Accounting Principles

Basis of the financial statements

The consolidated financial statements, the financial statements of the parent company and the financial statements of the Finnish subsidiaries have been prepared in accordance with the legislation and current regulations in force in Finland. The financial statements of the foreign subsidiaries have been adjusted to conform to accounting practice in Finland.

Consolidation principles

The consolidated financial statements cover the parent company Consolis Oy Ab and all the companies in Finland and abroad in which the parent company directly or indirectly controls more than 50% of the voting rights. One dormant company in Norway has been excluded.

The associated companies have been consolidated in accordance with the equity method. Parma Oy was an associated company until 30.9.2002 and was consolidated on a row by row basis according to the ownership share of 50%. As from 1.10.2002 Parma has been fully consolidated. In the notes Parma has been treated the same way.

The consolidated balance sheet has been prepared in accordance with the so-called direct acquisition method. Companies acquired during the year have been included in the consolidated income statement from the time they were acquired. In preparation of the consolidated financial statements internal transactions have been eliminated.

The purchase price for shares in subsidiaries has been allocated to the acquired assets and liabilities. The allocation has been made on the basis of valuations at market value according to the acquisition analysis and covers the Group's share of the acquired assets and liabilities. Possible badwill is booked to income.

The value of the acquired assets and assumed liabilities is based on independent external valuations and well documented internal analyses. The valuation of the assets of Parma Group, which was acquired during the end of the year, will be finished in the beginning of 2003 . Based on the asset valuation, the allocation of the asset values will be decided.

Deferred tax has been calculated for those balance sheet items for which the value in the Group deviates from the tax base values of the individual companies. Possible untaxed reserves in the acquired companies at the time of acquisition have been divided into equity and a deferred tax liability at applicable tax rates.

Valuation of long-term assets

Shares included in fixed assets in the individual companies are entered at their acquisition value. The parent company's values of shares in subsidiaries are entered at their acquisition value.

Foreign currency

Foreign subsidiaries are considered to have independent operations and they are therefore not an integral part of the operations of the parent company. Foreign subsidiary assets and liabilities are therefore translated at central bank rates applicable at the year end, while income and expenditure are translated at the average rate during the accounting period. Translation differences are transferred to equity.

The following exchange rates have been used compared to euro:

Other countries	Currency	Year end rates 31.12.2002	Average rates 2002
Sweden	SEK	9.15280	9.15917
Norway	NOK	7.27560	7.51035
Estonia	EEK	15.64660	15.64660
Latvia	LVL	0.61400	0.58084
Lithuania	LTL	3.45250	3.45920
Poland	PLN	4.02100	3.85359
Czech Republic	CZK	31.57700	30.81711
USA	USD	1.04870	0.94493

Taxes

Tax costs are calculated on the result before tax after taking into account permanent differences between taxable and recorded profit. Tax on differences due to the fact that items are recorded and taxed during different periods is included in the balance sheet as a deferred tax liability or receivable.

Deferred tax receivables and liabilities are calculated on the periodisation differences between the accounting and taxation with the tax rates applicable during the following year, or if these are not known, with the tax rates of the period.

The credit on corporation tax in connection with internal dividend payments has been eliminated in the Group from direct taxes.

Inventory
Inventory has been valued either at the direct acquisition value or net realisable value, whichever is lowest. The FIFO-principle has been applied in the valuation. The value of finished and semi-finished goods includes in addition to the acquisition cost a reasonable proportion of indirect production costs and depreciation.

Fixed assets
Land, factory buildings, machines and other equipment are recorded according to their historic acquisition cost less depreciation according to plan in the individual companies. The group assets are valued at the date of acquisition taking into account deferred tax. The valuation is based on the current values and the depreciation in the Group is based on the remaining economic life time of the assets.

The depreciation rates are based on the following economic life times:

Goodwill	5 – 20 years
Intangibles	10 years
Other capitalised expenditure	3 – 17 years
Buildings and constructions	15 – 40 years
Machinery and equipment	3 – 25 years
Other tangible assets	5 – 10 years

Leasing
There are no material leasing contracts on fixed assets. Leased assets are not included in the balance sheet and the lease fees are charged to income.

Income recognition
Net sales for product deliveries include invoiced amounts after the deduction of indirect taxes and discounts given. Project deliveries are recognised on the basis of the percentage of completion. Advance payments equivalent to completed work are deducted from the accrued sales income calculated in accordance with the percentage of completion of ongoing projects. The rest is treated as accrued income.

Research and development
Research and development costs are charged to income during the year they arise. Investments related to research and development are activated and deducted according to their economic life.

Pension arrangements
In the parent company and in the Finnish subsidiaries the pension responsibility is covered by means of pension insurance and the pension costs are charged to income at the same rate as pension rights are earned. The pension costs in other countries are recorded according to the practice of the country in question.

Minority interest
The minority share of the result after taxes is shown separately in the consolidated income statement. The minority share of equity is shown separately in the balance sheet.

Provisions
Costs, which are based on agreements or other liabilities and have not yet been realised, are shown as provisions in the balance sheet. The change of the provisions during the year is included in the income statement as a correction of the corresponding expense item.

