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ANNUAL REPORT 2002

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First choice as materials supply partner

Onninen's strategic intent is to be first choice as materials supply partner for its customers and suppliers in the markets of Northern and Central Europe.

Contents

The Onninen Group in brief

Onninen provides comprehensive materials supply in the markets of Scandinavia and the Baltic rim to its customers, which include contractors, industry, energy plants, public organisations and distributors in the electrical, HEPAC and refrigeration business. Onninen belongs to the Onvest Group, which is a Finnish family-owned company.

The Onninen Group's business structure is based on four divisions and Group-wide supporting functions. The divisions are Onninen Finland, Onninen Sweden, Onninen Norway, and Onninen Wholesale International, which is responsible for operations in the Baltic countries, Poland and Russia. The supporting functions are Logistics, ICT, Finance, HRD and Communications.

Onninen has a total of 130 outlets. In its operations in Finland, Sweden, Norway, Poland, Russia, Estonia, Latvia and Lithuania, it provides roughly 2,500 jobs.

In 2002 Onninen's turnover was MEUR 930.3.

Key figures

	2002	2001
Turnover, MEUR	**930.3**	804.0
– growth, %	**15.7**	13.2
Turnover of international activities, MEUR	**445.7**	323.4
– growth, %	**37.8**	31.9
– percentage of turnover	**47.9**	40.2
Operating profit MEUR	**14.7**	20.6
– percentage of turnover, %	**1.6**	2.6
Profit before taxes, MEUR	**11.5**	19.5
Return on investment (ROI), %	**8.8**	17.1
Return on equity (ROE), %	**5.6**	14.0
Equity ratio, %	**29.2**	48.8
Balance sheet total, MEUR	**342.8**	203.8
Investments, MEUR	**63.0**	6.6
Personnel at year-end	**2,626**	2,140

Major events of 2002

Onninen defined some important policies in 2002 with the aim of boosting the company's competitiveness by, for example, exploiting more thoroughly the economies of scale offered by the scope of business. In 2002:

- The Group-oriented thinking was strengthened.
- The business structures were streamlined both in Finland and in several other national organisations.
- The leading electrical wholesaler in Norway was acquired, expanding the market area and increasing Onninen's prestige as a player in the electrical industry.
- In Poland a 7-company merger was carried out, which significantly improved the prospects in this very noteworthy market region.
- In Sweden work was continued to improve market shares and profitability and sales were started to electrical contractors.
- The position in the Baltic countries was consolidated, and both there and in Russia plans were made to expand operations.

Challenges for 2003

It is Onninen's goal to provide its customers with the best service in the market, its suppliers with the best distribution network, and its personnel with an opportunity constantly to enhance their skills.

Progress towards the company's strategic intent – to be first choice as partner for materials supply – requires:

- correct awareness of quality and price,
- securing adequate resources,
- service-mindedness and the ability constantly to increase expertise and enhance operations.

Onninen's career is characterised by internationalisation

A member of the Onvest Group, Onninen is one of Finland's biggest family-owned companies. If a company of this size is to succeed in an increasingly international marketplace, it needs the ability to draw on all the know-how available from its Board of Directors, management and personnel in the various parts of the Onninen Group.

I subscribe to ideas about the characteristics of 'good' ownership. These include, for example, ownership with a face and keeping a constant watch on the company's objectives and their implementation. To sum up, good ownership is a case of close interaction and collaboration between the owner, the Board of Directors and the company. By working in this way, all parties can bring their own viewpoint as a basis for decision-making and bear responsibility in accordance with their role.

In 2003 it was 90 years since my great-grandfather Alfred Onninen went into the plumbing contracting business in Turku. His business was a success. It grew nationwide over the years while contracting and wholesale expanded into new fields. In the 1970s the ventilation and electrical business came in, as did project exports to other countries. Today Onninen provides materials, information and products for construction and industrial manufacturing in eight countries. Internationalisation and growth have left a clear stamp on the company's career path in recent years.

Onninen's development has been – and indeed still is – based on risk-taking adjusted to the financial resources of a family-owned company. This represents the kind of responsibility that one associates with Onninen and more generally with what may be called business with a face.

By respecting its social responsibilities, a company can also improve its own business prospects in the long term. For example, in the Onvest Group we have tried in many ways to ensure that the HEPAC sector will continue to attract both people already in working life and those who are starting their studies. In honour of our 90th anniversary, we made a decision to support HEPAC studies at Helsinki University of Technology and thus hopefully to add to the sector's attraction for higher-level students.

Throughout its history, Onninen's actions have repeatedly pointed to themes related to the debate on values, such as constant improvement, transparency, ethical values, humility and respect for people. I am firmly convinced that it is precisely these factors that have contributed to the company's survival and success over the past 90 years. I am proud to represent the fourth generation of owners in Onninen's history.

At the same time as I express my thanks to the personnel of the Onninen Group for the work put in during 2002, I would also like to thank both the company's customers and its suppliers. My father used to say that no one can succeed on their own. This saying embodies a lot of wisdom. I am also convinced that successful cooperation between the company's important stakeholders will continue to benefit all parties in the future.

I will do my best to ensure that Onninen, whose history I feel is well described by the words growing and evolving, will also in the future have what it takes to operate as an independent and financially sound company and to continue to grow and evolve.

Vantaa, 26 February 2003

Maarit Toivanen-Koivisto

We want to be first choice as materials supplier partner

The economic trend in our main market regions was marked by an undercurrent of pessimism in 2002. There are also many threats to this year's prospects. As we get no help in achieving our profitability targets from market forecasts, we have concentrated on upgrading our internal operations.

We set many policies in 2002 to enhance the competitiveness of the Onninen Group, which has become increasingly internationalised.

We laid the foundations for Group-oriented thinking and we streamlined our structures both in Finland and in the other national organisations. We increased our prestige as an actor in the electrical sector by acquiring Norway's leading electrical wholesaler. We combined our strength in Poland through a major programme of mergers, as a result of which we have replaced seven separate companies with a single Onninen in this big country of many opportunities. We continued to work in Sweden to improve both our market share and operational profitability and started up sales to electrical contractors. In the Baltic countries and Russia, we made plans to expand operations.

We restructured the Group to give ourselves a better basis for observing our business across the borderlines between customer segments and countries. The Group's structure is based on four divisions and five Group-wide supporting functions. Within the divisions, business responsibility is divided into strategic business units. To ensure the efficiency of operations, we also constituted five Group-wide support teams by SBU to develop common concepts for all major functions such as purchasing, sales and marketing. Standardising working methods in different countries and markets will help to free up resources for the further development of Onninen.

The decisions made in 2002 improve our prospects to exploit the advantages of scale made available by the scope of our operations and our expertise. We call this Group-oriented thinking. With it, we aim to put all our expertise to optimally efficient use and to serve our strategic intent, which is to be the first choice as partner in materials supply for our customers and suppliers.

We no longer wish to be characterised as just a traditional wholesaler, as our expertise and operations now extend far wider than purchasing, warehousing and selling. We act more and more frequently as a partner to our customers and suppliers.

In order to progress towards being the partner of choice and to retain this competitiveness-boosting position, we have to be able to provide the best availability of services and products in the marketplace. We must also maintain the right awareness of quality and price and we must safeguard our service-mindedness. I am convinced that Onninen has every prospect of achieving and maintaining the position of first choice as materials supply partner.

Onninen's operation has continued for 90 years, since the day Alfred Onninen submitted his business registration form on 19 February 1913. The company's history has seen growth but also setbacks. Profitability has varied over the years, it has been necessary to realign operations, closing some and opening others. A striking part has been played by the courage with which the company has always looked to the future.

It is just as hard to predict the future today as it ever was before. But what is certain is that, through our actions and our expertise, we can make a difference to the kind of future we have.

Onninen has a very interesting and challenging year ahead of it. I am convinced that together we can make it a good year. I would also like to thank all Onninen employees for their major efforts in stabilising our operations as an international group during 2002. I also warmly thank our customers, suppliers and all our partners for the trust they have shown in us.

Vantaa, 26 February 2003

Petteri Walldén

Onninen Finland

Onninen is Finland's biggest company providing comprehensive materials supply. The company's most important product areas are HEPAC, electrical and refrigeration technology products plus industrial raw materials and accessories. The company´s aim is further to reinforce its position as the first choice as partner in materials supply for its customers and suppliers.

Onninen's Finnish operations are the responsibility of the Onninen Finland division. The division is subdivided into six strategic business units (SBUs), each of which is specialised in the particular features and requirements of its own customer segment.

The SBUs are Electricity serving electrical contractors, Heating/Plumbing serving HEPAC contractors, Air/Refrigeration serving this segment's contractors, Industry serving industrial customers, Infra serving municipal engineering and other infrastructural construction, and (since the beginning of 2003) Retail serving distributors of heating, plumbing, ventilation and electrical products.

The Express chain is an important part of Onninen's success. Through it, the company efficiently serves the large number of customers who come themselves to choose products or pick up orders from main warehouses. At the end of 2002, Onninen had a total of 39 Express cash-and-carry and self-service outlets in Finland.

In 2002, the division's turnover grew by 0.8 per cent and was MEUR 484.6. The targets set for profitability were attained.

At the end of 2002, the Onninen Finland division's 40 outlets had a total of 644 employees.

Demand on a par with the last year

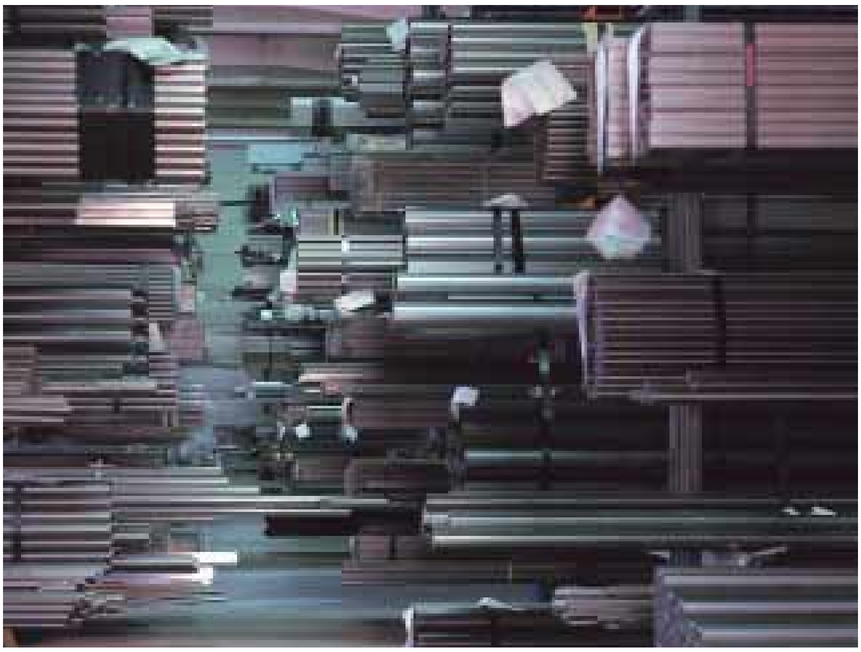
In Onninen Finland's operations, demand in 2002 was similar to that of the previous year.

Continuing uncertainty, both in the global economy and particularly in many of Finland's major export markets, reduced willingness to invest and cut industry's capacity utilisation rate in Finland. The economic climate was therefore very much in line with the forecasts made at the end of the previous year.

