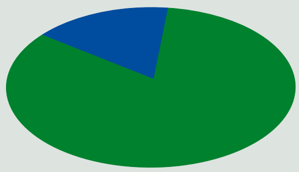
Tradeka Corporation

annual report 2002

CONTENTS

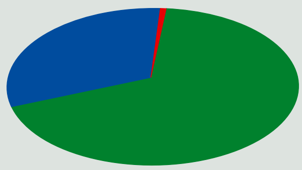
TRADEKA CORPORATION IN BRIEF

	2002	2001	Change
	EUR million	EUR million	EUR million
Net turnover	1 203.6	1 156.5	+4.1 %
Profit before extraordinary items	31.4	30.8	+0.6
Balance sheet total	564.4	519.1	+45.3
Personnel, average	5 006	4 878	+128
Outlets:			
● stores	514	505	+9
● hotels	34	34	
● restaurants	233	236	-3



Net turnover by business group
(EUR million)

Tradeka Consolidated 1 000.2 (+5.3 %)
Restel Consolidated 202.2 (-1.1 %)



Personnel by business group

Tradeka Consolidated 3 433 (+141)
Restel Consolidated 1 538 (-9)
Others 35 (-4)

PRESIDENT'S REVIEW

Tradeka Corporation reported a profit of EUR 31.4 million before extraordinary items, up EUR 0.6 million on the year before. Tradeka Consolidated, the retail arm, posted its highest operating income during the current financial restructuring programme, although the deductibles on unemployment insurance entered in the accounts and the write-down of Coop Elektro shares slightly eroded its profit before extraordinary items for the financial year. In the meantime, Restel Consolidated, the hotel and restaurant business, was able to maintain its profit at a healthy level, despite the difficult market conditions.

The financial restructuring programme confirmed for Tradeka Corporation in 1994 will be concluded at the end of the current year and, in February 2002, our subsidiaries met the last requirement set for their operating margin, cashflow and investment by the financial restructuring programme. The corporation was ahead of its payback period in relation to all of its remaining additional debts (partitioning debts), and only the restructuring debts will remain to be repaid at the end of the programme, using the set-off procedure required by the financial restructuring programme. In addition, within five years following the restructuring programme, Tradeka Corporation is to settle its contingent liabilities of around EUR 115 million.

I therefore wish to express my utmost thanks to all of our personnel for their good performance; it is their efforts and skill that constitute our most valuable asset. Their analytical and systematic approach to their work once again deserves praise. I also wish to express my gratitude to our suppliers and other partners, with whom we have been able to discover ever-more effective forms of co-operation, not to mention our loyal customers who have also contributed to our successful year.

Competition will increasingly intensify during 2003, as the world situation in general and world economic developments add to consumers' wariness. This means that Restel will also have to work harder for its success, since travelling and wining and dining are subject to a declining trend. Although we did not quite achieve the profit target set for the first quarter of 2003, Restel will maintain a healthy profit this year, too.

Cannibalising other brands, lower priced private labels used as a marketing tool have eroded turnover within the retail business, leading to ever-fiercer competition for market share. Tradeka's first-quarter growth in net turnover was above the industry average, and the profit for the year as a whole is expected to achieve the planned level. As its response to toughening competition, Tradeka's armoury will include increasing the flow-through of products, checking the space allocated for each product, managing the growth in stock turnover and constantly increasing logistics efficiency in co-operation with suppliers.

The Elanto Group has decided to withdraw from its co-operation with us as of the beginning of 2004, earlier than initially planned. This decision was based on Elanto's own interests, and we were ready to play our part once we could reach an agreement on the terms of the withdrawal which meets both parties' requirements. As Elanto hands over the agreed 47 retail outlets to Tradeka, Tradeka will return to the Helsinki Metropolitan Area's retail market and start setting up new outlets. Restel's position in Helsinki's hotel market will strengthen further, as Elanto's Cumulus Seurahuone and Cumulus Olympia hotels transfer to Restel. Ketjuetu Ltd and Palveluetu Ltd, co-owned by Tradeka and Elanto on a fifty-fifty basis, will go to Tradeka, these companies ensuring that Tradeka retains its thorough retail know-how and expertise.

The most important goal for 2003 is to carry through the financial restructuring programme terminating at the year-end. It may take two to three years following the end of the programme to reach final decisions on the related legal proceedings. Such legal proceedings will have no effect on the management of everyday business; only after the proceedings are over, can we start analysing various options for co-operation and alliances with prospective partners. Since volumes play a decisive role in the retail business, we – and all other Finnish retail chains alike – must have access to larger flows of goods. As early as 1991, Tradeka made its first alliance plans on the basis of certain hypotheticals, recent developments within the retail business only reinforcing these.

Antti Remes

One of the objectives set for the Valintatalo Maalismarkkinat campaign (March Campaign) was to highlight store staff. Eva Bergman, Asko Johansson and Suvi Heinonen posed for a photo in the nationwide campaign poster.

TRADEKA CONSOLIDATED

President Aarno Mäntynen

Tradeka Consolidated recorded a net turnover of EUR 1,000.2 million, up 5.3 per cent, or above the industry average. Profit before extraordinary items came to EUR 16 million, down EUR 0.4 million on the previous year. The market share of chains jointly owned by Tradeka and Elanto grew by 0.3 percentage points, to 12.9 per cent.

Tradeka Consolidated's Management Team from left to right: Harri Finér (Retail Outlet Management), Pirkko Virtanen (Human Resources), Reijo Kiukkonen (Business Locations), Markku Uitto (Category Management), Kari Luoto (Customer Relations), Tapio Lehikoinen (Finance), Aarno Mäntynen (President) and Veijo Heinonen (IT and Logistics).

Tradeka's and Elanto's retail outlets reported a markedly higher sales growth than their competitors, when comparing all grocery stores operating in Finland throughout 2001 and 2002. According to AC Nielsen's store register, these so-called all-year stores increased their sales by an average of 3.3 per cent, whereas Tradeka-Elanto outlets improved their sales performance by 5.7 per cent. At the same time, small outlets in particular increased their sales effectiveness, measured in sales per square metre.

Tradeka Consolidated's profit includes unusual items of EUR 6.1 million, resulting from the write down of Coop Elektro Ab shares and the deductibles related to unemployment pension insurance. Without taking these into account, Tradeka Consolidated improved its year-on-year performance to its best ever during the years of the financial restructuring programme.

Set up for the management of company-level development projects, the development forum continued with the following four projects during the year:

The sales-based ordering (SBO) scheme progressed as planned, with its practical implementation initiated in the autumn of 2002. Since early 2003, the development project has been underway, consisting of six sub-projects. Currently, 47 per cent of Siwa outlets, 39 per cent of Valintatalo stores and 13 per cent of Euromarket hypermarkets apply the SBO system as their grocery ordering procedure, while 15 per cent of consumable orders are based on this automated system.

The development of the consumables business focused on its modernised operating model: the planning of product ranges and mixes for the space available in store, the centralisation of logistics and warehousing operations, the automation of ordering and continuous product replenishment. Since the beginning of 2003, the Euromarket chain has applied this new model, which will be adopted in full next autumn.

The quality development project started with the definition of the goals and operating model set for quality management. Fruit and vegetables became the pilot product category, and the findings were used in the development of information systems supporting quality management. The actual results of this development project will materialise during 2003.

The exploitation of customer data addressed issues related to the more efficient use of data available on customers in steering marketing planning. During the report year, Tradeka defined a framework for customer data exploitation and elaborated a more descriptive segmentation model, forming the basis of the creation of customer relationship strategies and target models on a brand-specific basis.

By harmonising its marketing planning process by brand, Tradeka increased its marketing effectiveness. It also continued to communicate its differentiation-based chain brand concepts to its customers, while reshaping the YkkösBonus CRM programme on the basis of customer targets and creating a standardised campaign analysis model.

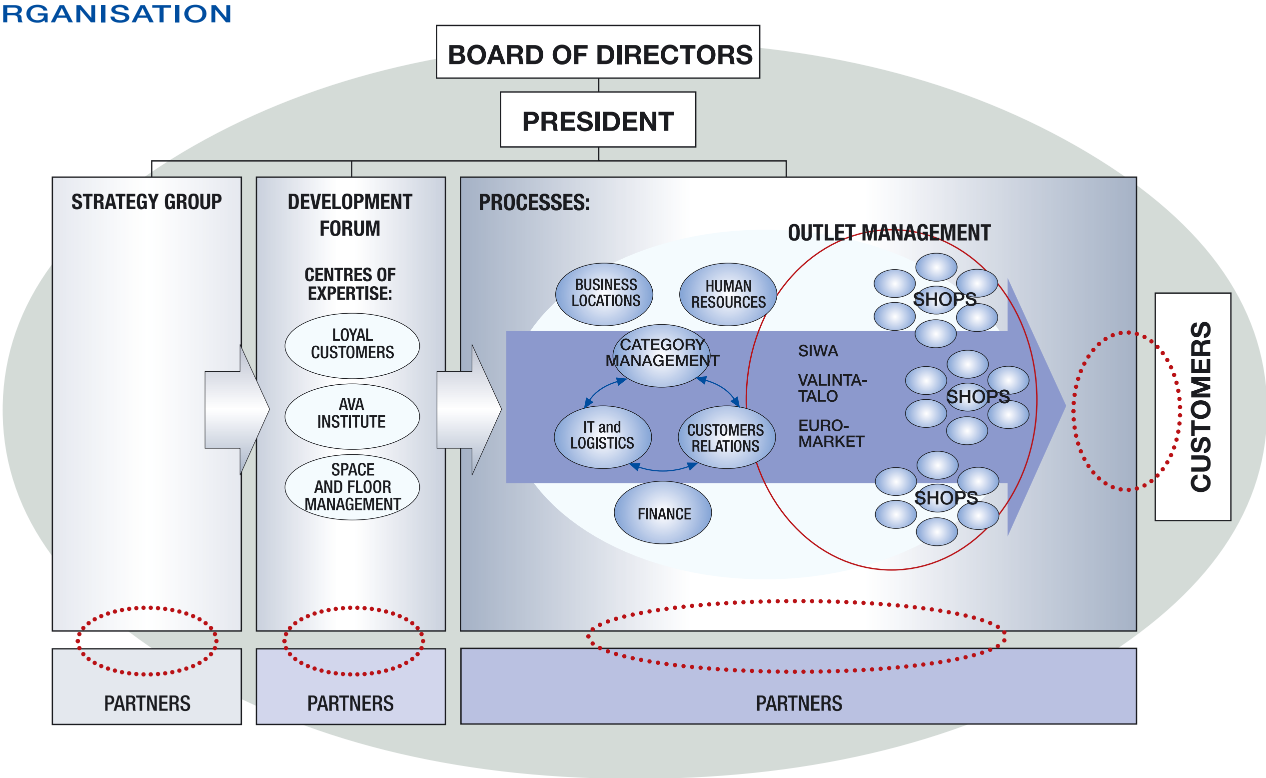
The year saw increasingly intensified co-operation with key suppliers, with a view to securing optimal shelf availability (ECR=Efficient Consumer Response and CPFR=Collaborative Planning, Forecasting and Replenishment). Tradeka also co-operated with certain of its largest suppliers within the framework of ECR Europe.

The process-based organisation took a major step forward, as evidenced by the consolidation of the Siwa and Valintatalo chains previously operating as independent chains within Tradeka. The next step in deepening the process-based operating model began on 1 April 2003, when the chain management of the EuroMaxi chain was also integrated and the Shop Process turned into the Outlet Operations unit. Store brands will remain unchanged too, while the Customer Relations unit, or Customer Relationship Process, assumes responsibility for brand management within Tradeka's organisation.

YkkösBonus' high profile

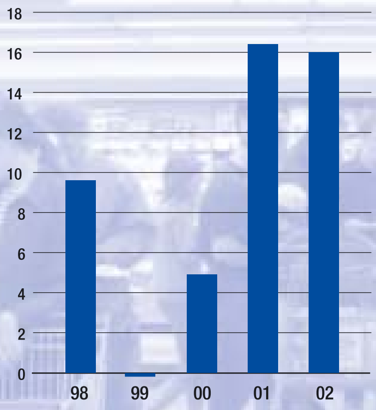
YkkösBonus Loyal Customer sales amounted to EUR 869 million, up 5.8 per cent. At the end of the financial year, 974,625 loyal customer accounts and some 1.7 million loyal customer cards were in active use. New members joined the scheme, when the Info-

RETAIL ORGANISATION

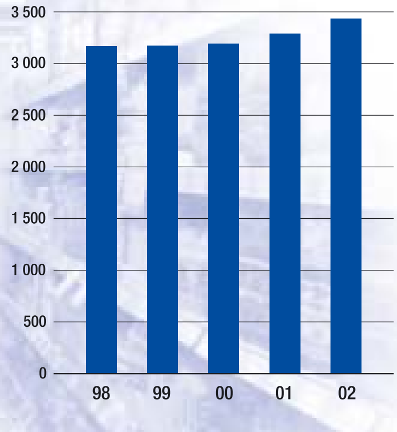


Net turnover
(EUR million)

Profit
(EUR million)

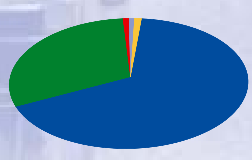


Number of employees



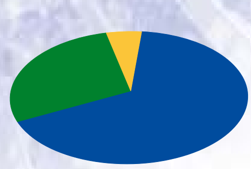
Number of stores on 31 December 2002		
Siwa	396	+14
Valintatalo	89	-5
Euromarket	19	–
Tradeka International	2	–
Neste Quick Shop	7	–
Others	1	–
Total	**514**	**+9**

Sources of net turnover (EUR million)

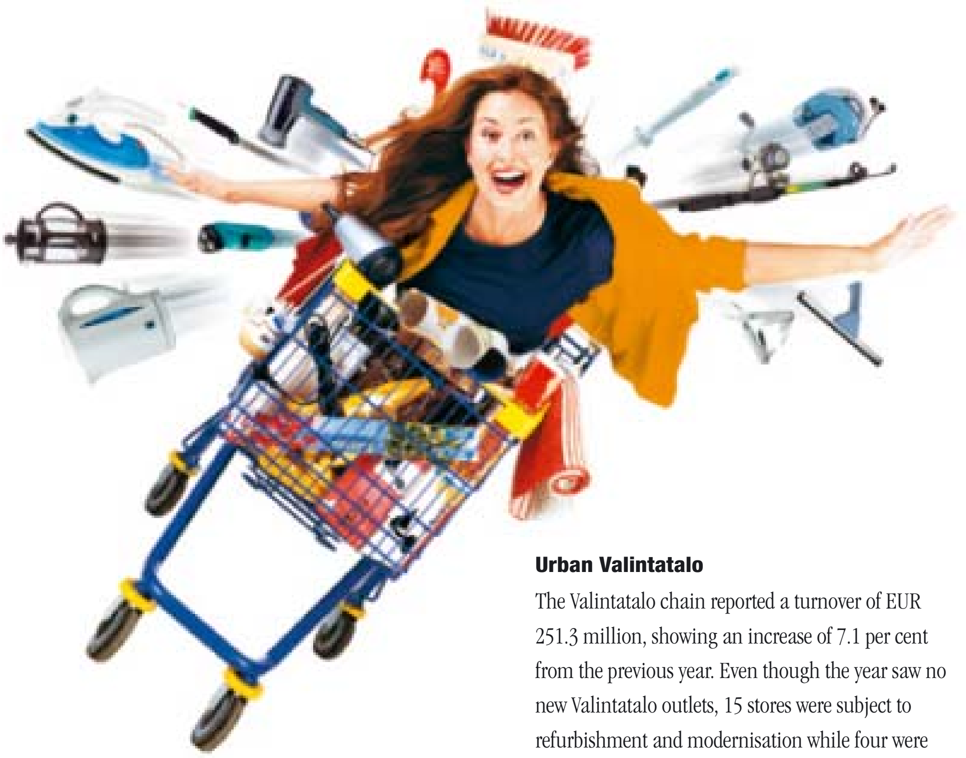


Siwa-Valintatalo	666.3	(+8.0 %)
Euromarket	306.4	(-)
Tradeka International	9.0	(+22.9 %)
Neste Quick Shop	8.0	(+2.3 %)
Others	10.5	(-5.5 %)

Personnel by chain



Siwa-Valintatalo	2 278	(+99)
Euromarket	974	(+46)
Others	181	(-4)



The Europmarket chain's visibility is based on nationwide profiling campaigns and loyal customer marketing. The Mega Market campaign, organised twice a year, is aimed at highlighting the chain's wide range of consumables.

Kirjakaupat chain (a book shop chain) and Autokeskus Oy (a car dealer) became new partners in early 2002, followed by Teesi Oy (a home improvement chain) on 1 April 2002 and Lomamatkat Oy, a travel agency, in the summer.

Tradeka continued to develop its YkkösBonus scheme on the basis of the needs of loyal customers, with significantly improved brand visibility and recognition thanks to the Bonus Quiz programme of MTV3. It also upgraded its refund system based on YkkösBonus, March 2003 seeing the adoption of a new customer bonus scale.

Siwa wins increasing popularity

Tradeka's Siwa chain, with a reported net turnover of EUR 414.9 million, up 8.5 per cent year on year, strengthened its market share among neighbourhood shops. During the financial year, ten new Siwa outlets were opened. Four Valintatalo stores were reshaped into Siwa outlets and two Siwa outlets were reshaped into Valintatalo outlets. A total of 25 outlets underwent refurbishment and modernisation. The year-end number of Siwa stores run by Tradeka totalled 396 (+14).

Siwa's main advertising concept throughout the year carried the Most Popular Neighbourhood Shop in Finland theme, while the summertime theme was On Your Summer Road. During the general election held in March 2003, Siwa's advertising highlighted its increasing popularity through the Election Victory theme.

Urban Valintatalo

The Valintatalo chain reported a turnover of EUR 251.3 million, showing an increase of 7.1 per cent from the previous year. Even though the year saw no new Valintatalo outlets, 15 stores were subject to refurbishment and modernisation while four were converted into Siwa outlets. One Valintatalo store had to close down, when its lease expired.

A range of campaigns launched during the year aimed at strengthening the Valintatalo differentiation-based store concept, defining the chain as an urban grocery shop chain. Since March, the chain has adopted the longest trading hours permitted by law, and bringing its opening hours forward to 7.00 a.m. was perceived as a welcome change.