Notes to Financial Statements

1. Net sales

In million euro	Group 2002	2001	Parent company 2002	2001
By geographic area				
Finland	84.4	78.1	0.5	0.3
Sweden	114.5	128.3	0.6	0.6
Norway	99.7	94.8	0.5	0.4
The Netherlands	139.9	150.0	0.8	0.9
Germany	45.4	25.7	0.2	0.1
Other countries	59.1	54.3	0.2	0.1
Total	543.0	531.2	2.8	2.4
By product group				
Floors	180.8	192.2	0.0	0.0
Structures	50.1	51.3	0.0	0.0
Walls	39.4	36.9	0.0	0.0
Infrastructure	71.6	36.1	0.0	0.0
Other products	27.6	35.9	0.0	0.0
Engineering	38.1	34.3	0.0	0.0
Service	135.4	144.5	2.8	2.4
Total	543.0	531.2	2.8	2.4

2. Income from projects according to percentage of completion

In million euro	Group 2002	2001	Parent company 2002	2001
Amount of total annual net sales	326.2	323.9	0.0	0.0
Ongoing projects 31 Dec				
Amount included in net sales	166.1	204.0	0.0	0.0
Sales not yet booked	90.9	99.7	0.0	0.0

3. Wages and salaries

In million euro	Group 2002	2001	Parent company 2002	2001
Salaries				
Salaries and fees				
To Board members and Managing Directors	2.4	2.0	0.3	0.3
To others	114.7	115.3	1.1	0.8
Bonus to Managing Directors	0.1	0.3	0.0	0.2
	117.2	117.6	1.4	1.3
Other salary-related costs				
Pensions and pension premiums	9.3	8.7	0.4	0.4
Other salary-related costs	39.0	35.0	0.1	0.1
	48.3	43.7	0.5	0.5
Total	165.5	161.3	1.9	1.8
Managing Directors' pension age, years	60–65	60–65	60	60

Salaries and fees of the Board of Directors and CEO

The fees of the Board of Directors are defined by the Annual General Meeting and the salary and other benefits of the CEO by the Board. The CEO of the parent company has during the year received a salary including fringe benefits totalling 270 900 euro. The fees to the Board during the year were 77 760 euro. The employees of Consolis who also are Board members of group companies have received no separate fees.

Pension terms

The retirement age of the CEO of the parent company is 60 years. The full old-age pension is 60% of the salary on which the pension is determined. The pension liabilities are covered in full by pension insurances, which have been taken out with pension insurance companies.

Dismissal

The dismissal time is both for the company and the CEO six months. If the company dismisses the CEO, he will be paid compensation for the dismissal, which will correspond to 18 months of the fixed salary including fringe benefits in addition to the salary for the dismissal period.

4. Personnel

	Group 2002	2001	Parent company 2002	2001
Personnel average				
Blue collar	2 977	2 914	0	0
White collar	1 315	1 290	13	13
Total	4 292	4 204	13	13
Personnel at year end				
Blue collar	3 504	2 862	0	0
White collar	1 437	1 285	15	13
Total	4 941	4 147	15	13
Personnel at year end by geographic area				
The Czech Republic	136	0	0	0
Estonia	383	398	0	0
Finland	1 147	682	15	13
Germany	501	121	0	0
Latvia	11	8	0	0
Lithuania	143	119	0	0
The Netherlands	1 025	1 138	0	0
Norway	578	586	0	0
Poland	111	89	0	0
Russia	6	2	0	0
Sweden	891	994	0	0
USA	9	10	0	0
Total	4 941	4 147	15	13

5. Depreciation

In million euro	Group 2002	2001	Parent company 2002	2001
Depreciation per function				
Production	19.8	16.0	0.0	0.0
Sales and marketing	1.1	0.7	0.0	0.0
Administration	1.7	1.3	0.1	0.1
Other operating expenses				
Goodwill	0.5	0.3	0.0	0.0
Total	23.1	18.3	0.1	0.1
Depreciation according to plan per type of asset				
Goodwill	0.5	0.3	0.0	0.0
Intangible rights	0.5	0.1	0.0	0.0
Other capitalized expenditure	0.3	0.5	0.0	0.0
Land	0.5	0.4	0.0	0.0
Buildings and constructions	5.5	5.0	0.0	0.0
Machinery and equipment	14.1	10.9	0.0	0.0
Other tangible assets	1.7	1.1	0.1	0.1
Total	23.1	18.3	0.1	0.1

6. Other operating income and expenses

In million euro	Group 2002	2001	Parent company 2002	2001
Income				
Profit on sale of fixed assets	1.2	0.2	0.0	0.0
Badwill	1.5	0.0	0.0	0.0
Project reimbursement	1.1	0.0	0.0	0.0
Reverted pension liability	0.4	0.0	0.0	0.0
Public regional development subsidy	0.2	0.1	0.0	0.0
Other income	0.8	0.2	0.3	0.0
Total	5.2	0.5	0.3	0.0
Expenses				
Loss on sale of fixed assets	0.1	0.1	0.0	0.0
Depreciation of goodwill	0.5	0.3	0.0	0.0
Write-off costs	0.4	0.0	0.0	0.0
Lay off costs	0.2	0.0	0.0	0.0
Product liability	0.0	1.0	0.0	0.0
Other expenses	0.9	0.4	0.0	0.0
Total	2.1	1.8	0.0	0.0