The volume of construction did not pick up during the year. Renovation was buoyant, however, which compensated for the weakness of other construction. Infrastructural construction continued at the same rate as in the previous year. However, investment by industry was cut back, particularly in the forest industry. The orders held by industry fell as well as its capacity utilisation rate.

The prices of the products in Onninen's delivery schedule rose slightly during the year. There were no major changes in the competitive configuration.

Onninen continued to diversify its range of products and services. The delivery schedule now includes almost 30,000 active product headings. The



Finland's biggest warehouse for piping, pipe fittings and construction profiles is in Hyvinkää. In addition to Finland, Onninen's Hyvinkää central warehouse also serves the other countries of the Group.

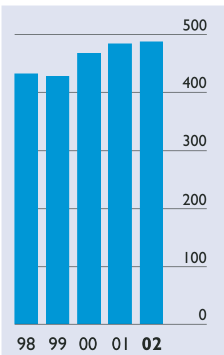
main thrust in service development was on projects for optimising the customer's material economy and on increasing the capacity of prefabrication operations.

Organisation streamlined

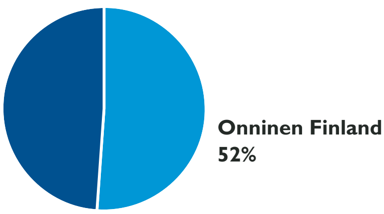
In the course of 2002, Onninen carried out a number of reforms in its Finnish operations aimed at streamlining the organisation: in the summer the former division Building Services was merged with Industry and Infrastructure to form the new Onninen Finland division, and it was decided to found the new Retail unit to serve distributors of heating, plumbing, ventilation and electrical products. Towards the end of the year, as part of a streamlining move, Express sales were amalgamated with the sales organisations of the Electricity and Heating/Plumbing SBUs. The restruc-

Onninen serves its customers in Finland at 36 Express outlets. The business idea of Express is to serve particularly contractor customers by offering them a chance to find frequently needed materials and installation accessories straight from the shelf.

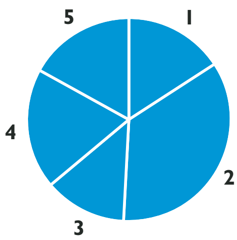
Turnover, EUR million



Share of Group's turnover



Distribution of turnover, %



1	Electricity	16%
2	Heating/Plumbing	35%
3	Refrigeration/Air Conditioning	13%
4	Industry	19%
5	Infra	17%

turings clarified responsibility for customers and lightened administration.

During the year, increasing attention was paid to collaboration between the Onninen Group units operating in different countries. Another aim is to use the scope of the entire Group's operations and expertise more effectively also in Finnish operations for things like purchasing, sales and marketing. In the future it is also intended to transfer more resources to further improve operations by applying Group-wide concepts to facilitate routines.

More products for electrical contractors

Strong growth in the market for electrical products in 2001 topped out and went into a slight decline in 2002.

In spite of the deterioration of the market, the Electricity SBU's sales grew during the year. The growth was contributed to by factors including the expansion of the product schedule, particularly in respect of the range of telecom and data products. The entire quantity of electrical accessories products on the Finnish market also continued to increase. The number of products has doubled in the past ten years. At the end of 2002, there were more than 150,000 electrical products in the electrical serial number register. Onninen beefed up its organisation's electrical expertise by adding to and deepening its partnerships with the main suppliers in the business.

In 2002, the Electricity SBU's sales increased on the previous year and reached MEUR 76.2.

Renovation grew in importance in heating and plumbing trade

The market for heating and plumbing products weakened slightly. Renovation and low-rise construction grew in importance, which made Onninen's dense network of sales and cash-and-carry outlets more significant. Sales through heating and plumbing firms and other distributors also helped to patch up an otherwise weaker market.

Onninen continued to develop the sales concept for building site logistics. The pilot schemes carried out during the year were encouraging, both for the customer and for Onninen. The project sales concept which streamlines operation is expected to gain ground rapidly in the next few years. The operations of the Hanakat marketing chain were further improved.

In 2002, the Heating/Plumbing SBU's sales increased on the previous year's, reaching MEUR 170.3.

Each year, Onninen attends several electrical, HEPAC, construction and industrial trade fairs in Finland.

Onninen has 40 outlets in Finland

The outlets are in the following locations:

Espoo, Forssa, Helsinki, Hyvinkää, Hämeenlinna, Imatra, Joensuu, Jyväskylä, Kajaani, Kokkola, Kotka, Kouvola, Kuopio, Lahti, Lappeenranta,Lohja, Mariehamn, Mikkeli, Oulu, Pori, Porvoo, Raahe, Raisio, Rauma, Rovaniemi, Salo, Savonlinna, Seinäjoki, Tampere, Tornio, Turku, Vaasa, Vantaa, Varkaus, Ylivieska.

Sales of ventilation and refrigeration products increased

Buoyant shopping centre construction and the warm summer, but also the scantiness of investment by telecom operators, showed up in demand for refrigeration products. A decline in office and warehouse construction eroded the market for air-conditioning products by about five per cent. Sales of ventilation products for low-rise buildings remained good.

The market trend was reflected in the sales of the Air unit. The main thrust in operations was on the development of the stock product programme and delivery reliability. In the course of the year, sales staff availability was improved and good results were attained in marketing the procurement service concept.

The refrigeration sector market remained good and Onninen strengthened its position on the market. The Refrigeration unit expanded its stock product schedule and continued to develop distribution using the Express chain. A new sales organisation was confirmed at the end of the year.

In 2002, the sales of the Air/Refrigeration SBU rose on those of the previous year, reaching MEUR 62.6.

Capacity free in industry

The uncertainty over the international economic situation showed up most clearly among industrial customers. During 2002, industry delayed its planned investments, its output declined and the number of orders held fell.

Onninen expanded its electrical product range for industry with, for example, industrial control cables and special cables for shipbuilding. Steel prefabrication capacity was added by bringing on stream a highly automated new sawing and palletising line. The investment made it possible to boost the quantity of specialty steel delivered considerably over the previous year.

The number of Onninen-controlled service warehouses on customers' own premises increased.

The Industry SBU underpinned its position as one of the biggest suppliers to industry and as a partner for total materials supply solutions.

In 2002, the Industry SBU's sales were down on the previous year and amounted to MEUR 93.6.

Infrastructural construction recovering

Overall demand for the products and services routed through Onninen's Infra SBU remained on a par with that of the previous year. Sales of datacoms network products declined markedly.

Deployments started two years ago on electrical grid products and later on outdoor lighting and telecoms and datacoms products made themselves felt in the form of a steady increase in sales. The unit's position in these product areas strengthened and stabilised.

Onninen continued to develop materials supply concepts on the basis of the changes in the structure of the customer base. The problems of the local authority economy are likely to accelerate plans to outsource materials supply.

The SBUs of the Onninen Finland division are:

Serving electrical contractors
Electricity

Serving heating and plumbing contractors
Heating/Plumbing

Serving air-conditioning, ventilation and refrigeration contractors
Air/Refrigeration

Serving industrial customers
Industry

Serving municipal engineering and other infrastructural construction
Infra

Serving HEPAC and electricity product distributors
Retail

The Infra SBU is expected to grow in the next few years. A number of large infrastructural plans are on the drawing board, such as Vuosaari harbour and a number of railway and motorway network building schemes.

In 2002, the sales of the Infra SBU increased on the previous year's, reaching MEUR 82.1.

Special services for retail customers

In the beginning of 2003, the new Retail SBU went into business. This serves hardware stores, convenience store chains, etc., whose need for service differs for reasons of special features, different critical success factors and competitive methods from the needs of the other customers of the Onninen Finland division.

Onninen provides its retail customers with, for example, IP-packed products, in which the packaging method and the information in the product packaging is designed to meet the needs of consumers.

Better materials supply expertise

The top points for the Onninen Finland division in 2003 include developing total expertise in materials supply, quality issues and harnessing the advantages of the Group. The delivery chain will be enhanced by investing in computer tools for material flow control and simulation and by close collaboration between various parts of the delivery chain. Also during 2003, the quality systems for Onninen's Finnish operations will be updated in line with the new ISO 9000 standard. ■

● *Onninen's largest warehouse in terms of area is in Hyvinkää. It has 12 hectares of outdoor compounds. The interior has a total of 20,000 square metres of space.*

Onninen Sweden

Onninen opened two new Express outlets in Sweden during 2002. in February 2003, there were a total of 16 Express outlets in Sweden.

Onninen's Swedish activities are the responsibility of the Onninen Sweden division. The division's customers are electrical, heating and plumbing, air conditioning and refrigeration contractors, public-sector organisations, industry, as well as energy utilities, in serving which Onninen is the national market leader.

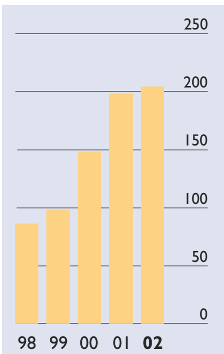
The Onninen Sweden division's turnover grew to MEUR 201.4. Investments in service for a new customer group and in opening new outlets, combined with the costs of major restructuring, exerted a drag on profitability. As a result, profitability was poor.

At the end of 2002, Onninen had 29 outlets in Sweden, and the Swedish operation had a total of 420 employees.

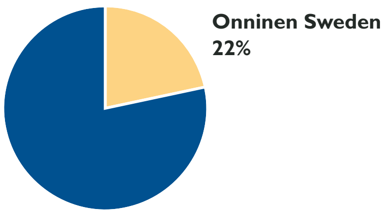
An uneven market

The market trend varied markedly from segment to segment. Demand for products and services in the refrigeration sector and in energy utility materials supply was up by 8–10 per cent. Demand was on a par with the previous year's in the plumbing and heating sector and in the infrastructure market. In electrical installation, the market fell by roughly five per cent. The 73 per cent plunge in the telecom market was greater than the most pessimistic forecasts.

Turnover, EUR million



Share of Group's turnover



Sales began also to electrical contractors

Onninen expanded its operations and strengthened its position as one of Sweden's leading players in technical wholesale, for example, by initiating sales also to electrical contractors. Traditionally Onninen AB's customer base has been comprised of heating and plumbing and refrigeration contractors, energy utilities, public administration organisations, and industry.

Following Onninen's acquisition of the Norwegian company Eilag Teknikk AS, the purchasing and logistical services of Østfold Energi Entreprenör, which had been the responsibility of Onninen Sweden, were transferred to Eilag.

It is Onninen's aim to serve its customers with due attention to the special features of each customer segment. In the course of 2002, the first Key Account Managers began to operate in Sweden. Their mission is, together with their customers, to make sure that Onninen can provide its full expertise to be used in the customer's own business operations.

New Express outlets

During the year, Onninen relinquished its transport operations to the transport specialist Danzas Eurocargo AB. The purpose of outsourcing this function is to enhance both customer service and in-house efficiency. Onninen is currently also working with Danzas on transport logistics based on entirely new forms of customer service.

In February, Onninen's Swedish operation brought the ISO 9001:2001 and ISO 14001:2001 certification process to a conclusion. Onninen AB is the only wholesaler in Sweden with quality certification that covers the entire company.

During 2002, Onninen continued to expand its product range serving different customer segments. At year-end, the product range in Sweden covered more than 170,000 headings. The single fastest-growing product group consists of electrical installation products.