Three extended Euromarket outlets

The Euromarket chain's net turnover of EUR 306.4 million remained at the previous year's level, although its comparable net turnover grew by 0.8 per cent. Net turnover generated by sales of consumables met with modest development, making it necessary for the chain to embark on revamping its operational logic with respect to consumables on a comprehensive basis. The number of outlets within the chain remained unchanged, at 19.

Euromarket outlets in Pori, Forssa and Tampere were extended and refurbished during the year. As part of its company-level development projects, the chain entered into the adoption phase in reshaping its trade in consumables and launching the Sales Based Ordering (SBO) system, involving the introduction of a new product grading for consumables and the adoption of planograms and the so-called pre-planograms. In addition, warehousing operations were centralised in the logistics centre in Hakkila, where a centre was established to process consumables. All Euromarket outlets adopted the steering organisation and teamwork practices in support of their process-based operations.

Siwa going strong in Russia

ZAO Renlund SPb, Tradeka's Russian subsidiary, runs one Super Siwa supermarket and one Siwa neighbourhood shop in St Petersburg, posting a net turnover of EUR 9 million and showing a handsome growth of 22.9 per cent on a year earlier, despite the stiffening competition. The increase in ordinary consumers' spending power, due to overall economic growth in Russia, has contributed to this upward trend in Siwa sales.

Higher efficiency through networking

Finland's economic development coupled with the transformation process underway within the retail business will make 2003 a challenging year. The entry of prospective international competitors and additional retail investments will toughen price competition, thus necessitating dedicated efforts in the retail sector to enhance efficiency.

Tradeka will invest heavily in its neighbourhood shops in the future, too, with the aim of leading the market within this sector. The Euromarket chain, however, will require drastic measures to turn it around. Development projects launched last year will continue, and we will not be able to reap the harvest of the work done up until now until the current year.

Launched in early April, the Proto II development project, aimed at deepening our process-like operations, is investigating new operating models for upgrading our chain operations. Standardising and simplifying operating practices on an ongoing basis, as well as networking with suppliers, service providers and customers will all enhance our competitiveness, with the aim of maintaining our position as a trailblazer in retail chain management within the Finnish retail sector.

The Siwa store network extending from Taalintehdas to Inari and from Vaasa to Joensuu relies on advertising to create its high visibility. Its Election Winner radio and TV commercial, aired during the March general election in Finland, highlighted the chain's market leadership within the neighbourhood shop sector.

RESTEL CONSOLIDATED

President Ralf Sandström

Restel Consolidated reported a net turnover of EUR 202.2 million, down 1.1 per cent, and made a profit of EUR 20.5 million (EUR -2.0 million) before extraordinary items. Although the industry was plagued by difficult market conditions, eroding volumes, Restel was successful in maintaining an excellent profit level, accounting for 10.1 per cent of net turnover.

Restel Consolidated's Management Team: Jari Laine (Hotel Division), Ralf Sandström (President), Björn Pahlberg (Restaurant Division), Kari Lalu (Administration) and Kenneth Rantala (Finance).

According to preliminary data, the sales volume in the sector fell by over 1 per cent on the previous year. This, however, is subject to regional variation. Moreover, it is estimated that average profitability within the sector has also declined, while nominal sales at licensed restaurants rose by around 2 per cent. In volume terms, sales dropped by 2 per cent over the previous year, when reckoning with the 4 per cent price increase in meals and alcoholic beverages. Owing to an increase in capacity, sales per seat fell by approximately 4 per cent, year on year. Nominal sales of hotel accommodation remained at the previous year's level, while prices increased by 2.6 per cent and the occupancy ratio decreased by 1.1 percentage points.

Despite the toughening market conditions, Restel succeeded in maintaining its good performance, thanks to its careful management of gross margins and operating costs. Restel Consolidated continued to focus its investments on network maintenance and business-concept changes. The focus of development projects during 2002 included sharpening concepts for the restaurant business and safeguarding the brand-based operating models defined for its restaurants and hotels.

A firmer foothold in Helsinki

Restel hotels generated a net turnover of EUR 113,0 million, up 0.1 per cent over the previous year. Year-on-year net turnover stemming from hotel accommodation rose by 0.6 per cent. All of Restel Consolidated's hotel companies – Cumulus Oy, Rantasipi Oy, Kansainväliset Hotellit Oy (International Restel Hotels) and Restel Kylpylähotellit Oy (Restel Spa Hotels) – were in the black. As a whole, the hotel business performed well during the financial year.

Restel is also establishing a firmer foothold in the Helsinki hotel market, as evidenced by the construction of the Holiday Inn Helsinki City Centre adjacent to the Helsinki railway station, 2002's largest project, opened in April 2003, and the contract concluded for the transfer of Hotelli Hesperia to Restel's ownership in 2004. Also, three hotels were targets for room and facilities rejuvenation. Tampere saw the establishment of a new restaurant, and three restaurants housed within Restel hotels adopted revamped concepts. In Kouvola, Restel rented its evening restaurant out to an independent entrepreneur.

In January 2003, Restel signed an agreement on the extension of the Rantasipi Rukahovi hotel's meeting facilities. The project will begin in May and the new building is due for completion by early 2004.

At the year-end, Restel owned 34 hotels and the 63 restaurants housed within them. Restel also runs three Elanto-owned hotels in Helsinki and the Rantasipi Pohjanhovi and Cumulus hotels in Rovaniemi, under business management contracts.

Restaurant branding made progress

Restel restaurants posted a net turnover of EUR 88.2 million, down 2.7 per cent on a year earlier. All of its restaurant companies – Restel Ravintolat Oy, Helsingin Restel Ravintolat Oy and Rax Ravintolat Oy – showed profits, and their overall financial performance was good.

With steady progress made in brand modernisation, a total of 15 restaurants adopted a remodelled business concept during the financial year. Restel has 11 restaurant brands, and 150 of its restaurants operate on the basis of the brand concept.

The family restaurant business expanded when Restel set up a new Rax restaurant in Lappeenranta. The Lahti Rax restaurant moved into new premises with a more central location. Four restaurants were sold or closed down during the year. The combined number of restaurants at the year-end totalled 171 (-3).

Challenging 2003

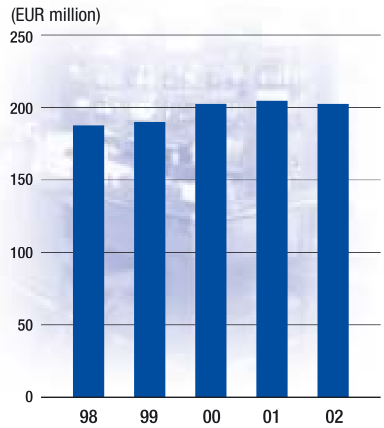
Demand in the hotel and restaurant sector is characterised by growing uncertainty. It is estimated that the sector will see increasingly poorer performance indicators, indisputably leading to weaker profitability in general.

Restel will adhere to its time-tested strategy. In response to increasingly intensifying competition, Restel will continue to carry through the remodelling of its restaurant business concept, expansion on a profitable basis, investment in the management of service processes and strict control of its operating costs. The results recorded for first few months were slightly below those in the previous year. Achieving the goals set for the results for 2003 is a challenging, but not an impossible task.

Environment

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

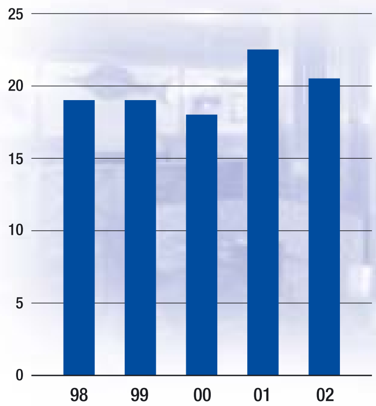
Net turnover



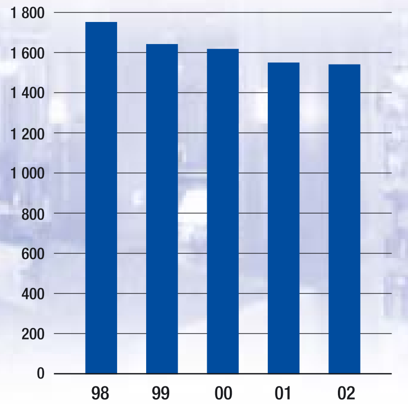
The brand new Holiday Inn Helsinki City Centre, opened in the heart of Helsinki in April 2003, belongs to the international Six Continents Hotels & Resorts chain, with more than 3,200 hotels in over hundred countries.

Profit

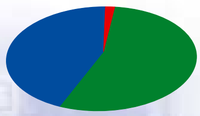
(EUR million)



Number of employees

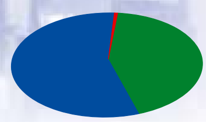


Sources of net turnover (EUR million)



Restaurant companies	88.2	(-2,7 %)
Hotel companies	113.0	(+0,1 %)
Other sales	1.0	(-26,7 %)

Personnel by company



Restaurant companies	837	(-55)
Hotel companies	673	(+48)
Others	28	(-2)

EKA REAL ESTATE DEVELOPMENT LTD

President Heikki Venho

Eka Real Estate Development Ltd posted a net turnover of EUR 11.4 million, mainly consisting of rental income, down EUR 2.7 million year on year, due to divestments of rental property. Because of capital losses on property sold, loss before extraordinary items came to EUR 6.1 million, this constituting an improvement of EUR 7.6 on a year earlier.

Eka Real Estate Development Ltd's Management Team is made up of Seppo Kuitunen (Legal Affairs and Administration), Heikki Venho (President), Karitta Touhonen (Executive Management Assistant), Jaakko Nousiainen (Property Development, Sale and Lease) and Jorma Koivisto (Controller).

As the uncertain economic outlook has led to restrained investment activity, companies have no need for additional premises. In this respect, they feel somewhat reluctant to commit themselves to new investments in business and office premises, shunning long-term leases. On the other hand, the bear market in the past couple of years has made real estate a competitive investment, yielding a significantly higher return than stocks. The Finnish property market's low liquidity, however, is eroding the competitiveness of property as an investment. With high requirements for return on investment, foreign investors have bought only a few random real estates in business zones.

89 per cent of real estate sold

Eka Real Estate Development Ltd was active in selling and leasing its property in accordance with Cooperative Tradeka Corporation's financial restructuring programme. The value of the 28 transactions during the year totalled EUR 4.7 million, major deals including the sale of Kiinteistö Oy Lapinmaa shares in Rovaniemi, and business premises in Turku, Valkeakoski, Nokia, Virrat, Heinola and Rautalammi. Capital losses on fixed and current assets came to EUR 3.1 million. On the whole, the average sale prices of property deals struck during the financial restructuring programme have been slightly higher than those expected when planning the programme. In addition, the company's profitability has remained higher than originally expected.

At the end of 2002, Eka Real Estate Development Ltd, with a balance sheet value of EUR 178.3 million, had 41 real estates with a combined surface area of 122,000 m^2. During the restructuring programme, it has sold 349 real estates, representing 89 per cent of its total property. The surface area of the remaining property accounts for 27 per cent of what it held at the beginning of the programme, or 33 per cent of the balance sheet total, the difference mainly being due to the high weight of Kiinteistö Oy Hämeentie 19 in the balance sheet.

Leasing of Hämeentie 19 extended

The rationale behind our property investments is to renovate premises to meet the specific operational requirements set for them, and upgrade them to make them more attractive to rent and lease. The largest capital-spending target included the renovation of the façade of Kiinteistö Oy Hämeentie 19 and the renovation and modernisation of its premises. Pulling down a former tarred felt factory in Kerava also constituted a sizeable investment. During the year, the company spent EUR 0.8 million on investments and major renovation projects, based on cash financing.

Large-scale future investments include the extension and renovation of property in the heart of Imatra, the cost estimate amounting to almost EUR 2.6 million.

Eka Real Estate Development Ltd concluded an agreement with Tradeka Corporation and its Group companies on prolonging the leasing of Hämeentie until the end of 2008, representing a major guarantee of the company's cash flow in the years to come.

Eka Real Estate Development to be handed over to its creditors

Economic uncertainty is also affecting developments in the property market. With the downward trend in office rents in particular, demand for offices is unlikely to perk up in 2003. Only areas with bright growth prospects seem likely to maintain demand for major property investment. Despite the low interest rates, property investors still require a high level of return.

Cooperative Tradeka Corporation's financial restructuring programme will terminate at the end of the current year, and as part of the final arrangements included in the programme, Cooperative will transfer Eka Real Estate Development Ltd shares into the hands of creditors. The current year will see various pre-arrangements and measures involved in the transfer. The company's year-end aim is to hold the lowest possible amount of property that would be reasonably manageable.

Despite the fall in net turnover due to property divestments, Eka Real Estate Development Ltd will maintain a positive cash flow and a strong financial position.

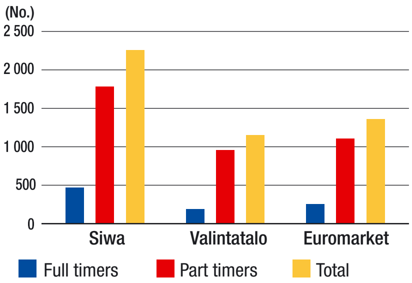
The so-called Hopealyhdyn talo (the House of the Silver Streetlamp) in the centre of Hyvinkää is one of Eka Real Estate Development Ltd's future investments. Built in 1955, the hotel section is a listed building.

Personnel structure

Tradeka Ltd's personnel consists of its retail store staff and field management

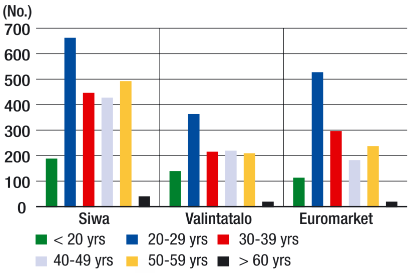
At the end of the financial year, Tradeka Ltd employed 4,772 staff, equivalent to 3,276 full-time employees. As in previous years, full-time retail store employees (37.5 hours/week) accounted for 20 per cent of all store personnel.

Number of employees



Females accounted for 85–95 per cent of store staff, depending on the chain, and 11 per cent of Euromarket Department Store Directors, 30 per cent of the Siwa-Valintatalo chain's Area Managers and 88 per cent of its Store Managers.

Employees by age

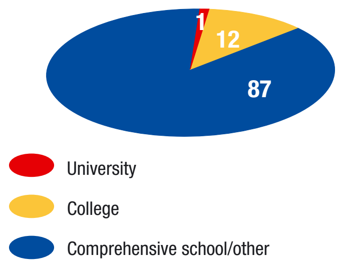


Tradeka Corporation has confirmed a blueprint for equal opportunities in the work place, aimed at equal pay for equal work and equal career opportunities, as well as the prevention of ageism and sexual harassment.

Educational background

The employees' educational background has remained almost unchanged over the previous year.

Education %



Employee turnover and recruitment

The number of employees remained at previous years' level. During 2002, a total of 1,402 of Tradeka Ltd's employees left the company, while 1,501 joined it.

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

Employee competence development

Tradeka Ltd provided store personnel with training at the AVA-instituutti in Helsinki and on a regional basis.

The spring saw the first training scheme offering a special Management Diploma, its participants consisting mainly of Euromarket Department Store Directors and Siwa-Valintatalo Area Managers.

Many other training schemes offering further vocational qualifications were initiated during the period, including the Specialist Qualifications of Store Manager and Foodstuffs Manager, as well as Further Qualification in Sales. In addition, the company provided basic and further training courses for store managers.

On a regional basis, ***the Siwa-Valintatalo chain*** provided all of its personnel with a training course in the fruit and vegetable product category, the course leaders consisting of area trainers specifically trained for the purpose. ***The EuroMaxi chain*** adopted a quality management network. Responsible for compliance with hygiene regulations, a competence control network also saw the light of day. A total of 350 employees participated in customer-service training courses aimed at enhancing basic skills, the customer-service training programme culminating in a final round in which the Customer Service Experts of the Year were selected. A total of 400 store personnel participated in training courses provided by the AVA-instituutti, and 4,500 employees participated in a variety of training courses provided on a local basis.

Nina Virtala from Kajaani, the winning Customer Service Expert within the Siwa chain.

Employee incentives

All store staff are involved in an employee incentive scheme.

Employee well-being

According to the annual employee survey conducted in October, which had a higher response rate than a year ago, the working climate slightly worsened over that of the previous year, following major changes addressing managerial work and duties. Euromarket staff were not involved in the survey.

Personnel were offered the opportunity to hire a holiday home at a reasonable price in Malvaniemi, Hirvensalmi, a total of 44 Group employees taking advantage of this offer during the report period. In addition, EUR 67,000 in appropriations, earmarked for employee recreation and leisure activities, was distributed to Chief Shop Stewards, who were in charge of its spending on a local basis.

VITA-Terveyspalvelut Oy, which purchases local occupational health services from subcontractors, was in charge of occupational health services on a company-wide basis. In co-operation with the occupational health-care section, Tradeka provided two Kuntoremontti courses, whose participants totalled 37. In addition, the financial year involved two Aslak keep-fit courses, one for cashiers and the other for Store Managers.

The company paid particular attention to reducing the risk of aggression faced by store personnel by increasing its security investments, as evidenced by the installation of recording surveillance cameras in almost all stores.

All employees in service for 15, 25, 35 and 40 years were given a special gift, and a birthday present was given to employees who turned 50 and 60, the total number of employees who received a gift amounting to 246. A total of 12 employees of merit were awarded a national medal, granted by the President of the Republic of Finland.

The average retirement age was 59 years in 2002. In co-operation with Pension Insurance Company Varma Sampo, VITA-Terveyspalvelut Oy and Restel Ltd, Tradeka set up a rehabilitation task force in 2001, which continued its work in 2002, aimed at actively finding solutions for preventing the premature retirement of employees, thus reducing pension costs.

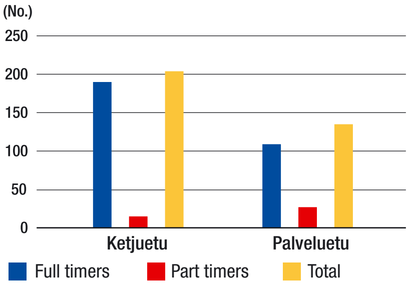
Ketjuetu Ltd and Palveluetu Ltd

Ketjuetu Ltd, co-owned by Tradeka Ltd and Cooperative Elanto, is in charge of the centralised management of Tradeka Ltd's business. Tradeka purchases administrative services from Palveluetu Ltd, a joint venture.