7. Financial income and expenses

In million euro	Group 2002	2001	Parent company 2002	2001
Dividend income from group companies	–	–	17.4	12.2
Dividend income from associated companies	0.0	0.0	0.0	5.0
Dividend income from others	0.0	0.0	0.0	0.0
Credit on corporate tax	0.0	0.0	4.4	2.1
Interest income from group companies	–	–	6.7	5.0
Interest income from others	0.6	0.5	0.2	0.1
Interest expenses to group companies	–	–	-0.2	-0.9
Interest expenses to others	-7.1	-4.7	-6.4	-2.2
Interest expenses on capital loan	-1.6	-3.1	-1.6	-3.1
Other financial items to others	-0.7	-0.1	-0.7	-0.4
Total net	-8.8	-7.4	19.8	17.8
Other financial items				
Other financial income				
Exchange rate differences	6.4	6.8	5.6	5.9
Other income	0.2	0.2	0.0	0.0
	6.6	7.0	5.6	5.9
Other financial expenses				
Exchange rate differences	6.6	6.6	5.8	5.9
Other expenses	0.7	0.5	0.5	0.4
	7.3	7.1	6.3	6.3
Total net	-0.7	-0.1	-0.7	-0.4

8. Extraordinary income

In million euro	Group 2002	2001	Parent company 2002	2001
Group contribution	–	–	3.6	2.9

9. Taxes

In million euro	Group 2002	2001	Parent company 2002	2001
Taxes paid	-7.4	-7.3	-4.4	-2.1
Change in deferred taxes during the year	0.0	0.4	0.0	0.0
Total net	-7.4	-6.9	-4.4	-2.1

10. Fixed assets

In million euro	Group 2002	2001	Parent company 2002	2001
Intangible assets				
Goodwill				
Acquisition value 1 Jan	3.2	2.3	0.0	0.0
+ Investments	16.2	0.9	0.0	0.0
Acquisition value 31 Dec	19.4	3.2	0.0	0.0
- Accumulated depreciation	-1.8	-1.0	0.0	0.0
Residual value 31 Dec	17.6	2.2	0.0	0.0
Intangible rights				
Acquisition value 1 Jan	6.1	4.6	0.0	0.0
+ Investments	5.6	0.2	0.0	0.0
+ Other increase	0.4	1.3	0.0	0.0
- Decrease	-0.2	0.0	0.0	0.0
Acquisition value 31 Dec	11.9	6.1	0.0	0.0
- Accumulated depreciation	-2.4	-2.0	0.0	0.0
Residual value 31 Dec	9.5	4.1	0.0	0.0
Other capitalized expenditure				
Acquisition value 1 Jan	1.2	1.2	0.2	0.2
+ Investments	1.5	0.1	0.0	0.1
- Decrease during the year	0.0	-0.1	0.0	-0.1
Acquisition value 31 Dec	2.7	1.2	0.2	0.2
- Accumulated depreciation	-1.3	-1.0	-0.1	-0.1
Residual value 31 Dec	1.4	0.2	0.1	0.1
Intangible assets, total	28.5	6.5	0.1	0.1
Tangible assets				
Land				
Acquisition value 1 Jan	44.9	44.0	0.0	0.0
+ Investments	9.7	0.9	0.0	0.0
+ Other increase	10.9	0.0	0.0	0.0
- Decrease during the year	-0.1	0.0	0.0	0.0
Acquisition value 31 Dec	65.4	44.9	0.0	0.0
- Accumulated depreciation	-5.5	-5.6	0.0	0.0
Residual value 31 Dec	59.9	39.3	0.0	0.0
Buildings and constructions				
Acquisition value 1 Jan	134.7	125.7	0.0	0.0
+ Investments	14.5	3.3	0.0	0.0
+ Other increase	12.9	5.7	0.0	0.0
- Decrease during the year	-1.0	0.0	0.0	0.0
Acquisition value 31 Dec	161.1	134.7	0.0	0.0
- Accumulated depreciation	-47.7	-43.5	0.0	0.0
Residual value 31 Dec	113.4	91.2	0.0	0.0
Machinery and equipment				
Acquisition value 1 Jan	179.7	160.1	0.1	0.1
+ Investments	31.7	12.6	0.0	0.1
+ Other increase	11.3	8.7	0.0	0.0
- Decrease during the year	-11.8	-1.7	0.0	-0.1
Acquisition value 31 Dec	210.9	179.7	0.1	0.1
- Accumulated depreciation	-111.5	-99.4	0.0	0.0
Residual value 31 Dec	99.4	80.3	0.1	0.1