During the year, two new Express outlets were opened, both in Southern Sweden, in Gothenburg and Värnamo. The number of warehouses maintained on customers' premises also increased. In the beginning of 2003, another Express outlet was opened in Umeå in Northern Sweden.

At the end of 2002, Onninen had a total of 15 Express outlets in Sweden.

Challenging targets

Onninen's aim in Sweden as elsewhere is to reinforce its position and to advance towards the Group's strategic intent, i.e., to be the materials supply partner of choice. It is also intended to improve the availability of products and services and to increase sales of electrical installation accessories in particular.

Attaining the objectives will be assisted by the improved use of the expertise of the entire Onninen Group and the advantages of scale afforded by its volume of purchasing and sales. Moreover, the already completed and forthcoming deployments in promoting e-commerce are expected to benefit both sales and profitability. ■

● *Onninen's Onniflex products were developed mainly for the prefabricated house industry. Onniflex deliveries include all the HEPAC products and materials for the house (below).*

Onninen has 29 outlets in Sweden

The outlets are in the following locations:

Borås, Falkenberg, Gothenburg, Habo, Helsingborg, Karlskoga, Karlstad, Kristianstad, Linköping, Malmö, Mjölby, Mölndal, Norrköping, Norrtälje, Skellefteå, Stockholm, Sundbyberg, Sundsvall, Umeå, Värnamo, Västerås, Växjö, Örebro.

● *Onninen's transport in Sweden is handled in partnership with Danzas Eurocargo.*

Onninen Norway

Onninen's Norwegian operations are the responsibility of the Onninen Norway division. Business began in Norway when Eilag Teknikk AS joined the Onninen Group on the operational level in the beginning of July. The contract was signed on 27 June and the company's issued stock became owned by Onninen Oy on 25 September 2002.

The turnover of the Onninen Norway division for the period 1 July–31 December 2002 was MEUR 131.6. Eilag Teknikk AS's turnover for the whole of 2002 was MEUR 245.7. The company's comparable net profit was a clear improvement on 2001.

At the end of 2002, Eilag had 27 outlets in Norway, and Onninen's Norwegian operations employed a total of 380 people.

Eilag acquisition underpinned position in the electrical sector

The Eilag deal doubled the Onninen Group's electrical wholesale turnover to an annualised figure of almost MEUR 500. The deal also reinforced Onninen's market position in the Nordic countries and opened up opportunities for growth also in the Norwegian market.

The Eilag transaction gave Onninen almost a 30 per cent share of the Norwegian electrical wholesale market. The customers include the Elfag chain of electrical contractors with some 220 members, other electrical contractors, electricity utilities, and industrial and offshore companies.

The customer feedback after the deal has been positive. Customer relations are mostly handled by the same people as before who now have the support of the entire Onninen Group's expertise and know-how in the electrical sector.

Onninen's Norwegian head office and central warehouse are close to the Gardermoen airport, in Gjelleråsen to the north of Oslo. Customers are also served at 26 outlets all over Norway.

Onninen acquired Eilag Teknikk AS in summer 2002. In 2003, the company will change its name to Onninen.

Onninen has 27 outlets in Norway

The outlets are in the following locations: Arendal, Bergen, Bodø, Bærum, Borgen, Haugen, Florø, Fredrikstad, Gjelleråsen, Hamar, Haugesund, Kjeller, Kristiansand, Larvik, Odda, Oslo, Porsgrunn, Sarpsborg, Skien, Stavanger, Stord, Tromsø, Trondheim, Tønsberg, Ålesund.

Eilag Teknikk AS is one of the materials suppliers to Norway's offshore industry, which demands specialised expertise.

Rising proportion of sales to electrical contractors
Demand for electrical products declined in Norway for the second successive year. The decline for the entire electrical sector was approximately 5.5 per cent on the previous year.

In spite of the sluggishness in the market, Eilag expanded its market share of sales to electrical contractors to roughly 35 per cent, which is about twice as much as the next largest competitor.

Opportunities in serving energy utilities
Eilag's joining the Onninen Group opened up new opportunities for it in things like services for energy utilities. During the year, the purchasing and logistical services of the Norwegian company Østfold Energi Entreprenör, handled by Onninen's Swedish operation, were transferred to Eilag.

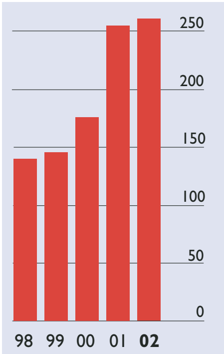
At the end of 2002, Onninen's market share of the materials supply for Norwegian energy utilities was 20 per cent, making it the second biggest in the sector. New agreements signed during the year provide a good basis for further expanding the size of this customer segment.

In 2002, Eilag also signed some important contracts strengthening its market position in materials supply for industrial companies, and particularly the offshore industry specialised in oil exploration and refining.

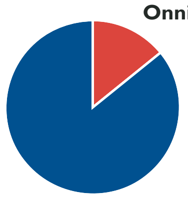
The challenges for 2003 in Norway
Eilag, the name of which is to be changed to Onninen AS in summer 2003, focuses particularly on customer satisfaction and questions concerning sales.

In Norway as elsewhere, Onninen's objective is to reinforce its position and to advance towards the Group's strategic intent, which is to be the materials supply partner of choice, for both its customers and its suppliers. Progress towards this objective is facilitated by the opportunity to harness the expertise of the entire Onninen Group and the advantages of scale afforded by its volumes of purchasing and sales. ■

Turnover, EUR million



Share of Group's turnover



** The Group's turnover includes Eilag's turnover 1 July – 31 December 2002, MEUR 131.6.*

Onninen's Norwegian operation's central warehouse is in Gjelleråsen near Oslo.

Onninen Wholesale International

The Onninen Wholesale International division is responsible for Onninen's operations in Poland, Russia and the Baltic countries as well as project exports to Russia.

Onninen provides its customers in the markets of Poland, Russia and the Baltic countries with all-embracing materials supply, product information and related services. The company's strategic intent in these markets is to be the first choice as materials supply partner for its customers and suppliers.

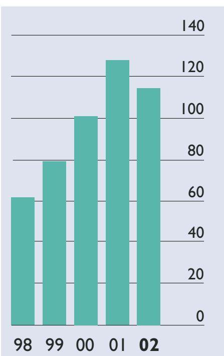
During 2002, the sales of the Onninen Wholesale International division were down on the previous year's figure for the first time since the division was founded in 1994. Turnover in 2002 was MEUR 112.7, which is 10.8 per cent down on the figure for 2001. Profitability also deteriorated to some extent.

The main cause of the downturn in sales and profitability was the negative trend in the Polish market, for which marked growth in Russian sales and the upbeat trend in the Baltic countries were unable to compensate. Project sales were also slightly down on the previous year.

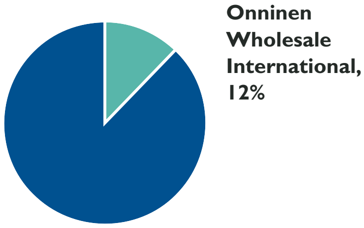
At the end of 2002, Onninen Wholesale International had a total of 38 outlets in six countries, and the division had 735 employees.

Onninen has supplied a number of mobile heating centres to Russia. In hand in 2003 are deliveries of five heating centres to the Chanty Mansien region in Western Siberia.

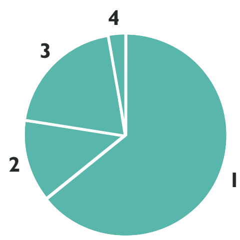
Turnover, EUR million



Share of Group's turnover



Distribution of turnover, %



1	Poland	64%
2	Russia	13%
3	The Baltic countries	20%
4	Project sales	3%

Poland

Major merger carried out in Poland

A steep downturn in the building services market continued in Poland for the third year and, combined with continuing high real interest rates and rising unemployment, kept the market sluggish. Onninen's Polish sales declined and were MEUR 69 in 2002.

Onninen has a total of 30 outlets in Poland. At the end of 2002, they had a total of 532 employees.

Poland, which has a population of more than 38 million, is a market of great importance for the construction industry. Poland's accession to the European Union in spring 2004 is also already stimulating Western investors' to willingness to invest there. Onninen predicts that its Polish company's turnover will go into a clear upswing before the end of 2003.

During 2002, Onninen bought out the remaining minority shareholdings in its Polish subsidiaries. At the end of the year, the seven subsidiaries were merged into a single, nationwide company called Onninen Sp. z o.o. The company's short-term goal is to establish itself a position as one of Poland's leading wholesale suppliers of quality technical products. Onninen's most important customer group in Poland consists of electrical and HEPAC contractors.

Operating under one name and as a single company raises the profile of the name Onninen and creates a better basis for adopting Onninen's Group-wide operating concepts also in Polish operations. The aim is further to improve local competitiveness, for example, by harnessing the Group's advantages of scale. In 2002, a new sales and logistics data system was introduced in Poland. The finance data system was also upgraded.

During the year, plans were made to build a new Polish central warehouse at Lódz, which is in the centre of the country. The first stage of the building project will be completed in 2003. The warehouse, which will have a gross area of 9,300 square metres, will have about a hundred employees.

● *Onninen has a total of 30 outlets in Poland. The Gdansk warehouse in the picture serves both electrical and HEPAC customers.*

● *Onninen's office in Cracow was opened in 2002.*

● *Onninen's product range in Poland includes both local manufacturers' products and well-known European brands.*

Onninen serves customers in Russia in partnership with customer-retailers as well as through its own outlets.

Russia

Sales up in Russia
Onninen's Russian sales were up to MEUR 18 in 2002. At year-end, Onninen's Russian operations had 89 employees.

The situation in Russia continued to stabilise during the year. The building services market continued to grow at an estimated 10 per cent in 2002.

During the year, Onninen both stabilised its position and made plans to expand business in Moscow as well as in the St Petersburg area. The plans also involve starting up operations in the main regional cities, such as Samara, on the Volga east of Moscow.

Onninen went into business in Russia in 1994 and it now serves customers at four outlets, two of which connected to a warehouse.

The Baltic countries

Positive market trend in the Baltic countries
Onninen's sales in the Baltic countries grew to MEUR 22 in 2002. At year-end, Onninen had a total of four outlets in the three Baltic countries, with 116 employees.

The market in the Baltic countries took a positive track in 2002 and, as in Russia, Onninen both stabilised its position and made plans to expand its business. The intention is to increase services rapidly in Estonia, Latvia and Lithuania.

The accession of the Baltic countries to the EU in spring 2004 will mean economic stabilisation and presages what may be the start of dynamic growth in the region. Onninen's operations will be facilitated in the future by the harmonisation of legislation, reductions in border formalities, and the standardisation of quality and other specifications.

There is still only a limited amount of domestic production of HEPAC products in the Baltic countries. Most imports are from Onninen's Finnish warehouses as well as from Sweden and Poland.

Particularly in Estonia, there are signs of a tendency towards the familiar Scandinavian pattern in which there are a few major manufacturers and a few major distributors specialised in managing logistical configurations. This is contributed to by rising market demand, improving transport connections, and the development of e-commerce. Onninen also has plans to expand its services with larger national warehouses than at present.

Operations stabilising in Estonia

Onninen established its first sales office in the Baltic countries in Tallinn in 1992. The first warehouse in Estonia went into business in 1994. Now in Tallinn Onninen has the use of a 2.3 hectare site with 3,200 square metres of heated storage space and about a thousand square metres of unheated space. The Baltic countries' first Express outlet opened in Tartu in 1996.