Personnel structure

The number and structure of Ketjuetu Ltd´s and Palveluetu Ltd's personnel remained almost the same as in the previous year.

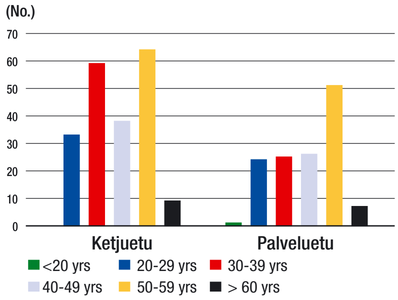
Number of employees



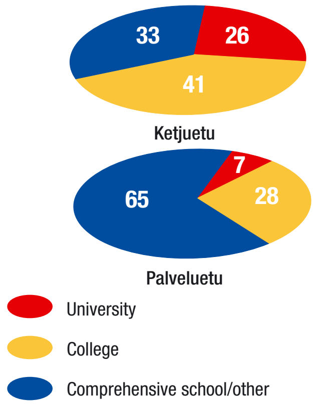
Employee competence development

Ketjuetu Ltd's and Palveluetu Ltd's staff participated in training courses provided outside the company, both at home and abroad, and training relating to expert duties was mainly based on specialist courses provided on an individualised basis. Those employees who are required to use foreign languages in their daily duties were provided with language courses, in which a total of 60 staff participated during the year. A Ketjuetu representative was involved in the planning of the Diploma in Business and Administration, Retail, a project co-ordinated by national retail chains, business colleges, the National Board of Education and labour market organisations.

Employees by age



Education %



Restel Consolidated

At the end of the financial year, Restel Consolidated employed 3,043 staff, equivalent to 1,538 full-time employees, full-time and part-time employees accounting for 32 per cent and 68 per cent, respectively.

Employee competence development

Restel's basic management training programme offers a shift-management diploma. Three training groups, comprising a total of 70 shift managers, earned this diploma in 2002. During the year, two groups, consisting of 40 employees, earned the Manager diploma, while ten participants earned the diploma in Meal Production Management. An 18-month management training programme consisting of 13 participants began in January.

The year saw an upgrade of the cash register software, also called the Catherine project, enabling the centralised maintenance of products and prices. All hotel and restaurant managers were involved in this training and, in addition, all area managers were familiarised with the Clyde area management system.

Employee well-being

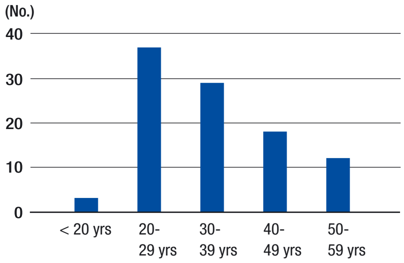
VITA-Terveyspalvelut Oy provides Restel's employees with occupational health services. During the year, two Aslak keep-fit courses were arranged with a view to maintaining employees' working capacity, one for workers and one for managers. These were paid for by KELA (the Social Insurance Institution of Finland), and were held alongside an in-house Kuntoremontti course. A total of 30 employees participated in these courses.

Based on more than a hundred decisions made by Restel's Co-operation Advisory Working Committee, a total of EUR 50,000 was allocated for hobbies related to physical exercise.

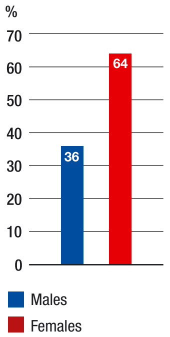
Other relevant issues

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

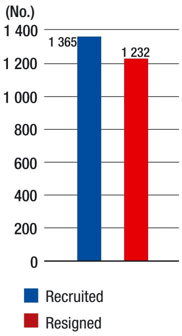
Employees by age



Employees by gender



Employee turnover



Marjo Salmelin from Sodankylä became Customer Service Expert of the Year within the Valintatalo chain. The one-year customer-service training programme ended with a competition whose participants' practical customer service skills were put to the test.

ENVIRONMENTAL REPORT

By and large, environmental aspects have gaining a firmer foothold across the board, being manifested in a more abundant supply of pro-environmental products, environmental programmes prepared for processes and the chains, an increase in waste sorting and recycling, improvements in energy efficiency in relation to sales growth, and soil remediation at fuel distribution stations.

The retail sector and its support functions have either a direct or indirect effect on climate change, acidification, eutrophication, ozone loss and chemicalisation.

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

Although Inex Partners Oy, together with its subcontractors, is in charge of sourcing and logistics for retail outlets within Tradeka, Ketjuetu also has an indirect impact on transport-based environmental emissions through its decisions on product ranges and logistics. The manufacture, use and disposal of products on sale also constitute an indirect environmental hazard.

Environmental management, goals and risks

Environmental management is part of Tradeka's day-to-day decision-making and management system, confirmed in the company's environmental policy adopted on 25 March 1998. Ketjuetu's Business Locations responsible for the development of environmental issues at Tradeka began to elaborate an environmental management system in 2001.

Tradeka has evaluated the environmental effects of its retail business, and their significance. It has drawn up environmental programmes for each chain and business process, with a view not only to reducing the amount of landfill and packaging materials, increasing waste recycling and reuse, and using energy more efficiently, but also enhancing its personnel's environmental awareness and management of environmental risks.

Some of the instructions, data and indicators for the environmental management system are already available, although work is still in progress. Environmental auditing practices and plans will emerge at a later date.

Tradeka has expressed its opinion on environmental issues in joint statements issued by the Environmental Task Force of the Federation of Finnish Commerce and Trade. Tradeka's own statement dealt with draft criteria prepared for the Pan-Nordic environmental label in the grocery business. Costs resulting from environmental protection or any resulting savings are not separated in accounting, although reserve entries are made against possible environmental liabilities.

Old fuel distribution stations and manufacturing plants may involve significant environmental risks. Tradeka has joined the soil remediation programme, SOILI, launched by the Finnish oil business, helping to diagnose polluted soil and take measures to depollute it. Tradeka had one fuel distribution station in operation by the end of the report period. Soil from eight discontinued stations was analysed, while the soil remediation process was completed at seven stations, and got underway at three stations.

Energy consumption

Carbon, sulphur and nitrogen dioxides deriving from energy production have a fundamental impact on climate change, acidification and eutrophication, while particle emissions are health hazards. The retail business uses electricity mainly for cooling, ventilation, lighting, and machinery and equipment.

Oil consumption and the related emissions

The total consumption of light oil on Tradeka's 105 (-9) oil-heated premises amounted to 1.19 million litres (-0.29), with their resultant carbon dioxide emissions totalling 3,165 tonnes (-772). The declining trend in emissions since 1999 is due to the gradual shift to district heating, the adoption of heat recovery systems, and variations in weather conditions and the purchasing time of oil. Tradeka's emissions from oil consumption accounted for well below 1 per cent of total emissions in Finland.

Electricity consumption and the related emissions

With electricity consumption totalling 122.2 million kWh (+7.24), Tradeka purchases its electricity from Helsingin Energia on a centralised basis. This figure includes the electricity used by companies that lease outlet and other business premises in buildings owned or occupied by Tradeka. The data for 2002, including figures for consumption by Tradeka's 470 outlets (17 Euromarket hypermarkets, 69 Valintatalo stores and 384 Siwa outlets) are not comparable year on year because they contain data from almost 100 more outlets than the previous year. In addition, Euromarket electricity consumption is difficult to compare due to extensions and concept changes made during the year. A total of 17 hypermarkets succeeded in reducing their electricity consumption by 4.4 per cent, whereas the Valintatalo outlets (53), increased their consumption by 0.4 per cent in comparable terms. The Siwa outlets (80) saw a 5 per cent growth in their electricity consumption as a result of store refurbishments and in-store baking units.

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

Tonnes	2002	2001
Sulphur dioxide	30.6	28.7
Nitrogen oxide	45.2	39.1
Carbon dioxide	35,443.7	31,039.9
Particles	2.4	2.6

Greater consumption of electricity and changes in specifications have led to higher emissions, except for emitted particles. Tradeka's emissions accounted for less than 0.3 per cent of total emissions in Finland.

In order to cut energy consumption, large stores, both new ones and those subject to refurbishment, are adopting heat recovery systems which will substantially reduce the need for heating energy. Ketjuetu is analysing small grocery shops' opportunities to reduce their energy consumption.

District heating

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

Waste and recycling

Landfill produces methane, which accelerates climate change. Tradeka's stores aim to reduce landfill by sorting and picking over various types of waste, e.g. cardboard, which is collected regularly for reuse. Waste that can be reused for energy production, and biodegradable waste, are collected not only when required by waste-management regulations, but also on a voluntary basis.

The amount of waste generated by 13 Euromarket outlets was 3,200 tonnes (+90 tonnes), cardboard accounting for around 41 per cent, landfill around 30 per cent, biodegrable waste 22 per cent and waste to be reused for energy production around 7 per cent, respectively. The share of all waste that can be reused for energy production increased and that of landfill decreased.

Since the estimated amount of waste generated by the Valintatalo and Siwa is based on the amount in waste containers and the number of waste collection times, comparisons with previous years may not be entirely accurate. On the other hand, it may even be impossible to compare the amount of waste produced by an outlet if it is collected in jointly used containers. The estimated annual amount of waste totals 5-8 kg per EUR 1,000 of sales. The estimated amount of cardboard waste accounts for 40-70 per cent of all waste.

Seven Euromarket stores provide their customers with specific recycling points, while many Valintatalo and Siwa stores have adjacent recycling points for one or more types of waste, such as paper, glass and liquid packaging board.

Logistics and auxiliary transport equipment

The increasing amount of circulating transport equipment used by Inex, such as pallets, trolley pallets, cases and boxes, has reduced the number of disposable transport packages, the number of circulating boxes put into use rising by 4 per cent over the previous year, accounting for around 22 per cent of all delivery volumes. Such circulating boxes, which reduce the amount of packaging cardboard and plastic used, replaced cardboard boxes to the level of an estimated 2,587 tonnes in Tradeka's deliveries.

The so-called continuous product replenishment and combined transport systems have reduced store deliveries and the related emissions, while there have also been improvements in the load factor of transport vehicles and the optimisation of transport routes. There is, however, no documented benchmark data on their environmental impact, but it has been estimated that goods transport has shrunk by approximately 20-30 per cent since the adoption of continuous replenishment and combined transport systems.

Hämeentie 19 head office

The collection of waste at the Helsingin Hämeentie 19 head office covers biodegradable waste, cardboard, office paper and so-called "recyclable household paper". In addition, hazardous waste is collected, ink cartridges reused and office furniture, machinery and supplies recycled. However, it is somewhat difficult to benchmark the amount of waste produced on a yearly basis since leaseholders housed in the building use the same waste containers. Based on Tradeka's own monitoring, the estimated amount of paper and cardboard recycled during the year came to over 30 tonnes and around 10 tonnes, respectively.

Pro-environmental products

Tradeka aims to take the pro-environmental lifestyle objectives and requirements set by its customers into consideration. Tradeka's retail outlets offer both organic and Fair Trade foods and eco-labelled products (the Nordic Swan environmental label and ÖkoTex) which are less harmful to the environment than conventional products.

Pro-environmental products are described by the number of products available for each product range and by their share of sales within their product group. These product ranges vary by chain and outlet.

Last year, the Euromarket chain had some 315 pro-environmental products in its product range, while offering well over 200 and 100 organic food products and eco-labelled items, respectively.

The Valintatalo chain's product range included around 190 pro-environmental products, around 130 accounting for organic foods and less than 60 for eco-labelled articles. The Siwa chain offered 75 pro-environmental products, 32 of which represented organic foods and 43 eco-labelled products.

Sales of organic food by the Euromarket chain accounted for 4-10 per cent within the following product categories: coffee, tea, cocoa, honey, flour, vegetable oil, luncheon meat, rice crispbread, biscuits and other crispbreads. Also, there were bananas, coffee, cane sugar, tea, chocolate and honey sold under the Fair Trade label, honey already accounting for more than 4 per cent of sales within the product category.

Eco-labelled washing powders and detergents accounted for 6-35 per cent of total sales in the product category. Three of Inex Partners Oy's own Cleani laundry detergent brands and four Cleani household cleaners carry an eco-label. In addition, the Euromarket chain offered an eco-labelled product alternative to traditional stationery, such as booklets, pads, envelopes and notepapers.

Four of Tradeka's suppliers (suppliers of nightwear, lingerie and ladieswear, among others) use the ÖkoTex label in their products. Within a few specific product categories, eco-labelled products accounted for as much as 30 per cent of sales.

Sales of eco-labelled batteries accounted for 88–98 per cent of total sales within the product category (+4 per cent).

Eco-labelled tissue paper products accounted for 87-93 per cent of all sales within the product category, depending on the chain brand. The majority of plastic bags available to customers contain recycled plastic. In addition to plastic bags, paper bags were also available.

The Latokartano Siwa chain store based in Viikki, Helsinki, a pilot area for ecological development, offers a product range of around 150 pro-environmental products, accounting for approximately 6 per cent of total sales.

Ethical principles

The purchasing co-operation through the international InterGroup is based on the ethical principles applied by the organisation in the purchase of goods, fulfilling, in the main, SA 8000 standards such as the ban on using child labour in the manufacture of products. The offices and local experts of InterGroup Far East Limited (IGFEL) in the Far East supervise compliance with these principles and carry out audits, amounting to some 800 a year, before any agreement on co-operation is made.

Ketjuetu has signed the Charter of Ethical Principles for Import issued by the Central Chamber of Commerce. The contents of these principles and the related requirements are consistent with those of InterGroup and those already approved by the Finnish Food Marketing Association.

Use of materials

The use of various materials affects the environment not only in terms of emissions and waste but also in terms of the landscape. When evaluating environmental impacts, the following issues should be considered: the purchase of raw materials, the manufacture, transport, need for, and use of, energy, recycling wherever possible, and final disposal and the related environmental effects.

Use of packaging materials

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

Products packaged by manufacturers partly compensate for the need to package merchandise in-store, whereas over-the-counter customer service necessitates wrapping up goods.

During the financial year, the amount of packaging material used by Tradeka's outlets totalled 1,095 tonnes, showing a year-on-year increase of 5 per cent, stemming mainly from carrier bags and other smaller bags. Tradeka accounted for less than 0.3 per cent of all packaging materials used in Finland.

The amount of packaging material in imported goods totalled around 481 tonnes.

Publications and marketing material

Tradeka publishes customer and personnel magazines as well as bulletins on a regular basis, in addition to Loyal Customer Bulletins and chain-specific marketing material. The amount of paper and board used in publications and marketing material published by Tradeka reached 2,588 tonnes (-799 tonnes), of which Tradeka's Me customer magazine accounted for 990 tonnes, this fall mainly being due to a reduction in marketing material and targeted marketing efforts. In-house communications and invoicing increasingly rely on wired networks, thus cutting the amount of office paper.

In 2002, a total of 29.6 tonnes of paper was used for copying and printing purposes through the company's Office Service, up 3.4 tonnes.

Training in environmental issues

In the main, the relevant training in environmental issues is provided to the company's personnel by the AVA-instituutti. Two of their training courses, leading to a diploma in sales and management, include periods of training devoted to environmental issues. In order to be able to prepare environmental programmes, Ketjuetu's staff (incl. 100 employees) were provided with environmental training at business-process level and team meetings.

Environment-related memberships:

- The Environment Working Group Committee of EuroCoop
- The Environmental Committee of the Federation of Finnish Commerce and Trade
- The Nordic Environmental Labelling Board.

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

REPORT BY THE BOARD OF DIRECTORS

Business in 2002

Tradeka Corporation's business consists of three subgroups: Tradeka Consolidated (retail business), Restel Consolidated (hotel and restaurant business) and Eka Real Estate Development (property business). In addition to Cooperative Tradeka Corporation, the Corporation consists of 66 active subsidiaries, 47 of which are engaged in the property business. The number of associated companies totals 56. During the 2002 financial year, Tradeka Corporation sold the share capital of its three property subsidiaries and bought a majority holding in three subsidiaries. The number of associated companies fell by one during the report year.

Cooperative Tradeka Corporation's financial restructuring programme, initiated on 22 October 1993 and confirmed on 20 October 1994, will come to an end on 31 December 2003.

The financial restructuring programme progressed as required by the regulations. Court proceedings pertaining to matters of interpretation on the scheme of composition continued. In particular, those pertaining to claims by creditors remain pending, related to additional debt paybacks, or partitioning debts, based on Section 63 of the Financial Restructuring Act. Cooperative Tradeka Corporation's aim is to have all pending issues resolved by the end of the scheme of composition.

Cooperative Tradeka Corporation amortised restructuring debts of EUR 38 million during the year, while the total amount of debts amortised during the scheme came to EUR 404 million. The long-term partitioning debt was to be paid back in annual instalments during 1998-2003. At the end of 2002, both of the remaining debt instalments, totalling EUR 32 million, were paid back. Due to the absence of payment data, Cooperative Tradeka Corporation has a short-term debt of EUR 0.4. The remaining restructuring debt (EUR 212.1 million as of 31 December 2002) – a non-interest bearing subordinated loan and a subordinated loan including interest and any cum-interest secured loans outstanding at the end of the restructuring programme allocated to the assets of Eka Real Estate Development Ltd – will be repaid at the end of the programme, using the set-off procedure required by the financial restructuring programme. This means that Cooperative Tradeka will transfer shares in, and receivables from, Eka Real Estate Development to its creditors, including the remaining cash balance exceeding EUR 0.841 million (FIM 5 million) after the final paybacks, in accordance with the payback scheme. Within five years following the restructuring programme, Cooperative Tradeka Corporation must settle its contingent liabilities of around EUR 115 million. Tradeka Group Ltd owes its creditors a total of EUR 50 million of liabilities relating to secured loans, the remainder being associated with pension liabilities in accordance with the financial restructuring programme.

New members joined the YkkösBonus Loyal Customer Scheme, when the Info-Kirjakaupat chain (a book shop chain) and Autokeskus Oy (a car dealer) became partners in early 2002, followed by Teesi Oy (a home improvement chain) on 1 April 2002 and Lomamatkat Oy, a travel agency, in the summer. Teesi withdrew from the scheme at the end of the year. In addition to Tradeka, Elanto and Restel, 13 partner companies are involved in the Loyal Customer Scheme. At the end of the financial year, a total of 974,625 loyal customer accounts and some 1.7 million loyal customer cards were in active use, YkkösBonus generating sales of EUR 1,632 million (+7.9 per cent). Tradeka Consolidated's loyal customer sales totalled EUR 869 million (+5.8 per cent) and those of Restel Consolidated EUR 67 million (+0.1 per cent). The amount of bonus paid in terms of customer refunds totalled EUR 32.5 million (EUR +3.9 million).