In million euro	Group 2002	2001	Parent company 2002	2001
Other tangible assets				
Acquisition value 1 Jan	28.6	25.1	0.0	0.0
+ Investments	2.7	2.7	0.0	0.0
+ Other increase	0.1	0.9	0.0	0.0
- Decrease during the year	0.0	-0.1	0.0	0.0
Acquisition value 31 Dec	31.4	28.6	0.0	0.0
- Accumulated depreciation	-20.2	-18.4	0.0	0.0
Residual value 31 Dec	11.2	10.2	0.0	0.0
Construction in progress				
Acquisition value 1 Jan	1.2	15.6	0.0	0.0
+ Investments	1.5	2.2	0.0	0.0
- Decrease during the year	-1.1	-16.6	0.0	0.0
Acquisition value 31 Dec	1.6	1.2	0.0	0.0
Tangible assets, total	285.5	222.2	0.1	0.1
Investments				
Shares and participations in subsidiaries				
Acquisition value 1 Jan	–	–	41.5	37.6
+ Investments	–	–	44.1	2.4
- Other increase	–	–	11.7	1.5
Acquisition value 31 Dec	–	–	97.3	41.5
Shares and participations in associated companies				
Acquisition value 1 Jan	2.2	2.3	11.7	13.3
+ Increase during the year	0.1	0.0	0.0	0.0
+ Other increase	0.0	0.5	0.0	0.0
- Decrease during the year	-0.2	-0.6	-11.7	-1.6
Acquisition value 31 Dec	2.1	2.2	0.0	11.7
Shares and participations. external				
Acquisition value 1 Jan2	0.4	0.4	0.0	0.0
+ Other increase	0.3	0.0	0.0	0.0
- Decrease during the year	-0.1	0.0	0.0	0.0
Acquisition value 31 Dec	0.6	0.4	0.0	0.0
Investments, total	2.7	2.6	97.3	53.2
Fixed assets, total	316.7	231.3	97.5	53.4

11. Shares and participations as per 31 December 2002

In million euro	Group Holding %	Parent company Holding %	Parent company Book value
Group and associated companies			
Addtek Holding Oy Ab, Helsinki Finland	100.0	100.0	0.0
Addtek Warzawa S.p. z o.o., Poland	100.0		
Addtek Polska S.p. z o.o., Poland	100.0		
Consolis Technology Oy Ab, Helsinki Finland	100.0	100.0	0.7
Consolis Projects Oy Ab, Helsinki Finland	100.0	100.0	0.0

In million euro	Group Holding %	Parent company Holding %	Parent company Book value
Parma Oy, Vihti Finland	100.0	100.0	52.1
Rajaville Oy, Oulu Finland	100.0		
Parastek Oy, Vihti Finland	100.0		
Parastek Holding Oy, Vihti Finland	100.0		
A/O Parastek, Russia	100.0		
A/O Parastek Beton, Russia	100.0		
ZAO Mospart, Russia *)	50.0		
Paramid Oy, Nurmijärvi Finland	100.0		
Forssan Tehdaspalvelu Oy, Forssa Finland	100.0		
Cellrock Oy, Nurmijärvi Finland	100.0		
Rakennusvalmiste Oy, Forssa Finland	100.0		
Parma Kehä Oy, Forssa, Finland	100.0		
Parma Betonila Oy, Vihti Finland	100.0		
Kiint.Oy Nastolan Elementtitehdas, Nastola Finland	100.0		
PCE Engineering Oy Ab, Toijala Finland	100.0	100.0	5.6
PCE International Oy Ab, Toijala Finland	95.0		
Rimera Oy, Riihimäki Finland	100.0		
PCE Roth GmbH, Germany	100.0		
PCE Elematic Inc., USA	100.0		
DW Beton Systeme GmbH, Germany	100.0	100.0	1.0
DW Schwellen GmbH, Germany	100.0		
DW Betonrohre GmbH, Germany	100.0		
Blitz (02-223) GmbH, Germany	100.0		
Addtek International AB, Sweden	100.0	100.0	29.5
Strängbetong AB, Sweden	100.0		
Strängens Data AB, Sweden	100.0		
Stombyggarna i Hudiksvall AB, Sweden	100.0		
Forsells Prefab AB, Sweden	100.0		
AB Herrljunga Cementgjuteri, Sweden	100.0		
AB Förspänd Betong, Sweden	100.0		
Strängbetong Rail Tech AB, Sweden	100.0		
A/S Strängbetong, Norway	100.0		
Strängbetong Aps, Denmark	100.0		
A/S Strängbetong Eesti, Estonia	100.0		
A/S Swetrak, Estonia *)	50.0		
Strängbetong GmbH, Germany	100.0		
Addtek International B.V., The Netherlands	90.0		
Spanbeton B.V., The Netherlands	90.0		
VBI Verenigde Bouwprodukten Industrie B.V., The Netherlands	90.0		
Bouwstoffen Industrie Weurt B.V., The Netherlands	90.0		
Leenstra Machine en Staalbouw B.V., The Netherlands	90.0		
Nebi Verkoopmaatschappij B.V., The Netherlands	90.0		
VBI Huissen B.V., The Netherlands	90.0		
VBI Ontwikkeling B.V., The Netherlands	90.0		
VBI Oss B.V., The Netherlands	90.0		
VBI Schuilenburg B.V., The Netherlands	90.0		
VBI Verkoopmaatschappij B.V., The Netherlands	90.0		
VBI Weert B.V., The Netherlands	90.0		