At the end of 2002, Onninen had 48 employees in Estonia.

During 2002, Onninen stabilised its position and made plans to achieve growth. The objective, in Estonia as elsewhere, is to be logistically as close as possible to the customers and to offer them not just products but also information on them and how to use them. There are also plans for the next few years to expand the network of outlets in Northeast and Western Estonia as well as in the Tallinn region.

As customers' buying habits change, it is also intended to open more Express outlets. This part of the distribution network will make sure that small contractor customers in particular are able easily to find the most frequently used products, also without advance ordering, direct from the self-service and cash-and-carry outlet, thus avoiding the costs of their own warehousing.

Growth in Latvia

Onninen went into business in Latvia in 1994, starting in Riga. The warehouse, also in Riga, opened the following year. This roughly 1,500 square metre facility is now rapidly getting too small as business expands, and there are plans to double the warehouse space in Latvia in the next few years. It is also intended to open more Express outlets.

At the end of 2002, Onninen had 36 employees in Latvia.

New premises in Lithuania

Onninen's operation in Lithuania started in Vilnius in 1995. In 2002, Onninen moved into new premises with some 1,350 square metres of space in the same city. In the years ahead it is planned to expand services further and to open new local warehouses. It is also planned to step up imports of goods from Onninen's warehouses in Lithuania's southern neighbour, Poland.

At the end of 2002, Onninen had 32 employees in Lithuania.

Project sales

The Onninen Wholesale International division's five-strong Project sales unit operates at Onninen's head office in Vantaa. The unit handles packaged deliveries of HEPAC materials and boiler plants, mainly to Russia.

The Project sales unit's sales were slightly down on the previous year's figure.

In 2002, the Project sales unit delivered items including HEPAC materials for canteens for Parastek in Surgut and HEPAC materials for GMAvtovaz's new assembly plant to Quattrogemini in Togliatti. During the year, a contract was signed for the delivery of a major boiler plant project to the Chanty Mansien autonomous area. The deliveries to the region, which lies beyond the Ural Mountains in Siberia, began in December. ■

● *In Estonia, evolution is heading towards the familiar Scandinavian model of a few major manufacturers and distributors. The picture shows Onninen's premises in Tallinn.*

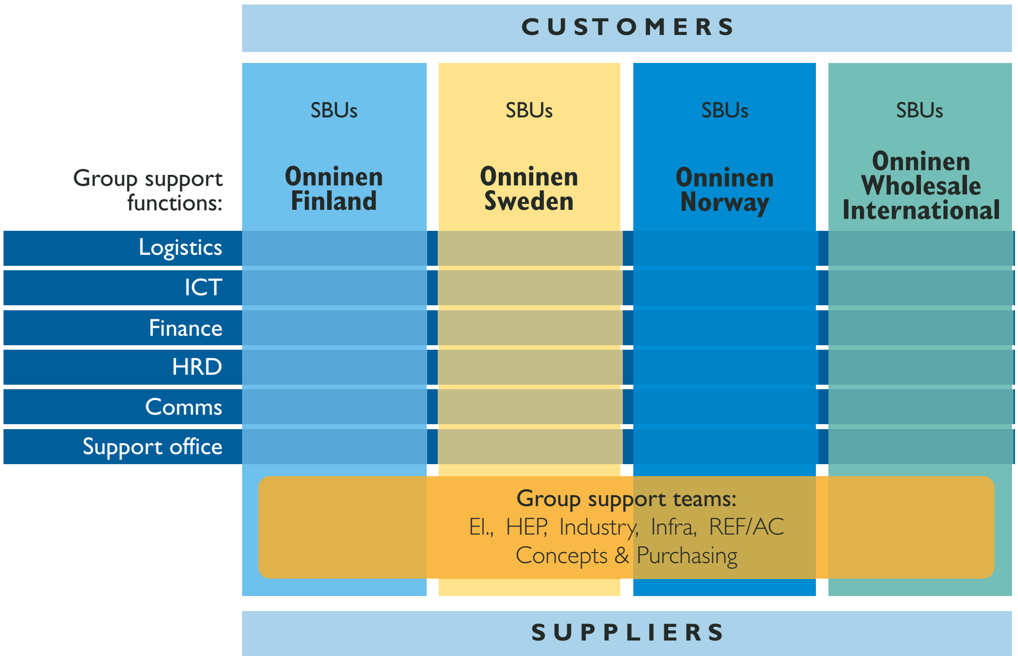
Group structure

The Onninen Group's operational structure is defined on the basis of country-specific responsibilities, using common concepts and synergies.

The Group structure is based on four divisions, five Group supporting functions and the Group's support office comprised of the President and CEO of the Onninen Group and the Senior Vice President in charge of Group business development.

Group supporting functions

The Group supporting functions are Logistics, ICT, Finance, HRD and Communications. The supporting functions have responsibility for strategy and development within their sphere for the entire Group as well as operations in Finland. At the end of 2002, Logistics had 270 employees, ICT 25, and the Group's other supporting functions 39 employees in all.



The Onninen Group structure is based on four divisions, five Group supporting functions and the Group's support office. In addition, Group-wide practices or concepts are developed by five Group supporting teams comprising managers of the sector in question from various countries.

Onninen's warehouses

- *Onninen has 119 warehouses in eight countries.*
- *In Finland there are 40 warehouses, one of which is the central warehouse, three are logistical centres, and 36 Express outlets.*
- *In Sweden there are 18 warehouses, two of which are central warehouses and 16 Express outlets.*
- *In Norway there are 27 Express outlets and one central warehouse.*
- *In Poland there are 27 warehouses. The new central warehouse is under construction.*
- *In Russia there are two warehouses.*
- *In the Baltic countries there are four warehouses, two in Estonia and one each in Latvia and Lithuania.*

Personnel

For Onninen's personnel, 2002 meant adopting and developing new operating models.

Particular attention was paid to harnessing Group-wide expertise and identifying best practices. During the year, English became established as the language of the Onninen Group. The Group uses a total of nine languages, i.e., in addition to English: Finnish, Swedish, Norwegian, Polish, Russian, Estonian, Latvian and Lithuanian.

The Onninen Group's average number of employees in 2002 was 2,416 (2,150 in 2001). At year-end, the number of employees was 2,626 (2,140).

Onninen provides a wide range of vocational and other training for personnel. The picture shows Onninen people who attended the management development course in 2002.

The number of Onninen personnel in the Group countries at the beginning of 2003

Finland	940
Sweden	420
Norway	380
Poland	530
Russia	90
Estonia	50
Latvia	35
Lithuania	30

Restructurings

A number of reorganisations were carried out in various parts of the Group. In Finnish operations, the organisation was clarified by measures including the amalgamation of two divisions and by streamlining the sales structure. Policies were also set in Sweden to streamline basic operations. In Poland a major series of mergers was carried out. The expansion in Norway that took place in summer also significantly boosted the number of Group employees.

In the course of the year, resource surveys were carried out in Finland and Norway, which were used to map out attributes of management and interaction, expertise and language skills. The survey, the results of which are used for the development of Onninen's successful operations and human resources, provides additional information for personnel training and also, for example, for in-house job rotation.

Numerous training programmes

Several training programmes and courses tailored to the needs of various personnel groups continued during the year.

Part four of the management training programme Networker was carried out to support the Polish merger. In the Baltic countries, the employee target and progress interview concept was introduced. The operations of the Onninen Business School (OBS) continued its work on vocational skills, and as a new part of it, a reorganisation was begun of product and service training programmes together with the SBUs of the Onninen Finland division. In Finland, apprenticeship training continued on many levels. Towards the end of the year a pilot project in Finland was started, planned for the entire Group, for a programme aimed at enhancing materials supply expertise.

In October the first development seminar was held for all people responsible for human resource development in the Onninen Group. The seminar went into the cultures and working methods of the various companies of the Group, and best practices for HRD were mapped out. On the basis of the seminar, a plan was made for the development of an Onninen Way and it was decided to carry out the HRD strategy 2003–2005.

During the year, plans were made to sum up Onninen's values in 2003.

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Market trend

In Finland, construction output was close to the previous year's level. Office construction declined markedly. However, buoyant renovation compensated for the weakness of other construction. Construction of infrastructure continued on a par with the previous year's level. Investments by industry were down, particularly in the forest industry. There was a downturn not only in industry's capacity utilisation rate but also in its order books.

In Sweden, the market trend was uneven. The trend was positive in demand for both refrigeration products and for energy plant products. The HEPAC market held steady relative to the previous year. Demand for electrical contracting products was down by roughly five per cent and telecom network construction fell to less than half of the previous year's volume.

In Norway, the overall economic trend was uncertain. The electrical wholesale market declined more than was forecast, i.e., by more than five per cent.

In Poland the market for building services declined for the third successive year. The economic situation in Russia stabilised further during the year. The building services market continued to grow at an estimated 12%. The market also took a positive trend in the Baltic countries, and demand grew for building services products.

Events in the financial year

In January a strategy process was initiated, as a result of which the Group's strategic intent and operating structure have been defined. The Group's business structure is based on country-specific responsibilities and on the Group's supporting functions, which are responsible for the development of their own sphere on the Group level.

In Finland, the operational structure was streamlined with the amalgamation of two divisions into one. Furthermore, certain duplicated efforts were eliminated and the sales organisation was focused and made more effective.

In Sweden, electrical wholesale was initiated also in the electrical contractor sector and two new Express outlets were opened.

In Poland, Onninen acquired the remaining minority shareholdings in Hydrokan Winkiel, Felis, Elmetal, Elektrohurt and Glob96. At the end of the year, operations in Poland were merged into a single company, the divisions of which are Heating & Plumbing, Electricity and Retail. A contract was signed with Onvest for the construction of a central warehouse in Lódz and the planning was started for this. The intention is for the warehouse to be in operation in autumn 2003.

At the end of June, a contract was signed for the acquisition of the entire issued stock of the Norwegian electrical wholesaler Eilag Teknikk AS. The transaction price debt-free amounted to approximately NOK 750 million. The transaction was effected on 25 September 2002, but operationally the company became part of the Onninen Group on 1 July 2002.

The deal reinforced Onninen's market position in the Nordic region by opening up growth opportunities for the Group in the Norwegian market. Onninen now has almost a 30 per cent share of the Norwegian market for electrical wholesale.

Earlier in the spring, a company called Onninen AS had been established in Norway, which under the leadership of Onninen's Swedish organisation started trading in electricity plant products in Sarpsborg. Following Onninen's acquisition of Eilag, this business was transferred to Eilag, whose trade in electricity utility products was thus strengthened.

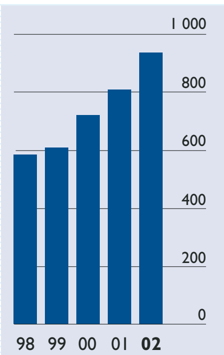
By the end of the year, Eilag had been integrated as a key part of the Onninen Group. The Onninen name and external look will be adopted in Norway during the summer 2003.

Group structure

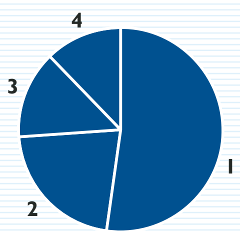
Onninen Oy acquired the entire issued stock of the Norwegian company Eilag Teknikk AS from Expert Eilag ASA (now Expert ASA). Eilag Teknikk AS has a wholly owned subsidiary called Sörmaskin SWT AS.