All business groups performed well in adopting the euro, which became legal tender on 1 January 2002.

Net turnover and other income from business operations

Tradeka Corporation generated a net turnover of EUR 1,204 million (+4.1 per cent). Other income from business operations came to EUR 15.5 million (EUR -3.0 million), of which rental income and capital gains on fixed assets accounted for EUR 14.3 million (EUR +1.1 million) and EUR 0.8 million, respectively. Capital losses on fixed assets (EUR 1.7 million) are included in other operating expenses. Consequently, the net effect on the Corporation's results for shares and holdings sold, which were included in fixed assets and investments, amounted to EUR -0.9 million.

Tradeka Consolidated posted a net turnover of EUR 1,000 million, up 5.3 per cent. As in the previous years, this growth was based on more efficient operations in the existing outlet network, with store set-ups and closures having a minor effect.

Restel Consolidated recorded a net turnover of EUR 202 million (-1.1 per cent).

The net turnover of EUR 11.4 million (-19.1 per cent) generated by Eka Real Estate Development came mainly from rental income and income from maintenance charges (EUR 11.0 million) included in other income from business operations in Tradeka Corporation's financial statements.

Cooperative Tradeka Corporation's net turnover of EUR 1.7 million consisted of management-service sales.

Profit

Tradeka Corporation made an operating profit of EUR 47.6 million, down EUR 6.3 million. Due to the interest (EUR 12.8 million in 2002 and EUR 22.1 million in 2001) on subordinated loans included in the financial expenses, neither Tradeka Corporation's nor Parent Cooperative's profit before extraordinary items are comparable.

In addition to the non-interest-bearing subordinated loan included in the so-called consolidated loans related to the financial restructuring programme, Cooperative Tradeka Corporation had an interest-bearing subordinated loan of EUR 39.2 million. In previous years, interest accrued on the subordinated loan was entered as interest liability in the Notes to the Financial Statements, since the company had run a deficit in its distributable funds. The Corporation's 2001 profit made it possible to enter part of, and for the 2002 profit all of, the interest accrued on the subordinated loan as interest expenses in the Cooperative's financial statements. At the end of 2002, the amount accrued during the programme totalled EUR 34.9 million.

Tradeka Consolidated's operating profit before depreciation amounted to EUR 39.0 million, showing a year-on-year fall of EUR 2.5 million. Tradeka Consolidated also exceeded the operating-margin target specified for the financial year by the financial restructuring programme. The group also exceeded the targets set for cumulative cashflow, investment and the operating margin, which were to be met during the financial restructuring programme. Tradeka Consolidated's profit before extraordinary items came to EUR 16.0 million (EUR -0.4 million).

Restel Consolidated's operating profit before depreciation of 30.1 million (EUR -2.1 million) also exceeded the target specified by the financial restructuring programme. In February 2002, the group also exceeded the cumulative operating-margin target – the only compulsory target specified by the financial restructuring programme. Restel Consolidated's profit before extraordinary items amounted to EUR 20.5 million (EUR -2.0 million).

Eka Real Estate Development made an operating loss of EUR 6.1 million before extraordinary items, down EUR 7.6 million year on year, its results still being burdened by write downs of EUR 3.3 (EUR 10.6 million in 2001) and capital losses on fixed assets and investments. Its net loss amounted to EUR 2.9 million (a loss of EUR 2.7 million in 2001). The financial restructuring programme does not require any targets to be met by Eka Real Estate Development.

Tradeka Corporation's profit before extraordinary items totalled EUR 31.4 million. Its extraordinary items of EUR 10.0 million included the EUR 12.6 million (EUR 9.0 million) deferred tax income recognition based on the previous years' losses confirmed in the parent-company's taxation. Direct taxes amounted to EUR 8.6 million, of which deferred taxes accounted for EUR 7.6 million. Net profit for the period totalled EUR 32.5 million

Cooperative Tradeka Corporation's loss before extraordinary items came to EUR 13.6 million. Its extraordinary income of EUR 46.4 million (EUR 38.4 million) included Group contributions granted by Tradeka Ltd and Restel Ltd. Extraordinary expenses mainly comprised Group contributions of EUR 2.3 million granted to Eka Real Estate Development Ltd and expenses (EUR 1.7 million), entered in the statutory reserves, resulting from the examination of possible environmental damage caused by discontinued outlets and sites, plus soil remediation. In addition, the extraordinary expenses include litigation expenses (EUR 1.0 million) related to the financial restructuring programme. Net extraordinary items totalled EUR 41.4 million (EUR 36.0 million).

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

The Board proposes that the 2002 surplus of EUR 27,726,361.17 generated by Cooperative Tradeka Corporation be entered in the contingency fund in accordance with the Cooperative by-laws.

Capital expenditure

Tradeka Corporation's gross capital expenditure for 2002 totalled EUR 30.6 million, representing a year-on-year increase of EUR 7.3 million.

The gross capital expenditure of Tradeka Consolidated, Restel Consolidated and Eka Real Estate Development reached EUR 19.6 million (EUR 8.3 million), EUR 10.9 million (EUR 13.3 million) and EUR 0.1 million (EUR 1.5 million), respectively. In addition to investments in fixed assets, capital of EUR 6.3 million (EUR 1.2 million) was tied to other long-term investments in fixed assets. Net capital expenditure totalled EUR 27.1 million, up EUR 10.9 million over the previous year.

Financing

Tradeka Corporation's interest and other financial expenses totalled EUR 6.2 million (EUR 5.9 million), while interest and the dividend received came to EUR 9.6 million (EUR 7.2 million).

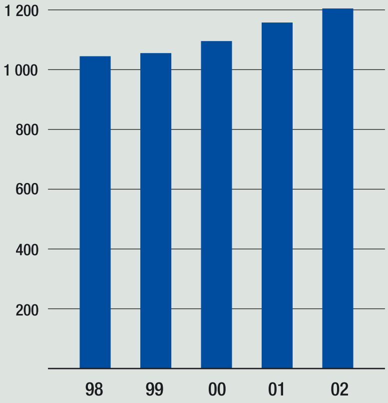
Loans raised by Tradeka Consolidated in 2002 added to the financial expenses. Due mainly to the repayment of secured loans, Parent Cooperative's financial expenses fell by EUR 0.5 million on a year earlier. Otherwise, interest payments remained at the previous year's levels.

The increase in dividends received by EUR 1.6 million contributed to the growth in financial income.

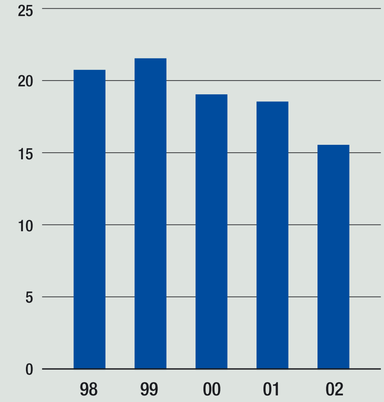
Tradeka Ltd and Restel Ltd raised loans of EUR 37.8 and EUR 7.3 million from financial institutions, respectively.

The amount of loan repayment totalled EUR 55.3 million, of which Cooperative Tradeka Corporation

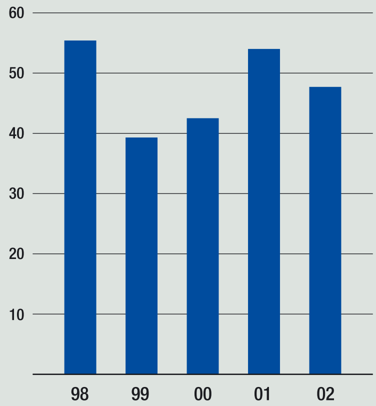
Net turnover
(EUR million)



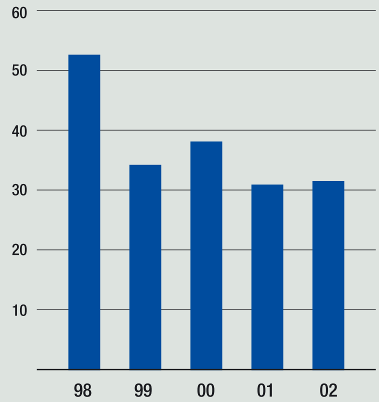
Other operating income
(EUR million)



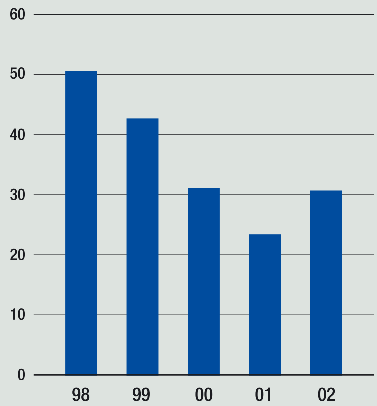
Operating profit
(EUR million)



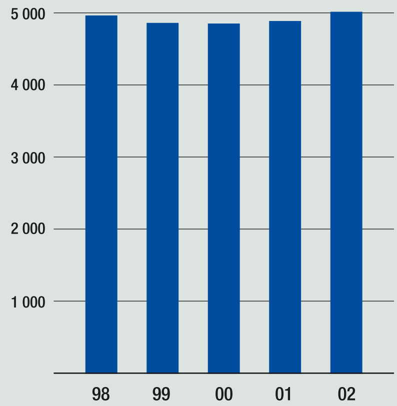
Profit before extraordinary items
(EUR million)



Capital expenditure
(EUR million)



Number of employees



accounted for EUR 38.0 million, in terms of restructuring debts.

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

Balance sheet structure

Consolidated balance sheet total amounted to EUR 564 million, showing a growth of EUR 45 million over the previous year, while marketable securities and cash and bank receivables totalled EUR 187 million, up EUR 34 million year on year. Fixed and other non-current assets, and inventories and current assets, accounted for 48 per cent and 52 per cent of the balance sheet total.

The Corporation's total shareholders' equity (Cooperative capital) totalled EUR 66.3 million (EUR +32.5 million) on the date of closing the accounts, and its unrestricted funds and accrued surplus totalled EUR 43.8 million. When reckoning with the portion entered from appropriations in shareholders' equity, consolidated distributable profit came to EUR 38.2 million (EUR 0). Shareholders' equity accounted for 11.8 per cent of the balance sheet total.

The Group companies entered items of EUR 8.1 million, payable in the years ahead, in statutory reserves, such as deductibles on unemployment pensions and reserves for the examination of environmental risks and any resulting soil remediation.

At the end of the year, Tradeka Corporation's liabilities amounted to EUR 484 million, up almost EUR 4 million, accounting for 86 per cent (93 per cent) of the balance sheet total.

The Corporation's consolidated debts and the Cooperative's financial restructuring debts totalled EUR 233 million (EUR -28 million), while other liabilities came to EUR 249 million (EUR +34 million).

Deferred tax liability of EUR 2.3 million decreased by half over the previous year (EUR 4.6 million).

Cooperative Tradeka Corporation's balance sheet total amounted to EUR 405 million (EUR 394 million).

During the year, Cooperative Tradeka Corporation granted a subordinated loan to Tradeka Ltd, valued at EUR 18.6 million, and Restel Ltd, valued at EUR 21.4 million. Taking the above figures into account, the subordinated loan receivables from subsidiaries included in other long-term investments came to EUR 167 million, which also contains the subordinated loans previously granted to Tradeka Group Ltd and Eka Real Estate Development Ltd in connection with the spin-off of these companies. Tradeka Ltd's and Eka Real Estate Ltd's loan repayments to the Cooperative totalled EUR 30.9 million during the year, i.e. the net increase in investment came to EUR 9.1 million.

Receivables of EUR 49.0 million (EUR +3.9 million) included in Cooperative Tradeka Corporation's inventories and current assets mainly constituted Group contribution receivables. The structure of Cooperative Tradeka's assets in the balance sheet remained similar to that in the previous year, fixed and other non-current assets, inventories and current assets accounting for 84 per cent and 16 per cent of the balance sheet total.

Cooperative Tradeka Corporation's shareholders' equity, accounting for 31 per cent (25 per cent) of the balance sheet total, came to EUR 125 million, of which restricted shareholders' equity represented EUR 27 million and the contingency fund and surplus for the period EUR 98 million.

Cooperative's liabilities totalled EUR 278 million at the year-end, virtually all of which was due to restructuring debts and pension liabilities related to the financial restructuring programme. Liabilities accounted for 68.5 per cent of the balance sheet total, or 6.7 percentage points lower than a year ago.

Personnel

The number of Corporation employees, expressed as full-time employees, averaged 5,006 (+128). Tradeka Consolidated employed 3,433 (+141), Restel Consolidated 1,538 (-9), with other personnel amounting to 35 (-4). The increase in the number of retail business employees, expressed as full-time employees, was due to extended trading hours and additional workloads caused by the euro adoption.

Members

During the year, a total of 745 new members joined the Cooperative, and 5,837 memberships were terminated, of which 1,136 were resignations. The year-end membership totalled 348,155. Co-operative capital came to EUR 9.2 million, of which the membership fees of resigned members accounted for EUR 0.7 million.

Council of Representatives

The Meeting of the Council of Representatives on 15 May 2002 adopted the financial statements for the previous year, discharged those accountable from liability and considered other statutory issues pertaining to the Cooperative. The Council of Representatives is made up of 110 members.

Administration and Management

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

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

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

Auditors

The meeting of the Council of Representatives on 15 May 2002 elected Mauri Palvi, Authorised Public Accountant, and Markku Koskela, Authorised Public Accountant, as regular auditors and KPMG Wideri Oy Ab, Authorised Public Accountants, and Kari Lydman, Authorised Public Accountant, as deputy auditors.

Supervisor

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

Business prospects for 2003

Competition in the retail business is expected to intensify further during the current year. Price competition stiffened by international players and the establishment of large retail units, coupled with general economic growth forecasts, do not spell easy times for the retail business. In response to toughening competition, Tradeka aims to enhance its process-like operations further, and make more efficient use of the existing systems and the data they produce.

Demand in the hotel and restaurant sector is also characterised by growing uncertainty. It is estimated that the sector will see increasingly poorer performance indicators, indisputably leading to weaker profitability within the industry. However, Restel is determined to adhere strictly to its defined strategy. This will mean an increasing number of branded restaurants with re-defined concepts, profitable expansion, the well-organised management of service processes and strict control of operating costs.

The uncertain economic outlook will also have a significant effect on the development of the property markets. Eka Real Estate Development Ltd will remain active in realising its property in accordance with the financial restructuring programme. Its year-end aim is to hold the lowest possible amount of property that would remain reasonably manageable. No substantial capital gains on property sales are expected in the future.

TRADEKA CORPORATION

CONSOLIDATED INCOME STATEMENT, 1 JAN. – 31 DEC. 2002

	EUR million			% of Net Turnover	
	2002	2001	02/01	2002	2001
Net turnover	**1 204**	**1 157**	**47**	**100.00**	**100.00**
Other income from business operations	15	18	-3	1.29	1.60
Operating costs:					
Goods	-814	-786	-28	-67.62	-67.98
Personnel costs	-159	-149	-10	-13.18	-12.86
Depreciation and write-down	-31	-27	-4	-2.62	-2.36
Other operating costs	-168	-159	-9	-13.92	-13.74
Total	-1 172	-1 121	-51	-97.34	-96.93
Operating profit	**47**	**53**	**-6**	**3.95**	**4.67**
Interest on subordinated loan	-13	-22	9	-1.07	-1.91
Other financial income and expenses	-3	-1	-2	-0.28	-0.09
Profit before extraordinary items	**31**	**30**	**1**	**2.60**	**2.67**
Extraordinary items	10	10	0	0.83	0.83
Profit after extraordinary items	**41**	**40**	**1**	**3.43**	**3.50**
Direct taxes	-9	-10	1	-0.71	-0.86
Minority interest	0	0	0	-0.02	-0.01
Profit for the financial period	**32**	**30**	**2**	**2.70**	**2.63**

TRADEKA CORPORATION

CONSOLIDATED BALANCE SHEET AS OF 31 DECEMBER 2002

Assets	EUR million			% of Balance Sheet	
	2002	2001	02/01	2002	2001
Fixed and other non-current assets:					
Intangible assets	31	32	-1	5.4	6.1
Consolidated goodwill	1	1	0	0.2	0.2
Tangible assets	164	171	-7	29.1	32.9
Investments:					
Shares in associated companies	48	36	12	8.4	7.0
Other investments	26	26	0	4.8	5.1
Fixed and other non-current assets total	**270**	**266**	**4**	**47.9**	**51.3**
Current Assets:					
Stocks	61	54	7	10.8	10.4
Deferred tax receivables	16	13	3	2.8	2.5
Receivables	31	34	-3	5.4	6.5
Securities held in current assets	123	86	37	21.9	16.5
Cash and bank	63	66	-3	11.2	12.8
Current assets total	**294**	**253**	**41**	**52.1**	**48.7**
Assets total	**564**	**519**	**45**	**100.0**	**100.0**

Liabilities and shareholders' equity	EUR million			% of Balance Sheet	
	2002	2001	02/01	2002	2001
Shareholders' equity (Co-operative equity):					
Share capital (Co-operative capital)	9	9	0	1.6	1.8
Revaluation reserve	0	0	0	0.0	0.0
Reserve fund	13	13	0	2.4	2.6
Contingency fund	71	55	16	12.5	10.6
Retained loss	-59	-74	15	-10.5	-14.3
Surplus for the period	32	30	2	5.8	5.8
Shareholders' equity (Co-operative equity) total	**66**	**34**	**32**	**11.8**	**6.5**
Minority interest	**6**	**5**	**1**	**1.0**	**0.9**
Statutory reserves	**8**	**0**	**8**	**1.4**	**0.0**
Liabilities:					
Deferred tax liability	2	4	-2	0.4	0.9
Consolidated debt	184	165	19	32.6	31.8
Other restructuring debt	49	96	-47	8.7	18.6
Other liabilities:					
Long-term	120	84	36	21.3	16.2
Short-term	129	131	-2	22.8	25.2
Liabilities total	**484**	**480**	**4**	**85.8**	**92.6**
Liabilities and shareholders' equity total	**564**	**519**	**45**	**100.0**	**100.0**

TRADEKA CORPORATION

CONSOLIDATED STATEMENT OF SOURCES AND APPLICATIONS OF FUNDS, 1 JAN. – 31 DEC. 2002

EUR million	2002	2001
CASH FLOW FROM OPERATIONS		
Profit before extraordinary items	31	31
Adjustments:		
Depreciation and write-down	32	27
Other income and expenses not connected with payments	-2	-2
Financial income and expenses	16	23
Other adjustments (- profits / + losses from trade)	1	-4
Cash flow before change in working capital	78	75
Change in working capital:		
Increase (-)/decrease (+) in current business receivables	-1	4
Increase (-)/decrease (+) in stocks	-7	2
Increase (-)/decrease (+) in current liabilities	-1	9
Cash flow from operations before financial items and taxes	69	90
Interest paid and financial expenses	-6	-6
Dividends received	2	1
Interest received	7	6
Direct taxes paid	-1	0
Cash flow before extraordinary items	71	91
Net cash flow from operations due to extraordinary items	0	0
Cash flow from operations	**71**	**91**
CASH FLOW FROM INVESTMENTS		
Investments in tangible and intangible assets	-31	-23
Capital gains on tangible and intangible assets	6	7
Investments in other financial assets	-6	-1
Capital gains on other investments	4	1
Repayment of loan receivables	0	0
Cash flow from investments	**-27**	**-16**
CASH FLOW FROM FINANCING		
Cooperative contributions during the year	0	0
Withdrawals of long-term liabilities	45	1
Repayments of long-term liabilities	-17	-10
Repayments of restructuring debt	-38	-35
Cash flow from financing	**-10**	**-44**
INCREASE/DECREASE IN LIQUID ASSETS	**34**	**31**
LIQUID ASSETS 1 Jan.	152	121
LIQUID ASSETS 31 Dec.	186	152

NOTES TO THE FINANCIAL STATEMENTS 31 DEC. 2002

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

ACCOUNTING PRINCIPLES

The financial statements have been prepared in accordance with the rules and regulations specified in the Finnish Accounting Act, and in compliance with the Cooperatives Act in force since 28 December 2001.