In million euro	Group Holding %	Parent Company Holding %	Parent Company Book value
Windpark Looveer B.V., The Netherlands *)	40.5		
Addtek Concrete International B.V., The Netherlands	90.0		
Verbin Baufertigteile GmbH, Germany	90.0		
Zwijndrecht Inli B.V., The Netherlands	90.0		
Waalwijk Elementen Betonindustrie B.V., The Netherlands	100.0		
Brespa GmbH, Germany	100.0		
Addtek International AS, Norway	100.0		
Spenncon AS, Norway	100.0		
Elematic Engineering AS, Norway	100.0		
A/S E-Betoonelement, Estonia	100.0	100.0	5.3
SIA Strängbetong Latvia, Latvia	100.0	100.0	0.2
UAB Betonika, Lithuania	100.0	100.0	2.6
Dywidag Prefa Lysá nad Labem A.S., The Czech Republic	86.4	86.4	0.3
Parent company's total holding in group and associated companies			97.3

*) Associated company

12. Long and short-term receivables

In million euro	Group 2002	2001	Parent company 2002	2001
Personnel				
Long-term loan receivables	0.3	0.0	0.0	0.0
Subsidiaries				
Long-term loan receivables	–	–	140.8	107.1
Accounts receivables	–	–	1.0	0.0
Accrued income and prepaid expenses	–	–	1.6	0.8
Other short-term receivables	–	–	7.1	6.3
			150.5	114.2
Associated companies				
Accounts receivables	0.5	0.0	0.0	0.0
External				
Long-term loan receivables	1.3	0.3	0.0	0.0
Accounts receivables	61.1	67.4	0.0	0.0
Accrued income and prepaid expenses	21.2	13.3	2.9	3.0
Other short-term receivables	6.4	5.4	0.1	0.0
	90.0	86.4	3.0	3.0
Total	90.8	86.4	153.5	117.2
Long-term receivables				
Interest-bearing				
Subsidiaries	–	–	139.4	105.5
External	0.3	0.3	0.0	0.0
	0.3	0.3	139.4	105.5

In million euro	Group 2002	2001	Parent company 2002	2001
Interest free				
Subsidiaries	–	–	1.4	1.6
External	1.3	0.0	0.0	0.0
	1.3	0.0	1.4	1.6
Long-term receivables, total	1.6	0.3	140.8	107.1
Short-term receivables				
Interest-bearing				
Subsidiaries	–	–	2.5	2.5
Interest free				
Subsidiaries	–	–	7.2	4.6
Associated companies	0.5	0.0	0.0	0.0
External	88.7	86.1	3.0	3.0
	89.2	86.1	10.2	7.6
Short-term receivables, total	89.2	86.1	12.7	10.1
Total	90.8	86.4	153.5	117.2

The most important of the Group's accrued income and prepaid expenses is related to the periodisation of income based on the percentage of completion-method 17.1 million euros.

13. Inventories

In million euro	Group 2002	2001	Parent company 2002	2001
Materials and supplies	24.0	15.3	0.0	0.0
Finished and semi-finished goods	20.0	15.1	0.0	0.0
Advance payments	0.2	0.3	0.0	0.0
Total	44.2	30.7	0.0	0.0

14. Shareholder's equity

In million euro	Group 2002	2001	Parent company 2002	2001
Share capital 1 Jan	21.1	21.1	21.1	21.1
Change during the year	0.0	0.0	0.0	0.0
Share capital 31 Dec	21.1	21.1	21.1	21.1
of which				
– series A, right to dividends	5.3	5.3	5.3	5.3
– series B, no right to dividends	15.8	15.8	15.8	15.8
	21.1	21.1	21.1	21.1
Share premium account 1 Jan	0.0	0.0	0.0	0.0
Share issue premium	7.2	0.0	7.2	0.0
Share premium account 31 Dec	7.2	0.0	7.2	0.0
Retained earnings 1.1	77.5	64.4	35.8	18.6
Paid dividends during the year	-7.2	0.0	-7.2	0.0
Result for the year	13.4	12.4	17.7	17.2
Translation differences	-1.9	0.7	0.0	0.0
Retained earnings 31.12	81.8	77.5	46.3	35.8

In million euro	Group 2002	2001	Parent company 2002	2001
Capital loan 1 Jan	22.8	45.5	22.8	45.5
Change during the year	0.0	-22.8	0.0	-22.8
Capital loan 31 Dec	22.8	22.8	22.8	22.8
Shareholders' equity 31 Dec	132.9	121.4	97.4	79.7
Distributable funds 31 Dec				
Retained earnings	70.3	64.4	28.6	18.7
Result for the year	13.4	12.4	17.7	17.2
Translation differences	-1.9	0.7	0.0	0.0
The equity share deducted from untaxed reserves	-13.0	-13.1	0.0	0.0
Total	68.8	64.4	46.3	35.9

15. Capital loan

In million euro	Group 2002	2001	Parent company 2002	2001
The parent company Consolis Oy Ab has a capital loan from the following investors:				
Investors represented by				
Industri Kapital 1994 Ltd.	12.5	12.5	12.5	12.5
Partek Corporation	10.3	10.3	10.3	10.3
Total	22.8	22.8	22.8	22.8

The booked but unpaid interest at 31 December 2002 was 1.7 million euro and it has been booked in the parent company as a long-term interest free liability.