Onninen Oy founded a subsidiary

Turnover, EUR million

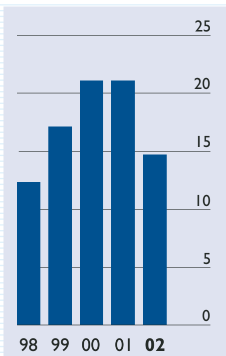


Distribution of turnover, %



1	Finland	52%
2	Sweden	22%
3	Norway	14%
4	Wholesale International	12%

Operating profit, EUR million



called Onninen AS in Norway during the first half of the year. At the end of the year, the company's entire issued stock was sold to Eilag Teknikk AS.

In the spring Onninen Oy acquired the remaining minority shareholdings in the Polish companies Hydrokan Winkiel S.A., Felis S.A., Elmetal Sp. z o.o. and Elektrohurt Sp. z o.o. These, together with Onninen's wholly owned companies Alinex Sp. z o.o. and ABC PHU Sp. z o.o. were amalgamated into a company wholly owned by Onninen called Onninen Polska Sp. z o.o. The merger came into effect on 6 December 2002 and the company will continue under the name Onninen Sp. z o.o.

The Polish purchasing partnership company Glob96 S.A. also became wholly owned by Onninen. The company's business came to an end when Onninen's other Polish companies were merged and it remains as a real estate company.

In Russia Onninen's wholly owned companies OOO Onninen and ZAO Tec Optom Onninen were merged as OOO Onninen on 31 March 2002.

Onninen Oy's other wholly owned, operational subsidiaries are Onninen AB in Sweden, AS Onninen in Estonia, SIA Onninen LAT in Latvia and UAB Onninen LIT in Lithuania.

Turnover

The Group's turnover was MEUR 930.3, compared with MEUR 804.0 in 2001. The increase in turnover was 15.7%. The increase in due to the acquisition of Eilag Teknikk AS. Disregarding this, the turnover was down by 0.6%.

Onninen Finland's turnover was up by 0.8% and was MEUR 484.6.

Onninen Sweden's turnover was up by 2.2% to MEUR 201.4.

Onninen Wholesale International's turnover was down by 10.8% and was MEUR 112.7. The decline in turnover was due primarily to the shrinking market in Poland. Turnover increased both in Russia and in the Baltic countries.

Eilag Teknikk AS's turnover for the whole year was NOK 1.8 billion, which was on a par with the previous year's figure. The Group's turnover includes the Norwegian company's turnover for the period 1.7-31.12.2002, being MEUR 131.6.

International operations continued to grow as a share of Group turnover. Their share was 47.9%, as against 40.2% in 2001.

Financial result

Group's operating profit was MEUR 14.7 (MEUR 20.6). Operating profit relative to turnover was 1.6% (2.6%). The downturn in operating profit was primarily due to poor results by the Swedish and Polish operations.

Profit before taxes was MEUR 11.5 (MEUR 19.5). Profit after taxes was MEUR 5.5 (MEUR 13.1). Return on investment was 8.8% (17.1%).

Onninen Finland continued to post good results.

Onninen Sweden's result deteriorated and it posted a net loss. The principal reasons for this are start-up costs of new business interests and additional costs arising from a change in the transport system.

Onninen Wholesale International's results also deteriorated on the previous year and it posted a net less. The weak trend in demand due to the state of the Polish market and reorganisation expenses exerted a particular drag on profits.

Eilag Teknikk AS clearly improved its comparable results for the calendar year 2002. The company has been consolidated with the Onninen Group since 1 July 2002. At the same time, the company's accounting conventions were brought into line with Onninen's.

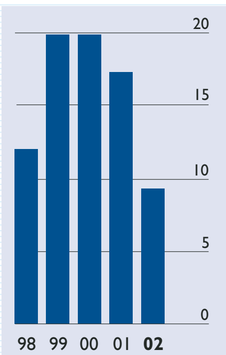
Financing

The Group's equity ratio was 29.2% (48.8%). Net financing expenses were MEUR 3.2 (MEUR 1.1). The total of interest-bearing liabilities was MEUR 143.9, an increase during the year of MEUR 116.4.

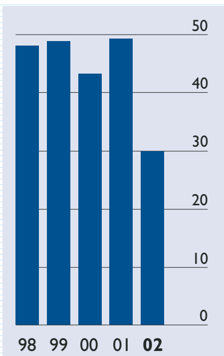
Of the interest-bearing liabilities MEUR 33.0 is internal financing by the Onvest Group and MEUR 110.9 is non-Group financing from banks.

Onninen Oy's loans are denominated in euros. The foreign subsidiaries'

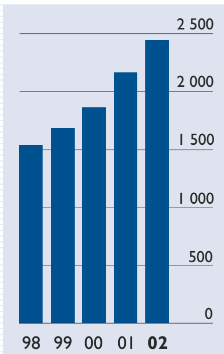
Return on investment, %



Return on equity, %



Average personnel



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loans have mostly been taken in local currency. Of the Group's loans, 62.2% were taken in Norwegian currency, 18.3% in euros, 18.2% in Swedish and 1.3% in Polish currency.

The increase in interest-bearing liabilities and thus the decline of the equity ratio is due principally to the acquisition of Eilag Teknikk AS. Eilag had previously financed its operations mainly with a loan from its parent company. This was financed with fresh bank loans totalling NOK 600 million. The loan for the acquisition of the shares was borrowed by Onninen from the Onvest Group.

The terms of the Onvest Group's financing are market-based. The interest rate of Group loans has been based on the Euribor rate plus an agreed margin. Correspondingly, agreement has been reached on the interest paid on Onvest Oy's Group deposits.

Investments

The Group's investments, net of the Eilag Teknikk AS acquisition, were MEUR 7.2 (MEUR 6.6). The main investments were the acquisition of the remaining minority shareholdings in the Polish subsidiaries, computer hardware and software, and fittings for warehouses and cash-and-carry outlets.

The investment in Eilag was, from the parent company's viewpoint, the price of the issued stock, being MEUR 29.5. From the Group's viewpoint the investment was the increase in fixed assets and other long-term investments that Eilag brings with it, being MEUR 55.8. The purchase price debt-free, which was roughly MEUR 100, also includes working capital.

Premises

The company operates mainly in rented premises. The Onninen Group owns only four buildings, all of which are outside Finland and have mostly come into the possession of the Group through takeovers.

Most of the premises used by Onninen in Finland have been leased from Onvest Oy. In Poland, Onninen Sp. z o.o. has leased a warehouse building in Poznan from Onvest Polska, and in Sweden Onninen AB has leased the central warehouse building in Örebro from Onvest Sverige.

The leases with Onvest are market-based and 3–10 years in duration.

In Norway, Eilag Teknikk AS's lease, with the company which sold the shares, on the central warehouse and offices in Gjelleråsen lasts until 2007 and the lease on nine warehouse and office facilities in various parts of Norway lasts until 2014. Expert ASA announced in January 2003 that it has sold the properties in question.

The other business premises in Finland and abroad have been leased from non-Group parties on normal lease agreements of different durations.

Personnel

At year-end, the Group had 2,626 employees, an increase of 486 since the beginning of the year. The increase in personnel was due mainly to the acquisition of Eilag Teknikk AS. The companies outside Finland had a total of 1,620 employees at year-end.

The Group's personnel averaged 2,416 (2,150) and the parent company had an average of 1,021 (1,019) employees.

Corporate governance

The Chairman of the company's Board of Directors is Maarit Toivanen-Koivisto. The other members of the Board are Tapio Hintikka, Eero Eloranta and Karsten Slotte.

The company's President and CEO is Petteri Walldén, M.Sc. (Eng.).

The company's auditors are Göran Lindell, Authorised Public Accountant, and PricewaterhouseCoopers Oy, an APA firm, whose designated auditor in charge is Kaija Leppinen, APA.

Share capital and shareholders

Onninen Oy's share capital is MEUR 20.0. The company has 10,000,000 shares, all of which are held by Onvest Oy.

Outlook for 2003

The volume of construction in Finland is forecast to decline again in 2003. Demand for industrial and infrastructure products is estimated to continue on roughly the same level as in 2002.

In Sweden the construction market is forecast to grow somewhat. The electrical and telecom market is also expected to pick up slightly.

In Norway the relatively weak market is expected to continue and demand for electrical products is expected to deteriorate slightly.

In Finland, Sweden and Norway, the economic outlook and thus the prospects for demand contain a considerable amount of uncertainty.

In Poland the market is forecast to bottom out into a cautious upswing after a prolonged slump. Forthcoming EU membership is helping to stimulate willingness to invest in Poland.

The approach of their accession to the EU is also stimulating the economies of the Baltic countries. They are expected to continue to grow in 2003. The Russian economy is also expected to continue growing.

Onninen forecasts increased turnover especially in Poland, the Baltic countries and Russia. In Sweden, turnover is forecast to grow as sales of electrical products increase. The growth targets are very modest in Finland and Norway. The entire Group's turnover is expected to grow significantly. The main reason for this is the inclusion of the Onninen Norway division in the Group for the whole year, whereas in 2002 it was included only for half a year. Onninen also assumes that there will be an improvement in the Group's financial result.

Consolidated profit and loss account

EUR million	Note		Jan.1 – Dec. 31 2002	%		Jan.1 – Dec. 31 2001	%
TURNOVER	2.1.		**930.3**	**100.0**		804.0	100.0
Other operating income			**0.1**			0.3	
Materials and services	2.2.		**753.1**			656.1	
Personnel expenses	2.3.		**78.9**			63.5	
Depreciation			**11.2**			7.4	
Other operating expenses	2.4.		**72.5**			56.7	
OPERATING PROFIT			**14.7**	**1.6**		20.6	2.6
Financial income and expenses	2.5.						
Interest and similar income							
From Group companies					0.0		
From others		**1.6**			1.0		
Interest and similar expenses							
To Group companies		**–0.4**			–0.5		
To others		**–4.4**	**–3.2**		–1.6	–1.1	
PROFIT BEFORE TAXES			**11.5**	**1.2**		19.5	2.4
Direct taxes	2.7.		**–6.0**			–6.1	
Minority interest						–0.3	
GROUP PROFIT FOR THE YEAR			**5.5**	**0.6**		13.1	1.6

Consolidated balance sheet

EUR million	Note	Dec. 31, 2002		Dec. 31, 2001	
ASSETS					
FIXED AND OTHER LONG-TERM ASSETS	3.1.				
Intangible assets					
Intangible rights		**1.0**		0.8	
Goodwill		**1.5**		2.7	
Group goodwill		**48.7**		4.0	
Other long-term assets		**2.3**	**53.5**	1.8	9.3
Tangible assets					
Land		**0.7**		0.7	
Buildings		**3.7**		3.3	
Machinery and equipment		**17.4**	**21.8**	12.2	16.2
Financial investments					
Other shares and holdings			**0.9**		0.2
CURRENT ASSETS					
Inventories					
Goods in stock			**118.1**		86.4
Receivables	3.2.				
Long-term					
Loans receivable			**3.3**		0.0
Nominal tax receivables			**3.2**		1.2
Short-term					
Accounts receivable		**104.6**		74.7	
Receivables from Group companies		**3.2**		0.6	
Loans receivable		**0.1**		0.1	
Other receivables		**3.9**		3.3	
Deferred receivables		**20.5**	**132.3**	8.6	87.3
Cash and bank deposits			**9.7**		3.2
			342.8		203.8