Principles of valuation and accruals

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

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

Goodwill is principally amortised over 5 years. The estimated income effect generated by goodwill within purchasing, subject to a 10-year amortisation period, is a minimum of 10 years.

The depreciation period for repair costs of rental property (included in other long-term assets) is 10 years in general.

Property book values as stated in the Consolidated Balance Sheet correspond to the original acquisition costs or acquisition cost residual values according to plan or likely net realisable values, when lower.

Stocks are stated at the lower of acquisition cost or likely net realisable value. Consolidated stocks consist mainly of groceries and consumables.

Accounts receivable are partly made up of credit-card receivables. Other receivables mostly include cost compensations and rebates. Receivables are valued at par or at likely lower realisable value.

Valued at aqcuisition cost, marketable securities consist of commercial papers subject to public trading.

Pension schemes

The employee retirement plan of the Group companies is managed by external pension insurance companies. Pension costs are expensed as incurred.

In addition, Cooperative Tradeka Corporation and certain of its subsidiaries are shareholders in Eläkekassa (Pension Fund) Tuki. Liabilities related to these shareholdings are shown as contingent liabilities for both Tradeka Consolidated and Cooperative Tradeka Corporation.

Financial expenses allocated to previous financial years

Cooperative Tradeka Corporation has a EUR 61.3 million interest-bearing subordinated loan (the original amount of EUR 39.2 million) included in the consolidated debts, which is related to the financial restructuring programme. The subordinated loan and the related accrued interest carry an annual interest in accordance with the loan terms. The loan and interest terms are dealt with on page 38 in connection with the Parent Company Balance Sheet. In previous financial years, the accrued interest on the subordinated loan was shown as interest liability in the Notes to the Financial Statements since Tradeka Corporation's distributable funds were in the red.

The 2001 financial performance enabled Tradeka to enter EUR 22.1 million of accrued interest on the subordinated loan as interest expenses and liability in the Cooperative's financial statements for the year.

The said interest accrued from the date of the confirmation of the financial restructuring programme until 31 December 1999.

Interest (EUR 12.8 million) for 2000–2002 is entered as interest expenses and liability in the Financial Statements for 2002. Interest recorded in 2002 and allocated to years before 2000-2002 amounted to EUR 8.5 million.

Comparability of data

Due to the interest on the subordinated loan stated above, the figures of the profit before extraordinary items generated by Parent Cooperative and Group companies as such are not comparable year-on-year.

In addition, Tradeka Ltd and certain of Restel Consolidated's subsidiaries entered unemployment pension deductibles of EUR 6.1 million, payable in the years to come, in pensions and statutory reserves. The majority of the employment contracts, on which the deductibles are based, terminated prior to 2002. The deductibles will fall due for payment during 2003–2009.

Also partly accrued from previous years, Parent Cooperative entered a statutory reserve of EUR 1.7 million in extraordinary expenses in the 2002 Financial Statements in order to examine the environmental damage caused by the discontinued outlets and depollute the soil, if necessary.

Deferred taxes

Deferred tax liabilities and tax assets in the consolidated financial statements are based on the differences between the date of taxation and the date of closing the accounts, and they are calculated by using the tax rate of 29 per cent. The consolidated balance sheet includes the deferred tax liabilities in their entirety and deferred tax assets for a sum estimated exercising extreme prudence.

Deferred tax assets are mostly based on the confirmed loss of Cooperative Tradeka Corporation from previous years and on depreciation and write-down not yet deducted in taxation.

Consolidated deferred tax assets for 2002 were accumulated by recognising EUR 12.6 million of the above-mentioned confirmed losses and depreciation from previous years as extraordinary income. As, on the other hand, EUR 9.9 million of deferred tax assets were used for deferred direct taxes for 2002, the amount of deferred tax assets increased to EUR 15.7 million.

The income recognition entry of tax assets made in extraordinary items in the consolidated financial statements is consistent with the general guidelines, issued by the Accounting Board on 11 January 1999, governing the treatment applied to tax liabilities and assets during the transition period. Since, during the transition period, only a fraction of deferred tax assets were recognised as income using extreme prudence, and since the income recognition is a non-standard practice in that it is one-off and material in nature and based on previous accounting periods, the financial statements were prepared in accordance with the rules and regulations on extraordinary items.

Adjustments to the previous financial year's data

The previous year's balance sheet structure has changed to correspond the structure of the current financial year, in relation to the presentation of installation fees applied to property. According to the guidelines issued by the Accounting Board, such installation fees shown in the financial statements are included in the value of land, whereas they were previously included in intangible rights.

ACCOUNTING PRINCIPLES OF CONSOLIDATED FINANCIAL STATEMENTS

Scope of Consolidated Financial Statements

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

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

Changes in corporate structure

In 2002, Tradeka Ltd acquired Kiinteistö Oy Veikko Ylinen and Kurikan Hissat Oy, as well as bought shares in Saunakallion Ostoskeskus Oy which became its subsidiary.

During the financial year, Eka Real Estate Development Ltd sold its shareholdings in the following three wholly owned subsidiaries: Kiinteistö Oy Kenraalintie 6, Kiinteistö Oy Turun Kärsämäentie 8 and Kiinteistö Oy Valkeakosken Apiankatu 2. In addition, the company sold its holding in the associated companies Lapinmaan Kiinteistö Oy and Kuopion Kiwikartano Oy.

Internal shareholding

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

Intra-company transactions and profits

Intra-company transactions, receivables and payables as well as non-realised capital gains on fixed assets are eliminated.

In the 2002 consolidated financial statements, intra-company profits of EUR 84.5 million (EUR 92.4 million in the previous year) were eliminated, of which EUR 12.7 million (EUR 12.8 million) originated from the spin-off of Restel Ltd at the end of 1990, and EUR 34.7 million (EUR 36.5 million) from the spin-off of Tradeka Ltd in 1995 and from subsequent sales of fixed assets.

Of the intra-company profits from the transfer of the real estate business to Eka Real Estate Development, most of which was conducted in 1999, EUR 25.5 million (EUR 30.6 million) were eliminated in the consolidated financial statements. Other profits related to the Cooperative's intra-company property sales totalled EUR 11.6 million (EUR 12.4 million).

During 2002, intra-company profits decreased by EUR 7.9 million, of which EUR 2.5 million net were realised as capital gains entered in the Corporation's profit. The remainder was mainly allocated to the depreciation and write-down exceeding the amount planned carried out by Group companies, especially Eka Real Estate.

Minority interest

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

Currency translation differences

The accounts of foreign subsidiaries are translated into euros applying the 'monetary-non-monetary' method. Exchange rate differences are entered in financial items in the income statement.

Associated companies

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

TRADEKA CORPORATION

NOTES TO THE CONSOLIDATED INCOME STATEMENT

NET TURNOVER

EUR million	2002	2001	02/01
Net turnover by business sector:			
Tradeka Consolidated	1 000.2	949.5	50.7
Restel Consolidated	202.2	204.4	-2.2
Other	1.2	2.6	-1.4
Total	**1 203.6**	**1 156.5**	**47.1**

Net turnover comes mainly from domestic sales.

OTHER INCOME FROM BUSINESS OPERATIONS

EUR million	2002	2001	02/01
Rental income	14.3	13.2	1.1
Capital gains on fixed assets	0.8	5.3	-4.5
Other income	0.4	0.0	0.4
Total	**15.5**	**18.5**	**-3.0**

In the main, other income include pay bills Restel Consolidated charged to its partner companies. In previous financial statements, such income from pay bills reduced operating and maintenance costs.

OPERATING COSTS

Goods

EUR million	2002	2001	02/01
Purchases during financial period	-820.9	-783.9	-37.0
Change in stocks	7.0	-2.1	9.1
Total	**-813.9**	**-786.0**	**-27.9**

Personnel costs

EUR million	2002	2001	02/01
Salaries and wages	-116.8	-111.3	-5.5
Pensions	-30.3	-24.7	-5.6
Other social expenses	-11.5	-12.8	1.3
Total	**-158.6**	**-148.8**	**-9.8**

A total of EUR 6.1 million of pension expenses recorded in 2002 include the expense entries of the unemployment pension deductibles payable during 2003–2009.

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

EUR million	2002	2001	02/01
Paid to Presidents and administrative bodies	0.5	0.9	-0.4
Other wages and salaries	113.2	106.3	6.9
Total	**113.7**	**107.2**	**6.5**

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

Average number of employees

	2002	2001	02/01
Tradeka Consolidated	3 433	3 292	+141
Restel Consolidated	1 538	1 547	-9
Other personnel	35	39	-4
Total	**5 006**	**4 878**	**+128**

Depreciation and write downs

EUR million	2002	2001	02/01
Amortisation on goodwill	-1.0	-1.2	0.2
Amortisation on other long-term assets	-9.1	-9.0	-0.1
Depreciation on buildings	-6.7	-4.0	-2.7
Depreciation on machinery and equipment	-12.7	-12.2	-0.5
Depreciation on other tangible assets	-0.7	-0.4	-0.3
Amortisation on consolidated goodwill / income recognition of consolidation difference	0.1	0.0	0.1
Depreciation/amortisation total	-30.1	-26.8	-3.3
Write downs	-1.4	-0.5	-0.9
Total	**-31.5**	**-27.3**	**-4.2**

Other operating costs

EUR million	2002	2001	02/01
Total costs deriving from sales	-3.8	-3.9	0.1
Marketing costs	-4.5	-6.6	2.1
Share of associated companies' results	0.0	0.0	0.0
Rental costs	-55.8	-52.7	-3.1
Real estate costs	-18.3	-15.5	-2.8
Administrative costs	-15.2	-13.9	-1.3
Other usage and maintenance costs	-68.2	-65.2	-3.0
Capital losses on fixed assets	-1.7	-1.2	-0.5
Total	**-167.5**	**-159.0**	**-8.5**

FINANCIAL INCOME AND EXPENSES

Interest expenses of subordinated loan

EUR million	2002	2001	02/01
Entered as interest expenses and as accrued expenses	**-12.8**	**-22.1**	**9.3**

Interest for 2001 was included in the principal of the subordinated loan after the adoption of the financial statements for the year in question.

OTHER FINANCIAL INCOME AND EXPENSES

EUR million	2002	2001	02/01
Income from other investments:			
Income from holdings in other companies	0.3	0.4	-0.1
Interest income from investments	0.1	0.2	-0.1
Other interest and financial income:			
Interest income from current assets	6.8	6.4	0.4
Other financial income from current assets:			
- from associated companies	0.0	0.0	0.0
- from external parties	0.0	0.0	0.0
- exchange-rate gains	0.1	0.0	0.1
Financial income total	7.3	7.0	0.3
Share of associated real-estate companies' results	-0.8	0.3	-1.1
Impairment of			
Long-term investments	-1.0	0.0	-1.0
Interest expenses:			
To external parties	-8.6	-8.1	-0.5
Other financial expenses:			
Conversion differences and exchange rate losses	0.0	0.0	0.0
Other financial expenses	-0.3	-0.2	-0.1
Other financial expenses total	-0.3	-0.2	-0.1
Interest expenses and other financial expenses total	-8.9	-8.3	-0.6
Net financial income and expenses	**-3.4**	**-1.0**	**-2.4**
Interest income total	6.9	6.6	0.3

EXTRAORDINARY ITEMS

EUR million	2002	2001	02/01
Extraordinary income:			
Proportional shares received based on partitioning debt	0.0	0.6	-0.6
Deferred tax assets	12.7	9.0	3.7
Other extraordinary income	0.0	0.0	0.0
Total	12.7	9.6	3.1
Extraordinary expenses:			
Parent Cooperative's financial restructuring expenses	-1.0	0.0	-1.0
*) Other extraordinary expenses and loss	-1.7	0.0	-1.7
Total	-2.7	0.0	-2.7
Net extraordinary items	**10.0**	**9.6**	**0.4**

*) Virtually all of other extraordinary expenses and loss for 2002 include reserves posted by Parent Cooperative for the purpose of examining environmental damage and engaging in any resultant soil remediation.

TAXES BASED ON THE INCOME STATEMENT

EUR million	2002	2001	02/01
Taxes for the period	-1.0	-0.7	-0.3
Change in deferred tax liability	2.3	0.2	2.1
Application of deferred tax assets	-9.9	-9.4	-0.5
Total	**-8.6**	**-9.9**	**1.3**

FIXED AND OTHER NON-CURRENT ASSETS

Intangible Assets 31 Dec.

EUR million	2002	2001	02/01
Intangible rights	1.0	0.4	0.6
Goodwill	0.8	1.8	-1.0
Other long-term assets	28.9	29.4	-0.5
Advances paid	0.1	0.1	0.0
Total	**30.8**	**31.7**	**-0.9**

Intangible rights

EUR million	2002	2001
Acquisition cost 1 Jan.	0.4	0.5
Increase	0.9	0.0
Decrease; sales	-0.3	-0.1
Book value 31 Dec.	**1.0**	**0.4**

Intangible rights applying to property-related installation fees (approx. EUR 1 million), previously shown in intangible assets, are included in the values of land areas in the financial statements. Accordingly, this is also shown in comparable data.

Goodwill

EUR million	2002	2001
Acquisition cost 1 Jan.	16.3	18.5
Decrease; fully amortised	0.0	-2.2
Acquisition cost 31 Dec.	16.3	16.3
Accumulated amortisation 1 Jan.	-14.5	-15.5
Amortisation for the accounting period	-1.0	-1.2
Decrease; fully amortised 31 Dec.	0.0	2.2
Accumulated depreciation 31 Dec.	-15.5	-14.5
Book value 31 Dec.	**0.8**	**1.8**

Other long-term assets

EUR million	2002	2001
Acquisition cost 1 Jan.	76.5	69.2
Increase	8.8	7.8
Decrease; sales	-0.1	-0.5
Acquisition cost 31 Dec.	85.2	76.5
Accumulated amortisation 1 Jan.	-47.1	-38.1
Amortisation for the accounting period	-9.2	-9.0
Accumulated amortisation 31 Dec.	-56.3	-47.1
Book value 31 Dec.	**28.9**	**29.4**

Advances paid

EUR million	2002	2001
Acquisition cost 1 Jan.	0.1	0.6
Introduced	0.0	-0.5
Book value 31 Dec.	**0.1**	**0.1**

Consolidated goodwill

EUR million	2002	2001	02/01
Acquisition cost 1 Jan.	1.5	2.1	
Decrease	0.0	-0.6	
Acquisition cost 31 Dec.	1.5	1.5	
Accumulated amortisation 1 Jan.	-0.5	-0.5	
Amortisation for the accounting period	-0.1	-0.1	
Recognition of consolidation difference as income	0.2	0.1	
Accumulated amortisation 31 Dec.	-0.4	-0.5	
Book value 31 Dec.	**1.1**	**1.0**	**0.1**

Tangible Assets 31 Dec.

EUR million	2002	2001	02/01
Land and water	11.2	11.1	0.1
Buildings and structures	105.3	114.2	-8.9
Machinery and equipment	43.4	40.3	3.1
Other tangible assets:	2.5	2.8	-0.3
Advances paid and work in progress	1.7	2.3	-0.6
Total	**164.1**	**170.7**	**-6.6**

Land and water

EUR million	2002	2001
Acquisition cost 1 Jan.	11.4	11.3
Increase	1.0	1.0
Decrease; sales	-0.9	-0.9
Acquisition cost 31 Dec.	11.5	11.4
Accumulated depreciation 1 Jan. and 31 Dec.	-0.3	-0.3
Book value 31 Dec.	**11.2**	**11.1**

Buildings and structures

EUR million	2002	2001
Acquisition cost *) 1 Jan.	148.5	143.5
Increase	5.0	8.0
Decrease; sales	-5.8	-2.5
Accumulated depreciation of property sold	-0.5	-0.5
Acquisition cost *) 31 Dec.	147.2	148.5
Accumulated depreciation and value adjustment 1 Jan.	-34.3	-30.4
Depreciation for the accounting period	-6.7	-4.0
Value adjustment for the period	-1.4	-0.4
Accumulated depreciation of property sold	0.5	0.5
Accumulated depreciation and value adjustment 31 Dec.	-41.9	-34.3
Book value 31 Dec.	**105.3**	**114.2**

Building acquisition cost include:		
*) Revaluation 1 Jan. and 31 Dec.	0.0	0.0

Machinery and equipment

EUR million	2002	2001
Acquisition cost 1 Jan.	127.7	117.0
Increase	16.2	11.6
Decrease; sales	-0.4	-0.9
Acquisition cost 31 Dec.	143.5	127.7
Accumulated depreciation 1 Jan.	-87.4	-75.2
Depreciation for the accounting period	-12.7	-12.2
Accumulated depreciation 31 Dec.	-100.1	-87.4
Book value 31 Dec.	**43.4**	**40.3**

Other tangible assets

EUR million	2002	2001
Acquisition cost 1 Jan.	4.1	2.0
Increase	0.4	2.1
Decrease	0.0	0.0
Acquisition cost 31 Dec.	4.5	4.1
Accumulated depreciation 1 Jan.	-1.3	-0.9
Depreciation for the accounting period	-0.7	-0.4
Accumulated depreciation 31 Dec.	-2.0	-1.3
Book value 31 Dec.	**2.5**	**2.8**

Advances paid and work in progress

EUR million	2002	2001
Acquisition cost 1 Jan.	2.3	6.5
Increase	1.7	4.8
Introduced	-2.3	-9.0
Book value 31 Dec.	**1.7**	**2.3**

Investments 31 Dec.