Principle loan terms:

The principle amount of the loan and the interest can i case of bankruptcy, reconstruction or liquidation only be repaid if other liabilities have been repaid.
– The loan and the interest can be repaid at any time assuming that the company's restricted equity is covered.
– The loan can be converted to equity assuming that the company's non-restricted equity is retained at an allowed level.
– The company is not allowed to reduce its share capital, merge with another company or demerge without permission from 2/3 of the lenders.
– The loan carries an interest charge of 7%. The payment of the interest and repayment of the loan have priority over the payment of dividends.
– The loan has to be repaid when the shareholders' agreement ceases to apply or on 31 December 2007 at the latest.

16. Provisions

In million euro	Group 2002	2001	Parent company 2002	2001
Pension liabilities	2.7	2.1	0.0	0.0
Guarantees	1.6	1.7	0.0	0.0
Restructuring costs	0.8	0.0	0.0	0.0
Other provisions	0.1	0.0	0.0	0.0
Total	5.2	3.8	0.0	0.0

17. Long-term liabilities

In million euro	Group 2002	2001	Parent company 2002	2001
Loans from financial institutions	147.8	88.8	142.1	83.0
Other interest-bearing liabilities, external	0.1	0.1	0.0	0.0
Other interest free liabilities external	1.7	0.1	1.7	0.1
Total	149.6	89.0	143.8	83.1

Of the long-term liabilities, the following will fall due after five years or later:

Loans from financial institutions	0.2	0.2	0.0	0.0
Capital loan	0.0	22.8	0.0	22.8
Total	0.2	23.0	0.0	22.8

18. Deferred taxes

In million euro	Group 2002	2001	Parent company 2002	2001
Deferred tax receivables				
From joining measures	0.6	0.8	0	0
From periodisation differences	0.5	1.2	0	0
Total	1.1	2.0	0	0
Deferred tax liabilities				
From joining measures	21.0	19.3	0	0
From periodisation differences	19.8	18.4	0	0
Total	40.8	37.7	0	0

19. Short-term liabilities

In million euro	Group 2002	2001	Parent company 2002	2001
Interest-bearing				
Subsidiaries				
Other interest-bearing liabilities	–	–	3.4	5.4
Other				
Amortisation on long-term loans	2.8	2.3	0.0	0.0
Other interest-bearing liabilities	13.1	6.2	5.2	6.2
	15.9	8.5	5.2	6.2
Interest-bearing, total	15.9	8.5	8.6	11.6
Interest free				
Subsidiaries				
Trade creditors	–	–	0.1	0.0
Accrued expenses and deferred income	–	–	0.1	0.0
	–	–	0.2	0.0
Associated companies				
Trade creditors	0.1	0.0	0.0	0.0
Accrued expenses and deferred income	0.2	0.0	0.0	0.0
Other interestfree liabilities	0.1	0.0	0.0	0.0
	0.4	0.0	0.0	0.0

In million euro	Group 2002	2001	Parent company 2002	2001
Others				
Advances received	15.3	16.4	0.0	0.0
Trade creditors	46.8	40.8	0.2	0.2
Accrued expenses and deferred income	29.9	26.4	1.5	1.0
Other interest free liabilities	22.9	19.9	0.1	0.1
	114.9	103.5	1.8	1.3
Interest free, total	115.3	103.5	2.0	1.3
Total	131.2	112.0	10.6	12.9

The most important of the Group's accrued expenses and deferred income items are related to the periodisation of personnel costs of 16.2 million euro, purchase costs of 6.1 million euro, guarantee expenses 1.3 million euro and financial items of 1.1 million euro.

20. Pledged assets and contingent liabilites

In million euro	Group 2002	2001	Parent company 2002	2001
Pledged assets				
As security for own debt				
Real estate mortgages	22.9	17.2	0.0	0.0
Other mortgages	1.6	4.2	0.0	0.0
Shares	0.0	0.0	0.0	0.0
Total	24.5	21.4	0.0	0.0
Credit and guarantee lines for which collateral is pledged	20.7	19.3	0.1	0.1
– of which booked as loans on the balance sheet	10.7	7.8	0.0	0.0
Guarantees given and other contingent liabilities				
For group companies	–	–	109.4	106.3
For commercial obligations	46.0	55.5	0.0	0.0
Total	46.0	55.5	109.4	106.3
–of which guarantees for unused but committed credit and guarantee lines available for group companies	–	–	54.5	38.6
Pension liabilities	1.1	1.1	–	–
Lease and long term rent agreements				
Payments due during the coming year	4.0	3.3	0.3	0.3
Payments due thereafter	7.7	7.6	0.9	1.2
Total	11.7	10.9	1.2	1.5

21. Derivative instruments

In million euro	Group 2002	2001	Parent company 2002	2001
Foreign exchange forward contracts				
Market value	0.1	-0.4	0.0	-0.4
Nominal amount	3.8	60.2	2.5	56.4
Interest swap contracts				
Market value	-0.1	0.0	-0.1	0.0
Nominal amount	43.3	0.0	43.3	0.0

The forward contracts are used for hedging loans between the parent company and the subsidiaries and the sales in foreign currencies of some group companies. The interest swap contracts are used for hedging against fluctuations in the interest rates of the external loans in euro, Swedish krona and Norwegian krone.