EUR million	Note	Dec. 31, 2002		Dec. 31, 2001	
SHAREHOLDERS' EQUITY AND LIABILITIES					
SHAREHOLDERS' EQUITY	3.3.				
Share capital		**20.0**		20.0	
Share premium account		**35.1**		35.1	
Other reserves		**0.2**		0.3	
Retained earnings		**38.8**		27.2	
Profit for the year		**5.5**	**99.6**	13.1	95.7
MINORITY INTEREST					3.3
PROVISIONS	3.4.		**0.3**		
LIABILITIES	3.5.				
Nominal tax liability			**0.4**		0.6
Long-term liabilities					
Loans from financial institutions		**90.5**		13.5	
Payables to Group companies		**33.0**			
Other long-term liabilities		**7.8**	**131.3**	0.5	14.0
Short-term liabilities	3.6.				
Loans from financial institutions		**13.2**		7.6	
Advances received		**1.4**		0.9	
Accounts payable		**67.0**		53.5	
Payables to Group companies		**0.1**		6.4	
Other short-term liabilities		**9.0**		8.3	
Deferred payables		**20.5**	**111.2**	13.5	90.2
			342.8		203.8

Cash flow statements

EUR million	GROUP 2002	GROUP 2001	PARENT COMPANY 2002	PARENT COMPANY 2001
CASH FLOW FROM OPERATIONS				
Operating profit	**14.7**	20.6	**18.7**	19.4
Depreciation	**11.2**	7.4	**2.7**	3.1
Other adjustments	**–0.1**	–0.3	**–0.1**	–0.3
Cash flow before change in working capital	**25.8**	27.7	**21.3**	22.2
Change in working capital:				
Change in non-interest-bearing receivables	**–42.2**	6.5	**–3.9**	9.6
Change in inventories	**–31.6**	–0.2	**–3.4**	–0.9
Change in non-interest-bearing liabilities	**22.2**	–8.8	**4.1**	–9.1
Cash flow before financial items and taxes	**–25.8**	25.2	**18.1**	21.8
Cash flow from financial expenses	**–4.9**	–1.9	**–0.4**	–0.5
Dividends received	**0.0**	0.0	**0.4**	0.2
Cash flow from financial income	**1.5**	1.0	**0.9**	0.4
Tax payments	**–6.8**	–9.9	**–5.8**	–9.0
TOTAL CASH FLOW FROM OPERATIONS (A)	**–36.0**	14.4	**13.2**	12.9
CASH FLOW FROM INVESTMENTS				
Fixed asset investments	**–63.0**	–6.6	**–36.2**	–4.4
Sales in fixed assets	**0.8**	1.1	**0.2**	0.6
Change in loans receivable	**–5.9**	0.1	**0.6**	1.7
Change in minority interest	**–3.3**	–0.2		
ITOTAL CASH FLOW FROM INVESTMENTS (B)	**–71.4**	–5.6	**–35.4**	–2.1
CASH FLOW FROM FINANCING				
Change in short-term loans	**–0.8**	–2.2	**–4.8**	–4.0
Change in long-term loans	**117.2**	–5.1	**26.4**	
Dividends		–7.0		–7.0
Dividends paied to minority	**–0.1**			
Others	**–2.4**	0.8		
TOTAL CASH FLOW FROM FINANCING (C)	**113.9**	–13.5	**21.6**	–11.0
CHANGE IN LIQUID FUNDS (A+B+C)	**6.5**	–4.7	**–0.6**	–0.2
Liquid funds Jan. 1	**3.2**	7.9	**1.1**	1.3
Liquid funds Dec. 31	**9.7**	3.2	**0.5**	1.1

Parent company profit and loss account

EUR million	Note		Jan.1 – Dec. 31 2002	%		Jan.1 – Dec. 31 2001	%
TURNOVER	2.1.		**502.6**	**100.0**		497.9	100.0
Other operating income			**0.1**			0.2	
Materials and services	2.2.		**412.6**			409.3	
Personnel expenses	2.3.		**39.0**			37.1	
Depreciation			**2.7**			3.1	
Other operating expenses	2.4.		**29.7**			29.2	
OPERATING PROFIT			**18.7**	**3.7**		19.4	3.9
Financial income and expenses	2.5.						
Income from financial investments							
From Group companies		**0.4**			0.2		
Interest and similar income							
From Group companies		**0.1**			0.3		
From others		**0.6**			0.4		
Interest and similar expenses							
To Group companies		**–0.3**			–0.5		
To others		**–0.1**	**0.7**		–0.0	0.4	
PROFIT BEFORE APPROPRIATIONS AND TAXES			**19.4**	**3.9**		19.8	4.0
Appropriations	2.6.		**0.6**			0.8	
Direct taxes	2.7.		**–6.0**			–6.1	
PROFIT FOR THE YEAR			**14.0**	**2.8**		14.5	2.9

Parent company balance sheet

EUR million	Note	Dec. 31, 2002		Dec. 31, 2001	
ASSETS					
FIXED AND OTHER LONG-TERM ASSETS	3.1.				
Intangible assets					
Intangible rights		**0.9**		0.6	
Other long-term assets		**1.1**	**2.0**	1.2	1.8
Tangible assets					
Materials and equipment			**5.0**		6.5
Financial investments					
Shares in Group companies		**69.0**		34.2	
Other shares and holdings		**0.2**	**69.2**	0.2	34.4
CURRENT ASSETS					
Inventories					
Goods in stock			**52.0**		48.6
Receivables	3.2.				
Long-term					
Receivables from Group companies				2.6	
Loans receivable		**0.0**	**0.0**	0.0	2.6
Short-term					
Accounts receivable		**34.1**		34.4	
Receivables from Group companies		**6.0**		4.0	
Loans receivable		**0.0**		0.0	
Other receivables		**2.1**		1.2	
Deferred receivables		**7.3**	**49.5**	4.3	43.9
Cash and bank deposits			**0.5**		1.1
			178.2		138.9

EUR million	Note	Dec. 31, 2002		Dec. 31, 2001	
SHAREHOLDERS' EQUITY AND LIABILITIES					
SHAREHOLDERS' EQUITY	3.3.				
Share capital		**20.0**		20.0	
Share premium account		**35.1**		35.1	
Retained earnings		**38.8**		24.3	
Profit for the year		**14.0**	**107.9**	14.5	93.9
ACCUMULATED EXCESS					
Depreciation			**1.4**		2.0
PROVISIONS	3.4.		**0.3**		
LIABILITIES	3.5.				
Long-term liabilities					
Payables to Group companies		**26.4**			
Other long-term liabilities		**0.5**	**26.9**		0.5
Short-term liabilities	3.6.				
Advances received		**0.9**		0.2	
Accounts payable		**23.5**		22.9	
Payables to Group companies		**0.2**		5.0	
Other short-term liabilities		**7.2**		6.7	
Deferred payables		**9.9**	**41.7**	7.7	42.5
			178.2		138.9

Notes

1. NOTES TO THE FINANCIAL STATEMENTS

1.1. Introduction

The company belongs to the Onvest Group. The Onvest Group's parent company is Onvest Oy, domiciled in Helsinki. A copy of the Onvest Group's consolidated financial statements is available at the Onvest Group's head office, Mittalinja 1, FIN-01260 Vantaa.

1.2. Valuation policies

1.2.1. Valuation of fixed assets
Fixed assets have been capitalised at the immediate acquisition cost. Depreciation according to plan is based on the economic life of the asset and has been calculated using the straight-line method.

Depreciation periods:

Intangible rights	5 years
Goodwill	5 years
Group goodwill	5–10 years
Other long-term expenditure	3–5 years
Buildings	10–25 years
Machinery and equipment	3–12 years

1.2.2. Valuation of inventories
Inventories have been valued on the FIFO principle at the acquisition cost or the repurchase price or probable selling price, whichever is the lower.

1.2.3. Accrual of pension expenses
Pension expenses have been presented in accordance with local legislation in each country. Insurance has been arranged with pension insurance companies. Direct liabilities for pensions are included in the liabilities in the balance sheet.

1.3. The mode of presentation of the profit and loss account and balance sheet and their comparability with the previous financial year

The figures for the previous financial year are presented in accordance with the groupings used for this financial year.

1.4. Consolidated financial statements

The consolidated financial statements have been prepared according to the acquisition cost method. The consolidated financial statements include the parent company and all its subsidiaries. The results of the subsidiaries and associated companies acquired during the year have been consolidated for the period 1 July–31 December 2002.

The difference between the acquisition cost of subsidiaries and the acquired holding in shareholders' equity is presented as Group goodwill.

Internal Group transactions, margins, receivables and debts have been eliminated, as have internal dividends paid. In the previous year's figures, minority interests have been separated from the Group's shareholders' equity and net profit, and they are given as a separate item.

The financial statements of the foreign subsidiaries have been translated and grouped to meet the requirements of Finnish accounting legislation. The profit and loss accounts of foreign subsidiaries have been translated into euros at the average for the financial year. The balance sheets have been translated at the year-end rate. The translation adjustments arising from this, like the translation adjustments arising from shareholders' equity, are presented in the item for retained profits from previous years.

1.5. Deferred tax liability and credits

In the consolidated financial statements, the accumulated depreciation difference has been divided between deferred taxes and shareholders' equity.

There are no deferred tax liabilities due to matching differences. Tax credits arising from matching differences have been included as deferred tax credits. Those tax credits arising from confirmed losses which are not considered likely to fall due in the next few years have not been included.

2. NOTES TO THE PROFIT AND LOSS ACCOUNT (EUR million)

	GROUP		PARENT COMPANY	
	2002	2001	**2002**	2001
2.1. Turnover				
Turnover total	**930.3**	804.0	**502.6**	497.9
Sales to Group companies	**8.9**	10.3	**23.4**	23.9
Turnover by divisions				
Onninen Finland	**484.6**	480.6	**484.6**	480.6
Onninen Sweden	**201.4**	197.0		
Onninen Norway	**131.6**			
Onninen Wholesale International	**112.7**	126.4	**3.0**	3.2
Intra-Group sales			**15.0**	14.1
	930.3	804.0	**502.6**	497.9
2.2. Materials and services				
Materials				
Purchases during the year	**759.4**	656.3	**416.0**	410.2
Change in inventories	**–6.3**	–0.2	**–3.4**	–0.9
	753.1	656.1	**412.6**	409.3
2.3. Personnel expenses and average personnel				
Personnel expenses				
Wages and salaries	**59.8**	49.9	**31.6**	30.6
Pension expenses	**11.8**	6.6	**5.6**	4.4
Other personnel expenses	**7.3**	7.0	**1.8**	2.1
	78.9	63.5	**39.0**	37.1
Salaries and bonuses to the Managing Directors and Board Members	**1.4**	1.5	**0.3**	0.4
Average personnel				
Finland	**1,004**	1,001	**1,004**	1,001
Sweden	**432**	409		
Norway	**208**			
Wholesale International	**772**	740	**17**	18
	2,416	2,150	**1,021**	1,019
Personnel at year-end				
Finland	**989**	995	**989**	995
Sweden	**444**	412		
Norway	**417**			
Wholesale International	**776**	733	**17**	17
	2,626	2,140	**1,006**	1,012