EUR million	2002	2001	02/01
Holdings in associated companies	47.6	36.2	11.4
Other investments:			
Receivables from associated companies	0.2	0.1	0.1
Other shares and holdings	13.2	12.9	0.3
Other receivables	13.3	13.6	-0.3
Other investments total	26.7	26.6	0.1
Total	**74.3**	**62.8**	**11.5**

Holdings in associated companies

EUR million	2002	2001
Holdings 1 Jan.	36.3	33.6
Increase	13.6	3.6
Decrease	-2.2	-0.9
Holdings 31 Dec.	47.7	36.3
Accumulated value adjustment 1 Jan.	-0.1	0.0
Value adjustment for the period	0.0	-0.1
Accumulated value adjustment 31 Dec.	-0.1	-0.1
Book value 31 Dec.	**47.6**	**36.2**

Other shares and holdings

EUR million	2002	2001
Acquisition cost 1 Jan.	12.9	12.8
Increase	1.3	0.5
Decrease; sales	0.0	-0.4
Acquisition cost 31 Dec.	14.2	12.9
Accumulated value adjustment 1 Jan. and 31 Dec.	0.0	0.0
Value adjustment for the period	-1.0	0.0
Accumulated value adjustment 31 Dec.	-1.0	0.0
Book value 31 Dec.	**13.2**	**12.9**

Total shares and holdings

EUR million	2002	2001
Acquisition cost 31 Dec.	61.9	49.2
Accumulated value adjustment 31 Dec.	-1.1	-0.1
Book value 31 Dec.	**60.8**	**49.1**

Receivables from associated companies

EUR million	2002	2001
Receivables at nominal value 1 Jan.	0.1	0.1
Increase	0.1	0.1
Decrease	0.0	-0.1
Book value 31 Dec.	**0.2**	**0.1**

Other receivables

EUR million	2002	2001
Receivables at nominal value 1 Jan.	13.6	13.5
Increase	0.3	2.0
Decrease	-0.6	-1.9
Book value 31 Dec.	**13.3**	**13.6**

CURRENT ASSETS

Stocks 31 Dec.

EUR million	2002	2001	02/01
Goods	**60.8**	**53.7**	**7.1**

Receivables 31 Dec.

EUR million	2002	2001	02/01
Long-term receivables:			
Receivables from associated companies	0.0	0.0	0.0
Accrued income and prepaid expenses	0.3	0.3	0.0
Total	0.3	0.3	0.0
Short-term receivables:			
Accounts receivable	11.8	17.2	-5.4
Receivables from associated companies	4.2	0.5	3.7
Loan receivables	0.0	0.0	0.0
Other receivables	9.7	11.5	-1.8
Accrued income and prepaid expenses	4.6	4.3	0.3
Total	30.3	33.5	-3.2
Receivables total	**30.6**	**33.8**	**-3.2**

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

Short-term accrued income and prepaid expenses include:

Unreceived annual compensations	0.0	0.0
Other unreceived expense compensations	2.7	1.4
Prepaid social security expenses	0.0	0.0
Other prepaid business expenses	0.4	1.4
Unreceived financial income	1.5	1.5
Total	4.6	4.3

Receivables from associated companies 31. Dec.

EUR million	2002	2001	02/01
Long-term receivables			
Other receivables	0.0	0.0	0.0
Short-term receivables			
Accounts receivable	0.0	0.0	0.0
Other receivables	0.5	0.3	0.2
Accrued income and prepaid expenses	3.7	0.2	3.5
Total	4.2	0.5	3.7
Total	**4.2**	**0.5**	**3.7**

Short-term accrued income and prepaid expenses include:

Unreceived annual compensations	3.7	0.0
Other unreceived expense compensations	0.0	0.2
Total	3.7	0.2

Marketable securities 31 Dec.

EUR million	2002	2001	02/01
Other securities	**123.4**	**85.8**	**37.6**

Marketable securities include commercial papers subject to public trading.

SHAREHOLDERS' EQUITY (CO-OPERATIVE CAPITAL)

Share capital

EUR million	2002	2001
Fees of current members 1 Jan.	8.5	8.5
+ fees paid during period	0.0	0.0
- fees of members resigned during period	0.0	0.0
Fees of current members 31 Dec.	8.5	8.5
Fees of ex-members 1 Jan.	0.6	0.6
+ fees of members resigned during period	0.0	0.0
- refunded to ex-members	0.0	0.0
Fees of ex-members 31 Dec.	0.6	0.6
Share capital total 31 Dec.	9.1	9.1
Revaluation fund 1 Jan. and 31 Dec.	0.0	0.0
Reserve fund 1 Jan. and 31 Dec.	13.4	13.4
Contingency fund 1 Jan.	55.1	30.1
Retained Parent Cooperative surplus from previous year	15.5	25.0
Contingency fund 31 Dec.	70.6	55.1
Retained losses 1 Jan.	-74.2	-87.6
Retained consolidated profit from previous year	14.9	13.4
Retained losses 31 Dec.	-59.3	-74.2
Profit for the period:		
Parent Cooperative surplus for the period	27.7	15.5
Other consolidated profit for the period	4.8	14.9
Consolidated surplus for the period	32.5	30.4
Shareholders' Equity (Cooperative Capital) total 31 Dec.	**66.3**	**33.8**

Calculation of distributable profit

EUR million	2002	2001
Contingency fund	70.6	55.1
Retained losses	-59.3	-74.2
Consolidated profit for the period	32.5	30.4
Portion entered in shareholders' equity from appropriations	-5.6	-11.3
According to Consolidated Financial Statements	38.2	0.0

STATUTORY RESERVES

EUR million	2002	2001	02/01
Reserves for security payments	0.1	0.1	0.0
Pension reserves	6.1	0.0	6.1
Other statutory reserves	2.0	0.0	2.0
Total	**8.2**	**0.1**	**8.1**

The pension reserves include estimates of unemployment pension related deductibles payable by Tradeka Ltd and some of Restel Consolidated's subsidiaries during 2003–2009.
Reserves for security payments and other statutory reserves are made by Parent Cooperative (see Parent Notes on page 43).

LIABILITIES

Total liabilities 31 Dec.

EUR million	2002	2001	02/01
Total	**484.4**	**480.6**	**3.8**

Deferred tax liability 31 Dec.

EUR million	2002	2001	02/01
Total	**2.3**	**4.6**	**-2.3**

Consolidated loans 31 Dec.

EUR million	2002	2001	02/01
Consolidated pension loans	20.1	22.5	-2.4
Subordinated loan	61.3	39.2	22.1
Non-interest bearing subordinated loan	102.1	102.1	0.0
Other subordinated loan	0.5	1.0	-0.5
Total	**184.0**	**164.8**	**19.2**

Other financial restructuring debt 31 Dec.

EUR million	2002	2001	02/01
Long-term:			
Secured loans	0.0	41.7	-41.7
Long-term partitioning debt	0.0	16.1	-16.1
*) Accruals	0.0	22.1	-22.1
Total	0.0	79.9	-79.9
Short-term:			
Secured loans	35.8	0.0	35.8
Long-term partitioning debt	0.0	16.1	-16.1
Short-term partitioning debt	0.5	0.4	0.1
*) Accruals	12.8	0.0	12.8
Total	49.1	16.5	32.6
Total	**49.1**	**96.4**	**-47.3**

*) Accruals under Other financial restructuring debt include those resulting from the accumulated interest on subordinated loan entered during financial years. Interest entered in 2001 was included in shareholders' equity after the adoption of the financial statements for the said year.

Other liabilities 31 Dec.

EUR million	2002	2001	02/01
Long-term:			
Convertible bond	5.0	5.0	0.0
Loans from financial institutions	41.5	39.8	1.7
Pension loans (incl. pension liabilities, non-consolidated)	45.4	15.8	29.6
Other liabilities	28.3	23.5	4.8
Total	120.2	84.1	36.1
Short-term:			
Loans from financial institutions	8.4	7.9	0.5
Pension loans	0.4	1.0	-0.6
Advances received	1.6	1.5	0.1
Accounts payable	40.0	50.3	-10.3
Payables to associated companies	13.1	8.3	4.8
Other payables	14.6	16.3	-1.7
Accruals	50.7	45.4	5.3
Total	128.8	130.7	-1.9
Total	**249.0**	**214.8**	**34.2**

EUR million	2002	2001	02/01
Short-term accruals include:			
Unpaid refund of Loyal Customer Scheme bonuses	18.9	16.8	
Unpaid personnel costs	23.9	17.9	
Other unpaid business expenses	6.2	9.7	
Unpaid financial expenses	1.7	1.0	
Total	50.7	45.4	

Other liabilities 31 Dec.

EUR million	2002	2001	02/01
Payables to associated companies:			
Accounts payable	13.1	8.3	4.8

Consolidated loans 31 Dec.

Consolidated pension loans

EUR million	2002	2001	02/01
Total	**20.1**	**22.5**	**-2.4**

Consolidated pension loans, which relate to Cooperative Tradeka Corporation, are described on page 45 in the Notes to the Parent Company's Balance Sheet.

Subordinated loans

EUR million	2002	2001	02/01
Subordinated loan	61.3	39.2	22.1
Non-interest bearing subordinated loan	102.1	102.1	0.0
Total	163.4	141.3	22.1

Subordinated loans, which relate to Cooperative Tradeka Corporation, are described on page 45 in the Notes to the Parent Company's Balance Sheet.

In accordance with the financial restructuring programme, the subordinated loans mature on 31 December 2003. Due to their short-term nature, they are included in liabilities in the financial statements for 2002.

Other subordinated loan

EUR million	2002	2001	02/01
Total	0.5	1.0	-0.5

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

Other financial restructuring debt by due date 31 Dec.

EUR million	2002	2001
Total restructuring debt	49.1	96.4
- In short-term liabilities	-49.1	-16.5
= In long-term liabilities	0.0	79.9
- Amortisation in the next 2–5 years	0.0	-79.9
Due in over 5 years	0.0	0.0

For comments on other financial restructuring debts, see the Notes to the Balance Sheet of the Parent Cooperative on page 46.

Other long-term liabilities

EUR million	2002	2001
Convertible bonds	5.0	5.0

Cooperative Tradeka Corporation has subscribed and paid the EUR 1.7 million (FIM 10 million) convertible bonds issued by Tradeka Ltd, Restel Ltd and Eka Real Estate Development Ltd. In accordance with the financial restructuring programme, the convertible bonds were transferred to Tradeka Corporation's creditors of secured loans in 2001, in payment of the EUR 5 million (FIM 30 million) restructuring debt.

In accordance with the financial restructuring programme, and in the event of failure to meet the conditions agreed therein governing business profitability, cashflow and investments, the creditors of secured loans have the right to convert the convertible bonds of Tradeka Ltd and Restel Ltd into the shares of the said companies.

The right of exchange of Eka Real Estate Development Ltd's convertible bonds is not restricted during the financial restructuring programme.

If the convertible bonds are converted into shares, this will lead to an approximately 75 per cent holding and voting rights in Tradeka Ltd and Eka Real Estate Development Ltd.

Other long-term liabilities by due date 31 Dec.

EUR million	2002	2001
Loans from financial institutions:		
Total liabilities	49.9	47.7
- In short-term liabilities	-8.4	-7.9
= In long-term liabilities	41.5	39.8
- Amortisation in the next 2–5 years	-35.9	-37.9
Due in over 5 years	**5.6**	**1.9**
Pension loans:		
Total liabilities	45.8	16.8
- Pension liabilities (not consolidated)	-4.4	-2.8
Pension loans	41.4	14.0
- Pension loans in short-term liabilities	-0.4	-1.0
= Pension loans in long-term liabilities	41.0	13.0
- Amortisation in the next 2–5 years	-19.7	-3.3
Due in over 5 years	**21.3**	**9.7**
Other liabilities:		
Total liabilities	28.3	23.5
- In short-term liabilities	0.0	0.0
= In long-term liabilities	28.3	23.5
- Amortisation in the next 2–5 years	-28.3	-23.5
Due in over 5 years	**0.0**	**0.0**

Other liabilities include the debt payable to the guarantor of the Parent Cooperative's pension scheme.

COMMITMENTS AND CONTINGENCIES 31 DEC. 2002

Mortgages on real estate, and business mortgages, pledged as security for debts

EUR million	2002	2001	02/01
Loans from financial institutions:	*47.2*	*45.3*	*1.9*
Pledged real estate mortgages	25.1	15.0	10.1
Pledged business mortgages	21.1	28.6	-7.5
Pension loans:	*41.2*	*14.0*	*27.2*
Pledged real estate mortgages	43.4	52.9	-9.5
Pledged business mortgages	8.7	6.6	2.1
Secured debt:	*35.8*	*41.7*	*-5.9*
Pledged real estate mortgages	65.1	78.2	-13.1
Pledged business mortgages	100.6	104.8	-4.2
Total mortgages pledged as security for debt	**264.0**	**286.1**	**-22.1**

Shares pledged as security for debt

EUR million	2002	2001	02/01
Loans from financial institutions	*47.2*	*45.3*	*1.9*
Book value of pledged shares	8.5	7.7	0.8
Pension loans	*7.6*	*8.2*	*-0.6*
Book value of pledged shares	7.3	18.7	-11.4
Secured debt	*35.8*	*41.7*	*-5.9*
Book value of pledged shares	82.1	88.0	-5.9
Pledged shares total	**97.9**	**114.4**	**-16.5**

Other pledges

EUR million	2002	2001	02/01
Pledged receivables	**143.4**	**143.4**	**0.0**

The receivable is pledged in security for the Parent Cooperative's secured debts. The pledged receivable from Tradeka Ltd is presented in the amount of its nominal value, which is in accordance with the promissory note value, while the book value after loan amortisation amounts to EUR 17.7 million, or EUR 125.7 million less than the above figure.

Pledges made on behalf of others

EUR million	2002	2001	02/01
Mortgaged promissory notes secured by a pledge	16.1	18.0	-1.9
Pledged deposits	0.1	0.1	0.0
Total	**16.2**	**18.1**	**-1.9**

Pension liabilities

The Group companies' portion of Eläkekassa Tuki's non-funded uncovered liabilities are entered as expenses and pension liabilities in full (EUR 24.4 million on 31 December 2002).

Based on its shareholder and guarantee commitments, Cooperative Tradeka Corporation's Group companies are, together with other shareholders, jointly and severally liable for all of Eläkekassa Tuki's non-covered pension liability of EUR 24.5 million.

Amounts due for leasings contracts

EUR million	2002	2001	02/01
Payable the following year	4.1	4.2	-0.1
Payable later	3.0	5.5	-2.5
Total	**7.1**	**9.7**	**-2.6**

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

Contingent liabilities on behalf of Group companies

EUR million	2002	2001	02/01
Guarantees given	**3.4**	**3.6**	**-0.2**

Other contingent liabilities

EUR million	2002	2001	02/01
Guarantees on behalf of others	2.6	2.7	-0.1
On behalf of Group company's debt	1.0	2.0	-1.0
Interest liabilities for consolidated subordinated loan	0.0	8.5	-8.5
Total	**3.6**	**13.2**	**-9.6**

In 2002, Cooperative Tradeka Corporation entered all interest on the subordinated loan as interest expenses and debts.