The contracts have been valued at the rate on the closing date, and the result has been booked.

22. Distribution of shares

Distribution of shares by shareholder category at 31 December 2002

	Series of shares A	B	Shares Total	%
Private companies	3,149,171	655,959	3,805,130	30.3
Financial and insurance institutions		3,332,495	3,332,495	26.6
Investment companies and funds		3,590,712	3,590,712	28.6
Private persons		1,811,664	1,811,664	14.5
Total	3,149,171	9,390,830	12,540,001	100.0

Distribution of shares by shareholding at 31 December 2002

Number of shares	Shareholders	%	Shares	%
1 – 5 000	56	36.3	208,115	1.7
5 001 – 10 000	22	14.0	180,414	1.4
10 001 – 50 000	48	30.6	1,301,308	10.4
50 001 – 100 000	11	7.0	917,845	7.3
100 001 – 500 000	15	9.6	3,645,103	29.1
500 001 –	4	2.5	6,287,216	50.1
Total	156	100.0	12,540,001	100.0

Distribution of shares by shareholder at 31 December 2002

	Series of shares A	B	Shares Total	%
Investors represented by Industri Kapital		6,143,172	6,143,172	48.99
Partek Corporation	3,149,171	146,061	3,295,232	26.28
Sampo Life Insurance Company Ltd.		1,229,430	1,229,430	9.80
Veritas Pension Insurance Company Ltd.		395,293	395,293	3.15
Veritas Life Insurance Company Ltd.		219,607	219,607	1.75
Others		1,257,267	1,257,267	10.03
Total	3,149,171	9,390,830	12,540,001	100.00

Five-Year Summary

		2002	2001	2000	1999	1998
Income Statement						
Net Sales	Million euro	**543.0**	531.2	541.6	489.4	442.0
Gross Profit	Million euro	**90.4**	90.9	100.6	97.6	86.1
of Net Sales	%	**16.6**	17.1	18.6	19.6	19.5
Operating profit	Million euro	**30.4**	27.7	42.4	41.1	36.7
of Net Sales	%	**5.6**	5.2	7.8	8.4	8.3
Result before Extraordinary Items,						
Taxation and Minority Interest	Million euro	**21.6**	20.3	35.4	33.5	27.4
of Net Sales	%	**4.0**	3.8	6.5	6.9	6.2
Result for the Period	Million euro	**13.4**	12.4	23.0	23.0	18.8
of Net Sales	%	**2.5**	2.3	4.2	4.7	4.2
Balance Sheet and Key Ratios						
Total Assets	Million euro	**463.0**	368.0	351.8	318.7	304.0
Return on Capital Employed	%	**14.4**	16.9	25.9	25.4	21.4
Return on Equity						
– Capital Loan incl. in equity	%	**10.8**	10.2	19.2	23.8	25.0
– Capital Loan excl. from equity	%	**13.1**	13.8	30.4	44.0	61.2
Equity Ratio						
– Capital Loan incl. in equity	%	**30.4**	35.7	40.4	37.0	30.7
– Capital Loan excl. from equity	%	**25.3**	29.2	26.9	21.9	14.7
Gearing						
– Capital Loan incl. in equity	%	**113**	63	36	50	85
– Capital Loan excl. from equity	%	**155**	99	105	154	288
Earnings per Share	Euro	**1.06**	0.99	1.84	1.84	1.46
Equity per Share (excl. Capital Loan)	Euro	**8.79**	7.87	6.82	4.96	3.06
Gross Investments	Million euro	**105.9**	22.8	37.2	20.0	18.7
of Net Sales	%	**19.5**	4.3	6.9	4.1	4.2
Net Debt (incl. Capital Loan)	Million euro	**176.1**	102.1	94.9	101.7	119.6
Net Debt (excl. Capital Loan)	Million euro	**153.3**	79.4	49.4	56.2	74.1
Orderbook	Million euro	**190.1**	169.1	179.5	172.6	145.3
Average Number of Personnel	Number	**4,292**	4,204	4,169	3,786	3,765
of which in Finland	Number	**755**	685	644	598	562
of which outside Finland	Number	**3,537**	3,519	3,525	3,188	3,203

Quarterly Information In million euro

Quarter	2002 1st	2002 2nd	2002 3rd	2002 4th	Year total
Income statement					
Net sales	116.0	133.2	120.4	173.4	**543.0**
Gross profit	17.7	22.8	20.0	29.9	**90.4**
% of net sales	15.2	17.1	16.6	17.2	**16.6**
Operating profit	2.7	8.0	8.2	11.5	**30.4**
% of net sales	2.4	6.0	6.8	6.6	**5.6**
Result before extraordinary items, taxation and minority Interest	1.0	6.2	6.3	8.1	**21.6**
% of net sales	0.9	4.6	5.2	4.7	**4.0**
Result for the period	0.6	3.8	4.0	5.0	**13.4**
% of net sales	0.5	2.9	3.3	2.9	**2.5**