Notes

2. NOTES TO THE PROFIT AND LOSS ACCOUNT cont. (EUR million)

	GROUP		PARENT COMPANY	
	2002	2001	**2002**	2001
2.4. Other operating expenses				
Property-related costs	**17.7**	14.1	**7.7**	7.7
Delivery and transport costs	**22.4**	18.6	**6.9**	7.0
Administrative expenses	**18.1**	13.7	**8.1**	7.4
Other opertating expenses	**14.3**	10.3	**7.0**	7.1
	72.5	56.7	**29.7**	29.2
2.5. Financial income and expenses				
Interest and similar income from others includes exchange rate gains (net)			**0.1**	0.0
Interest and similar expenses to others includes exchange rate losses (net)	**–0.0**	–0.1		
2.6. Appropriations				
Excess depreciation (tax-based depreciation-planned depreciation)			**0.6**	0.8
2.7. Direct taxes				
Coprorate income tax	**–6.7**	–6.9	**–6.0**	–6.1
Change in nominal tax liability	**0.7**	0.8		
	–6.0	–6.1	**–6.0**	–6.1

3. NOTES TO THE BALANCE SHEET (EUR million)

3.1. Fixed and other long-term assets

Group	Intangible assets Intangible rights	Goodwill	Group goodwill	Other long-term assets	Total
Acquisition cost Jan. 1, 2002	2.5	4.9	6.5	2.1	16.0
Currency-related conversions	–0.2	–0.2		0.1	–0.3
Increase	0.6		48.9	1.5	51.0
Decrease	–0.1	–0.1		–0.6	–0.8
Transfers between items	–0.7			0.7	0.0
Acquisition cost Dec. 31, 2002	2.1	4.6	55.4	3.8	65.9
Accumulated depreciation Jan. 1, 2002	1.1	2.2	2.5	0.9	6.7
Currency-related conversions	–0.0	–0.0	0.0	–0.0	0.0
Accumulated depreciation on deductions and transfers	–0.2	–0.1		0.1	–0.2
Depreciation from the period	0.2	1.0	4.2	0.5	5.9
Accumulated depreciation Dec. 31, 2002	1.1	3.1	6.7	1.5	12.4
Book value Dec. 31, 2002	1.0	1.5	48.7	2.3	53.5

Group	Tangible assets Land	Buildings	Machinery and equipment	Total
Acquisition cost Jan. 1, 2002	0.7	3.8	30.8	35.3
Currency-related conversions	0.0	0.0	–0.3	–0.3
Increase		0.5	10.8	11.3
Decrease		–0.0	–3.0	–3.0
Transfer between items	–0.0	0.0	0.0	0.0
Acquisition cost Dec. 31, 2002	0.7	4.3	38.3	43.3
Accumulated depreciation Jan. 1, 2002	0.0	0.5	18.6	19.1
Currency-related conversions		–0.1	–0.2	–0.3
Accumulated depreciation on deductions and transfers	–0.0	–0.0	–2.6	–2.6
Depreciation from the period		0.2	5.1	5.3
Accumulated depreciation Dec. 31, 2002	0.0	0.6	20.9	21.5
Book value Dec. 31, 2002	0.7	3.7	17.4	21.8

Notes

Parent company	Intangible assets Intangible rights	Other long-term assets	Total	Tangible assets Machinery and equipment	Total
Acquisition cost Jan. 1, 2002	1.7	1.3	3.0	19.2	19.2
Increase	0.5	0.2	0.7	0.6	0.6
Decrease	–0.1	–0.0	–0.1	–2.2	–2.2
Transfers between items	–0.7	0.7			
Acquisition cost Dec. 31, 2002	1.4	2.2	3.6	17.6	17.6
Accumulated depreciation Jan. 1, 2002	0.8	0.4	1.2	12.7	12.7
Accumulated depreciation on deductions and transfers	–0.5	0.3	–0.2	–2.2	–2.2
Depreciation from the period	0.2	0.4	0.6	2.1	2.1
Accumulated depreciation Dec. 31, 2002	0.5	1.1	1.6	12.6	12.6
Book value Dec. 31, 2002	0.9	1.1	2.0	5.0	5.0

Financial investments

Group	Other shares and holdings Shares in affiliated companies	Other shares and holdings	Total
Acquisition cost Jan. 1, 2002		0.2	0.2
Increase	0.6	0.1	0.7
Decrease		–0.0	–0.0
Acquisition cost Dec. 31, 2002	0.6	0.3	0.9
Book value Dec. 31, 2002	0.6	0.3	0.9

Parent company	Shares in Group companies	Other shares and holdings Shares in affiliated companies	Other shares and holdings	Total
Acquisition cost Jan. 1, 2002	34.2	0.0	0.2	0.2
Increase	34.8		0.0	0.0
Decrease				
Acquisition cost Dec. 31, 2002	69.0	0.0	0.2	0.2
Book value Dec. 31, 2002	69.0	0.0	0.2	0.2

Group companies

	Group's holdings %	Parent company's holdings %
Onninen AB, Örebro	100.0	100.0
AS Onninen, Tallinn	100.0	100.0
OOO Onninen, St Petersburg	100.0	100.0
SIA Onninen LAT, Riga	100.0	100.0
UAB Onninen LIT, Vilnius	100.0	100.0
Onninen Sp. z o.o., Warsaw	100.0	100.0
Glob96 S.A., Lodz	100.0	
Eilag Teknikk AS, Nittedal	100.0	100.0
IDEE Teknikk AS, Nittedal	100.0	
Sörmaskin SWT AS, Kristiansand	100.0	
Gerland Elektromarked AS, Porsgrunn	100.0	
Onninen AS, Sarpsborg	100.0	
Dormant companies	100.0	100.0
Affiliated companies		
Suomen LVIS-tietoverkko Oy, Helsinki	20.0	20.0
Dyrud Elektro AS, Seljord	34.0	
Eltron AS, Tynset	34.0	

All associated companies outside Finland have been consolidated using the equity method. Other expenses of business operations includes EUR -0,4 million as the share in associated companies' profits/losses. The effect of the associated companies owned by the parent company on the Group's net profit and' shareholders' equity is so small that it has not been included in the consolidated profit and loss account and balance sheet.

	GROUP		PARENT COMPANY	
	2002	2001	**2002**	2001
3.2. Receivables				
Long-term receivables				
Receivables from Group companies				
Loans receivable				2.6
Nominal tax receivables				
From allocations	**3.2**	1.2		
Short-term receivables				
Receivables from Group companies				
Accounts receivable	**0.6**	0.6	**3.1**	3.1
Loans receivable	**2.6**		**2.9**	0.9
	3.2	0.6	**6.0**	4.0
Deferred receivables				
Annual discount receivables	**18.2**	5.4	**6.8**	3.8
Others	**2.3**	3.2	**0.5**	0.5
	20,5	8,6	**7,3**	4,3

Notes

	GROUP 2002	GROUP 2001	PARENT COMPANY 2002	PARENT COMPANY 2001
3.3. Shareholders' equity				
Share capital Jan. 1	**20.0**	20.0	**20.0**	20.0
Share capital Dec. 31	**20.0**	20.0	**20.0**	20.0
Share premium account Jan. 1	**35.1**	35.1	**35.1**	35.1
Share premium account Dec. 31	**35.1**	35.1	**35.1**	35.1
Other reserves Jan. 1	**0.3**	0.1		
Retained earnings transfer to other reserves	**–0.1**	0.2		
Exchange difference	**0.0**	–0.0		
Other reserves Dec. 31	**0.2**	0.3		
Retained earnings Jan. 1	**40.3**	33.8	**38.8**	31.3
Transfer of profit to other reserves	**0.1**	–0.2		
Dividends paid	**–0.1**	–7.0		–7.0
Conversions and other adjustments	**–1.5**	0.6		
Retained earnings Dec. 31	**38.8**	27.2	**38.8**	24.3
Profit for the year	**5.5**	13.1	**14.0**	14.5
Shareholders' equity total	**99.6**	95.7	**107.9**	93.9
Distributable earnings				
Retained earnings	**38.8**	27.2	**38.8**	24.3
Profit for the year	**5.5**	13.1	**14.0**	14.5
Share of accumulated excess depreciation held in equity account	**–1.0**	–1.5		
	43.3	38.8	**52.8**	38.8
3.4. Provisions	**0.3**		**0.3**	

A EUR 0.3 million reserve for pension expenses likely to be realised has been booked as an expense for the Group and parent company for the financial year 2002 and as an increase in obligatory reserves.

	GROUP 2002	GROUP 2001	PARENT COMPANY 2002	PARENT COMPANY 2001
3.5. Long-term liabilities				
Nominal tax liability				
From appropriations	**0.4**	0.6		
Payables to Group companies				
Long-term liabilities	**33.0**		**26.4**	
Liabilities due after five years or longer				
Other long-term liabilities	**0.3**	0.3	**0.3**	0.3

	GROUP		PARENT COMPANY	
	2002	2001	**2002**	2001
3.6. Short-term liabilities				
Payables to Group companies				
Accounts payable	**0.1**	0.0	**0.1**	0.1
Other short-term liabilities		6.4	**0.1**	4.9
	0.1	6.4	**0.2**	5.0
Deferred payables				
Personnel-related expenses	**13.0**	10.1	**6.8**	7.1
Others	**7.5**	3.4	**3.1**	0.6
	20.5	13.5	**9.9**	7.7
3.7. Leasing liabilities and contingent liabilities				
Leasing liabilities				
Due in current period	**1.3**	0.8	**0.6**	0.4
Due later	**1.3**	0.6	**0.6**	0.6
	2.6	1.4	**1.2**	1.0
Contingent liabilities				
Guarantees and securities given on behalf of Group companies			**106.8**	20.5
Guarantees and securities given on behalf of others	**1.4**	0.1	**1.4**	0.1
Rental liabilities	**22.0**	8.8	**0.7**	0.7

In respect of non-Group long-term leases, an amount equivalent to a maximum of three years' rent has been included as rental liabilities. This is based on the assumption that if the premises are left vacant, the maximum expense to the Group will be this amount.

The Board's proposal for the disposal of profits

The Group's distributable assets are MEUR 43.3. The parent company's distributable assets are MEUR 52.8, of which the net profit for the financial year is MEUR 14.0.

The Board of Directors propose to the annual general meeting of shareholders that no dividend be paid. MEUR 52.8 will be left in the parent company's retained earnings account.

Vantaa, February 26, 2003

Maarit Toivanen-Koivisto
Chairman

Tapio Hintikka

Eero Eloranta

Karsten Slotte

Petteri Walldén
Managing Director

Auditor's report

To the shareholders of Onninen Oy

We have audited the accounting, the financial statements and the corporate governance of Onninen Oy for the period 1.1.–31.12.2002. The financial statements, which include the report of the Board of Directors, consolidated and parent company income statements, balance sheets and notes to the financial statements, have been prepared by the Board of Directors and the Managing Director. Based on our audit we express an opinion on these financial statements and on corporate governance.