TRADEKA CORPORATION

SUBSIDIARIES AS OF 31 DECEMBER 2002

	Domicile	Corporation´s share %	Cooperative Tradeka Corporaration Share %	Cooperative Tradeka Corporaration Book value EUR 1 000	Corporaration´s Increase 2002 EUR 1 000
Tradeka Group Ltd	Helsinki	100	100	1 682	
Tradeka Ltd	Helsinki	100			
- ZAO Renlund SPb	Pietari	100			
- Amurin Liikekeskus Ki Oy	Tampere	73			
- Haukiputaan Ykkönen Ki Oy	Haukipudas	54			
- Jyrängön Palvelukeskus Oy	Heinola	50			103
- Kolmenkeikka Ki Oy	Lieksa	55			
- Kotkan Kirkkokatu Ki Oy	Kotka	100			
- Kurikan Hissat Oy	Kurikka	100			248
- Kurunportti Ki Oy	Kuru	100			
- Kuussalon Liikekeskus Ki Oy	Kangasala	60			
- Muotialantie As Oy	Tampere	58			
- Mäntyharjun Torinkulma Oy	Mäntyharju	71			
- Mäntän Seppälänpuistotie 7 Ki Oy	Mänttä	100			
- Oulun Eka Ki Oy	Oulu	100			
- Peimarin Puoti Oy	Paimio	84			
- Peltosaaren Liikekeskus	Riihimäki	86			
- Pihlavan Palvelukeskus Ki Oy	Pori	87			
- Piispankylän Mestaritie Ki Oy	Vantaa	100			
- Pykälikkö Ki Oy	Jyväskylä	56			
- Sallan Kauppakeskus Oy	Salla	60			
- Salon Hämeentie Ki Oy	Salo	100			
- Salon Vanamopolku Ki Oy	Salo	100			
- Saunakallion Ostoskeskus Oy	Järvenpää	56			744
- Siekkilän kauppatalo Ki Oy	Mikkeli	59			
- Sodankylän Sompiontie 6 Ki Oy	Helsinki	64			
- Tampereen Eka Ki Oy	Tampere	100			
- Vesalankeskus Ki Oy	Hollola	52			
- Ylinen Veikko Ki Oy	Tampere	100			273
- Ylöjärven Virastokeskus Ki Oy	Ylöjärvi	50			
- Tenavan Ostoskeskus Oy	Lahti	92			4
- Tesomankeskus Ki Oy	Tampere	57			
- Mukkulan Ostoskeskus Oy	Lahti	52			
- 7 Neste Service Stations	Helsinki	5			
Restel Ltd	Helsinki	100			
- Restel Ravintolat Oy	Helsinki	100			
- Cumulus Oy	Helsinki	100			
- Rantasipi Oy	Helsinki	100			
- Helsingin Restel Ravintolat Oy	Helsinki	100			
- Kansainväliset Restel Hotellit Oy	Helsinki	100			
- Restel Kylpylähotellit Oy	Helsinki	100			
- Rax Ravintolat Oy	Helsinki	100			
- Ki Oy Koppelokuja 9 A	Kuopio	100			
- Ki Oy Keskusväylä Oy	Pori	55			
- Nastolan Liikekeskus Oy	Nastola	58			

	Domicile	Corporation´s share %	Cooperative Tradeka Corporaration Share %	Book value EUR 1 000	Corporaration´s Increase 2002 EUR 1 000
Merihaan Rantakuja Ki Oy	Helsinki	100	100	1	
Eka Real Estate Development Ltd	Helsinki	100	100	22 778	
- 13 property subsidiaries					
Haminan Kiinteistö Oy	Hamina	100			
Helsingin Hämeentie 19 Ki Oy	Helsinki	100			
Hyvinkään Hämeenkatu 2-4 Ki Oy	Hyvinkää	100			
Huoltotammi Oy	Forssa	98			
Karkkilan Koulukatu 10	Karkkila	88			
Kemin Keskuspuistok.	Kemi	100			
Keuruun Pihlajavedentie 2	Keuruu	100			
Lappeenrannan Liike- ja Hotelli Ki Oy	Lappeenranta	100			
Lintulahdenkallio Ki Oy	Helsinki	100			21
Luukkaantori 5 Ki Oy	Lappeenranta	100			
Skutnäsinkatu 18 Ki Oy	Pietarsaari	53			
Suurlohjankatu 4-8 Ki Oy	Lohja	100			
Varkauden Kauppakatu 42-44	Varkaus	100			
Divested in 2002:					
Kenraalintie 6 Ki Oy	Anjalankoski				
Turun Kärsämäentie 8 Ki Oy	Turku				
Valkeakosken Apiankatu 2 Ki Oy	Valkeakoski				
- Savonjuoma Oy	Mikkeli	100			
- Other subsidiaeies, non-operational:					
*) E-myymälät ja tavaratalot Oy	Helsinki	0			
*) Paraisten Centrum	Parainen	0			
*) Vähittäiskauppaketjut Oy	Helsinki	100			
*) Yhteistukku Oy	Helsinki	0			
				24 460	1 393

*) not included in the consolidated financial statements

TRADEKA CORPORATION

ASSOCIATED COMPANIES AS OF 31 DECEMBER 2002

	Domicile	Corporation's share %	Cooperative Tradeka Corporation's holding share %	Book value EUR 1 000
Inex Partners Oy	Helsinki	50	50	11 269
Tradeka Group Ltd				
Palveluetu Ltd T & E	Helsinki	50		
Tradeka Ltd				
Ketjuetu Ltd T & E	Helsinki	50		
38 associated property companies				
Restel Ltd				
12 associated property companies				
Eka Real Estate Development Ltd				
3 associated property companies				
Associated companies total				**11 269**

COOPERATIVE TRADEKA CORPORATION

INCOME STATEMENT, 1 JAN. – 31 DEC. 2002

EUR million	2002	2001	02/01
Net turnover	**1.7**	**1.6**	**0.1**
Other income from business operations	0.1	0.0	0.1
Operating costs:			
Personnel costs	-4.5	-5.6	1.1
Other operating costs	-2.3	-1.8	-0.5
Total	-6.8	-7.4	0.6
Operating loss/profit	**-5.0**	**-5.8**	**0.8**
Interest on subordinated loan	-12.8	-22.1	9.3
Other financial income and expenses	4.2	7.4	-3.2
Loss/profit before extraordinary items	**-13.6**	**-20.5**	**6.9**
Extraordinary items	41.3	36.0	5.3
Profit before appropriations and taxes	**27.7**	**15.5**	**12.2**
Direct taxes	0.0	0.0	0.0
Surplus for the financial year	**27.7**	**15.5**	**12.2**

COOPERATIVE TRADEKA CORPORATION
BALANCE SHEET 31 DECEMBER 2002

Assets	EUR million			% of Balance Sheet	
	2002	2001	02/01	2002	2001
Fixed and other long-term assets:					
Investments:					
Holdings in Group companies	24.5	24.5	0.0	6.0	6.2
Other investments	317.4	308.4	9.0	78.4	78.2
Fixed and other long-term assets total	**341.9**	**332.9**	**9.0**	**84.4**	**84.4**
Current assets:					
Receivables	49.0	45.1	3.9	12.1	11.4
Marketable securities	6.0	5.7	0.3	1.5	1.4
Cash and bank	8.3	10.6	-2.3	2.0	2.7
Current assets total	**63.3**	**61.4**	**1.9**	**15.6**	**15.6**
Assets total	**405.2**	**394.3**	**10.9**	**100.0**	**100.0**

Liabilities and shareholders' equity	EUR million			% of Balance Sheet	
	2002	2001	02/01	2002	2001
Shareholders' equity:					
Share capital (Co-operative capital)	9.1	9.1	0.0	2.3	2.3
Revaluation reserve	4.5	4.5	0.0	1.1	1.1
Reserve fund	13.4	13.4	0.0	3.3	3.4
Contingency fund	70.6	55.1	15.5	17.4	14.0
Surplus for the year	27.7	15.5	12.2	6.8	3.9
Shareholders' equity (Cooperative equity) total	**125.3**	**97.6**	**27.7**	**30.9**	**24.8**
Statutory reserves	**2.1**	**0.1**	**2.0**	**0.5**	**0.0**
Liabilities:					
Consolidated restructuring debt	183.5	163.8	19.7	45.3	41.5
Other restructuring debt	49.1	96.4	-47.3	12.1	24.4
Other liabilities:					
Long-term	43.2	34.9	8.3	10.7	8.9
Short-term	2.0	1.5	0.5	0.5	0.4
Liabilities total	**277.8**	**296.6**	**-18.8**	**68.6**	**75.2**
Liabilities and shareholders' equity total	**405.2**	**394.3**	**10.9**	**100.0**	**100.0**

COOPERATIVE TRADEKA CORPORATION

STATEMENT OF SOURCES AND APPLICATIONS OF FUNDS, 1 JAN. – 31 DEC. 2002

EUR million	2002	2001
CASH FLOW FROM OPERATIONS		
Loss before extraordinary items	-13.6	-20.5
Adjustments:		
Other income and expenses not connected with payments	3.4	2.3
Financial income and expenses	8.6	14.7
Other adjustments (- profits / + losses from trade)	0.0	0.0
Cash flow before change in working capital	-1.6	-3.5
Change in working capital		
Increase (-) / decrease (+) in current business receivables	0.1	-0.3
Increase (-) / decrease (+) in current liabilities	-0.8	0.3
Cash flow from operations before financial items and taxes	-2.3	-3.5
Interest paid and financial expenses from operations	-1.2	-1.7
Dividends received	2.2	0.5
Interest received	6.3	10.7
Cash flow before extraordinary items	5.0	6.0
Net cash flow from operations due to extraordinary items	0.0	3.5
Cash flow from operations	**5.0**	**9.5**
CASH FLOW FROM INVESTMENTS		
Capital gains on tangible and intangible assets	0.0	0.0
Capital gains on other investments	0.0	0.0
Repayment of loan receivables	31.0	36.0
Cash flow from investments	**31.0**	**36.0**
CASH FLOW FROM FINANCING		
Cooperative contributions during the year	0.0	0.0
Repayments of restructuring debt	-38.0	-34.8
Cash flow from financing	**-38.0**	**-34.8**
INCREASE/DECREASE IN LIQUID ASSETS	**-2.0**	**10.7**
LIQUID ASSETS 1 Jan.	16.2	5.5
LIQUID ASSETS 31 Dec.	14.2	16.2

COOPERATIVE TRADEKA CORPORATION

NOTES TO THE INCOME STATEMENT

NET TURNOVER

Net turnover originates only from sales of management services.

OTHER INCOME FROM BUSINESS OPERATIONS

EUR million	2002	2001	02/01
Rental income	0.0	0.0	0.0
Capital gains on fixed assets	0.0	0.0	0.0
Other income	0.1	0.0	0.1
Total	**0.1**	**0.0**	**0.1**

OPERATING COSTS

Personnel costs

EUR million	2002	2001	02/01
Salaries and wages	-1.1	-1.0	-0.1
Pensions	-3.4	-4.5	1.1
Other social expenses	0.0	-0.1	0.1
Total	**-4.5**	**-5.6**	**1.1**

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

EUR million	2002	2001	02/01
Paid to administrative bodies and President	0.6	0.5	0.1
Other salaries and wages	0.5	0.8	-0.3
Total	**1.1**	**1.3**	**-0.2**

The President is entitled to a pension at the age of 60.

Average number of corporate employees

Corporate administration and management consisted of 5 (-1) employees on average during the financial period.

Other operating costs

EUR million	2002	2001	02/01
Total credit losses deriving from sales	0.1	0.1	0.0
Rental costs	-0.2	-0.2	0.0
Real estate costs	-0.1	0.0	-0.1
Administrative costs	-1.3	-1.3	0.0
Other usage and maintenance costs	-0.8	-0.4	-0.4
Total	**-2.3**	**-1.8**	**-0.5**

FINANCIAL INCOME AND EXPENSES

Interest expenses of subordinated loan

EUR million	2002	2001	02/01
Entered as interest expenses and as accrued expenses	-12.8	-22.1	9.3

Interest for 2001 was included in the principal of the subordinated loan after the adoption of the financial statements for the year in question.

Other financial income and expenses

EUR million	2002	2001	02/01
Income from shares in associated companies	2.2	0.5	1.7
Income from other long-term investments:			
Interest income from investments:			
From Group companies	5.2	10.2	-5.0
From external parties	0.2	0.2	0.0
Other interest and financial income			
Interest income from current assets:			
From external parties	0.9	0.5	0.4
Other financial income from current assets:			
From Group companies	0.0	0.0	0.0
From associated companies	0.0	0.0	0.0
Financial income total	8.5	11.4	-2.9
Interest expenses			
To Group companies	-0.8	-0.7	-0.1
*) To external parties	-3.5	-3.3	-0.2
Interest expenses total	-4.3	-4.0	-0.3
Net financial income and expenses	**4.2**	**7.4**	**-3.2**

Interest income from Group companies	5.2	10.2	-5.0
Interest income from others	1.1	0.7	0.4
Interest income total	6.3	10.9	-4.6
Other financial income total	0.0	0.0	0.0
*) Interest on secured debt related to the financial restructuring programme	-1.1	-1.7	0.6
Annual interest rate	3 %	3 %	

EXTRAORDINARY ITEMS

EUR million	2002	2001	02/01
Extraordinary income:			
Group contributions received	46.4	38.4	8.0
Proportional shares received based on partitioning debt	0.0	0.5	-0.5
Other extraordinary income	0.0	0.0	0.0
Total	46.4	38.9	7.5
Extraordinary expenses:			
Reversal of the reduction in restructuring debt	0.0	0.0	0.0
Other restructuring expenses	-1.0	0.0	-1.0
Group contributions paid	-2.4	-2.9	0.5
Other extraordinary expenses and loss	-1.7	0.0	-1.7
Total	-5.1	-2.9	-2.2
Net extraordinary items	**41.3**	**36.0**	**5.3**

Group contributions received from Tradeka Ltd and Restel Ltd amounted to EUR 28.6 million and EUR 17.8 million, respectively. Group contribution was given to Eka Real Estate Development Ltd.

Presented under other statutory reserves in the balance sheet, other extraordinary expenses and loss recorded for 2002 are an estimate of costs incurred due to the examination of environmental damage caused by discontinued fuel distribution stations and certain other outlets, as well as the resultant soil remediation.

COOPERATIVE TRADEKA CORPORATION

NOTES TO THE BALANCE SHEET

FIXED AND OTHER NON-CURRENT ASSETS

Investments 31 Dec.

EUR million	2002	2001	02/01
Holdings in Group companies	24.5	24.5	0.0
Other investments:			
Receivables from			
Group companies	299.9	290.8	9.1
Holdings in associated companies	11.3	11.3	0.0
Other receivables	6.2	6.3	-0.1
Other investments total	317.4	308.4	9.0
Total	**341.9**	**332.9**	**9.0**

Holdings in Group companies

EUR million	2002	2001
Acquisition cost 1 Jan.	24.5	48.7
Decrease; book value	0.0	-15.4
Accumulated value adjustment of sold property	0.0	-8.8
Acquisition cost 31 Dec.	24.5	24.5
Accumulated value adjustment 1 Jan.	0.0	-8.8
Accumulated value adjustment of sold property	0.0	8.8
Accumulated value adjustment 31 Dec.	0.0	0.0
Book value 31 Dec.	**24.5**	**24.5**

Holdings in associated companies

EUR million	2002	2001
Acquisition cost 1 Jan. and 31 Dec.	6.7	6.7
Revaluation 1 Jan. and 31 Dec.	4.6	4.6
Book value 31 Dec.	**11.3**	**11.3**

Total shares and holdings

EUR million	2002	2001
Book value 31 Dec.	**35.8**	**35.8**

Receivables from Group companies

EUR million	2002	2001
Receivables at nominal value 1 Jan.	305.9	315.9
Increase	40.0	31.0
Repayments	-30.9	-41.0
Receivables at nominal value 31 Dec.	315.0	305.9
Accumulated value adjustment 1 Jan. and 31 Dec.	-15.1	-15.1
Book value 31 Dec.	**299.9**	**290.8**

Other receivables

EUR million	2002	2001
Receivables at nominal value 1 Jan.	6.3	6.1
Increase	0.0	0.2
Repayments	-0.1	0.0
Book value 31 Dec.	**6.2**	**6.3**

CURRENT ASSETS

Receivables 31 Dec.

EUR million	2002	2001	02/01
Long-term receivables:			
Receivables from Group companies	0.0	3.0	-3.0
Short-term receivables:			
Receivables from Group companies	47.9	41.0	6.9
Loans receivables	0.0	0.0	0.0
Other receivables	0.1	0.0	0.1
Accrued income and prepaid expenses	1.0	1.1	-0.1
Short-term receivables total	49.0	42.1	6.9
Total	**49.0**	**45.1**	**3.9**

Short-term accrued income and prepaid expenses:		
Unreceived expense compensations	0.0	0.0
Other prepaid expenses	0.0	0.1
Unreceived financial income	1.0	1.0
Total	1.0	1.1

Receivables from Group companies

EUR million	2002	2001	02/01
Long-term receivables			
Other receivables	0.0	3.0	-3.0
Short-term receivables			
Other receivables	47.9	41.0	6.9
Total	**47.9**	**44.0**	**3.9**

Other receivables consist mainly of Group contribution receivables.

Marketable securities

EUR million	2002	2001	02/01
Other securities	**6.0**	**5.7**	**0.3**

Marketable securities consist of commercial papers subject to public trading.

SHAREHOLDERS' EQUITY (COOPERATIVE CAPITAL)

Share capital 31 Dec.

EUR million	2002	2001
Fees of current members 1 Jan.	8.5	8.5
+ fees paid during period	0.0	0.0
- fees of members resigned during period	0.0	0.0
Fees of current members 31 Dec.	**8.5**	**8.5**

All shares in the cooperative capital entitle to equal votes.

Fees of ex-members 1 Jan.	0.6	0.6
+ fees of members resigned during period	0.0	0.0
- refunded to ex-members *)	0.0	0.0
Fees of ex-members 31 Dec.	**0.6**	**0.6**

*) Co-operative fees are refunded to ex-members after one year from the end of the financial period during which their membership ended. Co-operative's financial restructuring programme forbids refund of co-operative fees.

Share capital total 31 Dec.	**9.1**	**9.1**
Uncalled share capital	8.5	8.5
Revaluation fund 1 Jan. and 31 Dec.	**4.5**	**4.5**
Reserve fund 1 Jan. and 31 Dec.	**13.4**	**13.4**
Contingency fund 1 Jan.	55.1	30.1
Retained surplus	15.5	25.0
Contingency fund 31 Dec.	**70.6**	**55.1**
Surplus for the year	**27.7**	**15.5**
Shareholders' equity (Cooperative capital) total 31 Dec.	**125.3**	**97.6**

Calculation of distributable profit 31 Dec.

EUR million	2002	2001
Contingency fund	70.6	55.1
Surplus for the year	27.7	15.5
Total	98.3	70.6

Co-operative's financial restructuring programme forbids distribution of surplus and payment of interest on cooperative capital.

Statutory reserves 31 Dec.

EUR million	2002	2001	02/01
Guarantee reserve	0.1	0.1	0.0
Other statutory reserves	2.0	-	2.0
Total	**2.1**	**0.1**	**2.0**

Statutory reserves consist of potential guarantee payments based on agreement. Other statutory reserves include reserves for damages of EUR 0.34 million related to a building contract under dispute and reserves of EUR 1.7 million for the purpose of examining the environmental damage caused by, and decontaminating the soil of, the discontinued sites and outlets.

LIABILITIES

Liabilities Total 31 Dec.

EUR million	2002	2001	02/01
Total	**277.8**	**296.6**	**-18.8**

Consolidated loans 31 Dec.

EUR million	2002	2001	02/01
Consolidated pension loans	20.1	22.5	-2.4
Subordinated loan	61.3	39.2	22.1
Non-interest bearing subordinated loan	102.1	102.1	0.0
Total	**183.5**	**163.8**	**19.7**

Other financial restructuring debt 31 Dec.

EUR million	2002	2001	02/01
Long-term:			
Secured debt	0.0	41.7	-41.7
Long-term partitioning debt	0.0	16.1	-16.1
*) Accruals	0.0	22.1	-22.1
Total	0.0	79.9	-79.9
Short-term:			
Secured debt	35.8	0.0	35.8
Long-term partitioning debt	0.0	16.1	-16.1
Short-term partitioning debt	0.5	0.4	0.1
*) Accruals	12.8	0.0	12.8
Total	49.1	16.5	32.6
Total	**49.1**	**96.4**	**-47.3**

*) Accruals under Other financial restructuring debt include those resulting from the accumulated interest on subordinated loan entered during financial years. Interest entered in 2001 was included in shareholders' equity after the adoption of the financial statements for the said year.