	2002 31 Mar	2002 30 Jun	2002 30 Sep	2002 31 Dec
Balance Sheet				
Assets				
Fixed assets	229.8	229.2	263.1	316.7
Long-term loan receivables	0.3	1.0	1.0	1.6
Deferred tax receivables	2.0	2.1	2.1	1.1
Inventories	30.7	29.4	39.8	44.2
Short-term receivables	94.7	91.6	101.2	89.2
Cash and bank	10.5	14.7	8.5	10.2
Current assets and long-term receivables, total	138.2	138.8	152.6	146.3
Assets, total	368.0	367.9	415.7	463.0
Equity and liabilities				
Shareholders' equity (incl. capital loan)	121.5	124.6	128.4	132.9
Minority interests	3.5	3.8	4.1	3.3
Provisions	3.9	3.9	5.5	5.2
Long-term liabilities	93.2	90.0	126.1	149.6
Deferred tax liability	37.9	38.2	38.3	40.8
Short-term liabilities	108.0	107.4	113.2	131.2
Liabilities, total	239.1	235.6	277.6	321.6
Equity and liabilities, total	368.0	367.9	415.7	463.0
Additional information				
Net debt (incl. capital loan)	110.4	102.4	144.3	176.1
Net debt (excl. capital loan)	87.6	79.7	121.6	153.3
Shareholders' equity (excl. capital loan)	98.8	101.9	105.7	110.1
Capital loan	22.8	22.8	22.8	22.8
Accrued unpaid interest on capital loan	0.5	0.9	1.3	1.7
Orderbook	174.4	181.2	187.4	190.1
Number of personnel, closing balance	4,007	4,075	4,419	4,941
Number of personnel, average	3,996	4,038	4,075	4,292

The quarters have not been separately audited as quarters.

Definitions to Key Ratios

Return on Capital Employed, %

$$\frac{\text{Profit after financial items + financial expenses}}{\text{Total assets - interest free liabilities, year average}} \times 100$$

Return on Equity, %

$$\frac{\text{Profit after financial items - taxes}}{\text{Equity + minority share, year average}} \times 100$$

Equity Ratio, %

$$\frac{\text{Equity + minority share}}{\text{Total assets - advances received}} \times 100$$

Gearing, %

$$\frac{\text{Interest-bearing liabilities - cash - other interest-bearing receivables}}{\text{Equity + minority share}} \times 100$$

Earnings per Share, in euro

$$\frac{\text{Profit after financial items - taxes - minority share}}{\text{Number of shares, average}}$$

Equity per Share, in euro

$$\frac{\text{Equity}}{\text{Number of shares, closing balance}}$$

Proposal for the Distribution of Profit to the Annual General Meeting

The net profit of the Group during the year was 13.4 million euro and the distributable funds amounted to 68.8 million euro on 31 December 2002.

The net profit of the parent company during the year was 17.7 million euro and the distributable funds amounted to 46.3 million euro on 31 December 2002.

The Board of Directors proposes that from the funds at the disposal of the Annual General Meeting, a dividend of 3.50 euro per share is to be paid out on a total of 3,149,171 A shares, amounting to 11.0 million euro.

Vantaa, 25 February 2003

Olof Ljunggren, *Chairman*
Kari Heinistö, *Vice Chairman*
Andrejs Cakste
Gerard De Geer
Stefan Linder
Olav Uppgård
Bengt Jansson, *President and CEO*

Auditors' Report

To the shareholders of Consolis Oy Ab

We have audited the accounting records and the financial statements, as well as the administration by the Board of Directors and the Managing Director of Consolis Oy Ab for the year ended 31 December 2002. The financial statements prepared by the Board of Directors and the Managing Director include the report of the Board of Directors, consolidated and parent company income statements, balance sheets, cash flow statements and notes to the financial statements. Based on our audit we express an opinion on these financial statements and the company's administration.

We have conducted our audit in accordance with Finnish Generally Accepted Auditing Standards. Those standards require that we plan and perform the audit in order to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by the management, as well as evaluating the overall financial statement presentation. The purpose of our audit of the administration has been to examine that the Board of Directors and the Managing Director have complied with the rules of the Finnish Companies Act.

In our opinion, the financial statements, showing a profit of 13,354,000 euro in the consolidated income statement and a profit of 17,664,846.10 euro in the parent company income statement, have been prepared in accordance with the Finnish Accounting Act and other rules and regulations governing the preparation of financial statements in Finland. The financial statements give a true and fair view, as defined in the Finnish Accounting Act, of both the consolidated and parent company result of operations, as well as the financial position. The financial statements can be adopted and the members of the Board of Directors and the Managing Director of the parent company can be discharged from liability for the financial year audited by us. The proposal made by the Board of Directors on how to deal with the result is in compliance with the Finnish Companies Act.

Vantaa, 25 February 2003

KPMG Wideri Oy Ab
Solveig Törnroos-Huhtamäki
Authorized Public Accountant

PricewaterhouseCoopers Oy
Kim Karhu
Authorized Public Accountant

CONSOLIS OY AB Äyritie 12 b, FIN-01510 Vantaa **Tel** +358 (0) 20 577 577 **Fax** +358 (0) 20 577 5110 **E-mail** info@consolis.com **Internet** www.consolis.com