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

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

Vantaa, 26 February 2003

PricewaterhouseCoopers Oy
Authorised Public Accountants

Göran Lindell
Authorised Public Accountant

Kaija Leppinen
Authorised Public Accountant

Five-year review

	2002	2001	2000	1999	1998
Turnover, EUR million	**930**	804	710	601	576
growth, %	**15.7**	13.2	18.3	4.2	17.6
Turnover of international activities, EUR million	**446**	323	245	174	146
growth, %	**37.8**	31.9	40.6	19.6	52.4
precentage of turnover, %	**47.9**	40.2	34.5	29.0	25.3
Operating profit, EUR million	**15**	21	21	19	11
precentage of turnover, %	**1.6**	2.6	3.0	3.2	1.9
Net from financing, EUR million	**–3**	–1	–1	–0	–3
precentage of turnover, %	**–0.3**	–0.1	–0.1	–0.0	–0.6
Profit before extraordinary items, EUR million	**11**	20	21	19	8
precentage of turnover, %	**1.2**	2.4	2.9	3.2	1.4
Profit before taxes, EUR million	**11**	20	21	12	8
precentage of turnover, %	**1.2**	2.4	2.9	1.9	1.4
Group profit for the year, EUR million	**6**	13	14	6	9
precentage of turnover, %	**0.6**	1.6	2.0	1.1	1.5
Return on investment (ROI), %	**8.8**	17.1	19.7	19.8	11.8
Return on equity (ROE), %	**5.6**	14.0	16.6	16.7	13.3
Equity ratio, %	**29.2**	48.8	42.6	48.5	47.6
Interest-bearing net liabilities, EUR million	**134**	24	27	18	31
Balance sheet total, EUR million	**343**	204	216	162	149
Investments, EUR million	**63**	7	15	6	11
Average personnel	**2,416**	2,150	1,833	1,665	1,525
Personnel at year-end	**2,626**	2,140	2,029	1,651	1,630

Formulas for the indicators

Return on investement (ROI), %

$$\frac{\text{(Profit before extraordinary items + interest and similar expenses)}}{\text{Total assets – interest-free liabilities (average for the beginning and end of the financial year)}} \times 100$$

Return on equity (ROE), %

$$\frac{\text{(Profit before extraordinary items – adjusted taxes)}}{\text{Shareholders' equity + minority interest (average for the beginning and end of financial year)}} \times 100$$

Equity ratio, %

$$\frac{\text{(Shareholders' equity + minority interest)}}{\text{Total assets – advances received}} \times 100$$

Interest-bearing net liabilities

Interest-bearing liabilities – cash and bank deposits

Board of Directors, 26 February 2003

The governance of Onninen Oy and the proper arrangement of its business are the responsibility of the Board of Directors, which has 3-6 ordinary members. The members of the Board have a term of office which ends at the closing of the annual general meeting after the one at which they were elected. The Board of Directors choose their chair from among their number. In 2002, Onninen's Board of Directors had four members and it convened 11 times.

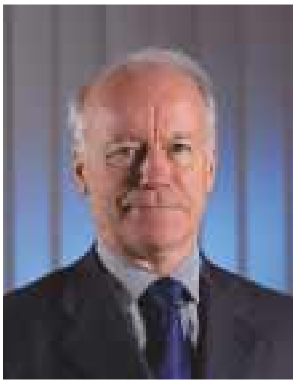
Chair

Maarit Toivanen-Koivisto
born 1954, M.Sc. (Econ.), member of the Board since 1998, has chaired the Board since 2000

Managing Director of Onvest, member of the Board at Onvest Oy and Are Oy, deputy chair of Family Business Network Finland, member of the Board of the Foundation for Economic Education, deputy chair of Helsinki Allergy and Asthma Federation, deputy chair of Vantaa Chamber of Commerce chapter, and member of the Board at Helsinki Chamber of Commerce.

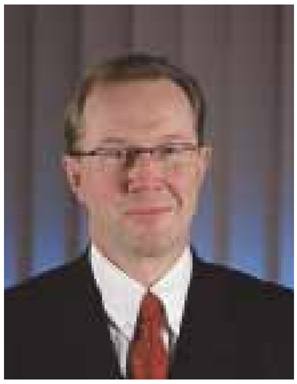
Eero Eloranta
born 1950, D. Sc. (Tech.), member of the Board since 2000

Professor of the Helsinki University of Technology Department of Manufacturing Economics (on leave), Senior Advisor for delivery chain management to Nokia Corporation, member of the Board at Helkama Bica and Helkama Velox, member of the European Engineering and Management Association (President) and member of the Finnish Academy of Technology and Science.



Tapio Hintikka
born 1942, M.Sc. (Eng.), member of the Board since 2000

Chairman of the Board at TeliaSonera, member of the Board at Teleste Oyj.



Karsten Slotte
born 1953, M.Sc. (Econ.), member of the Board since 2001

President and CEO of Cloetta Fazer AB.

Management Board, 26 February 2003

Onninen Oy's Management Board is comprised of the President plus the Directors in charge of the company's four divisions, the Group-wide supporting functions and business development. The purpose of the Management Board is to assist the President in decision-making.

Front row from left: Arto Kumpulainen, Tuomo Väänänen, Mikael Falk and Helge Sæthershagen.
Back row: Marja-Terttu Verho, Heikki Ala-Ilkka, Eija Komulainen, Petteri Walldén, Karola Söderman, Seppo Ojaluoma and Anne Kariniemi.

Chairman
Petteri Walldén
born 1948, M.Sc. (Eng.),
President and CEO of Onninen Oy
Has served Onninen since 2001

Heikki Ala-Ilkka
born 1952, M.Sc. (Econ.),
CFO Group Finance
Has served Onninen since 1996

Mikael Falk
born 1965, Group Executive
Vice President
Onninen Sweden division
Has served Onninen since 2000

Anne Kariniemi
born 1970, M.Sc. (Eng.),
Senior Vice President, Logistics
Onninen Finland division logistics,
Group logistics development
Has served Onninen since 2002

Eija Komulainen
born 1958, Graduate Engineer,
Senior Vice President, HRD
Onninen Finland division human resources,
Group HR development
Has served Onninen since 1999

Arto Kumpulainen
born 1952, M.Sc. (Eng.),
Group Executive Vice President
Onninen Wholesale International division
Has served Onninen since 1994

Seppo Ojaluoma
born 1947, Graduate Engineer,
Senior Vice President
Group business development
Has served Onninen since 2002

Helge Sæthershagen
born 1955, M.Sc. (Econ.),
Group Executive Vice President
Onninen Norway division
Has served Onninen since 2002

Karola Söderman
born 1956, M.Sc. (Econ.), CIO
Onninen Finland division Information
and Communication Technology,
Group ICT development
Has served Onninen since 2002

Marja-Terttu Verho
born 1947, M.Sc. (Social Sciences),
Senior Vice President, Communications
Onninen Finland division communication,
Group communications development
Has served Onninen since 2002

Tuomo Väänänen
born 1956, M.Sc. (Eng.),
Group Executive Vice President
Onninen Finland division
Has served Onninen since 1997

Onninen Group outlets

Finland

Onninen Oy
Mittalinja 1,
FIN-01260 VANTAA
PO Box 109,
FIN-01301 VANTAA
Tel. +358 204 85 5111
Fax +358 204 85 5500
www.onninen.fi

Sweden

Onninen AB
Stubbengatan 2,
SE-703 44 ÖREBRO
Box 1602,
SE-701 16 ÖREBRO
Tel. +46 19 603 3000
Fax +46 19 603 3008
www.onninen.se

Norway

Eilag Teknikk AS
Gjelleråsen Naeringspark
Stamveien 1,
Box 70
N-1483 SKYTTA
Tel. +47 67 92 70 00
Fax +47 67 92 70 11

Poland

Onninen Sp. z o.o.
Ul. Emaliowa 28
PL-02-295 WARSZAWA
Tel. +48 22 846 2026
Fax +48 22 868 7990
www.onninen.pl

Russia

OOO Onninen
Nab. Reki Fontanki 50
RU-191002
St PETERSBURG
Tel. +7 812 103 0123
Fax +7 812 315 0415
www.onninen.ru

Estonia

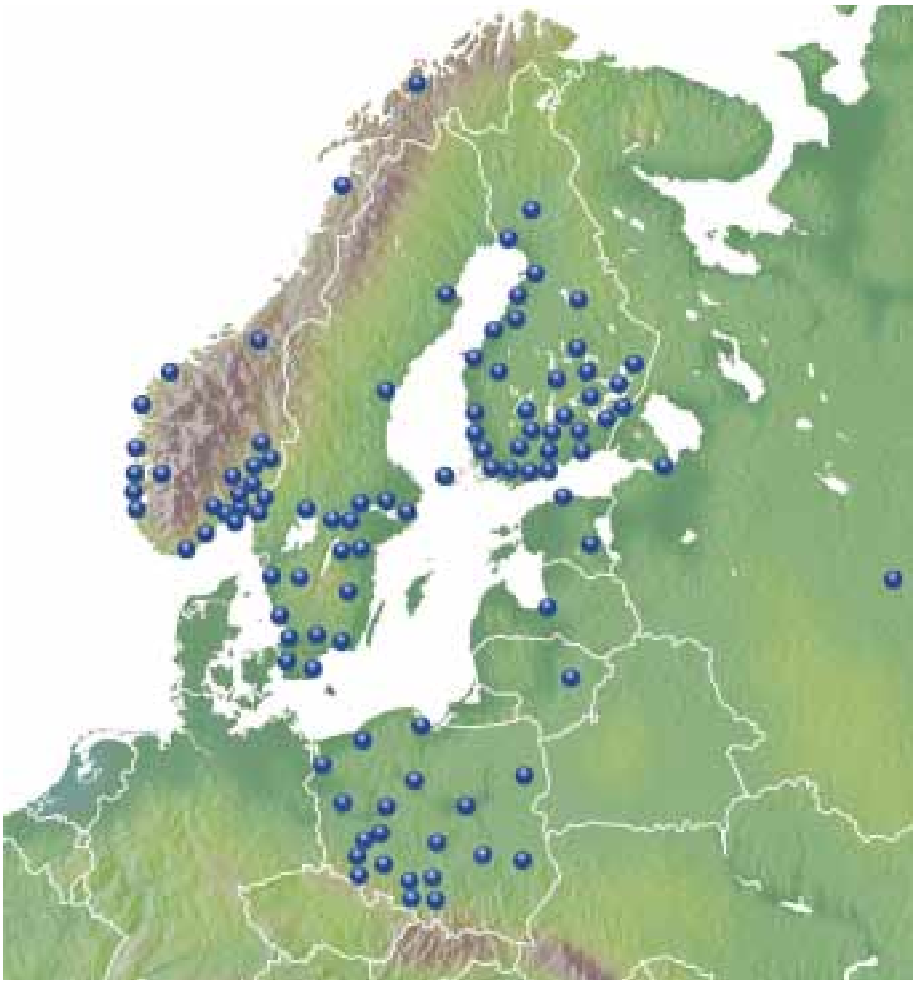
AS Onninen
Betooni 14
EE-11415 TALLINN
Tel. +372 6 105 500
Fax +372 6 105 555
www.onninen.ee

Latvia

SIA Onninen LAT
Ganibu Dambis 17 A/2
LV-1045 RIGA
Tel. +371 7 381 067
Fax +371 7 381 980
www.onninen.lv

Lithuania

UAB Onninen LIT
Savanoriu pr. 187
LT-2053 VILNIUS
Tel. +370 5 23 22 240
Fax +370 5 23 22 207
www.onninen.lt



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onninen

Mittalinja 1
FIN-01260 VANTAA, Finland
Phone +358 204 85 5111
Fax +358 204 85 5500

www.onninen.fi