Other Liabilities 31 Dec.

EUR million	2002	2001	02/01
Long-term:			
Pension loans (pension liabilities)	4.0	2.4	1.6
Payables to Group companies	10.9	9.0	1.9
Other payables	28.3	23.5	4.8
Total	43.2	34.9	8.3
Short-term:			
Accounts payable	0.1	0.2	-0.1
Payables to Group companies	0.0	0.8	-0.8
Payables to associated companies:			
Accounts payable	0.0	0.0	0.0
Other payables	0.1	0.1	0.0
Accruals	1.8	0.4	1.4
Total	2.0	1.5	0.5
Total	**45.2**	**36.4**	**8.8**

Short-term accruals include:		
Unpaid personnel costs	0.3	0.2
Other unpaid business expenses	1.2	0.2
Unpaid financial expenses	0.3	0.0
Total	1.8	0.4

Payables to Group companies

EUR million	2002	2001	02/01
Long-term:			
Other payables	10.9	9.0	1.9
Short-term:			
Accounts payable	0.0	0.1	-0.1
Other payables	0.0	0.7	-0.7
Accruals	0.0	0.0	0.0
Total	0.0	0.8	-0.8
Total	**10.9**	**9.8**	**1.1**

CONSOLIDATED LOANS

Consolidated pension liabilities 31 Dec.

EUR million	2002	2001
Consolidated debt to Eläkekassa Tuki	20.1	22.5

In accordance with the promissory note signed in 1994, Eläkekassa Tuki granted a loan of EUR 30.6 million (FIM 181.9 million) to Cooperative Tradeka Corporation on the condition that the loan be repaid and related interest be paid on the basis of Parent Cooperative's adopted financial statements and adopted consolidated financial statements, and within the framework of the unrestricted shareholders' equity indicated by them.

The liabilities based on the guarantees and countersecurity agreements for Restel Ltd and Tradeka Ltd by the State of Finland and certain creditor banks connected with the loan granted by Eläkekassa Tuki cover the compliance with the conditional repayment plan included in the consolidated loan during the time of the debtor's financial restructuring programme. The maximum guarantee liability has been set at EUR 32.7 million (FIM 194.2 million) and the guarantees are valid only during the debtor's financial restructuring programme, but not in the event of the debtor's bankruptcy. Pursuant to the guarantee, the guarantors receive, on the basis of their payments, a right of recourse, the exercise of which is postponed until 2004. Interest on the claim of recourse is calculated, as per the loan agreement, at 8 per cent. The maximum amount of any guarantee liability of the countersecurity is limited to the total amount of the guarantor banks, or EUR 9.1 million (FIM 53.9 million). In other respects, the same obligations and rights that apply to the guarantors also apply to the countersecurity.

In accordance with the arrangements regarding the restructuring debt under the financial restructuring programme of Cooperative Tradeka Corporation, the amount of debt in the said promissory note after the repayments made during 1994–2003 totals EUR 17.8 million (FIM 105.9 million).

Subordinated loans 31 Dec.

EUR million	2002	2001	02/01
Subordinated loan	61.3	39.2	22.1
Non-interest bearing subordinated loan	102.1	102.1	0.0
Total	163.4	141.3	22.1

As part of the arrangement connected with Cooperative Tradeka Corporation's financial restructuring programme, the secured creditors had the opportunity to convert part of their receivables, which were otherwise to be cut during the restructuring procedure, into a subordinated loan in terms of equity. Subordinated loans were neither raised nor paid back during the financial restructuring programme.

In accordance with the financial restructuring programme, the subordinated loans mature on 31 December 2003. Due to their short-term nature, they are included in liabilities in the financial statements for 2002.

Subordinated loan

In accordance with the terms of the subordinated loan, if the borrower goes bankrupt or Cooperative is dissolved, the loan receivables have a lower priority than the non-interest bearing subordinated loans, referred to in the financial restructuring programme, and the borrower's other commitments, except for subordinated loans raised at a later date. Otherwise the loan principal can be repaid only if Cooperative receives full cover on the restricted shareholders' equity calculated on the basis of adopted Parent Cooperative balance sheet and consolidated balance sheet for the previous accounting period, or if otherwise permitted by the law. In accordance with the financial restructuring programme, the loan carries an annual interest rate (five years' market rate +2 per cent) until maturity date. The principal shall be paid before the interest.

Since the Bank of Finland does not quote a five-year reference rate any longer, interest on subordinated loans is tied to the five-year TEL reference rate as of 2000. In 2002, interest was based on a 6.25 per cent annual interest (6.70 per cent in the previous year) on both the principal and the previous years' interest. Interest payment for 2002 amounted to EUR 4.4 million (FIM 26 million) and the total accumulated interest was EUR 34.9 million (FIM 208 million) on 31 December 2002.

Due to the deficit in the Group's distributable funds, interest on the subordinated loan was treated as off-balance sheet interest liabilities in the financial statements for 1994–2000 and, in part, those for 2001.

Distributable funds included in the 2001 financial statements enabled an entry of EUR 22.1 million into interest expenses. After the adoption of the 2001 financial statements, the said interest was included in the subordinated loan capital in the 2002 financial statements.

The previous years' off-balance sheet interest liabilities of EUR 8.5 million remaining in 2002 and interest accumulated in 2002 were entered in Cooperative Tradeka Corporation's interest expenses and accrued expenses.

Non-interest bearing subordinated loan

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

Other restructuring debt by maturity

Seucred debt 31 Dec.

EUR million	2002	2001
Total debt	35.8	41.7
- In short-term liabilities	-35.8	0.0
= In long-term liabilities	0.0	41.7
- Amortisation in the next 2–5 years	0.0	-41.7
Due in over five years	0.0	0.0

Secured debt consists of debts repayable when realising property. In accordance with the financial restructuring programme, debt amortisable in annual instalments during 1996-2003 was paid off during 2001.

The consumer price indexed rate of interest on secured loans amounted to 3 per cent (3 per cent in the previous year) in 2002.

Long-term partitioning debt 31 Dec.

EUR million	2002	2001
Total debt	0.0	32.2
- In short-term liabilities	0.0	-16.1
= In long-term liabilities	0.0	16.1
- Amortisation in the next 2-5 years	0.0	-16.1
Due in over five years	0.0	0.0

In accordance with the financial restructuring programme, long-term partitioning debt was to be paid off in annual instalments during 1998-2003. Both the remaining instalments were paid off at the end of 2002. The debt carried no interest.

Short-term partitioning debt

Owing to the lack of payment data, EUR 0.4 million of short-term partitioning debt is oustanding. In accordance with the financial restructuring programme, the debt, which carries no interest, was to be paid off during 1994–1997.

Other long-term liabilities by maturity

Long-term payables to Group companies 31 Dec.

Debt to the countersecurity based on the pension scheme

EUR million	2002	2001
Guarantor’s payments	8.1	7.0
Capitalised interests	2.8	2.0
Total liabilities	10.9	9.0
- In short-term liabilities	0.0	0.0
= In long-term liabilities	10.9	9.0
- Amortisation in the next 2–5 years	-10.9	-9.0
Due in over five years	0.0	0.0

The countersecurity is entitled to exercise its right of recourse in relation to Cooperative Tradeka Corporation, related to the debt, as of 1 January 2004.

Other long-term liabilities 31 Dec.

Debt to the guarantor of the pension scheme

EUR million	2002	2001
Guarantor’s payments	21.0	18.2
Capitalised interest	7.3	5.3
Total liabilities	28.3	23.5
- In short-term liabilities	0.0	0.0
= In long-term liabilities	28.3	23.5
- Amortisation in the next 2–5 years	-28.3	-23.5
Due in over five years	0.0	0.0

The guarantor is entitled to exercise its right of recourse in relation to Cooperative Tradeka Corporation, related to the debt, as of 1 January 2004.

COMMITMENTS AND CONTINGENCIES 31 DEC.

Mortgages on real estate and business mortgages, pledged as security for debts

EUR million	2002	2001	02/01
*) Secured debts	35.8	41.7	-5.9
Pledged business mortgages	**97.2**	**97.2**	**0.0**

Shares pledged as security for debt

EUR million	2002	2001	02/01
Book value of pledged shares	**11.3**	**11.3**	**0.0**

*) Shares are pledged as security for secured debts.

Other pledges

EUR million	2002	2001	02/01
Pledged receivables	**143.4**	**143.4**	**0.0**

*) Receivables are pledged as security for secured debts. The pledged receivable from Tradeka Ltd is presented in the nominal value as indicated by the promissory note, while the book value after loan repayments amounts to EUR 17.7 million, or EUR 125.7 million lower than stated above.

Pledges on behalf of others

EUR 1,000	2002	2001	02/01
Pledged securities	**76.0**	**76.0**	**0.0**

Pension liabilities

The Cooperative Tradeka Corporation's share of the non-covered pension liability of Eläkekassa Tuki has been entered in its entirety as expenses and pension liabilities (totalling EUR 24.1 million on 31 Dec. 2002).

Based on its shareholder and surety obligations, Cooperative Tradeka Corporation has, together with the other shareholders, joint and several liability for all of Eläkekassa Tuki's non-covered pension liability of EUR 24.5 million on 31 December 2002, i.e. the portion of joint and several liability totalling approximately EUR 0.4 million.

Amounts due for leasings contracts

EUR 1,000	2002	2001	02/01
Payable in the following year	12.0	24.0	-12.0
Payable later	2.0	10.0	-8.0
Total	**14.0**	**34.0**	**-20.0**

Contingent liabilities on behalf of Group companies

EUR million	2002	2001	02/01
Guarantees given	**51.5**	**51.6**	**-0.1**

Other contingent liabilities

EUR million	2002	2001	02/01
Guarantees on behalf of others	2.6	2.7	-0.1
Interest liabilities for consolidated subordinated loan	0.0	8.5	-8.5
Total	**2.6**	**11.2**	**-8.6**

THE BOARD'S PROPOSAL FOR THE DISPOSAL OF SURPLUS

The Board proposes that the surplus of EUR 27,726,361.17 for the 2002 accounting period be entered in the contingency fund in accordance with Article 10:2 of the Cooperative By-laws since the reserve fund has reached the full amount specified in Section 9 of the said By-law.

Helsinki, 26 March 2003

Olavi Syrjänen
Chairman

Maunu Ihalainen
Vice-Chairman

Markku Alhava

Margit Eteläniemi

Tuire Mannila

Jukka Simula

Ritva Vartia

Antti Remes
President

AUDITORS' REPORT

To the Council of Representatives of Cooperative Tradeka Corporation

We have audited the financial statements, the accounting records and the corporate governance of Cooperative Tradeka Corporation for the financial year 2002. The financial statements prepared by the Board of Directors and the President include the Report by the Board of Directors and both the consolidated and the Cooperative's income statements, balance sheets and notes to the financial statements. Based on our audit, we express our opinion on the financial statements and the corporate governance.

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

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

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

Helsinki, 27 March 2003

Mauri Palvi
Authorised Public Accountant

Markku Koskela
Authorised Public Accountant

SUPERVISORY BOARD'S STATEMENT

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

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

Helsinki, 23 April 2003

Markku Pohjola

Juha Laisaari

COOPERATIVE TRADEKA CORPORATION'S COUNCIL OF REPRESENTATIVES

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

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

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

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

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

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

The district of Seinäjoki:
Taina Lehto, Vaasa
Riitta Lehtola, Seinäjoki
Jaana Pikkarainen-Haapasaari, Kokkola
Raimo Rauhala, Vaasa
Taina Tulima, Pietarsaari
Marjatta Vehkaoja, Vaasa

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

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

The district of Mikkeli:
Valto Aholainen, Mikkeli
Juha Bilund, Savonlinna
Virpi Kaksonen, Punkaharju
Antti Leskinen, Savonlinna
Raimo Mähönen, Pieksämäki

The district of Joensuu:
Ossi Haatainen, Joensuu
Reijo Jeskanen, Joensuu
Esa Lahtela, Kitee
Sinikka Väyrynen, Juuka

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

The district of Lapland:
Sisko Akujärvi, Inari
Pentti Haimakainen, Rovaniemi
Jukka Ikäläinen, Kemi
Juha Pikkarainen, Kemijärvi
Helena Tiuraniemi, Rovaniemi
Reijo Viitala, Kemi

TRADEKA CORPORATION'S SUPERVISORY BOARD

Markku Pohjola
Circuit judge, Vihti
Chairman

Seppo Grönqvist
Project secretary, Eräjärvi
Vice Chairman

Ritva Kitinoja
Area manager, Oulu
Vice Chairman

Markus Aaltonen
Valtiopäiväneuvos (Finnish honorary title), Seinäjoki

Jukka Gustafsson
MP, Tampere

Iiris Hacklin
Master, Jämsä

Jorma Hacklin
Administrative director, Jokioinen

Raimo Järvenpää
Regional secretary, Oulu

Kaija Karvinen
Entrepreneur/Supervisor, Savonlinna

Anna-Liisa Kasurinen
Nurse, Kotka

Marjo Kiukkonen
Lawyer, Hyvinkää

Matti Kivikoski
Business unit manager, Kemiö

Marketta Korrensalo
Master, Kemi

Leila Koski
Director of work with senior citizens, Rauma

Jorma Kukkonen
Vicar, Rautalampi

Pekka Leppänen
Suolahti

Tapio Luttinen
Head of planning, Lahti

Maija Martikainen
Practical nurse, Joensuu

Turkka Merisaari
Inspector, Turku

Hannu Myyryläinen
Kunnallisneuvos (Finnish honorary title), Lappeenranta

Matti Pajuoja
Chief shop steward, Lohja

Iivo Polvi
MP, Iisalmi

Marketta Semi
Benefits officer (unemployment fund), Vaasa

Ilkka Sepponen
House manager, Turku

Kirsti Willberg
Children's private daycare instructor, Söörmarkku

Employee representatives:
Eeva-Liisa Kilpeläinen
Chief shop steward, Kemi

Erja Backman
Chief shop steward, Perniö

Deputy employee representatives:
Kari Peltovirta
Chief shop steward, Tampere

Christer Paasila
Chief shop steward, Helsinki

BOARD OF DIRECTORS

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

Maunu Ihalainen
Kanslianeuvos (Finnish honorary title)
Vice Chairman

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

Margit Eteläniemi
Head of Training

Tuire Mannila
Director of Finance, Authorised Public Accountant

Jukka Simula
Solicitor

Employee representatives:
Ritva Vartia
Chief Shop Steward

Martti Kesseli
Chief Shop Steward
Deputy member

President
Antti Remes

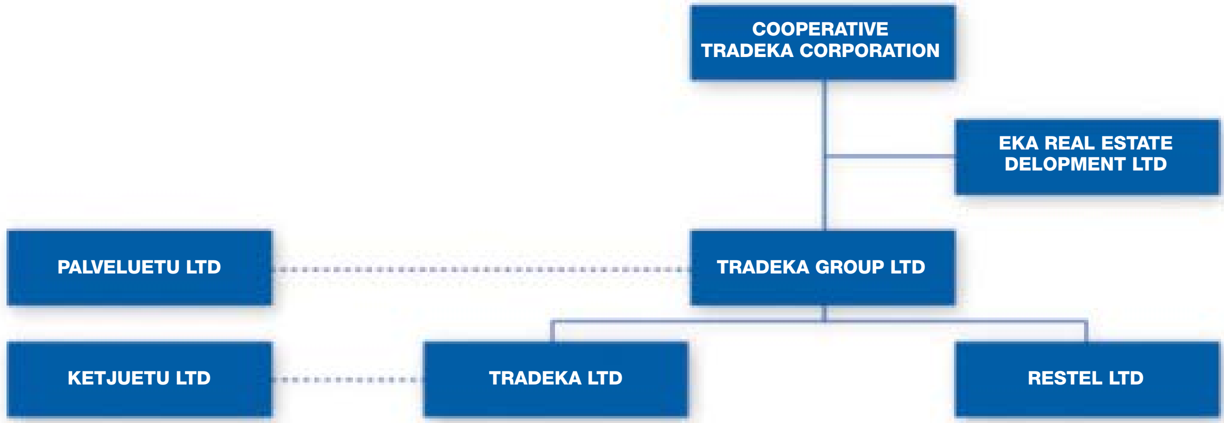
AUDITORS

Mauri Palvi, Authorised Public Accountant
Markku Koskela, Authorised Public Accountant,
Professor

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

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

BUSINESS ORGANISATION



COOPERATIVE TRADEKA CORPORATION

President
Antti Remes

Administrative and Legal Affairs
Vice-President
Juha Laisaari

Corporate Communications
Riitta Raasakka

EKA REAL ESTATE DEVELOPMENT LTD

President
Heikki Venho

TRADEKA GROUP LTD

President
Antti Remes

Internal Audit
Harri Uusitalo

RESTEL LTD

President
Ralf Sandström

Hotel Division
Jari Laine

Restaurant Division
Björn Pahlberg

Administration
Kari Lalu

Finance
Kenneth Rantala

TRADEKA LTD
KETJUETU LTD

President
Aarno Mäntynen

Customer Relations
Kari Luoto

Retail Outlet Management
Harri Finér

IT and Logistics
Veijo Heinonen

Category Management
Markku Uitto

Human Resources
Pirkko Virtanen

Business Locations
Reijo Kiukkonen

Finance
Tapio Lehikoinen

PALVELUETU LTD

President
Olli Suominen

Accounts and Taxation
Uolevi Lahti

Operational Accounting
Mikko Harjunen

Financial Administration
Ossi Hynninen

TRADEKA CORPORATION'S KEY FIGURES 1998 – 2002

EUR million	1998	1999	2000	2001	**2002**
Net turnover	1 043.8	1 054.2	1 094.4	1 156.5	**1 203.6**
Other income from business operations	20.7	21.5	19.0	18.5	**15.5**
Variable costs	1 009.1	1 036.5	1 071.0	1 121.0	**1 171.5**
-% Net turnover	96.7	98.3	97.9	96.9	**97.3**
Operating profit	55.3	39.2	42.4	53.9	**47.6**
-% Net turnover	5.3	3.7	3.9	4.7	**4.0**
Profit before extraordinary items	52.5	34.1	38.0	30.8	**31.4**
-% Net turnover	5.0	3.2	3.5	2.7	**2.6**
Capital expenditure	50.5	42.6	31.0	23.3	**30.6**
Balance sheet total	503.9	490.8	495.7	519.1	**564.4**
Average personnel	4 955	4 852	4 843	4 878	**5 006**

Tradeka

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